

OUR MISSION

To work for a thriving and prosperous Taranaki by:

- Promoting the sustainable use, development and protection of Taranaki's natural and physical resources
- Safeguarding Taranaki's people and resources from natural and other hazards
- Promoting and providing for Taranaki's regionally significant services, amenities and infrastructure
- Representing Taranaki's interests and contributions to the regional, national and international community.

We will do this by leading with responsibility, working cooperatively, encouraging community participation, and taking into account the Treaty of Waitangi.

At a glance.....	2
Chairman’s report	4
Chief Executive’s report	6
Governance report.....	20
Working together with Maori.....	22
The Taranaki region.....	24
Financial trends.....	27
Audit report	28
Achievement of community outcomes	30
Performance information	35
Resource management.....	36
Biosecurity	52
Transport.....	58
Hazard management	64
Recreation, culture and heritage	72
Regional representation, advocacy and investment management	80
Financial statements.....	87
Statement of comprehensive income for the year ended 30 June 2013.....	88
Statement of changes in equity for the year ended 30 June 2013	89
Statement of financial position as at 30 June 2013	90
Statement of cash flows for the year ended 30 June 2013.....	91
Notes to the financial statements for the year ended 30 June 2013.....	92
Funding impact statement.....	120
Statement of compliance and responsibility.....	128
Staff capacity.....	129
Appendix 1 — Key components of the Council’s monitoring framework.....	132



<p>446</p> <p>Resource consents granted</p> 	<p>576</p> <p>Kilometres of riparian fencing done during the year - 76% of streambanks covered by riparian plans are now fenced</p>	<p>774</p> <p>News items directly related to the Council and its work</p>	<p>974</p> <p>Parties consulted with through the non-notified consent process</p>
<p>1,307</p> <p>Inspections by Council staff as part of major compliance monitoring programmes</p>	<p>1,806</p> <p>Dairy effluent treatment systems inspected during the year (100% of farms in the region)</p>	<p>2014</p> <p>Year construction is planned to begin on upgrade of New Plymouth's SH3 northern outlet</p>	
<p>2,043</p> <p>Water and soil samples tested as part of Council compliance monitoring programmes</p> 	<p>3,015</p> <p>Hectares of hill country covered by new farm plans, bringing total to 196,127 ha</p>	<p>4,333</p> <p>Properties in the Council's Self-help Possum Control Programme - almost all private land on the ring plain</p>	<p>5,995</p> <p>Properties inspected by Council officers for pest plants</p>
<p>11,002</p> <p>School students participating in the Council's education programme</p>	<p>13,549</p> <p>Kilometres of streambank covered by riparian plans</p>	<p>48,461</p> <p>Average monthly visits to the Council website www.trc.govt.nz</p>	
<p>49,816</p> <p>Passenger trips under the Total Mobility Scheme</p>	<p>60,868</p> <p>Visitors to Pukeiti, Tupare and Hollard Gardens</p> 	<p>510,156</p> <p>Record number of riparian and soil conservation plants provided at cost to land holders during the year</p>	
<p>548,919</p> <p>Passenger trips on Citylink buses in New Plymouth and surrounds</p> 	<p>1.64 million</p> <p>Dollar value of operating surplus for Council at year's end</p>	<p>2.95 million</p> <p>Dollar value of dividends to Council from Port Taranaki Limited</p>	<p>4.57 million</p> <p>Tonnes of total trade through Port Taranaki</p> 
<p>22.9 million</p> <p>Dollar value of Yarrow Stadium</p>	<p>76.8 million</p> <p>Dollar value of Taranaki Regional Council net assets</p>		

CHAIRMAN'S REPORT

On behalf of the Taranaki Regional Council, it is my pleasure to present the Council's 2012/2013 Annual Report to the regional community.

Your Taranaki Regional Council is making solid progress as it continues working to ensure our region prospers and thrives – which is the core of our mission.

The Taranaki economy is one of the consistently better performing regions within New Zealand. This does not occur by accident, but rather by the concerted efforts of many parties that hold aspirational goals for the Taranaki region. The Council's role in planning and the delivery of key environmental programmes is a factor in Taranaki's success.

Alongside the intensification of agricultural and industrial activity within Taranaki, are environmental monitoring gauges that scientifically-demonstrate that our environment is good and, in most cases holding steady, but in many cases improving. The monitoring programmes that support these conclusions are robust and long-standing. Our programmes have been subject to many and ongoing peer reviews and audits. Many of these monitoring programmes go back to the 1970s and 1980s.

The Council's Riparian Management Programme was awarded a Ministry for the Environment Green Ribbon Award.

Two particular state of the environment reports noted that the long-term trend in the ecological health of our rivers is good and showing long-term improvement and that the trends in the physiochemical quality of our water are the best that they have ever been. These results demonstrate the commitment to improvement, through involvement in the Council's key work programmes, by the public, landholders and many other parties. It involves substantial investment that is worthy of acknowledgement.

The efforts of the Council and the community were recognised in June 2013 when the Council's *Riparian Management Programme* was awarded a Ministry for the Environment *Green Ribbon Award*. Again, the commitment

of the regional community to ground-breaking programmes such as this will help sustain the economic vitality of the region into the future. Congratulations are due to all those involved, particularly the landowners who are getting on and doing the work.

The commitment of the regional community to ground-breaking programmes such as this will help sustain the economic vitality of the region into the future.

Across our programme of activities, there have been many highlights in 2012/2013. In particular, I would note the achievements outlined graphically within the *At a glance* section of this *Report*.

There are three areas in which the Council consulted with the regional community as part of the preparation of the *2012/2022 Long-Term Plan* that came to a head during 2012/2013.

First was the Council's move to assume effective ownership of Yarrow Stadium. This came to fruition with the transfer of control of the Taranaki Stadium Trust to the Council in June 2013. In partnership with the New Plymouth District Council, structures have been established to ensure the ongoing operation, maintenance and development of Yarrow Stadium to ensure that it is well placed to secure future world-class events such as the recent third test between the All Blacks and France.

Second, the Council looked to finalise extending protection offered by the *Waiwhakaiho River Flood Control Scheme* to 1 in 100 flood protection and look to start the same process with the *Waitara River Flood Control Scheme*. Both of these goals were achieved in 2012/2013.



Finally, the Council resolved to construct a visitor and information centre at Hollard Garden's. Again this was completed in 2012/2013 and the Council was proud to host the Governor-General in opening the new *Hollards' Centre* on 10 September 2013. The *Hollards' Centre* is a fabulous addition to Hollard Gardens. The Council looks forward to similar future developments at Pukeiti.

A major financial highlight for us was budgeting for a 1.5% rates rise in the 2013/2014 year on the back of a zero percent rates rise in 2012/2013. This was assisted by improved dividends from Port Taranaki Ltd, which is 100% owned by the Council on behalf of the people of the region. The Council is firmly committed to continued public ownership of the port.

Financially, the Council continued its strong financial performance. Operating expenditure was 1.3% below budget. On the resource management front, the Council had a busy year and ended committing more resources than planned. This was offset by lower than planned expenditure in a number of areas, particularly public transport. The net effect was to be slightly under budget for the year. However, the increased resource management work resulted in higher than planned revenue from user-pay charges and government contributions (Patea freezing works site clean-up). Overall the Council achieved a \$1.2m operating surplus. The Council continues to hold no public debt. This places the Council in an excellent position to move forward.

An organisation of this type cannot operate effectively without the contributions from a dedicated and professional management and staff. I would like to take this opportunity to personally, and on behalf of the Council, thank all of the staff,

management and external parties who have contributed to another successful year. Reflective of Taranaki as a whole, the Council is in a very sound financial and operational position. With the continued assistance of our community, we are able to look forward optimistically to our role in enhancing our region's future.

A major financial highlight for us was budgeting for a 1.5% rates rise in the 2013/2014 year on the back of a zero percent rates rise in 2012/2013.

This Council's three-year term is coming to an end with local government elections in October 2013. I wish to acknowledge and thank all Councillors for their efforts and contributions over the last three years. A significant part of the Council's success is due to the strategic and cohesive approach adopted by the region's elected representatives.

On behalf of the Taranaki Regional Council Councillors,

David MacLeod
Chairman

CHIEF EXECUTIVE'S REPORT

The 2012/2013 year was yet again a busy and successful one for the Taranaki Regional Council. As in previous years the Council continued to work closely with the Taranaki community to deliver quality outputs across a wide range of Council activities.

INTRODUCTION

The 2012/2013 year was yet again a busy and successful one for the Taranaki Regional Council. As in previous years the Council continued to work closely with the Taranaki community to deliver quality outputs across a wide range of Council activities. Ongoing monitoring by the Council shows that the region has a generally good and healthy environment that is being maintained and improved with time and investment, continuing the work reported on in recent years.

In all its activities, the Council has kept a clear focus on continuous improvements in service, quality and productivity whether in resource management, biosecurity, transport or other areas of Council activity. Praise is due at the outset of this report to the Council's staff who are dedicated and competent professionals and who take their responsibilities of service to the community very seriously.

Ongoing monitoring by the Council shows that the region has a generally good and healthy environment that is being maintained and improved with time and investment, continuing the work reported on in recent years.

Allied to the busy regional economy, work loads have been high during the year, particularly in the resource management area. These increased loads have also often been associated with heightened and generally-welcomed public scrutiny and interest. This has presented challenges to produce more outputs, but also to maintain top quality and, indeed, to continuously improve. The Council's professionals have met those challenges and excelled. Taranaki is fortunate to be served by such competent people.

The Council enjoys productive relationships with key people in organisations throughout the region and beyond. With only rare exception we find ourselves and our partners constructively

focused on common goals, while acknowledging different roles. This has allowed the Council's energy to be applied to being productive and efficient in the provision of programmes. Constructive relationships that are underpinned by community focused leadership are one of Taranaki's enduring strengths. This parochial spirit continues to create breadth and opportunity in our economy and resilience in our communities.

Some of the Council's activities are necessarily of a regulatory nature. These provide the essential standards and certainty for the community. Others focus more on voluntary measures with appropriate and ongoing support. All the Council's activities are aimed at working to ensure the standards and goals we have set as a community are achieved so that we all enjoy a sustainable and prosperous future.

With these outcomes in mind, I wish to highlight some of the achievements of the Council during the year in each of the main areas of Council activity.

RESOURCE CONSENTS AND COMPLIANCE

Throughout the year the Council's consent processing and administration functions continued to achieve high standards in respect of the processing and administration of resource consent applications. The monitoring of compliance with the conditions of resource consents issued also continued to be a primary focus of the Council.

In 2012/2013:

- The Council granted 446 consents, (354 in 2012/2012) an increase of 26% over the previous year.
- Compliance with *Resource Management Act 1991* timelines for consent processing in 2012/2013 was 100%. This was the thirteenth consecutive year of 100% compliance.
- Of the 446 consents granted, 422 (95%) were processed as non-notified consents and 24 (5%) consents were limited-notified. There were no publicly notified consents processed in the 2012/2013 year.



- The value of the activities allowed to operate because of resource consents issued during the year was estimated at over \$600 million.
- Of the 24 consents notified (limited), 13 attracted submissions. Twelve of the applications attracting submissions were resolved via the pre-hearing process (92%) reducing costs for all parties.
- One hearing was held during the year. It related to an application by the New Zealand Transport Agency to install erosion protection works for State Highway 3 in the Tongaporutu Estuary.
- The Council implemented 223 individual tailored compliance monitoring programmes, involving 285 different resource consent holders with a total of 1,006 resource consents. The 223 compliance monitoring programmes involved 1,307 inspections, 2,043 water and soil samples, 120 air samples, 42 freshwater biological surveys, 12 shellfish samples and 28 marine biosurveys.
- Of the 223 compliance programmes monitored in 2012/2013, 94% showed a high or good level of environmental performance. Of the remainder, improvement was desirable for 4% of the programmes, and 2% showed a poor level of environmental performance.
- Council officers visited 1,806 dairy farms to inspect effluent treatment systems (100% of all dairy farms in the region), 14 piggeries and 82 poultry farms. Inspections included measurement of various water quality indicators in the effluent and/or receiving waters. Re-inspection of 178 farms was necessary due to failure to satisfy the Council's consent conditions or regional plan requirements. The non-compliance rate for failure to meet resource consent conditions was 5.71% for dairy farms.
- Council officers inspected 151 minor industrial operations in 2012/2013. Minor industries include agricultural services, light engineering, panel beaters/painters, sawmills and sandblasters. Five minor industrial operations were re-inspected due to failure to satisfy the Council's consent conditions or regional plan requirements.
- A total of 195 abatement notices were issued in relation to unauthorised incidents, with no appeals pursued against these abatement notices. As a consequence, 72 infringement notices were issued, with no hearings requested. During the year 2 prosecutions from 2011/2012 were concluded successfully. The Council resolved to undertake 4 prosecutions in 2012/2013, one of these was concluded successfully and 3 of these are still pending.

There was considerable public involvement in the non-notified processes through consultation and/or written approvals with hundreds of affected parties, including iwi and hapu.

The pre-hearing process which the Council strongly advocates has continued to be used successfully to either avoid or reduce the length of costly hearings.

I wish to note here that although a very high proportion of consent applications are processed as 'non-notified' this does not mean that few or no people were involved in these consent processes. In fact, as in previous years, there was considerable public involvement in the non-notified processes through consultation and/or written approvals with hundreds of affected parties, including iwi and hapu.

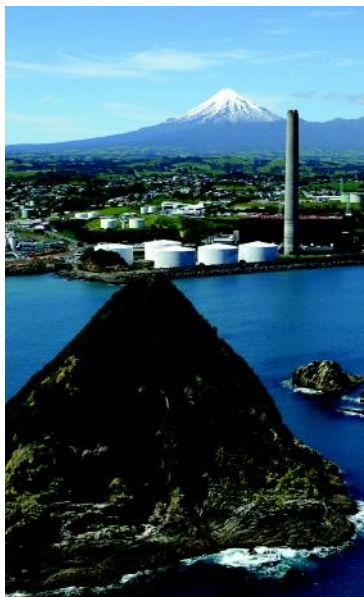


The Council continued its very high level of monitoring and enforcement activities. As can be seen by the numbers I have presented, the Council commits considerable resources to this area and goes hard at it. My view on this, and that of the Council's, is that if you are going to apply regulations, then they must come with proper monitoring and enforcement. There is simply no point in having one without the other. The Council also provides more public reporting of consent monitoring and compliance than any other New Zealand council that I know of.

Effective compliance monitoring and enforcement and transparent public reporting of results provides integrity for the Council and develops trust and respect within the community.

While on the subject of pollution incidents and response, it is worth noting that the Council also has responsibilities for marine oil spill response under the *Maritime Transport Act 1994*. This is a vitally important function in a very active oil and gas producing region such as Taranaki where we are seeing a ramping up of activity that is likely to continue into the foreseeable future. In 2012/2013:

- The Council organised two marine oil spill response training exercises, in March 2013 (Ro-boom deployment at Port Taranaki)



and in May 2013 (equipment familiarisation at the Waitara River Mouth). A two day workshop was also run in November 2013 in conjunction with Maritime New Zealand with the region's oil and gas production sector.

- The Council obtained programme and funding approval for 2012/2013 from Maritime New Zealand for specific oil spill response activities, including training. Additional oil spill equipment will be purchased for the region over the next 12 months. The Council undertook one complete audit of the oil spill equipment and undertook maintenance three times during the 2012/2013 year.
- The *Taranaki Regional Council Marine Oil Spill Contingency Plan* was approved by Maritime New Zealand in August 2012 after undergoing a full review in 2011/2012.

Further information can be found in a report entitled 'Consent processing and administration, compliance monitoring and pollution incidence and response.' This report is available on the Council's website www.trc.govt.nz



RESOURCE MANAGEMENT PLANNING AND ADVOCACY

The 2012/2013 year was a particularly busy one for the Council's small resource management planning team and advocacy and response activities. The Council:

- Continued with the review of the *Regional Coastal Plan for Taranaki* focusing on identifying areas of high and outstanding natural character, outstanding natural features and landscapes, regionally significant historic heritage and sites of significance to tangata whenua.
- Continued the review of the *Regional Fresh Water Plan for Taranaki* and *Regional Soil Plan for Taranaki* completing working papers on the management of diffuse source discharges to land and water and maintaining freshwater biodiversity, completing a technical paper on future directions for managing river and stream modification, and holding three meetings of the stakeholder focus group.
- Made 28 submissions to the policy initiatives of other agencies including submissions on the *Local Government Act 2002 Amendment*



Bill, Land Transport Management Act Amendment Bill, Resource Management Reform Bill and central government proposals for improving our resource management system and freshwater reform.

- Responded to 45 requests under the *Local Government Official Information and Meetings Act 1987*.
- Completed a public consultation process on a proposal to transfer Council ownership of those Sugar Loaf Islands owned by the Council, to iwi as part of the settlement of historical Treaty of Waitangi claims, with the Council agreeing to the transfer proposal.

Much of the resource management planning work of the Council has involved working alongside stakeholders and others in the community to ensure that the Council's policies are both effective and efficient.

The number of submissions made during the year on the policy proposals of other agencies was the largest in several years and reflected in particular, the significant reform programmes initiated by central government.

Much of the resource management planning work of the Council has involved working alongside stakeholders and others in the community to ensure that the Council's policies are both effective and efficient in carrying out the Council's statutory responsibilities and are appropriate to the needs of the Taranaki community.

Further information can be found in a report entitled 'Resource management planning and advocacy and response.' This report is available on the Council's website www.trc.govt.nz

STATE OF THE ENVIRONMENT MONITORING AND RESOURCE INVESTIGATIONS

State of the environment monitoring provides long-term information on the state of Taranaki's environment and of its physical and natural resources. Resource investigations focus on exploring particular issues that need investigating so that defensible and robust policy can be developed and implemented.

In 2012/2013 the Council:

- Implemented 32 state of the environment monitoring programmes.
- Prepared and adopted 9 annual reports that summarised monitoring results from the state of environment monitoring programmes.
- Maintained quality assurance programmes and information databases for hydrometric, air quality, physicochemical freshwater, freshwater biological, and marine biological data.
- Maintained public access to on-line live regional data on rainfall and bathing beach (coastal and freshwater) water quality, and included access to river flow and level data, wind speed and direction data, and soil moisture and temperature data
- Undertook or supported 6 research investigations and applied research projects.
- Carried out key waste minimisation projects including waste minimisation studies in selected priority sectors, in consultation with the three Taranaki district councils.



Two state of the environment reports prepared by the Council during the year deserve particular mention. The first summarised the latest statistical trend analysis for 18 years of monitoring of the ecological health of our waterways. The results show that the overall ecological health of our waterways is pretty good, although as you would expect, there are variations for a range of natural and man-made reasons.

it is highly likely that most sites in the programme are showing long term improvements in ecological health.

Trend analysis over time is showing some very interesting and positive results. When statistical method disciplines are applied to the data, we can state that it is highly likely that most sites in the programme are showing long term improvements in ecological health. At even higher confidence test thresholds we have found that the number of sites in the region with a statistically strong or very strong improvement evident is continuing to increase. The results show really good, positive trends in aquatic health improvements.

This general improvement in river health is occurring principally in the middle to lower reaches of catchments. These are the areas that are most intensively used and are under the greatest pressures. Reasons for the measurable improvements relate to ongoing improvements made to point source discharges including industrial and municipal waste treatment, improved farm dairy effluent standards and compliance and riparian management.

The other report looked at trends in physicochemical water quality, which as with the Council's ecological health monitoring, has been in place long enough to allow robust, long term statistical trend analysis. The report shows water quality trends in the region that are the best they have ever been. Highlights include a net halt in previously worsening nutrient levels and improvements at many sites over the most recent seven years in which the Council's *Regional Fresh Water Plan* has been in place.

Every measure of organic contamination, bacteria and aesthetic quality at every site is now showing only improvement or stability, not deterioration, over the same seven year period. Traditionally, the nutrient family of water quality indicators has been of most public interest or concern but even

here, the most recent seven year results show a stable or improving trend across 96% of measures for nutrients.

Such results vindicate the efforts of not just the Council, but also the entire Taranaki community.

The report shows water quality trends in the region that are the best they have ever been.

Further information can be found in a report entitled 'Resource investigations, state of environment monitoring and waste minimisation'. This report is available on the Council's website www.trc.govt.nz

LAND MANAGEMENT

Land management services continued to be well received during the year. Public demand for sustainable land management advice continues to be strong. Council advice is normally provided at a property scale through a range of plans: comprehensive plans incorporating all aspects of the farming operation and business into a whole farm package; agroforestry plans which provide more detail on agroforestry or forestry proposals; conservation plans which provide site or issue specific advice; and

riparian plans which provide advice on streambank protection and planting.

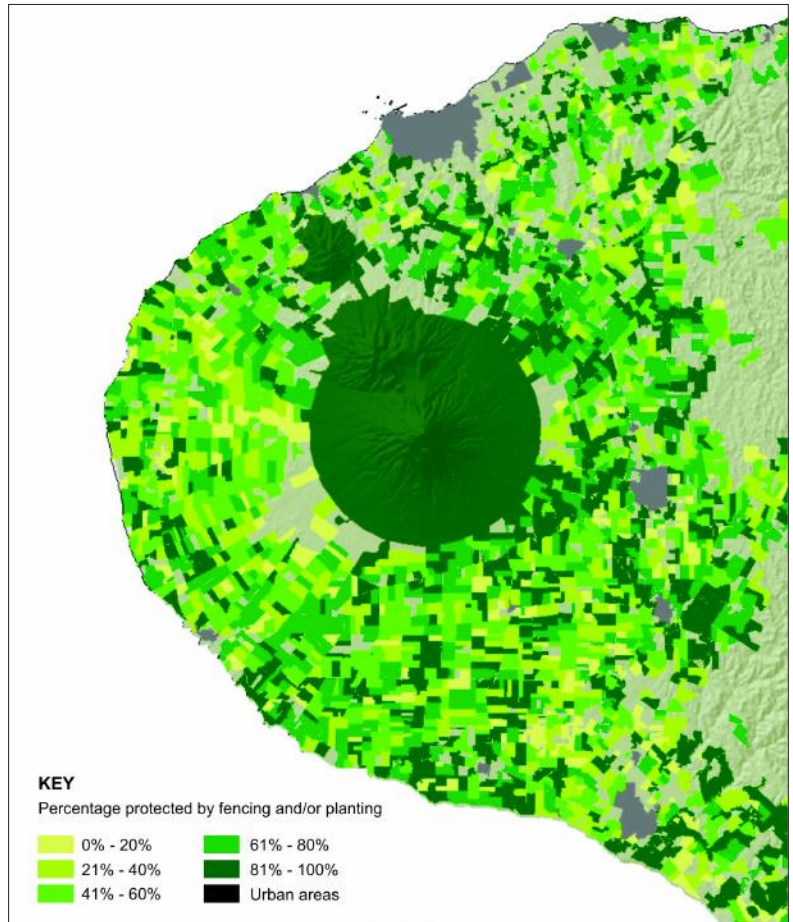
Key results for 2012/2013 were:

- The Council prepared a further 9 comprehensive farm plans and 6 agroforestry plans covering an additional 3,015 hectares of hill country. As at 30 June 2013, the Council has prepared a total of 386 comprehensive farm plans and agroforestry plans, which together cover 196,127 hectares or 64% of the area on privately owned land in the Taranaki hill country.
- The Council prepared a further 68 riparian management plans covering an additional 565 kilometres of streambank. The Council has now prepared a total of 2,463 riparian management plans, which cumulatively cover 13,549 kilometres of streambanks.
- As at 30 June 2013, 99% of the approximately 1,769 Taranaki dairy farms have active or completed riparian plans in place.
- During the year riparian plan holders planted 308 kilometres of streambanks and fenced 576 kilometres of streambanks.

99% of the approximately 1,769 Taranaki dairy farms have active or completed riparian plans in place.

As at 30 June 2013, riparian plan holders had fenced a total of 2,882 kilometres of streambank and planted 1,463 kilometres of streambanks. Taking the existing fencing and planting into consideration, this means 76% of streambanks are fenced and 63% of streambanks (that require protection with vegetation) are suitably vegetated.

- The Council provided a record total of 510,156 plants for soil conservation and riparian management purposes, at cost, to 1,370 land holders.



Riparian plans and percentage of protection

- The Council provided and facilitated the use of environmental enhancement grants to assist with sustainable land management and wetland protection.

Through the Council's sustainable land management planning and plant supply activities, significant parts of Taranaki's erosion prone areas are being sustainably managed and soil erosion minimised or avoided. Likewise, the fencing and planting of riparian margins through intensively farmed land on the ring plain is making a significant contribution to avoiding, remedying or mitigating the effects of land use practices on water quality.

The Council's planning phase relating to the riparian programme is now

largely completed and the focus is strongly on the implementation of riparian plans to fence and plant streambanks.

76% of streambanks are fenced and 63% of streambanks (that require protection with vegetation) are suitably vegetated.

Riparian plan holders are implementing plan recommendations at an increasing pace. Since the riparian programme began over 3 million plants have been made available to plan holders. The



programme is literally transforming the Taranaki landscape with the evidence clearly visible to everyone who travels around the region. The Council anticipates that the annual plant supply will peak at about 750,000 by 2014/2015.

Since the riparian programme began over 3 million plants have been made available to plan holders. This programme will play an important role in delivering environmental sustainability for the dairy industry in Taranaki.

The efforts of the Council and the community were recognised in June 2013 when the Council's *Riparian Management Programme* was awarded a Ministry for the Environment *Green Ribbon Award*. I would like to personally congratulate all those involved with the programme and particularly landowners who are getting on and doing the work. There is no doubt in my mind that this programme will play an important role in delivering environmental sustainability for the dairy industry in Taranaki.



However, more needs to be done and the Council will continue to focus strongly in the years ahead on working with landowners to implement their riparian plans.

The Council continued to administer and service the Taranaki Tree Trust – a charitable trust dedicated to the protection and enhancement of the region's community amenity areas and biodiversity projects. The Trust received \$40,000 from the Council's *Environmental Enhancement Grant* programme, in addition to donations from other sources. The Trust met twice in the 2012/2013 year, and supported 34 projects in the region.

Further information can be found in a report entitled 'Sustainable land management and plant supply'. This report is available on the Council's website www.trc.govt.nz

BIODIVERSITY

The Council has significantly ramped up its efforts in biodiversity protection and enhancement in recent years and this momentum continued during 2012/2013.

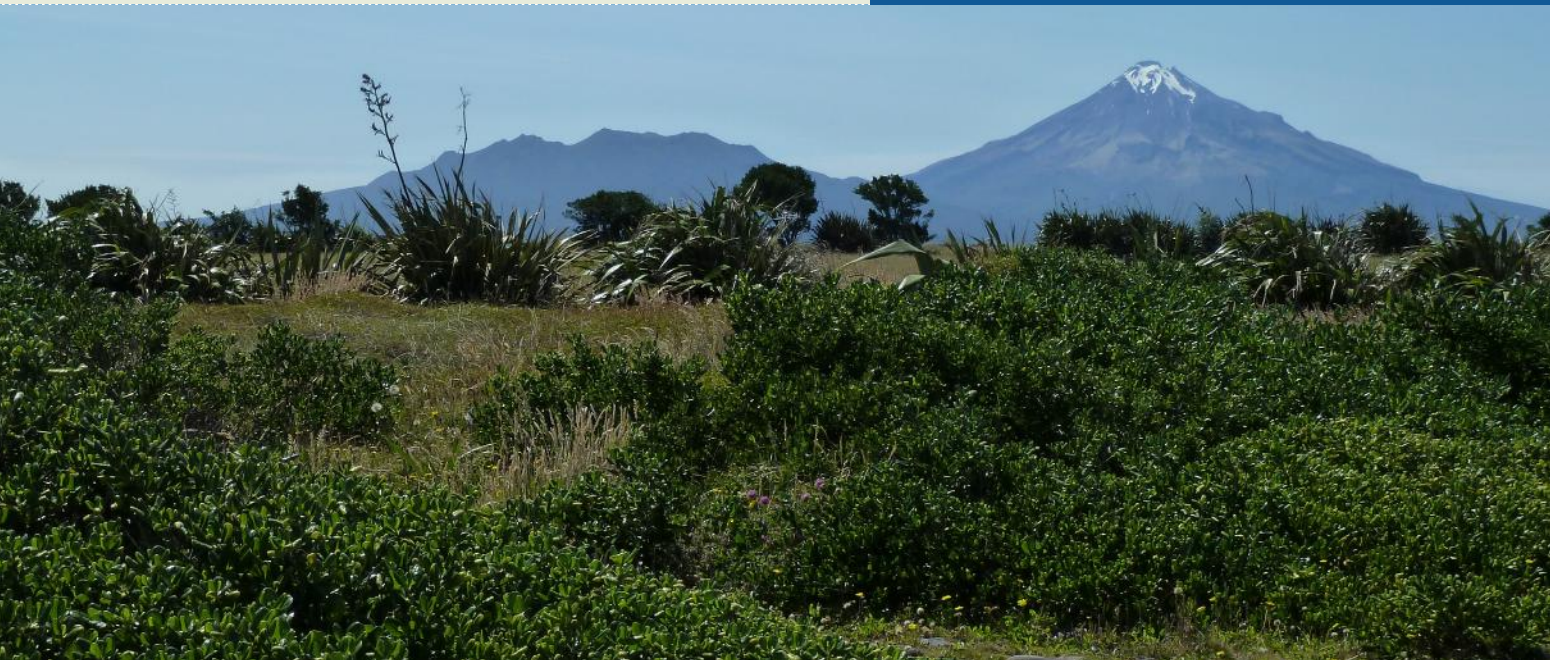


During the year the Council:

- Maintained and updated the *Inventory of Key Native Ecosystems* (KNEs). This included assessing and including seven new sites as KNEs. As at 30 June 2013, there are now 172 KNEs (covering 117,843 hectares) of which 118 sites contain, in full or in part, privately owned land. Privately owned land makes up 9,757 hectares of the KNEs identified to date.

Privately owned land makes up 9,757 hectares of the KNEs identified to date.

- Prepared biodiversity plans for 10 KNEs (covering 449 hectares). As at 30 June 2013, 54 (or 45.8%) of the 118 privately owned KNEs have biodiversity plans.
- Worked with and assisted plan holders and care groups to implement their biodiversity plans. This involved a suite of works being carried out on KNEs to maintain and enhance their indigenous biodiversity values.
- Provided technical and or logistical support to community groups on 'iconic' biodiversity projects, including the Lake Rotokare Scenic



Reserve Trust, Rapanui Grey-faced Petrel Colony Trust, Pukeiti, the East Taranaki Environment Trust, and the Paranihi ecological restoration project.

- Worked with the Accord partners to progress actions identified in the *Taranaki Biodiversity Forum Accord*.
- Through its environmental enhancement grants, contributed \$341,745 to support the active management of KNEs and regionally significant wetlands plus other environmental projects of regional significance, and the Taranaki Tree Trust.

Biodiversity protection and enhancement is an area that requires active management by landowners. It is therefore important for the Council to inform, assist and support landowners in their efforts. In terms of on the ground effort, works undertaken during the year involved invasive animal control on 47 KNEs, invasive weed control on 21 KNEs, enhancement on 17 KNEs and contributions to the fencing of two KNEs.

Further information can be found in a report entitled 'Biodiversity.' This report is available on the Council's website www.trc.govt.nz

BIOSECURITY

The Council's two pest management strategies were successfully implemented during the year. Implementation of the *Self-help Possum Control Programme* on the Taranaki ring plain continued to be the major pest animal focus under the Council's *Pest Animal Management Strategy for Taranaki*. This *Programme* aims to reduce and maintain possum numbers below a residual trap catch (RTC) of less than 10%.

With the additional area brought into the *Programme* in 2012/2013, some 4,333 properties covering approximately 235,000 hectares are now incorporated into the *Programme*. Except for urban areas, the *Programme* now covers almost all privately owned land on the ring plain and significant parts of the coastal terraces and frontal hill country.

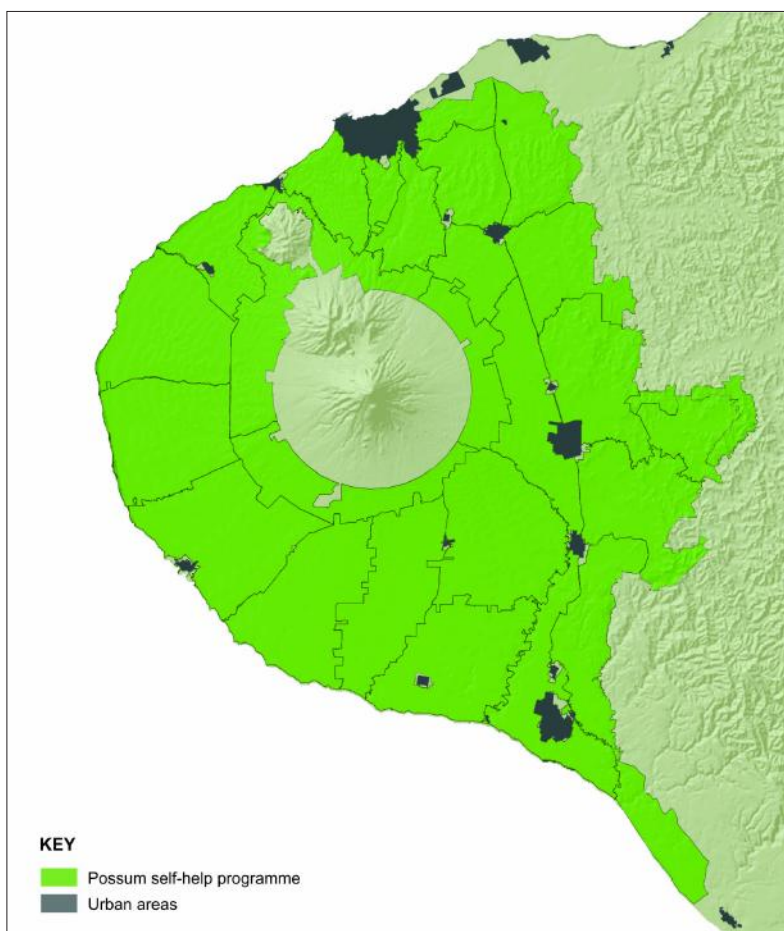
The *Pest Plant Management Strategy for Taranaki* was implemented as required. 'Eradication' and 'containment' pest plants were confined in their spread through the Council's comprehensive inspection programme involving category A, B and C properties. The number of Category C properties (those which have a problem relating to the management of 'eradication' or 'containment' pest plants) continues to steadily decrease as farms with environmental pest plant problems over previous years, in particular pampas, make good progress with complying with *Pest Management Strategy for Taranaki: Plants* rules.

Except for urban areas, the Self-help Possum Control Programme now covers almost all privately owned land on the ring plain.

Highlights for 2012/2013 included:

In relation to pest animal management

- Post control monitoring of areas covered by the *Self-help Possum Control Programme* carried out in 2012/2013 showed that possum levels were on average 4.27% RTC.



Self-help possum control programme

- The *Self-help Possum Control Programme* was extended to cover an additional 4,463 hectares of privately owned land in the Manutahi area bringing the total number of properties in the Programme to 4,333 covering approximately 235,000 hectares.
- Sixty six of the 118 privately owned Key Native Ecosystems (sites identified as having regionally significant indigenous biodiversity values) were included in the *Self-help Possum Control Programme*.
- Advice was provided to 21 land occupiers in relation to the control of rabbits. Monitoring of rabbit numbers on rabbit prone land in coastal Taranaki continued.
- Advice was provided to several land occupiers relating to the control of Argentine ants which are confirmed to be well established in the region.
- The Council funded the regional share of Animal Health Board vector surveys in Taranaki to ensure Taranaki's Bovine tuberculosis is effectively managed.

In relation to pest plant management

- 'Eradication' and 'containment' pest plants were confined in their spread through the Council inspecting 123 Category C properties (on at least three occasions), 859 Category B properties and 5,013 inspections of mainly urban Category A properties. Enforcement action was undertaken where necessary with 370 Notices

of Direction issued primarily relating to the control of Pampas, Ragwort and Gorse.

- Biological control programmes for old man's beard, ragwort, gorse, nodding and plumeless thistles continued to be implemented and monitored.
- Two hundred and sixteen public complaints relating to pest plants were received and responded to within five days. A majority of the complaints were as a result of the large number of mainly urban Category A inspections (25,660) and follow-up actions where land occupiers were sent letters to remind them of their obligations in relation to pest plants.
- Direct control was undertaken on 30 properties found to have an infestation of Senegal Tea, Climbing Spindleberry, Mignonette Vine, Giant Reed or Darwin's Barberry. All the direct control operations successfully targeted infestations.
- Small-scale control programmes for Boneseed, Old Man's Beard, Wild Ginger, Gorse, Pampas and Giant Gunnera were undertaken by the Council.
- Twenty two plant nurseries and retail outlets were inspected to ensure that specific pest plants were not being propagated, sold or distributed

Work contributing to the five yearly reviews of the *Pest Management Strategy for Taranaki: Animals* and the *Pest Management Strategy for Taranaki: Plants* continued through 2012/2013.

A discussion paper was prepared for consultation with key stakeholders. This has provided useful feedback for the review process. A number of the more significant changes that are likely to be made to pest management strategies here and elsewhere in New Zealand will be driven by amendments to the *Biosecurity Act 1993*, the imposition of good neighbour rules binding Crown occupiers, and the imminent enactment of the *National Policy Direction*.

The review process will continue through 2013/2014.

Further information can be found in a report entitled 'Biosecurity.' This report is available on the Council's website www.trc.govt.nz

TRANSPORT

The focus for the year in transport planning was on overseeing the implementation of the three year *Regional Land Transport Programme (RLTP)* adopted by the Council in the previous year.

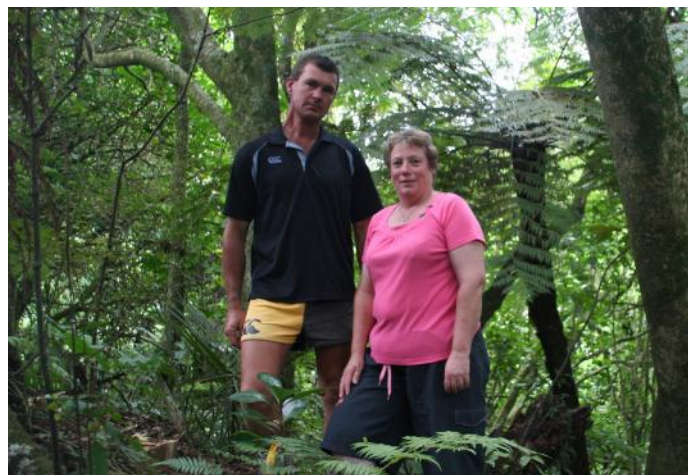
The Council's Regional Land Transport Committee continued to advocate strongly for land transport activities and funding that would benefit the region, in the face of ongoing funding constraints and national priorities that are focused in other regions. The State Highway 3 Working Party facilitated jointly by the Council and neighbouring Waikato Regional Council, continued its work in seeking improvements to this strategically important highway.

The Council's Regional Land Transport Committee continued to advocate strongly for land transport activities and funding that would benefit the region.

The 2012/2013 year saw enactment of the *Land Transport Management Amendment Act 2012*. The Act substantially amended the *Land Transport Management Act* and repealed the *Public Transport Management Act 2008* under which the Council delivers its public transport services. Among the changes introduced by the *Amendment Act* are reductions in the membership of regional transport committees; a new single regional planning document to be known as the *Regional Land Transport Plan* which is required to be in place by 30 June 2015; and public transport services that are to operate under a new *Public Transport Operating Model*. These changes will be a focus for the Council in 2013/2014.

Insofar as the Council's public passenger transport services are concerned, 2012/2013 saw the continuation of all the region's public transport operations, but with a mix of patronage results.

- The improved CityLink (New Plymouth, Bell Block, Waitara and Oakura) service continued after operating under trial for the previous two years, and experienced growth of 2.4% over the year.
- The three once-a-week SouthLink (South Taranaki) services have completed the fourth year of their five year contracts. The three services experienced a mix of results. Waverley to Hawera continued to perform strongly. Opunake to New Plymouth remained static with comparable levels of passengers in the last two years. The Opunake to Hawera (including Manaia to Hawera) service experienced a decline in passenger numbers.



- The once-a-week Inglewood to New Plymouth service is also in its fourth year of a five year contract. The service experienced strong growth for the year with patronage up 26%.

While the CityLink services had only moderate growth of 2.4%, this is still a positive result, with more commuters using the service. Fine tuning of the service continued throughout the year to ensure the service remained efficient and met public demand. Work was also undertaken during 2012/2013 to investigate the retendering of this service for the 2013/2014 year.

The Council's passenger transport activities also included continued funding of taxi-based total mobility services for the transport disadvantaged throughout Taranaki. During 2012/2013, 49,816 passenger trips were made under the Total Mobility Scheme.

The Ironside Vehicle Society also continued to receive funding assistance. A total of 6,849 trips were carried out, with 5,394 (79%) specifically involving passengers who required the use of wheelchair hoists.

On the maritime front there were 1,388 vessel movements undertaken through Port Taranaki during 2012/2013 (a slight increase of 48 from the previous year), with there being no significant maritime incidents during the year.

The *Navigation and Safety Bylaws for Port Taranaki and its Approaches* continued to be enforced, with five verbal warnings (all to jet-ski operators for excess speed) issued during the year.

Further information can be found in a report entitled 'Regional land transport planning, passenger transport and harbour management.' This report is available on the Council's website www.trc.govt.nz

FLOOD CONTROL AND EMERGENCY MANAGEMENT

Throughout the year the Council's River Control Schemes were managed and maintained to accepted standards to minimise and prevent damage by floods and river erosion. The Council continued its flood management and general river control activities, including the provision of accurate and timely flood warnings, and flood control advice.

The Civil Defence Emergency Management Group of which the Council is a member and the administering authority, maintained an integrated and comprehensive emergency management system including reducing risk, maintaining readiness, and providing response and recovery capacity and capabilities.

In relation to *flood management and river control* the Council:

- Maintained the Lower Waitara River and Lower Waiwhakaiho flood protection schemes in accordance with the scheme management plans.
- Continued investigations for the upgrade of the Waitara Scheme, with the completion of a comprehensive study of the hydrology of the Waitara River Catchment.

- Completed physical channel clearance over 600m of the tributaries of the Waitotara River with spraying over a further 16km to control regrowth of willow and poplar.
- Maintained the Okato Scheme (including assets on the Stony River and Kaihihi Stream that have been constructed by the Council over the years) in accordance with the new management plan.

Completed the mechanical clearance of 1,465 m of willow and poplar from the Moumahaki, Weraweraonga, Waikare, Omata Stream channels.

In relation to *emergency management* the Civil Defence Emergency Management Group:

- Adopted the reviewed *Civil Defence Emergency Management Group Plan* (CDEM Group Plan).
- Implemented, monitored and reported upon the *Civil Defence Emergency Management Public Education Plan for Taranaki 2011-2016* (CDEM Public Education Plan).
- Developed and approved new operation plans including the *Emergency Debris Management Plan*, the *Lifeline Utility Protocols*, and the *Aerial Reconnaissance Plan*.
- Promoted and reported on the 'ShakeOut' exercise that took place on the 26th September 2013 to encourage participation in and awareness of earthquake emergency procedures. This included public presentations demonstrating the 'Drop-Cover-Hold' scheme.
- Implemented emergency response procedures following volcanic activity on Mt Tongariro on 7 August 2012 and in response to the Waitangi Day tsunami threat on 6 February.

A highlight for the year was the adoption of the reviewed CDEM Group Plan for Taranaki.

- Commenced planning for 'Exercise Pahu', an exercise based on a volcanic eruption from Mount Taranaki to be held in November 2013.
- Worked with Maori communities to recognise the potential for marae to be utilized during an emergency.
- Carried out training exercises for CDEM volunteers to ensure emergency procedures are more effective.
- Received the results of a liquefaction study and a Tsunami inundation mapping exercise. Both these studies contributed to Taranaki emergency readiness.
- Delivered 31 group presentations, facilitated a further 4 workshops and promoted the *What's the Plan Stan?* teaching resource, to enhance public awareness and preparedness.

Throughout the year the CDEM Group and the Co-ordinating Executive Group (CEG) met regularly to oversee

the implementation of the *Annual Business Plan*, the *Public Education Plan* and the *Taranaki CDEM Group Plan for Taranaki*. The advisory groups also continued to meet throughout the year to provide input into the *CDEM Group Plan* process, and to provide support and specialist expertise.

Certainly a highlight for the year was the adoption of the reviewed *CDEM Group Plan for Taranaki*. This followed a hearing of public submissions on the draft plan and sign-off on the final proposed plan by the Ministry of Civil Defence. The *CDEM Group Plan* was adopted by the CDEM Group in September 2012.

Further information can be found in a report entitled 'Hazard management.' This report is available on the Council's website www.trc.govt.nz

RECREATION, CULTURE AND HERITAGE

This area of the Council's business encompasses regional funding for the maintenance and development of Yarrow Stadium, promoting an on-going relationship with Puke Ariki through annual projects and operating, maintaining and enhancing three of Taranaki's regionally significant and nationally recognised gardens – Pukeiti, Hollard Gardens and Tupare.

Highlights in 2012/2013 were:

- The Council and the New Plymouth District Council (NPDC) completed a process to bring together two funding streams for the benefit of Yarrow Stadium.
- Public use of all three Council gardens – Tupare, Pukeiti and Hollard Gardens – increased in 2012/2013.
- Construction of a new visitor and information centre at Hollard Gardens.
- The 2012/2013 annual contribution to Puke Ariki was successfully allocated to five projects and in October 2012, a new ten-year Foundation Partnering Agreement between the Council and Puke Ariki was signed.

Public use of all three Council gardens – Tupare, Pukeiti and Hollard Gardens – increased in 2012/2013.

Establishing a long-term partnership arrangement for Yarrow Stadium was a significant step towards securing the future of this regionally significant asset. The partnership involves the NPDC managing and operating Yarrow Stadium and providing the necessary funding to undertake this commitment with the Council providing funding for the long-term maintenance and development of the Stadium.

To facilitate this partnership, the Council has acquired control of the Taranaki Stadium Trust (formally the Yarrow Stadium Trust) from the NPDC. Funding of \$876,000 was provided to the Trust for the purposes of the long-term maintenance and development of Yarrow Stadium.





A new ten-year Foundation Partnering Agreement between the Council and Puke Ariki was signed.

Yarrow Stadium hosted the third test between the All Blacks and France on 22 June 2013. The test match was a sell-out with Taranaki hosting international and national visitors together with locals. The focus for the Council's and the Trust's future involvement in Yarrow Stadium is to ensure that Yarrow Stadium continues to be one of New Zealand's premier regional sporting stadiums and venue.

I am pleased to see the number of visitors to our regionally and nationally significant gardens continues to grow. All three properties were part of the Powerco Taranaki Garden Spectacular. The gardens and the wide range of events that they host throughout the year make a very significant contribution to the region's recreational, amenity and cultural life.

The focus for the Council's and the Trust's future involvement in Yarrow Stadium is to ensure that Yarrow Stadium continues to be one of New Zealand's premier regional sporting stadiums and venue.

Further information can be found in a report entitled 'Recreation, culture and heritage.' This report is available on the Council's website www.trc.govt.nz

PUBLIC INFORMATION

Communications are an important component in all of the Council's programmes. Council staff and councillors engage with the community and key stakeholders across all Council activities

in many ways, including face-to-face meetings, high-quality publications, school field trips, websites and social media.

The *Public Information* activities of the Council provide communications advice and resources to all other sections of the Council. They also deliver an education programme for schools which promotes sustainable use of the region's resources and helps to develop understanding and skills in other areas such as Civil Defence, Public Transport and Regional Gardens.

Council staff and councillors engage with the community and key stakeholders across all Council activities in many ways.

Highlights for the 2012/2013 year were:

- Council news releases, interviews or other media liaison generated 20% of the 774 news items identified through media monitoring that referred directly to the Council and its work.
- Page views on the Council website averaged 48,461 a month for the year. Website traffic peaked on Wednesday 6 February when 1,492 people visited the site during the Solomon Islands tsunami alert.
- The audiences on the Council's social media accounts for Regional Gardens, CDEM and Taranaki Regional Council continued to grow.
- The Council produced two videos to showcase the Taranaki region and the Council. The videos will be launched in the 2013/2014 year.
- 11,002 school students were involved in classroom lessons and field trips through the Council's education programme.
- Four issues of the two Council newsletters *Recount* and the *Schools in the Environment (SITE)* were produced.

- An extensive range of promotional material and publications was produced during the year.

11,002 school students were involved in classroom lessons and field trips through the Council's education programme.

Further information can be found in a report entitled 'Public information.' This report is available on the Council's website www.trc.govt.nz

INVESTMENTS

Across the range of the Council's investments, performance was good and in line with or ahead of the estimates established in the *2012/2022 Long-Term Plan*. Dividends from Port Taranaki Ltd were \$2.95m, which while on budget, was \$750,000 ahead of last year. Port Taranaki Ltd's medium to long-term outlook continues to be strong. Dividends are forecast to increase in the Council's *2012/2022 Long-Term Plan* and the Company is giving every expectation that these targets are achievable.

Port Taranaki continues to operate in a highly competitive and volatile industry. The Council acknowledges the public's support for its ownership of Port Taranaki Ltd and is committed to supporting the Company in its commercial aspirations. That includes a periodic examination and re-examination of the port company's leadership, its capital structures and strategic value to the region.

Port Taranaki Ltd's medium to long-term outlook continues to be strong.

The Council achieved 6.38% returns on its treasury investments. In the current low-interest world economy, this is an excellent result.

FINANCIAL

The Council was pleased to commence the year with a nil change for general rates.

The Council finished the year with a surplus of \$1.64m which was \$1.58m more than budgeted. This came about from controlling the Council's expenditure and the higher than planned revenue from the Council's resource management obligations. The 2012/2013 year was busy throughout the Taranaki economy. This increased the level of business activity and, consequently, the level of resource consents. Resource consent applications and all associated monitoring, enforcement and reporting is on a user-pays basis.

The Council's financial position remains strong with no public debt.

Total public equity (the value of the community's ownership in the Council) increased to by \$2m to \$76.8 million.

The Council continues to have concerns with the ongoing imposition from central government of additional financial reporting disclosures. Not only do these impositions incur compliance costs, but they add little to the community's understanding of the Council's financial results and add bulk to an already large document. This year the Council has had to prepare and publish Council-wide and group of activity level funding impact statements (an additional eight pages of reporting). The general thrust of the information in the funding impact statements is already adequately addressed within the report. The funding impact statements are confusing to the reader as 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. Consequently, this information is at odds with the rest of the report and the disclosures do not reconcile to the figures in the rest of the report. As such, these new statements are confusing to the reader of the report.

The Council's financial position remains strong with no public debt. Total public equity increased to by \$2m to \$76.8 million.

ACKNOWLEDGEMENTS AND OUTLOOK

The efforts and achievements of Council staff are gratefully acknowledged. They are skilled and positive in all they do and are a pleasure to work with.

Regional councillors have continued to provide clear and consistent direction in a way that is constructively focussed on Taranaki's future.

The Council is financially and operationally very sound. Like the region we serve, we move forward with a determined confidence to make our region positively 'like no other'.



BG Chamberlain
Chief Executive

ROLE OF THE COUNCIL

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

STRUCTURE OF THE COUNCIL

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

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

TARANAKI REGIONAL COUNCILLORS



COUNCIL COMMITTEES

In formulating its committees, the Taranaki Regional 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, responsibility and processes for decision-making in relation to regulatory responsibilities is separated from responsibility and processes for decision-making for non-regulatory responsibilities.

With the exception of the Executive and the Consents and Regulatory Committees, 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 made by the Council.

The Civil Defence Emergency Management Group is a Joint Committee established under the Civil Defence Emergency Management Act 2002. The Taranaki Regional Council is a member of this Group along with members from the New Plymouth, Stratford and South Taranaki district councils. The Taranaki Regional Council is the administering authority for the Joint Committee.

GOVERNANCE SYSTEMS

The full Council and main Council 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 Council is confident that its adopted structure and approach provides an efficient basis for the sound consideration of issues and the making of good decisions, and that the requirements of the Local Government Act 2002 are being met.

DIVISION OF RESPONSIBILITY

The Council operates a clear division of responsibilities between the role of the Council and that of 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 Council's policy and strategy decisions.

While many of the Council's 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 of the Council are achieved.

LEGISLATIVE COMPLIANCE

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

Taranaki Regional Council

Committees

Executive	Policy and Planning	Consents and Regulatory
David MacLeod Chairperson David Lean Roger Maxwell Neil Walker	Neil Walker Chairperson Michael Joyce Deputy Chairperson Mike Davey Peter Horton Moiria Irving Craig Williamson David MacLeod David Lean Maurice Betts NPDC Robin Vickers SDC Ian Armstrong STDC Graeme Hight Federated Farmers	David Lean Chairperson Brian Jeffares Deputy Chairperson Tom Cloke Mike Davey Michael Joyce Roger Maxwell Neil Walker Craig Williamson David MacLeod
Regional Transport Committee	Taranaki Solid Waste Management Committee	Taranaki Civil Defence Emergency Management Group
Roger Maxwell Chairperson Tom Cloke Deputy Chairperson Harry Duynhoven NPDC Neil Volzke SDC Gordon Lawson STDC Jenny Chetwynd NZTA Rex Hendry Representative for environment sustainability Karen Stowers Representative for access and mobility Dr Greg Simmons Representative for public health John Geraghty Representative for economic development Inspector Frank Grant Representative for safety and personal security Amokura Panoho Representative for cultural interests	Neil Walker Chairperson Taranaki Regional Council Craig McFarlane New Plymouth District Council Robin Vickers Stratford District Council Ian Armstrong South Taranaki District Council	Brian Jeffares Chairperson Taranaki Regional Council Harry Duynhoven New Plymouth District Council Neil Volzke Stratford District Council Ross Dunlop South Taranaki District Council

Figure 1: The Taranaki Regional Council committee structure.

ENVIRONMENTAL COMPLIANCE

Many of the Council's 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, the Council has systems and procedures 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.

WORKING TOGETHER WITH MAORI

The Council undertook a number of activities during the year in working with Māori, including providing opportunities for Māori to contribute to the decision-making processes of the Council.

POLICY DEVELOPMENT

The Council provided opportunities to Māori to be involved in the development of Council policy. In particular, input from Māori was sought or opportunities provided in regards to:

- the review of the *Regional Fresh Water and Soil Plans for Taranaki*
- the review of the *Regional Coastal Plan for Taranaki*
- the review of the *Pest Management Strategy for Taranaki: Animals and Pest Management Strategy for Taranaki: Plants*.

RESOURCE CONSENTS PROCESS

The Council continued to provide and develop processes for Māori to be involved in and contribute to resource consent processing and administration. This included:

- encouraging applicants to consult where Māori may be an affected party as part of an assessment of environmental effects. Māori were consulted with by either applicants or Council officers on 147 (87—2011/2012) application being 44% (35%) of all resource consents processed (excluding routine dairy shed discharge consent applications)
- statutory acknowledgement consultation by the Council occurred on 5 (12) applications
- extending resource consent processing periods to enable adequate consultation and possible resolution of issues with Māori
- providing information to Māori on resource consents and resource consent processing and administration
- arranging and facilitating meetings and undertaking other forms of consultation with Māori as part of resource consent processing and administration including holding meetings and pre-hearing meetings
- providing opportunity for Māori involvement in resource consent monitoring; including input into the design of monitoring programmes and involvement in monitoring activities
- providing opportunity for Māori involvement in resource consent enforcement proceedings.

ONGOING ENGAGEMENT AND SUPPORT

The Council maintained and developed processes for ongoing engagement with Māori on a number of fronts from meetings to discuss matters of mutual interest, to contracting with Māori to provide services in relation to specific resource consent compliance monitoring programmes.

During the year the Council

- Supported the launch of the *Ngati Ruanui Environmental Plan*
- Provided support and assistance to the Tiaki Te Mauri o Parininihi Trust with pest and possum control of the Parininihi Forest Block
- Provided for Iwi input and participation in the Biodiversity Accord
- Engaged with *Taranaki* Iwi in a joint project to identify sites of significance
- Engaged with various Marae committees to discuss involvement in Civil Defence Emergency Management.
- Have engaged with hapu representatives on the NP Waste Water Treatment Plant and their involvement in the monitoring regime
- Provided support and assistance for the Marae waste management initiative “Para Kore”
- Provided support and assistance for iwi input into the GNS Carbon Capture and Storage project
- Update of the TRC Iwi Contact List and Map is ongoing
- Chairman met with the Iwi Leaders Forum to discuss Māori input to resource management
- explored with Ngati Ruanui Iwi access to the Council’s GIS
- continued to support the development of an Iwi Management Plan for Ngati Mutunga with New Plymouth District Council and the Ministry for the Environment
- continued discussion with Nga Rauru Kaitahi, Ngati Mutunga Iwi, and PKW regarding a Memorandum of Understanding
- assisted the Tiaki Te Mauri O Parininihi Trust with possum control and ecological monitoring at the Parininihi (previously Whitecliffs) Forest block

- provided for Māori input to the *Biodiversity Accord Report*
- provided specific support for PKW farms riparian management programme
- assisted Tawhiti Kura Hapu with their strategic planning
- appointed Mr S Tamarapa as the Council's Iwi Communications Officer
- supported the transfer of the Sugar Loaf Islands to tangata whenua as part of the treaty settlement process.

REPRESENTATION

The Council continued to provide opportunities for Māori to be represented on the Council's Policy and Planning Committee through a representative of Te Puni Kokiri and the Council's Regional Transport Committee through a Māori representative of cultural interests.

The Council Chief Executive has met with the iwi leaders and discussed other opportunities for representation.

INFORMATION MANAGEMENT

The Council continued to maintain and regularly update its database of iwi contacts and to supply Māori with contact details for key Council functions, responsibilities and personnel. The Council gave due respect to and recognition of silent files (waahi tapu databases) or plans held by or given to the Council by Māori.

TRAINING

Te Reo o Taranaki Trust was engaged to provide and deliver a Cultural Awareness Training Programme for staff. This programme takes into account places, people and events of significance for Taranaki, as well as elements of the Treaty, basic reo and tikanga. Three sessions have been held to date with up to 30 staff attending each session.

GENERAL

The Council is committed to acting cooperatively and in good faith showing flexibility and responsiveness and a desire to engage with Māori for the good governance of the region. This is done in a manner that is inclusive and makes the best use of the resources of both Māori and the Council.





The coastal terraces along the north and south Taranaki coast make up the third major landform feature of the region. The soils of these areas are among the most versatile and productive in the region but the combination of light, sandy soils and strong winds in some areas can lead to localised wind erosion.

The Taranaki coastal environment is the fourth of the major landforms. The region is exposed to the west and as a consequence, high-energy wave and wind conditions dominate the coastal environment. There are few areas of sheltered water beyond the major estuaries such as the Tongaporutu, Waitara and Patea rivers, and the confines of Port Taranaki.

The Taranaki region has a temperate climate with generally abundant rainfall. The incised nature of ring plain streams means that flooding is not a major problem. However, occasional intense rainfall events can lead to rapid rises in river levels and flooding in hill country valleys and elsewhere.

THE PEOPLE

Figures from the 2006 census show the total population of Taranaki stands at 104,124, an increase of 1.2% over the 2001 census figure. In the previous census period (1996-2001) the population of the region decreased by 3.5%. Taranaki's population accounts for 2.6% of New Zealand's total population.

Population changes have also varied within the region. The most notable feature has been the continued growth in the proportion of the population residing in the New Plymouth district, which, contains 66.2% of the region's population – up from 64.7% in 2001. Both Stratford and South Taranaki

districts have experienced declining populations over the last ten years.

The general trend has been for a decrease in the population of smaller rural towns and an increased concentration of population in north Taranaki.

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 Maori within the region continues to increase from 11.3% in 1986 to 14.7% at the 2001 census and 15.2% at the 2006 census.

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 1,800 dairy farms and about 480,000 dairy cows, producing approximately 12% of New Zealand's total milksolids. 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. There has been a marked increase in exotic forest plantations in the region from 9,700 hectares in 1990 to an estimated 28,000 hectares in 2002.

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 making up the major part of New Zealand's natural gas resources. Development of the offshore Kupe field, discovered in 1986, commenced during 2011/2012.

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 Mangahewa onshore gas and condensate field was discovered in 1997, the Maari offshore field in 1998 and the Rimu onshore field in South Taranaki in 1999. The nearby Kauri field was discovered in 2001. The Pohokura offshore gas field in North Taranaki, the largest gas and condensate find in 30 years, was discovered in 2000 while the offshore Tui, Amokura and Pateke oil fields were discovered in 2003 and 2004. Exploration interest in Taranaki remains high.

The presence of oil and gas in the region has given rise to industries involved in the processing, distribution, use and export of hydrocarbons. Production stations or gas treatment plants are found at Oaonui, Kapuni, Waihapa, Rimu, Kaimiro and the McKee oil and gas field. An ammonia urea plant is located at Kapuni, UF resin plant at Waitara and gas-fired power stations at Stratford.

Tourism is playing an increasingly important role in the Taranaki economy, with over 550,000 guest nights spent in the Taranaki region by domestic and international visitors per annum. Most visitors are from other North island regions. Some 15% of total guest nights are from international visitors. 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 can significantly affect Taranaki. The regional economy is therefore more vulnerable to changes in overseas markets than larger urban-dominated regions.

ENVIRONMENTAL ISSUES

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

While overall water quality in the region is very good, particularly in the upper catchments, there is some

deterioration in the lower reaches of rivers as a result of intensive agricultural land use.

With the continuing intensification of dairying, there will be increasing pressures placed on our water resources from farm run-off, sediment and nutrients. Increased efforts will be needed just to maintain current water quality and to improve quality where deterioration has occurred. Attention must continue to be given to promoting good land and riparian management practices.

Management of the many industrial, municipal and agricultural waste discharges from individual point sources has improved significantly over the years. These discharges are closely monitored. It is vital for Taranaki's future that all major discharges to land, water and air are carefully managed.

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 bush and scrub on steep hill country, to avoid soil erosion that degrades land productivity and water quality. Parts of the inland hill country experience significant soil erosion but 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
- managing the allocation of the region's surface water resources, especially for increasing interest in pasture irrigation.

RESOURCE MANAGEMENT ISSUES AND IWI

The tangata whenua, through the region's eight iwi: (Ngati Tama, Ngati Mutunga, Ngati Maru, Te Atiawa, Taranaki, Nga Ruahine, Ngati Ruanui and Nga Rauru), have particular concerns with respect to the natural environment, particularly water (surface water, groundwater and coastal waters), the allocation of that water, and the discharge of contaminants which might affect water quality.

Iwi wish to maintain meaningful and adequate input to Council decision-making and to have structures and processes in place to enable that to occur.

FINANCIAL TRENDS

	Actual 2012/2013	Budget 2012/2013	Actual 2011/2012	Actual 2010/2011	Actual 2009/2010	Actual 2008/2009	Actual 2007/2008	Actual 2006/2007	Actual 2005/2006	Actual 2004/2005	Actual 2003/2004
General rates	\$7.18m	\$7.18m	\$7.18	\$6.85m	\$5.7m	\$5.5m	\$5.4m	\$5.3m	\$4.3m	\$3.3m	\$3.2m
Percent change	0%	0%	4.82%	20.2%	3.3%	2.4%	2.5%	23.3%	30.5%	3.1%	2.3%
General rates to income	31.6%	35.5%	36.2%	31.8%	35.5%	32.1%	33.3%	38.1%	40.1%	28.9%	29.2%
Rates per \$100,000 capital value	\$21.72	\$21.72	\$17.34	\$17.25	\$12.96	\$14.77	\$15.55	\$16.46	\$18.80	\$23.89	\$27.14
Total expenditure	\$21.53m	\$21.82m	\$19.76m	\$18.62m	\$16.68m	\$16.0m	\$13.6m	\$12.1m	\$10.8m	\$10.5m	\$9.6m
Percent change	9.97%	10.43%	6.12%	11.63%	9.62%	17.65%	12.39%	12.04%	2.86%	9.4%	-1.0%
Operating surplus/(deficit)	\$1.6m	\$0.07m	\$0.32m	\$2.9m	(\$0.5m)	\$1.3m	\$2.61m	\$1.75m	(\$0.3m)	\$0.84m	\$1.3m
Working capital	\$2.53m	\$1.03m	\$2.21m	\$1.84m	\$10.6m	\$4.93m	\$3.1m	\$4.8m	\$7.34m	\$1.8m	\$1.3m
Current ratio	1.72:1	1.36:1	1.53:1	1.55:1	4.96:1	2.97:1	2.2:1	2.6:1	5.5:1	2.1:1	2.1:1
Total assets	\$80.9m	\$79.1m	\$79.6m	\$78.4m	\$74.2m	\$74.5m	\$71.9m	\$69.4m	\$66.2m	\$66.5m	\$59.8m
Public debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public debt to total assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT

To the Readers of Taranaki Regional Council and Group's Annual Report for the Year Ended 30 June 2013

The Auditor-General is the auditor of Taranaki Regional Council (the Regional Council) and group. The Auditor-General has appointed me, Bruno Dente, using the staff and resources of Deloitte to audit:

- the financial statements of the Regional Council and group that comprise:
 - the statement of financial position as at 30 June 2013 on page 90;
 - the statement of comprehensive income on page 88, the statement of changes in equity on page 89 and the statement of cash flows on page 91 for the year ending 30 June 2013; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 92 to 119;
- the funding impact statement of the Regional Council on page 120;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the Regional Council on pages 36 to 86;
- the statement of service provision (referred to as Performance Information) of the Regional Council on pages 36 to 86; and
- the funding impact statements in relation to each group of activities of the Regional Council on pages 121 to 127.

In addition, the Auditor-General has appointed me to report on whether the Regional Council and group's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on pages 36 to 86;
 - council-controlled organisations on page 78;
 - reserve funds on page 108 to 110;
 - each group of activities carried out by the Council on pages 36 to 86;
 - remuneration paid to the elected members and certain employees of the Regional Council on page 110;
 - employee staffing levels and remuneration on page 110; and
 - severance payments on page 110;
- a report on the activities undertaken by the Regional Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on pages 22 to 23; and
- a statement of compliance signed by the chairman of the Council, and by the Regional Council and group's chief executive on page 128.

OPINION

Audited information

In our opinion:

- the financial statements of the Regional Council and group on pages 88 to 119:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Regional Council and group's financial position as at 30 June 2013; and
 - the results of its operations and cash flows for the year ended on that date.
- the funding impact statement of the Regional Council on page 120, fairly reflects 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 annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the Regional Council on pages 36 to 86, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the Regional Council's long-term plan or annual plan.
- the performance information of the Regional Council on pages 36 to 86:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Regional Council's levels of service for the year ended 30 June 2013, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the Regional Council on pages 121 to 127, fairly reflects by each group of activities, 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.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the Regional Council and group's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 23 September 2013. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

BASIS OF OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Regional Council and group's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported performance information within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the Regional Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

RESPONSIBILITIES OF THE COUNCIL

The Council is responsible for preparing:

- financial statements and performance information that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the Regional Council and group's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that fairly reflects 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 annual plan;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities 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;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the Regional Council's long-term plan or annual plan; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

INDEPENDENCE

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the *Other Requirements*, we have no relationship with or interests in the Regional Council or any of its subsidiaries.



Bruno Dente
Deloitte
On behalf of the Auditor-General
Hamilton, New Zealand

PLANNING PROCESSES

The Council operates within the following planning framework:

Figure 3: The Council's planning framework





COMMUNITY OUTCOMES

At the time the Council adopted its *2012/2022 Long-Term Plan*, the *Local Government Act 2002* defined community outcomes as the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental and cultural well-being of its district or region in the present and for the future.

As noted in the Council's *2012/2022 Long-Term Plan*, following changes to the definition of "community outcomes" contained in the *Local Government Act 2002*, the Council considered that the broad statements of community outcomes contained in the Council's previous *Long-Term Plan*, which were developed following a comprehensive public process, remain appropriate as broad outcomes that the Council itself aims to achieve.

The broad community outcomes that the Council has adopted and that it aims to achieve in carrying out its activities, are as follows:

CONNECTED TARANAKI

A region that delivers accessible and integrated infrastructure, transport and communications systems, which meet the needs of residents, business and visitors.

PROSPEROUS TARANAKI

A region that boasts a sustainable, resilient and innovative economy that prospers within the natural and social environment.

SECURE AND HEALTHY TARANAKI

A region that provides a safe, healthy and friendly place to live, work or visit.

SUSTAINABLE TARANAKI

A region that appreciates its natural environment and its physical and human resources in planning, delivery and protection.

TOGETHER TARANAKI

A region that is caring and inclusive, works together, and enables people to have a strong and distinctive sense of identity.

VIBRANT TARANAKI

A region that provides high quality and diverse cultural and recreational experiences, and encourages independence and creativity.

The Council's *2012/2022 Long-Term Plan* list 29 more specific community outcomes (levels of service) that the Council aims to achieve through the *Long-Term Plan* and that will contribute to the broader community outcomes above. The detailed measures and targets associated with each of the specific outcomes are set out in the "Levels of service" under each of the "Groups of activities" in the *2012/2022 Long-Term Plan* and are reported against in this *Annual Report*.

The Council's mission statement reflects its core statutory responsibilities and activities in resource management and environmental protection, pest management and hazard and emergency management. It also reflects the Council's role in representing and advocating Taranaki's regional interests including recreation, culture and heritage activities at the regional level.

Figure 4 shows the way in which the Council aims to achieve community outcomes through its mission and the actual activities the Council carries out.

The activities shown in Figure 4 are groups of activities. The groups of activities and the more specific individual activities within them form the basis of reporting on the details of the 10-year programmes contained in the *2012/2022 Long-Term Plan*. However, it is the contribution of these activities to the achievement of the community outcomes that lies at the heart of the *2012/2022 Long-Term Plan*.

Figure 4 shows how each of the groups of Council activities is linked to the relevant key community outcomes that it contributes to. The diagram shows that most of the Council's activities will contribute to furthering the community outcomes of a Sustainable Taranaki and a Prosperous Taranaki. Some activities will contribute to a Secure and Healthy Taranaki while others contribute to the outcomes of a Connected, Together and Vibrant Taranaki.

Figure 4: Relationship between the Council's mission and activities and community outcomes.

MONITORING FRAMEWORK AND PROGRAMMES

The previous sections have outlined the Council's planning processes and shown how each of the groups of Council activities is linked to the relevant community outcomes. However, the Council needs to know if its planning processes and what it delivers each year contribute to the achievement of community outcomes.

The Local Government Act 2002 requires the Council to report the results of any measurement undertaken during the year of progress towards the achievement of

community outcomes. It also requires the Council to describe any identified effects that any activity within the group of activities has had on the community.

The Council has a comprehensive monitoring framework in place with many varied and wide-ranging programmes to monitor and to report on the outcomes of its activities. The main components of this framework and their connection to the Council's planning processes are shown diagrammatically in Figure 5.

The Council's monitoring framework is complex and multitiered. It covers a range of monitoring programmes from overall state of the environment monitoring, to monitoring of specific activity areas (such as pest management, land transport and emergency management) and monitoring of individual resource consents for compliance with consent conditions and Council policies. It also covers different time scales (from quarter-hourly, to daily, quarterly, annually, three yearly or 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, the Council has sought to establish an integrated monitoring framework that recognises the need for consistency, coordination and integration of monitoring activities:

- within the Council – to generate information that is timely, relevant and useful to the Council 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.

Underpinning all aspects of the Council's monitoring programmes is effective data collection and management. This involves careful

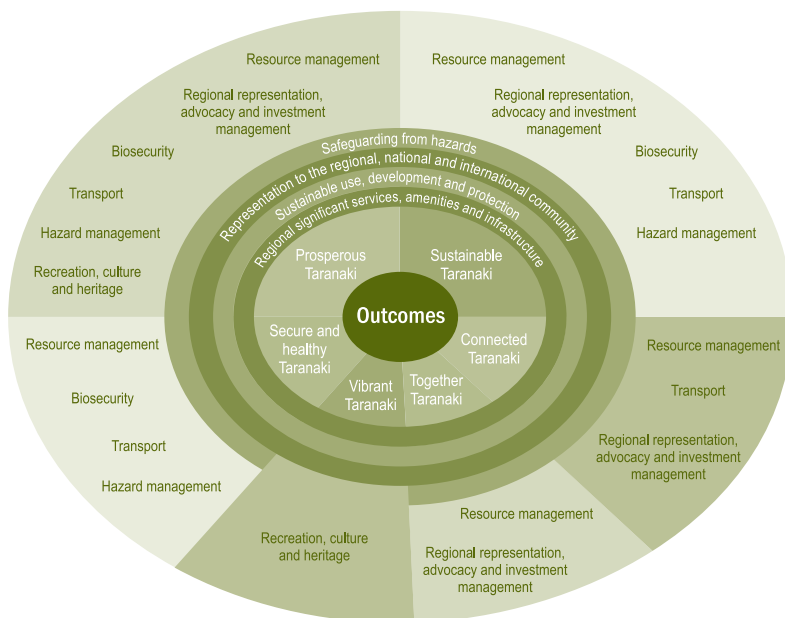


Figure 4: Relationship between the Council's mission and activities and community outcomes.



selection and maintenance of monitoring sites (having regard to the purpose, location, type and number of sites), proper sampling, surveying and analysis being undertaken according to recognised quality assurance programme by suitably qualified staff, and the maintenance of effective databases and data management systems. A wide range of parameters is used in monitoring and these form the foundations of the Council's monitoring framework. The key components of these programmes are outlined in Appendix 1.

The collection of information of high quality and integrity is fundamental to good decision-making. The timely analysis, interpretation and reporting of this information maintains accountability to the community and enables the Council to track its progress towards the achievement of the community outcomes that it has decided it will contribute to.

As previously indicated the Council undertakes many measurements during the year of the progress it is making towards the achievement of community outcomes. The Council considers that it is too simplistic to select and report on only one or two parameters to show progress on community outcomes.

The Council's analysis, interpretation and reporting on the results of measurements undertaken is thorough and inevitably complex. Many reports are produced annually and the detailed results are set out in those reports. For example, the Council prepares particular state of the environment reports, compliance monitoring reports, annual activity reports and various other reports on the results of Council activities. Some of the results of these reports are contained

in this report, particularly under 'Levels of Service' and 'Activities' sections of this report. However, the results of all reports prepared by the Council during the year cannot be effectively and efficiently summarised in this report. Accordingly readers are referred to the more detailed reports on Council activities which are available on request from the Council. Collectively, these reports indicate the progress that is being made towards the achievement of community outcomes and describe the effects that Council activities have had on the social, economic, environmental and cultural well-being of the community.

This *Annual Report* and other reports of the Council prepared during the year show the results of progress towards the achievement of community outcomes. The Council is confident that its activities have progressed the community outcomes in the *2012/2022 Long-Term Plan*.

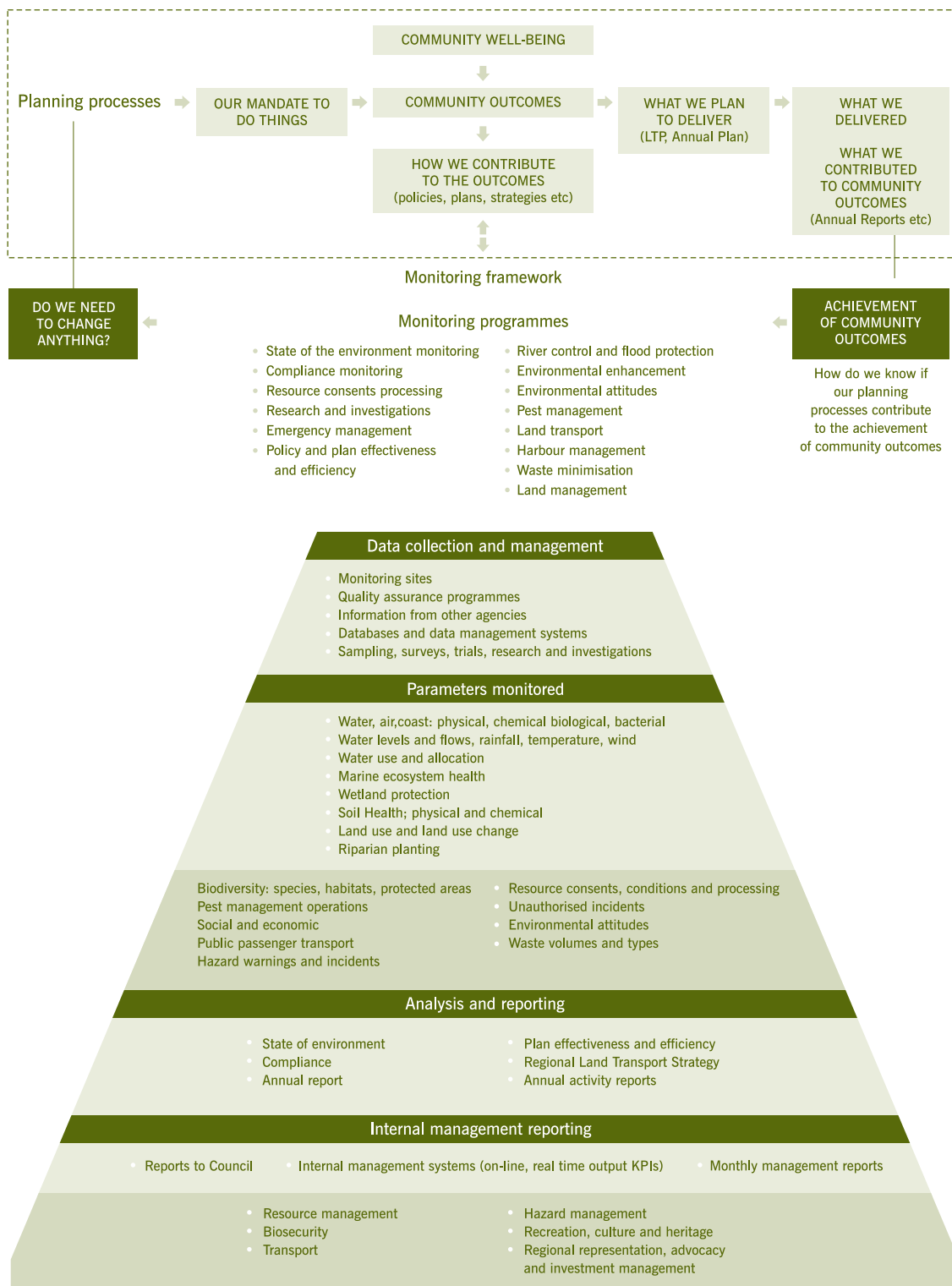


Figure 5: The Council's performance monitoring framework

PERFORMANCE INFORMATION

The following pages explain in detail how the Council performed in achieving the objectives and performance targets established in the *2012/2022 Long-Term Plan* for 2012/2013. Financial information on the net cost of services delivered is also provided in conjunction with the budget established in the *2012/2022 Long-Term Plan* for 2012/2013 and last two 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.

The Council also intends that its performance be measured in terms of:

Timeliness—in all cases, unless stated otherwise, the target was to complete the task by 30 June 2013.

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 Council’s adopted *Revenue and Financing Policy*.

Principal legislation and policy references for each significant activity are included in the *2012/2022 Long-Term Plan*.

Expenditure by groups of activity

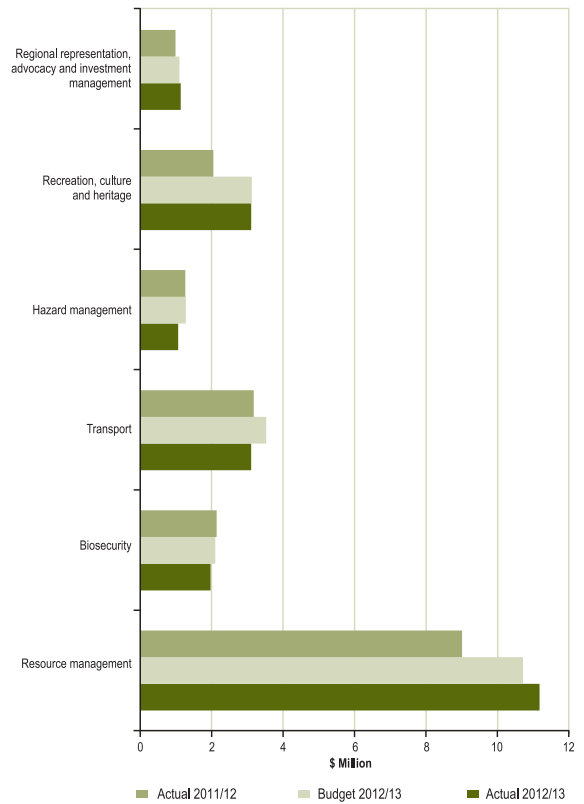


Figure 6: Expenditure by group of activities

RESOURCE MANAGEMENT



DESCRIPTION

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’s natural and physical resources. This activity contributes to all levels of service (1 through 10) but is directly linked to the resource management policies, plans and strategies level of service (refer to level of service 9).

Consent processing and administration—processing all applications for resource consents and administering resource consents in an efficient and effective manner—refer to levels of service 1, 2, 3, 5, 7, 8 and 10.

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, 8 and 10.

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, 8 and 10.

State of the environment monitoring—monitoring the state of the environment in Taranaki to enable periodic evaluation of trends in the state of the environment and of the effects of the implementation of the Council’s policies and plans—this activity contributes to all levels of service (1 through 10).

Resource investigations and projects—providing relevant research information for resource management purposes—this activity contributes to all levels of service (1 through 10).

Waste minimisation—encouraging and implementing waste management and cleaner production initiatives in Taranaki consistent with the *Regional Waste Strategy for Taranaki* and the waste management plans of the districts—refer to level of service 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, 6 and 8.

Biodiversity—maintaining and enhancing the indigenous biodiversity of the Taranaki region, working alongside landowners and other groups and agencies in accordance with the Council’s policies and biodiversity strategy priorities—refer to level of service 8.

Enhancement grants—promoting the protection of the environment through the provision of targeted enhancement grants refer to levels of service 5, 6 and 8.

Contribution to community outcomes

The *Resource management* group of activities contributes to community outcomes by promoting the sustainable use, development and protection of Taranaki's natural and physical resources of land and soil, water, air, coast and biodiversity in accordance with the Council's statutory duties, regional planning objectives and agreed national and other standards.

Specifically this group of activities contributes to the following community outcomes:

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

Resource management activities contribute primarily to the outcome of a *Sustainable Taranaki*. They also assist in the achievement of a *Prosperous Taranaki* by enhancing Taranaki's 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.

The review of the *Regional Coastal Plan* continued. Efforts during the year focused on giving effect to the *New Zealand Coastal Policy Statement* requirements relating to the identification of values and characteristics of significance in Taranaki's coastal environment. Key areas progressed during the year were in reviewing or identifying: the extent and characteristics of the coastal environment; areas of high and outstanding natural character; outstanding natural features and landscapes; regionally significant biodiversity values; and regionally significant historic heritage values. One of the building blocks for the review completed during the year was an archaeological scoping study to identify potentially significant historic heritage sites in the coastal marine area.

The review of the freshwater and soil plans also continued. *The National Policy Statement for Freshwater Management (NPS)*, which came into effect on 1 July 2011, will have a major influence on the review. Work continued during the year on the review of these major statutory plans and giving effect to the NPS. Three further policy papers were prepared following the two papers prepared and reported on last year. The three papers addressing river bed modification, diffuse source discharges and indigenous freshwater biodiversity, were prepared and presented to Council for consideration as inputs into the review process.

Work advanced on a number of other fronts in relation to the *Fresh Water Plan* review. Background work continued on the setting of water quality limits, water allocation and environmental flows and levels. Early targeted consultation on key technical and policy concepts has occurred with a broad range of stakeholders via focus group meetings, one-on-one discussions, hui and other meetings. Further consultation with iwi and other stakeholders and the wider community is to follow.

Consent processing was undertaken on a range of applications during the year. Council 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 thirteenth consecutive year that this milestone has been achieved. The value of the activity allowed to operate because of consents issued during the year was estimated at over \$600m. Ministry for the Environment surveys show the Council's consent processing costs are some of the lowest 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 outcome.

The Council's analysis, interpretation, and reporting on the results of measurements of various indicators are thorough and inevitably complex. In terms of indicators that inform the regional community concerning our biophysical and ecological environments, the Council continues to design, implement, and report on "state of the environment" programmes that encompass surface and underground fresh water systems, land use, the coastal environs, air quality, and soil. In 2012/2013 programmes were developed to also cover terrestrial biodiversity. These programmes are interrogated to inform the Council and community not only on the state of our natural environment, but also trends, responses and effectiveness—does what we do make a difference? At a time when much media commentary highlights a negative view of our biophysical surroundings, it is noteworthy that many indicators collectively indicate that overall the region is making good progress towards enhancing our already good environment, while noting areas where there is still desirable progress. This work contributes to the outcomes of a *Prosperous, Secure and Healthy, and a Sustainable Taranaki*.

Likewise, the Council's very comprehensive and rigorous consent monitoring work shows a high level of environmental performance and compliance by 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 outcome.

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 were used during the year ranging from the issuing of abatement notices to require an action to be undertaken to a prosecution for breach of the Act. Appropriate use of enforcement tools increases compliance levels and contributes to a *Sustainable* community outcome.

A relatively modest and carefully targeted specific investment in research and resource investigations is significantly extended by the engagement of Council staff in national-level strategic initiatives around increasing the effectiveness of research investment across the New Zealand science sector. This has been particularly so in 2012/2013 during the implementation of recommendations arising from the review of Crown Research Institute science delivery in New Zealand, and research reviews for freshwater, natural hazard, biosecurity, environment and minerals research platforms, together with the 'National science challenges' at the national level.

The Council has continued to engage in the promotion and implementation of effective and environmentally robust waste reduction, recovery and re-use, and disposal of residual wastes, primarily through its participation in the Taranaki Solid Waste Management Committee (previously the Regional Solid Wastes Working Group). The co-ordinated regional approach to waste minimisation and management amongst the region's four councils provides for effectiveness and efficiency. With landfill capacity secured in the region, the focus of the Committee is on reduction at source and recovery of wastes for re-use when this is economically sustainable and relevant to the region's activities. The enactment of the *Waste Minimisation Act* has led to the preparation of a regional strategic framework for waste management and its implementation through *District Waste Minimisation Plans*. Work during the year has focused on now delivering the *Strategy's* targets.

The Council's 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, a record 494,891 plants were grown on contract. This is an increase of approximately 80,000 plants over last year. In excess of 3,077,928 have now been established under this programme. In the hill country area, there are incentives under the *Afforestation Grant Scheme (AGS)* and the *South Taranaki Regional Erosion Support Scheme (STRESS)* programme to fence and plant erosion-prone land. Under

the *AGS*, 94.3 ha were established and under *STRESS* farmers have agreed to significant soil conservation work in the erosion-prone part of the region's hill country.

By promoting the use of land in line with its physical sustainability, these activities contribute to both the *Prosperous* and *Sustainable Taranaki* outcomes. Soil erosion and losses in the productive capability of Taranaki's land resources is reduced and water quality and aquatic habitats are improved. In the long-term, land management costs are reduced and profitability enhanced, adding to the social and economic as well as environmental well-being of the community.

In conjunction with land owners and community groups, Council prepared biodiversity plans for ten key native ecosystems covering 449 hectares with the objective of protecting and enhancing biodiversity values of those sites. In addition the Council worked with the Rotokare Scenic Reserve Trust, the Eastern Taranaki Environment Trust, the Taranaki Kiwi Trust, BNZ Save the Kiwi Trust and Ngati Tama, in their various programmes aimed at improving the biodiversity of Taranaki.

The Council facilitated the preparation of the *Taranaki Biodiversity Forum Accord* with 19 parties agreeing to be signatories. A signing ceremony and launch occurred on 27 July 2012.

Environmental enhancement grants promote a sustainable Taranaki through the protection of the environment by way of a programme of enhancement grants. In 2012/2013 work was undertaken on securing protection or undertaking maintenance or enhancement on ten regionally significant wetlands.

The combined effect of the Council's various 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

[1] Protection of the life-supporting capacity of water, in-stream uses and values

Measure: Macroinvertebrate Community Index (MCI) values (a measure of freshwater community richness and composition) at 50 regionally representative sites.

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.

Baseline: There is a continuing regional trend of improvement in the quality of freshwater ecology across the region. MCI values were determined for 57 regionally significant sites. Trend analysis to June 2010 shows 18 sites of 57 with statistically significant trends of improvement, and none with a significant decline.

There is a continuing regional trend of improvement in the quality of freshwater ecology across the region. MCI values have been determined for 57 regionally significant sites and trend analysis for the period to June 2012 (from 1995) has been undertaken and reported to Council. It shows 25 sites of 57 with statistically significant or very significant trends of improvement (23 in 2011/2012), and one with a significant decline (due to headwater erosion). There is a decreasing downstream gradient of stream health ratings from 'very good' to 'fair' in ring plain streams. The MCI state of the environment monitoring programme was continued during the year under review, with results for the next set of trend results (18 year period, including to June 2013) to be analysed and reported during the 2013/2014 year.

Measure: Microbiological state of inland waters and coastal waters at bathing sites.

Target (Years 1-10): Maintenance or increase in number of sites compliant with the 2003 Ministry of Health contact recreational guidelines.

Baseline: There are 11 freshwater and 8 coastal water bathing sites monitored. The following sites were compliant with the 2003 Ministry of Health contact recreational guidelines:

	Freshwater	Coastal water
2003/2004	6	7
2010/2011	7	8

Microbiological monitoring of 16 freshwater and 12 marine sites was conducted during 2012/2013. Results for 2011/2012 have been reported. They show all coastal and 11 out of 16 inland sites were compliant with the bacteriological guidelines throughout that season. Of the freshwater sites in Taranaki, 81% complied with the bathing 'action' guideline at least 90% of the season. Eight of the sites monitored for freshwater quality in 2003/2004 were compliant in 2011/2012. The beaches in Taranaki were of a high quality. In Taranaki, 100% of coastal beaches remained below the Ministry for the Environment 'Action' level. Of the state of the environment monitoring samples, 99% were compliant.

In 2010/2011, 90% of freshwater samples (87%-2003/2004) and 100% (99%-2003/2004) of coastal samples at these sites were compliant.

Measure: Range of habitats available to native fish.

Target (Years 1-10): 100% of resource consents for in-stream structures to be compliant with fish passage conditions; number of known barriers to fish movement and passage to reduce by comparison with 2001 survey.

Baseline: In May 2011, there were 44 consents with requirements for fish passage structures; as of May 2001 there were 26 consented and 30 un-consented structures known to be acting as barriers to fish passage. To May 2011, barriers to fish passage have been addressed at 13 of the sites consented in 2001, and at 6 of the sites un-consented in 2001.

Significant consented barriers are routinely inspected (including fish monitoring at some sites) for compliance with fish passage conditions. Review of state of barriers identified in 2001 is underway, for follow-up of those not rectified. This includes restoration of passage at a number of weirs associated with railway crossings. Compliance programme for minor sites (e.g., farm culverts) has been drafted, for implementation in 2013/2014. Subsequent compliance implementation will increase the habitat range for native fish.

Programmed level of service

Measure: Ecological flows in catchments.

Target (Years 1-10): Guideline ecological flows are identified for all significant catchments with no catchments allocated below ecological flows set by Council policy or by any National Policy Statement or National Environmental Standard.

Baseline: By 2009, guideline ecological flows had been identified for all significant catchments. Three catchments or sub-catchments (about 1%) do not meet the Council's general ecological flow guideline but all consented abstractions comply with specific Council policies regarding the taking and use of water.

Reported level of service

No catchments are allocated below ecological flows set by Council policy. All thirteen surface water abstraction consents processed during the year complied with Council policy regarding ecological flows. There is no national policy statement or national environmental standard in place for ecological flows. The *Regional Fresh Water Plan* is currently being reviewed, including the ecological flow policy.

[2] Efficient allocation of water for consumptive use

Measure: Allocation of surface water for consumptive use in catchments.

Target (Years 1-10): Guidelines identifying available surface water are prepared for all significant catchments and consents to take, use, dam or divert water granted in accordance with Council policy or any National Policy Statement or National Environmental Standard.

Baseline: By 2009, guidelines identifying surface water available for consumptive use had been prepared, and consents to take, use, dam or divert water have been granted in accordance with Council policy. A database has been developed to provide regularly updated information on water allocation guideline information.

Monitoring demonstrates that water resources are generally not under allocation pressure in the region. Guidelines on allocation were prepared in 2003 and are currently under review. A water availability stocktake has been completed for major waterways and will be updated as water permits are granted, transferred or surrendered.

Measure: The number of significant water abstraction permits monitored each year, their environmental performance and the Council's response to non-compliance.

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; Council response to every unauthorised incident to be reported publicly; the Council to respond to all non-compliance events in accordance with its documented enforcement procedures.

Baseline: In 2010/2011, 100% of significant water abstraction consents were monitored with 98% attaining a "good" or "high" level of compliance and performance. The Council response to every unauthorised incident was reported publicly. The Council responded to all non-compliance events in accordance with its documented enforcement procedures.

Water resources are sustainably managed. Monitoring programmes are in place for 100% of significant water abstraction consents. In 2012/2013, 90% of sites attained a 'good' or 'high' level of compliance and performance (2008/2009, 94%; 2009/2010, 98.5%; 2010/2011 98%, 2011/2012 96%). All unauthorised incidents are responded to, investigated, and publicly reported upon in accordance with adopted procedures.

Programmed level of service

Reported level of service

[3] Maintenance and enhancement of overall water quality in our rivers and lakes, groundwater and coastal waters

Measure: Parameters that characterise the physical, bacteriological, biological and chemical quality of surface water.

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 10 representative sites.

Baseline: Overall, surface water quality in Taranaki is stable or improving and is generally better than in 1995. Trend analysis to June 2010 for both the past 15 and 8 years has been completed and reported to Council. Monitoring was completed for the 2010/2011 year at 11 representative sites. Trend analysis at the regional representative sites demonstrates:

- MCI and periphyton indicators for ecological health: every site of the 11 representative sites shows stability or improvement since 1995
- BOD: 10 sites of 11 stable against 1995 baseline, although some sites show a recent decline
- Bacteriological state stable since 1995
- Nutrients: the number of sites showing stability or improvement is increasing when compared with 1995 (Since 1995, 62% of nutrient measures stable or improving; since 2002, 89% of nutrient measures stable or improving).

Overall, surface water quality in Taranaki is improving and is better than in 1995. Trend analysis to June 2012 has been completed and a report presented to Council during the year under review. Trend analysis at 10 regional representative sites demonstrates:

- MCI indicators for ecological health: every site of the 10 representative sites shows stability (5 sites; to 2010, 8 sites) or improvement (5 sites; to 2010, 3 sites) since 1995
- BOD: 10 sites of 11 stable against 1995 baseline, and all sites stable over recent period
- Bacteriological state: 2 measures show improvement over the last 7 years and all other measures are stable. 4 measures show improvement since 1995, 2 declined, and 14 measures are stable.
- Nutrients: the number of sites showing stability or improvement is increasing over time. Since 1995, 68% of nutrient measures stable or improving; since 2005, 96% of nutrient measures stable (82%) or improving (14%)

Periphyton quality has been reported to Council. Results show a high level of compliance with MfE periphyton guidelines, and improvement in compliance levels in 8 of 10 catchments to 2010. Trend analysis of overall extent and coverage to June 2012 is complete, showing stability in filamentous periphyton coverage at all sites and in the extent of mat coverage at 5 of 8 sites (increase at 3). Data from the year under review will be analysed for trends during the 2013/2014 year, for reporting to Council. Monitoring completed for the 2012/2013 year at eleven representative sites.

Measure: Nitrate levels in groundwater—improvement (decrease) in nitrate levels on a regional basis.

Target (Years 1-10): No sites (out of approximately 65 tested every five years) consistently above NZ human drinking water standard (NZDWS).

Baseline: Overall there has been a clear improvement (decrease) in nitrate levels in groundwater on a regional basis. For the period 2002-2007, 7 wells out of 65 had nitrate consistently (median concentration) above NZDWS. 90.5% of all samples met the NZDWS. Data showed the number of wells with decreasing nitrate outnumbered wells with increasing nitrate by 2:1.

Overall there has been a clear improvement (decrease) in nitrate levels in groundwater on a regional basis. Sampling for the next survey for groundwater nitrate has been completed. Results will be reported within the 2013/2014 period. Initial results indicate 97% of all samples met the NZDWS (highest level of regional compliance to date).

Measure: Physicochemical and biological parameters for quality of Lake Rotorangi.

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).

Baseline: The current life-supporting capacity of the lake is stable (as are 48% of monitored lakes nation-wide), and relatively healthy (better than almost 2/3 of lakes monitored nationally). State of lake shown to continue to be mesotrophic/mildly eutrophic.

The current life-supporting capacity of the lake is stable (as are 48% of monitored lakes nation-wide) and relatively healthy (better than almost 2/3 of lakes monitored nationally). Monitoring for 2012/2013 was completed (4 surveys), as has reporting the results from 2011/2012. The trophic state of lake is shown to continue to be mesotrophic/mildly eutrophic with an insignificant rate of change.

Programmed level of service

Measure: The number of significant point sources discharging into water monitored each year, their environmental performance, and the Council response to non-compliance.

Target (Years 1-10): 100% of significant point sources monitored; 85% of sources to attain a 'good' or 'high' level of compliance and performance; Council response to every unauthorised incident to be reported publicly; the Council to respond to all non-compliance events in accordance with its documented enforcement procedures.

Baseline: In 2010/2011, 100% of significant point sources were monitored with 91% of significant industrial sources and 95% of significant agricultural sources attaining a 'good' or 'high' compliance and performance. The Council response to every unauthorised incident was reported publicly. The Council responded to all non-compliance events in accordance with its documented enforcement procedures.

Reported level of service

The level of compliance remains high meaning environmental impacts will be minimal and sustainable resource management will be achieved. Monitoring programmes were implemented in 2012/2013 for 100% of significant point sources. In 2012/2013, 94% of significant industrial point sources attained a 'good' or 'high' level of compliance and environmental performance (92% in 2011/2012, 88% in 2010/2011, and 91% in 2009/2010). Of significant agricultural sources, 95.6% (95%-2011/2012, 95.4%-2010/2011) attained a 'good' or 'high' compliance and performance.

Non-compliance was addressed by the use of various enforcement mechanisms under the *Resource Management Act*. One (1 in 2011/2012) serious non-compliance resulted in a successful prosecution and significant fine. A further three (2 in 2011/2012) prosecutions were initiated.

[4] Protection of riparian land in intensively farmed (predominantly dairying) catchments

Measure: Protection of our riparian land areas.

Target (Years 1-10): 90% of recommended riparian plan fencing and planting completed by 30 June 2023.

Baseline: As of June 2011, 2,362 riparian management plans have been prepared recommending the planting of 4,919 km and fencing of 5,502 km of stream banks. At June 2011, 19% of the planting and 35% of the fencing had been completed.

As of June 2013, 2,463 (2,390 in 2011/2012) riparian management plans have been prepared recommending the planting of 5,295 (5,037) km and fencing of 6,102 (5,638) km of stream banks. At June 2013, 27.6% (23%) of the recommended planting and 47% (41%) of the recommended fencing had been completed.

[5] Sustainable land use in accordance with the physical capabilities of the land and soil resources

Measure: Changes in land use.

Target (Years 1-10): Maintain a positive trend towards more sustainable land uses at monitored (representative SEM) hill country and sand country sites.

Baseline: As of June 2008, the percentage of hill country being managed sustainably increased by 2.4% from 2000 and the percentage of sand country being managed sustainably was being maintained.

As of 30 June 2013, the area of hill country covered by sustainable land management plans was 196,127ha. This represents a 1.5% increase over last year. 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 to undertake the project has been completed. The percentage of hill country being managed sustainably between 2007 and 2012 decreased slightly from 87.4% to 87.1%. Overall, from 1994 to 2012, sustainability increased by 3.2% from 83.9% to 87.1%. Between 2007 and 2012, the area of bare sand increased slightly at 2 of the 4 sites, decreased at 1 site and with no significant change at the other.

Programmed level of service

Measure: Regional soil quality.

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.

Baseline: Measurements of soil quality structure, composition and health at 20 sites were undertaken in 2007/2008 as the baseline for further trend analysis.

Reported level of service

The monitoring of regional soil quality is a 5-yearly programme. Sampling was scheduled, and has been completed for the latest survey, in 2012/2013. The results have been received for reporting in early 2013/2014.

[6] Enhanced opportunities for sustainable development and best use of hill country

Measure: Proportion of landowners informed of specific opportunities for sustainable land use on their properties.

Target (Years 1-10): 72% of hill country in private ownership (306,000 ha) with comprehensive farm plans.

Baseline: As of July 2011, 190,000 ha of private land have a comprehensive farm plan.

As at 30 June 2013, 386 (361—2011/2012) comprehensive farm and agroforestry plans were in place for the 840 Taranaki hill country farmers, covering 64% (63%) 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.

[7] Maintenance of a high standard of ambient air quality

Measure: Monitor regional air quality for Ministry for the Environment air quality NES pollutants (sulphur oxide, nitrogen oxides, inhalable particulate, and carbon monoxide).

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.

Baseline: Between 2008 and 2011, air in the region matched the Ministry's 'good' or 'excellent' categories. Where monitoring repeated previous surveys, it was found that air quality was being maintained.

There is good air quality in the region, with negligible contribution from human activities. There is a co-ordinated programme of regional monitoring across a ten-year timeframe. No surveys were conducted during 2012/2013. Previous and future surveys cover:

- inhalable particulates (PM1, 2.5, 4 and 10)
- carbon monoxide
- nitrogen oxides
- volatile organic compounds (BTEX)
- formaldehyde.

Across previous surveys, well over 90% of all results for each parameter fell within the national 'excellent' air quality category, and the highest result across all monitoring was on the threshold between 'good' and 'acceptable'. No results lay within 'alert' or 'action' categories. These results show that regional air quality is being maintained at the target level of 2008 air quality.

Inhalable particulate monitoring is planned for the 2013/2014 year.

Programmed level of service

Measure: The number of significant point sources discharging to air monitored each year, their environmental performance, and the Council response to non-compliance.

Target (Years 1-10): 100% of significant discharge point sources monitored; 85% of sources to attain a 'good' or 'high' level of compliance and performance; the Council to respond to all non-compliance events in accordance with its documented enforcement procedures.

Baseline: In 2010/2011, 100% of significant point source emissions were monitored with 92% of sources attaining a 'good' or 'high' level of compliance and performance. Council responded to all non-compliance events in accordance with its documented enforcement procedures.

Reported level of service

The level of compliance remains high. Monitoring programmes were implemented in 2012/2013 for 100% (100%—2011/2012) of significant point sources discharging to air. In 2012/2013, 94% of sources attained a 'good' or 'high' level of compliance and performance (94% in 2011/2012; 92% in 2010/2011). Non-compliance was addressed by the use of various enforcement mechanisms under the *Resource Management Act*. All non-compliance events (100%—2011/2012) were responded to in accordance with documented enforcement procedures. Enforcement actions for 2012/2013 are collectively reported during the year and individually via annual reports following the end of the year.

[8] Maintenance and enhancement of indigenous biodiversity

Measure: Protection of Taranaki's biodiversity on private land.

Target (Years 1-10): 60% of Key native Ecosystems (KNEs) on private land, covering at least 4,000ha, have a biodiversity plan.

Baseline: As at 30 June 2012, 34 KNEs (32%) covering 934ha will have a biodiversity plan.

As at 30 June 2013, 54 or 45% (34 or 32%—2011/2012) of Key native Ecosystems (KNEs) on private land covering 2,105 hectares (934) have biodiversity plans.

Measure: Inventory of sites that contain regionally significant biodiversity (KNEs) in the region.

Target (Years 1-10): Maintain and regularly update current inventory of Key Native Ecosystems (KNEs).

Baseline: As of June 2011, the inventory contained 163 sites.

Maintained and updated the inventory of KNE's. The inventory of Key Native Ecosystems (KNEs) is regularly maintained and updated. At June 2013, the inventory contained 172 sites (165—2011/2012).

Measure: Maintain and improve the Biodiversity Index for KNEs

Target (Years 1-10): Improvement in biodiversity index (under development) for KNEs compared with a base year (which will be the first year of application of the index).

Good progress has been made in collecting baseline information for KNE's with 28 (27—2011/2012) assessments undertaken in the 2012/2013 year.

[9] 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

Measure: Operative plans policies and strategies.

Target (Years 1-10): Full compliance with statutory requirements and timetables for the preparation review and implementation of policies, plans and strategies.

Baseline: As of June 2011, the Council has a full suite of operative *Regional Policy Statement* and *Regional Plans* (Water, Air, Soil and Coastal).

The Council has a complete suite of operative plans, policies and strategies.

The review of the *Regional Air Quality Plan for Taranaki* was completed and made operative on 25 July 2011. No work further work was required.

The review of the *Regional Fresh Water Plan* and *Regional Soil Plan*, including the establishment of a stakeholder focus group, completion of working papers on diffuse source discharges, freshwater biodiversity and stream modification continued. The preparation of a Draft Plan commenced.

The review of *Regional Coastal Plan*, including the preparation of draft technical reports, continued.



Programmed level of service

Reported level of service

[10] Efficient and effective resource consent processing, administration, compliance monitoring and enforcement

Measure: Compliance with *Resource Management Act 1991* requirements.

All consents (100%—2011/2012) processed during the period complied with the *Resource Management Act's* requirements, and full compliance with timelines allowed activities to be undertaken without delay.

Target (Years 1-10): 100% compliance.

Baseline: As of June 2011, processing, administering and compliance monitoring of resource consents was 100% compliant with Resource Management Act requirements.

Measure: Monitoring and enforcement programmes.

In 2012/2013, Council officers implemented 223 (217 in 2010/2011, and 221 in 2011/2012) individual monitoring programmes of significant consents. In 2012/2013, 35% of programmes attained a 'high' environmental performance (52%-2011/2012) and 59% a 'good' performance (40%). Monitored 1,806 (100%) dairy farms, and undertook 151 (364) other inspections of minor industrial operations. All other consents were appropriately monitored. Necessary enforcement action was undertaken.

Target (Years 1-10): All consents appropriately monitored with necessary compliance enforcement undertaken.

Baseline: In 2010/2011, Council officers implemented 217 individual monitoring programmes of significant consents, monitored 1,809 dairy farms, and undertook 453 other inspections of minor industrial operations. All other consents were appropriately monitored. Necessary enforcement was undertaken.

ACTIVITIES

Programme

2012/2013 actual performance

[1] Resource management planning

Complete preparation/full reviews and interim reviews of resource management policies, plans and strategies:

Regional Policy Statement: Interim Review 2014/2015. Full review 2019/2020. No action required in 2012/2013.

Regional Coastal Plan: Full review 2012/2013 Interim review 2016/2017. Full review 2021/2022. Continued the full review of the *Coastal Plan* in 2012/2013.

Regional Air Quality Plan: Interim review 2015/2016. Full review 2020/2021. No action required in 2012/2013.

Regional Fresh Water Plan: Full review 2012/2013 Interim review 2017/2018. Continued the review of the *Regional Fresh Water Plan for Taranaki* including the establishment of a stakeholder focus group and the preparation of working and technical reports. The *Draft Plan* is in preparation.

Regional Soil Plan: Full review 2012/2013 Interim review 2017/2018. Continued the review of the *Regional Soil Plan for Taranaki* which is being combined with the *Regional Fresh Water Plan*. The *Draft Plan* is in preparation.

[2] Consent processing and administration

Provide appropriate and timely information in response to 100% of requests for assistance in undertaking or complying with the consents process under the Resource Management Act 1991.

Provided information, which assisted the processing of 446 (354—2011/2012) resource consent applications, comprising 0 (5) notified, 24 (5) limited notified and 422 (366) non-notified applications, in accordance with the requirements of the *Resource Management Act 1991*.

Process, issue and report upon 100% of accepted resource consent applications (approximately 350 consents per annum), in compliance with the *Resource Management Act 1991* and the Council's *Resource Consents Procedures* document.

Processed 100% (100%) of the 446 (376) applications within the specified timeframe outlined in the *Resource Management Act 1991*. All resource consents were processed in accordance with the statutory procedures of the Act, and the Council's *Resource Consents Procedures* document.

Programme

2012/2013 actual performance

Successfully defend 100% of consent decisions appealed to the Environment Court.

No (6) appeals outstanding at start of the financial year. One (2) appeal was received during 2012/2013.

Process and administer 100% of accepted resource consent applications in compliance with statutory timeframes prescribed in the *Resource Management Act 1991* and the Council's *Resource Consents Procedures* document.

Processed 446—100% (376-100%) of applications for resource consent in compliance with the *Resource Management Act 1991* and the Council's *Resource Consents Procedures* document.

Minimising 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.

Resolved, through the pre-hearing process, 92% (12/13) (62% (8/13)) of resource consent applications attracting submissions without recourse to a formal hearing. The Council held 1 (0) resource consent hearing. Twenty-four (10) out of 25 (12) submissions were resolved—96% (83%).

[3] Compliance monitoring programmes

100% of individual compliance monitoring programmes for all major consents designed, implemented and publicly reported upon (approximately 200 individual compliance monitoring programmes per annum) within the negotiated budgets and completed by 31 March each year or within nine months of the end of the monitoring period. In particular, demonstrate water abstraction compliance monitoring that is consistent with the *Resource Management (Measurement and Reporting of Water Takes) Regulations*.

Implemented 223 (221-2011/2012) programmes within agreed budgets. Publicly reported 65 reports, covering 74 annual programmes, within nine months of the end of the monitoring period, and a further 20 reports, covering an additional 75 programmes, by the end of the year. Designed and negotiated agreement on 213 (236) programmes for 2013/2014.

Implement 100% of recommendations arising from prior year's monitoring of resource consents subject to an individual compliance monitoring programme, to be reported in the following year's report.

Within each annual report, recommendations from previous reports are set out and their implementation, via monitoring programme design and consent reviews, reported. Implementation of every recommendation was reported.

Programme

2012/2013 actual performance

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).

Undertook 151 (364) inspections of minor industrial operations ensuring good environmental practices were being achieved. Only 5 (5) re-inspections were required to ensure unacceptable practices had been addressed. Completed the annual inspection round of discharges of agricultural waste, including dairy, poultry and piggery farms – 1,902 inspections (1,890). The non-compliance rate for failure to meet consent conditions was 5.71% (4.96%) for dairy farms. All poultry and piggery farms were compliant. No (0) re-inspections were undertaken to ensure full compliance. Total inspections and re-inspections were 2,080 (2,065).

Where necessary, implement appropriate advisory and enforcement actions to require 100% compliance with resource consents and/or regional plans.

Undertook appropriate monitoring and enforcement actions to require 100% compliance with resource consents and/or regional plans including serving 195 (131) abatement notices and 72 (52) infringement notices. Four (3) prosecutions were initiated as a result of unauthorised incidents and were determined during the year by the Court.

[4] Pollution incidents and response

Respond to 100% of pollution and other complaints and where appropriate instigating control, clean up and enforcement procedures within four hours of receipt where reasonable and appropriate.

Responded to 630 incidents (568—2011/2012) with 100% (100%) within the required timeframe. Instigated control and clean-up where required. Issued 195 (131) abatement notices and 72 (52) infringement notices. Four (3) prosecutions were pursued as a result of past unauthorised incidents and were determined during the year by the Court.

Maintain and publicly report on 100% of pollution incidents in the Council's *Incidents Register*.

Maintained the *Incidents Register* and publicly reported on 630 (568) incidents.

Programme

2012/2013 actual performance

Administer and implement the *Taranaki Regional Oil Spill Response Plan* as agreed with Maritime New Zealand including responding to 100% of oil spills.

Administered the *Tier II Taranaki Regional Oil Spill Response Plan* in accordance with the programme agreed with Maritime New Zealand. No (0) significant marine oil spills occurred that warranted actioning the *Plan*.

[5] State of the environment monitoring

Implement and report on 100% of the Council's state of the environment monitoring programmes comprising monitoring of surface fresh water quantity, 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 Council's *State of the Environment Monitoring Procedures* document and *State of the Environment Monitoring Programmes*.

Implemented and reported on all specified programmes for water, air, and land comprising monitoring of surface fresh water quantity, levels and flows, fresh water quality, groundwater quantity and quality, coastal waters, biodiversity, air quality and land use sustainability in accordance with the Council's *State of the Environment Monitoring Programme 2012/2013* document and the *State of the Environment Monitoring Programme*. Reported 9 (5—2011/2012) programmes individually and all programmes in summary.

Monitor, review and where appropriate, further develop existing programmes by 30 June of each year.

Thirty-nine (45) existing programmes were reviewed in May 2013 for implementation in 2013/2014.

Maintain all quality assurance programmes and information databases for hydrometric, air quality, physicochemical freshwater, terrestrial biodiversity, fresh water biological and marine biological data. IANZ registration for chemical analysis maintained.

Maintained quality assurance programmes and databases as described. Continued IANZ registration confirmed.

Maintain public access to on-line live regional data on hydrology, meteorology, soil moisture and bathing beach water quality. Live data reported on the Taranaki Regional Council's website.

Live on-line data was maintained and reported for 28 (28) hydrology sites, 28 (26) meteorology sites, 9 (9) soil moisture sites, 16 (15) freshwater sites, and 12 (12) marine bathing beach water quality sites.

Programme**2012/2013 actual performance****[6] Resource investigations and projects**

Over the period of the *Long-Term Plan* the Council intends to undertake a range of resource investigations and applied research projects, normally in partnership with science providers, other councils or resource users. Such projects evolve over time.

Continue investigations into ecological effects of land treatment of drilling and hydraulic fracturing wastes.

Continue to support the “best practice dairying catchments” study in the Waiokura Stream catchment.

Support to completion a freshwater invertebrate internet information resource project led by Landcare.

Continue to use microbial source testing technology to identify sources of faecal contamination in Taranaki waters.

Engagement in “EnviroLink” and other science research project development opportunities and strategies for regional councils, to enhance knowledge base for policy development and implementation. Projects with clear relevance and benefit to Taranaki to be adopted by “EnviroLink” and other funding opportunities (advocacy to be reported through Council’s annual report processes).

Investigations into the ecological effects of land treatment of drilling and hydraulic fracturing wastes continued during 2012/2013, with field and laboratory studies.

Field sampling and analyses for the ‘best practice dairying catchments’ study in the Waiokura Stream catchment continued throughout year.

This project was successfully completed and publicly launched during the year. Project extension (algae and periphyton) was being evaluated.

New sites for microbial source testing investigation were tested during 2012/2013 bathing season and findings have been reported.

The EnviroLink process for 2012/2013 has been completed and projects submitted to the Ministry of Business, Innovation and Employment.

Programme**2012/2013 actual performance**

Additional activities:

Commissioned a review of the best practice construction for dairy effluent ponds.

Supported and received a final report into study on integrating cropping (on-farm fodder) into dairy systems—effects on soil quality and nutrient loss.

[7] Waste minimisation

Assist sector leaders in six activity areas in exploring and implementing energy efficiency and waste minimisation.

Assisted with cafes and restaurants, electronic wastes, sports clubs, marae, construction sector, schools, and farming sector in exploring and implementing energy efficiency and waste minimisation. Planning for the government’s TV Takeback programme (2013/2014) is underway.

Maintain an in-house waste minimisation programme.

Continuing to implement the in-house energy reduction and waste recovery programmes. New recycling and refuse collection services contracts commenced 1 August 2012.

Work with the agricultural sector to identify, implement and/or promote waste minimisation opportunities.

Financially supported, monitored and reported on agrichemical, container, and farm plastic collection programmes.

Continue to promote the recovery of silage wraps and agrichemical containers.

On-going publicity for farm plastics collection continued during the year.

Facilitate a regional approach to waste management initiatives and programmes at policy, management, and implementation levels, in particular servicing the Taranaki Solid Waste Management Committee, implementing a revision of the *Regional Waste Strategy* by June 2021, and partnering in revising waste plans for the three districts of Taranaki.

Servicing of the Taranaki Solid Waste Management Committee continued throughout year. Branding and public awareness for waste minimisation strategy is underway. Educational and promotional material was distributed to all schools.

Programme	2012/2013 actual performance
[8] Sustainable land management plans and plant supply programme	
Provide property planning services to landholders, comprising comprehensive farm plans, agroforestry plans and conservation plans. Plans covering not less than 3,000 hectares from an estimated 8 properties per annum.	Prepared 9 (2—2011/2012) comprehensive farm plans and 6 (4) agroforestry plans covering 3,015 (3,482) hectares of farmland and 0 (1) conservation plan covering 0 (4.7) hectares, for landholders throughout the region.
Provide riparian management plans to landholders. Plans covering not less than 100 kilometres from an estimated 20 properties in 2012/2013.	Prepared 68 (21) riparian plans covering 565 (118) kilometres of stream bank. 315.8 (46.5) kilometres of riparian management was proposed with the balance of 249.8 kilometres (72.4) being adequately protected.
The focus is on plan implementation, liaise with and provide advice to approximately 2,600 property owners for whom plans have been prepared.	Contacted land occupiers for whom plans have been previously prepared on 6,220 (6,091) occasions. Supplementary advice and information was provided as necessary.
Monitor and report on implementation of riparian management plans with the aim of implementing not less than 20% of the remaining recommended fencing and 10% of the remaining recommended planting.	Monitoring of riparian management plans confirms 15.2% (12%) or 576 (387) kilometres of the remaining recommended fencing of stream bank was fenced for the year and 7.4% (6%) or 308 (225) kilometres of streambank have been planted. In total 2,882 (2,306) kilometres of stream bank has been fenced and 1,463 kilometres planted (1,155).
Respond to 100% of requests for general advice and assistance (approximately 300 per annum) on sustainable land management, soil conservation and riparian management practices within ten working days.	Received and actioned within 10 days, 243 (308) inquiries. Advice and assistance on sustainable land management, soil conservation and riparian management was provided.

Programme	2012/2013 actual performance
Provide servicing and support to the Taranaki Tree Trust and assistance to other organizations involved in promoting sustainable land management.	Provided administrative and treasury services to the Taranaki Tree Trust.
Provide, on a cost-recovery basis, 550,000 suitable plants for land stabilisation, soil conservation and riparian planting programmes.	Provided 9,965 (12,042) items of poplar and willow planting material to 102 (100) landholders. Provided 494,891 (415,156) plants at cost to 1,268 (1,049) landholders, to plant approximately 350 (230) kilometres of stream margins and supplied 5,300 (10,900) sand stabilisation plants targeting 2 (5) sites.
Submit applications covering 100 ha to the Afforestation Grants Scheme (AGS) subject to the Scheme continuing.	No applications (107) ha were submitted to the <i>Afforestation Grants Scheme</i> (AGS) as this scheme has been suspended by the government.

[9] Biodiversity

Prepare at least 10 biodiversity plans per annum for properties containing key native ecosystems (KNE).	Ten (10—2011/2012) new biodiversity plans were completed.
Initiate implementation of 90% of Council's KNE biodiversity plans in respect of designated priority KNEs within 1 year of each plan's preparation.	Initiated implementation of 100% (100%) of plans within one year of each plan's preparation.
Monitor and report on progress on the implementation of 100% of biodiversity plans.	All plans (100%) were monitored with a focus on the works contained in the plan. Progress was reported at year end.



Programme

2012/2013 actual performance

[10] Enhancement grants

Implement a programme using environmental enhancement grants for the protection of the 48 wetlands classed as regionally significant in the Council's adopted wetlands inventory and in the *Regional Fresh Water Plan for Taranaki*.

Ongoing fencing and planting as well as some maintenance has been undertaken to secure the protection of wetlands. This included work on 10 (7—2011/2012) regionally significant wetlands. This work means that 54 (46) wetlands are formally protected.

Use environmental enhancement grants for the protection of aspects of the environment identified as regionally significant.

Four (5) environmental enhancement grants were used for the protection of regionally significant environmental resources.

Implement the South Taranaki and Regional Erosion Support (STRESS) Soil Conservation Programme to protect 500 ha of land including an estimated 6,000 poplar poles, 50 ha of protection forestry and construction of 20 km of retirement fencing.

Sixteen (19) plan holders have committed to implementing 26 (23) kilometres of retirement fencing to retire 417 ha of land, 29 (61) ha of forestry planting and 4,896 (5,450) poplar and willow poles over 2012/2013.

Subject to approval and central government funding, establish 65 ha of forestry on erosion-prone land under the Afforestation Grant Scheme.

New forestry was established on 94.3 (65) hectares of erosion-prone land. The Afforestation Grant Scheme has been suspended by the government.

COSTS AND SOURCES OF FUNDS

	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$	2010/2011 Actual \$
Expenditure				
Resource management planning	842,888	749,911	508,694	401,804
Consent processing and administration	626,230	929,895	839,982	948,936
Compliance monitoring programmes	2,612,867	2,554,838	2,565,890	2,380,619
Pollution incidents and response	766,319	579,122	731,338	578,393
State of the environment monitoring	1,317,001	1,172,983	1,289,256	910,841
Resource investigations and projects	898,540	414,500	242,644	329,990
Waste minimisation	117,516	126,073	140,415	141,609
Sustainable land management plans and plant supply programme	3,034,494	3,154,801	2,816,725	2,494,930
Biodiversity	390,839	399,156	372,730	350,071
Enhancement grants	570,964	634,630	486,214	472,128
Total expenditure	11,177,658	10,715,909	9,993,888	9,009,321
Income				
General rates	3,365,968	3,365,960	3,237,695	3,092,235
Direct charges	5,991,559	4,791,074	4,201,848	3,490,507
Government grants	232,359	247,900	257,967	286,172
Investment funds	1,587,772	2,310,975	2,296,378	2,140,407
Total income	11,177,658	10,715,909	9,993,888	9,009,321
Operating surplus/(deficit)	0	0	0	0
Capital expenditure				
Land	-	-	-	-
Buildings	3,605	-	5,258	-
Motor vehicles	330,117	380,000	363,882	179,802
Plant and equipment	85,143	216,000	131,222	47,763
Office furniture	1,172	-	-	-
Computer equipment	10,000	-	-	-
Flood and river control assets	-	-	-	-
Computer software	-	-	-	-
Total capital expenditure	430,037	596,000	500,362	227,565
Funded by:				
Transfer from retained earnings	430,037	596,000	500,362	227,565
Total funding	430,037	596,000	500,362	227,565
Capital expenditure:				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	-	-	-
—to replace existing assets	430,037	596,000	500,362	227,565
Total capital expenditure	430,037	596,000	500,362	227,565
Gross proceeds from the sale of assets	103,734	81,500	88,058	29,838
Depreciation/amortisation expense	339,861	384,921	332,893	297,713

ASSET ACQUISITIONS AND REPLACEMENTS

There were no significant asset acquisitions planned for or undertaken within this group of activities.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.

BIOSECURITY



DESCRIPTION

Biosecurity comprises the following activities:

Biosecurity 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 biosecurity functions—refer to level of service 1.

Pest animal management—controlling pest animals to minimise their adverse effects on biodiversity, primary production and the regional economy and environment—refer to level of service 2.

Pest plant management—controlling or eradicating pest plants to minimise their adverse effects on biodiversity, primary production and the regional economy and environment—refer to level of service 3.

Contribution to community outcomes

The *Biosecurity* group of activities contributes to community outcomes 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 outcomes:

- **Secure and Healthy Taranaki**
- **Prosperous Taranaki**
- **Sustainable Taranaki**

Biosecurity planning activities will contribute primarily to the outcome of a *Sustainable Taranaki* whereby problematic pest animals and plants will be managed for biodiversity and primary production reasons. Given the proactive contribution to primary production there are also contributions towards a *Prosperous Taranaki*.

The Council has two operative biosecurity strategies. These will be formally reviewed during the 2013/2014 year. Preliminary work was undertaken during 2012/2013 on future directions for pest plant and animal management in preparation for this review.

The Council's pest management activities – both pest animals and plants – are to protect agricultural production and/or biodiversity values by reducing or controlling pests, preventing the spread of pests or in some cases eradicating all known infestations of pests. The implementation of the strategies contributes to a *Sustainable* and *Prosperous Taranaki*.

During 2012/2013, a review of the Council's Biosecurity structure was undertaken with officers now undertaking both pest plant and animal roles. There was a continued focus on inspections in all urban areas of Taranaki, with particular emphasis on environmental pest plants. Ragwort in particular is a success story as the extent of the pest plant has been significantly reduced over the last 20 years with a consequent increase in agricultural production. Considerable effort was expended on Pampas with the most notices of direction for any pest plant being issued. Pampas can invade disturbed areas and cause adverse impacts on biodiversity values.

During 2012/2013, the Council focus for the *self help possum control programme* was to add a new area around the Manutahi area increasing the extent of the programme along the coastal terraces.

One new area was added to the *self help possum control programme*. The total number of properties in the *self help possum control programme* is 4,333 covering 235,000 ha.

Monitoring confirms that occupiers in the *self help possum control programme* have been very effective in maintaining reduced possum numbers in areas treated by the Council. The mean residual trap catch for properties monitored was 4.27% (below the Council's target of 10%) significantly reducing the adverse effects of possums.

During 2012/2013, the Council provided support for the Eastern Taranaki Environment Trust's project at Purangi including undertaking possum monitoring to measure the effectiveness of control operations as well as assisting in the laying of bait for an intensive rodent control programme. The Council also provided assistance with the trial of new self-setting possum traps and goat control in this area.

The Council provided technical support and planning assistance to the Tiaki te mauri o Parininihi Trust's project at Parininihi/Whitecliffs. Officers also assisted with the development of track infrastructure required for predator trapping and the laying of possum bait stations.

The Council provided technical and financial support to the Rotokare Scenic Reserve Trust.

The combined effect of the Council's pest management 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

[1] Pest management strategies that deliver efficient and effective management of the Council's biosecurity functions

Measure: Presence of appropriate pest management strategies.

Pest animal and pest plant management strategies, that deliver efficient and effective management of the Council's biosecurity functions, are in place in accordance with statutory requirements.

Target (Years 1-10): Pest management strategies are in place in accordance with statutory requirements.

Baseline: Two adopted pest management strategies are in place, both most recently reviewed in 2007.

[2] Pest animals controlled to minimize their adverse effects on biodiversity, primary production and the regional economy and environment

Measure: Area of the ring plain maintained under the *self-help possum control programme* at levels to reduce risks to the environment and primary production.

At 30 June 2013, the Council's monitoring programme showed that landholders reduced the possum population to a 4.27% (2011/2012—3.29%) residual trap catch across the *self-help possum control programme* area. At this level the adverse effects of possums on erosion and production are significantly reduced.

Target (Years 1-10): Residual trap catch (RTC) of less than 10% across the rural area covered by the self-help possum control programme.

Baseline: In 2010/2011, the RTC was 5.45% across the 228,500 ha of the rural area covered by the self help programme.

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

Measure: Control or eradication of "eradication" pest plants.

With the exception of Darwin's Barberry, direct control of these pest plants occurred for 100% of known infestations and resulted in biodiversity improvements. Inspections were carried out on 55 (71—2011/2012) properties known to have had an infestation. Direct control, where it was warranted, occurred on 55 (31) properties. Of those 34 (10) properties around the region were treated for Mignonette Vine, 12 (7) properties for Climbing Spindleberry, 2 (1) properties for Senegal Tea and 6 (3) properties for Giant Reed. In addition to this one property had control undertaken for Darwin's Barberry.

Target (Years 1-10): Control of 100% of known infestations of Senegal Tea, Climbing Spindleberry, Mignonette Vine, Giant Reed and Darwin's Barberry in the region.

Baseline: In 2010/2011, there were 21 properties where these plants were identified and controlled.

Measure: The extent of "containment" pest plants.

During 2013/2013, officers undertook 378 (290) Category C property inspections. As at 30 June 2013, the number of C properties had decreased to 123 (164).

Target (Years 1-10): Reduce the aerial extent of containment pest plants and the number of Category C properties requiring three or more inspections (because of significant pest plant compliance problems).

Baseline: In 2010/2011, there were 186 Category C properties.

ACTIVITIES

Programme	2012/2013 actual performance	Programme	2012/2013 actual performance
[1] Biosecurity planning		[1] Biosecurity planning	
Complete five-yearly reviews of the <i>Pest Management Strategy for Taranaki: Animals and Plants</i> in 2017 and 2022.	Continued an internal review of the strategies to identify potential issues and change factors and to set out the review process.	Advise, monitor and where necessary enforce or undertake control of rabbits and argentine ants.	Provided advice and education on control of argentine ants on 8 (19) occasions and rabbits on 21 (16) occasions.
[2] Pest animal management		[2] Pest animal management	
Dependent upon the review of the <i>Pest Management Strategy for Taranaki: Animals</i> , extend the self-help possum control programme on the Taranaki ring-plain by undertaking initial control operations on not less than 3,500ha.	Added a further 50 (483—2011/2012) properties to the <i>self-help programme</i> with control being undertaken on 4,463 (3,280) hectares in the Manutahi area.	Undertake direct control and eradication of rooks.	No (2) new rook sightings were confirmed, no control action on the last known rook was possible.
Support the <i>self-help possum control programme</i> by ensuring that landholders maintain possum populations within acceptable limits (10% residual trap catch) on land already included (232,000 hectares by 30 June 2012).	Landholders maintained possum populations to acceptable levels: 4.27% (3.29%—2011/2012) residual trap catch rate across the <i>self-help possum control programme</i> on 4,333 (3,806) properties (235,000 hectares) who were required to undertake maintenance control.	Monitor, provide advice on, and, if necessary, implement small-scale control of unwanted animal organisms.	Provided advice and education on unwanted animal organisms on 37 (28) occasions.
Pest control undertaken in selected key native ecosystems subject to biodiversity plans consistent with the Council's <i>Biodiversity Strategy</i> (see Biodiversity activity).	Undertook or commissioned work on 47 (34) key native ecosystems for which biodiversity plans have been prepared.	Provide regional share funding to the Animal Health board's <i>National Pest Management Strategy for Bovine Tuberculosis</i> .	Regional share funding was provided to the Animal Health Board's <i>National Pest Management Strategy for Bovine Tuberculosis</i> .
Undertake surveillance and, where necessary, control of other pest animals, including feral goats, deer, cats, hares, mustelids, pest fish and magpies.	Received 164 (122) notifications of animal pests and, where appropriate, undertook control action.	[3] Pest plant management	
		Undertake direct control and eradicate 100% of known infestations of Senegal Tea, Climbing Spindleberry, Mignonette Vine, Giant Reed and Darwin's Barberry in the region.	Undertook direct control on 100% (100%—2011/2012) of known infestations of Climbing Spindleberry and 100% (100%) of Giant Reed. Also initiated 100% (100%) control for Mignonette Vine, and 100% (100%) for Senegal Tea discovered during the year. The number of properties where these plants were controlled was 55 (31). For Darwin's Barberry only one known infestation was controlled at a site with a biodiversity site. Darwin's Barberry is now wide spread with control of all infestations impractical.



Programme

2012/2013 actual performance

Confine the spread of and, where appropriate, reduce the extent of “eradication” and “containment” pest plants through a programme of inspections and, where necessary, enforcement on all Category C properties at least three times per year, on all Category B properties at least once every two years, and on Category A properties as time permits.

Completed the annual inspection round for *total* and *boundary* pest plants, inspecting 123 (164) category C properties and 859 (776) category B property parcels. Inspected other remaining (Category A) properties on 5,013 (8,529) occasions. In total, 370 (405) notices of direction were issued. Three hundred and twelve (348) of the notices were complied with. Fifty-eight (57) had not expired at 30 June 2013 and, therefore, had not yet been re-inspected.

Develop and implement biological control programmes for Old Man’s Beard, Ragwort, Gorse, Nodding and Plumeless Thistles. Make releases of control agents (approximately 2 per annum).

Made no (0) releases of control agents from local stock and 2 (3) releases from Landcare Research. Agents, to control Wild Broom. Contributed funding to the Landcare Research biological control research programme.

Respond to and take necessary actions on all pest plants complaints within five days of receipt.

Received and responded to 216 (53) complaints, investigating all complaints within five working days and taking action where necessary.

Programme

2012/2013 actual performance

Undertake a publicity and education programme in relation to the control of eradication and direct control plant pests in the *Strategy*.

Undertook a publicity and education programme in relation to the control of all pest plants in the *Strategy*. Particular attention was given to environmental pest plants in urban areas.

Monitor, provide advice on and, if necessary, implement small-scale control of unwanted plant organisms. Respond to all requests (approximately 100 per annum).

Responded to 81 (69) requests for advice and information. In addition, advice and information was given in the field during the inspection rounds. Undertook small scale control of unwanted plant organisms on 13 (9) occasions.

Implement the *National Pest Plant Accord*, inspecting all plant nurseries and retail outlets annually to promote and, where necessary, enforcing the prohibition from propagation, sale or distribution of specified unwanted plant organisms.

Inspected 22 (19) nurseries and retail outlets. No (0) requirement to remove plant pests from sale was made. Distributed information to all nurseries and retail outlets for identification of *National Pest Plant Accord* pest plants.

COSTS AND SOURCES OF FUNDS

	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$	2010/2011 Actual \$
Expenditure				
Biosecurity planning	100,963	80,920	35,940	-
Pest animal management	1,521,012	1,604,524	1,538,547	1,704,471
Pest plant management	340,655	412,233	414,144	432,895
Total expenditure	1,962,630	2,097,677	1,988,631	2,137,366
Income				
General rates	1,173,254	1,173,254	1,238,659	1,226,331
Direct charges	81,962	118,900	113,027	90,129
Investment funds	757,414	805,523	721,945	820,906
Total income	2,012,630	2,097,677	2,073,631	2,137,366
Operating surplus/(deficit)	50,000	0	85,000	0
Funded by:				
Transfers from reserves	0	-	-	-
Transfers to reserves	50,000	50,000	85,000	-
Total funding	50,000	50,000	85,000	-
Capital expenditure				
Land	-	-	-	-
Buildings	6,510	-	-	-
Motor vehicles	163,805	330,000	105,307	83,545
Plant and equipment	10,293	10,700	7,967	4,254
Office furniture	-	-	-	-
Computer equipment	-	-	-	-
Flood and river control assets	-	-	-	-
Computer software	-	-	-	-
Total capital expenditure	180,608	340,700	113,274	87,799
Funded by:				
Transfer from retained earnings	180,608	340,700	113,274	87,799
Total funding	180,608	340,700	113,274	87,799
Capital expenditure:				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	-	-	-
—to replace existing assets	180,608	340,700	113,274	87,799
Total capital expenditure	180,609	340,700	113,274	87,799
Gross proceeds from the sale of assets	16,087	70,000	39,400	4,435
Depreciation/amortisation expense	89,537	130,478	85,035	89,211

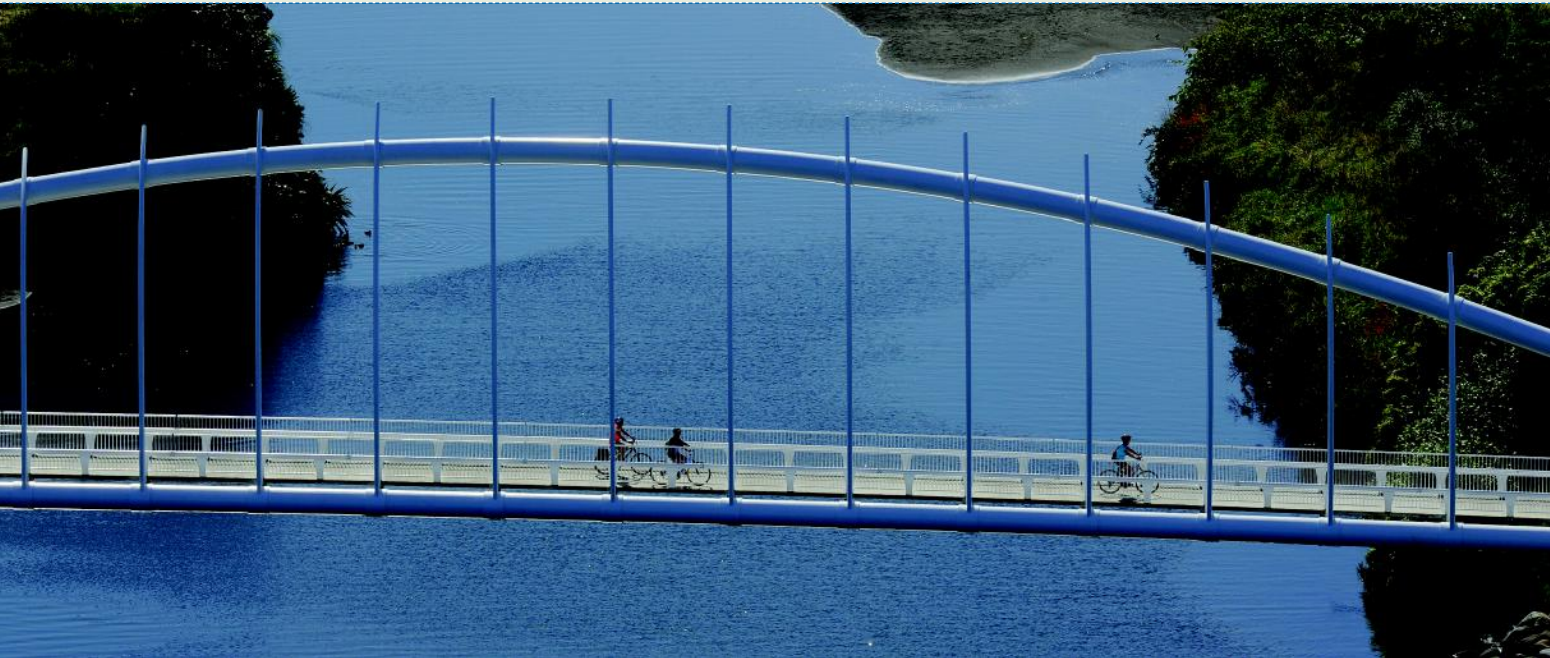
ASSET ACQUISITIONS AND REPLACEMENTS

There were no significant asset acquisitions planned for or undertaken within this group of activities.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.

TRANSPORT



DESCRIPTION

Transport comprises the following activities:

Regional land transport planning—promoting an affordable, integrated, safe, responsive and sustainable land transport system within the region—refer to level of service 1.

Passenger transport—promoting the provision of community passenger transport in Taranaki and assist the special transport needs of the transport disadvantaged—refer to levels of service 2, 3 and 4.

Harbour management—promoting safe navigation for all users of the waters of Port Taranaki—refer to level of service 5.

Contribution to community outcomes

The *Transport* group of activities contributes to community outcomes by promoting an integrated, safe, responsive and sustainable transport system that assists economic development and safety and personal security, improves access and mobility, protects and promotes public health and ensures environmental sustainability.

Specifically this group of activities contributes to the following community outcomes:

- **Secure and Healthy Taranaki**
- **Prosperous Taranaki**
- **Sustainable Taranaki**
- **Connected Taranaki**

The *Regional Land Transport Programme (RLTP)* was adopted just prior to the start of the 2012/2013 year. The *RLTP* is a three-year programme setting out the land transport activities for the Taranaki region for which the Council, the three district councils and the NZ Transport Agency (NZTA) seek national funding.

There were no variations made to the *RLTP* during the 2012/2013 year. The Council's annual monitoring report on the implementation of the *RLTP* for the 2011/2012 year was also completed during 2012/13, with no significant issues of concern arising.

The Council's *Regional Land Transport Strategy (RLTS)* for 2011-2041 was operative throughout the year. The *RLTS* sets the strategic direction for land transport in Taranaki and identifies desired outcomes and policies to achieve them over a 30-year timeframe. The *RLTS* is implemented largely through the *RLTP* and *Regional Public Transport Plan (RPTP)*.

The Council's *Regional Public Transport Plan for Taranaki 2012-2022* came into effect on 1 February 2012, so was operative throughout the year. The *RPTP* describes the public transport services the Council proposes to provide in the region, and sets out a programme of action and associated policies. It also specifies how the Council will give effect to the public transport service components of the *RLTS*.

2012/2013 saw the continuation of all the region's public transport operations. The services experienced a mix of patronage results.

The improved CityLink (New Plymouth, Bell Block, Waitara and Oakura) service continued after operating under trial during the previous two years. While only moderate growth (2.4%) occurred, this is still a positive result with more commuters using the service. Fine tuning of the service also continued throughout the year to ensure the service remained efficient and met public demand.

The three once-a-week SouthLink (South Taranaki) services have completed the fourth year of the five year contracts. The three services experienced a mix of results. Waverley to Hawera continued to perform strongly. Opunake to New Plymouth remained static with comparable levels of passengers in the last two years. The Opunake to Hawera (including Manaia to Hawera) service experienced a decline in passenger numbers.

The once-a-week Inglewood to New Plymouth service is also in its fourth year of a five year contract. The service experienced strong growth for the year with patronage up 26%.

The Council had planned, subject to NZTA investment agreement, to commence a regular New Plymouth to Hawera service. The NZTA did not provide the investment subsidy and SuperGold card support for this service and, accordingly, it did not proceed. The Council, and other stakeholders, undertook a feasibility study as to how this service might proceed in the future.

The Council's passenger transport activities also included continued funding of taxi-based total mobility services for the transport disadvantaged throughout Taranaki. During 2012/2013, 49,816 passenger trips were made under the Total Mobility Scheme.

The Ironside Vehicle Society also continued to receive funding assistance. In total, 6,849 trips were carried out with 5,394 (79%) specifically involving passengers who required the use of wheelchair hoists.

The Council continued its strong advocacy on many fronts with respect to its land transport activities. This included submissions on the Ministry of Transport's *Land Transport Management Amendment Bill 2013* and the New Zealand Transport Agency's *Funding Assistance Rates Review Discussion Document*. Close liaison was maintained with the New Zealand Transport Agency on a wide range of land transport issues and activities and with neighbouring councils, and in particular the Waikato Regional Council, on future planning for State Highway 3. The Council continued its membership and support of the State Highway 3 Working Party to seek improvements to this strategically important highway.

The Council's land transport activities contribute to the community outcomes of a *Secure and Healthy, Connected, Prosperous and Sustainable Taranaki*.

LEVELS OF SERVICE

Programmed level of service

Reported level of service

[1] Land transport policies and programmes that deliver good transport solutions and efficient and effective land transport infrastructure and services for Taranaki

Measure: Presence of an appropriate *Regional Land Transport Strategy for Taranaki*.

The *Regional Land Transport Strategy* is current and in accordance with statutory requirements. The current *Strategy*, covering the period 2011-2041, was adopted in May 2011.

Target (Years 1-10): A *Regional Land Transport Strategy for Taranaki* that is kept current in accordance with statutory requirements.

Baseline: The *Regional Land Transport Strategy for Taranaki 2011-2041* is current and operational.

Measure: Presence of an appropriate *Regional Land Transport Programme for Taranaki*.

The *Regional Land Transport Programme for Taranaki* is current and in accordance with statutory requirements. The current *Programme*, covering the 2012/2013-2013/2014 period, was adopted in June 2012.

Target (Years 1-10): A *Regional Land Transport Programme for Taranaki* that is kept current in accordance with statutory requirements and delivers good transport solutions that are acceptable to the Taranaki community.

Baseline: The *Regional Land Transport Programme for Taranaki 2009-2012* is current and operational.

[2] Provision and increasing use of community passenger transport services

Measure: Annual number of passenger trips on New Plymouth urban services and community services.

In 2012/2013, 548,919 passengers were carried on the CityLink (New Plymouth) urban services. This is an increase in growth of 2.4% from 535,866 in 2011/2012. Significantly, this is an increase in growth of 37% from the base rate of 400,808 in 2009/2010.

Target (Years 1-10): Increase by 10% pa the number of passengers carried.

Baseline: In 2010/2011, 491,089 passengers were carried on community passenger transport services in the region.

[3] Community passenger transport services that satisfy the needs of users

Measure: Passenger rating of level and quality of service and value for money.

As a result of a 2012/2013 client satisfaction survey, 96% (2011/2012—91%) of passengers rated the passenger transport services in the region as good, very good or excellent.

Target (Years 1-10): 90% of passengers rate the service as good, very good or excellent.

Baseline: In 2010/2011, 97% of the passengers surveyed rated the services as good, very good or excellent.

Measure: Transport disadvantaged people's rating of the level and quality of service and value for money.

As a result of a 2012/2013 client satisfaction survey, 97% (2011/2012—98%) of passengers rated the total mobility services provided in the region as good, very good or excellent.

Target (Years 1-10): 90% of total mobility users rate the service as good, very good or excellent.

Baseline: In 2010/2011, 98% of total mobility users surveyed rated the services as good, very good or excellent.



Programmed level of service

Reported level of service

[4] Community support for Council funded transport services

Measure: Residents' views expressed through submissions to the Council's annual plans and long-term plans on whether transport services are meeting community needs and are affordable.

In 2012/2013 less than 1% of residents expressed concerns about whether transport services are meeting community needs and are affordable through the Council's annual plan and long-term plan consultation processes.

Target (Years 1-10): No more than 1% of the Taranaki population raise concerns through the Council's annual plans and long-term plans about whether transport services are meeting community needs and are affordable.

Baseline: In the last five years less than 1% of the Taranaki population have raised concerns.

[5] Safe navigation for all users of the waters of Port Taranaki and its approaches

Measure: The number of reported navigation safety incidents within Port Taranaki and its approaches.

There were 1,388 vessel movements undertaken through Port Taranaki during 2012/2013. This was an increase of 48 from the 1,340 vessel movements in the previous year. No (0) significant incidents involving unsafe navigation practices were reported within Port Taranaki and its approaches.

Target (Years 1-10): No significant incidents.

Baseline: There have been no significant incidents in the last ten years.

ACTIVITIES

Programme

2012/2013 actual performance

[1] Regional land transport planning

Complete preparation/full reviews and interim reviews of the transport policies, plans and strategies:

Regional Land Transport Strategy: Mid-term review 2013/2014.

No action required in 2012/2013.

Regional Public Transport Plan: Full review 2014/2015.

No action required in 2012/2013.

Implement and report on the *Regional Land Transport Strategy for Taranaki* as identified in each annual land transport programme.

The regional component of the *Strategy* was implemented through a number of activities undertaken throughout the year. These are regularly reported on to the Regional Transport Committee.

Review and make adjustments to the regional land transport programme, as required, in accordance with statutory requirements.

The regional land transport programme 2012/2015 is current and ongoing. No action required in 2012/2013.

[2] Passenger transport

Provide total mobility subsidy assistance, to qualifying persons through the New Zealand Transport Agency supported Total Mobility Scheme, for people with an impairment, which may prevent them from using public passenger transport services, who need access to approved transport operators (e.g., taxis) in Taranaki where approved transport providers operate. Eligible applicants granted an ID card within 20 days of application.

Provided total mobility services to the targeted areas—49,816 (52,794—2011/2012) passenger trips were made under the total mobility scheme. An additional 6,849 (7,203) trips were made by the Ironside Vehicle Society. ID cards were issued to 100% (100%) of eligible applicants within the required timeframes.

Operate public transport services in the New Plymouth district and regional Taranaki consistent with the *Regional Public Transport Plan* subject to funding approval from the New Zealand 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 *Passenger Transport Plan*. A total of 556,017 (543,317) passenger trips were made on regional services.

Programme

2012/2013 actual performance

Monitor the New Plymouth bus service contract including patronage growth, customer satisfaction, contractor performance and fare box recovery.

Patronage has increased by 2.4% (9.1%). Of those users, 95% (90%) rated the level and quality of service and the value for money as good, very good or excellent. Farebox recovery was 39.7%.

Monitor the regional bus service contracts including patronage growth, customer satisfaction, contractor performance and fare box recovery.

Ongoing monitoring occurred on all services. Two services experienced growth, one service was static and one service experienced a loss of patronage. Of those users, 97% rated the level and quality of service and the value for money as good, very good or excellent. Farebox recovery was 30.8%.

Provide financial assistance to the Ironside Vehicle Society subject to funding eligibility criteria being met.

Provided funding of \$50,000 to the Ironside Vehicle Society for the carriage of disabled persons in restricted areas.

[3] Harbour management

Provide harbourmaster and harbour warden services for Port Taranaki to implement relevant harbour bylaws and regulations. Contract for harbourmaster services let.

External contract placed for the provision of harbourmaster services. There were 1,388 vessel movements undertaken through Port Taranaki during 2012/2013. This was an increase of 48 from the 1,340 vessel movements in the previous year. No (0) significant incidents involving unsafe navigation practices were reported within Port Taranaki and its approaches.

Implement the *Navigation Bylaw for Port Taranaki and Approaches*. No significant breaches of the requirements of the *New Zealand Port and Maritime Safety Code*, including the *Port Taranaki Harbour Safety Management System*.

The reviewed *Navigation and Safety Bylaws for Port Taranaki and Its Approaches* continue to be enforced. Signs and notices in the port area have been updated with the new restricted zones marked. During the year, no written navigation or safety warnings were issued to any party. However, five verbal warnings were issued, all to jet ski operators for excess speeds. No (0) significant breaches of the *Port Taranaki and Harbour Safety Management System*.

COSTS AND SOURCES OF FUNDS

	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$	2010/2011 Actual \$
Expenditure				
Regional land transport planning	87,441	84,634	127,643	169,730
Passenger transport	2,988,831	3,406,960	3,143,186	2,980,769
Harbour management	28,000	27,500	27,589	27,500
Total expenditure	3,104,271	3,519,094	3,298,418	3,177,999
Income				
General rates	148,778	148,784	365,397	348,308
Targeted rates	778,071	778,071	750,449	710,907
Direct charges	843,139	948,063	811,480	768,277
Government grants	1,328,233	1,582,026	1,357,055	1,263,507
Investment funds	33,550	102,150	(32,261)	87,000
Total income	3,131,771	3,559,094	3,252,120	3,177,999
Operating surplus/(deficit)	27,500	40,000	(46,298)	0
Funded by:				
Transfers from reserves	40,000	40,000	46,298	-
Transfers to reserves	12,500	10,457	-	-
Total funding	27,500	29,543	46,298	0
Capital expenditure				
Land	-	-	-	-
Buildings	-	-	-	-
Motor vehicles	24,681	28,000	-	-
Plant and equipment	-	-	-	-
Office furniture	-	-	-	-
Computer equipment	-	-	-	-
Flood and river control assets	-	-	-	-
Computer software	-	-	-	-
Total capital expenditure	24,681	28,000	-	-
Funded by:				
Transfer from retained earnings	24,681	28,000	-	-
Total funding	24,681	28,000	-	-
Capital expenditure:				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	-	-	-
—to replace existing assets	24,681	28,000	-	-
Total capital expenditure	24,681	28,000	-	-
Gross proceeds from the sale of assets	3,913	7,000	-	-
Depreciation/amortisation expense	4,525	5,600	-	-

ASSET ACQUISITIONS AND REPLACEMENTS

There were no significant asset acquisitions planned for or undertaken within this group of activities.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.

HAZARD MANAGEMENT



DESCRIPTION

Hazard management comprises the following activities:

Civil defence emergency management—promoting and enhancing, within the Taranaki community, an integrated comprehensive emergency management system including 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 to minimise and prevent damage by floods and river erosion—refer to levels of service 3 and 4.

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 levels of service 3 and 4.

Contribution to community outcomes

The *Hazard management* group of activities contributes to community outcomes by enhancing the safety and wellbeing of the public and the protection of property from hazards, and at an operational level minimising and preventing damage by floods and river erosion.

Specifically this group of activities contributes to the following community outcomes:

- **Secure and Healthy Taranaki**
- **Prosperous Taranaki**
- **Sustainable Taranaki**

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 administered by the Regional Council and is supported by a number of advisory groups and the Co-ordinating Executive Group (CEG), comprising representatives of the local authorities, emergency services, Health Board, and the advisory groups. The four key areas of activity are risk reduction, community readiness, response capability and recovery planning. There is increasing emphasis upon the first two, so that the likelihood and/or scale of consequences of a major event are reduced. The focus is always to enable communities to take responsibility for their own wellbeing rather than be reliant on outside 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.

The Council's activities focus on engaging with the region's three territorial authorities to promote land use management as a means of reducing community vulnerability; 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. The 2012/2013 year was the first year of implementation of the new *Civil Defence Emergency Management Group Plan for Taranaki 2012-2016*, which carries a focus on community resilience (social and economic) alongside organisational upskilling.

The Council's 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 Waitotara river, the Stony River and the Kaihihi Stream, as well as minor river control works and the provision of advice.

Scheme management plans were prepared for the Lower Waitara, Lower Waiwhakaiho flood control schemes and the Okato Scheme (Stony River and Kaihihi Stream) to ensure that the schemes are monitored and maintained effectively. The Council's schemes were maintained to their design standards in 2012/2013. Detailed design and subsequent construction works have resulted in the completion of the upgrading of the flood defences on the Waiwhakaiho River in July 2011.

Detailed design and subsequent construction works to upgrade the flood defences on the Mangaone Stream are all but completed with the final works to be completed in July 2013.

Preliminary investigations into increasing the standard of flood protection on the Mangaone Stream focused on the construction of a series of detention dams in the Upper Mangaone Stream catchment. Detailed investigations of the potential sites for the dams identified that the cost benefit ratios were unfavourable. Further investigations identified that the 100 year protection standard could be achieved by increasing the flood carrying capacity of the existing Katere and Devon Road culverts and by raising the flood walls along the channel downstream of Katere Roads.

The scheme now provides 100 year flood protection to the businesses and residents in the Lower Waiwhakaiho River catchment with an allowance for the effects of climate change to 2060.

Investigation work has commenced into the level of protection provided by the Waitara River Flood Control Scheme. A full survey of existing infrastructure, along with a full hydrological investigation of the river catchment, has been completed. A comprehensive hydraulic investigation is now underway that will provide the necessary information required to design any upgrade works required. The final stage of the investigation, being undertaken by NIWA, is due for completion in September 2013.

Channel clearance works and maintenance of the cleared channel has continued in the Waitotara River and its major tributaries. The risk of flooding to the Waitotara Township and low-lying farmland has been significantly reduced as a result of this work. The work is now almost complete, requiring one more year at a reduced level to complete the main clearing works. Maintenance works will continue on an annual basis.

Ongoing channel maintenance works were undertaken on the Stony River in the vicinity of the SH45 Bridge to ensure that the river remained in a central alignment that facilitated gravel transport and prevented land erosion.

Works have also been undertaken along the western side of the Stony River adjacent to Okato to prevent flood water spilling from the Stony River and flowing westward into the Kaihihi Stream, affecting some Okato community facilities.

Minor works were also undertaken on the Kaihihi Stream to control the channel alignment and prevent erosion.

The provision of these 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

[1] A Civil Defence Emergency Management system that delivers efficient and effective civil defence emergency management in Taranaki that is acceptable to the community

Measure: Presence of an appropriate Civil Defence Emergency Management system.

Target (Years 1-10): A *Civil Defence Emergency Management Group Plan* that is kept current and resourced in accordance with statutory requirements.

Baseline: The review of the 2004 *Civil Defence Emergency Management Group Plan for Taranaki* is expected to be completed in 2011/2012, with the new Plan to take effect from that time.

An appropriate civil defence emergency management system is in place and ready to respond to any event. Levels of equipment, resourcing, and training have been lifted during the year. The *Civil Defence Emergency Management Group Plan 2012-2016* has been adopted and has come into effect.

Measure: Delivery of contractual requirements.

Target (Years 1-10): All contract requirements to provide emergency management office and administering authority services to the Civil Defence Emergency Management Group are delivered as specified.

Baseline: Annual budget and proposed annual work programme to be adopted by the CDEM Group, and annual report adopted by the Group, each year.

The work plan for 2012/2013 was implemented and the plan and budget for 2013/2014 approved. The contracted emergency management office and administering authority services, as agreed by the Group for 2012/2013, were delivered. A Report on the delivery for 2011/2012 was prepared. Contracts for key roles are on-going to ensure availability of suitably trained and competent personnel. Reports from the Group Controller and other key personnel were regularly received. Procedures and terms of reference for controllers were included in the new *Group Plan*. A review of controllers was completed, and recruitment of additional controllers undertaken successfully. A new Recovery Manager is to be appointed.

[2] Effective emergency readiness and response capability and capacity in the region

Measure: Level of capacity and capability within Taranaki CDEM.

Target (Years 1-10): Group readiness and response capability and capacity to be maintained at or enhanced above the level as set out in the *Group Plan* and as assessed by the MCDEM monitoring and evaluation analysis tool.

Baseline: The Group's readiness and response capability and capacity is set out in the 2004 *Group Plan* and has been assessed by the MCDEM monitoring and evaluation analysis tool in 2010.

Community awareness and readiness continues to improve. The new *2011/2016 Civil Defence Emergency Management Public Education Plan*, based on the new *Group Plan*, is being implemented as scheduled. Significant publicity and education activities were delivered around 'NZ Shakeout' in September. The Council participated in the national development of social media management guidelines. A review of the Emergency Operations Centre (EOC) layout and protocols was initiated. Training for volunteers (EOC and community centres) was instigated. Preparations are underway for *Exercise Pahu* in November 2013 (an inter-group multi-party exercise testing the response to a volcanic eruption).

Measure: Implementing effective response and recovery procedures to minimise harm or damage to people and property arising from an emergency.

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.

Baseline: Response and recovery procedures are set out in *Standard Operating Procedures* as listed in the *2011 Group Plan*.

The 2015 public awareness survey is still scheduled to occur. Presentations to rest homes, Meals on Wheels, kindergartens, housing trusts, re readiness and response measures were undertaken. A farming continuity pamphlet was finalised, printed and distributed. A Marae Welfare Response Plan project and whanau resilience project was initiated (to be delivered in full in 2013/2014). Community emergency plans development was initiated—seven North Taranaki and South Taranaki projects are underway. A tsunami inundation modelling study report was received and distributed. A liquefaction hazards study was received and publicity and distribution activities undertaken. A debris management plan was approved. Volcanic and flood response plans are being revised. CDEM responses to Tongariro activity (August 2012) and the tsunami threat (6 February 2013) were undertaken.

Programmed level of service

Reported level of service

[3] Flood protection and drainage schemes that protect life and property

Measure: The number of schemes maintained to their full service potential.

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.

Baseline: As of July 2011, the Waitara and Waiwhakaiho flood control schemes were maintained to their full service potential. The Waitotara river clearance and maintenance is proceeding in accordance with the agreed *Reviewed Waitotara River Programme*.

All (100%) of schemes were maintained to their full service potential. Maintenance works on the Waitara River Scheme included the regular stopbank and berm mowing, the clearance of excess vegetation from the flood fairway and the trimming of trees to improve access for stopbank maintenance. Maintenance works on the Waiwhakaiho Scheme included further clearance of large trees from the left bank of the Waiwhakaiho River adjacent to Lake Rotomanu, the placement of rock riprap protection on the right bank of the river upstream of Constance Street. On the Mangaone Stream further vegetation clearance work was undertaken over the full length downstream of the Railway culvert. The regular programme of stopbank and berm mowing and weed spraying was undertaken on both the Waiwhakaiho and Waitara Rivers. A programme of spraying was undertaken on the lower Waitotara River to control re-growth of willow and poplar over 16 km of the river channel. 600m of mechanical willow clearance was also undertaken on the Weraweraonga River and its tributaries.

Measure: The level of protection provided by the Waiwhakaiho flood control scheme.

Target (Years 1-10): Increase in flood protection level in the lower Waiwhakaiho River flood protection scheme from 2% annual exceedance probability (AEP) (or 1 in 50 years), to approximately 1% AEP (or 1 in 100 years) with allowance for climate change to 2060.

Baseline: At June 2011, Stage 1 was complete.

Upgrading the level of protection on the Waiwhakaiho Scheme to the 1% AEP standard has almost been completed. Stage 1 involving the raising of the Waiwhakaiho River stopbank was completed in 2011. Stage 2 involving construction of the new stopbank along the right bank of the Mangaone Stream downstream of Devon Road was completed in 2012 with Stage 2A, involving the new left bank stopbank construction, completed in May 2013. Stage 3 involving the upgrading to the Mangaone Stopbank between Katere Road and Devon Road and the raising of the headwalls on the two road culverts to increase their flood carrying capacity will be completed in July 2013. The works undertaken to raise the protection standard on the channel upstream of Devon Road replaced the original proposal to construct detention dams in the upper catchment to reduce downstream flood flows.

[4] Community support for Council funded transport services

Measure: Number of accurate and timely flood warnings issued.

Target (Years 1-10): Accurate and timely flood warnings issued in 100% of cases.

Baseline: In 2010/2011 the Council issued warnings in 100% of cases.

Accurate and timely flood warnings (18—2012/2013 and 23—2011/2012) were issued in all cases where special weather watches and warnings had been issued and Council's monitoring of river levels indicated that flood warnings were necessary. This provided timely warnings to allow for the protection of people and property.

ACTIVITIES

Programme	2012/2013 actual performance	Programme	2012/2013 actual performance
[1] Civil defence emergency management		[3] River control schemes	
Prepare, implement, monitor and report upon the <i>Taranaki Civil Defence Emergency Management Annual Business Plan</i> .	Implemented the <i>2012/2013 Annual Business Plan</i> . Annual Taranaki Seismic and Volcanic Advisory Group meeting and research presentations were held. Prepared for implementation of the nationwide Emergency Management Information System. The annual report for 2011/2012 activities was prepared and adopted. The annual business plan and budget for 2013/2014 was prepared and approved. Implementation of the action items arising from South Taranaki storm event (March 2012) was reported to the Taranaki Civil Defence Emergency Management Group (CDEMG).	Undertake minor emergency river and flood control works when necessary.	No (0) emergency works were required.
Develop, implement, monitor and report upon the <i>Civil Defence Emergency Management Public Education Plan for Taranaki</i> . Review the <i>Plan</i> in 2016 and 2021	Continued the in-school delivery of educational material and public presentations (particularly community boards). The <i>New Zealand Shakeout</i> event was delivered and reported to CDEMG.	Respond to 100% of requests for drainage, river and flood control advice and assistance within ten working days.	Investigated and responded to 57 (44) requests for advice and information on river control and flood protection. All requests were responded to within ten working days.
Implement, monitor and report upon the <i>Civil Defence Emergency Management Group Plan for Taranaki 2012</i> , and review, draft, and notify the next <i>Plan</i> in 2017	Review of the <i>Plan</i> completed. The <i>Plan</i> received Ministerial approval. Implementation actions were drafted (<i>2012/2013 Annual Business Plan</i>).	Facilitate river control projects for the environmental enhancement of the region's waterways.	No (0) river control projects were identified or required to be undertaken for the environmental enhancement of the region's waterways.
[2] Flood management and general river control		Maintain the Lower Waitara and Lower Waiwhakaiho flood protection schemes in accordance with asset management plan programmes.	Maintained the flood protection schemes to perform to design standards during the year. Maintained stopbanks and berm areas by mowing, weed control and the clearance of larger vegetation within the flood fairway. Trimmed the lower limbs on the remaining Pohutukawa trees on Mangaroa Island to reduce their potential adverse effect on the flood carrying efficiency of the flood berm.
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 62 (69—2011/2012) special weather watches and warnings from the MetService. In all instances, flood monitoring was undertaken in accordance with the <i>Flood Event Standard Operating Procedure</i> and in 18 (23) cases flood warnings issued.	On the Waiwhakaiho Scheme, further vegetation clearance was undertaken on the Mangaone Stream downstream of the railway line. Large trees were removed from the Waiwhakaiho River bank adjacent to Lake Rotomanu.	

Programme	2012/2013 actual performance	Programme	2012/2013 actual performance
Complete the construction of the detention dams in the Mangaone Stream catchment to increase the Lower Waiwhakaiho flood protection scheme standard from 2% annual exceedance probability (AEP) to approximately 1% AEP.	<p>Detailed hydrological and hydraulic investigation into potential detention dam sites in the Mangaone Stream catchment determined that two of the previously identified sites, the flood storage available was insufficient to significantly reduce downstream flood flows. At the third site detailed geological investigation and design determined that the cost of a suitable dam required to achieve the reduction in flood flow was well in excess of available funding.</p> <p>Further investigations into the capacity of the Mangaone stream channel and culverts identified that the design protection standard could be achieved by increasing the capacity of the Katere Road and Devon Road culverts by raising the headwalls and by raising 300 meters of the Gabion Basket flood wall along the left bank of the Stream upstream of Devon Road.</p> <p>Channel clearing works in the Stream channel between Egmont Road and Katere Road will also reduce flooding of properties upstream of Katere Road</p> <p>The construction works that will complete the Mangaone Stream upgrade works and the upgrade to the Scheme protection stands will be completed in July 2013.</p>	<p>Removal of vegetative obstructions from the Waitotara, Moumahaki and Weraweraonga catchments to improve channel capacity. Maintenance work to remove obstructions, and plant and layer willow to control erosion.</p> <p>Manage other minor river schemes to standards as agreed with scheme participants.</p> <p>Subject to Council approval undertake investigation and design of the Waitara River Scheme upgrade and construct upgrade works from 2013/2014 to 2016/2017.</p> <p>Undertake Stony River flood control works to prevent flooding from the Stony River affecting Okato area.</p>	<p>Cleared 600m of willow from the Weraweraonga River channel and sprayed willow re-growth on 16km of the Waitotara A total of 26.5kms of clearing has now been completed.</p> <p>Undertook and managed works as required in the minor schemes, in association with landholders.</p> <p>Stage 1 of the Waitara Scheme investigation has been completed ahead of schedule with the completion of the hydrological investigation and the first run of the hydraulic model to determine the level of the 1% AEP flood.</p> <p>The Okato Scheme was maintained in accordance with the new management plan prepared for the Stony River and Kaihihi Stream as they relate to the Okato community.</p>

COSTS AND SOURCES OF FUNDS

	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$	2010/2011 Actual \$
Expenditure				
Civil defence emergency management	629,422	665,655	623,721	672,744
Flood management and general river control	172,803	272,970	275,182	249,843
River control schemes	253,241	331,492	382,335	337,492
Total expenditure	1,055,465	1,270,117	1,281,238	1,260,079
Income				
General rates	312,158	312,157	410,519	284,151
Targeted rates	549,709	549,709	482,871	417,431
Direct charges	355,448	352,828	362,316	381,582
Government grants	-	-	-	-
Investment funds	121,909	214,318	46,777	197,936
	1,339,224	1,429,012	1,302,483	1,281,100
Operating surplus/(deficit)	283,759	158,895	21,245	21,021
Funded by:				
Transfer from reserves	212	-	13,322	6,115
Transfer to reserves	181,661	44,721	34,567	27,136
Total funding	181,449	44,721	21,245	21,021
Capital expenditure				
Land	-	-	-	-
Buildings	13,773	-	-	-
Motor vehicles	62,228	62,000	28,000	30,062
Plant and equipment	4,473	10,000	19,866	55,690
Office furniture	-	-	-	-
Computer equipment	-	-	-	-
Flood and river control assets	408,855	750,000	121,250	795,782
Computer software	-	-	-	-
Total capital expenditure	489,329	822,000	169,116	881,534
Funded by:				
Transfer from retained earnings	489,329	822,000	169,116	881,534
Total funding	489,329	822,000	169,116	881,534
Capital expenditure:				
—to meet additional demand	-	-	-	-
—to improve the level of service	408,855	750,000	121,250	795,782
—to replace existing assets	80,474	72,000	47,866	85,752
Total capital expenditure	489,329	822,000	169,116	881,534
Gross proceeds from the sale of assets	17,391	15,000	8,696	-
Depreciation/amortisation expense	54,022	58,861	46,040	33,874



ASSET ACQUISITIONS AND REPLACEMENTS

Detailed design and construction work was undertaken for the upgrading of flood defences on the *Lower Waiwhakaiho Flood Control Scheme*. Capital expenditure on this project was budgeted to be \$750,000. The actual spend for 2012/2013 was \$408,856. Flood control works on the lower Mangaone Stream downstream of Devon Road were completed. The headwall raising at Devon Road and Katere Road was completed and the raising of 300m of the left bank gabion basket flood wall upstream of Devon Road was 90% completed by 30 June 2013. The Scheme upgrade to the 1% AEP standard will be completed by 30 July 2013.

Assets associated with the newly formed Okato Scheme, which involved a 2,350 m of the Stony River and 1,550 m of the Kaihihi Stream, has assets valued at \$342,000.

INTERNAL BORROWING

Improving the level of service on the *Lower Waiwhakaiho River Flood Control Scheme* and the *Waitara River Flood Control Scheme* was funded by internal borrowing.

	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$	2010/2011 Actual \$
Opening balance	898,810	1,299,360	813,191	46,195
Plus borrowed during the year	408,856	750,000	99,450	775,867
Less principal repaid during the year	16,834	25,723	13,831	8,871
Closing balance	1,290,832	2,023,637	898,810	813,191
Interest charged during the year	85,263	133,172	74,163	48,562

RECREATION, CULTURE AND HERITAGE



DESCRIPTION

Recreation, culture and heritage comprises the following activities:

Regional gardens—ensuring that Hollard Gardens, Tupare 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 relationship with the Puke Ariki regional museum and library including the ongoing use of display and presentation material within an annual project—refer to level of service 2.

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

Contribution to community outcomes

The *Recreation, culture and heritage* group of activities contributes to community outcomes 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 outcomes:

- **Prosperous Taranaki**
- **Vibrant Taranaki**
- **Sustainable Taranaki**

YARROW STADIUM

The Council supports the long-term maintenance and development of Yarrow Stadium through the Taranaki Stadium Trust (the 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 2012/2013 year involved a significant level of positive change for the Trust. The Trust, the New Plymouth District Council and the Taranaki Regional Council have entered into a partnership arrangement for the operation and development/enhancement of the Yarrow Stadium facilities. A new management agreement has been entered into between the Trust and the New Plymouth District Council. Under the management agreement, the New Plymouth District Council will operate and fund the operations of Yarrow Stadium.

The Council funds, via the Trust, the long-term maintenance and development of Yarrow Stadium. The funding for long-term maintenance and development has not previously been available on a systematic basis. The securing of this funding assists in maintaining Yarrow Stadium as a premier regional sports and events venue. To facilitate this new arrangement, control of the Trust was transferred from the New Plymouth District Council to the Taranaki Regional Council. At the same time, the Trust was renamed as the Taranaki Stadium Trust (formerly the Yarrow Stadium Trust). With the transfer of control of the Trust to the Taranaki Regional Council, the two Trustees (Mr Barry Rollo and Mr Frank Versteeg) retired. The Taranaki Regional Council then appointed Councillor Craig Williamson and Director-Corporate Services Mr Michael Nield as Trustees.

The Council's 2012/2013 funding for the long-term maintenance and development of Yarrow Stadium was transferred to the Trust in June 2013. The New Plymouth District Council and the Taranaki Regional Council are currently developing the works programme that will eventually be funded by the Trust (for the three years from 2012/2013 to 2014/2015). Development of Yarrow Stadium through the Trust is planned to commence in 2013/2014.

A joint committee of the Taranaki Regional Council and the New Plymouth District Council has been established to develop asset management plans for the long-term development of Yarrow Stadium (to be applied from 1 July 2015). The joint committee's work is expected to commence in 2014.

Operationally, the highlight for Yarrow Stadium was the 22 June 2013 hosting of the third test match between the New Zealand All Blacks and France. The game was a sell out with many positive spin-offs for Taranaki. Yarrow Stadium is highly regarded nationally and internationally and, as such, the Trust is confident that high quality national and international events will continue to be hosted.

REGIONAL GARDENS

The Council took ownership and operation of Pukeiti with effect from 1 July 2010. This year was focused on the development of asset management plans for this iconic property. A working party from many varied backgrounds (including Pukeiti Rhododendron Trust, Taranaki iwi, Parininihi ki Waitotara, Department of Conservation and other specialist expertise) completed the process of plan development. This process was concluded in October 2012 with the resultant proposals being included in the 2013/2014 Annual Plan. A new wastewater treatment system was installed at Pukeiti.

Tupare and Hollard Gardens were maintained to the standards established in the 2011 asset management plans. Regular planting, tree surgery and other maintenance work was undertaken. Both Tupare and Hollard Gardens have benefited from the increased operational and capital commitment from the Council over the last few years and are reaching the visions outlined in the asset management plans. A significant development, as part of the implementation of the Hollard

Gardens asset management plan, was the construction of a visitor and information centre (Hollard's Centre).

This amenity will provide a platform of growth for both Council events and educational activities and as a venue for further public and private community use of the property.

The Tupare asset management plan implementation focused on structure and service renewal with the installation of an alternative water supply and stage 1 with a new water reticulation system.

The effects of this work will reduce overheads as well as increase the vibrancy and health of the gardens during the dry months.

A full suite of public programmes and events were undertaken at all three properties. These proved to be popular and successful. These gardens are iconic regional amenities provided for the public's use. It is pleasing and gratifying to see public use continuing to grow.

Visitor numbers and events grew at all three properties. Tupare attracted approximately 23,832 visitors, Hollard Gardens attracted approximately 11,832 visitors and Pukeiti had 25,204 visitors. There were 66 events at Pukeiti, 56 at Tupare and 27 at Hollard Gardens. All three properties were part of the Powerco Taranaki Garden Spectacular.

PUKE ARIKI

The Council's 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 use of Puke Ariki. The partnership contributed towards the Taranaki public events programme (a series of events designed to enliven the Taranaki Naturally Gallery), a contribution to the development and delivery of the exhibition Kiwi prefab: *Cottage to Cutting Edge*, a contribution to develop and enhance the information on the i-SITE digital interactive tables around the Taranaki Regional Council Gardens and associated walkways and projects and funding towards the *Calling back the Kokako* display and the telling of its story. The Council and Puke Ariki worked with Aotea Utanganui - Museum of South Taranaki to support the *Port-able: a history of South Taranaki ports* exhibition.

These three recreation, culture and heritage activities contribute to the *Prosperous Taranaki*, the *Vibrant Taranaki* and the *Sustainable Taranaki* community outcomes 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

[1] Tupare, Hollard Gardens and Pukeiti recognised as nationally significant gardens

Measure: Maintenance and enhancement of three regionally significant gardens.

Target (Years 1-10): Pukeiti, Tupare and Hollard Gardens maintained and enhanced in accordance with the provisions of the adopted asset management plans.

Baseline: The three properties are maintained to the latest adopted asset management plan. Latest asset management plans were adopted in 2011 (Tupare and Hollard Gardens) and will be adopted in 2012/2013 for Pukeiti.

The development and enhancement of Tupare and Hollard Gardens was completed in 2009 in line with the 2005 and 2008 asset management plans. During 2012/2013 both properties were maintained to the stated standards. Development of an asset management plan for Pukeiti was completed during 2012/2013.

Measure: Level of use of Tupare, Hollard Gardens and Pukeiti.

Target (Years 1-10): Increasing the number of visitors to each property and the number of events at each property.

Baseline: In 2010/2011, Tupare had 20,825 visitors and 35 events, Hollard Gardens had 9,125 visitors and 13 events and Pukeiti had 15,000 visitors and 18 events.

The use of Tupare and Hollard Gardens consolidated during 2012/2013. Tupare attracted approximately 23,832 visitors (23,350—2011/2012) with Hollard Gardens attracting approximately 11,832 (10,518). Pukeiti had 25,204 (19,830) visitors. There were 56 (46) events at Tupare, 27 (27) at Hollard Gardens and 66 (34) at Pukeiti. All three properties were part of the Powerco Taranaki Garden Spectacular.

Measure: Access to Tupare, Hollard Gardens and Pukeiti.

Target (Years 1-10): Tupare, Hollard Gardens and Pukeiti open to the public between 9am to 5pm seven days a week with free general access.

Baseline: Tupare and Hollard Gardens have been open in this way since 2002. Free access to Pukeiti commenced from 1 July 2010.

Free access was provided to visitors during 2012/2013. Tupare, Pukeiti and Hollard Gardens were open to the public seven days a week between 9:00 am and 5:00 pm. During daylight saving Tupare and Hollard Gardens were open until 8:00 pm. Since 1 July 2010, Pukeiti has been open, with free entry, to the public between 9am and 5pm.

[2] Partnership relationship with the Puke Ariki regional museum and library

Measure: Annual project for the delivery of display and presentation material.

Target (Years 1-10): Delivery of an annual project.

Baseline: In 2010/2011, the annual project included continuation of the *60 Springs* programme, implementation of Stage 2 of the Museum of South Taranaki community and school programme around "sustainable environment", development of the exhibitions at the Museum of South Taranaki, and contribution to the development of the exhibition *What if? The future of Taranaki*.

The ongoing partnership relationship with Puke Ariki continued during 2012/2013. The partnership contributed towards the Taranaki public events programme (a series of events designed to enliven the Taranaki Naturally Gallery and explore the themes outlined as a schedule to the Partnership Agreement), a contribution to the development and delivery of the exhibition *Kiwi prefab: Cottage to Cutting Edge*, a contribution to develop and enhance the information on the i-SITE digital interactive tables around the Taranaki Regional Council Gardens and associated walkways and projects and funding towards the *Calling back the Kokako* display and the telling of its story. The Council and Puke Ariki worked with Aotea Utanganui - Museum of South Taranaki to support the *Port-able: a history of South Taranaki ports* exhibition.



Programmed level of service

Reported level of service

[3] Presentation and operation of Yarrow Stadium as one of New Zealand's premier regional sporting stadium and venue

Measure: Maintenance and development of Yarrow Stadium for a range of events and activities.

Target (Years 1-10): Provision of funding for the ongoing maintenance and development of Yarrow Stadium.

Baseline: The Taranaki Regional Council does not currently provide funding for the ongoing maintenance and development of Yarrow Stadium.

During the year, the Council and the New Plymouth District Council undertook a process to transfer control of the Taranaki Stadium Trust (formerly Yarrow Stadium Trust) from the New Plymouth District Council to the Council. This occurred in June 2013. The funding provision (\$876,000) for 2012/2013, to be used for the ongoing maintenance and development of Yarrow Stadium, was transferred to the Taranaki Stadium Trust at the same time. By 30 June 2013, a programme of maintenance and development of Yarrow Stadium for 2012/2013 had not been agreed upon and no funds had been expended. This will occur in 2013/2014.

ACTIVITIES

Programme

2012/2013 actual performance

[1] Regional gardens

Provide three regional gardens (Tupare, Hollard Gardens and Pukeiti) for free general use by the regional community. Three gardens open 9am to 5pm seven days a week.

Pukeiti, Tupare and Hollard Gardens were open seven days a week from 9:00am to 5:00pm (to 8.00pm during daylight saving time for Tupare and Hollard Gardens) during 2012/2013. Entry was free to all three properties.

Encourage the increased use of the regional gardens by the community for recreational purposes and for specific events.

Tupare attracted approximately 23,832 visitors (23,350—2011/2012) with Hollard Gardens attracting approximately 11,832 (10,518). Pukeiti had 25,204 (19,830) visitors. There were 56 (46) events at Tupare, 27 (27) at Hollard Gardens and 68 (34) at Pukeiti. All three properties were part of the Powerco Taranaki Garden Spectacular.

Complete the development and adoption of a Pukeiti asset management plan.

Pukeiti asset management plans were completed and adopted in October 2012.

Maintain the regional gardens to the levels of service established in the asset management plans. Asset management plans reviewed and adopted every three years (2014/2015, 2017/2018 and 2020/2021).

The properties are maintained to the standards established in the asset management plans. This standard was maintained during 2012/2013.

Construct a visitor and information centre at Hollard Gardens.

The 'Hollard Centre' construction was completed in June 2013 with the landscaping and fit out in progress on schedule for completion prior to official opening.

[2] Puke Ariki

Maintain an ongoing partnership relationship with the Puke Ariki regional museum and library including the ongoing use of display and presentation material within an annual project.

The ongoing partnership relationship with Puke Ariki continued during 2012/2013. The partnership contributed towards the Taranaki public events programme (a series of events designed to enliven the

Programme

2012/2013 actual performance

Taranaki Naturally Gallery and explore the themes outlined as a schedule to the Partnership Agreement), a contribution to the development and delivery of the exhibition Kiwi prefab: *Cottage to Cutting Edge*, a contribution to develop and enhance the information on the i-SITE digital interactive tables around the Taranaki Regional Council Gardens and associated walkways and projects and funding towards the *Calling back the Kokako* display and the telling of its story. The Council and Puke Ariki worked with Aotea Utanganui - Museum of South Taranaki to support the *Port-able: a history of South Taranaki ports* exhibition.

[3] Yarrow Stadium

Subject to the following conditions, acquire control of Yarrow Stadium and the TSB Superscreen:

- the necessary deeds and agreements, are drawn up, agreed to and signed off (NPDC, TRC, Sport Taranaki)
- the due diligence engineer's report (on such matters as earthquake risk) is completed and the results appropriately incorporated into the various deeds and agreements (NPDC, TRC)
- the Yarrow Stadium asset management plan is updated and received/accepted (NPDC, TRC)
- any outstanding maintenance/repair issues are satisfactorily resolved prior to the Council assuming control of the Trust (NPDC, TRC)

During the year, the Council and the New Plymouth District Council undertook a process to transfer control of the Taranaki Stadium Trust (formerly Yarrow Stadium Trust) from the New Plymouth District Council to the Council.

Sport Taranaki declined the Council's invitation for the TSB Superscreen to be a part of this arrangement. Accordingly, control of the TSB Superscreen has not been transferred to the Council.

As part of the process of transferring control of the Taranaki Stadium Trust, the Council and the New Plymouth District Council worked together and:

- drew up, agreed upon and signed-off the necessary legal deeds and agreements

Programme	2012/2013 actual performance	Programme	2012/2013 actual performance
<ul style="list-style-type: none"> • complete a due diligence engineer's report (on such matters as earthquake risk) • the successful completion of the winding up/transfer of the existing Trust and the creation, if necessary, of the new Trust (NPDC, TRC) • the successful completion of the transfer of the TSB Superscreen from Sport Taranaki to the Trust (TRC, Sport Taranaki) • the successful completion of a terms of reference for the new joint governance group and the creation of the joint group (NPDC, TRC) • agreement with NPDC on whose financial responsibility for operations, maintenance (minor)/maintenance (major) and development (NPDC, TRC) • agreement with NPDC on the future plans/directions for the Yarrow Stadium complex and where responsibilities lie (NPDC, TRC) • management agreement with NPDC on the operation of the Yarrow Stadium assets (TRC, NPDC) 	<ul style="list-style-type: none"> • commenced work on the Yarrow Stadium asset management plan • resolved the outstanding maintenance/repair issues prior to the Council assuming control of the Trust • renamed and transferred control of the Taranaki Stadium Trust from the New Plymouth District Council to the Council • completed a terms of reference for and establish a new joint governance group • reached agreement on the allocation of financial responsibility for operations, maintenance (minor)/ maintenance (major) and development • reached agreement on the future plans/directions for the Yarrow Stadium complex and where responsibilities lay • entered into a management agreement for the operation of the Yarrow Stadium. 	<p>Undertake asset management planning for the future maintenance, enhancement and development of Yarrow Stadium and the TSB Superscreen.</p>	<p>During 2012/2013, the Council and the New Plymouth District Council commenced a process of long-term asset planning for the future maintenance, enhancement and development of Yarrow Stadium. This will conclude with agreed programmes of maintenance and development for the period 2012/2015 and will lead to asset management plans for the <i>2015/2025 Long-Term Plan</i>. Sport Taranaki declined the Council's invitation for the TSB Superscreen to be a part of this arrangement. Accordingly, the TSB Superscreen has not been included in the long-term maintenance, enhancement and development plans.</p>
<p>Contract with New Plymouth District Council for the operation and management of Yarrow Stadium and the TSB Superscreen.</p>	<p>The Trust and the New Plymouth District Council entered into a management agreement for the operation and management of Yarrow Stadium for the 2012/2013 year. New Plymouth District Council operated and managed Yarrow Stadium during 2012/2013. Sport Taranaki declined the Council's invitation for the TSB Superscreen to be a part of this arrangement. Accordingly, Sport Taranaki operated the TSB Superscreen during 2012/2013.</p>	<p>Provide regional funding for the future maintenance, enhancement and development of Yarrow Stadium and the TSB Superscreen.</p>	<p>The funding provision (\$876,000) for 2012/2013, to be used for the ongoing maintenance, enhancement and development of Yarrow Stadium, was transferred to the Taranaki Stadium Trust in June 2013. By 30 June 2013, a programme of maintenance and development of Yarrow Stadium for 2012/2013 had not been agreed upon and no funds had been expended. This will occur in 2013/2014. Sport Taranaki declined the Council's invitation for the TSB Superscreen to be a part of this funding arrangement. Accordingly, no funding for the long-term maintenance, enhancement and development of the TSB Superscreen has been provided.</p>

TARANAKI STADIUM TRUST

The Taranaki Stadium Trust is a charitable trust and a council-controlled organisation under the *Local Government Act 2002*. The Taranaki Stadium Trust (formerly the Yarrow Stadium Trust) was established in November 1999 to own and operate the then new Yarrow Stadium (the revamped former Rugby Park).

The Council supports the long-term maintenance and development of Yarrow Stadium through the Taranaki Stadium Trust (the 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 2012/2013 year involved a significant level of positive change for the Trust. The Trust, the New Plymouth District Council and the Taranaki Regional Council have entered into a partnership arrangement for the operation and development/enhancement of the Yarrow Stadium facilities. A new management agreement has been entered into between the Trust and the New Plymouth District Council. Under the management agreement, the New Plymouth District Council will operate and fund the operations of Yarrow Stadium.

The Taranaki Regional Council will fund, via the Trust, the long-term maintenance and development of Yarrow Stadium. The funding for long-term maintenance and development has not previously been available on a systematic basis. The securing of this funding assists in maintaining Yarrow Stadium as a premier regional sports and events venue.

To facilitate this new arrangement, control of the Trust was transferred from the New Plymouth District Council to the Taranaki Regional Council. At the same time, the Trust was renamed as the Taranaki Stadium Trust.

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

TO ENSURE APPROPRIATE MANAGEMENT AGREEMENTS ARE IN PLACE FOR 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. Governance control of the Taranaki Stadium Trust transferred from the New Plymouth District Council to the Taranaki Regional Council on 27 June 2013.

TO ENSURE THE MAINTENANCE AND REPLACEMENT OF THE STADIUM ASSETS ARE ADEQUATELY PROVIDED FOR.

	2012/2013 Actual \$	2012/2013 Target \$	2012/2013 Variance \$
Net profit/(loss)	2,353,469	(263,000)	2,616,469
Net profit/(loss) excluding depreciation	2,956,292	237,000	2,719,292
Equity	23,802,182	16,567,000	7,235,182

The positive unbudgeted net profit variance is due to control of the Trust being transferred from the New Plymouth District Council to the Taranaki Regional Council on 27 June 2013. Subsequently, \$2.1m of stadium assets were vested from the NPDC and \$876k of annual funding for the future maintenance and development of the stadium was transferred from the TRC. Following on, net equity is \$7.2m higher than the target.

SIGNIFICANT POLICIES AND OBLIGATIONS ON OWNERSHIP AND CONTROL OF COUNCIL-CONTROLLED ORGANISATIONS

Control of the Trust was transferred from the New Plymouth District Council to the Taranaki Regional Council on 27 June 2013 (for no consideration). At the same time, the Trust was renamed as the Taranaki Stadium Trust. With the transfer of control of the Trust to the Taranaki Regional Council, the two Trustees (Mr Barry Rollo and Mr Frank Versteeg) retired. The Taranaki Regional Council then appointed Councillor Craig Williamson and Director-Corporate Services Mr Michael Nield as Trustees. The Council-appointed Trustees hold 100% of the voting rights.

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.

Refer to Note 30 for further information on the acquisition of the Taranaki Stadium Trust.

COSTS AND SOURCES OF FUNDS

	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$	2010/2011 Actual \$
Expenditure				
Regional gardens	2,053,650	2,095,756	2,061,516	1,896,610
Puke Ariki	175,000	150,000	150,000	150,000
Yarrow Stadium	876,000	876,000	0	0
Total expenditure	3,104,650	3,121,756	2,211,516	2,046,610
Income				
General rates	1,549,365	1,549,369	1,376,812	1,242,321
Targeted rates	330,951	331,632	335,020	333,810
Direct charges	164,206	177,000	164,736	91,767
Investment funds	1,060,128	1,063,755	669,968	712,522
Total income	3,104,650	3,121,756	2,546,536	2,380,420
Operating surplus/(deficit)	0	0	335,020	333,810
Capital expenditure				
Land	-	-	-	-
Buildings	629,155	853,000	72,407	-
Motor vehicles	-	82,000	83,469	36,850
Plant and equipment	76,619	82,000	81,820	47,591
Office furniture	-	-	-	-
Computer equipment	-	-	-	-
Flood and river control assets	-	-	-	-
Computer software	-	-	-	-
Total capital expenditure	705,774	1,017,000	237,696	84,441
Funded by:				
Transfer from retained earnings	705,774	1,017,000	237,696	84,441
Total funding	705,774	1,017,000	237,696	84,441
Capital expenditure:				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	-	-	-
—to replace existing assets	705,774	1,017,000	237,696	84,441
Total capital expenditure	705,774	1,017,000	237,696	84,441
Gross proceeds from the sale of assets	-	19,000	18,704	8,527
Depreciation/amortisation expense	253,861	293,199	233,050	209,817

ASSET ACQUISITIONS AND REPLACEMENTS

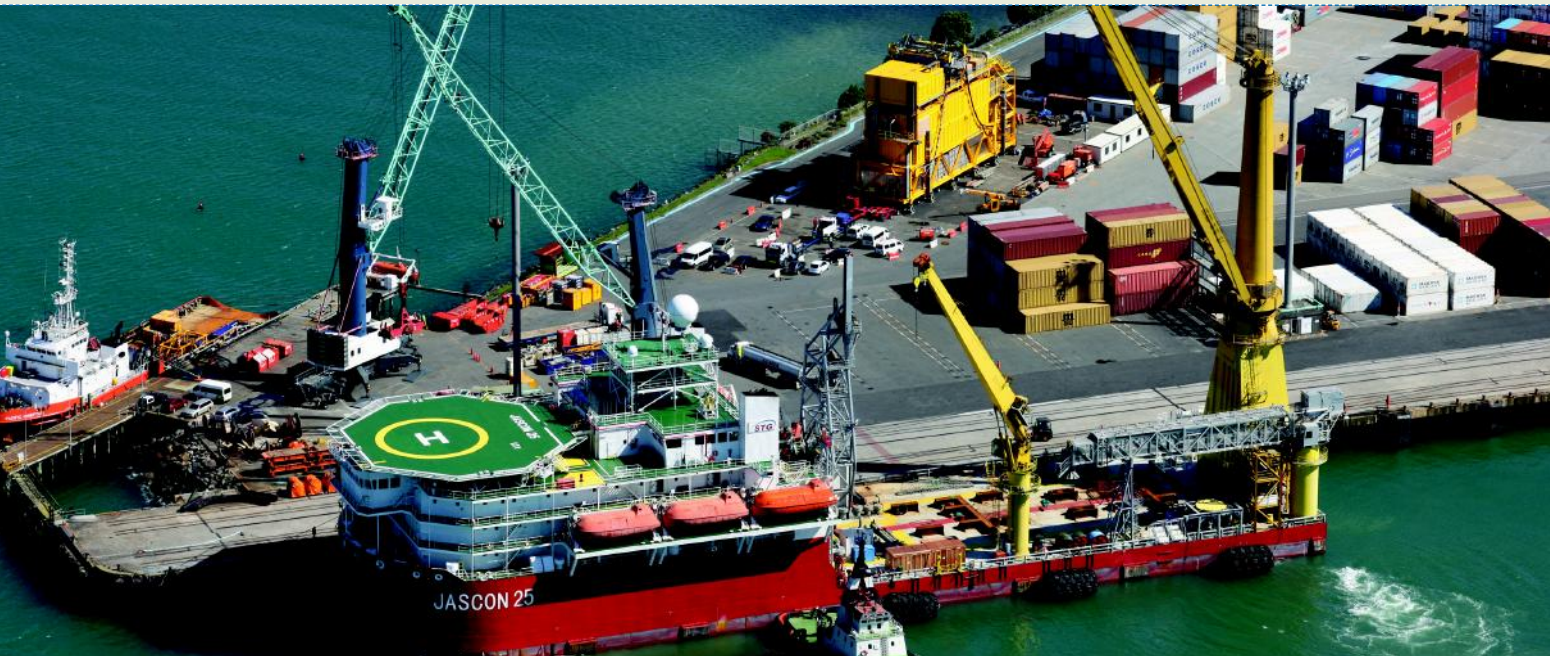
A budget of \$545,000 was provided for the construction and fit out of a new visitor and information centre at Hollard Gardens. The work began in mid November and was completed at the end of June 2013. This building to be known as the 'Hollard's Centre' is sited on the old house site on a prominent rise in the Old Garden. The fit out, landscaping and pathway reconfiguration are on schedule for completion prior to the official opening by the Governor General in September 2013. Total spend to 30 June 2013 was \$466,290.

\$115,000 was provided for wastewater treatment at Pukeiti. This work was completed within budget at \$109,320.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT



DESCRIPTION

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

Investment management—ensuring that the equity, property and treasury investments owned by the Council are efficiently managed—refer to levels of service 3 and 4.

Public information—promoting community awareness and understanding of the Council's functions and activities, and making quality and timely information publicly available.

Advocacy and response—advocating and responding, on behalf of the Taranaki community, to initiatives proposed by other agencies, when those initiatives affect the statutory responsibilities of the Council or relate to matters of regional significance, which are of interest or concern to the people of Taranaki—refer to level of service 2.

Governance—facilitating public representation by the Council and its committees in accordance with statutory requirements—refer to level of service 1.

Contribution to community outcomes

The *Regional representation, advocacy and investment management* group of activities contributes to community outcomes 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 the Council's activities; and ensuring that the equity, property

and treasury investments owned by the Council are managed efficiently.

Specifically this group of activities contributes to the following community outcomes:

- **Prosperous Taranaki**
- **Sustainable Taranaki**
- **Connected Taranaki**
- **Together Taranaki**

The Council maintained public representation through its Council and committee structures and processes which were carried out in accordance with statutory requirements.

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

The Council's property and treasury investments were efficiently managed with maximum returns sought from treasury investments in accordance with the Council's *Investment Policy*.

Returns from investments and Port Taranaki Ltd reduce the Council's 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*.

The Council implemented a programme of information transfer and advice and education on the Council's activities including publishing 4 editions of the *Recount* newsletter, working with 331 classes involving 11,002 students and hosting visitors to the Council's display areas. The Council held five teacher workshops and distributed additional resources to teachers. Sixteen environmental awards for 2012/2013 were presented in July 2013.

The *Public information* activity promotes community awareness and understanding of the Council's functions and activities which contributes to a *Prosperous, Sustainable and Together Taranaki*.

The Council made 28 submissions to the policy initiatives of other agencies. The number of submissions made in 2012/2013 was the largest number of submissions made in several years and reflects, in particular, significant 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.

The Council was also involved in various national or regional working parties or other fora to advise on or respond to policy development.

The Council's 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

[1] Effective, open and transparent democratic Council processes

Measure: Completion of statutory public accountability processes.

Target (Years 1-10): Completion of statutory planning and reporting documents (Long-Term Plan, Annual Plans and Annual Reports) within statutory requirements.

Baseline: Statutory planning and reporting accountability documents have all previously been prepared within statutory requirements and timeframes.

Statutory planning and reporting accountability documents have all been prepared within statutory requirements and timeframes. The *2011/2012 Annual Report* was adopted on 18 September 2012. The draft *2013/2014 Annual Plan* was adopted by the Council for public consultation on 5 March 2013. Following public consultation the *2013/2014 Annual Plan* was adopted on 13 May 2013.

Measure: Successful completion of triennial local authority elections.

Target (Years 1-10): Conduct of triennial local authority elections without any need for re-conduct of the elections as a result of judicial review.

Baseline: Elections have been conducted every three years. There have been no judicial reviews or a need to re-conduct any election. Elections were successfully undertaken in October 2010.

The 2010 local authority elections were held in October 2010. The elections were successfully completed with no appeals or judicial reviews held. The next local authority elections are in October 2013.

Measure: All Council meetings conducted in compliance with statutory requirements.

Target (Years 1-10): Meetings conducted in accordance with *Standing Orders*, agendas publicly available at least 48 hours before a meeting and minutes prepared and adopted for all meetings.

Baseline: It has always been Council practice for meetings to be conducted in accordance with *Standing Orders*, agendas to be publicly available at least 48 hours before meetings and minutes to be prepared and adopted for all meetings.

All Council meetings were conducted in accordance with *Standing Orders*. Agendas are publicly available at least 48 hours before each meeting and minutes are prepared and adopted for all meetings.

Programmed level of service

Reported level of service

[2] Effective advocacy on behalf of the Taranaki community on matters that affect the statutory responsibilities of the Council or that relate to matters of regional significance which are of interest or concern to the people of Taranaki

Measure: Level of advocacy undertaken.

Target (Years 1-10): Approximately 20 submissions made per year, with evidence of successful advocacy in most cases.

Baseline: In 2010/2011, the Council made 19 submissions with anecdotal evidence of successful advocacy.

Made 28 (18) submissions to the policy initiatives of other agencies with evidence of successful advocacy on many of the submissions. The number of submissions made each year reflects in large part the number of policy initiatives generated by other agencies. However, the level of resources committed by the Council to its advocacy and response activities also reflects the nature, scale and complexity of the proposals or initiatives being responded to. The number of submissions made in 2012/2013 was the largest number of submissions made in several years and reflects, in particular, significant 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. Examples in the 2012/2013 year included submissions of the *Local Government Act 2002 Amendment bill*, *Land Transport Management Act Amendment Bill*, *Resource Management Reform Bill*, proposals for further reform of New Zealand's resource management system and freshwater management and proposed national policy directions for pest management plans.

[3] Port Taranaki Ltd ownership as a strategic investment

Measure: The role of Port Taranaki Ltd in regional economy.

Target (Years 1-10): Maintain or increase the contribution from Port Taranaki Ltd to the regional economy.

Baseline: The contribution to the wider community was measured in 2007 and the estimated total economic impact of Port Taranaki is \$604 million to output, \$290 million to GDP, and the employment of 1,485 full time equivalents.

The contribution to the wider community was measured in 2012 and the estimated Port dependent activity contributes \$465 million to regional gross domestic product (GDP) and employs 1,270 full time equivalents (FTEs). Industries that utilize the Port collectively contribute \$2.5 billion to regional GDP and employ 11,700 FTEs.

Measure: The financial and operational performance of Port Taranaki Ltd.

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.

Baseline: Port Taranaki Ltd's financial and operational performance is reviewed, in terms of the statement of corporate intent, twice a year.

Port Taranaki Ltd's performance was reviewed when considering their *2011/2012 Annual Report* at the Council's Ordinary Meeting on 18 September 2012. The half-year results to 31 December 2012 were reviewed and considered by the Council on 9 April 2013. Performance against standards set in the statement of corporate intent is reported on below.

[4] Effective management of property and treasury investments owned by the Council

Measure: Investment returns from property and treasury investments on general rates.

Target (Years 1-10): Maintain or increase the level of investment returns used to reduce each year's general rates requirement.

Baseline: Between 2009/2010 and 2010/2011, the level of investment returns increased by 26.73%.

Total investment returns from property and treasury investments in 2012/2013 were interest \$987,121 (\$945,622—2011/2012) and lease rent \$736,402 (\$783,444). This represented a 0.32% (1.52%) reduction over last year. These returns were used to reduce the general rate requirement.

ACTIVITIES

Programme	2012/2013 actual performance	Programmes and performance measures set in Port Taranaki Ltd's statement of corporate intent	2012/2013 actual performance 2011/2012 actual performance)
[1] Investment management			
Consider Port Taranaki's annual statement of corporate intent and monitor performance against established targets on an annual basis.	The statement of corporate intent for 2012/2015 was considered by the Council on 7 August 2012. Port Taranaki Ltd's performance was reviewed when considering their <i>2011/2012 Annual Report</i> at the Council's Ordinary Meeting on 18 September 2012. The half-year results to 31 December 2012 were reviewed and considered by the Council on 9 April 2013.	Return on average total assets (Target 4.79%)	5.30% (6.63%)
		Return on average shareholder's funds (Target 6.66%)	7.48% (4.85%)
		Wharf utilisation (berth occupancy):	
		Moturoa (Target 30—45%)	25% (32%)
		Newton King Tanker Terminal (Target 20—35%)	28% (25%)
		Blyde 1 & 2 (Target 15—30%)	15% (20%)
		Main Breakwater (Target 30—50%)	54% (41%)
Undertake on-going liaison with port company directors and management.	Regular formal and informal briefings and discussions occurred between the Board and the Council throughout 2012/2013.	Health and safety. Eliminate all work-related accidents.	Twenty-three work related accidents, of which 5 resulted in 11 days lost time (23 work-related accidents, of which 3 resulted in 31 lost days).
Manage and, where appropriate, divest leasehold land in accordance with the Council's <i>Investment Policy</i> .	Renewed 2 leases (1—2011/2012). No leasehold land was divested during the year. Achieved a 4.53% (4.81%) return from leasehold land rentals.		
Manage and maximise the returns from treasury investments in accordance with the Council's <i>Investment Policy</i> .	All treasury investments were in accordance with the Council's <i>Investment Policy</i> . Achieved a 6.38% (6.70%) return from treasury investments.		

Programme **2012/2013 actual performance**

[2] Public information

Publish and distribute regular editions (4 per annum) of the *Recount* newsletter to over 1,000 stakeholders.

Published 4 editions of the external newsletter *Recount* (5—2012/2013) to over 1,000 key stakeholders.

Maintain the Council's websites.

All Council's websites maintained.

Implement the Council's environmental awards programme.

The environmental awards programme was reviewed and awards were presented in July 2013 to 16 recipients.

Provide an on-going resource management programme for school children and the wider community including presenting class visits or field trips and hosting visitors to the Council's display areas.

Distributed 4 (4) issues of the *SITE (Schools in the Environment)* newsletter. Carried out 331 (200) class visits involving 11,002 (6,043) students. There were 585 (595) visitors to the Council display areas. Five (4) teacher workshops and 25 (15) staff meetings were facilitated.

[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 28 submissions (18—2011/2012). Twenty-eight (18) submissions were made in 2012/2013 many of which involved large or technically or legally complex documents requiring thorough analysis and careful and considered response.

Examples in the 2012/2013 year included submissions of the *Local Government Act 2002 Amendment bill*, *Land Transport Management Act Amendment Bill*, *Resource Management Reform Bill*, proposals for further reform of New Zealand's resource management system and freshwater management and proposed national policy directions for pest management plans.

Programme **2012/2013 actual performance**

[4] Governance

Complete preparation/full reviews and interim reviews of local government policies, plans and strategies.

Statutory planning and reporting accountability documents have all been prepared within statutory requirements and timeframes. The *2011/2012 Annual Report* was adopted on 18 September 2012. The draft *2013/2014 Annual Plan* was adopted by the Council for public consultation on 5 March 2013. Following public consultation the *2013/2014 Annual Plan* was adopted on 13 May 2013.

Preparation of agendas and meetings in accordance with *Local Government Official Information and Meetings Act 1987*.

Agendas are publicly available at least 48 hours before each meeting and minutes are prepared and adopted for all meetings.

Conduct of meetings in accordance with *Standing Orders* and the *Local Government Official Information and Meetings Act 1987*.

All Council meetings conducted in accordance with adopted Standing Orders.

Successful conduct of triennial local authority elections in 2013, 2016 and 2019.

The 2010 local authority elections were held in October 2010. The elections were successfully completed with no appeals or judicial reviews held. The next local authority elections are in October 2013.

COSTS AND SOURCES OF FUNDS

	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$	2010/2011 Actual \$
Expenditure				
Investment management	558	6,000	7,761	0
Public information	155,613	185,772	167,400	164,114
Advocacy and response	204,460	133,724	39,787	12,754
Governance	762,331	770,643	768,979	812,107
Total expenditure	1,122,962	1,096,139	983,927	988,975
Income				
General rates	635,095	635,098	555,530	694,218
Direct charges	20,563	25,000	24,865	24,843
Investment funds	467,305	436,041	403,532	269,914
Total income	1,122,962	1,096,139	983,927	988,975
Operating surplus/(deficit)	0	0	0	0
Capital expenditure				
Land	-	-	-	-
Buildings	4,077	-	-	-
Motor vehicles	290,850	278,000	54,509	132,941
Plant and equipment	8,347	-	36,928	257,615
Office furniture	9,550	60,000	3,679	10,092
Computer equipment	124,088	100,000	86,446	69,621
Flood and river control assets	-	-	-	-
Computer software	209,280	525,000	357,108	4,590
Total capital expenditure	646,192	963,000	538,670	474,859
Funded by:				
Transfer from retained earnings	646,192	963,000	538,670	474,859
Total funding	646,192	963,000	538,670	474,859
Capital expenditure:				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	-	-	-
—to replace existing assets	646,192	963,000	538,670	474,859
Total capital expenditure	646,192	963,000	538,670	474,859
Gross proceeds from the sale of assets	64,000	49,000	1,950	17,392
Depreciation/amortisation expense	556,582	718,749	588,529	619,496

ASSET ACQUISITIONS AND REPLACEMENTS

There were no significant asset acquisitions planned for or undertaken within this group of activities.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.

FINANCIAL STATEMENTS

The following pages present the financial results of the Council for the 2012/2013 year compared against the budgets set for 2012/2013 in the *2012/2012 Long-Term Plan* and the results achieved in 2011/2012 and 2010/2011. In particular, the following information is presented:

- the practices and assumptions used in preparing the financial information
- where the Council's 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.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

Group			Notes	Council			
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$		2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$	2010/2011 Actual \$
Continuing operations							
Cost of services							
11,165,492	9,993,888	9,009,321		11,177,658	10,715,909	9,993,888	9,009,321
1,962,629	1,988,631	2,137,366		1,962,630	2,097,677	1,988,631	2,137,366
3,076,271	3,259,001	3,140,731		3,104,271	3,519,094	3,298,418	3,177,999
1,055,465	1,281,238	1,260,079		1,055,465	1,270,117	1,281,238	1,260,079
2,275,226	2,211,516	2,046,610		3,104,650	3,121,756	2,211,516	2,046,610
1,122,962	983,927	988,975		1,122,962	1,096,139	983,927	988,975
32,754,129	32,561,784	31,555,785		-	-	-	-
53,412,175	52,279,985	50,138,867		21,527,636	21,820,692	19,757,618	18,620,350
Income							
7,184,623	7,184,623	6,855,556		7,184,623	7,184,623	7,184,623	6,855,556
1,658,731	1,568,340	1,462,148		1,658,731	1,659,411	1,568,340	1,462,148
7,449,182	5,662,040	4,834,040		7,456,876	6,412,864	5,678,272	4,847,105
1,560,592	1,615,022	1,549,679		1,560,592	1,829,926	1,615,022	1,549,679
-	-	-		2,950,000	2,950,000	2,200,000	1,850,000
924,857	912,999	952,126		959,737	929,938	947,879	973,426
2,123,546	-	-		-	-	-	-
-	-	2,552,868		-	-	-	2,552,868
20,845,890	-	-		-	-	-	-
(33,500)	(278,000)	522,000		(33,500)	-	(278,000)	522,000
44,918,058	41,241,847	39,183,229		-	-	-	-
86,631,979	57,906,871	57,911,646		21,737,059	20,966,762	18,916,136	20,612,782
33,219,804	5,626,886	7,772,779		209,423	(853,930)	(841,482)	1,992,432
998,135	977,133	1,006,642	2	987,121	919,106	954,622	945,895
1,461,922	2,318,561	2,931,218	2	-	-	-	-
(463,787)	(1,341,428)	(1,924,576)		987,121	919,106	954,622	945,895
32,756,017	4,285,458	5,848,203		1,196,545	65,176	113,140	2,938,327
3,244,453	2,008,310	1,636,038	4	-	-	-	-
29,511,564	2,277,148	4,212,165		1,196,545	65,176	113,140	2,938,327
29,511,564	2,277,148	4,212,165	2, 3	1,196,545	65,176	113,140	2,938,327
Other comprehensive income							
Items that may be reclassified subsequently to profit and loss when specific conditions met.							
12,813,364	210,272	596,539		448,395	-	210,272	596,539
634,366	-	-		-	-	-	-
13,447,730	210,272	596,539		448,395	-	210,272	596,539
42,959,295	2,487,420	4,808,704	2	1,644,940	65,176	323,412	3,534,866

The variance between the actual net operating surplus and that budgeted for is explained in detail in Note 3. This statement should be read in conjunction with the *Summary of accounting policies* and the *Notes to the financial statements*.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

Council	Notes	Retained earnings \$	Reserves \$	Asset revaluation reserves \$	Cash flow hedge reserve \$	Total equity \$
As at 1 July 2010	16	59,242,379	9,459,190	2,236,876	-	70,938,445
Changes in equity for 2010/2011						
Total comprehensive income for the period		2,938,327	-	596,539	-	3,534,866
Transfers to and from reserves	16	1,012,540	(1,012,540)	-	-	-
As at 30 June 2011	16	63,193,246	8,446,650	2,833,415	-	74,473,311
Changes in equity for 2011/2012						
Total comprehensive income for the period		113,140	-	210,272	-	323,412
Transfers to and from reserves	16	(124,593)	124,593	-	-	-
As at 30 June 2012	16	63,181,793	8,571,243	3,043,687	-	74,796,723
Changes in equity for 2012/2013						
Total comprehensive income for the period		1,196,545	-	448,395	-	1,644,940
Recognition of Okato River Flood Control Scheme assets	29	342,000	-	-	-	342,000
Transfers to and from reserves	16	(268,022)	268,022	-	-	-
As at 30 June 2013	16	64,452,316	8,839,265	3,492,082	-	76,783,663

Group	Notes	Retained earnings \$	Reserves \$	Asset revaluation reserves \$	Cash flow hedge reserve \$	Total equity \$
As at 1 July 2010	16	84,240,282	9,459,190	38,848,709	-	132,548,181
Changes in equity for 2010/2011						
Total comprehensive income for the period		4,212,165	-	596,539	-	4,808,704
Transfers to and from reserves	16	1,012,540	(1,012,540)	-	-	-
As at 30 June 2011	16	89,464,987	8,446,650	39,445,248	-	137,356,885
Changes in equity for 2011/2012						
Total comprehensive income for the period		2,277,148	-	210,272	-	2,487,420
Transfers to and from reserves	16	(124,593)	124,593	-	-	-
As at 30 June 2012	16	91,617,542	8,571,243	39,655,520	-	139,844,305
Changes in equity for 2012/2013						
Total comprehensive income for the period		29,511,564	-	12,813,364	634,366	42,959,294
Recognition of Okato River Flood Control Scheme assets	29	342,000	-	-	-	342,000
Transfers to and from reserves	16	(268,022)	268,022	-	-	-
As at 30 June 2013	16	121,203,084	8,839,265	52,468,884	634,366	183,145,599

This statement should be read in conjunction with the *Summary of accounting policies* and the *Notes to the financial statements*.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

Group			Notes	Council			
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$		2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$	2010/2011 Actual \$
Current assets							
2,152,810	2,699,957	5,400,233	6	556,154	1,230,357	2,238,425	2,405,635
1,415,534	500,000	-	11	1,415,534	-	500,000	-
7,803,006	9,776,149	6,783,957	7	3,261,186	2,000,000	3,170,693	2,315,487
614,605	522,525	497,683	8	144,603	-	59,676	26,406
1,005,000	-	-	12	1,005,000	-	-	-
328,475	144,233	171,988		101,567	550,000	89,411	97,668
552,004	340,350	306,600		552,004	100,000	340,350	306,600
13,871,433	13,983,214	13,160,461		7,036,047	3,880,357	6,398,555	5,151,796
Non current assets							
12,901,429	12,930,798	13,457,975	11	12,901,429	13,057,975	12,930,798	13,457,975
-	-	-	11	26,000,000	26,000,000	26,000,000	26,000,000
1,000	1,000	1,000	11	1,000	1,000	1,000	1,000
697,500	-	-	11	697,500	805,000	-	-
15,242,500	16,281,000	16,559,000	12	15,242,500	16,559,000	16,281,000	16,559,000
1,443,091	1,706,002	1,884,984	10	601,987	1,284,319	479,797	285,634
187,828,869	136,475,039	140,905,772	9	18,413,741	17,507,579	17,463,936	16,918,664
634,366	-	-		-	-	-	-
218,748,755	167,393,839	172,808,731		73,858,157	75,214,873	73,156,531	73,222,273
232,620,188	181,377,053	185,969,192		80,894,204	79,095,230	79,555,086	78,374,069
Current liabilities							
5,387,482	5,993,108	4,810,506	13	1,844,332	1,700,000	2,446,497	1,985,640
2,567,877	2,431,010	2,083,935	14	989,433	450,000	901,692	701,178
663,776	839,295	627,270		663,776	700,000	839,295	627,270
44,438	215,839	489,624	15	-	-	-	-
1,012,354	1,446,266	755,140	4	-	-	-	-
9,675,927	10,925,518	8,766,475		3,497,541	2,850,000	4,187,484	3,314,088
Non current liabilities							
663,000	824,000	924,000	13	-	-	-	-
1,585,000	1,524,879	1,417,670	14	613,000	600,000	570,879	586,670
881,912	1,214,601	2,059,040	5	-	-	-	-
36,668,750	27,043,750	35,445,122	15	-	-	-	-
39,798,662	30,607,230	39,845,832		613,000	600,000	570,879	586,670
49,474,589	41,532,748	48,612,307		4,110,541	3,450,000	4,758,363	3,900,758
Public equity							
121,203,084	91,617,542	89,464,987	16	64,452,316	64,423,841	63,181,793	63,193,246
8,839,265	8,571,243	8,446,650	16	8,839,265	8,387,974	8,571,243	8,446,650
52,468,884	39,655,520	39,445,248	16	3,492,082	2,833,415	3,043,687	2,833,415
634,366	-	-	16	-	-	-	-
183,145,599	139,844,305	137,356,885	16	76,783,663	75,645,230	74,796,723	74,473,311
232,620,188	181,377,053	185,969,192		80,894,204	79,095,230	79,555,086	78,374,069

This statement should be read in conjunction with the *Summary of accounting policies* and the *Notes to the financial statements*.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

Group			Council					
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$	Notes	2012/2013 Actual \$	2012/2013 Budget \$	2011/2012 Actual \$	2010/2011 Actual \$	
Cash flow from operating activities								
Cash was provided from:								
8,843,354	8,752,963	8,317,705		8,843,354	8,844,034	8,752,963	8,317,705	
1,025,639	949,223	1,315,879		1,014,974	919,106	926,545	1,255,300	
-	-	-		2,950,000	2,950,000	2,200,000	1,850,000	
-	-	-		-	-	-	-	
63,132,406	51,761,950	52,241,299		9,342,737	9,172,728	6,566,352	6,738,660	
73,001,399	61,464,136	61,874,883		22,151,065	21,885,868	18,445,860	18,161,665	
Cash was applied to:								
52,719,219	45,870,737	45,162,218		20,777,775	19,207,884	16,081,968	15,968,818	
4,011,055	2,161,623	1,683,714		-	-	-	-	
4,648	852,637	608,855		136,273	320,000	852,637	608,855	
1,633,323	2,592,346	2,761,239		-	-	-	-	
58,368,245	51,477,343	50,216,026		20,914,048	19,527,884	16,934,605	16,577,673	
14,633,154	9,986,793	11,658,857	Net cash flow from operating activities	21	1,237,017	2,357,984	1,511,255	1,583,992
Cash flow from investing activities								
Cash was provided from:								
-	27,176	578,100		-	600,000	27,176	578,100	
238,236	502,207	152,701		205,131	241,500	156,809	64,665	
	529,383	730,801		205,131	841,500	183,985	642,765	
Cash was applied to:								
886,164	-	-		886,164	-	-	-	
48,000	-	-		-	-	-	-	
24,173,076	4,815,080	5,924,232		2,238,255	3,766,700	1,862,450	2,170,929	
25,107,240	4,815,080	5,924,232		3,124,419	3,766,700	1,862,450	2,170,929	
(24,869,004)	(4,285,697)	(5,193,431)	Net cash flow outflow from investing activities		(2,919,288)	(2,925,200)	(1,678,465)	(1,528,164)
Cash flow from financing activities								
Cash was provided from:								
9,625,000	-	-		-	-	-	-	
Cash was applied to:								
-	8,401,372	3,856,098		-	-	-	-	
-	8,401,372	3,856,098		-	-	-	-	
9,625,000	(8,401,372)	(3,856,098)	Net cash outflow from financing activities		-	-	-	
(610,851)	(2,700,276)	2,609,328	Net increase/(decrease) in cash and cash equivalents		(1,682,271)	(567,216)	(167,210)	55,828
63,704	-	-		-	-	-	-	
2,699,957	5,400,233	2,790,905		2,238,425	1,797,573	2,405,635	2,349,807	
2,152,810	2,699,957	5,400,233	Closing cash and cash equivalents	6	556,154	1,230,357	2,238,425	2,405,635

This statement should be read in conjunction with the *Summary of accounting policies* and the *Notes to the financial statements*.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF ACCOUNTING POLICIES

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), Taranaki Stadium Trust (100% controlled) and Regional Software Holdings Ltd (15.5% owned). 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 primary objective of Taranaki Regional Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Taranaki Regional Council has designated itself and the Group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Taranaki Regional Council are for the year ended 30 June 2013. The financial statements were authorised for issue by Council on 23 September 2013.

BASIS OF PREPARATION

The financial statements of the Taranaki Regional Council Group have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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 financial statements are presented in New Zealand dollars. The functional currency of Taranaki Regional Council is New Zealand dollars.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

STANDARDS AND INTERPRETATION ISSUED AND NOT YET ADOPTED

In the current year the Group has adopted all of the Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and ASRB that are relevant to its operations and effective for the current reporting period.

At the date of authorisation of the financial report, the following Standards and Interpretations were on issue but not yet effective:

	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
"New" Accounting Standards Framework – For-profit Entities XRB A1 Accounting Standards Framework.	1 December 2012	30 June 2013
NZ IFRS 10 Consolidated Financial Statements, NZ IAS 27 Separate Financial Statements (revised 2011), NZ IAS 28 Investments in Associates and Joint Ventures (revised 2011).	1 January 2013	30 June 2014
Amendments to NZ IFRS 10 Consolidated Financial Statements, NZ IFRS 12 Disclosure of Interests in Other Entities and NZ IAS 27 Separate Financial Statements – Investment Entities.	1 January 2014	30 June 2015
Amendments to NZ IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities.	1 January 2013	30 June 2014
Annual Improvements to NZ IFRSs: 2009-2011 Cycle.	1 January 2013	30 June 2014
Amendments to NZ IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities.	1 January 2014	30 June 2015
Amendments to NZ IAS 36 Impairment of assets – Recoverable Amount Disclosures.	1 January 2014	30 June 2015
Amendment to NZ IAS 39 Financial Instruments: Recognition and Measurement – Novation of Derivatives.	1 January 2014	30 June 2015
NZ IFRS 12 - Disclosure of Interests in Other Entities.	1 January 2013	30 June 2014
NZ IFRS 13 - Fair Value Measurement.	1 January 2013	30 June 2014
NZ IAS 19 - Employee Benefits – Amendments.	1 January 2013	30 June 2014

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed

by the External Reporting Board (XRB). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. This means the Council expects to transition to the new standards in preparing its 30 June 2015 financial statements.

The XRB and New Zealand Accounting Standards Board (NZASB) are proposing changes to the accounting standards that apply, distinguishing between 'for-profit' entities, public benefit entities (PBEs) in the public sector and PBEs that are not-for-profit. The Council falls into the category of PBE.

A new suite of standards (PBE International Public Sector Accounting Standards) were approved for PBEs on 23 May 2013 and will be applicable to the public sector for reporting periods beginning on or after 1 July 2014. Early adoption is not permitted to ensure consistency of reporting in the public sector.

Although the new standards apply to reporting periods beginning on or after 1 July 2014, comparative information will be required which means an opening balance sheet will need to be established at 1 July 2013. In addition, budgeted information for the 2014/2015 year will need to be prepared by Council in accordance with the new standards ahead of 1 July 2014.

The Council is unable to assess the implications of the new Accounting Standards Framework at this time.

SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

SUBSIDIARIES

Taranaki Regional Council consolidates its subsidiaries where the Taranaki Regional Council has the capacity to control its financing and operating policies so as to obtain benefits from the activities of the subsidiary.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Council obtains control and until such time as the Council ceases to control the subsidiary.

ASSOCIATES

Associates are those entities in which the Council has significant influence, but not control, over the financial and operating policies. The financial statements include the Council's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Council's share of losses exceeds its interest in the associate, the Council's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Council has incurred legal or constructive obligations or made payments on behalf of the associate.

BASIS OF CONSOLIDATION

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the

consolidated entity, being the Taranaki Regional Council (the parent entity) and its subsidiaries (Port Taranaki Ltd and Taranaki Stadium Trust) as defined in NZ IAS-27 'Consolidated and Separate Financial Statements'. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceed the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

In preparing the consolidated financial statements, all inter-company balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

REVENUE

Revenue is measured at the fair value of consideration received.

Rates revenue. Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when invoices are issued.

Other revenue. Government grants are assistance by the government in the form of transfers of resources to the Council in return for past or future compliance with certain conditions relating to operating activities. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Council other than the requirement to operate in certain regions or industry sectors. Government grants relating to income are recognised as income when the conditions to receive the grant have been met. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the consolidated entity with no future related costs are recognised as income of the period in which it becomes receivable.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Direct charges. Sales of goods are recognised when the Council has transferred to the buyer the significant risks and rewards of ownership of the goods or services. The recorded revenue is the gross amount of the sale, including fees payable for the transaction. Such fees are included in other expenses.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Taranaki Regional Council are recognised as revenue when control over the asset is obtained.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

INCOME TAX

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the surplus or deficit in the *Statement of Comprehensive Income* except to the extent that it relates to items of other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the comprehensive balance sheet liability method, for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxation assets attributable to tax losses or deductible temporary differences are recognised when realisation is probable. Deferred taxation liabilities attributable to taxable temporary differences are amounts of income taxes payable in future periods. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Deferred tax assets and liabilities are calculated using the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted at balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognised as an expense in the profit or loss except when it relates to items of other comprehensive income. Deferred taxation assets and liabilities can be offset when they relate to income taxes levied by the same taxation authority.

FOREIGN CURRENCY

Transactions in foreign currencies are converted at the exchange rate ruling at the date of the transaction. At balance date all foreign currency monetary assets and liabilities are translated to New Zealand dollars using the prevailing spot rate of the day. Any gain or loss is recognised in the profit or loss in the reported financial period in which they arise.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the *Statement of Financial Position*.

INVENTORIES

Stocks of riparian plants are valued at the lower of weighted average cost or net realisable value. Stocks of maintenance materials and supplies are valued at the lower of weighted average cost or net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. The write down from cost to net realisable value is recognised in the surplus or deficit in the *Statement of Comprehensive Income*.

FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are recognised in the Council's *Statement of Financial Position* when the Council becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the surplus or deficit in the *Statement of Comprehensive Income*.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council and Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council and Group has transferred substantially all the risks and rewards of ownership.

The Council and Group classifies its financial assets into the following categories: fair value through profit or loss, held-to-maturity investments, loans and receivables and fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition. Refer to Note 22 where assets and liabilities have been classified.

Fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. The Council and Group's financial assets at fair value through profit or loss include derivatives that are not designated as hedges. After initial recognition they are measured at their fair values with gains or losses on remeasurement recognized in the surplus or deficit in the *Statement of Comprehensive Income*.

Held-to maturity investments

Held-to-maturity investments, such as corporate bonds, are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. They are measured at initial recognition at fair value plus transaction costs, and subsequently carried at amortised cost less impairment losses.

Loans and receivables

Loans and receivables, such as general loans and deposits, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at initial recognition, at fair value plus transaction costs, and subsequently carried at amortised cost less impairment losses.

Available for sale

Financial assets classified as available for sale are those that are designated as available for sale or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. The Council and Group's financial assets available for sale comprise investments that it intends to hold long-term but which may be realised before maturity and shareholdings that it holds for strategic purposes.

The Council's investment in Port Taranaki Ltd is not included in this category as it is held at cost as allowed by NZ IAS 27 *Consolidated and Separate Financial Statements*.

After initial recognition available for sale equity investments are measured at their fair value, with gains and losses recognized in other comprehensive income except for impairment losses, which are recognised in the surplus or deficit in the *Statement of Comprehensive Income*.

On derecognition the cumulative gain or loss previously recognised in other comprehensive income is recognised in the surplus or deficit in the *Statement of Comprehensive Income*.

Financial liabilities and equity

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Derivatives

A derivative is a financial instrument or contract whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, credit index or other variable. It requires no or a nominal initial investment and is settled at a later date.

During the year the Port Taranaki Ltd changed its policy on derivatives financial instruments. Port Taranaki Ltd will now be hedge accounting for derivatives instruments qualifying as a cash flow hedge. The change in policy will have no financial effect in the current or prior periods as there were no derivative instruments in place as at the prior period end.

Port Taranaki Ltd uses derivative financial instruments to hedge its exposure to foreign exchange, commodity and interest rate risks arising from operational, financing and investment activities. Port Taranaki Ltd does not hold or issue derivative financial instruments for trading purposes. Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

The Council and Group may enter into foreign currency forward exchange contracts, to hedge foreign currency transactions when purchasing major fixed assets and when payment is denominated in foreign currency. Gains and losses on such contracts are recognised in the profit or loss each year at balance date or date of completion by restating the liability to fair value at balance date or at the time of settlement.

Cash flow hedges: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the profit or loss with finance expenses.

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 forecast transaction occurs. When the hedged item is a nonfinancial asset, the amount recognised in the hedging reserve is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in the hedging reserve is transferred to the profit or loss in the same period that the hedged item affects the profit or loss.

At year end Port Taranaki Ltd had one derivative financial instrument in place (2012: Nil).

IMPAIRMENT OF ASSETS

At each reporting date, the Council and Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Council and Port Taranaki Ltd estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the surplus or deficit in the *Statement of Comprehensive Income* immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the surplus or deficit in the *Statement of Comprehensive Income* immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

PROPERTY, PLANT AND EQUIPMENT

These assets consist of:

- Operational assets. These include land, buildings, motor vehicles, plant & equipment, office furniture, computer equipment, maintenance and capital dredging, port installations, floating plant and bulk tanks.
- Infrastructure assets. These are fixed utility systems owned by the Regional Council such as the Waitara and Waiwhakahi River Flood Protection Scheme assets. Each asset type includes all items that are required for the network to function.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Taranaki Regional Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or

for a nominal cost, it is recognised at fair value as at the date of acquisition through the surplus or deficit in the *Statement of Comprehensive Income*. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Valuation

Unless otherwise stated valuations are carried out or reviewed by independent qualified valuers and are carried out at least on three yearly cycles. Valuations will be undertaken more regularly if necessary to ensure no individual item of property, plant and equipment within a class has a carrying value that is materially different from its fair value. The only classes of assets revalued are Council owned infrastructure assets (valued at depreciated replacement cost) and land owned by Port Taranaki Ltd (valued at fair value). All other classes of assets are held at cost.

Revaluation increases and decreases relating to individual assets within a class of assets are offset. Revaluation increases and decreases in respect of assets in different classes are not offset. Where the carrying amount of a class of assets is increased as a result of a revaluation, the net revaluation increase is credited to the revaluation reserve. The net revaluation increase shall be recognised in the surplus or deficit in the *Statement of Comprehensive Income* to the extent that it reverses a net revaluation decrease of the same class of assets previously recognised in the surplus or deficit in the *Statement of Comprehensive Income*. A net revaluation decrease for a class of assets is recognised in the surplus or deficit in the *Statement of Comprehensive Income*, except to the extent that it reverses a revaluation increase previously recognised in the revaluation reserve to the extent of any credit balance existing in the revaluation reserve in respect of the same class of asset.

Depreciation

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 50 yrs	2 to 20%
Motor vehicles	5 yrs	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	3 to 5 yrs	20 to 33%
Port installations	5 to 66 yrs	0.67 to 20%
Floating plant	3 to 25 yrs	4 to 33%
Resource consents	25 yrs	4%
Maintenance dredging	2 yrs	50%
Capital dredging	50 yrs	2%
Bulk tanks	5 to 25 yrs	4 to 20%

The residual value and the useful life of assets are reviewed at least annually.

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 Income*.

The cost of maintenance dredging incurred is expensed over the period of benefit through to the commencement of the next dredging campaign. The value of the unexpired portion of

maintenance dredging at balance date is reflected in property, plant and equipment.

INTANGIBLE ASSETS

Intangible assets acquired by the Council and Group comprise of computer software and are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the surplus or deficit in the *Statement of Comprehensive Income* on a straight-line basis over the estimated useful life of the intangible assets. The estimated useful lives are as follows:

Computer software	2 to 5 yrs	20 to 50%
-------------------	------------	-----------

RESEARCH AND DEVELOPMENT

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the surplus or deficit in the *Statement of Comprehensive Income* when incurred. Expenditure on developing the application of any research findings will only be capitalised if able to demonstrate all of the following conditions: It is technically feasible to complete so it will be available for sale or use, intended to be completed, able to be used or sold, will generate probable future economic benefits, there are adequate technical, financial and other resources to complete the development to use or sell, and can be measured reliably during its development.

INVESTMENT PROPERTY

Investment properties which are held to earn rental income and/or for capital appreciation are stated at fair value. An external, independent valuer revalues investment property portfolio on an annual basis. Any gain or loss arising from a change in the fair value of investment property is recognised in surplus or deficit for the period in which it arises. There is no depreciation on investment properties.

EMPLOYEE BENEFITS

Short-term benefits

Employee benefits that Taranaki Regional Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, sick leave and retiring and long service leave entitlements expected to be settled within 12 months.

Long-term benefits

The provision for long service leave and retirement gratuities has been calculated on an actuarial basis bringing to account what is likely to be payable in the future in respect of service that employees have accumulated up until the reporting date.

Defined benefit plans

Port Taranaki is a participating employer in the National Provident Fund Defined Benefit Plan Contributors Scheme (the Scheme) which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the Scheme, the employer could be responsible for the entire deficit of the Scheme. Similarly, if a number of employers ceased to participate in the Scheme, the employer could be responsible for an increased share of the deficit. The Group treats payments as expenses when incurred, similar to the treatment for defined contribution schemes as sufficient information is not available to use defined benefit accounting.

PROVISIONS

A provision is recognised in the *Statement of Financial Position* when the Council and Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

ACC PARTNERSHIP PROGRAMME

As a port operator, Port Taranaki Ltd is liable to pay residual claims levies to the ACC. The ACC actuary advises that the residual claims fund is expected to be fully funded by 2019. A provision is made at balance date reflecting the estimated amount payable through to 2019 based upon current residual levy rates. The assessed figure is discounted at the 10 year government bond rate to determine the final provision.

BORROWINGS

All loans and borrowings are initially recognised at fair value, net of transaction costs. Subsequent to the initial recognition, loans and borrowings are carried at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the surplus or deficit in the Statement of Comprehensive Income over the period of the borrowing using the effective interest rate method.

EQUITY

Equity is the community's interest in Taranaki Regional Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings—comprise accumulated surpluses over the years.
- Asset revaluation reserves—comprise accumulated revaluation increments/decrements.
- Reserves—formally imposed designations of public equity that indicate Council's intention to use a certain level of resources for a special purpose.

GOODS AND SERVICES TAX (GST)

All items in the balance sheet are stated exclusive of GST with the exception of receivables and payables, which include GST. All items in the *Statement of Comprehensive Income* are stated exclusive of GST. Cash flows are included in the cash flow statement on a gross basis. 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 operating cash flows.

BUDGET FIGURES

The budget figures are those approved by the Council at the beginning of the year in the long-term council community plan or annual plan. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by Taranaki Regional Council for the preparation of the financial statements.

OVERHEAD ALLOCATIONS

Overheads have been allocated against activity centres on the basis of staff numbers. However, in the case of Councillors (*Representation*), they have been allocated on a 0.5:1 ratio.

BORROWING COSTS

The Group recognises as an expense within the *Statement of Comprehensive Income* all borrowing costs incurred, with the exception of interest costs incurred during construction/assembly of major capital projects, which are capitalised as part of the initial cost of the respective assets.

OPERATING LEASE PAYMENTS

Payments made under operating leases are recognised in the surplus or deficit in the *Statement of Comprehensive Income* on a straight-line basis over the term of the lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Borrowings are classified as current liabilities (either advances and deposits or current portion of term debt) unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the *Statement of Financial Position* date.

STATEMENT OF CASH FLOWS

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 company
- Operating activities include all transactions and events that are not investing or financing activities.

WORK-IN-PROGRESS

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.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In the application of NZ IFRS management is required to make

judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both current and future periods.

Judgements that management have made regarding the estimated useful life of plant property and equipment, the fair value of property, plant and equipment, the valuation of employee entitlements and the value of receivables are disclosed in *Summary of Accounting Policies* and the notes 7, 9 and 14 in the *Notes to the Financial Statements*.

CHANGES IN ACCOUNTING ESTIMATES

There have been no changes in accounting estimates during the year.

From the start of the 2011/2012 year, Port Taranaki Limited changed the estimated useful life from date of purchase of Tug Kupe from 25 years to 7 years. The current financial effect of this change increases depreciation by \$98,804 in 2011/2012 and subsequent years. This change was made in 2011/2012 as it better reflects management's view of the useful life of Tug Kupe. This change will apply to the 2011/2012 financial year and subsequent years. This change in estimate still remains within the range of depreciation periods for floating plant from 3 to 25 years under the depreciation accounting policy.

CHANGES IN ACCOUNTING POLICIES

Accounting policies have been applied consistently with those in the previous year except for the change to hedge accounting and imputation credits. The imputation credits have been recorded on an accruals basis rather than a cash basis for 2012/2013. The comparatives have been amended. This change is in compliance with FRS 44.

2. OPERATING SURPLUS/(DEFICIT)

Group			Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
The net operating surplus (deficit) was achieved after crediting:					
-	-	-	2,950,000	2,200,000	1,850,000
128,623	109,066	32,085	128,623	109,066	27,689
724,181	783,444	885,321	759,061	783,444	885,321
870,675	872,868	715,566	870,675	872,868	715,566
127,460	104,265	291,076	116,446	81,754	230,329
998,135	977,133	1,006,642	987,121	954,622	945,895
And after charging:					
21,340,086	20,556,155	19,352,192	9,374,516	8,987,607	8,442,681
11,136,779	12,157,083	13,887,639	9,011,642	7,561,469	7,682,792
3,633,763	4,047,901	2,980,584	-	-	-
5,078	30,687	14,875	-	-	-
7,030,165	6,416,925	5,912,756	405,725	417,512	293,380
225,500	203,510	166,258	-	-	-
8,537,934	8,918,541	9,295,888	1,298,389	1,285,546	1,250,114
116,079	312,930	-	99,487	-	123
(5,000)	6,000	(2,000)	-	-	-
-	-	-	-	-	-
13,654	-	4,668	13,654	-	-
-	(9)	67	-	-	-
(17,174)	651	738	-	-	-
178,510	167,874	163,584	108,920	106,063	103,366
-	78,000	-	-	78,000	-
33,500	278,000	-	33,500	278,000	-
1,216,803	1,043,421	847,894	1,216,803	1,043,421	847,894

3. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

The Council made a net operating surplus/(deficit) of \$1,196,545 (2011/2012—\$113,140) compared to a budgeted surplus, before transfers to and from reserves, of \$65,176 (2011/2012—\$752,145). The major reasons for this variance between the actual net operating surplus and the budgeted net operating deficit are:

	2012/2013 Actual \$
Operating expenditure was less than budgeted	293,056
<i>In particular riparian plant purchases (fewer plants were purchased than budgeted for), passenger transport services (particularly the New Plymouth to Hawera service did not proceed) and depreciation (projects such as the Hollards' Centre were not completed in time for depreciation to commence) were all under budget</i>	
Targeted rates were less than budgeted	(680)
Direct charges were more than budgeted	1,044,012
<i>Increased activity in resource consents and the associated compliance monitoring charges (in particular, there was increased activity in the petrochemical sector and increased public interest in the performance of the sector) plus unbudgeted government funding for the clean-up of the Patea freezing works site</i>	
Government grants were lower than anticipated	(269,334)
<i>Funding for public transport planning and passenger services was reduced</i>	
Other investment revenue was more than budgeted	29,799
<i>This arises from higher than planned profit on disposal of assets</i>	
Unrealised losses on investment properties were more than budgeted	(33,500)
<i>No allowance was made for an increase or decrease in values</i>	
Finance income was higher than budget	68,015
<i>Better than anticipated interest rates on investments</i>	

The 2013/2014 Annual Plan has budgeted for a net operating surplus, before transfers to and from reserves, of \$101,933 for the 2012/2013 year. The entire operating surplus is from continuing activities.

4. TAXATION

Group			Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
Income tax recognised in the Statement of Comprehensive Income					
3,577,142	2,852,749	1,827,456	-	-	-
(332,689)	(844,439)	(191,418)	-	-	-
3,244,453	2,008,310	1,636,038	-	-	-
Reconciliation of operating surplus before tax and income tax expense					
32,756,017	4,285,458	5,848,202	1,196,545	113,140	2,938,327
32,756,017	4,285,458	5,848,202	1,196,545	113,140	2,938,327
9,171,685	1,199,928	1,754,461	335,033	31,679	881,498
64,769	951,363	572,518	-	-	-
(4,909,359)	911,178	(88,688)	929,252	911,178	(88,641)
-	(6,007)	118,443	-	-	-
181,643	(105,295)	72,161	-	-	-
(1,264,285)	(942,857)	(792,857)	(1,264,285)	(942,857)	(792,857)
3,244,453	2,008,310	1,636,038	-	-	-
Taxation refundable/(payable)					
(1,446,266)	(755,141)	(611,399)	-	-	-
1,539,715	761,576	683,559	-	-	-
(93,450)	(6,436)	(72,161)	-	-	-
(3,479,019)	(2,846,312)	(1,755,294)	-	-	-
2,466,666	1,400,047	1,000,155	-	-	-
(1,012,354)	(1,446,266)	(755,140)	-	-	-
Imputation credit account					
15,423,232	13,110,376	10,445,343	-	-	-
15,423,232	13,110,376	10,445,343	-	-	-

The Council is exempt from income tax.

5. DEFERRED TAX ASSET/LIABILITY

	Group			Total
	Depreciation/ Amortisation	Provisions/ Payables	Receivables/ Prepayments	
Balance 30 June 2010	(3,246,539)	1,065,681	(69,600)	(2,250,458)
Charged/(credited) to the Statement of Comprehensive Income	172,054	6,604	12,760	191,418
Balance 30 June 2011	(3,074,485)	1,072,285	(56,840)	(2,059,040)
Charged/(credited) to the Statement of Comprehensive Income	934,194	(85,275)	(4,480)	844,439
Balance 30 June 2012	(2,140,291)	987,010	(61,320)	(1,214,601)
Charged/(credited) to the Statement of Comprehensive Income	364,678	143,394	(175,382)	332,689
Balance 30 June 2013	(1,775,613)	1,130,404	(236,702)	(881,912)

There are no income tax losses carried forward.

6. CASH AND CASH EQUIVALENTS

Group				Council		
2012/2013	2011/2012	2010/2011		2012/2013	2011/2012	2010/2011
Actual \$	Actual \$	Actual \$		Actual \$	Actual \$	Actual \$
2,139,312	803,681	3,284,997	Bank	542,656	342,149	290,399
13,498	1,896,276	2,115,236	Call deposits	13,498	1,896,276	2,115,236
2,152,810	2,699,957	5,400,233	Total bank and call deposits	556,154	2,238,425	2,405,635

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

7. TRADE AND OTHER RECEIVABLES

Group				Council		
2012/2013	2011/2012	2010/2011		2012/2013	2011/2012	2010/2011
Actual \$	Actual \$	Actual \$		Actual \$	Actual \$	Actual \$
7,536,278	10,399,239	6,538,008	Trade receivables	3,261,186	3,170,693	2,315,487
(9,000)	(14,000)	(8,000)	Provision for impairment	-	-	-
7,527,278	10,385,239	6,530,008	Net trade receivables	3,261,186	3,170,693	2,315,487
275,728	(611,702)	253,949	Other receivables	-	-	-
-	2,612	-	Related party receivables	-	-	-
7,803,006	9,776,149	6,783,957	Total trade and other receivables	3,261,186	3,170,693	2,315,487
Movement in the provision for impairment						
14,000	8,000	10,000	Balance 1 July	-	-	-
(5,000)	6,000	(2,000)	Increase/(decrease) in impairment provision recognised in the Statement of Comprehensive Income	-	-	-
9,000	14,000	8,000	Balance 30 June	-	-	-

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. As of 30 June 2013, 2012 and 2011 all overdue receivables have been assessed for impairment and where necessary appropriate provisions applied. The Council does not provide for impairment on rates receivables as it has powers under the *Local Government (Rating) Act 2002* to recover outstanding debts.

Included in the Port Taranaki Ltd's Other Receivables figure of \$611,702 as at 30 June 2012 is an accrued credit of \$1,360,330 (net of GST) being the difference between the scheduled rate invoiced to NKTT Users from 1 January 2012 to 30 June 2012 (\$5.30 per cubic metre) and the anticipated rate (\$4.12 per cubic metre) once agreement is reached with this group of customers. By 30 June 2013, the contract rate was settled and all parties had signed the agreement by April 2013.

The average credit period on sales of goods is 29 days (58 days—2011/2012). The 2011/2012 figure of 58 days is based upon debtors outstanding in the trade receivables ledger but excludes the anticipated credit of \$1,360,330 referred to above. Port Taranaki Ltd reserves the right entirely at its discretion to apply an interest charge at 2.5% per month compounding on overdue accounts, as per 'Standard conditions of business' 5.5(c) issued by Port Taranaki Limited. If credit has been granted, then payment for services rendered is due by the 20th of the month following invoice. Port Taranaki Ltd has provided in full for any receivables over 90 days old which are considered potentially unrecoverable. All other debtors are provided for based on estimated irrecoverable amounts determined by reference to past default experience.

Included in Port Taranaki Ltd's trade receivable balance are debtors with a carrying amount of \$0.349m (\$1.641m—2011/2012) which are past due at the reporting date. Of the 2011/2012 figure of \$1.641m, an amount of \$1,346,733 (GST inclusive) related to the difference in the amounts invoiced to NKTT users and the anticipated amount receivable. The balance of the \$1.641m, being \$294,556, was not provided for as there had not been a significant change in credit quality and the Company believed that the amounts were still considered recoverable. The Company did not hold any collateral over these balances. The average age of the \$349,232 receivables is 31 days (33 days).

In determining the recoverability of a trade receivable, Port Taranaki Ltd considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk lies in trade debtors where 37.88%, or 25 (32.95%, 29—201/2012) by number of trade debtors, represent 85.59% (90.49%) of the total amount of trade debtors. 8.17% (22.70%) of trade receivables were overdue but not impaired at balance sheet date. 0.21% (0.19%) of trade receivables were considered impaired. All figures referred to in this paragraph are inclusive of the amounts invoiced to the NKTT User Group. No collateral, security or other credit enhancements are held by the Company. The directors believe that there is no further credit provision required in excess of the provision for impairment.

8. INVENTORIES

Group				Council		
2012/2013	2011/2012	2010/2011		2012/2013	2011/2012	2010/2011
Actual \$	Actual \$	Actual \$		Actual \$	Actual \$	Actual \$
144,603	59,676	26,406	Plant materials	144,603	59,676	26,406
470,002	462,849	471,277	Maintenance consumables	-	-	-
614,605	522,525	497,683	Total inventories	144,603	59,676	26,406

9. PROPERTY, PLANT AND EQUIPMENT

Group			Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
Operational assets					
Land at cost					
1,969,509	1,969,509	1,469,509	1,969,509	1,969,509	1,469,509
-	-	500,000	-	-	500,000
1,969,509	1,969,509	1,969,509	1,969,509	1,969,509	1,969,509
Land at valuation					
48,998,270	46,976,670	46,976,670	-	-	-
14,719,761	121,600	-	-	-	-
12,364,969	-	-	-	-	-
76,083,000	47,098,270	46,976,670	-	-	-
Buildings					
52,520,912	31,585,116	29,528,778	7,650,980	7,573,315	5,587,187
13,921,645	12,572,491	11,498,091	2,539,336	2,295,403	2,051,633
38,599,267	19,012,625	18,030,687	5,111,644	5,277,912	3,535,554
38,599,268	19,012,625	18,030,687	5,111,644	5,277,912	3,535,554
2,438,766	1,280,917	2,056,338	189,005	77,665	1,986,128
81,386	118,245	-	81,386	-	-
1,707,084	1,067,313	1,074,400	246,413	243,933	243,770
39,249,564	19,107,984	19,012,625	4,972,850	5,111,644	5,277,912
Motor vehicles					
2,452,246	2,321,339	1,970,878	2,452,246	2,321,339	1,970,878
1,296,848	1,306,273	1,027,387	1,296,848	1,306,273	1,027,387
1,155,398	1,015,066	943,491	1,155,398	1,015,066	943,491
1,155,398	1,015,066	943,491	1,155,398	1,015,066	943,491
843,778	635,166	509,640	843,778	635,166	509,640
88,762	47,742	37,099	88,762	47,742	37,099
474,542	447,092	400,966	474,542	447,092	400,966
1,435,872	1,155,398	1,015,066	1,435,872	1,155,398	1,015,066
Plant, equipment and fittings					
30,736,676	31,415,789	30,632,506	4,090,703	3,805,678	3,374,505
18,991,370	18,143,101	16,455,025	3,036,852	2,694,627	2,422,003
11,745,306	13,272,688	14,177,481	1,053,851	1,111,051	952,502
11,745,306	13,272,688	14,177,481	1,053,851	1,111,051	952,502
2,658,629	1,001,456	1,178,948	221,464	277,804	431,173
55,296	478,353	59,515	5,598	-	-
18,643	-	-	18,643	-	-
1,994,273	2,050,485	2,024,227	338,596	335,004	272,624
12,335,723	11,745,306	13,272,687	912,478	1,053,851	1,111,051
Office furniture					
583,923	574,997	563,557	569,493	574,997	563,557
520,708	494,098	471,476	506,278	494,098	471,476
63,215	80,899	92,081	63,215	80,899	92,081
63,215	80,899	92,081	63,215	80,899	92,081
14,923	3,679	11,440	14,923	3,679	11,440
-	-	-	-	-	-
15,552	21,363	22,622	15,552	21,363	22,622
62,586	63,215	80,899	62,586	63,215	80,899

Group				Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$		2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
Computer equipment						
2,370,081	2,283,635	2,210,422	Cost as at 30 June previous year	2,370,081	2,283,635	2,210,422
2,190,664	2,115,456	2,046,339	Accumulated depreciation	2,190,664	2,115,456	2,046,339
179,417	168,179	164,083	Net book value previous year	179,417	168,179	164,083
179,417	168,179	164,083	Carrying amount at 1 July	179,417	168,179	164,083
124,088	86,446	73,213	Additions	124,088	86,446	73,213
249	-	-	Disposals	249	-	-
79,916	75,208	69,117	Depreciation	79,916	75,208	69,117
223,340	179,417	168,179	Carrying amount at 30 June	223,340	179,417	168,179
Maintenance dredging						
2,186,096	2,186,096	2,713,612	Cost as at 30 June previous year	-	-	-
1,405,354	384,855	1,744,415	Accumulated depreciation	-	-	-
780,742	1,801,241	969,197	Net book value previous year	-	-	-
780,742	1,801,241	969,197	Carrying amount at 1 July	-	-	-
2,148,107	-	2,028,380	Additions	-	-	-
-	-	-	Disposals	-	-	-
1,040,454	1,020,499	1,196,336	Depreciation	-	-	-
1,888,395	780,742	1,801,241	Carrying amount at 30 June	-	-	-
Port installations						
41,417,214	41,341,205	41,022,314	Cost as at 30 June previous year	-	-	-
23,664,220	21,310,304	18,867,003	Accumulated depreciation	-	-	-
17,752,994	20,030,901	22,155,311	Net book value previous year	-	-	-
17,752,994	20,030,901	22,155,311	Carrying amount at 1 July	-	-	-
187,412	139,214	318,888	Additions	-	-	-
-	61,730	-	Disposals	-	-	-
2,036,734	2,355,391	2,443,298	Depreciation	-	-	-
15,903,672	17,752,994	20,030,902	Carrying amount at 30 June	-	-	-
Floating plant						
14,413,274	14,335,340	14,227,758	Cost as at 30 June previous year	-	-	-
5,510,465	4,791,695	4,176,584	Accumulated depreciation	-	-	-
8,902,809	9,543,645	10,051,174	Net book value previous year	-	-	-
8,902,809	9,543,645	10,051,174	Carrying amount at 1 July	-	-	-
37,617	77,936	107,581	Additions	-	-	-
-	-	-	Disposals	-	-	-
723,783	718,772	615,110	Depreciation	-	-	-
8,216,643	8,902,809	9,543,645	Carrying amount at 30 June	-	-	-
Capital dredging						
21,505,192	21,505,192	21,505,193	Cost as at 30 June previous year	-	-	-
2,221,669	1,791,565	1,361,461	Accumulated depreciation	-	-	-
19,283,523	19,713,627	20,143,732	Net book value previous year	-	-	-
19,283,523	19,713,627	20,143,732	Carrying amount at 1 July	-	-	-
-	-	-	Additions	-	-	-
-	-	-	Disposals	-	-	-
430,104	430,104	430,105	Depreciation	-	-	-
18,853,419	19,283,523	19,713,627	Carrying amount at 30 June	-	-	-
Bulk tanks						
-	-	-	Cost as at 30 June previous year	-	-	-
-	-	-	Accumulated depreciation	-	-	-
-	-	-	Net book value previous year	-	-	-
-	-	-	Carrying amount at 1 July	-	-	-
999,999	-	-	Additions	-	-	-
-	-	-	Disposals	-	-	-
8,334	-	-	Depreciation	-	-	-
991,665	-	-	Carrying amount at 30 June	-	-	-

Group			Council			
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$	
Work-in-progress						
2,493,829	1,662,113	448,542	1,988,859	1,637,439	435,957	
22,303,849	3,664,896	5,102,077	1,374,167	918,946	1,333,993	
(20,914,635)	(2,833,180)	(3,888,507)	(1,258,358)	(567,526)	(132,511)	
3,883,043	2,493,829	1,662,112	2,104,668	1,988,859	1,637,439	
Infrastructure assets						
Flood and river control assets						
5,942,043	5,658,609	5,062,070	5,942,043	5,658,609	5,062,070	
-	-	-	-	-	-	
5,942,043	5,658,609	5,062,070	5,942,043	5,658,609	5,062,070	
5,942,043	5,658,609	5,062,070	5,942,043	5,658,609	5,062,070	
342,000	-	-	342,000	-	-	
448,395	283,434	596,539	448,395	283,434	596,539	
6,732,438	5,942,043	5,658,609	6,732,438	5,942,043	5,658,609	
187,828,869	136,475,039	140,905,772	184,113,741	174,663,936	169,188,664	
Cost or valuation	Accumulated depreciation	Carrying amount	As at 30 June 2013	Cost or valuation	Accumulated depreciation	Carrying amount
1,969,509	-	1,969,509	Land at cost	1,969,509	-	1,969,509
76,083,000	-	76,083,000	Land at valuation	-	-	-
54,853,955	15,604,391	39,249,564	Buildings	7,734,262	2,761,412	4,972,850
2,741,403	1,305,531	1,435,872	Motor vehicles	2,741,403	1,305,531	1,435,872
30,991,489	18,655,766	12,335,723	Plant, equipment and fittings	4,230,408	3,317,930	912,478
600,845	538,259	62,586	Office furniture	584,415	521,829	62,586
2,493,920	2,270,580	223,340	Computer equipment	2,493,920	2,270,580	223,340
2,305,823	417,428	1,888,395	Maintenance dredging	-	-	-
41,604,625	25,700,953	15,903,672	Port installations	-	-	-
14,450,891	6,234,248	8,216,643	Floating plant	-	-	-
21,505,192	2,651,773	18,853,419	Capital dredging	-	-	-
999,999	8,334	991,665	Bulk tanks	-	-	-
3,883,043	-	3,883,043	Work-in-progress	2,104,668	-	2,104,668
6,732,438	-	6,732,438	Flood and river control assets	6,732,438	-	6,732,438
261,216,132	73,387,263	187,828,869	Total property, plant and equipment	285,591,023	10,177,282	184,413,741

The fair value of land and buildings is the value for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction. Quotable Value New Zealand has valued Council's land and buildings for disclosure purposes at Cloten Road, Stratford and Robe Street, New Plymouth on a fair value (current market value) basis at \$2,261,000 (2011/2012 - \$2,320,000). Telfer Young (Taranaki) Limited has valued Tupare, Pukeiti, Holland Gardens and the Lepperton riparian nursery land and buildings, for disclosure purposes as at 30 June 2013 on a depreciated replacement cost basis, at \$6,618,000 (2011/2012 - \$6,071,500), because the properties include either heritage assets or specialised assets for public use. The Pukeiti assets were originally recorded at the 1 July 2010 valuation of \$2,496,000. The Council records the land and buildings on a historic cost basis, which reflects the on-going intention of use to the Council.

Port Taranaki Ltd land assets have been valued on their highest and best use taking into account the 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 NZ IAS 16 using fair value (market value).

Port Taranaki Ltd land was revalued at 30 June 2013 by Mr Ian Baker, a registered valuer with Telfer Young (Taranaki) Ltd, New Plymouth. Telfer Young have been contracted by Port Taranaki as independent valuers. The revalued amount of land used in this report amounts to \$74.1m using the Direct Sales Comparison Approach methodology. The carrying amount of land had it been recognised under the cost model is \$25,206,198 (\$10,486,437).

The Waitara River Flood Protection Scheme assets, Okato River Flood Protection Scheme assets and the Waiwhakaiho River Flood Protection Scheme assets were independently valued at 30 June 2013 at depreciated replacement cost, by Mr John Philpott (Registered Engineer and member of IPENZ, 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 \$6,732,438 (2011/2012 - \$5,942,043). The carrying amount of land had it been recognised under the cost model is \$2,825,194 (2011/2012 - \$2,825,194).

There are no items of property, plant or equipment which are not in current use. There has been no impairment losses recognised or reversed in the current period. Borrowing costs of \$48,000 (\$0) were capitalised during the period. There are no restrictions in titles relating to property plant and equipment or items pledged as security for liabilities apart from those held by Westpac Banking Corporation (refer to Note 15 - Borrowings).

On 12 June 2013, Port Taranaki Ltd purchased 18.805 hectares of adjoining land from Contact Energy Limited. As part of the sale and purchase agreement, Contact Energy Limited has a right to reacquire 6.66 hectares of specified land at a fixed price for the purposes of electricity generation and/or gas related import/export facilities for a period of up to 25 years from the settlement date and has a right of first refusal. Port Taranaki Ltd cannot sell any of the 18.805 hectares of land without first providing Contact Energy Limited the option to reacquire the property under the price terms and conditions Port Taranaki Ltd desires to sell.

10. INTANGIBLE ASSETS

Group			Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
Carrying amounts					
Intangible assets					
Computer software					
6,718,938	6,165,605	5,659,642	2,255,391	1,898,283	1,887,562
5,012,936	4,280,621	3,260,903	1,775,594	1,612,649	1,371,634
1,706,002	1,884,984	2,398,739	479,797	285,634	515,928
Reconciliation					
Intangible assets					
Computer software					
1,706,003	1,884,984	2,398,739	479,798	285,634	515,928
348,427	553,332	505,963	246,916	357,108	10,721
18,643	-	-	18,643	-	-
-	-	-	-	-	-
629,982	732,314	1,019,718	143,370	162,945	241,015
1,443,091	1,706,002	1,884,984	601,987	479,797	285,634
Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
As at 30 June 2013					
Computer software					
7,099,326	5,656,235	1,443,091	2,534,268	1,932,281	601,987
7,099,326	5,656,235	1,443,091	2,534,268	1,932,281	601,987

Amortisation expense is included in the line item *depreciation and amortisation expense* in Note 2 of the financial statements.

11. INVESTMENTS

Group			Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
Current portion of investments					
1,415,534	500,000	-	1,415,534	500,000	-
-	-	-	-	-	-
1,415,534	500,000	-	1,415,534	500,000	-
Non current investments					
-	-	500,000	-	-	500,000
12,901,429	12,930,798	12,957,975	12,901,429	12,930,798	12,957,975
-	-	-	26,000,000	26,000,000	26,000,000
1,000	1,000	1,000	1,000	1,000	1,000
697,500	-	-	697,500	-	-
13,599,929	12,931,798	13,458,975	39,599,929	38,931,798	39,458,975
15,015,463	13,431,798	13,458,975	41,015,463	39,431,798	39,458,975
Term deposit maturity dates and effective interest rates					
1,415,534	500,000	-	1,415,534	500,000	-
4.16%	5.60%	-	4.16%	5.60%	-
-	-	-	-	-	500,000
-	-	-	-	-	5.60%
-	-	500,000	-	-	-
-	-	5.60%	-	-	-
Corporate bonds maturity dates and effective interest rates					
-	-	-	-	-	-
-	-	-	-	-	-

Group				Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$		2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
5,659,520	-	-	Corporate bonds maturing in 1 to 2 years	5,659,520	-	-
7.32%	-	-	Weighted average effective interest rate	7.32%	-	-
1,012,362	5,668,896	-	Corporate bonds maturing in 2 to 3 years	1,012,362	5,668,896	-
6.00%	7.29%	-	Weighted average effective interest rate	6.00%	7.29%	-
4,682,844	1,012,612	5,677,695	Corporate bonds maturing in 3 to 4 years	4,682,844	1,012,612	5,677,695
6.33%	6.00%	7.29%	Weighted average effective interest rate	6.33%	6.00%	7.29%
1,546,702	4,700,937	1,012,847	Corporate bonds maturing in 4 to 5 years	1,546,702	4,700,937	1,012,847
6.76%	6.33%	6.00%	Weighted average effective interest rate	6.76%	6.33%	6.00%
-	1,548,354	4,717,674	Corporate bonds maturing in 5 to 6 years	-	1,548,354	4,717,674
-	6.54%	6.33%	Weighted average effective interest rate	-	6.54%	6.33%
-	-	1,549,759	Corporate bonds maturing in 6 to 7 years	-	-	1,549,759
-	-	6.54%	Weighted average effective interest rate	-	-	6.54%
12,901,429	12,930,798	12,957,975	Corporate bonds carrying value	12,901,429	12,930,798	12,957,975
13,671,935	13,824,879	13,574,732	Corporate bonds market value	13,671,935	13,824,879	13,574,732

Corporate bonds and term deposits are held to maturity. Unlisted shares are valued at cost price. There are no impairment provisions for investments.

Shares

NZ Local Government Insurance Corporation Limited (Civic Assurance)—insurance company—30 June balance date—1,000 shares

Port Taranaki Ltd—port operator—100% owned subsidiary—30 June balance date—52,000,000 shares

Regional Software Holdings Ltd—15.5% owned subsidiary—30 June balance date—1,550 shares

12. INVESTMENT PROPERTY

Group				Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$		2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
16,281,000	16,559,000	16,037,000	Balance 1 July	16,281,000	16,559,000	16,037,000
-	-	-	Additions	-	-	-
-	-	-	Disposals	-	-	-
(33,500)	(278,000)	522,000	Fair value gains/(losses) on valuation	(33,500)	(278,000)	522,000
16,247,500	16,281,000	16,559,000	Balance 30 June	16,247,500	16,281,000	16,559,000
Comprising:						
1,005,000	-	-	Current assets	1,005,000	-	-
15,242,500	16,281,000	16,559,000	Non current assets	15,242,500	16,281,000	16,559,000
16,247,500	16,281,000	16,559,000	Total investment property	16,247,500	16,281,000	16,559,000

Taranaki Regional Council's 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. TelferYoung (Taranaki) Limited are a registered experienced valuer with extensive market knowledge in the types of investment properties owned by the Taranaki Regional Council. The total fair value of the property valued at 30 June 2013 was \$16,247,500 (2011/2012—\$16,281,000). Three investment properties with a combined value of \$1,005,000 are expected to be sold to the current leaseholders in the 2013/14 year.

13. TRADE AND OTHER PAYABLES

Group				Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$		2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
5,320,321	6,448,523	4,853,565	Trade payables and accruals	1,678,766	2,289,249	1,640,328
730,161	368,585	880,091	Accrued pay	165,566	157,248	345,312
-	-	-	Related parties payables and accruals	-	-	-
6,050,482	6,817,108	5,739,506	Total trade and other payables	1,844,332	2,446,497	1,985,640
Comprising:						
5,387,482	5,993,108	4,810,506	Current liabilities	1,844,332	2,446,497	1,985,640
663,000	824,000	924,000	Non current liabilities	-	-	-
6,050,482	6,817,108	5,739,506	Total trade and other payables	1,844,332	2,446,497	1,985,640

Terms of credit are payment on the 20th of the month following invoices unless other terms are specified by suppliers. Therefore the carrying value of trade and other payables approximates their fair value. The Group has financial risk management systems in place to ensure that all payables are paid within the credit timeframe.

14. EMPLOYEE ENTITLEMENTS

Group				Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$		2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
1,841,947	1,776,447	1,576,814	Holiday leave	627,120	620,708	527,553
233,313	140,420	127,000	Sick leave	182,313	99,420	75,000
689,617	662,579	569,496	Long service leave	357,000	293,000	223,000
1,388,000	1,376,443	1,228,295	Retirement gratuities	436,000	459,443	462,295
4,152,877	3,955,889	3,501,605	Total employee entitlements	1,602,433	1,472,571	1,287,848
Comprising:						
2,567,877	2,431,010	2,083,935	Current liabilities	989,433	901,692	701,178
1,585,000	1,524,879	1,417,670	Non current liabilities	613,000	570,879	586,670
4,152,877	3,955,889	3,501,605	Total employee entitlements	1,602,433	1,472,571	1,287,848

The provision is affected by a number of estimates including the expected employment period of employees and the timing of employees utilising the benefits. Benefits are recalculated annually, retiring allowance and long service leave by an actuary, and all non current portions are discounted using the 10 year bond rate applicable at balance sheet date. All movements are recorded in operating expenses.

15. BORROWINGS

Group				Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$		2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
Current liabilities						
44,438	215,839	489,624	Secured loans - Westpac	-	-	-
0.00%	0.00%	0.00%	Weighted average interest rate	-	-	-
Non current liabilities						
36,700,000	27,100,000	35,500,000	Secured loans - Westpac	-	-	-
(31,250)	(56,250)	(54,878)	Deferred Loan Facility Fee	-	-	-
36,668,750	27,043,750	35,445,122	Secured loans - Westpac	-	-	-
3.45%	5.03%	5.55%	Weighted average interest rate	-	-	-

The non current loans are due within 2 years. The carrying amount for current and non current loans and their fair values are disclosed in Note 22. The carrying amount for current and non current loans is denominated in New Zealand dollars. The secured loans are obtained under a \$50 million (2011/2012—\$50 million) funding facility provided by Westpac Banking Corporation. As at 30 June 2013, \$13.3 million (\$22.9 million) was undrawn. During the year there have been no defaults or breaches of bank covenants. The sole security interest, fixed charge and agreement to mortgage is to Westpac Banking Corporation for a priority amount of \$80 million (\$80 million). The security interest is in Port Taranaki Ltd's personal property (present and after acquired) and the fixed charge and agreement to mortgage is granted over other property (present and future rights). Other property is defined as any other land or assets not deemed Personal Property. Personal Property can be considered to be any property other than land. The weighted average interest rate is based on the applicable fixed rates and floating rates as at balance sheet date. The weighted average interest rate is based on the applicable fixed rates and floating rates as at balance date. The weighted average interest rate for the current liability in 2012/2013 is 0% (0%) as this is solely interest payable and only includes interest payable.

16. PUBLIC EQUITY

Group			Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
Retained earnings					
91,617,542	89,464,987	84,240,282	63,181,793	63,193,246	59,242,379
29,511,564	2,277,148	4,212,165	1,196,545	113,140	2,938,327
342,000	-	-	342,000	-	-
(308,234)	(184,213)	(83,660)	(308,234)	(184,213)	(83,660)
40,212	59,620	1,096,200	40,212	59,620	1,096,200
121,203,084	91,617,542	89,464,987	64,452,316	63,181,793	63,193,246
Reserves (refer to Note 17)					
8,571,243	8,446,650	9,459,190	8,571,243	8,446,650	9,459,190
308,234	184,213	83,660	308,234	184,213	83,660
(40,212)	(59,620)	(1,096,200)	(40,212)	(59,620)	(1,096,200)
8,839,265	8,571,243	8,446,650	8,839,265	8,571,243	8,446,650
<i>Makuri River Control Scheme reserve</i>					
212	625	940	212	625	940
-	42	60	-	42	60
(212)	(455)	(375)	(212)	(455)	(375)
0	212	625	0	212	625
<i>North Taranaki/Waitara River Control Scheme reserve</i>					
773,531	704,622	642,310	773,531	704,622	642,310
231,012	81,776	68,052	231,012	81,776	68,052
-	(12,867)	(5,740)	-	(12,867)	(5,740)
1,004,543	773,531	704,622	1,004,543	773,531	704,622
<i>Contingency/disaster reserve</i>					
1,086,000	1,086,000	1,086,000	1,086,000	1,086,000	1,086,000
-	-	-	-	-	-
-	-	-	-	-	-
1,086,000	1,086,000	1,086,000	1,086,000	1,086,000	1,086,000
<i>Dividend equalisation reserve</i>					
6,395,766	6,395,766	7,485,851	6,395,766	6,395,766	7,485,851
-	-	-	-	-	-
-	-	(1,090,085)	-	-	(1,090,085)
6,395,766	6,395,766	6,395,766	6,395,766	6,395,766	6,395,766
<i>Passenger transport targeted rate reserve (New Plymouth/North Taranaki)</i>					
230,735	259,637	244,089	230,735	259,637	244,089
17,221	17,396	15,548	17,221	17,396	15,548
(40,000)	(46,298)	-	(40,000)	(46,298)	-
207,956	230,735	259,637	207,956	230,735	259,637
<i>Passenger transport targeted rate reserve (Stratford)</i>					
-	-	-	-	-	-
5,000	-	-	5,000	-	-
-	-	-	-	-	-
5,000	-	-	5,000	-	-
<i>Passenger transport targeted rate reserve (South Taranaki)</i>					
-	-	-	-	-	-
5,000	-	-	5,000	-	-
-	-	-	-	-	-
5,000	-	-	5,000	-	-

Group			Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
<i>Egmont national park control reserve</i>					
85,000	-	-	85,000	-	-
50,000	85,000	-	50,000	85,000	-
-	-	-	-	-	-
135,000	85,000	-	135,000	85,000	-
8,839,265	8,571,243	8,446,650	8,839,265	8,571,243	8,446,650
<i>Asset revaluation reserves</i>					
39,655,520	39,445,248	38,848,709	3,043,687	2,833,415	2,236,876
12,813,364	210,272	596,539	448,395	210,272	596,539
52,468,884	39,655,520	39,445,248	3,492,082	3,043,687	2,833,415
<i>Waitara flood control scheme</i>					
2,299,637	2,070,565	1,887,570	2,299,637	2,070,565	1,887,570
167,150	229,072	182,995	167,150	229,072	182,995
2,466,787	2,299,637	2,070,565	2,466,787	2,299,637	2,070,565
<i>Waiwhakaiho flood control scheme</i>					
744,050	762,850	349,306	744,050	762,850	349,306
281,245	(18,800)	413,544	281,245	(18,800)	413,544
1,025,295	744,050	762,850	1,025,295	744,050	762,850
<i>Land</i>					
36,611,833	36,611,833	36,611,833	-	-	-
12,364,969	-	-	-	-	-
48,976,802	36,611,833	36,611,833	-	-	-
52,468,884	39,655,520	39,445,248	3,492,082	3,043,687	2,833,415
<i>Cash flow hedge reserve</i>					
-	-	-	-	-	-
634,366	-	-	-	-	-
634,366	-	-	-	-	-
183,145,599	139,844,305	137,356,885	76,783,663	74,796,723	74,473,312

17. RESERVES

Reserve funds are utilised to provide a fund for expenditure on specific purposes. In some circumstances the reserves are a legal requirement. The Council holds the following reserve funds:

Makuri River Control Scheme reserve

The Council strikes a targeted rate, as and when required, based on land values in the Makuri Valley River catchment for maintenance of the river scheme. Any unspent funds must be appropriated to this reserve. This reserve fund relates to the *Hazard management* group of activities.

North Taranaki/Waitara River Control Scheme reserve

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.

Contingency/disaster reserve

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.

Dividend equalisation reserve

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.

Passenger transport targeted rate reserve (New Plymouth/North Taranaki)

The Council strikes a targeted rate based on capital values over the New Plymouth District for purposes of funding passenger transport services. Any unspent funds must be appropriated to this reserve. Funds may only be appropriated to cover expenditure on these purposes. This reserve fund relates to the *Transport* group of activities.

Passenger transport targeted rate reserve (Stratford)

The Council strikes a targeted rate based on capital values over the Stratford District for purposes of funding passenger transport services. Any unspent funds must be appropriated to this reserve. Funds may only be appropriated to cover expenditure on these purposes. This reserve fund relates to the *Transport* group of activities.

Passenger transport targeted rate reserve (South Taranaki)

The Council strikes a targeted rate based on capital values over the South Taranaki District for purposes of funding passenger transport services. Any unspent funds must be appropriated to this reserve. Funds may only be appropriated to cover expenditure on these purposes. This reserve fund relates to the *Transport* group of activities.

Pest Animal Management: Egmont National Park Control Reserve

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 smoothes 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.

18. REMUNERATION

Total remuneration of Members was:

	2012/2013 Actual \$	2011/2012 Actual \$
Councillor M J Cloke	29,368	28,656
Councillor M G Davey	28,747	28,233
Councillor P D Horton	29,371	28,626
Councillor M A Irving	28,736	28,058
Councillor B R Jeffares	28,614	27,916
Councillor M P Joyce	30,617	28,604
Councillor D L Lean—Deputy Chairman	42,261	40,964
Councillor D N MacLeod—Chairman	88,200	88,200
Councillor R F H Maxwell	42,045	41,394
Councillor N W Walker	41,423	41,137
Councillor C S Williamson	29,635	29,265

The Chief Executive of the Taranaki Regional Council, appointed under section 42(1) of the Local Government Act 2002, received a salary of \$302,726 (\$294,845 2011/2012). In addition to salary the Chief Executive is entitled to private use of a Council vehicle, contribution to superannuation, professional membership fees and medical fees. Total remuneration was \$328,916 (\$321,270 – 2011/2012).

	2012/2013 Actual \$	2011/2012 Actual \$
Number of full-time employees	116	117
Full-time equivalent of all other employees	15	12
Number of employees receiving total annual remuneration below \$60,000	80	88
Number of employees receiving total annual remuneration between \$60,000 and \$79,999	40	29
Number of employees receiving total annual remuneration between \$80,000 and \$99,999	8	8
Number of employees receiving total annual remuneration between \$100,000 and \$139,999	6	5
Number of employees receiving total annual remuneration between \$140,000 and \$339,999	5	5

19. SEVERANCE PAYMENTS

During the year ended 30 June 2013 the Council made no severance payments (\$0—2011/2012).

20. SUBSEQUENT EVENTS

In relation to the Council and Port Taranaki Ltd, there have been no material events subsequent to balance date.

(2011—2012: On 31 December 2011, a wharfage services agreement (WSA) between Port Taranaki Ltd (PTL) and seven customers (together known as the NKTT User Group) expired. PTL has been negotiating with group of seven customers and a new member since November 2010 to agree a successor WSA. Despite PTL and the NKTT User Group reaching broad agreement on the key economic principles, including the wharfage rates to apply, of a successor WSA no new agreement has yet been finalised and executed. Whilst no successor WSA has been finalised or executed the NKTT User Group have short paid the agreed wharfage rate by an amount of 24.22 cents per cubic metre or a total of \$232,507 GST exclusive during the six months to the 30 June 2012 and furthermore the payments made by the NKTT Users are on a without prejudice basis. Port Taranaki Ltd considers that at the date of this report that negotiations are sufficiently advanced to conclude that there is low or negligible risk of the short paid amount being unrecovered.)

21. RECONCILIATION OF NET OPERATING SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Group				Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$		2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
29,511,564	2,277,148	4,212,165	Surplus/(deficit) for the period	1,196,545	113,140	2,938,327
			<i>Add/(less) non-cash items</i>			
8,537,936	8,918,542	9,295,889	Depreciation and amortisation	1,298,389	1,285,546	1,250,114
(332,689)	(844,439)	(191,418)	Deferred tax movement	-	-	-
33,500	278,000	(522,000)	Investment property: unrealised (gain)/loss	33,500	278,000	(522,000)
(20,845,890)	-	-	Taranaki Stadium Trust acquisition	-	-	-
(2,123,546)	-	-	Vested assets - NPDC	-	-	-
-	-	(2,552,869)	Vested assets - Pukeiti	-	-	(2,552,869)
14,780,876	10,629,251	10,241,767		2,528,434	1,676,686	1,113,572
			<i>Add/(less) movements in assets and liabilities</i>			
1,973,143	(2,992,192)	607,206	Trade and other receivables	(90,493)	(855,206)	(130,484)
(184,242)	27,755	35,205	Prepayments	(12,156)	8,257	10,687
(92,080)	(24,843)	37,323	Inventories	(84,927)	(33,271)	30,751
(634,366)	-	-	Derivative financial instruments	-	-	-
(175,519)	212,026	228,588	Work in progress—current liability	(175,519)	212,026	228,588
(211,654)	(33,750)	(94,344)	Work in progress—current asset	(211,654)	(33,750)	(94,344)
(309,937)	808,817	201,237	Trade and other payables	(602,165)	460,856	312,493
196,988	454,284	341,074	Employee entitlements	129,862	184,723	140,295
(433,912)	691,125	143,742	Taxation payable	-	-	-
			<i>Add/(less) investing activity items</i>			
(12,544)	203,864	(32,085)	(Profit)/loss on sale of assets (net)	(29,136)	(109,066)	(27,566)
-	-	(24,000)	Movement in fixed asset debtors	-	-	-
(263,599)	10,456	(26,856)	Movement in fixed asset creditors	(215,229)	-	-
14,633,154	9,986,793	11,658,857	Cash inflow from operating activities	1,237,017	1,511,255	1,583,992

22. FINANCIAL INSTRUMENTS

Taranaki Regional Council has a series of policies to manage the risks associated with financial instruments. Taranaki Regional Council is risk averse and seeks to minimise exposure from its treasury activities. Taranaki Regional Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

The finance department of Port Taranaki Ltd provides treasury services to the Company, monitoring and reviewing financial risk through internal management reporting. These risks include market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Company seeks to minimise the effects of these risks by adhering to a treasury policy reviewed annually by the Company's board of directors. The treasury policy provides written guidelines on foreign exchange risk, interest rate risk and credit risk. All surplus funds are applied against Company borrowings.

The Company does not enter into, or trade financial instruments, including derivative financial instruments for speculative purposes.

Capital risk management

The Group manages its capital to ensure it is able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets. The *Local Government Act 2002* (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its long-term plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's *2012/2022 Long-Term Plan*.

The Council has the following Council created reserves:

- reserves for different areas of benefit;
- self-insurance reserves; and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

The capital structure of Port Taranaki Ltd consists of debt, which includes the borrowings disclosed in Note 15, and equity attributable to the shareholder, comprising issued capital, reserves and retained earnings as disclosed in Note 16.

Port Taranaki Ltd's board of directors monitors and reviews the capital structure annually through the statement of corporate intent process and treasury policy review. Part of this review includes adherence to bank covenant requirements, which have capital requirements in relation to debt to equity ratios. Through these two processes the Company seeks to balance the growth objectives of the Company with the Company's dividend policy objective. Due to the strength of the Company's balance sheet all new business ventures of the Company can currently be debt funded.

Categories of financial instruments

The estimated fair values of financial instruments are as follows:

Group			Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
Financial assets					
Loans and receivables					
Foreign currency bank balances					
216,406	-	-	-	-	-
216,406	-	-	-	-	-
Term deposits					
1,415,534	500,000	500,000	1,415,534	500,000	500,000
1,415,534	500,000	500,000	1,415,534	500,000	500,000
Cash and cash equivalents					
1,936,404	2,699,957	5,400,233	556,154	2,238,425	2,405,635
1,936,404	2,699,957	5,400,233	556,154	2,238,425	2,405,635
Trade and other receivables					
7,803,006	9,776,149	6,783,957	3,261,186	3,170,693	2,315,487
7,803,006	9,776,149	6,783,957	3,261,186	3,170,693	2,315,487
Held-to-maturity					
Corporate bonds					
12,901,429	12,930,798	12,957,975	12,901,429	12,930,798	12,957,975
13,671,935	13,824,879	13,574,732	13,671,935	13,824,879	13,574,732
Financial liabilities					
Trade and other payables					
6,050,482	6,817,108	4,451,858	1,844,332	2,446,497	1,985,640
6,050,482	6,817,108	4,451,858	1,844,332	2,446,497	1,985,640
Provisions					
4,152,877	3,955,889	3,501,605	1,602,433	1,472,571	1,287,848
4,152,877	3,955,889	3,501,605	1,602,433	1,472,571	1,287,848
Interest bearing loans					
26,713,188	27,259,589	35,934,746	-	-	-
36,674,253	27,392,753	36,600,832	-	-	-

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents, foreign currency balances, receivables, term deposits, and short term payables and accruals: The carrying value of these items is equivalent to the fair value. Corporate bonds were independently valued to their market value by Bank of New Zealand as at 30 June 2013.

Derivative financial instruments - Cash flow hedge: Interest rate swap. The nature of the risk is the variability of the hedged item resulting from the changes on BKBM interest rates associated with on-going term borrowings. Fair value is stated at the indicative market value obtained from the calculation agent. Effective commencement date: 24 June 2013. Rate 3.86%. Term 84 months. Expiry date 24 June 2020. Notional value \$30,000,000.

Interest bearing loans: The fair value of the current loans and term loans are estimated based upon the market prices available for similar debt securities obtained from the lender at balance date.

Financial risk management objectives

The finance departments of the Council and of Port Taranaki provide treasury services, monitoring and reviewing financial risk through internal management reporting. These risks include market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effects of these risks by adhering to a treasury policy reviewed by the Council and Port Taranaki's board of directors respectively. The treasury policy provides written guidelines on foreign exchange risk, interest rate risk and credit risk. All Port Taranaki's surplus funds are applied against borrowings.

The Group does not enter into, or trade financial instruments, including derivative financial instruments for speculative purposes.

Market risk

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Taranaki Regional Council is not exposed to equity securities price risk on its investments. Taranaki Regional Council holds unlisted equity instruments in Port Taranaki Ltd and New Zealand Local Government Insurance Corporation Ltd.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Taranaki Regional Council is not exposed to currency risk, as it does not enter into foreign currency transactions. Port Taranaki Ltd's activities expose it to foreign exchange risk when capital assets are purchased in foreign currency. At balance sheet date the foreign currency exposure was limited to foreign currency bank balances listed in *Categories of financial instrument* above.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates expose the Taranaki Regional Council to fair value interest rate risk. The Council has no such exposure. The Council has interest rate risk on its term deposit and corporate bond investments as they are fixed interest and they are all held to maturity.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings do not expose Taranaki Regional Council to cash flow interest rate risk as the Council has no borrowings. Investments (term deposits and corporate bonds) are issued at fixed interest rates and therefore do not expose Taranaki Regional Council to cash flow interest rate risk.

Port Taranaki Ltd's activities expose it to interest rate movement risk principally, and occasionally to foreign exchange risk when capital assets are purchased in foreign currency. These risks are minimised by adherence to Port Taranaki Ltd's treasury risk policy which endeavours to minimise risk by:

- i) Ensuring a minimum of 50% of Port Taranaki Ltd's interest bearing debt is fixed term or fixed by way of financial derivative. At balance date the financial derivative exposure was limited to an interest rate swap listed in *Categories of financial instruments* above.
- ii) Ensuring that any capital asset purchase of \$250,000 or greater sourced in foreign currency is fully hedged within two days of unconditional purchase. At balance date the foreign currency exposure was limited to foreign currency bank balances listed in *Categories of financial instruments* above.

As at 30 June 2013, if interest rates at that date had been 100 basis points lower with all other variables held constant, Port Taranaki Ltd's post-tax profit for the year would have been \$159,000 (\$3,000—2011/2012) higher, arising as a result of lower interest expense on average variable rate borrowings. If interest rates had been 100 basis points higher, with all other variables held constant, Port Taranaki Ltd's post-tax profit would have been \$159,000 (\$3,000) lower, arising as a result of higher interest expense on variable rate borrowings. Profit is equally sensitive to interest rate decreases as increases. The sensitivity is higher in 2013 than in 2012 due to higher variable rate borrowings.

Credit risk management

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss. Taranaki Regional Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Taranaki Regional Council has powers under the *Local Government (Rating) Act 2002* to recover outstanding debts from ratepayers.

Taranaki Regional Council invests funds only in deposits with registered banks and local authority stock and its Investment policy limits the amount of credit exposure to any one institution or organisation.

The Council only invests funds with those entities, which have a very strong credit rating. Accordingly, the group does not require any collateral or security to support these investments. The maximum exposure to credit risk is the carrying value of financial assets.

Port Taranaki Ltd has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Port Taranaki Ltd's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

In the normal course of its business Port Taranaki Ltd incurs credit risk from trade debtors and financial institutions. The extent of concentration of credit risk lies in trade debtors. Refer to Note 7.

Except, as currently provided for, Port Taranaki Ltd does not expect the non performance in respect of any outstanding obligations at balance date.

The carrying amount of financial assets (Port Taranaki only) recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to credit risk without taking account of any collateral obtained.

No security is held on any of the above amounts.

Liquidity risk management

Liquidity risk is the risk that Taranaki Regional Council and Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Taranaki Regional Council and Group aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, Taranaki Regional Council and Group maintains a target level of investments that must mature within the next 12 months.

Taranaki Regional Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of the Taranaki Regional Council's 2009/2019 Long Term Council Community Plan.

Ultimate responsibility for liquidity risk management rests with Port Taranaki Ltd's board of directors, who have built an appropriate liquidity risk management framework for the management of Port Taranaki Ltd's short, medium and long-term funding and liquidity management requirements. Port Taranaki Ltd manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 15 is a list of additional undrawn facilities that Port Taranaki Ltd has at its disposal to further reduce liquidity risk.

Liquidity and interest risk tables - Financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. As the amounts included in the table are contractual undiscounted cash flows these amounts will not reconcile to the amounts disclosed in the *Statement of Financial Position*.

Interest risk table financial liabilities 2012/2013

	Weighted average effective interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	5+ years	Total \$
Trade and other payables (Council)	0.00	1,844,332	-	-	-	-	1,844,332
Provisions (Council)	0.00	48,105	96,211	847,414	134,455	476,248	1,602,433
Trade and other payables (Trust)	0.00	175,921	-	-	-	-	175,921
Trade and other payables (Port)	0.00	3,052,979	315,000	-	530,000	133,000	4,030,979
Provisions (Port)	0.00	76,565	153,130	1,348,749	214,000	758,000	2,550,444
Fixed interest rate instruments (Port)	3.480	-	48,768	5,840,377	-	-	5,889,145
Variable interest rate instruments (Port)	3.453	1,200,360	278,757	776,893	30,221,362	-	32,477,372
Derivative financial instruments inflows/outflows (Port)	2.690	-	88,471	262,529	1,404,000	702,000	2,457,000
Total		6,398,262	980,337	9,075,962	32,503,817	2,069,248	51,027,626

Interest risk table financial liabilities 2011/2012

	Weighted average effective interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	5+ years	Total \$
Trade and other payables (Council)	0.00	2,446,497	-	-	-	-	2,446,497
Provisions (Council)	0.00	43,791	87,583	775,488	91,320	474,389	1,472,571
Trade and other payables (Port)	0.00	3,205,599	341,013	-	550,000	274,000	4,370,612
Provisions (Port)	0.00	73,849	147,698	1,307,771	154,000	800,000	2,483,318
Fixed interest rate instruments (Port)	5.023	177,948	3,050,290	18,493,707	5,715,128	-	27,437,073
Variable interest rate instruments (Port)	5.032	600,120	-	-	-	-	600,120
Total		6,547,804	3,626,584	20,576,966	6,510,448	1,548,389	38,810,191

Interest risk table financial liabilities 2010/2011

	Weighted average effective interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	5+ years	Total \$
Trade and other payables (Council)	0.00	1,985,640	-	-	-	-	1,985,640
Provisions (Council)	0.00	57,581	141,583	605,251	58,175	425,258	1,287,848
Trade and other payables (Port)	0.00	2,466,218	-	-	-	-	2,466,218
Provisions (Port)	0.00	98,980	243,376	1,040,401	100,000	731,000	2,213,757
Fixed interest rate instruments (Port)	5.550	190,139	299,485	-	37,758,358	-	38,247,982
Total		4,798,558	684,444	1,645,652	37,916,533	1,156,258	46,201,445

Interest risk tables - Financial assets

The following table details the Group's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period. As the amounts included in the table are contractual undiscounted cash flows these amounts will not reconcile to the amounts disclosed in the *Statement of Financial Position*.

Interest risk table financial assets 2012/2013

	Weighted average effective interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	5+ years	Total \$
Cash and cash equivalents (Council)	variable	556,154	-	-	-	-	556,154
Current portion of investments (Council)	4.16%	-	500,000	915,534	-	-	1,415,534
Trade and other receivables (Council)	-	3,261,186	-	-	-	-	3,261,186
Non current portion of Investments (Council)	various*	-	-	-	12,901,429	-	12,901,429
Cash and cash equivalents (Trust)	variable	1,065,804	-	-	-	-	1,065,804
Trade and other receivables (Trust)	-	292	-	-	-	-	292
Cash and cash equivalents (Port)	variable	530,852	-	-	-	-	530,852
Trade and other receivables (Port)	-	4,542,278	-	-	-	-	4,543,278
Total		9,956,566	500,000	915,534	12,901,429	-	24,273,529

Interest risk table financial assets 2011/2012

	Weighted average effective interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	5+ years	Total \$
Cash and cash equivalents (Council)	variable	2,238,425	-	-	-	-	2,238,425
Current portion of investments (Council)	5.60	-	-	500,000	-	-	500,000
Trade and other receivables (Council)	-	3,170,693	-	-	-	-	3,170,693
Non current portion of Investments (Council)	various*	-	-	-	11,382,445	1,548,353	12,930,798
Cash and cash equivalents (Port)	variable	461,532	-	-	-	-	461,532
Trade and other receivables (Port)	0	6,605,456	-	-	-	-	6,605,456
Total		12,476,106	-	500,000	11,382,445	1,548,353	25,906,904

Interest risk table financial assets 2010/2011

	Weighted average effective interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	5+ years	Total \$
Cash and cash equivalents (Council)	variable	2,405,635	-	-	-	-	2,405,635
Current portion of investments (Council)	various*	-	-	-	-	-	-
Trade and other receivables (Council)	-	2,315,487	-	-	-	-	2,315,487
Non current portion of investments Investments (Council)	various*	-	-	-	7,190,543	6,267,432	13,457,975
Cash and cash equivalents (Port)	variable	2,994,598	-	-	-	-	2,994,598
Trade and other receivables (Port)	0	4,468,470	-	-	-	-	4,468,470
Total		12,184,190	-	-	7,190,543	6,267,432	25,642,165

* Weighted average effective interest rate is disclosed in Note 11.

23. RELATED PARTY TRANSACTIONS

Taranaki Regional Council is the ultimate parent of the Group and controls two entities being Port Taranaki Ltd and Taranaki Stadium Trust. The Council has a 15.5% investment in Regional Software Holdings Ltd. The transactions between Port Taranaki Ltd and the Council during the year were (all figures are GST exclusive):

	Council		
	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
Harbourmaster services	28,000	27,500	27,500
Other Port services	12,166	11,917	9,768
Purchases of goods and services from subsidiary	40,166	39,417	37,268
Dividend received from Port Taranaki Ltd	2,950,000	2,200,000	1,850,000
Unauthorised incident-stormwater discharge	750	955	-
Resource consent application fees	5,376	-	1,446
Oil spill onto Blyde wharf & into sea	-	-	-
Resource consent compliance monitoring programme	1,568	15,277	11,620
Land lease rental	34,880	34,880	21,300
Sales of goods and services to subsidiary	42,574	51,112	34,366
Accounts payable		2,612	-
Accounts receivable	750	11,622	-

There have been a number of transactions between Port Taranaki Ltd and the Taranaki Regional Council during the year in the normal course of business. These transactions are of an immaterial amount both individually and collectively.

Port Taranaki Limited has no subsidiaries.

The transactions between Taranaki Stadium Trust and the Council during the year were:

	Council		
	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
Funding for development and major maintenance of Yarrow Stadium	876,000	-	-

Taranaki Stadium Trust has no subsidiaries.

The transactions between Regional Software Holdings Ltd and the Council during the year were:

	Council		
	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
Share call	697,500	-	-
Administration fees and support	16,738	-	-

Regional Software Holdings Ltd has no subsidiaries.

Key management personnel

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 David MacLeod) and Councillor Peter Horton are Directors of Port Taranaki Ltd, Councillor Craig Williamson 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. Councillor David Lean is a Director of the TSB Bank Limited. The Council invests surplus funds and receives interest income from the TSB Bank Limited. All transactions between the Council and the TSB Bank Limited are on normal commercial terms. Councillor David Lean was paid fees for the provision of Controller Services for the Central Defence Emergency Management Group of \$8,200 (\$8,855—2011/2012).

Key management personnel compensation

Key management personnel include the Chairperson, Councillors, Chief Executive and Directors (second tier managers).

Group				Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$		2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
4,019,611	3,661,002	3,573,807	Salaries and other short term employee benefits	1,498,009	1,456,748	1,458,398
(7,000)	22,000	9,000	Post employment benefits	-	-	-
(19,000)	4,000	4,000	Other long term benefits	-	-	-
217,179	-	-	Termination benefits	-	-	-

Port Taranaki Limited paid a fee of \$0 (\$32,895 —2011/2012) to Mr R. N. Taylor (a director of Port Taranaki Limited) during the year for economic consulting services.

24. DEFINED BENEFIT PLAN

Port Taranaki Ltd is a participating employer in the NPF DBP Contributors scheme ("the Scheme") which is a multi-employer defined benefit scheme. If the other employers ceased to participate in the Scheme, the employer could be responsible for the entire deficit of the Scheme. Similarly, if a number of employers ceased to participate in the Scheme, the Group could be responsible for an increased share of the deficit. As at 30 June 2013, the multi-employer defined benefit plan with National Provident Fund (NPF) entitles 1 employee (1—2011/2012) to retirement benefits. No other post retirement plans are provided by the Company. The total expenses recognised in the profit or loss of \$0 (\$0) represents contributions paid to the plan. The Company has no other known liability in respect to the scheme.

The Schemes Actuary has advised that insufficient information is available to use defined benefit accounting as it is not possible to determine, from the terms of the Scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

As at 31 March 2012, the Scheme had a past service surplus of \$19.833 million (2011: \$37.6 million), 8.3% (2011: 16.4%) of the liabilities. This amount is exclusive of Employer Superannuation Contribution Withholding Tax. This surplus was calculated using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19.

The Actuary to the Scheme recommended previously that the employer contributions were suspended with effect from 1 April 2011. In the latest report the Actuary recommended employer contributions remain suspended.

25. PRINCIPAL ACTIVITIES

The Taranaki Regional Council provides local authority services to ratepayers and other residents of the Taranaki region.

Port Taranaki Ltd facilitates export and import activities through Port Taranaki.

Taranaki Stadium Trust provides for the long-term maintenance and development of Yarrow Stadium.

Regional Software Holdings Ltd provides shared software resources that are relevant to regional councils.

26. COMMITMENTS AND CONTINGENCIES

Group			Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
			Commitments		
2,583,890	618,428	287,296	181,924	132,428	287,296
2,583,890	618,428	287,296	181,924	132,428	287,296
			Non cancellable operating lease commitments		
			Lease commitments due as follows:		
600	53,238	92,331		-	-
-	31,950	53,250		-	-
	-	-		-	-
600	85,188	145,581		-	-
216,092	245,740	234,392		-	-
			Lease payments under operating leases recognised as an expense during the year.		

Operating lease payments represent rentals payable by Port Taranaki Limited for the lease of land and buildings. All operating lease contracts contain market review clauses in the event that the Company exercises its option to renew. Port Taranaki Limited does not have an option to purchase any of the leased assets at the end of the lease periods.

Contingencies

The Taranaki Regional Council has no known contingent liabilities as at 30 June 2013 (Nil—2011/2012).

Pursuant to the Waitara Harbours Act 1940, the Council has an interest in 180ha of New Plymouth District Council owned Waitara Harbour endowment lands. In the event of the sale of part or all of these lands by the New Plymouth District Council, the Council has a contingent asset. At this stage, the value is uncertain.

Port Taranaki Limited is a participating employer in the NPF DBP Contributors scheme (the Scheme) which is a multi-employer defined benefit scheme. If the other employers ceased to participate in the Scheme, the employer could be responsible for the entire deficit of the Scheme (see Note 24). Similarly, if a number of employers ceased to participate in the Scheme, the Company could be responsible for an increased share of the deficit.

27. LEASING ARRANGEMENTS

Operating leases relate to investment properties owned by the Taranaki Regional Council with lease terms of between 5 to 21 years, with options to extend at the completion of each lease. All 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. There were no contingent rents recognised as income in the 2011/2012 and 2012/2013 years.

The property rental income earned by the Council from its investment property, all of which is leased out under operating leases, amounts to \$759,061 (2011/2012—\$783,444). Direct operating expenses arising on the investment property in the period amounted to \$40,358 (\$16,561).

Group			Council		
2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	2010/2011 Actual \$
Non-cancellable operating lease receivables					
Lease commitments due as follows:					
2,852,184	3,150,841	2,368,068	753,073	737,932	411,131
6,442,732	6,701,027	6,179,679	2,618,537	2,608,364	2,664,649
8,478,301	9,997,396	10,740,928	2,170,406	2,749,028	3,075,780

28. STATUTORY COMPLIANCE

During the year the Port Taranaki Ltd breached section 322 of the Resource Management Act 1991. Board approved capital expenditure was in progress at 30 June 2013 to provide corrective action.

In 2011/2012, Port Taranaki Ltd also breached sections 6(a) and 16(1) of the Port Companies Act 1988. Corrective action was taken for both issues and at 30 June 2012, Port Taranaki Ltd was in compliance with all statutes.

29. RECOGNITION OF OKATO RIVER FLOOD CONTROL SCHEME ASSETS

As at 30 June 2013, the Council has capitalised its expenditure on the Okato River Flood Control Scheme to better reflect the nature of the assets in the Scheme. Prior to 1 July 2012, all Scheme expenditure was expensed to the *Statement of Comprehensive Income*. As the expenditure has become more significant, the structures in the Scheme have become more stable and the Council is planning for the long-term maintenance and development of these assets, the Council has decided to capitalise the assets and disclose them as property, plant and equipment in the *Statement of Financial Position*. The Scheme assets were valued by a registered engineer as at 30 June 2013 at \$342,000. Applying the Council's depreciation policy on flood control assets results in no depreciation expense. The effect on the current year is to increase the carrying amount of property, plant and equipment and to increase retained earnings by \$342,000.

30. TARANAKI STADIUM TRUST

The Taranaki Stadium Trust is a charitable trust and a council-controlled organisation under the *Local Government Act 2002*. The Taranaki Stadium Trust (formerly the Yarrow Stadium Trust) was established in November 1999 to own and operate the then new Yarrow Stadium (the revamped former Rugby Park).

The Council supports the long-term maintenance and development of Yarrow Stadium through the Taranaki Stadium Trust (the 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 2012/2013 year involved a significant level of positive change for the Trust. The Trust, the New Plymouth District Council and the Taranaki Regional Council have entered into a partnership arrangement for the operation and development/enhancement of the Yarrow Stadium facilities. A new management agreement has been entered into between the Trust and the New Plymouth District Council. Under the management agreement, the New Plymouth District Council will operate and fund the operations of Yarrow Stadium.

The Taranaki Regional Council will fund, via the Trust, the long-term maintenance and development of Yarrow Stadium. The funding for long-term maintenance and development has not previously been available on a systematic basis. The securing of this funding assists in maintaining Yarrow Stadium as a premier regional sports and events venue.

To facilitate this new arrangement, control of the Trust was transferred from the New Plymouth District Council to the Taranaki Regional Council. At the same time, the Trust was renamed as the Taranaki Stadium Trust. 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. Governance control of the Taranaki Stadium Trust transferred from the New Plymouth District Council to the Taranaki Regional Council on 27 June 2013.

During 2012/2013, the Trust had a net profit of \$2,353,469 against a budgeted loss of \$263,000. The positive unbudgeted net profit variance is due to control of the Trust being transferred from the New Plymouth District Council to the Taranaki Regional Council on 27 June 2013. Subsequently, \$2.1m of stadium assets were vested from the NPDC and \$876k of annual funding for the future maintenance and development of the stadium was transferred from the TRC. Following on, net equity is \$7.2m higher than the target.

Control of the Trust was transferred from the New Plymouth District Council to the Taranaki Regional Council on 27 June 2013 (for no consideration). At the same time, the Trust was renamed as the Taranaki Stadium Trust. With the transfer of control of the Trust to the Taranaki Regional Council, the two Trustees (Mr Barry Rollo and Mr Frank Versteeg) retired. The Taranaki Regional Council then appointed Councillor Craig Williamson and Director-Corporate Services Mr Michael Nield as Trustees. The Council-appointed Trustees hold 100% of the voting rights.

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.

On 27 June 2013, the following assets were transferred:

Land	\$1,900,000
Buildings	\$18,887,386
Cash and cash equivalents	\$58,404

As the Taranaki Stadium Trust was transferred from the New Plymouth District Council to the Council for no consideration, there was a gain on recognition of the assets of the Trust. The gain on acquisition of the Taranaki Stadium Trust is \$20,845,890 and has been disclosed as "Taranaki Stadium Trust acquisition" in the *Statement of Comprehensive Income*.

LOCAL GOVERNMENT (FINANCIAL REPORTING) REGULATIONS 2011

The following information is presented for compliance with Local Government (Financial Reporting) Regulations 2011. 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) Regulations 2011.

The following figures differ from those published in the 2012/2022 Long-Term Plan due to an error in the compilation of the 2012/2022 Long-Term Plan. The figures published in this Funding Impact Statement are correct. This error applies only to the Whole of Council funding impact statement. The Group of activity funding impact statements are correct. The published figures and the correct figures are as follows:

2010/2011		2011/2012			2012/2013	
Long-Term Plan Published Estimate \$	Estimate Corrected Figures \$	Long-Term Plan Published Estimate \$	Estimate Corrected Figures \$		Long-Term Plan Published Estimate \$	Estimate Corrected Figures \$
168,500	183,500	237,000	271,000	Gross proceeds from sale of assets	222,500	241,500
				Capital expenditure		
1,435,300	1,691,100	2,073,902	2,317,102	- to replace existing assets	1,999,700	3,016,700
433,269	192,469	(20,253)	(229,455)	Increase/(decrease) in investments	(935,394)	(1,933,399)

WHOLE OF COUNCIL FUNDING IMPACT STATEMENT

2010/2011		2011/2012			2012/2013	
Estimate \$	Actual \$	Estimate \$	Actual \$		Estimate \$	Actual \$
Sources of operating funding						
6,855,555	6,887,564	7,184,622	7,184,612	General rates, uniform annual general charges, rates penalties	7,184,618	7,184,618
1,462,148	1,462,148	1,568,340	1,568,340	Targeted rates	1,659,412	1,658,731
2,308,831	1,549,679	1,662,441	1,615,022	Subsidies and grants for operating purposes	1,829,926	1,560,592
5,076,903	4,847,105	5,476,408	5,678,272	Fees, charges and targeted rates for water supply	6,412,865	7,456,876
3,623,000	3,769,321	4,361,000	4,102,501	Interest and dividends from investments	4,799,044	4,896,859
0	0	0	0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
19,326,437	18,515,817	20,252,811	20,148,746	Total operating funding	21,885,865	22,757,676
Applications of operating funding						
17,917,017	17,370,236	18,114,773	18,472,072	Payments to staff and suppliers	20,228,886	19,706,173
0	0	0	0	Finance costs	0	0
0	0	0	0	Other operating funding applications	0	0
17,917,017	17,370,236	18,114,773	18,472,072	Total applications of operating funding	20,228,886	19,706,173
1,409,420	1,145,580	2,138,038	1,676,675	Surplus/(deficit) of operating funding	1,656,979	3,051,502
Sources of capital funding						
0	0	0	0	Subsidies and grants for capital expenditure	0	0
0	0	0	0	Development and financial contributions	0	0
0	0	0	0	Increase/(decrease) in debt	0	0
183,500	60,192	271,000	156,809	Gross proceeds from sale of assets	241,500	205,125
0	0	0	0	Lump sum contributions	0	0
183,500	60,192	271,000	156,809	Total sources of capital funding	241,500	205,125
Applications of capital funding						
0	0	0	0	Capital expenditure	0	0
0	0	0	0	- to meet additional demand	0	0
500,000	795,782	500,000	121,500	- to improve the level of service	750,000	408,855
1,691,100	960,416	2,317,102	1,437,868	- to replace existing assets	3,016,700	2,067,766
(790,649)	(1,069,064)	(178,609)	59,947	Increase/(decrease) in reserves	65,178	204,161
192,469	518,638	(229,455)	214,168	Increase/(decrease) in investments	(1,933,399)	575,846
1,592,920	1,205,773	2,409,038	1,833,483	Total applications of capital funding	1,898,479	3,256,627
(1,409,420)	(1,145,580)	(2,138,038)	(1,676,675)	Surplus/(deficit) of capital funding	(1,656,979)	(3,051,502)
0	0	0	0	Funding balance	0	0

RESOURCE MANAGEMENT FUNDING IMPACT STATEMENT

2010/2011		2011/2012			2012/2013	
Estimate \$	Actual \$	Estimate \$	Actual \$		Estimate \$	Actual \$
Sources of operating funding						
3,092,227	3,092,235	3,180,483	3,237,695	General rates, uniform annual general charges, rates penalties	3,365,960	3,365,968
0	0	0	0	Targeted rates	0	0
879,250	286,172	240,900	257,967	Subsidies and grants for operating purposes	247,900	232,359
3,784,412	3,490,507	4,097,140	4,201,848	Fees, charges and targeted rates for water supply	4,791,074	5,991,559
0	0	0	0	Internal charges and overheads recovered	0	0
0	0	0	0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
7,755,889	6,868,913	7,518,523	7,697,510	Total operating funding	8,404,934	9,589,886
Applications of operating funding						
6,435,282	5,773,140	6,146,265	6,495,948	Payments to staff and suppliers	7,129,231	7,182,604
0	0	0	0	Finance costs	0	0
2,768,583	2,923,871	2,873,148	3,126,339	Internal charges and overheads applied	3,201,758	3,151,460
0	0	0	0	Other operating funding applications	0	0
9,203,864	8,697,011	9,019,413	9,622,287	Total applications of operating funding	10,330,989	10,334,064
(1,447,975)	(1,828,098)	(1,500,890)	(1,924,777)	Surplus/(deficit) of operating funding	(1,926,055)	(744,177)
Sources of capital funding						
0	0	0	0	Subsidies and grants for capital expenditure	0	0
0	0	0	0	Development and financial contributions	0	0
0	0	0	0	Increase/(decrease) in debt	0	0
95,500	29,838	133,500	88,058	Gross proceeds from sale of assets	81,500	103,734
0	0	0	0	Lump sum contributions	0	0
95,500	29,838	133,500	88,058	Total sources of capital funding	81,500	103,734
Applications of capital funding						
Capital expenditure						
0	0	0	0	- to meet additional demand	0	0
0	0	0	0	- to improve the level of service	0	0
417,400	227,565	709,102	500,362	- to replace existing assets	596,000	430,037
0	0	0	0	Increase/(decrease) in reserves	0	0
(1,769,875)	(2,025,824)	(2,076,492)	(2,337,080)	Increase/(decrease) in investments	(2,440,555)	(1,070,480)
(1,352,475)	(1,798,259)	(1,367,390)	(1,836,718)	Total applications of capital funding	(1,844,555)	(640,443)
1,447,975	1,828,098	1,500,890	1,924,777	Surplus/(deficit) of capital funding	1,926,055	744,177
0	0	0	0	Funding balance	0	0

BIOSECURITY FUNDING IMPACT STATEMENT

2010/2011		2011/2012		2012/2013	
Estimate \$	Actual \$	Estimate \$	Actual \$	Estimate \$	Actual \$
Sources of operating funding					
1,226,331	1,226,331	1,216,765	1,238,659	1,173,254	1,173,254
0	0	0	0	0	0
0	0	0	0	0	0
118,900	90,129	118,900	113,027	118,900	81,962
0	0	0	0	0	0
0	0	0	0	0	0
1,345,231	1,316,460	1,335,665	1,351,686	1,292,154	1,255,216
Applications of operating funding					
1,225,235	1,292,551	1,294,944	1,202,756	1,275,718	1,217,037
0	0	0	0	0	0
718,877	759,084	652,527	709,901	691,481	683,158
0	0	0	0	0	0
1,944,112	2,051,635	1,947,471	1,912,657	1,967,199	1,900,196
(598,881)	(735,175)	(611,806)	(560,972)	(675,045)	(644,980)
Sources of capital funding					
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
39,500	4,435	72,000	39,400	70,000	16,087
0	0	0	0	0	0
39,500	4,435	72,000	39,400	70,000	16,087
Applications of capital funding					
Capital expenditure					
0	0	0	0	0	0
0	0	0	0	0	0
141,400	87,799	260,700	113,274	340,700	180,608
0	0	0	85,000	50,000	50,000
(700,781)	(818,539)	(800,506)	(719,846)	(995,745)	(859,501)
(559,381)	(730,740)	(539,806)	(521,572)	(605,045)	(628,893)
598,881	735,175	611,806	560,972	675,045	644,980
0	0	0	0	0	0

TRANSPORT FUNDING IMPACT STATEMENT

2010/2011		2011/2012		2012/2013	
Estimate \$	Actual \$	Estimate \$	Actual \$	Estimate \$	Actual \$
Sources of operating funding					
348,308	348,308	485,915	365,397	148,784	148,778
710,907	710,907	750,449	750,449	778,071	778,071
1,429,581	1,263,507	1,421,541	1,357,055	1,582,026	1,328,233
704,700	768,277	775,750	811,480	948,063	843,139
0	0	0	0	0	0
0	0	0	0	0	0
3,193,496	3,090,999	3,433,655	3,284,381	3,456,944	3,098,221
Applications of operating funding					
3,187,801	2,965,034	3,357,737	3,026,921	3,388,078	2,964,364
0	0	0	0	0	0
201,648	212,965	249,767	271,496	125,417	135,382
0	0	0	0	0	0
3,389,449	3,177,999	3,607,504	3,298,418	3,513,495	3,099,746
(195,953)	(87,000)	(173,849)	(14,037)	(56,551)	(1,526)
Sources of capital funding					
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	7,000	0	7,000	3,913
0	0	0	0	0	0
0	0	7,000	0	7,000	3,913
Applications of capital funding					
Capital expenditure					
0	0	0	0	0	0
0	0	0	0	0	0
0	0	28,000	0	28,000	24,681
0	0	(100,000)	(46,298)	(29,543)	(27,500)
(195,953)	(87,000)	(94,849)	32,262	(48,008)	5,206
(195,953)	(87,000)	(166,849)	(14,037)	(49,551)	2,387
195,953	87,000	173,849	14,037	56,551	1,526
0	0	0	0	0	0

HAZARD MANAGEMENT FUNDING IMPACT STATEMENT – CIVIL DEFENCE EMERGENCY MANAGEMENT

2010/2011		2011/2012		2012/2013	
Estimate \$	Actual \$	Estimate \$	Actual \$	Estimate \$	Actual \$
Sources of operating funding					
171,604	161,848	191,988	202,341	General rates, uniform annual general charges, rates penalties	197,339
0	0	0	0	Targeted rates	0
0	0	0	0	Subsidies and grants for operating purposes	0
268,146	341,490	302,400	328,368	Fees, charges and targeted rates for water supply	332,828
0	0	0	0	Internal charges and overheads recovered	0
0	0	0	0	Local authorities fuel tax, fines, infringement fees and other receipts	0
439,750	503,338	494,388	530,709	Total operating funding	530,167
Applications of operating funding					
346,529	383,485	403,639	381,817	Payments to staff and suppliers	435,975
0	0	0	0	Finance costs	0
150,783	159,039	161,565	175,825	Internal charges and overheads applied	184,593
0	0	0	0	Other operating funding applications	0
497,311	542,524	565,203	557,642	Total applications of operating funding	620,568
(57,561)	(39,186)	(70,815)	(26,933)	Surplus/(deficit) of operating funding	(90,401)
Sources of capital funding					
0	0	0	0	Subsidies and grants for capital expenditure	0
0	0	0	0	Development and financial contributions	0
0	0	0	0	Increase/(decrease) in debt	0
7,000	0	8,000	0	Gross proceeds from sale of assets	15,000
0	0	0	0	Lump sum contributions	0
7,000	0	8,000	0	Total sources of capital funding	15,000
Applications of capital funding					
Capital expenditure					
0	0	0	0	- to meet additional demand	0
0	0	0	0	- to improve the level of service	0
47,500	49,162	51,100	47,866	- to replace existing assets	72,000
0	0	0	0	Increase/(decrease) in reserves	0
(98,061)	(88,348)	(113,915)	(74,799)	Increase/(decrease) in investments	(147,401)
(50,561)	(39,186)	(62,815)	(26,933)	Total applications of capital funding	(75,401)
57,561	39,186	70,815	26,933	Surplus/(deficit) of capital funding	90,401
0	0	0	0	Funding balance	0

**HAZARD MANAGEMENT FUNDING IMPACT STATEMENT –
FLOOD MANAGEMENT, GENERAL RIVER CONTROL & RIVER CONTROL SCHEMES**

2010/2011		2011/2012		2012/2013	
Estimate \$	Actual \$	Estimate \$	Actual \$	Estimate \$	Actual \$
Sources of operating funding					
112,546	122,303	211,281	208,178	114,819	114,819
417,431	417,431	482,871	482,871	549,709	549,709
0	0	0	0	0	0
65,245	40,092	39,324	33,949	20,000	20,010
0	0	0	0	0	0
0	0	0	0	0	0
595,222	579,826	733,476	724,998	684,528	684,538
Applications of operating funding					
575,720	493,435	620,068	479,107	508,783	325,244
0	0	0	0	0	0
75,620	80,126	146,922	159,969	81,905	86,813
0	0	0	0	0	0
651,340	573,561	766,990	639,076	590,688	412,057
(56,118)	6,265	(33,514)	85,922	93,840	272,480
Sources of capital funding					
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	8,696	0	0
0	0	0	0	0	0
0	0	0	8,696	0	0
Applications of capital funding					
Capital expenditure					
0	0	0	0	0	0
500,000	795,782	500,000	121,500	750,000	408,855
0	0	0	0	0	0
9,740	21,021	0	21,245	44,721	181,449
(565,858)	(810,538)	(533,514)	(48,128)	(700,881)	(317,823)
(56,118)	6,265	(33,514)	94,617	93,840	272,480
56,118	(6,265)	33,514	(85,922)	(93,840)	(272,480)
0	0	0	0	0	0

RECREATION, CULTURE AND HERITAGE FUNDING IMPACT STATEMENT

2010/2011		2011/2012		2012/2013	
Estimate \$	Actual \$	Estimate \$	Actual \$	Estimate \$	Actual \$
Sources of operating funding					
1,210,321	1,242,321	1,265,181	1,376,812	General rates, uniform annual general charges, rates penalties	1,549,365 1,549,365
333,810	333,810	335,020	335,020	Targeted rates	331,632 330,951
0	0	0	0	Subsidies and grants for operating purposes	0 0
113,500	91,767	113,500	164,736	Fees, charges and targeted rates for water supply	177,000 164,206
0	0	0	0	Internal charges and overheads recovered	0 0
0	0	0	0	Local authorities fuel tax, fines, infringement fees and other receipts	0 0
1,657,631	1,667,898	1,713,701	1,876,568	Total operating funding	2,057,997 2,044,522
Applications of operating funding					
1,098,667	1,090,889	1,149,919	1,184,255	Payments to staff and suppliers	2,081,176 2,110,265
0	0	0	0	Finance costs	0 0
705,770	745,906	729,709	794,212	Internal charges and overheads applied	747,381 740,481
0	0	0	0	Other operating funding applications	0 0
1,804,437	1,836,794	1,879,628	1,978,466	Total applications of operating funding	2,828,557 2,850,746
(146,806)	(168,896)	(165,927)	(101,899)	Surplus/(deficit) of operating funding	(770,560) (806,224)
Sources of capital funding					
0	0	0	0	Subsidies and grants for capital expenditure	0 0
0	0	0	0	Development and financial contributions	0 0
0	0	0	0	Increase/(decrease) in debt	0 0
15,000	8,527	34,000	18,704	Gross proceeds from sale of assets	19,000 0
0	0	0	0	Lump sum contributions	0 0
15,000	8,527	34,000	18,704	Total sources of capital funding	19,000 0
Applications of capital funding					
Capital expenditure					
0	0	0	0	- to meet additional demand	0 0
0	0	0	0	- to improve the level of service	0 0
255,800	84,441	243,200	237,696	- to replace existing assets	1,017,000 705,774
0	0	0	0	Increase/(decrease) in reserves	0 0
(387,606)	(244,810)	(375,127)	(320,890)	Increase/(decrease) in investments	(1,768,560) (1,511,998)
(131,806)	(160,369)	(131,927)	(83,194)	Total applications of capital funding	(751,560) (806,224)
146,806	168,896	165,927	101,899	Surplus/(deficit) of capital funding	770,560 806,224
0	0	0	0	Funding balance	0 0

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT FUNDING IMPACT STATEMENT

2010/2011		2011/2012		2012/2013	
Estimate \$	Actual \$	Estimate \$	Actual \$	Estimate \$	Actual \$
Sources of operating funding					
694,218	694,218	633,009	555,530	General rates, uniform annual general charges, rates penalties	635,097 635,095
0	0	0	0	Targeted rates	0 0
0	0	0	0	Subsidies and grants for operating purposes	0 0
22,000	24,843	29,394	24,865	Fees, charges and targeted rates for water supply	25,000 20,563
0	0	0	0	Internal charges and overheads recovered	0 0
0	0	0	0	Local authorities fuel tax, fines, infringement fees and other receipts	0 0
716,218	719,061	662,403	580,395	Total operating funding	660,097 655,658
Applications of operating funding					
723,243	662,301	649,450	638,899	Payments to staff and suppliers	679,017 644,706
0	0	0	0	Finance costs	0 0
369,521	390,428	362,896	394,965	Internal charges and overheads applied	391,096 384,727
0	0	0	0	Other operating funding applications	0 0
1,092,763	1,052,728	1,012,347	1,033,865	Total applications of operating funding	1,070,113 1,029,433
(376,545)	(333,668)	(349,944)	(453,470)	Surplus/(deficit) of operating funding	(410,016) (373,775)
Sources of capital funding					
0	0	0	0	Subsidies and grants for capital expenditure	0 0
0	0	0	0	Development and financial contributions	0 0
0	0	0	0	Increase/(decrease) in debt	0 0
26,500	17,392	16,500	1,950	Gross proceeds from sale of assets	49,000 64,000
0	0	0	0	Lump sum contributions	0 0
26,500	17,392	16,500	1,950	Total sources of capital funding	49,000 64,000
Applications of capital funding					
Capital expenditure					
0	0	0	0	- to meet additional demand	0 0
0	0	0	0	- to improve the level of service	0 0
829,000	474,859	1,025,000	538,670	- to replace existing assets	963,000 646,192
0	0	0	0	Increase/(decrease) in reserves	0 0
(1,179,045)	(791,135)	(1,358,444)	(990,190)	Increase/(decrease) in investments	(1,324,016) (955,967)
(350,045)	(316,276)	(333,444)	(451,520)	Total applications of capital funding	(361,016) (309,775)
376,545	333,668	349,944	453,470	Surplus/(deficit) of capital funding	410,016 373,775
0	0	0	0	Funding balance	0 0

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

COMPLIANCE

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 2013 fairly reflect the financial position and operations of the Taranaki Regional Council.



David MacLeod
Chairman
23 September 2013



Basil Chamberlain
Chief Executive
23 September 2013

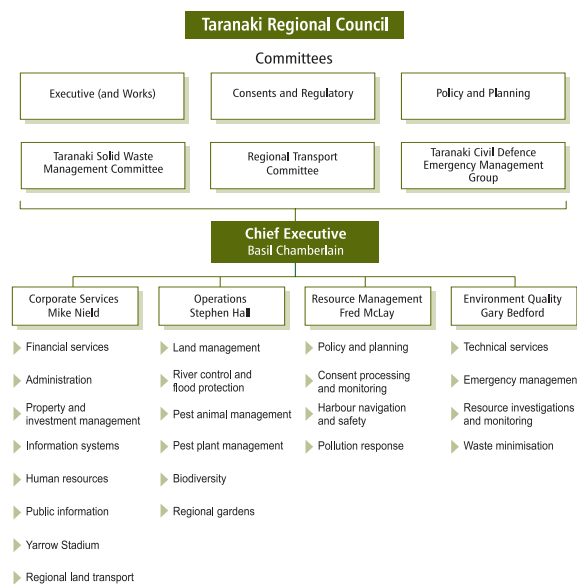


Michael Nield
Director – Corporate Services
23 September 2013

ORGANISATIONAL STRUCTURE

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.

Most Council 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 Council's fields of activities. It is a flat, compact structure, which results in a high level of delegated authority, productivity and commitment.



VALUES STATEMENT

The staff of the Council are individually and collectively committed to:

Public service

- behaving with integrity and neutrality in the best traditions of the public sector in New Zealand
- administering our functions for the collective good of our community with consistency, fairness and sensitivity in our treatment of individual situations
- not accepting direct or indirect offers, payment, gifts or bribes in any form and avoiding conflicts of interest.

Service first

- assisting people in a courteous, helpful, accurate and professional manner
- providing people with a better service than they may expect to receive, noting that many people do not have dealings with us out of choice
- recognising the social and cultural diversity that exists and take this into account in our dealings.

Improving the quality of our performance

- ensuring our personal contributions make a real and positive difference to the Council, its mission and performance
- continually improving the quality of our services to customers and the quality of our working relationships with each other
- improving our time management and productivity by increasing our knowledge and experience of our duties, working in a planned and strategic way and focusing on completing assignments
- calling for assistance when required
- being thorough and professional in our work so that we make sound recommendations and decisions based on knowledge and understanding.

Effective communication and teamwork

- informing each other about our tasks and seeking participation and advice
- communicating with simplicity, clarity, and certainty
- recognising that individual achievements are always underpinned by the assistance of others
- constructively assisting each other, being non-possessive and receptive to advice
- trusting, respecting and being loyal to each other and the organisation
- congratulating each other for jobs well done and helping each other through problems
- participative management systems which encourage constructive and timely expression of opinion, noting that having a say differs from having a vote.

Initiative and the right to make mistakes

- challenging the way we do things showing initiative with the aim of improving effectiveness
- being innovative in developing and using new ideas, methods and technologies
- minimising mistakes but accepting that we will make mistakes as we learn and improve
- forgiving well-intentioned errors
- being flexible and responsive to change.

Accountability and results

- being responsible and accountable for our own actions and the quality of our own work
- being collectively responsible for and loyal to the organisation's actions
- achieving results which benefit the community
- not mistaking activity for accomplishment.

Presentation, respect and care

- presenting ourselves for work in a fit state and in appropriate standards of dress and appearance
- respecting and caring for Council property, plant, vehicles and our workplace as if it were our own
- recognising the need to protect the integrity and public image of the Council and our colleagues in our private lives
- remembering that many of the people who are obliged to contribute to the funding of the organisation have low incomes.

Job satisfaction

- being appropriately trained and resourced to do our work well
- being satisfactorily rewarded for our work
- enjoying our work.

PERFORMANCE MANAGEMENT

The Council has extensive systems in place to assist performance management and continuous improvement.

Performance metrics to measure individual, group and total Council performance across a full range of processes and outputs have been developed. This information is provided to all staff through the intranet and other means, at regular intervals. Presently 79 performance metrics are used. The Council’s individual performance development programme (IDP) incorporates individual performance expectations and appraisal, personal development and training needs.

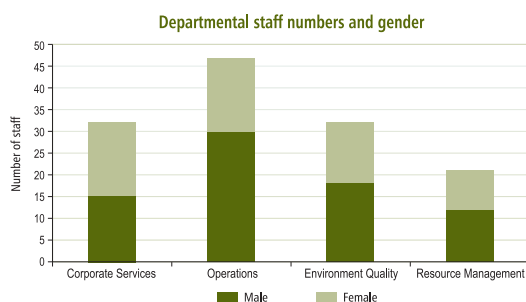
EMPLOYMENT AGREEMENTS

On hundred and thirty two (132) permanent staff were employed by the Council at 30 June 2013. Ninety percent (90%) were 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 (PSA).

There were no disputes or personal grievances which triggered the “employment relationship problems” provisions of the Taranaki Regional Council Collective Agreement during the period.

EQUAL EMPLOYMENT OPPORTUNITY

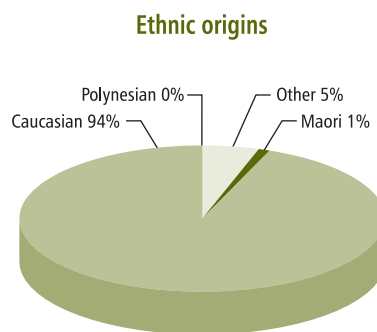
The Taranaki Regional Council is committed to the principle of equal opportunity in the recruitment, employment, training and promotion of its employees. The organisation aims to provide a welcoming environment which accepts diversity.



Activities and services are sought to be implemented with 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 procedures are designed to select from the widest possible cross section of potential staff in a non-discriminatory way. Databases are maintained to collect and provide information for input into equal employment opportunity policy development, implementation and evaluation, whilst ensuring confidentiality.

Ethnic origins



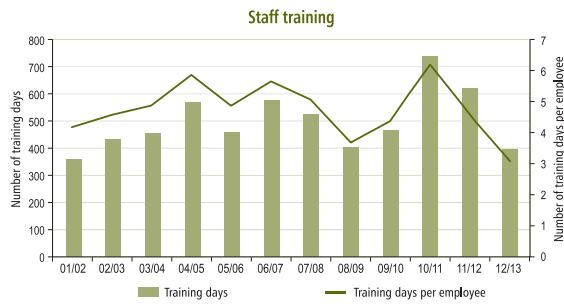
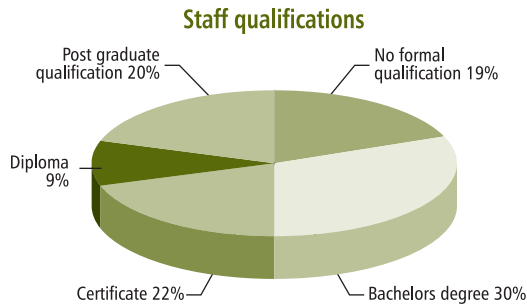
HEALTH AND SAFETY

The Council takes the safety of staff, contractors and the public seriously. All staff are provided with training and other services to promote health and safety in the workplace. The aim is for no staff time lost from work-related incidents. The Council is accredited to Accident Compensation Corporation’s Workplace Safety Management Practices programme where an independent audit of the Council’s Health and Safety management system met the criteria of a “well-established, continuous improvement framework”. This also results in reduced ACC premiums paid by the Council.



Training and experience

The Council is committed to ensuring that its staff are appropriately qualified, experienced and trained. The Council employs staff with many qualifications to undertake its wide range of duties and responsibilities.



Training is an investment in our employees. The Council is committed to maintaining continuing professional development.

Experienced, as well as well qualified and trained staff, are critical to the success of Council.



Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
State of the environment: Our freshwater resources	Freshwater physicochemical programme	Temperature, flow, DO, BOD ₅ , pH, conductivity, black disc clarity, turbidity, absorbances, ammonia-N, nitrate-N, total-N, DRP, total P, alkalinity, suspended solids, faecal coliform, enterococci	11 sites plus 3 NIWA sites	M = monthly R = annual
	Freshwater biological programme	Invertebrate numbers and taxa, macroinvertebrate community index	57 sites	M = spring and summer R = annual
State of the environment: Our freshwater resources	Freshwater nuisance periphyton programme	Algal cover and type including Didymo scan – Qualitative	21 sites	M = spring & summer R = biennial
		Algal biomass – Quantitative	21 sites	M = summer R = biennial
		Benthic cyanobacteria	19 sites	M = summer, fortnightly when in surveillance mode R = biennial
	Freshwater bathing water quality programme	Faecal coliforms, <i>E. coli</i> , enterococci, conductivity, turbidity, number of bathers and other users	17 sites at popular freshwater bathing locations	M = 13 samples over summer bathing season R = annual
	Freshwater toxic Cyanobacteria Programme	Cyanobacteria cell count	5 sites	M = 5 sites 7 samples over summer bathing season R = annual
	Groundwater chemical quality programme	Conductivity, alkalinity, pH, chloride, sulphate, silica, nitrate, nitrite, ammonia, DRP, sodium, potassium, calcium, magnesium, iron, manganese, bromide, fluoride	5 sites	M = quarterly R = annual
	Groundwater nitrate programme	Nitrates	84 sites	M = 5 yearly (quarterly) R = 5 yearly
	Groundwater level programme	Water levels	8 sites	M = monthly R = biannual
	Herbicides and pesticides in shallow groundwater	Organonitrogen herbicide, acid herbicide, organochlorine pesticide	8 sites	M = 4 yearly R = 4 yearly
	Regional hydrological monitoring	Water levels and flows, rainfall, wind direction and speed and temperature	45 telemetered sites, 28 non-telemetered water temperature sites	M = continuous R = monthly for selected sites
	Summary of freshwater use and availability	Natural 10 year low flow, total allocated water use, permitted water use, residual flow, residual flow as % low flow	28 sites on key rivers and streams	M = 5-yearly R = 5-yearly
	Summary of regional surface water abstraction volumes	Total volume of consented surface water abstraction in the region by industry category	Region-wide	M = annual R = annual
	Regional lake water quality programme	Chlorophyll-a, clarity, total phosphorus, total nitrogen, temperature, dissolved oxygen	Lake Rotorangi 1 site	M = quarterly R = annual
	Pressures on groundwater resources	Number of consented ground water abstractions, abstraction location and source aquifers, abstraction volumes.	110 sites region-wide	M = annual R = triennial
Riparian management water quality	Invertebrates, periphyton abundance, water temperature, bacteria, clarity, turbidity, conductivity depending on site, flow.	Kaupokonui River and Katikara, Kapoaiaia and Tawhiti Streams	M = continuous, monthly or spring and summer depending on parameter R = biennial	

Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
	Stream habitat assessment monitoring	River reach hydrology and morphology. In stream habitat and riparian assessments	Region-wide 21 sites per year 63 sites over 3 years	M = annual R = 3 yearly
	Register of dams, weirs and fish passage	Location, size, type, barrier	Region-wide	M = continuous R = as required
State of the Environment: Our air	Ambient air quality programme – nitrogen oxides	Nitrogen oxides	7 sites	M = 5 yearly R = as required
	Ambient air quality programme – carbon monoxide	Carbon monoxide	1 site	M = 5 yearly R = as required
	Ambient air quality programme – sulphur dioxide	Sulphur dioxide	4 sites	M = as required R = as required
	Regional air emissions inventory	Air emissions data from resource consents plus standard emission data for various sources	Region-wide	M = as required R = as required
	Ambient air quality and NES compliance	Air discharge consents, upgrades, ambient air quality	Region-wide	M = 5 yearly R = 5 yearly
	Formaldehyde monitoring – ambient air quality	Formaldehyde	4 sites	M = 5 yearly R = as required
	Inhalable particulate sampling – ambient air quality	PM ₁₀	1 site	M = 7 yearly R = as required
	Ambient air quality programme – unauthorised incidents	Review of unauthorised incident register air discharges with respect to NES	Region-wide	M = 5 yearly R = 5 yearly
State of the Environment: Our coastal environment	Marine bathing water quality programme	Faecal coliforms, <i>E. coli</i> , enterococci, conductivity	9 primary sites monitored annually 10 secondary sites monitored on a 3-year rotation	M = 13 times over the bathing season R = annual
	Hard shore marine ecological programme	Habitat and species type	6 sites	M = spring and/or summer R = annual
	Soft shore marine ecological programme	Habitat and species type	2 sites	M = summer R = annual
	Subtidal marine ecological programme in conjunction with Department of Conservation	Habitat and species type	No set number of sites (determined by Department of Conservation)	M = summer R = as required
	Port Taranaki Water Quality Programme	Sediment quality (hydrocarbons, DDT, tributyl tin, copper, zinc, lead, arsenic and cadmium), bioaccumulation of chemicals (in mussels), intertidal ecology, invasive species, water quality (faecal coliforms, <i>E. coli</i> , enterococci and conductivity) and shipping movements	Port Taranaki: 7 sites (sediment quality), 3 sites (bioaccumulation plus 1 control site outside harbour), 3 sites (intertidal ecology), 3 sites (invasive species), 6 sites (water quality)	M = 2 yearly and 5 yearly R = 3 yearly

Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
State of the environment: Our land	Aerial photographic coverage	Land cover, land use	Region-wide	M = 5 yearly
	Hill country sustainable land use programme	Vegetation, land use, land use change, physically sustainable land use	25 representative hill country sites	M = 5 yearly R = 5 yearly
	Coastal sand country sustainable land use programme	Area of bare sand, vegetation type, land use vegetation and land use change, physically sustainable land use	4 representative sites	M = 5 yearly R = 5 yearly
	Soil health programme	Soil compaction, nutrient depletion (carbon, phosphate, nitrogen, sulphur, potassium, calcium, magnesium, sodium) and residual soil contamination (arsenic, cadmium, copper, lead, zinc, persistent organopesticides and herbicides), soil biological health and soil ecological diversity	Region-wide – various representative sites on ring plain and hill country soils	M = 5 yearly R = 5 yearly
	District council monitoring	Protected heritage sites and buildings, dollar value spent on protection of heritage sites and buildings, number of heritage sites lost, number of significant trees, number of significant natural areas and area (hectares), dollar value spent on significant natural areas, number and location of consents for clearance of indigenous vegetation, number and location of subdivision consents, number and area of esplanade reserves, esplanade strips and access strips, number and value of building consents, number and area of reserves, noise in the coastal marine area, communitrak public satisfactions surveys, other studies or investigations.	Each of the region's district councils	M = 5 yearly R = 5 yearly
	Fertiliser application in Taranaki	Total quantity of fertiliser; total by fertiliser type	Region-wide	M = annual R = annual
State of the environment: Our biodiversity	Inventory of regionally significant and protected wetlands	Number, location, condition and protection status of wetlands in the Council's schedule of regionally significant wetlands, percentage of regionally significant wetlands fenced.	Region-wide	M = 2 yearly R = 2 yearly
	Inventory of Key Native Ecosystems	Number, location, and protection status of Key Native Ecosystems.	Region-wide	M = 2 yearly R = 2 yearly
	Department of Conservation monitoring	Number, area, type and location of protected natural areas, percentage habitat types protected, threatened species	Region-wide	M = 5 yearly R = 5 yearly
	QEII Trust	Number, area, habitat type covered by QEII covenants	Region-wide	M = 5 yearly R = 5 yearly
	Further programmes to be developed	In development	In development	In development
	Roading and forestry effects report	Number of water and soil inspections by activity type, description of scale of activity and effects, industry response.	Region-wide	M = annual R = annual

Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
Compliance monitoring	Tailored compliance monitoring programmes	Various chemical, physical, biological, bacterial or viral parameters, groundwater monitoring, soil analyses, vegetation or lichen studies, flow gauging, electric fishing, dye dilution studies, biological surveys of freshwater or marine ecosystems, odour surveys, the sampling and analysis of stack particulate, gas emission or downwind ambient air and time lapse video recording of emission or outfall plumes, water abstraction (including auditing and calibration of abstraction systems), contingency and site management plans	223 individual tailored compliance monitoring programmes involving approximately 1000 inspections of more than 285 consent holders and 1,006 resource consents (numbers may change from year to year)	M = variable depending on programme (monthly, quarterly, yearly) R = annual
	Agricultural monitoring programme	Compliance with consent conditions. May include sampling and analysis of various physical, chemical or biological parameters. 50% of farm dairy oxidation ponds sampled each year.	Inspections of all 1,809 dairy farms, 25 piggeries, 46 poultry farms and reinspections as required (numbers may change from year to year)	M = annual R = annual
	Minor industrial operations programme	Compliance with consent conditions or Council policy and plan requirements. May include sampling and analysis of various chemical, physical or biological parameters	Inspections of over 450 minor industrial operations including hydrocarbon exploration and production sites, paint sprayers, light engineering, quarries, garages and other general industrial sites and land uses, and reinspections as required (numbers may change from year to year)	M = annual R = annual
	Once-only compliance inspection programme	Compliance with consent conditions	Region-wide small-scale installation activities (bridges, culverts etc)	M = on completion of work or commencement of consent R = following inspection
	Review of contingency plans	Content of contingency plans to ensure ongoing relevance and appropriateness	Review of a selection of approximately 350 operational plans	M = annual R = annual
	Unauthorised Incidents Register	Number of unauthorised incidents reported. Number of abatement notices and infringement notices issued and prosecutions taken. A variety of parameters sampled and/or analysed depending on the nature of the incident	Region-wide	M = continuous R = 6 weekly and annual.
	Public information databases	Requests for information, Council communications activities, use of Council website, public information materials produced and distributed, number of visits to the Council's freshwater lab, number and type of initiatives under the Council's environmental education programme	Region-wide	M = annual R = annual

Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
Resource consent processing and administration	Resource consent database	Number and type of consent applications and consents granted, notified and non-notified, submissions lodged, application pre-hearing resolution rate, number of hearings, number of appeals lodged, result of appeals, consent processing timeline compliance, implications of regional plans, consent processing charges	Region-wide	M = annual R = annual
Policy and plan effectiveness and efficiency monitoring	Community outcomes monitoring, state of the environment monitoring, compliance monitoring, resource consents processing and administration and other monitoring programmes, and community and stakeholder review	As set out in other monitoring programmes plus stakeholder comment compared to environmental results anticipated as recorded in the Council's plans	Determined by coverage of the plans	M = 5 yearly R = 5 yearly
Research and investigations	Applied research and investigation projects	Need for investigations, outputs from investigations, application to Council planning, policy and operations	Determined by research or investigation needs	M = during and at completion of projects R = during and at completion of projects, and annual
Emergency management	Seismic monitoring network	Earthquakes, earth movements, tremors	8 sites on Egmont Volcano and region	M = continuous R = annual
	Incidents log and responses	Severe weather warnings (snow, hail, rain, wind), gas leaks and other incidents	Region-wide	M = continuous R = as needed, 3 monthly and annual
	Reports on significant emergency or hazard events	Determined by emergency or hazard	Determined by emergency or hazard	M & R = determined by emergency or hazard
	Survey of community awareness of natural hazards	Community awareness of natural hazards, preparedness and response	Region-wide	M = 5 yearly R = 5 yearly
Land management	Land management databases	Number, coverage (hectares) and extent of implementation of comprehensive, agroforestry, riparian and conservation plans, length of proposed riparian planting (kms), percentage of riparian margins protected by fencing and planting, number of soil conservation and riparian plants supplied, percentage of regular stream crossings with bridges or culverts, percentage of farms with nutrient budget in place, number of requests for advice and assistance	Region-wide	M = annual R = annual

Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
Pest management	Pest animal management databases	Coverage (hectares) of and number of properties in the self-help possum control programme, number of properties on which maintenance occurred, numbers of properties inspected for compliance with strategy rules, bite mark index, residual trap rate, number and type of enquiries for advice and information on pest animals, number of pest animals killed (in addition to initial control under the self-help programme), advice and control of other unwanted animal organisms	Self-help possum control programme: Taranaki ring plain with bite mark index monitoring using approximately 900 wax tag lines and approximately 250 trap catch lines selected at random (numbers may change from year to year). Rabbit infestation levels: 4 night count lines on rabbit prone land, 1 night count line on control site. Other: region-wide	M = annual R = annual
	Pest plant management databases	Inspection of Category A, B and C properties for compliance with strategy rules, number of Notices of Direction or other enforcement action taken to destroy or control pest plants, number of biological control releases, success of biological control agents, number of complaints on pest plants, number and type of enquiries for advice and information on pest plants, number and results of inspections of plant nursery and retail outlets, number and results of direct control of eradication pest plants, advice and control of other unwanted plant organisms	Region-wide with approximately 5,000 inspections annually (numbers may change significantly from year to year depending on the number of urban inspections), various sites for the release of biological control agents, 38 nurseries (numbers may change from year to year).	M = annual R = annual
	Pest aquatic algae (Didymo)	Presence or absence of Didymo	9 sites in rivers and streams	M = biannual (entered into national database with periphyton data) R = as required
Land transport	Report on Regional Land Transport Strategy, New Zealand Transport Agency, district councils, NZ Police, land transport operators and users, sector agencies, user surveys	Implementation of the <i>Regional Land Transport Strategy</i> objectives, use of subsidised passenger transport and total mobility schemes and user satisfaction with passenger transport and total mobility schemes	Region- wide. Subsidised passenger transport services in New Plymouth and rural Taranaki and total mobility schemes in New Plymouth, Waitara, Inglewood, Stratford and Hawera	M = monthly and annual R= annual
Harbour management	Report of harbourmaster. Reports on implementation of the Taranaki Regional Oil Spill Response Plan	Navigation safety records and incidents, oil spill maintenance checks and equipment audits, training exercises, number and nature of responses to marine oil spills	Port Taranaki and approaches	M = continuous R = annual

Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
River control and flood protection	Monitoring and observation of channel characteristics and flow conditions, and asset condition, engineering and other reports, hydrological monitoring network (rainfall and river level and flow)	Condition and maintenance requirements for Council-owned or managed river control and flood protection assets, rainfall, river levels and flows, channel conditions, number and nature of responses to public requests for information and assistance on drainage and river and flood control	Region-wide for rainfall, river levels and flows (see State of the Environment Monitoring Programme), and general river channel conditions. Council-owned or managed schemes – lower Waitara River, lower Waiwhakaiho River, Waitotara River, central Taranaki schemes and other Council projects e.g., Stony River work	M = continuous (rainfall river levels and flows), annual or as required R = annual or as required
Environmental enhancement	Reports on projects proposed or completed	Nature, size and extent of enhancement proposal, values to be protected or enhanced, cost of project (\$), number of wetlands protected	Regionally significant or important wetlands, key native ecosystems and other aspects of the environment to be protected or enhanced	M = annual R = annual
Waste minimisation	Individual reports on studies, surveys or projects, annual report on activities, district councils, industry and national organisations	Dependent on project. May include type and volume of wastes generated, collected, recycled or reduced. Regular activity summaries	Dependent on project	M = dependent on project and/or annual R = annual
Environmental attitudes	Environmental attitudes survey	Environmental issues of most importance, level of concern over issues, order of priority of council functions, perceptions of change in the environment, perceptions of environmental quality in local area and in region, what residents most like-dislike about there they live	Taranaki residents	M = 5 yearly R = 5 yearly
	Public information databases	Requests for information, Council communications activities, use of Council website, public information materials produced and distributed, number of visits to the Council's freshwater lab, number and type of initiatives under the Council's environmental education programme	Region-wide	M = annual R = annual

TARANAKI REGIONAL COUNCIL MEMBERS

David N MacLeod (Chairman) – PO Box 9, 404 South Road, Hawera

David L Lean (Deputy Chairman) – 257 Tukapa Street, New Plymouth

MJ (Tom) Cloke – 850 Carrington Road, New Plymouth

Michael G Davey – 56 Kelly Street, Inglewood

Peter D Horton – 83A Belt Road, New Plymouth

Moira A Irving – c/- Waiau Estate, 19 Onaero Beach Road,
RD 43, Waitara

Brian R Jeffares – 35 Ariel Street, Stratford

Michael P Joyce – 354 Taikatu Road RD 28, Hawera

Roger FH Maxwell – 70 Okoki Road RD 45, Urenui

Neil W Walker – 48A Rata Street, Hawera

Craig Williamson – PO Box 3364, New Plymouth

EXECUTIVE STAFF

Basil G Chamberlain – (Chief Executive)

Gary K Bedford – (Director – Environment Quality)

Stephen Hall – (Director – Operations)

AD Fred McLay – (Director – Resource Management)

Michael J Nield – (Director – Corporate Services)

BANKERS

Bank of New Zealand Ltd, Stratford

AUDITORS

Deloitte, Hamilton
On behalf of the Controller and Auditor-General,
PO Box 3982, Wellington

SOLICITORS

Till Henderson King, PO Box 192, Stratford

TARANAKI REGIONAL COUNCIL

Postal Address
Private Bag 713
Stratford 4352

Location
47 Cloten Road
Stratford

Phone and fax
(Ph) 0-6-765 7127
(Fax) 0-6-765 5097

Email
info@trc.govt.nz

Website
www.trc.govt.nz