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CHAIRMAN AND CHIEF EXECUTIVE'S REPORT

It is our pleasure to present the Taranaki Regional Council's 2014/2015 Annual Report.

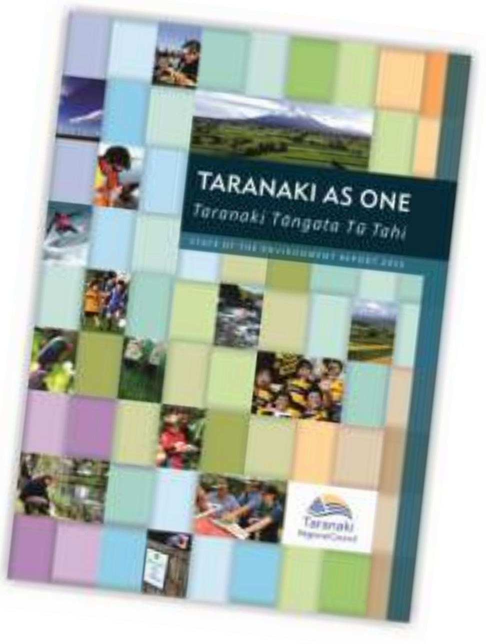
The Council's mission is to work for a thriving and prosperous region, and now more than ever it's important not to lose sight of that goal.

Preparation of this Annual Report has been an opportunity to assess progress and consider the way ahead. This introduction and the graphics on pages 6 to 9 offer a brief overview of our results and achievements for the year, and where we can go from here.

The inside front cover lists the four ways in which we strive to achieve our mission. Highlights for each during 2014/2015 included:

ENVIRONMENTAL PROTECTION AND RESOURCE USE

Preparation of the Council's five-yearly State of the Environment Report, *Taranaki as One - Taranaki Tāngata Tū Tahi*, was a major focus during the year, culminating in its launch by the Minister for the Environment, the Hon Dr Nick



Smith, in early July 2015. The report shows great progress is being made. Importantly, trends in both the ecological health and the physical and chemical state of the region's waterways are the best ever recorded, and the region's land, air and coast are also in good or excellent shape.

Another important project has been the continuing review of the current Freshwater and Soil Plans, with the building blocks of a new, combined *Regional Freshwater and Land Management Plan* now firmly in place. In its draft form, the plan signals a switch to land disposal as the norm for dairy effluent treatment, and also proposes to lock in completion of the Council's world-scale *Riparian Management Programme* by mid 2020. Notably, and in contrast to some other regions, it does not propose to introduce nutrient caps and limits beyond the mandatory requirement. Our research suggests there is too much economic risk and uncertainty about environmental benefits.

The Council will now consider whether to move to formal public consultation on the proposed *Regional Freshwater and Land Management Plan* towards the end of the 2015 calendar year, or whether to wait until there is more certainty around relevant Government policy and indeed the *Resource Management Act* itself. Like any business, we need as much certainty as possible about the outcomes of any planning process before making a firm commitment.

Meanwhile, the *Riparian Management Programme* goes from strength to strength. 378,000 native plants were supplied to plan-holders in 2014/2015, taking the total to 3.9 million since the scheme began. By 30 June 2015, the riparian programme and existing protection resulted in 83.6% of stream banks protected by fencing and 68.5% by vegetation. Another core function is pest management, where our successful possum control programme is extending further into the New Plymouth urban area, having achieved almost complete coverage of the ring plain and coastal terraces. The Council also continues to ramp up its biodiversity spending, while facilitating an increasingly co-ordinated and co-operative approach by community groups and agencies.

The 2014/2015 year was also a busy one for the Council in enforcing the *Resource Management Act*, with a number of high-profile court cases. Such legal action is generally a signal of serious breakdown or failure and is pursued by the Council only when strictly necessary. Prosecutions involve a serious amount of often challenging work, normally at a net cost to ratepayers. Notable cases during the year resulted from serious and prolonged odour emissions at the Eltham Wastewater Treatment Plant as well as from a feed supplement storage facility in New Plymouth, the grounding of the MV Lake Triview on important coastal reefs offshore of New Plymouth, serial unauthorised discharges of dairy effluent, and other *Resource Management Act* breaches.

On a more positive note, the Council maintained its enviable record of processing consent applications within statutory timeframes, achieving 100% compliance for the 15th consecutive year.

HAZARD MANAGEMENT

The Council's role in Civil Defence Emergency Management came to the fore in June 2015, when heavy rain resulted in flooding and slips that particularly affected southern, central and eastern areas of the region. The township of Waitotara was inundated and a week-long state of emergency declared, with response co-ordinated from the Council-owned Taranaki Emergency Management Office in New Plymouth.

The Council has also made a major and longer-term commitment to farmers affected by the flooding and slips, in the form of a $500,000 Storm Recovery Package designed to help landowners reinstate or reduce damage to work that had been carried out under our *Riparian Management Programme*, *Sustainable Land Management Programme* and the *South Taranaki and Regional Erosion Support Scheme*. The June storm and other weather events during the year highlighted the importance of the Council's $3 million upgrades of the Waiwhakaiho and Lower Waitara flood control schemes. Designed to withstand a 'one in 100-year' flood (including allowances for climate change), the Waiwhakaiho project was completed during the year, and Waitara will be finished in 2016.

SERVICES, AMENITIES AND INFRASTRUCTURE

Yarrow Stadium continues to build on its reputation as one of the nation's leading regional venues. During the year it hosted Super Rugby and ITM Cup fixtures and FIFA Under-20 World Cup games, while the stadium's fourth All Black test will take place in 2017. The Council assumed effective ownership of the Stadium in 2013 primarily to ensure continued funding for maintenance and development. During the year this included a new scoreboard and new roof covers for both grandstands.

Visitor numbers continue to increase at the Council's three premier heritage properties, Pukeiti, Tupare and Hollard Gardens, where staff organise year-round programmes of free community-oriented events. An exciting three-year redevelopment programme is well under way at Pukeiti, including a refurbished gatehouse, all-weather covered walkways and a new car park.

Passenger numbers continue to grow for the urban New Plymouth Citylink bus service, provided by Tranzit Coachlines under contract to the Council. From 2009 to 2015, adult passenger numbers increased by 66% to 37,724 annually. The new Hawera-New Plymouth Connector bus service, the result of an innovative funding arrangement co-ordinated by the Council, continues to exceed expectations in terms of passenger numbers and popularity.

REPRESENTING TARANAKI'S INTERESTS

The Council took a lead role in sending a Taranaki 'message to Wellington' in the run-up to the General Elections in September 2014. Signed by the Council Chairman and the region's three District Mayors, the message listed nine Taranaki issues for the incoming Government to address. These covered transport needs, regional development and the way oil and gas revenues are shared, Treaty of Waitangi settlements, *Resource Management Act* reforms, marine oil spill preparedness and investment in Egmont National Park.

The 'message to Wellington' included two highway projects which have long been advocated by the Council and its Regional Transport Committee – replacement of the Normanby overbridge, and improvements to SH3 around Mt Messenger and the Awakino Gorge. It was gratifying to see this advocacy bear fruit during the year, with work starting on the Normanby project, and the allocation of $25 million for improvements to SH3 north, where investigations have already begun.

MEETING BUDGETS

It's pleasing to report that the Council finished the 2014/2015 year with a surplus of $761,000 (total comprehensive income). Expenditure was $777,000 below budget while revenue was $238,000 above budget. This was a good result, noting that general rates had been raised by around 1.5% for each of the previous two years, which is well below inflation levels. The Council's balance sheet remains very strong with no public debt.

We gratefully acknowledge the efforts and achievements of Council staff during the year, ably governed by a team of Councillors providing clear direction, consistent with our mission.

David MacLeod **Chairman**	Basil Chamberlain **Chief Executive**

CHAIRMAN AND CHIEF EXECUTIVE'S REPORT

ACHIEVEMENTS

Taranaki's population was

109,608

at the 2013 census—a 5.3% increase since the 2006 Census. The region has not experienced the population pressures of other regions.

Dairying in Taranaki is well-established and stable, in contrast to widespread dairy conversions in other regions. This region's milking cow numbers have changed little over the past 15 years and at 493,361, account for 10% of the national herd—down from nearly 15% in 1998/1999.

Tourism plays an important role in the economy.

Taranaki's GDP is the highest per capita in the country and is driven by the oil and gas, and agricultural industries.

$80,297 GDP per capita Taranaki

$51,319 GDP per capita NZ average

The oil and gas industry has a long association with the region since the first wells were established in the 1860s. It has seen the greatest increase in employment growth in the region in the past decade, and it is New Zealand's fourth largest export earner.

What's the story?

81% of samples meet target ranges for soil health.

Some results indicate an increase in soil compaction.

99.5% of dairy farms have riparian plans.

Council has facilitated supply of more than **378,000** plants to landowners in 2014/2015.

Of the most at-risk land **66%** of privately-owned land has a farm plan.

92% of land is sustainably managed.

Good quality groundwater across all sites monitored.

Best-ever long term trends in physicochemical and ecological health.

Over the past 19 years ecological health has improved at 44 sites monitored with no significant deterioration at any site.

Nitrate concentrations in Taranaki groundwater have remained stable. In the latest survey, 96% of samples were within Drinking-water Standards for NZ.

80%

of streambanks in the programme are fenced and **65%** are protected with vegetation.

The Council's riparian programme is the largest environmental enhancement planting scheme on privately-owned land in NZ.

In summer 2014/2015

86%

of samples taken from freshwater swimming spots were within MfE guidelines.

The majority of sites monitored in Taranaki meet NIWA guidelines for most water uses, most of the time.

Improving ecological trends at 14 sites have become highly significant since 2007.

Water allocated for use in the region is low—only

4%

of the total allocation.

The coast has a rich cultural history and quality of marine waters continues to improve.

Major discharges to coastal waters have reduced from 25 to

3

since the 1970s.

In summer 2014/2015

100%

of bathing beaches were within MfE guidelines.

100%

of nitrogen oxide results in 'Excellent' (66%) or 'Good' (33%) categories for air quality.

Natural sand accumulation impacts rocky shore ecology.

Survey results from 2008 to 2014 showed concentrations of metals and faecal coliform in shellfish were well below guidelines.

Low levels of carbon monoxide even in 'worst-case scenario' areas.

National air quality standards have never been exceeded in Taranaki.

Taranaki's biological diversity and unique species are important taonga.

Taranaki has **151,054 hectares** formally protected by the Department of Conservation (DOC) or under a QEII or DOC covenant—up from 145,000 hectares in 2008. 31 new QEII covenants were registered in Taranaki in 2014—the largest number for any region.

Taranaki community groups and agencies collaborate closely to protect and enhance the region's indigenous biodiversity. The recently established Taranaki Biodiversity Trust has 19 groups and agencies as founding members.

4,256 properties in the Self-help Possum Control Programme—the largest participation in NZ.

There has been a small (1.3%) loss of wetland area between 2007 and 2012—but the annual rate of wetland area loss has reduced by 60%.

The condition of remaining wetlands is improving under the Council's programmes. 72% of wetlands covered by Council-developed biodiversity plans showed improvement in overall condition between 2010 and 2015, compared with 31% of wetlands without a plan.

198 sites covering 119,103 hectares are classed as Key Native Ecosystems.

The Council has increased its biodiversity budget to **$1.33million** (2014/2015).

6,100 property inspections for pest plants.

Regional emergency management response implemented to 20 June flooding event.

100% dairy farm effluent systems inspected.

100% compliance with consent processing timelines for 15th year running.

$3 million upgrade to Waitara's flood protection to future-proof the town.

0 marine oil spills requiring response.

749 environmental incidents investigated.

214 abatement notices and 102 infringement notices issued.

Taranaki is readying itself for future challenges from extreme climatic and geological events.

Potential hazards include volcanic eruption, earthquakes, floods, high winds, drought and landslips.

2 farm plastics recycling programmes operating in Taranaki.

Waste disposal in Taranaki is not increasing as rapidly as it is nationally, despite the region leading New Zealand in economic growth.

2013/2014

650kg per person NZ

590kg per person Taranaki

Only **1** well-regulated landfill for all of the region.

The region has a firm focus on minimising waste.

More being recycled through district council kerbside collections and facilities.

Dedicated centres for e-waste collection in three districts.

Yarrow Stadium hosted **6** games in the FIFA U-20 World Cup, New Zealand 2015, including three involving the runners-up Brazil.

New scoreboard installed at Yarrow Stadium.

455 students took part in Council education sessions at Pukeiti.

138 Events held at the three Regional Gardens.

14 Environmental Awards presented in revamped programme.

5,522 students involved in Council education programme.

Significant progress on review of Regional Fresh Water and Regional Soil plans.

Upgrade of Pukeiti facilities commenced.

Pukeiti

Taranaki Regional Council

0.7% increase in adult patronage for New Plymouth Citylink.

41,556 passenger trips in the Total Mobility scheme.

24,164 passenger trips in the first year of Hawera-New Plymouth Connector service.

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.

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 recognizes the importance of working together with Maori across the region including Maori involvement in decision making processes. 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.

This is part of the Council's Mission Statement to carry out its various responsibilities by, among other things, taking into account the Treaty of Waitangi. Furthermore, schedule 10 of the *Local Government Act 2002* requires the Council to set out in its long-term plan any steps that the Council intends to take to foster the development of Maori capacity to contribute to the decision making processes of the Council over the period covered by the *Plan*. There are eight recognised iwi in the region.

POLICY DEVELOPMENT

The Council provided opportunities to Maori to be involved in the development of Council policy and in particular input was sought or opportunities provided in regards to :

- Engagement with the wider community and Iwi on the *2015/2025 Long-Term Plan* resulted in submissions being received from Te Runanga o Ngati Ruanui Trust, Te Korowai o Ngāruahine Trust and Taranaki Iwi Trust
- Ongoing consultation with the Iwi and hapu on the *Draft Freshwater and Land Management Plan*. The initial response and feedback to the draft plan has been positive with further discussions to occur as the plan is developed
- Initial discussions with Iwi on the *Coastal Plan* review beginning with gathering comment on particular locations identified as having outstanding natural features or characteristics
- Engaged with whanau members to include the story of Aila Taylor in the *State of the Environment Report*, which told of the battle to uphold the mana of Te Atiawa Iwi and the sustainability of the reefs in North Taranaki
- With the assistance of Te Reo o Taranaki vision statements in te reo Maori were developed for the *State of the Environment Report*, *Freshwater and Land Management Plan* and *Coastal Plan* (Taranaki Tangata Tu Tahi).

RESOURCE CONSENT 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:

- Facilitated discussions between Te Korowai o Ngāruahine members and Ballance staff on juvenile fish entrainment study and consent conditions on the water intake on the Waingongoro River
- Working with Te Korowai o Ngāruahine members and Fonterra staff on the reconsenting discussions of Fonterra Kapuni plant
- Input into the discussions between NPDC and Tawhirikura hapu representatives on the New Plymouth Waste Water Treatment plant upgrade
- Working with the Renewable Power Ltd to engage with the hapu and other stakeholders on the Normanby Power Project
- Engaged with the land owner, hapu and whanau at Parihaka on the realignment on the Waitekaure Stream and the upgrade of the Cape Boating Club boat ramp
- Facilitated discussions between the Iwi and other stakeholders for consents on the proposed Cudby Quarry
- Worked with Ngati Mutunga and Remediation NZ to address the spills from the land farm site up the Uruti Valley.

ONGOING ENGAGEMENT

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 for services in relation to specific resource consent compliance monitoring programmes. During the year the Council:

- Chairman attended the signing of the Treaty Settlement for Te Atiawa at Rangiatea in New Plymouth
- Chairman and Chief Executive attended the Ngāruahine Tupuna Acknowledgement and Deed of Settlement Apology ceremonies at Hokitika
- Worked with Te Atiawa Iwi as the hau kainga (host) on the Environment Awards and the *State of the Environment Report* launch in New Plymouth
- Confirmed sponsorship arrangements with Ngāruahine, Ngati Ruanui, Te Atiawa, Taranaki Iwi and Ngati Mutunga for the "Te Taiao me te Pākihi" Environment Award
- Engaged with Otaraua hapu to provide workers to assist with the distribution of riparian plants from the distribution centre in Lepperton
- Continued to liaise with the hapu on the Waitara Flood Scheme upgrade
- Continued support with Para Kore Marae waste management project
- CDEM plans for Owae Marae in Waitara and Puniho Marae south of Okato have been developed
- In conjunction with Te Puni Kokiri, developed the DVD for raising the whanau awareness for civil defence.

REPRESENTATION

Iwi/Maori representation on the two key standing committees for the council is progressing well with the terms of appointment to those committees to be ratified by the iwi within Taranaki.

INFORMATION MANAGEMENT

Initiated discussions with Taranaki Iwi and Ngati Ruanui to log and record their sites of significance on the Council's geographic information system (GIS) platform. A project plan is to be developed where details of access and confidentiality and overall management will be scoped out.

Up date of the Iwi contacts list is ongoing.

Engaged with Tawhirikura hapu representatives to discuss the impacts of the MV Triview grounding on the Waiwhakaiho reef in New Plymouth. The outcome of which was a cultural impact statement from the hapu being recognized by the court as a key element in the successful prosecution and sentencing of the owners of the vessel.

TRAINING

Introductory Cultural Awareness courses, for all new staff, facilitated by Te Reo o Taranaki have been completed. Following these courses, the optional awareness courses are open to all staff and Councillors with the emphasis being to build upon the content of the introductory course.

RESOURCES

Provided environmental monitoring data to Te Korowai o Ngāruahine to assist them in the development of their Iwi Management Plan.

Continued to work with and provide support to Tiaki Te Mauri o Parininihi Trust in their endeavor's to reintroduce the Kokako to Taranaki.

Provided letters of support to Te Runanga o Ngati Mutunga Trust and Te Kaahui o Rauru in their project applications to the Ministry for the Environment for Mana o te Wai funding.

Provided technical assistance and support to Ngati Te Whiti hapu for the site development of the new marae project at Ngamotu Beach, New Plymouth.

REVIEW

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

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 milksolids. In addition to direct farm income from milk production, the added value by the processing of milk, whey and cheese manufacturing, is a significant contributor to employment.

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

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

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. Production from the offshore Kupe field, first 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 or commodity prices can significantly affect Taranaki. The regional economy is therefore more vulnerable to changes in overseas markets and price fluctuations for our land-based products than larger urban-dominated regions.

ENVIRONMENTAL ISSUES

The use and quality of water 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.

Dairying will continue to play a prominent role in the regional economy and this will place ongoing pressures on our water resources from farm run-off, sediment and nutrients. Increased efforts will be 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 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: (Ngāti Tama, Ngāti Mutunga, Ngāti Maru, Te Atiawa, Taranaki, Ngāruahine, Ngāti Ruanui and Ngaa Rauru), have a special relationship with natural and physical resources. Inherent in this relationship is kaitiakitanga which seeks to maintain the mauri of these resources, while allowing the ability to use and develop them for social, cultural and economic well-being.

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 2014/15	Budget 2014/15	Actual 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
General rates	**$7.40m**	$7.40m	$7.29m	$7.18m	$7.18m	$6.85m	$5.7m	$5.5m	$5.4m	$5.3m	$4.3m
Percent change	**1.4%**	1.4%	1.5%	0%	4.82%	20.2%	3.3%	2.4%	2.5%	23.3%	30.5%
General rates to income	**30.2%**	30.5%	29.9%	31.6%	36.2%	31.8%	35.5%	32.1%	33.3%	38.1%	40.1%
Rates per $100,000 capital value	**$16.71**	$16.71	$17.18	$19.47	$17.34	$17.25	$12.96	$14.77	$15.55	$16.46	$18.80
Total expenditure	**$23.3m**	$24.1m	$23.0m	$21.5m	$19.8m	$18.6m	$16.7m	$16.0m	$13.6m	$12.1m	$10.8m
Percent change	**1.30%**	3.10%	7.0%	9.97%	6.12%	11.63%	9.62%	17.65%	12.39%	12.04%	2.86%
Operating surplus/(deficit)	**$0.9m**	$0.15m	$1.4m	$1.6m	$0.32m	$2.9m	($0.5m)	$1.3m	$2.61m	$1.75m	($0.3m)
Working capital	**$9.0m**	$0.59m	$4.28m	$2.53m	$2.21m	$1.84m	$10.6m	$4.93m	$3.1m	$4.8m	$7.34m
Current ratio	**3.11:1**	1.18:1	2.12:1	1.72:1	1.53:1	1.55:1	4.96:1	2.97:1	2.2:1	2.6:1	5.5:1
Total assets	**$84.3m**	$80.4m	$83.1m	$80.9m	$79.6m	$78.4m	$74.2m	$74.5m	$71.9m	$69.4m	$66.2m
Public debt	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Public debt to total assets	**0%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Deloitte.

INDEPENDENT AUDITOR'S REPORT

To the Readers of Taranaki Regional Council and Group's Annual Report for the Year Ended 30 June 2015

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 2015 on page 88;
  - the statement of comprehensive revenue and expense on page 86, statement of changes in net assets/equity on page 87 and statement of cash flows on page 89 for the year ending 30 June 2015; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 90 to 126;
- the statement of service provision (referred to as Performance Information) of the Regional Council on pages 27 to 84; and
- the funding impact statements in relation to each group of activities of the Regional Council on pages 129 to 135;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the Regional Council on pages 129 to 135;
- the funding impact statement of the Regional Council on page 128; and
- the disclosures of the Regional Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 136 to 138.

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 page 67;
  - reserve funds on pages 114 to 117;
  - remuneration paid to the elected members and certain employees of the Regional Council on page 117;
  - employee staffing levels and remuneration on page 117;
  - severance payments on page 117;
  - council-controlled organisations on pages 75 to 76;
  - rating base units on page 126; and
  - insurance of assets on page 126
- 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 12 to 13; and
- a statement of compliance signed by the Chairperson of the Council, and by the Regional Council and group's chief executive on page 139.

Opinion

Audited information

In our opinion:

- the financial statements of the Regional Council and group on pages 86 to 126:
  - present fairly, in all material respects:
    - the Regional Council and group's financial position as at 30 June 2015;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand.
- the performance information of the Regional Council on pages 27 to 84:
  - presents fairly, in all material respects the Regional Council's levels of service for the year ended 30 June 2015, including:
    - the levels of service as measured against the intended levels of service adopted in the long-term plan;
    - the reasons for any significant variances between the actual service and the expected service; and
  - complies with generally accepted accounting practice in New Zealand.
- the funding impact statements in relation to each group of activities of the Regional Council on pages 129 to 135, presents fairly, in all material respects, 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 129 to 135, presents fairly, in all material respects, 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 128, presents fairly, in all material respects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's annual plan.
- the disclosures on pages 136 to 138 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

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 22 September 2015. 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 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 the 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;
  - present fairly the Regional Council and group's financial position, financial performance and cash flows;
  - present fairly its service performance, including achievements compared to forecast;
- funding impact statements in relation to each group of activities that presents fairly 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 presents fairly 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 presents fairly 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's responsibilities arise under 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.

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.

In addition to this audit, which includes our report on the *Other Requirements*, we have carried out an assignment in the area of the Long-Term Plan audit, which is compatible with those independence requirements. Other than this assignment we have no relationship with or interests in the Regional Council or any of its subsidiaries.

B Dente

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

The *Local government Act 2002* defines community outcomes as the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions.

The broad statements of community outcomes set out below were developed following a comprehensive public process.

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* lists 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

This section outlines 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.

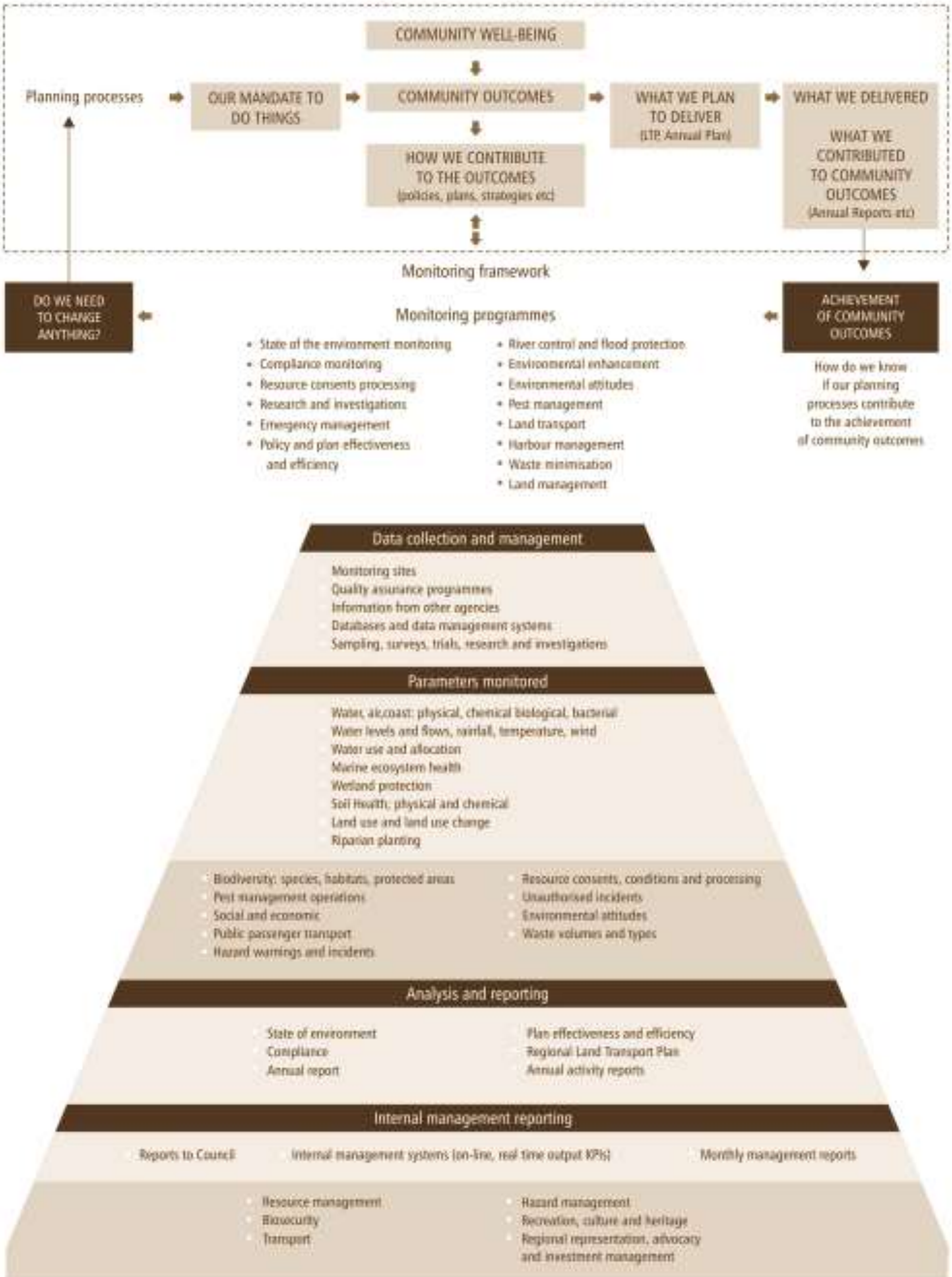
As previously indicated the Council undertakes many measurements during the year of the progress it is making towards the achievement of community outcomes. The Council considers that it is too simplistic to select and report on only one or two parameters to show progress on community outcomes.

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.

In July 2015, the Council published its 2015 state of the environment report: *Taranaki as One - Taranaki Tāngata Tū Tahi*. This report gives significant information on the state of Taranaki's environment, in its widest sense, which also gives much information on the achievement of community outcomes. Reporting on the achievement of community outcomes from the state of the environment report has been included in the *At A Glance* section of this report. Interested readers are encouraged to read the full state of the environment report, which can be found on the Council's website (www.trc.govt.nz).

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 2014/2015 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 2014/2015 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 2015.

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*.

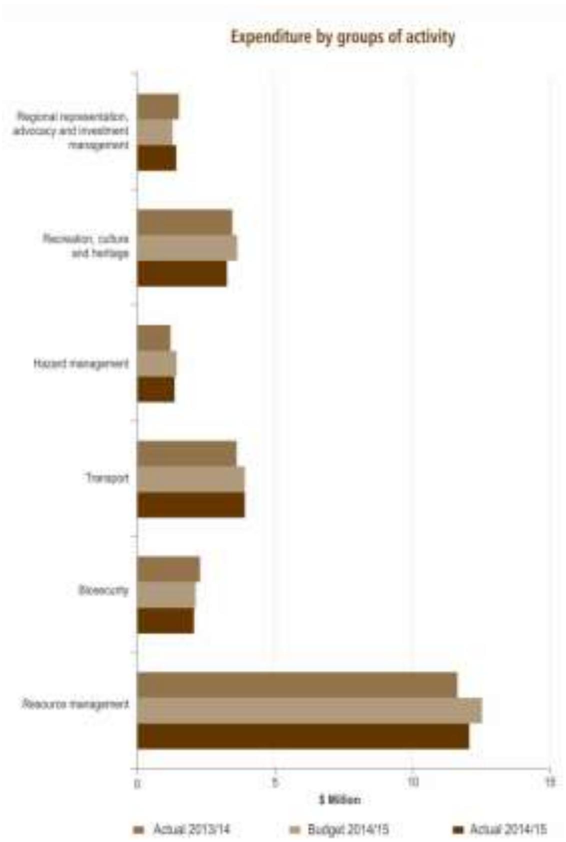


Figure 6: Expenditure by group of activities

RESOURCE MANAGEMENT

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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 plans are being combined*. 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 fifteenth consecutive year that this milestone has been achieved. 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.

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. These programmes and findings are regularly subject to independent expert review. In 2014/2015 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 ofa *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 2014/2015 during the implementation of recommendations arising from the review of Crown Research Institute science delivery in New Zealand and the scoping and development 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. 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 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, 377,896 plants were grown on contract. This is a decrease from last year but overall, in excess of 3,923,152 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* had been dis-established but reintroduced this year to plan for planting in 2016. Under *STRESS* farmers have agreed to significant soil conservation work in the erosion-prone part of the region's hill country.

In conjunction with land owners and community groups, Council prepared biodiversity plans for ten key native ecosystems covering 399 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 and Tiaki te Mauri o Paraninihi Trust, in their various programmes aimed at improving the biodiversity of Taranaki.

The Council is an active member of the *Taranaki Biodiversity Forum Accord,* and employ a Regional Biodiversity Coordinator to work with *Accord* partners who have recently formed a charitable trust 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 2014/2015 work was undertaken on securing protection or undertaking maintenance or enhancement on 22 regionally significant wetlands.

The combined effect of the Council's various activities namely the Biosecurity, Riparian and Hill Country programmes make a significant contribution to a *Prosperous* and *Sustainable Taranaki* through the protection of animal health and agricultural production, as well as the protection and enhancement of regional biodiversity.

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 2012 shows 25 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 2014 (from 1995) has been undertaken and reported to the Council. It shows 30 sites of 57 with statistically significant or very significant trends of improvement (26 in 2013/2014), 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 2014/2015 year to be reported in 2015/2016.

Programmed level of service	Reported 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 since 2003/2004. 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 2012/2013, 90% of freshwater samples (93%-2003/2004) and 98% (99%-2003/2004) of coastal samples at these sites were compliant.	Microbiological monitoring of 16 freshwater and 12 marine sites was conducted over the summer bathing season and reported to the Council. Results show 12 of 12 coastal and 8 out of 16 inland sites were compliant with the bacteriological guidelines throughout the season. Five of the sites monitored for freshwater quality in 2003/2004 were compliant in 2014/2015. Four more sites had a single non-compliant sample. The beaches in Taranaki were of a high quality. In Taranaki, 96% of coastal beach samples remained below the Ministry for the Environment 'Alert' level and 100% of coastal beaches never entered the 'Action' 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 polices regarding the taking and use of water.	No catchments are allocated below ecological flows set by Council policy. The Council processed thirteen surface water abstraction consents during the year (including new consent and renewal applications) which all 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.

Programmed level of service	Reported level of service
[2] Efficient allocation of water for consumptive use	
Measure: Allocation of surface water for consumptive use in catchments. **Target (Years 1-10):** Guidelines identifying available surface water are prepared for all significant catchments and consents to take, use, dam or divert water granted in accordance with Council policy or any National Policy Statement or National Environmental Standard. **Baseline:** By 2009, guidelines identifying surface water available for consumptive use had been prepared, and consents to take, use, dam or divert water have been granted in accordance with Council policy. A database has been developed to provide regularly updated information on water allocation guideline information.	Monitoring demonstrates that water resources are generally not under allocation pressure in the region. Guidelines on allocation were prepared in 2003 and are currently under review. A water availability stocktake has been completed for major waterways and will be updated as water permits are granted, transferred or surrendered. As part of the on-going development of the Council's new Land and Water Plan, the Council has undertaken a review of flow statistics across the region and developed a water accounting system. The water accounting systems will be used to ensure consented abstraction volumes from each waterbody remain below the limits specified in the proposed Land and Water Plan.
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 2012/2013, 100% of significant water abstraction consents were monitored with 90% attaining a "good" or "high" level of compliance and performance. The Council response to every unauthorised incident was reported publicly. The Council responded to all non-compliance events in accordance with its documented enforcement procedures.	Water resources are sustainably managed. Monitoring programmes are in place for 100% of significant water abstraction consents. In 2014/2015, 99% of sites attained a 'good' or 'high' level of compliance and performance (2013/2014, 91%). All unauthorised incidents are responded to, investigated, and publicly reported upon in accordance with adopted procedures.

Programmed level of service	Reported level of service
[3] Maintenance and enhancement of overall water quality in our rivers and lakes, groundwater and coastal waters	
Measure: Parameters that characterise the physical, bacteriological, biological and chemical quality of surface water. **Target (Years 1-10):** Improvements in nutrient levels (ammonia, nitrate, total nitrogen, and dissolved reactive and total phosphorus), appearance (turbidity, clarity, absorbance, suspended solids), organic contamination (biochemical oxygen demand), bacterial levels (faecal coliform and enterococci bacteria), temperature, and algal cover, against a baseline of 1995 water quality, as applicable, at 10 representative sites. **Baseline:** Overall, surface water quality in Taranaki is stable or improving and is generally better than in 1995. Trend analysis to June 2012, for both the past 17 and 7 years, has been completed and reported to Council. Trend analysis at the regional representative sites demonstrated: • MCI and periphyton indicators for ecological health: every site of the 10 representative sites shows stability or improvement since 1995 • BOD: 10 sites of 11 stable against 1995 baseline, and all sites are stable over the recent period • Bacteriological state: 2 measures show improvement over the last 7 years and all other measures are stable. 4 measures show improvement since 1995, 2 declined, and 14 measures are stable • Nutrients: the number of sites showing stability or improvement is increasing over time. Since 1995, 68% of nutrient measures are stable or improving; since 2005, 96% of nutrient measures are stable (82%) or improving (14%).	Overall, surface water quality in Taranaki is improving and is better than in 1995. Trend analysis to June 2014 has been completed and a report presented to the Council. Trend analysis at 11 regional representative sites demonstrates: • MCI indicators for ecological health: every site of the 11 representative sites shows improvements (8 sites; to 2013, 5 sites; to 2010, 3 sites) or stability (3 sites; to 2013, 6 sites; to 2010, 8 sites) since 1995. • BOD: 8 sites of 11 stable against 1995 baseline, and 10 of 11 sites stable or improving against 1995 baseline over recent years • Bacteriological state: 20 of 22 measures show no change over the last 7 years, up from 18 of 22 bacterial measures since 1995. • Nutrients: the number of sites showing stability or improvement is increasing over time. Since 1995, 75% of nutrient measures stable or improving; since 2007, 95% of nutrient measures stable (73%) or improving (22%). Total nitrogen has been stable (45%) or reducing (55%) since 1995. Nitrate has shown no change overall since 1995, and more recently has been reducing (36%) or showing no change (64%). Periphyton monitoring for 2014/2015 was completed as scheduled. Data from 2010/2013 was reported during the 2014/2015 year. It showed that all sites were either showing improvement or no trend; that across all samples there was a compliance rate of 99.6% with the Ministry for the Environment 1993 periphyton guidelines; and that 75% of the sites are in the 'A' category of the NOF attribute states.
Measure: Nitrate levels in groundwater—improvement (decrease) in nitrate levels on a regional basis. **Target (Years 1-10):** No sites (out of approximately 65 tested every five years) consistently above NZ human drinking water standard (NZDWS). **Baseline:** Overall there has been a clear improvement (decrease) in nitrate levels in groundwater on a regional basis. For the period 2002-2007, 7 wells out of 65 had nitrate consistently (median concentration) above NZDWS. 90.5% of all samples met the NZDWS. Data showed the number of wells with decreasing nitrate outnumbered wells with increasing nitrate by 2:1. Initial results for 2012/2013 sampling indicate 97% of samples meet the NZDWS.	Overall there has been a clear improvement (decrease) in peak nitrate levels in groundwater on a regional basis. Sampling of 74 sites for the next survey for groundwater nitrate was completed and reported to the Council in the 2014/2015 year after external peer review of the draft report. 96% of all samples met the NZDWS (highest level of regional compliance to date). 92% of wells had no samples exceeding the NZDWS. Only one well out of the 74 had nitrate consistently (median concentration) above NZDWS. The number of sites and the number of individual samples, exceeding the NZDWS has reduced across the 3 Council surveys conducted to date.

Measure: Physicochemical and biological parameters for quality of Lake Rotorangi. **Target (Years 1-10):** The trophic state (an indication of the ecological condition as affected by nutrient enrichment) of Lake Rotorangi to remain as it was in 1988 (mesotrophic/mildly eutrophic, or the middle category of trophic states). **Baseline:** The current life-supporting capacity of the lake is stable (as are 48% of monitored lakes nation-wide), and relatively healthy (better than almost 2/3 of lakes monitored nationally). State of lake shown to continue to be mesotrophic/mildly eutrophic.	The current life-supporting capacity of the lake is stable and relatively healthy. Monitoring for 2013/2014 was completed (4 surveys). 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 2014/2015 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 2012/2013, 100% of significant point sources were monitored with 94% 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 2014/2015 for 100% of significant point sources. In 2014/2015, 98% of significant industrial point sources attained a 'good' or 'high' level of compliance and environmental performance (93% in 2013/2014, 94% in 2012/2013). Of significant agricultural sources, 92.8% (93.4%-2013/2014, 95.6%-2012/2013) attained a 'good' or 'high' compliance and performance. Non-compliance was addressed by the use of various enforcement mechanisms under the *Resource Management Act*. There were no (1) instances of serious non-compliance that resulted in a prosecution being initiated.

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

Measure: Protection of our riparian land areas. **Target (Years 1-10):** 90% of recommended riparian plan fencing and planting completed by 30 June 2020. **Baseline:** As of June 2013, 2,463 riparian management plans have been prepared recommending the planting of 5,295 km and fencing of 6,102 km of stream banks. At June 2013, 27.6% of the planting and 47% of the fencing had been completed.	As of June 2015, 2,504 (2,483 in 2013/2014) riparian management plans have been prepared recommending the planting of 5,483 (5,404) km and fencing of 6,369 (6,301) km of stream banks. At June 2015, 39% (32.7%) of the recommended planting and 64% (56.5%) of the recommended fencing had been completed.
Measure: Changes in land use. **Target (Years 1-10):** Maintain a positive trend towards more sustainable land uses at monitored (representative SEM) hill country and sand country sites. **Baseline:** As of 30 June 2013, the area of hill country covered by sustainable land management plans was 196,127ha. This represents a 1.5% increase over last year. The monitoring of sustainably managed land use, in accordance with the physical capabilities of the land and soil resources, is a 5-yearly programme. A contract with Landcare to undertake the project has been completed. The percentage of hill country being managed sustainably between 2007 and 2012 decreased slightly from 87.4% to 87.1%. Overall, from 1994 to 2012, sustainability increased by 3.2% from 83.9% to 87.1%. Between 2007 and 2012, the area of bare sand increased slightly at 2 of the 4 sites, decreased at 1 site and with no significant change at the other.	As of 30 June 2015, the area of hill country covered by sustainable land management plans was 202,191ha. 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.
Measure: Regional soil quality. **Target (Years 1-10):** No overall deterioration in soil quality at 20 representative sites as shown by monitored soil structure parameters (density and macroporosity) maintenance of soil fertility at optimal (i.e. sustainable and productive) levels as shown by nutrient levels (total carbon and nitrogen, and Olsen phosphorus and mineralisable nitrogen) and no net increase in regional soil levels of cadmium and zinc to the extent that land use is compromised. **Baseline:** Measurements of soil quality structure, composition and health at 20 sites were undertaken in 2007/2008 as the baseline for further trend analysis. Re-sampling has been undertaken in 2012/2013. Results show increases in the number of soil quality indicators lying within target ranges and no net increase in cadmium.	The monitoring of regional soil quality is a five-yearly programme. Sampling was completed for the latest survey, in 2012/2013. The results were presented to the Council in 2013/2014, and incorporated into the report *Taranaki Tangata Tu Tahi*. Soil quality in Taranaki is gradually improving, based on these results and findings. 

[5] Enhanced opportunities for sustainable development and best use of hill country	
Measure: Proportion of landowners informed of specific opportunities for sustainable land use on their properties. **Target (Years 1-10):** 72% of hill country in private ownership (306,000 ha) with comprehensive farm plans. **Baseline:** As at 30 June 2013, 386 comprehensive farm and agroforestry plans were in place for the 840 Taranaki hill country farmers, covering 64% of the hill country land in private ownership.	As at 30 June 2015, 421 (401—2013/2014) comprehensive farm and agroforestry plans were in place for the 202,191 hectares of the 840 Taranaki hill country farmers, covering 66% (65%) 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.

[6] 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 2013, 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. Monitoring of nitrogen oxide region-wide during 2014/2015 found 66% of results to be in the Ministry for the Environment's 'excellent' category. Monitoring of particulate matter, carbon monoxide, and benzene-type compounds at sites of highest regional concentrations, likewise found air quality to be 'excellent' or 'good' with no unacceptable results.

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 2013/2014, 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 2014/2015 for 100% of significant point sources discharging to air. In 2014/2015, 95% of sources attained a 'good' or 'high' level of compliance and performance (90% in 2013/2014). Non-compliance was addressed by the use of various enforcement mechanisms under the *Resource Management Act*. All non-compliance events (100%—2013/2014) were responded to in accordance with documented enforcement procedures. Enforcement actions for 2014/2015 were collectively reported during the year and will be reported individually via annual reports following the end of the year.
[7] 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 2013, 54 or 45% of Key Native Ecosystems (KNEs) on private land covering 2,105 hectares have biodiversity plans.	As at 30 June 2015, 74 or 49% (64 or 48%—2013/2014) of Key Native Ecosystems (KNEs) on private land covering 2,927 hectares (2,528) have biodiversity plans. It should be noted that the addition of new KNEs over time (20 during 2014/15) will make it difficult to achieve the percentage target however we are on target to meet the planned total hectares.
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 2013, the inventory contained 172 sites.	Maintained and updated the inventory of KNE's. The inventory of Key Native Ecosystems (KNEs) is regularly maintained and updated. At June 2015, the inventory contained 198 sites (178—2013/2014).
Measure: Maintain and improve the Biodiversity Index for KNEs **Target (Years 1-10):** Improvement in biodiversity index (under development) for KNEs compared with a base year (which will be the first year of application of the index).	Good progress has been made in collecting baseline information for KNE's with 82 (26—2013/2014) assessments undertaken in the 2014/2015 year. The first repeat assessments will be conducted in 2015/2016 when early improvements at sites should be recorded. Sites are assessed every five years.

[8] Resource management policies, plans and strategies that deliver efficient and effective management of the natural and physical resources of the region and are acceptable to the community

Measure: Operative plans polices and strategies. **Target (Years 1-10):** Full compliance with statutory requirements and timetables for the preparation review and implementation of policies, plans and strategies. **Baseline:** As of June 2013, the Council has a full suite of operative *Regional Policy Statement* and regional plans (water, air, soil and coastal).	The Council has a complete suite of operative plans, policies and strategies. The review of the *Regional Air Quality Plan for Taranaki* was completed and made operative on 25 July 2011. The review of the *Regional Fresh Water Plan* and *Regional Soil Plan* 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 was released for targeted consultation in May and June 2015. The review of *Regional Coastal Plan*, including the preparation of draft technical reports, continued. Consultation with tangata whenua on draft policy framework for inclusion in draft fresh water and coastal plans commenced.

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

Measure: Compliance with Resource Management Act 1991 requirements. **Target (Years 1-10):** 100% compliance. **Baseline:** As of June 2013, processing, administering and compliance monitoring of resource consents was 100% compliant with Resource Management Act requirements.	All consents (100%—2013/2014) processed during the period complied with the *Resource Management Act's* requirements, and full compliance with timelines allowed activities to be undertaken without delay.
Measure: Monitoring and enforcement programmes. **Target (Years 1-10):** All consents appropriately monitored with necessary compliance enforcement undertaken. **Baseline:** In 2012/2013, Council officers implemented 223 individual monitoring programmes of significant consents. In 2012/2013, 35% of programmes attained a 'high' environmental performance and 59% a 'good' performance. Monitored 1,806 (100%) dairy farms, and undertook 151 other inspections of minor industrial operations. All other consents were appropriately monitored. Necessary enforcement action was undertaken.	In 2014/2015, Council officers implemented 225 (220 in 2013/2014, 221 in 2012/2013) individual monitoring programmes of significant consents. In 2014/2015, 75% of programmes attained a 'high' environmental performance (60% in 2013/2014) and 22% a 'good' performance (29%). Monitored 1,773 (100%) dairy farms, and undertook 128 (221) other inspections of minor industrial operations. All other consents were appropriately monitored. Necessary enforcement action was undertaken. Compliance programmes for 2014/2015 were implemented as scheduled.

ACTIVITIES

Programme	2014/2015 actual performance
[1] Resource management planning	
Complete preparation/full reviews and interim reviews of resource management policies, plans and strategies:	
Regional Coastal Plan: Prepare draft *Regional Coastal Plan*.	Continued the full review of the *Coastal Plan* in 2014/2015. Draft Coastal Plan in preparation.
Regional Fresh Water Plan and *Regional Soil Plan*: Publicly notify a proposed *Regional Fresh Water and Land Plan*.	The full review of the *Regional Fresh Water Plan* and the *Regional Soil Plan* continued. A *Draft Fresh Water and Soil Plan* was released for targeted consultation in May 2015.
[2] Consent processing and administration	
Provide appropriate and timely information in response to 100% of requests for assistance in undertaking or complying with the consents process under the *Resource Management Act 1991*.	Provided information, which assisted the processing of 400 (632—2013/2014) resource consent applications, comprising 1 (0) publicly notified, 11 (27) limited notified and 388 (605) non-notified applications, in accordance with the requirements of the *Resource Management Act 1991*.
Process, issue and report upon 100% of accepted resource consent applications (approximately 400 consents per annum), in compliance with the *Resource Management Act 1991* and the Council's *Resource Consents Procedures* document.	Processed 100% (100%) of the 400 (632) applications within the specified timeframe outlined in the *Resource Management Act* 1991. All resource consents were processed in accordance with the statutory procedures of the Act, and the Council's *Resource Consents Procedures* document.
Successfully defend 100% of consent decisions appealed to the Environment Court.	There were no appeals made against Council decisions.
Process and administer 100% of accepted resource consent applications in compliance with statutory timeframes prescribed in the *Resource Management Act 1991* and the Council's *Resource Consents Procedures* document.	Processed 400—100% (632-100%) of applications for resource consent in compliance with the *Resource Management Act 1991* and the Council's *Resource Consents Procedures* document.
Minimising the number and duration of resource consent hearings by resolving, through the pre-hearing process, at least 50% of submissions received on resource consent applications.	Resolved, through the pre-hearing process, 83% (5/6) (100% (2013/2014)) of resource consent applications attracting submissions without recourse to a formal hearing. The Council held 1 (0) resource consent hearing. Six (16) out of 12 (16) submissions were resolved–50% (100%).
[3] Compliance monitoring programmes	
100% of individual compliance monitoring programmes for all major consents designed, implemented and publicly reported upon (approximately 200 individual compliance monitoring programmes per annum) within the negotiated budgets and completed by 31 March each year or within nine months of the end of the monitoring period. In particular, demonstrate water abstraction compliance monitoring that is consistent with the *Resource Management (Measurement and Reporting of Water Takes) Regulations*.	Implemented 225—100% (220-2013/2014) individual compliance programmes within agreed budgets. Publicly reported 103 (80) reports, covering 150 (127) annual programmes, within nine months of the end of the monitoring period, and a further 14 (7) reports, covering an additional 33 (8) programmes, by the end of the year. Designed and negotiated agreement on 212 (245) programmes for 2015/2016.

Programme	2014/2015 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 128 (221) inspections of minor industrial operations ensuring good environmental practices were being achieved. Only 4 (16) 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–1,832 inspections (1,836). The non-compliance rate for failure to meet consent conditions was 7.2% (6.6%) for dairy farms. All poultry and piggery farms were compliant. No (0) reinspections were undertaken to ensure full compliance. Total inspections and reinspections were 2,082 (2,038).

Programme	2014/2015 actual performance
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 214 (224) abatement notices and 102 (100) infringement notices. No (5) prosecutions were initiated as a result of unauthorised incidents. Three major prosecutions initiated in 2013/2014 were determined during the year. One prosecution initiated in 2013-2014 is still before the Court.
[4] Pollution incidents and response	
Respond to 100% of pollution and other complaints (within fours hours of receipt) and where appropriate instigate control, clean up and enforcement procedures where reasonable and appropriate.	Responded to 749 incidents (781—2013/2014) with 100% (100%) within the required timeframe. Instigated control and clean-up where required. Issued 214 (224) abatement notices and 102 (100) infringement notices. No (5) prosecutions were pursued as a result of past unauthorised incidents.
Maintain and publicly report on 100% of pollution incidents in the Council's *Incidents Register*.	Maintained the *Unauthorised Incidents Register* and publicly reported on 749 (781) incidents.
Administer and implement the *Taranaki Regional Oil Spill Response Plan* as agreed with Maritime New Zealand including responding to 100% of oil spills.	Administered the *Tier II Taranaki Regional Oil Spill Response Plan* in accordance with the programme agreed with Maritime New Zealand. No (1) significant marine oil spills occurred that warranted auctioning the *Plan*.

Programme	2014/2015 actual performance
[5] State of the environment monitoring	
Implement and report on 100% of the Council's state of the environment monitoring programmes comprising monitoring of surface fresh water quantity, levels and flows, fresh water quality, groundwater quantity and quality, coastal waters, biodiversity, air quality and land use sustainability using recognized and reputable methods of data collection, analysis and reporting in accordance with the Council's *State of the Environment Monitoring Procedures* document and *State of the Environment Monitoring Programmes*.	Implemented 100% (100%-2013/2014) of the Council's state of the environment monitoring programmes, in accordance with the programmes prepared for 2014/2015. The Council's report *Taranaki as one-Taranaki Tangata Tu Tahi* State of the Environment report 2015 was prepared in 2014/2015 for release publicly at the start of the 2015/2016 year.
Monitor, review and where appropriate, further develop existing programmes by 30 June of each year.	Monitoring was delivered as programmed. Fifty 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 was completed on collating input data, trend analysis, and information as part of preparation of the five-yearly State of the Environment Report, for publication at the start of 2015/2016.
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, were maintained.

Programme	2014/2015 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 (29) hydrology sites, 28 (28) meteorology sites, 8 (8) soil moisture sites, 18 (18) freshwater sites, and 9 (9) marine bathing beach water quality sites.
[6] Resource investigations and projects	
Over the period of the *2012/2022 Long-Term Plan* 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 2014/2015, the Council intended to:	
Conclude investigations into the ecological effects of land treatment of drilling and hydraulic fracturing wastes.	Investigations into the ecological effects of land treatment of drilling and hydraulic fracturing wastes continued during the year with field and laboratory studies, and was reported by Landcare to the Council. The Council was also engaged in parallel work, by Ministry for Primary Industries, to develop national guidelines for land-farming operations. This material was completed by the end of year.
Continue to support the "best practice dairying catchments" study in the Waiokura Stream catchment.	Field sampling including bio-surveys and analyses for the 'best practice dairying catchments' study in the Waiokura Stream catchment continued throughout the year. A review of the data from the study was commissioned from NIWA to inform the review of the regional fresh water and soil plan – source allocation for nutrient discharges; calculations of actual specific yield vs OVERSEER model predictions; in-stream quality assessed

Programme	2014/2015 actual performance
	against the National Objectives Framework and NIWA recommended guidelines. Source apportionment within Waiokura catchment was provided.
Continue to use microbial source testing technology to identify sources of faecal contamination in Taranaki waters.	The Council's first schedule of investigations at state of the environment monitoring sites has been completed (3 year programme across a number of sites). Specific investigative work was completed in the Te Henui to further isolate and characterise particular sources previously identified as causing microbial pollution.
Support studies into the behaviour and bioavailability of cadmium in agricultural soils and fertilizer.	The Council contributed funding and governance to the development of NZ-specific risk-based soil guideline values for effects of cadmium on soil; and to an enhanced cadmium balance model. Landcare studies are continuing and reports on the two work streams were received. The Council will undertake low-level (ultra-sensitive) survey of cadmium in groundwater in Taranaki early in the 2015/2016 year.
Engagement in "Envirolink" and other science research project development opportunities and strategies for regional councils, to enhance knowledge base for policy development and implementation. Projects with clear relevance and benefit to Taranaki to be adopted by "Envirolink" and other funding opportunities (advocacy to be reported through Council's annual report processes).	The Envirolink process for projects to be funded in 2015/2016 was completed. Projects with clear benefit to Taranaki were identified, and Ministry of Business, Innovation and Employment funding was confirmed. Two national projects were selected – a review of High Intensity Rainfall Design System (hydrology, river engineering, and CDEM benefits), and Discrete Water Quality Sampling Standards (state of the environment monitoring and policy implementation benefits). Ongoing engagement in National Science Challenges to pursue specific projects of benefit to the Taranaki region. Joint bid in conjunction with Venture Taranaki for funding to deliver a pilot project 'Participatory Science Platform Project' (community science mentored by Council) was successful. Inter-Significant Interest Group workshop reviewing science research strategy for regional councils collectively has been successfully held, and a revised Strategy is now being prepared after Resource Management Group endorsement.
[7] Waste minimisation	
Assist sector leaders in six activity areas in exploring and implementing energy efficiency and waste minimisation.	Assisted with: awarding the organic waste diversion study, trialling of composting for schools and early childhood centres, food waste programme (including kitchen diaries, kerbside food waste, online national survey), working group for Love Food Hate Waste (the national food waste minimisation campaign), electronic waste recycling, illegal dumping campaign, 'Keep NZ Beautiful' project in Stratford, the design process for the regional refuse and recycling contract.

Programme	2014/2015 actual performance
Maintain an in-house waste minimisation programme.	Continued to implement the in-house energy reduction and waste recovery programmes, provided an induction session for new staff on sustainability within the Council, waste audit, design of signage and engagement of contractors for Tupare public space recycling area.
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. Provided advice on disposal of various chemicals.
Continue to promote the recovery of silage wraps and agrichemical containers.	Ongoing engagement with Plasback and Agrecovery Foundation staff. Ongoing response to public enquiries.
Facilitate a regional approach to waste management initiatives and programmes at policy, management, and implementation levels, in particular servicing the Taranaki Solid Waste Management Committee, implementing a revision of the *Regional Waste Strategy* by June 2021, and partnering in delivering waste plans for the three districts of Taranaki.	Servicing of the Taranaki Solid Waste Management Committee continued throughout year. Finalised the *Waste Minimisation Education Annual Programme Plan*.

Programme	2014/2015 actual performance
[8] Sustainable land management plans and plant supply programme	
Provide property planning services to landholders, comprising comprehensive farm plans, agroforestry plans and conservation plans. Plans covering not less than 3,000 hectares from an estimated 8 properties per annum.	Prepared 17 (13—2013/2014) comprehensive farm plans and 3 (2) agroforestry plans covering 3,033 (3,030) 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 2014/2015.	Prepared 21 (20) riparian plans covering 52.7 (145) kilometres of stream bank. 39.6 (72.3) kilometres of riparian management was proposed with the balance of 13.1 kilometres (72.7) 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 7,491 (4,747) 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% (19.8%) or 526 (676) km of the remaining recommended fencing of stream bank was fenced and 10% (7.6%) or 372 (302) km of streambank have been planted. 4,084 (3,558) km of stream bank has been fenced and 2,138 km planted (1,765).
Respond to 100% of requests for general advice and assistance (approximately 200 per annum) on sustainable land management, soil conservation and riparian management practices within ten working days.	Received and actioned within 10 days, 270 (226) inquiries. Advice and assistance on sustainable land management, soil conservation and riparian management was provided.

Programme	2014/2015 actual performance
Provide servicing and support to the Taranaki Tree Trust and assistance to other organizations involved in promoting sustainable land management.	Provided administrative and treasury services to the Taranaki Tree Trust.
Provide, on a cost-recovery basis, 550,000 suitable plants for land stabilisation, soil conservation and riparian planting programmes.	Provided 384,629 (481,999) plants for sustainable land management purposes. Provided 6,733 (7,821) items of poplar and willow planting material to 100 (100) landholders. Provided 377,896 (467,328) plants at cost to 1,053 (1,129) landholders, to plant approximately 300 (310) kilometres of stream margins and supplied 3,390 (6,850) sand stabilisation plants targeting 4 (4) sites.
[9] Biodiversity	
Prepare at least 10 biodiversity plans per annum for properties containing key native ecosystems (KNE).	Ten (10—2013/2014) new biodiversity plans were completed with a further 24 plans completing five year reviews.
Initiate implementation of 90% of Council's KNE biodiversity plans in respect of designated priority KNEs within 1 year of each plan's preparation.	Initiated implementation of 100% (100%) of plans within one year of each plan's preparation.
Monitor and report on progress on the implementation of 100% of biodiversity plans.	All plans (100%) were monitored with a focus on the works in the plan. Progress was reported at year end.

Programme	2014/2015 actual performance
[10] Enhancement grants	
Implement a programme using environmental enhancement grants for the protection of wetlands classed as regionally significant in the Council's adopted wetlands inventory and in the *Regional Fresh Water Plan for Taranaki*.	Ongoing fencing, planting and maintenance has been undertaken to secure the protection of wetlands. This included work on 21 (19—2013/2014) regionally significant wetlands. This work means that 58 (58) wetlands are formally protected.
Use environmental enhancement grants for the protection of aspects of the environment identified as regionally significant.	Four (2) environmental enhancement grants were used for the protection of regionally significant environmental resources.
Implement the *South Taranaki and Regional Erosion Support (STRESS) Soil Conservation Programme* to 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-nine (23) plan holders have committed to implementing 21.3 (27.8) km of retirement fencing to retire 255.3 (469) ha of land, 69.1 (44.8) ha of forestry planting and 55 (55) plan holders planted 3,484 (5,232) poplar and willow poles.

COSTS AND SOURCES OF FUNDS

	2014/2015 Actual $	2014/2015 Budget $	2013/2014 Actual $
Expenditure			
Resource management planning	1,040,732	817,149	827,328
Consent processing and administration	890,110	1,047,910	877,524
Compliance monitoring programmes	3,102,987	2,731,547	2,610,264
Pollution incidents and response	951,888	945,508	906,702
State of the environment monitoring	1,197,415	1,453,450	1,354,677
Resource investigations and projects	378,761	453,800	422,154
Waste minimisation	107,653	160,106	132,794
Sustainable land management plans and plant supply programme	2,922,819	3,270,578	3,271,157
Biodiversity	791,927	908,648	639,673
Enhancement grants	538,110	631,113	550,622
Total expenditure	**11,922,401**	**12,419,809**	**11,592,894**
Income			
General rates	3,575,413	3,575,413	3,456,070
Direct charges	5,564,936	5,614,957	5,563,278
Government grants	224,444	237,500	202,874
Investment funds	2,557,608	2,991,939	2,370,672
Total income	**11,922,401**	**12,419,809**	**11,592,894**
Operating surplus/(deficit)	**0**	**0**	**0**
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	447,071	631,000	247,630
Plant and equipment	141,053	179,150	58,958
Office furniture	15,124	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	**603,248**	**810,150**	**306,588**
Funded by:			
Transfer from retained earnings	603,248	810,150	306,588
Total funding	**603,248**	**810,150**	**306,588**
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	603,248	810,150	306,588
Total capital expenditure	**603,248**	**810,150**	**306,588**
Gross proceeds from the sale of assets	**97,832**	**135,500**	**35,305**
Depreciation/amortisation expense	**437,749**	**405,221**	**346,603**

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.

The Council's pest management planning and operational 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*.

The Council has two operative biosecurity strategies. It was planned for these to be formally reviewed during the 2014/2015 year, however Regional Councils have been working with Central Government to develop a National Policy Direction that will provide greater consistency and pest management outcomes. This project is ongoing therefore reviews were unable to be completed. Preliminary work was continued during 2014/2015 on future directions for pest plant and animal management in preparation for this review.

During 2014/2015, there was a continued focus on pest plant inspections, with particular emphasis on environmental pest plants. Considerable effort was expended on Pampas which 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.

The trial to assess Old Mans Beard control options in the Kaupokonui catchment continued, with the intention of reducing the infestation of Old Mans Beard to a level that can then be maintained by land occupiers. Contractors undertook a second control round on 34 kilometres of riverbank over 29 properties. Then extended the control area to the coast completing a further 13 kilometres of riverbank over 20 properties. Follow up control is planned for November and again in February - March 2016.

During 2014/2015, there were no extensions of the *self help possum control programme* as officers and landowners concentrated on ongoing maintenance control. The total number of properties in the *self help possum control programme* is 4,256 covering 240,200 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 where asked if they would like to be involved in urban possum control, 96 homeowners in the Te Henui and Huatoki catchments agreed to take part targeting both possum and rats. Landowners who joined the Waiwhakaiho programme last year were encouraged to undertake maintenance.

Monitoring confirms that occupiers in the *self help possum control programme* have been effective in maintaining reduced possum numbers in areas treated by the Council. The mean residual trap catch for properties monitored was 6.77% (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 habitat monitoring and providing funding and resources for an aerial 1080 operation targeting possums and rats in conjunction with the Department of Conservation.

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 predator traps and possum bait stations.

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

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

LEVELS OF SERVICE

Programmed level of service	Reported level of service
[1] Pest management strategies that deliver efficient and effective management of the Council's biosecurity functions	
Measure: Presence of appropriate pest management plans. **Target (Years 1-10):** Pest management strategies are in place in accordance with statutory requirements. **Baseline:** Two adopted pest management strategies (plans) are in place, both most recently reviewed in 2007.	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.
[2] Pest animals controlled to minimize their adverse effects on biodiversity, primary production and the regional economy and environment	
Measure: Area of the ring plain maintained under the *self-help possum control programme* at levels to reduce risks to the environment and primary production. **Target (Years 1-10):** Residual trap catch (RTC) of less than 10% across the rural area covered by the self-help possum control programme. **Baseline:** In 2012/2013, the RTC was 4.27% across the 235,000 ha of the rural area covered by the *self help programme*.	At 30 June 2015, the Council's monitoring programme showed that landholders reduced the possum population to a 6.77% (2013/2014—3.54%) residual trap catch across the *self-help possum control programme* area. At this level the adverse effects of possums on erosion and production are significantly reduced.
[3] Pest management strategies that deliver efficient and effective management of the Council's biosecurity functions	
Measure: Control or eradication of "eradication" pest plants. **Target (Years 1-10):** Control of 100% of known infestations of Senegal Tea, Climbing Spindleberry, Mignonette Vine, Giant Reed and Darwin's Barberry in the region. **Baseline:** In 2012/2013, there were 55 properties where these plants were identified and controlled.	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 87 (32—2013/2014) properties known to have had an infestation. Direct control, where it was warranted, occurred on 87 (32) properties. Of those 55 (23) properties around the region were treated for Mignonette Vine, 4 (4) properties for Climbing Spindleberry, 1 (0) property for Senegal Tea and 23 (5) properties for Giant Reed. In addition to this 4 (1) properties had control undertaken for Darwin's Barberry.
Measure: The extent of "sustained control areal" pest plants. **Target (Years 1-10):** Reduce the extent of sustained control pest plants and the number of Category C properties requiring two or more inspections (because of significant pest plant compliance problems). **Baseline:** In 2012/2013, there were 123 Category C properties.	During 2014/2015, officers undertook 475 (233) Category C property inspections. As at 30 June 2015, the number of C properties had decreased to 139 (183).

ACTIVITIES

Programme	2014/2015 actual performance
[1] Biosecurity planning	
Publicly notify a regional pest management plan for Taranaki.	Review of regional pest management plan commenced but public notification of a proposal has been deferred until after the government has promulgated its National Policy Direction in 2015/2016.
Complete a five-year review of the *Pest Management Strategy for Taranaki: Animals and Plants* in 2019.	Continued an internal review of the strategies to identify potential issues and change factors and to set out the review process.
[2] Pest animal management	
Dependent upon the review of the *Pest Management Strategy for Taranaki: Animals*:	
Support the self-help possum control programme 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).	Landholders maintained possum populations to acceptable levels: 6.77% (3.54%—2013/2014) residual trap catch rate across the *self-help possum control programme* on 4,256 (4,374) properties 240,200 hectares (235,500)
Pest control undertaken in selected key native ecosystems subject to biodiversity plans consistent with the Council's *Biodiversity Strategy* (see Biodiversity activity).	Undertook or commissioned work on 60 (28) key native ecosystems for which biodiversity plans have been prepared.
Advise and, where necessary, undertake control of site led pest animals, including feral goats, deer, cats, hares, mustelids, pest fish, magpies and argentine ants.	Received 204 (149) notifications of animal pests and, where appropriate, undertook control action.
Advise, monitor and where necessary enforce or undertake control of rabbits.	Provided advice and education on control of rabbits on 44 (21) occasions.
Undertake direct control and eradication of rooks.	No (0) new rook sightings were confirmed, no sightings of any birds in the last known location.
Provide advice on, and, if necessary, implement small-scale control of unwanted animal organisms.	Provided advice and education on unwanted animal organisms on 87 (67) occasions.
Provide regional share funding to the Animal Health Board's *National Pest Management Strategy for Bovine Tuberculosis*.	Regional share funding was provided to the Animal Health Board's *National Pest Management Strategy for Bovine Tuberculosis.*
Undertake urban pest programme in New Plymouth targeting, possums, rats and mustelids.	Undertook control involving New Plymouth District Council reserves and 96 residential properties in the Te Henui and Huatoki Catchments.
[3] Pest plant management	
Dependent upon the review of the *Pest Management Strategy for Taranaki: Plants*:	
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.	Undertook direct control on 100% (100%—2013/2014) 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 83 (32).

Programme	2014/2015 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 *total* and *boundary* pest plants, undertaking inspections on 475 (183) category C properties and 2,081 (1,622) category B properties. Inspected other remaining (Category A) properties on 6,134 (4,504) occasions. In total, 228 (400) notices of direction were issued. 190 (359) of the notices were complied with. Thirty-eight (41) had not expired at 30 June 2015 and, therefore, had not yet been re-inspected. One notice was eventually complied with following the issuing of a *Notice to Act on Default*.
Provide regional share to the National Biocontrol Collective Programme.	Regional share funding was provided to the *National Biocontrol Collective Programme.*
Develop and implement biological control programmes for pest plants. Make releases of control agents when appropriate.	Made 3 (0) releases of control agents from Landcare Research and other agencies. Agents, to control Broom and Tradescantia. Contributed funding to the Landcare Research biological control research programme.
Undertake Old Man's beard control programme in the Kaupokonui catchment.	Undertook repeat control in the upper catchment treated last year, followed by initial control of 13 km of riverbank from Skeet Road to the coast.
Respond to and take necessary actions on all pest plants complaints within five days of receipt.	Received and responded to 184 (205) complaints, investigating all complaints within five working days and taking action where necessary.

Programme	2014/2015 actual performance
Undertake a publicity and education programme in relation to the control of pest plant in the *Plan*.	Undertook a publicity and education programme in relation to the control of all pest plants in the *Strategy*. Particular attention was given to environmental pest plants.
Provide advice on and, if necessary, implement small-scale control of unwanted plant organisms.	Responded to 168 (91) 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 84 (62) occasions.
Implement the *National Pest Plant Accord*, inspecting all plant nurseries and retail outlets annually to promote and, where necessary, enforcing the prohibition from propagation, sale or distribution of specified unwanted plant organisms.	Inspected 36 (10) nurseries and retail outlets. 3 (0) requirement to remove plant pests from sale were made. Distributed information to all nurseries and retail outlets for identification of *National Pest Plant Accord* pest plants.

COSTS AND SOURCES OF FUNDS

	2014/2015 Actual $	2014/2015 Budget $	2013/2014 Actual $
Expenditure			
Biosecurity planning	31,832	86,429	79,536
Pest animal management	1,224,613	1,437,825	1,330,791
Pest plant management	711,420	479,275	728,635
Total expenditure	**1,967,865**	**2,003,529**	**2,138,962**
Income			
General rates	1,090,494	1,090,494	1,142,805
Direct charges	65,868	85,500	88,995
Transfer from reserves	-	-	-
Transfer to reserves	(141,000)	(85,000)	(88,000)
Investment funds	952,503	912,535	995,162
Total income	**1,967,865**	**2,003,529**	**2,138,962**
Operating surplus/(deficit)	**0**	**0**	**0**
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	-	232,000	31,573
Plant and equipment	1,738	12,500	-
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	**1,738**	**244,500**	**31,573**
Funded by:			
Transfer from retained earnings	1,738	244,500	31,573
Total funding	**1,738**	**244,500**	**31,573**
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	1,738	244,500	31,573
Total capital expenditure	**1,738**	**244,500**	**31,573**
Gross proceeds from the sale of assets	**-**	**48,500**	**23,130**
Depreciation/amortisation expense	**93,293**	**144,516**	**124,241**

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* (the Programme) was adopted just prior to the start of the 2012/2013 year. The Programme is a three-year programme setting out the the Council, the three district councils and the NZ Transport Agency (the Transport Agency) seek national funding. 2014/2015 was the last year the 3-year Programme was in effect.

During the 2014/2015 year one minor variation request to the Programme was received from the NZ Transport Agency and approved by Council.

The Council's *Regional Land Transport Strategy* (the Strategy) for 2011-2041 was operative throughout the year. The Strategy sets the strategic direction for land transport in Taranaki and identifies desired outcomes and policies to achieve them over a 30-year timeframe. The Strategy is implemented largely through the Programme and *Regional Public Transport Plan*. Due to amendments made in 2013 to the *Land Transport Management Act 2003* which reduced the number of planning documents required, the 2014/2015 financial year was also the last year the Strategy was in effect.

From 1 July 2015, the RLTProgramme and the RLTStrategy are being replaced by one document, the *Regional Land Transport Plan* (RLTPlan). The intention in combining the Programme and the Strategy was to simplify regional planning documents and to provide a clear and simple planning hierarchy.

The *Regional Land Transport Plan* has two parts – one relating to policy and strategy (formerly the role of the Strategy), the other to the programme matters of projects, funding, priorities, and timing (formerly the Programme). The RLTPlan for Taranaki 2015/2016-2020/2021 was developed during 2014/2015 and approved by Council on the 7 April 2015.

The Council's *Regional Public Transport Plan* (RPTP) for Taranaki 2014/2024 remained 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.

2014/2015 saw the continuation of all the region's public transport services. The daily service from Hawera to New Plymouth (the Connector) has now been in operation for 17 months. 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. In 2014/2015 patronage was 24,164. The service continues to grow in popularity and diversification of users.

The Citylink (New Plymouth, Bell Block, Waitara and Oakura) service recorded growth of 0.7%, compared to 5.4% the previous year.

The three once-a-week SouthLink (South Taranaki) services all recorded a second year drop in patronage. Patronage on the Waverley to Hawera service was down 5.2%. Opunake to New Plymouth was down 25.3%. The Opunake to Hawera (including Manaia to Hawera) service recorded a further decline in passenger numbers, down 22.8%.

The Council's passenger transport activities also included continued funding of Total Mobility services for people with impairments throughout Taranaki. During 2014/2015, 41,556 passenger trips were made under the Total Mobility Scheme. This was down on the 45,441 trip in 2013/2014 and the ninth year in a row the number of trips has been down on the previous year.

The Ironside Vehicle Society also continued to receive funding assistance. In total, 7,383 trips were carried out with 5,503 (75%) specifically involving passengers who required the use of wheelchair hoists.

Social media is a new area of development for communicating with and informing users of Council's public transport services. A Facebook group *Taranaki Transport* was launched in April 2015.

The Council continued its strong advocacy on many fronts with respect to its land transport activities.

In particular it was successful in advocating for a replacement Regional (R) Funds scheme (which ended in March 2015) with a new Regional Improvements activity class being included in the *Government Policy Statement on Land Transport 2015*. The Government also announced the *Accelerated Regional Roading Package*, to be drawn from the Future Investment Fund. This new fund has seen the fast-tracking of construction of the SH3 Normanby Overbridge Realignment project, and investigation of improvements on the SH3 Awakino Gorge to Mount Messenger corridor.

Submissions in 2014/2015 were made on the Ministry of Transport's *Draft GPS 2015*; the NZ Transport Agency's *Proposed Speed Limit Change to State Highway 3*; and SH3 *Awakino Gorge to Mount Messenger Corridor draft Investment Business Case*. Submissions made to other regional councils included the Waikato Regional Council's *Draft Waikato Regional Land Transport Plan 2015 – 2045*; and on the Horizons Regional Council's *Draft Horizons Regional Land Transport Plan 2015 – 2025*.

The Council's support of the inter-regional cross-sector State Highway 3 Working Party continues to see relationships between the member organisations strengthen, in particular the relationship with the Waikato Regional Council. The Government announcement of the SH3 Awakino Gorge to Mount Messenger Corridor study, reflects the value of working collaboratively on land transport issues.

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

LEVELS OF SERVICE

Programmed level of service	Reported level of service
[1] Land transport policies and programmes that deliver good transport solutions and efficient and effective land transport infrastructure and services for Taranaki	
Measure: Presence of an appropriate *Regional Land Transport Strategy for Taranaki*. **Target (Years 1-10):** A *Regional Land Transport Strategy for Taranaki* that is kept current in accordance with statutory requirements. **Baseline:** The *Regional Land Transport Strategy for Taranaki 2011-2041* is current and operational.	The *Regional Land Transport Strategy* is current and in accordance with statutory requirements. The current *Strategy*, covering the period 2011-2041, was adopted in May 2011. 2014/2015 was the last year the *Strategy* was in effect. A new statutory document, the *Regional Land Transport Plan* will replace the Strategy from 2015/2016 onwards. The first *Regional Land Transport Plan for Taranaki 2015-2021* was approved in April 2015.
Measure: Presence of an appropriate *Regional Land Transport Programme for Taranaki*. **Target (Years 1-10):** A *Regional Land Transport Programme for Taranaki* that is kept current in accordance with statutory requirements and delivers good transport solutions that are acceptable to the Taranaki community. **Baseline:** The *Regional Land Transport Programme for Taranaki 2012-2015* is current and operational.	The *Regional Land Transport Programme for Taranaki* is current and in accordance with statutory requirements. The current *Programme*, covering the 2013/2014-2014/2015 period, was adopted in June 2012. The *Regional Land Transport Programme* for Taranaki concluded 30 June 2015. A new statutory document, the *Regional Land Transport Plan* will replace the *Programme* from 2015/2016 onwards. The first *Regional Land Transport Plan for Taranaki 2015-2021* was approved in April 2015.
[2] Provision and increasing use of community passenger transport services	
Measure: Annual number of passenger trips on New Plymouth urban services and community services. **Target (Years 1-10):** Increase by 10% pa the number of passengers carried. **Baseline:** 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. in 2012/2013, 556,017 passengers were carried on the New Plymouth urban and community services.	In 2014/2015, 582,357 passengers were carried on the Citylink (New Plymouth) urban service. This is an increase in growth of 0.7% from 578,396 in 2013/2014. Significantly, this is an increase in growth of 45.3% from the base rate of 400,808 in 2009/2010.
[3] Community passenger transport services that satisfy the needs of users	
Measure: Passenger rating of level and quality of service and value for money. **Target (Years 1-10):** 90% of passengers rate the service as good, very good or excellent. **Baseline:** In 2012/2013, 96% of the passengers surveyed rated the services as good, very good or excellent.	The Transport Agency introduced a new format and rating scale for measuring customer satisfaction for public transport services in 2013/2014. Under the scale (0 to 10) 90% of passengers experienced a positive level of satisfaction in the 'overall public transport service' category. In 2013/2014—98% of passengers rated the passenger transport services in the region as good, very good or excellent.

Programmed level of service	Reported level of service
Measure: Transport disadvantaged people's rating of the level and quality of service and value for money. **Target (Years 1-10):** 90% of total mobility users rate the service as good, very good or excellent. **Baseline:** In 2012/2013, 97% of total mobility users surveyed rated the services as good, very good or excellent.	As a result of the 2014/2015 client satisfaction survey, 99% (2013/2014—99%) of passengers rated the Total Mobility Scheme services provided in the region as good, very good or excellent.
[4] Community support for Council funded transport services	
Measure: Residents' views expressed through submissions to the Council's annual plans and long-term council community plans on whether transport services are meeting community needs and are affordable. **Target (Years 1-10):** No more than 1% of the Taranaki population raise concerns through the Council's annual plans and long-term council community plans about whether transport services are meeting community needs and are affordable. **Baseline:** In the last five years less than 1% of the Taranaki population have raised concerns.	In 2014/2015 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.
[5] Safe navigation for all users of the waters of Port Taranaki and its approaches	
Measure: The number of reported navigation safety incidents within Port Taranaki and its Approaches. **Target (Years 1-10):** No significant incidents. **Baseline:** There have been no significant incidents in the last ten years.	There were 1,564 (2013/2014—1,798) vessel movements undertaken through Port Taranaki during 2014/2015. No (0) significant incidents involving unsafe navigation practices were reported within Port Taranaki and its approaches.

ACTIVITIES

Programme	2014/2015 actual performance
[1] Regional land transport planning	
Complete preparation/full reviews and interim reviews of the transport policies, plans and strategies:	
Regional Land Transport Plan: Prepare a *Regional Land Transport Plan* to replace the current *Regional Land Transport Strategy for Taranaki* and the *Regional Land Transport Programme for Taranaki*.	The first *Regional Land Transport Plan 2015-2021* was completed and approved in April 2015. It replaces the *RLTS* and *RLTP* from 1 July 2015.
Regional Public Transport Plan: Full review 2014/2015.	The *Plan* was fully reviewed due to 2013 amendments to the *Land Transport Management Act 2003*. Activities within the *Plan* were undertaken and regularly reported on.
Implement and report on the *Regional Land Transport Strategy for Taranaki* as identified in each annual land transport programme.	The regional component of the *Strategy* was implemented through a number of activities undertaken throughout the year. These were regularly reported on.

Programme	2014/2015 actual performance
Review and make adjustments to the regional land transport programme, as required, in accordance with statutory requirements.	The *Regional Land Transport Programme 2012/2015* is complete. One minor variation was approved in 2014/2015.
[2] Passenger transport	
Provide total mobility subsidy assistance, to qualifying persons through the New Zealand Transport Agency supported *Total Mobility Scheme*. The *Scheme* is for people with an impairment, which may prevent them from using public passenger transport services, but who need access to approved transport operators (e.g., taxis) in Taranaki where approved transport providers operate. Eligible applicants granted an ID card within 20 days of application.	Provided Total Mobility Scheme services to the targeted areas—41,556 (45,441—2013/2014) passenger trips were made under the Total Mobility Scheme. An additional 7,383 (7,025) trips were made by the Ironside Vehicle Society. ID cards were issued to 100% (99.5%) of eligible applicants within the required timeframes.
Operate public transport services in the New Plymouth district and regional Taranaki consistent with the *Regional Public Transport Plan* subject to funding approval from the New Zealand Transport Agency and the availability of local share funding.	Passenger transport services in New Plymouth urban areas and regional Taranaki were operated consistent with the *Regional Public Transport Plan*. A total of 586,306 (584,371) passenger trips were made on regional services. An additional 24,164 passenger trips were recorded on the daily Hawera to New Plymouth (the Connector) service.
Monitor the New Plymouth bus service contract including patronage growth, customer satisfaction, contractor performance and fare box recovery.	Patronage increased by 0.7% (5.4%). Of those users 90% (95%). experienced a positive level of satisfaction with the overall service. Farebox recovery was 39% (39.7%).

Programme	2014/2015 actual performance
Monitor the regional bus service contracts including patronage growth, customer satisfaction, contractor performance and fare box recovery.	Ongoing monitoring occurred on all services. All services recorded a drop in patronage. Users experienced a 95% (90%) positive level of satisfaction with the overall service Farebox recovery was 27.6% (29.6% in previous year).
Subject to agreement on suitable funding arrangements, introduce a two year trial of a daily Hawera to New Plymouth bus service.	Trial service commenced February 2014.
Provide financial assistance to the Ironside Vehicle Society subject to funding eligibility criteria being met.	Funding of $50,000 ($50,000) to the Ironside Vehicle Society for carriage of disabled persons in restricted areas.
[3] Harbour management	
Provide harbourmaster and harbour warden services for Port Taranaki to implement relevant harbour bylaws and regulations. Contract for harbourmaster services let.	External contract placed for the provision of harbourmaster services. There were 1,564 (1,798—2013/2014) vessel movements undertaken through Port Taranaki. No (0) significant incidents involving unsafe navigation practices were reported.
Implement the *Navigation Bylaw for Port Taranaki and Approaches*. No significant breaches of the requirements of the *New Zealand Port and Maritime Safety Code*, including the *Port Taranaki Harbour Safety Management System*.	The reviewed *Navigation and Safety Bylaws for Port Taranaki and its Approaches* continue to be enforced. There were no significant breaches of the *Port Taranaki and Harbour Safety Management System*.

COSTS AND SOURCES OF FUNDS

	2014/2015 Actual $	2014/2015 Budget $	2013/2014 Actual $
Expenditure			
Regional land transport planning	88,266	122,011	70,891
Passenger transport	3,576,367	3,550,065	3,317,043
Harbour management	31,015	30,500	29,037
Total expenditure	**3,695,648**	**3,702,576**	**3,416,972**
Income			
General rates	135,477	135,477	201,960
Targeted rates	781,196	781,196	816,456
Direct charges	1,145,711	1,181,013	1,002,506
Government grants	1,502,572	1,455,668	1,419,113
Transfers from reserves	46,250	46,250	40,000
Transfers to reserves	(11,767)	(10,396)	(13,688)
Investment funds	96,209	113,368	(49,375)
Total income	**3,695,648**	**3,702,576**	**3,416,972**
Operating surplus/(deficit)	**0**	**0**	**0**
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	-	-	-
Plant and equipment	1,847	-	-
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	**1,847**	**-**	**-**
Funded by:			
Transfer from retained earnings	1,847	-	-
Total funding	**1,847**	**-**	**-**
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	1,847	-	-
Total capital expenditure	**1,847**	**-**	**-**
Gross proceeds from the sale of assets	**-**	**-**	**-**
Depreciation/amortisation expense	**4,936**	**5,600**	**4,936**

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 2014/2015 year was the third 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 2014/2015.

The upgrading of the flood defences on the Lower Waiwhakaiho Scheme was largely 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 was completed in October 2013. 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 began upstream of the town bridge in January 2014 and will be completed by June 2016.

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.

A significant storm event at the end of June resulted in flooding across the region. Flooding return periods varied across catchments from 1 in 17 in the Waitara and Waiwhakaiho to 1 in 50 in the Waitotara. All flood protection schemes performed well and recent upgrade works on both the Waiwhakaiho and Waitara ensured there was no breach of flood defences.

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

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LEVELS OF SERVICE

Programmed level of service	Reported level of service
[1] A Civil Defence Emergency Management system that delivers efficient and effective civil defence emergency management in Taranaki that is acceptable to the community	
Measure: Presence of an appropriate Civil Defence Emergency Management system. **Target (Years 1-10):** A *Civil Defence Emergency Management Group Plan* that is kept current and resourced in accordance with statutory requirements. **Baseline:** The *Civil Defence Emergency Management Group Plan for Taranaki 2012-2017* is to be implemented through annual work programmes.	An appropriate civil defence emergency management system was in place and maintained ready to respond to any event. Programmes to lift levels of equipment, resourcing, and training were implemented during the year. The *Civil Defence Emergency Management Group Plan 2012-2016* was in effect throughout the year. 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. A work plan for 2015/2016 was prepared.
Measure: Delivery of contractual requirements. **Target (Years 1-10):** All contract requirements to provide emergency management office and administering authority services to the Civil Defence Emergency Management Group are delivered as specified. **Baseline:** Annual budget and proposed annual work programme to be adopted by the CDEM Group, and annual report adopted by the Group, each year.	The work plan and budget for 2014/2015 was implemented and the work plan for 2013/2014 has been reported upon. The plan and budget for 2015/2016 was prepared and presented to the CDEMG. The contracted emergency management office and administering authority services, as agreed by the Group for 2014/2015, 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 and appointed. 2013/2014 Ministry of Civil Defence and Emergency Management (MCDEM) Resilience Fund projects have been completed. Group controller reported on 2014 contracted delivery.
[2] Effective emergency readiness and response capability and capacity in the region	
Measure: Level of capacity and capability within Taranaki CDEM. **Target (Years 1-10):** Group readiness and response capability and capacity to be maintained at or enhanced above the level as set out in the *Group Plan* and as assessed by the MCDEM monitoring and evaluation analysis tool. **Baseline:** The Group's readiness and response capability and capacity is set out in the *2012 Group Plan* and has been assessed by the MCDEM monitoring and evaluation analysis tool in 2010.	MCDEM scored the Group's readiness and response capability, and the Group scored above designated MCDEM target. *Corrective Actions Plan* is to be prepared for the 2015/2016 year. Community awareness and readiness continues to be promoted through social media. The new *2011/2016 Civil Defence Emergency Management Public Education Plan,* based on the new *Group Plan*, is being implemented as scheduled. A review of the Emergency Operations Centre (EOC) layout and protocols is complete and alterations/IT systems upgrade are on-going to enhance suitability. Training for volunteers (EOC and community centres) was instigated. Implementation of *Corrective Actions Plan* arising from *Exercise Pahu* (November 2013) is underway. Emergency Management Information System design and implementation work is on-going.

Programmed level of service	Reported level of service
Measure: Implementing effective response and recovery procedures to minimise harm or damage to people and property arising from an emergency. **Target (Years 1-10):** Response and recovery is carried out in accordance with established plans and procedures in order to minimise harm or damage to people and property. **Baseline:** Response and recovery procedures are set out in *Standard Operating Procedures* as listed in the *2012 Group Plan*.	Presentations were made to civic clubs, childhood centres, health organisations and hobby groups. A *Marae Welfare Response Plan* project and whanau resilience project was initiated for implementation in 2014/2015. 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 2014/2015 included the Taranaki wind storm (July 2014), the Seddon earthquakes (July 2014), numerous severe weather alerts/warnings, and tsunami alert responses. A civil defence emergency was declared for the region following 20 June 2015 rain, with the associated flooding event causing widespread rural and urban damage (farms, roading, bridges, dwellings, infrastructure etc.) and evacuation. Response/recovery activities are continuing into the 2015/2016 year.
[3] Flood protection and drainage schemes that protect life and property	
Measure: The number of schemes maintained to their full service potential. **Target (Years 1-10):** 100% of schemes maintained to ensure that they provide protection to the agreed standard and the scheme assets are maintained as established in the adopted asset management plans. **Baseline:** As of July 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.*	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 and the clearance of excess vegetation from the flood fairway. All floodgates were inspected regularly to ensure they will operate effectively when required. 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 floodgates were inspected regularly to ensure they will operate effectively when required. A programme of aerial spraying was undertaken on the lower Waitotara River to control re-growth of willow and poplar over 19 km of the river channel. No works were required in the Stony River in 2014/2015 but excess vegetation on the Kaihihi Stream was sprayed to maintain the flood fairway. On the Makuri Scheme, a large aerial spraying operation was undertaken to control willow regrowth and other weed species that were affecting stream flows.

Measure: The level of protection provided by the Lower Waitara River Flood Control Scheme and the Waiwhakaiho River Flood Control Scheme. **Target (Years 1-10):** Increase in flood protection level in the Lower Waiwhakaiho River Flood Control 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 and in the Lower Waitara River Flood Control Scheme from 3% annual exceedance probability (AEP) (or 1 in 33 years), to approximately 1% AEP (or 1 in 100 years) with allowance for climate change to 2065. **Baseline:** Waiwhakaiho River Scheme: At December 2013, Stage 1 and 2 were complete. Waitara River Scheme: At June 2014, Stages 1 & 2 will be completed. Stage 3 will be completed by June 2015 and Stage 4 by June 2016.	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 and was completed in 2012 A small item of work required to raise the level of the riverbank on the Mangaone Stream downstream of Devon Road was completed by June 2014. Stage 3 involved the upgrade to the Mangaone stopbank was completed in July 2013. Upgrading the flood protection on the Waitara River Flood Control Scheme has continued with the substantial completion of the Stage 1 works along with 80% of the Stage 2 works. Stage 1 has involved the raising of the stopbanks from Browne Street to The town Bridge on the western bank of the river and on the eastern bank of the river from the Town Bridge to High Street East. Stage 2 has raised the majority of the stopbank from the Town Bridge to the northern end of Domett Street with a small section adjacent to West Quay to be completed in October 2015. The clearing of a number of large Pohutukawa trees and the reshaping of 130m of the riverbank adjacent to the ANZCO site has commenced to improve the stability of the riverbank, increase the hydraulic efficiency of the channel and improve public access along the riverbank. The final stage of the upgrade works involving raising the stopbank within Marine Park and from Gold Street to Howard Street will be completed by June 2016.

[4] Accurate and timely flood warnings

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 2012/2013, the Council issued warnings in 100% of cases.	Accurate and timely flood warnings (14—2014/2015 and 16—2013/2014) 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	2014/2015 actual performance
[1] Civil defence emergency management	
Prepare, implement, monitor and report upon the Taranaki Civil Defence Emergency Management Annual Business Plan.	Implemented and reported on the *2014/2015 Annual Business Plan*. The annual Taranaki Seismic and Volcanic Advisory Group meeting and research presentations were held. CEG and advisory group meetings were held as scheduled. Prepared for the 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 2015/2016 was prepared and approved.
Develop, implement, monitor and report upon the *Civil Defence Emergency Management Public Education Plan for Taranaki*. Review the *Plan* 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 *Civil Defence Emergency Management Group Plan for Taranaki 2012*, and review, draft, and notify the next *Plan* in 2017.	Implementation actions were drafted and delivered through the *2014/2015 Annual Business Plan*, and reported on an on-going basis.
[2] Flood management and general river control	
Effectively monitor rainfall and river levels and issue timely flood warnings. Maintain continuous monitoring systems (100% functional) and issue timely warnings for all cases, where necessary, in accordance with the *Flood Event Standard Operating Procedure* (approximately 35 warnings per annum).	Received 63 (41—2013/2014) special weather watches and warnings from the MetService. In all instances, flood monitoring was undertaken in accordance with the *Flood Event Standard Operating Procedure* and in 14 (16) cases flood warnings issued.

Programme	2014/2015 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 thirty (30) 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.	Eight (8) river control projects were identified or required to be undertaken for the environmental enhancement of the region's waterways.
[3] River control schemes	
Maintain the Okato, 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.
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.	A comprehensive aerial spraying operation was undertaken to control the regrowth of willow and other weed trees and plants along the Waitotara, Moumahaki and Weraweraonga channels to maintain the effectiveness of the large channel clearing works undertaken between 2006 and 2010.

Manage other minor river schemes to standards as agreed with scheme participants.	A comprehensive aerial spraying operation was undertaken on of the Makuri Stream. This operation enabled the spraying of vegetation that have proven difficult to kill from land based operations.
Design and construct upgrade works for the Lower Waitara River flood control Scheme.	Hydraulic modelling to determine the level of the 1% AEP flood was completed in October 2013. Upgrade works commenced in January 2014. The Stage 1 works carried over to 2014/2015 and are now substantially complete. Stage 2 of the upgrade has raised the stopbank from the Town Bridge to the norther end of Domett Street has been completed. The final stage of the upgrade works involving an area of walls path and steps adjacent to West Quay and stopbank raising on both banks downstream towards the coast will be completed by June 2016.

COSTS AND SOURCES OF FUNDS

	2014/2015 Actual $	2014/2015 Budget $	2013/2014 Actual $
Expenditure			
Civil defence emergency management	819,728	683,594	681,017
Flood management and general river control	212,397	309,379	217,193
River control schemes	205,470	339,098	256,409
Total expenditure	**1,237,595**	**1,332,071**	**1,154,619**
Income			
General rates	342,476	342,476	312,968
Targeted rates	684,518	684,518	576,443
Direct charges	377,827	364,069	359,163
Government grants	112,037	-	43,878
Transfer from reserves	99,552	-	-
Transfer to reserves	(634,265)	(52,038)	(189,878)
Investment funds	648,543	286,587	214,744
Total income	**1,630,688**	**1,625,612**	**1,317,318**
Operating surplus/(deficit)	**393,093**	**293,541**	**162,699**
Capital expenditure			
Land	-	-	
Buildings	51,324	-	-
Motor vehicles	38,486	72,000	-
Plant and equipment	20,396	9,000	25,767
Office furniture	3,457	-	-
Computer equipment	1,069	-	-
Flood and river control assets	1,929,482	1,550,000	791,368
Computer software	-	-	-
Total capital expenditure	**2,044,214**	**1,631,000**	**817,135**
Funded by:			
Transfer from retained earnings	2,044,214	1,631,000	817,135
Total funding	**2,044,214**	**1,631,000**	**817,135**
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	1,929,482	1,550,000	791,368
—to replace existing assets	114,732	81,000	25,767
Total capital expenditure	**2,044,214**	**1,631,000**	**817,135**
Gross proceeds from the sale of assets	**10,175**	**19,000**	**-**
Depreciation/amortisation expense	**51,307**	**63,746**	**51,000**

ASSET ACQUISITIONS AND REPLACEMENTS

Capital expenditure on the Lower Waiwhakaiho Flood Control Scheme in 2014/2015 involved finishing 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 2014/2015 was $30,980. 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 2014/2015 involved completion of Stages 1A and 1B of the Scheme upgrade works, the completion of Stages 2A and 2D, and the substantial completion of Stage 2C. The actual spend for 2014/2015 was $1,898,502. 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. Stage 2A involved the construction of a Gabion Basket Flood wall to raise the stopbank along West Quay. Stage 2C involved the construction of a new 400m long flood wall adjacent to ANZCO, Stage 2D involved the raising of the stopbank along lower Queen Street for the NPDC effluent tanks to the northern end of Domett Street. Significant clearing works, tree removal and riverbank clearing and reshaping works has also been undertaken to complete the Stage 2 upgrade works.

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:

	2014/2015 Actual $	2013/2014 Actual $
Closing book value	8,361,443	8,479,624
Acquisitions constructed by the Council	-	1,747,186
Acquisitions transferred to the Council	-	-
Estimated replacement cost	8,361,443	8,479,624

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.

	2014/2015 Actual $	2014/2015 Budget $	2013/2014 Actual $
Opening balance	2,059,186	2,059,186	1,294,909
Plus borrowed during the year	1,829,930	1,500,000	791,368
Less principal repaid during the year	50,037	48,070	27,091
Closing balance	**3,839,079**	**3,511,116**	**2,059,186**
Interest charged during the year	252,793	245,541	135,608

NON-FINANCIAL PERFORMANCE MEASURES RULES 2013

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

a) operating expenditure of more than $250,000 in any one year

b) capital expenditure of more than $1 million in any one year

c) scheme asset replacement value of more than $10 million, or

d) directly benefitting a population of at least 5,000 people.

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

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 2014/2015 year involved a significant level of investment in bringing Yarrow Stadium to a standard to continue to allow high quality local, national and international events to be secured.

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

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

The implementation of the 2013/2014 agreed programme of major maintenance and development through to 30 June 2015 was the focus through 2014/2015. The highlights included:

- Completing the replacement of the scoreboard
- Commencing the replacement of the TSB Stand lifts
- Completing the replacement of the stand speaker systems
- Commencing the refurbishment of the Legends Lounge
- Completing the strengthening and recovering of the TSB and Yarrow Stand roofs.

This programme of maintenance and development was delivered on time and on budget.

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

Operationally, the highlights for Yarrow Stadium included hosting Taranaki Rugby Football Union's ultimately successful ITM Cup (National Provincial Championship) campaign together with two Chiefs home games during the 2015 Super 15 rugby competition (against the Brumbies and the Hurricanes). During the 2014/2015 year, Yarrow Stadium (rebranded as Stadium Taranaki for the tournament) hosted six games (five pool games and a first round knockout game) in the FIFA U-20 World Cup New Zealand 2015. Importantly, the key components of the agreed development programme (replacement scoreboard, replacement speaker system and recovering the TSB and Yarrow Stand roofs) were completed in time for the FIFA U-20 World Cup New Zealand 2015 games to run as planned.

Yarrow Stadium is well regarded nationally and internationally and, as such, the Council is confident that high quality national and international events will continue to be hosted.

Looking forward, the Trust is delighted to note that Yarrow Stadium will host an All Blacks v Argentina rugby test match in 2017.

REGIONAL GARDENS

2014/2015 was the second year of implementation of the Pukeiti asset management plans. It was also the third year of the implementation of the asset management plans for Hollard Gardens and Tupare.

At the outset the Council's plans for Pukeiti for 2014/2015 were to:

- Progress the upgrade and development of the arrival/car parking
- Design and begin implementation of the covered walkway and garden entrance
- Continue with the installation of interpretation/wayfinding
- Continue to implement the Pukeiti Biodiversity Plan
- Continue with the 'Gardens of Ideas' planning and development.
- Construct new staff services.

During the year, Council completed the staff services upgrade and the Keiller Rhododendron Home Garden. The two largest projects, the arrival/carparking and the covered walkways, are in progress.

The rhododendron collection continued to be enhanced with new plantings, more plant husbandry and bush margin clearing. The plant database core work is now up to date and considerable progress with the collection labelling programme has been made.

Tupare was maintained to the standards established in the Asset Management Plans (2011). The property continues to consolidate its reputation a one of New Zealand's premier landscape gardens. Various garden improvements were made throughout the year including a new BBQ area for families being established.

Hollard Gardens was maintained to the standards established in the Asset Management Plan (2011). A number of changes were made during the year, reconfiguring garden beds and realigning lawn areas. These have improved the directional flow as well as highlighting areas of interest to visitors within the garden.

Tupare visitor numbers increased by 20% to 29,209. The increased visitation was over the summer period and can primarily be attributed to the new river flat amenity facilities. Hollard Gardens visitor numbers were stable at 12,595. The Garden Spectacular visitor numbers were considerably down, however, numbers recovered over summer through the popularity of the 'Family Corner' and increased events in the 'Hollard Centre'.

Pukeiti's visitor numbers were 10% down at 27,050. This expected trend is primarily due to the upgrade work and the kerbing of marketing and events during this refurbishment stage.

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 2014/2015, the partnership contributed towards a number of projects, including

The touring exhibition *Dinosaur Footprints: A Story of Discovery* centres around four, 70 million-year-old footprints discovered in coastal sandstone rocks northwest of Nelson, the first ever found in New Zealand. Through the exhibition visitors of all ages gained insight into fossils, geology and prehistoric New Zealand. The exhibition was on show both at Inglewood Library and Puke Ariki.

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. This was the second and final year of this project.

Funding was invested in the *Aotea Utanganui Museum of South Taranaki* to support the development of an exhibition focusing on the history of transport in South Taranaki.

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
[1] Tupare, Hollard Gardens and Pukeiti recognised as nationally significant gardens	
Measure: Maintenance and enhancement of three regionally significant gardens. **Target (Years 1-10):** Pukeiti, Tupare and Hollard Gardens maintained and enhanced in accordance with the provisions of the adopted asset management plans. **Baseline:** The three properties are maintained to the latest adopted asset management plan. Latest asset management plans were adopted in 2011 (Tupare and Hollard Gardens) and in 2012 for Pukeiti.	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 2014/2015 both properties were maintained to the stated standards. 2014/2015 was the second year of implementation of the Pukeiti asset management plan. Operationally, Pukeiti was maintained to the standard established in the 2013 asset management plan.
Measure: Level of use of Tupare, Hollard Gardens and Pukeiti. **Target (Years 1-10):** Increasing the number of visitors to each property and the number of events at each property. **Baseline:** In 2012/2013, Tupare attracted approximately 23,832 visitors with Hollard Gardens attracting approximately 11,832. Pukeiti had 25,204 visitors. There were 56 events at Tupare, 27 at Hollard Gardens and 66 at Pukeiti. All three properties were part of the *Powerco Taranaki Garden Spectacular*.	The use of Tupare and Hollard Gardens consolidated during 2014/2015. Tupare attracted approximately 29,209 visitors (24,650—2013/2014) with Hollard Gardens attracting approximately 12,595 (12,858) and Pukeiti 27,050 (30,421). There were 61 (42) events at Tupare, 46 (44) at Hollard Gardens and 31 (50) at Pukeiti. All three properties were part of the *Powerco Taranaki Garden Spectacular*.
Measure: Access to Tupare, Hollard Gardens and Pukeiti. **Target (Years 1-10):** Tupare**,** Hollard Gardens and Pukeiti open to the public between 9am to 5pm seven days a week with free general access. **Baseline:** Tupare and Hollard Gardens have been open in this way since 2002. Free access to Pukeiti commenced from 1 July 2010.	Free access was provided to visitors during 2014/2015. Tupare, Pukeiti and Hollard Gardens were open to the public seven days a week between 9:00 am and 5:00 pm. During daylight saving Tupare and Hollard Gardens were open until 8:00 pm. Since 1 July 2010, Pukeiti has been open, with free entry, to the public between 9am and 5pm.
[2] Partnership relationship with the Puke Ariki regional museum and library	
Measure: Annual project for the delivery of display and presentation material. **Target (Years 1-10):** Delivery of an annual project. **Baseline:** In 2012/2013, the partnership contributed towards the Taranaki public events programme (a series of events designed to enliven the Taranaki Naturally Gallery and explore the themes outlined as a schedule to the Partnership Agreement), a contribution to the development and delivery of the exhibition *Kiwi prefab: Cottage to Cutting Edge*, a contribution to develop and enhance the information on the i-SITE digital interactive tables around the Taranaki Regional Council Gardens and associated walkways and projects and funding towards the *Calling back the Kokako* display and the telling of its story. The Council and Puke Ariki worked with	The ongoing partnership relationship with Puke Ariki continued during 2014/2015. The partnership contributed towards a number of projects, including the touring exhibition *Dinosaur Footprints: A Story of Discovery* which centres around four, 70 million-year-old footprints discovered in coastal sandstone rocks northwest of Nelson, the first ever found in New Zealand ($12,000), and *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 ($30,000). Funding of $25,000 was invested in the *Aotea Utanganui Museum of South Taranaki* to support the development of an exhibition focusing on the history of transport in South Taranaki. Provision was made for the long-term refreshment of galleries, particularly the *Taranaki*

Programmed level of service	Reported level of service
Aotea Utanganui - Museum of South Taranaki to support the *Port-able: a history of South Taranaki ports* exhibition.	*Naturally* gallery ($83,000).

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

Measure: Maintenance and development of Yarrow Stadium for a range of events and activities. **Target (Years 1-10):** Provision of funding for the ongoing maintenance and development of Yarrow Stadium. **Baseline:** The Council commenced providing funding for the ongoing maintenance and development of Yarrow Stadium in 2012/2013.	The implementation of the 2013/2014 agreed programme of major maintenance and development through to 30 June 2015 was the focus through 2014/2015. The highlights included: • Completing the replacement of the scoreboard • Commencing the replacement of the TSB Stand lifts • Completing the replacement of the stand speaker systems • Commencing the refurbishment of the Legends Lounge • Completing the strengthening and recovering of the TSB and Yarrow Stand roofs.

ACTIVITIES

Programme	2014/2015 actual performance
[1] Regional gardens	
Provide three regional gardens (Tupare, Hollard Gardens and Pukeiti) for free general use by the regional community. Three gardens open 9am to 5pm seven days a week.	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 2014/2015. Entry was free to all three properties.
Encourage the increased use of the regional gardens by the community for recreational purposes and for specific events.	Tupare attracted approximately 29,209 visitors (24,650—2013/2014) with Hollard Gardens attracting approximately 12,595 (12,858). Pukeiti had 27,050 (30,421) visitors. There were 61 (42) events at Tupare, 46 (44) at Hollard Gardens and 31 (50) at Pukeiti. All three properties were part of the *Powerco Taranaki Garden Spectacular*.
Implement the Pukeiti asset management plans, which specifically over a three year period (2013/2014 to 2015/2016) involves: Year Two 2014/2015: • enhancing the garden and the Rhododendron Collection • relocating the services area within the nursery/depot area • continuing the implementation of the Plant Collection Plan and the Biodiversity Plan • continuing the upgrade of interpretation and way finding materials • upgrading the outer tracks. Year Three 2015/2016: • refurbishing the Lodge and surrounds • stabilising the cultivated area to the south of the lodge by way of a retaining wall • refurbishing the plant borders • renovating the Pukeiti lookout • completing the rainforest interpretation material • actioning the outcomes of the two assessment reports related to the Biodiversity Plan • subject to demand, extending the carpark.	The implementation of the asset management plans continued. During the year, Council completed the staff services upgrade and the Keiller Rhododendron Home Garden. The two largest projects, the arrival/carparking and the covered walkways, are in progress. The rhododendron collection continued to be enhanced . All other programmed tasks were either at planning stage or pending of actual works. All three asset management plans were revised and adopted. This also included the Pukeiti Interpretation Plan.
Maintain the regional gardens to the levels of service established in the asset management plans.	The properties are maintained to the standards established in the asset management plans. This standard was maintained during 2014/2015.
Review and adopt asset management plans for Tupare, Hollard Gardens and Pukeiti by 31 October 2014.	Asset management plans were reviewed and adopted in September 2014.
[2] Puke Ariki	

Maintain an ongoing partnership relationship with the Puke Ariki regional museum and library including the ongoing use of display and presentation material within an annual project.	The ongoing partnership with Puke Ariki continued. The partnership contributed towards a number of projects, including: • Dinosaur Footprints: A Story of Discovery ($12,000) • Natural Wonder- Unleashing Taranaki's Natural Sciences Collection ($30,000) • The history of transport in South Taranaki ($25,000) through the Aotea Utanganui Museum of South Taranaki • long-term refreshment of galleries, particularly the Taranaki Naturally gallery ($83,000).
[3] Yarrow Stadium	
Contract with New Plymouth District Council for the operation and management of 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 2014/2015 year. New Plymouth District Council operated and managed Yarrow Stadium during 2014/2015.
Undertake asset management planning for the future maintenance, enhancement and development of Yarrow Stadium.	A joint committee of the Taranaki Regional Council and the New Plymouth District Council has been established to develop asset management plans for the long-term development of Yarrow Stadium (to be applied from 1 July 2015). The joint committee's work is expected to be completed in the short-term.
Provide regional funding for the future maintenance, enhancement and development of Yarrow Stadium.	The implementation of the 2013/2014 agreed programme of major maintenance and development through to 30 June 2015 was the focus through 2014/2015. The highlights included: • Completing the replacement of the scoreboard • Commencing the replacement of the TSB Stand lifts • Completing the replacement of the stand speaker systems • Commencing the refurbishment of the Legends Lounge • Completing the strengthening and recovering of the TSB and Yarrow Stand roofs.

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 2014/2015 year involved a significant level of investment in bringing Yarrow Stadium to a standard to continue to allow high quality local, national and international events to be secured.

The implementation of the 2013/2014 agreed programme of major maintenance and development through to 30 June 2015 was the focus of the Trust through 2014/2015. The highlights included:

- Completing the replacement of the scoreboard
- Commencing the replacement of the TSB Stand lifts
- Completing the replacement of the stand speaker systems
- Commencing the refurbishment of the Legends Lounge
- Completing the strengthening and recovering of the TSB and Yarrow Stand roofs.

This programme of maintenance and development was delivered on time and on budget.

The Trust's financial position continues to be strong. The Trust has needed to incur some debt to finance the recovering of the TSB and Yarrow Stand roofs. This debt will be repaid over the next three to five years.

A joint committee of the Taranaki Regional Council and the New Plymouth District Council has been established to develop asset management plans for the long-term development of Yarrow Stadium (to be applied from 1 July 2015). The joint committee's work is expected to be completed in the short-term. The Trust is financially well placed to deliver on the approved asset management plans.

Operationally, the highlights for Yarrow Stadium included hosting Taranaki Rugby Football Union's ultimately successful ITM Cup (National Provincial Championship) campaign together with two Chiefs home games during the 2015 Super 15 rugby competition (against the Brumbies and the Hurricanes).

Yarrow Stadium is well 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 (rebranded as Stadium Taranaki for the tournament) hosted six games (five pool games and a first round knockout game) in the FIFA U-20 World Cup New Zealand 2015.

Importantly, the key components of the agreed development programme (replacement scoreboard, replacement speaker system and recovering the TSB and Yarrow Stand roofs) were completed in time for the FIFA U-20 World Cup New Zealand 2015 games to run as planned.

Looking forward, it is pleasing to note that Yarrow Stadium will host an All Blacks v Argentina rugby test match in 2017.

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

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

An agreement for the management and operation of Yarrow Stadium, between the Trust and the New Plymouth District Council, is in place. The original agreement for the Council to manage and operate the stadium was signed in 2004 and the latest renewal came into effect from 27 June 2013. New Plymouth District Council operated Yarrow Stadium in accordance with the Management Agreement during 2014/2015.

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 maintenance and development programme for the three years from 2013/2014 to 30 June 2015. The Council provided the annual funding of $876,000 to the Taranaki Stadium Trust. The major components of the programme for 2014/2015 were the replacement of the scoreboard, the recovering of the two stand roofs, the refurbishment of the Legends Lounge and the replacement of the lifts in the TSB Stand.

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

	2014/2015 Actual $	2014/2015 Budget $	2013/2014 Actual $
Expenditure			
Regional gardens	2,172,943	2,425,537	2,271,913
Puke Ariki	150,000	150,000	150,000
Yarrow Stadium	876,000	876,000	876,000
Total expenditure	**3,198,943**	**3,451,537**	**3,297,913**
Income			
General rates	1,622,070	1,622,070	1,550,551
Targeted rates	297,103	297,103	315,649
Direct charges	246,843	175,000	185,088
Investment funds	1,032,927	1,357,364	1,246,624
Total income	**3,198,943**	**3,451,537**	**3,297,913**
Operating surplus/(deficit)	**0**	**0**	**0**
Capital expenditure			
Land Improvements	-	-	339,417
Buildings	1,536,510	511,000	440,302
Motor vehicles	50,026	36,000	63,227
Plant and equipment	42,330	83,000	43,109
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	**1,628,866**	**630,000**	**886,055**
Funded by:			
Transfer from retained earnings	1,628,866	630,000	886,055
Total funding	**1,628,866**	**630,000**	**886,055**
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	1,628,866	630,000	886,055
Total capital expenditure	**1,628,866**	**630,000**	**886,055**
Gross proceeds from the sale of assets	**15,826**	**7,000**	**24,131**
Depreciation/amortisation expense	**221,362**	**407,699**	**244,582**

ASSET ACQUISITIONS AND REPLACEMENTS

The budget for implementation of year two (2014/2015) of the Pukeiti asset management plans was $419,000. This, together with a carry forward from the 2013/2014 unspent capital budget, was used to complete the Keiller Garden and the upgraded staff services facilities. Plans were developed for the upgrade of the Lodge and environs. Construction of the covered walkway and the arrival/cap parking area commenced

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 four editions of the *Recount* newsletter, working with 181 classes involving 5,552 students, including class visits, field trips and the Pukeiti Rainforest School. The Council held one teacher workshop and distributed additional resources to teachers. Fourteen environmental awards were presented in November 2014.

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
[1] Effective, open and transparent democratic Council processes	
Measure: Completion of statutory public accountability processes. **Target (Years 1-10):** Completion of statutory planning and reporting documents (Long-Term Plan, Annual Plans and Annual Reports) within statutory requirements. **Baseline:** Statutory planning and reporting accountability documents have all previously been prepared within statutory requirements and timeframes.	Statutory planning and reporting accountability documents have all been prepared within statutory requirements and timeframes. The *2013/2014 Annual Report* was adopted on 24 September 2014. The Consultation Document and supporting documentation in relation to the *2015/2025 Long-Term Plan* was adopted by the Council for public consultation on 23 February 2015. Following public consultation the *2015/2025 Long-Term Plan* was adopted on 22 May 2015.
Measure: Successful completion of triennial local authority elections. **Target (Years 1-10):** Conduct of triennial local authority elections without any need for re-conduct of the elections as a result of judicial review. **Baseline:** Elections have been conducted every three years. There have been no judicial reviews or a need to re-conduct any election. Elections were successfully undertaken in October 2013.	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.
Measure: All Council meetings conducted in compliance with statutory requirements. **Target (Years 1-10):** Meetings conducted in accordance with *Standing Orders*, agendas publicly available at least 48 hours before a meeting and minutes prepared and adopted for all meetings. **Baseline:** It has always been Council practice for meetings to be conducted in accordance with Standing Orders, agendas to be publicly available at least 48 hours before meetings and minutes to be prepared and adopted for all meetings.	All Council meetings were conducted in accordance with Standing Orders. Agendas are publicly available at least 48 hours before each meeting and minutes are prepared and adopted for all meetings.
[2] Effective advocacy on behalf of the Taranaki community on matters that affect the statutory responsibilities of the Council or that relate to matters of regional significance which are of interest or concern to the people of Taranaki	
Measure: Level of advocacy undertaken. **Target (Years 1-10):** Approximately 20 submissions made per year, with evidence of successful advocacy in most cases. **Baseline:** In 2012/2013, the Council made 28 submissions with anecdotal evidence of successful advocacy.	Made 22 (21) 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 2014/2015 were on large or technically or legally complex documents requiring thorough analysis and careful and considered response. Examples in the 2014/2015 year included submissions on the draft *Government Policy Statement on Land*

Programmed level of service	Reported level of service
	Transport 2015/2016 – 2024/2025, the draft *New Zealand Marine Oil Spill Response Strategy*, an application to the Environmental Protection Authority regarding Shell Todd Oil Services marine consent application for the Maui Field, the Waikato and Horizon regional councils draft Regional Land Transport Plans, several aspects of South Taranaki District Council's proposed district plan review, the New Plymouth District Council's draft *Tongaporutu Reserve Management Plan* and the hearing of submissions on proposed Plan Change 20 Area Q rezoning in New Plymouth.
[3] Port Taranaki Ltd ownership as a strategic investment	
Measure: The role of Port Taranaki Ltd in regional economy. **Target (Years 1-10):** Maintain or increase the contribution from Port Taranaki Ltd to the regional economy. **Baseline:** The contribution to the wider community was measured in 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 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.
Measure: The financial and operational performance of Port Taranaki Ltd. **Target (Years 1-10):** Ensure financial and operational performance from Port Taranaki Ltd is in accordance with the levels presented in each year's statement of corporate intent. **Baseline:** Port Taranaki Ltd's financial and operational performance is reviewed, in terms of the statement of corporate intent, twice a year.	The statement of corporate intent for 2014/2017 was considered by the Council on 12 August 2014. Port Taranaki Ltd's performance was reviewed when considering their *2013/2014 Annual Report* at the Council's Ordinary Meeting on 24 September 2014. The half-year results to 31 December 2014 were considered by the Council on 7 April 2015. Performance against standards set in the statement of corporate intent is reported on below.
[4] Effective management of property and treasury investments owned by the Council	
Measure: Investment returns from property and treasury investments on general rates. **Target (Years 1-10):** Maintain or increase the level of investment returns used to reduce each year's general rates requirement. **Baseline:** Between 2011/2012 and 2012/2013, the level of investment returns decreased by 0.32%.	Total investment returns from property and treasury investments in 2014/2015 were interest $965,770 ($1,003,146—2013/2014) and lease rent $830,057 ($830,485). This represented a 2.07% (6.4% increase) decrease over last year. These returns were used to reduce the general rate requirement.

ACTIVITIES

Programme	2014/2015 actual performance
[1] Investment management	
Consider Port Taranaki's annual statement of corporate intent and monitor performance against established targets on an annual basis.	The statement of corporate intent for 2014/2017 was considered by the Council on 12 August 2014. Port Taranaki Ltd's performance was reviewed when considering their *2013/2014 Annual Report* at the Council's Ordinary Meeting on 24 September 2014. The half-year results to 31 December 2014 were considered by the Council on 7 April 2015.
Appoint Directors at Port Taranaki Ltd's annual general meeting and at other times as required.	Messrs MacLeod and Krogh retired by rotation at the 25 September 2014 Annual General Meeting of Port Taranaki Ltd. The Council reappointed Messrs MacLeod and Krogh at the same meeting.
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 2014/2015.
Manage and, where appropriate, divest leasehold land in accordance with the Council's *Investment Policy*.	Renewed 6 leases (5—2013/2014). One (5) leasehold property was divested during the year. Achieved a 5.68% (5.47%) return from leasehold land rentals.
Manage and maximise the returns from treasury investments in accordance with the Council's *Investment Policy*.	All treasury investments were in accordance with the Council's *Investment Policy*. Achieved a 6.14% (6.28%) return from treasury investments.

Programme	2014/2015 actual performance
[2] Public information	
Publish and distribute regular editions (4 per annum) of the *Recount* newsletter to over 1,000 stakeholders.	Published 4 editions of the external newsletter *Recount* (4—2013/2014) to over 1,000 key stakeholders.
Maintain the Council's websites.	All Council's websites maintained.
Implement the Council's environmental awards programme.	14 awards were presented (November 2014).
Provide an on-going environmental education programme for school children and the wider community including presenting class visits or field trips and hosting visitors to the Council's display areas.	Distributed 4 (4) issues of the *SITE* (*Schools in the Environment*) newsletter. Carried out 181 (206) class visits involving 5,552 (7,094) students. These included 17 (34) groups involving 455 (923) students to the Pukeiti Rainforest School. One (7) teacher workshop and eight (7) staff meetings were facilitated.
[3] Advocacy and response	
Assess the implications of policy initiatives proposed by other agencies including discussion documents, proposed policies, strategies, plans and draft legislation, and respond within required timeframes on approximately 20 occasions per year.	Assessed the implications of the policy initiatives proposed by other agencies resulting in the preparation of 22 submissions (21—2013/2014), many of which involved large or technically or legally complex documents requiring thorough analysis and careful and considered response.

Programme	2014/2015 actual performance
[4] Governance	
Complete preparation/full reviews and interim reviews of local government policies, plans and strategies including the *2014/2015 Annual Plan* and the *2012/2013 Annual Report*.	Statutory planning and reporting accountability documents have all been prepared within statutory requirements and timeframes. The *2013/2014 Annual Report* was adopted on 24 September 2014. The Consultation Document and supporting documentation in relation to the *2015/2025 Long-Term Plan* was adopted by the Council for public consultation on 23 February 2015. Following public consultation the *2015/2025 Long-Term Plan* was adopted on 22 May 2015.
Preparation of agendas and meetings in accordance with *Local Government Official Information and Meetings Act 1987*.	Agendas are publicly available at least 48 hours before each meeting and minutes are prepared and adopted for all meetings.
Conduct of meetings in accordance with *Standing Orders* and the *Local Government Official Information and Meetings Act 1987*.	All Council meetings conducted in accordance with adopted Standing Orders.
The next triennial local authority elections are in October 2016.	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.

Programmes and performance measures set in Port Taranaki Ltd's statement of intent	2014/2015 actual performance
Return on average total assets (Target 6.97%)	6.98% (7.43%)
Return on average shareholder's funds (Target 9.42%)	9.47% (10.4%)
Health and safety. Eliminate all work-related accidents.	Seven work related accidents, of which 1 resulted in 5 days lost time (25 work-related accidents, of which 1 resulted in 3 lost days).

COSTS AND SOURCES OF FUNDS

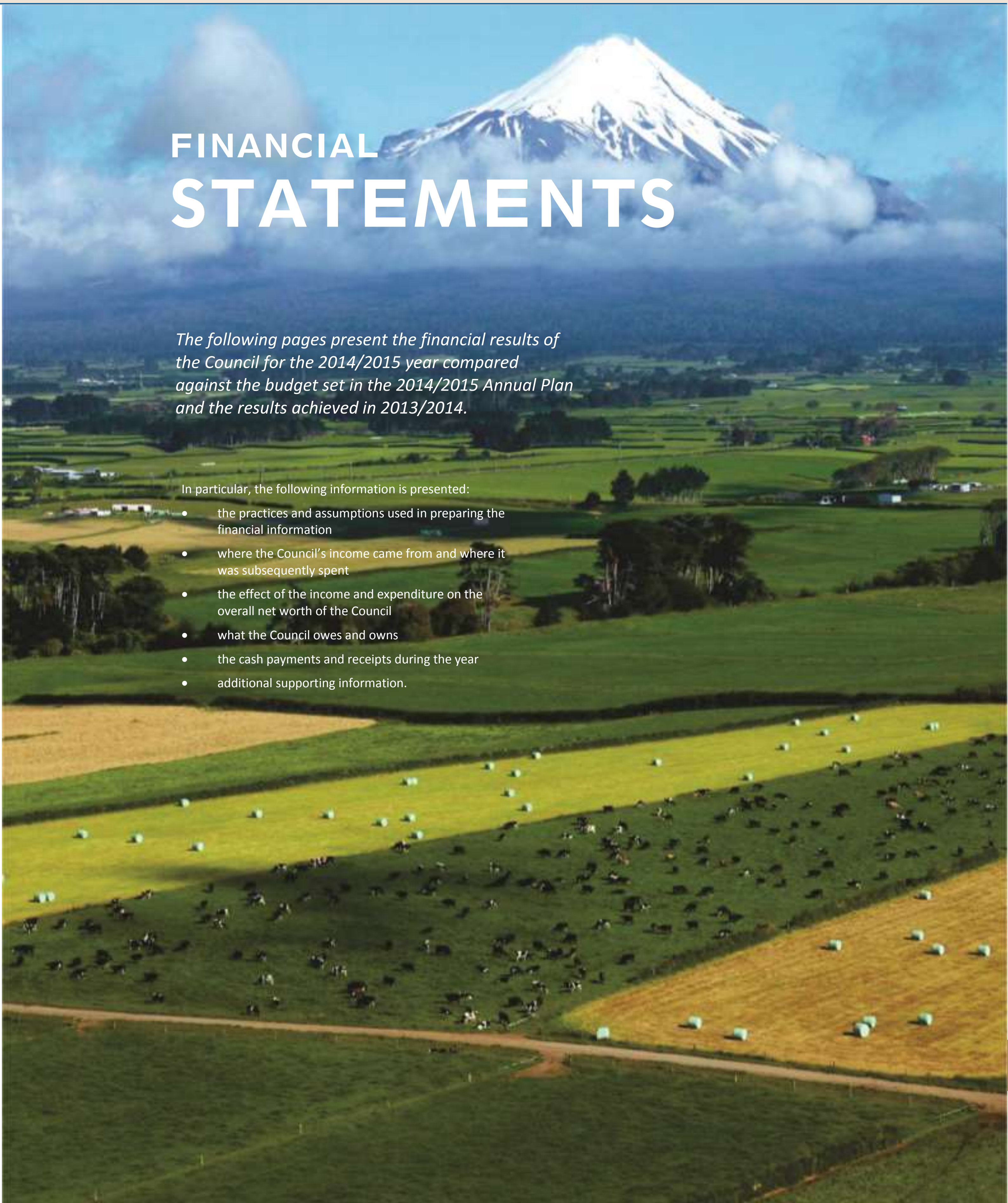
	2014/2015 Actual $	2014/2015 Budget $	2013/2014 Actual $
Expenditure			
Investment management	6,000	6,000	616
Public information	169,466	176,628	173,540
Advocacy and response	263,385	145,250	288,810
Governance	854,415	855,186	923,337
Total expenditure	**1,293,266**	**1,183,064**	**1,386,303**
Income			
General rates	629,387	629,387	628,038
Direct charges	10,945	27,000	19,902
Investment funds	652,934	526,677	738,363
Total income	**1,293,266**	**1,183,064**	**1,386,303**
Operating surplus/(deficit)	**0**	**0**	**0**
Capital expenditure			
Land		-	-
Buildings	71,467	-	115,808
Motor vehicles	-	137,500	165,690
Plant and equipment	75,880	230,000	43,967
Office furniture	1,440	10,000	16,485
Computer equipment	136,394	150,000	106,318
Flood and river control assets	-	-	-
Computer software	8,000	250,000	10,868
Total capital expenditure	**293,181**	**777,500**	**459,136**
Funded by:			
Transfer from retained earnings	293,181	777,500	459,136
Total funding	**293,181**	**777,500**	**459,136**
Capital expenditure:			
—to meet additional demand	-	0	-
—to improve the level of service	-	0	-
—to replace existing assets	293,181	777,500	459,136
Total capital expenditure	**293,181**	**777,500**	**459,136**
Gross proceeds from the sale of assets	**6,783**	**30,500**	**32,497**
Depreciation/amortisation expense	**524,374**	**742,028**	**579,785**

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 2014/2015 year compared against the budget set in the 2014/2015 Annual Plan and the results achieved in 2013/2014.

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 REVENUE AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2015

Group				Council		
2014/2015 Actual $	2013/2014 Actual $		Notes	2014/2015 Actual $	2014/2015 Budget $	2013/2014 Actual $
		Cost of services				
11,914,189	11,573,478	Resource management		11,922,401	12,419,809	11,592,894
1,967,865	2,138,962	Biosecurity		1,967,865	2,003,529	2,138,962
3,664,648	3,387,972	Transport		3,695,648	3,702,576	3,416,972
1,237,595	1,154,619	Hazard management		1,237,595	1,332,071	1,154,619
3,199,732	3,326,029	Recreation, culture and heritage		3,198,943	3,451,537	3,297,913
1,293,266	1,386,303	Regional representation, advocacy and investment management		1,293,266	1,183,064	1,386,303
31,934,834	36,899,813	Port operating expenses		-	-	-
55,212,129	**59,867,176**	**Total expenses**		**23,315,718**	**24,092,586**	**22,987,663**
		Revenue from exchange transactions				
3,761,694	3,744,661	Direct charges revenue		3,786,479	3,793,355	3,759,490
1,002,626	1,271,575	Other investment revenue		1,042,257	973,000	1,306,455
-	-	Dividends		4,070,000	4,070,000	3,700,000
49,232,894	55,198,760	Port revenue from operations		-	-	-
		Revenue from non-exchange transactions				
7,395,316	7,292,392	General rates revenue		7,395,316	7,395,316	7,292,392
1,762,817	1,708,548	Targeted rates revenue		1,762,817	1,762,817	1,708,548
3,616,240	3,459,442	Direct charges revenue		3,617,851	3,654,184	3,459,442
1,839,053	1,665,864	Government grants		1,839,053	1,693,168	1,665,864
-	-	Vested assets		-	-	-
68,610,640	**74,341,242**	**Total revenue**		**23,513,773**	**23,341,840**	**22,892,191**
13,398,511	**14,474,066**	**Operating surplus/(deficit) before finance income and expenses and taxation**		**198,055**	**(750,746)**	**(95,472)**
1,111,096	1,056,064	Finance income	2	965,770	900,000	1,003,146
1,387,235	1,938,376	Finance expense	2	-	-	-
(276,139)	**(882,312)**	**Net finance expense**		**965,770**	**900,000**	**1,003,146**
13,122,372	**13,591,754**	**Operating surplus before taxation**		**1,163,825**	**149,254**	**907,674**
		Other gains/losses				
(284,500)	492,000	Gains/(losses) on revaluation of investment properties		(284,500)	-	492,000
12,837,872	14,083,754	Operating surplus before taxation		879,325		1,399,674
4,610,498	4,627,257	Income tax expense	4	-	-	-
8,227,374	**9,456,497**	**Net surplus/(deficit) for the period**	2, 3	**879,325**	**149,254**	**1,399,674**
		Other comprehensive income				
		Items that may be reclassified subsequently to profit and loss when specific conditions met.				
(118,182)	2,405,076	Revaluation of property, plant and equipment		(118,182)	-	349,332
(1,807,026)	666,875	Change in cash flow hedge		-	-	-
(1,925,208)	**3,071,951**	**Other comprehensive income, net of tax**		**(118,182)**	-	**349,332**
6,302,166	**12,528,448**	**Total comprehensive income for the period, net of tax**	2	**761,143**	**149,254**	**1,749,006**

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 NET ASSETS/EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

Council	Notes	Retained earnings $	Reserves $	Asset revaluation reserves $	Cash flow hedge reserve $	Total equity $
As at 1 July 2013	16	**64,452,316**	**8,839,265**	**3,492,082**	**-**	**76,783,663**
Changes in equity for 2013/2014						
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	-	-	-
As at 30 June 2014	16	**63,760,424**	**10,930,831**	**3,841,414**	**-**	**78,532,669**
Changes in equity for 2014/2015						
Total comprehensive income for the period		879,325	-	(118,182)	-	761,143
Transfers to and from reserves	16	(971,230)	971,230	-	-	-
As at 30 June 2015	16	**63,668,519**	**11,902,061**	**3,723,232**		**79,293,812**

Group	Notes	Retained earnings $	Reserves $	Asset revaluation reserves $	Cash flow hedge reserve $	Total equity $
As at 1 July 2013	16	**121,203,082**	**8,839,265**	**52,468,884**	**634,366**	**183,145,597**
Changes in equity for 2013/2014						
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	-	-	-
As at 30 June 2014	16	**128,568,013**	**10,930,831**	**54,873,960**	**1,301,241**	**195,674,045**
Changes in equity for 2014/2015						
Total comprehensive income for the period		8,227,374	-	(118,182)	(1,807,026)	6,302,166
Transfers to and from reserves	16	(971,230)	971,230	-	-	-
As at 30 June 2015	16	**135,824,157**	**11,902,061**	**54,755,778**	**(505,785)**	**201,976,211**

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 2015

Group				Council		
2014/2015 Actual $	2013/2014 Actual $		Notes	2014/2015 Actual $	2014/2015 Budget $	2013/2014 Actual $
		Current assets				
6,062,172	1,707,454	Cash and cash equivalents	6	2,786,728	232,085	987,785
7,095,293	10,649,453	Current portion of investments	11	7,095,293	-	9,649,453
5,228,379	8,710,375	Receivables from exchange transactions	7	771,758	900,000	1,002,638
1,993,931	1,234,709	Receivables from non-exchange transactions	7	1,993,931	2,100,000	1,234,709
939,752	779,909	Inventories	8	271,080	-	99,209
-	293,000	Investment properties available for sale	12	-	-	293,000
109,196	104,688	Prepayments		109,196	100,000	104,689
270,348	404,691	Work-in-progress		270,348	500,000	404,691
21,699,071	**23,884,279**	**Total current assets**		**13,298,334**	**3,832,085**	**13,776,174**
		Non current assets				
6,186,515	7,220,813	Treasury investments	11	6,186,515	11,407,975	7,220,813
-	-	Port Taranaki Ltd	11	26,000,000	26,000,000	26,000,000
1,000	1,000	Civic Assurance Ltd	11	1,000	1,000	1,000
798,118	798,118	Regional Software Holdings Ltd	11	798,118	805,000	798,118
14,617,000	14,901,500	Investment properties	12	14,617,000	14,702,500	14,901,500
1,064,252	949,411	Intangible assets	10	288,071	506,287	440,917
206,691,893	196,254,525	Property, plant and equipment	9	23,160,056	23,085,069	19,932,039
665,129	567,778	Deferred tax asset		-	-	-
-	1,301,241	Derivative financial instruments	23	-	-	-
230,023,907	**221,994,386**	**Total non current assets**		**71,050,760**	**76,507,831**	**69,294,387**
251,722,978	**245,878,665**	**Total assets**		**84,349,094**	**80,339,916**	**83,070,561**
		Current liabilities				
12,357,499	10,052,081	Trade and other payables under exchange transactions	13	2,740,189	1,700,000	2,304,178
2,723,301	2,610,724	Employee entitlements	14	931,600	995,000	918,305
597,993	619,210	Work-in-progress		597,993	550,000	619,209
23,727	153,597	Borrowings	15	-	-	-
1,404,807	2,655,315	Taxation payable	4	-	-	-
17,107,327	**16,090,927**	**Total current liabilities**		**4,269,782**	**3,245,000**	**3,841,692**
		Non current liabilities				
461,000	590,000	Trade and other payables	13	-	-	-
1,694,500	1,655,200	Employee entitlements	14	785,500	625,000	696,200
505,785	-	Derivative financial instruments	23	-	-	-
29,978,155	31,868,493	Borrowings	15	-	-	-
32,639,440	**34,113,693**	**Total non current liabilities**		**785,500**	**625,000**	**696,200**
49,746,767	**50,204,620**	**Total liabilities**		**5,055,282**	**3,870,000**	**4,537,892**
		Public equity				
135,824,157	128,568,013	Retained earnings	16	63,668,519	62,319,316	63,760,424
11,902,061	10,930,831	Reserves	16	11,902,061	10,658,518	10,930,831
54,755,778	54,873,960	Asset revaluation reserves	16	3,723,232	3,492,082	3,841,414
(505,785)	1,301,241	Cash flow hedge reserve	16	-	-	-
201,976,211	**195,674,045**	**Total public equity**	16	**79,293,812**	**76,469,916**	**78,532,669**
251,722,978	**245,878,665**	**Total liabilities and equity**		**84,349,094**	**80,339,916**	**83,070,561**

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 2015

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Notes	Council 2014/2015 Actual $	Council 2014/2015 Budget $	Council 2013/2014 Actual $
		Cash flow from operating activities				
		Cash was provided from:				
9,158,133	9,000,940	Rates		9,158,133	9,158,133	9,000,940
1,123,428	1,027,448	Interest		966,792	1,873,000	985,913
-	-	Dividends		4,070,000	4,070,000	3,700,000
5,591	105,624	Goods and services tax		-	-	209,765
49,467	-	Income tax		-	-	-
64,887,386	64,548,378	Other exchange transactions		5,010,380	3,793,355	4,717,653
4,593,267	6,390,678	Other non-exchange transactions		4,593,267	5,347,352	6,390,678
79,817,272	81,073,068			23,798,572	24,241,840	25,004,949
		Cash was applied to:				
55,159,523	55,381,770	Employees and suppliers		21,625,408	22,003,775	21,444,784
6,007,824	4,433,986	Income tax		-	-	-
175,776	-	Goods and services tax		175,776	320,000	-
1,388,928	1,957,647	Interest		-	-	-
62,732,051	61,773,403			21,801,184	22,323,775	21,444,784
17,085,221	**19,299,665**	**Net cash flow from operating activities**	21	**1,997,388**	**1,918,065**	**3,560,165**
		Cash flow from investing activities				
		Cash was provided from:				
4,918,458	1,840,000	Investments		3,918,458	2,000,000	1,840,000
441,426	132,621	Proceeds from sale of property, plant and equipment		130,616	240,500	115,063
5,359,884	1,972,621			4,049,074	2,240,500	1,955,063
		Cash was applied to:				
24,058	3,629,863	Investments		24,058	-	2,629,863
343,976	84,000	Capitalised interest on property, plant and equipment		-	-	-
15,703,838	13,331,952	Purchase of property, plant and equipment		4,223,461	4,093,150	2,453,734
16,071,872	17,045,815			4,247,519	4,093,150	5,083,597
(10,711,988)	**(15,073,194)**	**Net cash flow outflow from investing activities**		**(198,445)**	**(1,852,650)**	**(3,128,534)**
		Cash flow from financing activities				
		Cash was provided from:				
253	-	Loans		-	-	-
253	-			-	-	-
		Cash was applied to:				
2,018,768	4,671,827	Loans		-	-	-
(2,018,515)	4,671,827			-	-	-
(2,018,515)	**(4,671,827)**	**Net cash outflow from financing activities**		**-**	**-**	**-**
4,354,718	**(445,356)**	**Net increase/(decrease) in cash and cash equivalents**		**1,798,943**	**(65,415)**	**431,631**
1,707,454	2,152,810	Opening cash and cash equivalents		987,785	166,670	556,154
6,062,172	**1,707,454**	**Closing cash and cash equivalents**	6	**2,786,728**	**232,085**	**987,785**

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 *Chartable Trusts Act 1957* and registered under the *Charities Act 2005*. Regional Software Holdings Ltd is a company governed by the *Companies Act 1993* and incorporated in New Zealand. Taranaki Stadium Trust and Regional Software Holdings Ltd are council-controlled organisations pursuant to the *Local Government Act 2002*.

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

The financial statements of Taranaki Regional Council are for the year ended 30 June 2015. The financial statements were authorised for issue by Council on 22 September 2015.

BASIS OF PREPARATION

Statement of compliance

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

As the primary objective of the Council and Group is to provide goods or services for community and social benefit, rather than for making a financial return, the Council and Group are public benefit entities for the purpose of financial reporting.

The financial statements of the Council and Group comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 1 PBE standards.

Measurement base

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.

Effect of first-time adoption of PBE standards on accounting policies and disclosures

This is the first set of financial statements of the Council and Group that is presented in accordance with PBE standards. The Council and Group have previously reported in accordance with NZ IFRS (PBE).

The accounting policies adopted in these financial statements are consistent with those of the previous financial year, except for instances when the accounting or reporting requirements of a PBE standard are different to requirements under NZ IFRS (PBE) as outlined below. There have been no material adjustments to the opening balance sheet on adoption of PBE standards.

The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

PBE IPSAS 1: Presentation of Financial Statements
There are minor differences between PBE IPSAS 1 and the equivalent NZ IFRS (PBE) standard. These differences have an effect on disclosure only. The main changes in disclosure resulting from the application of PBE IPSAS 1 are the following:

Receivables from exchange and non-exchange transactions:
In the financial statements of the previous financial year, receivables were presented as a single total in the statement of financial position. However, PBE IPSAS 1 requires receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the statement of financial position. This requirement affected the presentation of both current and comparative receivables figures.

PBE IPSAS 23: Revenue from Non-Exchange Transactions
PBE IPSAS 23 prescribes the financial reporting requirements for revenue arising from non-exchange transactions. There is no equivalent financial reporting standard under NZ IFRS. The application of this standard affected the presentation of revenue

from exchange and non-exchange transactions in the statement of comprehensive revenue and expense.

The Group has not elected to early adopt any new standards or interpretations that are issued but not yet effective as at 30 June 2015.

Accounting standards and interpretations issued but not yet effective

PBE Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2015, are outlined in the table below:

New pronouncement	Effective for Annual Reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Disclosure Initiative (Amendments to PBE IPSAS 1). Amendments have been issued as part of a project to improve presentation and disclosure requirements and • clarify that the Council and Group should not obscure useful information by aggregating or disaggregating information; and that materiality considerations apply to the primary statements, notes and any specific disclosure requirements in PBE Standards • clarify that the list of line items specified by PBE IPSAS 1 for the statement of financial position and statement of comprehensive revenue and expense can be disaggregated and aggregated as relevant. Additional guidance has also been added on the presentation of subtotals in these statements • clarify that the Council and Group have flexibility when designing the structure of the notes and provide guidance on how to determine a systematic order of the notes.	1 January 2016	30 June 2017
2015 Omnibus Amendments to PBE Standards. The omnibus amendments fall into two categories: 1. Amendments to align PBE Standards with NZ IFRS as a consequence of the IASB's Annual Improvements to IFRS. The following Standards are affected: • PBE IPSAS 16 *Investment Property* - The amendment clarifies that PBE IPSAS 16 and PBE IFRS 3 are not mutually exclusive and application of both Standards may be required. • PBE IPSAS 20 *Related Party Disclosures* - Clarifies that a member of the Group providing key management personnel services to the Council is a related party of the reporting entity; and the amendments also require disclosure of amounts incurred in respect of key management personnel services provided by a separate management entity. • PBE IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* - When the Council or Group reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued: ▪ such reclassifications are not considered changes to a plan of sale or a plan of distribution to owners. The classification, presentation and measurement requirements applicable to the new method of disposal should be applied; and ▪ assets that no longer meet the criteria for held for distribution to owners (and do not meet the criteria for held for sale) are treated in the same way as assets that cease to be classified as held for sale. 2. Amendments to align PBE Standards with IPSASs as a consequence of the IPSASB's *Improvements to IPSASs 2014.* The following Standards are affected: • PBE IPSAS 1 *Presentation of Financial Statements (consequential amendments made to PBE IAS 34 and PBE FRS 47)* - Clarifies that additional comparative information is not necessary for periods beyond the minimum comparative financial statement requirements of PBE IPSAS 1. • PBE IPSAS 17 *Property, Plant and Equipment* - Clarifies the following: • spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and	1 January 2016	30 June 2017

New pronouncement	Effective for Annual Reporting periods beginning on or after	Expected to be initially applied in the financial year ending
equipment in PBE IPSAS 17 and as inventory otherwise; • on revaluation the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset (e.g. proportionately) and that accumulated depreciation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses, or accumulated depreciation is eliminated against the gross carrying amount. • a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. • The amendments also add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits or service potential embodied in the asset. • PBE IPSAS 31 *Intangible Assets* - Clarifies that: there is a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits or service potential of the intangible asset are highly correlated; and • The amendments also add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might		

New pronouncement	Effective for Annual Reporting periods beginning on or after	Expected to be initially applied in the financial year ending
reflect a reduction of the future economic benefits or service potential embodied in the asset.		

SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Council and its controlled entities (the Group) as at 30 June 2015.

Controlled entities are all those entities over which the Council (the controlling entity) has the power to govern the financial and operating policies so as to obtain benefits from their activities.

The financial statements of the controlled entities are prepared for the same reporting period as the Council, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is lost. Assets, liabilities, income and expenses of a controlled entity acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the controlled entity.

Investments in controlled entities held by the Council are accounted for at cost less any impairment charges in the separate financial statements of the Council.

Dividends and other distributions from controlled entities are recognised as revenue in the Council's separate statement of comprehensive revenue and expense, but only to the extent that these distributions are received from the controlled entity's accumulated comprehensive revenue and expense arising after acquisition. Such distributions do not impact the recorded cost of the investment. Amounts due or received from controlled entities in excess of this are regarded as recovery of investment and are recognised as a reduction in the cost of the investment.

At the end of each reporting period, the Council assesses whether there are any indicators that the carrying value of the investment in controlled entities may be impaired. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

Non-controlling interests are allocated their share of net surplus or deficit after tax in the statement of comprehensive revenue and expense and are presented within equity in the consolidated statement of financial position, separately from the equity attributable to the Council.

Losses are attributed to the non-controlling interest only to the extent that these losses do not exceed the carrying amount of non-controlling interest in net assets/equity. Any excess, and any further losses applicable to the non-controlling interest, are allocated against the majority interest, except to the extent that the minority interest has a binding obligation and the ability to cover the losses. If the relevant controlled entity subsequently reports surpluses, such surpluses are allocated to the majority interest until the minority's share of losses that were previously absorbed by the majority has been recovered.

A change in the ownership interest of a controlled entity that does not result in a loss of control, is accounted for as an equity transaction.

If the Group loses control over a controlled entity, it:

- Derecognises the assets (including goodwill) and liabilities of the controlled entity
- Derecognises the carrying amount of any non-controlling interest relating to the controlled entity
- Recognises the fair value of the consideration received from the transaction or event resulting in the loss of control
- Recognises the fair value of any investment retained in the controlled entity as a financial asset (unless upon loss of control the former controlled entity becomes an associate or a jointly controlled entity, in which case this fair value is recognised as the cost on initial recognition of an investment in an associate or jointly controlled entity)
- Recognises any surplus or deficit resulting from the above in the statement of comprehensive revenue and expense
- Reclassifies the Council's share of components previously recognised in other comprehensive revenue and expenses to surplus or deficit, or accumulated comprehensive revenue and expense, as appropriate.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Associates are entities over which the Group has significant influence and that are neither controlled entities nor joint ventures. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Group generally deems it has significant influence if it has over 20% of the voting rights in the investee. The Group holds ownership interest in the form of shareholding or other formal equity structure in all of its associates.

A joint venture is a binding arrangement whereby two or more parties commit to undertake an activity and agree to share control over the activity (joint control). The Group has an interest in a joint venture which is a jointly controlled entity.

The Group's investment in its associates and joint ventures is accounted for using the equity method of accounting in the consolidated financial statements, and at cost in the Council's separate financial statements.

Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated statement of financial position at cost. The carrying amount of the investment is adjusted to recognise post-acquisition changes in the Group's share of net assets of the associates or joint ventures. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised.

The Group's share of an associate's or joint venture's surplus or deficit is recognised in the statement of comprehensive revenue and expense. The Group's share of any movements in the associate's or joint venture's other comprehensive revenue and an expense is recognised in other comprehensive revenue and expenses. The cumulative movements are adjusted against the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate or joint venture. The share of surplus or deficit of associates or joint venture is shown on the face of the statement of comprehensive revenue and expense. This is the surplus attributable to equity holders of the associate or joint venture and therefore is surplus after tax and minority interests in the controlled entities of the associates. In the Council's separate statement of comprehensive revenue and expense, dividends receivable from associates or joint ventures are recognised in as revenue.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on the Group's investment in its associate or joint venture. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the "share of surplus of an associate and joint venture" in the statement of comprehensive revenue and expense. Goodwill included in the carrying amount of the investment in associate is not tested for impairment separately; rather the entire carrying amount of the investment is tested as a single asset.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any remaining investment at its fair value, and accounts for the remaining investments in accordance with PBE IPSAS 29. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in surplus or deficit.

REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from non-exchange transactions

General and targeted rates
General and targeted rates are set annually and invoiced within the

year. The Group recognises revenue from rates when the Council has struck the rate and provided the rates assessment. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable.

Government grants and funding
Revenues from non-exchange transactions with the Government and government agencies is recognised when the Group obtains control of the transferred asset (cash, goods, services, or property), and:

- it is probable that the economic benefits or service potential related to the asset will flow to the Group and can be measured reliably; and
- the transfer is free from conditions that require the asset to be refunded or returned to the Government if the conditions are not fulfilled.

Revenue from government grants and funding is measured at the fair value of the assets (cash, goods, services, or property) transferred over to the Group at the time of transfer.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Group has satisfied these conditions.

Fines
The Group recognises revenue from fines when the notice of infringement or breach is served by the Council or Group.

Direct charges – subsidised
Rendering of services – subsidised
Rendering of services at a price that is not approximately equal to the value of the service provided by the Council or Group is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service and where the shortfall is subsidised by income from other activities, such as rates. Generally there are no conditions attached to such revenue. Revenue from such subsidised services is recognised when the Council or Group issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council or Group has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council or Group for the service) if the service is not completed.

Sale of goods – subsidised
A sale of goods at a price that is not approximately equal to the value of the goods provided by the Council or Group is considered a non-exchange transaction. This includes sales of goods where the price does not allow the Council to fully recover the cost of producing the goods and where the shortfall is subsidised by income from other activities such as rates. Revenue from the sale of such subsidised goods is recognised when the Council or Group issues the invoice or bill for the goods. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the goods.

Revenue from exchange transactions:

Direct charges – full cost recovery
Rendering of other services – full cost recovery
Revenue from the rendering of services (such as port services) is recognised by reference to the stage of completion of the service. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Sale of goods – full cost recovery
Revenue from the sale of goods (such as Council rubbish bags) is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Group.

Interest revenue
For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the *Statement of Comprehensive Revenue and Expense*.

Dividends
Revenue is recognised when the Group's or Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental revenue
Rental revenue arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of financial performance due to its operating nature.

Other gains and losses
Other gains and losses includes fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties, share of surplus or deficit of associates and joint venture, and realised gains and losses on the sale of PP&E held at cost.

INCOME TAX

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

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

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

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

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

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside surplus or deficit is recognised outside surplus or deficit. Deferred tax items are recognised in correlation to the underlying transaction in other comprehensive revenue and expense.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in surplus or deficit.

FOREIGN CURRENCY

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

INVENTORIES

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

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 Revenue and Expense*.

FINANCIAL ASSETS AND LIABILITIES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets-Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include: cash and short term deposits, trade and other receivables, loans and other receivables; quoted and unquoted financial instruments; and derivative financial instruments.

Subsequent measurement

For the purpose of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through surplus or deficit
- Loans and receivables
- Held to maturity investments
- Available for sale financial assets

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by PBE IPSAS 29.

The Group has not designated any financial assets at fair value through surplus or deficit.

Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value presented as other losses (negative net changes in fair value) or other gains (positive net changes in fair value) in the statement of comprehensive revenue and expense.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though surplus or deficit. These embedded derivatives are measured at fair value with changes in fair value recognised in surplus or deficit. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through surplus or deficit

Loans and receivables

This category of financial assets is the most relevant to the Group. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

The effective interest rate amortisation is included in finance income in the statement of financial performance.

The losses arising from impairment are recognised in the statement of financial performance in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 7.

Held to maturity investments.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity.

After initial measurement, held to maturity investments are measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

The effective interest rate amortisation is included as finance income in the statement of comprehensive revenue and expense.

The losses arising from impairment are recognised in the statement of comprehensive revenue and expense as finance costs.

Available for sale financial investments

Available for sale (AFS) financial investments include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through surplus or deficit. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive revenue and expense and accumulated in the AFS reserve until:

- the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or;
- the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of comprehensive revenue and expense in finance costs.

Interest earned whilst holding AFS financial investments is reported as interest income using the effective interest rate method.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the group's consolidated statement of financial position) primarily when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost (loans and receivables)

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment.

If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in surplus or deficit.
Interest income (recorded as finance income in the statement of comprehensive revenue and expense) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Individual trade receivable balances that are known to be uncollectible are written off when identified, along with associated allowances. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of financial performance.

Available for sale financial assets

For AFS financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

The Council's investment in Port Taranaki Ltd is not included in this category as it is held at cost.

When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in surplus or deficit – is removed from net assets/equity and recognised in surplus or deficit.

Impairment losses on equity investments are not reversed through surplus or deficit; increases in their fair value after impairment are recognised in other comprehensive revenue and expense.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in surplus or deficit.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income.

If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in surplus or deficit, the impairment loss is reversed through surplus or deficit.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through surplus or deficit, payables, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of payables and loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings (including bank overdrafts), financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through surplus or deficit.

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PBE IPSAS 29. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in surplus or deficit.

Financial liabilities designated upon initial recognition at fair value through surplus or deficit are designated at the initial date of recognition, and only if the criteria in PBE IPSAS 29 are satisfied. The Group has not designated any financial liability as at fair value through surplus or deficit.

Financial liabilities at amortised cost:

This is the category of financial liabilities that is most relevant to the Group. After initial recognition, trade and other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the effective interest rate amortisation process. The effective interest rate amortisation is included as finance costs in the statement of financial performance.

Trade and other payables are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

This category generally applies to payables and interest-bearing loans and borrowings. For more information refer Note 23.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in surplus or deficit.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. In the absence of an active market, the fair value of financial instruments is measured using valuation techniques with the objective of estimating what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations.

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.

NON-CURRENT ASSETS HELD FOR SALE

The Group classifies non-current assets as held for sale or for distribution to owners if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use. Such non-current assets classified as held for sale or as held for distribution are measured at the lower of their carrying amount and fair value less costs to sell or to distribute. Costs to sell (or distribute) are the incremental costs directly attributable to the sale (or distribution), excluding the finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate distribution in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the sale will be withdrawn. Management must be committed to the distribution expected within one year from the date of the classification. Similar considerations apply to assets or a disposal group held for distribution.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale or as held for distribution.

Assets and liabilities classified as held for sale or for distribution are presented separately as current items in the statement of financial position.

IMPAIRMENT OF ASSETS

Impairment of cash generating assets

For non-financial cash-generating assets, except for those assets that are measured using the revaluation model, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. An asset's or CGU's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the *Statement of Comprehensive Revenue and Expense*.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Impairment of non-cash-generating assets

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

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

In assessing value in use, the Group has adopted the depreciation replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

In determining fair value less costs to sell, the price of the asset in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset, is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the Group determines fair value less cost to sell based on the best available information.

Impairment losses are recognised immediately in surplus or deficit.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable service amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

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

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of property, plant and equipment. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Measurement subsequent to initial recognition:

Subsequent to initial recognition, property, plant and equipment are measured using either the cost model or the revaluation model, as described below:

Land and buildings are measured at fair value, less accumulated depreciation on buildings and any impairment losses recognised after the date of the revaluation.

The fair value of land and buildings is their market value as determined by a registered valuer.

Revaluation is performed on a class-by-class basis. If an item of property, plant and equipment is revalued, the entire class to which the asset belongs is revalued.
Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The valuation cycle for revalued asset classes is normally three years.

A revaluation surplus is recorded in other comprehensive revenue and expense and credited to the asset revaluation reserve in net assets/equity. However, to the extent that it reverses a revaluation deficit of the same class of asset previously recognised in surplus or deficit, the increase is recognised in surplus or deficit. A revaluation deficit is recognised in the surplus or deficit, except to the extent that it offsets an existing surplus on the same asset class recognised in the asset revaluation reserve.

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 Revenue and Expense*.

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.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to accumulated comprehensive revenue and expense.

INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

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

Computer software	2 to 5 yrs	20 to 50%

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus or deficit when the asset is derecognised.

RESEARCH AND DEVELOPMENT

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention and ability to complete and use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

INVESTMENT PROPERTY

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

Subsequent to initial recognition, investment properties are measured at fair value, which is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in surplus or deficit in the year in which they arise.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in surplus or deficit in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use.

If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. At the date of the change in use, any difference between the carrying amount of the property and its fair value is recognised is surplus or deficit, in the same way as a revaluation under this policy.

For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in surplus or deficit.

EMPLOYEE BENEFITS

Wages, salaries, annual leave and sick leave

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

Long service leave

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

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

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

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the *Statement of Comprehensive Revenue and Expense* net of any reimbursement.

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 borrowing costs are expensed in the period they occur, except to the extent the borrowing costs are directly attributable to the acquisition, construction, or production of qualifying assets. These shall be capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Council and Group have chosen not to capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

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.

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the Council and Group's accumulated surplus or deficit since the formation of the Council, adjusted for transfers to/from specific reserves.

Asset revaluation reserve

This reserve is for the revaluation of those PP&E items that are measured at fair value after initial recognition.

Cash flow hedge reserve

This reserve is for the revaluation of derivatives designated as cash flow hedges. It consists of the cumulative effective portion of net changes in the fair value of these derivatives.

Targeted rates reserve

This is a restricted equity reserve that comprises funds raised by the Council through targeted rates. The use of these funds is restricted to the specific purpose for which the targeted rates were levied. The amount of total targeted rates revenue for the year, less total expenses incurred in performing the specific activities for which these targeted rates were levied, is transferred from accumulated comprehensive revenue and expense to the targeted rates reserve via the statement of changes in net assets/equity.

Special purpose reserve

This is a restricted equity reserve created by the Council for the specific identified purpose. The use of these funds is restricted to the specific purpose. Amounts determined in accordance with Council policy are transferred on an annual basis from accumulated comprehensive revenue and expense to the special projects reserve via the statement of changes in net assets/equity. Whenever an asset is purchased or expenses are incurred as part of the execution of a special purpose, an equivalent amount is transferred from the special projects reserve to accumulated comprehensive revenue and expense via the statement of changes in net assets/equity.

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

BUDGET FIGURES

The budget figures presented in these financial statements are those included in the Council's adopted Annual Plan or Long-Term Plan. The budget figures are for the Council as a separate entity, and do not include budget information relating to subsidiaries or associates. These figures are approved by the Council at the beginning of each financial year following a period of consultation with the public. These figures do not include any additional expenditure subsequently approved by the Council outside the Long-Term Plan or Annual Plan process. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the above accounting policies adopted by the Council for the preparation of these financial statements. Explanation of major variances between actual results and budgeted figures is provided in Note 3.

COST ALLOCATIONS

The Council has derived the cost of service for each significant activity, as reported within the Statements of Service Performance, in the following way:

Direct costs:

Direct costs, which can be traced directly to a specific significant activity, are expensed directly to the relevant activity.

Indirect costs:

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

LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Group. Assets held under a finance lease are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Group also recognises the associated lease liability at the inception of the lease, at the same amount as the capitalised leased asset.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in surplus or deficit. Contingent rents shall be charged as expenses in the period in which they are incurred.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

Rent received from an operating lease is recognised as income on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

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

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

Judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

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*.

All property, plant and equipment and intangible assets held by Port Taranaki Ltd are classified as cash-generating assets, as Port Taranaki Ltd is a for-profit entity and the primary objective of its assets is to generate commercial return.

CHANGES IN ACCOUNTING ESTIMATES

There have been no changes in accounting estimates during the year.

2. OPERATING SURPLUS/(DEFICIT)

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		The net operating surplus (deficit) was achieved after crediting:		
-	-	Dividends	4,070,000	3,700,000
100,851	89,529	Gain on sale of property, plant and equipment	100,851	89,529
37,000	295,000	Gain on sale of investment properties	37,000	295,000
-	492,000	Unrealised gain on revaluation of investment properties	-	492,000
798,227	795,605	Rental revenue from investment properties	837,858	830,485
725,842	868,882	Interest – corporate bonds	725,842	868,882
385,254	187,182	Interest – cash and term deposits	239,928	134,264
1,111,096	1,056,064	Total interest	965,770	1,003,146
		And after charging:		
25,934,365	23,727,703	Employee benefits	10,742,895	10,420,331
10,526,760	11,861,737	Cost of services	9,765,603	9,624,749
3,267,504	3,883,156	General expenses	-	-
1,387,235	1,983,376	Finance costs	-	-
4,354	10,441	Maintenance dredging	-	-
4,656,880	8,055,045	Repairs and maintenance	275,977	290,464
299,970	246,894	Directors' fees	-	-
8,990,622	9,293,616	Depreciation and amortisation	1,333,022	1,351,147
9,916	245,186	Loss on disposal of property, plant and equipment	14,830	16,930
(7,000)	6,000	Change in the provision for doubtful debts	-	-
-	-	Donations	-	-
9,089	4,055	Bad debts	9,089	4,055
(1,528)	(45,404)	Net loss/(gain) on currency bank balances	-	-
189,396	185,918	Audit fees for financial statements	112,470	110,400
81,745	-	Audit fees for long-term plan	81,745	-
284,500	-	Unrealised loss on revaluation of investment properties	284,500	-
8,719	7,200	Minimum lease payments recognised as operating lease expense	-	-
950,087	1,169,587	Purchase of riparian plants (inventory)	950,087	1,169,587

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Direct charges revenue from exchange transactions		
2,591,193	2,331,251	Compliance monitoring charges	2,604,126	2,341,141
845,148	1,075,325	Resource consent applications	853,000	1,076,264
325,353	338,085	Other sales of goods and services	329,353	342,085
3,761,694	**3,744,661**	**Total direct charges revenue from exchange transactions**	**3,786,479**	**3,759,490**

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Direct charges revenue from non-exchange transactions		
1,005,456	1,292,677	Riparian plant sales	1,005,456	1,292,677
891,408	866,807	Bus fares	891,408	866,807
818,861	469,476	Pollution response	820,472	469,476
344,069	335,251	Civil defence recoveries	344,069	335,251
98,333	164,284	Resource consent condition charges	98,333	164,284
65,267	87,233	Waste minimisation recoveries	65,267	87,233
392,846	243,714	Other recoveries and sales of goods and services	392,846	243,714
3,616,240	**3,459,442**	**Total direct charges revenue from non-exchange transactions**	**3,617,851**	**3,459,442**

The auditor of the Taranaki Regional Council and Group is Deloitte.

Group			Council	
2014/2015 Actual $	**2013/2014 Actual $**		**2014/2015 Actual $**	**2013/2014 Actual $**
		Auditor remuneration		
189,396	185,918	Fees for the audit of the financial statements	112,470	110,400
82,619	-	Fees for the audit of the Long-Term Plan	82,619	-
272,015	**185,918**	**Total fees for audit services**	**195,089**	**110,400**
-	-	Fees for the audit of subsidiaries' financial statements	-	-
-	-	Other assurance services	-	-
272,015	**185,918**	**Total**	**195,089**	**110,400**

3. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

The Council made a net operating surplus/(deficit) of $879,325 (2013/2014—$1,399,674) compared to a budgeted surplus of $149,254 (2013/2014—$101,933). The major reasons for this variance between the actual net operating surplus and the budgeted net operating deficit are:

	2014/2015 Actual $
Operating expenditure was less than budgeted *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.*	776,868
Direct charges were less than budgeted *This is due to plant sales being significantly less than budgeted. This decrease in revenue was largely offset by an increase in revenue from responding to pollution incidents.*	(43,209)
Government grants were higher than budgeted *Funding for public transport planning and passenger services was higher than budgeted and funding for the Civil Defence flood response was unplanned*	145,885
Other investment revenue was more than budgeted *This arises from higher than planned profit on disposal of investment properties.*	69,257
Unrealised losses on revaluation of investment properties was more than budgeted *No allowance was made for an increase or decrease in values.*	(284,500)
Finance income was higher than budget *Better than anticipated term investment balances.*	65,770

The *2015/2025 Long-Term Plan* has budgeted for a net operating surplus, before transfers to and from reserves, of $346,028 for the 2015/2016 year. The entire operating surplus is from continuing activities.

4. TAXATION

Group			Council	
2014/2015 Actual $	**2013/2014 Actual $**		**2014/2015 Actual $**	**2013/2014 Actual $**
		Income tax recognised in the Statement of Comprehensive Revenue and Expense		
4,707,849	6,076,947	Current tax expense		-
(97,351)	(1,449,690)	Deferred tax income on temporary differences		-
4,610,498	**4,627,257**	**Income tax expense per Statement of Comprehensive Revenue and Expense**		**-**
		Reconciliation of operating surplus before tax and income tax expense		
12,837,873	14,083,752	Profit before taxation and subvention payment	879,325	1,399,674
12,837,873	**14,083,752**	**Operating surplus/(deficit) before taxation**	**879,325**	**1,399,674**

Group			Council	
2014/2015 Actual $	2013/2014 Actual $		2014/2015 Actual $	2013/2014 Actual $
3,594,604	3,943,451	Income tax expense at 28%	246,211	391,909
83,003	197,196	Tax effect of non deductible expenses in operating surplus before taxation	-	-
2,461,654	2,079,597	Tax effect of non assessable income in operating surplus before taxation	1,336,567	1,046,979
-	-	Tax effect of rate change on future tax benefits	-	-
54,015	(154,099)	Prior period adjustments impacting income taxation expense	-	-
(1,582,778)	(1,438,888)	Imputation credit adjustment	(1,582,778)	(1,438,888)
4,610,498	**4,627,257**	**Income taxation expense per Statement of Comprehensive Revenue and Expense**	**-**	**-**
		Taxation refundable/(payable)		
(2,655,315)	(1,012,354)	Opening balance	-	-
2,758,357	1,033,334	Prior year tax paid/(refund)	-	-
(103,043)	28,486	Prior year adjustment	-	-
(4,604,806)	(6,105,433)	Current taxation payable	-	-
3,200,000	3,400,652	Provisional taxation paid	-	-
(1,404,807)	**(2,655,315)**	**Taxation refundable/(payable)**	**-**	**-**
		Imputation credit account	-	
23,187,523	**20,062,452**	**Credits available for use in subsequent periods**	**-**	**-**
23,187,523	20,062,452	Imputation credits available directly and indirectly to the Council, through Port Taranaki Ltd:	-	-

The Council is exempt from income tax. At 30 June 2015, there was no recognised deferred tax liability (2013/2014—Nil) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries.

5. DEFERRED TAX ASSET/LIABILITY

	Group			
	Depreciation/ Amortisation	Provisions/ Payables	Receivables/ Prepayments	Total
Balance 30 June 2013	**(1,775,613)**	**1,130,404**	**(236,702)**	**(881,912)**
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	799,813	440,894	208,982	1,449,690
Balance 30 June 2014	**(975,800)**	**1,571,298**	**(27,720)**	**567,778**
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	244,607	(177,216)	29,960	97,351
Balance 30 June 2015	**(731,193)**	**1,394,082**	**(2,240)**	**665,129**

There are no income tax losses carried forward.

6. CASH AND CASH EQUIVALENTS

Group			Council	
2014/2015 Actual $	2013/2014 Actual $		2014/2015 Actual $	2013/2014 Actual $
4,264,954	1,693,589	Bank	989,510	973,920
1,797,218	13,865	Call deposits	1,797,218	13,865
6,062,172	**1,707,454**	**Total bank and call deposits**	**2,786,728**	**987,785**

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

7. TRADE AND OTHER RECEIVABLES

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Receivables from exchange transactions		
4,882,006	8,477,382	Trade receivables	771,339	1,002,638
(8,000)	(15,000)	Provision for impairment	-	-
4,874,006	8,462,382	Net trade receivables	771,339	1,002,638
354,373	247,993	Other receivables	-	-
-	-	Related party receivables	419	-
5,228,379	**8,710,375**	**Total receivables from exchange transactions**	**771,758**	**1,002,638**
		Movement in the provision for impairment		
15,000	9,000	Balance 1 July	-	-
(7,000)	6,000	Increase/(decrease) in impairment provision recognised in the Statement of Comprehensive Revenue and Expense	-	-
8,000	**15,000**	**Balance 30 June**	-	**-**

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Receivables from non-exchange transactions		
1,993,931	1,234,709	Trade receivables	1,993,931	1,234,709
-	-	Provision for impairment	-	-
1,993,931	1,234,709	Net trade receivables	1,993,931	1,234,709
	-	Other receivables	-	-
	-	Related party receivables	-	-
1,993,931	**1,234,709**	**Total receivables from non-exchange transactions**	**1,993,931**	**1,234,709**
		Movement in the provision for impairment		
-	-	Balance 1 July	-	-
-	-	Increase/(decrease) in impairment provision recognised in the Statement of Comprehensive Revenue and Expense	-	-
-	**-**	**Balance 30 June**	**-**	**-**

The fair value of trade and other receivables approximates their carrying value. There is no concentration of credit risk with respect to the Council's receivables as there a large number of customers. As of 30 June 2015, and 2014 all overdue receivables have been assessed for impairment and where necessary appropriate provisions applied. The Council does not provide for impairment on rates receivables at it has powers under the *Local Government (Rating) Act 2002* to recover outstanding debts.

The average credit period on sales of services is 35 days (45 days—2013/2014). 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 $0.295m ($1.062m—2013/2014) which are past due at the reporting date. The average age of the $0.295m receivables is 58 days (51 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 25.71%, or 18 (32.05%, 25) by number of trade debtors, represent 89.23% (92.46%) of the total amount of trade debtors. 7.00% (14.21%) of trade receivables were overdue but not impaired at balance sheet date. Only 0.19% (0.20%) of trade receivables were considered impaired.

8. INVENTORIES

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
271,080	99,209	Plant materials	271,080	99,209
668,672	680,700	Maintenance consumables	-	-
939,752	**779,909**	**Total inventories**	**271,080**	**99,209**

9. PROPERTY, PLANT AND EQUIPMENT

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Operational assets		
		Land at cost		
1,969,509	1,969,509	Carrying amount at 1 July	1,969,509	1,969,509
-	-	Additions	-	-
1,969,509	1,969,509	Carrying amount at 30 June	1,969,509	1,969,509
		Land at valuation		
76,303,000	76,083,000	Carrying amount at 1 July	-	-
130,000	-	Additions	-	-
-	220,000	Revaluations	-	-
76,433,000	76,303,000	Carrying amount at 30 June	-	-
		Buildings at cost		
34,231,227	32,636,303	Cost as at 30 June previous year	8,422,965	7,734,262
15,428,687	14,398,746	Accumulated depreciation	3,019,065	2,761,412
18,802,540	18,237,557	Net book value previous year	5,403,900	4,972,850
18,802,540	18,237,557	Carrying amount at 1 July	5,403,900	4,972,850
1,183,209	1,689,578	Additions	824,286	688,703
15,530	40,733	Disposals	-	-
1,059,522	1,083,862	Depreciation	208,870	257,653
18,910,697	18,802,540	Carrying amount at 30 June	6,019,316	5,403,900
		Buildings at valuation		
22,690,432	22,217,653	Valuation as at 30 June previous year	-	-
36,432	1,205,646	Accumulated depreciation	-	-
22,654,000	21,012,007	Net book value previous year	-	-
22,654,000	21,012,007	Carrying amount at 1 July	5,403,900	4,972,850
3,308,809	472,779	Additions	824,286	688,703
-	-	Disposals	-	-
-	1,835,744	Revaluations	-	-
680,515	666,530	Depreciation	208,870	257,653
25,282,294	22,654,000	Carrying amount at 30 June	6,019,316	5,403,900
		Motor vehicles		
2,919,046	2,741,403	Cost as at 30 June previous year	2,919,046	2,741,403
1,489,025	1,305,531	Accumulated depreciation	1,489,025	1,305,531
1,430,021	1,435,872	Net book value previous year	1,430,021	1,435,872
1,430,021	1,435,872	Carrying amount at 1 July	1,430,021	1,435,872
535,584	536,024	Additions	535,584	536,024
41,131	33,898	Disposals	41,131	33,898
554,594	507,977	Depreciation	554,594	507,977
1,369,880	1,430,021	Carrying amount at 30 June	1,369,880	1,430,021
		Plant, equipment and fittings		
31,699,768	30,991,489	Cost as at 30 June previous year	4,380,480	4,230,408
20,703,485	18,655,766	Accumulated depreciation	3,595,790	3,317,930
10,996,283	12,335,723	Net book value previous year	784,690	912,478
10,996,283	12,335,723	Carrying amount at 1 July	784,690	912,478
1,749,936	931,861	Additions	229,570	190,969
353,422	39,743	Disposals	1,038	8,566
2,005,391	2,231,558	Depreciation	286,447	310,191
10,387,406	10,996,283	Carrying amount at 30 June	726,775	784,690

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Office furniture		
617,330	600,845	Cost as at 30 June previous year	600,900	584,415
553,041	538,259	Accumulated depreciation	536,611	521,829
64,289	62,586	Net book value previous year	64,289	62,586
64,289	62,586	Carrying amount at 1 July	64,289	62,586
20,020	16,484	Additions	20,020	16,484
-	-	Disposals	-	-
15,450	14,781	Depreciation	15,450	14,781
68,859	64,289	Carrying amount at 30 June	68,859	64,289
		Computer equipment		
2,598,567	2,493,920	Cost as at 30 June previous year	2,598,567	2,493,920
2,357,515	2,270,580	Accumulated depreciation	2,357,515	2,270,580
241,052	223,340	Net book value previous year	241,052	223,340
241,052	223,340	Carrying amount at 1 July	241,052	223,340
137,463	106,318	Additions	137,463	106,318
2,426	-	Disposals	2,426	-
106,815	88,606	Depreciation	106,815	88,606
269,274	241,052	Carrying amount at 30 June	269,274	241,052
		Maintenance dredging		
2,305,823	2,305,823	Cost as at 30 June previous year	-	-
1,497,790	417,428	Accumulated depreciation	-	-
808,033	1,888,395	Net book value previous year	-	-
808,033	1,888,395	Carrying amount at 1 July	-	-
1,967,383	-	Additions	-	-
-	-	Disposals	-	-
968,268	1,080,362	Depreciation	-	-
1,807,148	808,033	Carrying amount at 30 June	-	-
		Port installations		
44,937,760	41,604,625	Cost as at 30 June previous year	-	-
27,412,000	25,700,953	Accumulated depreciation	-	-
17,525,760	15,903,672	Net book value previous year	-	-
17,525,760	15,903,672	Carrying amount at 1 July	-	-
1,007,109	3,333,135	Additions	-	-
888,561	-	Reclassification	-	-
1,650,441	1,711,047	Depreciation	-	-
15,993,867	17,525,760	Carrying amount at 30 June	-	-
		Floating plant		
17,514,338	14,450,892	Cost as at 30 June previous year	-	-
6,941,356	6,234,249	Accumulated depreciation	-	-
10,572,982	8,216,643	Net book value previous year	-	-
10,572,982	8,216,643	Carrying amount at 1 July	-	-
19,917	3,071,285	Additions	-	-
-	-	Disposals	-	-
908,299	714,946	Depreciation	-	-
9,684,600	10,572,982	Carrying amount at 30 June	-	-
		Capital dredging		
21,505,192	21,505,192	Cost as at 30 June previous year	-	-
3,081,877	2,651,773	Accumulated depreciation	-	-
18,423,315	18,853,419	Net book value previous year	-	-

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
18,423,315	18,853,419	Carrying amount at 1 July	-	-
888,561	-	Reclassification	-	-
	-	Disposals	-	-
451,260	430,104	Depreciation	-	-
18,860,616	18,423,315	Carrying amount at 30 June	-	-
		Bulk tanks		
999,999	999,999	Cost as at 30 June previous year	-	-
108,333	8,334	Accumulated depreciation	-	-
891,666	991,665	Net book value previous year	-	-
891,666	991,665	Carrying amount at 1 July	-	-
-	-	Additions	-	-
-	-	Disposals	-	-
100,000	99,999	Depreciation	-	-
791,666	891,666	Carrying amount at 30 June	-	-
		Work-in-progress		
7,092,451	3,883,043	Carrying amount at 1 July	1,558,954	2,104,668
14,785,397	13,621,996	Additions	3,697,035	1,723,323
(5,376,215)	(10,412,588)	Transferred upon completion	(880,989)	(2,269,037)
16,501,633	7,092,451	Carrying amount at 30 June	4,375,000	1,558,954
		Infrastructure assets		
		Flood and river control assets		
8,479,624	6,732,438	Valuation as at 30 June previous year	8,479,624	6,732,438
-	-	Accumulated depreciation	-	-
8,479,624	6,732,438	Net book value previous year	8,479,624	6,732,438
8,479,624	6,732,438	Carrying amount at 1 July	8,479,624	6,732,438
	-	Recognition of Okato River flood control scheme assets		-
-	1,397,854	Additions	-	1,397,854
(118,182)	349,332	Revaluations	(118,182)	349,332
8,361,443	8,479,624	Carrying amount at 30 June	8,361,443	8,479,624
206,691,893	**196,254,525**	**Total property, plant and equipment**	**23,160,056**	**19,932,039**

Group Cost or valuation	Group Accumulated depreciation	Group Carrying amount	As at 30 June 2015	Council Cost or valuation	Council Accumulated depreciation	Council Carrying amount
1,969,509	-	1,969,509	Land at cost	1,969,509	-	1,969,509
76,433,000	-	76,433,000	Land at valuation	-	-	-
35,364,650	16,453,953	18,910,697	Buildings at cost	9,247,251	3,227,935	6,019,316
25,999,241	716,946	25,282,294	Buildings at valuation	-	-	-
3,042,879	1,672,999	1,369,880	Motor vehicles	3,042,879	1,672,999	1,369,880
32,369,746	21,982,340	10,387,406	Plant, equipment and fittings	4,590,781	3,864,006	726,775
637,350	568,491	68,859	Office furniture	620,920	552,061	68,859
2,721,041	2,451,767	269,274	Computer equipment	2,721,041	2,451,767	269,274
2,125,098	317,950	1,807,148	Maintenance dredging	-	-	-
44,887,059	28,893,192	15,993,867	Port installations	-	-	-
17,535,006	7,850,406	9,684,600	Floating plant	-	-	-
22,563,001	3,702,385	18,860,616	Capital dredging	-	-	-
999,999	208,333	791,666	Bulk tanks	-	-	-
16,501,633	-	16,501,633	Work-in-progress	4,375,000	-	4,375,000
8,361,443	-	8,361,443	Flood and river control assets	8,361,443	-	8,361,443
291,510,655	**84,818,763**	**206,691,892**	**Total property, plant and equipment**	**34,928,824**	**11,768,768**	**23,160,056**

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 PBE IPSAS 17 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 $25,336,198 ($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 2015 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 $8,361,443 (2013/2014 - $8,479,624). The carrying amount of land had it been recognised under the cost model is $2,825,194 (2013/2014 - $2,825,194).

There are no material items of property, plant or equipment which are not in current use. There have been impairment losses recognised in the current period, for 1 asset (2014: 3 assets) impaired for a total value of $43,488 (2014: $173,000). Borrowing costs of $343,796 ($84,000—2013/2014) 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 and the TSB Bank (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:

	Council	
	2014/2015 Actual $	**2013/2014 Actual $**
Closing book value	8,361,443	8,479,624
Acquisitions constructed by the Council	-	1,747,186
Acquisitions transferred to the Council	-	-
Estimated replacement cost	8,361,443	8,479,624

10. INTANGIBLE ASSETS

Group			Council	
2014/2015 Actual $	**2013/2014 Actual $**		**2014/2015 Actual $**	**2013/2014 Actual $**
		Carrying amounts		
		Intangible assets		
		Computer software		
7,269,438	7,099,326	Cost as at 30 June previous year	2,545,136	2,534,268
6,320,027	5,656,235	Accumulated depreciation	2,104,219	1,932,281
949,411	1,443,091	Net book value previous year	440,917	601,987
		Reconciliation		
		Intangible assets		
		Computer software		
949,411	1,443,091	Carrying amount 1 July	440,917	601,987
670,463	170,112	Additions	8,000	10,868
-	-	Disposals	-	-
555,622	663,792	Amortisation	160,846	171,938
1,064,252	949,411	Carrying amount at 30 June	288,071	440,917

Cost or valuation	**Accumulated depreciation**	**Carrying amount**		**Cost or valuation**	**Accumulated depreciation**	**Carrying amount**
			As at 30 June 2015			
6,654,704	5,590,452	1,064,252	Computer software	2,553,136	2,265,065	288,071
6,654,704	**5,590,452**	**1,064,252**	**Total intangible assets**	**2,553,136**	**2,265,065**	**288,071**

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

11. INVESTMENTS

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Current portion of investments		
6,083,585	5,000,000	Term deposits	6,083,585	4,000,000
1,011,708	5,649,453	Corporate bonds	1,011,708	5,649,453
7,095,293	**10,649,453**	**Total current portion of investments**	**7,095,293**	**9,649,453**
		Non current investments		
6,186,515	7,220,813	Corporate bonds	6,186,515	7,220,813
-	-	Port Taranaki Ltd (unlisted shares)	26,000,000	26,000,000
1,000	1,000	Civic Assurance (unlisted shares)	1,000	1,000
798,118	798,118	Regional Software Holdings Ltd	798,118	798,118
6,985,633	**8,019,931**	**Total non current investments**	32,985,633	**34,019,931**
14,080,926	**18,669,384**	**Total investments**	**40,080,926**	**43,669,384**
		Term deposit maturity dates and effective interest rates		
6,083,585	5,000,000	Term deposits maturing in less than 1 year	6,083,585	4,000,000
4.09%	4.56%	Weighted average effective interest rate	4.09%	4.60%
		Corporate bonds maturity dates and effective interest rates		
1,011,708	5,649,453	Corporate bonds maturing in less than 1 year	1,011,708	5,649,453
6.00%	7.32%	Weighted average effective interest rate	6.00%	7.32%
4,643,300	1,012,097	Corporate bonds maturing in 1 to 2 years	4,643,300	1,012,097
6.33%	6.00%	Weighted average effective interest rate	6.33%	6.00%
1,543,215	4,663,700	Corporate bonds maturing in 2 to 3 years	1,543,215	4,663,700
6.54%	6.33%	Weighted average effective interest rate	6.54%	6.33%
-	1,545,016	Corporate bonds maturing in 3 to 4 years	-	1,545,016
-	6.54%	Weighted average effective interest rate	-	6.54%
7,198,223	**12,870,266**	**Corporate bonds carrying value**	**7,198,223**	**12,870,266**
7,516,244	**13,277,441**	**Corporate bonds market value**	**7,516,244**	**13,277,441**

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 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
15,194,500	16,247,500	Balance 1 July	15,194,500	16,247,500
-	-	Additions	-	-
293,000	1,545,000	Disposals	293,000	1,545,000
(284,500)	492,000	Fair value gains/(losses) on valuation	(284,500)	492,000
14,617,000	**15,194,500**	**Balance 30 June**	**14,617,000**	**15,194,500**
		Comprising:		
-	293,000	Current assets	-	293,000
14,617,000	14,901,500	Non current assets	14,617,000	14,901,500
14,617,000	**15,194,500**	**Total investment property**	**14,617,000**	**15,194,500**

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 2015 was $14,617,000 (2013/2014—$15,194,500).

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Reconciliation of net surplus on investment properties		
830,058	830,485	Rental income derived from investment properties	830,058	830,485
19,216	43,793	Direct operating expenses (including repairs and maintenance) generating rental income	19,216	43,793
-	-	Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	-	-
810,842	**786,692**	**Surplus arising from investment properties carried at fair value**	**810,842**	**786,692**

13. TRADE AND OTHER PAYABLES UNDER EXCHANGE TRANSACTIONS

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
11,691,602	8,963,419	Trade payables under exchange transactions	2,477,354	2,092,265
1,126,897	1,678,662	Accrued pay	262,835	211,913
12,818,499	**10,642,081**	**Total trade and other payables under exchange transactions**	**2,740,189**	**2,304,178**
		Comprising:		
12,357,499	10,052,081	Current liabilities	2,740,189	2,304,178
461,000	590,000	Non current liabilities	-	-
12,818,499	**10,642,081**	**Total trade and other payables under exchange transactions**	**2,740,189**	**2,304,178**

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 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
2,036,807	1,949,651	Holiday leave	701,200	685,005
212,400	212,700	Sick leave	157,400	171,700
754,494	719,173	Long service leave	407,400	362,400
1,414,100	1,384,400	Retirement gratuities	451,100	395,400
4,417,801	**4,265,924**	**Total employee entitlements**	**1,717,100**	**1,614,505**
		Comprising:		
2,723,301	2,610,724	Current liabilities	931,600	918,305
1,694,500	1,655,200	Non current liabilities	785,500	696,200
4,417,801	**4,265,924**	**Total employee entitlements**	**1,717,100**	**1,614,505**

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 appropriate government bond rate matched to the year the provision is due as applicable at balance sheet date. All movements are recorded in operating expenses.

15. BORROWINGS

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Current liabilities		
23,474	153,597	Secured loans - Westpac	-	-
253	-	Secured loans – TSB Bank	-	-
23,727	**153,597**	Total current liability borrowings	**-**	**-**
4.46%	0.00%	Weighted average interest rate		
		Non current liabilities		
30,000,000	31,900,000	Secured loans - Westpac	-	-
(21,845)	(31,507)	Deferred Loan Facility Fee	-	-
29,978,155	**31,868,493**	Total non current liability borrowings	-	-
3.30%	4.49%	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 23. The carrying amount for current and non current loans is denominated in New Zealand dollars. The secured loans are obtained under a $50 million (2013/2014—$50 million) funding facility provided by Westpac Banking Corporation. As at 30 June 2015, $20.0 million (2013/2014-$18.1 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 (2013/2014-$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 2014/2015 is 0% (0%) as this is solely interest payable and only includes interest payable.

The Taranaki Stadium Trust TSB Bank Liberty Revolving credit facility has a draw down limit of $3,000,000 and is secured by way of a registered first mortgage over the property at 6 Maratahu Street, New Plymouth. Interest is incurred at a variable rate of 4.46% pa, being the 90 day mid Bank bill rate plus a 1.00% margin.

16. PUBLIC EQUITY

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Retained earnings		
128,568,013	121,203,084	Opening balance	63,760,424	64,452,316
8,227,374	9,456,495	Operating surplus/(deficit)	879,325	1,399,674
(1,117,032)	(2,131,566)	Transfers to reserves	(1,117,032)	(2,131,566)
145,802	40,000	Transfers from reserves	145,802	40,000
135,824,157	**128,568,013**	**Closing balance**	**63,668,519**	**63,760,424**
		Reserves (refer to Note 17)		
10,930,831	8,839,265	Opening balance	10,930,831	8,839,265
1,117,032	2,131,566	Transfers from retained earnings	1,117,032	2,131,566
(145,802)	(40,000)	Transfers to retained earnings	(145,802)	(40,000)
11,902,061	**10,930,831**	**Closing balance**	**11,902,061**	**10,930,831**
		North Taranaki/Waitara River Control Scheme reserve		
1,194,421	1,004,543	Opening balance	1,194,421	1,004,543
239,265	189,878	Transfers from retained earnings	239,265	189,878
(99,551)	-	Transfers to retained earnings	(99,551)	-
1,334,135	**1,194,421**	**Closing balance**	**1,334,135**	**1,194,421**
		Contingency/disaster reserve		
1,086,000	1,086,000	Opening balance	1,086,000	1,086,000
395,000	-	Transfers from retained earnings	395,000	-
-	-	Transfers to retained earnings	-	-
1,481,000	**1,086,000**	**Closing balance**	**1,481,000**	**1,086,000**

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Dividend equalisation reserve		
6,395,766	6,395,766	Opening balance	6,395,766	6,395,766
-	-	Transfers from retained earnings	-	-
-	-	Transfers to retained earnings	-	-
6,395,766	**6,395,766**	**Closing balance**	**6,395,766**	**6,395,766**
		Passenger transport targeted rate reserve (New Plymouth/North Taranaki)		
181,016	207,956	Opening balance	181,016	207,956
11,114	13,060	Transfers from retained earnings	11,114	13,060
(41,250)	(40,000)	Transfers to retained earnings	(41,250)	(40,000)
150,880	**181,016**	**Closing balance**	**150,880**	**181,016**
		Passenger transport targeted rate reserve (Stratford)		
5,314	5,000	Opening balance	5,314	5,000
326	314	Transfers from retained earnings	326	314
(2,500)	-	Transfers to retained earnings	(2,500)	-
3,140	**5,314**	**Closing balance**	**3,140**	**5,314**
		Passenger transport targeted rate reserve (South Taranaki)		
5,314	5,000	Opening balance	5,314	5,000
326	314	Transfers from retained earnings	326	314
(2,500)	-	Transfers to retained earnings	(2,500)	-
3,140	**5,314**	**Closing balance**	**3,140**	**5,314**
		Egmont national park control reserve		
223,000	135,000	Opening balance	223,000	135,000
141,000	88,000	Transfers from retained earnings	141,000	88,000
-	-	Transfers to retained earnings	-	-
364,000	**223,000**	**Closing balance**	**364,000**	**223,000**
		Endowment land sales reserve		
1,840,000	-	Opening balance	1,840,000	-
330,000	1,840,000	Transfers from retained earnings	330,000	1,840,000
	-	Transfers to retained earnings		-
2,170,000	**1,840,000**	**Closing balance**	**2,170,000**	**1,840,000**
11,902,061	**10,930,831**	**Total reserves**	**11,902,061**	**10,930,831**
		Asset revaluation reserves		
54,873,960	52,468,884	Opening balance	3,841,414	3,492,082
(118,182)	2,405,076	Change in asset value	(118,182)	349,332
54,755,778	**54,873,960**	**Closing balance**	**3,723,232**	**3,841,414**
		Waitara flood control scheme		
2,724,762	2,466,787	Opening balance	2,724,762	2,466,787
(180,102)	257,975	Change in asset value	(180,102)	257,975
2,544,660	**2,724,762**	**Closing balance**	**2,544,660**	**2,724,762**
		Waiwhakaiho flood control scheme		
1,106,852	1,025,295	Opening balance	1,106,852	1,025,295
54,920	81,557	Change in asset value	54,920	81,557
1,161,772	**1,106,852**	**Closing balance**	**1,161,772**	**1,106,852**
		Okato flood control scheme		
9,800	-	Opening balance	9,800	-
7,000	9,800	Change in asset value	7,000	9,800
16,800	**9,800**	**Closing balance**	**16,800**	**9,800**

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Land		
49,196,802	48,976,802	Opening balance	-	-
-	220,000	Change in asset value	-	-
49,196,802	**49,196,802**	**Closing balance**	-	-
		Buildings		
1,835,744	-	Opening balance	-	-
-	1,835,744	Change in asset value	-	-
1,835,744	**1,835,744**	**Closing balance**	-	-
54,755,778	**54,873,960**	**Total asset revaluation reserves**	**3,723,232**	**3,841,414**
		Cash flow hedge reserve		
1,301,241	634,366	Opening balance	-	-
(1,807,026)	666,875	Change in cash flow hedge reserve	-	-
(505,785)	**1,301,241**	**Total Cash flow hedge reserve**	-	**-**
201,976,211	**195,674,045**	**Total public equity**	**79,293,812**	**78,532,669**

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:

	2014/2015 Actual $	2013/2014 Actual $
Councillor M J Cloke	42,938	38,066
Councillor M G Davey	33,835	31,622
Councillor P D Horton	34,917	32,490
Councillor M A Irving	33,841	32,440
Councillor B R Jeffares	40,481	35,332
Councillor M P Joyce	39,429	34,772
Councillor D L Lean—Deputy Chairman	49,693	45,380
Councillor D N MacLeod—Chairman	94,830	90,343
Councillor R F H Maxwell	42,129	40,886
Councillor N W Walker	44,960	41,989
Councillor C S Williamson	34,659	32,472

The Chief Executive of the Taranaki Regional Council, appointed under section 42(1) of the Local Government Act 2002, received a salary of $311,321 ($305,826 2013/2014). 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 $343,492 ($336,757 – 2013/2014).

	2014/2015 Actual $	2013/2014 Actual $
Number of full-time employees	123	118
Full-time equivalent of all other employees	14	17
Number of employees receiving total annual remuneration below $60,000	72	76
Number of employees receiving total annual remuneration between $60,000 and $79,999	51	44
Number of employees receiving total annual remuneration between $80,000 and $99,999	12	11
Number of employees receiving total annual remuneration between $100,000 and $119,999	6	6
Number of employees receiving total annual remuneration between $120,000 and $359,999	8	7

19. SEVERANCE PAYMENTS

During the year ended 30 June 2015 the Council made nil severance payments (2: $26,452 and $10,000—2013/2014).

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	
2014/2015 Actual $	**2013/2014 Actual $**		**2014/2015 Actual $**	**2013/2014 Actual $**
8,227,374	**9,456,495**	**Surplus/(deficit) for the period**	**879,325**	**1,399,674**
		Add/(less) non-cash items		
9,113,955	9,293,618	Depreciation and amortisation	1,333,022	1,351,147
(97,351)	(1,449,690)	Deferred tax movement	-	-
284,500	(492,000)	Investment property: unrealised (gain)/loss	284,500	(492,000)
17,528,478	16,808,423		2,496,847	2,258,821
		Add/(less) movements in assets and liabilities		
2,722,355	(2,141,328)	Trade and other receivables	(528,342)	1,023,839
(4,508)	223,787	Prepayments	(4,508)	(3,121)
(159,843)	(165,304)	Inventories	(171,871)	45,394
1,807,026	(666,875)	Derivative financial instruments	-	-
(21,216)	(44,567)	Work in progress—current liability	(21,216)	(44,567)
134,343	147,313	Work in progress—current asset	134,343	147,313
(2,967,233)	4,763,038	Trade and other payables	436,011	459,846
151,878	113,047	Employee entitlements	102,595	12,072
(1,250,508)	1,642,962	Taxation payable	-	-
		Add/(less) investing activity items		
(90,934)	155,657	(Profit)/loss on sale of assets (net)	(86,020)	(72,599)
(37,000)	(295,000)	(Profit)/loss on sale of investment property (net)	(37,000)	(295,000)
(751,675)	(1,217,429)	Movement in fixed asset creditors	(347,509)	52,225
24,058	(24,058)	Movement in investment creditors	24,058	(24,058)
17,085,221	**19,299,666**	**Cash inflow from operating activities**	**1,997,388**	**3,560,165**

22. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, the Group's capital is its equity, including accumulated comprehensive revenue and expenses and all equity reserves attributable to the Council. Equity is represented by net assets.

The Council manages the Group's capital largely as a by-product of managing its revenue, expenses, assets, liabilities and general financial dealings. The *Local Government Act 2002* requires the Council to manage its revenue, expenses, assets, liabilities and general financial dealings in a manner that promotes the current and future interests of the community. In addition, *The Local Government (Financial Reporting and Prudence) Regulation 2014* sets out a number of benchmarks for assessing whether the Council is managing its revenue, expenses, assets and liabilities prudently.

The primary objective of the Group's capital management is to achieve intergenerational equity, which is a principle promoted in *the Local Government Act 2002* and applied by the Council. Intergenerational equity requires the Council to spread the funding of the cost of its assets over the current and future generations of ratepayers, such that:

- Current ratepayers are required to meet the cost of using the assets, but not the full cost of long term assets that will benefit ratepayers in future generations; and
- Ratepayers in future generations are not required to meet the costs of deferred asset renewals and maintenance.

In order to achieve this overall objective, the Council has in place asset management plans for major classes of assets, detailing renewals and programmed maintenance.

An additional objective of capital management is to ensure that the expenditure needs identified in the Council's Long-term Plan and Annual Plan are met in the manner set out in these plans. The *Local Government Act 2002* requires the Council to make adequate and effective provision in its Long-Term Plan and in its Annual Plan to meet the expenditure needs identified in those plans. The factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities are set out in the *Local Government Act 2002*. The sources and levels of funding are set out in the funding and financial policies in the Council's Long-term Plan. The Council monitors actual expenditure incurred against the Long-term Plan and Annual Plan.

No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2015 and 2014.

23. 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 *2015/2025 Long-Term Plan*.

The Council has the following Council created reserves:

- reserves for different areas of benefit;
- self-insurance reserves; and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

The capital structure of Port Taranaki Ltd consists of debt, which includes the borrowings disclosed in Note 15, and equity attributable to the shareholder, comprising issued capital, reserves and retained earnings as disclosed in Note 16.

Port Taranaki Ltd's board of directors monitors and reviews the capital structure annually through the statement of corporate intent process and treasury policy review. Part of this review includes adherence to bank covenant requirements, which have capital requirements in relation to debt to equity ratios. Through these two processes the Company seeks to balance the growth objectives of the Company with the Company's dividend policy objective. Due to the strength of the Company's balance sheet all new business ventures of the Company can currently be debt funded.

Categories of financial instruments

The estimated fair values of financial instruments are as follows:

Group			Council	
2014/2015 Actual $	2013/2014 Actual $		2014/2015 Actual $	2013/2014 Actual $
		Financial assets		
		Loans and receivables		
		Foreign currency bank balances		
20,086	18,798	Carrying amount	-	-
20,086	18,798	Fair value	-	-
		Term deposits		
6,083,585	5,000,000	Carrying amount	6,083,585	4,000,000
6,083,585	5,000,000	Fair value	6,083,585	4,000,000

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Cash and cash equivalents		
6,042,086	1,688,656	Carrying amount	2,786,728	987,785
6,042,086	1,688,656	Fair value	2,786,728	987,785
		Trade and other receivables		
7,222,310	9,945,084	Carrying amount	2,765,689	2,237,347
7,222,310	9,945,084	Fair value	2,765,689	2,237,347
		Held-to-maturity		
		Corporate bonds		
7,198,223	12,870,266	Carrying amount	7,198,223	12,870,266
7,516,244	13,277,441	Fair value	7,516,244	13,277,441
		Financial liabilities		
		Trade and other payables		
12,818,499	10,642,081	Carrying amount	2,740,189	2,304,178
12,818,499	10,642,081	Fair value	2,740,189	2,304,178
		Provisions		
4,417,801	4,265,924	Carrying amount	1,717,100	1,614,505
4,417,801	4,265,924	Fair value	1,717,100	1,614,505
		Interest bearing loans		
30,001,882	32,022,090	Carrying amount	-	-
30,001,882	32,022,090	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 2015.

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. Port Taranaki’s surplus funds are either applied against Company borrowings minimising surplus liquidity or invested short term until required.

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 2015, 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 $310,142 ($316,142—2013/2014) 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 $310,142 ($316,142 – 2013/2014) 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 maintain 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 *2012/2022 Long-Term 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 by monitoring working capital turnover. 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 2014/2015

	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	2,740,189	-	-	-	-	2,740,189
Provisions (Council)	0.00	77,633	155,267	698,700	385,000	400,500	1,717,100
Trade and other payables (Trust)	0.00	-	3,997,238	-	-	-	3,997,238
Trade and other payables (Port)	0.00	4,765,392	677,360	177,739	461,000	-	6,081,491
Provisions (Port)	0.00	149,308	298,617	1,343,776	445,000	464,000	2,700,701
Variable interest rate instruments (Trust)	4.46	-	253	-	-	-	253
Variable interest rate instruments (Port)	4.08	-	306,000	918,000	31,327,956	-	32,551,956
Derivative financial instruments inflows/outflows (Port)	3.30		42,345	127,036	677,523	-	846,904
		7,732,522	**5,477,080**	**3,265,251**	**33,296,479**	**864,500**	**50,635,832**

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
		10,507,534	**1,836,979**	**3,149,545**	**33,971,928**	**1,388,342**	**50,854,328**

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 2014/2015

	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	2,786,728	-	-	-	-	2,786,728
Current portion of investments (Council)	various*	2,083,585	4,000,000	1,011,708	-	-	7,095,293
Trade and other receivables (Council)	-	2,765,270	-	-	-	-	2,765,270
Non current portion of investments (Council)	various*	-	-	-	6,186,515	-	6,186,515
Cash and cash equivalents (Trust)	variable	2,005,694	-	-	-	-	2,005,694
Trade and other receivables (Trust)	-	231	-	-	-	-	231
Cash and cash equivalents (Port)	variable	1,269,750	-	-	-	-	1,269,750
Trade and other receivables (Port)	-	4,456,809	-	-	-	-	4,456,809
Total		**15,368,067**	**4,000,000**	**1,011,708**	**6,186,515**	**-**	**26,566,290**

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

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
Total		**11,652,538**	**1,616,129**	**9,033,324**	**7,220,813**	**-**	**29,522,804**

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

Fair value

The Council and Group'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.

The Council and Group'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—2013/2014).

Valuation of level two
The fair value of level two assets is determined using the methodology described in note 9 (Revaluations), note 12 (investment property) and note 23 (Categories of financial instruments).
Interest rate swap (note 23 (Categories of financial instruments)) $(505,785) ($1,301,241—2013/2014)
Land valuation (note 9 (Revaluations)) $76,433,000 ($76,303,000 – 2013/2014).
Investment properties (note 12 (Investment property)) $14,617,000 ($15,194,500 – 2013/2014).
Flood and river control assets (note 9 (Revaluations)) $8,361,443 ($8,479,624 – 2013/2014).

24. 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 also has a 15.5% investment in Regional Software Holdings Ltd. All transactions between the Council and the entities that it controls are undertaken on an arms length basis and in the normal course of business.

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—2013/2014).

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

Group			Council	
2014/2015 Actual $	2013/2014 Actual $		2014/2015 Actual $	2013/2014 Actual $
491,712	455,792	Councillors total remuneration (11 people)	491,712	455,792
1,143,742	1,111,467	Council senior management total remuneration (5 people)	1,143,742	1,111,467
299,970	246,894	Port Directors total remuneration (7 people)	-	-
2,060,802	1,528,781	Port senior management total remuneration (5 people)	-	-

25. DEFINED BENEFIT PLAN

As at 30 June 2015, the multi-employer defined benefit plan with National Provident Fund (NPF) entitles 3 employees (3—2013/2014) 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 2014, the Scheme had a past service surplus of $16.2 million ($17.4 million), 8.0% (7.7%) 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 PBE IPSAS 25.

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.

26. PRINCIPAL ACTIVITIES/GROUP INFORMATION

The Taranaki Regional Council provides local authority services to ratepayers and other residents of the Taranaki region.

Subsidiaries: The consolidated financial statements of the Group include the following subsidiaries of the Council:

Subsidiary name	Principal activities	Country of incorporation	Percentage equity interest		Carrying value of investment (at cost)	
			2014/2015 %	2013/2014 %	2014/2015 $	2013/2014 $
Port Taranaki Ltd	Port Taranaki Ltd facilitates export and import activities through Port Taranaki.	New Zealand	100	100	26,000,000	26,000,000
Taranaki Stadium Trust	Taranaki Stadium Trust provides for the long-term maintenance and development of Yarrow Stadium.	New Zealand	100	100	Nil	Nil

The reporting date of the Council and all subsidiaries is 30 June. There are no significant restrictions on the ability of the subsidiaries to transfer funds to the Council in the form of cash distributions or to repay loans or advances.

Investments: The Council also hold investments in the following entities:

Subsidiary name	Principal activities	Country of incorporation	Percentage equity interest		Carrying value of investment (at cost)	
			2014/2015 %	2013/2014 %	2014/2015 $	2013/2014 $
Regional Software Holdings Ltd	Regional Software Holdings Ltd provides shared software resources that are relevant to regional councils.	New Zealand	15.5	15.5	798,118	798,118

Subsidiary name	Principal activities	Country of incorporation	Percentage equity interest		Carrying value of investment (at cost)	
			2014/2015 %	2013/2014 %	2014/2015 $	2013/2014 $
Civic Assurance Ltd	Civic Assurance Ltd provides insurance services to local government in New Zealand.	New Zealand	<0.0	<0.0	1,000	1,000

27. COMMITMENTS AND CONTINGENCIES

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Commitments		
2,458,447	5,712,251	Capital commitments approved and contracted	666,351	720,819
2,458,447	**5,712,251**	**Total commitments**	**666,351**	**720,819**
		Non cancellable operating lease commitments		
		Lease commitments due as follows:		
-	6,413	Within 1 year	-	-
-	-	Between 1-5 years	-	-
7,397	-	Greater than 5 years	-	-
7,397	**6,413**	**Total operating lease commitments**	-	-
8,719	7,200	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 2015 (Nil—2013/2014).

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 25). Similarly, if a number of employers ceased to participate in the Scheme, the Company could be responsible for an increased share of the deficit.

28. 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 2013/2014 and 2014/2015 years.

Group 2014/2015 Actual $	Group 2013/2014 Actual $		Council 2014/2015 Actual $	Council 2013/2014 Actual $
		Non-cancellable operating lease receivables		
		Lease commitments due as follows:		
3,273,991	3,494,945	Not later than one year	833,443	796,662
9,195,029	9,376,137	Later than one year and not later than five years	3,018,360	2,859,444
9,539,587	11,040,892	Later than five years	2,059,281	2,185,567

29. STATUTORY COMPLIANCE

In 2014/2015 there were no breaches of statutory compliance.

30. RATING BASE INFORMATION

	2014/2015 Actual $	2013/2014 Actual $
The number of rating units within the region at the end of the preceding financial year	54,245	52,229
The total capital value of rating units within the region at the end of the preceding financial year	27,929,732,750	27,088,889,650
The total land value of rating units within the region at the end of the preceding financial year	16,305,556,600	16,380,756,450

31. INSURANCE OF ASSETS

	2014/2015 Actual $	2013/2014 Actual $
Total value of all assets of the local authority that are covered by insurance contracts	10,460,918	9,197,047
Maximum amount to which they are insured	31,224,910	29,173,651
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)	11,017,700	8,479,624
Total value of funds maintained for self-insured assets (only flood protection and control works)	1,481,000	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 *2014/2015 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:

2013/2014			2014/2015		
Long-Term Plan Published Estimate $	Estimate Corrected Figures $		Long-Term Plan Published Estimate $	Annual Plan Published Estimate $	Estimate Corrected Figures $
138,000	213,500	Gross proceeds from sale of assets	116,500	240,500	240,500
		Capital expenditure			
1,333,250	3,619,750	- to replace existing assets	1,515,450	2,543,150	2,543,150
372,583	(2,684,870)	Increase/(decrease) in investments	(733,305)	(2,035,768)	(2,035,768)

WHOLE OF COUNCIL FUNDING IMPACT STATEMENT

2013/2014 Estimate Annual Plan $	2013/2014 Actual $		2014/2015 Estimate Annual Plan $	2014/2015 Actual $
		Sources of operating funding		
7,292,392	7,292,392	General rates, uniform annual general charge, rates penalties	7,395,317	7,395,317
1,708,548	1,708,548	Targeted rates	1,762,817	1,762,817
1,720,749	1,665,864	Subsidies and grants for operating purposes	1,693,168	1,839,053
7,159,162	7,218,932	Fees and charges	7,447,539	7,412,130
5,590,187	6,009,601	Interest and dividends from investments	5,943,000	6,070,227
0	0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
23,471,038	**23,895,337**	**Total operating funding**	**24,241,841**	**24,479,544**
		Applications of operating funding		
21,678,478	21,636,516	Payments to staff and suppliers	22,323,775	21,982,696
0	0	Finance costs	0	0
0	0	Other operating funding applications	0	0
21,678,478	**21,636,516**	**Total applications of operating funding**	**22,323,775**	**21,982,696**
1,792,560	**2,258,822**	**Surplus/(deficit) of operating funding**	**1,918,066**	**2,496,847**
		Sources of capital funding		
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
0	0	Increase/(decrease) in debt	0	0
213,500	115,063	Gross proceeds from sale of assets	240,500	130,616
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
213,500	**115,063**	**Total sources of capital funding**	**240,500**	**130,616**
		Applications of capital funding		
0	0	Capital expenditure	0	0
0	0	- to meet additional demand	0	0
1,000,000	791,368	- to improve the level of service	1,550,000	1,929,482
3,619,750	1,709,119	- to replace existing assets	2,543,150	2,643,612
71,180	251,566	Increase/(decrease) in reserves	101,184	641,230
(2,684,870)	(378,168)	Increase/(decrease) in investments	(2,035,768)	(2,586,861)
2,006,060	**2,373,885**	**Total applications of capital funding**	**2,158,566**	**2,627,463**
(1,792,560)	**(2,258,822)**	**Surplus/(deficit) of capital funding**	**(1,918,066)**	**(2,496,847)**
0	**0**	**Funding balance**	**0**	**0**

RESOURCE MANAGEMENT FUNDING IMPACT STATEMENT

2013/2014 Estimate Long-Term Plan $		2014/2015 Estimate Long-Term Plan $	2014/2015 Estimate Annual Plan $	Actual $
	Sources of operating funding			
3,424,842	General rates, uniform annual general charge, rates penalties	3,468,056	3,575,413	3,575,413
0	Targeted rates	0	0	0
255,400	Subsidies and grants for operating purposes	255,400	237,500	224,444
5,146,068	Fees and charges	5,496,188	5,614,957	5,564,936
0	Internal charges and overheads recovered	0	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
8,826,310	**Total operating funding**	**9,219,644**	**9,427,870**	**9,364,793**
	Applications of operating funding			
7,531,425	Payments to staff and suppliers	7,934,478	8,244,135	7,699,907
0	Finance costs	0	0	0
3,323,581	Internal charges and overheads applied	3,407,699	3,770,452	3,911,153
0	Other operating funding applications	0	0	0
10,855,007	**Total applications of operating funding**	**11,342,177**	**12,014,587**	**11,611,060**
(2,028,697)	**Surplus/(deficit) of operating funding**	**(2,122,533)**	**(2,586,717)**	**(2,246,267)**
	Sources of capital funding			
0	Subsidies and grants for capital expenditure	0	0	0
0	Development and financial contributions	0	0	0
0	Increase/(decrease) in debt	0	0	0
61,000	Gross proceeds from sale of assets	51,000	135,500	97,832
0	Lump sum contributions	0	0	0
0	Other dedicated capital funding	0	0	0
61,000	**Total sources of capital funding**	**51,000**	**135,500**	**97,832**
	Applications of capital funding			
	Capital expenditure			
0	- to meet additional demand	0	0	0
0	- to improve the level of service	0	0	0
319,250	- to replace existing assets	443,950	810,150	603,248
0	Increase/(decrease) in reserves	0	0	0
(2,286,947)	Increase/(decrease) in investments	(2,515,483)	(3,261,367)	(2,751,683)
(1,967,697)	**Total applications of capital funding**	**(2,071,533)**	**(2,451,217)**	**(2,148,435)**
2,028,697	**Surplus/(deficit) of capital funding**	**2,122,533**	**2,586,717**	**2,246,267**
0	**Funding balance**	**0**	**0**	**0**

BIOSECURITY FUNDING IMPACT STATEMENT

2013/2014 Estimate Long-Term Plan $		2014/2015 Estimate Long-Term Plan $	2014/2015 Estimate Annual Plan $	2014/2015 Actual $
	Sources of operating funding			
1,190,833	General rates, uniform annual general charge, rates penalties	1,210,741	1,090,494	1,090,494
0	Targeted rates	0	0	0
0	Subsidies and grants for operating purposes	0	0	0
122,209	Fees and charges	125,623	85,500	65,868
0	Internal charges and overheads recovered	0	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
1,313,042	**Total operating funding**	**1,336,365**	**1,175,994**	**1,156,362**
	Applications of operating funding			
1,307,711	Payments to staff and suppliers	1,322,181	1,210,869	1,188,820
0	Finance costs	0	0	0
717,791	Internal charges and overheads applied	735,957	648,144	672,605
0	Other operating funding applications	0	0	0
2,025,502	**Total applications of operating funding**	**2,058,138**	**1,859,013**	**1,861,425**
(712,459)	**Surplus/(deficit) of operating funding**	**(721,774)**	**(683,019)**	**(705,063)**
	Sources of capital funding			
0	Subsidies and grants for capital expenditure	0	0	0
0	Development and financial contributions	0	0	0
0	Increase/(decrease) in debt	0	0	0
17,000	Gross proceeds from sale of assets	38,500	48,500	0
0	Lump sum contributions	0	0	0
0	Other dedicated capital funding	0	0	0
17,000	**Total sources of capital funding**	**38,500**	**48,500**	**0**
	Applications of capital funding			
	Capital expenditure			
0	- to meet additional demand	0	0	0
0	- to improve the level of service	0	0	0
98,500	- to replace existing assets	198,500	244,500	1,738
50,000	Increase/(decrease) in reserves	50,000	85,000	141,000
(843,959)	Increase/(decrease) in investments	(931,774)	(964,019)	(847,801)
(695,459)	**Total applications of capital funding**	**(683,274)**	**(634,519)**	**(705,063)**
712,459	**Surplus/(deficit) of capital funding**	**721,774**	**683,019**	**705,063**
0	**Funding balance**	**0**	**0**	**0**

TRANSPORT FUNDING IMPACT STATEMENT

2013/2014 Estimate Long-Term Plan $		2014/2015 Estimate Long-Term Plan $	2014/2015 Estimate Annual Plan $	2014/2015 Actual $
	Sources of operating funding			
206,165	General rates, uniform annual general charge, rates penalties	310,928	135,477	135,477
917,108	Targeted rates	901,727	781,196	781,196
1,617,390	Subsidies and grants for operating purposes	1,463,065	1,455,668	1,502,572
1,264,128	Fees and charges	1,399,224	1,181,013	1,145,711
0	Internal charges and overheads recovered	0	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
4,004,792	**Total operating funding**	**4,074,944**	**3,553,354**	**3,564,956**
	Applications of operating funding			
3,974,049	Payments to staff and suppliers	4,121,524	3,561,946	3,550,461
0	Finance costs	0	0	0
130,189	Internal charges and overheads applied	133,484	135,030	140,251
0	Other operating funding applications	0	0	0
4,104,237	**Total applications of operating funding**	**4,255,008**	**3,696,976**	**3,690,712**
(99,445)	**Surplus/(deficit) of operating funding**	**(180,064)**	**(143,622)**	**(125,756)**
	Sources of capital funding			
0	Subsidies and grants for capital expenditure	0	0	0
0	Development and financial contributions	0	0	0
0	Increase/(decrease) in debt	0	0	0
0	Gross proceeds from sale of assets	0	0	0
0	Lump sum contributions	0	0	0
0	Other dedicated capital funding	0	0	0
0	**Total sources of capital funding**	**0**	**0**	**0**
	Applications of capital funding			
	Capital expenditure			
0	- to meet additional demand	0	0	0
0	- to improve the level of service	0	0	0
0	- to replace existing assets	0	0	1,847
(31,316)	Increase/(decrease) in reserves	(33,195)	(35,854)	(34,483)
(68,130)	Increase/(decrease) in investments	(146,869)	(107,768)	(93,120)
(99,445)	**Total applications of capital funding**	**(180,064)**	**(143,622)**	**(125,756)**
99,445	**Surplus/(deficit) of capital funding**	**180,064**	**143,622**	**125,756**
0	**Funding balance**	**0**	**0**	**0**

HAZARD MANAGEMENT FUNDING IMPACT STATEMENT—CIVIL DEFENCE EMERGENCY MANAGEMENT

2013/2014 Estimate Long-Term Plan $		2014/2015 Estimate Long-Term Plan $	2014/2015 Estimate Annual Plan $	2014/2015 Actual $
	Sources of operating funding			
199,923	General rates, uniform annual general charge, rates penalties	198,360	184,845	184,845
0	Targeted rates	0	0	0
0	Subsidies and grants for operating purposes	0	0	112,037
340,576	Fees and charges	342,324	344,069	351,067
0	Internal charges and overheads recovered	0	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
540,498	**Total operating funding**	**540,684**	**528,914**	**647,949**
	Applications of operating funding			
443,201	Payments to staff and suppliers	448,085	464,694	590,952
0	Finance costs	0	0	0
191,616	Internal charges and overheads applied	196,466	183,329	190,516
0	Other operating funding applications	0	0	0
634,817	**Total applications of operating funding**	**644,551**	**648,023**	**781,468**
(94,319)	**Surplus/(deficit) of operating funding**	**(103,867)**	**(119,109)**	**(133,519)**
	Sources of capital funding			
0	Subsidies and grants for capital expenditure	0	0	0
0	Development and financial contributions	0	0	0
0	Increase/(decrease) in debt	0	0	0
0	Gross proceeds from sale of assets	0	0	0
0	Lump sum contributions	0	0	0
0	Other dedicated capital funding	0	0	0
0	**Total sources of capital funding**	**0**	**0**	**0**
	Applications of capital funding			
	Capital expenditure			
0	- to meet additional demand	0	0	0
0	- to improve the level of service	0	0	0
64,000	- to replace existing assets	41,000	81,000	76,245
0	Increase/(decrease) in reserves	0	0	0
(158,319)	Increase/(decrease) in investments	(144,867)	(200,109)	(209,764)
(94,319)	**Total applications of capital funding**	**(103,867)**	**(119,109)**	**(133,519)**
94,319	**Surplus/(deficit) of capital funding**	**103,867**	**119,109**	**133,519**
0	**Funding balance**	**0**	**0**	**0**

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

2013/2014 Estimate Long-Term Plan $		2014/2015 Estimate Long-Term Plan $	2014/2015 Estimate Annual Plan $	2014/2015 Actual $
	Sources of operating funding			
121,257	General rates, uniform annual general charge, rates penalties	159,343	157,631	157,631
610,656	Targeted rates	643,704	684,518	684,518
0	Subsidies and grants for operating purposes	0	0	0
20,000	Fees and charges	20,000	20,000	26,760
0	Internal charges and overheads recovered	0	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
751,913	**Total operating funding**	**823,047**	**862,149**	**868,909**
	Applications of operating funding			
571,532	Payments to staff and suppliers	587,876	516,434	294,528
0	Finance costs	0	0	0
85,021	Internal charges and overheads applied	87,173	103,869	108,319
0	Other operating funding applications	0	0	0
656,553	**Total applications of operating funding**	**675,048**	**620,303**	**402,847**
95,360	**Surplus/(deficit) of operating funding**	**147,999**	**241,846**	**466,062**
	Sources of capital funding			
0	Subsidies and grants for capital expenditure	0	0	0
0	Development and financial contributions	0	0	0
0	Increase/(decrease) in debt	0	0	0
10,000	Gross proceeds from sale of assets	9,000	19,000	10,175
0	Lump sum contributions	0	0	0
0	Other dedicated capital funding	0	0	0
10,000	**Total sources of capital funding**	**9,000**	**19,000**	**10,175**
	Applications of capital funding			
	Capital expenditure			
0	- to meet additional demand	0	0	0
50,000	- to improve the level of service	1,050,000	1,550,000	1,929,482
0	- to replace existing assets	0	0	38,487
47,404	Increase/(decrease) in reserves	50,249	52,038	534,713
7,955	Increase/(decrease) in investments	(943,250)	(1,341,192)	(2,026,446)
105,360	**Total applications of capital funding**	**156,999**	**260,846**	**476,237**
(95,360)	**Surplus/(deficit) of capital funding**	**(147,999)**	**(241,846)**	**(466,062)**
0	**Funding balance**	**0**	**0**	**0**

RECREATION, CULTURE AND HERITAGE FUNDING IMPACT STATEMENT

2013/2014 Estimate Long-Term Plan $		2014/2015 Estimate Long-Term Plan $	2014/2015 Estimate Annual Plan $	2014/2015 Actual $
	Sources of operating funding			
1,568,111	General rates, uniform annual general charge, rates penalties	1,613,430	1,622,070	1,622,070
331,632	Targeted rates	331,632	297,103	297,103
0	Subsidies and grants for operating purposes	0	0	0
184,183	Fees and charges	184,534	175,000	246,843
0	Internal charges and overheads recovered	0	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
2,083,926	**Total operating funding**	**2,129,596**	**2,094,173**	**2,166,016**
	Applications of operating funding			
2,118,135	Payments to staff and suppliers	2,192,044	2,238,852	2,141,708
0	Finance costs	0	0	0
775,818	Internal charges and overheads applied	795,453	804,986	835,873
0	Other operating funding applications	0	0	0
2,893,952	**Total applications of operating funding**	**2,987,497**	**3,043,838**	**2,977,581**
(810,026)	**Surplus/(deficit) of operating funding**	**(857,900)**	**(949,665)**	**(811,565)**
	Sources of capital funding			
0	Subsidies and grants for capital expenditure	0	0	0
0	Development and financial contributions	0	0	0
0	Increase/(decrease) in debt	0	0	0
0	Gross proceeds from sale of assets	0	7,000	15,826
0	Lump sum contributions	0	0	0
0	Other dedicated capital funding	0	0	0
0	**Total sources of capital funding**	**0**	**7,000**	**15,826**
	Applications of capital funding			
	Capital expenditure			
0	- to meet additional demand	0	0	0
0	- to improve the level of service	0	0	0
275,500	- to replace existing assets	131,000	630,000	1,628,866
0	Increase/(decrease) in reserves	0	0	0
(1,085,526)	Increase/(decrease) in investments	(988,900)	(1,572,665)	(2,424,605)
(810,026)	**Total applications of capital funding**	**(857,900)**	**(942,665)**	**(795,739)**
810,026	**Surplus/(deficit) of capital funding**	**857,900**	**949,665**	**811,565**
0	**Funding balance**	**0**	**0**	**0**

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT FUNDING IMPACT STATEMENT

2013/2014 Estimate Long-Term Plan $		2014/2015 Estimate Long-Term Plan $	2014/2015 Estimate Annual Plan $	2014/2015 Actual $
	Sources of operating funding			
689,030	General rates, uniform annual general charge, rates penalties	661,308	629,387	629,387
0	Targeted rates	0	0	0
0	Subsidies and grants for operating purposes	0	0	0
25,000	Fees and charges	25,000	27,000	10,945
0	Internal charges and overheads recovered	0	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
714,030	**Total operating funding**	**686,308**	**656,387**	**640,332**
	Applications of operating funding			
766,446	Payments to staff and suppliers	707,732	770,533	765,350
0	Finance costs	0	0	0
405,976	Internal charges and overheads applied	416,251	387,951	402,502
0	Other operating funding applications	0	0	0
1,172,422	**Total applications of operating funding**	**1,123,983**	**1,158,484**	**1,167,852**
(458,392)	**Surplus/(deficit) of operating funding**	**(437,675)**	**(502,097)**	**(527,520)**
	Sources of capital funding			
0	Subsidies and grants for capital expenditure	0	0	0
0	Development and financial contributions	0	0	0
0	Increase/(decrease) in debt	0	0	0
50,000	Gross proceeds from sale of assets	18,000	30,500	6,783
0	Lump sum contributions	0	0	0
0	Other dedicated capital funding	0	0	0
50,000	**Total sources of capital funding**	**18,000**	**30,500**	**6,783**
	Applications of capital funding			
	Capital expenditure			
0	- to meet additional demand	0	0	0
0	- to improve the level of service	0	0	0
851,500	- to replace existing assets	832,000	777,500	293,181
0	Increase/(decrease) in reserves	0	0	0
(1,259,892)	Increase/(decrease) in investments	(1,251,675)	(1,249,097)	(813,918)
(408,392)	**Total applications of capital funding**	**(419,675)**	**(471,597)**	**(520,737)**
458,392	**Surplus/(deficit) of capital funding**	**437,675**	**502,097**	**527,520**
0	**Funding balance**	**0**	**0**	**0**

LOCAL GOVERNMENT (FINANCIAL REPORTING AND PRUDENCE) REGULATIONS 2014

Annual report disclosure statement for year ending 30 June 2015

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.

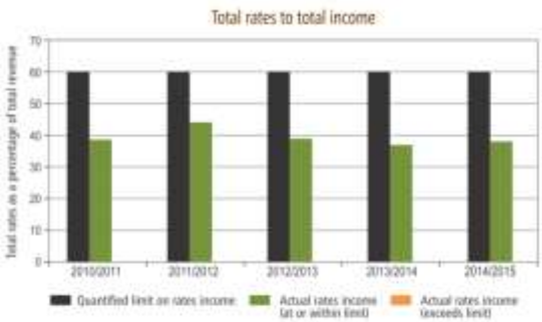
The Council is required to include this statement in its annual report in accordance with the *Local Government (Financial Reporting and Prudence) Regulations 2014* (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

RATES AFFORDABILITY BENCHMARK

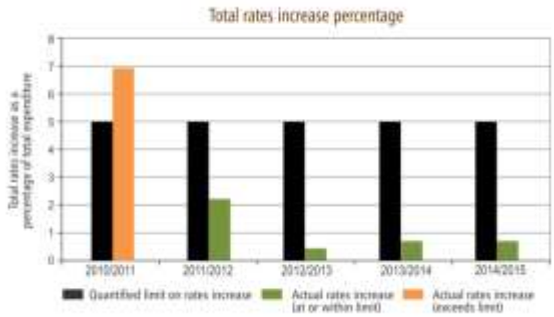
The Council meets the rates affordability benchmark if—

- 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.

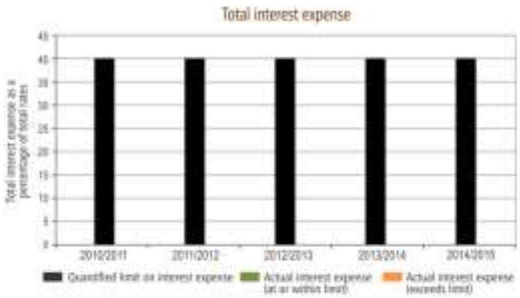


DEBT AFFORDABILITY BENCHMARK

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

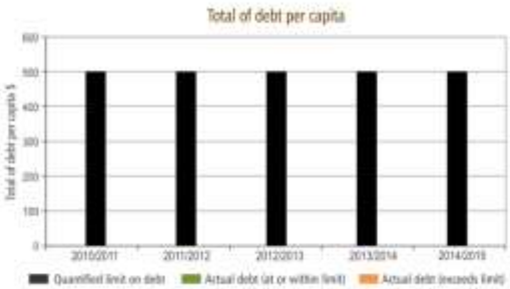
The following graph compares the Council' s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council' s long-term plan. The quantified limit is that total interest expense on net external public debt will not exceed 40% of total annual rates and levies.

During the period 2010/2011 to 2014/2015, 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.

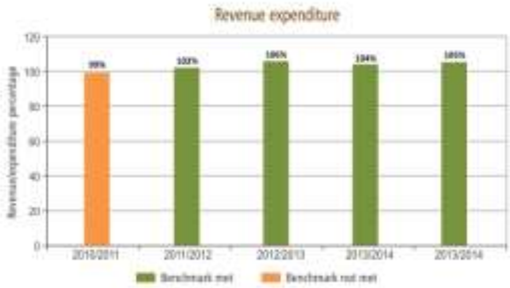
During the period 2010/2011 to 2014/2015, the Council had no external public debt and, consequently no interest expense. The graph shows that net external public debt per capita is $0.



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 essential services graph would display 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.

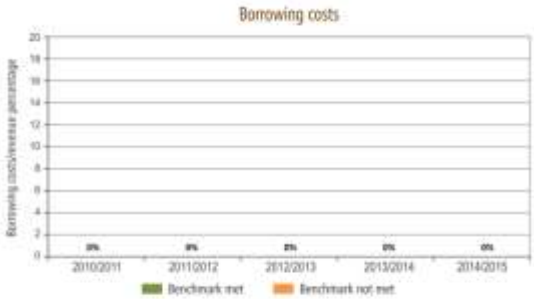
The Council's only network services are in relation to flood protection and control works. The Council does not provide any of the other network services. These network services are in the form of land assets. Accordingly, there is no depreciation on these assets. The Council's capital expenditure will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

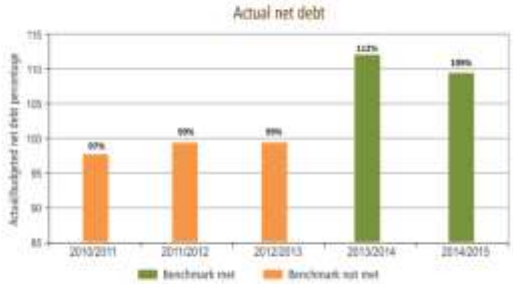
As there is no depreciation, the graph required by Schedule 5 of the *Local Government (Financial Reporting and Prudence) Regulations 2014* cannot be produced.

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 2010/2011 to 2014/2015, the Council had no external public debt and, consequently no borrowing costs.

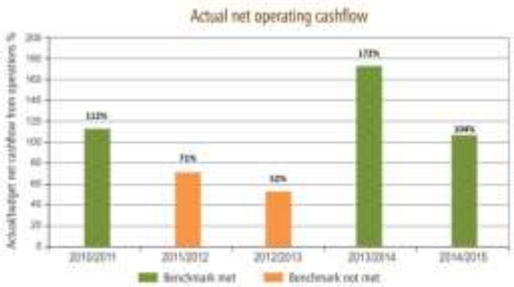




DEBT CONTROL BENCHMARK

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.

During the period 2010/2011 to 2014/2015, 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.



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 2015 fairly reflect the financial position and operations of the Taranaki Regional Council.

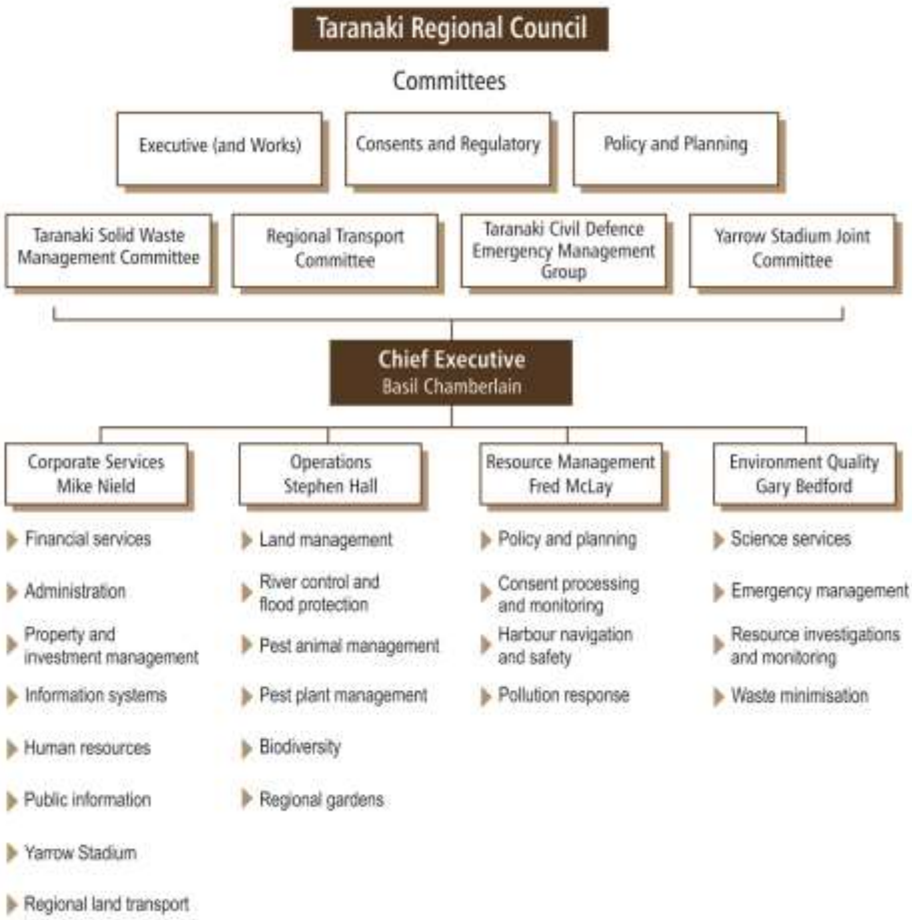
David MacLeod
Chairman
22 September 2015

Basil Chamberlain
Chief Executive
22 September 2015

Michael Nield
Director—Corporate Services
22 September 2015

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

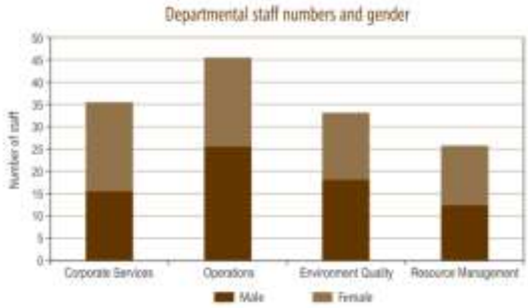
The Council has extensive systems in place to assist performance management and continuous improvement.

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 forty one (2014/2015—138) permanent staff were employed by the Council at 30 June 2014. Eighty-seven percent (2014/2015—88%) were employed under the *Taranaki Regional Council Collective Agreement*, with the balance employed on individual agreements. Staff employed under the collective agreement are represented by the Taranaki Regional Council Officers Staff Association Incorporated. We also have a number of staff who belong to the Public Service Association (PSA).

There were no disputes or personal grievances which triggered the "employment relationship problems" provisions of the Taranaki Regional Council Collective Agreement during the period.



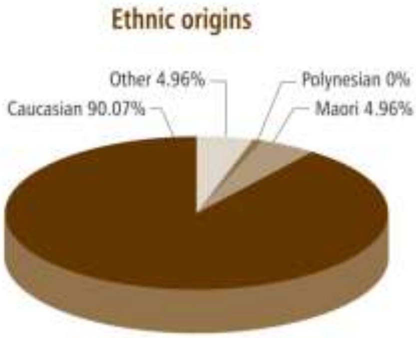
EQUAL EMPLOYMENT OPPORTUNITY

The Taranaki Regional Council is committed to the principle of equal opportunity in the recruitment, employment, training and promotion of its employees. The organisation aims to provide a welcoming environment which accepts diversity.

Activities and services are sought to be implemented with an awareness of and an intent to, eliminate discrimination in the areas of race, colour, ethnic or national origin, gender, religious beliefs, marital status, family responsibilities, sexual orientation, special needs, or age.

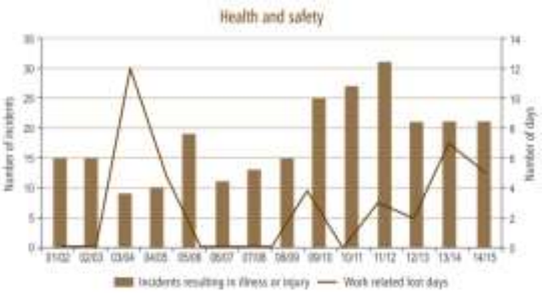
Recruitment procedures are designed to select from the widest possible cross section of potential staff in a non-discriminatory way. Databases are maintained to collect and provide information for input into equal employment opportunity policy development, implementation and evaluation, whilst ensuring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

ETHNIC ORIGINS



HEALTH AND SAFETY

The Council takes the safety of staff, contractors and the public seriously. All staff are provided with training and other services to promote health and safety in the workplace. The aim is for no staff time lost from work-related incidents. The Council is accredited to Accident Compensation Corporation's Workplace Safety Management Practices programme where an independent audit of the Council's Health and Safety management system met the criteria of a "well-established, continuous improvement framework". This also results in reduced ACC premiums paid by the Council.

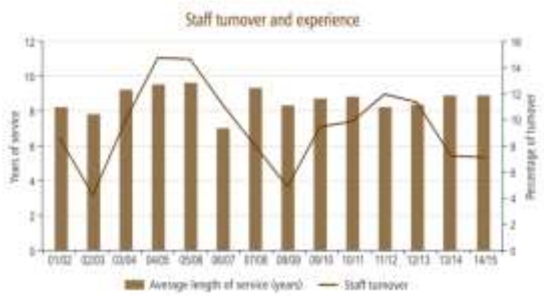


TRAINING AND EXPERIENCE

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

Training is an investment in our employees. The Council is committed to maintaining continuing professional development.

Experienced, as well as well qualified and trained staff, are critical to the success of Council.



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_5, pH, conductivity, black disc clarity, turbidity, absorbances, ammonia-N, nitrate-N, total-N, DRP, total P, alkalinity, suspended solids, faecal coliform, enterococci	10 sites, 2 NIWA sites and 1 TRC/NIWA site	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, *E. coli*, 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	30 sites	M = 5 annual (quarterly) R = biennial
	Groundwater level programme	Water levels	9 sites	M = monthly R = annual
	Herbicides and pesticides in shallow groundwater	Organonitrogen herbicide, acid herbicide, organochlorine pesticide	5 sites	M =4 yearly R = 4 yearly
	Regional hydrological monitoring	Water levels and flows, rainfall, wind direction and speed and temperature	45 telemetered sites, 28 non-telemetered water temperature sites	M = continuous R = monthly for selected sites

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	29 sites on key rivers and streams	M = 5-yearly R = 5-yearly
	Summary of regional surface water abstraction volumes	Total volume of consented surface water abstraction in the region by industry category	Region-wide	M = annual R = annual
	Regional lake water quality programme	Chlorophyll-a, clarity, total phosphorus, total nitrogen, temperature, dissolved oxygen	Lake Rotorangi 1 site	M = quarterly R = annual
	Pressures on groundwater resources	Number of consented ground water abstractions, abstraction location and source aquifers, abstraction volumes	110 sites region-wide	M = annual R = triennial
	Riparian management water quality	Invertebrates, periphyton abundance, water temperature, bacteria, clarity, turbidity, conductivity depending on site, flow	Kaupokonui River and Katikara, Kapoaiaia and Tawhiti Streams	M = continuous, monthly or spring and summer depending on parameter R = biennial
	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	4 sites	M = 5 yearly R = as required
	Ambient air quality programme – volatile organic compounds	Benzene, toluene, ethyl benzene, and xylene (BTEX)	4 sites	M = 5 yearly R = as required
	Ambient air quality programme – carbon monoxide	Carbon monoxide	1 site	M = 5 yearly R = as required
	Inhalable particulate sampling – ambient air quality	PM_{10}	1 site	M = Annual 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
	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, *E. coli*, enterococci, conductivity, temperature, turbidity	9 primary sites monitored annually 10 secondary sites monitored on a 3-year rotation	M = spring and/or summer 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, *E. coli*, 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	Farm plan annual monitoring 25 representative hill country sites	M = yearly R = yearly 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 Area of bare sand and vegetation type	4 representative sites Comparison of aerial photography covering all sand country	M = 5 yearly R = 5 yearly 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	20 sites – 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 = 5 yearly R = 5 yearly
State of the environment: Our biodiversity	Inventory of Key Native Ecosystems	Number, location, and protection status of Key Native Ecosystems	Region-wide	M = 5 yearly R = annual
	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. Ecological assessment index scores of regionally significant wetlands	Region-wide	M = 5 yearly R = annual
	Land under indigenous vegetation	Remaining extent (ha) of indigenous forest and shrub land and trends	Region-wide	M = 5 yearly R = 5 yearly
	Extent of biodiversity protection	Areal extent of land and habitats protected for biodiversity purposes under QEII, covenant or Department of Conservation and trends	Region-wide	M = annual R = annual
	Condition of indigenous forest habitat	Ecological assessment index scores of indigenous forest key native ecosystems	Region-wide	M = 5 yearly R = annual
	Threatened species	Number of threatened species (terrestrial plants and animals and freshwater fish) found in Taranaki	Region-wide	M = 5 yearly R = 5 yearly
	Abundance of animal pests	Relative abundance of possums within possum self-help area	Region-wide	M = annual R = annual

Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
Compliance monitoring	Tailored compliance monitoring programmes	Various chemical, physical, biological, bacterial or viral parameters, groundwater monitoring, soil analyses, vegetation or lichen studies, flow gauging, electric fishing, dye dilution studies, biological surveys of freshwater or marine ecosystems, odour surveys, the sampling and analysis of stack particulate, gas emission or downwind ambient air and time lapse video recording of emission or outfall plumes, water abstraction (including auditing and calibration of abstraction systems), contingency and site management plans	225 individual tailored compliance monitoring programmes involving approximately 1,092 inspections of more than 289 consent holders and 1,012 resource consents (numbers may change from year to year)	M = variable depending on programme (monthly, quarterly, yearly) R = predominantly annual but some programmes reported biennially
	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 1,773 dairy farms, 15 piggeries, 44 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 128 minor industrial operations 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 142 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	Council communications activities, use of Council website, media releases, print, online and social media coverage, number and type of activities 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, activity status in 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

Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
Research and investigations	Applied research and investigation projects	Need for investigations, outputs from investigations, application to Council planning, policy and operations	Determined by research or investigation needs	M = during and at completion of projects R = during and at completion of projects, and annual
Emergency management	Seismic monitoring network	Earthquakes, earth movements, tremors	9 regional sites (including two on Mt Taranaki)	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 508 wax tag lines and approximately 284 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 8,690 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, 36 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

Monitoring programme	Information sources	Parameters monitored	Coverage	Monitoring (M) and Reporting (R) frequency
Land transport	Report on Regional Land Transport Plan and Regional Public Transport Plan, New Zealand Transport Agency, district councils, NZ Police, land transport operators and users, sector agencies, user satisfaction surveys	Implementation of the *Regional Land Transport Plan* and the *Regional Public Transport Plan* objectives, use of subsidised passenger transport and total mobility schemes and user satisfaction with passenger transport and total mobility schemes	Region- wide. Subsidised pubic transport services in New Plymouth district and rural Taranaki and total mobility schemes	M = continuous R= quarterly and annual
Harbour management	Report of harbourmaster. Reports on implementation of the Taranaki Regional Oil Spill Response Plan	Navigation safety records and incidents, oil spill maintenance checks and equipment audits, training exercises, number and nature of responses to marine oil spills	Port Taranaki and approaches	M = continuous R = annual
River control and flood protection	Monitoring and observation of channel characteristics, asset condition, flow conditions, 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, channel conditions, rainfall, river levels and flows, 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, Okato, Waitotara, central Taranaki schemes and other Council projects	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	Council communications activities, use of Council website, media releases, print, online and social media coverage, number and type of activities under the Council's environmental education programme	Region-wide	M = annual R = annual