

2022/2023 Pūrongo ā-tau Annual Report



Ngā rārangi take

Table of contents

Te pūrongo a te tumuaki me te tumu whakarae Chairman and Chief Executive's report	2	Ngā mahi a te rēhia, ngā tikanga ā-iwi me ngā taonga tuku iho Recreation, culture and heritage	65
Te pūrongo mana whakahaere Governance report	8	Ko te kōkiri me te whakangao pūtea hau kāinga Regional representation, advocacy and investment management	73
Ngā mahinga tahi me te iwi Māori Working together with Māori	10	Ngā whakataunga pūtea Financial statements	82
Te kāhui kaimahi Staff capacity	13	Te whākinga rawa i ngā ritenga pūtea tae noa ki te tau i mutu i te 30 o Pipiri 2023 Statement of comprehensive revenue and expense for the year ended 30 June 2023	83
Taranaki rohenga The Taranaki region	16	Te whāriki i ngā tinihanga pūtea/raua hoki tae noa ki te tau i mutu i te 30 o Pipiri 2023 Statement of changes in net assets/equity for the year ended 30 June 2023	84
Ngā ritenga pūtea Financial trends	19	Te whāriki i te āhuatanga pūtea tae noa ki te tau i mutu i te 30 o Pipiri 2023 Statement of financial position as at 30 June 2023	85
Te noninga tūtohu Statement of compliance and responsibility	20	Te whāriki i ngā kapewhiti pūtea tae noa ki te tau i mutu i te 30 o Pipiri 2023 Statement of cash flows for the year ended 30 June 2023	86
Te arotake pūtea Audit report	21	Ngā wetenga i ngā whākinga pūtea Explanatory notes to the financial statements	87
Ngā huanga hapori Achievement of community well-beings	24	Ngā pānga pūtea Funding impact statement	114
Ngā mahinga Performance information	26	Te tuku pūrongo me te mana ture Reporting and prudence regulations	122
Ngā ture whakahaere rawa Resource management	27		
Te toko i te mauri pūtaiao Bioscience and biodiversity	44		
Ngā kawenga waka Transport	52		
Ngā ritenga mōrearea Hazard management	58		

Document 3160712

Te pūrongo a te tumuaki me te tumu whakarae

Chairperson and Chief Executive's report

We are pleased to present the Taranaki Regional Council's 2022/2023 Annual Report.

Kia ora koutou

This report looks at what we have achieved over the last year and how that compares against what was set out in the 2021-2031 Long-Term Plan (LTP).

Although it's only been three years since that LTP was developed and two years since it came into effect, the world we're living in has changed dramatically in those years and that has presented the Council with a number of challenges as we strive to continue improving lifestyles and supporting livelihoods.

CHANGES AND CHALLENGES

The economic conditions we're experiencing after the Covid-19 pandemic with the subsequent major hike in inflation and the cost of living has meant we've faced cost pressures on the delivery of services to our community. We all know from visiting the supermarket that prices have risen a lot, particularly over the last 12 months, and those inflationary pressures have made it challenging for the Council, along with everyone else.

These conditions come at a time when there is massive change in many of the areas we look after. In particular, parts of the Government's Essential Freshwater reforms are now coming into force and we have had to ensure we're ready to deliver the changes needed to protect freshwater and continue to improve our precious waterways. A major piece of work coming out of these changes is the creation of a Natural Resources Plan for Taranaki.

The Government is also replacing the 30-year-old Resource Management Act with the Climate Adaptation Act, the Spatial Planning Act and the Natural and Built Environment Act. This radical shake-up of how resources are managed will change how we operate and we are starting to adapt to work within this new regulatory environment.

As we've seen this year with Cyclone Gabrielle on the East Coast and severe flooding in Auckland and Northland, major weather events are likely to occur more regularly because of climate change and that's something we have to mitigate against and consider when putting in place plans and long-term strategies to protect our region. We will be including more information and seeking feedback

on how we might address these issues in our 2024 Long Term Plan.

These changes and challenges represent opportunities for the Council to ensure we have the right systems and people in place to ensure we are ready to deliver the numerous regulatory reforms and remain fit for purpose to continue our work in taking Taranaki forward.

We couldn't continue that work to preserve our environment now and for the future without the help from our community and working in partnership with tangata whenua. Our focus on working collaboratively is one of the key ways we've been able to continue to deliver services across the region.

KEY ACHIEVEMENTS

We were delighted to welcome back our community to Yarrow Stadium and the return of big games to the New Plymouth venue. The 2022/23 financial year saw major strides towards the goal of creating the best regional stadium in Aotearoa/New Zealand with the installation of hybrid turf on the main pitch, the completion of the East Stand design and final repairs of the West Stand finished including the installation of a new roof.

Our three regional gardens – Pukeiti, Hollard Gardens and Tupare – had a busy year with more than 123,500 visits and nearly 40 events for visitors while public transport continued to rebound after Covid-19 with nearly 700,000 bus passengers – a 27.6% increase on the previous year.

We held two major community conversations to find out what Taranaki people thought about the visions for transport and freshwater. Your views are key to developing our plans and policies and we were pleased to get so many of you engaged and taking the time to have a say on these key issues. The feedback and responses from further consultations will shape the ongoing work on the Natural Resources Plan, a new transport strategy called Better Travel Choices and the next Regional Land Transport Plan.

We provided more than 300,000 plants for land owners to plant along the region's rivers and streams – nearly eight million plants have now been distributed since the Riparian Management Programme started in 1996.



We're continuing to see positive results across our Towards Predator-Free Taranaki initiative. We received \$2.5m in funding to double the size of the Zero Possum project, with no resident possum population in 2,000ha of Kaitake farmland for more than two years now. We added 15,000ha to the rural mustelid (stoats, weasels and ferrets) programme while the urban project goes from strength to strength.

Biodiversity plans were prepared for a further 19 Key Native Ecosystems (KNEs) on 1,357ha of privately owned land. There are now 228 KNEs with biodiversity plans on private land covering more than 13,000 hectares.

We also secured \$3.6m in Government funding for the next four years for our STRESS (South Taranaki and Regional Erosion Support Scheme) programme which helps farmers control erosion in the hill country. More than 210,000ha of hill country is now covered by land management plans.

To ensure we're meeting our commitment to protect our environment, we monitor rivers, streams, wetlands and other habitats. The last financial year saw the completion of 20 flood control projects while our compliance teams carried out checks on nearly 1,800 dairy farms and 406 industrial inspections.

FINANCIAL RESULT

The Council has recorded a 2022/2023 deficit of \$1.35m. This is slightly behind the overall budget and has been influenced by the cost pressures on the delivery of services to our community along with the significant increase in Council work programmes.

ELECTIONS

We successfully held local elections in October. A number of councillors returned while four new faces now sit around the Council table. With the decision by David MacLeod not to stand, the election marked the first change in Chair for more than 20 years with Charlotte Littlewood named as Chair and Neil Walker chosen as Deputy Chair.

The election was also the first since the decision to create a Maori Constituency for Taranaki. The election of Bonita Bigham and increasing efforts to engage with iwi and hapu on all aspects of Council builds on continuing work to create a platform for closer engagement, understanding and korero with Maori.

Finally we also acknowledge the efforts and achievements of our staff who are effectively and efficiently dealing with the many changes and challenges the Council is facing while ensuring we're providing value for money for ratepayers with the delivery of first-rate services and excellent amenities to our community.



Charlotte Littlewood

Charlotte Littlewood
Chairperson



Steve Ruru

Steve Ruru
Chief Executive



Sustainable land management

32 comprehensive farm plans developed
[2021/22: 30]

12.6km fencing to protect marginal land
[2021/22: 18km]

Ensuring clean air

99% 
air-discharge consent-holders with 'good' or 'high' consent compliance
[2021/22: 99%]



123,554 visits

to Tūpare, Hollard and Pukeiti regional gardens

(2021/22: 110,000)

Public transport



27.6%
increase on previous year
[2021/22: 40%]

694,895

passengers on buses
[2021/22: 544,588]



57,874

Total Mobility Scheme passenger trips made
[2021/22: 43,632]

Predator-free Programme



\$2.5M

secured to double the size of the Zero Possum project
[2021/22: \$0M]



15,000ha

added to rural mustelid programme

[2021/22: 22,918ha]

425
responses to Public

requests for advice around biosecurity, biodiversity and predator-free

[2021/22: 353]



Port Taranaki

\$8M dividend received
[2021/22: \$8M]



Flood Protection

20 river control projects undertaken
[2021/22: 31]

100% of schemes maintained
[2021/22: 100%]

Governance

Local election in October 2022



12 Submissions made
on key policy issues
[2021/22: 15]

Pest Plants



417

pest plant infestations identified and controlled
[2021/22: 233]

Habitat Protection

79 potential KNEs assessed
[2021/22: 73]



18 new biodiversity plans for KNEs completed
[2021/22: 24]

59 regionally significant wetlands now protected
[2021/22: 59]



2,780 property inspections to control pest plants
[2021/22: 660]



Yarrow Stadium reopened for events

- ✓ West Stand opens doors after repairs completed
- ✓ Main field replaced with new hybrid turf
- ✓ East Stand design completed



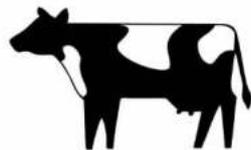
Enforcing environmental standards

99
162

infringement notices issued
[2021/22: 103]

abatement notices issued
[2021/22: 147]

1,755
inspections



for dairy effluent compliance monitoring
[2021/22: 1,600]



406 compliance inspections of small industrial operations
[2021/22: 392]

Pollution response



162

non-compliances responded to during routine checks
[2021/22: 137]

2



marine oil spill exercises
[2021/22: 2]

Water quality monitoring

at swimming sites

22

freshwater sites
[2021/22: 19]

18

marine sites
[2021/22: 17]



Self-help possum programme

232,000 HA

covered Taranaki-wide
[2021/22: 232,000]



4,234

properties in the programme
[2021/22: 4,227]

Regional soil quality

20

sites sampled
[2021/22: 20]



Planting and fencing streambanks

7.9M

planted since 1996
[2021/22: 7.6M]

300,524

plants purchased by landowners
[2021/22: 418,312]



Public engagement

 **31,000**

likes, shares or reactions
on social media

[2021/22: 25,000]

500+
responses to kōrero on
visions for
freshwater

1,805 surveys, comments,
and feedback on
future of transport

 **203,000**
visits to TRC website
[2021/22: 167,000]

19 Environmental
heroes

recognised at annual
Environmental Awards

[2021/22: 16]



State of environment

100% Freshwater SOE monitoring
programmes reviewed
to improve systems

[2021/22: 100%]



**Sustainable
land management**



\$3.6M STRESS
funding

secured until June 2027

[2021/22: \$0M]

232,225HA

covered by land management plans

[2021/22: 217,469]

**Resource consent
Processing**

307 consent
applications

[2021/22: 225]



100% met RMA
requirements

[2021/22: 100%]



**Environmental
education**

16,000

tamariki and rangatahi
participated in education
programmes

[2021/22: 11,000]



Te pūrongo mana whakahaere

Governance report

The publicly elected Councillors have overall responsibility and accountability for the direction and control of the Council's functions.

Your Councillors

The Council is made up of eleven Councillors, elected as follows:

Taranaki Māori constituency	One member
New Plymouth constituency:	Five members
North Taranaki constituency:	Two members
Stratford constituency:	One member
South Taranaki constituency:	Two members



Council committees

In formulating its committees, the Council is required to take into account the dictates of the *Local Government Act 2002*. This Act requires that a local authority should ensure that, so far as is practicable, decision-making in relation to regulatory responsibilities is separated from decision-making for non-regulatory responsibilities.

The Council has decided to appoint non-Council representatives to its various committees as a means to increase the breadth of input to the decisions.

Governance systems

The full Council and main committees meet on a six-weekly cycle, with other meetings convened as necessary. Agendas and minutes from all meetings are publicly available for scrutiny. The adopted structure and approach provides an efficient basis for the sound consideration of issues and the making of good decisions.

Division of responsibility

There is a clear division of responsibilities between the role of the Council and management as required by the *Local Government Act 2002*. The Council's focus is on setting strategy and policy together with monitoring its implementation. Management is responsible for the implementation of the policy and strategy. While many of the functions have been delegated, the overall responsibility for maintaining effective systems of internal control rests with the Council. Internal control includes the policies, systems and procedures established to provide measurable assurance that the specific objectives are achieved.

Legislative compliance

As a regulatory body, the Council administers various regulations and laws. As such, it is vital that it also complies with relevant legislation. Members and management are cognisant of the legislative requirements. Where necessary, legal advice is obtained to ensure legislative compliance.

Environmental compliance

Many activities are focused on promoting the sustainable use, development and protection of the environment. Both regulatory and non-regulatory methods are employed, and a range of different types of monitoring is undertaken, to test the effectiveness of these methods. However, in addition to its overall environmental management role in the region, which is substantially focused on the activities of external parties who use environmental resources, the Council itself occasionally engages in resource use activities in undertaking its functions. Where that occurs, systems and procedures are in place to ensure that its own actions comply with at least the standards expected of all other resource users. These include requirements to apply for and obtain necessary consents, the use of independent persons to make decisions on consent applications, and the implementation and public reporting of effective compliance monitoring.

Taranaki Regional Council	
Committees	
Executive, Audit and Risk Tom Cloke (Chairperson) Susan Hughes Alan Jamieson Donald McIntyre Craig Williamson Charlotte Littlewood Neil Walker Bruce Robertson (Independent)	Policy and Planning Craig Williamson (Chairperson) Bonita Bigham (Deputy Chair) Donna Cram Susan Hughes Alan Jamieson Donald McIntyre Charlotte Littlewood Neil Walker Celine Filbee STDC Grant Boyde SDC Bali Haque NPDC Peter Moeahu - Iwi rep Mitchell Ritai - Iwi rep Emily Bailey - Iwi rep Leedom Gibbs - Federated Farmers
Taranaki Civil Defence Emergency Management Group Neil Walker (Chairperson) TRC Mayor Phil Nixon STDC Mayor Neil Holdom NPDC Mayor Neil Volzke SDC	Operations and Regulatory Susan Hughes (Chairperson) Donna Cram (Deputy Chair) Bonita Bigham Tom Cloke Mike Davey David Lean Donald McIntyre Charlotte Littlewood Neil Walker Dion Luke – Iwi rep Anaru White – Iwi rep Richard Buttimore – Iwi rep Phill Muir – Federated Farmers
Taranaki Solid Waste Management Committee Donald McIntyre (Chairperson) TRC Bryan Roach (Deputy Chair) STDC Murray Chong NPDC Min McKay SDC	Yarrow Stadium Joint Committee Not in operation as at 30 June
Regional Transport Committee Alan Jamieson (Chairperson) TRC Tom Cloke (Deputy Chair) TRC Harry Duynhoven NPDC Mayor Phil Nixon STDC Mayor Neil Volzke SDC Linda Stewart Waka Kotahi	

Committee Structure at 30 June 2023



Ngā mahinga tahi me te iwi Māori Working together with Māori

The Council recognises the importance of working together with Māori across the region. There were a number of activities during the year, including providing opportunities for Māori to contribute to decision-making processes.

It is part of the Council's mission to carry out its various responsibilities by, among other things, taking into account the Te Tiriti o Waitangi Treaty of Waitangi. Furthermore, schedule 10 of the *Local Government Act 2002* requires the Council to set out in its long-term plan any steps it intends to take to foster the development of Māori capacity to contribute to the decision making processes over the period covered by the Plan.

The eight Taranaki iwi in the region are Ngaa Rauru Kiihahi, Ngāti Ruanui, Ngāruahine, Taranaki Iwi, Te Atiawa, Ngāti Mutunga, Ngāti Maru and Ngāti Tama. Also included in the region is Ngāti Maniapoto, who have an overlapping interest in the region, as negotiated in their Treaty of Waitangi Settlement Agreement with the Crown late last year.

Policy development

Our partnership with Māori has continued to be strengthened through our policy development work, in particular:

- the agreement, with the eight iwi of Taranaki, for the Council to fund two full time iwi planning

positions to enable iwi/hapū to collaborate, on a wide range of freshwater matters associated with the development and implementation of the Natural Resources Plan

- discussions with the Ngaa Rauru Kiihahi Taiao unit and our policy and science sections on freshwater matters and the Natural Resources Plan
- a watching brief is maintained on the status of Marine and Coastal Area (MACA) applications from iwi and hapū, that are before the High Court and the Crown
- discussions with Te Kāhui Maru on a Joint Management Agreement
- discussions with the relevant iwi authorities and hapū to establish a framework for the Waitara River Committee
- preliminary discussions on a Relationship Agreement with Te Nehenehenui o Maniapoto, the post settlement governance entity for Ngāti Maniapoto.

Resource consent processes

Continued to work with iwi/Māori to be involved in and contribute to resource consent processing and administration. This included:

- ongoing engagement with iwi authorities and hapū on resource consent applications within their respective rohe, in recognition of their Te Tiriti o Waitangi Treaty of Waitangi settlement's and associated statutory acknowledgement areas
- greater transparency for reporting iwi and hapū involvement in the consent process
- notification to iwi and hapū of resource consents applications in the coastal marine area that are associated with their respective MACA applications
- engagement with the Parihaka Papakāinga Trust on resource consents, in particular with the testing and use of a new groundwater bore and the addition of a new pedestrian bridge
- engagement with Ngāti Ruanui and Ngāti Maru, Te Atiawa and various hapū, on the renewal of resource consents for the Patea, Motukawa and Mangorei Hydroelectric Power Schemes
- working alongside Pukerangiora and Otaraua hapū in Waitara, Te Kotahitanga o Te Atiawa and Te Kāhui Maru in relation to the Mangahewa D wellsite extension consent applications.
- pest fish *Gambusia*, control work in conjunction with Ngāti Te Whiti, Te Kotahitanga and the Department of Conservation in a wetland and an unnamed tributary of the Mangaotuku Stream.

Enforcement

As mana whenua and kaitiaki, iwi and hapū are involved in providing cultural assessment report's for Council initiated prosecutions under the *Resource Management Act*.

Ongoing engagement

Maintained and developed processes for ongoing engagement with Māori. During the year activities included:

- support and technical advice being provided to Taranaki Iwi and their hapū on the Section 186A of the *Fisheries Act* rāhui, placed across their entire coastal rohe

- support for Tiaki Te Mauri o Parininihi Trust, for pest control and eradication in the Mount Messenger Conservation Area
- updates of the Taranaki Mounga Treaty Settlement negotiations from Iwi and Crown negotiators
- participation in discussions between Ngāti Ruanui, Ngāti Maru and Contact Energy on a cultural assessment for their Peaker Power Station in Stratford
- liaison with Parihaka Papakāinga representatives, Crown agencies and councils on the infrastructure build project for Parihaka and the Parihaka visitor facility
- engagement with Ngāti Mutunga on the monitoring and resolution of wastewater contamination of the Urenui estuary. Follow up on contaminant sources have been located and resolved and monitoring results show evidence of subsequent water quality improvements, but more work to do
- working with Ngāti Te Whiti hapū to incorporate cultural designs, concepts and advice for the Yarrow Stadium redevelopment project.

Representation

Iwi membership, input and participation in the Operations and Regulatory and the Policy and Planning standing committees has continued.

Information management

Maintenance of the Iwi contacts list is ongoing.

Ongoing enquiries from iwi and hapū about LiDAR and, in particular, we have provided assistance to Ngāa Rauru and Ngāti Rahiri to viewing and downloading LiDAR data through the LINNZ page and our local maps open data portal.

Ongoing assistance to setting live links in the iwi systems to resource consent information.

Following up on requests from iwi/hapu for access to Council GIS layers. These layers are all available to view and download through local maps and open data:

- regional wetlands
- key native ecosystems
- river



- monitoring sites
- coastal management sites
- land management plan areas (riparian and hill country).

The cultural awareness programme for the staff and councillors has continued throughout the year with guidance in basic te reo, place name pronunciation, waiata and tikanga.

Resources

- Working with Otaraua and Pukerangiora hapū on the Waitara and Manganui rivers to advance the understanding of health risks associated with Ecoli
- Building relationships by supporting iwi and hapū led water quality monitoring kaupapa through the provisions of specialist equipment and technical expertise. (Ngā Rauru, Tawhirikura, Ngāti Mutunga)

- Providing opportunity for Ngā Rauru to participate in the ongoing monitoring of Lake Herengawe as part of the new lakes monitoring programme
- Ongoing discussions with iwi and hapū regarding the development of science and mātauranga Māori based methods to enable an enhanced understanding the health of mahinga kai and other Māori freshwater values.

Status

The relationship with mana whenua in the region continues to positively develop with a wide range of activities underway and planned that will assist the region.

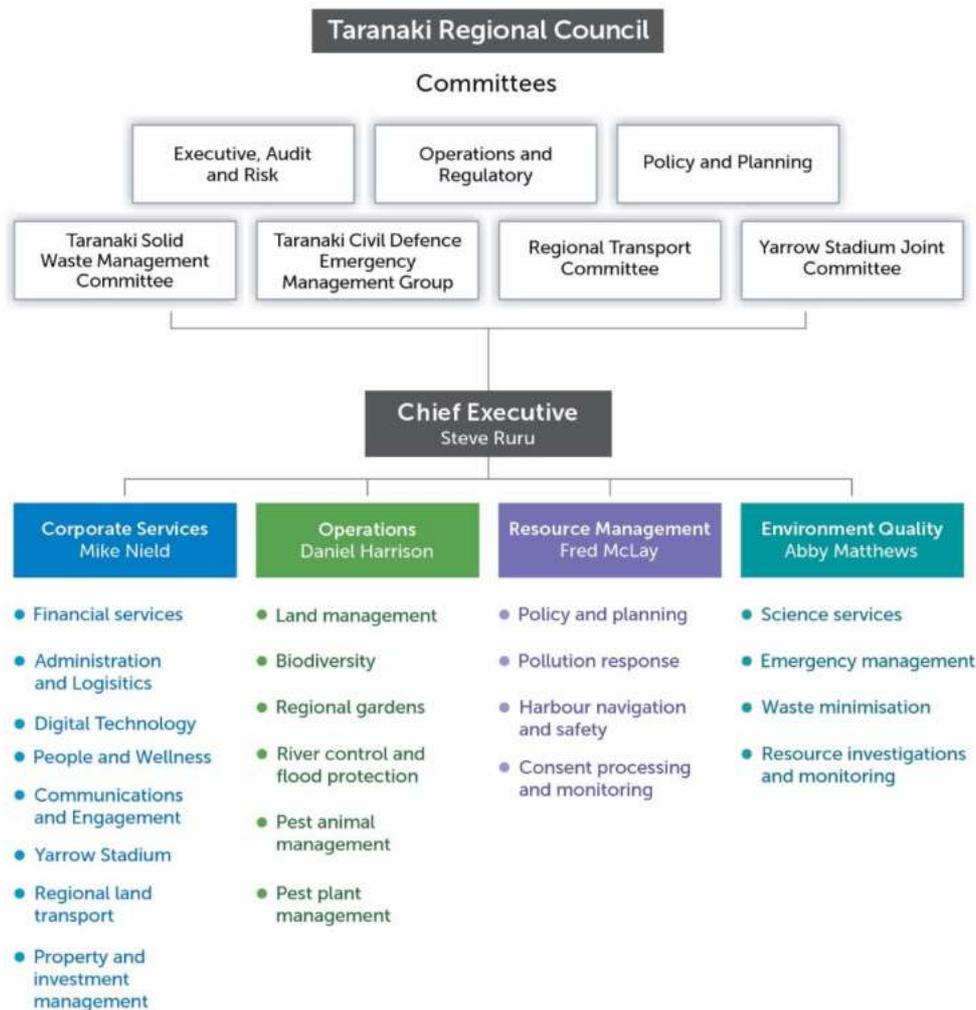
Review

The Council will, with iwi, review the effectiveness of its policies and processes for working with iwi at times and places or in ways agreed with iwi.

Te kāhui kaimahi

Staff capacity

To undertake its activities, the Council employs a permanent staff with wide-ranging professional, technical and administrative skills. In addition, the Council owns the necessary property, equipment and facilities.



Organisational structure

Most activities are primarily the output of one section or department. However, a number of tasks, particularly those associated with the development of policy, require resources to be applied from throughout the organisation. The departmental structure has been designed in accordance with the fields of activities. It is a flat, compact structure, which results in a high level of delegated authority, productivity and commitment.

He ngākau o mātou matapono

Our values

HE NGĀKAU PONO INTEGRITY

Ehara o mātou mahinga tika, i te hanga ngawari. We do what it is right, rather than what is easy.

HE NGĀKAU TUKI TAHI TEAMWORK

He kapa mahi tahi, whitake mātou, Te Kaunihera o Taranaki. We are one TRC team, working together with courage and purpose.

HE NGĀKAU AROHA CARE AND RESPECT

Ko to mātou manaakitanga ki a tatou, he whakairo pai ki ngā tāngata katoa. We demonstrate care and respect for ourselves and others; we treat everyone with dignity.

HE NGĀKAU KAKAMA AGILITY

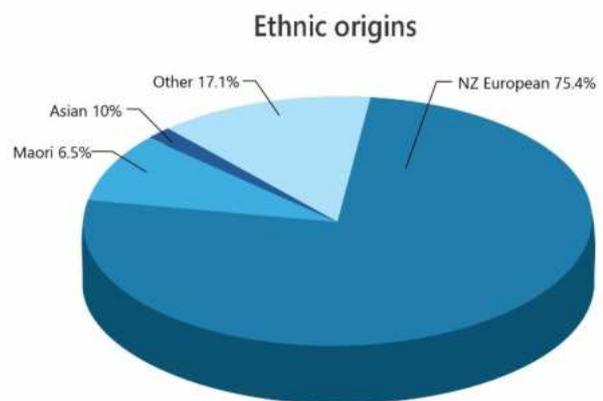
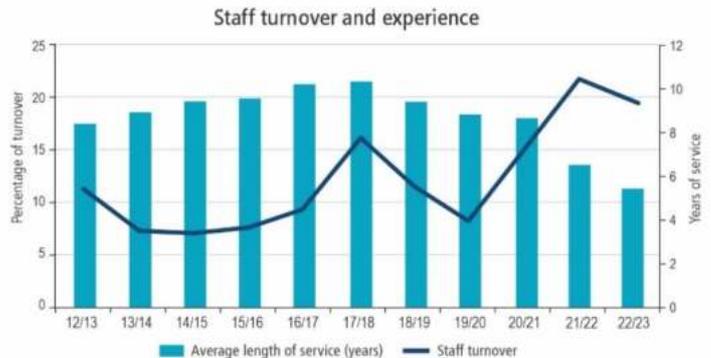
E whai ana mātou kia piki ake te kounga o te puna auaha. We strive for excellence, embracing change as an opportunity for innovation.

Performance management

The Council has extensive systems in place to assist performance management and continuous improvement. Performance metrics to measure individual, group and total performance across a full range of processes and outputs have been developed. The individual performance and development programme incorporates individual performance expectations and appraisal, personal development and training needs.

Employment agreements

One hundred and ninety eight (2021/2022—179) permanent staff are employed. Of these, 56% (73%) are employed under the *Taranaki Regional Council Collective Agreement*, with the balance employed on individual agreements. Staff employed under the collective agreement are represented by the Taranaki Regional Council Officers Staff Association Incorporated. We also have a number of staff who belong to the Public Service Association.



Equal employment opportunity

We are committed to the principle of equal opportunity in the recruitment, employment, training and promotion of its employees. We aim to provide a welcoming environment which accepts diversity. There is an awareness of and an intent to, eliminate discrimination in the areas of race, colour, ethnic or national origin, gender, religious beliefs, marital status, family responsibilities, sexual orientation, special needs, or age. Recruitment is designed to select from the widest possible cross-section of candidates in a non-discriminatory way.

Health and safety

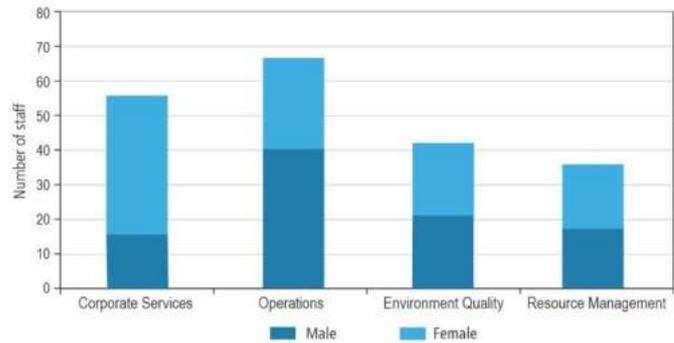
The safety of staff, contractors and the public is taken seriously. All staff are provided with training and other services to promote health, safety and wellbeing in the workplace. The aim is for no staff time lost from work-related incidents. While there has been an increase in incidents resulting in injury, this corresponds with the increase in staff numbers. The majority of registered incidents have been fairly minor and investigated as appropriate.

We are committed to a process of continuous improvement in order to achieve excellence in the management of health and safety at all of our workplaces. We recognise the positive impact that the values and benefits of enhanced health, safety and wellbeing bring to the organisation, our employees and our communities.

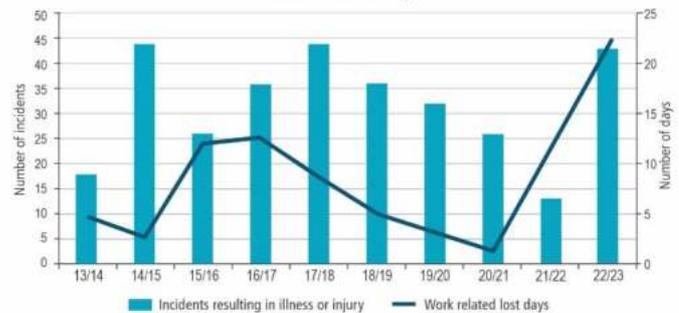
Training and experience

We are committed to ensuring staff are appropriately qualified, experienced and trained. We are committed to professional development, as well qualified and trained staff are critical to performance.

Departmental staff numbers and gender



Health and safety



Staff training





The people

Figures from the 2018 census show Taranaki total population stands at 117,561, an increase of 7.3% over the 2013 census figure. In the previous census period (2006-2013) the region's population increased by 5.3%. Taranaki accounts for 2.5% of New Zealand's total population.

Population changes have also varied within the region. The general trend has been for a decrease in the population of smaller rural towns and an increased concentration of population in north Taranaki and the main centres. Most notable has been the continued growth in the proportion of the population residing in the New Plymouth district, which contains 67.7% of the region's population – up from 64.7% in 2001. Both Stratford and South Taranaki districts have experienced small population increases since 2006.

The Taranaki population is both older and younger than the national average, with a higher proportion of children under 15 years and adults over 65 years of age. This may be in part due to lifestyle factors, as Taranaki is seen as an attractive and desirable area for family living with good facilities and affordable housing.

The percentage of Māori within the region continues to increase from 16.3% at the 2013 census to 19.8% in 2018.

The economy

A notable feature of the Taranaki region is its reliance on the region's natural and physical resources for its social and economic wellbeing. Farming and other land-based activities continue to play a prominent role in employment.

Over 16% of the labour force is employed in agriculture and fisheries, compared with 8.3% nationally.

Dairying dominates farming in Taranaki, particularly on the ring plain. There are approximately 1,600 dairy herds and about 487,000 dairy cows, producing approximately 9.7% of New Zealand's total milk solids. In addition to direct farm income from milk production, the added value by the processing of milk, whey and cheese manufacturing, is a significant contributor to employment.

Sheep and beef farming are concentrated in the hill country and also play an important part in the regional economy.

Exotic forest plantations continue to expand, with the region offering a suitable climate, good forestry sites and a well-established roading system and port facility. Forest harvesting is also well established.

The oil and gas industry is a major contributor to the regional economy. The Taranaki Basin is

currently New Zealand's only hydrocarbon producing area, with the Kapuni and the offshore Maui fields developed early and contributing to New Zealand's natural gas resources. Extensive drilling programmes have continued in an effort to support the Kapuni and Maui fields. These have resulted in a number of significant additional fields being discovered in the last 10 to 15 years. The presence of oil and gas in the region has given rise to industries involved in the processing, distribution, use and export of hydrocarbons.

Tourism is playing an increasingly important role in the Taranaki economy, with approximately 625,623 guest nights spent in the Taranaki region by domestic and international visitors per annum. Most visitors are from other North Island regions. The region's mountain, forests, gardens and parks are attracting increasing numbers of visitors for rural-based and outdoor recreation activities. The Taranaki region is also becoming increasingly popular and recognised for a range of organised cultural, sporting and other events.

As an export-based economy, major changes in the world economy or commodity prices can significantly affect Taranaki. The regional economy is therefore more vulnerable to changes in overseas markets and price fluctuations for our land-based products than larger urban-dominated regions.

Environmental issues

The use and quality of water remains the major resource management issue in the region. Water has profound cultural and spiritual importance to the community, and is a vital resource for agriculture, recreation and industry.

While overall water quality in the upper catchments is generally very good, there is deterioration in the mid-lower reaches of rivers and streams particularly as a result of agricultural land use. Significant challenges for the region include naturally high levels of phosphorus due to Taranaki unique geology, sedimentation of rivers and streams as a result of hill country erosion, and elevated levels of bacteria as a result of run-off and discharges to rivers and streams.

Dairying continues to play a prominent role in the regional economy and this will place ongoing pressures on our water resources from farm run-off, sediment and nutrients. Increased efforts will be necessary to maintain current water quality and to improve quality where deterioration has occurred. Attention will continue to be given to promoting good land and riparian management practices however, additional actions will be likely be required to achieve the minimum standards for freshwater as required by Government's National Policy Statement for Freshwater Management (NPS-FM) 2020.

Industrial, municipal and agricultural waste discharges from individual point sources are closely monitored and improvements sought where possible. It is vital for Taranaki future that all such discharges are managed sustainably. Where there are gaps in our knowledge of the resources of the region or the environmental effects of their use, necessary investigations and research must be undertaken to improve our understanding.

Other significant environmental issues facing the Taranaki region include:

- Managing clearance of scrub on steep hill country, to avoid soil erosion that degrades land productivity and water quality. Changes to more sustainable land use practices and conversion to forestry present opportunities to address this;
- Controlling threats to indigenous flora and fauna and the economic costs faced by the region as a result of pest plants and pest animals;
- Managing the coastline and coastal waters in a way that recognises special ecologically and culturally sensitive areas within the coastal environment and that allows appropriate use and development of the coast;
- Promoting protection of the region's indigenous biodiversity;
- Managing discharges of contaminants to air and maintaining the high overall standard of air quality; and
- Managing the allocation of the region's water resources.

Ngā ritenga pūtea

Financial trends

	Actual 2022/23	Budget 2022/23	Actual 2021/22	Actual 2020/21	Actual 2019/20	Actual 2018/19	Actual 2017/18	Actual 2016/17	Actual 2015/16	Actual 2014/15
General rates	11.8m	\$11.8m	\$10.94m	\$7.95m	\$7.95m	\$7.95m	\$7.61m	\$7.54m	\$7.46m	\$7.40m
Percent change	7.9%	7.9%	37.6%	0%	0%	4.5%	1.0%	1.0%	0.9%	1.4%
General rates to income	26.8%	25.4%	25.9%	15.7%	18.3%	22.2%	28.5%	30.0%	30.0%	30.2%
Rates per \$100,000 capital value	\$20.65	\$20.65	\$24.13	\$24.17	\$25.80	\$14.17	\$15.55	\$15.99	\$16.64	\$16.71
Total expenditure	46.3m	\$47.5m	\$41.2m	\$41.2m	\$37.8m	\$31.3m	\$26.6m	\$24.8m	\$25.3m	\$23.3m
Percent change	12.38%	14.1%	0.03%	8.9%	20.7%	17.7%	7.31%	-2.2%	8.6%	1.30%
Operating surplus/(deficit)	(\$1.35m)	(\$0.95m)	\$2.61m	\$11.61m	\$7.53m	\$5.99m	\$0.96m	\$1.6m	\$0.97m	\$0.76m
Working capital	\$19.4m	(\$3.8m)	\$25.4m	\$25.7m	\$15.8m	\$9.4m	\$5.6m	\$7.7m	\$11.0m	\$9.0m
Current ratio	2.5:1	0.45:1	3.1:1	2.8:1	2.4:1	2.26:1	1.87:1	2.7:1	3.78:1	3.11:1
Total assets	\$140.0m	\$137.1m	\$137.8m	\$122.8m	\$108.2m	\$97.0m	\$90.0m	\$87.3m	\$85.1m	\$84.3m
Public debt	\$19.5m	\$30m	\$14.5m	\$5m	\$4m	\$0	\$0	\$0	\$0	\$0
Public debt to total assets	13.9%	21.9%	10.5%	4.1%	3.7%	0%	0%	0%	0%	0%

Te noninga tūtohu

Statement of compliance and responsibility

The Council and management of the Taranaki Regional Council confirm that all the statutory requirements of the Local Government Act 2002 in relation to the Annual Report have been complied with.

Responsibility

The Council and management of the Taranaki Regional Council accept responsibility for the preparation of the annual consolidated financial statements and the judgements used in them.

The Council and management of the Taranaki Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of the Taranaki Regional Council, the annual consolidated financial statements for the year ended 30 June 2023 fairly reflect the financial position and operations of the Taranaki Regional Council.



Charlotte Littlewood

Chairman

19 September 2023



Chief Executive

19 September 2023



Michael Nield

Director—Corporate Services

19 September 2023

Te arotake pūtea

Audit report



Independent Auditor's Report: To the Readers of Taranaki Regional Council's Annual Report for the Year Ended 30 June 2023

The Auditor-General is the auditor of Taranaki Regional Council (the Regional Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Matt Laing, using the staff and resources of Deloitte Limited, to report on the information in the Regional Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Regional Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Regional Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 19 September 2023. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 82 to 113:
 - present fairly, in all material respects:
 - the Regional Council and Group's financial position as at 30 June 2023;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 114, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's Long-term plan;
- the performance information on pages 26 to 81:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2023, including:

- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 26 to 81, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Regional Council's annual plan; and
- the funding impact statement for each group of activities on pages 114 to 121, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's Long-term plan and annual plan.

Report on the disclosure requirements

We report that the Regional Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 122 to 124, which represent a complete list of required disclosures and accurately reflects the information drawn from the Regional Council's and Group's audited information and, where applicable, the Regional Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We

describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Regional Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Regional Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material

misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the performance information, as a reasonable basis for assessing the levels of service achieved and reported by the Regional Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Regional Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Regional Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 24, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

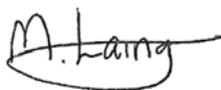
Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Regional Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of trustee reporting, greenhouse gas emissions inventory report assurance readiness review and qualitative climate risk assessment & scenario analysis, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Regional Council or its subsidiaries and controlled entities.



Matt Laing
For Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand

Ngā huanga hapori

Achievement of community well-beings

The Council operates within the following planning framework:

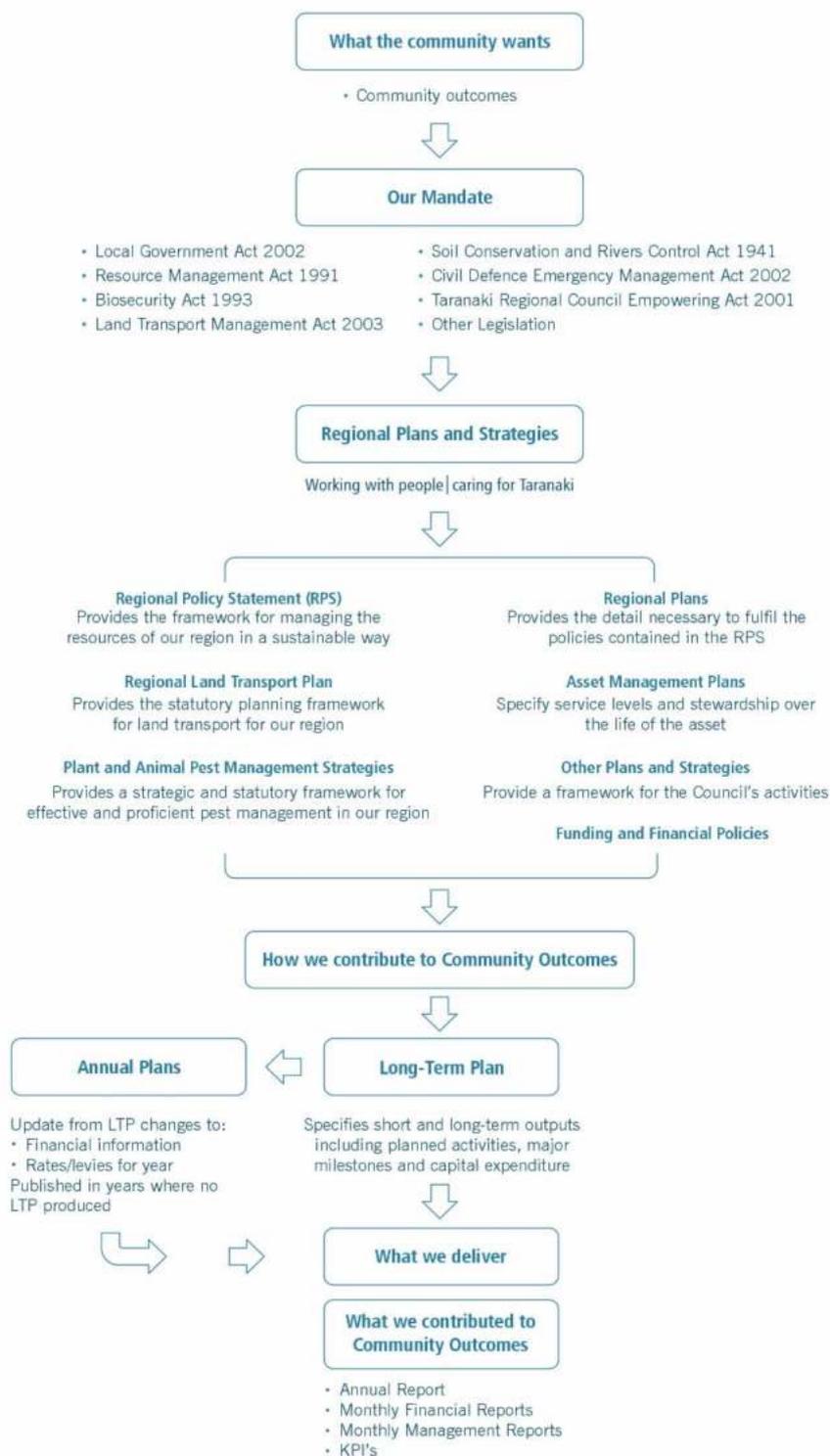


Figure 3: The Council's planning framework

Community well-beings

Consistent with our *Local Government Act 2002* duties, Council aims to achieve in order to promote the present and future social, economic, environmental and cultural well-being of the Taranaki region.

The community well-beings set out below were adopted following a comprehensive public process.

- Connected Taranaki – focusing on physical and technological infrastructure
- Prosperous Taranaki – the economic measures underpinning Future Taranaki
- Secure and Healthy Taranaki – elements of a safe, healthy, friendly community
- Sustainable Taranaki – focusing on environmental factors
- Together Taranaki – measuring social inclusiveness and diversity
- Vibrant Taranaki – the cultural and recreational well-beings.

The mission statement reflects Council's core statutory responsibilities and our resource management, environmental protection, pest management and hazard and emergency management activities. It also reflects Council's role in representing and advocating for Taranaki regional interests across a range of fora.

The groups of activities and the more specific individual activities within each group, form the basis of reporting on how the 10-year programmes contained in the *2021/2031 Long-Term Plan* support achievement of the overall community well-beings. The *2021/2031 Long-Term Plan* translates those activities to specific levels of service, each with detailed targets and measures of how they contribute to the community well-beings. Those levels are reported on in detail in this *Annual Report*.

Monitoring framework and programmes

The Council maintains a comprehensive monitoring framework, comprised of many varied and wide-ranging programmes that monitor and report on the outcomes of its activities. It includes overall state of the environment monitoring, monitoring of specific activity areas and monitoring of individual resource consents for compliance with consent conditions and statutory policies. It also covers different time scales (from continuous to five-yearly or longer) according to different needs or requirements. Monitoring is also undertaken at different geographical scales (region-wide, catchment, eco-regions, property-based or site-specific) and may involve different types of information.

In developing its monitoring programmes, an integrated monitoring framework has been developed that recognises the need for consistency, coordination and integration of monitoring activities:

- Within the Council – to generate information that is timely, relevant and useful across a number of activities
- With other agencies – to avoid duplication and to make use of other sources of information where appropriate
- Across issues and media – to recognise the inter-connected nature of the biophysical, economic, social and cultural environments.

Programme performance indicators for monitoring progress on implementation of the *2021/2031 Long-Term Plan* are measured and monitored monthly and annually, in readiness for inclusion in this *Annual Report*. The Council is confident that its activities have progressed the community well-beings in the *2021/2031 Long-Term Plan*.

Ngā mahinga

Performance information

The following pages explain in detail how we performed in achieving the objectives and performance targets established in the *2021/2031 Long-Term Plan* and the *2022/2023 Annual Plan* for 2022/2023.

Financial information on the net cost of services delivered is also provided in conjunction with the budget established in the *2022/2023 Annual Plan* and the previous year's actual net cost of services.

The most important measure by which performance may be judged is that of whether defined tasks have been performed or not.

We also intend that performance be measured in terms of:

Timeliness—in all cases, unless stated otherwise, the target was to complete the task by 30 June 2023.

Cost—in all cases the target was to complete the tasks defined for each significant activity within the budgeted expenditure and/or within any additionally stated, specific expenditure targets.

Quantity—in all cases where a quantity measure was specified, the target was to meet that specified quantity.

Quality—in all cases the target was to meet the quality expectations of the elected Councillors. The Council has extensive quality control procedures in place to ensure a high level of quality is present in the undertaking of activities.

Location—in all cases where a location was specified, the target is to deliver the service in that location.

The actual and estimated levels of expenditure are in accordance with the *Revenue and Financing Policy*.

Principal legislation and policy references for each significant activity are included in the *2021/2031 Long-Term Plan*.

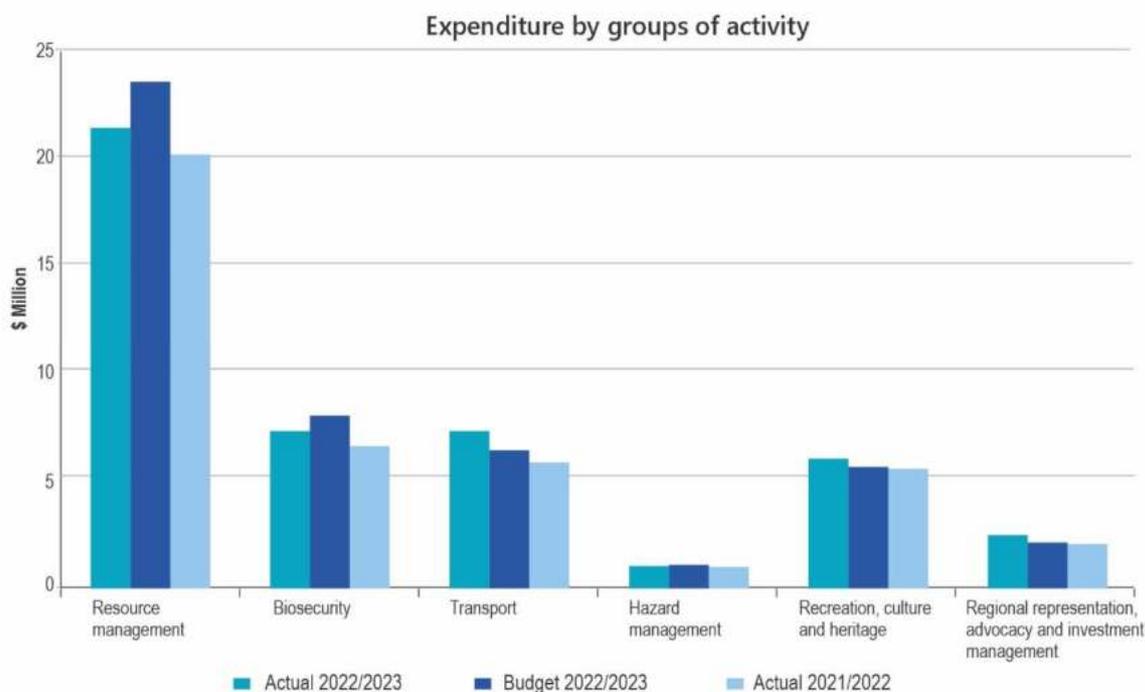


Figure 4: Expenditure by group of activities



Ngā ture whakahaere rawa

Resource management

Resource management comprises the following activities:

RESOURCE MANAGEMENT PLANNING

—preparing, adopting and maintaining comprehensive and publicly considered policies, plans and strategies that will deliver to the Taranaki community, efficient and effective management of the Council’s functions and Taranaki natural and physical resources. This activity contributes to all levels of service (1 through 9) but is directly linked to the resource management policies, plans and strategies level of service (refer to level of service 8).

CONSENT PROCESSING AND ADMINISTRATION

—managing resource consenting responsibilities by efficiently and effectively providing advice on consenting obligations and processing applications—refer to levels of service 1, 2, 3, 5, 7 and 9.

COMPLIANCE MONITORING PROGRAMMES

—undertaking effective and efficient monitoring of resource consents and, where necessary, undertaking successful enforcement action—refer to levels of service 1, 2, 3, 5, 7 and 9.

POLLUTION INCIDENTS AND RESPONSE

—responding effectively to pollution incidents, reducing the occurrence and effects of pollution and other unauthorised incidents and, where necessary, undertaking successful enforcement action—refer to levels of service 1, 2, 3, 5, 7 and 9.

STATE OF THE ENVIRONMENT MONITORING

—monitoring the state of the environment in Taranaki to enable periodic evaluation of the state of and trends in environmental quality and of the effects of the implementation of policies and plans—this activity contributes to all levels of service (1 through 9).

RESOURCE INVESTIGATIONS AND PROJECTS

—providing relevant research information for resource management purposes—this activity contributes to all levels of service (1 through 9).

SUSTAINABLE LAND MANAGEMENT PLANS AND PLANT SUPPLY PROGRAMME

—promoting sustainable land and riparian management by providing land management advice and information on an individual property basis and through advocacy and facilitation—refer to levels of service 4, 5 and 6.

WAITARA RIVER CATCHMENT

—restoring, protecting, and enhancing the environmental, cultural, and spiritual health and well-being of the Waitara River, the Waitara River catchment and the lower catchment of the Waitara River. These functions must be performed only in relation to matters that are within the role and responsibilities of the Council under the *Local Government Act 2002* or any other Act.

ENHANCEMENT GRANTS

—promoting the protection of the environment through the provision of targeted enhancement grants refer to levels of service 5 and 6.

Community Well-beings

The Resource Management group of activities contributes to community well-beings by promoting the sustainable use, development and protection of Taranaki natural and physical resources of land and soil, water, air, coast and biodiversity in accordance with statutory duties, regional planning objectives and national policy and other standards. Specifically this group of activities contributes to the following community well-beings:

- Secure and Healthy Taranaki
- Prosperous Taranaki
- Sustainable Taranaki
- Connected Taranaki
- Together Taranaki.

Resource management activities will contribute primarily to the well-being of a *Sustainable Taranaki*. They will also assist in the achievement of a *Prosperous Taranaki* by enhancing Taranaki clean, green image and ensuring it remains a reality in overseas markets as well as emphasising Taranaki as an attractive place to work, do business and visit.

Further information on policies and programmes

Further detailed information on the specific strategies, policies, plans and guides relating to this group of activities can be found from the following sources:

- Resource Management Act 1991
- Soil Conservation and Rivers Control Act 1941
- Local Government Act 2002
- New Plymouth District Council (Waitara Lands) Act 2018

- Regional Policy Statement for Taranaki 2010
- Regional Coastal Plan for Taranaki 1997
- Proposed Regional Coastal Plan for Taranaki 2018
- Regional Fresh Water Plan for Taranaki 2001
- Regional Soil Plan for Taranaki 2001
- Regional Air Quality Plan for Taranaki 2011
- Taranaki Regional Council Requirements for Good Farm Management in Taranaki 2017
- Regional Waste Strategy for Taranaki 2011
- Resource Consent Procedures document
- Resource Consents Monitoring Procedures document
- Resource Management Act Enforcement Policy 2017
- Enforcement Provisions and Procedures, Resource Management Act 1991
- Delegations Manual for the Taranaki Regional Council
- Charging Policy under section 36 of the Resource Management Act 1991
- Sustainable Dairying and Water Accord 2013
- Taranaki Regional Marine Oil Spill Response Plan 2016
- State of the Environment Monitoring Procedures Document 1997.

The review of the *Regional Coastal Plan* continued through mediation process with the final Environment Court orders being granted late 2022. All matters were resolved either through mediation or as withdrawn appeals. Council approved the *Proposed Coastal Plan* in December 2022 and it was sent to the Minister for Conservation for approval. Approval from the Minister was received in May 2023. The *Proposed Plan* will become operative in August 2023. The *Proposed Coastal Plan* includes a number of important changes to the management of the Taranaki coastal environment and gives effect to the revised *New Zealand Coastal Policy Statement*.

Progress on the ongoing engagement, research, investigations and information gathering underpinning the reviews of the air, soil and freshwater plans, including the development of a combined draft *Proposed Natural Resources Plan* continued. Key activities were policy advice on the

implementation of the Government's *Essential Freshwater* programme, the ongoing development of an e-Plan platform, ensuring draft *Natural Resources Plan* provisions comply with the National Planning Standards, responding to updates of existing National Policy Statements (NPSs) and new National Policy Statements such as the National Policy Statement for Highly Productive Land, and on-going engagement with iwi and hapū on the development of draft Plan provisions.

Consent processing was undertaken on a range of applications during the year. Resource management policy is implemented through resource consents and other mechanisms. All the consent applications were processed efficiently within the time limits set in the Act. This is the twenty-third consecutive year that this milestone has been achieved. Ministry for the Environment surveys show consent processing costs are close to the median in New Zealand reflecting efficient systems, use of technology and prudent financial management. Efficient and effective consent processing contributes to a *Prosperous* and *Sustainable* community well-being.

In terms of indicators that inform the regional community concerning our biophysical and ecological environments, we continue to design, implement, and report on state of the environment programmes that encompass surface and groundwater systems, land use, biodiversity, the coastal environs, air quality, and soil. These programmes provide information about the current state of our natural environment, and offer insights into how environmental indicators are changing. This work contributes to the well-beings of a *Prosperous, Secure and Healthy*, and a *Sustainable Taranaki*.

Comprehensive and rigorous consent monitoring work shows a high level of environmental performance and compliance by the majority of our industries, municipal authorities, and farming sector, achieved through significant investment in environmental protection measures and good management practices. This commitment contributes to a *Prosperous* and a *Sustainable* community well-being.

An important component of resource management is responding to pollution and unauthorised

incidents, and where necessary, undertaking successful enforcement action. A range of enforcement tools are used ranging from the issuing of abatement notices to require an action to be undertaken through to prosecution. Appropriate use of enforcement tools increases compliance levels and contributes to a *Sustainable* community well-being.

A relatively modest and carefully targeted investment in research and resource investigations is significantly extended by the engagement in national-level strategic initiatives around increasing the effectiveness of research investment across the science sector. Research and scientific advice of relevance to Taranaki and the wider regional sector is also supported by Envirolink.

Land management activities continue to be a focus with an increased emphasis on the implementation of property plans. In the riparian management area, which is New Zealand's largest streambank planting and fencing programme, 300,524 contract-grown plants were purchased by landowners. Overall, in excess of 7.9 million plants have been planted under this programme. In the hill country area, there are incentives under the *South Taranaki Regional Erosion Support Scheme (STRESS)* programme to fence and plant erosion-prone land. Under *STRESS*, landowners have agreed to significant soil conservation work in the erosion-prone part of the region's hill country. Council has been successful in renewing its funding contract with the Government's Hill Country Erosion Fund for another 4 years.

Environmental enhancement grants promote a *Sustainable Taranaki* through the protection of the environment by a series of grants for specific protection works. Work was undertaken on securing protection or undertaking maintenance or enhancement on 34 regionally significant wetlands.

The combined effect of the various activities, namely the biosecurity, riparian and hill country programmes, make a significant contribution to a *Prosperous* and *Sustainable Taranaki* through the protection of animal health and agricultural production, as well as the protection and enhancement of regional biodiversity.

Levels of service

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE									
<p>1 Protection of the life-supporting capacity of water, in-stream uses and values</p>										
<p>Measure: Macroinvertebrate Community Index (MCI) values (a measure of freshwater community richness and composition) at least 50 regionally representative sites.</p> <p>Target (Years 1-10): The proportion of sites showing a trend (whether significant or indicative) of improvement in MCI against a base year of 1995 to exceed the proportion showing decline over the same period.</p> <p>Baseline: There is a continuing regional trend of improvement in the quality of freshwater ecology across the region. MCI values were determined for 63 regionally significant sites. Trend analysis to June 2020 (from 1995) shows 31 sites of 63 with statistically significant trends of improvement, and one with a significant decline.</p>	<p>In the 2021/2022 report, MCI values were determined for 63 regionally significant sites. Trend analysis was undertaken for the period to June 2021 (from 1995) for 56 sites with sufficient data. The results showed 36 sites 64% with an improving trend and 12 sites (21%) degrading. There were 8 sites (14%) where trends were indeterminate. The results also showed a decreasing downstream gradient of macroinvertebrate health from 'A' band to 'D' band (based on the NPS-FM grading criteria) in ring plain streams. The MCI state of the environment monitoring programme continued during the 2022/2023 year, however, no further results and analyses are available for inclusion in this Annual Report. These results and analyses will be reported once available.</p>									
<p>Measure: Microbiological state of inland waters and coastal waters at bathing sites.</p> <p>Target (Years 1-10): Maintenance or increase in number of sites compliant with the 2003 Ministry of Health contact recreational guidelines.</p> <p>Baseline: There are 11 freshwater and 9 coastal water bathing sites monitored since 2003/2004. The following sites were compliant with the 2003 Ministry of Health contact recreational guidelines:</p> <table border="1" data-bbox="209 1249 746 1346"> <thead> <tr> <th></th> <th>Freshwater</th> <th>Coastal water</th> </tr> </thead> <tbody> <tr> <td>2003/2004</td> <td>6</td> <td>7</td> </tr> <tr> <td>2022/2023</td> <td>3</td> <td>6</td> </tr> </tbody> </table> <p>In 2021/2022, 86% of freshwater samples and 99% of coastal samples at these sites were compliant.</p>		Freshwater	Coastal water	2003/2004	6	7	2022/2023	3	6	<p>Microbiological monitoring of 22 (19) freshwater and 18 (17) marine sites was conducted over the 2022/2023 bathing season. Sampling was carried out regardless of rainfall, river flow or tidal conditions. Sampling prior to the 2021/2022 bathing season targeted only dry weather and high tides. Rainfall was recorded either shortly before, or during, sampling on 16 of 22 occasions. Results show 343 (71%) of 484 primary samples from freshwater sites were compliant with bacteriological guidelines throughout the season (2021/2022 - 222 (56%) of 397). In 2022/2023, none (none) of the nine (eleven) freshwater sites monitored since 2003/2004 were compliant with the guidelines. The other two baseline sites are no longer monitored, as they've been deemed unsuitable. Under fine weather conditions, coastal water quality is generally high at monitored sites but is known to decline temporarily following rainfall. There was an increase in non-compliant sample results in 2022/2023, due (in part) to the change in survey protocols. A total of 400 (99%) of 404 samples at coastal sites monitored in 2022/2023 were compliant (2021/2022 - 429 (95%) of 450). Two out of the nine baseline sites (22%), or three out of all 18 sites monitored (17%) (2021/2022 - Six out of the nine baseline sites (67%), or 10 out of all 17 sites monitored (59%)) recorded at least one non-compliance of the recreational water quality guidelines.</p>
	Freshwater	Coastal water								
2003/2004	6	7								
2022/2023	3	6								

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>Measure: Ecological flows in catchments.</p> <p>Target (Years 1-10): Guideline ecological flows are identified for all significant catchments with no catchments allocated below ecological flows set by policy or by any national policy statement or national environmental standard.</p> <p>Baseline: Guideline ecological flows had been identified for all significant catchments. Three catchments or sub-catchments (about 1%) do not meet general ecological flow guideline but all consented abstractions comply with specific policies regarding the taking and use of water.</p>	<p>There are no catchments allocated below ecological flows set by policy. Six surface water abstraction consents were processed during the 2022/2023 year (including new consent, renewal and variation applications) (2021/2022 Three). 100% complied with policy regarding ecological flows. There is no national policy statement or national environmental standard in place for ecological flows. The Regional Freshwater Plan is currently being reviewed.</p>
<p>2 Efficient allocation of water for consumptive use</p>	
<p>Measure: Allocation of surface water for consumptive use in catchments.</p> <p>Target (Years 1-10): Guidelines identifying available surface water are applied for all significant catchments and consents to take, use, dam or divert water granted in accordance with policy or any national policy statement or national environmental standard.</p> <p>Baseline: Water accounting systems identifying surface water available for consumptive use have been developed, and consents to take, use, dam or divert water have been granted in accordance with policy. Regularly updated information on water allocation guidelines is published.</p>	<p>Hydrological monitoring and assessment of abstraction consents indicates that some waterbodies within Taranaki are fully allocated, or are approaching this threshold. As part of the on-going development of the new <i>Natural Resources Plan</i>, a review of flow statistics across the region has been undertaken and a water accounting system developed. The accounting system is now in use and is updated as flow statistics are refined or new water take consents are issued. The water accounting systems will be used to ensure consented abstraction volumes from each waterbody remain below the limits set through the plan review process.</p>
<p>Measure: The number of significant water abstraction permits monitored each year, their environmental performance and the response to non-compliance.</p> <p>Target (Years 1-10): 100% of significant water abstraction consents monitored; 85% of abstractors to attain a 'good' or 'high' level of compliance and performance; response to all non-compliance events in accordance with its documented enforcement procedures with every unauthorised incident reported publicly.</p> <p>Baseline: In 2020/2021, 100% of significant water abstraction consents were monitored with 97% attaining a "good" or "high" level of compliance and performance. All unauthorised incidents are responded to, investigated, and publicly reported upon in accordance with adopted procedures.</p>	<p>Water resources are sustainably managed. Monitoring programmes are in place for 100% of significant water abstraction consents. In 2022/2023, 99%-189 of consents attained a "good" or "high" level of compliance and performance (2021/2022 - 99% (173)). Actions to address lower levels of performance are identified in individual compliance monitoring reports. All unauthorised incidents are responded to, investigated, and publicly reported upon in accordance with adopted procedures.</p>



PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>3 Maintenance and enhancement of overall water quality in rivers and lakes, groundwater and coastal waters</p>	
<p>Measure: Parameters that characterise the physical, bacteriological, biological and chemical quality of surface water.</p> <p>Target (Years 1-10): Improvements in nutrient levels (ammonia, nitrate, total nitrogen, and dissolved reactive and total phosphorus), appearance (turbidity, clarity, absorbance, suspended solids), organic contamination (biochemical oxygen demand), bacterial levels (faecal coliform and enterococci bacteria), temperature, and algal cover, against a baseline of 1995 water quality, as applicable, at 11 representative sites.</p>	<p>In the 2021/2022 Annual Report, surface water quality was assessed for long-term and short-term trends at 11 sites. Long-term trend analysis covers the period 1995 to 2020 and was possible for at least 10 sites with sufficient data. Short-term trends were assessed for a ten-year period (2010 to 2020) at all 11 sites. For MCI, long-term trend analysis covers the period 1995 to 2021 and the short-term period covers the 10 years from 2011 to 2021. The surface water quality state of the environment monitoring programme continued during the 2022/2023 year, however, with the exception of periphyton, no further analyses are available for inclusion in this Annual Report. These results and analyses will be reported once available.</p> <ul style="list-style-type: none"> • MCI: between 1995 and 2021, 8 of 11 sites showed an improving trend, 2 sites were degrading and 1 site was indeterminate. Between 2011 and 2021, 9 of 11 showed a degrading trend and 2 sites were indeterminate.

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>Baseline: Overall, surface water quality in Taranaki is stable or improving and is generally better than in 1995. Trend analysis to June 2018, for both the past 21 and 7 years, has been completed and reported to Council. Trend analysis at the 11 regional representative sites demonstrates:</p> <ul style="list-style-type: none"> • MCI: between 1995 and 2019, 8 of 11 sites (73%) showed an improving trend, and 3 sites (27%) no significant trend. Between 2009 and 2019, 3 of 11 sites (27%) showed a degrading trend and 8 sites (73%) no significant trend. • BOD: between 1995 and 2019, 2 of 11 sites (18%) showed a degrading trend, and 9 sites (82%) no significant trend. Between 2012 and 2019, 2 sites (18%) showed an improving trend, 1 site (9%) a degrading trend, and the remaining 8 sites (73%) no significant trend. • Bacteriological: between 1995 and 2019, 1 of 11 sites (9%) showed an improving trend, 3 sites (27%) a degrading trend, and 7 sites (64%) no significant trend. Between 2012 and 2019, all 11 sites (100%) showed no significant trend. • Nutrients: Between 1995 and 2019, for dissolved reactive phosphorus (DRP), one site (9%) showed an improving trend, 5 sites (45%) a degrading trend and 5 sites (45%) no significant trend. For total phosphorus (TP), one site (9%) showed an improving trend, 3 sites (27%) a degrading trend and 7 sites (64%) no significant trend. For nitrate, 3 sites (27%) showed a degrading trend and 8 sites (73%) no significant trend. For ammonia, one site (9%) showed an improving trend, 3 sites (27%) a degrading trend and 7 sites (64%) no significant trend. For total nitrogen (TN), 3 sites (27%) showed an improving trend, one site (9%) a degrading trend and 7 sites (64%) no significant trend. • Between 2012 and 2019, for DRP, two sites (20%) showed an improving trend and 8 sites (80%) no significant trend. For TP, three sites (30%) showed an improving trend and 7 sites (70%) no significant trend. For nitrate, 4 sites (36%) showed a degrading trend and 7 sites (64%) no significant trend. For ammonia, 2 sites (18%) showed an improving trend, 2 sites (18%) a degrading trend and 7 sites (64%) no significant trend. For TN, five sites (45%) showed a degrading trend and 6 sites (55%) no significant trend. • Periphyton: trend results for the period 2002-2020 showed that 2 sites (10%) had statistically significant decreasing (improving) trends, and 4 sites (20%) had statistically significant increasing (degrading) trends for thick mats. Only one site (5%) had a statistically significant decreasing (improving) trend for long filamentous algae. For the period 2018-2020, 97% and 84% of surveys met the periphyton guidelines for thick mats and long filamentous algae, respectively. 	<ul style="list-style-type: none"> • BOD: between 1995 and 2020, 4 of 10 sites showed an improving trend, 5 were degrading and 1 was indeterminate. Between 2010 and 2020, 6 of 11 sites showed an improving trend, 4 were degrading and 1 site was indeterminate. • Bacteriological: between 1995 and 2020, 2 of 10 sites showed an improving trend, 6 sites a degrading trend and 2 sites were indeterminate. Between 2010 and 2020, 2 of 11 sites showed an improving trend, 7 sites a degrading trend and 2 sites were indeterminate. • Nutrients: Between 1995 and 2020, for dissolved reactive phosphorus, 4 sites were improving and 6 sites were degrading. For total phosphorus, 4 sites were improving, 4 sites were degrading and 2 sites were indeterminate. For nitrate, 3 sites were improving and 7 sites were degrading. For ammonia, 3 sites were improving, 3 sites were degrading and 4 sites were indeterminate. For total nitrogen, 7 sites were improving trend, 2 sites were degrading and 1 site was indeterminate. • Between 2010 and 2020, 3 sites showed an improving trend for DRP, 5 sites were degrading and 3 sites were indeterminate. For TP, 6 sites showed an improving trend, 3 sites were degrading and 2 sites were indeterminate. For nitrate, 9 sites showed a degrading trend and 2 sites were indeterminate. For ammonia, 6 sites showed an improving trend, 2 sites were degrading and 3 sites were indeterminate. For TN, 10 sites showed a degrading trend and 1 site was indeterminate. • Periphyton: For thick mats, trend results for the period 2002 to 2020 showed 2 sites were improving and 4 sites degrading. 1 site was found to be improving in relation to long filamentous algae. For the period 2018 to 2020, 97% and 84% of surveys met the periphyton guidelines for thick mats and long filamentous algae. <p>Since 2018, the focus of the periphyton monitoring programme has shifted towards meeting the requirements of the National Policy Statement for Freshwater Management (NPS-FM, 2020). An assessment of the three years of data collected since 2018 shows that five sites are within the A Band, four sites are within the B Band, and three sites are within the C Band. No sites fall below the national bottom line (D Band).</p>

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>Measure: Nitrate levels in groundwater.</p> <p>Target (Years 1-10): No sites in the state of the environment monitoring programme consistently above NZ human drinking water standard (NZDWS); improvement (decrease) in nitrate levels on a regional basis.</p> <p>Baseline: Trend analysis over the period 2010 to 2020 showed an improvement in nitrate concentrations in one bore (3%) and declining trend in two bores (6%). No significant change in nitrate concentration was identified in 29 bores (91%) of routinely monitored bores.</p>	<p>Data collected between 2015 and 2020 showed median nitrate concentrations were low (less than 5 mg/L) at 27 of the 32 bores monitored. Nitrate concentrations in 1 bore significantly exceeded safe drinking water limits. Nitrate concentrations in the remaining 4 bores were found to be elevated (≥ 5 mg/L to < 11.3 mg/L). Trend analysis over the period 2010 to 2020 indicated nitrate concentrations were maintained at 29 of all bores routinely sampled. One bore showed an improvement in nitrate concentrations over time and 2 bores showed deterioration. The groundwater nitrates monitoring programme continued during the 2022/2023 year, however, no further analyses are available. These results and analyses will be reported once available.</p>
<p>Measure: Physicochemical and biological parameters for quality of Lake Rotorangi.</p> <p>Target (Years 1-10): The trophic state (an indication of the ecological condition as affected by nutrient enrichment) of Lake Rotorangi to remain as it was in 1988 (mesotrophic/mildly eutrophic, or the middle category of trophic states).</p> <p>Baseline: An update of the Lake Rotorangi trend report (for the period 1990-2018) has confirmed a very slow, insignificant rate of increase in trophic level. This also confirmed that the lake would be classified as mesotrophic in terms of its biological condition.</p>	<p>Analysis of water quality and biomonitoring data to June 2021 suggests there has been no significant changes in the life-supporting capacity of Lake Rotorangi. The trophic state of the lake is mildly eutrophic, with an insignificant rate of change. Monitoring of Lake Rotorangi continued during the 2022/2023 year, however, no further analyses are available. These results and analyses will be reported once available.</p>
<p>Measure: The proportion of significant point source discharges into water monitored annually, associated consent compliance and the response to non-compliance.</p> <p>Target (Years 1-10): 100% of significant point sources monitored; 90% of consents for significant point sources to attain a 'good' or 'high' level of compliance and performance; response to every unauthorised incident to be reported publicly; response to all non-compliance events in accordance with documented enforcement procedures.</p> <p>Baseline: In 2020/2021, 100% of significant point sources were monitored with 96% of significant industrial sources and 91% of significant agricultural sources attaining a 'good' or 'high' compliance and performance rating. Response to every unauthorised incident was reported publicly. Responded to all non-compliance events in accordance with documented enforcement procedures.</p>	<p>Compliance monitoring programmes were implemented for 100% (2021/2022 - 100%) of significant point sources, with 96% (96%) of significant industrial point sources attaining a "good" or "high" level of compliance and environmental performance. Of significant agricultural sources, 94.2% (94%) attained a "good" or "high" compliance and performance grading. Non-compliance was addressed by the use of various enforcement mechanisms under the <i>Resource Management Act</i>. There were 0 (0) instances of serious non-compliance that resulted in a prosecution being undertaken.</p>

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>4 Protection of riparian land in intensively farmed (predominantly dairying) catchments</p>	
<p>Measure: Protection of riparian land areas.</p> <p>Target (Years 1-10): By 30 June 2025, 100% of riparian plan streams to be protected by fencing and 90% protected by vegetation where recommended.</p> <p>Baseline: As of June 2021, 2,962 riparian management plans have been prepared recommending the planting of 6,782 km and fencing of 7,492 km of stream banks. At June 2021, 57.7% of the planting and 75.6% of the fencing had been completed resulting in 88.8% of riparian plan streams now protected by fencing and 77.4% by vegetation where recommended.</p>	<p>There are 3,022 (2,992—2021/2022) riparian management plans prepared recommending the planting of 7,229 (7,082) km and fencing of 8,062 (7,791) km of stream banks. Of those plans, 67.4% (65.4%) of the recommended planting and 78.2% (77.9%) of the recommended fencing has been completed resulting in 90.2% (89.7%) of riparian plan streams now protected by fencing and 82.1% (81.1%) by vegetation where recommended. As a result of the ongoing changes to Government freshwater policy, rules requiring the programme to be complete by 2020 have not yet been put in place and are now planned for 2024. This has impacted on the ability for these targets to be met.</p>
<p>5 Sustainable land use in accordance with the physical capabilities of the land and soil resources</p>	
<p>Measure: Changes in land use.</p> <p>Target (Years 1-10): Maintain a positive trend towards more sustainable land uses at monitored (representative SEM) hill country and sand country sites.</p> <p>Baseline: As of 30 June 2021, the area of hill country covered by sustainable land management plans is 210,294ha. The monitoring of sustainably managed land use, in accordance with the physical capabilities of the land and soil resources, is a 5-yearly programme. The percentage of hill country being managed sustainably between 2012 and 2017 has stayed relatively the same at 86.9%. Overall, from 1994 to 2017, sustainability increased by 3% from 83.9% to 86.9%. Between 2012 and 2017, the area of bare sand decreased significantly at all 4 sites.</p>	<p>The area of hill country covered by sustainable land management plans is 232,225 ha (217,469 ha —2021/2022). The monitoring of sustainably managed land use, in accordance with the physical capabilities of the land and soil resources, is a 5-yearly programme. A contract with Landcare Research to repeat the project in 2018 has been completed. The percentage of hill country being managed sustainably between 2012 and 2017 has stayed relatively the same at 86.9%. Overall, from 1994 to 2017, sustainability increased by 3% from 83.9% to 86.9%. Between 2012 and 2017, the area of bare sand decreased significantly at all 4 sites. The results for the 5-yearly programme to 2022 are due to be completed in March 2024.</p>
<p>Measure: Regional soil quality.</p> <p>Target (Years 1-10): No overall deterioration in soil quality at 20 representative sites as shown by monitored soil structure parameters (density and macroporosity) maintenance of soil fertility at optimal (i.e. sustainable and productive) levels as shown by nutrient levels (total carbon and nitrogen, and Olsen phosphorus and mineralisable nitrogen) and no net increase in regional soil levels of cadmium and zinc to the extent that land use is compromised.</p> <p>Baseline: Measurements of soil quality structure, composition and health at 20 sites were undertaken in 2007/2008 as the baseline for further trend analysis. Re-sampling was undertaken in 2018. Results show increases in the number of soil quality indicators lying within target ranges and no net increase in cadmium.</p>	<p>The monitoring of regional soil quality is a five-yearly programme. Sampling was completed for the latest survey in 2022/2023. Twenty sites (2021/2022 - 20) were sampled and results indicated 75% (71%) of samples were within the target ranges. There was no significant change in soil cadmium concentrations overall. The results showed general patterns in soil quality are similar to those found in other regions. The next soil quality sampling round is due in the 2027/2028 monitoring year.</p>

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>6 Enhanced opportunities for sustainable development and best use of hill country</p>	
<p>Measure: Proportion of landowners informed of specific opportunities for sustainable land use on their properties.</p> <p>Target (Years 1-10): 69% of hill country in private ownership (306,000 ha) with comprehensive farm plans.</p> <p>Baseline: As at 30 June 2021, 210,294 ha (68.7%) of private land has a comprehensive farm plan.</p>	<p>There are 556 (501—2021/2022) comprehensive farm and agroforestry plans in place covering 232,225 ha (217,469 ha) on the 840 hill country farms, covering 76% (71%) of the hill country land in private ownership. This provides a basis for landowners to make decisions on the most sustainable land uses for their properties.</p>
<p>7 Maintenance of a high standard of ambient air quality</p>	
<p>Measure: National Environmental Standard (NES) pollutants, namely sulphur oxide, nitrogen oxides, inhalable particulate, and carbon monoxide.</p> <p>Target (Years 1-10): Regional air quality to be maintained (i.e. at 2008 levels) within categories as defined by the Ministry for the Environment (MfE).</p> <p>Baseline: Surveys undertaken to 2019 show air in the region matched the 'good' or 'excellent' categories of the MfE ambient air quality guidelines. Where monitoring repeated previous surveys, it was found that air quality was being maintained.</p>	<p>There is a co-ordinated programme of regional air quality monitoring across a ten-year timeframe. In February 2016, continuous monitoring of fine particulate matter PM2.5 (health risk) commenced in central New Plymouth, with upgraded equipment installed during 2021/2022. There were no exceedances. Results for nitrogen oxide (1-hour average) monitoring in the region showed 90% (90%-2021/2022) was classed as 'excellent' and 10% (10%) 'good'. In 2021/2022, a review of the <i>Regional Air Quality Plan 2011</i> was initiated as part of the development of the air quality sections of the <i>Natural Resources Plan</i>. This is scheduled to be publically notified in late 2023.</p>
<p>Measure: The proportion of significant point source discharges into air monitored annually, associated consent compliance and the response to non-compliance.</p> <p>Target (Years 1-10): 100% of significant discharge point sources monitored; 90% of consents for significant air point source discharges to attain a 'good' or 'high' level of compliance and performance; respond to all non-compliance events in accordance with documented enforcement procedures.</p> <p>Baseline: In 2020/2021, 100% of significant point source emissions were monitored with 98% of sources attaining a 'good' or 'high' level of compliance and performance. Responded to all non-compliance events in accordance with documented enforcement procedures.</p>	<p>Compliance monitoring programmes were implemented for 100% (100%-2021/2022) of significant point sources discharging to air. Results show 99% (99%) of sources attained a "good" or "high" level of compliance and performance. Non-compliance was addressed by the use of various enforcement mechanisms under the <i>Resource Management Act</i>. All non-compliance events were responded to in accordance with documented enforcement procedures. Enforcement actions for 2022/2023 were collectively reported during the year and will be reported individually via annual reports.</p>

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>8 Resource management policies, plans and strategies that deliver efficient and effective management of the natural and physical resources of the region and are acceptable to the community</p>	
<p>Measure: Operative plans policies and strategies.</p> <p>Target (Years 1-10): Full compliance with statutory requirements and timetables for the preparation review and implementation of policies, plans and strategies.</p> <p>Baseline: As of June 2021, the Council has a full suite of operative <i>Regional Policy Statement</i> and regional plans (water, air, soil and coastal).</p>	<p>There is a complete suite of operative plans, policies and strategies in place. The review of the <i>Regional Policy Statement for Taranaki</i> (RPS) was completed and made operative 1 January 2010. A full review of the <i>Regional Policy Statement</i> commenced as part of the development of the Natural Resources Plan.</p> <p>The review of the <i>Regional Air Quality Plan for Taranaki</i> was completed and made operative on 25 July 2011. The review of the <i>Air Quality Plan</i> has been commenced with draft Plan provisions to be included in a new <i>Natural Resources Plan</i>.</p> <p>The review of the <i>Regional Fresh Water Plan</i> and <i>Regional Soil Plan</i> continued as part of the development of a <i>Natural Resources Plan</i>. Ongoing engagement, research, investigations and information gathering underpinning the development of a <i>Proposed Natural Resources Plan</i> continued.</p> <p>This included the ongoing development of an e-Plan platform, ensuring draft provisions comply with the National Planning Standards and the National Policy Statement and National Environmental Standards for Freshwater. A heads of Agreement to support tangata whenua input into the development of the draft <i>Natural Resources Plan</i> (and other Essential Freshwater elements) was also developed and actioned, with outputs of the process including position statements on Te Mana o Te Wai, Freshwater Visions and Resource Management issues for the region.</p> <p>All appeals were resolved on the Proposed Coastal Plan by way of either withdrawal or mediation. The Proposed Coastal Plan was approved in December 2022. Approval of the Minister for Conservation was then received in May 2023, the Proposed Plan will become operative in the 3rd quarter of 2023.</p>
<p>9 Efficient and effective resource consent processing, compliance monitoring and enforcement</p>	
<p>Measure: Compliance with <i>Resource Management Act 1991</i> requirements.</p> <p>Target (Years 1-10): 100% compliance.</p> <p>Baseline: As of June 2021, processing, administering and compliance monitoring of resource consents was 100% compliant with <i>Resource Management Act</i> requirements.</p>	<p>All consents (100%—2021/2022) processed during the period complied with <i>Resource Management Act</i> requirements, and full compliance with timelines allowed activities to be undertaken without delay.</p>

Activities

PROGRAMME	2022/2023 ACTUAL PERFORMANCE
<p>1 Resource management planning</p>	
<p>Complete preparation/full reviews and interim reviews of resource management policies, plans and strategies:</p>	
<p><i>Regional Policy Statement:</i> Continue the full review in 2022/2023 as part of the development of a combined natural resource management plan.</p>	<p>A non-statutory interim review of the <i>Regional Policy Statement</i>, which included targeted consultation, was carried out in 2016/2017. Work on the full review of <i>Regional Policy Statement</i> has continued through the development of the proposed Natural Resources Plan. Consultation around Freshwater Visions for the RPS was completed in December 2022.</p>
<p><i>Regional Coastal Plan:</i> Full review continued in 2022/2023.</p>	<p>Environment Court appeals have been resolved. The Proposed Coastal Plan was approved by Council in December 2022 and by the Minister for Conservation in May 2023. It will become operative in the 3rd Quarter of 2023.</p>
<p><i>Regional Air Quality Plan:</i> Commence full review in 2020/2021 as part of the development of a combined natural resource management plan.</p>	<p><i>Air Quality Plan</i> review has commenced and forms part of the development of a <i>Proposed Natural Resources Plan</i>.</p>
<p><i>Regional Fresh Water and Land Plan:</i> Review continued in 2022/2023 and will form part of the development of a combined natural resource management plan.</p>	<p>Freshwater and soil plan reviews is ongoing and forms part of the development of a <i>Proposed Natural Resources Plan</i> and implementation of the Government's <i>Essential Freshwater</i> programme.</p>
<p>2 Consent processing and administration</p>	
<p>Provide accurate and timely information in response to all appropriate requests for assistance in implementing Regional Plan rules.</p>	<p>Provided information, to assist processing 307 (225—2021/2022) consent applications, being 0 (8) publicly notified, 2 (1) limited notified and 305 (216) non-notified applications, in compliance with the <i>Resource Management Act 1991</i>.</p>
<p>Process and determine all accepted resource consent applications (approximately 300 consents per annum), in compliance with the <i>Resource Management Act 1991</i>, including compliance with statutory timeframes, and the Council's <i>Resource Consents Procedures</i> document.</p>	<p>Of the 307 (225) applications, 100% (100%) were processed, issued and reported on in accordance with the statutory procedures of the Act, and the Council's <i>Resource Consents Procedures</i> document.</p>
<p>Successfully defend 100% of consent decisions appealed to the Environment Court.</p>	<p>There were 0 (0) appeals of consent conditions to the Environment Court.</p>
<p>Minimise the number and duration of resource consent hearings by resolving, through the pre-hearing process, at least 50% of submissions received on resource consent applications.</p>	<p>Resolved, through the pre-hearing process, 100% (88%) of resource consent applications attracting submissions. No (1) applications required a hearing.</p>

PROGRAMME	2022/2023 ACTUAL PERFORMANCE
<h3>3 Compliance monitoring programmes</h3>	
<p>100% of individual compliance monitoring programmes for all major consents designed, implemented and publicly reported upon (approximately 110 individual compliance monitoring programmes per annum) within the negotiated budgets and completed within nine months of the end of the monitoring period.</p>	<p>100% (100%—2021/2022) of individual compliance monitoring programmes for all major consents designed, implemented and reported upon within the negotiated budgets and completed within nine months of the end of the monitoring period.</p>
<p>Implement and report on 100% of recommendations arising from prior year's monitoring of resource consents subject to an individual compliance monitoring programme.</p>	<p>Within every annual report, recommendations from previous reports are set out and their implementation reported upon.</p>
<p>Implement annual programmes for 100% of resource consents for agricultural discharges and 90% of minor industries not otherwise subject to an individual compliance monitoring programme (approximately 3,300 inspections per annum).</p>	<p>Undertook 406 (392—2021/2022) inspections of minor industrial operations (permitted activities) ensuring good environmental practices. 5 (2) reinspections were required. Completed the annual inspection round of discharges of agricultural waste (100% of issued consents)(100%), including dairy, poultry and piggery farms – 1,618 (1,632) completed. The non-compliance rate (failure to meet consent conditions) was 5.8% (6.2%) for 1,558 (1,590) dairy farms. All poultry farms, 56 (58) and piggery farms 4 (4) were compliant. 197 (144) dairy farm reinspections were undertaken to ensure full compliance. In total, 1,755 (1,734) farm dairy inspections and reinspections took place. The total number of inspections undertaken was 1,815 (2,208).</p>
<h3>4 Pollution incidents and response</h3>	
<p>Respond to all consent non-compliance and implement appropriate advisory and enforcement actions to require 100% compliance with resource consents, regional plans and/or national environmental standards. Response to include a triage system to allow a focus on high priority incidents.</p>	<p>Responded to 162 (137—2021/2022) consent non-compliances found during routine monitoring. Appropriate enforcement action was undertaken under the <i>Enforcement Policy (2017)</i>.</p>
<p>Respond to 100% of pollution and other complaints (generally within four hours of receipt) and where appropriate instigate control, clean up and enforcement procedures, where reasonable and appropriate, and publicly report on all environmental incidents.</p>	<p>Responded to, and publicly reported upon, 448 incidents (531 – 2021/2022) with 100% (100%) within the required timeframe. Instigated control and clean-up. Appropriate enforcement action was undertaken under the <i>Enforcement Policy (2017)</i>: 162 (147) abatement notices and 99 (103) infringement notices were issued. 2 (0) prosecutions were initiated.</p>
<p>Administer and implement the <i>Taranaki Regional Marine Oil Spill Response Plan</i> as agreed with Maritime New Zealand including responding to 100% of oil spills.</p>	<p>Administered the <i>Tier II Taranaki Regional Oil Spill Response Plan</i> in accordance with the agreed programme. 0 (0 – 2021/2022) minor marine oil spills occurred that warranted implementing the <i>Plan</i>. Undertook 2 (2) regional marine oil spill response exercises.</p>

PROGRAMME	2022/2023 ACTUAL PERFORMANCE
<p>5 State of the environment monitoring</p>	
<p>Implement and report on 100% of the state of the environment monitoring programmes comprising monitoring of surface fresh water, levels and flows, fresh water quality, groundwater quantity and quality, coastal waters, biodiversity, air quality and land use sustainability using recognized and reputable methods of data collection, analysis and reporting in accordance with the <i>State of the Environment Monitoring Procedures</i> document and <i>State of the Environment Monitoring Programmes</i>.</p>	<p>Implemented 100% of active state of the environment monitoring programmes during 2022/2023, in accordance with the prepared programmes. (2021/2022: 100%)</p>
<p>Monitor, review and where appropriate, further develop existing programmes by 30 June of each year.</p>	<p>Existing programmes were reviewed during 2022/2023. These programmes will be implemented in 2023/2024. A further comprehensive review of all freshwater state of environment monitoring programmes was also undertaken in 2022/2023. Recommendations from this review will guide more substantive additions and alterations and will inform associated budgeting through the 2024-2034 long term plan process.</p>
<p>Develop, implement and report on additional programmes as stipulated in the 2020 <i>National Policy Statement for Freshwater</i>, for mahinga kai, periphyton, threatened species, sediment and stream health index.</p>	<p>A comprehensive freshwater state of the environment review was carried out in 2022/2023. This review identified the current monitoring components, and compared that to requirements stipulated in the NPS-FM. This review has highlighted gaps in the monitoring network that will be addressed by consolidating and optimising existing programmes, and adding new programmes where required.</p>
<p>Prepare and publish the five-yearly state of the environment report. The reports are due in 2027 and 2032.</p>	<p>The latest regional state of the environment summary report <i>Our place - Taranaki State of the Environment 2022</i> was published in June 2022.</p>
<p>Maintain all quality assurance programmes and information databases for hydrometric, air quality, physicochemical freshwater, terrestrial biodiversity, freshwater biological and marine biological data. International Accreditation New Zealand registration for chemical analysis maintained by the contract laboratory.</p>	<p>All quality assurance programmes and information databases for hydrometric, air quality, physicochemical freshwater, terrestrial biodiversity, fresh water biological and marine biological data, were maintained.</p>
<p>Maintain public access to on-line live regional data on hydrology, meteorology, soil moisture and bathing site water quality.</p>	<p>Live on-line data was maintained and reported for 39 hydrology sites (39-2021/2022), 29 meteorology sites (29), 10 soil moisture sites (10), 22 freshwater bathing (22) and 18 marine bathing (17) water quality sites.</p>

PROGRAMME	2022/2023 ACTUAL PERFORMANCE
<p>6 Resource investigations and projects</p>	
<p>Over the period of the <i>2021/2031 Long-Term Plan</i>, a range of resource investigations and applied research projects will be undertaken. These are normally undertaken in partnership with science providers, other councils or resource users but may also include a range of other parties, including iwi. Such projects evolve over time. Specifically for 2022/2023, the Council intends to:</p>	
<p>Investigate mitigation, migration and attenuation of usage and loss of water, nutrients and sediment through land and water.</p>	<p>Specific investigations and modelling work is being commissioned as data gaps and research needs are identified and prioritised. A number of these investigations will be commissioned to support NPS-FM implementation and regional plan development processes. During the 2022/2023 year, bacteria (<i>E. coli</i>), nutrient and sediment load assessments were carried out, and work began on quantifying load reductions in response to existing and future mitigation scenarios. A twelve month investigation into the contribution of 'natural' sources of phosphorous to Taranaki waterways was also undertaken.</p>
<p>Support studies into the behaviour and bioavailability of cadmium and/or other contaminants in agricultural soils and fertiliser.</p>	<p>Monitoring of soil cadmium concentrations was carried out in 2022/2023 as part of the regional soil quality monitoring programme. The four-yearly national pesticide survey was also undertaken in 2022/2023; testing groundwater for a range of pesticides, herbicides and per- and polyfluoroalkyl substances.</p>
<p>Engagement in "Envirolink" and other science research opportunities, to enhance knowledge base for policy development and implementation.</p>	<p>We supported a range of science research and investigations of regional and national importance in partnership with science providers, regional and district councils, iwi/hapū and interest groups. Envirolink funding supported an investigation of sediment contributions from natural cover areas in Taranaki, and climate change impacts on sediment loads in Taranaki.</p>
<p>7 Sustainable land management plans and plant supply programme</p>	
<p>Planning services. Provide property planning services to landholders. Prepare plans covering 10,000 ha of land use capability mapping in the hill country and 30 riparian plans in the intensive water management zone.</p>	<p>Prepared 32 (30—2021/2022) comprehensive farm plans and 9 (7) agroforestry plans covering 14,962 (7,175) ha of farmland. Prepared 30 (30) riparian plans covering 136 (86) kms of stream bank 69 (48) kms of riparian management was proposed with the balance of 66 kms (38) being protected.</p>
<p>Monitoring and reporting. Liaise with and monitor approximately 2,600 riparian plans and 150 farm plans and report on the implementation of the recommended fencing and planting.</p>	<p>Contacted plan holders on 12,238 (12,022-2021/2022) occasions. Advice and information was provided. 12% (19%) or 239 (400) km of the remaining recommended fencing of stream bank was fenced and 9.3% (23%) or 242 (716) km of stream bank have been planted. 6,304 (6,065) km of stream bank has been fenced and 4,874 km (4,631) planted. Across all plans, 88,653 ha (82,384) of marginal land has been retired and 28,919ha (19,403) of forest established.</p>

PROGRAMME	2022/2023 ACTUAL PERFORMANCE
<p>Provision of advice. When requested, provide advice on sustainable land management practices within ten working days.</p>	<p>Received and actioned, within 10 days, 105 (96-2021/2022) inquiries. Advice and assistance on sustainable land management, soil conservation and riparian management was provided.</p>
<p>Provide, on a cost-recovery basis, approximately 400,000 suitable plants for land stabilisation, soil conservation and riparian planting programmes.</p>	<p>Provided 306,517 (418,312-2021/2022) plants for sustainable land management. Provided 5,993 (6,918) poplar and willow planting material to 100 (107) landholders. Provided 300,524 (411,298) plants to 756 (1,115) landholders, to plant 215 (300) kms of stream margins. Supplied 0 (100) sand stabilisation plants targeting 0 (1) site.</p>
<p>Implement the South Taranaki and Regional Erosion Support Soil Conservation Programme including an estimated 4,000 poplar poles, 233ha of protection forestry and construction of 17km of retirement fencing to retire 200 ha of marginal land/new forestry protection.</p>	<p>Planted 4,718 (4,020-2021/2022) poles, 299.9 ha (287) of forestry and erected 12.6 (18) km of fencing to retire or protect 67.8 (22) ha of marginal land.</p>
<p>8 Waitara River Catchment</p>	
<p>After the establishment of the Waitara River Committee, develop and implement a strategy for the distribution of income from the sale of Waitara leasehold land (70% of proceeds) toward the restoration, protection, and enhancement of the environmental, cultural and spiritual health and well-being of the Waitara River and the Waitara River catchment. All distributions are to be within the roles and responsibilities of the Taranaki Regional Council.</p>	<p>Work is continuing with iwi and hapū to establish the Waitara Committee that will make decisions associated with the strategy development.</p>
<p>After the establishment of the Waitara River Subcommittee, develop and implement a strategy for the distribution of income from the sale of Waitara leasehold land (30% of proceeds) toward any matter in Waitara or in the lower catchment of the Waitara River. All distributions are to be within the roles and responsibilities of the Taranaki Regional Council.</p>	<p>Work is continuing with iwi and hapū to establish the Waitara Committee that will make decisions associated with the strategy development.</p>
<p>9 Enhancement grants</p>	
<p>Implement a programme using environmental enhancement grants for the protection of habitats of regional significance.</p>	<p>Ongoing fencing, planting and maintenance has been undertaken to secure the protection of wetlands. This included work on 34 (34-2021/2022) natural wetlands of regional significance. This work means that 59 (59) scheduled wetlands of regional significance are formally protected.</p>

Costs and sources of funds

	2022/2023 Actual \$	2022/2023 Budget \$	2021/2022 Actual \$
Expenditure			
Resource management planning	1,323,634	1,347,377	1,083,867
Consent processing and administration	1,538,291	1,103,337	1,515,735
Compliance monitoring programmes	5,380,155	5,116,784	3,899,150
Pollution incidents and response	1,327,859	1,240,059	975,053
State of the environment monitoring	4,090,885	3,850,072	3,997,680
Resource investigations and projects	802,393	730,565	619,665
Sustainable land management plans and plant supply programme	5,541,027	4,662,752	5,155,378
Waitara River Catchment	40	4,243,214	25
Enhancement grants	1,398,756	1,431,886	2,920,341
Total expenditure	21,403,040	23,726,046	20,166,894
Income			
General rates	5,682,247	5,676,920	4,965,036
Direct charges	7,100,315	12,019,971	8,116,930
Government grants	1,266,677	1,116,000	2,946,576
Transfer from reserves	-	-	-
Transfer to reserves	(1,393,428)	(70,000)	(1,622,733)
Investment funds	8,747,229	4,983,155	5,761,085
Total income	21,403,040	23,726,046	20,166,894
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	12,500	-
Buildings	-	-	-
Motor vehicles	1,037,865	923,000	752,330
Plant and equipment	113,127	168,650	191,006
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	1,150,992	1,104,150	943,336
Funded by:			
Transfer from retained earnings	1,150,992	1,104,150	943,336
Total funding	1,150,992	1,104,150	943,336
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	1,150,992	1,104,150	943,336
Total capital expenditure	1,150,992	1,104,150	943,336
Gross proceeds from the sale of assets	454,090	418,750	132,189
Depreciation/amortisation expense	589,567	568,206	566,247

ASSET ACQUISITIONS AND REPLACEMENTS

Motor vehicle purchases were deferred from 2021/2022. Plant and equipment purchases have been deferred to 2023/2024.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.

Te toko i te mauri pūtaiao

Biosecurity and biodiversity

Biosecurity and biodiversity comprises the following activities:

BIOSECURITY AND BIODIVERSITY PLANNING

—preparing, adopting and maintaining comprehensive and publicly considered policies, plans and strategies that will deliver to the Taranaki community, efficient and effective management of biosecurity and biosecurity functions—refer to level of service 1.

BIOSECURITY/PEST MANAGEMENT

—controlling pest plants and animals to minimise their adverse effects on biodiversity, primary production and the regional economy and environment—refer to levels of service 2 and 3.

BIODIVERSITY

—maintaining and enhancing the indigenous biodiversity of the Taranaki region and managing pests to limit the impact on production and environmental values, including working alongside landowners and other groups and agencies in accordance with policies and the biodiversity and biosecurity strategies—refer to level of service 4.

TOWARDS PREDATOR FREE TARANAKI

—a large-scale project aimed at restoring Taranaki unique wildlife, plants and protecting the region's lifestyles and livelihoods by removing introduced predators using the latest trapping techniques, innovation and technology, sharing lessons learned as the country works towards its Predator Free 2050 target. The region-wide project is working with residents, businesses, schools, iwi, environmental and community groups to remove possums, rats and mustelids (stoats, ferrets and weasels) from urban, rural and public land around Taranaki Mouna. The shared vision is to see abundant and diverse native wildlife and plants flourishing in Taranaki in the absence of introduced predators, which are one of the greatest threats to Taranaki

biodiversity, lifestyles and livelihoods; particularly in tourism and primary industries.

Community Well-beings

The Biosecurity group of activities contributes to community well-beings by minimising the actual or potential impact of pest plants and animals on the environment and on the Taranaki economy and community. Specifically this group of activities contributes to the following community well-beings:

- Secure and Healthy Taranaki
- Prosperous Taranaki
- Sustainable Taranaki.

Further information on Policies and Programmes

Further detailed information on the specific strategies, policies and plans relating to this group of activities can be found from the following sources:

- Biosecurity Act 1993
- Regional Pest Management Plan for Taranaki 2017
- Biosecurity Strategy for the Taranaki Regional Council 2017
- Biodiversity Strategy for the Taranaki Regional Council 2017

Pest management planning and operational activities – both animals and plants –protect agricultural production and biodiversity by reducing the population of pests, preventing the spread of pests or in some cases eradicating all known infestations. The implementation of the Regional Pest Management Plan and Biosecurity Strategy contributes to a Sustainable and Prosperous Taranaki.



Implementation of the Regional Pest Management Plan for Taranaki, which sets out the regulatory framework for pest management, and the Biosecurity Strategy for Taranaki, which describes the programmes and activities relating to pest management, including non-regulatory activities, continued throughout the year, an interim (5 year) review has commenced.

A review of Old Man's Beard control undertaken to date in the Waingongoro catchment was completed. Officers and contractors surveyed and controlled over 21.5km of river bank, and properties where over a 95% reduction has been achieved meaning they can be handed back to landowners to continue control. Twenty-seven properties are in the process of being handed back, officers will continue to support these landowners to ensure effective control is maintained.

There were no extensions of the self-help possum control programme, the total number of properties in the programme is 4,234 covering almost 232,000 ha. Monitoring confirmed that, landowners in the self-help possum control programme again failed to effectively maintain low possum numbers. The mean residual trap catch for properties monitored was 10.3% just above the target of 10%. Those properties where the target was exceeded were required to undertake additional control with Notices of Direction issued when required. While disappointing the result has reduced from 11.6 % last year and results in four of the seven operational areas monitored are currently under 10%. Regardless this shows that more control is required to ensure the possum population returns to below the target of 10% or the region will lose the hard won gains of the last three decades.

The sustained control pest plant inspection programme continued with 2780 inspections being undertaken, of these 29 infestations were found requiring the issuing of a Notice of Direction. For pest plant species listed as eradication pests, all known sites were visited to ensure these species do not establish further. This year the search area around infestations was increased and a publicity campaign aimed at soliciting public reporting of these species was held, resulting in 184 more infestations, mainly of moth plant being confirmed. All newly found infestations have been investigated and have ongoing treatment plans.

A public awareness campaign focusing on Alligator weed, a species widely found in other regions but not previously in Taranaki resulted in a well-established infestation in a wetland site near Waitara. Council undertook a control programme that to date is showing great success, ongoing work will be required.

Following the 2018 announcement of \$11.6m of Predator Free 2050 Ltd funding, Towards Predator Free Taranaki continued to be rolled out around the region across three phases of work, urban trapping, rural control and a zero possum trial.

The urban programme continues to enjoy community support, this year the programme has focused on supporting regular trap checking and reporting of results. Volunteer community champions and reserve volunteers continue to undertake regular checks through many reserves. Rat monitoring undertaken shows an decrease in rat tracking this year from 17% to 13% of tunnels detecting rats, however this is significantly lower than the 36% recorded before the start of the programme.

Contractors extended the rural predator control programme targeting mustelids in the Inglewood and Waimate areas, covering an area of 15,000 ha. This adds to the first four phases of the rural predator control programme which covered 95,000 ha.

Trials of an eradication operation targeting possums in partnership with Taranaki Mounga including the Kaitake range, surrounding farmland and the township of Oākura continued. This is the first eradication project involving multiple land uses. The project has involved aerial 1080, ground baiting and trapping. Followed up with dogs and thermal cameras to detect and remove any survivors. This operation has continued to detect and remove individual possums using motion sensing cameras followed by intensive trapping or hunting with thermal cameras and possum detection dogs.

The farmland surrounding the Kaitake range has now been free from possums for over two years, with the intensive camera network detecting those few individuals attempting to re-infest the area, allowing our team to quickly remove them. The ongoing success of this trial has enabled additional funding to be secured to extend the area by up to 5,800 hectares.

Implementation of the Biodiversity Strategy continues with the aim of maintaining the full range of Taranaki indigenous ecosystems and species in a healthy and fully functioning state. We are working co-operatively with agencies, community groups and individuals to work effectively guided by sound science.

In conjunction with land owners and community groups, 19 biodiversity plans were prepared for key native ecosystems with the objective of protecting, maintaining and restoring biodiversity values of those sites. There was continued implementation of the regional Terrestrial Biodiversity Monitoring programme to measure the outcomes of the biodiversity programmes and inform state of the environment reporting.

As a founding funder of Wild for Taranaki (Taranaki Biodiversity Trust), Council continued to fund the Trust to connect and support member groups to achieve a vision where 'Taranaki biodiversity is restored to a state where it is visibly healthy and provides significant benefit to communities throughout the region', and "Tō tātou taiao – Maranga Papatūānuku is our collective commitment to reach a state where Papatūānuku begins to flourish and rise."

The combined effect of these activities has made a significant contribution to a Prosperous and Sustainable Taranaki through the protection of animal health and agricultural production, as well as the protection and enhancement of regional biodiversity.

Levels of service

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>1 Pest management plan that delivers efficient and effective management of biosecurity functions</p>	
<p>Measure: Presence of appropriate pest management plan.</p> <p>Target (Years 1-10): Pest management plan for pest plants and pest animals is in place in accordance with statutory requirements.</p> <p>Baseline: One adopted pest management plan is in place; This Plan was reviewed in 2018.</p>	<p>Pest management plan and strategy, delivering efficient and effective management of biosecurity functions, are in place in accordance with statutory requirements. An interim review of the plan commenced.</p>
<p>2 Pest animals controlled to minimize their adverse effects on biodiversity, primary production and the regional economy and environment</p>	
<p>Measure: Area of the ring plain maintained under the <i>self-help possum control programme</i> at levels to reduce risks to the environment and primary production.</p> <p>Target (Years 1-10): Residual trap catch (RTC) of less than 10% across the rural area covered by the self-help possum control programme.</p> <p>Baseline: In 2020/2021, the RTC was 8% across the area covered by the <i>self-help programme</i>.</p>	<p>The self-help possum control monitoring programme showed landholders maintained the possum population at 10.3% (2021/2022—11.6%) residual trap catch across the self-help possum control programme area. This is the second year that monitoring has returned greater than 10% RTC. Of the 143 lines, 40 (28%) were significantly over the required target (2021/22 – 224 lines, 68 (30%)). These properties were required to undertake additional control.</p>

3

Pest plants controlled or eradicated to minimize their adverse effects on biodiversity, primary production and the regional economy and environment

<p>Measure: Control or eradication of “eradication” pest plants.</p> <p>Target (Years 1-10): Control of 100% of known infestations of Senegal Tea, Climbing Spindleberry, Madeira Vine, Moth Plant and Giant Reed in the region.</p> <p>Baseline: In 2020/2021, there were 204 properties where these plants were identified and controlled.</p>	<p>A total of 417 (233—2021/2022) active infestations of eradication pest plants have been identified. Of those, 145 (109) sites around the region have infestations of Mignonette Vine, 36 (26) properties for Climbing Spindleberry, 2 (2) properties for Senegal Tea, 61 (56) properties for Giant Reed and 173 (40) properties for Moth plant. Direct control, where it was warranted, occurred on all sites.</p>
<p>Measure: The extent of “sustained control” pest plants.</p> <p>Target (Years 1-10): Reduce the extent of sustained control pest plants through an inspection and monitoring programme (of Category C properties) to identify infestations requiring control.</p> <p>Baseline: In 2020/2021, there were 59 Category C properties requiring sustained control.</p>	<p>Undertook 2,780 (660) property inspections. Of these, 29 (27) related to Category C (heavy infestation) properties, requiring a Notice of Direction to be issued. A comprehensive Urban Weed inspection project was completed across New Plymouth suburbs east of the Waiwhakaiho River. This project resulted in the identification of 54 infestations where landowners have been advised control will be required. This will be followed during quarter one of 2023/2024.</p>

4

Maintenance and enhancement of indigenous biodiversity

<p>Measure: Protection of Taranaki biodiversity on private land.</p> <p>Target (Years 1-10): Key Native Ecosystems (KNEs) on private land, covering at least 8,000ha, have a biodiversity plan.</p> <p>Baseline: As at 30 June 2021, 176 Key Native Ecosystems (KNEs) comprising 6,819ha of private land had biodiversity plans.</p>	<p>Biodiversity plans were prepared for a further 19 KNEs (24—2021/2022) on private land, totalling 1,357.05 ha (1,333.27 ha). In total, there are 228 (209) KNEs on private land covering 13,092 (11,735) hectares with biodiversity plans.</p>
<p>Measure: Inventory of sites that contain regionally significant biodiversity (KNEs) in the region.</p> <p>Target (Years 1-10): Maintain and regularly update current inventory of Key Native Ecosystems (KNEs).</p> <p>Baseline: As of June 2021, the inventory of sites that contain regionally significant biodiversity contained 330 sites.</p>	<p>Maintained and updated the inventory of KNEs. The inventory of Key Native Ecosystems is regularly maintained and updated. At June 2023, the inventory contained 366 sites (358).</p>
<p>Measure: Maintain and improve the condition of KNEs</p> <p>Target (Years 1-10): Improvement in biodiversity index at managed KNEs compared with a base year of application of the index.</p> <p>Baseline: In 2020/2021, 33 of 97 assessments showed an improved condition score.</p>	<p>Good progress continues collecting biodiversity information at KNEs and potential KNEs around the region. A total of 79 (73) assessments were made including 40 (19) repeat five year assessments, 21 (25) repeat ten-year assessments and 18 (29) assessments at new sites. Seventy-five percent or 30 out of 40 (14/18-78%) repeat five-year assessment sites maintained or improved their condition score after implementation of a biodiversity plan (71% 4/5 for wetlands and 76% 23/25 for forests). For 10-year assessment sites, 9 out of 9 (100%) (14 out of 18-74%) forest sites showed an improvement and 11 out of 12 (92%) (5 out of 6- 83%) wetland sites showed an improvement since their baseline assessments in 2012/13. No coastal dune sites were due for reassessment this year.</p>

Activities

PROGRAMME	2022/2023 ACTUAL PERFORMANCE
<p>1 Biosecurity and biodiversity planning</p>	
<p>Support the implementation of the <i>Pest Management Plan for Taranaki</i>, with an interim review and a ten-year full review to occur in 2022/2023 and in 2027/2028.</p>	<p>The Pest Management Plan for Taranaki sets out the regulatory framework for pest management and the Taranaki Regional Council Biosecurity Strategy sets out the programmes and activities relating to pest management (adopted 2018). These documents are delivering efficient and effective management of statutory biosecurity functions. A partial review of the plan was undertaken in June 2021 and mustelids were incorporated. As planned an interim five year review commenced this year with a report due in the first quarter of 2023/24.</p>
<p>2 Biosecurity/pest management</p>	
<p>Undertake operational programmes through both the <i>Pest Management Plan for Taranaki</i>: and the <i>Biosecurity Strategy</i> including:</p>	
<p>Eradication of selected pest plants</p>	<p>Undertook direct control on 417 (233) eradication pest plant infestations. Continued control of Old Man's Beard in the Waingongoro catchment, re-treating 21.5 km (2) of riverbank.</p>
<p>Inspection, monitoring and where necessary, enforcement of sustained control pest programmes.</p>	<p>Undertook 278 (479) inspections with results estimating possum populations have remained above acceptable levels for a second year: 10.3% (11.6%) residual trap catch rate across the self-help possum control programme. Undertook 2780 (660) property inspections for pest plants. Issued 55 (82) Notices of Direction for sustained control pest programmes, 26 (55) for possums and 29 (27) for plants. Undertook small scale control of unwanted plant organisms including 19 (16) Boneseed, 3 (1) Chameleon Plant, 4 (0) Purple Loosestrife, 1 (0) Royal Fern, 1 (0) Alligator Weed infestations. A species new to Taranaki, Alligator weed, was detected following a public awareness campaign. An intensive control operation was undertaken and is showing early success, ongoing monitoring and control will be required for at least 4- 5 years.</p>
<p>Raising public awareness of and respond to enquiries related to pest issues.</p>	<p>Responded to 425 (353) requests for advice and, where appropriate, undertaking control action regarding pest issues. These enquiries consisted of 287 Biosecurity, 46 Biodiversity, 92 Predator Free enquiries. Increased publicity and education programmes on pests through a new pest bulletin.</p>

PROGRAMME	2022/2023 ACTUAL PERFORMANCE
3 Biodiversity	
Continue to assess ecosystem sites within the region on a voluntary basis, in order to identify further key native ecosystems.	Baseline assessments were made of 18 (29) natural areas, resulting in the scheduling of an additional 8 (16) KNE's. A further 61 (44) repeat assessment where undertaken on existing KNE's to measure change over time.
Undertake at least 25 environmental condition assessments at identified sites.	A total of 79 (73) assessments were completed this year.
Prepare at least 20 biodiversity plans per annum for properties containing key native ecosystems (KNE).	Nineteen (24) new biodiversity plans were completed for KNE sites
Initiate and support implementation of work programmes on all KNE's with a biodiversity plan.	Initiated implementation of 100% (100%) of plans prepared during the year.
4 Towards Predator Free Taranaki	
Support voluntary control of rodents in urban areas aiming for 1 in 5 properties trapping or baiting.	While the urban programme continues to enjoy community support, the programme has focused on supporting regular trap checking and reporting of results. Volunteer community champions and reserve volunteers continue to undertake regular checks through many reserves.
Undertake mustelid control on 15,000ha in the Waimate area.	The rural predator control programme extending predator control in the Waimate and Inglewood areas, covering an area of 15,000 (22,918) ha. This adds to the first four phases of the rural predator control programme which covered 95,000 (72,000) ha.
Support ongoing landowner control of mustelids across 95,000ha.	Continued to refine trap layout and ramped up our reminders to landowners that they are now responsible for ongoing control. Those landowners who are not meeting ongoing requirements will be subject to greater enforcement in the coming year to ensure we do not lose the gains made by this programme.
Complete/maintain possums at zero density over 4,467 ha surrounding the Kaitake range and prevent re-infestation using a virtual barrier and electronic incursion detection system.	The success of the trial has enabled council to secure additional funding from Predator Free 2050 Limited to increase the area by up to 5,800ha. The farmland in the original area has now been possum free for over two years with the few individuals trying to return quickly being detected and removed.

Costs and sources of funds

	2022/2023 Actual \$	2022/2023 Budget \$	2021/2022 Actual \$
Expenditure			
Biosecurity and biodiversity planning	88,442	91,458	14,915
Biosecurity/pest management	2,406,672	2,521,459	2,105,090
Biodiversity	1,935,655	1,884,343	1,731,409
Towards Predator-Free Taranaki	2,865,639	3,514,777	2,751,479
Total expenditure	7,296,408	8,012,037	6,602,893
Income			
General rates	2,614,241	2,614,240	2,426,731
Direct charges	2,222,571	2,853,038	1,773,156
Government grants	20,000	250,000	80,000
Transfer from reserves	-	-	-
Transfer to reserves	(100,000)	-	-
Investment funds	2,539,596	2,294,759	2,323,006
Total income	7,296,408	8,012,037	6,602,893
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	694,115	75,000	38,067
Plant and equipment	15,041	22,000	-
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	709,156	97,000	38,067
Funded by:			
Transfer from retained earnings	709,156	97,000	38,067
Total funding	709,156	97,000	38,067
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	709,156	97,000	38,067
Total capital expenditure	709,156	97,000	38,067
Gross proceeds from the sale of assets	234,982	41,250	-
Depreciation/amortisation expense	261,661	114,171	216,291

ASSET ACQUISITIONS AND REPLACEMENTS

Motor vehicle purchases have been deferred from 2021/2022.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.



Ngā kawenga waka

Transport

Transport comprises the following activities:

REGIONAL LAND TRANSPORT PLANNING

—contributing to a vibrant, resilient and connected region with safe roads and liveable places—refer to level of service 1.

PUBLIC TRANSPORT

—providing and promoting accessible and integrated public passenger transport services that cater for the needs of the people of Taranaki (including the transport disadvantaged)—refer to level of service 2.

HARBOUR MANAGEMENT

—promoting safe navigation for all users of the waters of Port Taranaki—refer to level of service 3.

Community Well-beings

The Transport group of activities contributes to community well-beings by contributing to an

effective, efficient and safe land transport system in the public interest by facilitating growth and economic development, reducing safety risk, maintaining and improving accessibility and public health, ensuring a regionally and nationally integrated transport network that is resilient and responsive and addresses these in an environment of constrained funding and affordability. Specifically this group of activities contributes to the following community well-beings:

- Secure and Healthy Taranaki
- Prosperous Taranaki
- Sustainable Taranaki
- Connected Taranaki
- Together Taranaki
- Vibrant Taranaki.

Further Information on Policies and Programmes

Further detailed information on the specific strategies, policies and plans relating to this group of activities can be found from the following sources:

- Local Government Act 2002
- Land Transport Management Act 2003
- Maritime Transport Act 1994
- Government Policy Statement
- Regional Land Transport Plan for Taranaki
- Regional Public Transport Plan for Taranaki.

In the public transport space, we continue to focus on building a well-functioning transport system. Throughout March and April 2023, we consulted with the public on four key transport themes, road safety and speed management, cycling walking and active travel, public transport, and transport vision 2050. The consultation was successful with approximately 1,805 pieces of feedback which will guide future planning and delivery.

Public transport has an important social role in supporting equitable access and connectivity for the region's communities and it must consider the needs of the transport disadvantaged, be they those from marginalised communities, or with accessibility issues. The Total Mobility Scheme provides an important service for clients in maintaining their quality of life and has achieved a percentage increase 23.5%.

Public transport has achieved growing patronage in the Taranaki region:

- There were 694,895 (544,588 – 2021/2022) passengers carried on the region's public transport services. This is an increase of 27.6% on 2021/2022
- Patronage on the Citylink service was 624,920 (505,073) up 23.7%

Regional services provided 69,975 trips (39,445-up 77.4% year on year) broken down as follows:

- Connector was 67,678 (37,489) up 80.5%
- Ōpunake to New Plymouth 872 (569) was up 53.3%
- Waverley to Hāwera 1,006 (874) was up 15.1%
- Ōpunake to Hāwera 419 (513) was down 18.3%.

Farebox recovery for all services was 25.1%. The commerciality ratio for the region's public transport services was 21.8%.

We are working with the New Plymouth District Council and have a constructive, collaborative working relationship focusing on improving the community's access to public transport e.g., the development of a working party for bus shelter maintenance and infrastructure.

We were pleased to support our public transport drivers by offering a further wage increase as a result of the government funding allocated to address driver shortages.

Reducing transport emissions and the impacts of climate change, such as severe and frequent weather events is front of mind for passenger transport services. To that end, we will be undertaking an electric bus trial commencing at the end of 2024 on the CityLink network and investment in zero emission vehicles is expected to be phased in as part of tendering for new transport contracts. To enable this, access to high volumes of electricity, depot infrastructure and charging solutions are currently being investigated.

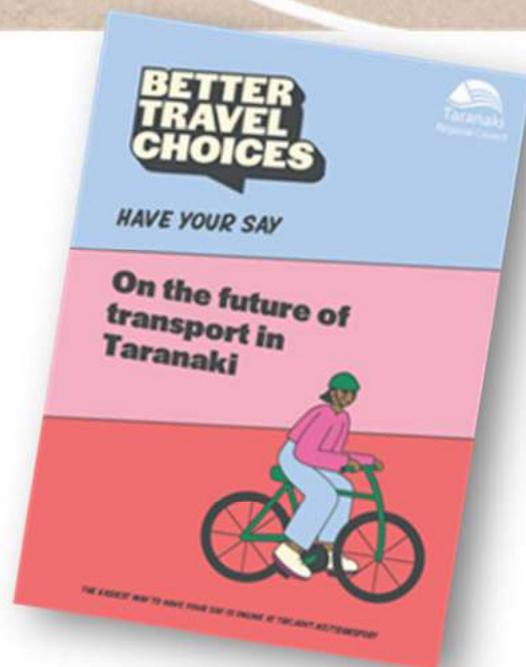
At this time the public transport operating framework is the, Public Transport Operating Model (PTOM). In 2022, the Government announced its intention to replace it with the Sustainable Public Transport Framework (SPTF). The SPTF has the following objectives which have been contribute to Council planning and delivery:

- public transport services supports mode-shift from private motor vehicles, by being integrated, reliable, frequent, accessible, affordable, and safe
- employment and engagement of the public transport workforce is fair and equitable, providing for a sustainable labour market and sustainable provision of public transport services
- well-used public transport services reduce the environmental and health impact of land transport, including by reducing reliance on single-occupancy vehicles and by using zero-emission technology
- provision of services supports value for money and efficiency from public transport investment while achieving the first three objectives.



The SPTF objectives align well with transport planning activity, which is moving at pace and work is currently focused on achieving the performance measure of ensuring a new *Regional Public Transport Plan for Taranaki* in 2024. The Council is combining the *Regional Public Transport Plan for Taranaki* and the *Regional Walkways and Cycleways Strategy* to develop one *Better Travel Choices for Taranaki Strategy* that will support the step-change required to assist the move away from high private vehicle use. This will help Taranaki to achieve the sustainable mode shift required to significantly reduce transport. The *Regional Land Transport Plan 2021*, is due to be reviewed in 2024 and will provide strategic direction for managing transport across the region.

The land transport activities contribute to the community well-beings of a Secure and Healthy, *Connected, Prosperous and Sustainable Taranaki*.



Levels of service

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>1 Land transport policies and activities that deliver efficient, effective and value for money transport solutions, land transport infrastructure and services for Taranaki</p>	
<p>Measure: Presence of an appropriate <i>Regional Land Transport Plan for Taranaki</i>.</p> <p>Target (Years 1-10): A <i>Regional Land Transport Plan for Taranaki</i> that is kept current in accordance with statutory requirements.</p> <p>Baseline: The <i>Regional Land Transport Plan (RLTP)</i> is current and in accordance with statutory requirements. The Plan came into effect from the 1 July 2021.</p>	<p>The <i>Regional Land Transport Plan (RLTP)</i> is current and in accordance with statutory requirements. The Plan came into effect from the 1 July 2021. Review process are underway.</p>
<p>Measure: Presence of an appropriate <i>Regional Public Transport Plan for Taranaki</i>.</p> <p>Target (Years 1-10): A <i>Regional Public Transport Plan for Taranaki</i> that is kept current in accordance with statutory requirements.</p> <p>Baseline: The <i>Regional Public Transport Plan for Taranaki</i> is current and in accordance with statutory requirements.</p>	<p>The <i>Regional Public Transport Plan for Taranaki</i> is current and in accordance with statutory requirements. The Plan, covering the period 2014-2024 came into effect from 29 July 2014. The Council is currently combining the <i>Regional Public Transport Plan for Taranaki</i> and the <i>Regional Walkways and Cycleways Strategy</i> to develop one <i>Better Travel Choices for Taranaki Strategy</i> that will support the step-change required to assist the move away from high private vehicle use.</p>
<p>2 Provision and increasing use of public transport services</p>	
<p>Measure: Annual number of passenger trips on the region's public transport services.</p> <p>Target (Years 1-10): Annual increase in the number of passengers carried.</p> <p>Baseline: Between 2008/2009 and 2020/2021, passengers on public transport services in the region grew from 349,607 to 577,766.</p>	<p>There were 694,895 (544,588 – 2021/2022) passengers carried on the region's public transport services. This is an increase of 27.6% on 2021/2022.</p>
<p>3 Safe navigation for all users of the waters of Port Taranaki and its approaches</p>	
<p>Measure: The number of reported navigation safety incidents within Port Taranaki and its approaches.</p> <p>Target (Years 1-10): No significant incidents.</p> <p>Baseline: There have been no significant incidents in the last 10 years.</p>	<p>There were 1,374 (2021/2022- 1,100) vessel movements undertaken through Port Taranaki. There were no (0) significant incidents involving unsafe navigation practices were reported within Port Taranaki and its approaches. No (0) near misses were observed and, accordingly, no appropriate remedial action taken.</p>

Activities

PROGRAMME	2022/2023 ACTUAL PERFORMANCE
1 Regional land transport planning	
Review, monitor and make adjustments to the <i>Regional Land Transport Plan</i> , as required, in accordance with statutory requirements	The <i>Regional Land Transport Plan</i> is valid and in line with statutory requirements.
Review and make adjustments to the <i>Regional Public Transport Plan</i> , as required, in accordance with statutory requirements.	The <i>Regional Public Transport Plan</i> is currently being reviewed, in line with statutory requirements.
Review and make adjustments to the <i>Transport Activity Procurement Strategy</i> , as required, in accordance with statutory requirements.	The <i>Taranaki Activity Procurement Strategy</i> was completed and signed off in June 2023.
2 Public transport	
Operate public transport services in the New Plymouth district and regional Taranaki consistent with the <i>Regional Public Transport Plan</i> subject to funding approval from Waka Kotahi NZ Transport Agency and the availability of local share funding.	Passenger transport services in New Plymouth urban areas and regional Taranaki were operated consistent with the <i>Regional Public Transport Plan</i> .
Monitor the region's bus service contracts including patronage growth and fare box recovery. Monitor the commerciality ratio of the region's public transport services and publish the ratio annually.	There were 694,895 (544,588 – 2021/2022) passengers carried on the region's public transport services. This is an increase of 27.6% on 2021/2022. Patronage on the Citylink service was 624,920 (505,073) up 23.7%. Regional services provided 69,975 trips (39,445-up 77.4%) broken down as follows, Connector 67,678 (37,489) up 80.5%, Ōpunake to New Plymouth 872 (569) was up 53.3%, Waverley to Hāwera 1,006 (874) was up 15.1%, and Ōpunake to Hāwera 419 (513) was down 18.3%.
Provide Total Mobility subsidy assistance to qualifying persons through Waka Kotahi NZ Transport Agency supported <i>Total Mobility Scheme</i> .	Provided Total Mobility Scheme services to the targeted areas 57,874 (47,037-up 23%) passenger trips were made.
3 Harbour management	
Provide harbourmaster and harbour warden services for Port Taranaki and implement the <i>Navigation Bylaw for Port Taranaki and Approaches</i> . No significant breaches of the requirements of the <i>New Zealand Port and Maritime Safety Code</i> , including the <i>Port Taranaki Harbour Safety Management System</i> .	External arrangements are in place for harbourmaster services. There were 1,374 (2021/2022- 1,100) vessel movements undertaken through Port Taranaki No (0) unsafe navigation practices were reported. No (0) near miss incidents occurred. The Port and Harbour Safety Management System manual was peer reviewed under NZ Port and Harbour Maritime Safety Code provisions wherein the port and harbour were deemed compliant with the Code with only minor changes required.

Costs and sources of funds

	2022/2023 Actual \$	2022/2023 Budget \$	2021/2022 Actual \$
Expenditure			
Regional land transport planning	237,774	219,484	122,591
Passenger transport	6,984,947	6,137,050	5,659,178
Harbour management	68,677	51,000	61,504
Total expenditure	7,291,398	6,407,534	5,843,273
Income			
General rates	433,062	433,062	356,499
Targeted rates	1,827,505	1,827,505	1,438,997
Direct charges	847,561	1,132,757	862,086
Government grants	4,196,939	2,634,071	2,767,751
Government grants – for capital	-	-	-
Transfers from reserves	-	-	-
Transfers to reserves	-	-	-
Investment funds	(13,669)	380,139	417,940
Total income	7,291,398	6,407,534	5,843,273
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	27,868	-	-
Plant and equipment	-	-	4,303
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	27,868	-	4,303
Funded by:			
Transfer from retained earnings	27,868	-	4,303
Total funding	27,868	-	4,303
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	27,868	-	4,303
Total capital expenditure	27,868	-	4,303
Gross proceeds from the sale of assets	22,609	-	-
Depreciation/amortisation expense	154,803	106,778	160,061

ASSET ACQUISITIONS AND REPLACEMENTS

No significant transport asset acquisitions or replacements.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.

Ngā ritenga mōrearea

Hazard management

Hazard management comprises the following activities:

EMERGENCY MANAGEMENT

—supporting, in conjunction with district councils, within the Taranaki community and iwi, an integrated comprehensive emergency management system that includes hazard awareness, reducing risk, maintaining readiness, and providing response and recovery capacity and capabilities—refer to levels of service 1 and 2.

FLOOD MANAGEMENT AND GENERAL RIVER CONTROL

—providing accurate and timely flood warnings, providing flood control advice and undertaking minor works and associated actions (audit of regional plans and consent applications to ensure activities are undertaken without an increased risk of flooding and river erosion) to minimise and prevent damage by floods and river erosion—refer to level of service 3.

RIVER CONTROL SCHEMES

—managing and maintaining river control scheme works to accepted design standards to minimise and prevent damage by floods and river erosion—refer to level of service 3.

Community Well-beings

The Hazard management group of activities contributes to community well-beings by enhancing the safety and wellbeing of the public and the protection of property from hazards and minimising and preventing damage by floods and river erosion. Specifically, this group of activities contributes to the following community well-beings:

- Secure and Healthy Taranaki
- Prosperous Taranaki
- Sustainable Taranaki.

Further Information on Policies and Programmes

Further detailed information on the specific strategies, policies and plans relating to this group of activities can be found from the following sources:

- Civil Defence Emergency Management Act 2002

- National Civil Defence Emergency Management Plan 2015
- Taranaki Civil Defence Emergency Management Group Plan 2018
- Taranaki Civil Defence Emergency Management Annual Business Plans
- Soil Conservation and Rivers Control Act 1941
- Resource Management Act 1991
- Land Drainage Act 1908
- Lower Waitara River Flood Control Protection Scheme asset management plan
- Lower Waiwhakaiho Flood Control Protection Scheme asset management plan
- Ōkato Scheme asset management plan.

Civil defence emergency management (CDEM) in Taranaki is delivered through a single organisational CDEM Group (CDEMG) structure. The region's four councils form the Group, which is supported by a number of advisory and co-ordination groups and the Co-ordinating Executive Group (CEG), comprising staff representatives of the local authorities, emergency services, Health Board, and the Group's advisory groups. The four key areas of activity are hazard identification and risk reduction, community readiness, response capability and delivery, and recovery planning and implementation. There is increasing emphasis upon the first two, so that the likelihood and/or scale of consequences of a major event are reduced. The emphasis is always on enabling communities to take responsibility for their own wellbeing rather than be reliant on outside or agency assistance.

The *Civil Defence Emergency Management Act 2002* requires an all hazards approach to emergency management, encompassing not only natural hazards but also events such as human and animal pandemics and technological failures and catastrophes.

Activities include engaging with the region's three territorial authorities to promote land use management as a means of reducing community vulnerability, alongside the Council's own land use and river management. Through its membership of the Group, the Council supports awareness and preparation at both the individual and community



level, the provision of an appropriate level of trained personnel and facilities, and co-ordination of the various agencies who would have a role in any significant event. During the year there has continued to be a focus on implementation of the *Civil Defence Emergency Management Group Plan for Taranaki 2018-2023*, which carries a focus on community resilience (social and economic) alongside organisational upskilling.

River control and flood protection activities are focused on ensuring that risks associated with flooding and river control are appropriately managed. The activities include flood protection schemes in the Lower Waitara, the Lower Waiwhakaiho, the Waitōtara River, Ōpunake Township, the Stony River and the Kaihihi Stream, as well as minor river control works and the provision of advice throughout the rest of the region. All schemes were maintained to their design standards and associated asset management plans.

The Lower Waiwhakaiho Flood Control Scheme and the Lower Waitara River Flood Control Scheme protect properties and infrastructure in surrounding low lying areas. Both schemes provide current flood protection up to and including a 1% Annual Exceedance Probability (AEP) (1 in 100-year) with additional capacity to offset the effects of climate change up to 2060. The level of protection is considered to be high and consistent with similar areas across New Zealand.

Monitoring of the cleared channel has continued in the Waitōtara River and its major tributaries. Willow pole planting has been undertaken at strategic locations to mitigate bank erosion. The risk of flooding to the Waitōtara Township and low-lying farmland has been reduced as a result of this work.

The Ōpunake Flood Protection Scheme was completed in 2018 and provides 1% Annual Exceedance Probability (AEP) flood protection (1 in 100-year) to the businesses and residents in the area included within the scheme with an allowance for the effects of climate change to 2065. This is a very high level of protection, consistent with similar areas across New Zealand.

Minor maintenance of river control structures and the channel was undertaken on the Stony River in the vicinity of the SH45 Bridge. The work ensures that the river remains in a desirable central alignment that facilitated gravel transport and prevented land erosion.

Minor works were carried out as a result of monitoring and inspections on the Kaihihi Stream to ensure channel alignment and manage erosion.

The provision of river control services provides protection to people and property and thereby contributes to a *Prosperous, Sustainable and Secure and Healthy Taranaki*.

Levels of service

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>1 An emergency management system that delivers efficient and effective emergency management in Taranaki that is acceptable to the community</p>	
<p>Measure: Presence of an appropriate emergency management system.</p> <p>Target (Years 1-10): A <i>Civil Defence Emergency Management Group Plan</i> that is kept current and resourced in accordance with statutory requirements.</p> <p>Baseline: Statutory reviews of the <i>Civil Defence Emergency Management Group Plan for Taranaki</i> are undertaken as specified, and the <i>Plan</i> is implemented through annual work programmes. The <i>Plan</i> will next be reviewed in 2023.</p>	<p>The <i>2018/2023 Group Plan</i> is in effect. An annual business plan and budget to implement the Plan was confirmed. Programmes providing administration and community engagement, and lifting levels of equipment, resourcing, and training as set out in the Group Plan, were implemented. The CDEM functions across risk reduction, readiness, response and recovery, are incorporated in the Group Plan. The work plan covers governance, disaster risk identification and reduction research and implementation, organisational and community resilience, capability development, and service levels with associated resourcing.</p>
<p>Measure: Delivery of administering authority requirements.</p> <p>Target (Years 1-10): Administering authority requirements for emergency management are delivered as specified in legislation and through agreed annual business plans.</p> <p>Baseline: All administering authority requirements are currently delivered as specified.</p>	<p>New Plymouth District Council is the administering authority delivering related services to the CDEM Group. The work plan and resourcing for 2022/2023 have been delivered as agreed by the Group. Appointments for key roles (group controllers, group recovery and group welfare managers) have been made to ensure availability of suitably trained and competent personnel. All rounds of CEG and CDEM Group meetings were administered as required.</p>
<p>2 Effective hazard assessment and disaster risk management, community resilience, and emergency readiness and response capability and capacity in the region to levels that are acceptable to the community</p>	
<p>Measure: Level of capacity and capability within Taranaki CDEM.</p> <p>Target (Years 1-10): Group capability and capacity to be maintained at or enhanced above the level as set out in the <i>Group Plan</i> and as assessed by monitoring and evaluation analysis tools.</p> <p>Baseline: The Group's capability and capacity is set out in the operative <i>Group Plan</i> and has been assessed and recorded by the MCDEM monitoring and evaluation analysis tool in 2015 and by independent invited audit in 2019.</p>	<p>MCDEM scored the Group's readiness and response capability (2014/2015) above the designated MCDEM target. Benchmarking and reporting of future improvements is included in the Group Plan. The last external audit and monitoring evaluation was undertaken in 2019/2020 with the scoring well above previous audits.</p>



PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>Measure: The Emergency Management Office to be implementing effective multi-agency advisory group planning, training, maintenance and enhancement of facilities and equipment, hazard contingency plans, and standard operating procedures to minimise harm or damage to people and property arising from an emergency.</p> <p>Target (Years 1-10): Response and recovery is carried out in accordance with established plans and procedures in order to minimise harm or damage to people and property, and reviewed for corrective actions.</p> <p>Baseline: Response and recovery plans and procedures are set out in supporting plans and Standard Operating Procedures within the Emergency Management Office as listed in the operative <i>Group Plan</i>.</p>	<p>Recruitment of response and recovery personnel for ECC and EOCs, protocols, and training programmes are in place. The CDEM Act requires the Group to develop a strategic recovery plan, to be incorporated in due course into the new Group Plan. Work continued on this in 2022/2023. A comprehensive collation of existing and proposed plans and procedures to enhance response and recovery has been prepared, for review and delivery over the next 5 years. The Tsunami and Flood Response and Recovery Plans have been reviewed.</p>
<p>3 Flood protection and drainage schemes that protect life and property</p>	
<p>Measure: The number of schemes maintained to their full service potential.</p> <p>Target (Years 1-10): 100% of schemes maintained to ensure that they provide protection to the agreed standard and the scheme assets are maintained as established in the adopted asset management plans.</p> <p>Baseline: As of 30 June 2021, the Waitara, Waiwhakaiho and Ōpunake flood control schemes were maintained to their full service potential. The Waitōtara and Ōkato river control schemes were maintained to the standard set out in their scheme management plans.</p>	<p>100% of schemes were maintained to their full service potential. Maintenance works on the Waiwhakaiho and Waitara River Schemes included the regular stopbank and berm mowing and the clearance of excess vegetation from the flood fairway. Minor maintenance of access tracks and related infrastructure was also carried out. Minor repairs to flood control structures were carried out as required. All floodgates were inspected regularly to ensure they will operate effectively when required. Erosion control works were undertaken on the Okato Scheme (Kaihihi Stream and Stony River). Willow planting and layering works were undertaken on the Waitōtara River to control erosion at critical locations to control the channel alignment. The Ōpunake Flood Protection Scheme was maintained in accordance with the newly adopted asset management plan.</p>

Activities

PROGRAMME	2022/2023 ACTUAL PERFORMANCE
1 Emergency management	
Support the Emergency Management office to implement, monitor and report upon the operative <i>Civil Defence Emergency Management Group Plan for Taranaki</i> , and each <i>Civil Defence Emergency Management Annual Business Plan</i> .	The Group Plan came into effect on 1 July 2018. The next statutory review of the Plan is due with work having commenced. The new Group Plan will be adopted during 2023/2024. The current Plan is being implemented with progress being report to the Joint Committee.
Support the Emergency Management office to maintain, review, and as needs be, implement effective risk reduction, response and recovery procedures to minimise harm or damage to people and property arising from emergency events.	Supported the CDEM Group's move to local response and recovery delivery and regional coordination through the Taranaki Emergency Management Office and the regional Emergency Coordination Centre. New response and recovery plans are under development with the Tsunami and Flood plans having been completed during the last year.
2 Flood management and general river control	
Effectively monitor rainfall and river levels and issue timely flood warnings. Maintain continuous monitoring systems (100% functional) and issue timely warnings for all cases, where necessary, in accordance with the <i>Flood Event Standard Operating Procedure</i> (approximately 35 warnings per annum).	Received 45 special weather watches and warnings (51— 2021/2022). In all instances, flood monitoring was undertaken in accordance with Standard Operating Procedures. Four flood warnings were issued during the year (4 – 2021/2022).
Undertake minor emergency river and flood control works when necessary.	No emergency river or flood control works were required in the 2022/23 reporting period.
Respond to 100% of requests for drainage, river and flood control advice and assistance within ten working days.	Investigated and responded to 100% (100%) of requests for advice within ten working days.
Facilitate river control projects for the environmental enhancement of the region's waterways.	20 (31) river control projects were undertaken for environmental enhancement.
Resource management planners are given advice to ensure regional plan rule and consent conditions will not increase the risk of flooding or river erosion.	Advice was given on all consent applications received and advice was given on a range of planning matters.
3 River control schemes	
Manage all flood and river control schemes across the region in accordance with asset management plans or management plans; including Lower Waiwhakaiho, Lower Waitara, Ōpunake, Ōkato and Waitōtara Schemes.	All schemes were maintained to design standards. Maintained stopbanks and berm areas by mowing, weed control and the clearance of larger vegetation within the flood fairway. Willow and poplar erosion control planting undertaken on the Waitōtara River. Channel and erosion control works undertaken on the Ōkato Scheme. Inspections and weed control undertaken on the Ōpunake Scheme.
Manage other minor river schemes to standards as agreed with scheme participants.	No work was required on minor schemes.

Costs and sources of funds

	2022/2023 Actual \$	2022/2023 Budget \$	2021/2022 Actual \$
Expenditure			
Civil defence emergency management	513,071	489,600	484,805
Flood management and general river control	351,756	327,965	335,551
River control schemes	170,688	279,558	183,444
Total expenditure	1,035,515	1,097,123	1,003,800
Income			
General rates	249,385	249,385	98,523
Targeted rates	759,637	759,637	748,981
Direct charges	26,583	-	26,372
Government grants	-	-	-
Transfers from reserves	2,110	-	2,889
Transfers to reserves	(163,108)	(52,536)	(108,935)
Investment funds	239,180	218,909	324,749
Total income	1,113,787	1,175,395	1,092,579
Operating surplus/(deficit)	78,272	78,272	88,779
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	89,506	40,000	50,008
Plant and equipment	-	-	-
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	89,506	40,000	50,008
Funded by:			
Transfer from retained earnings	89,506	40,000	50,008
Total funding	89,506	40,000	50,008
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	89,506	40,000	50,008
Total capital expenditure	89,506	40,000	50,008
Gross proceeds from the sale of assets	34,288	22,000	-
Depreciation/amortisation expense	13,215	15,556	16,550

ASSET ACQUISITIONS AND REPLACEMENTS

No significant flood and river control asset acquisitions or replacements.

INFORMATION ON CORE ASSETS

Pursuant to section 6 of the *Local Government (Financial Reporting and Prudence) Regulations 2014*, the following information relates to flood protection and control works:

	2022/2023 Actual \$	2021/2022 Actual \$
Closing book value	15,635,363	14,494,030
Acquisitions constructed by the Council	-	-
Acquisitions transferred to the Council	-	-
Estimated replacement cost	15,635,363	14,494,030

INTERNAL BORROWING

Improving the level of service on the Ōpunake flood control scheme, the Waiwhakaiho River Flood Control Scheme and the Waitara River Flood Control Scheme was funded by internal borrowing.

	2022/2023 Actual \$	2022/2023 Budget \$	2021/2022 Actual \$
Opening balance	4,337,930	4,210,707	4,432,841
Plus borrowed during the year	-	-	-
Less principal repaid during the year	101,080	107,240	94,911
Closing balance	4,236,850	4,103,467	4,337,930
Interest charged during the year	281,965	273,696	288,135

NON-FINANCIAL PERFORMANCE MEASURES RULES 2013

The Secretary for Local Government has promulgated, pursuant to section 261B of the *Local Government Act 2002*, a standard set of performance measures for flood protection and control works that are required to be applied by councils in respect of major works. Major flood protection and control works means flood protection and control works that meet two or more of the following criteria:

- operating expenditure of more than \$250,000 in any one year
- capital expenditure of more than \$1 million in any one year
- scheme asset replacement value of more than \$10 million, or
- directly benefitting a population of at least 5,000 people.

None of the Council's flood protection and control works schemes meet the threshold tests for being categorised as major. Therefore, the Council is not reporting the promulgated standard set of performance measures for this activity. The Council does not engage in any other activities covered by the *Non-Financial Performance Measures Rules 2013*.



Ngā mahi a te rēhia, ngā tikanga ā-iwi me ngā taonga tuku iho Recreation, culture and heritage

Recreation, culture and heritage comprises the following activities:

REGIONAL GARDENS

—ensuring that Hollard Gardens, Tūpare and Pukeiti are maintained and enhanced as regionally significant recreational and heritage amenities—refer to level of service 1.

PUKE ARIKI

—maintaining an ongoing partnership with the Puke Ariki regional museum and library including the use of exhibitions, presentations and services within annual projects—refer to level of service 2.

YARROW STADIUM

—facilitating the continued maintenance and development of Yarrow Stadium—refer to level of service 3.

Community Well-beings

The Recreation, culture and heritage group of activities contributes to community well-beings by supporting and developing regional gardens, maintaining an ongoing partnership relationship with Puke Ariki regional museum and library and ensuring the continuing maintenance and development of Yarrow Stadium as part of a prosperous and vibrant Taranaki. Specifically, this group of activities contributes to the following community well-beings:

- Prosperous Taranaki
- Vibrant Taranaki
- Sustainable Taranaki.

Further information on policies and programmes

Further detailed information on the specific strategies, policies and plans relating to this group of activities can be found from the following sources:

- Local Government Act 2002
- Taranaki Regional Council Empowering Act 2001
- Hollard Garden Asset Management Plan 2020
- Tūpare Asset Management Plan 2020
- Pukeiti Asset Management Plan 2020.

Yarrow Stadium

The Council supports the long-term maintenance and development of Yarrow Stadium through the Taranaki Stadium Trust (the Trust). The Taranaki Stadium Trust is a council-controlled organisation and owns Yarrow Stadium. The purpose of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council.

The Trust, the New Plymouth District Council and the Taranaki Regional Council have a partnership arrangement for the operation and the development, maintenance and enhancement of the Yarrow Stadium facilities. Under the Trust's Deed

and the Management Agreement between the Trust and the New Plymouth District Council, the New Plymouth District Council operates and funds the operations of Yarrow Stadium. The Taranaki Regional Council funds, via the Trust, the long-term maintenance and development of Yarrow Stadium.

In opting to repair and refurbish Yarrow Stadium within a budget of up to \$79.7m, the Council has reaffirmed its vision for the venue. The vision was originally adopted in 2015 following stakeholder engagement. It is:

The best regional stadium in New Zealand that regularly hosts national and international sports and entertainment events.

A stadium for both major events and community events and the premier outdoor field for team sports codes.

A stadium that is loved by sports fans and the local community.

A stadium that is a quality experience for event promoters, participants and spectators, which is achieved through superior event facilities, presentation and management and through the early adoption and smart use of technology.

During the year, significant progress was made on the repair and refurbishment project including:

- Completion of the repair and reopening of the West Stand
- Completion of replacement lighting with LED and replacement of the main field
- Stadium open for use for local, national and international events
- Completion of the groundworks for the new East Stand
- Completion of the design of the new East Stand
- Commencement of the delivery of the new East Stand.

The Council will ask the Yarrow Stadium operator, New Plymouth District Council, to seek ways to encourage increased use of the facility by a wider range of sporting and non-sporting organisations.

The East Stand design and contract for the new East Stand have been finalised. The construction of the new East Stand has resulted in an increase in the total project budget from \$70m to \$79.7m.

The East Stand is due to be opened in time for the 2025 winter sports season.

Regional Gardens

This was the second year of implementation of the current asset management plans for Pukeiti, Tūpare and Hollard Gardens.

The three public gardens visitor numbers are recovering from the decreased numbers caused by the Covid-19 pandemic and were similar to 2019 numbers. Pukeiti's numbers increased from 54,100 in 2021/2022 to 64,650 in 2022/2023. Tūpare increased from 36,303 in 2021/2022 to 39,687 in 2022/2023. Hollard Garden's numbers stayed reasonably static with 19,585 in 2021/2022 and 19,217 in 2022/2023 owing to event cancellations.

The total venue use and number of events across the three gardens has increased from 493 in 2021/2022 to 532 in 2022/2023. This includes bookings at the Piwakawaka Family Hut (Pukeiti).

A critical asset assessment was undertaken at all three gardens to review the integrity of all garden structures where their failure may hurt the public. A remedial work programme is being undertaken from this assessment.

The three gardens' database records continue to be regularly updated and enhanced. The gardens' plant records are available to the public on line through 'Pukeiti Plant Hunters Station' 'Bernie's Plant Register' and 'Tūpare Plants' websites. 233 new plant accessions have been added across the three regional gardens since 1 July 2022.

PUKEITI

The programme of works to upgrade Pukeiti is mostly complete, however upgrades continue within the gardens and track network. Accomplishments include:

- New generator for back-up power supply has been installed to ensure seamless electricity supply during weather events
- Continuing to enhance the rhododendron collection with regular bush margin clearance, new plant introductions, regular pruning and shaping and improved drainage
- Improving the route from the Gardens to the Family Hut
- Two new art works installed – a stone bird sculpture purchased through the successful PredARTor Free art exhibition and a recycled copper Goldstripe gecko
- Continuing progress with the ex situ conservation project in partnership with Massey University and the Pukeiti Rhododendron Trust.



- Plants have now been distributed to seven sites around the country
- Retained five star rating through New Zealand Gardens Trust
- Nursery has been upgraded including improved water security with assistance from Pukeiti Rhododendron Trust
- Venues have been well utilized, especially the Piwakawaka Family Hut which has been occupied for 206 nights in 2022/2023.

TUPARE

Tūpare has been maintained to horticultural best practice as established in the asset management plan and continues to maintain a high standard of craft, care and curatorship. It has retained its assessment as a 6 star garden by the New Zealand Gardens Trust. This achievement means that this is one of the top garden experiences in New Zealand.

Development works for the year included completion of the roof replacement on the top house and construction of new steps as part of upgrading the Bush Walk.

HOLLARD GARDENS

Hollard Gardens was maintained to the standard established in the asset management plan and continues to consolidate as a quality community asset for the surrounding districts and beyond. Development works for the year included the

continued reconfiguring of the garden beds throughout the garden to improve the visitor experience.

Puke Ariki

The partnership with Puke Ariki allows for the presentation of educational and information material of relevance to the Council as well as contributing to the successful presentation of Puke Ariki. The 2022/2023 projects are a local waterways exhibition at Aotea Utanganui showcasing the Waingongoro and Pātea rivers and their history. At Puke Ariki, the 2022/23 project is a refresh of the permanent regional geology exhibit.

These three recreation, culture and heritage activities contribute to the *Prosperous Taranaki*, the *Vibrant Taranaki* and the *Sustainable Taranaki* community well-beings by providing world-class community facilities and supporting programmes of activity. Yarrow Stadium, Puke Ariki and the regional gardens attract visitors and events to Taranaki that it would not otherwise receive. These attractions/events contribute financially to the regional economy (*Prosperous Taranaki*) and socially/environmentally/culturally (sporting and cultural events – *Vibrant Taranaki*). The provision of environmental and other educational activities through Puke Ariki and the regional gardens contributes to an educated society (*Sustainable Taranaki*).

Levels of service

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>1 Tūpare, Hollard Gardens and Pukeiti recognised as regionally or nationally significant gardens</p>	
<p>Measure: Maintenance and enhancement of three regionally significant gardens.</p> <p>Target (Years 1-10): Pukeiti, Tūpare and Hollard Gardens maintained and enhanced in accordance with the provisions of the adopted asset management plans.</p> <p>Baseline: The three properties are maintained to the latest adopted asset management plan. Updated asset management plans were adopted in 2020.</p>	<p>All three regional gardens were maintained and enhanced in accordance with their adopted asset management plans.</p>
<p>Measure: Level of use of Tūpare, Hollard Gardens and Pukeiti.</p> <p>Target (Years 1-10): Increasing the number of visitors and the number of events at each property.</p> <p>Baseline: In 2021/2022, Tūpare attracted 36,303 visitors, Hollard Gardens 19,585 and Pukeiti 54,100 visitors. There were 10 organised public events at Tūpare, 17 at Hollard Gardens and 15 at Pukeiti. All three properties were part of the <i>Taranaki Garden Festival</i>.</p>	<p>In 2022/2023 Tūpare attracted approximately 39,687 visitors (36,303–2021/2022), Hollard Gardens approximately 19,217 (19,585) and Pukeiti 64,650 (54,100). The total venue use and number of events across the three gardens has increased from 493 in 2021/2022 to 532 in 2022/2023. The number of organised public events has increased at Pukeiti from 15 in 2021/2022 to 22 in 2022/2023, Tūpare from 10 in 2021/2022 to 13 in 2022/2023. Hollard Gardens' public events decreased from 17 in 2021/2022 to 13 in 2022/2023. Two events had to be cancelled.</p>
<p>Measure: Access to Tūpare, Hollard Gardens and Pukeiti.</p> <p>Target (Years 1-10): Tūpare, Hollard Gardens and Pukeiti open to the public daily with unrestricted free general access.</p> <p>Baseline: Tūpare and Hollard Gardens have been open in this way since 2002. Free access to Pukeiti commenced from 1 July 2010.</p>	<p>The gardens were open to the public daily. Entry was free to all three properties.</p>
<p>2 Partnership relationship with the Puke Ariki regional museum and library</p>	
<p>Measure: Annual project for the delivery of display and presentation material.</p> <p>Target (Years 1-10): Delivery of an annual project(s).</p> <p>Baseline: The ongoing partnership relationship with Puke Ariki continued during 2020/2021. The partnership contributed towards a range of projects at both Puke Ariki and Aotea Utanganui-the Museum of South Taranaki.</p>	<p>The 2022/2023 Aotea Utanganui project is a local waterways exhibition showcasing the Waingongoro and Pātea rivers and their history, which was launched in May 2023. At Puke Ariki, the 2022/23 project is a refresh of the permanent regional geology exhibit which is well advanced in its delivery, and will be open in late 2023. (2021/2022 - projects are the TeMahere Pā – interactive map of pā sites project and the Aotea Utanganui oral histories project).</p>

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>3 Presentation and operation of Yarrow Stadium as one of New Zealand's premier regional sporting stadium and venue</p>	
<p>Measure: Maintenance and development of Yarrow Stadium for a range of events and activities.</p> <p>Target (Years 1-10): Provision of funding for the ongoing maintenance and development of Yarrow Stadium.</p> <p>Baseline: The Council commenced providing funding for the ongoing maintenance and development of Yarrow Stadium in 2012/2013. Current funding is focused on the repair and reinstatement of the Stadium as the stands are earthquake prone buildings.</p>	<p>During the year, significant progress was made on the repair and refurbishment project including completion of the repair and reopening of the West Stand, completion of replacement lighting with LED, replacement of the main field, Stadium open for use for local, national and international events, completion of the groundworks for the new East Stand, completion of the design of the new East Stand, and commencement of the delivery of the new East Stand. The East Stand design and contract for the new East Stand have been finalised. The construction of the new East Stand has resulted in an increase in the total project budget from \$70m to \$79.7m. The East Stand is due to be opened in time for the 2025 winter sports season.</p>

Activities

PROGRAMME	2022/2023 ACTUAL PERFORMANCE
<p>1 Regional Gardens</p>	
<p>Provide three regional gardens (Tupare, Hollard Gardens and Pukeiti) for free general use by the regional community. Tupare, Hollard Gardens and Pukeiti open to the public daily with unrestricted free general access.</p>	<p>The gardens were open to the public daily. Entry was free to all three properties.</p>
<p>Encourage the increased use of the regional gardens by the community for recreational purposes and for specific events.</p>	<p>Tūpare attracted approximately 39,687 visitors (36,303–2021/2022) with Hollard Gardens attracting approximately 19,217 (19,585) and Pukeiti 64,650 (54,100). There were 13 (11) events at Tūpare, 13 (29) at Hollard Gardens and 22 (55) at Pukeiti.</p>
<p>Continue implementing the Pukeiti asset management plan focusing on completing the upgrade works in the Zone 1 Garden, the rhododendron collection in Zone 2 and recreational development opportunities in Zone 3. Priority tasks to be completed include:</p> <ul style="list-style-type: none"> • Completing the Lodge and surrounds landscaping • Continuing the enhancement of the garden and the rhododendron collection • continuing the implementation of the Plant Collection Plan • refurbishing the plant borders • upgrading the outer ring tracks • Completing the back-up power supply 	<p>Implementing the Pukeiti asset management plan including:</p> <ul style="list-style-type: none"> • Enhancing the rhododendron collection with regular bush margin clearance, new plantings, regular pruning and improved drainage • Continuing progress with the ex situ conservation project in partnership with Massey University and the Pukeiti Rhododendron Trust. Plants have now been distributed to seven sites around the country • Progressing with new track work to provide an improved route from the Gardens to the Family Hut • New generator for back-up power supply has been installed to ensure seamless electricity supply during weather events • Two new art works installed – a recycled copper Goldstripe gecko and a stone bird sculpture purchased through the successful PredARTor Free art exhibition <p>Nursery has been upgraded including improved water security with assistance from Pukeiti Rhododendron Trust.</p>

PROGRAMME	2022/2023 ACTUAL PERFORMANCE
<p>Continue implementing the Hollard Gardens asset management plans focusing on:</p> <ul style="list-style-type: none"> • Installation of new stylized play equipment 	<p>Implementing the Hollard Gardens asset management plans including:</p> <ul style="list-style-type: none"> • New teepee constructed in Family Corner • Construction of the new shelter in the Old Garden • Continued reconfiguring of garden beds in the New Garden.
<p>Continue implementing the Tupare asset management plans focusing on:</p> <ul style="list-style-type: none"> • Continue to improve story telling • Completing new art installation. 	<p>Implementing the Tūpare asset management plans including:</p> <ul style="list-style-type: none"> • Replacement of rental property roof completed • Bush Walk upgraded with new steps and handrail installed • New engraved timber signage installed.
<p>Review and adopt asset management plans for Tupare, Hollard Gardens and Pukeiti by 31 October 2023.</p>	<p>All three asset management plans were revised and adopted in 2020/2021. The next review of the plans will occur in 2023/2024.</p>
<h2>2 Yarrow Stadium</h2>	
<p>Contract with New Plymouth District Council for the operation and management of Yarrow Stadium.</p>	<p>The Trust and the New Plymouth District Council have a management agreement for the operation and management of Yarrow Stadium. New Plymouth District Council operated and managed Yarrow Stadium.</p>
<p>Undertake asset management planning for the future maintenance, enhancement and development of Yarrow Stadium.</p>	<p>Asset management planning for Yarrow Stadium is on hold while issues arising from earthquake assessments of the stands, that indicated that they are earthquake prone buildings, are attended to.</p>
<p>Provide regional funding for the future maintenance, enhancement and development of Yarrow Stadium.</p>	<p>Provided regional funding to the Taranaki Stadium Trust for long-term maintenance and development at Yarrow Stadium. Funding has been used to allow the Taranaki Stadium Trust to commence the Yarrow Stadium repair and refurbishment project.</p>

Taranaki Stadium Trust

The purpose of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council.

The Trust, the New Plymouth District Council and the Taranaki Regional Council have a partnership arrangement for the operation and the development, maintenance and enhancement of the Yarrow Stadium facilities. Under the Trust's Deed and the Management Agreement between the Trust and the New Plymouth District Council, the New Plymouth District Council operates and funds the operations of Yarrow Stadium. The Taranaki Regional Council funds, via the Trust, the long-term maintenance and development of Yarrow Stadium.

This partnership for funding and operating, maintaining and developing is designed to maintain Yarrow Stadium as a premier regional sports and events venue.

The performance of Taranaki Stadium Trust has been judged against the following measures:

The presence of a Management Agreement with the New Plymouth District Council for the operation of the Stadium.

An agreement for the management and operation of Yarrow Stadium, between the Trust and the New Plymouth District Council, is in place. The original agreement for the Council to manage and operate the stadium was signed in 2004 and the latest renewal came into effect from 27 June 2013. New Plymouth District Council operated Yarrow Stadium in accordance with the Management Agreement during 2022/2023. There have been no changes to this since the 2021/2022 financial year end.

The provision of funding for a programme of agreed maintenance and long-term development of the Stadium. The programme of maintenance and long-term development is to be agreed upon by the Taranaki Regional Council and the New Plymouth District Council.

The Taranaki Regional Council has approved a \$79.7m repair and refurbishment project for Yarrow Stadium (2021/2022 \$70m). The New Plymouth District Council and the Taranaki Regional Council have agreed upon a long-term maintenance and development programme for the ten years from 2015/2016 to 30 June 2025. The Taranaki Regional Council provided the annual funding of \$2,178,669 to the Taranaki Stadium Trust (2021/2022 \$2,178,669)

Asset management planning for Yarrow Stadium is on hold while the repair and refurbishment project is delivered. Funding has been used to deliver the repair and refurbishment project. The focus has been on getting the Stadium operational again.

Significant policies and obligations on ownership and control of council-controlled organisations

The Trust will remain in the control of the Taranaki Regional Council as long as the partnership agreement between the Trust, the New Plymouth District Council and the Taranaki Regional Council continues. If the partnership dissolves, control of the Trust, and the associated obligations, revert to the New Plymouth District Council. There have been no changes to this since the 2021/2022 financial year end.

Costs and sources of funds

	2022/2023 Actual \$	2022/2023 Budget \$	2021/2022 Actual \$
Expenditure			
Regional gardens	3,695,937	3,304,489	3,209,920
Puke Ariki	150,000	150,000	154,600
Yarrow Stadium	2,178,669	2,178,669	2,178,669
Total expenditure	6,024,606	5,633,158	5,543,189
Income			
General rates	1,725,161	1,725,161	2,239,529
Targeted rates	2,178,644	2,178,669	2,178,669
Direct charges	214,914	214,995	236,483
Investment funds	1,905,886	1,514,333	888,508
Total income	6,024,606	5,633,158	5,543,189
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	228,318	536,000	370,089
Motor vehicles	185,247	30,000	32,288
Plant and equipment	139,388	60,000	128,701
Office furniture	-	-	700
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	552,904	626,000	531,778
Funded by:			
Transfer from retained earnings	552,904	626,000	531,778
Total funding	552,904	626,000	531,778
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	552,904	626,000	531,778
Total capital expenditure	552,904	626,000	531,778
Gross proceeds from the sale of assets	26,087	16,500	9,916
Depreciation/amortisation expense	607,217	592,525	576,486

ASSET ACQUISITIONS AND REPLACEMENTS

The development of Pukeiti has continued. Overall asset acquisitions or replacements are under budget.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.

Ko te kōkiri me te whakangao pūtea hau kāinga

Regional representation, advocacy and investment management

Regional representation, advocacy and investment management comprises the following activities:

INVESTMENT MANAGEMENT

—ensuring equity, property and treasury investments are efficiently managed—refer to levels of service 2 and 3.

COMMUNITY ENGAGEMENT

—promoting community awareness, understanding and involvement with the Council's functions and activities, together with demonstrating the value and contribution of work to the region.

ADVOCACY AND RESPONSE

—advocating and responding, on behalf of the Taranaki community, to initiatives proposed by other agencies, when those initiatives affect statutory responsibilities or relate to matters of regional significance, which are of interest or concern to the people of Taranaki—refer to level of service 1.

GOVERNANCE

—facilitating public representation by the Council and its committees in accordance with statutory requirements.

Community Well-beings

The regional representation, advocacy and investment management group of activities contributes to community well-beings by maintaining effective and open community representation as an important part of the democratic process; advocating on behalf of the Taranaki community on matters of regional interest; implementing and further developing a programme of information transfer, advice and education on activities; and ensuring that the equity, property and treasury investments are managed efficiently. Specifically this group of activities contributes to the following community well-beings:

- Prosperous Taranaki
- Sustainable Taranaki
- Connected Taranaki
- Together Taranaki.

Further Information on Policies and Programmes

Further detailed information on the specific strategies, policies and plans relating to this group of activities can be found from the following sources:

- Port Companies Act 1988
- Port Taranaki Ltd's statement of corporate intent
- Local Government Act 2002
- Resource Management Act 1991
- Investment Policy
- Local Government Official Information and Meetings Act 1987
- Standing Orders

The Council has had another successful year representing the Taranaki region across many fronts. Many activities contribute to these successes including advocating for Taranaki interests at a national level, managing strategic regional investments on behalf of the regional community and providing information to facilitate community engagement.

The formal accountability processes including elections, meetings and representation have also been appropriately and legally complied with.

Public representation was maintained through Council and committee structures and processes which were carried out in accordance with statutory requirements.

The triennial local government elections were successfully conducted in October 2022. The next local authority elections are in October 2025. The Council created a Māori Constituency for the 2022 elections. The necessary representation review, to enable this decision, was completed.

With respect to the Council-owned port company, Port Taranaki Ltd, processes were maintained to enable the company to operate efficiently as a successful business. The medium to long-term viability and profitability of this regionally significant asset remains favourable. Recent performance of



the region's port company has been good. Dividends of \$8m were received.

Property and treasury investments were efficiently managed with maximum returns sought from treasury investments in accordance with the *Investment Policy*. Overall, interest returns have increased due to the current economic environment.

Returns from investments and Port Taranaki Ltd reduce the general rate requirement. As such this improves the community's prosperity by indirectly returning funds to ratepayers and minimising changes in general rate levels.

These activities contributed to a *Sustainable, Prosperous, Connected and Together Taranaki*.

A programme of information transfer, advice and education was delivered including:

- publishing four editions of Council newsletter, Talking Taranaki, which is emailed to 8,500 subscribers and published in community newspapers. Various other e-publications such as the Pest Bulletin and Freshwater News meet the information needs of specific audiences
- Council responded to 90 media enquiries and published 14 media releases
- the public engaged (liked, shared or reacted) with messages published through the Council's social media channels 31,000 times

- there were around 203,000 visits to the website to access or view information
- Across Environmental Education and Enviroschools, our educators team delivered class visits and field trips to an estimated 16,000 tamariki across the region.
- Nineteen environmental awards were presented in November 2022.

The Community engagement activity promotes community awareness and understanding of the Council's functions and activities which contributes to a prosperous, sustainable and together Taranaki.

Ten submissions to the policy initiatives of other agencies were made. There is an ongoing role in submissions on policy initiatives, which reflects, in particular, major reform programmes initiated by central government. Many of the submissions made were on large or technically or legally complex documents requiring thorough analysis and careful and considered response.

Officers were also involved in various national or regional working parties or other fora to advise on or respond to policy development.

The wide-ranging advocacy and response activity promotes more relevant and cost-effective policy proposals for the region, which contributes to a *Prosperous, Sustainable, Connected and Together Taranaki*.

Levels of service

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>1 Effective advocacy on behalf of the Taranaki community on matters that affect statutory responsibilities or that relate to matters of regional significance which are of interest or concern to the people of Taranaki</p>	
<p>Measure: Level of advocacy undertaken.</p> <p>Target (Years 1-10): Approximately 20 submissions made per year, with evidence of successful advocacy in most cases.</p> <p>Baseline: In 2021/2022, 15 submissions were made with anecdotal evidence of successful advocacy in most cases.</p>	<p>Made 12 (15) submissions on the policy initiatives of other agencies with evidence of successful advocacy. While this number is down due to a change in staff, many of the submissions made were on very substantive consultations, such as the Natural & Built Environment and Spatial Planning Bills.</p>
<p>2 Port Taranaki ownership as a strategic investment</p>	
<p>Measure: The role of Port Taranaki Ltd in regional economy.</p> <p>Target (Years 1-10): Maintain or increase the contribution from Port Taranaki Ltd to the regional economy.</p> <p>Baseline: Allowing for flow-on effects, the port's operations are estimated to generate \$28m in value added (GDP) in 2016/2017. They also generate 319 full-time equivalent jobs (FTEs). The port's important enabling role can be seen from the estimates that its users and service providers are likely to generate \$353m in value added (GDP) and 929 FTEs.</p>	<p>The contribution to the wider community was measured by BERL (independent economists) in 2007, 2012, 2017 and 2022. The highlights around economic well-being include 346 (2021/2022 -319) direct full-time equivalent employees, a \$31.7m (2021/2022 - \$28m) contribution to the region's gross domestic product, \$2.6 billion of trade through the port in 2020, \$8M per annum of dividends to the Council and the strategic importance of the Port to the oil/gas, forestry, agriculture and tourism industries - 65% of port users stated that the port was very important in their decision to conduct business in Taranaki.</p>
<p>Measure: The financial and operational performance of Port Taranaki Ltd.</p> <p>Target (Years 1-10): Ensure financial and operational performance from Port Taranaki Ltd is in accordance with the levels presented in each year's statement of corporate intent.</p> <p>Baseline: Port Taranaki Ltd's performance is reviewed, against the statement of corporate intent twice a year.</p>	<p>The statement of corporate intent for 2022/2025 was considered on 9 August 2022. Port Taranaki Ltd's performance was reviewed when considering their 2021/2022 Annual Report on 20 September 2022. The half-year results to 31 December 2022 were considered in April 2023.</p>
<p>3 Effective management of property and treasury investments</p>	
<p>Measure: Investment returns from property and treasury investments on general rates.</p> <p>Target (Years 1-10): Maintain or increase the level of investment returns used to reduce each year's general rates requirement.</p> <p>Baseline: In 2020/2021, total investment returns from property and treasury investments were interest \$274,852 and lease rent \$958,765. These returns were used to reduce the general rate requirement.</p>	<p>Total investment returns from property and treasury investments were interest \$995,646 (\$351,119—2021/2022) and lease rent \$951,558 (\$971,154). This represented a 47% increase (7% increase) over last year. These returns were used to reduce the general rate requirement.</p>

Activities

PROGRAMME	2022/2023 ACTUAL PERFORMANCE
1 Investment management	
Consider Port Taranaki annual statement of corporate intent and monitor performance against established targets.	The statement of corporate intent for 2022/2025 was considered on 9 August 2022. Port Taranaki Ltd's performance was reviewed when considering their 2021/2022 Annual Report on 20 September 2022. The half-year results to 31 December 2022 were considered in April 2023.
Appoint Directors at Port Taranaki Ltd's annual general meeting and at other times as required.	No Directors were appointment to the Board at the 2022 annual general meeting (AGM). Directors Littlewood, Harvey and Sanderson were appointed to the Board in April 2023.
Undertake on-going liaison with port company directors and management.	Regular formal and informal briefings and discussions occurred between the Board and the Council.
Manage and, where appropriate, divest leasehold land in accordance with the <i>Investment Policy</i> .	Renewed 3 leases (3—2021/2022). Nil (1) leasehold property was divested during the year. Achieved 4.4% (4.4%) return from leasehold land rentals.
Manage and maximise returns from treasury investments in accordance with the <i>Investment Policy</i> .	All treasury investments were in accordance with the <i>Investment Policy</i> . Achieved 3.70% (1.23%) return from treasury investments.
2 Community engagement	
Engage with the community across a range of channels including print and digital publications, news media, websites, mobile and social media. Produce five bi-monthly editions of the Council newsletter and publish through print and digital channels.	Ongoing engagement with the regional community occurred across a range of communications channels. The quarterly newsletter Talking Taranaki was published in print, online and email, and various other e-publications such as the Pest Bulletin and Freshwater News meet the information needs of specific audiences. Around 203,000 (167,500) users visited the website, and people engaged (shared, liked or reacted) with Council content on social media channels over 31,000 (25,000) times.
Implement the environmental awards programme.	Nineteen (16) environmental awards were presented in November 2022.
Provide an on-going environmental education programme for school children and the wider community including class visits, field trips, the Pukeiti Rainforest School and support for community projects.	Across Environmental Education and Enviroschools, we worked with 57% (62%) of the region's kindergartens, primary, intermediate and high schools delivering class visits and field trips to 15,913 (11,000) tamariki and rangatahi.
3 Advocacy and response	
Assess the implications of policy initiatives proposed by other agencies including discussion documents, proposed policies, strategies, plans and draft legislation, and respond within required timeframes on approximately 20 occasions per year.	Assessed the implications of the policy initiatives proposed by other agencies resulting in the preparation of 10 (15) submissions, which involved complex documents requiring thorough analysis and careful and considered responses.

PROGRAMME	2022/2023 ACTUAL PERFORMANCE
4 Governance	
Completion of statutory planning and reporting documents (Long-Term Plan, Annual Plans and Annual Reports) within statutory requirements.	Statutory planning and reporting accountability documents have all been prepared within statutory requirements and timeframes. The <i>2021/2022 Annual Report</i> was adopted on 20 September 2022. The <i>2023/2024 Annual Plan</i> was adopted on 16 May 2023.
Preparation of agendas and minutes and the conduct of meetings in accordance with Standing Orders and the <i>Local Government Official Information and Meetings Act 1987</i> .	Agendas are publicly available at least 48 hours before each meeting and minutes are prepared and adopted for all meetings.
Conduct of triennial local authority elections without any need for re-conduct of the elections as a result of judicial review.	The 2022 local authority elections were held in October 2022. The elections were successfully completed with no appeals or judicial reviews held. The next local authority elections are in October 2025.

The performance of Port Taranaki Ltd has been judged against the following measures:

PROGRAMMES AND PERFORMANCE MEASURES SET IN PORT TARANAKI LTD'S STATEMENT OF INTENT

2022/2023 ACTUAL PERFORMANCE

The Company will pursue strategies aimed at maximising the opportunity for trade through the Port and growing the Port's hinterland. Over the next three financial years the Company aims to expand its hinterland and achieve a trade volume of five (5) million freight tonnes of which one (1) million freight tonnes will be non-bulk liquids trade.	Not achieved: Total: 4.7m (2021/2022—4.7m) Achieved: Non-liquid bulk: 2.0m (2.0m)
Financial: EBITDAF on average total assets (Target $\geq 10.5\%$)	Achieved: 13.1% (10.6%)
Financial: Return (NPAT) on average total assets (Target $\geq 4.0\%$)	Achieved: 6.6% (4.9%)
Financial: Return (NPAT) on average shareholder's funds (Target $\geq 5.5\%$)	Achieved: 8.5% (6.3%)
Financial: Shareholder equity ratio (Target $\geq 65.0\%$)	Achieved: 77.3% (77.6%)
Financial: Interest Coverage Ratio (Target $\geq 5x$)	Achieved: 26.6x (30.5x)
Dividends \$m (minimum p.a.) (Target $\geq 8.0m$)	Achieved: \$8.0m (\$8.0m)
Environment: Incidents of Harbour Pollution (Target Nil)	Achieved: Nil (1)
Environment: Compliance with all resource consents (Target Yes)	Achieved: Yes (Yes)

Regional Software Holdings Ltd

The following financial information has been obtained from the RSHL Annual Report for the period ending 30 June 2023 (unaudited).

Regional Software Holdings Limited (RSHL) is a limited liability company incorporated and registered under the *Companies Act 1993* and is a council-controlled organisation as defined in section 6 of the *Local Government Act 2002*. The primary objective of RSHL is to provide a framework for collaboration between the shareholders. It supports the procurement or development of shared software resource products and services in a manner that provides a more cost effective alternative than individual councils can achieve on their own.

RSHL is a major shared service undertaking by New Zealand councils. The original 6 founding regional council shareholders of: Northland, Waikato, Taranaki, Horizons, West Coast and Southland were increased to 9 with Bay of Plenty Regional Council, Gisborne District Council and Hawkes Bay Regional Council also joining RSHL as shareholders in 2022/2023.

RSHL is the shared services organisation of Te Uru Kahika (the regional sector). All sixteen regional councils/unitary authorities in New Zealand are customers of RSHL.

RSHL delivers a wide range of digital, operational and financial programmes, on behalf of Te Uru Kahika and participating councils.

Over the 2023 financial year RSHL has taken a leap forward towards its vision of providing high-quality shared services for Te Uru Kahika (and associated agencies) that delivers value to customers, shareholders and the sector.

In November 2022, RSHL completed the process started in 2021 when the RCEOs Group approved the business case for the creation of a Regional Sector Shared Services organization based on RSHL. The restructure of RSHL into the Te Uru Kahika shared services organisation is complete. RSHL has a new constitution and shareholders agreement. The new share structure makes it simple, low risk and low cost for additional councils to join.

Significant policies and obligations on ownership and control of council-controlled organisations

The Council will continue to hold its shareholding in RSHL long as it continues to use the IRIS product and/or any other products and services offered by RSHL. The Council has a Director on the Board of RSHL. Control over RSHL is exercised by holding and exercising the rights of a shareholder and by the retention of a Director on the Board.

The performance of RSHL has been judged against the following measures:

PERFORMANCE TARGET	COMMENT
Undertake an annual survey of IRIS users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.	This survey was completed in June 2023 to ensure that all councils were on the latest version of the IRIS Software. 4 councils completed the customer survey. Results were markedly better across all categories for RSHL and Datacom service performance.
With participating councils, define and agree milestones for the IRIS NextGen Programme.	Complete. The Partnership Agreement for IRIS NextGen was executed in September. This sets the overarching structure of the programme. The milestones for the programme were endorsed by the Steering Group in November 2022 and are documented in the Programme Plan.
Prepare and adopt the annual IRIS major enhancement roadmap by 30 June for delivery in the subsequent year.	Complete. The roadmap is constantly reviewed by the IRIS Advisory Group. It was last presented to the board in June 2023.

PERFORMANCE TARGET	COMMENT									
Undertake an annual survey of IRIS users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.	This survey was completed in June 2023 to ensure that all councils were on the latest version of the IRIS Software. 4 councils completed the customer survey. Results were markedly better across all categories for RSHL and Datacom service performance.									
With participating councils, define and agree milestones for the IRIS NextGen Programme.	Complete. The Partnership Agreement for IRIS NextGen was executed in September. This sets the overarching structure of the programme. The milestones for the programme were endorsed by the Steering Group in November 2022 and are documented in the Programme Plan.									
Prepare and adopt the annual IRIS major enhancement roadmap by 30 June for delivery in the subsequent year.	Complete. The roadmap is constantly reviewed by the IRIS Advisory Group. It was last presented to the board in June 2023.									
Major IRIS enhancement projects are completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	Complete. The MAJ058 IRIS data migration project definition phase was completed under budget - the budget for the project was \$69K, with the total invoiced \$65K. As at 30 June 2023 the following projects are on track: <ul style="list-style-type: none"> • MAJ059 IRIS Data Migration Base Platform • MAJ060 IRIS Data Migration Base Templates • MAJ061 IRIS Data Migration – Loading Data. The outputs of this work will be a platform for migration of data from IRIS to Datascope (IRIS NextGen) and tools to identify data issues and cleanse, export and transform the data.									
Budgets for IRIS support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively managed by the Advisor Group and the General Manager.	Complete. Budgets were approved via the Statement of Intent Process in June 2023. Both support and development were under budget at year end. <table border="1"> <thead> <tr> <th>Category</th> <th>Expenditure \$000s</th> <th>Budget \$000s</th> </tr> </thead> <tbody> <tr> <td>Develop</td> <td>\$100</td> <td>\$140</td> </tr> <tr> <td>Support</td> <td>\$211</td> <td>\$222</td> </tr> </tbody> </table>	Category	Expenditure \$000s	Budget \$000s	Develop	\$100	\$140	Support	\$211	\$222
Category	Expenditure \$000s	Budget \$000s								
Develop	\$100	\$140								
Support	\$211	\$222								
RSHL will operate within approved budget, with any material variations approved by the Board.	RSHL is operating within approved operating budgets for all programmes. In November, the Board approved a variation to the budget approved in the SOI, to reflect the additional revenue and expenditure from the IRIS NextGen Implementation Programme, which started in September 2022. The budget for this programme was not confirmed when the SOI was approved.									
Annual charges for shareholders and customers to be at the level approved by the Board and Shareholder Councils based upon the approved operating budget and budgets for major and minor enhancements.	Complete. All charges have been the same or less that approved by the respective programmes.									
Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of Regional Software Holdings Ltd	Complete. In November, RSHL welcomed Bay of Plenty Regional Council, Gisborne District Council and Hawkes Bay Regional Council as shareholders. Additional councils will join when and if they are able, including Otago Regional Council which signed a deed of accession in July 2023.									

PERFORMANCE TARGET	COMMENT
Work with the Regional Sector SIG Network to develop shared service opportunities.	Complete. The Partnership Agreement for IRIS NextGen was executed in September. In addition, RSHL is supporting the Essential Freshwater Programme to deliver the Integrated National Farm data Platform.
Engage with councils in the regional sector to increase the scope of the usage of IRIS NextGen. . The objective is to increase the number of councils using the solution, and the breadth of the solution in use.	Complete. The Partnership Agreement for IRIS NextGen was executed in September with 9 councils committing to the programme (two more that use IRIS). For the remainder of this year the focus will be on fully establishing the programme and planning the implementation schedule for the 9 participating councils.
Be an effective service delivery vehicle for regional council sector shared programmes under the Sector Financial Management System (or similar).	Complete. RSHL has effectively managed the SFMS. Revenue is well ahead of plan, due to significant funding provided by central government. Expenditure is consistent with the amounts documented in the SFMS Briefing Paper. RSHL held 30 service contracts on behalf of Te Uru Kahika over this financial year. \$8.9m of funding was collected for sector work programmes including \$5.3m from central government. The support from central government highlights the value of the SFMS as a focus point for funding.
Be a service delivery vehicle for wider regional council sector and related bodies information management programmes and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the and the relevant regional sector group.	<p>Complete. Under the SFMS and ReCoCo programmes, RSHL supports the delivery of the following projects:</p> <ul style="list-style-type: none"> • Environmental Data Programme • Sector Reference Model Engagement Project • N-Cap Implementation • INFDP Programme • Essential Freshwater Implementation • Freshwater Farm Plans Implementation. <p>RSHL ensured appropriate project management controls were in place for each project.</p> <p>RSHL also managed the funding for the follow sector programmes:</p> <ul style="list-style-type: none"> • LIDAR PGF Programme Manager • WellsNZ • Retrolens.
Effectively support the activities of the Regional Sector through the Regional Sector Office	<p>Complete. Over the first part of the year the Executive Policy Advisors focussed on coordinating sector submissions to a raft of central government proposals including:</p> <ul style="list-style-type: none"> • Resource management reform legislation • The Future for Local Government Review • Freshwater farm plan regulations • Water services legislation • LGOIMA amendments.
Budgets for EMAR are approved by the EMAR Steering Group by 30 June each year, and delivery within these budgets is effectively managed by the EMAR Project Manager	Complete. The work plan and budget for this year was endorsed by the EMAR SG in late 2021/22 FY and formally signed off on the 8 July 2023. EOFY status - work has been delivered within available budget.

Costs and sources of funds

	2022/2023 Actual \$	2022/2023 Budget \$	2021/2022 Actual \$
Expenditure			
Investment management	45,567	6,000	39,353
Community engagement	608,561	552,938	491,961
Advocacy and response	423,738	412,402	380,549
Governance	1,389,574	1,157,048	1,148,966
Total expenditure	2,467,440	2,128,388	2,060,829
Income			
General rates	1,102,565	1,102,565	850,970
Direct charges	80,484	58,000	112,191
Investment funds	1,284,391	967,823	1,097,668
Total income	2,467,440	2,128,388	2,060,829
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	500,000	-	-
Buildings	25,374	3,000,000	118,774
Motor vehicles	471,209	115,000	229,738
Plant and equipment	293,385	2,000	60,138
Office furniture	89,388	12,000	185,203
Computer equipment	373,046	182,000	209,942
Flood and river control assets	-	-	-
Computer software	208,981	581,000	997,949
Total capital expenditure	1,961,383	3,892,000	1,801,744
Funded by:			
Transfer from retained earnings	1,961,382	3,892,000	1,801,744
Total funding	1,961,383	3,892,000	1,801,744
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	1,961,383	3,892,000	1,801,744
Total capital expenditure	1,961,383	3,892,000	1,801,744
Gross proceeds from the sale of assets	159,399	63,250	21,783
Depreciation/amortisation expense	800,452	1,001,360	844,770

ASSET ACQUISITIONS AND REPLACEMENTS

Significant asset purchases to support the growth in Council size and services.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.



Ngā whakataunga pūtea

Financial statements

The following pages present the financial results for the 2022/2023 year compared against the budget set for 2022/2023 in the 2021/2031 Long-Term Plan and the results achieved in 2021/2022.

In particular, the following information is presented:

- the practices and assumptions used in preparing the financial information
- where the income came from and where it was subsequently spent
- the effect of the income and expenditure on the overall net worth of the Council
- what the Council owes and owns
- the cash payments and receipts during the year
- additional supporting information.

Te whākinga rawa i ngā ritenga pūtea tae noa ki te tau i mutu i te 30 o Pipiri 2023

Statement of comprehensive revenue and expense for the year ended 30 June 2023

	Notes	Council			Group	
		2022/23 Actual \$	2022/23 Budget \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Cost of services						
Resource management		21,403,040	23,726,046	20,166,894	21,403,040	20,164,939
Biosecurity and biodiversity		7,296,408	8,012,037	6,602,893	7,296,408	6,602,893
Transport		7,291,398	6,407,534	5,843,273	7,291,398	5,843,273
Hazard management		1,035,515	1,097,123	1,003,800	1,035,515	1,003,800
Recreation, culture and heritage		6,024,606	5,633,158	5,543,189	4,884,222	5,698,956
Regional representation, advocacy & investment management		2,467,440	2,128,388	2,060,829	2,467,440	2,060,829
Port operating expenses		-	-	-	37,115,248	37,186,350
Total expenses	5	45,518,407	47,004,286	41,220,878	81,493,271	78,561,040
Revenue from exchange transactions						
Direct charges revenue	4	4,848,230	5,048,875	4,837,089	4,796,369	4,802,649
Other investment revenue		1,623,739	1,260,000	1,405,539	1,598,231	1,361,157
Dividends		8,000,000	8,000,000	8,000,000	-	-
Port revenue from operations		-	-	-	57,429,034	51,861,702
Revenue from non-exchange transactions						
General rates revenue		11,801,336	11,801,335	10,937,289	11,801,336	10,937,289
Targeted rates revenue		4,765,786	4,765,811	4,366,647	4,765,786	4,366,647
Direct charges revenue	4	5,606,919	11,229,886	6,253,652	5,681,597	6,297,162
Government grants		5,586,231	3,750,071	5,794,327	14,034,416	12,488,377
Total revenue		42,232,241	45,855,978	41,594,543	100,106,769	92,114,983
Operating surplus/(deficit) before finance income and expenses, other gains/losses and taxation		(3,286,166)	(1,148,308)	373,665	18,613,498	13,553,943
Finance income		1,770,404	655,659	558,150	1,091,072	406,339
Finance expense		774,759	455,659	207,031	1,815,611	853,640
Net finance income (expense)		995,645	200,000	351,119	(724,539)	(447,301)
Operating surplus before other gains/losses and taxation		(2,290,521)	(948,308)	724,784	17,888,959	13,106,642
Other gains/(losses)						
Gains/(losses) on revaluation of buildings		-	-	-	1,365,646	(1,296,058)
Gains/(losses) on revaluation of investment properties		(195,000)	-	1,144,000	(195,000)	1,144,000
Impairment of assets	10	-	-	-	-	(91,939)
Operating surplus/(deficit) before taxation		(2,485,521)	(948,308)	1,868,784	19,057,605	12,862,645
Income tax expense	7	10,266	10,000	(67,917)	(5,367,017)	4,040,721
Net surplus/(deficit) for the period, net of tax	22	(2,495,787)	(958,308)	1,936,701	13,692,588	8,821,924
Other comprehensive income						
Items that may be reclassified subsequently to profit and loss when specific conditions met.						
Revaluation of property, plant and equipment		1,141,333	-	675,360	100,855	1,812,360
Change in cash flow hedge		-	-	-	103,984	1,180,954
Other comprehensive income, net of tax		1,141,333	-	675,360	204,839	2,993,314
Total comprehensive income for the period, net of tax		(1,354,454)	(958,308)	2,612,061	13,897,427	11,815,238

This statement should be read in conjunction with the *Explanatory Notes to the Financial Statements*.

Te whāriki i ngā tinihanga pūtea/rawa hoki tae noa ki te tau i mutu i te 30 o Pipiri 2023

Statement of changes in net assets/equity for the year ended 30 June 2023

Council	Notes	Retained earnings \$	Reserves \$	Asset revaluation reserves \$	Cash flow hedge reserve \$	Total equity \$
As at 1 July 2021		72,377,248	30,268,587	5,339,062	-	107,984,897
Changes in equity for 2021/2022						
Total comprehensive income for the period		1,936,701	-	675,360	-	2,612,061
Transfers to and from reserves		(1,184,661)	1,184,661	-	-	-
As at 30 June 2022	19	73,129,288	31,453,248	6,014,422	-	110,596,958
Changes in equity for 2022/2023						
Total comprehensive income for the period		(2,495,787)	-	1,141,333	-	(1,354,454)
Transfers to and from reserves		(745,309)	745,309	-	-	-
As at 30 June 2023	19	69,888,192	32,198,557	7,155,755	-	109,242,504

Group	Notes	Retained earnings \$	Reserves \$	Asset revaluation reserves \$	Cash flow hedge reserve \$	Total equity \$
As at 1 July 2021		147,781,124	30,268,587	75,490,365	295,558	253,835,634
Changes in equity for 2021/2022						
Total comprehensive income for the period		8,821,924	-	1,812,360	1,180,954	11,815,238
Transfers to and from reserves		(1,184,661)	1,184,661	-	-	-
Transfers to and from asset revaluation reserves		470,123	-	(470,123)	-	-
As at 30 June 2022	19	155,888,510	31,453,248	76,832,602	1,476,512	265,650,872
Changes in equity for 2022/2023						
Total comprehensive income for the period		13,692,588	-	100,855	103,984	13,897,427
Transfers to and from reserves		(745,309)	745,309	-	-	-
Transfers to and from asset revaluation reserves		-	-	-	-	-
As at 30 June 2023	19	168,835,789	32,198,557	76,933,457	1,580,496	279,548,299

This statement should be read in conjunction with the *Explanatory Notes to the Financial Statements*.

Te whāriki i te āhuatanga pūtea tae noa ki te tau i mutu i te 30 o Pipiri 2023

Statement of financial position as at 30 June 2023

	Notes	Council			Group	
		2022/23 Actual \$	2022/23 Budget \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Current assets						
Cash and cash equivalents	8	3,360,640	427,054	5,361,260	6,096,476	7,199,437
Current portion of investments	13	22,263,780	-	26,265,052	22,263,780	26,265,052
Receivables from exchange transactions	9	1,518,612	979,200	1,726,007	8,186,188	7,445,876
Receivables from non-exchange transactions	9	4,273,518	1,060,800	3,563,909	4,273,518	3,563,909
Inventories	12	209,863	153,000	286,006	1,179,824	1,200,988
Term deposits and treasury investments	13	50,000	-	-	50,000	-
Prepayments		396,787	102,000	283,282	2,309,097	283,282
Work-in-progress	29	337,990	408,000	223,182	337,990	223,182
Total current assets		32,411,190	3,130,054	37,708,698	44,696,873	46,181,726
Non-current assets						
Term deposits and treasury investments	13	437,500	14,895,467	362,500	437,500	362,500
Investments in CCOs & similar entities	13	26,799,118	26,799,118	26,799,118	799,118	799,118
Loan to Taranaki Stadium Trust	14	19,500,000	30,000,000	14,500,000	-	-
Investment properties	15	21,859,000	19,559,000	22,054,000	21,859,000	22,054,000
Derivative financial instruments		-	-	-	2,196,519	2,052,098
Intangible assets	11	1,640,887	2,124,951	348,084	1,918,366	756,632
Property, plant and equipment	10	37,170,523	40,486,196	35,810,413	290,166,504	265,642,218
Deferred tax asset	7	175,390	80,499	185,656	175,390	185,656
Total non-current assets		107,582,418	133,945,231	100,059,771	317,552,397	291,852,222
Total assets		139,993,608	137,075,285	137,768,469	362,249,270	338,033,948
Current liabilities						
Payables from exchange transactions	16	4,801,344	3,060,000	4,226,704	12,266,296	11,795,146
Payables from non-exchange transactions	16	3,644,080	2,040,000	5,541,444	3,644,080	5,541,444
Employee entitlements	17	1,233,077	1,173,000	1,224,576	2,900,799	2,667,142
Work-in-progress	29	1,296,743	612,000	1,342,707	1,296,745	1,342,707
Borrowings	18	2,000,000	-	-	2,163,658	64,793
Taxation payable	7	-	-	-	3,097,412	2,344,397
Total current liabilities		12,975,244	6,885,000	12,335,431	25,368,990	23,755,629
Non-current liabilities						
Employee entitlements	17	275,860	575,382	336,080	680,860	809,080
Deferred tax liability	7	-	-	-	1,327,080	1,049,940
Borrowings	18	17,500,000	30,000,000	14,500,000	55,324,041	46,768,427
Total non-current liabilities		17,775,860	30,575,382	14,836,080	57,331,981	48,627,447
Total liabilities		30,751,104	37,460,382	27,171,511	82,700,971	72,383,076
Public equity						
Retained earnings	19	69,888,192	67,557,209	73,129,288	168,835,789	155,888,510
Reserves	19	32,198,557	26,840,822	31,453,248	32,198,557	31,453,248
Asset revaluation reserves	19	7,155,755	5,216,872	6,014,422	76,933,457	76,832,602
Cash flow hedge reserve	19	-	-	-	1,580,496	1,476,512
Total public equity	19	109,242,504	99,614,903	110,596,958	279,548,299	265,650,872
Total liabilities and equity		139,993,608	137,075,285	137,768,469	362,249,270	338,033,948

This statement should be read in conjunction with the *Explanatory Notes to the Financial Statements*.

Te whāriki i ngā kapewhiti pūtea tae noa ki te tau i mutu i te 30 o Pipiri 2023

Statement of cash flows for the year ended 30 June 2023

Notes:	Council		Group		
	2022/23 Actual \$	2022/23 Budget \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Cash flow from operating activities					
Cash was provided from:					
Rates	16,567,122	16,567,146	15,303,936	16,567,122	15,303,936
Interest	1,524,545	655,659	384,696	1,625,160	320,193
Dividends	8,000,000	8,000,000	8,000,000	-	-
Goods and services tax	310,473	-	207,876	310,473	295,487
Other exchange transactions	5,945,971	6,587,554	5,852,685	71,723,459	63,926,949
Other non-exchange transactions	9,655,517	14,665,278	16,991,297	18,103,702	23,759,192
	42,003,628	46,475,637	46,740,490	108,329,916	103,605,757
Cash was applied to:					
Employees and suppliers	43,420,598	44,363,316	37,730,110	82,516,879	71,706,881
Income tax	-	60,000	-	4,367,034	2,698,000
Goods and services tax	-	-	-	154,219	-
Interest	774,759	455,659	207,031	2,429,317	1,395,347
	44,195,357	44,878,975	37,937,141	89,467,449	75,800,228
Net cash flow from operating activities	22 (2,191,729)	1,596,662	8,803,349	18,862,467	27,805,529
Cash flow from investing activities					
Cash was provided from:					
Investments	3,876,272	3,500,000	-	3,876,272	-
Proceeds from sale of investment property	-	-	465,000	-	465,000
Proceeds from sale of property, plant and equipment	931,454	561,750	163,888	1,350,671	1,276,888
	4,807,726	4,061,750	628,888	5,226,943	1,741,888
Cash was applied to:					
Investments	5,000,000	13,000,000	12,895,881	-	3,395,881
Capitalised interest on property, plant and equipment	-	-	-	581,380	174,000
Purchase of property, plant and equipment	4,616,617	5,759,150	3,462,403	35,076,293	27,142,046
	9,616,617	18,759,150	16,358,284	35,657,673	30,711,927
Net cash flow outflow from investing activities	(4,808,891)	(14,697,400)	(15,729,396)	(30,430,730)	(28,970,039)
Cash flow from financing activities					
Cash was provided from:					
Loans	14,000,000	13,000,000	9,500,000	46,370,000	29,230,000
	14,000,000	13,000,000	9,500,000	46,370,000	29,230,000
Cash was applied to:					
Lease payments	-	-	-	59,699	91,000
Loans	9,000,000	-	-	35,845,000	24,320,000
	9,000,000	-	-	35,904,699	24,411,000
Net cash outflow from financing activities	5,000,000	13,000,000	9,500,000	10,465,301	4,819,000
Net increase/(decrease) in cash & cash equivalents	(2,000,620)	(100,738)	2,573,953	(1,102,962)	3,654,490
Opening cash and cash equivalents	5,361,260	527,792	2,787,307	7,199,437	3,544,947
Closing cash and cash equivalents	8 3,360,640	427,054	5,361,260	6,096,475	7,199,437

This statement should be read in conjunction with the *Explanatory Notes to the Financial Statements*.

Ngā wetenga i ngā whākinga pūtea

Explanatory notes to the financial statements

1. Council information

REPORTING ENTITY

Taranaki Regional Council is a regional local authority governed by the *Local Government Act 2002*.

The Taranaki Regional Council Group (TRC) consists of Taranaki Regional Council and its subsidiaries Port Taranaki Ltd (100% owned) and Taranaki Stadium Trust (100% controlled). The Council has a 15.5% investment in Regional Software Holdings Ltd. Port Taranaki Ltd is a port company governed by the *Port Companies Act 1988* and incorporated in New Zealand. Taranaki Stadium Trust is a charitable trust governed by the *Charitable Trusts Act 1957* and registered under the *Charities Act 2005*. Regional Software Holdings Ltd is a company governed by the *Companies Act 1993* and incorporated in New Zealand. Taranaki Stadium Trust and Regional Software Holdings Ltd are council-controlled organisations pursuant to the *Local Government Act 2002*.

The principal activity of the Taranaki Regional Council is the provision of local authority services, including resource management, biosecurity, transport services, hazard management, recreation and cultural services and regional representation to ratepayers and other residents of the Taranaki region.

The financial statements of Taranaki Regional Council are for the year ended 30 June 2023. The financial statements were authorised for issue by Council on 19 September 2023.

2. Summary of accounting policies

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the requirements of the *Local Government Act 2002*, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

BASIS OF PREPARATION

As the primary objective of the Council is to provide goods or services for community and social benefit, rather than for making a financial return, the Council and Group are public benefit entities for the purpose of financial reporting. The financial statements of the Council and Group have been prepared in accordance with and comply with Tier 1 Public Benefit Entity (PBE) standards. The financial statements are presented in New Zealand dollars. The functional currency of Taranaki Regional Council is New Zealand dollars.

SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, and financial instruments.

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements that management have made regarding the estimated useful life of plant property and equipment and the fair value of property, plant and equipment, are disclosed in Note 10.

NEW AND AMENDED ACCOUNTING STANDARDS ADOPTED

The Group has not elected to early adopt any new standards or interpretations that are issued but not yet effective as at 30 June 2023. The Group has adopted PBE IPSAS 41 Financial Instruments in the current financial year. Refer Note 30 for further information.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

PBE Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2023, are outlined in the below:

New pronouncement	Effective for annual reporting periods beginning on or after:	Expected to be initially applied in the financial year ending:
PBE IFRS 17 Insurance Contracts	1 January 2023	30 June 2024
Amendments to PBE IFRS 17	1 January 2023	30 June 2024
2022 Omnibus Amendments to PBE Standards	1 January 2023	30 June 2024
Initial Application of PBE IFRS 17 and PBE IPSAS 41 – Comparative Information	1 January 2023	30 June 2024
Public Sector Specific Financial Instruments (Non-Authoritative Amendments to PBE IPSAS 41)	1 January 2023	30 June 2024
Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)	1 January 2024	30 June 2024

CHANGES IN ACCOUNTING ESTIMATES

There have been no changes in accounting estimates during the year for the Council, Port Taranaki Limited, or Taranaki Stadium Trust.

3. Principal activities/Group information

The Taranaki Regional Council provides local authority services within the Taranaki region. The reporting date of the Council and all subsidiaries is 30 June. The consolidated financial statements of the Group include the following subsidiaries of the Council:

Subsidiary name	Principal activities	Country of incorporation	Percentage equity interest		Carrying value of investment (at cost)	
			2022/23 %	2021/22 %	2022/23 \$	2021/22 \$
Port Taranaki Ltd	Export and import activities through Port Taranaki.	New Zealand	100	100	26,000,000	26,000,000
Taranaki Stadium Trust	Long-term maintenance and development of Yarrow Stadium.	New Zealand	100	100	Nil	Nil

The Council also hold investments in the following entities:

Subsidiary name	Principal activities	Country of incorporation	Percentage equity interest		Carrying value of investment (fair value)	
			2022/23 %	2021/22 %	2022/23 \$	2021/22 \$
Regional Software Holdings Ltd	Shared software resources.	New Zealand	15.5	15.5	798,118	798,118
Civic Assurance Ltd	Insurance services to local government.	New Zealand	<0.0	<0.0	1,000	1,000

4. Revenue

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
The net operating surplus (deficit) was achieved after crediting:				
Dividends	8,000,000	8,000,000	-	-
Gain on sale of property, plant and equipment	416,227	113,875	437,452	515,002
Unrealised (loss) gain on revaluation of investment properties	(195,000)	1,144,000	(195,000)	1,144,000
Rental revenue from investment properties	951,558	971,154	981,854	929,772
Interest – corporate bonds	-	-	-	-
Interest – cash and term deposits	995,646	351,119	1,022,298	406,339
Interest – Taranaki Stadium Trust	774,759	207,031	-	-
Direct charges revenue from exchange transactions				
Compliance monitoring charges	3,436,293	3,340,466	3,417,952	3,306,507
Resource consent applications	942,366	1,055,639	908,847	1,055,158
Other sales of goods and services	469,571	440,984	469,570	440,984
Total direct charges revenue from exchange transactions	4,848,230	4,837,089	4,796,369	4,802,649
Direct charges revenue from non-exchange transactions				
Riparian plant sales	1,290,649	1,662,890	1,290,649	1,662,890
Bus fares	595,810	635,676	595,810	635,676
Pollution response	422,620	470,474	422,620	470,154
Resource consent condition charges	162,706	51,401	162,705	51,401
Predator Free 2050 funding	1,329,735	1,638,803	1,329,735	1,638,803
Jobs for Nature funding	798,266	-	798,266	-
Waitara Lands Act 2018 income distribution	635,570	1,393,703	635,570	1,393,703
Other recoveries and sales of goods and services	371,563	400,705	446,242	444,535
Total direct charges revenue from non-exchange transactions	5,606,919	6,253,652	5,681,597	6,297,162

POLICIES

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes/duty. To the extent that there is a condition attached that would give rise to a liability to repay revenue, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised once the Group has satisfied these conditions.

REVENUE FROM NON-EXCHANGE TRANSACTIONS:

- General and targeted rates: The Group recognises revenue from rates when the Council has set the rate and provided the rates assessment. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable.
- Government grants: Revenues from the Government is recognised when the Group obtains control of the transferred asset (cash, goods, services, or property), and when the revenue can be measured reliably and is free from conditions.
- Fines: The Group recognises revenue from fines when the notice of infringement or breach is served by the Council or Group.
- Direct charges – goods and services: Rendering of services or the sale of goods at a price that is not approximately equal to the value of the service provided by the Council or Group is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service and where the shortfall is subsidised by income from other activities, such as rates. Revenue from such subsidised services is recognised when the Council or Group issues the invoice or bill for the service.

REVENUE FROM EXCHANGE TRANSACTIONS:

- Direct charges – goods and services: Revenue from the rendering of services or the sale of goods is recognised by reference to the stage of completion of the service. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

- Interest revenue: For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.
- Dividends: Revenue is recognised when the Group's or Council's right to receive the payment is established, which is generally when shareholders approve the dividend.
- Rental revenue: Rental revenue arising from operating leases on investment properties is accounted for on a straight-line basis over the lease.

5. Expenditure

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
The net operating surplus (deficit) was achieved after charging:				
Employee benefits	18,723,522	16,120,401	34,491,420	30,855,997
Cost of services	22,227,552	20,347,318	20,048,883	18,166,695
General expenses	-	-	9,433,045	10,610,215
Repairs and maintenance	554,317	558,391	4,831,079	5,903,661
Directors' fees	-	-	401,103	364,000
Donations	235,000	235,000	235,400	235,040
Depreciation, amortisation and maintenance dredging	2,426,916	2,380,405	10,403,053	10,734,416
Loss on disposal of property, plant and equipment	38,086	24,775	40,437	33,443
Bad debts	1,922	-	104,789	-
Audit fees – audit of Annual Report	172,643	131,293	365,613	234,278
Purchase of riparian plants (inventory)	1,138,449	1,423,295	1,138,449	1,423,295
Total expenses	45,518,407	41,220,878	81,493,271	78,561,040

POLICIES

The budget figures presented in these financial statements are those included in the adopted Annual Plan or Long-Term Plan. The budget figures are Council only and do not include budget information relating to subsidiaries or associates.

Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. Indirect costs are allocated as overheads across all activities. Overheads have been allocated against activity centres on the basis of staff numbers. However, in the case of Councillors, they have been allocated on a 0.5:1 ratio.

6. Explanation of major variances against budget

	2022/23 Actual \$
Operating expenditure was less than budgeted. Across the range of activities there were over and under expenditures. The most significant variances are underspends in Waitara River catchment expenditure (awaiting the establishment of the Waitara River Committee), underspend on Towards Predator-Free Taranaki and overspend on Transport costs due to increases in services and inflation.	1,485,879
Direct charges were less than budgeted. Across the range of activities there were a number of over and under revenues. Waitara Lands reserve distributions was the most significant under budget revenue.	(5,823,612)
Government grants were more than budgeted, due to increased Waka Kotahi grants.	1,836,160
Other investment revenue was more than budgeted. A number of revenues higher than planned including gain on sale of assets.	363,739
Net finance income was more than budgeted due to the unexpected interest rate rises in 2022/2023.	795,646
Unrealised loss on revaluation of investment properties was less than budgeted. No allowance was made for an increase or decrease in values.	(195,000)
Unrealised gains on revaluation of flood control scheme assets was more than budgeted. No allowance was made for an increase or decrease in values.	1,141,333
Total current assets was more than budgeted. This is due to investments being invested on a short-term basis and higher cash balances and trade receivables than planned.	29,281,136

	2022/23 Actual \$
Total non-current assets was less than budgeted. This is due to investments being invested on a short-term basis and the loan to Taranaki Stadium Trust being less than expected due to change in timings in the Yarrow Stadium Plus project.	(26,362,813)
Total current liabilities was more than budgeted. This is due to higher payables (including riparian plant purchases and income received in advance) and higher borrowings due to some short-term LGFA debt.	(6,090,244)
Total non-current liabilities was less than budgeted. Due to timing differences in the drawdown of borrowings for the Yarrow Stadium Plus project.	12,799,522
Total public equity was more than budgeted. Due to higher retained earnings and reserves than budgeted.	9,627,601

The entire operating surplus is from continuing activities.

7. Taxation

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Income tax recognised in the Statement of Comprehensive Revenue and Expense				
Current tax expense	-	-	5,120,049	4,461,262
Deferred tax on losses carried forward	10,266	(67,917)	247,968	(420,541)
Income tax expense per Statement of Comprehensive Revenue and Expense	10,266	(67,917)	5,368,017	4,040,721
Reconciliation of operating surplus before tax and income tax expense				
Surplus/(deficit) before taxation and subvention payment	(2,485,521)	1,868,784	19,057,605	12,862,645
Operating surplus/(deficit) before taxation	2,485,521	1,868,784	19,057,605	12,862,645
Income tax expense at 28%	(695,946)	523,260	5,336,690	3,601,541
Tax effect of non-deductible expenses in operating surplus before taxation	3,817,323	2,519,934	208,145	413,180
Timing differences prior period	-	-	-	-
Timing differences current period	-	-	6,760	26,000
Prior period adjustments impacting income taxation expense	-	-	(183,578)	-
Imputation credit adjustment	(3,111,111)	(3,111,111)	-	-
Income taxation expense per Statement of Comprehensive Revenue and Expense	10,266	(67,917)	5,368,017	4,040,721
Taxation refundable/(payable)				
Opening balance	-	-	(2,344,397)	(1,040,824)
Prior year tax paid/(refund)	-	-	2,470,567	1,050,000
Prior year adjustment	-	-	-	-
Current taxation payable	-	-	(5,431,636)	(4,461,261)
Provisional taxation paid (refunded)	-	-	2,208,054	2,107,688
Taxation refundable/(payable)	-	-	(3,097,412)	(2,344,397)
Notes				
	2022/23 Actual \$	Council 2021/22 Actual \$	2022/23 Actual \$	Group 2021/22 Actual \$
Imputation credit account				
Credits available for use in subsequent periods	-	-	28,240,177	27,837,000
Imputation credits available directly and indirectly to the Council, through Port Taranaki Ltd	-	-	28,240,177	27,837,000

DEFERRED TAX (ASSET)/LIABILITY

	Depreciation/ Amortisation	Provisions/ Payables	Council Receivables/ Prepayments	Cash flow hedge reserve	Total
Balance 30 June 2021	-	-	(117,739)	-	(117,739)
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	-	-	(67,917)	-	(67,917)
Balance 30 June 2022	-	-	(185,656)	-	(185,656)
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	-	-	10,266	-	10,266
Balance 30 June 2023	-	-	175,390	-	175,390

	Depreciation/ Amortisation	Provisions/ Payables	Group Receivables/ Prepayments	Cash flow hedge reserve	Total
Balance 30 June 2021	1,967,515	(1,139,211)	(117,739)	115,000	825,565
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	(262,575)	(90,789)	(67,917)	460,000	38,719
Balance 30 June 2022	1,704,940	(1,230,000)	(185,656)	575,000	864,284
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	334,140	(97,000)	10,266	40,000	
Balance 30 June 2023	2,039,080	(1,327,000)	(175,390)	615,000	1,151,690
Represented by:					
Non-current assets					(175,390)
Non-current liabilities					1,327,080
Balance 30 June 2023					1,151,690

POLICIES

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting surplus or deficit nor taxable surplus or deficit.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for deductible temporary differences, carry forward of unused tax credits and losses. Deferred tax assets are recognised to the extent it is probable taxable surplus will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting surplus or deficit nor taxable surplus or deficit.
- For deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable surplus will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Revenues, expenses and assets are recognised net of the amount of GST except:

When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and in the case of receivables and payables, which are stated with the amount of GST included.

NOTES

The Council is exempt from income tax, except from transactions with council controlled organisations and port companies. There is a recognised deferred tax asset of \$175,390 (2021/2022—\$185,656) for the carry forward of unused tax credits.

8. Cash and cash equivalents

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Bank	1,267,166	142,338	2,012,891	555,963
Call deposits	2,093,474	5,218,922	4,083,585	6,643,474
Total bank and call deposits	3,360,640	5,361,260	6,096,476	7,199,437

POLICIES

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash.

NOTES

The carrying value of cash and cash equivalents approximates their fair value.

9. Receivables

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Receivables from exchange transactions				
Trade receivables	1,308,411	1,269,425	7,935,547	7,040,028
Provision for impairment		-	-	(287,369)
Net trade receivables	1,308,411	1,269,425	7,935,547	6,752,659
Other receivables	58,356	368,830	250,641	693,217
Related party receivables	151,845	87,752	-	-
Total receivables from exchange transactions	1,518,612	1,726,007	8,186,188	7,445,876
Receivables from non-exchange transactions				
Trade receivables	4,273,518	3,563,909	4,273,518	3,563,909
Provision for impairment	-	-	-	-
Net trade receivables	4,273,518	3,563,909	4,273,518	3,563,909
Other receivables				
Related party receivables	-	-	-	-
Total receivables from non-exchange transactions	4,273,518	3,563,909	4,273,518	3,563,909

NOTES

The fair value of trade and other receivables approximates their carrying value. There is no concentration of credit risk with respect to the Council's receivables as there a large number of customers.

10. Property, plant and equipment

Council	Land cost	Land valuation	Buildings cost	Buildings valuation	Motor vehicles cost	Plant, equipment & fittings cost	Office furniture cost	Computer equipment cost
Carrying amount 1 July 2021	2,313,979	- 11,682,651	-	- 2,589,241	1,779,442	88,710	513,366	
Cost/valuation	2,313,979	- 16,568,843	-	4,455,395	6,630,172	717,729	3,720,802	
Accumulated depreciation	-	- (4,886,192)	-	(1,866,154)	(4,850,730)	(629,019)	(3,207,435)	
Additions	-	- 31,506	-	1,102,431	270,790	185,903	209,942	
Transfers	-	- 794,455	-	-	44,048	-	-	
Revaluations	-	-	-	-	-	-	-	
Disposals	-	-	-	(47,152)	(27,636)	-	-	
Depreciation	-	- (429,771)	-	(827,132)	(579,998)	(42,657)	(197,779)	
Carrying amount 30 June 2022	2,313,979	- 12,078,841	-	2,817,388	1,486,646	231,956	525,530	
Cost/valuation	2,313,979	- 17,394,804	-	5,176,443	5,334,278	634,859	1,302,048	
Accumulated depreciation	-	- (5,315,963)	-	(2,359,055)	(3,847,632)	(402,903)	(776,519)	
Additions	500,000	- 40,146	-	2,505,810	196,738	89,388	273,930	
Transfers	-	- 168,527	-	-	428,708	-	99,116	
Revaluations	-	-	-	-	-	-	-	
Disposals	-	- (8,037)	-	(525,619)	(138)	(15)	(16,704)	
Depreciation	-	- (429,182)	-	(948,435)	(525,747)	(64,615)	(220,387)	
Carrying amount 30 June 2023	2,813,979	- 11,850,295	-	3,849,144	1,586,207	256,714	661,484	
Cost/valuation	2,813,979	- 17,486,631	-	6,100,326	5,155,500	538,972	1,613,163	
Accumulated depreciation	-	- (5,636,336)	-	(2,251,181)	(3,569,293)	(282,258)	(951,679)	

Council	Dredging cost	Port services equipment cost	Wharves & breakwater cost	Port assets held for sale cost	Work in progress cost-	Flood & river control valuation	-	Total
Carrying amount 1 July 2021	-	-	-	-	1,177,961	13,818,670	-	33,964,020
Cost/valuation	-	-	-	-	1,177,961	13,818,670	-	49,403,551
Accumulated depreciation	-	-	-	-	-	-	-	(15,439,530)
Additions	-	-	-	-	1,568,664	-	-	3,369,236
Transfers	-	-	-	-	(884,583)	-	-	(46,080)
Revaluations	-	-	-	-	-	675,360	-	675,360
Disposals	-	-	-	-	-	-	-	(74,789)
Depreciation	-	-	-	-	-	-	-	(2,077,337)
Carrying amount 30 June 2022	-	-	-	-	1,862,042	14,494,030	-	35,810,412
Cost/valuation	-	-	-	-	1,862,042	14,494,030	-	48,512,484
Accumulated depreciation	-	-	-	-	-	-	-	(12,702,072)
Additions	-	-	-	-	887,797	-	-	4,493,809
Transfers	-	-	-	-	(2,230,503)	-	-	(1,534,152)
Revaluations	-	-	-	-	-	1,141,333	-	1,141,333
Disposals	-	-	-	-	(2,000)	-	-	(552,513)
Depreciation	-	-	-	-	-	-	-	(2,188,366)
Carrying amount 30 June 2023	-	-	-	-	517,337	15,635,363	-	37,170,523
Cost/valuation	-	-	-	-	517,337	15,635,363	-	52,060,961
Accumulated depreciation	-	-	-	-	-	-	-	(14,890,438)

Disposals are disclosed on a net basis therefore cost and accumulated depreciation is not able to be recalculated from above information.

Group	Land cost	Land valuation	Buildings cost	Buildings valuation	Motor vehicles cost	Plant, equipment & fittings cost	Office furniture cost	Computer equipment cost
Carrying amount 1 July 2021	2,313,979	101,726,000	27,923,864	9,082,167	2,589,241	2,843,459	88,710	513,366
Cost/valuation	2,313,979	101,726,000	49,344,843	10,260,449	4,455,395	9,970,366	734,159	3,720,802
Accumulated depreciation	-	-	(21,420,979)	(1,178,282)	(1,866,154)	(7,126,907)	(645,449)	(3,207,435)
Additions	-	-	312,506	-	1,102,431	270,790	185,903	209,942
Capitalisation	-	-	-	-	-	-	-	-
Transfers	-	-	794,455	18,267,903	-	44,048	-	-
Impairment	-	-	-	-	-	-	-	-
Revaluations	-	1,137,000	-	(1,296,058)	-	-	-	-
Disposals	-	-	-	-	(47,152)	(43,334)	-	-
Depreciation	-	-	(1,711,207)	(229,212)	(827,132)	(1,240,291)	(42,657)	(197,779)
Carrying amount 30 June 2022	2,313,979	102,863,000	27,319,618	25,824,800	2,817,388	1,874,672	231,956	525,530
Cost/valuation	2,313,979	102,863,000	50,451,804	26,635,393	5,176,443	8,658,773	651,289	1,302,048
Accumulated depreciation	-	-	(23,132,186)	(810,593)	(2,359,055)	(6,784,101)	(419,333)	(776,518)
Additions	500,000	565,217	441,145	444,713	2,505,810	199,253	89,388	273,930
Capitalisation	-	-	-	-	-	-	-	-
Transfers	-	-	168,527	4,728,810	-	428,708	-	99,116
Impairment	-	-	-	-	-	-	-	-
Revaluations	-	(1,040,478)	-	1,365,646	-	-	-	-
Disposals	-	-	(8,037)	-	(525,619)	(138)	(15)	(16,704)
Depreciation	-	-	(1,431,438)	(612,452)	(948,435)	(648,432)	(64,615)	(220,387)
Carrying amount 30 June 2023	2,813,979	102,387,739	26,489,815	31,751,517	3,849,144	1,854,063	256,714	661,485
Cost/valuation	2,813,979	102,387,739	50,944,631	33,174,561	6,100,326	8,482,511	538,972	1,613,164
Accumulated depreciation	-	-	(24,454,816)	(1,423,044)	(2,251,182)	(6,628,448)	(282,258)	(951,679)

Group	Dredging cost	Port services & equipment cost	Wharves & breakwater cost	Port assets held for sale cost	Work in progress cost	Flood and river control valuation	Total
Carrying amount 1 July 2021	20,176,595	43,247,899	10,699,000	665,000	13,050,848	13,818,670	248,738,798
Cost/valuation	25,212,975	102,681,096	30,318,000	665,000	13,050,848	13,818,670	368,272,582
Accumulated depreciation	(5,036,380)	(59,433,197)	(19,619,000)	-	-	-	(119,533,783)
Additions	-	1,971,000	69,000	46,000	25,786,777	-	29,954,349
Capitalisation	-	-	-	-	(2,117,000)	-	(2,117,000)
Transfers	-	-	-	-	(19,152,486)	-	(46,080)
Impairment	-	-	-	-	(91,939)	-	(91,939)
Revaluations	-	-	-	-	-	675,360	516,302
Disposals	-	(41,000)	-	(709,000)	(41,955)	-	(882,441)
Depreciation	(1,419,595)	(4,343,899)	(416,000)	(2,000)	-	-	(10,429,772)
Carrying amount 30 June 2022	18,757,000	40,834,000	10,352,000	-	17,434,245	14,494,030	265,642,218
Cost/valuation	25,212,975	103,820,000	30,387,000	-	17,434,245	14,494,030	389,400,979
Accumulated depreciation	(6,455,975)	(62,986,000)	(20,035,000)	-	-	-	(123,758,761)
Additions	2,820,000	15,545,000	136,000	-	30,880,753	-	54,401,209
Capitalisation	-	-	-	-	(18,910,000)	-	(18,910,000)
Transfers	-	-	-	-	(6,959,313)	-	(1,534,152)
Impairment	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	1,141,333	1,466,501
Disposals	(314,000)	-	-	-	(2,000)	-	(866,513)
Depreciation	(1,188,000)	(4,518,000)	(401,000)	-	-	-	(10,032,759)
Carrying amount 30 June 2023	20,075,000	51,861,000	10,087,000	-	22,443,685	15,635,363	290,166,504
Cost/valuation	25,620,000	117,828,000	30,365,000	-	22,443,685	15,635,363	417,947,929
Accumulated depreciation	(5,545,000)	(65,967,000)	(20,278,000)	-	-	-	(127,781,425)

Disposals are disclosed on a net basis therefore cost and accumulated depreciation is not able to be recalculated from above information.

POLICIES

Property, plant and equipment is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Group, and if the item's cost or fair value can be measured reliably. Subsequent to initial recognition, property, plant and equipment are measured using either the cost model or the revaluation model.

For Council, land and work in progress is recorded at cost, flood and river control assets are recorded at fair value as determined by a valuer and all other assets are recorded at cost less accumulated depreciation and any impairment. For Port Taranaki Limited, land is recorded at fair value as determined by a valuer and all other assets are recorded at cost less accumulated depreciation and any impairment. For Taranaki Stadium Trust, land and buildings is recorded at fair value as determined by a valuer less any accumulated depreciation on buildings and impairment losses recognised after the date of revaluation. All other assets are recorded at cost less accumulated depreciation and any impairment

Council land and buildings are valued at cost whereas Port Taranaki Ltd land and Taranaki Stadium Trust land and buildings are valued at fair value. These classes of land and buildings are valued differently based upon the nature and use or purpose that the land is held for. Specifically, land held by Port Taranaki Ltd and land and buildings held by Taranaki Stadium Trust are used for commercial purposes, whereas land and buildings held by the Council are used for non-commercial or service delivery outcomes.

Revaluation is performed on a class-by-class basis. If an item of property, plant and equipment is revalued, the entire class to which the asset belongs is revalued. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The valuation cycle for revalued asset classes is normally three years. A revaluation surplus is recorded in other comprehensive revenue and expense and credited to the asset revaluation reserve in net assets/equity. However, to the extent that it reverses a revaluation deficit of the same class of asset previously recognised in surplus or deficit, the increase is recognised in surplus or deficit. A revaluation deficit is recognised in the surplus or deficit, except to the extent that it offsets an existing surplus on the same asset class recognised in the asset revaluation reserve.

The residual value and the useful life of assets are reviewed at least annually. Depreciation calculated on a straight-line basis, which writes off the value of the assets over their expected remaining lives after allowing for residual values where applicable. The depreciation rates are as follows:

Buildings	5 to 45 yrs	2 to 20%
Motor vehicles	5 to 8 yrs	12 to 20%
Plant and equipment	2.5 to 25 yrs	4 to 40%
Office furniture and fittings	5 to 10 yrs	10 to 20%
Computer equipment	5 yrs	20%
Wharves and breakwaters	4 to 66 yrs	1.5 to 25%
Port services and equipment	2 to 50 yrs	2 to 50%
Dredging	2 yrs	Nil to 50%

Flood scheme assets – the nature of these assets is equivalent to land improvements and, as such, they do not incur a loss of service potential over time. Land and flood scheme assets are not depreciated. Maintenance costs are expensed as they are incurred in the surplus or deficit in the *Statement of Comprehensive Revenue and Expense*.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the surplus or deficit. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

For non-financial non-cash-generating assets, except for those assets that are valued using the revaluation model, the Group assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount. Impairment losses are recognised immediately in surplus or deficit.

NOTES

The Waitara River Flood Protection Scheme assets, Ōkato River Flood Protection Scheme assets, Ōpunake Flood Protection Scheme assets and the Waiwhakaiho River Flood Protection Scheme assets were independently valued at 30 June 2023 at depreciated replacement cost, by Mr John Philpott (Masters of Civil Engineering of John Philpott & Associates Ltd). The revalued amount of land used in this report less the capital work in progress amounts to \$15,635,360 (2021/2022-\$14,494,030). The carrying amount of land had it been recognised under the cost model is \$2,825,194 (2021/2022-\$2,825,194). Information about core assets pursuant to Regulation 6 of the *Local Government (Financial Reporting and Prudence) Regulations 2014*. The Council does not have water supply, sewerage, stormwater drainage or roads and footpaths and, consequently, has no disclosures to make.

Port Taranaki Ltd land was revalued at 30 June 2023 by Telfer Young (Taranaki) Ltd, New Plymouth to \$97,406,000 (2021/2022 - \$98,408,000). Telfer Young is an independent valuer. The carrying amount of land had it been recognised under the cost model is \$30,049,000 (\$30,049,000-2021/2022). Port Taranaki Ltd land assets have been valued using a combination of the direct sales comparison approach and the rental returns approach methodology. Land assets have been valued on their existing zoning, potential for utilisation and localised port market. All land holdings are used or held for port operational requirements and as such are valued under the requirements of PBE IPSAS 17 using fair value (market value).

Taranaki Stadium Trust land and buildings were valued as at 30 June 2023, by Mike Drew, a registered valuer with Telfer Young (Taranaki) Ltd. The land and buildings are valued based on the depreciated replacement cost approach using assumptions the valuer believed to be fair and reasonable at the date of valuation. The total fair value of the land and buildings valued at 30 June 2023 was \$36,733,253.

11. Intangible assets

Council	Computer software	Total
Carrying amount 30 June 2021	605,075	605,075
Cost/valuation	3,892,685	3,892,685
Accumulated depreciation	(3,287,611)	(3,287,611)
Additions	-	-
Transfers	46,080	46,080
Disposals	-	-
Amortisation	(303,070)	(303,070)
Carrying amount 30 June 2022	348,084	348,084
Cost/valuation	2,426,724	2,426,724
Accumulated depreciation	(2,078,640)	(2,078,640)
Additions	-	-
Transfers	1,534,152	1,534,152
Disposals	(2,800)	(2,800)
Amortisation	(238,549)	(238,549)
Carrying amount 30 June 2023	1,640,887	1,640,887
Cost/valuation	3,913,844	3,913,844
Accumulated depreciation	(2,272,958)	(2,272,958)

Group	Computer software	Total
Carrying amount 30 June 2021	1,170,105	1,170,105
Cost/valuation	8,706,729	8,706,729
Accumulated depreciation	(7,536,624)	(7,536,624)
Additions	-	-
Transfers	46,080	46,080
Disposals	-	-
Amortisation	(459,553)	(459,553)
Carrying amount 30 June 2022	756,632	756,632
Cost/valuation	7,240,767	7,240,767
Accumulated depreciation	(6,484,135)	(6,484,135)
Additions	-	-
Transfers	1,534,152	1,534,152
Disposals	(2,800)	(2,800)
Amortisation	(369,618)	(369,618)
Carrying amount 30 June 2023	1,918,366	1,918,366
Cost/valuation	8,586,844	8,586,844
Accumulated depreciation	(6,668,478)	(6,668,478)

POLICIES

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category consistent with the function of the intangible assets. The Group holds computer software packages for internal use, including purchased software and software developed in-house by the Group. Purchased software is recognised and measured at the cost incurred to acquire the software. Developed software is recognised and measured during the development stage in accordance with the Research and Development policy below. Costs directly associated with the development of software, including employee costs, are capitalised as an intangible asset. Training costs and costs associated with maintaining computer software are recognised as expenses when incurred. The estimated useful lives are as follows:

Computer software 5 yrs 20%

12. Inventories

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Plant materials	208,195	286,006	208,195	286,006
Miscellaneous	1,668	-	1,668	-
Maintenance consumables	-	-	969,961	914,982
Total inventories	209,863	286,006	1,179,824	1,200,988

POLICIES

Inventories are valued at the lower of weighted average cost or net realisable value.

13. Investments

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Current portion of investments				
Term deposits	22,263,780	26,265,052	22,263,780	26,265,052
Treasury investments - corporate bonds/notes	50,000	-	50,000	-
Total current portion of investments	22,313,780	26,265,052	22,313,780	26,265,052
Non-current investments				
Treasury investments – borrower notes	437,500	362,500	437,500	362,500
Investments in CCOs and similar entities				
Shares in subsidiaries (cost)	26,000,000	26,000,000	-	-
Unlisted shares in Civic Assurance (fair value)	1,000	1,000	1,000	1,000
Unlisted Shares Regional Software Holdings Ltd (fair value)	798,118	798,118	798,118	798,118
Total non-current investments	27,236,618	27,161,618	1,236,618	1,161,618
Total investments	49,550,398	53,426,670	23,550,398	27,426,670
Term deposit maturity dates and effective interest rates				
Term deposits maturing in less than 1 year	22,263,780	26,265,052	22,263,780	26,265,052
Weighted average effective interest rate	3.70%	1.23%	3.70%	1.23%
Term deposits maturing in 1 to 2 years	-	-	-	-
Weighted average effective interest rate	-	-	-	-
Borrower notes maturity dates and effective interest rates				
Borrower notes maturing in less than 1 year	50,000	-	50,000	-
Weighted average effective interest rate	1.06%	-	1.06%	-
Borrower notes maturing in 1 to 2 years	62,500	50,000	62,500	50,000
Weighted average effective interest rate	4.73%	1.06%	4.73%	1.06%
Borrower notes maturing in 3 to 4 years	200,000	125,000	200,000	125,000
Weighted average effective interest rate	3.25%	3.11%	3.25%	3.11%
Borrower notes maturing in 5 to 10 years	175,000	187,500	175,000	187,500
Weighted average effective interest rate	3.04%	2.32%	3.04%	2.32%
Borrower notes carrying value	487,500	362,500	487,500	362,500

POLICIES

Consolidated financial statements comprise the financial statements of the Council and its controlled entities as at 30 June. Controlled entities are all those over which the Council has the power to govern the financial and operating policies so as to obtain benefits from their activities. The financial statements of the controlled entities are prepared for the same reporting period as the Council, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

Shares in subsidiaries (at cost) - The investment in subsidiaries is carried at cost in the Council's parent entity financial statements. For other investments, the accounting policy is disclosed in Note 30.

NOTES

Borrower notes and term deposits - The carrying amount of term deposits approximates their fair value.

Shares in subsidiaries – As a 100% owned subsidiary of the Council, Port Taranaki Limited 52,000,000 shares are recorded at cost price.

Unlisted shares –Regional Software Holdings Ltd (1,551 shares, (2021/2022 1,550)) and Civic Assurance (1,000 shares, (2021/2022 1,000)) are recorded at fair value. Due to the immaterial size and nature of Council's investment in these shares, the Council has estimated the fair value of this investment based on the net asset valuation method as at 30 June 2023.

14. Loan to Taranaki Stadium Trust

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Current assets				
Loan to Taranaki Stadium Trust	-	-	-	-
Total current asset loans	-	-	-	-
Weighted average interest rate	-	-	-	-
Non-current assets				
Loan to Taranaki Stadium Trust	19,500,000	14,500,000	-	-
Total non-current asset loans	19,500,000	14,500,000	-	-
Weighted average interest rate	4.36%	2.79%	-	-

POLICIES

Investment loans held by the Council are accounted for at cost less any impairment charges in the financial statements of the Council.

NOTES

The loan to the Taranaki Stadium Trust is the on lending of funds borrowed from the LGFA for the repair of Yarrow Stadium. The weighted average rate earned on this investment was 4.36% (30 June 2022 2.79%). The loan is repayable on demand if required by the Council – the Council has no intentions of requiring the early repayment of this loan.

15. Investment property

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Balance 1 July	22,054,000	21,305,000	22,054,000	21,305,000
Additions	-	-	-	-
Disposals	-	(395,000)	-	(395,000)
Transfer to property, plant and equipment	-	-	-	-
Fair value gains/(losses) on valuation	(195,000)	1,144,000	(195,000)	1,144,000
Balance 30 June	21,859,000	22,054,000	21,859,000	22,054,000
Comprising:				
Current assets	-	-	-	-
Non-current assets	21,859,000	22,054,000	21,859,000	22,054,000
Total investment property	21,859,000	22,054,000	21,859,000	22,054,000
Reconciliation of net surplus on investment properties				
Rental income derived from investment properties	951,558	971,154	907,176	926,772
Direct operating expenses (including repairs and maintenance) generating rental income	328	3,172	328	3,172
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	3,422	3,440	3,442	3,440
Surplus arising from investment properties carried at fair value	947,808	964,542	903,406	920,160

POLICIES

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day maintenance of an investment property. Subsequent to initial recognition, investment properties are measured at fair value, which is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in surplus or deficit in the year in which they arise.

NOTES

Investment properties are independently valued annually at fair value effective 30 June. All investment properties are valued based on the comparable sales approach using assumptions the valuer believed to be fair and reasonable at the date of valuation. The valuation was performed by TelferYoung (Taranaki) Limited, a registered experienced valuer with extensive market knowledge. The total fair value of the property valued at 30 June 2023 was \$21,859,000 (2021/2022—\$22,054,000).

16. Payables

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Payables from exchange transactions				
Trade payables under exchange transactions	3,976,903	3,697,280	10,775,246	10,720,428
Accrued pay	374,126	258,237	1,040,735	803,531
Other payables	375,978	220,482	375,978	220,482
Related party payables	74,337	50,705	74,337	50,705
Total payables from exchange transactions	4,801,344	4,226,704	12,266,296	11,795,146
Comprising:				
Current liabilities	4,801,344	4,226,704	12,266,296	11,795,146
Non-current liabilities	-	-	-	-
Total payables from exchange transactions	4,801,344	4,226,704	12,266,296	11,795,146
Payables from non-exchange transactions				
Other payables	3,644,080	5,541,444	3,644,080	5,541,444
Total payables from non-exchange transactions	3,644,080	5,541,444	3,644,080	5,541,444
Comprising:				
Current liabilities	3,644,080	5,541,444	3,644,080	5,541,444
Non-current liabilities	-	-	-	-
Total payables from non-exchange transactions	3,644,080	5,541,444	3,644,080	5,541,444

POLICIES

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

PTL is required by the Environmental Protection Authority under their Fire Fighting Chemicals Group Standard 2021 HSR002573 to dispose of non-compliant firefighting foam. In 2022 the cost of disposal had been estimated to be \$0.99 million and has not been revised for escalation of cost as this is uncertain. The foam is to be disposed of when a suitable method of disposal becomes available. Until that time the foam will be in secure storage on site.

17. Employee entitlements

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Holiday leave	1,064,587	1,036,396	2,437,869	2,244,521
Sick leave	19,500	28,700	79,500	88,700
Long service leave	204,250	204,960	341,690	346,401
Retirement gratuities	220,600	290,600	722,600	796,600
Total employee entitlements	1,508,937	1,560,656	3,581,659	3,476,222
Comprising:				
Current liabilities	1,233,077	1,224,576	2,900,799	2,667,142
Non-current liabilities	275,860	336,080	680,860	809,080
Total employee entitlements	1,508,937	1,560,656	3,581,659	3,476,222

POLICIES

Liabilities for wages and salaries (including non-monetary benefits), annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee rendered the related services, and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Employees of the Group become eligible for long service leave after a certain number of years of employment, depending on their contract. The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. The Group's liability is based on an actuarial valuation. Actuarial gains and losses on the long-term incentives are accounted for in the surplus or deficit.

18. Borrowings

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Current liabilities				
LGFA Borrowing	2,000,000	-	2,000,000	-
Secured loans - ASB	-	-	163,325	64,461
Secured loans - TSB Bank	-	-	333	332
Total current liability borrowings	2,000,000	-	2,163,658	64,793
Weighted average interest rate	1.41%	-	1.78%	1.52%
Non-current liabilities				
LGFA Borrowing	17,500,000	14,500,000	17,500,000	14,500,000
Secured loans - ASB	-	-	37,824,041	32,268,427
Total non-current liability borrowings	17,500,000	14,500,000	55,324,041	46,768,427
Weighted average interest rate	4.7%	2.79%	5.83%	1.90%

POLICIES

All borrowing costs are expensed in the period they occur, except for Port Taranaki Limited's exception for interest costs associated with capital projects. Port Taranaki Limited's borrowing costs incurred during construction/assembly of major capital projects are capitalised as part of the initial cost of the respective assets.

NOTES

As at 30 June 2023, total borrowings from the New Zealand Local Government Funding Agency (LGFA) were \$19.5m (30 June 2022 \$14.5m). The average rate of interest was 4.36% (30 June 2022 2.79%).

For the LGFA borrowings the Council has entered into a Debenture Trust Deed with Trustees Executors Limited. Under the Debenture Trust Deed the Council has granted security over its rates and rates revenue. Trustees Executors Limited hold this security for the benefit of any holders of stock (as that term is defined in the Council's debenture trust deed). The Council has granted security stock (with a floating nominal amount) to LGFA to secure the borrowings.

Port Taranaki Ltd borrowings with ASB Bank Limited are secured by way of a general security deed granting a security interest over its personal property, a fixed charge over its other property and a mortgage over its land and buildings. That extended the term of its facilities and revised the pricing structure to be based upon the Funding for Lending Programme. The borrowings in the statement of financial position include accrued interest. The weighted average interest rate in 2023 is 6.35% (2022: 1.50%).

The Taranaki Stadium Trust TSB Bank Liberty Revolving credit facility has a draw down limit of \$5,000,000 and is secured by way of a registered first mortgage over the property at 6 Maratahu Street, New Plymouth. Interest is incurred at a variable rate of 8.12% pa (30 June 2022: 4.62%).

19. Public equity

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Retained earnings				
Opening balance	73,129,288	72,377,248	155,888,510	147,781,124
Operating surplus/(deficit)	(2,495,787)	1,936,701	13,692,588	8,821,924
Transfers to reserves	(1,656,535)	(2,196,668)	(1,656,535)	(2,196,668)
Transfers from reserves	911,226	1,012,007	911,226	1,482,130
Closing balance	69,888,192	73,129,288	168,835,789	155,888,510
Reserves				
Opening balance	31,453,248	30,268,587	31,453,248	30,268,587
Transfers from retained earnings	1,656,535	2,196,668	1,656,535	2,196,668
Transfers to retained earnings	(911,226)	(1,012,007)	(911,226)	(1,012,007)
Closing balance	32,198,557	31,453,248	32,198,557	31,453,248

Notes	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
<i>North Taranaki/Waitara River Control Scheme reserve</i>				
Opening balance	1,421,019	1,315,992	1,421,019	1,315,992
Transfers from retained earnings	159,872	107,907	159,872	107,907
Transfers to retained earnings	(2,109)	(2,880)	(2,109)	(2,880)
Closing balance	1,578,782	1,421,019	1,578,782	1,421,019

The Council strikes a targeted rate based on capital values over the New Plymouth district for purposes of:

- maintenance of the Waitara River Flood Protection scheme
- the construction of flood protection works in the lower Waiwhakaiho catchment; and
- for other minor river control works which are required for flood protection in the district.

Any unspent funds must be appropriated to this reserve. Funds may only be appropriated to cover expenditure on the above purposes. This reserve fund relates to the *Hazard management* group of activities.

Notes	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
<i>South Taranaki Rivers Control Scheme reserve</i>				
Opening balance	302	(717)	302	(717)
Transfers from retained earnings	3,235	1,028	3,235	1,028
Transfers to retained earnings	-	(9)	-	(9)
Closing balance	3,537	302	3,537	302

The Council strikes a targeted rate based on capital values over the South Taranaki constituency for purposes of:

- construction and maintenance of the Ōpunake Flood Protection scheme
- other minor river control works which are required for flood protection in the South Taranaki constituency.

Any unspent funds must be appropriated to this reserve. Funds may only be appropriated to cover expenditure on the above purposes. This reserve fund relates to the *Hazard management* group of activities.

Notes	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
<i>Contingency/disaster reserve</i>				
Opening balance	1,086,000	1,086,000	1,086,000	1,086,000
Transfers from retained earnings	-	-	-	-
Transfers to retained earnings	-	-	-	-
Closing balance	1,086,000	1,086,000	1,086,000	1,086,000

This reserve was created to meet the Council's share of the replacement cost of infrastructure assets affected by natural disasters. It also covers the Council's commitments under the *National Civil Defence Plan* in the event of emergencies. It is available for any other contingency or emergency response purposes including oil spill response and flood response. This reserve fund relates to the *Resource management* and the *Hazard management* groups of activities.

Notes	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
<i>Dividend equalisation reserve</i>				
Opening balance	5,240,945	6,250,063	5,240,945	6,250,063
Transfers from retained earnings	-	-	-	-
Transfers to retained earnings	(909,116)	(1,009,118)	(909,116)	(1,009,118)
Closing balance	4,331,829	5,240,945	4,331,829	5,240,945

The Council transfers dividends received in excess of budget to this reserve. The reserve is to be used to equalise dividend returns over time. Dividends in excess of budget since 1996/97 have been transferred to the reserve. Prior to 1996/97 all dividends were used to repay debt incurred during the incorporation of Port Taranaki Ltd. From 1996/97 onwards dividends have been used to reduce the general rate requirement. This reserve fund relates to all groups of activities.

Notes	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
<i>Egmont national park control reserve</i>				
Opening balance	713,000	713,000	713,000	713,000
Transfers from retained earnings	100,000	-	100,000	-
Transfers to retained earnings	-	-	-	-
Closing balance	813,000	713,000	813,000	713,000

This reserve was created to meet the Council's share of the costs associated with initial control works and maintenance works resulting from the cyclical pest control works undertaken by the Department of Conservation in the Egmont National Park. This reserve smooths the Council's revenue and expenditure. Funds are transferred to the reserve annually. When the Council's expenditure is incurred the funding is sourced from the reserve fund. This reserve fund relates to the *Biosecurity* group of activities.

Notes	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
<i>Endowment land sales reserve</i>				
Opening balance	2,935,000	2,470,000	2,935,000	2,470,000
Transfers from retained earnings	-	465,000	-	465,000
Transfers to retained earnings	-	-	-	-
Closing balance	2,935,000	2,935,000	2,935,000	2,935,000

This reserve was created to account for the proceeds from the sale of endowment land. The proceeds from the sale of endowment lands can only be used for purposes specified by the *Local Government Act 1974* and the *Local Government Act 2002*. This reserve fund relates to all groups of activities.

Notes	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
<i>Waitara lands reserve</i>				
Opening balance	20,056,982	18,434,249	20,056,982	18,434,249
Transfers from retained earnings	1,393,427	1,622,733	1,393,427	1,622,733
Transfers to retained earnings	-	-	-	-
Closing balance	21,450,409	20,056,982	21,450,409	20,056,982

This reserve was created to account for the proceeds from both rent and the sale of endowment land in Waitara arising from the *New Plymouth District Council (Waitara Lands) Act 2018*. The proceeds can only be used for purposes specified by the *New Plymouth District Council (Waitara Lands) Act 2018*, the *Local Government Act 1974* and the *Local Government Act 2002*. This reserve fund relates to the resource management group of activities.

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Total reserves	32,198,557	31,453,248	32,198,557	31,453,248
<i>Asset revaluation reserves</i>				
Opening balance	6,014,422	5,339,062	76,832,602	75,490,365
Transfers to retained earnings	-	-	-	(470,123)
Change in asset value	1,141,333	675,360	100,855	1,812,360
Closing balance	7,155,755	6,014,422	76,933,457	76,832,602
<i>Waitara flood control scheme</i>				
Opening balance	3,930,108	3,477,028	3,930,108	3,477,028
Change in asset value	798,696	453,080	798,696	453,080
Closing balance	4,728,804	3,930,108	4,728,804	3,930,108
<i>Waiwhakaiho flood control scheme</i>				
Opening balance	1,867,162	1,688,732	1,867,162	1,688,732
Change in asset value	272,639	178,430	272,639	178,430
Closing balance	2,139,801	1,867,162	2,139,801	1,867,162

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
<i>Ōkato flood control scheme</i>				
Opening balance	95,800	75,120	95,800	75,120
Change in asset value	26,921	20,680	26,921	20,680
Closing balance	122,721	95,800	122,721	95,800
<i>Ōpunake flood control scheme</i>				
Opening balance	121,352	98,182	121,352	98,182
Change in asset value	43,077	23,170	43,077	23,170
Closing balance	164,429	121,352	164,429	121,352
<i>Land</i>				
Opening balance	-	-	70,818,180	70,151,303
Transfers to retained earnings	-	-	-	(470,123)
Change in asset value	-	-	(1,040,478)	1,137,000
Closing balance	-	-	69,777,702	70,818,180
Total asset revaluation reserves	7,155,755	6,014,422	76,933,457	76,832,602
<i>Cash flow hedge reserve</i>				
Opening balance	-	-	1,476,512	295,558
Change in cash flow hedge reserve	-	-	103,984	1,180,954
Total cash flow hedge reserve	-	-	1,580,496	1,476,512
Total public equity	109,242,504	110,596,958	279,548,299	265,650,872

POLICIES

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. Accumulated comprehensive revenue and expense is the Council and Group's accumulated surplus or deficit, adjusted for transfers to/from specific reserves. The asset revaluation reserve is for the revaluation of those PP&E items that are measured at fair value after initial recognition. The cash flow hedge reserve is for the revaluation of derivatives designated as cash flow hedges. It consists of the cumulative effective portion of net changes in the fair value of these derivatives. Targeted rates reserves are a restricted equity reserve that comprises funds raised by the Council through targeted rates. The use of these funds is restricted to the specific purpose for which the targeted rates were levied. A special purpose reserve is a restricted equity reserve created by the Council for the specific identified purpose. The use of these funds is restricted to the specific purpose.

The Council manages the Group's capital as a by-product of managing its revenue, expenses, assets, liabilities and general financial dealings. The *Local Government Act 2002* requires the Council to manage its revenue, expenses, assets, liabilities and general financial dealings in a manner that promotes the current and future interests of the community. Additionally, *The Local Government (Financial Reporting and Prudence) Regulation 2014* sets out a number of benchmarks for assessing whether the Council is managing its revenue, expenses, assets and liabilities prudently. An additional objective of capital management is to ensure that the expenditure needs identified in the Council's Long-Term Plan and Annual Plan are met in the manner set out in those plans. The *Local Government Act 2002* requires the Council to make adequate and effective provision in its Long-Term Plan and in its Annual Plan to meet the expenditure needs identified in those plans. The factors that the Council is required to consider when determining the appropriate sources of funding for each of its activities are set out in the *Local Government Act 2002*. The sources and levels of funding are set out in the funding and financial policies in the Council's Long-Term Plan. The Council monitors actual expenditure incurred against the Long-term Plan and Annual Plan.

20. Remuneration

	Council	
	2022/23 Actual \$	2021/22 Actual \$
Total remuneration of Members		
Councillor B Bigham – from October 2022	32,048	-
Councillor T Cloke	53,230	47,919
Councillor D Cram – from October 2022	32,216	-
Councillor M Davey	42,291	40,909
Councillor S Hughes – from October 2022	37,858	-
Councillor A Jamieson – from October 2022	32,480	-
Councillor M Joyce – till October 2022	18,197	58,174
Councillor D Lean	47,699	58,114
Councillor C Littlewood – Chairperson	100,204	58,372
Councillor D MacLeod – till October 2022	31,111	103,590
Councillor M McDonald – till October 2022	14,946	47,614
Councillor D McIntyre	42,534	41,370
Councillor E Van Der Leden – till October 2022	13,647	41,220
Councillor N Walker – Deputy Chairperson	58,096	59,194
Councillor C Williamson	50,927	41,038
Number of full-time employees	198	169
Full-time equivalent of all other employees	22	14
Number of employees receiving total annual remuneration below \$60,000	51	40
Number of employees receiving total annual remuneration between \$60,000-\$79,999	95	87
Number of employees receiving total annual remuneration between \$80,000-\$99,999	55	43
Number of employees receiving total annual remuneration between \$100,000-\$119,999	20	12
Number of employees receiving total annual remuneration between \$120,000-\$139,999	9	7
Number of employees receiving total annual remuneration between \$140,000-\$339,999	12	10

NOTES

The Chief Executive of the Taranaki Regional Council, appointed under section 42(1) of the *Local Government Act 2002*, received a salary of \$312,671 (\$296,755 - 2021/2022). In addition to salary the Chief Executive is entitled to private use of a Council vehicle, contribution to superannuation, and medical fees. Total remuneration was \$352,621 (\$334,000 – 2021/2022).

During the year ended 30 June 2023, no severance payments were made by the Council. (\$12,802 – 2021/2022).

21. Subsequent events

NOTES

For the Council, there have been no other material events subsequent to balance date. For Port Taranaki Limited, on 17 August 2023 the Board resolved to pay a fully imputed final dividend of \$4.5m at 8.65 cents per share, to be paid on 10 October 2023.

There have been no other material events subsequent to balance date. For the Trust, there have been no other material events subsequent to balance date.

22. Reconciliation of net operating surplus to net cash flows from operating activities

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Surplus/(deficit) for the period	(2,495,787)	1,936,701	13,692,588	8,821,924
Add/(less) non-cash items				
Depreciation and amortisation	2,426,916	2,380,405	10,402,375	10,734,416
Deferred tax movement	10,266	(67,917)	287,406	39,083
Loss on revaluation of buildings	-	-	(1,365,646)	1,296,058
Impairment of assets	-	-	-	91,939
Investment property: unrealised (gain)/loss	195,000	(1,144,000)	195,000	(1,144,000)
	136,395	3,105,189	23,211,723	19,839,420
Add/(less) movements in assets and liabilities				
Trade and other receivables	(502,214)	3,153,573	(2,373,467)	3,677,149
Provisions	-	-	157,156	963,000
Prepayments	(113,506)	(20,395)	(113,506)	(20,395)
Inventories	76,143	(187,030)	21,164	(377,030)
Work in progress—current liability	(45,964)	322,955	(45,964)	322,955
Work in progress—current asset	(114,808)	(28,082)	(114,808)	(28,082)
Trade and other payables	(1,322,724)	2,526,764	(2,308,921)	2,586,564
Employee entitlements	(51,719)	(3,693)	(51,719)	(3,693)
Taxation payable	-	-	753,015	1,303,573
Add/(less) investing activity items				
(Profit)/loss on sale of assets (net)	(378,141)	(89,100)	(378,141)	(89,100)
(Profit)/loss on sale of investment properties	-	(70,000)	-	(70,000)
Movement in fixed asset creditors	124,809	93,168	105,935	(298,832)
Cash inflow from operating activities	(2,191,729)	8,803,349	18,862,467	27,805,529

POLICIES

Cash flows from operating activities are presented using the direct method. Definitions of terms used in the *Statement of Cash Flows*:

- Cash means cash on deposit with banks, net of outstanding bank overdrafts.
- Investing activities comprise the purchase and sale of property, plant and equipment, investment properties and investments
- Financing activities comprise the change in equity and debt capital structure of the Council and Group.
- Operating activities include all transactions and events that are not investing or financing activities.

Cash flows are included in the statement of cash flows on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

23. Related party transactions

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Councillors total remuneration (11 people, 3 FTE)	607,484	597,514	607,484	597,514
Council senior management total remuneration (5 FTE)	1,244,346	1,190,559	1,244,346	1,190,559
Port Directors total remuneration (1 FTE)	-	-	409,625	364,000
Port senior management total remuneration (6 FTE)	-	-	1,654,056	1,753,000
Taranaki Stadium Trust Council funding	2,178,669	2,178,669	-	-
Taranaki Stadium Trust loan drawn down	5,000,000	9,500,000	-	-
Taranaki Stadium Trust interest received on loan	774,759	207,031	-	-
Port Taranaki Ltd dividend	8,000,000	8,000,000	-	-
Regional Software Holdings Limited	824,292	403,648	824,292	403,648

POLICIES

All transactions between the Council and the entities that it controls are undertaken in the normal course of business.

NOTES

Councillors and key management are, as part of a normal customer relationship, involved with minor transactions with the Council (such as payment of rates). The Chairperson of the Council (Councillor Charlotte Littlewood) and former Councillor David Macleod (until April 2023) are Directors of Port Taranaki Ltd, Councillor Donna Cram (from November 2022), former councillor Elvira Van Der Leden (until November 2022) and Director—Corporate Services (Michael Nield) are Trustees of Yarrow Stadium Trust and Director—Corporate Services (Michael Nield) is a Director of Regional Software Holdings Ltd. Except for items of a trivial nature, neither Councillors nor senior management has entered into related party transactions within the group. Key management personnel include the Chairperson, Councillors, Chief Executive and Directors (second tier managers).

24. Commitments and contingencies

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Commitments				
Capital commitments approved and contracted	-	-	39,675,749	7,678,088
Total commitments	-	-	39,675,749	7,678,088

NOTES

As at 30 June 2023, the Council has a \$57,905 contingent liability reliant on new land title information for a land compensation payment in relation to the construction of the Ōpunake Flood Control Scheme (\$57,905—2021/2022). As at 30 June 2023, the Council has nil contingent asset for fines waiting to be awarded on one prosecution through the Environment Court (2021/2022: one).

New Zealand Local Government Funding Agency - The Council is a guarantor of the New Zealand Local Government Funding Agency (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from S&P Global Ratings of AAA and a foreign currency rating of AA+ and a local currency rating and foreign currency rating of AA+ from Fitch. Accounting Standards require the council to initially recognise the guarantee liability by applying the 12-month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of financial year, the council have assessed the 12-month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore, the council have not recognised a liability. As at 30 June 2023, the Council is one of 31 local authority shareholders and 71 local authority guarantors of the NZLGFA. [In that regard it has uncalled capital of \$20m]. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2023, NZLGFA had borrowings totaling \$17,684m (2022: \$15,789m). The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand;
- and Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

New Zealand Mutual Liability Riskpool - Taranaki Regional Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather tight defects (in a mixed claim involving both weather tight and non-weather tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

25. Leasing arrangements

	Council		Group	
	2022/23 Actual \$	2021/22 Actual \$	2022/23 Actual \$	2021/22 Actual \$
Non-cancellable operating lease receivables				
Lease commitments due as follows:				
Not later than one year	892,227	883,378	6,611,602	6,766,927
Later than one year and not later than five years	2,814,340	2,933,145	13,459,070	16,372,797
Later than five years	1,443,334	1,867,955	11,182,266	7,269,885

POLICIES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Finance leases are leases that transfer substantially all risks and benefits incidental to ownership of the leased item to the Group. Assets held under a finance lease are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Group also recognises the associated lease liability at the inception of the lease, at the same amount as the capitalised leased asset. Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

NOTES

Operating leases relate to investment properties owned by the Council and Port Taranaki Limited land and buildings. The Council has lease terms of between 5 to 21 years, with options to extend at the completion of each lease. Council operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. Port Taranaki Limited leases a range of land and buildings to a number of customers. The majority of leases include rights of renewal for periods of up to seven years, with several land leases containing rights of renewal from 20 up to 50 years.

26. Statutory compliance

NOTES

In 2022/2023 there were no breaches of statutory compliance by the Group (2021/2022—Nil).

27. Insurance of assets

	Council	
	2022/23 Actual \$	2021/22 Actual \$
Total value of all assets of the local authority that are covered by insurance contracts	20,613,067	19,350,487
Maximum amount to which they are insured	65,233,205	49,422,385
Total value of all assets of the local authority that are covered by financial risk sharing arrangements	-	-
Maximum amount available to the local authority under those arrangements	-	-
Total value of all assets that are self-insured (only flood protection and control works)	15,635,363	14,494,030
Total value of funds maintained for self-insured assets (only flood protection and control works)	1,086,000	1,086,000

28. Rating base information

	Council	
	2022/23 Actual \$	2021/22 Actual \$
The number of rating units within the region at the end of the preceding financial year	56,161	57,628
The total capital value of rating units within the region at the end of the preceding financial year	41,259,270,400	38,695,297,050
The total land value of rating units within the region at the end of the preceding financial year	23,915,131,800	22,313,392,700

29. Work-in-progress

POLICIES

Work-in-progress relates to unbilled time and costs (current asset) or time and costs billed-in-advance (current liability) for resource consent applications, resource consent compliance monitoring and unauthorised pollution incidents.

30. Financial instruments

The following tables are comparisons of carrying amounts of the Council's and Group's financial assets and liabilities in each of the financial instrument categories:

	Council 2022/23 Actual \$	Council 2021/22 Actual \$	Group 2022/23 Actual \$	Group 2021/22 Actual \$
Financial assets				
<i>Amortised Cost (2022: Loans and Receivables)</i>				
Cash and cash equivalents	3,360,640	5,361,260	6,096,476	7,199,437
Term deposits	22,263,780	26,265,052	22,263,780	26,265,052
Trade and other receivables	5,792,130	5,289,916	12,459,706	11,009,785
Borrower notes (2022: Classified as held to maturity)	487,500	362,500	487,500	362,500
<i>Total Financial Assets at Amortised Cost</i>	<i>31,904,050</i>	<i>37,278,728</i>	<i>41,307,462</i>	<i>44,836,774</i>
<i>Measured at FVTSD (2022: Classified as held to maturity)</i>				
Investments in CCO's & similar entities	799,118	799,118	799,118	799,118
<i>FVTOCRE</i>				
Derivative financial instruments	-	-	2,196,519	2,052,098
Financial liabilities				
<i>Amortised Costs</i>				
Trade and other payables	8,445,424	9,768,148	15,910,376	17,336,590
Secured Loans	19,500,000	14,500,000	57,487,699	46,833,220
<i>Total Financial Liabilities at Amortised cost</i>	<i>27,945,424</i>	<i>24,268,148</i>	<i>73,398,075</i>	<i>64,169,810</i>

POLICIES AND NOTES

In accordance with the transitional provisions in PBE IPSAS 41, the Council and group have elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. On the date of initial application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the table above. There has been no adjustment arising from the adoption of PBE IPSAS 41.

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit. The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost - Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance.

Subsequent measurement of financial assets at FVTOCRE - Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Subsequent measurement of financial assets at FVTSD - Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Expected credit loss allowance (ECL) - The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset. ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL). When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information. The Council and group consider a financial asset to be in default when the financial asset is more than 60 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Previous accounting policy (summarised)

In the previous year, other financial assets were classified into the following categories:

- loans and receivables at amortised cost;
- held-to-maturity investments at amortised cost; and
- fair value through other comprehensive revenue and expense.

The main differences for the prior year policies are:

- Impairment was recorded only when there was objective evidence of impairment. For equity investments, a significant or prolonged decline in the fair value of the investment below its cost was considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability the debtor would enter into bankruptcy, receivership or liquidation, and default in payments were indicators the asset is impaired.
- Impairment losses on shares were recognised in the surplus or deficit.
- For shares, the cumulative gain or loss previously recognised in other comprehensive revenue and expense was transferred from equity to surplus or deficit on disposal of the investment.

FAIR VALUE

The Group has carried out a fair value assessment of its financial assets and liabilities as at 30 June 2023 in accordance with PBE IPSAS 30 Financial Instruments: Disclosures. The Group's derivative financial instruments (interest rate swaps) are recognised at fair value in accordance with Level 2 valuation techniques (financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable).

The carrying value of the Group's other financial instruments do not materially differ from their fair value, with the exception of secured loans – Fair Value of secured loans Council \$18,486,588 (2021/2022 - \$15,491,490) Fair Value of secured loans Group \$56,286,921 (2021/2022 \$47,766,822). Fair value has been determined using contractual cash flows discounted using a rate based on market borrowing rates at balance date ranging from 6.23% to 6.35% (2021/2022: 1.33% to 1.50%)

DERIVATIVE FINANCIAL INSTRUMENTS

Port Taranaki Ltd uses derivative financial instruments to hedge its exposure to interest rate risks arising in its activities. Derivative financial instruments are not held for trading purposes. Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of comprehensive income. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in the cash flow hedge reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of comprehensive income. The effective portion of changes in fair value of hedging instruments is accumulated in the cash flow hedge reserve as a separate component of equity. Port Taranaki Ltd determines the existence of an economic relationship between the hedging instruments and hedged item based on the currency, amount and timing of their respective cash flows. Port Taranaki Ltd assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. The notional amount of the hedging instrument must match the designated amount of the hedged item for the hedge to be effective. Sources of hedge ineffectiveness are: Material changes in credit risk that affect the hedging instrument but do not affect the hedged item; and drawn liabilities that fall below the hedging amount. If the hedging instrument no longer meets the criteria for hedge accounting, expires, or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the hedging reserve remains there until the highly probable forecast transaction, upon which the hedging was based, occurs causing the hedge ratio to exceed 100%. The notional amount of the interest rate swap asset and liability was \$39,000,000 (2021/2022 - \$44,000,000). The fair value of the interest rate swap asset was \$41,197,000 (39,000,000) and liability was \$46,052,000 (44,000,000).

RISK MANAGEMENT

Port Taranaki Ltd has managed cash flow interest rate risk through interest rate swaps. At 30 June 2023, the active hedges covered 71% (2022: 99%) of the Port's borrowings. At 30 June 2023, Port Taranaki Ltd had four interest rate swaps in place (2022: five financial instruments in place).

Port Taranaki Ltd can also apply surplus funds against the Company's borrowings or by investing these funds on a short-term basis until they are required.

The main risks arising from the Group's financial instruments are summarised below. The Group seeks to minimise the effects of these risks by adhering to a treasury policy that is reviewed by the Council and Port Taranaki board of directors respectively.

Risk:	Exposure arising from:	How the risk is managed:
Interest rate risk	Value of a financial instruments fluctuating due to changes in market interest rates	Reviewing banking arrangements to ensure the best return on funds while maintaining access to liquidity levels required.
Credit risk	Risk of default on cash and receivables balances by the other party to the transaction	Ensuring the Group places its cash with high credit quality financial institutions and monitoring aging of debtors. Also, the Council is exposed to credit risk as a guarantor of all of NZLGFA's borrowings. Information about this exposure is explained in note 24.
Liquidity risk	Risk the Group cannot pay its contractual liabilities as they fall due	Active capital management and flexibility in funding arrangements in accordance with the Council's long term plan. Also, the Council is exposed to liquidity risk as a guarantor of all of NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 24.

If market interest rates at balance date had been 100 basis points higher or lower and all other variables were held constant, the Group's profit for the year ended 30 June 2023 would decrease/increase by \$290,750 (2022: decrease/increase by \$252,776). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The table below analyses the Council and group's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount \$	Contractual cash flows \$	Less than one year \$	1-2 years \$	2-5 years \$	More than 5 years \$
Council 2023						
Trade and other payables	8,445,424	8,445,424	8,445,424	-	-	-
Secured Loans	19,500,000	22,752,777	2,844,330	3,295,665	14,372,726	2,240,056
Total	27,945,424	31,198,201	11,289,754	3,295,665	14,372,726	2,240,056
Group 2023						
Trade and other payables	15,910,376	15,910,376	15,910,376	-	-	-
Secured Loans	57,487,699	60,553,110	2,844,663	3,295,665	52,172,726	2,240,056
Total	73,398,075	76,463,486	18,755,039	3,295,655	52,172,726	2,240,056
Council 2022						
Trade and other payables	9,768,148	9,768,148	9,768,148	-	-	-
Secured Loans	14,500,000	16,355,060	404,125	2,398,330	8,112,042	5,400,563
Total	24,268,148	26,123,208	10,172,273	2,398,330	8,112,042	5,400,563
Group 2022						
Trade and other payables	17,336,590	17,336,590	17,336,590	-	-	-
Secured Loans	46,833,220	48,630,392	404,457	2,398,330	40,387,042	5,400,563
Total	64,169,810	65,966,982	17,741,047	2,398,330	40,387,042	5,400,563

Ngā pānga pūtea

Funding impact statement

The following information is presented for compliance with Local Government (Financial Reporting and Prudence) Regulations 2014.

In accordance with the regulations, the information presented is incomplete (in particular, the information presented does not include depreciation and internal transactions such as overheads) and it is not prepared in compliance with generally accepted accounting practice. It should not be relied upon for any other purpose than compliance with the *Local Government (Financial Reporting and Prudence) Regulations 2014*.

Whole of Council funding impact statement

	2022/23		2021/22	
	Estimate Long-Term Plan \$	Actual \$	Estimate Long-Term Plan \$	Actual \$
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	11,538,840	11,806,661	10,937,289	10,937,288
Targeted rates	4,461,830	4,765,786	4,366,647	4,366,647
Subsidies and grants for operating purposes	3,527,578	5,483,616	5,229,709	5,714,327
Fees and charges	16,255,019	10,492,427	17,549,509	11,127,218
Interest and dividends from investments	9,776,534	11,394,144	9,772,417	9,963,688
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	45,559,801	43,942,634	47,855,571	42,109,168
Applications of operating funding				
Payments to staff and suppliers	40,940,205	44,664,204	43,749,242	38,580,467
Finance costs	438,562	774,759	472,417	207,031
Other operating funding applications	-	-	-	-
Total applications of operating funding	41,378,767	45,438,963	44,221,659	38,787,498
Surplus/(deficit) of operating funding	4,181,034	(1,496,329)	3,633,912	3,321,670
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	5,000,000	-	9,500,000
Gross proceeds from sale of assets	609,000	931,455	563,500	163,888
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	609,000	5,931,455	563,500	9,663,888
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	250,000	-
- to replace existing assets	5,591,250	4,491,809	7,257,190	3,369,236
Increase/(decrease) in reserves	(197,464)	(648,118)	(199,485)	1,184,661
Increase/(decrease) in investments	(603,752)	591,435	(3,110,293)	8,431,661
Total applications of capital funding	4,790,034	4,435,126	4,197,412	12,985,558
Surplus/(deficit) of capital funding	(4,181,034)	1,496,329	(3,633,912)	(3,321,670)
Funding balance	0	0	0	0

Resource management funding impact statement

	2022/23		Actual \$	2021/22	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$		Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	5,348,514	5,676,920	5,682,247	4,965,037	4,965,036
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	1,116,000	1,116,000	1,266,677	2,836,000	2,946,576
Fees and charges	12,179,218	12,019,971	7,100,315	13,199,566	8,116,930
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	18,643,732	18,812,891	14,049,239	21,000,603	16,028,542
Applications of operating funding					
Payments to staff and suppliers	18,186,784	17,260,398	12,882,897	20,420,053	12,919,743
Finance costs	-	-	-	-	-
Internal charges and overheads applied	5,439,193	5,938,923	7,774,640	5,178,666	7,157,010
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	23,625,977	23,199,321	20,657,537	25,598,719	20,076,753
Surplus/(deficit) of operating funding	(4,982,245)	(4,386,430)	(6,608,298)	(4,598,116)	(4,048,211)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	440,000	418,750	454,090	263,500	132,189
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	440,000	418,750	454,090	263,500	132,189
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	1,117,250	1,104,150	1,150,993	1,294,190	943,336
Increase/(decrease) in reserves	-	-	-	-	1,622,733
Increase/(decrease) in investments	(5,659,495)	(5,071,830)	(7,305,201)	(5,628,806)	(6,482,091)
Total applications of capital funding	(4,542,245)	(3,967,680)	(6,154,208)	(4,334,616)	(3,916,022)
Surplus/(deficit) of capital funding	4,982,245	4,386,430	6,608,298	4,598,116	4,048,211
Funding balance	0	0	0	0	0

Biosecurity and biodiversity funding impact statement

	2022/23		Actual \$	2021/22	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$		Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	2,696,222	2,614,240	2,614,241	2,426,731	2,426,731
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	20,000	-	-
Fees and charges	2,703,338	2,853,038	2,222,571	2,970,043	1,773,156
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	5,399,560	5,467,278	4,856,812	5,396,774	4,199,887
Applications of operating funding					
Payments to staff and suppliers	3,123,127	6,282,759	5,054,161	2,798,252	4,598,739
Finance costs	-	-	-	-	-
Internal charges and overheads applied	1,056,595	1,528,981	2,005,952	1,067,293	1,325,491
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	4,179,722	7,811,740	7,060,113	3,865,545	5,924,230
Surplus/(deficit) of operating funding	1,219,838	(2,344,462)	(2,203,301)	1,531,229	(1,724,343)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	41,250	41,250	234,982	182,000	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	41,250	41,250	234,982	182,000	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	97,000	97,000	709,156	422,000	38,067
Increase/(decrease) in reserves	(250,000)	(250,000)	100,000	-	-
Increase/(decrease) in investments	1,414,088	(2,150,212)	(2,777,475)	1,291,229	(1,762,410)
Total applications of capital funding	1,261,088	(2,303,212)	(1,968,319)	1,713,229	(1,724,343)
Surplus/(deficit) of capital funding	(1,219,838)	2,344,462	2,203,301	(1,531,229)	1,724,343
Funding balance	0	0	0	0	0

Transport funding impact statement

	Estimate Long-Term Plan \$	2022/23 Estimate Annual Plan \$	Actual \$	2021/22 Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	414,201	433,062	433,062	356,499	356,499
Targeted rates	1,527,727	1,827,505	1,827,505	1,438,997	1,438,997
Subsidies and grants for operating purposes	2,411,578	2,634,071	4,196,939	2,393,709	2,767,751
Fees and charges	1,127,757	1,132,757	847,561	1,102,400	862,086
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	5,481,263	6,027,395	7,305,067	5,291,605	5,425,333
Applications of operating funding					
Payments to staff and suppliers	5,426,129	5,945,200	6,667,911	5,273,788	5,334,482
Finance costs	-	-	-	-	-
Internal charges and overheads applied	284,598	355,556	466,249	287,480	348,730
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	5,710,727	6,300,756	7,134,160	5,561,268	5,683,212
Surplus/(deficit) of operating funding	(229,464)	(273,361)	170,907	(269,663)	(257,879)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	-	-	22,609	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	0	0	22,609	0	0
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	27,868	40,000	4,303
Increase/(decrease) in reserves	-	-	-	-	-
Increase/(decrease) in investments	(229,464)	(273,361)	165,648	(309,663)	(262,182)
Total applications of capital funding	(229,464)	(273,361)	193,516	(269,663)	(257,879)
Surplus/(deficit) of capital funding	229,464	273,361	(170,907)	269,663	257,879
Funding balance	0	0	0	0	0

Hazard management funding impact statement—civil defence emergency management

	Estimate Long-Term Plan \$	2022/23 Estimate Annual Plan \$	Actual \$	2021/22 Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	271,025	260,732	260,731	233,470	233,470
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	271,025	260,732	260,731	233,470	233,470
Applications of operating funding					
Payments to staff and suppliers	491,040	489,600	513,071	480,000	480,787
Finance costs	-	-	-	-	-
Internal charges and overheads applied	-	-	-	-	-
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	491,040	489,600	513,071	480,000	480,787
Surplus/(deficit) of operating funding	(220,015)	(228,868)	(252,340)	(246,530)	(247,317)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	0	0	0	0	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	-
Increase/(decrease) in reserves	-	-	-	-	-
Increase/(decrease) in investments	(220,015)	(228,868)	(252,340)	(246,530)	(247,317)
Total applications of capital funding	(220,015)	(228,868)	(252,340)	(246,530)	(247,317)
Surplus/(deficit) of capital funding	220,015	228,868	252,340	246,530	247,317
Funding balance	0	0	0	0	0

Hazard management funding impact statement—flood management, general river control and river control schemes

	2022/23		Actual \$	2021/22	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$		Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	(18,407)	(11,347)	(11,346)	(134,947)	(134,947)
Targeted rates	755,434	759,637	759,637	748,981	748,981
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	26,583	-	26,372
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	737,027	748,290	774,874	614,034	640,406
Applications of operating funding					
Payments to staff and suppliers	492,066	499,874	380,975	480,616	397,089
Finance costs	-	-	-	-	-
Internal charges and overheads applied	85,210	93,649	122,295	86,072	105,357
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	577,276	593,523	503,270	566,688	502,446
Surplus/(deficit) of operating funding	159,751	154,767	271,604	47,346	137,960
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	22,000	22,000	34,288	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	22,000	22,000	34,288	0	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	250,000	-
- to replace existing assets	40,000	40,000	89,506	-	50,008
Increase/(decrease) in reserves	52,536	52,536	160,998	(199,485)	106,047
Increase/(decrease) in investments	89,215	84,231	55,388	(3,169)	(18,095)
Total applications of capital funding	181,751	176,767	305,892	47,346	137,960
Surplus/(deficit) of capital funding	(159,751)	(154,767)	(271,604)	(47,346)	(137,960)
Funding balance	0	0	0	0	0

Recreation, culture and heritage funding impact statement

	2022/23		Actual \$	2021/22	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$		Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	1,726,676	1,725,161	1,725,161	2,239,529	2,239,529
Targeted rates	2,178,669	2,178,669	2,178,645	2,178,669	2,178,669
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	213,706	214,995	214,914	204,500	236,483
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	4,119,051	4,118,825	4,118,720	4,622,698	4,654,681
Applications of operating funding					
Payments to staff and suppliers	3,942,532	3,977,402	4,022,465	5,405,594	3,809,887
Finance costs	438,562	455,659	774,759	472,417	207,031
Internal charges and overheads applied	944,687	1,063,231	1,394,924	954,251	1,156,815
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	5,325,781	5,496,292	6,192,148	6,832,262	5,173,733
Surplus/(deficit) of operating funding	(1,206,730)	(1,377,467)	(2,073,428)	(2,209,564)	(519,052)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	5,000,000	-	9,500,000
Gross proceeds from sale of assets	42,500	16,500	26,087	97,500	9,916
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	42,500	16,500	5,026,087	97,500	9,509,916
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	676,000	626,000	552,904	1,109,000	531,778
Increase/(decrease) in reserves	-	-	-	-	-
Increase/(decrease) in investments	(1,840,230)	(1,986,967)	2,399,755	(3,221,064)	8,459,086
Total applications of capital funding	(1,164,230)	(1,360,967)	2,952,659	(2,112,064)	8,990,864
Surplus/(deficit) of capital funding	1,206,730	1,377,467	2,073,428	2,209,564	519,052
Funding balance	0	0	0	0	0

Regional representation, advocacy and investment management funding impact statement

	2022/23		Actual \$	2021/22	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$		Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	1,100,609	1,102,565	1,102,565	850,970	850,970
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	31,000	58,000	80,484	73,000	112,191
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	1,131,609	1,160,565	1,183,049	923,970	963,161
Applications of operating funding					
Payments to staff and suppliers	1,463,463	1,503,378	1,644,497	1,255,124	1,332,045
Finance costs	-	-	-	-	-
Internal charges and overheads applied	541,931	606,535	795,616	547,418	668,562
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	2,005,394	2,109,913	2,440,113	1,802,542	2,000,607
Surplus/(deficit) of operating funding	(873,785)	(949,348)	(1,257,064)	(878,572)	(1,037,446)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	63,250	63,250	159,399	20,500	21,783
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	63,250	63,250	159,399	20,500	21,783
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	3,661,000	3,892,000	1,961,382	4,392,000	1,801,744
Increase/(decrease) in reserves	-	-	-	-	-
Increase/(decrease) in investments	(4,471,535)	(4,778,098)	(3,059,047)	(5,250,072)	(2,817,407)
Total applications of capital funding	(810,535)	(886,098)	(1,097,665)	(858,072)	(1,015,663)
Surplus/(deficit) of capital funding	873,785	949,348	1,257,064	878,572	1,037,446
Funding balance	0	0	0	0	0

Te tuku pūrongo me te mana ture

Reporting and prudence regulations

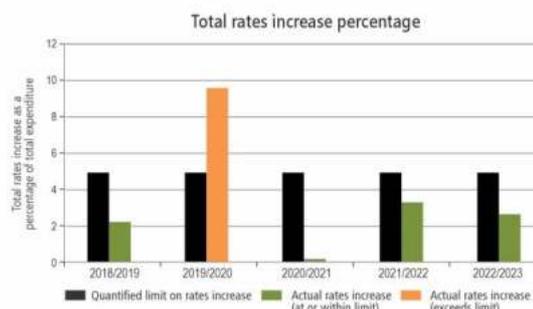
Local Government (Financial Reporting and Prudence) Regulations 2014

Annual Report Disclosure Statement for the Year Ending 30 June 2023

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the *Local Government (Financial Reporting and Prudence) Regulations 2014* (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

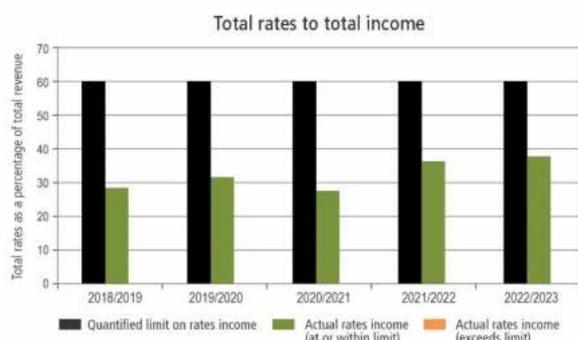


Rates affordability benchmark

The Council meets the rates affordability benchmark if—

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability. The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is that total rates will not exceed 60% of total revenue.



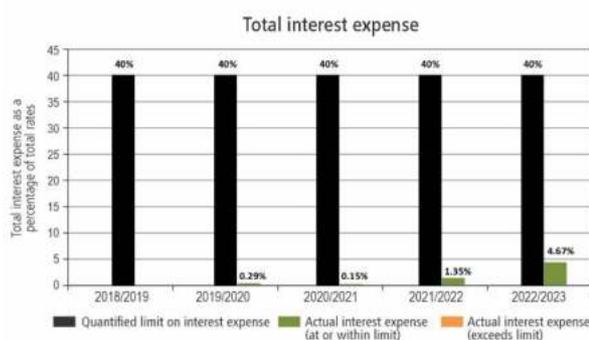
Rates (increases) affordability. The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is that total rates increase will not exceed 5% of total expenditure.

Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

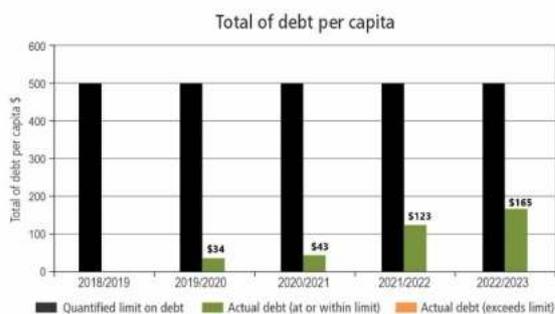
The following graph compares actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the long-term plan. The quantified limit is that total interest expense on net external public debt will not exceed 40% of total annual rates and levies.

During the period to 2018/2019, the Council had no external public debt and, consequently no interest expense.



The following graph compares actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the long-term plan. The quantified limit is that net external public debt per capita will not exceed \$500.

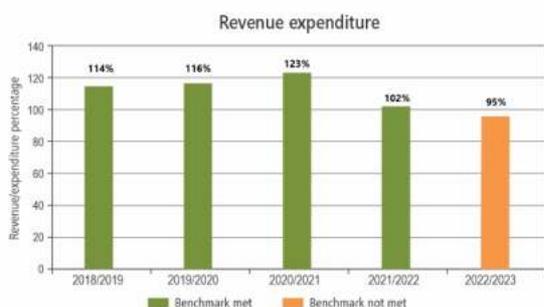
During the period to 2018/2019, the Council had no external public debt and, consequently no debt per capita.



Balanced budget benchmark

The following graph displays revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

The essential services graph would display capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Network services means infrastructure related to—

- (a) water supply
- (b) sewerage and the treatment and disposal of sewage
- (c) stormwater drainage
- (d) flood protection and control works
- (e) the provision of roads and footpaths.

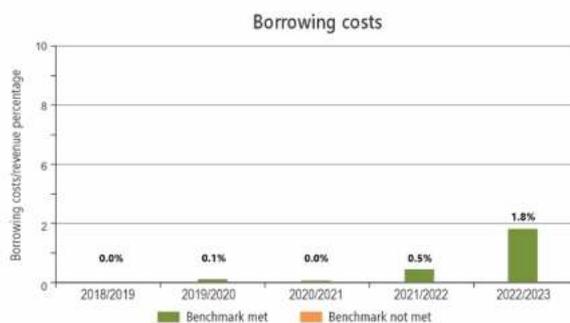
The Council's only network services are in relation to flood protection and control works. The Council does not provide any of the other network services. These network services are in the form of land assets. Accordingly, there is no depreciation on these assets. Capital expenditure will always be equal to or greater than the depreciation expense.

As there is no depreciation, the graph required by Schedule 5 of the *Local Government (Financial Reporting and Prudence) Regulations 2014* cannot be produced.

Debt servicing benchmark

The following graph displays borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.'

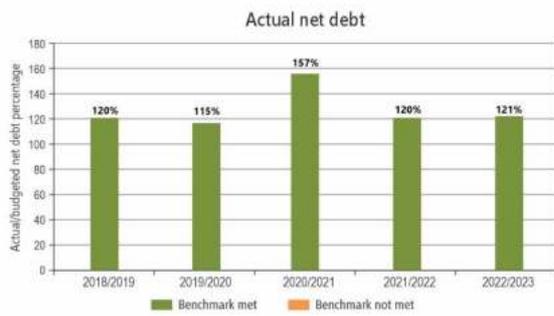
During the period to 2018/2019, the Council had no external public debt and, consequently no borrowing costs.



Debt control benchmark

The following graph displays actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

During the period to 2018/2019, the Council had no external public debt. As such this benchmark is recording actual net financial assets as a proportion of planned net financial assets. That is, as the Council has limited external public debt, this benchmark is meaningless and should not be relied upon for anything other than compliance with the *Local Government (Financial Reporting and Prudence) Regulations 2014*. For the Council, the debt control benchmark is met if its actual net assets, financial assets (excluding trade and other receivables) less financial liabilities, equals or is more than its planned net assets.



Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

