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# CHAIRMAN AND CHIEF EXECUTIVE'S REPORT

*Welcome to the Taranaki Regional Council's Annual Report for the 2013/2014 year.*

## INTRODUCTION

This is the first time we have combined the Chairman's report and the Chief Executive's report. You will also see that we have changed things a little so that our report highlights some of the more substantial things the Council has done in the community over the year, rather than 'tick the box' on everything. We think this will provide you with a shorter, more accessible and attractive read. However, if you want to follow-up on something that we have not touched on, you will find it in the pages that follow or in the relevant Significant Activity Annual Reports for the year. In fact, we encourage you to read the Significant Activity Annual Reports because these have been prepared with you, the reader, in mind. They begin with the Annual Plan commitments (as does this report), but then quickly take you to the stories that lie behind them with much more detail of what staff do, and case studies of the many interesting and informative projects that give our Annual

Plan numbers meaning, all supported by quality photos, maps and graphics.

Can we say at the outset, that praise is due to the Council's staff who are dedicated and competent professionals and who take their responsibilities of service to the community very seriously.

Allied with the busy regional economy, work loads have again been high during the year, particularly in the resource management area. These increased workloads have also 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 these 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 delivery of its 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.

*Constructive relationships that are underpinned by community focused leadership are one of Taranaki's enduring strengths.*

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 comments in mind, the following report highlights some of the achievements of the Council during the year.

## HEALTHY RIVERS REPORT

During the year, the Council released a report card on the then (to June 2012), most recent findings of the Council's extensive freshwater monitoring programme. That report card showed clear and consistent evidence that across the region the ecological health of our rivers is stable or improving and furthermore, that the physical and chemical parameters measured were among the best ever recorded.

And when compared with NIWA-recommended guideline limits the results showed that the water is suitable for a wide range of uses, almost all the time.

Fast-forwarding to June 2013 and the results get even better. After 18 years of monitoring, the ecological health of our rivers is the best ever measured. Updated trend analysis shows that at 44 of the 57 sites, macroinvertebrate scores were improving. Surprisingly and pleasingly, the number of sites showing improvement continues to increase rather than plateau as might generally be expected. Furthermore, the number of sites showing deterioration continues to reduce. In 2010, trend analysis showed that 38 sites were improving, in 2011, 40 showed improvements and by 2012 the number had increased to 42. Notably, 20 sites recoded new maximum macroinvertebrate scores – and these were all in middle to lower reaches.

The results show really good, positive trends in aquatic health improvements. This is occurring principally in the middle to lower reaches of catchments – the areas that are the most intensively used and under the greatest pressure.

In terms of the physical and chemical results, the news is just as good. Over the 18-year period most of the measured parameters were stable; the other trends were either improving or in some cases, deteriorating. In the light of the conversations at the national level that nitrogen concentrations are deteriorating, it is interesting to note that in Taranaki concentrations of total nitrogen have in fact either reduced or remained stable over the long term. That is, there has been no increase in the total amount of nitrogen going down Taranaki's streams at any of the sites monitored. Across all three forms of nitrogen there is not one that is showing an increase, and in fact nitrate levels are now showing reductions at some sites – this is the first time this has happened.

*The ecological health of our rivers is stable or improving and... the physical and chemical parameters measured were among the best ever recorded.*

For the more recent seven-year period, almost all parameters measured were either stable or improving. Nitrogen levels mirror the long-term trends of stable or improving levels across all forms. However, there has been a pronounced turn-around in phosphate levels with 96% now stable or improving. This is an improvement even from the 2003 – 2009 period, when data showed 35% of parameters were still deteriorating. The analysis also showed that 100% of bacterial levels, organic contamination and aesthetic quality were showing maintenance or improvement. This is a very significant improvement, particularly with respect to nutrient levels.

Occasionally, mischievous comments are made that the main reason Taranaki is able to show improvements in water is that pre-existing water quality in the region was very poor. However, when compared against NIWA and various other water quality guidelines for potential uses, the analysis shows very clearly that against all meaningful comparators, the region has good water quality that has not been significantly compromised for a wide range of potential uses, including the maintenance of in-stream ecological health.

The results are overall very encouraging and an endorsement of the policies and programmes of the Council and regional community. They show a marked improvement in water quality across all parameters and across the region over the last seven years. In particular, current trends are demonstrably better than they were even four years ago. Water quality in the region is 'fit for purpose' by almost all

measures at most sites most of the time, and more so when more recently developed criteria are considered.

Reasons for the measurable improvements in both river ecology and in the physical and chemical state of our waterways 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.

*Water quality in the region is 'fit for purpose' by almost all measures at most sites most of the time.*

This is a good news story for all of Taranaki. You can read more on this in the *Resource investigations, state of the environment and waste minimisation Annual Report 2013/2014*.

However, there is still room for further gains, and we are not suggesting that there is room for complacency with water quality management in Taranaki. The review of the Fresh Water and Soil plans will set new limits for water quality and use in Taranaki.

## FRESH WATER AND SOIL PLAN REVIEW

During the year the Council continued with the review of its *Regional Fresh Water Plan* and *Regional Soil Plan*. Work advanced on the setting of water quality limits and water allocation and environmental flows in a revised *Regional Freshwater and Soil Plan*. This has involved the Council in commissioning independent consultants to review the science and establish appropriate freshwater quality limits in different parts of the region for all water bodies, both surface water and groundwater.

*Riparian plans now cover most of the ring plain and 99.5% of Taranaki dairy farms.*

The Council is currently developing freshwater management units and limits to give effect to changes introduced by the new *National Policy Statement for Freshwater Management 2014*. The Council was closely involved in making submissions to the Ministry for the Environment during the year in an effort to ensure a 'one size fits all' approach was not adopted in the setting of national policy on water management. Now that the *National Policy Statement for Freshwater Management 2014* is in place the process of 'giving effect to it' has begun. This will be something to look out for in 2014/2015.

For the full story go to the *Resource Management planning and advocacy and response Annual report 2013/2014*.



## STANDOUT ACHIEVEMENTS IN RIPARIAN MANAGEMENT

The riparian management programme continues to be one of the standout voluntary programmes for the Council. As at 30 June 2014, the Council has prepared almost 2,500 plans covering some 13,800 kilometres of streambank. This means that riparian plans now cover most of the ring plain and 99.5% of Taranaki dairy farms have a riparian plan in place.

The Council's planning phase is now largely completed and the focus is strongly on the implementation of plans.

*Taking the existing fencing and planting into consideration, some 80.2% of streambanks is now fenced and 65.4% of streambanks (that require protection with vegetation) is suitably vegetated.*

In 2013/2014 riparian plan holders had planted 302 kilometres of streambanks and fenced 676 kilometres of streambanks. This means that by 30 June 2014, riparian plan holders had fenced a total of 3,558 kilometres of streambank and planted 1,765 kilometres of streambank.



Taking the existing fencing and planting into consideration, some 80.2% of streambanks is now fenced and 65.4% of streambanks (that require protection with vegetation) is suitably vegetated. That is continued good progress and we are pleased to note that riparian plan holders are implementing plan recommendations at an ever increasing pace.

In 2013/2014 the Council supplied a total of 467,328 plants to property plan holders. Since the riparian programme began over 3.5 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.

Elsewhere in New Zealand there has been a ramped up recent focus on stream bank fencing and the exclusion of dairy cattle. This has been strongly promoted by conditions in Fonterra's supply agreements. The Council is convinced that fencing needs to be accompanied with appropriate riparian planting. Planting is where the major time and cost is involved, but if the focus is on aquatic health outcomes, then effective planting is more than 'the icing on the cake'. For Taranaki, it is viewed as important in contributing to outcomes as is fencing. So the Taranaki programme, which is to complete both fencing and planting by the end of the decade, is ambitious, particularly as we are including smaller streams than elsewhere which adds about an extra third to the overall task.

The Council would like to 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.

*This programme will play an important role in delivering environmental sustainability for the dairy industry in Taranaki.*

However, the task is not completed and the Council will continue to focus strongly in the years ahead on working with landowners to implement their riparian plans. If you would like to read more about the Council's award winning riparian management programme, you can go to the *Sustainable land management and plant supply Annual Report for 2013/2014*.

## **KEY NATIVE ECOSYSTEMS – A KEY PLANK IN THE COUNCIL'S BIODIVERSITY STRATEGY**

The Council has significantly ramped up its efforts in biodiversity protection and enhancement in recent years and the 2013/2014 year saw a continuation of this trend. By restructuring its operations during the year the Council improved its capacity to deliver on its biodiversity and biosecurity programmes. The newly established Environment Services Section is responsible, amongst other things, for leading the implementation of the Council's *Biodiversity Strategy*. While this *Strategy* involves the Council in a wide range of activities from enhancing the biodiversity component of its existing programmes to working with others through the Taranaki Biodiversity Forum, a key plank in the *Strategy* is working with private landowners to secure protection and enhancement of biodiversity values in Key Native Ecosystems or KNEs, on privately owned land.

A few facts and figures tell the story. As at June 2014, we have 178 KNEs covering 119,103 hectares across the Taranaki region. Of these, 132 sites are privately owned in full or in part. Privately owned KNEs make up 9,277 hectares of the total area of KNEs – and we are adding sites all the time.

Biodiversity protection and enhancement is an area that requires active management by landowners and for this reason the Council gets alongside landowners to prepare biodiversity plans that are customised to address threats to the biodiversity values of sites as agreed to by the landowners – a model similar to that used with great success for our riparian plans and hill country plans.

A biodiversity plan identifies the actions that will be undertaken on the site to improve and enhance biodiversity values and who will be responsible for these. The plans are also used to access Council and external funding for works identified in the plans. In 2013/2014, the Council upgraded its biodiversity plans from a simple laminated A3 sheet to a customised colour booklet to include additional site specific information.

The Council kept up with its Annual Plan commitment by preparing 10 new biodiversity plans for the year. This takes the total number of biodiversity plans prepared on private land as at June 2014, to 64 covering 2,528 hectares. This represents 48.5% of the 132 privately owned KNEs – well on the way to meeting the Council's target of 60% of KNEs on private land, covering at least 4,000 hectares having a biodiversity plan.

All properties with biodiversity plans were visited at least once in 2013/2014 to undertake works or to monitor and review progress in the implementation of plans.

*This takes the total number of biodiversity plans prepared on private land as at June 2014, to 64 covering 2,528 hectares. This represents 48.5% of the 132 privately owned KNEs.*

Earlier it was mentioned that biodiversity plans can be used to access additional Council funding for works identified in the plan. In 2013/2014 the Council, through its Environmental Enhancement Grants spent about \$350,000 for a suite of works to assist plan holders, including \$30,000 funding for the iconic Rotokare Scenic Reserve Trust. If you want to find out more about this outstanding voluntary programme go to the *Biodiversity Annual Report 2013/2014*.

## REGIONAL GARDENS

The Council's three regional gardens continued to be destinations for the people of Taranaki and their visitors. All three properties were part of the Powerco Taranaki Garden Spectacular. Visitor numbers were up on last year for all three gardens and this is a testament to the hard work and dedication shown by the Council's garden staff.

As well as a wide variety of public events held, the gardens provide an ideal backdrop to many private functions and events.

For Hollard Garden, the focus was the opening of the new Hollard Centre by the Governor-General, Lt Gen The Rt Hon Sir Jerry Mateparae on 10 July 2013. The Hollard Centre, a multi-purpose events venue is already proving popular. The all-weather centre can host workshops and other public and private events for up to 100 people.

For Tupare, the focus was on continuing refinements and improvements to the house and gardens, and adding value to the experience at the Tupare River Flat. Improvements to the house and garden certainly enhance Tupare's reputation as a heritage property of high standards.

Work commenced on the construction of a barbeque shelter and toilet facility in April 2014 and was completed by June 2014. This new facility is in direct response to the community's use of this popular summer destination. Now there are facilities that will encourage visitors to stay longer and the site can cater for more than one group.

The plantings and landscapes at Tupare today remain true to its heritage. They include secluded garden rooms, elegant borders and majestic trees with magnificent views of the house and cottage, surrounding the Waiwhakaiho River valley and Mount Taranaki.

At Pukeiti, a world renowned garden which holds the largest collection of rhododendrons in the southern hemisphere, the focus was on continued improvements in the garden. Work was also undertaken on the final preparation and adoption of comprehensive Asset Management Plans that will position Pukeiti as an international rhododendron garden and rainforest experience. By far the most popular explorer day during 2013/2014 was the fun run 'Pukeiti Puffer' on 6 April 2014 with over 500 people using the garden and rainforest to raise money for the Cameron Clow Trust and Athletics Taranaki.

All three regional gardens provide a national and international highlight for residents and visitors to the region. They are treasured community assets and are regarded as being of national significance.

*Comprehensive asset management plans will position Pukeiti as an international rhododendron garden and rainforest experience.*

You can find out more about our wonderful gardens by going to the *Recreation, culture and heritage Annual Report 2013/2014*.

## **LOWER WAITARA FLOOD CONTROL SCHEME UPGRADE**

Investigations into the upgrade of the *Lower Waitara River Flood Control Scheme* were completed during the year. This involved a comprehensive study of the hydrology of the Waitara River catchment and the development of a hydraulic model of the lower Waitara River to determine the new design flood level for the scheme.

The scheme upgrade works will increase the standard of flood protection to Waitara from below the 2% Annual Exceedance Probability (AEP), or a one in 50 year event standard, to a 1% AEP (100-year) standard. The new standard will also incorporate an allowance for climate change to the year 2060.

The upgrade works themselves commenced in January 2014 and involved raising the stopbanks from Browne Street at the upstream end of Waitara to the Town Bridge and on the eastern bank from North Street to High Street east. An early start to winter rains halted works before they were completed and so the works will be completed when the weather dries out before the end of 2014.

*The scheme upgrade works will increase the standard of flood protection to Waitara ... to a 1% AEP (100-year) standard.*

Detailed design of the more complex parts of the upgrade works on the west bank of the river downstream of the Town Bridge is well underway with works planned for the 2014/2015 construction season.

There has been close liaison with the New Plymouth District Council to combine the upgrade works with an extension of the river/coastal walkway.

It is important for the residents of Waitara that these works are completed and the Council has committed significant resources to finishing the job.

You can find out more by looking at the *Hazard management Annual Report 2013/2014*.

## **CONNECTOR BUS SERVICE HAWERA TO NEW PLYMOUTH**

Despite a strong increase in total patronage on Citylink, New Plymouth's urban services, the highlight of the year would have to be the commencement of the daily Hawera to New Plymouth service. This new service connecting south and north Taranaki along State Highway 3, commenced on 24 February 2014 without funding assistance from our usual New Zealand Transport Agency funding partner. Our transport staff worked tirelessly in the lead-up to the commencement of the service to secure the necessary funding and other arrangements, to make sure the service was in place for the start of the WITT academic year.

*In the four months to June 2014, the service which runs four times a day between Hawera and New Plymouth carried over 8,000 people.*

The service has been a resounding success. In the four months to June 2014, the service which runs four times a day between Hawera and New Plymouth carried over 8,000 people. A little over half that number was WITT students. Significant support was also received from Taranaki District Health Board patrons and adult fare paying passengers.

The decision by the Council to proceed with the service with the support of the Stratford, South Taranaki and New Plymouth district councils, the Taranaki District Health Board and WITT was clearly the right one.

Further information on our bus services can be found in the *Regional land transport planning, passenger transport and harbour management Annual Report 2013/2014*.

## **REGIONAL FUNDING FOR ROAD PROJECTS**

Continuing on the theme of transport related funding, mention must be made of the leadership shown by our Regional Transport Committee and staff on the issue of a replacement for the Regional (R) Funding mechanism after April 2015, when the current R funding arrangements expire.

It is pleasing to note that the work of Taranaki in coordinating this effort, including leading a delegation of regional councillors from around New Zealand to meet with Transport Minister Gerry Brownlee to discuss the matter, has paid dividends with the Government announcing in June 2014 that a new and contestable regional improvements activity class will replace the regionally allocated funding from 2015.



Under these new arrangements, the metro regions which are guaranteed funding because they have Roads of National Significance (RoNS), are excluded from the regional improvements fund.

This is a win for provincial areas like Taranaki because without a dedicated funding pool it was always going to be very difficult for regional projects to gain funding when we have to compete against the likes of Auckland, Wellington and Christchurch.

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The Council was also delighted with the Government's announcements to provide new funding, additional to that voted for through the national land transport fund, to expedite the replacement of the Normanby Overbridge and improvements to SH3 North. This vindicates the Council's stance to refuse to place a lower priority on Normanby than the New Plymouth northern outlet upgrade proposals. Taranaki must continue to advocate strongly for at least its share of tax funding for transport infrastructure given the pre-eminent role of the region in producing national exports and income.

We look forward to seeing how this plays out during the preparation of the Council's *Regional Land Transport Plan* due in 2014/2015.



## OUR CORE RESOURCE MANAGEMENT FUNCTIONS

Our Annual Report would not be complete without reminding you of the excellent core work that the Council continues to do in its key resource management functions – that of resource consents, monitoring and enforcement.

The Council granted 632 consents during the year – the highest recorded. This was an increase of 41.7% on the 446 consents granted last year. The increase can be attributed to the number of new consents issued, a large number of changes to current consents and the buoyancy of the hydrocarbon and dairy industries.

All consents were processed within the timelines set down in the *Resource Management Act 1991* allowing activities to be undertaken without undue delay. This was the fourteenth consecutive year where the Council achieved 100% compliance with the RMA timeframes. Some 96% of consent



applications were 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 dozens of affected parties, including iwi and hapu.

*The key outcome of the pre-hearing process was that eleven potential hearings were avoided as a result of successful pre-hearing meetings*

Again the Council policy of holding pre-hearing meetings of submitters to consent applications to reduce the amount of time taken up with expensive and time consuming hearings was successful with all eleven applications attracting submissions in opposition resolved with no hearings held during the year. The key outcome of the pre-hearing process was that eleven potential hearings were avoided as a result of successful pre-hearing meetings, considerably reducing the cost to all parties while ensuring an acceptable outcome.

During the year, Council staff implemented 220 individual tailored monitoring programmes involving a total of 1,019 resource consents. These are significant consents that are closely monitored by the Council with thousands of inspections and samples taken each year. Some 89% of these programmes attained a 'high' or 'good' level of environmental performance.

Council officers inspected effluent treatment systems on all 1,785 dairy farms in the region. Inspections regularly included measurement of various water quality indicators in the effluent and/or receiving waters. Reinspection of 202 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 6.6% for dairy farms, a small change from the previous year. The Council will continue to monitor farm dairy effluent systems closely to ensure compliance with the Council's requirements.

Complementing the agricultural monitoring programme, the Council inspected 221 minor industrial operations in 2013/2014. Minor industries include agricultural services, light engineering, panel beaters, car painters, service stations and sandblasters.

Hand in hand with rigorous monitoring programmes the Council has always had strict policy of enforcement. During the year the Council served 224 abatement notices in relation to unauthorised instances with no appeals lodged against them. There were 100 infringement notices issued for relatively minor offences. The Council resolved to pursue five prosecutions for major incidents.

One of these prosecutions was in relation to the grounding of the *Lake Triview* on a reef offshore from New Plymouth.

This involved a ship carrying 400 tonnes of heavy fuel oil which ran onto a reef close to shore resulting in extensive damage to the reef and hull, including fuel tanks damaged to the point of almost leaking. The vessel was due to refuel so was only carrying a relatively small volume of heavy fuel oil. This event had the potential to be a major oil spill incident with similar or worse impacts than the MV *Rena* event where 350 tonnes of heavy fuel oil were spilt. The Council quickly decided that prosecution was the appropriate course of action.

*The Council's view is that if you are going to apply regulations then they must come with proper monitoring and enforcement.*

As can be seen by some of the numbers presented here, the Council commits considerable resources to this area and goes hard at it. The Council's view 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 Council that we know of.

More information can be found in the *Consent processing and administration, compliance monitoring and pollution incidents and response Annual Report 2013/2014*.

## **ADVOCACY AND RESPONSE ACTIVITIES**

A final note should be made of the Council's involvement in advocacy and response activities. This is where the Council reviews the policy proposals of other organisations or agencies and responds accordingly. During the year the Council made 21 submissions to the policies or proposals of other agencies.

Considerable time was spent in particular on a submission to the Parliamentary Commissioner for the Environment's interim report on the future regulation of fracking. A sizable submission was made in the end supported by extensive appendices detailing the work of the Council and independent experts, in regulating and investigating the oil and gas industry in Taranaki. The conclusions to be drawn from this are that fracking can and is being undertaken safely in Taranaki. The Commissioner's second report which was received just before the end of the financial year, examines how well environmental oversight and regulation is actually applied to drilling for oil and gas in New Zealand. The Council is presently reviewing this report.

Mention has already been made of the submissions made to the Ministry for the Environment on the *National Policy Statement for Freshwater Management*. The other

submission that we feel is worth mentioning here is that which we made to the Environmental Protection Authority on the marine consent application by Trans Tasman Resources Ltd. While the application was outside the Council's area of jurisdiction, it was important that the Council was involved in this application as the proposal to mine sand in the Exclusive Economic Zone raised important cross-boundary effects on the coastal marine area for which the Council has responsibility. The application was declined, but is subject to appeal by the applicant.

*A sizable submission was made in the end supported by extensive appendices detailing the work of the Council and independent experts.*

More information can be found in the *Resource management planning and advocacy and response Annual Report 2013/2014*.

## 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 \$3.7 m, which were on budget and \$0.75 m. ahead of last year. Port Taranaki's medium to long-term outlook continues to be strong. Dividends are forecast to increase in the Council's forthcoming *2015/2025 Long-Term Plan* and the company is giving every expectation that these targets are achievable.

*The Council achieved a 6.4% increase in returns on its treasury and property investments.*

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 governance, its capital structures and strategic value to the region.

The Council achieved a 6.4% increase in returns on its treasury and property investments compared to the previous period. This was a very sound result.

## FINANCIAL

The Council was pleased to commence the year with a 1.5% change in general rates.

The Council finished the year with a total surplus of \$1.75m. Excluding asset/property revaluation influences, the operating surplus was in the order of \$0.9m. At less than 5% of turnover, this was a good result. Expenditure was about \$0.4m below budget, with revenue up against budget, by a similar amount. The Council's balance sheet remains very strong with no public debt.

Total public equity increased by near \$2m to \$78.5m.

## 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.

*The operating surplus was in the order of \$0.9m. At less than 5% of turnover this was a good result.*

Regional councillors have continued to provide clear and consistent direction in a way that is constructively focused on Taranaki's future. In October local government elections were held. Very unusually for contested local authority elections in New Zealand, all regional councillors were returned in their constituencies.

The Council is financially and operationally very sound. As a team from staff through to governance, there is constructive and focused teamwork with a clear understanding of roles and responsibilities. Like the region we serve, we move forward with a determined confidence to make Taranaki positively 'like no other'.



David MacLeod  
Chairman



Basil Chamberlain  
Chief Executive

## Environment quality

Read the full story here:  
[tinyurl.com/TRCenvironment](http://tinyurl.com/TRCenvironment)

Monitoring the health of waterways is a core part of the Council's business and a clear picture of trends is emerging from almost two decades' worth of data. Trend analysis in 2013/2014 produced encouraging news.



**18** 

years of data analysed to reveal best-ever trends in the ecological health and physical and chemical state of our monitored waterways

**0** sites showing deteriorating trend in nitrate, ammonia or total nitrogen levels

**20** <sup>of 57</sup>

monitored sites recorded their best-ever score for ecological health



**99.6%**

of periphyton (algae) surveys in past three years met national guidelines

**32** state of the environment monitoring programmes implemented

**100%**

samples in 'excellent' or 'good' categories in two months of air quality monitoring alongside the Bell Block bypass

**95%** of samples within MFE guidelines during summer monitoring programme at coastal bathing beaches

Ecological health trends 1995-2013



## Consents and compliance

Read the full story here: [tinyurl.com/TRCconsents](http://tinyurl.com/TRCconsents)

Council staff issued a record number of resource consents during the 2013/2014 year – but issuing consents is far from the end of the story. Compliance with consent conditions is monitored closely – every dairy effluent system in the region, for example, is inspected at least once a year.



**100%** dairy farm effluent systems inspected

**632** resource consents issued

**100%** compliance with consent processing timelines for 14th year running



**2,043** water and soil samples collected while monitoring consent compliance

## Transport planning

Read the full story here: [tinyurl.com/TRCtransport](http://tinyurl.com/TRCtransport)



The Council's Regional Land Transport Programme 2012-2015 is the key document under which vital projects like the 'Vickers to City' New Plymouth SH3 upgrade can be funded and implemented, a key element here being an additional bridge over the Waiwhakaiho River. The Council also successfully lobbied the Government for a new regional highways funding mechanism.

**\$90 million** annual budget for proposed new contestible regional highways improvements fund announced by the Government after provincial lobbying led by the Council.

**\$19 million** in regional roading funds allocated to Vickers to City project



**6** State highway bridges approved for strengthening under variations to the Regional Land Transport Programme

## Pollution response and enforcement

Read the full story here: [tinyurl.com/TRCconsents](http://tinyurl.com/TRCconsents)

Regular exercises ensure Council staff have the right training and right equipment for responding to environmental incidents such as oil spills. Staff also respond to reports of pollution, offensive odour and other environmental incidents, and where appropriate use a variety of enforcement procedures up to and including prosecution.



**2** marine oil spill response exercises



**781** environmental incidents investigated

**5** prosecutions initiated

**224** abatement notices and 100 infringement notices issued

## Hazard management

Read the full story here: [tinyurl.com/TRChazards](http://tinyurl.com/TRChazards)



The first stage of a three-year, \$3 million project to upgrade Waitara's flood defences began with the stopbanks between the Town Bridge and Browne St being raised and strengthened. With its flood protection and Civil Defence programmes, the Council plays a leading role in emergency preparedness and response.

**200+** participants in Exercise Pahu (November 2013), which tested Civil Defence response to a Mt Taranaki eruption scenario

**3<sup>rd</sup>** stage of three-stage Lower Waiwhakaiho flood protection scheme upgrade completed, bringing the scheme's standard of protection to 1% (1 in 100 years)

**1%** 

(1 in 100 year) standard of protection in design of Lower Waitara River Flood protection scheme upgrade

## Passenger transport

Read the full story here: [tinyurl.com/TRCtransport](http://tinyurl.com/TRCtransport)

Rochelle Jakeman is riding the bus on a journey to achieve her dream, using the Hawera-New Plymouth Connector service to commute between her Hawera home and her nursing studies at WITT in New Plymouth. She's among thousands of users of transport services provided by the Taranaki Regional Council.



**20%** increase in adult patronage for New Plymouth Citylink



**8,027**

**578,396**

New Plymouth Citylink passenger trips, up 5.4% on previous year

**45,441**

passenger trips in the Total Mobility scheme

passenger trips in first four months of Hawera-New Plymouth Connector service

## Land management

Read the full story here: [tinyurl.com/TRCLand](http://tinyurl.com/TRCLand)



Bruce Grindlay is typical of many ring plain dairy farmers who have been convinced of the benefits of being part of the Taranaki Regional Council's world-scale Riparian Management Programme. "It's all about ensuring we have a sustainable dairy industry in Taranaki. Looking after the land and looking after the water is part of being a farmer these days — no getting away from that," he says.

**99.5%**

of dairy farms have riparian plans



**481,999**

plants supplied for riparian protection and soil conservation

**13,836**

kilometres of ring plain streambanks covered by riparian plans

**80.2%**

of ring plain streambanks protected with fencing

## Biosecurity

Read the full story here: [tinyurl.com/TRCbiosecurity](http://tinyurl.com/TRCbiosecurity)

Urban inspections and the use of GPS technology to record the location of pest plants such as this gorse were among the broad range of biosecurity activities and programmes carried out by the Council during the year, aimed at pest animals as well as pest plants.



**6,289**

property inspections for pest plants

**4,374**

properties covering 235,000 ha in Self-Help Possum Control Programme

**3.54%**

possum trap rate on ring plain - target is less than 10%

**21**

landowners given advice about rabbits

**400**

pest plant notices of direction - mostly pampas, ragwort and gorse



**205**

complaints from public about pest plants

## Public information

Read the full story here: [tinyurl.com/TRCinformation](http://tinyurl.com/TRCinformation)



Pukeiti has become a hive of educational activity since the Taranaki Regional Council launched the 'Rainforest School', a multi-faceted study unit that has resulted in hundreds of young visitors like these from Woodleigh School. The Rainforest School adds extra depth to the Council's community outreach via its education and communications programmes.

**16**

Environmental Awards presented in revamped programme

**53,105**

average monthly pageviews on Taranaki Regional Council websites

**923**

students took part in Council education sessions at Pukeiti

**25%**

of recorded news media references to Council generated by TRC media releases



**7,094**

students involved in Council education programme



## Recreation, culture and heritage

Read the full story here: [tinyurl.com/TRCRecreation](http://tinyurl.com/TRCRecreation)

This hands-on garden workshop at Tupare was among a host of free workshops, fairs and other events in 2013/2014 encouraging public use of Tupare, Pukeiti and Hollard Gardens. Besides administering these premier heritage properties, the Council plays a central role in ensuring Yarrow Stadium maintains its status as a leading regional sports venue, and supports Puke Ariki and Aotea Utanganui - Museum of South Taranaki.



**100**  
**42**

people - capacity of Hollard Gardens' new multi-purpose all-weather venue

**25,500+**

capacity of Yarrow Stadium, owned by the Taranaki Stadium Trust, of which the Taranaki Regional Council assumed control in 2013

**5**

projects supported at Puke Ariki and Aotea Utanganui - Museum of South Taranaki

**30,421**

visitors to Pukeiti (up 18% on previous year)

## Biodiversity

Read the full story here: [tinyurl.com/TRCbiodiversity](http://tinyurl.com/TRCbiodiversity)



The Marshalls of Tikorangi are well known for their rugby prowess, but they're also doing their bit for indigenous biodiversity in Taranaki by actively protecting bush blocks on their property. They're among scores of landowners the Council's biodiversity team works with.

**178**

defined Key Native Ecosystems (KNEs) covering 119,103ha



**\$341,745**

in Environmental Enhancement Grants for KNEs and other significant environmental projects.

**34%** of privately owned KNE lands protected with QEII or Department of Conservation covenants

**64**

privately owned KNEs (out of 132) covered by biodiversity plans



# GOVERNANCE REPORT

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

## TARANAKI REGIONAL COUNCILLORS



## 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

## 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.

Taranaki Regional Council	
Committees	
<b>Executive</b> David Lean Chairperson Tom Cloke Michael Joyce Roger Maxwell Neil Walker David MacLeod	<b>Policy and Planning</b> Neil Walker Chairperson Peter Horton Deputy Chairperson Moira Irving Brian Jeffares Michael Joyce Craig Williamson David MacLeod David Lean Richard Jordan NPDC Robin Vickers SDC Ian Armstrong STDC Phil Nixon STDC Donald McIntyre Federated Farmers
<b>Taranaki Civil Defence Emergency Management Group</b> Brian Jeffares Chairperson Taranaki Regional Council Len Houwers New Plymouth District Council Neil Volzke Stratford District Council Ross Dunlop South Taranaki District Council	<b>Regional Transport Committee</b> Roger Maxwell Chairperson Craig Williamson Deputy Chair Heather Dodunski New Plymouth District Council Ross Dunlop South Taranaki District Council Neil Volzke Stratford District Council Jenny Chetwynd New Zealand Transport Agency Lyndon Hammond New Zealand Transport Agency
<b>Taranaki Solid Waste Management Committee</b> Neil Walker Chairperson Taranaki Regional Council Craig McFarlane New Plymouth District Council Alan Jamieson Stratford District Council Alex Ballantyne South Taranaki District Council	<b>Consents and Regulatory</b> Tom Cloke Chairperson Michael Joyce Deputy Chairperson Mike Davey Peter Horton Moira Irving Roger Maxwell Neil Walker David MacLeod David Lean
<b>Yarrow Stadium Joint Committee</b> Peter Horton Chairperson Taranaki Regional Council Michael Joyce Taranaki Regional Council Andrew Judd New Plymouth District Council Craig McFarlane New Plymouth District Council	

Figure 1: Committee Structure

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

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.

## 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 Maori, including providing opportunities for Maori to contribute to the decision-making processes of the Council.*

## POLICY DEVELOPMENT

The Council provided opportunities to Maori to be involved in the development of Council policy. In particular, input from Maori 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 the *Pest Management Strategy for Taranaki: Plants*.

## RESOURCE CONSENTS PROCESS

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

- encouraging applicants to consult where Maori may be an affected party as part of an assessment of environmental effects. Maori were consulted with by either applicants or Council officers on 125 (147—2012/2013) applications being 23% (44%) of all resource consents processed (excluding routine dairy shed discharge consent applications)
- statutory acknowledgement related consultation by the Council occurred on 7 (5) applications
- extending resource consent processing periods to enable adequate consultation and possible resolution of issues with Maori
- providing information to Maori on resource consents and resource consent processing and administration
- arranging and facilitating meetings and undertaking other forms of consultation with Maori as part of resource consent processing and administration including holding meetings and/or pre-hearing meetings
- providing opportunity for Maori involvement in resource consent monitoring; including input into the design of monitoring programmes and involvement in monitoring activities

- providing opportunity for Maori involvement in the assessment of environmental effects in resource consent enforcement proceedings.

## ONGOING ENGAGEMENT AND SUPPORT

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

During the year the Council:

- supported the launch of the Ngaa Rauru Kaitahi Puutaiao Management Plan at Tauranga a Ika Marae near Waverley
- combined with Nga Ruahine Iwi representatives to facilitate the opening of Hollard Gardens by the Governor-General, Lt Gen The Rt Hon Sir Jerry Mateparae
- continued discussions with Taranaki Iwi on access to the extensive GIS framework of the Council and the identification and recording of sites of significance to the iwi on the GIS
- engaged with Taranaki and Ngati Ruanui Iwi to provide an initial peer review of the Fresh Water, Soil and Coastal plans prior to broader iwi consultation
- engaged with Owae and Puniho Pa Marae Committees on their involvement in Civil Defence Emergency Management, particularly the resilience and awareness components
- celebrated the gifting of Pipiriki wetlands and the World Wetlands Day with owner representatives from Ngati Tara hapu, Te Tumu Paeroa and other community organisations
- ongoing support and assistance for the marae waste management initiative "Para Kore"
- updated the web based iwi contact list and rohe map



- engaged with hapu in Waitara on the upgrade of the flood protection scheme for the lower Waitara River
- provided feedback to Ngati Mutunga on their Iwi Management Plan
- assisted the Tiaki Te Mauri O Parininihi Trust with possum control and ecological monitoring at the Parininihi Forest block
- assisted with the engagement between Ngati Manuhiakai Hapu and Taranaki By-Products at Te Aroha Marae
- provided support to Ngati Mutunga for the management of plant and pest control of the Okoki Pa Reserve
- enabled the involvement of Tawhirikura hapu in the monitoring regime of the New Plymouth Waste Water Treatment Plant and Waiwhakaiho Reef
- provided for Iwi input and participation in the *Biodiversity Accord*
- provide for input and participation in the identification and management of key native ecosystems
- ongoing participation by Nga Rauru Kiitahi gardens in contracts to supply plants and planting services in support of the riparian management scheme
- Iwi communications officer, Mr S Tamarapa, facilitated discussions between council staff and iwi, hapu, and marae regarding other resource management and related matters.

## REPRESENTATION

The Council Chairman and the Chief Executive have met with iwi leaders to discuss opportunities for representation on the Policy and Planning and the Consents and Regulatory Committees and opportunities for hearing commissioner certification.

## INFORMATION MANAGEMENT

The Council continued to maintain and regularly update its database of iwi contacts and to supply Maori 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 Maori.

## 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. Following on from the initial training further sessions were held that were optional for staff to attend with the programme culminating in a session at Whakaahurangi Marae practicing marae protocol and tikanga. This programme is set to be repeated annually for all new staff.

## GENERAL

The Council is committed to acting cooperatively and in good faith showing flexibility and responsiveness and a desire to engage with Maori 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 Maori and the Council.

# THE TARANAKI REGION

*In reviewing the year's performance, it is important to consider the key factors that may influence the region, and therefore, the actions of the Taranaki Regional Council. These factors include geographical, social, economic, environmental, cultural and political influences.*

## THE REGION

The Taranaki region covers a land area of 723,610 hectares, reaching as far north as the Mohakatino catchment, south to include the Waitotara catchment and inland to the boundary of, but not including, the Whanganui catchment. The region extends 12 nautical miles offshore to include the waters of the territorial sea.

Taranaki consists of four distinctive landforms, each of which requires a different type of environmental management. The Taranaki ring plain, centred on Mount Taranaki/Egmont, consists of fertile and free-draining volcanic soils. The ring plain supports intensive pastoral farming, particularly dairying that is most intensive on the flatter land in southern Taranaki. A large number of rivers and streams, which radiate from Mount Taranaki/Egmont, are extensively used by the agricultural sector, for community water supplies and for a wide range of recreational purposes.

To the east of the ring plain lies the Taranaki hill country, comprising siltstones, sandstones and mudstones, known locally as papa. The topography of the hill country is steeply dissected and is prone to soil erosion and slipping, but can support both pastoral farming and commercial forestry when managed in accordance with the physical limitations of the land.



Figure 2: The Taranaki Region



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 2013 census show the total population of Taranaki stands at 109,608, an increase of 5.3% over the 2006 census figure. In the previous census period (2001-2006) the population of the region increased by 1.2%. 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 67.7% of the region's population – up from 64.7% in 2001. Both Stratford and South Taranaki

districts have experienced small population increases since 2006.

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

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 14.7% at the 2001 census to 15.2% at the 2006 census and 16.6% at the 2013 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 490,500 dairy cows, producing approximately 10.2% of New Zealand's total milk solids. In addition to direct farm income from milk production, the added value by the processing of milk, whey and cheese manufacturing, is a significant contributor to employment.



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

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

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.

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 and brought into production in 2006. The offshore Tui well was discovered in 2003 and brought on-stream in 2008. Development of the offshore Kupe field, discovered in 1986, commenced during 2010. 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 and McKee, while methanol production occurs at Motunui and Waitara Valley.

Tourism is playing an increasingly important role in the Taranaki economy, with over 680,000 guest nights spent in the Taranaki region by domestic and international visitors per annum. Most visitors are from other North island regions. Some 17% 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 2013/14	Budget 2013/14	Actual 2012/13	Actual 2011/12	Actual 2010/11	Actual 2009/10	Actual 2008/09	Actual 2007/08	Actual 2006/07	Actual 2005/06	Actual 2004/05
<b>General rates</b>	\$7.29m	\$7.29m	\$7.18m	\$7.18	\$6.85m	\$5.7m	\$5.5m	\$5.4m	\$5.3m	\$4.3m	\$3.3m
<b>Percent change</b>	1.5%	0%	0%	4.82%	20.2%	3.3%	2.4%	2.5%	23.3%	30.5%	3.1%
<b>General rates to income</b>	29.9%	35.5%	31.6%	36.2%	31.8%	35.5%	32.1%	33.3%	38.1%	40.1%	28.9%
<b>Rates per \$100,000 capital value</b>	\$17.18	\$17.18	\$19.47	\$17.34	\$17.25	\$12.96	\$14.77	\$15.55	\$16.46	\$18.80	\$23.89
<b>Total expenditure</b>	\$23.0m	\$23.4m	\$21.5m	\$19.8m	\$18.6m	\$16.7m	\$16.0m	\$13.6m	\$12.1m	\$10.8m	\$10.5m
<b>Percent change</b>	7.0%	8.54%	9.97%	6.12%	11.63%	9.62%	17.65%	12.39%	12.04%	2.86%	9.4%
<b>Operating surplus/(deficit)</b>	\$1.4m	\$0.10m	\$1.6m	\$0.32m	\$2.9m	(\$0.5m)	\$1.3m	\$2.61m	\$1.75m	(\$0.3m)	\$0.84m
<b>Working capital</b>	\$4.28m	\$0.82m	\$2.53m	\$2.21m	\$1.84m	\$10.6m	\$4.93m	\$3.1m	\$4.8m	\$7.34m	\$1.8m
<b>Current ratio</b>	2.12:1	1.26:1	1.72:1	1.53:1	1.55:1	4.96:1	2.97:1	2.2:1	2.6:1	5.5:1	2.1:1
<b>Total assets</b>	\$83.1m	\$80.4m	\$80.9m	\$79.6m	\$78.4m	\$74.2m	\$74.5m	\$71.9m	\$69.4m	\$66.2m	\$66.5m
<b>Public debt</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Public debt to total assets</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%



## INDEPENDENT AUDITOR'S REPORT

*To the Readers of Taranaki Regional Council and Group's  
Annual Report for the Year Ended 30 June 2014*

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 2014 on page 92;
  - the statement of comprehensive income on page 90, statement of changes in equity on page 91 and statement of cash flows on page 93 for the year ending 30 June 2014; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 94 to 121;
- the statement of service provision (referred to as Performance Information) of the Regional Council on pages 35 to 88; and
- the funding impact statements in relation to each group of activities of the Regional Council on pages 124 to 130;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the Regional Council on pages 124 to 130;
- the funding impact statement of the Regional Council on page 123; and
- the disclosures of the Regional Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 131 to 133.

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 35 to 88;
  - reserve funds on pages 109 to 112;
  - remuneration paid to the elected members and certain employees of the Regional Council on page 112;
  - employee staffing levels and remuneration on page 112;
  - severance payments on page 112;
  - council-controlled organisations on page 80;
  - rating base units on page 121; and
  - insurance of assets on page 121.
- 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 20 to 21; and
- a statement of compliance signed by the Chairperson of the Regional Council, and by the Regional Council and group's chief executive on page 134.

### Opinion

#### **Audited information**

In our opinion:

- the financial statements of the Regional Council and group on pages 90 to 121:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Regional Council and group's financial position as at 30 June 2014; and
    - the results of its operations and cash flows for the year ended on that date.
- the performance information of the Regional Council on pages 35 to 88:
  - 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 2014, 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 124 to 130, 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.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the Regional Council on pages 124 to 130, 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 funding impact statement of the Regional Council on page 123, 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 disclosures on pages 131 to 133 represent a complete list of required disclosures and accurately reflects the information drawn from Regional Council's audited information.

#### **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 24 September 2014. 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;
- 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;
- 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;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; 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

# ACHIEVEMENT OF COMMUNITY OUTCOMES

The Council operates within the following planning framework:

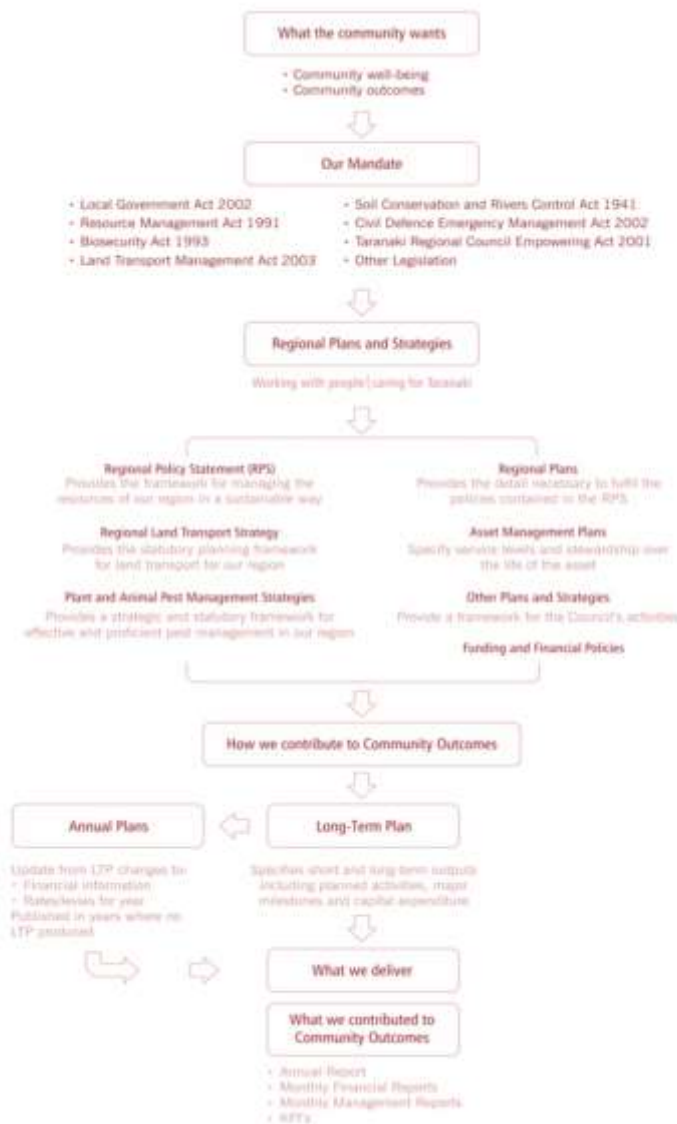


Figure 3:  
The Council's planning framework

## 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.

### 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.

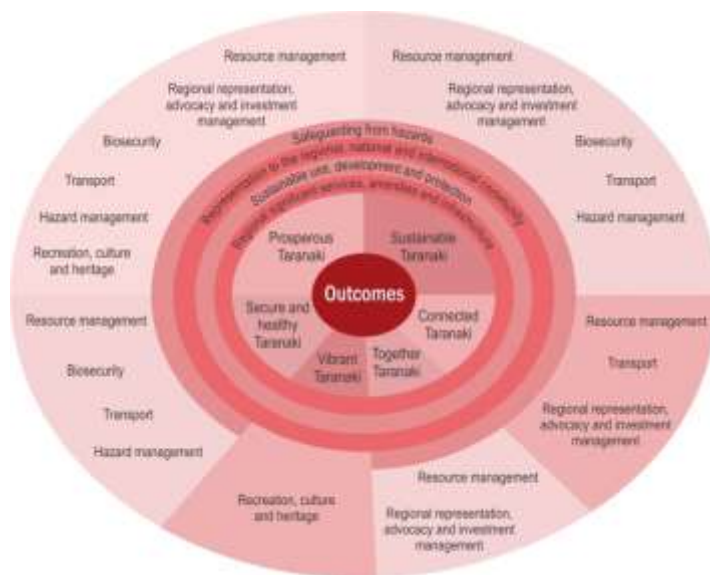


Figure 4: Relationship between the Council's mission and activities and community outcomes.



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

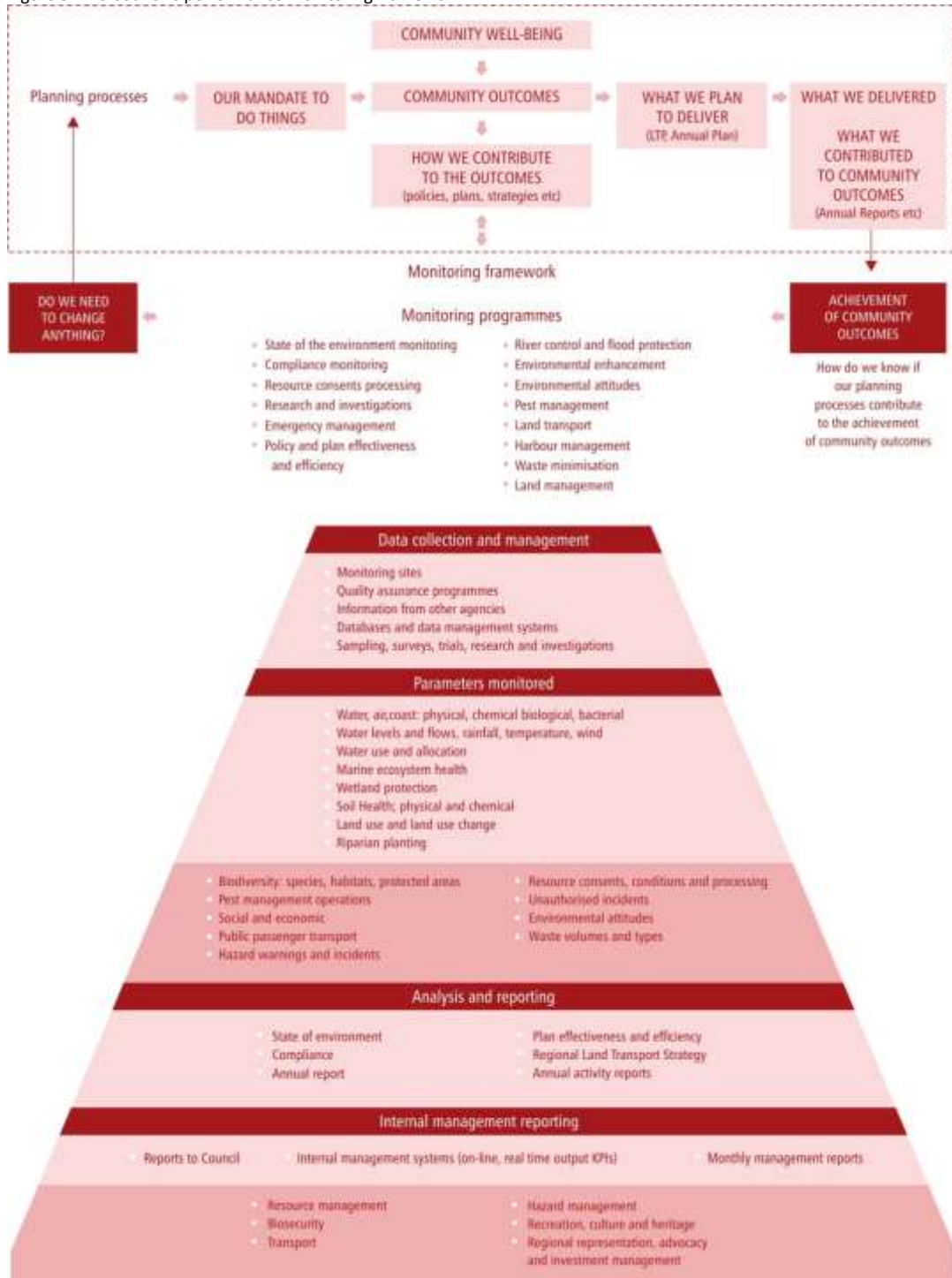
As previously indicated the Council undertakes many measurements during the year of the progress it is making towards the achievement of community outcomes. The Council considers that it is too simplistic to select and report on only one or two parameters to show progress on community outcomes.

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 2013/2014 Annual Plan.*

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 2013/2014 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 2014.

**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*.

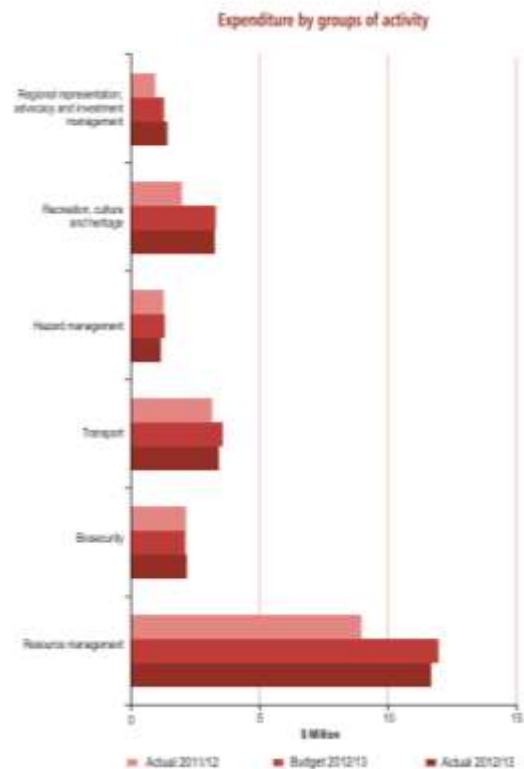


Figure 6: Expenditure by group of activities

# 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.

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

**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 limits. 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 \$300m. Ministry for the Environment surveys show the Council's consent processing costs are close to the median in New Zealand reflecting efficient systems, use of technology and prudent financial management. Efficient and effective consent processing contributes to a *Prosperous* and *Sustainable* community outcome.

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 fourteenth consecutive year that this milestone has been achieved.

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 2013/2014 programmes were being 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 2013/2014 during the implementation of recommendations arising from the review of Crown Research Institute science delivery in New Zealand and the scoping of 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, 467,328 plants were grown on contract. This is a slight decrease from last year but overall, in excess of 3,545,256 have now been established under this programme. In the hill country area, there are incentives under the *South Taranaki Regional Erosion Support Scheme (STRESS)* programme to fence and plant erosion-prone land. The *Afforestation Grant Scheme* has been dis-established. 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 59.5 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 is an active member of the *Taranaki Biodiversity Forum Accord*, and recently employed a Regional Biodiversity Coordinator to work with all *Accord* parties to drive the *Accord* actions forward.

Environmental enhancement grants promote a sustainable Taranaki through the protection of the environment by way of a programme of enhancement grants. In 2013/2014 work was undertaken on securing protection or undertaking maintenance or enhancement on 19 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 2011 shows 23 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 2013 (from 1995) has been undertaken and reported to the Council. It shows 26 sites of 57 with statistically significant or very significant trends of improvement (25 in 2012/2013), and none with a significant or very significant decline. 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 continued during the year under review, with results for the 2013/2014 year to be reported in 2014/2015.

**Programmed level of service**

**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
2011/2012	7	8

In 2011/2012, 90% of freshwater samples (93%-2003/2004) and 100% (99%-2003/2004) of coastal samples at these sites were compliant.

**Reported level of service**

Microbiological monitoring of 17 freshwater and 12 marine sites was conducted over the summer bathing season and reported on in June 2014. Results show 12 of 12 coastal and 13 out of 17 inland sites were compliant with the bacteriological guidelines throughout the season. Nine of the sites monitored for freshwater quality in 2003/2004 were compliant in 2013/2014. The beaches in Taranaki were of a high quality. In Taranaki, 95% of coastal beaches remained below the Ministry for the Environment 'Alert' level. Of the state of the environment monitoring samples, 100% 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 implemented. Subsequent compliance implementation will increase the habitat range for native fish.

**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.

No catchments are allocated below ecological flows set by Council policy. All twenty-eight surface water abstraction consents processed during the year (including new consent and renewal applications) 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.




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[2] Efficient allocation of water for consumptive use

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**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.

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**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 2011/2012, 100% of significant water abstraction consents were monitored with 96% 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.

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Water resources are sustainably managed. Monitoring programmes are in place for 100% of significant water abstraction consents. In 2013/2014, 91% of sites attained a 'good' or 'high' level of compliance and performance (2012/2013, 90%). All unauthorised incidents are responded to, investigated, and publicly reported upon in accordance with adopted procedures.



Programmed level of service	Reported level of service
<p>[3] Maintenance and enhancement of overall water quality in our rivers and lakes, groundwater and coastal waters</p> <p><b>Measure:</b> Parameters that characterise the physical, bacteriological, biological and chemical quality of surface water.</p> <p><b>Target (Years 1-10):</b> 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.</p> <p><b>Baseline:</b> 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:</p> <ul style="list-style-type: none"> <li>• MCI and periphyton indicators for ecological health: every site of the 11 representative sites shows stability or improvement since 1995</li> <li>• BOD: 10 sites of 11 stable against 1995 baseline, although some sites show a recent decline</li> <li>• Bacteriological state stable since 1995</li> <li>• Nutrients: the number of sites showing stability or improvement is increasing when compared with 1995 (Since 1995, 64% of nutrient measures stable or improving; since 2003, 87% of nutrient measures stable or improving).</li> </ul>	<p>Overall, surface water quality in Taranaki is improving and is better than in 1995. Trend analysis to June 2013 has been completed and a report presented to Council. Trend analysis at 10 regional representative sites demonstrates:</p> <ul style="list-style-type: none"> <li>• MCI indicators for ecological health: every site of the 11 representative sites shows stability (6 sites; to 2010, 8 sites) or improvement (5 sites; to 2010, 3 sites) since 1995</li> <li>• BOD: 10 sites of 11 stable against 1995 baseline, and all sites stable over recent period</li> <li>• Bacteriological state: 1 measure shows improvement over the last 7 years and all other measures are stable; 19 of 22 bacterial measures are stable or improving since 1995.</li> <li>• Nutrients: the number of sites showing stability or improvement is increasing over time. Since 1995, 75% of nutrient measures stable or improving; since 2005, 99% of nutrient measures stable (75%) or improving (24%)</li> </ul> <p>Periphyton monitoring for 2013/2014 was completed as scheduled, and data from 2013/2014 and recent years is being analysed for trends and reporting during the 2014/2015 year.</p>
<p><b>Measure:</b> Nitrate levels in groundwater—improvement (decrease) in nitrate levels on a regional basis.</p> <p><b>Target (Years 1-10):</b> No sites (out of approximately 65 tested every five years) consistently above NZ human drinking water standard (NZDWS).</p> <p><b>Baseline:</b> 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.</p>	<p>Overall there has been a clear improvement (decrease) in peak nitrate levels in groundwater on a regional basis. Sampling for the next survey for groundwater nitrate has been completed and a draft report prepared within the 2013/2014 period for presentation. An external peer review of draft report has been completed. Initial results indicate 96% of all samples met the NZDWS (highest level of regional compliance to date).</p>

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**Programmed level of service**

**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.

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**Reported level of service**

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), and report was presented to the Council (November 2013). The trophic state of lake continues to be mesotrophic/mildly eutrophic with an insignificant rate of change. All of the four scheduled monitoring runs for the 2013/2014 year were completed as programmed.

**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 2011/2012, 100% of significant point sources were monitored with 95% 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.

The level of compliance remains high meaning environmental impacts will be minimal and sustainable resource management will be achieved. Monitoring programmes were implemented in 2013/2014 for 100% of significant point sources. In 2013/2014, 93% of significant industrial point sources attained a 'good' or 'high' level of compliance and environmental performance (94% in 2012/2013). Of significant agricultural sources, 93.4% (95.6%-2012/2013, 95.4%-2011/2012) 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 (2 in 2012/2013) serious non-compliance resulted in a prosecution being initiated.

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**[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 2020.

**Baseline:** As of June 2012, 2,390 riparian management plans have been prepared recommending the planting of 5,037 km and fencing of 5,638 km of stream banks. At June 2012, 23% of the planting and 41% of the fencing had been completed.

As of June 2014, 2,483 (2,463 in 2012/2013) riparian management plans have been prepared recommending the planting of 5,404 (5,295) km and fencing of 6,301 (6,102) km of stream banks. At June 2014, 32.7% (27.6%) of the recommended planting and 56.5% (47%) of the recommended fencing had been completed.

Programmed level of service	Reported level of service
<b>[5] Sustainable land use in accordance with the physical capabilities of the land and soil resources</b>	
<p><b>Measure:</b> Changes in land use.</p> <p><b>Target (Years 1-10):</b> Maintain a positive trend towards more sustainable land uses at monitored (representative SEM) hill country and sand country sites.</p> <p><b>Baseline:</b> 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.</p>	<p>As of 30 June 2014, the area of hill country covered by sustainable land management plans was 199,157ha. 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.</p>
<p><b>Measure:</b> Regional soil quality.</p> <p><b>Target (Years 1-10):</b> No overall deterioration in soil quality at 20 representative sites as shown by monitored soil structure parameters (density and macroporosity) maintenance of soil fertility at optimal (i.e. sustainable and productive) levels as shown by nutrient levels (total carbon and nitrogen, and Olsen phosphorus and mineralisable nitrogen) and no net increase in regional soil levels of cadmium and zinc to the extent that land use is compromised.</p> <p><b>Baseline:</b> Measurements of soil quality structure, composition and health at 20 sites were undertaken in 2007/2008 as the baseline for further trend analysis. Re-sampling has been undertaken in 2012/2013, with the results awaited.</p>	<p>The monitoring of regional soil quality is a five-yearly programme. Sampling was scheduled, and has been completed for the latest survey, in 2012/2013. The results have been received in the year under review, and presented to the Council. Soil quality in Taranaki is gradually improving, based on these results and findings.</p>
<b>[6] Enhanced opportunities for sustainable development and best use of hill country</b>	
<p><b>Measure:</b> Proportion of landowners informed of specific opportunities for sustainable land use on their properties.</p> <p><b>Target (Years 1-10):</b> 72% of hill country in private ownership (306,000 ha) with comprehensive farm plans.</p> <p><b>Baseline:</b> As of July 2012, 193,000 ha of private land have a comprehensive farm plan.</p>	<p>As at 30 June 2014, 401 (386—2012/2013) comprehensive farm and agroforestry plans were in place for the 199,157 hectares of the 840 Taranaki hill country farmers, covering 65% (64%) of the hill country land in private ownership. This provides a basis for landowners to make decisions on the most sustainable land uses for their properties.</p>

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**Programmed level of service****Reported level of service**

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**[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 2012, 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. A traffic impacts study was conducted during 2013/2014. It covered

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

The majority of all results fell into the Ministry's *excellent* category, with all remaining results in the *good* category. No results lay within *alert* or *action* categories.

A 2012/2013 regional study of BTEX (a class of volatile organic compounds) was reported to the Council during 2013/2014. All except one result lay in either the *good* or *excellent* categories.

**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 2011/2012, 100% of significant point source emissions were monitored with 94% 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.

The level of compliance remains high meaning environmental impacts will be minimal and sustainable resource management will be achieved. Compliance monitoring programmes were implemented in 2013/2014 for 100% of significant point sources discharging to air. In 2013/2014, 90% of sources attained a 'good' or 'high' level of compliance and performance (94% in 2012/2013). 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 2013/2014 will be 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, 44 KNEs on private land (32%) covering 934ha will have a biodiversity plan.

As at 30 June 2014, 64 or 48% (54 or 45%—2012/2013) of Key Native Ecosystems (KNEs) on private land covering 2,528 hectares (2,105) 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 2012, the inventory contained 165 sites.

Maintained and updated the inventory of KNE's. The inventory of Key Native Ecosystems (KNEs) is regularly maintained and updated. At June 2014, the inventory contained 178 sites (172—2012/2013).

Programmed level of service	Reported level of service
<p><b>Measure:</b> Maintain and improve the Biodiversity Index for KNEs</p> <p><b>Target (Years 1-10):</b> Improvement in biodiversity index (under development) for KNEs compared with a base year (which will be the first year of application of the index).</p>	<p>Good progress has been made in collecting baseline information for KNE's with 26 (28—2012/2013) assessments undertaken in the 2013/2014 year.</p>
<p><b>[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</b></p>	
<p><b>Measure:</b> Operative plans policies and strategies.</p> <p><b>Target (Years 1-10):</b> Full compliance with statutory requirements and timetables for the preparation review and implementation of policies, plans and strategies.</p> <p><b>Baseline:</b> As of June 2012, the Council has a full suite of operative <i>Regional Policy Statement</i> and <i>Regional Plans</i> (Water, Air, Soil and Coastal).</p>	<p>The Council has a complete suite of operative plans, policies and strategies.</p> <p>The review of the <i>Regional Air Quality Plan for Taranaki</i> was completed and made operative on 25 July 2011. No further work was required.</p> <p>The review of the <i>Regional Fresh Water Plan</i> and <i>Regional Soil Plan</i> commenced with the establishment of a stakeholder focus group, preparation of a working paper on oil and gas (used for targeted consultation—in addition to those already prepared on gravel extraction, farm dairy effluent, diffuse source discharges, freshwater biodiversity, and stream modification). The Draft Plan is in preparation. Commissioned a consultant to undertake a strategic peer review of draft provisions.</p> <p>The review of <i>Regional Coastal Plan</i>, including the preparation of draft technical reports, continued.</p> <p>Consultation with tangata whenua on draft policy framework for inclusion in draft fresh water and coastal plans commenced.</p>
<p><b>[10] Efficient and effective resource consent processing, administration, compliance monitoring and enforcement</b></p>	
<p><b>Measure:</b> Compliance with <i>Resource Management Act 1991</i> requirements.</p> <p><b>Target (Years 1-10):</b> 100% compliance.</p> <p><b>Baseline:</b> As of June 2012, processing, administering and compliance monitoring of resource consents was 100% compliant with <i>Resource Management Act</i> requirements.</p>	<p>All consents (100%—2012/2013) processed during the period complied with the <i>Resource Management Act's</i> requirements, and full compliance with timelines allowed activities to be undertaken without delay.</p>
<p><b>Measure:</b> Monitoring and enforcement programmes.</p> <p><b>Target (Years 1-10):</b> All consents appropriately monitored with necessary compliance enforcement undertaken.</p> <p><b>Baseline:</b> In 2011/2012, Council officers implemented 221 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.</p>	<p>In 2013/2014, Council officers implemented 220 (217 in 2011/2012, and 221 in 2012/2013) individual monitoring programmes of significant consents. In 2013/2014, 60% of programmes attained a 'high' environmental performance (52%—2012/2013) and 29% a 'good' performance (40%). Monitored 1,785 (100%) dairy farms, and undertook 221 (151) other inspections of minor industrial operations. All other consents were appropriately monitored. Necessary enforcement action was undertaken. Compliance programmes for 2013/2014 are being implemented as scheduled.</p>

## ACTIVITIES

Programme	2013/2014 actual performance	Programme	2013/2014 actual performance
<p><b>[1] Resource management planning</b></p> <p>Complete preparation/full reviews and interim reviews of resource management policies, plans and strategies:</p>			
<p><i>Regional Coastal Plan:</i> Prepare draft <i>Regional Coastal Plan</i>.</p>	<p>Continued the full review of the <i>Coastal Plan</i> in 2013/2014.</p>	<p>Process and administer 100% of accepted resource consent applications in compliance with statutory timeframes prescribed in the <i>Resource Management Act 1991</i> and the Council's <i>Resource Consents Procedures</i> document.</p>	
<p><i>Regional Fresh Water Plan and Regional Soil Plan:</i> Prepare draft <i>Regional Fresh Water Plan</i> and <i>Regional Soil Plan</i>.</p>	<p>The full review of the <i>Regional Fresh Water Plan</i> and the <i>Regional Soil Plan</i> continued. A <i>Draft Fresh Water and Soil Plan</i> is in preparation.</p>	<p>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.</p>	
<p><b>[2] Consent processing and administration</b></p>			
<p>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.</p>	<p>Provided information, which assisted the processing of 632 (446—2012/2013) resource consent applications, comprising 0 (0) notified, 27 (24) limited notified and 605 (422) non-notified applications, in accordance with the requirements of the <i>Resource Management Act 1991</i>.</p>	<p><b>[3] Compliance monitoring programmes</b></p>	
<p>Process, issue and report upon 100% of accepted resource consent applications (approximately 350 consents per annum), in compliance with the <i>Resource Management Act 1991</i> and the Council's <i>Resource Consents Procedures</i> document.</p>	<p>Processed 100% (100%) of the 632 (446) applications within the specified timeframe outlined in the <i>Resource Management Act 1991</i>. All resource consents were processed in accordance with the statutory procedures of the Act, and the Council's <i>Resource Consents Procedures</i> document.</p>	<p>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 <i>Resource Management (Measurement and Reporting of Water Takes) Regulations</i>.</p>	
<p>Successfully defend 100% of consent decisions appealed to the Environment Court.</p>	<p>There have been no successful appeals against Council decisions. An appeal from 2012/2013 was heard and the Council's decision upheld.</p>	<p>Implemented 220—100% (223-2012/2013) individual compliance programmes within agreed budgets. Publicly reported 80 (65) reports, covering 127 (74) annual programmes, within nine months of the end of the monitoring period, and a further 7 (20) reports, covering an additional 8 (75) programmes, by the end of the year. Designed and negotiated agreement on 245 (213) programmes for 2014/2015.</p>	

Programme	2013/2014 actual performance
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 via the relevant report.
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 221 (151) inspections of minor industrial operations ensuring good environmental practices were being achieved. Only 16 (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 – 1,836 inspections (1,902). The non-compliance rate for failure to meet consent conditions was 6.6% (5.71%) for dairy farms. All poultry and piggery farms were compliant. No (0) reinspections were undertaken to ensure full compliance. Total inspections and reinspections were 2,038 (2,080).
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 224 (195) abatement notices and 100 (72) infringement notices. Five (4) prosecutions were initiated as a result of unauthorised incidents and were determined during the year by the Court. Two prosecutions initiated in 2012/2013 and one prosecution initiated in

Programme	2013/2014 actual performance
	2013/2014 were determined during the year by the Court.
<b>[4] Pollution incidents and response</b>	
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 781 incidents (630—2012/2013) with 100% (100%) within the required timeframe. Instigated control and clean-up where required. Issued 224 (195) abatement notices and 100 (72) infringement notices. Five (4) prosecutions were pursued as a result of past unauthorised incidents. One was determined and four are still before the court.
Maintain and publicly report on 100% of pollution incidents in the Council's <i>Unauthorised Incidents Register</i> .	Maintained the <i>Unauthorised Incidents Register</i> and publicly reported on 781 (630) incidents.
Administer and implement the <i>Taranaki Regional Oil Spill Response Plan</i> as agreed with Maritime New Zealand including responding to 100% of oil spills.	Administered the <i>Tier II Taranaki Regional Oil Spill Response Plan</i> in accordance with the programme agreed with Maritime New Zealand. One (0) significant marine oil spill occurred that warranted actioning the <i>Plan</i> .



Programme	2013/2014 actual performance
<b>[5] State of the environment monitoring</b>	
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 <i>State of the Environment Monitoring Procedures</i> document and <i>State of the Environment Monitoring Programmes</i> .	Implemented 100% of the Council's state of the environment monitoring programmes, in accordance with the programmes prepared for 2013/2014. An overview report for 2012/2013 state of the environment monitoring was prepared and reported to the Council.
Monitor, review and where appropriate, further develop existing programmes by 30 June of each year.	Monitoring was delivered as programmed. Fifty-eight (58) existing programmes were reviewed in May-June 2014 for implementation in 2014/2015
Prepare and publish the five-yearly State of the Environment report.	Work is underway collating input data, trend analysis, and information as part of preparation of the five-yearly State of the Environment Report.
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.	All quality assurance programmes and information databases for hydrometric, air quality, physicochemical freshwater, terrestrial biodiversity, fresh water biological and marine biological data, are being maintained.

Programme	2013/2014 actual performance
Maintain public access to on-line live regional data on hydrology, meteorology, soil moisture and bathing beach water quality. Live data reported on the Council's website.	Live on-line data was maintained and reported for 29 (28) hydrology sites, 28 (28) meteorology sites, 8 (9) soil moisture sites, 18 (16) freshwater sites, and 9 (12) marine bathing beach water quality sites.
<b>[6] Resource investigations and projects</b>	
Over the period of the <i>2012/2022 Long-Term Plan</i> the Council intends to undertake a range of resource investigations and applied research projects. These are normally undertaken in partnership with science providers, other councils or resource users but may also include a range of other parties, including iwi, as potential partners for Council resource investigations and projects. Such projects evolve over time. Specifically for 2013/2014, the Council intends to:	
Continue investigations into ecological effects of land treatment of drilling and hydraulic fracturing wastes.	Investigations into ecological effects of land treatment of drilling and hydraulic fracturing wastes continued during 2013/2014, with field and laboratory studies.
Continue to support the "best practice dairying catchments" study in the Waiokura Stream catchment	Field sampling and analyses for the "best practice dairying catchments" study in the Waiokura Stream catchment continued throughout year.
Support to completion a freshwater invertebrate internet information resource project led by Landcare	The Landcare freshwater invertebrate internet information resource project has been successfully completed.
Continue to use microbial source testing technology to identify sources of faecal contamination in Taranaki waters.	Sites for study in 2013/2014 have been sampled (Huatoki and Mangaoraka streams).
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	Envirolink process for projects to be funded in 2014/2015 initiated. Projects with clear benefit to Taranaki identified for recommendation for funding, Awaiting the Ministry of Business,



Programme	2013/2014 actual performance
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).	Innovation and Employment funding confirmation.
Additional activities:	Commissioned a review of best practice construction for dairy effluent ponds.  Supported and received a final report into study on integrating cropping (on-farm fodder) into dairy system- effects on soil quality and nutrient loss.
<b>[7] Waste minimisation</b>	
Assist sector leaders in six activity areas in exploring and implementing energy efficiency and waste minimisation.	To date, assisted with activity within regional composting/organic waste treatment options, electronics (TV take-back), agrichemicals, agricultural plastics, and cafes and restaurants. Participation in ‘Keep NZ Beautiful’ project in Stratford.
Maintain an in-house waste minimisation programme.	Continuing to implement the in-house energy reduction and waste recovery programmes.
Work with the agricultural sector to identify, implement and/or promote waste minimisation opportunities.	On-going publicity and performance monitoring and reporting on redundant agrichemicals, containers, and farm plastics collection services and programmes.
Continue to promote the recovery of silage wraps and agrichemical containers.	Financial support provided for interim farm hazardous chemicals collection. Collection itself initiated by contractor. Contracted collection of silage bales completed.
Facilitate a regional approach to waste management initiatives and	Servicing of the Taranaki Solid Waste Management Committee continued

Programme	2013/2014 actual performance
programmes at policy, management, and implementation levels, in particular servicing the Taranaki Solid Waste Management Committee, implementing a revision of the <i>Regional Waste Strategy</i> by June 2021, and partnering in delivering waste plans for the three districts of Taranaki.	throughout year.
<b>[8] Sustainable land management plans and plant supply programme</b>	
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 13 (9—2012/2013) comprehensive farm plans and 2 (6) agroforestry plans covering 3,030 (3,015) hectares of farmland for landholders throughout the region. No other plan types were completed.
Provide riparian management plans to landholders. Plans covering not less than 100 kilometres from an estimated 20 properties in 2013/2014.	Prepared 20 (68) riparian plans covering 145 (565) kilometres of stream bank. 72.3 (315.8) kilometres of riparian management was proposed with the balance of 72.7 kilometres (249.8) 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 4,747 (6,220) 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 shows 19.8% (15.2%) or 676 (576) km of the remaining recommended fencing of stream bank was fenced and 7.6% (7.4%) or 302 (308) km of streambank have been planted. 3,558 (2,882) km of stream bank has been fenced and 1,765 km planted (1,463).

Programme	2013/2014 actual performance
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, 226 (243) inquiries. Advice and assistance on sustainable land management, soil conservation and riparian management was provided.
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 481,999 (510,156) plants for sustainable land management purposes. Provided 7,821 (9,965) items of poplar and willow planting material to 100 (102) landholders. Provided 467,328 (494,891) plants at cost to 1,129 (1,268) landholders, to plant approximately 310 (350) kilometres of stream margins and supplied 6,850 (5,300) sand stabilisation plants targeting 4 (2) sites.
Submit applications covering 100 ha to the Afforestation Grants Scheme (AGS) subject to the Scheme continuing.	No applications (0) ha were submitted to the AGS as this scheme has been suspended by the government.
<b>[9] Biodiversity</b>	
Prepare at least 10 biodiversity plans per annum for properties containing key native ecosystems (KNE).	Ten (10—2012/2013) 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.

Programme	2013/2014 actual performance
Monitor and report on progress on the implementation of 100% of biodiversity plans.	All plans (100%) were monitored with a focus on the works in the plan. Progress was reported at year end.
<b>[10] Enhancement grants</b>	
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 <i>Regional Fresh Water Plan for Taranaki</i> .	Ongoing fencing, planting and maintenance has been undertaken to secure the protection of wetlands. This included work on 19 (10—2012/2013) regionally significant wetlands. This work means that 58 (56) wetlands are formally protected.
Use environmental enhancement grants for the protection of aspects of the environment identified as regionally significant.	Two (4) environmental enhancement grants were used for the protection of regionally significant environmental resources.
Implement the South Taranaki and Regional Erosion Support Soil Conservation Programme to include 500ha of land use capability class >6e under the sustainable land management programme of land including an estimated 6,000 poplar poles, 50 ha of protection forestry and construction of 20 km of retirement fencing.	Twenty-three (16) plan holders have committed to implementing 27.8 (26) km of retirement fencing to retire 469 (417) ha of land, 44.8 (29) ha of forestry planting and fifty-five plan holders planted 5,232 (4,896) poplar and willow poles.
Subject to approval and central government funding, establish 65 ha of forestry on erosion-prone land under the Afforestation Grant Scheme (AGS).	New forestry was established on 0 (94.3) ha of erosion-prone land. The AGS has been suspended by the government.

## COSTS AND SOURCES OF FUNDS

	2013/2014 Actual \$	2013/2014 Budget \$	2012/2013 Actual \$	2011/2012 Actual \$
<b>Expenditure</b>				
Resource management planning	827,328	803,550	842,888	508,694
Consent processing and administration	877,524	1,064,956	626,230	839,982
Compliance monitoring programmes	2,610,264	2,700,157	2,612,867	2,565,890
Pollution incidents and response	906,702	608,855	766,319	731,338
State of the environment monitoring	1,354,677	1,349,680	1,317,001	1,289,256
Resource investigations and projects	422,154	413,544	898,540	242,644
Waste minimisation	132,794	147,815	117,516	140,415
Sustainable land management plans and plant supply programme	3,271,157	3,569,950	3,034,494	2,816,725
Biodiversity	639,673	658,049	390,839	372,730
Enhancement grants	550,622	644,390	570,964	486,214
<b>Total expenditure</b>	<b>11,592,894</b>	<b>11,960,946</b>	<b>11,177,658</b>	<b>9,993,888</b>
<b>Income</b>				
General rates	3,456,070	3,456,070	3,365,968	3,237,695
Direct charges	5,563,278	5,533,885	5,991,559	4,201,848
Government grants	202,874	237,500	232,359	257,967
Investment funds	2,370,672	2,733,493	1,587,772	2,296,378
<b>Total income</b>	<b>11,592,894</b>	<b>11,960,946</b>	<b>11,177,658</b>	<b>9,993,888</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital expenditure</b>				
Land	-	-	-	-
Buildings	-	-	3,605	5,258
Motor vehicles	247,630	538,000	330,117	363,882
Plant and equipment	58,958	167,250	85,143	131,222
Office furniture	-	-	1,172	-
Computer equipment	-	-	10,000	-
Flood and river control assets	-	-	-	-
Computer software	-	-	-	-
<b>Total capital expenditure</b>	<b>306,588</b>	<b>705,250</b>	<b>430,037</b>	<b>500,362</b>
<b>Funded by:</b>				
Transfer from retained earnings	306,588	705,250	430,037	500,362
<b>Total funding</b>	<b>306,588</b>	<b>705,250</b>	<b>430,037</b>	<b>500,362</b>
<b>Capital expenditure:</b>				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	-	-	-
—to replace existing assets	306,588	705,250	430,037	500,362
<b>Total capital expenditure</b>	<b>306,588</b>	<b>705,250</b>	<b>430,037</b>	<b>500,362</b>
<b>Gross proceeds from the sale of assets</b>	<b>35,305</b>	<b>101,500</b>	<b>103,734</b>	<b>88,058</b>
<b>Depreciation/amortisation expense</b>	<b>346,603</b>	<b>413,996</b>	<b>339,861</b>	<b>332,893</b>

## 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 2014/2015 year. Preliminary work was undertaken during 2013/2014 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 2013/2014, There was a continued focus on pest plant inspections, with particular emphasis on environmental pest plants. Considerable effort was expended on Pampas and Wild Ginger with the most notices of direction being issued for these species following on from the urban inspection programme completed in June 2013. Pampas can invade disturbed areas and cause adverse impacts on biodiversity values. 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.

A trial to assess Old Mans Beard control options in the Kaupokonui catchment was undertaken, with the intention of reducing the infestation of Old Mans Beard to a level that can then be maintained by land occupiers. Contractors completed an intensive initial control operation covering 34 kilometres of riverbank over 29 properties. Follow up control will be undertaken in November.

During 2013/2014, the Council focus for the *self help possum control programme* was a small extension to the programme boundary adjacent to Stratford in order to align with the Stratford District Councils Urban possum control, this will reduce the risk of possum numbers building up in the semi-urban areas previously not covered by control. This was the only new area added to the *self help possum control programme*. The total number of properties in the *self help possum control programme* is 4,374 covering 235,500 ha.

A new urban possum control programme was initiated in New Plymouth aimed at ensuring healthy native forest and increasing bird numbers. Following a targeted publicity campaign in which landowners were asked if they would like to be involved in urban possum control, 221 bait stations were erected in the Waiwhakaiho catchment targeting both possum and rats.

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 3.54% (below the Council's target of 10%) significantly reducing the adverse effects of possums.

During 2014/2015, the Council provided support for the Eastern Taranaki Environment Trust's project at Purangi including assisting with kiwi monitoring and providing funding and resources for 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. Funding was provided for an aerial 1080 operation targeting possums and rats in conjunction with the Department of Conservation.

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
<p>[1] Pest management strategies that deliver efficient and effective management of the Council's biosecurity functions</p> <p><b>Measure:</b> Presence of appropriate pest management strategies.</p> <p><b>Target (Years 1-10):</b> Pest management strategies are in place in accordance with statutory requirements.</p> <p><b>Baseline:</b> Two adopted pest management strategies are in place, both most recently reviewed in 2007.</p>	<p>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.</p>
<p>[2] Pest animals controlled to minimize their adverse effects on biodiversity, primary production and the regional economy and environment</p> <p><b>Measure:</b> Area of the ring plain maintained under the <i>self-help possum control programme</i> at levels to reduce risks to the environment and primary production.</p> <p><b>Target (Years 1-10):</b> Residual trap catch (RTC) of less than 10% across the rural area covered by the self-help possum control programme.</p> <p><b>Baseline:</b> In 2011/2012, the RTC was 3.29% across the 230,300 ha of the rural area covered by the self help programme.</p>	<p>At 30 June 2014, the Council's monitoring programme showed that landholders reduced the possum population to a 3.54% (2012/2013—4.27%) residual trap catch across the <i>self-help possum control programme</i> area. At this level the adverse effects of possums on erosion and production are significantly reduced.</p>
<p>[3] Pest management strategies that deliver efficient and effective management of the Council's biosecurity functions</p> <p><b>Measure:</b> Control or eradication of "eradication" pest plants.</p> <p><b>Target (Years 1-10):</b> Control of 100% of known infestations of Senegal Tea, Climbing Spindleberry, Mignonette Vine, Giant Reed and Darwin's Barberry in the region.</p> <p><b>Baseline:</b> In 2011/2012, there were 31 properties where these plants were identified and controlled.</p>	<p>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 32 (55—2012/2013) properties known to have had an infestation. Direct control, where it was warranted, occurred on 32 (55) properties. Of those 23 (34) properties around the region were treated for Mignonette Vine, 4 (12) properties for Climbing Spindleberry, 0 (2) properties for Senegal Tea and 5 (6) properties for Giant Reed. In addition to this one property had control undertaken for Darwin's Barberry.</p>
<p><b>Measure:</b> The extent of "containment" pest plants.</p> <p><b>Target (Years 1-10):</b> 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).</p> <p><b>Baseline:</b> In 2011/2012, there were 164 Category C properties.</p>	<p>During 2013/2014, officers undertook 233 (378) Category C property inspections. As at 30 June 2014, the number of C properties had increased to 183 (123).</p>

ACTIVITIES

Programme	2013/2014 actual performance	Programme	2013/2014 actual performance
<p><b>[1] Biosecurity planning</b></p> <p>Complete preparation/full reviews and interim reviews of resource management polices, plans and strategies:</p>		<p>Undertake direct control and eradication of rooks.</p> <p>No (0) new rook sightings were confirmed, no control action on the last known rook was possible.</p>	
<p>Complete five-yearly reviews of the <i>Pest Management Strategy for Taranaki: Animals and Plants</i> in 2018 and 2023.</p>	<p>Continued an internal review of the strategies to identify potential issues and change factors and to set out the review process.</p>	<p>Provide advice on, and, if necessary, implement small scale control of unwanted animal organisms.</p>	<p>Provided advice and education on unwanted animal organisms on 67 (37) occasions.</p>
<p><b>[2] Pest animal management</b></p> <p>Dependent upon the review of the <i>Pest Management Strategy for Taranaki: Animals</i>:</p>		<p>Provide regional share funding to the Animal Health Board's <i>National Pest Management Strategy for Bovine Tuberculosis</i>.</p> <p>Regional share funding was provided to the Animal Health Board's <i>National Pest Management Strategy for Bovine Tuberculosis</i>.</p>	
<p>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 (235,000 hectares by 30 June 2013).</p>	<p>Landholders maintained possum populations to acceptable levels: 3.54% (4.27%—2012/2013) residual trap catch rate across the <i>self-help possum control programme</i> on 4,374 (4,333) properties 235,500 hectares (235,000) who were required to undertake maintenance control.</p>	<p><b>[3] Pest plant management</b></p> <p>Dependent upon the review of the <i>Pest Management Strategy for Taranaki: Plants</i>:</p>	
<p>Pest control undertaken in selected key native ecosystems subject to biodiversity plans consistent with the Council's <i>Biodiversity Strategy</i> (see Biodiversity activity).</p>	<p>Undertook or commissioned work on 28 (47) key native ecosystems for which biodiversity plans have been prepared.</p>	<p>Undertake direct control and eradicate 100% of known infestations of eradication pest plants including Senegal Tea, Climbing Spindleberry, Mignonette Vine and Giant Reed in the region.</p>	<p>Undertook direct control on 100% (100%—2012/2013) 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 32 (55). 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.</p>
<p>Advise and, where necessary, undertake control of site led pest animals, including feral goats, deer, cats, hares, mustelids, pest fish, magpies and argentine ants.</p>	<p>Received 149 (164) notifications of animal pests and, where appropriate, undertook control action.</p>		
<p>Advise, monitor and where necessary enforce or undertake control of rabbits.</p>	<p>Provided advice and education on control of argentine ants on 7 (8) occasions and rabbits on 21 (21) occasions.</p>		

Programme	2013/2014 actual performance
Confine the spread of and, where appropriate, reduce the extent of known infestations of sustained control pest plants through a programme of inspections and, where necessary, enforcement on all Category C properties at least two 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 <i>total</i> and <i>boundary</i> pest plants, inspecting 183 (123) category C properties and 1,622 (859) category B property parcels. Inspected other remaining (Category A) properties on 4,504 (5,013) occasions. In total, 400 (370) notices of direction were issued. 359 (312) of the notices were complied with. 41 (58) had not expired at 30 June 2014 and, therefore, had not yet been re-inspected.
Provide regional share to the <i>National Biocontrol Collective Programme</i> .	Regional share funding was provided to the <i>National Biocontrol Collective Programme</i> .
Develop and implement biological control programmes for pest plants. Make releases of control agents when appropriate.	Made no (0) releases of control agents from local stock and 2 (2) releases from Landcare Research and other agencies. Agents, to control Buddleia and Tradescantia. 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 205 (216) complaints, investigating all complaints within five working days and taking action where necessary.
Undertake a publicity and education programme in relation to the control of eradication and direct control plant pests in the <i>Strategy</i> .	Undertook a publicity and education programme in relation to the control of all pest plants in the <i>Strategy</i> . Particular attention was given to environmental pest plants.

Programme	2013/2014 actual performance
Provide advice on and, if necessary, implement small-scale control of unwanted plant organisms.	Responded to 91 (81) 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 62 (13) occasions.
Implement the <i>National Pest Plant Accord</i> , 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 10 (22) nurseries and retail outlets. No (0) requirement to remove plant pests from sale were made. Distributed information to all nurseries and retail outlets for identification of <i>National Pest Plant Accord</i> pest plants.





## COSTS AND SOURCES OF FUNDS

	2013/2014 Actual \$	2013/2014 Budget \$	2012/2013 Actual \$	2011/2012 Actual \$
<b>Expenditure</b>				
Biosecurity planning	79,536	85,948	100,963	35,940
Pest animal management	1,330,791	1,522,223	1,521,012	1,538,547
Pest plant management	728,635	507,408	340,655	414,144
<b>Total expenditure</b>	<b>2,138,962</b>	<b>2,115,579</b>	<b>1,962,630</b>	<b>1,988,631</b>
<b>Income</b>				
General rates	1,142,805	1,142,805	1,173,254	1,238,659
Direct charges	88,995	118,900	81,962	113,027
Investment funds	995,163	903,874	757,414	721,945
<b>Total income</b>	<b>2,226,962</b>	<b>2,165,579</b>	<b>2,012,630</b>	<b>2,073,631</b>
<b>Operating surplus/(deficit)</b>	<b>88,000</b>	<b>50,000</b>	<b>50,000</b>	<b>85,000</b>
Funded by:				
Transfers from reserves	-	-	-	-
Transfers to reserves	88,000	50,000	50,000	85,000
<b>Total funding</b>	<b>88,000</b>	<b>50,000</b>	<b>50,000</b>	<b>85,000</b>
<b>Capital expenditure</b>				
Land	-	-	-	-
Buildings	-	-	6,510	-
Motor vehicles	31,573	118,000	163,805	105,307
Plant and equipment	-	12,500	10,293	7,967
Office furniture	-	-	-	-
Computer equipment	-	-	-	-
Flood and river control assets	-	-	-	-
Computer software	-	-	-	-
<b>Total capital expenditure</b>	<b>31,573</b>	<b>130,500</b>	<b>180,608</b>	<b>113,274</b>
Funded by:				
Transfer from retained earnings	31,573	130,500	180,608	113,274
<b>Total funding</b>	<b>31,573</b>	<b>130,500</b>	<b>180,608</b>	<b>113,274</b>
<b>Capital expenditure:</b>				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	-	-	-
—to replace existing assets	31,573	130,500	180,608	113,274
<b>Total capital expenditure</b>	<b>31,573</b>	<b>130,500</b>	<b>180,609</b>	<b>113,274</b>
<b>Gross proceeds from the sale of assets</b>	<b>23,130</b>	<b>25,000</b>	<b>16,087</b>	<b>39,400</b>
<b>Depreciation/amortisation expense</b>	<b>124,241</b>	<b>119,107</b>	<b>89,537</b>	<b>85,035</b>

## 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 (the Transport Agency) seek national funding.

There were two variation requests made to the *RLTP* during the 2013/2014 year and these were approved by the Council on 1 July 2014. The Council's annual monitoring report on the implementation of the *RLTP* for the 2012/2013 year was also completed during 2013/2014, 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. During 2013/2014 a new *RPTP* was developed due to the amended *Land Transport Management Act 2003*, to allow the Council to retender the public transport services in 2014/2015. A *Regional Public Transport Plan for Taranaki 2014/2024* was adopted by the Council on 1 July 2014.

2013/2014 saw the continuation of all the region's public transport services. A new daily service from Hawera to New Plymouth (the Connector) commenced in late February 2014.

The Citylink (New Plymouth, Bell Block, Waitara and Oakura) service experienced good growth, 5.4% compared to 2.4% the previous year. An upgrade of the urban fleet to late model super low floor (100% wheelchair accessible) buses fitted with bike racks was the highlight of the year. Fine-tuning of the service also occurred to ensure the service remained efficient and met public demand.



*An upgrade of the urban fleet to late model super low floor (100% wheelchair accessible) buses fitted with bike racks was the highlight of the year*

The three once-a-week SouthLink (South Taranaki) services all experienced a reduction in patronage for the year. Patronage on the Waverley to Hawera service was down for the first time in over four years. Opunake to New Plymouth was steady with only a small drop. The Opunake to Hawera (including Manaia to Hawera) service experienced a further decline in passenger numbers.



The once-a-week Inglewood to New Plymouth service was terminated at the end of February 2014, having been superseded by the daily Connector service. Up to that time the service experienced strong growth with patronage up 11% on the full twelve month period in 2012/2013.

The Council, in collaboration with the Taranaki District Health Board (TDHB), Western Institute of Technology at Taranaki (WITT) and the three district councils initiated the Connector service, particularly catering to TDHB patients and their visitors and WITT students. This service has performed well above expectation during the first four months of service.

The Council's passenger transport activities also included continued funding of Total Mobility services for people with impairment throughout Taranaki. During 2013/2014, 45,441 passenger trips were made under the Total Mobility Scheme.

The Ironside Vehicle Society also continued to receive funding assistance. In total, 7,025 trips were carried out with 5,394 (77%) 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 New Zealand Transport Agency's *Funding Assistance Rates Review Options Discussion Document*, and ongoing advocacy for the continuation of regional funding for land transport improvements beyond the current April 2015 expiry date for R-Funds. 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 Steering Group and 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
<b>[1] Land transport policies and programmes that deliver good transport solutions and efficient and effective land transport infrastructure and services for Taranaki</b>	
<p><b>Measure:</b> Presence of an appropriate <i>Regional Land Transport Strategy for Taranaki</i>.</p> <p><b>Target (Years 1-10):</b> A <i>Regional Land Transport Strategy for Taranaki</i> that is kept current in accordance with statutory requirements.</p> <p><b>Baseline:</b> The <i>Regional Land Transport Strategy for Taranaki 2011-2041</i> is current and operational.</p>	<p>The <i>Regional Land Transport Strategy</i> is current and in accordance with statutory requirements. The current <i>Strategy</i>, covering the period 2011-2041, was adopted in May 2011.</p>
<b>[2] Provision and increasing use of community passenger transport services</b>	
<p><b>Measure:</b> Annual number of passenger trips on New Plymouth urban services and community services.</p> <p><b>Target (Years 1-10):</b> Increase by 10% pa the number of passengers carried.</p> <p><b>Baseline:</b> Between 2008/2009 and 2011/2012, passengers on community passenger transport services in the region grew from 349,607 to 535,866 pa. This represents an average growth of over 13% pa.</p>	<p>In 2013/2014, 578,396 passengers were carried on the Citylink (New Plymouth) urban service. This is an increase in growth of 5.4% from 548,919 in 2012/2013. Significantly, this is an increase in growth of 44% from the base rate of 400,808 in 2009/2010.</p>
<b>[3] Community passenger transport services that satisfy the needs of users</b>	
<p><b>Measure:</b> Passenger rating of level and quality of service and value for money.</p> <p><b>Target (Years 1-10):</b> 90% of passengers rate the service as good, very good or excellent.</p> <p><b>Baseline:</b> In 2011/2012, 91% of the passengers surveyed rated the services as good, very good or excellent.</p>	<p>The Transport Agency introduced a new format and rating scale for measuring customer satisfaction for public transport services in 2013/2014. Under the new scale (0 to 10) 98% of passengers experienced a positive level of satisfaction in the ‘overall public transport service’ category. In 2012/2013—96% of passengers rated the passenger transport services in the region as good, very good or excellent.</p>

Programmed level of service	Reported level of service
<p><b>Measure:</b> Transport disadvantaged people's rating of the level and quality of service and value for money.</p> <p><b>Target (Years 1-10):</b> 90% of Total Mobility Scheme users rate the service as good, very good or excellent.</p> <p><b>Baseline:</b> In 2011/2012, 98% of Total Mobility Scheme users surveyed rated the services as good, very good or excellent.</p>	<p>As a result of a 2013/2014 client satisfaction survey, 99% (2012/2013—97%) of passengers rated the Total Mobility Scheme services provided in the region as good, very good or excellent. The new customer satisfaction survey did not apply to total mobility services.</p>

#### [4] Community support for Council funded transport services

<p><b>Measure:</b> 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.</p> <p><b>Target (Years 1-10):</b> 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.</p> <p><b>Baseline:</b> In the last five years less than 1% of the Taranaki population have raised concerns.</p>	<p>In 2013/2014 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.</p>
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#### [5] Safe navigation for all users of the waters of Port Taranaki and its approaches

<p><b>Measure:</b> The number of reported navigation safety incidents within Port Taranaki and its approaches.</p> <p><b>Target (Years 1-10):</b> No significant incidents.</p> <p><b>Baseline:</b> There have been no significant incidents in the last ten years.</p>	<p>There were 1,798 vessel movements undertaken through Port Taranaki during 2013/2014. This was an increase of 410 from the 1,388 vessel movements in the previous year. No (0) significant incidents involving unsafe navigation practices were reported within Port Taranaki and its approaches.</p>
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## ACTIVITIES

Programme	2013/2014 actual performance	Programme	2013/2014 actual performance
[1] Regional land transport planning			
Complete preparation/full reviews and interim reviews of the transport policies, plans and strategies:			
<i>Regional Land Transport Strategy: Mid-term review 2013/2014.</i>	No action was required in 2013/2014 due to 2013 amendments to the <i>Land Transport Management Act 2003</i> .	Implement and report on the <i>Regional Land Transport Strategy for Taranaki</i> as identified in each annual land transport programme.	The regional component of the <i>Strategy</i> was implemented through a number of activities undertaken throughout the year. These are regularly reported on.
<i>Regional Public Transport Plan: Full review 2014/2015.</i>	The <i>Plan</i> was fully reviewed due to 2013 amendments to the <i>Land Transport Management Act 2003</i> .	Review and make adjustments to the regional land transport programme, as required, in accordance with statutory requirements.	The <i>Regional Land Transport Programme 2012/2015</i> is current and ongoing. Two variations were requested in 2013/2014 with both being adopted on 1 July 2014.

Programme	2013/2014 actual performance	Programme	2013/2014 actual performance
<p><b>[2] Passenger transport</b></p>			
<p>Provide Total Mobility Scheme 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.</p>	<p>Provided Total Mobility Scheme services to the targeted areas—45,441 (49,816—2012/2013) passenger trips were made under the Total Mobility Scheme. An additional 7,025 (6,849) trips were made by the Ironside Vehicle Society. ID cards were issued to 99.5% (100%) of eligible applicants within the required timeframes.</p>	<p>Monitor the regional bus service contracts including patronage growth, customer satisfaction, contractor performance and fare box recovery.</p>	<p>Ongoing monitoring occurred on all services. One service experienced growth and three services experienced a loss of patronage. Users experienced a 90% positive level of satisfaction with the overall service. In 2012/2013 97% rated the level and quality of service and the value for money as good, very good or excellent. Farebox recovery was 29.6% (30.8% in previous year).</p>
<p>Operate public transport services in the New Plymouth district and regional Taranaki consistent with the <i>Regional Public Transport Plan</i> subject to funding approval from the New Zealand Transport Agency and the availability of local share funding.</p>	<p>Passenger transport services in New Plymouth urban areas and regional Taranaki were operated consistent with the <i>Regional Public Transport Plan</i>. A total of 584,371 (556,017) passenger trips were made on regional services. An additional 8,207 passenger trips were recorded in the 4 month period on the new daily Hawera to New Plymouth (the Connector) service.</p>	<p>Provide financial assistance to the Ironside Vehicle Society subject to funding eligibility criteria being met.</p>	<p>Funding (\$50,000) to the Ironside Vehicle Society for carriage of disabled persons in restricted areas.</p>
<p>Monitor the New Plymouth bus service contract including patronage growth, customer satisfaction, contractor performance and fare box recovery.</p>		<p><b>[3] Harbour management</b></p>	
	<p>Patronage has increased by 5.4% (2.4%). Of those users 95% experienced a positive level of satisfaction with the overall service. In 2012/2013, 95% rated the level and quality of service and the value for money as good, very good or excellent. Farebox recovery was 39.7% (39.4%).</p>	<p>Provide harbourmaster and harbour warden services for Port Taranaki to implement relevant harbour bylaws and regulations. Contract for harbourmaster services let.</p>	<p>External contract placed for the provision of harbourmaster services. There were 1,798 vessel movements undertaken through Port Taranaki. This was an increase of 410 from the 1,388 vessel movements in the previous year. No (0) significant incidents involving unsafe navigation practices were reported.</p>
		<p>Implement the <i>Navigation Bylaw for Port Taranaki and Approaches</i>. No significant breaches of the requirements of the <i>New Zealand Port and Maritime Safety Code</i>, including the <i>Port Taranaki Harbour Safety Management System</i>.</p>	<p>The reviewed <i>Navigation and Safety Bylaws for Port Taranaki and its Approaches</i> continue to be enforced. Signs and notices in the port area have been updated with the new restricted zones marked. No written navigation or safety warnings were issued. Five verbal warnings were issued, all to jet ski operators, for excess speeds. There were no significant breaches of the <i>Port Taranaki and Harbour Safety Management System</i>.</p>

## COSTS AND SOURCES OF FUNDS

	2013/2014 Actual \$	2013/2014 Budget \$	2012/2013 Actual \$	2011/2012 Actual \$
<b>Expenditure</b>				
Regional land transport planning	70,891	99,599	87,441	127,643
Passenger transport	3,317,043	3,429,912	2,988,831	3,143,186
Harbour management	29,037	29,000	28,000	27,589
<b>Total expenditure</b>	<b>3,416,972</b>	<b>3,558,511</b>	<b>3,104,271</b>	<b>3,298,418</b>
<b>Income</b>				
General rates	201,960	201,960	148,778	365,397
Targeted rates	816,456	816,456	778,071	750,449
Direct charges	1,002,506	937,110	843,139	811,480
Government grants	1,419,113	1,438,249	1,328,233	1,357,055
Investment funds	(49,376)	159,736	33,550	(32,261)
<b>Total income</b>	<b>3,390,659</b>	<b>3,598,511</b>	<b>3,131,771</b>	<b>3,252,120</b>
<b>Operating surplus/(deficit)</b>	<b>(26,312)</b>	<b>40,000</b>	<b>27,500</b>	<b>(46,298)</b>
Funded by:				
Transfers from reserves	40,000	40,000	40,000	46,298
Transfers to reserves	13,688	12,072	12,500	-
<b>Total funding</b>	<b>26,312</b>	<b>27,928</b>	<b>27,500</b>	<b>46,298</b>
<b>Capital expenditure</b>				
Land	-	-	-	-
Buildings	-	-	-	-
Motor vehicles	-	-	24,681	-
Plant and equipment	-	-	-	-
Office furniture	-	-	-	-
Computer equipment	-	-	-	-
Flood and river control assets	-	-	-	-
Computer software	-	-	-	-
<b>Total capital expenditure</b>	<b>-</b>	<b>-</b>	<b>24,681</b>	<b>-</b>
Funded by:				
Transfer from retained earnings	-	-	24,681	-
<b>Total funding</b>	<b>-</b>	<b>-</b>	<b>24,681</b>	<b>-</b>
<b>Capital expenditure:</b>				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	-	-	-
—to replace existing assets	-	-	24,681	-
<b>Total capital expenditure</b>	<b>-</b>	<b>-</b>	<b>24,681</b>	<b>-</b>
<b>Gross proceeds from the sale of assets</b>	<b>-</b>	<b>-</b>	<b>3,913</b>	<b>-</b>
<b>Depreciation/amortisation expense</b>	<b>4,936</b>	<b>5,600</b>	<b>4,525</b>	<b>-</b>

## 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 and co-ordination 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 2013/2014 year was the second 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* for the Lower Waitara, Lower Waiwhakaiho flood control schemes and the Okato Scheme (Stony River and Kaihihi Stream) were updated to ensure that the schemes are monitored and maintained effectively.

The Council's schemes were maintained to their design standards in 2013/2014.

The upgrading of the flood defences on the Lower Waiwhakaiho Scheme was completed in July 2013. The scheme now provides 1% Annual Exceedance Probability (AEP) flood protection (1 in 100-year) to the businesses and residents in the Lower Waiwhakaiho River catchment with an allowance for the effects of climate change to 2060.



Investigation into the level of protection provided by the Lower Waitara River Flood Control Scheme involving a comprehensive hydrological analysis of the Waitara River catchment and the development of a detailed hydraulic model of river from SH3 to the river mouth has been completed. This investigation has provided the information required to design the works necessary to upgrade the Scheme to protect the Waitara community from a 1% AEP flood event with an allowance for climate change to 2065.

The upgrade works have begun upstream of the town bridge and will be carried out over a three year period.

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.

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.

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
<b>[1] A Civil Defence Emergency Management system that delivers efficient and effective civil defence emergency management in Taranaki that is acceptable to the community</b>	
<p><b>Measure:</b> Presence of an appropriate Civil Defence Emergency Management system.</p> <p><b>Target (Years 1-10):</b> A <i>Civil Defence Emergency Management Group Plan</i> that is kept current and resourced in accordance with statutory requirements.</p> <p><b>Baseline:</b> The <i>Civil Defence Emergency Management Group Plan for Taranaki 2012-2017</i> is to be implemented through annual work programmes.</p>	<p>An appropriate civil defence emergency management system is in place and ready to respond to any event. Programmes to lift levels of equipment, resourcing, and training were implemented during the year. The <i>Civil Defence Emergency Management Group Plan 2012-2016</i> has been adopted and has come into effect. Co-ordinating Executive Group and CDEM Group meetings and advisory group meetings were appropriately administered. The annual work plan was implemented and delivery of the previous year's work plan was reported upon.</p>
<p><b>Measure:</b> Delivery of contractual requirements.</p> <p><b>Target (Years 1-10):</b> All contract requirements to provide emergency management office and administering authority services to the Civil Defence Emergency Management Group are delivered as specified.</p> <p><b>Baseline:</b> Annual budget and proposed annual work programme to be adopted by the CDEM Group and annual report adopted by the Group, each year.</p>	<p>The work plan for 2013/2014 was implemented and the work plan for 2012/2013 has been reported upon. The plan and budget for 2014/2015 was prepared. The contracted emergency management office and administering authority services, as agreed by the Group for 2013/2014, were delivered. Contracts for key roles are on-going to ensure availability of suitably trained and competent personnel. Recruitment and appointment of additional controllers is complete, with training now being delivered. A new Recovery Manager and a new Welfare Manager were identified.</p>
<b>[2] Effective emergency readiness and response capability and capacity in the region</b>	
<p><b>Measure:</b> Level of capacity and capability within Taranaki CDEM.</p> <p><b>Target (Years 1-10):</b> Group readiness and response capability and capacity to be maintained at or enhanced above the level as set out in the <i>Group Plan</i> and as assessed by the MCDEM monitoring and evaluation analysis tool.</p> <p><b>Baseline:</b> The Group's readiness and response capability and capacity is set out in the 2012 <i>Group Plan</i> and has been assessed by the MCDEM monitoring and evaluation analysis tool in 2010.</p>	<p>Community awareness and readiness continues to improve. The new <i>2011/2016 Civil Defence Emergency Management Public Education Plan</i>, based on the new <i>Group Plan</i>, is being implemented as scheduled. A review of the Emergency Operations Centre (EOC) layout and protocols is underway. Training for volunteers (EOC and community centres) was instigated. <i>Exercise Pahu</i> was undertaken in November 2013 (an inter-Group multi-party exercise testing the response to a volcanic eruption). A <i>Corrective Actions Plan</i> was prepared.</p>
<p><b>Measure:</b> Implementing effective response and recovery procedures to minimise harm or damage to people and property arising from an emergency.</p> <p><b>Target (Years 1-10):</b> Response and recovery is carried out in accordance with established plans and procedures in order to minimise harm or damage to people and property.</p> <p><b>Baseline:</b> Response and recovery procedures are set out in <i>Standard Operating Procedures</i> as listed in the <i>2011 Group Plan</i>.</p>	<p>The 2015 public awareness survey is still scheduled to occur. Presentations were made to civic clubs, childhood centres, health organisations and hobby groups. A <i>Marae Welfare Response Plan</i> project and whanau resilience project was initiated for implementation in 2013/2014. Utilisation of social media increased with evidence of greater recognition and utilization. Community emergency plans development is underway in North Taranaki and South Taranaki communities. Utilization of community response centres is being reviewed. Volcanic and flood response plans are being revised. CDEM responses in 2013/2014 included the Taranaki wind storm (14 July), the Seddon earthquakes (July) and 4 storm alerts. Two tsunami alert responses were undertaken.</p>

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**Programmed level of service**

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**Reported level of service**

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

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**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 2012, 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*.

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**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 2012, Stage 1 was complete. Stage 2 will be complete by 30 June 2013.

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 including the removal of trimming of trees on Mangaroa Island.

Maintenance works on the Waiwhakaiho Scheme included the regular stopbank and berm mowing, the clearance of excess vegetation from the flood fairway of both the Waiwhakaiho River and Mangaone Stream. All Mangaone Stream floodgates were inspected and one new gate installed to prevent floodwater backflows.

A programme of spraying was undertaken on the lower Waitotara River to control re-growth of willow and poplar over 19 km of the river channel. 300 poplar trees were pollarded over a 1,250m length of channel upstream of the SH3 Bridge to take the weight off the riverbank and reduce the potential for bank damage in storm events.

Channel training works were undertaken on the Okato Scheme in the Stony river and Kaihihi Stream as well as training groyne maintenance on the Kaihihi Stream. On the Makuri Scheme, 7.7 km of channel was sprayed to control willow regrowth and other weed species that were affecting stream flows.

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Upgrading the level of protection on the Waiwhakaiho Scheme to the 1% AEP standard was completed in July 2014. Stage 1 involved the raising of the Waiwhakaiho River stopbank was completed in 2011. Stage 2 involved 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 involved the upgrade 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 was 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.

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**[4] Accurate and timely flood warnings**

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**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 2011/2012 the Council issued warnings in 100% of cases.

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Accurate and timely flood warnings (16—2013/2014 and 19—2012/2013) 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	2013/2014 actual performance
<b>[1] Civil defence emergency management</b>	
Prepare, implement, monitor and report upon the <i>Taranaki Civil Defence Emergency Management Annual Business Plan</i> .	Implemented the <i>2013/2014 Annual Business Plan</i> . The 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 2013/2014 activities was prepared and adopted. The annual business plan and budget for 2014/2015 was prepared and approved.
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 to community boards).
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	Implementation actions were drafted and delivered through the <i>2013/2014 Annual Business Plan</i> .
<b>[2] Flood management and general river control</b>	
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 41 (62—2012/2013) 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 16 (18) cases flood warnings issued.

Programme	2013/2014 actual performance
Undertake minor emergency river and flood control works when necessary.	No (0) emergency works were required.
Respond to 100% of requests for drainage, river and flood control advice and assistance within ten working days.	Investigated and responded to 58 (57) requests for advice and information on river control and flood protection. All requests were responded to within ten working days.
Facilitate river control projects for the environmental enhancement of the region’s waterways.	Sixteen (0) river control projects were identified or required to be undertaken for the environmental enhancement of the region’s waterways.
<b>[3] River control schemes</b>	
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.



Programme	2013/2014 actual performance	Programme	2013/2014 actual performance
Complete the construction work to upgrade the standard of protection of the Mangaone Stream downstream of Katere Road to increase the Lower Waiwhakaiho River flood protection scheme standard from 2% annual exceedance probability (AEP) to approximately 1% AEP.	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 were 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. The upgrade to the protection standard was achieved by raising the gabion wall stopbank along the left bank of the Mangaone Stream between Katere Road and Devon Road and by increasing the capacity of the Katere Road and Devon Road culvert by raising each of their headwalls.	Subject to Council approval undertake investigation and design of the Waitara River Scheme upgrade and construct upgrade works from 2013/2014 to 2016/2017.	Hydraulic modelling to determine the level of the 1% AEP flood has been completed. Upgrade works commenced in January 2014 involving the raising of the stopbanks from Brown St at the upstream end of Waitara to the Town Bridge and on the eastern bank from North Street to High Street east. An early start to the winter rains halted works before they were completed. The works will be completed when the weather dries out before the end of 2014. Detailed design of the more complex parts of the upgrade works on the west bank of the river downstream of the Town Bridge is well underway with works planned for the 2014/15 construction season.
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.	Spraying of willow and other weed trees over 19km of the Waitotara River Channel along with the pollarding of 300 poplar trees over a 1.25km length of the riverbank 1km upstream of the Waitotara Village Undertook and managed works as required in the other catchments.	Implement the <i>Okato Scheme Management Plan</i> to prevent flooding from the Stony and Kaihihi Rivers affecting Okato area.	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. Channel maintenance works were undertaken in both the Stony River and Kaihihi Stream.
Manage other minor river schemes to standards as agreed with scheme participants.	Willow regrowth spraying has been undertaken on 7.7 km of the Makuri Stream. This is the first significant maintenance works undertaken for a number of years. Undertook and managed works as required in the minor schemes, in association with landholders.		



## COSTS AND SOURCES OF FUNDS

	2013/2014 Actual \$	2013/2014 Budget \$	2012/2013 Actual \$	2011/2012 Actual \$
<b>Expenditure</b>				
Civil defence emergency management	681,017	664,038	629,422	623,721
Flood management and general river control	217,193	298,186	172,803	275,182
River control schemes	256,409	337,256	253,241	382,335
<b>Total expenditure</b>	<b>1,154,619</b>	<b>1,299,480</b>	<b>1,055,465</b>	<b>1,281,238</b>
<b>Income</b>				
General rates	312,968	312,968	312,158	410,519
Targeted rates	576,443	576,443	549,709	482,871
Direct charges	359,163	352,019	355,448	362,316
Government grants	43,878	-	-	-
Investment funds	214,744	247,534	121,909	46,777
<b>Total income</b>	<b>1,507,196</b>	<b>1,488,964</b>	<b>1,339,224</b>	<b>1,302,483</b>
<b>Operating surplus/(deficit)</b>	<b>352,577</b>	<b>189,484</b>	<b>283,759</b>	<b>21,245</b>
Funded by:				
Transfer from reserves	-	-	212	13,322
Transfer to reserves	189,878	49,108	181,661	34,567
<b>Total funding</b>	<b>189,878</b>	<b>49,108</b>	<b>181,449</b>	<b>21,245</b>
<b>Capital expenditure</b>				
Land	-	-	-	-
Buildings	-	-	13,773	-
Motor vehicles	-	40,000	62,228	28,000
Plant and equipment	25,767	24,000	4,473	19,866
Office furniture	-	-	-	-
Computer equipment	-	-	-	-
Flood and river control assets	791,368	1,000,000	408,855	121,250
Computer software	-	-	-	-
<b>Total capital expenditure</b>	<b>817,135</b>	<b>1,064,000</b>	<b>489,329</b>	<b>169,116</b>
Funded by:				
Transfer from retained earnings	817,135	1,064,000	489,329	169,116
<b>Total funding</b>	<b>817,135</b>	<b>1,064,000</b>	<b>489,329</b>	<b>169,116</b>
<b>Capital expenditure:</b>				
—to meet additional demand	-	-	-	-
—to improve the level of service	791,368	1,000,000	408,855	121,250
—to replace existing assets	25,767	64,000	80,474	47,866
<b>Total capital expenditure</b>	<b>817,135</b>	<b>1,064,000</b>	<b>489,329</b>	<b>169,116</b>
<b>Gross proceeds from the sale of assets</b>	<b>-</b>	<b>10,000</b>	<b>17,391</b>	<b>8,696</b>
<b>Depreciation/amortisation expense</b>	<b>51,000</b>	<b>63,608</b>	<b>54,022</b>	<b>46,040</b>

## ASSET ACQUISITIONS AND REPLACEMENTS

Capital expenditure on the Lower Waiwhakaiho Flood Control Scheme in 2013/2014 involved the final payment for the Devon Road headwall raising contract, investigation and minor design for some work in the Mangaone Stream Works Culvert downstream of Devon Road and some consultant cost associated with land transfers along the left bank of the Mangaone Stream between Katere Road and Devon Road. The actual spend for 2013/2014 was \$64,592. The Scheme upgrade to the 1% AEP standard was largely complete by 31 July 2013.

Capital expenditure on the Lower Waitara River Flood Control Scheme in 2013/2014 involved detailed investigations and design associated with the Scheme Upgrade and the partial completion of Stages 1A and 1B of the Scheme upgrade works. The actual spend for 2013/2014 was \$726,776. Stage 1A and 1B involved the raising of stopbanks between Browne Street and the Town Bridge on the left bank of the river and between North Street and High Street east on the right bank of the river.

## INFORMATION ON CORE ASSETS

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

	2013/2014 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$
Closing book value	8,479,624	6,732,438	5,942,043
Acquisitions constructed by the Council	1,747,186	790,395	283,434
Acquisitions transferred to the Council	-	-	-
Estimated replacement cost	8,479,624	6,732,438	5,942,043

## INTERNAL BORROWING

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

	2013/2014 Actual \$	2013/2014 Budget \$	2012/2013 Actual \$	2011/2012 Actual \$
<b>Opening balance</b>	1,294,909	1,294,909	902,887	814,800
Plus borrowed during the year	791,368	1,000,000	408,856	99,450
Less principal repaid during the year	27,091	30,753	16,834	11,363
<b>Closing balance</b>	<b>2,059,186</b>	<b>2,264,156</b>	<b>1,294,909</b>	<b>902,887</b>
Interest charged during the year	135,608	158,731	85,263	59,426



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

The 2013/2014 year involved a significant level of consolidation and implementation of the plans and arrangements that were put in place in 2012/2013. The Trust, the New Plymouth District Council and the Taranaki Regional Council have a partnership arrangement for the operation and development/enhancement of the Yarrow Stadium facilities. Under the Trust's Deed and the management agreement between the Trust and the New Plymouth District Council, the New Plymouth District Council operates and funds the operations of Yarrow Stadium. The Taranaki Regional Council funds, via the Trust, the long-term maintenance and development of Yarrow Stadium.

This partnership for funding and operating, maintaining and developing assists in maintaining Yarrow Stadium as a premier regional sports and events venue.

During the first half of 2013/2014, the New Plymouth District Council and the Taranaki Regional Council agreed upon a three-year maintenance and development programme for the three years from 2012/2013 to 30 June 2015. This programme was forwarded to the Trust for its consideration and implementation. The Trust has agreed to fund this programme of maintenance and development. The first tranches of work are under way pursuant the agreed programme. The highlights include:

- Replacing the scoreboard
- Replacing the TSB Stand lifts
- Replacing the stand speaker systems
- Refurbishing the Legends Lounge
- Strengthening the TSB and Yarrow Stand roofs.

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 commenced in 2014 and asset management plans are expected to be prepared and adopted by October 2014.

Operationally, the highlight for Yarrow Stadium was the hosting of two Chiefs home games during the 2014 Super 15 completion (against the Auckland Blues and the NSW Waratahs). 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. During the 2014/2015 year, Yarrow Stadium is looking forward to hosting two further Chiefs Super 15 games as well as six games in the FIFA U-20 World Cup New Zealand 2015.

## REGIONAL GARDENS

2013/2014 was the first year of implementation of the newly adopted Pukeiti asset management plans. At the outset the Council's plans for 2013/2014 were to:

- redesign and upgrade the approach and carpark
- reconfigure the Gatehouse entrance
- rejuvenate the covered exhibition walks
- construct an innovative children's interactive experience
- provide a mobility vehicle
- upgrade the ring tracks and install new landscapes
- upgrade shelters and seating
- install interpretation and way finding
- install rainforest interpretation and way finding
- implement the *Biodiversity Plan*
- install reliable phone and computer network access.

During the year Council completed the inner and outer track way finding, upgraded ring tracks, constructed four tree houses and increased plant interpretation material. Planning for the design projects was undertaken and concept plans developed for much of the upgrade. The Gatehouse was included in the concept plan development so that this important arrival, hospitality and information space will complement the surrounding structures and provide future-proofing for further opportunities. Ongoing implementation of these works will continue over the next three years.

Deferred maintenance on the rhododendron collection continued and was completed. This has been a four year project. Plant health has improved and increased numbers of plants have been added to the international collection.

Tupare and Hollard Gardens were maintained to the standards established in the Tupare and Hollard Garden asset management plans 2011. Tupare experienced the benefits of the infrastructural works of previous years; the Council continued to refine the landscape compositions, introduced art, and provided new river flat facilities.



The Hollard Centre was launched in late 2013. The new Centre has been well received by the community and led to a significant increase in numbers of events. Strategic garden improvements were undertaken to improve visitor movement between key facilities, in particular the Hollard Centre, Bernie's Home Garden and the family corner).

Visitor numbers and events grew at all three properties. 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.

### 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. In 2013/2014, the partnership contributed towards a number of projects, including *Natural Wonder-Unleashing Taranaki's Natural Sciences Collection*: This project will see Puke Ariki's natural sciences collection made accessible to schools, researchers and the public through an online catalogue and a variety of digital resources designed to encourage exploration of our natural world.

Funding was invested in the *Aotea Utanganui Museum of South Taranaki* to support the development of an exhibition focusing on Eltham. The *TRC 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, with particular emphasis on supporting the Natural Wonder project, continued. Provision was made for the long-term refreshment of galleries, particularly the *Taranaki Naturally* gallery.

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
<b>[1] Tupare, Hollard Gardens and Pukeiti recognised as nationally significant gardens</b>	
<p><b>Measure:</b> Maintenance and enhancement of three regionally significant gardens.</p> <p><b>Target (Years 1-10):</b> Pukeiti, Tupare and Hollard Gardens maintained and enhanced in accordance with the provisions of the adopted asset management plans.</p> <p><b>Baseline:</b> 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 in 2012 for Pukeiti.</p>	<p>The development and enhancement of Tupare and Hollard Gardens was completed in 2009 in line with the 2005, 2008 and 2011 asset management plans. During 2013/2014 both properties were maintained to the stated standards. 2013/14 was the first year of implementation of the Pukeiti asset management plan. Operationally, Pukeiti was maintained to the standard established in the 2013 asset management plan.</p>
<p><b>Measure:</b> Level of use of Tupare, Hollard Gardens and Pukeiti.</p> <p><b>Target (Years 1-10):</b> Increasing the number of visitors to each property and the number of events at each property.</p> <p><b>Baseline:</b> In 2011/2012, Tupare had 23,350 visitors and 46 events, Hollard Gardens had 10,518 visitors and 27 events and Pukeiti had 19,830 visitors and 34 events.</p>	<p>The use of Tupare and Hollard Gardens consolidated during 2013/2014. Tupare attracted approximately 24,650 visitors (23,832—2012/2013) with Hollard Gardens attracting approximately 12,858 (11,832). Pukeiti visitor numbers grew to 30,421 (25,204). There were 42 (56) events at Tupare, 44 (27) at Hollard Gardens and 50 (66) at Pukeiti. All three properties were part of the <i>Powerco Taranaki Garden Spectacular</i>.</p>
<p><b>Measure:</b> Access to Tupare, Hollard Gardens and Pukeiti.</p> <p><b>Target (Years 1-10):</b> Tupare, Hollard Gardens and Pukeiti open to the public between 9am to 5pm seven days a week with free general access.</p> <p><b>Baseline:</b> Tupare and Hollard Gardens have been open in this way since 2002. Free access to Pukeiti commenced from 1 July 2010.</p>	<p>Free access was provided to visitors during 2013/2014. 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.</p>
<b>[2] Partnership relationship with the Puke Ariki regional museum and library</b>	
<p><b>Measure:</b> Annual project for the delivery of display and presentation material.</p> <p><b>Target (Years 1-10):</b> Delivery of an annual project.</p> <p><b>Baseline:</b> In 2011/2012, the partnership contributed towards the <i>Mounga ki te Moana</i> public events programme, the <i>Shadowing Venus: Pacific Adventures of Joseph Banks</i> exhibition (inspired by the Banks' Florilegium), the development of exhibitions at Aotea Utanganui, the exhibition <i>It's Not Just a Game: Whanau, Whakapapa, Whutupaoro</i>, the <i>Calling back the Kakako</i> display (a new addition to the Taranaki Naturally gallery) and the development of the exhibition, <i>Kiwi Prefab: Cottage to Cutting Edge</i>.</p>	<p>The ongoing partnership relationship with Puke Ariki continued during 2013/2014. The partnership contributed towards a number of projects, including <i>Natural Wonder-Unleashing Taranaki's Natural Sciences Collection</i>: This project will see Puke Ariki's natural sciences collection made accessible to schools, researchers and the public through an online catalogue and a variety of digital resources designed to encourage exploration of our natural world (\$30,000). Funding of \$25,000 was invested in the <i>Aotea Utanganui Museum of South Taranaki</i> to support the development of an exhibition focusing on Eltham. The <i>TRC Events Programme</i>, a series of events designed to enliven the Taranaki Naturally Gallery and explore the themes outlined as a schedule to the Partnership Agreement, with particular emphasis on supporting the Natural Wonder project (\$10,000), continued. Provision was made for the long-term refreshment of galleries, particularly the <i>Taranaki Naturally</i> gallery (\$85,000).</p>



Programmed level of service	Reported level of service
<p>[3] Presentation and operation of Yarrow Stadium as one of New Zealand’s premier regional sporting stadium and venue</p>	
<p><b>Measure:</b> Maintenance and development of Yarrow Stadium for a range of events and activities.</p>	<p>During the year, the Council and the New Plymouth District Council undertook a process to adopt maintenance and development programmes through to June 2015. The major projects underway are the revamp of the Legends Lounge, an upgrade of the IT infrastructure and speakers, the replacement of the scoreboard and an upgrade of the TSB Stand lifts. The process of preparing maintenance and development plans (via asset management plans) for the 2015 to 2025 period commenced.</p>
<p><b>Target (Years 1-10):</b> Provision of funding for the ongoing maintenance and development of Yarrow Stadium.</p>	
<p><b>Baseline:</b> The Council commenced providing funding for the ongoing maintenance and development of Yarrow Stadium in 2012/2013.</p>	

## ACTIVITIES

Programme	2013/2014 actual performance	Programme	2013/2014 actual performance
<b>[1] Regional gardens</b>			
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.	The 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 2013/2014. Entry was free to all three properties.	<ul style="list-style-type: none"> <li>➤ finding</li> <li>➤ implementing the <i>Biodiversity Plan</i></li> <li>➤ installing reliable phone and computer network access.</li> </ul>	<ul style="list-style-type: none"> <li>➤ upgraded and the design and form of some new landscapes completed</li> <li>➤ inner and outer track way finding was completed</li> <li>➤ the biodiversity plan is being implemented with more pest control over a wider area actioned.</li> </ul>
Encourage the increased use of the regional gardens by the community for recreational purposes and for specific events.	Tupare attracted approximately 24,650 visitors (23,832—2012/2013) with Hollard Gardens attracting approximately 12,858 (11,832). Pukeiti had 30421 (25,204) visitors. There were 42 (56) events at Tupare, 44 (27) at Hollard Gardens and 50 (68) at Pukeiti. All three properties were part of the <i>Powerco Taranaki Garden Spectacular</i> .	<p><b>Year Two 2014/2015:</b></p> <ul style="list-style-type: none"> <li>➤ enhancing the garden and the Rhododendron Collection</li> <li>➤ relocating the services area within the nursery/depot area</li> <li>➤ continuing the implementation of the Plant Collection Plan and the Biodiversity Plan</li> <li>➤ continuing the upgrade of interpretation and way finding materials</li> <li>➤ upgrading the outer tracks.</li> </ul>	
Implement the Pukeiti asset management plans, which specifically over the next three years involves: <b>Year One 2013/2014:</b>	The implementation of the asset management plans commenced.	<p><b>Year Three 2015/2016:</b></p> <ul style="list-style-type: none"> <li>➤ refurbishing the Lodge and surrounds</li> <li>➤ stabilising the cultivated area to the south of the lodge by way of a retaining wall</li> <li>➤ refurbishing the plant borders</li> <li>➤ renovating the Pukeiti lookout</li> <li>➤ completing the rainforest interpretation material</li> <li>➤ actioning the outcomes of the two assessment reports related to the Biodiversity Plan</li> <li>➤ subject to demand, extending the carpark.</li> </ul>	
<ul style="list-style-type: none"> <li>➤ redesigning and upgrading the approach and carpark</li> <li>➤ reconfiguring the Gatehouse entrance</li> <li>➤ rejuvenating the covered exhibition walks</li> <li>➤ constructing an innovative children's interactive experience</li> <li>➤ providing a mobility vehicle</li> <li>➤ upgrading the ring tracks and installing new landscapes</li> <li>➤ upgrading shelters and seating</li> <li>➤ installing interpretation and way finding</li> <li>➤ installing rainforest interpretation and way</li> </ul>	<p>Concept plans were completed for the arrival/carpark experience, gatehouse and covered exhibition areas. Some of the 2013/2014 projects have been delayed while the use of the Gatehouse and how it fits in with the covered walkway and arrival experience is incorporated into the concept plans. These projects will proceed in 2014/2015.</p> <ul style="list-style-type: none"> <li>➤ four treehouses were constructed for an innovative and interactive experience, this also provided new shelter and seating</li> <li>➤ a 14 seater mobility vehicle was purchased</li> <li>➤ ring tracks were</li> </ul>		

Programme	2013/2014 actual performance	Programme	2013/2014 actual performance
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 2013/2014.	[3] Yarrow Stadium	The Trust and the New Plymouth District Council entered into a management agreement for the operation and management of Yarrow Stadium for the 2013/2014 year. New Plymouth District Council operated and managed Yarrow Stadium during 2013/2014.
[2] Puke Ariki	The ongoing partnership relationship with Puke Ariki continued during 2013/2014. The partnership contributed towards a number of projects, including <i>Natural Wonder- Unleashing Taranaki's Natural Sciences Collection</i> : This project will see Puke Ariki's natural sciences collection made accessible to schools, researchers and the public through an online catalogue and a variety of digital resources designed to encourage exploration of our natural world (\$30,000). Funding of \$25,000 was invested in the <i>Aotea Utanganui Museum of South Taranaki</i> to support the development of an exhibition focusing on Eltham. The <i>TRC Events Programme</i> , a series of events designed to enliven the Taranaki Naturally Gallery and explore the themes outlined as a schedule to the Partnership Agreement, with particular emphasis on supporting the Natural Wonder project (\$10,000), continued. Provision was made for the long-term refreshment of galleries, particularly the <i>Taranaki Naturally</i> gallery (\$85,000).	Undertake asset management planning for the future maintenance, enhancement and development of Yarrow Stadium.	During 2013/2014, 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 2015/2025 and will lead to asset management plans for the <i>2015/2025 Long-Term Plan</i> .
		Provide regional funding for the future maintenance, enhancement and development of Yarrow Stadium.	The funding provision (\$876,000) for 2013/2014, to be used for the ongoing maintenance, enhancement and development of Yarrow Stadium, was transferred to the Taranaki Stadium Trust throughout the year. During the year, the Council and the New Plymouth District Council undertook a process to adopt maintenance and development programmes through to June 2015. The major projects underway are the revamp of the Legends Lounge, an upgrade of the IT infrastructure and speakers, the replacement of the scoreboard and an upgrade of the TSB Stand lifts.

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

The Trust, the New Plymouth District Council and the Taranaki Regional Council have a partnership arrangement for the operation and development/enhancement of the Yarrow Stadium facilities. Under the Trust's Deed and the management agreement between the Trust and the New Plymouth District Council, the New Plymouth District Council operates and funds the operations of Yarrow Stadium. The Taranaki Regional Council funds, via the Trust, the long-term maintenance and development of Yarrow Stadium. This partnership for funding and operating, maintaining and developing assists in maintaining Yarrow Stadium as a premier regional sports and events venue.

The 2013/2014 year involved a significant level of consolidation and implementation of the plans and arrangements that were put in place in 2012/2013. During the first half of 2013/2014, the New Plymouth District Council and the Taranaki Regional Council agreed upon a three-year maintenance and development programme for the three years from 2012/2013 to 30 June 2015. This programme was forwarded to the Trust for its consideration and implementation. The Trust has agreed to fund this programme of maintenance and development. The first tranches of work are under way pursuant the agreed programme. The highlights include:

- Replacing the scoreboard
- Replacing the TSB Stand lifts
- Replacing the stand speaker systems
- Refurbishing the Legends Lounge
- Strengthening the TSB and Yarrow Stand roofs.

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 commenced in 2014 and asset management plans are expected to be prepared and adopted by October 2014.

Operationally, the highlight for Yarrow Stadium was the hosting of two Chiefs home games during the 2014 Super 15 completion (against the Auckland Blues and the NSW Waratahs). 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. During the 2014/2015 year, Yarrow Stadium is looking forward to hosting two further Chiefs Super 15 games as well as six games in the FIFA U-20 World Cup New Zealand 2015.

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

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

An agreement for the management and operation of Yarrow Stadium, between the Trust and the New Plymouth District Council, is in place. The original agreement for the Council to manage and operate the stadium was signed in 2004 and the latest renewal came into effect from 27 June 2013.

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

The New Plymouth District Council and the Taranaki Regional Council have agreed upon a three-year maintenance and development programme for the three years from 2012/2013 to 30 June 2015. The Council provided the annual funding of \$876,000 to the Taranaki Stadium Trust.

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

The Trust will remain in the control of the Taranaki Regional Council as long as the partnership agreement between the Trust, the New Plymouth District Council and the Taranaki Regional Council continues. If the partnership dissolves, control of the Trust, and the associated obligations, revert to the New Plymouth District Council.



## COSTS AND SOURCES OF FUNDS

	2013/2014 Actual \$	2013/2014 Budget \$	2012/2013 Actual \$	2011/2012 Actual \$
<b>Expenditure</b>				
Regional gardens	2,271,913	2,256,820	2,053,650	2,061,516
Puke Ariki	150,000	150,000	175,000	150,000
Yarrow Stadium	876,000	876,000	876,000	0
<b>Total expenditure</b>	<b>3,297,913</b>	<b>3,282,820</b>	<b>3,104,650</b>	<b>2,211,516</b>
<b>Income</b>				
General rates	1,550,551	1,550,551	1,549,365	1,376,812
Targeted rates	315,649	315,649	330,951	335,020
Direct charges	185,088	190,250	164,206	164,736
Investment funds	1,246,624	1,226,370	1,060,128	669,968
<b>Total income</b>	<b>3,297,913</b>	<b>3,282,820</b>	<b>3,104,650</b>	<b>2,546,536</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>335,020</b>
<b>Capital expenditure</b>				
Land Improvements	339,417	-	-	-
Buildings	440,302	1,667,500	629,155	72,407
Motor vehicles	63,227	82,000	-	83,469
Plant and equipment	43,109	65,000	76,619	81,820
Office furniture	-	-	-	-
Computer equipment	-	-	-	-
Flood and river control assets	-	-	-	-
Computer software	-	-	-	-
<b>Total capital expenditure</b>	<b>886,055</b>	<b>1,814,500</b>	<b>705,774</b>	<b>237,696</b>
<b>Funded by:</b>				
Transfer from retained earnings	886,055	1,814,500	705,774	237,696
<b>Total funding</b>	<b>886,055</b>	<b>1,814,500</b>	<b>705,774</b>	<b>237,696</b>
<b>Capital expenditure:</b>				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	-	-	-
—to replace existing assets	886,055	1,814,500	705,774	237,696
<b>Total capital expenditure</b>	<b>886,055</b>	<b>1,814,500</b>	<b>705,774</b>	<b>237,696</b>
<b>Gross proceeds from the sale of assets</b>	<b>24,131</b>	<b>19,000</b>	<b>-</b>	<b>18,704</b>
<b>Depreciation/amortisation expense</b>	<b>244,582</b>	<b>363,163</b>	<b>253,861</b>	<b>233,050</b>

## ASSET ACQUISITIONS AND REPLACEMENTS

The budget for implementation of year one (2013/2014) of the Pukeiti asset management plans was \$1,432,000. Of this, \$545,991 was expended on treehouses, interpretation, way finding, ring track upgrades and the development of concept plans. The remaining budget will be used in 2014/2015. A further \$201,000 was provided for the development of river flat facilities at Tupare. At a cost of \$150,868 new facilities, including toilet, barbeque shelter and services were developed.

## 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 206 classes involving 7,094 students and hosting visitors to the Council's display areas. The Council's displays have been successfully relocated to the Pukeiti Rainforest School. The Council held seven teacher workshops and distributed additional resources to teachers. The Council's environmental awards programme was reviewed and relaunched with sixteen environmental awards being 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 22 submissions to the policy initiatives of other agencies. The Council continues to have a significant role in submissions on policy initiatives, which reflects, in particular, major reform programmes initiated by central government. Many of the submissions made were on large or technically or legally complex documents requiring thorough analysis and careful and considered response.

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
<b>[1] Effective, open and transparent democratic Council processes</b>	
<p><b>Measure:</b> Completion of statutory public accountability processes.</p> <p><b>Target (Years 1-10):</b> Completion of statutory planning and reporting documents (Long-Term Plan, Annual Plans and Annual Reports) within statutory requirements.</p> <p><b>Baseline:</b> Statutory planning and reporting accountability documents have all previously been prepared within statutory requirements and timeframes.</p>	<p>Statutory planning and reporting accountability documents have all been prepared within statutory requirements and timeframes. The <i>2012/2013 Annual Report</i> was adopted on 23 September 2013. The draft <i>2014/2015 Annual Plan</i> was adopted by the Council for public consultation on 24 February 2014. Following public consultation the <i>2014/2015 Annual Plan</i> was adopted on 5 May 2014.</p>
<p><b>Measure:</b> Successful completion of triennial local authority elections.</p> <p><b>Target (Years 1-10):</b> Conduct of triennial local authority elections without any need for re-conduct of the elections as a result of judicial review.</p> <p><b>Baseline:</b> 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.</p>	<p>The 2013 local authority elections were held in October 2013. The elections were successfully completed with no appeals or judicial reviews held. The next local authority elections are in October 2016.</p>
<p><b>Measure:</b> All Council meetings conducted in compliance with statutory requirements.</p> <p><b>Target (Years 1-10):</b> Meetings conducted in accordance with <i>Standing Orders</i>, agendas publicly available at least 48 hours before a meeting and minutes prepared and adopted for all meetings.</p> <p><b>Baseline:</b> It has always been Council practice for meetings to be conducted in accordance with <i>Standing Orders</i>, agendas to be publicly available at least 48 hours before meetings and minutes to be prepared and adopted for all meetings.</p>	<p>All Council meetings were conducted in accordance with <i>Standing Orders</i>. Agendas are publicly available at least 48 hours before each meeting and minutes are prepared and adopted for all meetings.</p>
<b>[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</b>	
<p><b>Measure:</b> Level of advocacy undertaken.</p> <p><b>Target (Years 1-10):</b> Approximately 20 submissions made per year, with evidence of successful advocacy in most cases.</p> <p><b>Baseline:</b> In 2011/2012, the Council made 18 submissions with anecdotal evidence of successful advocacy.</p>	<p>Made 21 (28) 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. Many of the submissions made in 2013/2014 were on large or technically or legally complex documents requiring thorough analysis and careful and considered response. Examples in the 2013/2014 year included</p>

Programmed level of service	Reported level of service
	<p>submissions on proposed regulations for the Exclusive Economic Zone, proposed amendments to the <i>National Policy Statement for Freshwater Management</i>, the marine consent application by Trans Tasman Resources Ltd, the <i>Local Government Act 2002 Amendment Bill (No 3)</i>, the Parliamentary Commissioner for the Environment’s report on the environmental impacts of fracking in New Zealand and the New Zealand Transport Agency’s review of financial assistance rates.</p>
<p>[3] 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</p>	
<p><b>Measure:</b> The role of Port Taranaki Ltd in regional economy.</p> <p><b>Target (Years 1-10):</b> Maintain or increase the contribution from Port Taranaki Ltd to the regional economy.</p> <p><b>Baseline:</b> 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.</p>	<p>The contribution to the wider community was measured in 2007 and 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. The contribution will next be measured in 2017.</p>
<p><b>Measure:</b> The financial and operational performance of Port Taranaki Ltd.</p> <p><b>Target (Years 1-10):</b> Ensure financial and operational performance from Port Taranaki Ltd is in accordance with the levels presented in each year’s statement of corporate intent.</p> <p><b>Baseline:</b> Port Taranaki Ltd’s financial and operational performance is reviewed, in terms of the statement of corporate intent, twice a year.</p>	<p>Port Taranaki Ltd’s performance was reviewed when considering their <i>2012/2013 Annual Report</i> at the Council’s Ordinary Meeting on 23 September 2013. The half-year results to 31 December 2013 were reviewed and considered by the Council on 8 April 2014. Performance against standards set in the statement of corporate intent is reported on below.</p>
<p>[4] Effective management of property and treasury investments owned by the Council</p>	
<p><b>Measure:</b> Investment returns from property and treasury investments on general rates.</p> <p><b>Target (Years 1-10):</b> Maintain or increase the level of investment returns used to reduce each year’s general rates requirement.</p> <p><b>Baseline:</b> Between 2010/2011 and 2011/2012, the level of investment returns increased by 1.52%.</p>	<p>Total investment returns from property and treasury investments in 2013/2014 were interest \$1,003,146 (\$987,121—2012/2013) and lease rent \$830,485 (\$736,402). This represented a 6.4% (0.32%) increase over last year. These returns were used to reduce the general rate requirement.</p>

## ACTIVITIES

Programme	2013/2014 actual performance	Programme	2013/2014 actual performance
<b>[1] Investment management</b>			
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 2013/2016 was considered by the Council on 13 August 2013. Port Taranaki Ltd's performance was reviewed when considering their <i>2012/2013 Annual Report</i> at the Council's Ordinary Meeting on 23 September 2013. The half-year results to 31 December 2013 were reviewed and considered by the Council on 8 April 2014.	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 6.28% (6.38%) return from treasury investments.
<b>[2] Public information</b>			
Appoint Directors at Port Taranaki Ltd's annual general meeting and at other times as required.	Messrs Horton and Auld retired by rotation at the 26 September 2013 Annual General Meeting of Port Taranaki Ltd. The Council reappointed Messrs Horton and Auld at the same meeting. Councillors MacLeod and Horton retired as Directors of Port Taranaki Ltd after the October 2013 local authority elections in accordance with the Council's <i>Director Appointment Policy</i> . The Council reappointed Councillors MacLeod and Horton to the Board of Directors of Port Taranaki Ltd on 5 November 2013.	Publish and distribute regular editions (4 per annum) of the <i>Recount</i> newsletter to over 1,000 stakeholders.	Published 4 editions of the external newsletter <i>Recount</i> (4—2012/2013) to over 1,000 key stakeholders.
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 2013/2014.	Maintain the Council's websites.	All Council's websites maintained.
Manage and, where appropriate, divest leasehold land in accordance with the Council's <i>Investment Policy</i> .	Renewed 5 leases (2—2012/2013). Five leasehold properties were divested during the year (0). Achieved a 5.47% (4.53%) return from leasehold land rentals.	Implement the Council's environmental awards programme.	The environmental awards programme was reviewed and revamped. A total of 16 awards were presented (July 2013).
		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 <i>SITE (Schools in the Environment)</i> newsletter. Carried out 206 (331) class visits involving 7,094 (11,002) students. There were 0 (585) visitors to the Council display areas. The displays have been relocated to Pukeiti Rainforest School. There were 34 groups involving 923 students to Pukeiti (included in overall totals). Seven (5) teacher workshops and seven (25) staff meetings were facilitated.

Programme	2013/2014 actual performance
<b>[3] Advocacy and response</b>	
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 21 submissions (28—2012/2013), many of which involved large or technically or legally complex documents requiring thorough analysis and careful and considered response. Examples in the 2013/2014 year included submissions on proposed regulations for the Exclusive Economic Zone, proposed amendments to the <i>National Policy Statement for Freshwater Management</i> , the marine consent application by Trans Tasman Resources Ltd, the <i>Local Government Act 2002 Amendment Bill (No 3)</i> , the Parliamentary Commissioner for the Environment's report on the environmental impacts of fracking in New Zealand and the New Zealand Transport Agency's review of financial assistance rates.
<b>[4] Governance</b>	
Complete preparation/full reviews and interim reviews of local government policies, plans and strategies including the <i>2014/2015 Annual Plan</i> and the <i>2012/2013 Annual Report</i> .	Statutory planning and reporting accountability documents have all been prepared within statutory requirements and timeframes. The <i>2012/2013 Annual Report</i> was adopted on 23 September 2013. The draft <i>2014/2015 Annual Plan</i> was adopted by the Council for public consultation on 24 February 2014. Following public consultation the <i>2014/2015 Annual Plan</i> was adopted on 5 May 2014.

Programme	2013/2014 actual performance
Preparation of agendas and meetings in accordance with <i>Local Government Official Information and Meetings Act 1987</i> .	Agendas are publicly available at least 48 hours before each meeting and minutes are prepared and adopted for all meetings.
Conduct of meetings in accordance with <i>Standing Orders</i> and the <i>Local Government Official Information and Meetings Act 1987</i> .	All Council meetings conducted in accordance with adopted Standing Orders.
Successful conduct of triennial local authority elections in 2013, 2016 and 2019.	The 2013 local authority elections were held in October 2013. The elections were successfully completed with no appeals or judicial reviews held. The next local authority elections are in October 2016.
<b>Programmes and performance measures set in Port Taranaki Ltd's statement of intent</b>	
Return on average total assets (Target 4.79%)	7.43% (5.30%)
Return on average shareholder's funds (Target 6.66%)	10.4% (7.48%)
Wharf utilisation (berth occupancy):	
Moturoa (Target 30—45%)	33% (25%)
Newton King Tanker Terminal (Target 20—35%)	37% (28%)
Blyde 1 & 2 (Target 15—30%)	45% (15%)
Main Breakwater (Target 30—50%)	48% (54%)
Health and safety. Eliminate all work-related accidents.	Twenty-five work related accidents, of which 1 resulted in 3 days lost time (23 work-related accidents, of which 5 resulted in 11 lost days).

## COSTS AND SOURCES OF FUNDS

	2013/2014 Actual \$	2013/2014 Budget \$	2012/2013 Actual \$	2011/2012 Actual \$
<b>Expenditure</b>				
Investment management	616	6,000	558	7,761
Public information	173,540	176,327	155,613	167,400
Advocacy and response	288,810	145,246	204,460	39,787
Governance	923,337	824,196	762,331	768,979
<b>Total expenditure</b>	<b>1,386,303</b>	<b>1,151,769</b>	<b>1,122,962</b>	<b>983,927</b>
<b>Income</b>				
General rates	628,038	628,038	635,095	555,530
Direct charges	19,902	27,000	20,563	24,865
Investment funds	738,363	496,731	467,305	403,532
<b>Total income</b>	<b>1,386,303</b>	<b>1,151,769</b>	<b>1,122,962</b>	<b>983,927</b>
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital expenditure</b>				
Land	-	-	-	-
Buildings	115,808	-	4,077	-
Motor vehicles	165,690	243,000	290,850	54,509
Plant and equipment	43,967	2,500	8,347	36,928
Office furniture	16,485	160,000	9,550	3,679
Computer equipment	106,318	100,000	124,088	86,446
Flood and river control assets	-	-	-	-
Computer software	10,868	400,000	209,280	357,108
<b>Total capital expenditure</b>	<b>459,136</b>	<b>905,500</b>	<b>646,192</b>	<b>538,670</b>
<b>Funded by:</b>				
Transfer from retained earnings	459,136	905,500	646,192	538,670
<b>Total funding</b>	<b>459,136</b>	<b>905,500</b>	<b>646,192</b>	<b>538,670</b>
<b>Capital expenditure:</b>				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	-	-	-
—to replace existing assets	459,136	905,500	646,192	538,670
<b>Total capital expenditure</b>	<b>459,136</b>	<b>905,500</b>	<b>646,192</b>	<b>538,670</b>
<b>Gross proceeds from the sale of assets</b>	<b>32,497</b>	<b>58,000</b>	<b>64,000</b>	<b>1,950</b>
<b>Depreciation/amortisation expense</b>	<b>579,785</b>	<b>725,157</b>	<b>556,582</b>	<b>588,529</b>

## 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 2013/2014 year compared against the budgets set for 2013/2014 in the 2013/2014 Annual Plan and the results achieved in 2012/2013 and 2011/2012.*



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 2014

Group				Council			
2013/2014 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	Notes	2013/2014 Actual \$	2013/2014 Budget \$	2012/2013 Actual \$	2011/2012 Actual \$
<b>Cost of services</b>							
11,573,478	11,165,492	9,993,888	Resource management	11,592,894	11,960,946	11,177,658	9,993,888
2,138,962	1,962,629	1,988,631	Biosecurity	2,138,962	2,115,579	1,962,630	1,988,631
3,387,972	3,076,271	3,259,001	Transport	3,416,972	3,558,511	3,104,271	3,298,418
1,154,619	1,055,465	1,281,238	Hazard management	1,154,619	1,299,480	1,055,465	1,281,238
3,326,029	2,275,226	2,211,516	Recreation, culture and heritage	3,297,913	3,282,820	3,104,650	2,211,516
1,386,303	1,122,962	983,927	Regional representation, advocacy and investment management	1,386,303	1,151,769	1,122,962	983,927
36,899,813	32,754,129	32,561,784	Port operating expenses	-	-	-	-
<b>59,867,176</b>	<b>53,412,174</b>	<b>52,279,985</b>	<b>Total operating expenditure</b>	<b>22,987,663</b>	<b>23,369,105</b>	<b>21,527,636</b>	<b>19,757,618</b>
<b>Income</b>							
7,292,392	7,184,623	7,184,623	General rates revenue	7,292,392	7,292,392	7,184,623	7,184,623
1,708,548	1,658,731	1,568,340	Targeted rates revenue	1,708,548	1,708,548	1,658,731	1,568,340
7,204,103	7,449,182	5,662,040	Direct charges revenue	7,218,932	7,159,162	7,456,876	5,678,272
1,665,864	1,560,592	1,615,022	Government grants	1,665,864	1,720,749	1,560,592	1,615,022
-	-	-	Dividends	3,700,000	3,700,000	2,950,000	2,200,000
1,271,575	924,857	912,999	Other investment income	1,306,455	964,400	959,737	947,879
-	2,123,546	-	- Vested assets: Yarrow Stadium	-	-	-	-
-	-	-	- Vested assets: Pukeiti	-	-	-	-
-	20,845,890	-	- Taranaki Stadium Trust acquisition	-	-	-	-
492,000	(33,500)	(278,000)	Gains/(losses) on revaluation of investment properties	492,000	-	(33,500)	(278,000)
55,198,760	44,918,056	41,241,847	Port revenue from operations	-	-	-	-
<b>74,833,242</b>	<b>86,631,977</b>	<b>57,906,871</b>	<b>Total income</b>	<b>23,384,191</b>	<b>22,545,251</b>	<b>21,737,059</b>	<b>18,916,136</b>
<b>14,966,066</b>	<b>33,219,803</b>	<b>5,626,886</b>	<b>Operating surplus/(deficit) before finance income and expenses and taxation</b>	<b>396,528</b>	<b>(823,854)</b>	<b>209,423</b>	<b>(841,482)</b>
1,056,064	998,135	977,133	Finance income	2	1,003,146	925,787	954,622
1,938,376	1,461,922	2,318,561	Finance expense	2	-	-	-
(882,312)	(463,787)	(1,341,428)	Net finance expense	<b>1,003,146</b>	925,787	<b>987,121</b>	954,622
14,083,754	32,756,016	4,285,458	Operating surplus before taxation	1,399,674	101,933	1,196,545	113,140
4,627,257	3,244,453	2,008,310	Income tax expense	4	-	-	-
<b>9,456,497</b>	<b>29,511,563</b>	<b>2,277,148</b>	<b>Surplus/(deficit) for the period</b>	<b>2, 3</b>	<b>1,399,674</b>	<b>101,933</b>	<b>1,196,545</b>
<b>Other comprehensive income</b>							
Items that may be reclassified subsequently to profit and loss when specific conditions met.							
2,405,076	12,813,364	210,272	Revaluation of property, plant and equipment	349,332	-	448,395	210,272
666,875	634,366	-	- Change in cash flow hedge	-	-	-	-
<b>3,071,951</b>	<b>13,447,730</b>	<b>210,272</b>	<b>Other comprehensive income, net of tax</b>	<b>349,332</b>	<b>-</b>	<b>448,395</b>	<b>210,272</b>
<b>12,528,448</b>	<b>42,959,293</b>	<b>2,487,420</b>	<b>Total comprehensive income for the period, net of tax</b>	<b>2</b>	<b>1,749,006</b>	<b>101,933</b>	<b>323,412</b>

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 2014

Council	Notes	Retained earnings \$	Reserves \$	Asset revaluation reserves \$	Cash flow hedge reserve \$	Total equity \$
<b>As at 1 July 2011</b>	16	<b>63,193,246</b>	<b>8,446,650</b>	<b>2,833,415</b>	-	<b>74,473,311</b>
<b>Changes in equity for 2011/2012</b>						
Total comprehensive income for the period		113,140	-	210,272	-	323,412
Transfers to and from reserves	16	(124,593)	124,593	-	-	-
<b>As at 30 June 2012</b>	16	<b>63,181,793</b>	<b>8,571,243</b>	<b>3,043,687</b>	-	<b>74,796,723</b>
<b>Changes in equity for 2012/2013</b>						
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	-	-	-
<b>As at 30 June 2013</b>	16	<b>64,452,316</b>	<b>8,839,265</b>	<b>3,492,082</b>	-	<b>76,783,663</b>
<b>Changes in equity for 2013/2014</b>						
Total comprehensive income for the period		1,399,674	-	349,332	-	1,749,006
Transfers to and from reserves	16	(2,091,566)	2,091,566	-	-	-
<b>As at 30 June 2014</b>	16	<b>63,760,424</b>	<b>10,930,831</b>	<b>3,841,414</b>	-	<b>78,532,669</b>
<b>Group</b>						
	Notes	Retained earnings \$	Reserves \$	Asset revaluation reserves \$	Cash flow hedge reserve \$	Total equity \$
<b>As at 1 July 2011</b>	16	<b>89,464,987</b>	<b>8,446,650</b>	<b>39,445,248</b>	-	<b>137,356,885</b>
<b>Changes in equity for 2011/2012</b>						
Total comprehensive income for the period		2,277,148	-	210,272	-	2,487,420
Transfers to and from reserves	16	(124,593)	124,593	-	-	-
<b>As at 30 June 2012</b>	16	<b>91,617,542</b>	<b>8,571,243</b>	<b>39,655,520</b>	-	<b>139,844,305</b>
<b>Changes in equity for 2012/2013</b>						
Total comprehensive income for the period		29,511,563	-	12,813,364	634,366	42,959,293
Recognition of Okato River Flood Control Scheme assets	29	342,000	-	-	-	342,000
Transfers to and from reserves	16	(268,022)	268,022	-	-	-
<b>As at 30 June 2013</b>	16	<b>121,203,083</b>	<b>8,839,265</b>	<b>52,468,884</b>	<b>634,366</b>	<b>183,145,598</b>
<b>Changes in equity for 2013/2014</b>						
Total comprehensive income for the period		9,456,497	-	2,405,076	666,875	12,528,448
Transfers to and from reserves	16	(2,091,566)	2,091,566	-	-	-
<b>As at 30 June 2014</b>	16	<b>128,568,014</b>	<b>10,930,831</b>	<b>54,873,960</b>	<b>1,301,241</b>	<b>195,674,046</b>

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 2014

Group				Council				
2013/2014	2012/2013	2011/2012		2013/2014	2013/2014	2012/2013	2011/2012	
Actual \$	Actual \$	Actual \$	Notes	Actual \$	Budget \$	Actual \$	Actual \$	
<b>Current assets</b>								
1,707,454	2,152,810	2,699,957	Cash and cash equivalents	6	987,785	1,216,670	556,154	2,238,425
10,649,453	1,415,534	500,000	Current portion of investments	11	9,649,453	-	1,415,534	500,000
9,945,084	7,803,006	9,776,149	Trade and other receivables	7	2,237,347	2,000,000	3,261,186	3,170,693
779,909	614,605	522,525	Inventories	8	99,209	-	144,603	59,676
293,000	1,005,000	-	- Investment properties available for sale	12	293,000	-	1,005,000	-
104,688	328,473	144,233	Prepayments		104,689	100,000	101,567	89,411
404,691	552,004	340,350	Work-in-progress		404,691	550,000	552,004	340,350
<b>23,884,279</b>	<b>13,871,432</b>	<b>13,983,214</b>	<b>Total current assets</b>		<b>13,776,174</b>	<b>3,866,670</b>	<b>7,036,047</b>	<b>6,398,555</b>
<b>Non current assets</b>								
7,220,813	12,901,429	12,930,798	Treasury investments	11	7,220,813	11,657,975	12,901,429	12,930,798
-	-	-	- Port Taranaki Ltd	11	26,000,000	26,000,000	26,000,000	26,000,000
1,000	1,000	1,000	Civic Assurance Ltd	11	1,000	1,000	1,000	1,000
798,118	697,500	-	- Regional Software Holdings Ltd	11	798,118	805,000	697,500	-
14,901,500	15,242,500	16,281,000	Investment properties	12	14,901,500	16,559,000	15,242,500	16,281,000
949,411	1,443,091	1,706,002	Intangible assets	10	440,917	1,488,566	601,987	479,797
196,254,525	187,828,869	136,475,039	Property, plant and equipment	9	19,932,039	20,018,951	18,413,741	17,463,936
567,778	-	-	- Deferred tax asset		-	-	-	-
1,301,241	634,366	-	- Derivative financial instruments		-	-	-	-
<b>221,994,386</b>	<b>218,748,755</b>	<b>167,393,839</b>	<b>Total non current assets</b>		<b>69,294,387</b>	<b>76,530,492</b>	<b>73,858,157</b>	<b>73,156,531</b>
<b>245,878,665</b>	<b>232,620,187</b>	<b>181,377,053</b>	<b>Total assets</b>		<b>83,070,561</b>	<b>80,397,162</b>	<b>80,894,204</b>	<b>79,555,086</b>
<b>Current liabilities</b>								
10,052,081	5,387,482	5,993,108	Trade and other payables	13	2,304,178	1,700,000	1,844,332	2,446,497
2,610,724	2,567,877	2,431,010	Employee entitlements	14	918,305	900,000	989,433	901,692
619,209	663,776	839,295	Work-in-progress		619,209	450,000	663,776	839,295
153,597	44,438	215,839	Borrowings	15	-	-	-	-
2,655,315	1,012,354	1,446,266	Taxation payable	4	-	-	-	-
<b>16,090,926</b>	<b>9,675,927</b>	<b>10,925,518</b>	<b>Total current liabilities</b>		<b>3,841,692</b>	<b>3,050,000</b>	<b>3,497,541</b>	<b>4,187,484</b>
<b>Non current liabilities</b>								
590,000	663,000	824,000	Trade and other payables	13	-	-	-	-
1,655,200	1,585,000	1,524,879	Employee entitlements	14	696,200	600,000	613,000	570,879
-	881,912	1,214,601	Deferred tax liability	5	-	-	-	-
31,868,493	36,668,750	27,043,750	Borrowings	15	-	-	-	-
<b>34,113,693</b>	<b>39,798,662</b>	<b>30,607,230</b>	<b>Total non current liabilities</b>		<b>696,200</b>	<b>600,000</b>	<b>613,000</b>	<b>570,879</b>
<b>50,204,619</b>	<b>49,474,589</b>	<b>41,532,748</b>	<b>Total liabilities</b>		<b>4,537,892</b>	<b>3,650,000</b>	<b>4,110,541</b>	<b>4,758,363</b>
<b>Public equity</b>								
128,568,014	121,203,083	91,617,542	Retained earnings	16	63,760,424	64,995,873	64,452,316	63,181,793
10,930,831	8,839,265	8,571,243	Reserves	16	10,930,831	8,707,602	8,839,265	8,571,243
54,873,960	52,468,884	39,655,520	Asset revaluation reserves	16	3,841,414	3,043,687	3,492,082	3,043,687
1,301,241	634,366	-	- Cash flow hedge reserve	16	-	-	-	-
<b>195,674,046</b>	<b>183,145,598</b>	<b>139,844,305</b>	<b>Total public equity</b>	16	<b>78,532,669</b>	<b>76,747,162</b>	<b>76,783,663</b>	<b>74,796,723</b>
<b>245,878,665</b>	<b>232,620,187</b>	<b>181,377,053</b>	<b>Total liabilities and equity</b>		<b>83,070,561</b>	<b>80,397,162</b>	<b>80,894,204</b>	<b>79,555,086</b>

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 2014

Group				Council			
2013/2014 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$		2013/2014 Actual \$	2013/2014 Budget \$	2012/2013 Actual \$	2011/2012 Actual \$
			<b>Cash flow from operating activities</b>				
			Cash was provided from:				
9,000,940	8,843,354	8,752,963	Rates	9,000,940	9,000,940	8,843,354	8,752,963
1,027,448	1,025,639	949,223	Interest	985,913	925,787	1,014,974	926,545
-	-	-	- Dividends	3,700,000	3,700,000	2,950,000	2,200,000
105,624	-	-	- Goods and services tax	209,765	-	-	-
70,939,056	63,132,405	51,761,950	Other revenue/customers	11,108,331	9,844,311	9,342,737	6,566,352
81,073,068	73,001,398	61,464,136		25,004,949	23,471,038	22,151,065	18,445,860
			Cash was applied to:				
55,381,770	52,719,219	45,870,737	Employees and suppliers	21,444,784	21,158,475	20,777,775	16,081,968
4,433,986	4,011,055	2,161,623	Income tax	-	-	-	-
-	4,648	852,637	Goods and services tax	-	320,000	136,273	852,637
1,957,647	1,633,323	2,592,346	Interest	-	-	-	-
61,773,403	58,368,245	51,477,343		21,444,784	21,478,475	20,914,048	16,934,605
<b>19,299,665</b>	<b>14,633,153</b>	<b>9,986,793</b>	<b>Net cash flow from operating activities</b>	<b>3,560,165</b>	<b>1,992,563</b>	<b>1,237,017</b>	<b>1,511,255</b>
			<b>Cash flow from investing activities</b>				
			Cash was provided from:				
1,840,000	-	27,176	Investments	1,840,000	2,400,000	-	27,176
132,621	238,236	502,207	Proceeds from sale of property, plant and equipment	115,063	213,500	205,131	156,809
1,972,621	238,236	529,383		1,955,063	2,613,000	205,131	183,985
			Cash was applied to:				
3,629,863	886,164	-	- Investments	2,629,863	-	886,164	-
84,000	48,000	-	Capitalised interest on property, plant and equipment	-	-	-	-
13,331,952	24,173,076	4,815,080	Purchase of property, plant and equipment	2,453,734	4,619,750	2,238,255	1,862,450
17,045,815	25,107,240	4,815,080		5,083,597	4,619,750	3,124,419	1,862,450
<b>(15,073,194)</b>	<b>(24,869,004)</b>	<b>(4,285,697)</b>	<b>Net cash flow outflow from investing activities</b>	<b>(3,128,534)</b>	<b>(2,006,250)</b>	<b>(2,919,288)</b>	<b>(1,678,465)</b>
			<b>Cash flow from financing activities</b>				
			Cash was provided from:				
-	9,625,000	-	- Loans	-	-	-	-
-	9,625,000	-		-	-	-	-
			Cash was applied to:				
4,671,827	-	8,401,372	Loans	-	-	-	-
4,671,827	-	8,401,372		-	-	-	-
<b>(4,671,827)</b>	<b>9,625,000</b>	<b>(8,401,372)</b>	<b>Net cash outflow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(445,356)</b>	<b>(610,851)</b>	<b>(2,700,276)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>431,631</b>	<b>(13,687)</b>	<b>(1,682,271)</b>	<b>(167,210)</b>
-	63,704	-	Opening cash from Taranaki Stadium Trust	-	-	-	-
2,152,810	2,699,957	5,400,233	Opening cash and cash equivalents	556,154	1,230,357	2,238,425	2,405,635
<b>1,707,454</b>	<b>2,152,810</b>	<b>2,699,957</b>	<b>Closing cash and cash equivalents</b>	<b>987,785</b>	<b>1,216,670</b>	<b>556,154</b>	<b>2,238,425</b>

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

The 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 2014. The financial statements were authorised for issue by Council on 24 September 2014.

### 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
NZ IAS 19 - Defined Benefit Plans: Employee Contributions - Amendments	1 July 2014	30 June 2015
NZ IAS 32 - Financial Instruments Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014	30 June 2015
NZ IAS 39 - Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014	30 June 2015
IAS 16 & IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments	1 January 2016	30 June 2017

	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
NZ IFRIC 21 - Levies	1 July 2014	30 June 2015
Annual Improvements to NZ IFRS: 2010 - 2012 Cycle	1 July 2014	30 June 2015
Annual Improvements to NZ IFRS: 2012 - 2013 Cycle	1 July 2014	30 June 2015
NZ IFRS 9 - Financial Instruments	1 January 2017	30 June 2018
NZ IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations - Amendments	1 January 2016	30 June 2017
IFRS 15 - Revenue with Contracts with Customers	1 January 2017	30 June 2018

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council will be a Tier 1 reporting entity using the public sector Public Benefit Entity Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. Therefore the Council will transition to the new standards in preparing its 30 June 2015 financial statements. The Council has not assessed the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

## SIGNIFICANT ACCOUNTING POLICIES

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

### SUBSIDIARIES

The Council consolidates its subsidiaries where the 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 the 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 *Statement of Financial Position* when the Council and Group 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 recognised 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.

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 (2013: 1).

#### 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 Group 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 Council such as the Waitara and Waiwhakaiho 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 the Council and Group 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%
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#### 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 the Council and Group 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 the Council and Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

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.

## CHANGES IN ACCOUNTING POLICIES

Accounting policies have been applied consistently with those in the previous year.

## 2. OPERATING SURPLUS/(DEFICIT)

2013/2014 Actual \$	Group 2012/2013 Actual \$	2011/2012 Actual \$		2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
			<b>The net operating surplus (deficit) was achieved after crediting:</b>			
-	-	-	Dividends	3,700,000	2,950,000	2,200,000
89,529	128,623	109,066	Gain on sale of property, plant and equipment	89,529	128,623	109,066
295,000	-	-	Gain on sale of investment properties	295,000	-	-
492,000	-	-	Unrealised gain on revaluation of investment properties	492,000	-	-
795,605	724,181	783,444	Rental revenue from investment properties	830,485	759,061	783,444
868,882	870,675	872,868	Interest – corporate bonds	868,882	870,675	872,868
187,182	127,460	104,265	Interest – cash and term deposits	134,264	116,446	81,754
1,056,064	998,135	977,133	Total interest	1,003,146	987,121	954,622
			<b>And after charging:</b>			
23,727,703	21,340,086	20,556,155	Employee benefits	10,420,331	9,374,516	8,987,607
11,861,737	11,136,779	12,157,083	Cost of services	9,624,749	9,011,642	7,561,469
3,883,156	3,633,763	4,047,901	General expenses	-	-	-
10,441	5,078	30,687	Maintenance dredging	-	-	-
8,055,045	7,030,165	6,416,925	Repairs and maintenance	290,464	405,725	417,512
246,894	225,500	203,510	Directors' fees	-	-	-
9,293,616	8,537,934	8,918,541	Depreciation and amortisation	1,351,147	1,298,389	1,285,546
245,186	116,079	312,930	Loss on disposal of property, plant and equipment	16,930	99,487	-
6,000	(5,000)	6,000	Change in the provision for doubtful debts	-	-	-
-	-	-	Donations	-	-	-
4,055	13,654	-	Bad debts	4,055	13,654	-
-	-	(9)	Net loss/(gain) on cash and cash equivalents	-	-	-
(45,404)	(17,174)	651	Net loss/(gain) on currency bank balances	-	-	-
185,918	178,510	167,874	Audit fees for financial statements	110,400	108,920	106,063
-	-	78,000	Audit fees for long-term plan	-	-	78,000
-	33,500	278,000	Unrealised loss on revaluation of investment properties	-	33,500	278,000
1,169,587	1,216,803	1,043,421	Purchase of riparian plants (inventory)	1,169,587	1,216,803	1,043,421

## 3. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

The Council made a net operating surplus/(deficit) of \$1,399,674 (2012/2013—\$1,196,545) compared to a budgeted surplus of \$101,933 (2012/2013—\$65,176). The major reasons for this variance between the actual net operating surplus and the budgeted net operating deficit are:

	2013/2014 Actual \$
Operating expenditure was less than budgeted <i>In particular riparian plant purchases (fewer plants were purchased than budgeted for) and depreciation (computer software, motor vehicle and gardens capital expenditure were not completed in time for depreciation to commence) were under budget.</i>	381,442
Direct charges were more than budgeted <i>Increased activity in pollution incidents, resource consents and the associated compliance monitoring charges. This is partially offset by less plant sales than budgeted for.</i>	59,770
Government grants were lower than anticipated <i>Funding for public transport planning and passenger services was lower than anticipated.</i>	(54,885)
Other investment revenue was more than budgeted <i>This arises from higher than planned profit on disposal of assets and investment properties.</i>	342,055
Unrealised gains on revaluation of investment properties was more than budgeted <i>No allowance was made for an increase or decrease in values.</i>	492,000
Finance income was higher than budget <i>Better than anticipated term investment balances and interest rates.</i>	77,359

The 2014/2015 Annual Plan has budgeted for a net operating surplus, before transfers to and from reserves, of \$149,254 for the 2014/2015 year. The entire operating surplus is from continuing activities.

#### 4. TAXATION

2013/2014 Actual \$	Group 2012/2013 Actual \$	2011/2012 Actual \$		2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
			<b>Income tax recognised in the Statement of Comprehensive Income</b>			
6,076,947	3,577,142	2,852,749	Current tax expense	-	-	-
(1,449,690)	(332,689)	(844,439)	Deferred tax income on temporary differences	-	-	-
<b>4,627,257</b>	<b>3,244,453</b>	<b>2,008,310</b>	<b>Income tax expense per Statement of Comprehensive Income</b>	-	-	-
			<b>Reconciliation of operating surplus before tax and income tax expense</b>			
14,083,752	32,756,017	4,285,458	Profit before taxation and subvention payment	1,399,674	1,196,545	113,140
<b>14,083,752</b>	<b>32,756,017</b>	<b>4,285,458</b>	<b>Operating surplus/(deficit) before taxation</b>	<b>1,399,674</b>	<b>1,196,545</b>	<b>113,140</b>
3,943,451	9,171,685	1,199,928	Income tax expense at 28%	391,909	335,033	31,679
197,196	64,769	951,363	Tax effect of non deductible expenses in operating surplus before taxation	-	-	-
2,079,597	(4,909,359)	911,178	Tax effect of non assessable income in operating surplus before taxation	1,046,979	929,252	911,178
-	-	(6,007)	Tax effect of rate change on future tax benefits	-	-	-
(154,099)	181,643	(105,295)	Prior period adjustments impacting income taxation expense	-	-	-
(1,438,888)	(1,264,285)	(942,857)	Imputation credit adjustment	(1,438,888)	(1,264,285)	(942,857)
<b>4,627,257</b>	<b>3,244,453</b>	<b>2,008,310</b>	<b>Income taxation expense per Statement of Comprehensive Income</b>	-	-	-
			<b>Taxation refundable/(payable)</b>			
(1,012,354)	(1,446,266)	(755,141)	Opening balance	-	-	-
1,033,334	1,539,715	761,576	Prior year tax paid/(refund)	-	-	-
28,486	(93,450)	(6,436)	Prior year adjustment	-	-	-
(6,105,433)	(3,479,019)	(2,846,312)	Current taxation payable	-	-	-
3,400,652	2,466,666	1,400,047	Provisional taxation paid	-	-	-
<b>(2,655,315)</b>	<b>(1,012,354)</b>	<b>(1,446,266)</b>	<b>Taxation refundable/(payable)</b>	-	-	-
			<b>Imputation credit account</b>			
<b>20,062,452</b>	<b>15,423,232</b>	<b>13,110,376</b>	<b>Credits available for use in subsequent periods</b>	-	-	-
20,062,452	15,423,232	13,110,376	Imputation credits available directly and indirectly to the Council, through Port Taranaki Ltd:	-	-	-

The Council is exempt from income tax.

#### 5. DEFERRED TAX ASSET/LIABILITY

	Depreciation/ Amortisation	Group Provisions/ Payables	Receivables/ Prepayments	Total
<b>Balance 30 June 2011</b>	<b>(3,074,485)</b>	<b>1,072,285</b>	<b>(56,840)</b>	<b>(2,059,040)</b>
Charged/(credited) to the Statement of Comprehensive Income	934,194	(85,275)	(4,480)	844,439
<b>Balance 30 June 2012</b>	<b>(2,140,291)</b>	<b>987,010</b>	<b>(61,320)</b>	<b>(1,214,601)</b>
Charged/(credited) to the Statement of Comprehensive Income	364,678	143,394	(175,382)	332,689
<b>Balance 30 June 2013</b>	<b>(1,775,613)</b>	<b>1,130,404</b>	<b>(236,702)</b>	<b>(881,912)</b>
Charged/(credited) to the Statement of Comprehensive Income	799,813	440,894	208,982	1,449,690
<b>Balance 30 June 2014</b>	<b>(975,800)</b>	<b>1,571,298</b>	<b>(27,720)</b>	<b>567,778</b>

There are no income tax losses carried forward.

## 6. CASH AND CASH EQUIVALENTS

Group				Council		
2013/2014	2012/2013	2011/2012		2013/2014	2012/2013	2011/2012
Actual \$	Actual \$	Actual \$		Actual \$	Actual \$	Actual \$
1,693,589	2,139,312	803,681	Bank	973,920	542,656	342,149
13,865	13,498	1,896,276	Call deposits	13,865	13,498	1,896,276
<b>1,707,454</b>	<b>2,152,810</b>	<b>2,699,957</b>	<b>Total bank and call deposits</b>	<b>987,785</b>	<b>556,154</b>	<b>2,238,425</b>

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

## 7. TRADE AND OTHER RECEIVABLES

Group				Council		
2013/2014	2012/2013	2011/2012		2013/2014	2012/2013	2011/2012
Actual \$	Actual \$	Actual \$		Actual \$	Actual \$	Actual \$
9,712,091	7,536,278	10,399,239	Trade receivables	2,237,347	3,261,186	3,170,693
(15,000)	(9,000)	(14,000)	Provision for impairment	-	-	-
9,697,091	7,527,278	10,385,239	Net trade receivables	2,237,347	3,261,186	3,170,693
247,993	275,728	(611,702)	Other receivables	-	-	-
-	-	2,612	Related party receivables	-	-	-
<b>9,945,084</b>	<b>7,803,006</b>	<b>9,776,149</b>	<b>Total trade and other receivables</b>	<b>2,237,347</b>	<b>3,261,186</b>	<b>3,170,693</b>
			<b>Movement in the provision for impairment</b>			
9,000	14,000	8,000	Balance 1 July	-	-	-
6,000	(5,000)	6,000	Increase/(decrease) in impairment provision recognised in the Statement of Comprehensive Income	-	-	-
<b>15,000</b>	<b>9,000</b>	<b>14,000</b>	<b>Balance 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>

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 2014, 2013 and 2012 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.

The average credit period on sales of services is 45 days (29 days—2012/2013). The 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 \$1.062m (\$0.349m—2012/2013) which are past due at the reporting date. The average age of the \$1.062m receivables is 51 days (31 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 32.05%, or 25 (37.88%, 29) by number of trade debtors, represent 92.46% (85.59%) of the total amount of trade debtors. 14.21% (8.17%) of trade receivables were overdue but not impaired at balance sheet date. Only 0.20% (0.21%) of trade receivables were considered impaired.

## 8. INVENTORIES

Group				Council		
2013/2014	2012/2013	2011/2012		2013/2014	2012/2013	2011/2012
Actual \$	Actual \$	Actual \$		Actual \$	Actual \$	Actual \$
99,209	144,603	59,676	Plant materials	99,209	144,603	59,676
680,700	470,002	462,849	Maintenance consumables	-	-	-
<b>779,909</b>	<b>614,605</b>	<b>522,525</b>	<b>Total inventories</b>	<b>99,209</b>	<b>144,603</b>	<b>59,676</b>

## 9. PROPERTY, PLANT AND EQUIPMENT

Group			Council		
2013/2014 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	2013/2014 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$
<b>Operational assets</b>					
<b>Land at cost</b>					
1,969,509	1,969,509	1,969,509	1,969,509	1,969,509	1,969,509
-	-	-	-	-	-
1,969,509	1,969,509	1,969,509	1,969,509	1,969,509	1,969,509
<b>Land at valuation</b>					
76,083,000	48,998,270	46,976,670	-	-	-
-	14,719,761	121,600	-	-	-
220,000	12,364,969	-	-	-	-
76,303,000	76,083,000	47,098,270	-	-	-
<b>Buildings at cost</b>					
32,636,303	32,426,806	31,585,116	7,734,262	7,650,980	7,573,315
14,398,746	13,318,822	12,572,491	2,761,412	2,539,336	2,295,403
18,237,557	19,107,984	19,012,625	4,972,850	5,111,644	5,277,912
18,237,557	19,107,984	19,012,625	4,972,850	5,111,644	5,277,912
1,689,578	315,220	1,280,917	688,703	189,005	77,665
40,733	81,386	118,245	-	81,386	-
1,083,862	1,104,261	1,067,313	257,653	246,413	243,933
18,802,540	18,237,557	19,107,984	5,403,900	4,972,850	5,111,644
<b>Buildings at valuation</b>					
22,217,653	20,094,106	-	-	-	-
1,205,646	602,823	-	-	-	-
21,012,007	19,491,284	-	-	-	-
21,012,007	19,491,284	-	4,972,850	5,111,644	5,277,912
472,779	2,123,546	-	688,703	189,005	77,665
-	-	-	-	81,386	-
1,835,744	-	-	-	-	-
666,530	602,823	-	257,653	246,413	243,933
22,654,000	21,012,007	-	5,403,900	4,972,850	5,111,644
<b>Motor vehicles</b>					
2,741,403	2,452,246	2,321,339	2,741,403	2,452,246	2,321,339
1,305,531	1,296,848	1,306,273	1,305,531	1,296,848	1,306,273
1,435,872	1,155,398	1,015,066	1,435,872	1,155,398	1,015,066
1,435,872	1,155,398	1,015,066	1,435,872	1,155,398	1,015,066
536,024	843,778	635,166	536,024	843,778	635,166
33,898	88,762	47,742	33,898	88,762	47,742
507,977	474,542	447,092	507,977	474,542	447,092
1,430,021	1,435,872	1,155,398	1,430,021	1,435,872	1,155,398
<b>Plant, equipment and fittings</b>					
30,991,489	30,736,676	31,415,789	4,230,408	4,090,703	3,805,678
18,655,766	18,991,370	18,143,101	3,317,930	3,036,852	2,694,627
12,335,723	11,745,306	13,272,688	912,478	1,053,851	1,111,051
12,335,723	11,745,306	13,272,688	912,478	1,053,851	1,111,051
931,861	2,658,629	1,001,456	190,969	221,464	277,804
39,743	55,296	478,353	8,566	5,598	-
-	18,643	-	-	18,643	-
2,231,558	1,994,273	2,050,485	310,191	338,596	335,004
10,996,283	12,335,723	11,745,306	784,690	912,478	1,053,851

2013/2014 Actual \$	Group 2012/2013 Actual \$	2011/2012 Actual \$		2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
<b>Office furniture</b>						
600,845	583,923	574,997	Cost as at 30 June previous year	584,415	569,493	574,997
538,259	520,708	494,098	Accumulated depreciation	521,829	506,278	494,098
62,586	63,215	80,899	Net book value previous year	62,586	63,215	80,899
62,586	63,215	80,899	Carrying amount at 1 July	62,586	63,215	80,899
16,484	14,923	3,679	Additions	16,484	14,923	3,679
-	-	-	Disposals	-	-	-
14,781	15,552	21,363	Depreciation	14,781	15,552	21,363
64,289	62,586	63,215	Carrying amount at 30 June	64,289	62,586	63,215
<b>Computer equipment</b>						
2,493,920	2,370,081	2,283,635	Cost as at 30 June previous year	2,493,920	2,370,081	2,283,635
2,270,580	2,190,664	2,115,456	Accumulated depreciation	2,270,580	2,190,664	2,115,456
223,340	179,417	168,179	Net book value previous year	223,340	179,417	168,179
223,340	179,417	168,179	Carrying amount at 1 July	223,340	179,417	168,179
106,318	124,088	86,446	Additions	106,318	124,088	86,446
-	249	-	Disposals	-	249	-
88,606	79,916	75,208	Depreciation	88,606	79,916	75,208
241,052	223,340	179,417	Carrying amount at 30 June	241,052	223,340	179,417
<b>Maintenance dredging</b>						
2,305,823	2,186,096	2,186,096	Cost as at 30 June previous year	-	-	-
(417,428)	1,405,354	384,855	Accumulated depreciation	-	-	-
1,888,395	780,742	1,801,241	Net book value previous year	-	-	-
1,888,395	780,742	1,801,241	Carrying amount at 1 July	-	-	-
-	2,148,107	-	Additions	-	-	-
-	-	-	Disposals	-	-	-
1,080,362	1,040,454	1,020,499	Depreciation	-	-	-
808,033	1,888,395	780,742	Carrying amount at 30 June	-	-	-
<b>Port installations</b>						
41,604,625	41,417,214	41,341,205	Cost as at 30 June previous year	-	-	-
25,700,953	23,664,220	21,310,304	Accumulated depreciation	-	-	-
15,903,672	17,752,994	20,030,901	Net book value previous year	-	-	-
15,903,672	17,752,994	20,030,901	Carrying amount at 1 July	-	-	-
3,333,135	187,412	139,214	Additions	-	-	-
-	-	61,730	Disposals	-	-	-
1,711,047	2,036,734	2,355,391	Depreciation	-	-	-
17,525,760	15,903,672	17,752,994	Carrying amount at 30 June	-	-	-
<b>Floating plant</b>						
14,450,892	14,413,274	14,335,340	Cost as at 30 June previous year	-	-	-
6,234,249	5,510,465	4,791,695	Accumulated depreciation	-	-	-
8,216,643	8,902,809	9,543,645	Net book value previous year	-	-	-
8,216,643	8,902,809	9,543,645	Carrying amount at 1 July	-	-	-
3,071,285	37,617	77,936	Additions	-	-	-
-	-	-	Disposals	-	-	-
714,946	723,783	718,772	Depreciation	-	-	-
10,572,982	8,216,643	8,902,809	Carrying amount at 30 June	-	-	-
<b>Capital dredging</b>						
21,505,192	21,505,192	21,505,192	Cost as at 30 June previous year	-	-	-
2,651,773	2,221,669	1,791,565	Accumulated depreciation	-	-	-
18,853,419	19,283,523	19,713,627	Net book value previous year	-	-	-



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

Group				Council		
2013/2014 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$		2013/2014 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$
18,853,419	19,283,523	19,713,627	Carrying amount at 1 July	-	-	-
-	-	-	Additions	-	-	-
-	-	-	Disposals	-	-	-
430,104	430,104	430,104	Depreciation	-	-	-
18,423,315	18,853,419	19,283,523	Carrying amount at 30 June	-	-	-
			<b>Bulk tanks</b>			
999,999	-	-	Cost as at 30 June previous year	-	-	-
8,334	-	-	Accumulated depreciation	-	-	-
991,665	-	-	Net book value previous year	-	-	-
-	-	-	Carrying amount at 1 July	-	-	-
-	999,999	-	Additions	-	-	-
-	-	-	Disposals	-	-	-
99,999	8,334	-	Depreciation	-	-	-
891,666	991,665	-	Carrying amount at 30 June	-	-	-
			<b>Work-in-progress</b>			
3,883,043	2,493,829	1,662,113	Carrying amount at 1 July	2,104,668	1,988,859	1,637,439
13,621,996	22,303,849	3,664,896	Additions	1,723,323	1,374,167	918,946
(10,412,588)	(20,914,635)	(2,833,180)	Transferred upon completion	(2,269,037)	(1,258,358)	(567,526)
7,092,451	3,883,043	2,493,829	Carrying amount at 30 June	1,558,954	2,104,668	1,988,859
			<b>Infrastructure assets</b>			
			<b>Flood and river control assets</b>			
6,732,438	5,942,043	5,658,609	Valuation as at 30 June previous year	6,732,438	5,942,043	5,658,609
-	-	-	Accumulated depreciation	-	-	-
6,732,438	5,942,043	5,658,609	Net book value previous year	6,732,438	5,942,043	5,658,609
6,732,438	5,942,043	5,658,609	Carrying amount at 1 July	6,732,438	5,942,043	5,658,609
-	342,000	-	Recognition of Okato River flood control scheme assets	-	342,000	-
1,397,854	-	-	Additions	1,397,854	-	-
349,332	448,395	283,434	Revaluations	349,332	448,395	283,434
8,479,624	6,732,438	5,942,043	Carrying amount at 30 June	8,479,624	6,732,438	5,942,043
<b>196,254,525</b>	<b>187,828,869</b>	<b>136,475,039</b>	<b>Total property, plant and equipment</b>	<b>19,932,039</b>	<b>18,413,741</b>	<b>17,463,936</b>
			<b>As at 30 June 2014</b>			
			Land at cost			
			Land at valuation			
			Buildings at cost			
			Buildings at valuation			
			Motor vehicles			
			Plant, equipment and fittings			
			Office furniture			
			Computer equipment			
			Maintenance dredging			
			Port installations			
			Floating plant			
			Capital dredging			
			Bulk tanks			
			Work-in-progress			
			Flood and river control assets			
<b>275,864,063</b>	<b>79,609,538</b>	<b>196,254,525</b>	<b>Total property, plant and equipment</b>	<b>30,930,043</b>	<b>10,998,004</b>	<b>19,932,039</b>

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 \$2,313,000 (2012/2013—\$2,261,000).

Telfer Young (Taranaki) Limited has valued Tupare, Pukeiti, Hollard Gardens and the Lepperton riparian nursery land and buildings, for disclosure purposes as at 30 June 2013 on a depreciated replacement cost basis, at \$6,782,500 (2012/2013 - \$6,618,000), 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 (\$25,206,198).

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 2014 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 \$8,479,624 (2012/2013 - \$6,732,438). The carrying amount of land had it been recognised under the cost model is \$2,825,194 (2012/2013 - \$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 \$84,000 (\$48,000—2012/2013) 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.

Information about core assets pursuant to Regulation 6 of the *Local Government (Financial Reporting and Prudence) Regulations 2014*. The Council does not have water supply, sewerage, stormwater drainage or roads and footpaths and, consequently, has no disclosures to make. For flood protection and control works:

	2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
Closing book value	8,479,624	6,732,438	5,942,043
Acquisitions constructed by the Council	1,747,186	790,395	283,434
Acquisitions transferred to the Council	-	-	-
Estimated replacement cost	8,479,624	6,732,438	5,942,043

## 10. INTANGIBLE ASSETS

2013/2014 Actual \$	Group 2012/2013 Actual \$	2011/2012 Actual \$		2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
			<b>Carrying amounts</b>			
			<b>Intangible assets</b>			
			Computer software			
7,099,326	6,718,938	6,165,605	Cost as at 30 June previous year	2,534,268	2,255,391	1,898,283
5,656,235	5,012,936	4,280,621	Accumulated depreciation	1,932,281	1,775,594	1,612,649
1,443,091	1,706,002	1,884,984	Net book value previous year	601,987	479,797	285,634
			<b>Reconciliation</b>			
			<b>Intangible assets</b>			
			Computer software			
1,443,091	1,706,003	1,884,984	Carrying amount 1 July	601,987	479,798	285,634
170,112	348,427	553,332	Additions	10,868	246,916	357,108
-	18,643	-	Transfers from property, plant and equipment	-	18,643	-
-	-	-	Disposals	-	-	-
663,792	629,982	732,314	Amortisation	171,938	143,370	162,945
949,411	1,443,091	1,706,002	Carrying amount at 30 June	440,917	601,987	479,797

2013/2014 Actual \$ Cost	Group 2012/2013 Actual \$ Accumulated depreciation	2011/2012 Actual \$ Carrying amount	As at 30 June 2014	2013/2014 Actual \$ Cost	Council 2012/2013 Actual \$ Accumulated depreciation	2011/2012 Actual \$ Carrying amount
7,269,439	6,320,028	949,411	Computer software	2,545,136	2,104,219	440,917
<b>7,269,439</b>	<b>6,320,028</b>	<b>949,411</b>	<b>Total intangible assets</b>	<b>2,545,136</b>	<b>2,104,219</b>	<b>440,917</b>

Amortisation expense is included in the line item *depreciation and amortisation expense* in Note 2 of the financial statements.

## 11. INVESTMENTS

2013/2014 Actual \$	Group 2012/2013 Actual \$	2011/2012 Actual \$		2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
			<b>Current portion of investments</b>			
5,000,000	1,415,534	500,000	Term deposits	4,000,000	1,415,534	500,000
5,649,453	-	-	Corporate bonds	5,649,453	-	-
<b>10,649,453</b>	<b>1,415,534</b>	<b>500,000</b>	<b>Total current portion of investments</b>	<b>9,649,453</b>	<b>1,415,534</b>	<b>500,000</b>
			<b>Non current investments</b>			
-	-	-	Term deposits	-	-	-
7,220,813	12,901,429	12,930,798	Corporate bonds	7,220,813	12,901,429	12,930,798
-	-	-	Port Taranaki Ltd (unlisted shares)	26,000,000	26,000,000	26,000,000
1,000	1,000	1,000	Civic Assurance (unlisted shares)	1,000	1,000	1,000
798,118	697,500	-	Regional Software Holdings Ltd	798,118	697,500	-
<b>8,019,931</b>	<b>13,599,929</b>	<b>12,931,798</b>	<b>Total non current investments</b>	<b>34,019,931</b>	<b>39,599,929</b>	<b>38,931,798</b>
<b>18,669,384</b>	<b>15,015,463</b>	<b>13,431,798</b>	<b>Total investments</b>	<b>43,669,384</b>	<b>41,015,463</b>	<b>39,431,798</b>
			<b>Term deposit maturity dates and effective interest rates</b>			
5,000,000	1,415,534	500,000	Term deposits maturing in less than 1 year	4,000,000	1,415,534	500,000
4.56%	4.16%	5.60%	Weighted average effective interest rate	4.60%	4.16%	5.60%
-	-	-	Term deposits maturing in 1 to 2 years	-	-	-
-	-	-	Weighted average effective interest rate	-	-	-
-	-	-	Term deposits maturing in 2 to 3 years	-	-	-
-	-	-	Weighted average effective interest rate	-	-	-
			<b>Corporate bonds maturity dates and effective interest rates</b>			
5,649,453	-	-	Corporate bonds maturing in less than 1 year	5,649,453	-	-
7.32%	-	-	Weighted average effective interest rate	7.32%	-	-
1,012,097	5,659,520	-	Corporate bonds maturing in 1 to 2 years	1,012,097	5,659,520	-
6.00%	7.32%	-	Weighted average effective interest rate	6.00%	7.32%	-
4,663,700	1,012,362	5,668,896	Corporate bonds maturing in 2 to 3 years	4,663,700	1,012,362	5,668,896
6.33%	6.00%	7.29%	Weighted average effective interest rate	6.33%	6.00%	7.29%
1,545,016	4,682,844	1,012,612	Corporate bonds maturing in 3 to 4 years	1,545,016	4,682,844	1,012,612
6.54%	6.33%	6.00%	Weighted average effective interest rate	6.54%	6.33%	6.00%
-	1,546,702	4,700,937	Corporate bonds maturing in 4 to 5 years	-	1,546,702	4,700,937
-	6.54%	6.33%	Weighted average effective interest rate	-	6.54%	6.33%
-	-	1,548,354	Corporate bonds maturing in 5 to 6 years	-	-	1,548,354
-	-	6.54%	Weighted average effective interest rate	-	-	6.54%
-	-	-	Corporate bonds maturing in 6 to 7 years	-	-	-
-	-	-	Weighted average effective interest rate	-	-	-
12,870,266	12,901,429	12,930,798	Corporate bonds carrying value	12,870,266	12,901,429	12,930,798
13,277,441	13,671,935	13,824,879	Corporate bonds market value	13,277,441	13,671,935	13,824,879

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		
2013/2014	2012/2013	2011/2012		2013/2014	2012/2013	2011/2012
Actual \$	Actual \$	Actual \$		Actual \$	Actual \$	Actual \$
16,247,500	16,281,000	16,559,000	Balance 1 July	16,247,500	16,281,000	16,559,000
-	-	-	Additions	-	-	-
1,545,000	-	-	Disposals	1,545,000	-	-
492,000	(33,500)	(278,000)	Fair value gains/(losses) on valuation	492,000	(33,500)	(278,000)
<b>15,194,500</b>	<b>16,247,500</b>	<b>16,281,000</b>	Balance 30 June	<b>15,194,500</b>	<b>16,247,500</b>	<b>16,281,000</b>
			Comprising:			
293,000	1,005,000	-	Current assets	293,000	1,005,000	-
14,901,500	15,242,500	16,281,000	Non current assets	14,901,500	15,242,500	16,281,000
<b>15,194,500</b>	<b>16,247,500</b>	<b>16,281,000</b>	<b>Total investment property</b>	<b>15,194,500</b>	<b>16,247,500</b>	<b>16,281,000</b>

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 2014 was \$15,194,500 (2012/2013—\$16,247,500). One investment property, which is surplus to the Council's operational requirements, with a value of \$293,000 is expected to be sold to the current leaseholders within the 2014/2015 financial year.

## 13. TRADE AND OTHER PAYABLES

Group				Council		
2013/2014	2012/2013	2011/2012		2013/2014	2012/2013	2011/2012
Actual \$	Actual \$	Actual \$		Actual \$	Actual \$	Actual \$
8,963,419	5,320,321	6,448,523	Trade payables and accruals	2,092,265	1,678,766	2,289,249
1,678,662	730,161	368,585	Accrued pay	211,913	165,566	157,248
<b>10,642,081</b>	<b>6,050,482</b>	<b>6,817,108</b>	<b>Total trade and other payables</b>	<b>2,304,178</b>	<b>1,844,332</b>	<b>2,446,497</b>
			Comprising:			
10,052,081	5,387,482	5,993,108	Current liabilities	2,304,178	1,844,322	2,446,497
590,000	663,000	824,000	Non current liabilities	-	-	-
<b>10,642,081</b>	<b>6,050,482</b>	<b>6,817,108</b>	<b>Total trade and other payables</b>	<b>2,304,178</b>	<b>1,844,332</b>	<b>2,446,497</b>

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		
2013/2014	2012/2013	2011/2012		2013/2014	2012/2013	2011/2012
Actual \$	Actual \$	Actual \$		Actual \$	Actual \$	Actual \$
1,949,651	1,841,947	1,776,447	Holiday leave	685,005	627,120	620,708
212,700	233,313	140,420	Sick leave	171,700	182,313	99,420
719,173	689,617	662,579	Long service leave	362,400	357,000	293,000
1,384,400	1,388,000	1,376,443	Retirement gratuities	395,400	436,000	459,443
<b>4,265,924</b>	<b>4,152,877</b>	<b>3,955,889</b>	<b>Total employee entitlements</b>	<b>1,614,505</b>	<b>1,602,433</b>	<b>1,472,571</b>
			Comprising:			
2,610,724	2,567,877	2,431,010	Current liabilities	918,305	989,433	901,692
1,655,200	1,585,000	1,524,879	Non current liabilities	696,200	613,000	570,879
<b>4,265,924</b>	<b>4,152,877</b>	<b>3,955,889</b>	<b>Total employee entitlements</b>	<b>1,614,505</b>	<b>1,602,433</b>	<b>1,472,571</b>

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

2013/2014 Actual \$	Group			2013/2014 Actual \$	Council	
	2012/2013 Actual \$	2011/2012 Actual \$			2012/2013 Actual \$	2011/2012 Actual \$
153,597	44,438	215,839	Current liabilities			
0.00%	0.00%	0.00%	Secured loans - Westpac	-	-	-
			Weighted average interest rate	-	-	-
			Non current liabilities			
31,900,000	36,700,000	27,100,000	Secured loans - Westpac	-	-	-
(31,507)	(31,250)	(56,250)	Deferred Loan Facility Fee	-	-	-
31,868,493	36,668,750	27,043,750	Secured loans - Westpac	-	-	-
4.49%	3.45%	5.03%	Weighted average interest rate	-	-	-

The non current loans are due within 3 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 (2012/2013—\$50 million) funding facility provided by Westpac Banking Corporation. As at 30 June 2014, \$18.1 million (\$13.3 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 2013/2014 is 0% (0%) as this is solely interest payable and only includes interest payable.

## 16. PUBLIC EQUITY

2013/2014 Actual \$	Group			2013/2014 Actual \$	Council	
	2012/2013 Actual \$	2011/2012 Actual \$			2012/2013 Actual \$	2011/2012 Actual \$
121,203,084	91,617,542	89,464,987	Retained earnings			
9,456,495	29,511,564	2,277,148	Opening balance	64,452,316	63,181,793	63,193,246
			Operating surplus/(deficit)	1,399,674	1,196,545	113,140
-	342,000	-	Recognition of Okato River Flood Control Scheme assets	-	342,000	-
(2,131,566)	(308,234)	(184,213)	Transfers to reserves	(2,131,566)	(308,234)	(184,213)
40,000	40,212	59,620	Transfers from reserves	40,000	40,212	59,620
<b>128,568,013</b>	<b>121,203,084</b>	<b>91,617,542</b>	<b>Closing balance</b>	<b>63,760,424</b>	<b>64,452,316</b>	<b>63,181,793</b>
			Reserves (refer to Note 17)			
8,839,265	8,571,243	8,446,650	Opening balance	8,839,265	8,571,243	8,446,650
2,131,566	308,234	184,213	Transfers from retained earnings	2,131,566	308,234	184,213
(40,000)	(40,212)	(59,620)	Transfers to retained earnings	(40,000)	(40,212)	(59,620)
<b>10,930,831</b>	<b>8,839,265</b>	<b>8,571,243</b>	<b>Closing balance</b>	<b>10,930,831</b>	<b>8,839,265</b>	<b>8,571,243</b>
			<i>Makuri River Control Scheme reserve</i>			
-	212	625	Opening balance	-	212	625
-	-	42	Transfers from retained earnings	-	-	42
-	(212)	(455)	Transfers to retained earnings	-	(212)	(455)
-	-	<b>212</b>	<b>Closing balance</b>	-	-	<b>212</b>
			<i>North Taranaki/Waitara River Control Scheme reserve</i>			
1,004,543	773,531	704,622	Opening balance	1,004,543	773,531	704,622
189,878	231,012	81,776	Transfers from retained earnings	189,878	231,012	81,776
-	-	(12,867)	Transfers to retained earnings	-	-	(12,867)
<b>1,194,421</b>	<b>1,004,543</b>	<b>773,531</b>	<b>Closing balance</b>	<b>1,194,421</b>	<b>1,004,543</b>	<b>773,531</b>

2013/2014 Actual \$	Group 2012/2013 Actual \$	2011/2012 Actual \$		2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
			<i>Contingency/disaster reserve</i>			
1,086,000	1,086,000	1,086,000	Opening balance	1,086,000	1,086,000	1,086,000
-	-	-	Transfers from retained earnings	-	-	-
-	-	-	Transfers to retained earnings	-	-	-
<b>1,086,000</b>	<b>1,086,000</b>	<b>1,086,000</b>	<b>Closing balance</b>	<b>1,086,000</b>	<b>1,086,000</b>	<b>1,086,000</b>
			<i>Dividend equalisation reserve</i>			
6,395,766	6,395,766	6,395,766	Opening balance	6,395,766	6,395,766	6,395,766
-	-	-	Transfers from retained earnings	-	-	-
-	-	-	Transfers to retained earnings	-	-	-
<b>6,395,766</b>	<b>6,395,766</b>	<b>6,395,766</b>	<b>Closing balance</b>	<b>6,395,766</b>	<b>6,395,766</b>	<b>6,395,766</b>
			<i>Passenger transport targeted rate reserve (New Plymouth/North Taranaki)</i>			
207,956	230,735	259,637	Opening balance	207,956	230,735	259,637
13,060	17,221	17,396	Transfers from retained earnings	13,060	17,221	17,396
(40,000)	(40,000)	(46,298)	Transfers to retained earnings	(40,000)	(40,000)	(46,298)
<b>181,016</b>	<b>207,956</b>	<b>230,735</b>	<b>Closing balance</b>	<b>181,016</b>	<b>207,956</b>	<b>230,735</b>
			<i>Passenger transport targeted rate reserve (Stratford)</i>			
5,000	-	-	Opening balance	5,000	-	-
314	5,000	-	Transfers from retained earnings	314	5,000	-
-	-	-	Transfers to retained earnings	-	-	-
<b>5,314</b>	<b>5,000</b>	<b>-</b>	<b>Closing balance</b>	<b>5,314</b>	<b>5,000</b>	<b>-</b>
			<i>Passenger transport targeted rate reserve (South Taranaki)</i>			
5,000	-	-	Opening balance	5,000	-	-
314	5,000	-	Transfers from retained earnings	314	5,000	-
-	-	-	Transfers to retained earnings	-	-	-
<b>5,314</b>	<b>5,000</b>	<b>-</b>	<b>Closing balance</b>	<b>5,314</b>	<b>5,000</b>	<b>-</b>
			<i>Egmont national park control reserve</i>			
135,000	85,000	-	Opening balance	135,000	85,000	-
88,000	50,000	85,000	Transfers from retained earnings	88,000	50,000	85,000
-	-	-	Transfers to retained earnings	-	-	-
<b>223,000</b>	<b>135,000</b>	<b>85,000</b>	<b>Closing balance</b>	<b>223,000</b>	<b>135,000</b>	<b>85,000</b>
			<i>Endowment land sales reserve</i>			
-	-	-	Opening balance	-	-	-
1,840,000	-	-	Transfers from retained earnings	1,840,000	-	-
-	-	-	Transfers to retained earnings	-	-	-
<b>1,840,000</b>	<b>-</b>	<b>-</b>	<b>Closing balance</b>	<b>1,840,000</b>	<b>-</b>	<b>-</b>
<b>10,930,831</b>	<b>8,839,265</b>	<b>8,571,243</b>	<b>Total reserves</b>	<b>10,930,831</b>	<b>8,839,265</b>	<b>8,571,243</b>
			<i>Asset revaluation reserves</i>			
52,468,884	39,655,520	39,445,248	Opening balance	3,492,082	3,043,687	2,833,415
2,405,076	12,813,364	210,272	Change in asset value	349,332	448,395	210,272
<b>54,873,960</b>	<b>52,468,884</b>	<b>39,655,520</b>	<b>Closing balance</b>	<b>3,841,414</b>	<b>3,492,082</b>	<b>3,043,687</b>
			<i>Waitara flood control scheme</i>			
2,466,787	2,299,637	2,070,565	Opening balance	2,466,787	2,299,637	2,070,565
257,975	167,150	229,072	Change in asset value	257,975	167,150	229,072
<b>2,724,762</b>	<b>2,466,787</b>	<b>2,299,637</b>	<b>Closing balance</b>	<b>2,724,762</b>	<b>2,466,787</b>	<b>2,299,637</b>
			<i>Waiwhakaiho flood control scheme</i>			
1,025,295	744,050	762,850	Opening balance	1,025,295	744,050	762,850
81,557	281,245	(18,800)	Change in asset value	81,557	281,245	(18,800)
<b>1,106,852</b>	<b>1,025,295</b>	<b>744,050</b>	<b>Closing balance</b>	<b>1,106,852</b>	<b>1,025,295</b>	<b>744,050</b>

2013/2014 Actual \$	Group 2012/2013 Actual \$	2011/2012 Actual \$		2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
			<i>Okato flood control scheme</i>			
-	-	-	Opening balance	-	-	-
9,800	-	-	Change in asset value	9,800	-	-
<b>9,800</b>	-	-	<b>Closing balance</b>	<b>9,800</b>	-	-
			<i>Land</i>			
48,976,802	36,611,833	36,611,833	Opening balance	-	-	-
220,000	12,364,969	-	Change in asset value	-	-	-
<b>49,196,802</b>	<b>48,976,802</b>	<b>36,611,833</b>	<b>Closing balance</b>	-	-	-
			<i>Buildings</i>			
-	-	-	Opening balance	-	-	-
1,835,744	-	-	Change in asset value	-	-	-
<b>1,835,744</b>	-	-	<b>Closing balance</b>	-	-	-
<b>54,873,960</b>	<b>52,468,884</b>	<b>39,655,520</b>	<b>Total asset revaluation reserves</b>	<b>3,841,414</b>	<b>3,492,082</b>	<b>3,043,687</b>
			<i>Cash flow hedge reserve</i>			
634,366	-	-	Opening balance	-	-	-
666,875	634,366	-	Change in cash flow hedge reserve	-	-	-
<b>1,301,241</b>	<b>634,366</b>	-	<b>Total Cash flow hedge reserve</b>	-	-	-
<b>195,674,045</b>	<b>183,145,599</b>	<b>139,844,305</b>	<b>Total public equity</b>	<b>78,532,669</b>	<b>76,783,663</b>	<b>74,796,723</b>

## 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:

### *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.

#### *Endowment land sales reserve*

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

## 18. REMUNERATION

Total remuneration of Members was:

	2013/2014 Actual \$	2012/2013 Actual \$
Councillor M J Cloke	38,066	29,368
Councillor M G Davey	31,622	28,747
Councillor P D Horton	32,490	29,371
Councillor M A Irving	32,440	28,736
Councillor B R Jeffares	35,332	28,614
Councillor M P Joyce	34,772	30,617
Councillor D L Lean—Deputy Chairman	45,380	42,261
Councillor D N MacLeod—Chairman	90,343	88,200
Councillor R F H Maxwell	40,886	42,045
Councillor N W Walker	41,989	41,423
Councillor C S Williamson	32,472	29,635

The Chief Executive of the Taranaki Regional Council, appointed under section 42(1) of the Local Government Act 2002, received a salary of \$305,826 (\$302,726 2012/2013). 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 \$336,757 (\$328,916 – 2012/2013).

	2013/2014 Actual \$	2012/2013 Actual \$
Number of full-time employees	118	116
Full-time equivalent of all other employees	17	15
Number of employees receiving total annual remuneration below \$60,000	76	80
Number of employees receiving total annual remuneration between \$60,000 and \$79,999	44	40
Number of employees receiving total annual remuneration between \$80,000 and \$99,999	11	8
Number of employees receiving total annual remuneration between \$100,000 and \$119,999	6	-
Number of employees receiving total annual remuneration between \$100,000 and \$139,999	-	6
Number of employees receiving total annual remuneration between \$120,000 and \$339,999	7	-
Number of employees receiving total annual remuneration between \$140,000 and \$339,999	-	5

## 19. SEVERANCE PAYMENTS

During the year ended 30 June 2014 the Council made two severance payments (\$0—2012/2013). The value of each payment was \$26,452 and \$10,000.

## 20. SUBSEQUENT EVENTS

In relation to the Council and Group, there have been no material events subsequent to balance date.



## 21. RECONCILIATION OF NET OPERATING SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Group			Council		
2013/2014 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$	2013/2014 Actual \$	2012/2013 Actual \$	2011/2012 Actual \$
9,456,495	29,511,564	2,277,148	1,399,674	1,196,545	113,140
<b>Surplus/(deficit) for the period</b>					
<i>Add/(less) non-cash items</i>					
9,293,618	8,537,936	8,918,542	1,351,147	1,298,389	1,285,546
(1,449,690)	(332,689)	(844,439)	-	-	-
(492,000)	33,500	278,000	(492,000)	33,500	278,000
-	(20,845,890)	-	-	-	-
-	(2,123,546)	-	-	-	-
16,808,423	14,780,876	10,629,251	2,258,821	2,528,434	1,676,686
<i>Add/(less) movements in assets and liabilities</i>					
(2,141,328)	1,973,143	(2,992,192)	1,023,839	(90,493)	(855,206)
223,787	(184,242)	27,755	(3,121)	(12,156)	8,257
(165,304)	(92,080)	(24,843)	45,394	(84,927)	(33,271)
(666,875)	(634,366)	-	-	-	-
(44,567)	(175,519)	212,026	(44,567)	(175,519)	212,026
147,313	(211,654)	(33,750)	147,313	(211,654)	(33,750)
4,763,038	(309,937)	808,817	459,846	(602,165)	460,856
113,047	196,988	454,284	12,072	129,862	184,723
1,642,962	(433,912)	691,125	-	-	-
<i>Add/(less) investing activity items</i>					
155,657	(12,544)	203,864	(72,599)	(29,136)	(109,066)
(295,000)	-	-	(295,000)	-	-
(1,217,429)	(263,599)	10,456	52,225	(215,229)	-
(24,058)	-	-	(24,058)	-	-
<b>19,299,666</b>	<b>14,633,154</b>	<b>9,986,793</b>	<b>3,560,165</b>	<b>1,237,017</b>	<b>1,511,255</b>

## 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:

2013/2014 Actual \$	Group 2012/2013 Actual \$	2011/2012 Actual \$		2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
			<b>Financial assets</b>			
			<b>Loans and receivables</b>			
			Foreign currency bank balances			
18,798	216,406	-	Carrying amount	-	-	-
18,798	216,406	-	Fair value	-	-	-
			Term deposits			
5,000,000	1,415,534	500,000	Carrying amount	4,000,000	1,415,534	500,000
5,000,000	1,415,534	500,000	Fair value	4,000,000	1,415,534	500,000
			Cash and cash equivalents			
1,688,656	1,936,404	2,699,957	Carrying amount	987,785	556,154	2,238,425
1,688,656	1,936,404	2,699,957	Fair value	987,785	556,154	2,238,425
			Trade and other receivables			
9,945,084	7,803,006	9,776,149	Carrying amount	2,237,347	3,261,186	3,170,693
9,945,084	7,803,006	9,776,149	Fair value	2,237,347	3,261,186	3,170,693
			<b>Held-to-maturity</b>			
			Corporate bonds			
12,870,266	12,901,429	12,930,798	Carrying amount	12,870,266	12,901,429	12,930,798
13,277,441	13,671,935	13,824,879	Fair value	13,277,441	13,671,935	13,824,879
			<b>Financial liabilities</b>			
			Trade and other payables			
10,642,081	6,050,482	6,817,108	Carrying amount	2,304,178	1,844,332	2,446,497
10,642,081	6,050,482	6,817,108	Fair value	2,304,178	1,844,332	2,446,497
			Provisions			
4,265,924	4,152,877	3,955,889	Carrying amount	1,614,505	1,602,433	1,472,571
4,265,924	4,152,877	3,955,889	Fair value	1,614,505	1,602,433	1,472,571
			Interest bearing loans			
32,022,090	36,713,188	27,259,589	Carrying amount	-	-	-
32,022,090	36,674,253	27,392,753	Fair value	-	-	-

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 2014.

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 \$316,142 (\$159,000—2012/2013) 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 \$316,142 (\$159,000) lower, arising as a result of higher interest expense on 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 2013/2014							
	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	2,304,178	-	-	-	-	2,304,178
Provisions (Council)	0.00	85,879	171,758	660,668	128,470	567,730	1,614,505
Trade and other payables (Trust)	0.00	29,019	589,803	-	-	-	618,822
Trade and other payables (Port)	0.00	5,918,762	445,200	175,119	590,000	-	7,129,081
Provisions (Port)	0.00	141,035	282,070	1,269,314	210,980	748,020	2,651,419
Variable interest rate instruments (Port)	4.40	2,028,661	330,000	990,000	32,752,110	-	36,100,771
Derivative financial instruments inflows/outflows (Port)	3.62	-	18,148	54,444	290,368	72,592	435,552
		<b>10,507,534</b>	<b>1,836,979</b>	<b>3,149,545</b>	<b>33,971,928</b>	<b>1,388,342</b>	<b>50,854,328</b>

**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
<b>Total</b>		<b>6,398,262</b>	<b>980,337</b>	<b>9,075,962</b>	<b>32,503,817</b>	<b>2,069,248</b>	<b>51,027,626</b>

**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
<b>Total</b>		<b>6,547,804</b>	<b>3,626,584</b>	<b>20,576,966</b>	<b>6,510,448</b>	<b>1,548,389</b>	<b>38,810,191</b>

*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 2013/2014**

	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	987,785	-	-	-	-	987,785
Current portion of investments (Council)	various*	-	1,616,129	8,033,324	-	-	9,649,453
Trade and other receivables (Council)	-	2,237,347	-	-	-	-	2,237,347
Non current portion of investments (Council)	various*	-	-	-	7,220,813	-	7,220,813
Cash and cash equivalents (Trust)	variable	700,571	-	-	-	-	700,571
Current portion of investments (Trust)	4.40%	-	-	1,000,000	-	-	1,000,000
Trade and other receivables (Trust)	-	11,618	-	-	-	-	11,618
Cash and cash equivalents (Port)	variable	19,098	-	-	-	-	19,098
Trade and other receivables (Port)	-	7,696,119	-	-	-	-	7,696,119
<b>Total</b>		<b>11,652,538</b>	<b>1,616,129</b>	<b>9,033,324</b>	<b>7,220,813</b>	<b>-</b>	<b>29,522,804</b>

\* Weighted average effective interest rate is disclosed in Note 11.

### 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	-	-	-	-	4,542,278
<b>Total</b>		<b>9,956,566</b>	<b>500,000</b>	<b>915,534</b>	<b>12,901,429</b>	<b>-</b>	<b>24,273,529</b>

\* Weighted average effective interest rate is disclosed in Note 11.

### 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
<b>Total</b>		<b>12,476,106</b>	<b>-</b>	<b>500,000</b>	<b>11,382,445</b>	<b>1,548,353</b>	<b>25,906,904</b>

\* Weighted average effective interest rate is disclosed in Note 11.

### Fair value

Port Taranaki Ltd's assets and liabilities which are measured at fair value are categorised into one of three levels as follows:

Level one - the fair value is determined using unadjusted quoted prices from an active market for identical assets and liabilities. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker industry Company, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level two - the fair value is derived from inputs other than quoted prices included in level one that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). Financial instruments in this level include interest rate swaps and options and valuation of land.

Level three - the fair value is derived from inputs that are not based on observable market data.

Port Taranaki Ltd's policy is to recognise transfers between fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level one, two and three during the year (Nil—2012/2013).

### Valuation of level two

The fair value of level two derivatives is determined using the methodology described in note 9 (Revaluations), note 12 (investment property) and note 22 (Categories of financial instruments).

Interest rate swap (note 22 (Categories of financial instruments)) \$1,301,241 (\$634,366—2012/2013)

Land valuation (note 9 (Revaluations)) \$76,303,000 (\$76,083,000).

Investment properties (note 12 (Investment property)) \$15,194,500 (\$16,247,500).

Flood and river control assets (note 9 (Revaluations)) \$8,479,624 (\$6,732,438).

## 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:

	2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
Harbourmaster services	29,000	28,000	27,500
Other Port services	19,416	12,166	11,917
<b>Total purchases of goods and services from subsidiary</b>	<b>48,416</b>	<b>40,166</b>	<b>39,417</b>
Dividend received from Port Taranaki Ltd	3,700,000	2,950,000	2,200,000
Unauthorised incident-stormwater discharge	-	750	955
Resource consent application fees	747	5,376	-
Environmental Awards sponsorship	4,000	-	-
Resource consent compliance monitoring programme	10,082	1,568	15,277
Land lease rental	34,880	34,880	34,880
<b>Total sales of goods and services to subsidiary</b>	<b>49,709</b>	<b>42,574</b>	<b>51,112</b>
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:

	2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
Funding for development and major maintenance of Yarrow Stadium	876,000	876,000	-

Taranaki Stadium Trust has no subsidiaries.

The transactions between Regional Software Holdings Ltd and the Council during the year were:

	2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
Share call	100,618	697,500	-
Administration fees and support	99,864	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 (\$8,200—2012/2013).

### Key management personnel compensation

Key management personnel include the Chairperson, Councillors, Chief Executive and Directors (second tier managers).

2013/2014 Actual \$	Group 2012/2013 Actual \$	2011/2012 Actual \$		2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
3,392,934	4,019,611	3,661,002	Salaries and other short term employee benefits	1,567,259	1,498,009	1,456,748
(46,000)	(7,000)	22,000	Post employment benefits	-	-	-
(4,000)	(19,000)	4,000	Other long term benefits	-	-	-
-	217,179	-	Termination benefits	-	-	-

## 24. DEFINED BENEFIT PLAN

As at 30 June 2014, the multi-employer defined benefit plan with National Provident Fund (NPF) entitles 3 employees (1—2012/2013) 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 2013, the Scheme had a past service surplus of \$17.4 million (\$19.8 million), 7.7% (8.3%) 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

2013/2014 Actual \$	<b>Group</b> 2012/2013 Actual \$	2011/2012 Actual \$		2013/2014 Actual \$	<b>Council</b> 2012/2013 Actual \$	2011/2012 Actual \$
			<b>Commitments</b>			
5,712,251	2,583,890	618,428	Capital commitments approved and contracted	720,819	181,924	132,428
<b>5,712,251</b>	<b>2,583,890</b>	<b>618,428</b>	<b>Total commitments</b>	<b>720,819</b>	<b>181,924</b>	<b>132,428</b>
			<b>Non cancellable operating lease commitments</b>			
			Lease commitments due as follows:			
6,413	600	53,238	Within 1 year	-	-	-
-	-	31,950	Between 1-5 years	-	-	-
-	-	-	Greater than 5 years	-	-	-
<b>6,413</b>	<b>600</b>	<b>85,188</b>	<b>Total operating lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>
7,200	216,092	245,740	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 2014 (Nil—2012/2013).

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 2012/2013 and 2013/2014 years.

The property rental income earned by the Council from its investment property, all of which is leased out under operating leases, amounts to \$830,485 (2012/2013—\$759,061). Direct operating expenses arising on the investment property in the period amounted to \$43,793 (2012/2013—\$40,358).

2013/2014 Actual \$	Group 2012/2013 Actual \$	2011/2012 Actual \$		2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
			<b>Non-cancellable operating lease receivables</b>			
			Lease commitments due as follows:			
			Not later than one year	796,662	753,073	737,932
3,494,945	2,852,184	3,150,841	Later than one year and not later than five years	2,859,444	2,618,537	2,608,364
9,376,137	6,442,732	6,701,027	Later than five years	2,185,567	2,170,406	2,749,028
11,040,892	8,478,301	9,997,396				

## 28. STATUTORY COMPLIANCE

There were no breaches of statutory compliance.

In 2012/2013, 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.

## 29. RATING BASE INFORMATION

	2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
The number of rating units within the region at the end of the preceding financial year	52,229	50,807	50,446
The total capital value of rating units within the region at the end of the preceding financial year	27,088,889,650	26,470,259,050	26,393,659,150
The total land value of rating units within the region at the end of the preceding financial year	16,380,756,450	16,039,112,750	16,095,465,800

## 30. INSURANCE OF ASSETS

	2013/2014 Actual \$	Council 2012/2013 Actual \$	2011/2012 Actual \$
Total value of all assets of the local authority that are covered by insurance contracts	9,197,047	8,980,519	9,107,775
Maximum amount to which they are insured	29,173,651	28,576,398	26,693,460
Total value of all assets of the local authority that are covered by financial risk sharing arrangements	-	-	-
Maximum amount available to the local authority under those arrangements	-	-	-
Total value of all assets that are self-insured (only flood protection and control works)	8,479,624	6,732,438	5,942,043
Total value of funds maintained for self-insured assets (only flood protection and control works)	1,086,000	1,086,000	1,086,000



# FUNDING IMPACT STATEMENT

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

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

The following figures differ from those published in the *2013/2014 Annual 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:

2011/2012		2012/2013			2013/2014		
Long-Term Plan Published Estimate \$	Estimate Corrected Figures \$	Long-Term Plan Published Estimate \$	Estimate Corrected Figures \$		Long-Term Plan Published Estimate \$	Annual Plan Published Estimate \$	Estimate Corrected Figures \$
237,000	271,000	222,500	241,500	Gross proceeds from sale of assets	138,000	194,500	213,500
				Capital expenditure			
2,073,902	2,317,102	1,999,700	3,016,700	- to replace existing assets	1,333,250	1,805,250	3,619,750
(20,253)	(229,455)	(935,394)	(1,933,399)	Increase/(decrease) in investments	372,583	(889,365)	(2,684,870)

WHOLE OF COUNCIL FUNDING IMPACT STATEMENT

2011/2012		2012/2013		2013/2014		
Estimate \$	Actual \$	Estimate \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$
<b>Sources of operating funding</b>						
7,184,622	7,184,612	7,184,618	7,184,618	7,400,161	7,292,392	7,292,392
1,568,340	1,568,340	1,659,412	1,658,731	1,859,396	1,708,548	1,708,548
1,662,441	1,615,022	1,829,926	1,560,592	1,872,790	1,720,749	1,665,864
5,476,408	5,678,272	6,412,865	7,456,876	7,102,163	7,159,162	7,218,932
4,361,000	4,102,501	4,799,044	4,896,859	5,248,350	5,590,187	6,009,601
0	0	0	0	0	0	0
<b>20,252,811</b>	<b>20,148,746</b>	<b>21,885,865</b>	<b>22,757,676</b>	<b>23,482,861</b>	<b>23,471,038</b>	<b>23,895,337</b>
<b>Applications of operating funding</b>						
18,114,773	18,472,072	20,228,886	19,706,173	21,624,076	21,678,478	21,636,516
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>18,114,773</b>	<b>18,472,072</b>	<b>20,228,886</b>	<b>19,706,173</b>	<b>21,624,076</b>	<b>21,678,478</b>	<b>21,636,516</b>
<b>2,138,038</b>	<b>1,676,675</b>	<b>1,656,979</b>	<b>3,051,502</b>	<b>1,858,785</b>	<b>1,792,560</b>	<b>2,258,822</b>
<b>Sources of capital funding</b>						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
271,000	156,809	241,500	205,125	138,000	213,500	115,063
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>271,000</b>	<b>156,809</b>	<b>241,500</b>	<b>205,125</b>	<b>138,000</b>	<b>213,500</b>	<b>115,063</b>
<b>Applications of capital funding</b>						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
500,000	121,500	750,000	408,855	50,000	1,000,000	791,368
2,317,102	1,437,868	3,016,700	2,067,766	1,333,250	3,619,750	1,709,119
(178,609)	59,947	65,178	204,161	240,952	71,180	251,566
(229,455)	214,168	(1,933,399)	575,846	372,583	(2,684,870)	(378,168)
<b>2,409,038</b>	<b>1,833,483</b>	<b>1,898,479</b>	<b>3,256,627</b>	<b>1,996,785</b>	<b>2,006,060</b>	<b>2,373,885</b>
<b>(2,138,038)</b>	<b>(1,676,675)</b>	<b>(1,656,979)</b>	<b>(3,051,502)</b>	<b>(1,858,785)</b>	<b>(1,792,560)</b>	<b>(2,258,822)</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## RESOURCE MANAGEMENT FUNDING IMPACT STATEMENT

2011/2012		2012/2013		2013/2014		
Estimate \$	Actual \$	Estimate \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$
<b>Sources of operating funding</b>						
3,180,483	3,237,695	3,365,960	3,365,968	3,424,842	3,456,070	3,456,070
0	0	0	0	0	0	0
240,900	257,967	247,900	232,359	255,400	237,500	202,874
4,097,140	4,201,848	4,791,074	5,991,559	5,146,068	5,533,883	5,563,278
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>7,518,523</b>	<b>7,697,510</b>	<b>8,404,934</b>	<b>9,589,886</b>	<b>8,826,310</b>	<b>9,227,453</b>	<b>9,222,222</b>
<b>Applications of operating funding</b>						
6,146,265	6,495,948	7,129,231	7,182,604	7,531,425	8,052,518	7,560,346
0	0	0	0	0	0	0
2,873,148	3,126,339	3,201,758	3,151,460	3,323,581	3,494,433	3,808,326
0	0	0	0	0	0	0
<b>9,019,413</b>	<b>9,622,287</b>	<b>10,330,989</b>	<b>10,334,064</b>	<b>10,855,007</b>	<b>11,546,952</b>	<b>11,368,673</b>
<b>(1,500,890)</b>	<b>(1,924,777)</b>	<b>(1,926,055)</b>	<b>(744,177)</b>	<b>(2,028,697)</b>	<b>(2,319,499)</b>	<b>(2,146,451)</b>
<b>Sources of capital funding</b>						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
133,500	88,058	81,500	103,734	61,000	101,500	35,305
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>133,500</b>	<b>88,058</b>	<b>81,500</b>	<b>103,734</b>	<b>61,000</b>	<b>101,500</b>	<b>35,305</b>
<b>Applications of capital funding</b>						
Capital expenditure						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
709,102	500,362	596,000	430,037	319,250	705,250	306,588
0	0	0	0	0	0	0
<b>(2,076,492)</b>	<b>(2,337,080)</b>	<b>(2,440,555)</b>	<b>(1,070,480)</b>	<b>(2,286,947)</b>	<b>(2,923,249)</b>	<b>(2,417,734)</b>
<b>(1,367,390)</b>	<b>(1,836,718)</b>	<b>(1,844,555)</b>	<b>(640,443)</b>	<b>(1,967,697)</b>	<b>(2,217,999)</b>	<b>(2,111,146)</b>
<b>1,500,890</b>	<b>1,924,777</b>	<b>1,926,055</b>	<b>744,177</b>	<b>2,028,697</b>	<b>2,319,499</b>	<b>2,146,451</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**BIOSECURITY FUNDING IMPACT STATEMENT**

2011/2012		2012/2013		2013/2014		
Estimate \$	Actual \$	Estimate \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$
<b>Sources of operating funding</b>						
1,216,765	1,238,659	1,173,254	1,173,254	1,190,833	1,142,805	1,142,805
0	0	0	0	0	0	0
0	0	0	0	0	0	0
118,900	113,027	118,900	81,962	122,209	118,900	88,995
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>1,335,665</b>	<b>1,351,686</b>	<b>1,292,154</b>	<b>1,255,216</b>	<b>1,313,042</b>	<b>1,261,705</b>	<b>1,231,800</b>
<b>Applications of operating funding</b>						
1,294,944	1,202,756	1,275,718	1,217,037	1,307,711	1,313,824	1,283,400
0	0	0	0	0	0	0
652,527	709,901	691,481	683,158	717,791	682,649	744,022
0	0	0	0	0	0	0
<b>1,947,471</b>	<b>1,912,657</b>	<b>1,967,199</b>	<b>1,900,196</b>	<b>2,025,502</b>	<b>1,996,472</b>	<b>2,027,423</b>
<b>(611,806)</b>	<b>(560,972)</b>	<b>(675,045)</b>	<b>(644,980)</b>	<b>(712,459)</b>	<b>(734,767)</b>	<b>(795,623)</b>
<b>Sources of capital funding</b>						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
72,000	39,400	70,000	16,087	17,000	25,000	23,130
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>72,000</b>	<b>39,400</b>	<b>70,000</b>	<b>16,087</b>	<b>17,000</b>	<b>25,000</b>	<b>23,130</b>
<b>Applications of capital funding</b>						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
260,700	113,274	340,700	180,608	98,500	130,500	31,573
0	85,000	50,000	50,000	50,000	50,000	88,000
(800,506)	(719,846)	(995,745)	(859,501)	(843,959)	(890,267)	(892,066)
<b>(539,806)</b>	<b>(521,572)</b>	<b>(605,045)</b>	<b>(628,893)</b>	<b>(695,459)</b>	<b>(709,767)</b>	<b>(772,493)</b>
<b>611,806</b>	<b>560,972</b>	<b>675,045</b>	<b>644,980</b>	<b>712,459</b>	<b>734,767</b>	<b>795,623</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## TRANSPORT FUNDING IMPACT STATEMENT

2011/2012		2012/2013		2013/2014		
Estimate \$	Actual \$	Estimate \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$
<b>Sources of operating funding</b>						
485,915	365,397	148,784	148,778	206,165	201,960	201,960
750,449	750,449	778,071	778,071	917,108	816,456	816,456
1,421,541	1,357,055	1,582,026	1,328,233	1,617,390	1,483,249	1,419,113
775,750	811,480	948,063	843,139	1,264,128	937,110	1,002,506
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>3,433,655</b>	<b>3,284,381</b>	<b>3,456,944</b>	<b>3,098,221</b>	<b>4,004,792</b>	<b>3,438,775</b>	<b>3,440,035</b>
<b>Applications of operating funding</b>						
3,357,737	3,026,921	3,388,078	2,964,364	3,974,049	3,419,562	3,266,235
0	0	0	0	0	0	0
249,767	271,496	125,417	135,382	130,189	133,349	145,801
0	0	0	0	0	0	0
<b>3,607,504</b>	<b>3,298,418</b>	<b>3,513,495</b>	<b>3,099,746</b>	<b>4,104,237</b>	<b>3,552,911</b>	<b>3,412,036</b>
<b>(173,849)</b>	<b>(14,037)</b>	<b>(56,551)</b>	<b>(1,526)</b>	<b>(99,445)</b>	<b>(114,136)</b>	<b>28,000</b>
<b>Sources of capital funding</b>						
0	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	0	0
0	0	0	0	0	0	0
<b>7,000</b>	<b>0</b>	<b>7,000</b>	<b>3,913</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
28,000	0	28,000	24,681	0	0	0
(100,000)	(46,298)	(29,543)	(27,500)	(31,316)	(27,928)	(26,312)
(94,849)	32,262	(48,008)	5,206	(68,130)	(86,208)	54,312
<b>(166,849)</b>	<b>(14,037)</b>	<b>(49,551)</b>	<b>2,387</b>	<b>(99,445)</b>	<b>(114,136)</b>	<b>28,000</b>
<b>173,849</b>	<b>14,037</b>	<b>56,551</b>	<b>1,526</b>	<b>99,445</b>	<b>114,136</b>	<b>(28,000)</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**HAZARD MANAGEMENT FUNDING IMPACT STATEMENT—CIVIL DEFENCE  
EMERGENCY MANAGEMENT**

2011/2012		2012/2013		2013/2014		
Estimate \$	Actual \$	Estimate \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$
<b>Sources of operating funding</b>						
191,988	202,341	197,339	197,339	199,923	185,389	185,389
0	0	0	0	0	0	0
0	0	0	0	0	0	43,878
302,400	328,368	332,828	335,438	340,576	332,019	339,326
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>494,388</b>	<b>530,709</b>	<b>530,167</b>	<b>532,777</b>	<b>540,498</b>	<b>517,408</b>	<b>568,593</b>
<b>Applications of operating funding</b>						
403,639	381,817	435,975	433,848	443,201	437,053	443,040
0	0	0	0	0	0	0
161,565	175,825	184,593	181,397	191,616	185,152	202,119
0	0	0	0	0	0	0
<b>565,203</b>	<b>557,642</b>	<b>620,568</b>	<b>615,245</b>	<b>634,817</b>	<b>622,204</b>	<b>645,158</b>
<b>(70,815)</b>	<b>(26,933)</b>	<b>(90,401)</b>	<b>(82,468)</b>	<b>(94,319)</b>	<b>(104,796)</b>	<b>(76,566)</b>
<b>Sources of capital funding</b>						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
8,000	0	15,000	17,391	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>8,000</b>	<b>0</b>	<b>15,000</b>	<b>17,391</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>						
Capital expenditure						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
51,100	47,866	72,000	80,474	64,000	64,000	25,767
0	0	0	0	0	0	0
(113,915)	(74,799)	(147,401)	(145,551)	(158,319)	(168,796)	(102,333)
<b>(62,815)</b>	<b>(26,933)</b>	<b>(75,401)</b>	<b>(65,077)</b>	<b>(94,319)</b>	<b>(104,796)</b>	<b>(76,566)</b>
<b>70,815</b>	<b>26,933</b>	<b>90,401</b>	<b>82,468</b>	<b>94,319</b>	<b>104,796</b>	<b>76,566</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## HAZARD MANAGEMENT FUNDING IMPACT STATEMENT—FLOOD MANAGEMENT, GENERAL RIVER CONTROL AND RIVER CONTROL SCHEMES

2011/2012		2012/2013			2013/2014		
Estimate \$	Actual \$	Estimate \$	Actual \$		Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$
<b>Sources of operating funding</b>							
211,281	208,178	114,819	114,819	General rates, uniform annual general charge, rates penalties	121,257	127,579	127,579
482,871	482,871	549,709	549,709	Targeted rates	610,656	576,443	576,443
0	0	0	0	Subsidies and grants for operating purposes	0	0	0
39,324	33,949	20,000	20,010	Fees and charges	20,000	20,000	19,837
0	0	0	0	Internal charges and overheads recovered	0	0	0
0	0	0	0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>733,476</b>	<b>724,998</b>	<b>684,528</b>	<b>684,538</b>	<b>Total operating funding</b>	<b>751,913</b>	<b>724,022</b>	<b>723,859</b>
<b>Applications of operating funding</b>							
620,068	479,107	508,783	325,244	Payments to staff and suppliers	571,532	511,091	347,288
0	0	0	0	Finance costs	0	0	0
146,922	159,969	81,905	86,813	Internal charges and overheads applied	85,021	102,577	112,010
0	0	0	0	Other operating funding applications	0	0	0
<b>766,990</b>	<b>639,076</b>	<b>590,688</b>	<b>412,057</b>	<b>Total applications of operating funding</b>	<b>656,553</b>	<b>613,668</b>	<b>459,298</b>
<b>(33,514)</b>	<b>85,922</b>	<b>93,840</b>	<b>272,480</b>	<b>Surplus/(deficit) of operating funding</b>	<b>95,360</b>	<b>110,354</b>	<b>264,561</b>
<b>Sources of capital funding</b>							
0	0	0	0	Subsidies and grants for capital expenditure	0	0	0
0	0	0	0	Development and financial contributions	0	0	0
0	0	0	0	Increase/(decrease) in debt	0	0	0
0	8,696	0	0	Gross proceeds from sale of assets	10,000	10,000	0
0	0	0	0	Lump sum contributions	0	0	0
0	0	0	0	Other dedicated capital funding	0	0	0
<b>0</b>	<b>8,696</b>	<b>0</b>	<b>0</b>	<b>Total sources of capital funding</b>	<b>10,000</b>	<b>10,000</b>	<b>0</b>
<b>Applications of capital funding</b>							
Capital expenditure							
0	0	0	0	- to meet additional demand	0	0	0
500,000	121,500	750,000	408,855	- to improve the level of service	50,000	1,000,000	791,368
0	0	0	0	- to replace existing assets	0	0	0
0	21,245	44,721	181,449	Increase/(decrease) in reserves	47,404	49,108	189,878
(533,514)	(48,128)	(700,881)	(317,823)	Increase/(decrease) in investments	7,955	(928,754)	(716,685)
<b>(33,514)</b>	<b>94,617</b>	<b>93,840</b>	<b>272,480</b>	<b>Total applications of capital funding</b>	<b>105,360</b>	<b>120,354</b>	<b>264,561</b>
<b>33,514</b>	<b>(85,922)</b>	<b>(93,840)</b>	<b>(272,480)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(95,360)</b>	<b>(110,354)</b>	<b>(264,561)</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>



RECREATION, CULTURE AND HERITAGE FUNDING IMPACT STATEMENT

2011/2012		2012/2013		2013/2014		
Estimate \$	Actual \$	Estimate \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$
<b>Sources of operating funding</b>						
1,265,181	1,376,812	1,549,365	1,549,365	1,568,111	1,550,551	1,550,551
335,020	335,020	331,632	330,951	331,632	315,649	315,649
0	0	0	0	0	0	0
113,500	164,736	177,000	164,206	184,183	190,250	185,088
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>1,713,701</b>	<b>1,876,568</b>	<b>2,057,997</b>	<b>2,044,522</b>	<b>2,083,926</b>	<b>2,056,450</b>	<b>2,051,288</b>
<b>Applications of operating funding</b>						
1,149,919	1,184,255	2,081,176	2,110,265	2,118,135	2,165,718	2,232,340
0	0	0	0	0	0	0
729,709	794,212	747,381	740,481	775,818	753,939	820,990
0	0	0	0	0	0	0
<b>1,879,628</b>	<b>1,978,466</b>	<b>2,828,557</b>	<b>2,850,746</b>	<b>2,893,952</b>	<b>2,919,657</b>	<b>3,053,330</b>
<b>(165,927)</b>	<b>(101,899)</b>	<b>(770,560)</b>	<b>(806,224)</b>	<b>(810,026)</b>	<b>(863,207)</b>	<b>(1,002,042)</b>
<b>Sources of capital funding</b>						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
34,000	18,704	19,000	0	0	19,000	24,131
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>34,000</b>	<b>18,704</b>	<b>19,000</b>	<b>0</b>	<b>0</b>	<b>19,000</b>	<b>24,131</b>
<b>Applications of capital funding</b>						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
243,200	237,696	1,017,000	705,774	275,500	1,814,500	886,055
0	0	0	0	0	0	0
(375,127)	(320,890)	(1,768,560)	(1,511,998)	(1,085,526)	(2,658,707)	(1,863,966)
<b>(131,927)</b>	<b>(83,194)</b>	<b>(751,560)</b>	<b>(806,224)</b>	<b>(810,026)</b>	<b>(844,207)</b>	<b>(977,911)</b>
<b>165,927</b>	<b>101,899</b>	<b>770,560</b>	<b>806,224</b>	<b>810,026</b>	<b>863,207</b>	<b>1,002,042</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT FUNDING IMPACT STATEMENT

2011/2012		2012/2013		2013/2014		
Estimate \$	Actual \$	Estimate \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$
<b>Sources of operating funding</b>						
633,009	555,530	635,097	635,095	689,030	628,038	628,038
0	0	0	0	0	0	0
0	0	0	0	0	0	0
29,394	24,865	25,000	20,563	25,000	27,000	19,902
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>662,403</b>	<b>580,395</b>	<b>660,097</b>	<b>655,658</b>	<b>714,030</b>	<b>655,038</b>	<b>647,940</b>
<b>Applications of operating funding</b>						
649,450	638,899	679,017	644,706	766,446	736,273	809,257
0	0	0	0	0	0	0
362,896	394,965	391,096	384,727	405,976	388,253	422,760
0	0	0	0	0	0	0
<b>1,012,347</b>	<b>1,033,865</b>	<b>1,070,113</b>	<b>1,029,433</b>	<b>1,172,422</b>	<b>1,124,525</b>	<b>1,232,017</b>
<b>(349,944)</b>	<b>(453,470)</b>	<b>(410,016)</b>	<b>(373,775)</b>	<b>(458,392)</b>	<b>(469,487)</b>	<b>(584,077)</b>
<b>Sources of capital funding</b>						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
16,500	1,950	49,000	64,000	50,000	58,000	32,497
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>16,500</b>	<b>1,950</b>	<b>49,000</b>	<b>64,000</b>	<b>50,000</b>	<b>58,000</b>	<b>32,497</b>
<b>Applications of capital funding</b>						
Capital expenditure						
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,025,000	538,670	963,000	646,192	851,500	905,500	459,136
0	0	0	0	0	0	0
<b>(1,358,444)</b>	<b>(990,190)</b>	<b>(1,324,016)</b>	<b>(955,967)</b>	<b>(1,259,892)</b>	<b>(1,316,987)</b>	<b>(1,010,716)</b>
<b>(333,444)</b>	<b>(451,520)</b>	<b>(361,016)</b>	<b>(309,775)</b>	<b>(408,392)</b>	<b>(411,487)</b>	<b>(551,580)</b>
<b>349,944</b>	<b>453,470</b>	<b>410,016</b>	<b>373,775</b>	<b>458,392</b>	<b>469,487</b>	<b>584,077</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# LOCAL GOVERNMENT (FINANCIAL REPORTING AND PRUDENCE) REGULATIONS 2014

Annual report disclosure statement for year ending 30 June 2014

## What is the purpose of this statement?

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

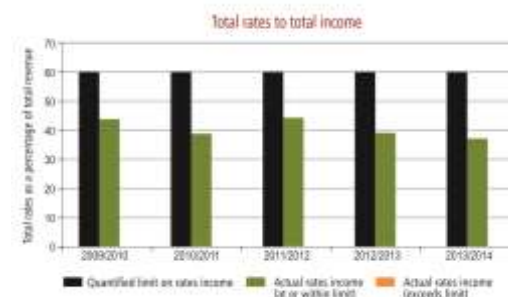
The Council is required to include this statement in its annual report in accordance with the *Local Government (Financial Reporting and Prudence) Regulations 2014* (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

## RATES AFFORDABILITY BENCHMARK

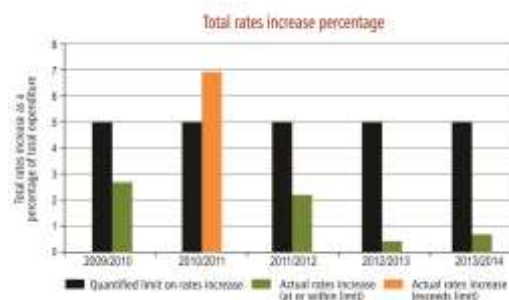
The Council meets the rates affordability benchmark if—

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

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



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

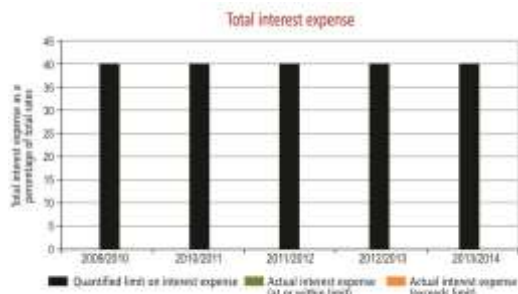


## DEBT AFFORDABILITY BENCHMARK

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

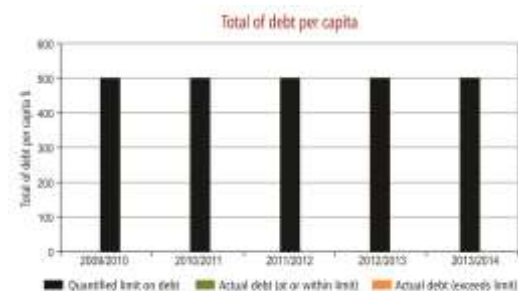
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is that total interest expense on net external public debt will not exceed 40% of total annual rates and levies.

During the period 2009/2010 to 2013/2014, the Council had no external public debt and, consequently no interest expense. The graph shows the total interest expense on net external public debt as 0% of total annual rates and levies.



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

During the period 2009/2010 to 2013/2014, the Council had no external public debt and, consequently no interest expense. The graph shows that net external public debt per capita is \$0.



## BALANCED BUDGET BENCHMARK

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

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



## ESSENTIAL SERVICES BENCHMARK

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Network services means infrastructure related to—

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

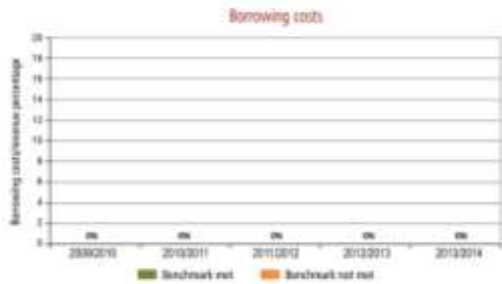
The Council's only network services are in relation to flood protection and control works. The Council does not provide any of the other network services. These network services are in the form of land assets. Accordingly, there is no depreciation on these assets. The Council's capital expenditure will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

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

## DEBT SERVICING BENCHMARK

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

During the period 2009/2010 to 2013/2014, the Council had no external public debt and, consequently no borrowing costs.



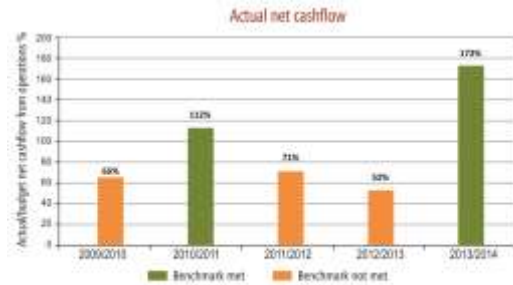
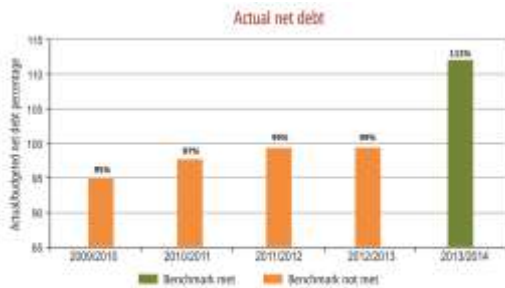
During the period 2009/2010 to 2013/2014, the Council had no external public debt. As such this benchmark is recording actual net financial assets as a proportion of planned net financial assets. That is, as the Council has no external public debt, this benchmark is meaningless and should not be relied upon for anything other than compliance with the *Local Government (Financial Reporting and Prudence) Regulations 2014*. For the Council, the debt control benchmark is met if its actual net assets, financial assets (excluding trade and other receivables) less financial liabilities, equals or is more than its planned net assets.

### DEBT CONTROL BENCHMARK

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

### OPERATIONS CONTROL BENCHMARK

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



# STATEMENT OF COMPLIANCE AND RESPONSIBILITY

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

## RESPONSIBILITY

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

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

In the opinion of the Council and management of the Taranaki Regional Council, the annual consolidated financial statements for the year ended 30 June 2014 fairly reflect the financial position and operations of the Taranaki Regional Council.



David MacLeod  
Chairman  
24 September 2014



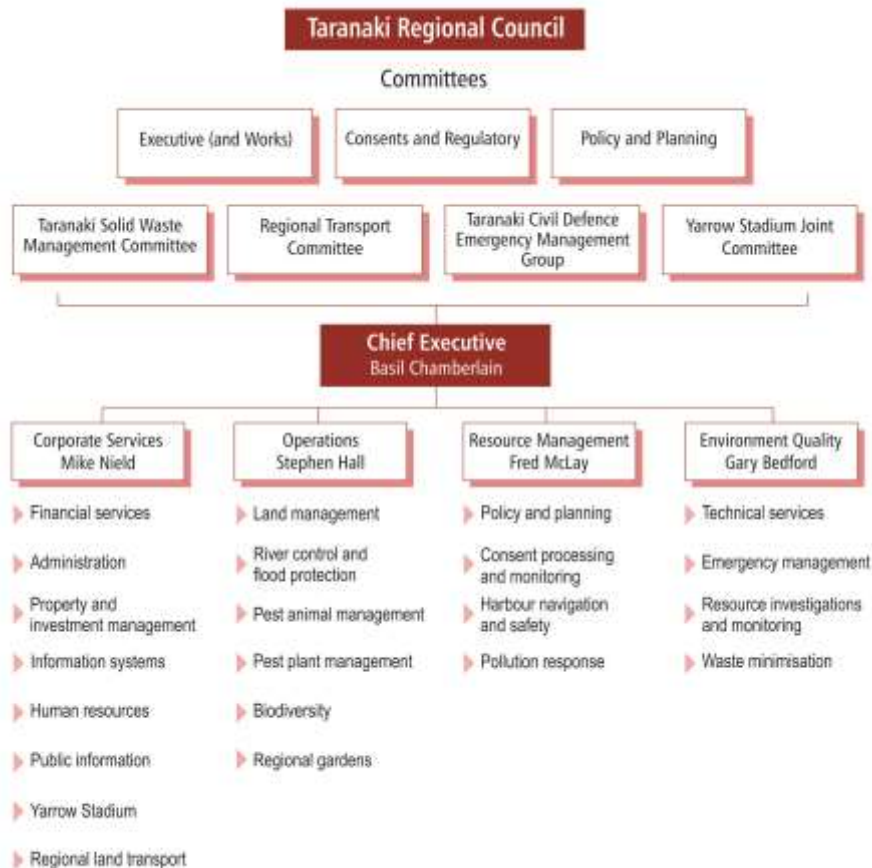
Basil Chamberlain  
Chief Executive  
24 September 2014



Michael Nield  
Director—Corporate Services  
24 September 2014

# STAFF CAPACITY

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





## ORGANISATIONAL STRUCTURE

Most 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.

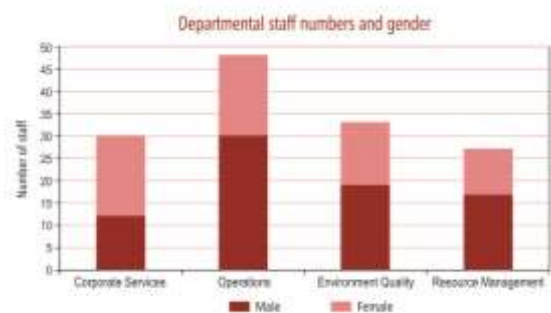
Performance metrics to measure individual, group and total Council performance across a full range of processes and outputs have been developed. This information is provided to all staff through the intranet and other means, at regular intervals. The Council's individual performance and development programme incorporates individual performance expectations and appraisal, personal development and training needs.

## EMPLOYMENT AGREEMENTS

On hundred and thirty eight (2012/2013—132) permanent staff were employed by the Council at 30 June 2014. Eighty-eight 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 was one dispute or personal grievance which triggered the "employment relationship problems" provisions of the Taranaki Regional Council Collective Agreement during the period.



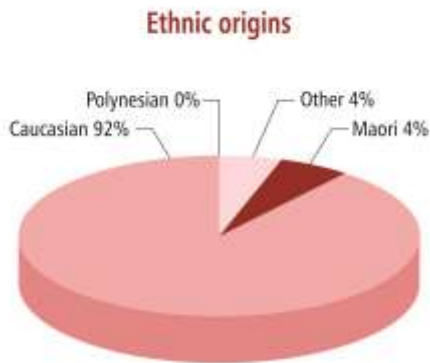
## EQUAL EMPLOYMENT OPPORTUNITY

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.

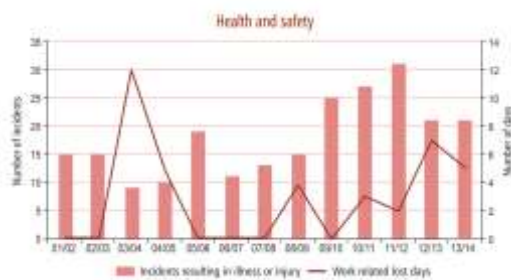
Recruitment procedures are designed to select from the widest possible cross section of potential staff in a non-discriminatory way. Databases are maintained to collect and provide information for input into equal employment opportunity policy development, implementation and evaluation, whilst ensuring 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

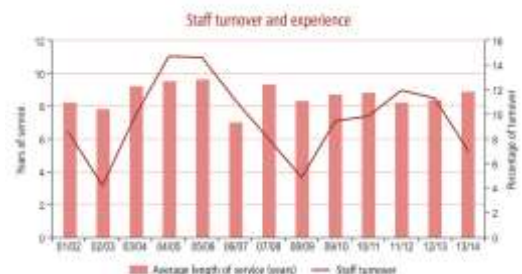
The Council is committed to ensuring that its staff are appropriately qualified, experienced and trained. The Council employs staff with many qualifications to undertake its wide range of duties and responsibilities.



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.



# APPENDIX 1: KEY COMPONENTS OF THE COUNCIL'S MONITORING FRAMEWORK

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 <sub>5</sub> , 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	9 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	4 sites	M = 4 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	74 sites	M = 5 annual (quarterly) R = biennial
	Groundwater level programme	Water levels	10 sites	M = monthly R = annual
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	46 telemetered sites, 28 non-telemetered water temperature sites	M = continuous R = monthly for selected sites	

Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
	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, Kapoiaia and Tawhiti Streams	M = continuous, monthly or spring and summer depending on parameter R = biennial
	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	15 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	Region-wide	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 <sub>10</sub>	1 site	M = Annual 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 = as required R = as required
	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
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	220 individual tailored compliance monitoring programmes involving approximately 1,195 inspections of more than 273 consent holders and 1,019 resource consents (numbers may change from year to year)	M = variable depending on programme (monthly, quarterly, yearly) R = annual

Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
		abstraction systems), contingency and site management plans		
	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 1,785 dairy farms, 9 piggeries, 42 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 222 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
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

## APPENDIX 1

Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
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
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 799 wax tag lines and approximately 308 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 6,309 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, 10 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

Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
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
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 = as required R = as required
	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