

2015/2016 Annual Report

Working with people | caring for Taranaki



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Chairman and Chief Executive's Report

We are pleased to present the Taranaki Regional Council's 2015/2016 Annual Report.

At a time when many sectors of the regional community are facing increased pressures, all of us at the Council are more mindful than ever of our responsibility to be as efficient as possible in our mission to work for a thriving and prosperous region, and to have an eye for easing burdens rather than adding to them.

In that regard, we believe this *Annual Report* is good reading. In particular, it's satisfying to report that the Council has again finished the year in a strong financial position and we remain one of the lowest-rating local authorities in the country.

The inside-cover of this publication lists the four broad streams in which we work to achieve our mission for the Taranaki community. Here are some of the 2015/2016 highlights from each of these streams:

ENVIRONMENTAL PROTECTION AND RESOURCE USE

Results of the Council's state of the environment monitoring continue to prove encouraging, most especially for Taranaki's crucial freshwater resource. The latest trends for ecological health and the physical and chemical state of our rivers and streams show most measures are improving or not changing significantly, and are again the best since measurements began.

This is no accident. The Taranaki community continues to invest heavily in measures that protect and enhance the region's waterways. The benefits are now becoming more apparent and the Council remains firmly focused on working with the Taranaki community to continue improvement in the region.

The Council's flagship freshwater project, the *Riparian Management Programme*, goes from strength to strength. By the end of June 2016, more than 4.3 million native plants had been supplied to landowners since the scheme began in 1996. Just about all of Taranaki's 1,800 dairy farms – 99.5% of them – have riparian plans. Across the whole region, there are nearly 2,500 plans covering 14,500km of streambank. Plan holders have fenced 84.4% of their streams, and protected 69.5% with planting.

It's most heartening to see farmers' consistent support for and commitment to this programme, even during challenging economic times. Clearly, the necessity for and effectiveness of riparian fencing and planting is widely accepted and understood within the region, which puts Taranaki in a leadership position nationally. We strongly believe this is a result of the long-term, voluntary and collaborative approach taken from the outset. No regulatory regime could have achieved such a buy-in.

The Council is taking a broadly similar approach to the protection and enhancement of key ecological treasures such as wetlands and bush remnants on private land – with a similar enthusiastic response from landowners. 172 privately owned sites have now been identified under the Key Native Ecosystem (KNE) programme, and Council staff are working closely with the owners of about half of them on predator protection, pest plant eradication and regeneration of native vegetation.

The Council is also a core funder of the Taranaki Biodiversity Trust, which brings together all the relevant agencies and community groups to speak with one regional voice on biodiversity. The Trust's *Wild for Taranaki* campaign was launched during the year, bringing the potential for exciting new opportunities. Watch that space.

During the year, the Council also signalled its intention to put out a *Proposed Freshwater and Land Management Plan* for public consultation within five years, to allow time for more work on a number of issues raised during targeted initial consultation. We also considered it prudent to take into account the current uncertainty over major reforms proposed for the *Resource Management Act*.

That is not to say the region's freshwater management regime is standing still, however. As we've already noted, the *Riparian Management Programme* is making good progress and well on track to completion at the end of the decade. And wetland protection is a major focus for the Council's Biodiversity and Land Management teams working alongside landowners.

Changes are also taking place in the way farmers are treating and disposing of dairy effluent. Land-based systems are regarded as good practice and farmers renewing their effluent consents are already, in most cases, required to move towards such a system. This is the Council's policy.



HAZARD MANAGEMENT

Waitara is more secure following completion of the Council's \$3.4 million project to increase the town's flood protection to a one-in-100-year standard, a threefold improvement on the previous one-in-30-year safeguard. The project was completed on time and within budget, and has also resulted in greatly enhanced riverfront amenities. People can now very comfortably walk the riverbank from upstream of the town almost to the sea.

Recovery from the June 2015 flood event continued throughout the year. The Council and the central Government delivered relief packages worth more than \$1 million to farmers, mainly in the eastern hillcountry, and the Council's Land Management Officers in particular have worked long hours assisting farmers on remediation and erosion prevention.

SERVICES, AMENITIES AND INFRASTRUCTURE

The Council's redevelopment of Pukeiti is in full swing and already there's a buzz about what's emerging. From the prosaic (car parking) to the magical (aerial walkway in the rainforest canopy), the new elements are designed to blend with the old and enrich the visitor experience. And there's more to come. Pukeiti is well worth a visit now, and keeping an eye on in the months and years ahead.

There's a buzz of a different sort at Yarrow Stadium, which in our view well deserves its reputation as one of the nation's top regional sporting venues. And through its partnership with New Plymouth District Council, this Council aims to keep it that way. Our maintenance and development programme for 2015/2016 was delivered on time and on budget.

REPRESENTING TARANAKI'S INTERESTS

Years of advocacy led by this Council and its Regional Transport Committee were rewarded in January when the Government announced multimillion-dollar bypass projects at Mt Messenger and Awakino Tunnel. This comes on the back of the just-completed Vickers to City project in New Plymouth and the Normanby overbridge project currently under way in South Taranaki. The region has been speaking with one voice on all of these projects and expectations remain high for the Mt Messenger and Awakino projects.

STRONG FINANCIAL POSITION

The Council finished the 2015/2016 year with a surplus of \$963,000 (total comprehensive income). Expenditure was \$373,000 over budget, in large part due to the Council providing unbudgeted emergency funding to assist those in need following the severe winter storm damage. Overall it was a good result, noting that general rates increases have been at or below the rate of inflation for the past few years. 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

At a Glance

Managing the environment and native ecosystems

Resource consents

100%

resource consents processed in RMA timeframes over past 16 years.

All consents submitted on resolved through pre-hearing process.



Pollution incidents

585

environmental incidents responded to. Control and cleanup initiated where required.



152

abatement notices served, 48 infringement notices and 2 prosecutions.



Air quality



Taranaki's air quality is good, with negligible contribution from human activities.

Biodiversity enhancement

75

biodiversity plans cover 3,370 ha of ecologically important habitats on private land.



Council is foundation funder for Wild for Taranaki which encourages protection of native ecosystems in Taranaki.

Riparian management

4.3m

plants put along streams under riparian programme. 390,722 in past year.



70%

84%

of riparian plan streambanks are protected with fencing.

of riparian plan streambanks are protected with riparian vegetation.

Sustainable land management

\$375,888



Council recovery package to help farmers recover from June 2015 storm event. Total \$566,000 with Government funding.

203,279 ha

of hill country covered by sustainable land management plans.

1,166 ha

marginal land fenced (21.6 km) for retirement or forestry under STRESS programme.

87%

of hill country being managed sustainably.



Compliance monitoring



High level of environmental performance by industries, councils and farming sector.

96% of significant point-source discharges from industries had 'good' or 'high' environmental performance.

186

major consents programmes monitored and publicly reported on.



246

minor industries inspected to ensure good environmental practices.

100%

of 1,794 dairy, poultry and pig farms inspected.



94.2%

of dairy farms and all pig and poultry farms complied with consent conditions.



State of environment monitoring



Overall, environmental monitoring shows positive progress on further enhancing already good environment. Some areas for improvement noted.

29

of 57 sites show significant improvement in freshwater ecology and none show significant decline.

87%

of samples at freshwater bathing sites met MfE bathing guidelines during the summer bathing season.



99%

of samples at coastal beaches met MfE bathing guidelines.



100%

of 11 representative surface water quality sites show improvement in ecological health.



Increasing number of surface water quality sites showing improvement or stability.

AT A GLANCE



Moving people

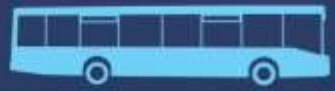
\$130 m 
 project to bypass Mt Messenger and Awakino tunnel announced by Government.

\$5,000 

assistance for Ironside Vehicle Society to carry people with disabilities.

605,603

passengers on public transport.



30%

increase in Connector Hawera-NP bus trips to 31,407.

40,124 

subsidised Total Mobility passenger trips.

Controlling pests

4,066

properties in self-help possum control programme covering 240,200 hectares.

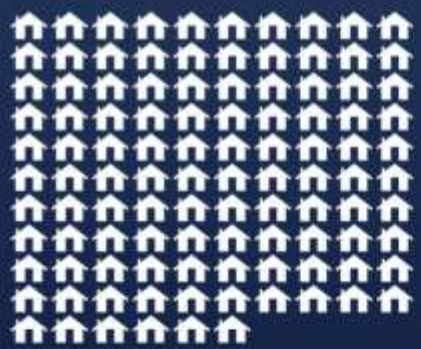
106 private properties in the Herekawe community possum control programme in New Plymouth.



6,883
 inspections for pest plants.

6% 

catch rate for possums on properties managed. Well below the 10% target.



Protecting communities



Civil Defence state of emergency declared to enable full response and recovery from June 2015 storm event.

17

flood warnings issued to protect people and property potentially affected.



\$3m

Waitara flood protection scheme upgraded to one-in-100-year level of protection.



Building a thriving region



national rugby league and Super Rugby games plus provincial rugby at Council-owned Yarrow Stadium.



Four projects at Puke Ariki and one at Aotea Utanganui Museum of South Taranaki funded through Council partnerships.

78,437



Visitors to the Council-owned gardens Tupare, Pukeiti and Hollard Gardens.

7,686

students experienced class visits or field trips through the Council environmental education programme.

\$4.48m

dividends from Council-owned Port Taranaki Ltd.



Covered areas, carpark, walkways and landscaping upgraded at Pukeiti.

15



environmental champions recognized by Council environmental awards.



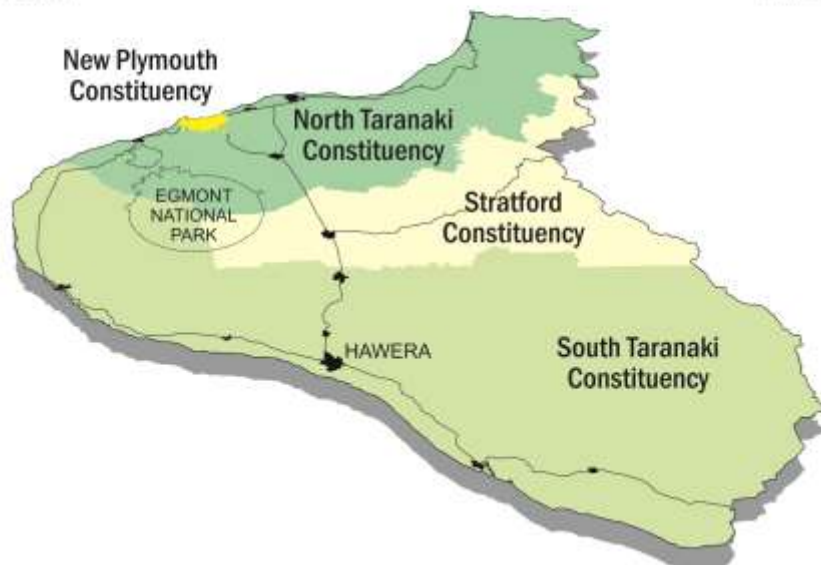
Governance Report

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

STRUCTURE OF THE COUNCIL

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

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



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.

Taranaki Regional Council	
Committees	
<p>Executive</p> <p>David Lean Chairperson Tom Cloke Michael Joyce Roger Maxwell till 9/3/16 Craig Williamson from 9/3/16 Neil Walker David MacLeod</p>	<p>Policy and Planning</p> <p>Neil Walker Chairperson Peter Horton Deputy Chairperson Brian Jeffares Michael Joyce Craig Williamson David MacLeod David Lean Richard Jordan NPDC Robin Vickers SOC Ian Armstrong STDC Phil Nixon STDC Donald McIntyre Federated Farmers</p>
<p>Taranaki Civil Defence Emergency Management Group</p> <p>Brian Jeffares Chairperson Taranaki Regional Council Andrew Judd New Plymouth District Council Neil Volzke Stratford District Council Ross Dunlop South Taranaki District Council</p>	<p>Regional Transport Committee</p> <p>Roger Maxwell Chairperson till 9/3/16 Craig Williamson Chairperson from 9/3/16 Heather Dodunski New Plymouth District Council Ross Dunlop South Taranaki District Council Neil Volzke Stratford District Council Raewyn Bleakley New Zealand Transport Agency</p>
<p>Taranaki Solid Waste Management Committee</p> <p>Neil Walker Chairperson Taranaki Regional Council Craig McFarlane New Plymouth District Council Alan Jamieson Stratford District Council Ian Armstrong South Taranaki District Council</p>	<p>Consents and Regulatory</p> <p>Tom Cloke Chairperson Michael Joyce Deputy Chairperson Mike Davey Peter Horton Moiria Irving Roger Maxwell Neil Walker David MacLeod David Lean</p>
<p>Yarrow Stadium Joint Committee</p> <p>Peter Horton Chairperson Taranaki Regional Council Michael Joyce Taranaki Regional Council Andrew Judd New Plymouth District Council Craig McFarlane New Plymouth District Council</p>	

Figure 1: Committee Structure

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.

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, Ngaa Rauru Kiiitahi, Ngati Ruanui, Ngāruahine, Taranaki Iwi, Te Atiawa, Ngati Mutunga, Ngati Maru and Ngati Tama.

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
- Consultation with the Iwi and hapu on the *Draft Freshwater and Land Management Plan* has continued while the Council considers the Government's freshwater and Resource Management Act reform programme. This has enabled more time to meet and discuss cultural values, statutory acknowledgements and sites of significance and how best to recognise them within the *Plan*
- Consultation with iwi and hapu has continued for the Coastal Plan with a focus on cultural values, statutory acknowledgements and sites of significance within the coastal marine area
- Advice and support for Te Reo o Taranaki vision statements in te reo Maori were developed for the *State of the Environment Report (Taranaki Tangata Tu Tahī)*, the *Freshwater and Land Management Plan* and the *Coastal Plan*.

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:

- Continuing to work closely with Te Korowai o Ngāruahine and their hapu on resource consents within their rohe. These include Taranaki By-Products, Ballance and Fonterra consents
- Having a positive response from the hapu of Waitara on the erosion control consent in the Waitara Estuary and also the opportunity for a hapu representative to be included in the monitoring programme during the construction phase
- Continuing to work closely with Te Runanga o Ngati Ruanui on various consents within their rohe, notably the consents for Fonterra
- Visiting the Patea Hydro Electric Power Scheme along with representatives from Ngati Ruanui to view the facilities for the elver trap and transfer and the adult eel diversion.

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:

- Attended the signing of the Treaty Settlement for Taranaki iwi at Pukeiti Gardens
- Attended the first reading of the Whanganui River Settlement Bill at Parliament
- Worked with representatives from Te Korowai o Ngāruahine and the hapu on the development of the LAWA video of the Waingongoro River to highlight the issues and the progress made to improving the water quality and biodiversity of the catchment



- Facilitated the involvement of 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, Ngāti Ruanui, Te Atiawa, Taranaki Iwi and Ngāti Mutunga for the “Te Taiao me te Pākihi” Environment Award category
- Continued support for the Para Kore Marae waste management project
- Facilitated the involvement of Pukerangiora hapu representatives in the oil spill exercise at Waitara run by the Council’s oil spill response team.
- Supported and facilitated Iwi and hapu participation in exercise Whakautu II run by Maritime NZ
- Facilitated discussion between the Chairman for Ngāa Rauru Kīitahi and Tauranga Ika Marae and civil defence staff on emergency management communications and Iwi and Marae involvement
- Worked with Iwi and hapu during environmental incident investigations and prosecutions
- Provided the Waitara hapu with regular updates of actions and water sample results associated with sewage discharges from the Waitara scheme
- Provided scientific support to Otaraua hapu for the kaimoana survey of the reefs off Waitara in association with “Curious Minds” funded projects.

REPRESENTATION

Iwi/Maori representation on the two key standing committees of the Council is progressing well with the terms of appointment to those committees to be initiated shortly by the Iwi of Taranaki.

INFORMATION MANAGEMENT

Sites of significance for iwi and hapu remain a priority for both the Council and the Iwi of Taranaki. With discussions ongoing with a number of the iwi on how to utilise the Council’s geographic information system platform for the management of iwi resource management data. Updates of the Iwi contacts list on the Council’s website are ongoing.

TRAINING

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

RESOURCES

Continue to liaise with Te Korowai o Ngāruahine staff to assist them in the development of their Iwi Management Plan.

Continue to work with and provide support to Tiaki Te Mauri o Parininihi Trust to achieve their objective for the return of the Kokako to Taranaki.

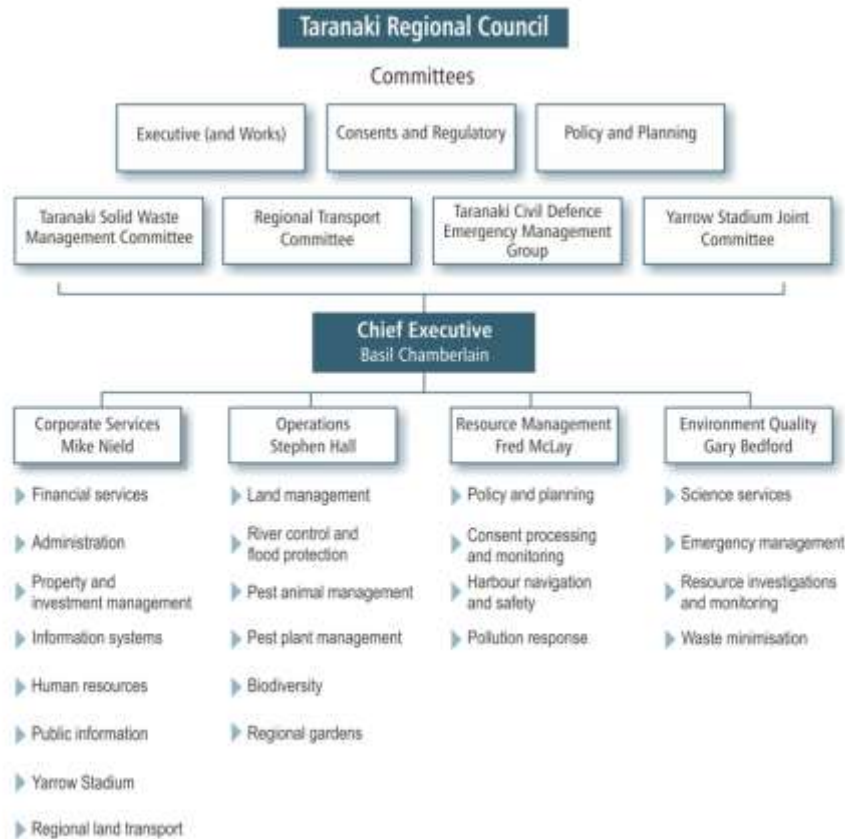
Support is to be provided to Ngāa Rauru Kīitahi by training members of the iwi and their marae on using the Stream Health Monitoring and Assessment Kit (SHMAK) to assist with monitoring of the waterways within their rohe.

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.

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 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

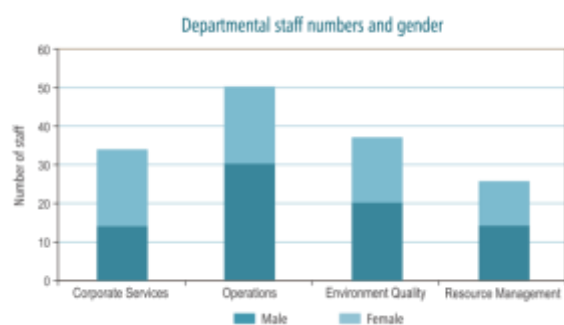
- informing each other about our tasks and seeking participation and advice
- communicating with simplicity, clarity, and certainty
- recognising that individual achievements are always underpinned by the assistance of others
- constructively assisting each other, being non-possessive and receptive to 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

One-hundred and forty three (2014/2015—141) permanent staff were employed by the Council at 30 June 2016. Of these, 90% (2014/2015—87%) 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).

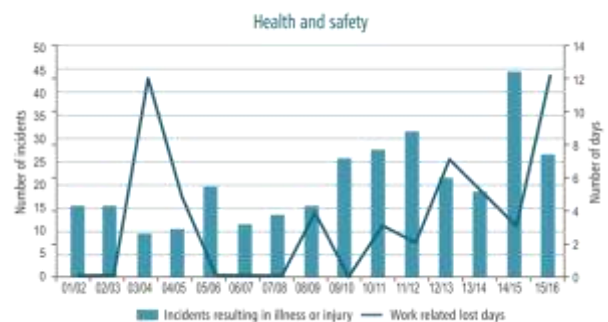
EQUAL EMPLOYMENT OPPORTUNITY

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.

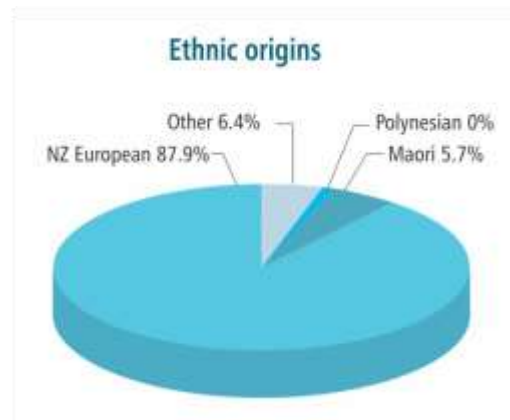
Activities and services are sought to be implemented with an awareness of and an intent to, eliminate discrimination in the areas of race, colour, ethnic or national origin, gender, religious beliefs, marital status, family responsibilities, sexual orientation, special needs, or age. Recruitment procedures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

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.



ETHNIC ORIGINS



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



The Taranaki Region

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

THE REGION

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

Taranaki consists of four distinctive landforms, each of which requires a different type of environmental management. The Taranaki ring plain, centred on Mount Taranaki, 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, 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 1,705 dairy farms and about 496,500 dairy cows, producing approximately 10.4% of New Zealand's total milk solids. In addition to direct farm income from milk production, the added value by the processing of milk, whey and cheese manufacturing, is a significant contributor to employment.



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

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

The oil and gas industry is a major contributor to the regional economy. The Taranaki Basin is currently New Zealand's only hydrocarbon producing area, with the Kapuni and the offshore Maui fields making up the major part of New Zealand's natural gas resources. Extensive drilling programmes have continued in an effort to support the Kapuni and Maui fields. These have resulted in a number of significant additional fields being discovered in the last 10 to 15 years. The Mangahewa onshore gas and condensate field was discovered in 1997, the Maari offshore field in 1998 and the Rimu onshore field in South Taranaki in 1999. The nearby Kauri field was discovered in 2001. The Pohokura offshore gas field in North Taranaki, the largest gas and condensate find in 30 years, was discovered in 2000 and brought into production in 2006. The offshore Tui well was discovered in 2003 and brought on-stream in 2008. Production from the offshore Kupe field, first discovered in 1986, commenced during 2010. Despite recent downturns in the oil and gas industry, 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 approximately 568,000 guest nights spent in the Taranaki region by domestic and international visitors per annum. Most visitors are from other North island regions. Some 13.5% 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 such discharges are managed sustainably.

Where there are gaps in our knowledge of the resources of the region or the environmental effects of their use, necessary investigations and research must be undertaken to improve our understanding.

Other significant environmental issues facing the Taranaki region include:

- managing clearance of 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 2015/16	Budget 2015/16	Actual 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
General rates	\$7.46m	\$7.46m	\$7.40m	\$7.29m	\$7.18m	\$7.18m	\$6.85m	\$5.7m	\$5.5m	\$5.4m	\$5.3m
Percent change	0.9%	0.9%	1.4%	1.5%	0%	4.82%	20.2%	3.3%	2.4%	2.5%	23.3%
General rates to income	30.0%	29.5%	30.2%	29.9%	31.6%	36.2%	31.8%	35.5%	32.1%	33.3%	38.1%
Rates per \$100,000 capital value	\$16.64	\$16.64	\$16.71	\$17.18	\$19.47	\$17.34	\$17.25	\$12.96	\$14.77	\$15.55	\$16.46
Total expenditure	\$25.3m	\$25.0m	\$23.3m	\$23.0m	\$21.5m	\$19.8m	\$18.6m	\$16.7m	\$16.0m	\$13.6m	\$12.1m
Percent change	8.6%	7.3%	1.30%	7.0%	9.97%	6.12%	11.63%	9.62%	17.65%	12.39%	12.04%
Operating surplus/(deficit)	\$0.97m	\$0.35m	\$0.76m	\$1.4m	\$1.6m	\$0.32m	\$2.9m	(\$0.5m)	\$1.3m	\$2.61m	\$1.75m
Working capital	\$11.0m	(\$0.2m)	\$9.0m	\$4.28m	\$2.53m	\$2.21m	\$1.84m	\$10.6m	\$4.93m	\$3.1m	\$4.8m
Current ratio	3.78:1	0.94:1	3.11:1	2.12:1	1.72:1	1.53:1	1.55:1	4.96:1	2.97:1	2.2:1	2.6:1
Total assets	\$85.1m	\$83.6m	\$84.3m	\$83.1m	\$80.9m	\$79.6m	\$78.4m	\$74.2m	\$74.5m	\$71.9m	\$69.4m
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%

Statement of Compliance & 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 2016 fairly reflect the financial position and operations of the Taranaki Regional Council.



David MacLeod
Chairman
19 September 2016



Basil Chamberlain
Chief Executive
19 September 2016



Michael Nield
Director—Corporate Services
19 September 2016



Independent Auditor's Report: To the Readers of Taranaki Regional Council and Group's Annual Report for the Year Ended 30 June 2016

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, on her behalf, to:

- audit the information included in the Regional Council and group's annual report that we are required to audit under the Local Government Act 2002 (the audited information);
- report on whether the Regional Council and group has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Opinion on the audited information

In our opinion:

- the financial statements on page 87 to 116:
 - present fairly, in all material respects:
 - the Regional Council and group's financial position as at 30 June 2016;
 - 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 and have been prepared in accordance with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS);
- the funding impact statement on page 117, 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 and group's Long-term plan;
- the Performance Information on pages 28 to 85:
 - presents fairly, in all material respects, the Regional Council's levels of service for each group of activities for the year ended 30 June 2016, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 118 to 124, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Regional Council and group's Long-term plan;
- the funding impact statement for each group of activities on pages 118 to 124 to, 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 and group's Long-term plan; and

Compliance with requirements

The Regional Council and group has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 125 to 129 which are required by the Local Government (Financial Reporting and Prudence Regulations 2014) which represent a complete list of required disclosures and accurately reflects the information drawn from the Regional Council and group's audited information.

Our audit was completed on 19 September 2016. 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 audited 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 Regional 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 Regional Council and group complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*.

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

Responsibilities of the Council

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

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

The Council is responsible for such internal control as it determines is necessary to 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 annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

Independence

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



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

Achievement of Community Outcomes

The Council operates within the following planning framework:



Figure 3: The Council's planning framework

COMMUNITY OUTCOMES

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 community outcomes set out below were developed following a comprehensive public process. The Council has adopted these outcomes and it aims to achieve them in carrying out its activities.

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 *2015/2025 Long-Term Plan* lists 27 more specific community outcomes (levels of service) that the Council aims to achieve 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 *2015/2025 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.

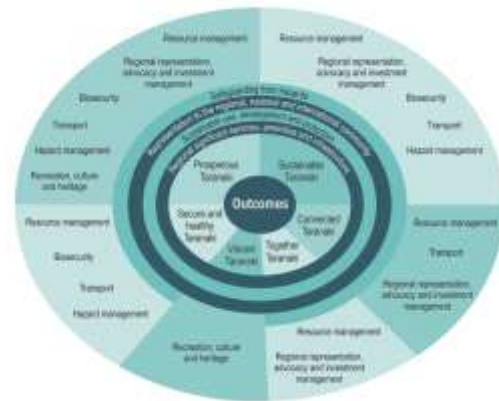


Figure 4: Relationship between the Council's mission and activities and community outcomes

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 *2015/2025 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 *2015/2025 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 shows 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 interconnected nature of the biophysical economic, social and cultural environments.

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

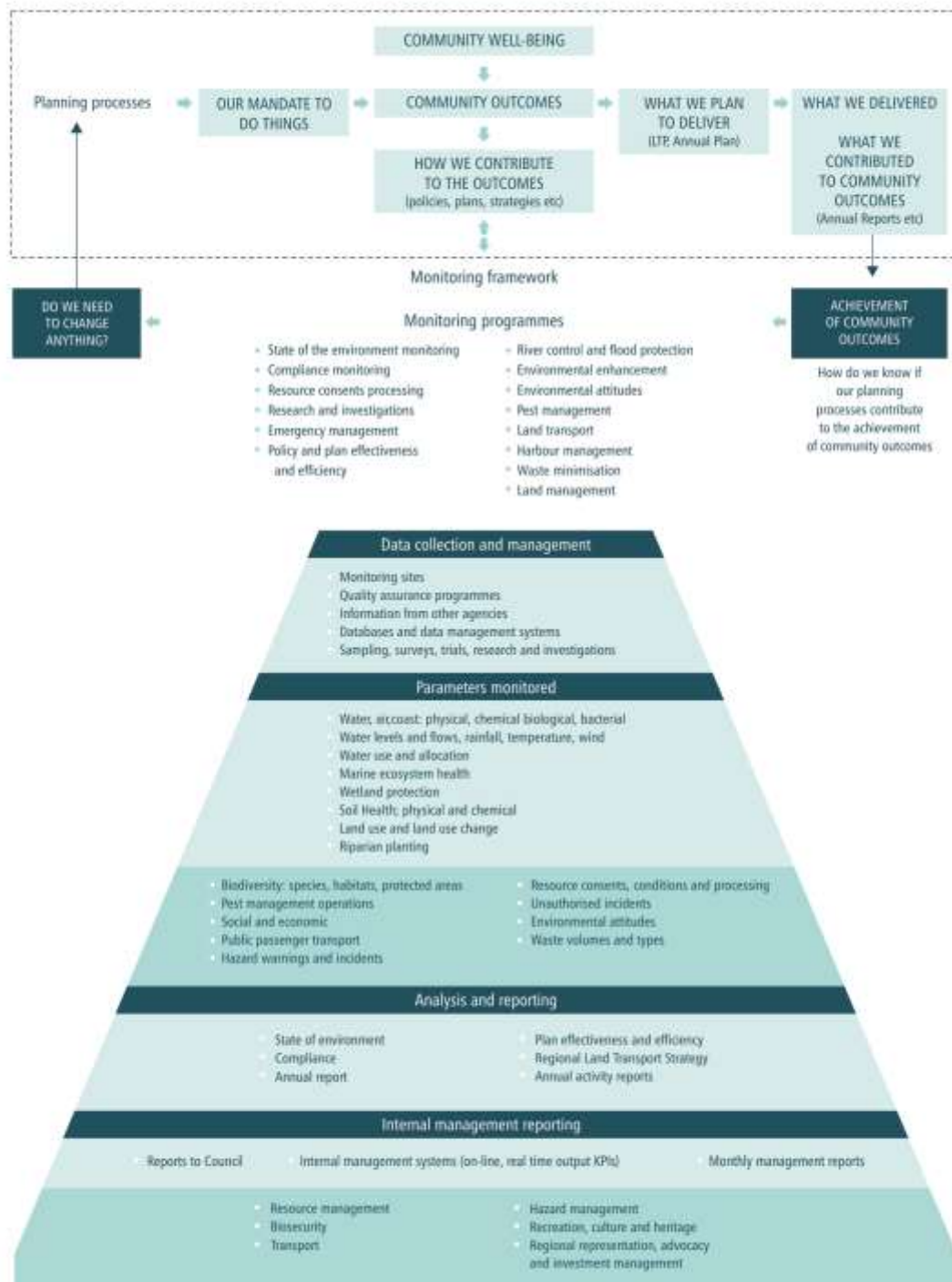
As previously indicated the Council undertakes many measurements during the year of the progress it is making towards the achievement of community outcomes. The Council considers that it is too simplistic to select and report on only one or two parameters to show progress on community outcomes.

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 and on the Council's website. 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. 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 *2015/2025 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 for 2016/2016 the 2015/2025 Long-Term Plan.

Financial information on the net cost of services delivered is also provided in conjunction with the budget established in the 2015/2025 Long-Term Plan for 2015/2016 and the previous year's actual net cost of services.

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

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 2016.

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 2015/2025 Long-Term Plan.

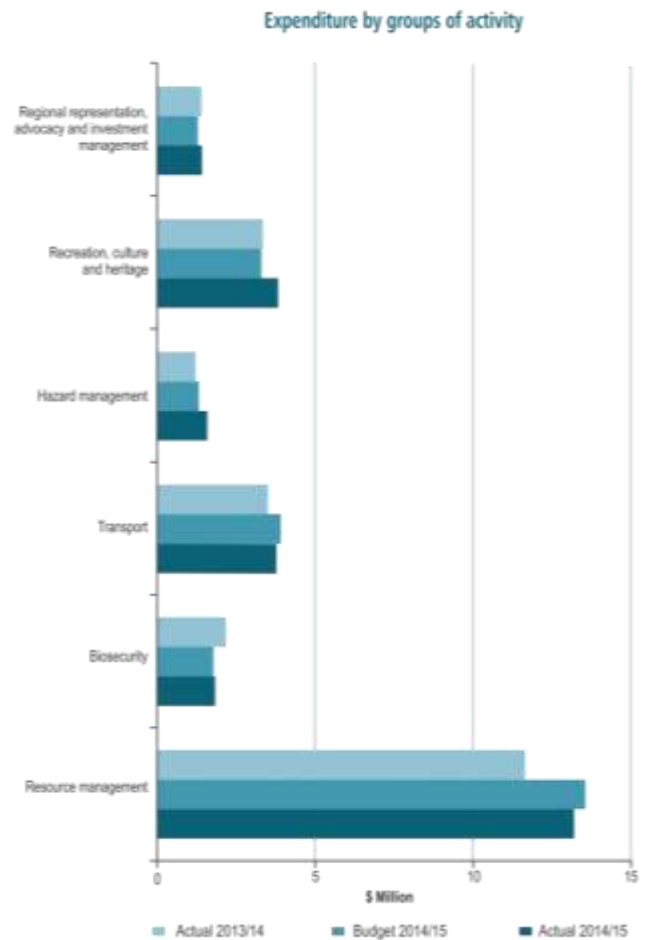


Figure 6: Expenditure by group of activities

Resource Management

RESOURCE MANAGEMENT ACTIVITIES:

Resource management comprises the following activities:



Resource management planning

—preparing, adopting and maintaining comprehensive and publicly considered policies, plans and strategies that will deliver to the Taranaki community, efficient and effective management of the Council's functions and Taranaki's natural and physical resources. This activity contributes to all levels of service (1 through 10) but is directly linked to the resource management policies, plans and strategies level of service (refer to level of service 9).

Consent processing and administration

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

Compliance monitoring programmes

—undertaking effective and efficient monitoring of resource consents and, where necessary, undertaking successful enforcement action—refer to levels of service 1, 2, 3, 5, 7, 8 and 10.

Pollution incidents and response

—responding effectively to pollution incidents, reducing the occurrence and effects of pollution and other unauthorised incidents and, where necessary, undertaking successful enforcement action—refer to levels of service 1, 2, 3, 5, 7, 8 and 10.

State of the environment monitoring

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

Resource investigations and projects

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

Waste minimisation

—encouraging and implementing waste management and cleaner production initiatives in Taranaki consistent with the Regional Waste Strategy for Taranaki and the waste management plans of the districts—refer to level of service 9

Sustainable land management plans and plant supply programme

—promoting sustainable land and riparian management by providing land management advice and information on an individual property basis and through advocacy and facilitation—refer to levels of service 4, 5, 6 and 8.

Biodiversity

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

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

RESOURCE MANAGEMENT AND 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 will contribute primarily to the outcome of a *Sustainable Taranaki*. They will 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.

FURTHER INFORMATION ON POLICIES AND PROGRAMMES

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

- Resource Management Act 1991
- Soil Conservation and Rivers Control Act 1941
- Local Government Act 2002
- Regional Policy Statement for Taranaki 2010
- Regional Coastal Plan for Taranaki 1997
- Regional Fresh Water Plan for Taranaki 2001
- Regional Soil Plan for Taranaki 2001
- Regional Air Quality Plan for Taranaki 2011
- Regional Waste Strategy for Taranaki 2011
- Resource Consent Procedures document
- Resource Consents Monitoring Procedures document
- Enforcement Provisions and Procedures, Resource Management Act 1991
- Delegations Manual for the Taranaki Regional Council
- Charging Policy under section 36 of the Resource Management Act 1991
- Taranaki Regional Marine Oil Spill Response Plan 2008
- Regional Action Plan for Taranaki: Dairying and Clean Streams Accord 2004
- State of the Environment Monitoring Procedures Document 1997.

The review of the *Regional Coastal Plan* continued. Efforts during the year focused on giving effect to the *New Zealand Coastal Policy Statement* requirements and developing draft *Plan* provisions. Background work was also undertaken relating to a review of the regulatory framework for oil and gas activities in the coastal marine area and the identification of outstanding natural features and landscapes, surf breaks, and sensitive marine habitats and values. Early targeted consultation on key technical and policy concepts has occurred with a range of stakeholders via one-on-one discussions, hui and other meetings. Further consultation with iwi and other stakeholders and the wider community is to follow.

The review of the freshwater and soil plans also continued. The plans are being combined. Targeted consultation on a draft *Proposed Plan* was undertaken

with forty-five responses from a broad range of stakeholders.

The Council has subsequently determined that further investigations and consultation is required before proceeding with the formal public consultation of the proposed *Regional Freshwater and Land Management Plan*.

Work advanced on a number of other fronts following the decision not to notify a proposed plan at this time. Two further policy papers were prepared relating to the identification of outstanding and regionally significant freshwater values, and indigenous freshwater biodiversity. The reports were prepared for consideration as inputs into the ongoing review process. Work also commenced on developing guidelines relating to freshwater use and development and developing good land management practices for inclusion in the *Plan*. Consultation with iwi and other stakeholders continues.

Work commenced on a project to develop a combined plan, that would include all the Council's resource management policy documents, by 2020.

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 sixteenth 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, biodiversity, the coastal environs, air quality, and soil. These programmes and findings are regularly subject to independent expert review. These programmes are interrogated to inform the Council and community not only on the state of our natural environment, but also trends, responses and effectiveness—does what we do make a difference? At a time when much media commentary highlights a negative view of our biophysical surroundings, it is noteworthy that many indicators collectively indicate that overall the region is making good progress towards enhancing our already



good environment, while noting areas where there is still desirable progress. This work contributes to the outcomes of a *Prosperous, Secure and Healthy*, and a *Sustainable Taranaki*.

Likewise, the Council's very comprehensive and rigorous consent monitoring work shows a high level of environmental performance and compliance by our industries, municipal authorities, and farming sector, achieved through significant investment in environmental protection measures and good management practices. This commitment contributes to a *Prosperous* and a *Sustainable* community outcome.

An important component of resource management is responding to pollution and unauthorised incidents, and where necessary, undertaking successful enforcement action. A range of enforcement tools were used during the year ranging from the issuing of abatement notices to require an action to be undertaken to a prosecution for breach of the Act. Appropriate use of enforcement tools increases compliance levels and contributes to a *Sustainable* community outcome.

A relatively modest and carefully targeted specific investment in research and resource investigations is significantly extended by the engagement of Council staff in national-level strategic initiatives around increasing the effectiveness of research investment across the New Zealand science sector. This has been particularly so in 2015/2016 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. Several challenges are developing a Taranaki-specific or relevant component.

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. A regional strategic framework for waste management is in place, and is implemented 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, 390,722 plants were grown on contract. This is an increase from last year. Overall, in excess of 4.3 million plants have been planted under this programme. In the hill country area, there are incentives under the *South Taranaki Regional Erosion Support Scheme (STRESS)* programme to fence and plant erosion-prone land. The *Afforestation Grant Scheme* was reintroduced with planting to commence in 2016. Under *STRESS* land owners have agreed to significant soil conservation work in the erosion-prone part of the region's hill country.



Following the June 2015 storm event, the region suffered significant damage to new riparian plantings, soil loss and damage to farm infrastructure from flooding and erosion. In response, the Council delivered a storm response package worth \$375,888 to those most affected. In conjunction with the Ministry for Primary Industries' resilience and infrastructure funds, the total value of support was \$566,000. This event reinforced the programmes that Council has in place and the rationale behind them. Having riparian and farm plans in place allowed the Council to connect with

farmers and build on established relationships which greatly assisted the assessment of damage and distribution of funds. The storm and its impact highlighted the importance of sustainable land management practices. The Council will continue working with farmers to promote good land use activities and practice.

In conjunction with land owners and community groups, the Council prepared biodiversity plans for ten key native ecosystems covering 445 hectare with the objective of protecting and enhancing biodiversity values of those sites. This included a comprehensive biodiversity plan for Pukeiti gardens and the surrounding rain forest. In addition the Council worked with the Rotokare Scenic Reserve Trust, the East 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 prepared and commenced a regional biodiversity monitoring programme that will both measure the outcomes of the Council's biodiversity programmes and inform state of the environment reporting.

The Council administers and is the founding funder of *Wild for Taranaki* (Taranaki Biodiversity Trust) and employ a Regional Biodiversity Coordinator on their behalf to work with trust members to drive regional projects forward. *Wild for Taranaki* have now built a solid foundation upon which to launch exciting new region-wide biodiversity projects. The Council looks forward to its involvement in these projects.

Environmental enhancement grants promote a *Sustainable Taranaki* through the protection of the environment by a series of grants for specific protection works. In 2015/2016 work was undertaken on securing protection or undertaking maintenance or enhancement on twenty-four 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.

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										
<p>Measure: Macroinvertebrate Community Index (MCI) values (a measure of freshwater community richness and composition) at least 50 regionally representative sites.</p> <p>Target (Years 1-10): The proportion of sites showing a trend (whether significant or indicative) of improvement in MCI against a base year of 1995 to exceed the proportion showing decline over the same period.</p> <p>Baseline: There is a continuing regional trend of improvement in the quality of freshwater ecology across the region. MCI values were determined for 57 regionally significant sites. Trend analysis to June 2013 (from 1995) showed 25 sites of 57 with statistically significant trends of improvement, and none with a significant decline.</p>	<p>MCI values have been determined for 57 regionally significant sites and trend analysis for the period to June 2015 (from 1995) has been undertaken and reported. It shows 29 sites of 57 with statistically significant or very significant trends of improvement 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 2015/2016 year to be reported during 2016/2017.</p>									
<p>Measure: Microbiological state of inland waters and coastal waters at bathing sites.</p> <p>Target (Years 1-10): Maintenance or increase in number of sites compliant with the 2003 Ministry of Health contact recreational guidelines.</p> <p>Baseline: There are 11 freshwater and 8 coastal water bathing sites monitored since 2003/2004. The number of sites compliant with the 2003 Ministry of Health contact recreational guidelines in respective periods are:</p> <table border="1" data-bbox="181 1205 778 1294"> <thead> <tr> <th></th> <th>Freshwater</th> <th>Coastal water</th> </tr> </thead> <tbody> <tr> <td>2003/2004</td> <td>6</td> <td>7</td> </tr> <tr> <td>2015/2016</td> <td>5</td> <td>7</td> </tr> </tbody> </table> <p>In 2013/2014, 86% of freshwater samples (93%-2003/2004) and 95% (99%-2003/2004) of coastal samples at these sites were compliant.</p>		Freshwater	Coastal water	2003/2004	6	7	2015/2016	5	7	<p>Microbiological monitoring of 16 freshwater and 14 marine sites was conducted over the summer bathing season. Results show 87% of freshwater samples were compliant with the bacteriological guidelines throughout the season.</p> <p>Five of the sites monitored for freshwater quality in 2003/2004 were compliant in 2015/2016. Three more sites had a single non-compliant sample.</p> <p>Coastal water quality is generally high at monitored sites. In Taranaki, 99% of coastal samples at these sites were compliant and only 1% of samples reached 'Action' level. Each of the two sites that exceeded bacteriological guideline during the monitoring season only did so on a single occasion.</p>
	Freshwater	Coastal water								
2003/2004	6	7								
2015/2016	5	7								
<p>Measure: Physical barriers to fish passage.</p> <p>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.</p> <p>Baseline: In October 2014, there were 43 consents with requirements for fish passage structures; as of May 2001 there were 26 consented and 30 unconsented structures known to be acting as barriers to fish passage. To October 2014, barriers to fish passage have been addressed at 12 of the sites consented in 2001, and at 6 of the sites unconsented in 2001.</p>	<p>Significant consented barriers are routinely inspected (including fish monitoring at some sites) for compliance with fish passage conditions. A review of the state of barriers identified in 2001 is underway, for follow-up of those not rectified. Compliance programme for minor sites (e.g., farm culverts) has been implemented and any new sites identified as potential barriers to fish passage are being added to an internal database for follow-up. Subsequent compliance implementation will increase the habitat range for native fish.</p>									

Programmed level of service

Measure: Ecological flows in catchments.

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

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

Reported level of service

There are no catchments allocated below ecological flows set by Council policy. The Council processed 17 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.

[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 applied 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.

Hydrological monitoring and assessment of abstraction consents indicates that some waterbodies within Taranaki are fully allocated, or are approaching this threshold. As part of the on-going development of the 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. The accounting system is now in use and is updated as flow statistics are refined or new water take consents are issued.

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 2013/2014, 100% of significant water abstraction consents were monitored with 91% 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 2015/2016, 99% of sites attained a 'good' or 'high' level of compliance and performance (2014/2015, 99%). 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 2013, for both the past 18 and 7 years, has been completed and reported to Council. Trend analysis at the regional representative sites demonstrates:

- MCI and periphyton indicators for ecological health: every site of the 11 representative sites shows stability or improvement since 1995
- BOD: 10 sites of 11 stable against 1995 baseline, and all sites are stable over the recent period
- Bacteriological state: 1 measure shows improvement over the last 7 years and all other measures are stable. 19 of 22 measures show improvement or stability since 1995
- Nutrients: the number of sites showing stability or improvement is increasing over time. Since 1995, 75% of nutrient measures are stable or improving; since 2005, 99% of nutrient measures are stable (75%) or improving (24%).

Overall, surface water quality in Taranaki is improving and is better than in 1995. Trend analysis to June 2015 has been completed and reported upon. 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: 9 sites of 11 stable against 1995 baseline, and all sites are stable or improving against 1995 baseline
- Bacteriological state: one measure shows improvement (5%) or stable (77%) since 1995 and 82% of bacteriological measures are stable over the last 7 years
- Nutrients: the number of sites showing stability or improvement is increasing over time. Since 1995, 75% of nutrient measures are stable or improving; since 2008, 91% of nutrient measures are stable (82%) or improving (9%). Total nitrogen has been stable (36%) or reducing (55%) since 1995. Nitrate has been stable (72%) or reducing (9%) since 1995, and more recently has been reducing (18%) or showing no change (82%).

Periphyton monitoring for 2014/2015 was completed as scheduled. Data from 2012/2014 and chlorophyll *a* data from 2010/2014 was reported during year. It showed that the majority of sites had no statistically significant trend but there were four sites that showed significant long-term improvements for nuisance periphyton coverage. Across all samples there was a compliance rate of 95.2% with the Ministry for the Environment 2000 periphyton guidelines. The Council's Periphyton Index showed that 62% of sites recorded a 'Very good' rating and 33% recorded a 'Good' rating and that 81% of the sites did recorded a chlorophyll *a* value above the NOF attribute threshold (national bottom line).

Measure: Nitrate levels in groundwater.

Target (Years 1-10): No sites in the state of the environment monitoring programme consistently above NZ human drinking water standard (NZDWS); improvement (decrease) in nitrate levels on a regional basis.

Baseline: In the latest survey, one site out of 74 was consistently above the NZDWS. Since 2002, 73% of sites sampled repeatedly have remained stable and 14% have showed an improvement. The number of sites and the number of samples exceeding the NZDWS has decreased.

Overall there has been a clear improvement (decrease) in peak nitrate levels in groundwater. Sampling of 74 sites for the most recent survey for groundwater nitrate was completed and reported 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 surveys conducted to date.

Programmed level of service

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

Target (Years 1-10): The trophic state (an indication of the ecological condition as affected by nutrient enrichment) of Lake Rotorangi to remain as it was in 1988 (mesotrophic/mildly eutrophic, or the middle category of trophic states).

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

Reported level of service

The current life-supporting capacity of the lake is stable and relatively healthy. Monitoring for 2014/2015 was completed (4 surveys) and reported during the year. 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 year were completed as programmed.

Measure: The proportion of significant point source discharges into water monitored annually, associated consent compliance and the Council's response to non-compliance.

Target (Years 1-10): 100% of significant point sources monitored; 90% 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 2013/2014, 100% of significant point sources were monitored with 93% 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 for 100% of significant point sources. In 2015/2016, 96% of significant industrial point sources attained a 'good' or 'high' level of compliance and environmental performance (98% in 2014/2015, 93% in 2013/2014). Of significant agricultural sources, 94.2% (92.8%-2014/2015, 93.4%-2013/2014) 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 was one (0) instance 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 riparian land areas.

Target (Years 1-10): By 30 June 2020, 100% of riparian plan streams to be protected by fencing and 90% protected by vegetation where recommended.

Baseline: As of June 2014, 2,483 riparian management plans have been prepared recommending the planting of 5,404 km and fencing of 6,301 km of stream banks. At June 2014, 32.7% of the planting and 56.5% of the fencing had been completed resulting in 80% of riparian plan streams now protected by fencing and 65% by vegetation where recommended.

As of June 2016, 2,587 (2,504—2014/2015) riparian management plans have been prepared recommending the planting of 5,760 (5,483) km and fencing of 6,580 (6,369) km of stream banks. At June 2016, 41.4% (39%) of the recommended planting and 65.7% (64%) of the recommended fencing had been completed resulting in 84.4% of riparian plan streams now protected by fencing and 69.5% by vegetation where recommended.

Programmed level of service

Reported level of service

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

Measure: Changes in land use.

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

Baseline: As of 30 June 2014, the area of hill country covered by sustainable land management plans was 199,157ha. This represents a 1.5% increase over last year. The monitoring of sustainably managed land use, in accordance with the physical capabilities of the land and soil resources, is a 5-yearly programme. A contract with Landcare to undertake the project has been completed. The percentage of hill country being managed sustainably between 2007 and 2012 decreased slightly from 87.4% to 87.1%. Overall, from 1994 to 2012, sustainability increased by 3.2% from 83.9% to 87.1%. Between 2007 and 2012, the area of bare sand increased slightly at 2 of the 4 sites, decreased at 1 site and with no significant change at the other. The Council's own state of the environment monitoring of all coastal sand country shows a net decrease in bare sand of 65.5 ha.

As of 30 June 2016, the area of hill country covered by sustainable land management plans was 203,279 ha. This represents a 0.5% 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. The next survey will take place in 2017/2018.

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

The next soil quality sampling is scheduled in the 2017/2018 monitoring year.

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

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

Target (Years 1-10): 69% of hill country in private ownership (306,000 ha) with comprehensive farm plans.

Baseline: As at 30 June 2014, 199,157 ha of private land have a farm plan.

As at 30 June 2016, 430 (421—2014/2015) comprehensive farm and agroforestry plans were in place for the 203,279 hectares of the 840 Taranaki hill country farmers, covering 66.4% (66%) 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.

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

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

Measure: National Environmental Standard (NES) pollutants, namely 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 (MfE).

Baseline: Between 2008 and 2013, air in the region matched the 'good' or 'excellent' categories of the MfE. 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 2015/2016 found 83% 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 proportion of significant point source discharges into air monitored annually, associated consent compliance and the Council's response to non-compliance.

Target (Years 1-10): 100% of significant discharge point sources monitored; 90% 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 90% 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 for 100% of significant point sources discharging to air. In 2015/2016, 94% of sources attained a 'good' or 'high' level of compliance and performance (95% in 2014/2015). Non-compliance was addressed by the use of various enforcement mechanisms under the *Resource Management Act*. All non-compliance events were responded to in accordance with documented enforcement procedures. Enforcement actions for 2015/2016 were collectively reported during the year and will be reported individually via annual reports.

[8] Maintenance and enhancement of indigenous biodiversity

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

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

Baseline: As at 30 June 2014, 64 or 48% of Key Native Ecosystems (KNEs) on private land covering 2,528 hectares have biodiversity plans.

Biodiversity plans were prepared for a further seven KNEs on private land (438.7 ha). In total 75 KNE's with private land covering 3,370.2 hectares now have biodiversity plans. This equates to 43.6% of all KNE with private land. In addition a further three biodiversity plans (7.1 ha) were prepared for KNEs on public land - Omata School (1 ha), Tapuae Coastal Strip (4.9 ha, NPDC with support from Nga Motu Marine Reserve Society) and Welbourn School (1.2 ha).

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 2014, the inventory contained 178 sites.

Maintained and updated the inventory of KNEs. The inventory of Key Native Ecosystems is regularly maintained and updated. At June 2016, the inventory contained 218 sites (198—2014/2015).



Programmed level of service

Measure: Maintain and improve the condition of KNEs

Target (Years 1-10): Improvement in biodiversity index at managed KNEs compared with a base year of application of the index.

Baseline: As at June 2014, of the 64 assessed forest remnants, over half (58%) were rated either “good” or “very good, 37.5% were rated “fair” and less than 5% were considered “poor”.

Reported level of service

Good progress continues in collecting baseline information for KNEs with 57 (82—2014/2015) assessments undertaken in 2015/2016. The first repeat five-year Condition Assessments were conducted and analysed for 23 KNEs with biodiversity plans. For the 12 forest sites reassessed, 75% showed an increase in the condition index, while 17% maintained condition and 8% reduced in the condition index. For the 11 wetland sites reassessed, 45% showed increase in condition index, while 10% maintained condition and 45% reduced in condition index.

Programmed level of service	Reported level of service
<p>[9] Resource management policies, plans and strategies that deliver efficient and effective management of the natural and physical resources of the region and are acceptable to the community</p> <p>Measure: Operative plans policies and strategies.</p> <p>Target (Years 1-10): Full compliance with statutory requirements and timetables for the preparation review and implementation of policies, plans and strategies.</p> <p>Baseline: As of June 2014, the Council has a full suite of operative <i>Regional Policy Statement</i> and regional plans (water, air, soil and coastal).</p>	<p>The Council has a complete suite of operative plans, policies and strategies. The review of the <i>Regional Policy Statement for Taranaki</i> was completed and made operative 1 January 2010. The review of the <i>Regional Air Quality Plan for Taranaki</i> was completed and made operative on 25 July 2011.</p> <p>The review of the <i>Regional Fresh Water Plan</i>, and <i>Regional Soil Plan</i> continued. Stakeholder responses to a <i>Draft Freshwater and Land Management Plan</i> have been analysed and considered, and additional work undertaken on identifying outstanding and significant freshwater values, and freshwater biodiversity values (used for targeted consultation—in addition to those already prepared on oil and gas, gravel extraction, farm dairy effluent, diffuse source discharges, freshwater biodiversity, and stream modification).</p> <p>The review of the <i>Regional Coastal Plan</i> continued. Working papers have been prepared or commissioned on identifying outstanding coastal landscapes and natural features, surf breaks, and sensitive marine habitats, and a review of the regulatory framework addressing oil and gas activities in the coastal marine area.</p>
<p>[10] Efficient and effective resource consent processing, compliance monitoring and enforcement</p> <p>Measure: Compliance with Resource Management Act 1991 requirements.</p> <p>Target (Years 1-10): 100% compliance.</p> <p>Baseline: As of June 2014, processing, administering and compliance monitoring of resource consents was 100% compliant with Resource Management Act requirements.</p>	<p>All consents (100%—2014/2015) processed during the period complied with <i>Resource Management Act</i> requirements, and full compliance with timelines allowed activities to be undertaken without delay.</p>
<p>Measure: Monitoring and enforcement programmes.</p> <p>Target (Years 1-10): All consents appropriately monitored with necessary compliance enforcement undertaken.</p> <p>Baseline: In 2013/2014, the Council implemented 220 individual monitoring programmes of significant consents. In 2013/2014, 60% of programmes attained a 'high' environmental performance and 29% a 'good' performance. Monitored 1,785 (100%) dairy farms, and undertook 221 other inspections of minor industrial operations. All other consents were appropriately monitored. Necessary enforcement action was undertaken.</p>	<p>Implemented 186 (225 in 2014/2015, 220 in 2013/2014) individual monitoring programmes of significant consents. This decrease reflected a number of programmes being combined. In 2015/2016, reporting on the 2014/2015 programmes, 71% of programmes attained a 'high' environmental performance (75% in 2014/2015) and 24% a 'good' performance (22%).</p> <p>All dairy farms (1,743) were monitored for compliance with resource consent conditions. There were 246 (128) other inspections of minor industrial operations. All other consents were appropriately monitored for compliance with resource consent conditions. All necessary enforcement action was undertaken. Compliance programmes were implemented as scheduled.</p>

ACTIVITIES—WHAT WE PLAN TO DO

Programme	2015/2016 actual performance	Programme	2015/2016 actual performance
<p>[1] Resource management planning</p> <p>Complete preparation/full reviews and interim reviews of resource management policies, plans and strategies:</p>			
<p><i>Regional Policy Statement:</i> Full review 2019/2020.</p>	<p>The review of the <i>Regional Policy Statement for Taranaki</i> was completed and made operative 1 January 2010.</p>	<p>Process, issue and report upon 100% of accepted resource consent applications (approximately 450 consents per annum), in compliance with the <i>Resource Management Act 1991</i> and the Council's <i>Resource Consents Procedures</i> document and successfully defend 100% of consent decisions appealed to the Environment Court.</p>	<p>Processed 100% (100%) of the 382 (400) accepted applications All resource consents were processed, issued and reported upon in accordance with the statutory procedures of the Act, and the Council's <i>Resource Consents Procedures</i> document. No consent decisions were appealed to the Environment Court.</p>
<p><i>Regional Coastal Plan:</i> Full review 2015/2016. Interim review 2022/2023.</p>	<p>Continued the full review of the <i>Coastal Plan</i>. <i>Draft Coastal Plan</i> in preparation.</p>	<p>Process and administer 100% of accepted resource consent applications in compliance with statutory timeframes prescribed in the <i>Resource Management Act 1991</i> and the Council's <i>Resource Consents Procedures</i> document.</p>	<p>Processed 382—100% (400-100%) of applications for resource consent in compliance with statutory timeframes prescribed in the <i>Resource Management Act 1991</i> and the Council's <i>Resource Consents Procedures</i> document.</p>
<p><i>Regional Air Quality Plan:</i> Interim review 2016/2017. Full review 2021/2022.</p>	<p>The review of the <i>Regional Air Quality Plan for Taranaki</i> was completed and made operative on 25 July 2011.</p>	<p>Minimising the number and duration of resource consent hearings by resolving, through the pre-hearing process, at least 50% of submissions received on resource consent applications.</p>	<p>Resolved, through the pre-hearing process, 100% (7/7) (83% (5/6) - 2014/2015) of resource consent applications attracting submissions without recourse to a formal hearing. The Council held no (1) resource consent hearings. Twelve (6) out of 12 (12) submissions were resolved—100% (50%).</p>
<p>[2] Consent processing and administration</p> <p>Provide appropriate and timely information in response to 100% of requests for assistance in implementing <i>Resource Management Act 1991</i> plan rules.</p>			
<p><i>Regional Fresh Water and Land Plan:</i> Full review 2015/2016. Interim review 2022/2023.</p>	<p>Continued the full review of the <i>Regional Fresh Water Plan</i> and the <i>Regional Soil Plan</i>.</p>		
<p>Provide appropriate and timely information in response to 100% of requests for assistance in implementing <i>Resource Management Act 1991</i> plan rules.</p>	<p>Provided information, which assisted the processing of 382 (400—2014/2015) resource consent applications, comprising 0 (1) publicly notified, 12 (11) limited notified and 370 (388) non-notified applications, in accordance with the requirements of the <i>Resource Management Act 1991</i>.</p>		

Programme	2015/2016 actual performance	Programme	2015/2016 actual performance
[3] Compliance monitoring programmes		[4] Pollution incidents and response	
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 within nine months of the end of the monitoring period.	100% of individual compliance monitoring programmes (186) for all major consents designed, implemented and publicly reported upon within the negotiated budgets and completed within nine months of the end of the monitoring period.	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 152 (214) abatement notices and 48 (102) infringement notices. The Fonterra Eltham offensive odour prosecution was completed. The C Boyd illegal river works prosecution was determined but is awaiting sentencing. Two (0) prosecutions were initiated as a result of unauthorised incidents. A farm dairy effluent prosecution was determined during the year and is awaiting sentencing. One prosecution is still before the Courts.
Implement and report on 100% of recommendations arising from prior year's monitoring of resource consents subject to an individual compliance monitoring programme.	Within each annual report, recommendations from previous reports are set out and their implementation reported upon. 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 246 (128) inspections of minor industrial operations ensuring good environmental practices. Only five (4) reinspections were required. Completed the annual inspection round of discharges of agricultural waste (100% of issued consents), including dairy, poultry and piggery farms—1,794 inspections (1,832) were completed. The non-compliance rate (failure to meet consent conditions) was 5.8% (7.2%) for dairy farms. All poultry and piggery farms were compliant. 224 (250) dairy farm reinspections were undertaken to ensure full compliance. In total, 1,967 (2,082) inspections and reinspections.	Respond to 100% of pollution and other complaints (generally within four hours of receipt) and where appropriate instigate control, clean up and enforcement procedures, where reasonable and appropriate, and publicly report on all pollution incidents.	Responded to, and publicly reported upon, 585 incidents (749—2014/2015) with 100% (100%) within the required timeframe. Instigated control and clean-up where required. Refer above for enforcement actions.
		Administer and implement the <i>Taranaki Regional Marine Oil Spill Response Plan</i> as agreed with Maritime New Zealand including responding to 100% of oil spills.	Administered the <i>Tier II Taranaki Regional Oil Spill Response Plan</i> in accordance with the agreed programme. No (0) significant marine oil spills occurred that warranted auctioning the <i>Plan</i> . Took part in the whole of government Whakautu II emergency exercise in New Plymouth.

Programme	2015/2016 actual performance	Programme	2015/2016 actual performance
<p>[5] State of the environment monitoring</p> <p>Implement and report on 100% of the Council's state of the environment monitoring programmes comprising monitoring of surface fresh water, levels and flows, fresh water quality, groundwater quantity and quality, coastal waters, biodiversity, air quality and land use sustainability using recognized and reputable methods of data collection, analysis and reporting in accordance with the Council's <i>State of the Environment Monitoring Procedures</i> document and <i>State of the Environment Monitoring Programmes</i>.</p>		<p>Maintain public access to on-line live regional data on hydrology, meteorology, soil moisture and bathing beach water quality. Live data reported on the Taranaki Regional Council's website.</p>	
<p>Monitor, review and where appropriate, further develop existing programmes by 30 June of each year.</p>		<p>Live on-line data was maintained and reported for 32 (29) hydrology sites, 27 (28) meteorology sites, 9 (8) soil moisture sites, 18 (18) freshwater sites, and 9 (9) marine bathing beach water quality sites.</p>	
<p>Prepare and publish the five-yearly state of the environment report The next report is due in 2020.</p>		<p>[6] Resource investigations and projects</p> <p>Over the period of the <i>2015/2025 Long-Term Plan</i> the Council intends to undertake a range of resource investigations and applied research projects. These are normally undertaken in partnership with science providers, other councils or resource users but may also include a range of other parties, including iwi, as potential partners for Council resource investigations and projects. Such projects evolve over time. Specifically for 2015/2016, the Council intends to:</p>	
<p>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.</p>		<p>Continue to support the "best practice dairying catchments" study in the Waiokura Stream catchment</p> <p>NIWA and AgResearch reported on source apportionment of nutrient fluxes within the Waiokura catchment, including comparisons of actual yields with modelled nutrient flux predictions. The study has been used to inform the Fresh Water Plan policy review. Fieldwork continued in the Waiokura catchment. GNS commenced a research project looking at groundwater quality and age in the catchment for review against leaching model predictions.</p>	
<p>Work was completed on collating input data, trend analysis, and information as part of preparation of the five-yearly State of the Environment Report.</p>		<p>Continue to use microbial source testing technology to identify sources of faecal contamination in Taranaki waters.</p> <p>Specific investigative work was proposed for the Patea River (for 2017/2018) and implemented along the Waitara foreshore to isolate and characterise particular sources previously identified as causing microbial pollution.</p>	

Programme	2015/2016 actual performance	Programme	2015/2016 actual performance
Support studies into the behaviour and bioavailability of cadmium in agricultural soils and fertilizer.	As part of the Cadmium Working Group, the Council contributed to studies into the bioavailability and behaviour of cadmium in soils and a project brief for exploring the variability and drivers of uptake of cadmium by various plant species. Reports on the results of these studies were completed and published.	In addition	Scientific and administrative support provided to Venture Taranaki for the Participatory Science Platform programme (Curious Minds). A number of projects have achieved successful results.
Investigate shallow groundwater transport, transformation and attenuation processes.	Lincoln Agritech Ltd investigated groundwater redox gradients at selected sites. The work sought to assess the potential for leached nitrogen to be attenuated in groundwater systems through the process of denitrification. A draft report on findings is in progress.	[7] Waste minimisation	Assisted sector leaders in recycling contamination, food waste – Love Food Hate Waste challenge, farm waste and recycling, school engagement, Witt orientation, in-house recycling/education and electronic resources.
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 was completed with confirmation of projects with a clear benefit to Taranaki: high intensity rainfall design criteria and water quality sampling standards. Projects for funding in 2016/2017 were selected including farm scale soil mapping and applications, management of aquatic weeds, assessment of fish passage and mitigation options and review of marine recreational microbiological guidelines. There was on-going engagement with MBIE’s National Science Challenges- Our Land and Water, Bioheritage, Sustainable Seas, and Natural Hazards.	Work with the agricultural sector to identify, implement and/or promote waste minimisation opportunities.	Continued to promote waste recovery within the agricultural sector through education and publicity. Specifically by the development of a discussion document on potential farm waste research, communication with community members and organisations such as Federated Farmers and Plasback, provision of feedback to Dairy NZ for their information brochure on farm waste, promotion of Environment Canterbury’s farm waste survey, promotion of the national agrichemical container and plastic wrap recovery programmes, and Initiating an investigation into accessibility of transfer stations to the rural Taranaki community.

Programme	2015/2016 actual performance	Programme	2015/2016 actual performance
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 <i>Regional Waste Strategy</i> by June 2021, and partnering in delivering waste plans for the three districts of Taranaki.	Servicing of the Taranaki Solid Waste Management Committee continued. Completed a project plan for the interim review of the <i>Taranaki Regional Solid Waste Strategy</i> (TRWS), undertook a desk top literature review for the <i>Regional Waste Strategy</i> review, surveyed waste service providers, food premises, tyre retailers, automotive and construction industries, updated the waste inventory, and rated performance against targets in the TRWS.	Monitoring and reporting. Liaise with and monitor approximately 2,600 riparian plans and 100 farm plans and report on the implementation of the recommended fencing and planting.	Contacted land occupiers for whom plans have been previously prepared on 9,056 (7,491) occasions. Supplementary advice and information was provided as necessary. Monitoring shows 9.7% (19%) or 241 (526) km of the remaining recommended fencing of stream bank was fenced and 6.9% (10%) or 249 (372) km of streambank have been planted. 4,325 (4,084) km of stream bank has been fenced and 2,387 km planted (2,138).
<p>[8] Sustainable land management plans and plant supply programme</p> <p>Planning services. Provide property planning services to landholders. Prepare plans covering 1,000 hectares of land use capability mapping in the hill country and 100 riparian plans in the intensive water management zone. By the end of the period of this <i>Plan</i> it is intended to have active or completed riparian plans in place for over 99% of dairy farms (approximately 1,680) and active comprehensive farm plans in place for over 69% of hill country in private ownership where approximately 840 sheep and beef farms are located.</p>		<p>Provision of advice. When requested, provide advice on sustainable land management practices within ten working days.</p>	<p>Received and actioned, within 10 days, 243 (270) inquiries. Advice and assistance on sustainable land management, soil conservation and riparian management was provided.</p>
	<p>Prepared 7 (17-2014/2015) comprehensive farm plans and 2 (3) agroforestry plans covering 1,088 (3,033) hectares of farmland for landholders throughout the region. No other plan types were completed. Prepared 102 (21) riparian plans covering 332 (52.7) kilometres of stream bank. 171 (39.6) kilometres of riparian management was proposed with the balance of 161 kilometres (13.1) being adequately protected.</p>	<p>Provide servicing and support to the Taranaki Tree Trust and assistance to other organizations involved in promoting sustainable land management.</p>	<p>Provided administrative and treasury services to the Taranaki Tree Trust and to the newly formed Taranaki Biodiversity Trust.</p>
		<p>Provide annually, on a cost-recovery basis, approximately 600,000 suitable plants for land stabilisation, soil conservation and riparian planting programmes.</p>	<p>Provided 407,801 (384,629) plants for sustainable land management purposes. Provided 14,579 (6,733) items of poplar and willow planting material to 118 (100) landholders. Provided 390,722 (377,896) plants at cost to 1,084 (1,053) landholders, to plant approximately 250 (300) kilometres of stream margins and supplied 2,500 (3,390) sand stabilisation plants targeting 3 (4) sites.</p>

Programme	2015/2016 actual performance	Programme	2015/2016 actual performance
[9] Biodiversity			
Prepare at least 10 biodiversity plans per annum for properties containing key native ecosystems (KNE).	Ten (10-2014/2015) new biodiversity plans were completed with a further 10 (24-2014/2015) five-year reviews completed for existing plans.	In addition, provided storm and flood response.	Following the June 2015 storm event, provided and planted 51,000 riparian plants to 112 landowners. Provided, planted and protected 8,922 poplar and willow poles to 104 landowners; provided 6,699 kilograms of grass seed for the revegetation of landslides on 58 properties; repaired 2.8 kilometres of STRESS fencing on 19 properties. Assessed and made recommendations for the distribution of \$416,000 for infrastructure repairs on behalf of the Taranaki Disaster Relief Fund.
Initiate and support implementation of work programmes on all KNE's with a biodiversity plan and monitor and report on progress.	Initiated implementation of 100% (100%) of plans within one year of each plan's preparation.		
[10] Enhancement grants			
Implement a programme using environmental enhancement grants for the protection of biodiversity habitats of regional significance.	Ongoing fencing, planting and maintenance has been undertaken to secure the protection of wetlands. This included work on 24 (21) regionally significant wetlands. This work means that 59 (58) wetlands are formally protected.		
In addition, implement the South Taranaki and Regional Erosion Support Scheme (STRESS).	Under the STRESS programme, implemented 21.6 kilometres of retirement and forestry fencing to retire 1,166 hectares of marginal land and planted 26.3 hectares of forestry on 24 properties. Planted 7,422 poplar and willow poles for soil conservation on 100 properties.		

COSTS AND SOURCES OF FUNDS

	2015/2016 Actual \$	2015/2016 Budget \$	2014/2015 Actual \$
Expenditure			
Resource management planning	742,527	873,947	1,040,732
Consent processing and administration	851,607	1,040,562	890,110
Compliance monitoring programmes	2,741,238	2,578,523	3,102,987
Pollution incidents and response	1,007,905	1,020,266	951,888
State of the environment monitoring	2,025,380	1,826,871	1,197,415
Resource investigations and projects	444,157	398,639	378,761
Waste minimisation	110,312	135,086	107,653
Sustainable land management plans and plant supply programme	3,446,196	3,754,637	2,922,819
Biodiversity	1,186,609	1,217,496	791,927
Enhancement grants	617,891	674,541	538,110
Total expenditure	13,173,822	13,520,568	11,922,401
Income			
General rates	3,841,829	3,841,829	3,575,413
Direct charges	5,704,078	6,161,020	5,564,936
Government grants	562,484	245,000	224,444
Transfer from reserves	395,000	-	-
Investment funds	2,670,431	3,272,719	2,557,608
Total income	13,173,822	13,520,568	11,922,401
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	341,536	578,000	447,071
Plant and equipment	98,234	201,750	141,053
Office furniture	563	-	15,124
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	440,333	779,750	603,248
Funded by:			
Transfer from retained earnings	440,333	779,750	603,248
Total funding	440,333	779,750	603,248
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	440,333	779,750	603,248
Total capital expenditure	440,333	779,750	603,248
Gross proceeds from the sale of assets	140,919	127,000	97,832
Depreciation/amortisation expense	428,803	412,743	437,749

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

BIOSECURITY ACTIVITIES:

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.



BIOSECURITY AND 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.

FURTHER INFORMATION ON POLICIES AND PROGRAMMES

Further detailed information on the specific strategies, policies and plans relating to this group of activities can be

found from the following sources:

- Biosecurity Act 1993
- Local Government Act 2002
- Pest Management Strategy for Taranaki: Animals 2007
- Pest Management Strategy for Taranaki: Plants 2007.

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 2015/2016 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 2015/2016 on future directions for pest plant and animal management in preparation for this review, including the development of a draft *Pest Management Plan for Taranaki* that sets out the regulatory

framework for pest management and a draft *Biosecurity Strategy for Taranaki* that sets out all the Council programmes and activities relating to pest management, including the non-regulatory activities.

During 2015/2016, the trial to assess old man’s beard control options in the Kaipokonui catchment continued, with the intention of reducing the infestation of old man’s beard to a level that can then be maintained by land occupiers. Contractors undertook a third control round along the entire 48 kilometres of riverbank covering 49 properties. Monitoring has shown a small number of hotspot areas remain that will require further treatment before handing over control to the landowners.

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 4,066 covering 240,200 ha.

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 6.13% (below the Council's target of 10%) significantly reducing the adverse effects of possums.

The urban possum control programme was extended in New Plymouth aimed at ensuring healthy native forest and increasing bird numbers. Following a targeted publicity campaign, in which landowners were asked if they would like to be involved in urban possum control, 106 homeowners in the Herekawe catchment agreed to take part targeting both possum and rats. Landowners who joined the Te Henui, Huatoki and Waiwhakahiho programme in the last two years were encouraged to undertake maintenance.

During 2015/2016, Council provided technical support, planning assistance and undertook possum monitoring within the Tiaki te mauri o Parininihi Trust's project at Parininihi/Whitecliffs.

The Council provided technical and financial support to the Rotokare Scenic Reserve Trust and Eastern Taranaki Environment Trust's project at Purangi

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



LEVELS OF SERVICE

Programmed level of service	Reported level of service
<p>[1] Pest management plans that deliver efficient and effective management of the Council's biosecurity functions</p> <p>Measure: Presence of appropriate pest management plans.</p> <p>Target (Years 1-10): Pest management plans for pest plants and pest animals are in place in accordance with statutory requirements.</p> <p>Baseline: Two adopted pest management strategies (plans) are in place, both most recently reviewed in 2007.</p>	<p>Pest animal and pest plant management strategies, that deliver efficient and effective management of the Council's biosecurity functions, are in place in accordance with statutory requirements.</p>
<p>[2] Pest animals controlled to minimize their adverse effects on biodiversity, primary production and the regional economy and environment</p> <p>Measure: Area of the ring plain maintained under the <i>self-help possum control programme</i> at levels to reduce risks to the environment and primary production.</p> <p>Target (Years 1-10): Residual trap catch (RTC) of less than 10% across the rural area covered by the self-help possum control programme.</p> <p>Baseline: In 2013/2014, the RTC was 3.54% across the 235,464 ha of the rural area covered by the <i>self help programme</i>.</p>	<p>At 30 June 2016, the Council's monitoring programme showed that landholders reduced the possum population to a 6.13% (2014/2015—6.77%) 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.</p>
<p>[3] Pest plants controlled or eradicated to minimise their adverse effects on biodiversity, primary production and the regional economy and environment</p> <p>Measure: Control or eradication of "eradication" pest plants.</p> <p>Target (Years 1-10): Control of 100% of known infestations of Senegal Tea, Climbing Spindleberry, Mignonette Vine and Giant Reed in the region.</p> <p>Baseline: In 2013/2014, there were 32 properties where these plants were identified and controlled.</p>	<p>With the exception of Darwin's Barberry, direct control of these pest plants occurred for 100% of known infestations and resulted in biodiversity improvements. Ninety-two (87—2014/2015) inspections were carried out on properties known to have had an infestation. Direct control, where it was warranted, occurred on 27 (87) properties. Of those, 9 (55) properties around the region were treated for Mignonette Vine, 3 (4) properties for Climbing Spindleberry, no (1) properties for Senegal Tea and 14 (23) properties for Giant Reed. In addition to this 1 (4) property had control undertaken for Darwin's Barberry.</p>
<p>Measure: The extent of "sustained control" pest plants.</p> <p>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).</p> <p>Baseline: In 2013/2014, there were 183 Category C properties.</p>	<p>During 2015/2016, officers undertook a total of 6,883 inspections, of these 388 (475) related to Category C properties. As at 30 June 2016, the number of C properties had increased to 186 (183).</p>

ACTIVITIES

Programme	2015/2016 actual performance	Programme	2015/2016 actual performance
[1] Biosecurity planning			
Complete ten-yearly review of the <i>Pest Management Plan for Taranaki</i> in 2015/2016 and an interim review in 2020/2021.	Draft <i>Pest Management Plan</i> and draft <i>Biosecurity Strategy for Taranaki</i> prepared. Ongoing planning work and engagement undertaken during 2015/2016. However, completing the review was deferred to incorporate the outcomes of Government and regional sector alignment initiatives.	Undertake urban pest programme in New Plymouth targeting, possums, rats and mustelids.	Undertook control involving public reserves and 106 residential properties in the Herekawe Catchment.
[2] Pest animal and pest plant management			
Dependent upon the review of the <i>Pest Management Plan for Taranaki</i> :			
Undertake property inspections, provide advice and, where necessary, enforcement action, for the self-help possum control and sustained control pest plant programmes.	Undertook 796 inspections and provided property specific advice to landholders across the self-help possum control programme covering 4,066 (4,256) properties 240,200 hectares (240,200).	Implement control operations for: <ul style="list-style-type: none"> the eradication of selected pest plants the New Plymouth urban pest programme the Kaupokonui Old Mans Beard control programme selected Key Native Ecosystems. 	Undertook further control in the Kaupokonui catchment treating 48 kilometres of riverbank from Opunake Road to the coast. Undertook or commissioned work on 84 (28) key native ecosystems for which biodiversity plans have been prepared.
Engage with the community and raise awareness about management and control of pests, including providing advice and responding to public enquiries relating to pest issues.	Received 540 (519) notifications providing advice and where appropriate, undertook control action. Undertook a publicity and education programme in relation to the control of all pest plants in the <i>Strategy</i> .	Develop and implement biological control programmes for pest plants. Make releases of control agents when appropriate.	Made seven (3) releases of control agents from Landcare Research and other agencies to control Woolly Nightshade and Tradescantia. Contributed to the Landcare Research biological control research programme.
Monitor and report trends for key pest species in the region and effectiveness of pest control programmes.	Landholders maintained possum populations to acceptable levels: 6.13% (6.77%—2014/2015) residual trap catch rate across the self-help possum control programme Rabbit monitoring indicates low numbers across the sampled areas.	Provide advice on and, if necessary, implement small-scale control of unwanted plant organisms.	Responded to 127 (168) requests for advice and information. Advice and information was also given in the field during inspection. Undertook small scale control of unwanted plant organisms on 19 (84) occasions.
		Implement the <i>National Pest Plant Accord</i> , inspecting all plant nurseries and retail outlets annually to promote and, where necessary, enforcing the prohibition from propagation, sale or distribution of specified unwanted plant organisms.	Inspected 29 (36) nurseries and retail outlets. One (3) was required to remove a pest plant. Distributed information to all nurseries and retail outlets for identification of <i>National Pest Plant Accord</i> pest plants.

COSTS AND SOURCES OF FUNDS

	2015/2016 Actual \$	2015/2016 Budget \$	2014/2015 Actual \$
Expenditure			
Biosecurity planning	72,475	88,756	31,832
Pest animal management	1,146,971	924,616	1,224,613
Pest plant management	508,266	719,146	711,420
Total expenditure	1,727,712	1,732,518	1,967,865
Income			
General rates	905,043	905,043	1,090,494
Direct charges	79,102	106,500	65,868
Transfer from reserves	-	-	-
Transfer to reserves	(50,000)	(50,000)	(141,000)
Investment funds	793,567	770,975	952,503
Total income	1,727,712	1,732,518	1,967,865
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	71,447	312,000	-
Plant and equipment	9,023	23,200	1,738
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	80,470	335,200	1,738
Funded by:			
Transfer from retained earnings	80,470	335,200	1,738
Total funding	80,470	335,200	1,738
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	80,470	335,200	1,738
Total capital expenditure	80,470	335,200	1,738
Gross proceeds from the sale of assets	45,791	113,000	-
Depreciation/amortisation expense	83,429	103,039	93,293

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

TRANSPORT ACTIVITIES:

Transport comprises the following activities:



Regional land transport planning

—contributing to an effective, efficient and safe land transport system in the public interest—refer to level of service 1.

Public transport

—promoting the provision of community public transport in Taranaki and assist the transport needs of the transport disadvantaged—refer to level of service 2.

Harbour management

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

TRANSPORT AND COMMUNITY OUTCOMES

The Transport group of activities contributes to community outcomes by contributing to an effective, efficient and safe land transport system in the public interest by facilitating growth and economic development, reducing safety risk, maintaining and

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

In January 2016, the Government announced multi-million dollar projects to bypass the Mt Messenger and Awakino tunnel areas on the northern parts of SH3 in addition to announcements made in the previous year regarding improvements in the SH3 Awakino Gorge to Mt Messenger corridor. These were projects to be funded under the Accelerated Regional Rooding Package, drawn from the Future Investment Fund. Implementation of this \$130m programme of works is expected to commence from 2016/2017.

Additionally, the Council has taken significant advocacy roles in the SH3 Vickers to City and the SH3 Normanby

improving accessibility and public health, ensuring a regionally and nationally integrated transport network that is resilient and responsive and addresses these in an environment of constrained funding and affordability.

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

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

FURTHER INFORMATION ON POLICIES AND PROGRAMMES

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

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

Bridge Realignment projects; both of which are nearing completion. Looking forward the Council has worked with the New Zealand Transport Agency to advance the SH3 Bell Block to Waitara and SH3 New Plymouth to Hawera projects to the point of implementation in the near future.

These achievements are of major significance to Taranaki and reflect, in part, advocacy undertaken on a number of fronts on these important land transport issues for Taranaki.

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 Mt Messenger and Awakino Tunnel bypass projects reflects the value of working collaboratively on land transport issues.

The Council was also involved in a number of other land transport planning matters ranging from an investigation into road safety improvements on the Waitara to Bell Block corridor to membership of the community based Taranaki Road Safety Action Planning Group.

The *Regional Land Transport Plan* (RLTPlan) came into effect from 1 July 2015 and remained operative throughout the year. This effectively replaced and/or combined elements of two previous planning

documents, the *Regional Land Transport Programme* and *Regional Land Transport Strategy*. The RLTPlan 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 strategic direction component informs the projects and activities proposed for funding. The RLTPlan is a six-year document, with a mid-term review due prior to the start of second three-year period.

During the 2015/16 year two requests to make minor variations to the RLTPlan were received and approved by Council:

- From the South Taranaki District Council in December 2015 to add a new project (the Nukumarū Station Road Extension)
- From the NZ Transport Agency in June 2016 to add a new project (the Mt Messenger bypass).

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.

Submissions in 2015/2016 were made on the Ministry of Transport's small passenger service vehicle review and feedback provided to the NZ Transport Agency on the *National Land Transport Programme* development process.

2015/2016 saw the continuation of all the region's public transport services.

The Citylink (New Plymouth, Bell Block, Waitara and Oakura) service recorded a drop in patronage of 2%. This reflects a nation-wide trend on other non-metro bus services of declining patronage.

The Connector (Hawera to New Plymouth) service was approved National Land Transport Funding by the NZ Transport Agency for the period 2015/2018.

In 2015/2016 patronage was 31,407 (24,164) up 30%. The significant increase reflects the value the communities serviced by the bus place on the need for the service.

Two of the three once-a-week Southlink (South Taranaki) services recorded a third year drop in patronage. Patronage on the Waverley to Hawera service was down 14%. Opunake to New Plymouth was down 11%. The Opunake to Hawera (including Manaia to Hawera) service recorded an increase of 1%, a significant reversal from the previous year's loss of 22.8%.



The Council's passenger transport activities also included continued funding of Total Mobility services for people with impairments throughout Taranaki.

During 2015/2016, 40,124 passenger trips were made under the Total Mobility Scheme. This was down on the 41,556 trip in 2014/2015. This is now the tenth 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, 6,644 trips were carried out with 4,726 (71%) specifically involving passengers who required the use of wheelchair hoists.

Communicating with and informing users of Council's public transport services continued using social media. The previous Facebook group set up in 2015 was changed to a Facebook page - Taranaki Public Transport. This was to make it consistent with other Council Facebook pages while providing greater content control under the Regional Council banner.

The Council continued to oversee implementation of its *Regional Land Transport Plan 2015-2021* which had been adopted in the previous year following extensive consultation with the Taranaki community. One of the successes for the year was the official opening of the Vickers to City corridor in New Plymouth by the NZ Transport Agency.

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
<p>[1] Land transport policies and activities that deliver efficient, effective and value for money transport solutions, land transport infrastructure and services for Taranaki</p> <p>Measure: Presence of an appropriate <i>Regional Land Transport Plan for Taranaki</i>.</p> <p>Target (Years 1-10): A <i>Regional Land Transport Plan for Taranaki</i> that is kept current in accordance with statutory requirements.</p> <p>Baseline: The <i>Regional Land Transport Plan for Taranaki 2015/2016-2020/2021</i> is current and operational.</p>	<p>The <i>Regional Land Transport Plan</i> is current and in accordance with statutory requirements. The Plan, covering the period 2015/2016-2020/2021, came into effect from 1 July 2015.</p>
<p>Measure: Presence of an appropriate <i>Regional Public Transport Plan for Taranaki</i>.</p> <p>Target (Years 1-10): A <i>Regional Public Transport Plan for Taranaki</i> that is kept current in accordance with statutory requirements.</p> <p>Baseline: The <i>Regional Public Transport Plan for Taranaki 2014-2024</i> is current and operational.</p>	<p>The <i>Regional Public Transport Plan for Taranaki</i> is current and in accordance with statutory requirements. The Plan, covering the period 2014-2024 came into effect from 29 July 2014.</p>
<p>[2] Provision and increasing use of public transport services</p> <p>Measure: Annual number of passenger trips on the region's public transport services.</p> <p>Target (Years 1-10): Increase by 6% pa the number of passengers carried.</p> <p>Baseline: Between 2008/2009 and 2013/2014, passengers on community passenger transport services in the region grew from 349,607 to 584,371 pa. This represents an average growth of over 11% pa. In 2013/2014, 578,396 passengers were carried on the New Plymouth urban and community services.</p>	<p>In 2015/2016, 605,603 (2014/2015—610,470) passengers were carried on the regions public transport services. This is a decrease of 0.8% on 2014/2015. The drop in bus patronage has been experienced nationally on most other non-metro bus services. An independent report commissioned by a number of regional councils identified the low cost of fuel and increase in car ownership as major contributing factors causing the decline.</p>
<p>[3] Safe navigation for all users of the waters of Port Taranaki and its approaches</p> <p>Measure: The number of reported navigation safety incidents within Port Taranaki and its Approaches.</p> <p>Target (Years 1-10): No significant incidents.</p> <p>Baseline: There have been no significant incidents in the last 10 years.</p>	<p>There were 1,058 (2014/2015—1,564) vessel movements undertaken through Port Taranaki during 2015/2016. No (0) significant incidents involving unsafe navigation practices were reported within Port Taranaki and its approaches.</p>

ACTIVITIES

Programme	2015/2016 actual performance	Programme	2015/2016 actual performance
<p>[1] Regional land transport planning</p> <p>Complete preparation/full reviews and interim reviews of the transport policies, plans and strategies:</p>		<p>Monitor the New Plymouth bus service contract including patronage growth and fare box recovery.</p>	<p>Patronage decreased by 11,741 trips or 2%. Farebox recovery was 38.6% (39%).</p>
<p>Review and make adjustments to the regional land transport plan, as required, in accordance with statutory requirements.</p>	<p>The <i>Regional Land Transport Plan 2015-2021</i> was completed in April 2015. Activities within the <i>Plan</i> were undertaken and regularly reported on.</p>	<p>Monitor the regional bus service contracts including patronage growth and fare box recovery.</p>	<p>Ongoing monitoring occurred on all services. Patronage on the Connector was 31,407 (24,607) up 30%. Two of the three Southlink services recorded a drop in patronage. Waverley to Hawera down 14% with patronage of 1,515, Opunake to New Plymouth down 11%. With patronage of 1,038. Opunake to Hawera (including Manaia to Hawera) recorded a 1% increase with a total of, 1,027. Combined farebox recovery for the regional services was 58.3% (27.6%).</p>
<p>During 2017/2018 complete a mid-term review of the <i>Regional Land Transport Plan 2015/16-2020/21</i>.</p>	<p>No action required in 2015/2016.</p>		
<p>Review and make adjustments to the <i>Transport Activity Procurement Strategy</i>, as required, in accordance with statutory requirements.</p>	<p>The regional component of the <i>Strategy</i> was implemented through a number of activities undertaken throughout the year. These were regularly reported on</p>		
<p>[2] Passenger transport</p>		<p>Monitor the commerciality ratio of the region's public transport services and publish the ratio annually.</p>	<p>The commerciality ratio for the region's public transport services in 2015/2016 was 40.8%</p>
<p>Provide Total Mobility subsidy assistance to qualifying persons through the New Zealand Transport Agency supported <i>Total Mobility Scheme</i>. Process complete applications from eligible applicants within 10 working days.</p>	<p>Provided Total Mobility Scheme services to the targeted areas—40,124 (41,556—2014/2015) passenger trips were made under the Scheme. An additional 6,644 (7,383) trips were made by the Ironside Vehicle Society. ID cards were issued to 100% (100%) of eligible applicants within the required timeframes.</p>	<p>Review public bus service fares annually to ensure passengers pay a fair share of the cost of the services.</p>	<p>A review of the Citylink bus fares was undertaken in 2015/2016. Revised fares were implemented 1 February 2016.</p>
<p>Operate public transport services in the New Plymouth district and regional Taranaki consistent with the <i>Regional Public Transport Plan</i> subject to funding approval from the New Zealand Transport Agency and the availability of local share funding.</p>	<p>Passenger transport services in New Plymouth urban areas and regional Taranaki were operated consistent with the <i>Regional Public Transport Plan</i>. The NZ Transport Agency approved funding for the Hawera to New Plymouth bus service for the 2015/2018 program.</p>	<p>Provide financial assistance to the Ironside Vehicle Society subject to funding eligibility criteria being met.</p>	<p>Funding of \$50,000 (\$50,000) to the Ironside Vehicle Society for carriage of disabled persons in restricted areas.</p>



Programme

2015/2016 actual performance

[3] Harbour management

Provide harbourmaster and harbour warden services for Port Taranaki and 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*.

External contract placed for the provision of harbourmaster services. There were 1,058 (1,564—2014/2015) vessel movements undertaken through Port Taranaki. No (0) significant incidents involving unsafe navigation practices were reported. 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

	2015/2016 Actual \$	2015/2016 Budget \$	2014/2015 Actual \$
Expenditure			
Regional land transport planning	93,736	135,671	88,266
Passenger transport	3,561,542	3,753,152	3,576,367
Harbour management	32,795	31,500	31,015
Total expenditure	3,688,073	3,920,323	3,695,648
Income			
General rates	168,015	168,015	135,477
Targeted rates	748,774	748,774	781,196
Direct charges	1,053,358	1,234,086	1,145,711
Government grants	1,576,880	1,584,667	1,502,572
Government grants – for capital	-	38,744	-
Transfers from reserves	47,531	52,516	46,250
Transfers to reserves	(7,966)	(10,861)	(11,767)
Investment funds	101,481	143,126	96,209
Total income	3,688,073	3,959,067	3,695,648
Operating surplus/(deficit)	-	38,744	-
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	-	-	-
Plant and equipment	3,656	66,800	1,847
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	3,656	66,800	1,847
Funded by:			
Transfer from retained earnings	3,656	66,800	1,847
Total funding	3,656	66,800	1,847
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	3,656	66,800	1,847
Total capital expenditure	3,656	66,800	1,847
Gross proceeds from the sale of assets	-	-	-
Depreciation/amortisation expense	4,936	7,742	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



HAZARD MANAGEMENT ACTIVITIES:

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.

HAZARD MANAGEMENT AND 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 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.

FURTHER INFORMATION ON POLICIES AND PROGRAMMES

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

- Civil Defence Emergency Management Act 2002
- National Civil Defence Emergency Management Plan 2005
- Taranaki Civil Defence Emergency Management Group Plan 2012
- Taranaki Civil Defence Emergency Management Annual Business Plans
- Soil Conservation and Rivers Control Act 1941
- Resource Management Act 1991
- Land Drainage Act 1908
- Lower Waitara River Flood Control Protection Scheme asset management plan
- Lower Waiwhakaiho Flood Control Protection Scheme asset management plan
- Okato Scheme asset management plan.

Civil defence emergency management (CDEM) in Taranaki is delivered through a single organisational CDEM Group (CDEMG) structure. The region's four councils form the Group, which is 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 2015/2016 year was the fourth 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.

The Council's schemes were maintained to their design standards in 2015/2016.

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 area included within the Lower Waiwhakaiho Flood Control Scheme 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 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 began upstream of the Waitara Town Bridge in January 2014 and were substantially completed by June 2016.

Channel clearance works and maintenance of the cleared channel has continued in the Waitotara River and its major tributaries. Willow pole planting has been undertaken at strategic location to control erosion. The risk of flooding to the Waitotara Township and low-lying farmland has been significantly reduced as a result of this work.

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

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

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

LEVELS OF SERVICE

Programmed level of service	Reported level of service
<p>[1] A Civil Defence Emergency Management (CDEM) system that delivers efficient and effective civil defence emergency management in Taranaki that is acceptable to the community</p>	
<p>Measure: Presence of an appropriate Civil Defence Emergency Management system.</p> <p>Target (Years 1-10): A <i>Civil Defence Emergency Management Group Plan</i> that is kept current and resourced in accordance with statutory requirements.</p> <p>Baseline: The <i>Civil Defence Emergency Management Group Plan for Taranaki 2012-2017</i> is to be implemented through annual work programmes. The <i>Plan</i> will be reviewed in 2017.</p>	<p>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 resourced and implemented during the year, as described within the annual work plan, and delivery of the previous year's work plan was reported upon. The <i>Civil Defence Emergency Management Group Plan 2012-2016</i> was in effect throughout the year. A review has commenced of functions, responsibilities and contributions of member agencies to regional CDEM activities, along with a stock take of regional hazard and risk research and contingency planning across agencies. Co-ordinating Executive Group, CDEM Group meetings and advisory group meetings were appropriately administered. A work plan for 2016/2017 was prepared and adopted.</p>
<p>Measure: Delivery of contractual requirements.</p> <p>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.</p> <p>Baseline: Annual budget and proposed annual work programme to be adopted by the CDEM Group and annual report adopted by the Group, each year.</p>	<p>The contracted emergency management office and administering authority services, as agreed by the Group for 2015/2016, were delivered. The work plan and budget for 2015/2016 was implemented and routinely updated to the CDEM and Executive Groups. Delivery of the work plan for 2014/2015 was reported upon. The plan and budget for 2016/2017 was agreed by the CDEM Group. Contracts for key roles are on-going to ensure availability of suitably trained and competent personnel. Recruitment and training of additional controllers is on-going to ensure adequate redundancy for this position. Recovery and Welfare Managers and alternates have been appointed.</p>
<p>[2] Effective emergency readiness and response capability and capacity in the region</p>	
<p>Measure: Level of capacity and capability within Taranaki CDEM.</p> <p>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 <i>Group Plan</i> and as assessed by the MCDEM monitoring and evaluation analysis tool.</p> <p>Baseline: The Group's readiness and response capability and capacity is set out in the <i>2012 Group Plan</i> and has been assessed by the MCDEM monitoring and evaluation analysis tool in 2015.</p>	<p>In 2014/2015, MCDEM scored the Group's readiness and response capability above the designated MCDEM target. A <i>Corrective Actions Plan</i> was developed during the year. Community awareness and readiness continues to be promoted through social media, with high levels of engagement. The <i>2011/2016 Civil Defence Emergency Management Public Education Plan</i> was implemented as scheduled. A public awareness survey was undertaken in July 2015, Reviews of the Emergency Operations Centre (EOC) layout and protocols were on-going, and alterations/IT systems upgrades were completed to enhance suitability. Recruiting and training for volunteers was instigated at foundation and intermediate levels. Emergency Management Information System design and implementation work is on-going. Advisory groups have met throughout the year as scheduled. A review is underway of the engagement and contribution of Executive Group members to wider emergency management functions and responsibilities in Taranaki.</p>

Programmed 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, and reviewed for corrective actions.

Baseline: Response and recovery procedures are set out in *Standard Operating Procedures* as listed in the *2012 Group Plan*.

**Reported level of service**

Following rain and floods on 20 June 2015, a state of civil defence was declared for Taranaki to enable the full implementation of response and recovery procedures in the rural areas of north, eastern and southern Taranaki. These were delivered throughout the 2015/2016 year, concluding at the end of the year. Delivery of Marae Welfare Response Plan and whanau resilience project resources was continuing. Presentations were made to schools, open day displays, and community groups. Utilisation of social media increased with evidence of greater recognition and utilization. Community emergency plans development continued within North Taranaki and South Taranaki communities, especially Opunake and Waverley communities. Utilization of community response centres is being reviewed. The flood response and welfare plans were being revised. CDEM responses in 2015/2016 included the aftermath of the June 2015 flood event, numerous severe weather alerts/warnings and tsunami alert responses.

[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 30 June 2015, the Waitara and Waiwhakaiho flood control schemes were maintained to their full service potential. The Waitotara and Okato river control schemes were maintained to the standard set out in their scheme management plan.



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. Further willow clearing works were undertaken on the Waitotara River along with planting and layering works required to control erosion that occurred in the June 2015 flood event at critical locations to control the channel alignment. Channel clearing works were undertaken on the Stony River downstream of the SH45 Bridge to clear the build up of heavy gravel deposits. Channel clearing works and erosion control works were also undertaken on the Kaihihi Stream.



Programmed level of service

Measure: The level of protection provided by the *Lower Waitara River Flood Control Scheme* and the *Lower Waiwhakaiho Flood Control Scheme*.

Target (Years 1-10): The *Lower Waiwhakaiho Flood Control Scheme* provides flood protection of approximately 1% annual exceedance probability (AEP) (or 1 in 100 years) with allowance for climate change to 2060 and the level of protection provided by the *Lower Waitara River Flood Control Scheme* will be increased from 3% AEP (or 1 in 33 years), to approximately 1% AEP (or 1 in 100 years) with allowance for climate change to 2065.

Baseline: The *Lower Waiwhakaiho Flood Control Scheme* protection standard was 1% AEP from July 2015.

The *Lower Waitara River Flood Control Scheme* protection standard was 3% AEP at 1 July 2015. This standard will be increased to the 1% AEP standard by 30 June 2016.

Reported level of service

Upgrading the level of protection on the Waiwhakaiho Scheme to the 1% AEP standard was completed in July 2014.

Upgrading the flood protection on the Waitara River Flood Control Scheme to the 1% AEP standard has been substantially completed. Minor tidying up works will be completed in early 2016/2017. The flood control Scheme now provides the design level of service.

Stage 1 of the upgrade works has involved the raising of the stopbanks on the left bank of the river from Browne Street to the Waitara Town Bridge and on the right bank of the river from the Town Bridge to High Street East. Stage 2 has raised the stopbank along the left bank of the river from the Town Bridge to the northern end of Domett Street. Stage 3 has raised the stopbank within Marine Park on the left bank of the river and on the right bank between Gold Street and Howard Street.

[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 2013/2014, the Council issued warnings in 100% of cases.

Accurate and timely flood warnings (17—2015/2016 and 14—201/2015) 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	2015/2016 actual performance	Programme	2015/2016 actual performance
[1] Civil defence emergency management		[3] River control schemes	
Prepare, implement, monitor and report upon the <i>Taranaki Civil Defence Emergency Management Annual Business Plan</i> .	The <i>2014/2015 Annual Business Plan for Taranaki Civil Defence and Emergency Management</i> (CDEM) was reported to the CDEM Group. The business plan and resourcing budget for 2016/2017 was adopted.	Respond to 100% of requests for drainage, river and flood control advice and assistance within ten working days.	Investigated and responded to 65 (30) requests for advice on river control and flood protection all within ten working days.
Develop, implement, monitor and report upon the <i>Civil Defence Emergency Management Public Education Plan for Taranaki</i> . Review the <i>Plan</i> in 2016 and 2021	A public awareness survey was delivered in July 2015. The Council continued to make presentations to schools, open day displays, and community groups. Utilisation of social media has increased recognition and utilization.	Facilitate river control projects for the environmental enhancement of the region's waterways.	Eight (8) river control projects were undertaken for environmental enhancement of waterways.
Implement, monitor and report upon the <i>Civil Defence Emergency Management Group Plan for Taranaki 2012</i> , and review, draft, and notify the next <i>Plan</i> in 2017	Actions to implement the <i>Group Plan</i> were drafted and delivered through the <i>2015/2016 Annual Business Plan</i> , and reported to the CDEM Group and Co-ordinating Executive Group on an on-going basis.	Manage all flood and river control schemes across the region in accordance with asset management plans; including Lower Waiwhakaiho, Lower Waitara, Okato and Waitotara Schemes.	All schemes were maintained 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.
[2] Flood management and general river control		Manage other minor river schemes to standards as agreed with scheme participants.	Willow and poplar clearing works completed on the Waitotara River to maintain the capacity of the flood channel plus some maintenance required to control erosion arising from the June 2015 flood event. Channel clearing and erosion control works completed on the Okato Scheme.
Effectively monitor rainfall and river levels and issue timely flood warnings. Maintain continuous monitoring systems (100% functional) and issue timely warnings for all cases, where necessary, in accordance with the <i>Flood Event Standard Operating Procedure</i> (approximately 35 warnings per annum).	Received 61 (63—2014/2015) special weather watches and warnings from the MetService. In all instances, flood monitoring was undertaken in accordance with the <i>Flood Event Standard Operating Procedure</i> and in 17 (14) cases flood warnings issued.	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 and were completed in three main stages involving eight significant contracts and a number of minor works projects. The works were substantially completed by 30 June 2016.
Undertake minor emergency river and flood control works when necessary.	No (0) emergency works were required.		

COSTS AND SOURCES OF FUNDS

	2015/2016 Actual \$	2015/2016 Budget \$	2014/2015 Actual \$
Expenditure			
Civil defence emergency management	733,644	753,561	819,728
Flood management and general river control	304,902	226,070	212,397
River control schemes	558,613	310,315	205,470
Total expenditure	1,597,159	1,289,946	1,237,595
Income			
General rates	334,014	334,015	342,476
Targeted rates	624,533	624,533	684,518
Direct charges	402,431	396,780	377,827
Government grants	69,738	-	112,037
Transfers from reserves	343,661	-	99,552
Transfers to reserves	(70,442)	(63,164)	(634,265)
Investment funds	179,978	284,536	648,543
Total income	1,883,913	1,576,700	1,630,688
Operating surplus/(deficit)	286,754	286,754	393,093
Capital expenditure			
Land	-	-	-
Buildings	-	-	51,324
Motor vehicles	33,856	64,000	38,486
Plant and equipment	6,795	5,400	20,396
Office furniture	-	-	3,457
Computer equipment	-	-	1,069
Flood and river control assets	737,037	180,000	1,929,482
Computer software	-	-	-
Total capital expenditure	777,688	249,400	2,044,214
Funded by:			
Transfer from retained earnings	777,688	249,400	2,044,214
Total funding	777,688	249,400	2,044,214
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	737,037	180,000	1,929,482
—to replace existing assets	40,651	69,400	114,732
Total capital expenditure	777,688	249,400	2,044,214
Gross proceeds from the sale of assets	-	16,000	10,175
Depreciation/amortisation expense	52,139	49,098	51,307

ASSET ACQUISITIONS AND REPLACEMENTS

Capital expenditure on the Lower Waitara River Flood Control Scheme in 2015/2016 involved completion of stages 2C, 2B, 3A and 3B. The actual spend for 2015/2016 was \$737,037. Stage 2C involved the completion of the new 400m long flood wall adjacent to ANZCO. Stage 2B involved the raising of the final section of bank adjacent to West Quay which involved a series of stairs and ramps to facilitate public access to the area. Stage 3A involved the raising of the stopbank within Marine Park and Stage 3B involved the raising of the stopbank from Gold Street to Howard Street on the right bank of the lower river.

INFORMATION ON CORE ASSETS

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

	2015/2016 Actual \$	2014/2015 Actual \$
Closing book value	8,940,356	8,361,443
Acquisitions constructed by the Council	-	-
Acquisitions transferred to the Council	-	-
Estimated replacement cost	8,940,356	8,361,443

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.

	2015/2016 Actual \$	2015/2016 Budget \$	2014/2015 Actual \$
Opening balance	3,839,079	3,453,663	2,059,186
Plus borrowed during the year	737,037	180,000	1,829,930
Less principal repaid during the year	61,823	50,566	50,037
Closing balance	4,514,293	3,583,097	3,839,079
Interest charged during the year	297,448	236,188	252,793

NON-FINANCIAL PERFORMANCE MEASURES RULES 2013

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

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

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

Recreation, Culture and Heritage



RECREATION, CULTURE AND HERITAGE ACTIVITIES:

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.

RECREATION, CULTURE AND HERITAGE AND 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.

FURTHER INFORMATION ON POLICIES AND PROGRAMMES

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

- Local Government Act 2002
- Taranaki Regional Council Empowering Act 2001
- Hollard Garden Asset Management Plan 2014
- Tupare Asset Management Plan 2014
- Pukeiti Asset Management Plan 2014.

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 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 agreed programme of major maintenance and development through to 30 June 2016 was the focus through 2015/2016. This programme of maintenance and development was delivered on time and on budget.

A strategic plan and an associated asset management plan for 2015/2025 was completed and adopted in December 2015.

There were no significant capital development programmes planned for, or delivered upon, in 2015/2016. Rather, the adopted programme of major maintenance was completed. Planning for the capital development projects (including extension of the hospitality facilities), due to be delivered in 2016/2017, commenced.

Operationally, the highlights for Yarrow Stadium included the hosting of a Warriors National Rugby League game against the Canberra Raiders, a Chiefs Super Rugby game against the Sharks and the Taranaki national provincial championship rugby games.

Yarrow Stadium also successfully hosted a pre-season football game for the Wellington Phoenix and welcomed cricket back through the hosting of a number of T20 domestic games including the finals weekend.

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 2016/2017, the Stadium will look forward to hosting the Chiefs, the Wellington Phoenix and the Taranaki provincial rugby team.

The Trust is also delighted to note the return of the All Blacks to Yarrow Stadium in September 2017 for a game against Argentina in the Investec Rugby Championship.

REGIONAL GARDENS

2015/2016 was the first year of implementation of the current asset management plans for Pukeiti, Tupare and Hollard Gardens.

For Pukeiti the Council's plans for 2015/2016 were to:

- Complete the upgrade and development of the arrival/car-parking
- Complete the construction and upgrade of the new covered areas and the aerial walkway
- Continue with the installation of the interpretation and wayfinding
- Continue to implement the Pukeiti Biodiversity Plan
- Continue with the implementation of the 'Garden of Ideas' landscape installations
- Upgrade the Lodge and Lookout facilities.



During the year, Council completed the construction and upgrade of the covered areas. These areas are the Vireya Walk, Kokopu House and the Bublitz Education Centre. These areas will grow the most comprehensive public display of vireya rhododendrons in the world. The hard and soft landscaping is in progress. The waterwheel walkway and the carpark upgrade have also been completed. The lodge and Lookout upgrade has been assessed to be aligned to the standards of the complete works.

The rhododendron collection continued to be enhanced with regular bush margin clearing, new plant introductions and regular pruning and shaping.



Tupare was maintained to the standard established in the asset management plan. The roof of the main house was replaced and the kitchen refurbishment is in progress. Two picnic pods were constructed on the River Flat in response to the popularity of this destination area to complement the barbeque and comfort facilities. The gardens continue to be maintained to a high standard.

Hollard Gardens was maintained to the standard established in the asset management plan. Garden renewal projects were undertaken at the southern end of the Old Garden, the North Garden and in the Plots.

The Hollard Centre experienced a significant increase in community and private events. Hollard Gardens visitor numbers increased by 25% to 16,030. This can be primarily attributed to excellent gardens, public and private use of the Hollard Centre, the popularity of the playground area (Family Corner) as well as the high participation rates in the education workshops.



Tupare visitor numbers increased by 15% to 32,926. This can be primarily attributed to the presentation of the gardens, attendance at the Garden Fairs and the increase use of the River Flat.

Pukeiti visitor numbers increased by 8% to 29,481. The Council had a minimal events programme and no large scale marketing programme because of the basic visitor facilities during the construction and landscape work.



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 2015/2016, the partnership contributed towards a four projects:

Sunlight – Ihi Kōmaru: This touring exhibition was a fun interactive exhibition for all ages. The exhibition showed how light shapes the world around us through interactive games, challenges and dynamic multimedia.

STORY app: This mobile app adds a digital story-telling dimension to the Taranaki Naturally Gallery and Tupare. Content is delivered in a range of media including video, audio, animation or text. The project involved concept planning, research and content development.

TRC events programme: Puke Ariki held a number of events including *Water Bar* which was an interactive performance about drinking water, wastewater and the region's freshwater quality; a speaker on *Climate Change and its Impact on our Environment*; and *Young Ocean Explorers* (July 2016).

Aotea Utanganui Museum of South Taranaki: The exhibition *Parks and Recreation* is planned to open in 2017.

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 regionally or nationally significant gardens	
<p>Measure: Maintenance and enhancement of three regionally significant gardens.</p> <p>Target (Years 1-10): Pukeiti, Tupare and Hollard Gardens maintained and enhanced in accordance with the provisions of the adopted asset management plans.</p> <p>Baseline: The three properties are maintained to the latest adopted asset management plan. Latest asset management plans were adopted in 2014.</p>	<p>The development and enhancement of Tupare and Hollard Gardens was completed in 2009 in line with the 2005, 2008, 2011 and 2014 asset management plans. During 2015/2016, both properties were maintained to the stated standard. 2015/2016 was the first year of implementation of the current Pukeiti asset management plan. Operationally, Pukeiti was maintained to the standard first established in the 2013 asset management plan.</p>
<p>Measure: Level of use of Tupare, Hollard Gardens and Pukeiti.</p> <p>Target (Years 1-10): Increasing the number of visitors to each property and the number of events at each property.</p> <p>Baseline: In 2013/2014, Tupare attracted approximately 24,650 visitors with Hollard Gardens attracting approximately 12,858. Pukeiti had 30,421 visitors. There were 42 events at Tupare, 44 at Hollard Gardens and 50 at Pukeiti. All three properties were part of the <i>Powerco Taranaki Garden Spectacular</i>.</p>	<p>The use of Pukeiti, Tupare and Hollard Gardens grew during 2015/2016. Tupare attracted approximately 32,926 visitors (29,209—2014/2015) with Hollard Gardens attracting approximately 16,030 (12,595) and Pukeiti 29,481 (27,050). There were 49 (61) events at Tupare, 80 (46) at Hollard Gardens and 23 (31) at Pukeiti. All three properties were part of the <i>Powerco Taranaki Garden Spectacular</i>.</p>
<p>Measure: Access to Tupare, Hollard Gardens and Pukeiti.</p> <p>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.</p> <p>Baseline: Tupare and Hollard Gardens have been open in this way since 2002. Free access to Pukeiti commenced from 1 July 2010.</p>	<p>Free access was provided to visitors during 2015/2016. Tupare, Pukeiti and Hollard Gardens were open to the public seven days a week between 9:00 am and 5:00 pm. During daylight saving Tupare and Hollard Gardens were open until 8:00 pm. Since 1 July 2010, Pukeiti has been open, with free entry, to the public between 9am and 5pm.</p>

Programmed level of service	Reported level of service
<p>[2] Partnership relationship with the Puke Ariki regional museum and library</p> <p>Measure: Annual project for the delivery of display and presentation material.</p> <p>Target (Years 1-10): Delivery of an annual project.</p> <p>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 <i>Kiwi prefab: Cottage to Cutting Edge</i>, 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 <i>Calling back the Kokako</i> display and the telling of its story. The Council and Puke Ariki worked with Aotea Utanganui - Museum of South Taranaki to support the <i>Port-able: a history of South Taranaki ports</i> exhibition.</p>	<p>The ongoing partnership relationship with Puke Ariki continued during 2015/2016. The partnership contributed towards four projects: <i>Sunlight – Ihi Kōmaru</i>, a touring interactive exhibition which showed how light shapes the world around us; <i>STORY app</i>, a mobile app which adds a digital story-telling dimension to the Taranaki Naturally Gallery and Tupare; and the <i>TRC events programme</i>. Funding of \$25,000 was invested in the <i>Aotea Utanganui Museum of South Taranaki</i> to support the development of an exhibition focusing on parks and recreation in South Taranaki.</p>
<p>[3] Partnership relationship with the Puke Ariki regional museum and library</p> <p>Measure: Maintenance and development of Yarrow Stadium for a range of events and activities.</p> <p>Target (Years 1-10): Provision of funding for the ongoing maintenance and development of Yarrow Stadium.</p> <p>Baseline: The Council commenced providing funding for the ongoing maintenance and development of Yarrow Stadium in 2012/2013.</p>	<p>The implementation of the agreed programme of major maintenance and development through to 30 June 2016 was the focus through 2015/2016. A strategic plan and an associated asset management plan for 2015/2025 was completed and adopted in December 2015. There were no significant development programmes planned for, or delivered upon, in 2015/2016. The adopted programme of major maintenance was completed. Planning for the capital development projects (including extension of the hospitality facilities) due to be delivered in 2016/2017 commenced.</p>

ACTIVITIES

Programme	2015/2016 actual performance	Programme	2015/2016 actual performance
<p>[1] Regional gardens</p> <p>Provide three regional gardens (Tupare, Hollard Gardens and Pukeiti) for free general use by the regional community. Three gardens open 9am to 5pm seven days a week, with Hollard Gardens and Tupare open till 8pm during daylight saving hours.</p>		<ul style="list-style-type: none"> • completing the rainforest interpretation material • subject to demand, extending the carpark • upgrading the outer ring tracks • reconfiguring and upgrading the Gate House. 	
<p>Encourage the increased use of the regional gardens by the community for recreational purposes and for specific events.</p>	<p>Tupare attracted approximately 32,926 visitors (29,209 — 2014/2015) with Hollard Gardens attracting approximately 16,030 (12,595). Pukeiti had 29,481 (27,050) visitors. There were 49 (61) events at Tupare, 80 (46) at Hollard Gardens and 23 (31) at Pukeiti. All three properties were part of the <i>Powerco Taranaki Garden Spectacular</i>.</p>	<p>Review and adopt asset management plans for Tupare, Hollard Gardens and Pukeiti by 31 October 2017.</p>	<p>All three asset management plans were revised and adopted in 2014. This also included the Pukeiti Interpretation Plan. The next review of the plans will occur in 2017/2018.</p>
<p>Continue implementing the Pukeiti asset management plans focusing on completing the upgrade works at Pukeiti. Priority tasks to be completed include:</p> <ul style="list-style-type: none"> • enhancing the garden and the Rhododendron Collection • continuing the implementation of the Plant Collection Plan • 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 		<p>A comprehensive upgrade programme is in progress. In 2015/2016, the following works were undertaken:</p> <ul style="list-style-type: none"> • The covered areas, the carpark upgrade and the waterwheel walkway. • The Misty Knoll and Founders Garden landscape installations. • The rhododendron collection continued to be enhanced. <p>All other programmed tasks were either at planning stage or pending of actual works.</p> <p>Pukeiti is maintained to the standards established in the asset management</p>	
		<p>[2] Puke Arika</p> <p>Maintain an ongoing partnership relationship with the Puke Arika regional museum and library including the ongoing use of display and presentation material within an annual project.</p>	
		<p>The ongoing partnership relationship with Puke Arika continued during 2015/2016. The partnership contributed towards four projects: <i>Sunlight – Ihi Kōmaru</i>, a touring interactive exhibition which showed how light shapes the world around us; <i>STQRY app</i>, a mobile app which adds a digital story-telling dimension to the Taranaki Naturally Gallery and Tupare; and the <i>TRC events programme</i>. Funding of \$25,000 was invested in the <i>Aotea Utanganui Museum of South Taranaki</i> to support the development of an exhibition focusing on parks and recreation in South Taranaki.</p>	



Programme	2015/2016 actual performance
[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 have a management agreement for the operation and management of Yarrow Stadium. New Plymouth District Council operated and managed Yarrow Stadium during 2015/2016.
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 developed a strategic plan and the associated 2015/2025 asset management plan for the long-term development of Yarrow Stadium. The two councils adopted these plans in December 2015. The Council adopted the 2016/2017 programme of major maintenance and development in June 2016.

Programme	2015/2016 actual performance
Provide regional funding for the future maintenance, enhancement and development of Yarrow Stadium.	The Council provided regional funding to the Taranaki Stadium Trust for long-term maintenance and development at Yarrow Stadium. The implementation of the approved programme of major maintenance and development through to 30 June 2016 was the focus through 2015/2016. The minor and major maintenance programmes for the year were completed on time and on budget. There were no significant capital purchases during the year.

TARANAKI STADIUM TRUST

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

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

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

The first six months of 2015/2016 were relatively quiet for the Trust. The New Plymouth District Council and Taranaki Regional Council completed and agreed upon a strategic plan and a programme of maintenance and development (asset management plan) for the 2015/2025 period. This work was completed in December 2015 and implementation commenced in 2016.

The stand roof recovering project was completed by 30 June 2015. The Trust also purchased a property adjacent to Yarrow Stadium. This was a strategic purchase to allow for future developments at the Stadium.

The second half of the year involved completion of the minor and major maintenance programmes for the year. This programme of maintenance and development was delivered on time and on budget. There were no significant capital purchases during this period. Rather the focus was on the development of increase and/or extended hospitality options at Yarrow Stadium. This resulted in the approval of a programme to improve and increase the hospitality options available in the Yarrow Stand. This work will commence in 2016/2017. Improving and/or increasing the hospitality options provide additional opportunities for larger events to be attracted to Yarrow Stadium.

The Trust's financial position continues to be strong. The Trust has incurred some debt to finance the recovering of the TSB and Yarrow Stand roofs. This debt facility will be further extended to finance the additional and improved hospitality options.

The Trust is financially well placed to deliver on the approved 2015/2025 asset management plan.

Operationally, the highlights for Yarrow Stadium included the hosting of a Warriors National Rugby League game against the Canberra Raiders, a Chiefs Super Rugby game against the Sharks and the Taranaki national provincial championship rugby games.

Yarrow Stadium also successfully hosted a pre-season football game for the Wellington Phoenix and welcomed cricket back through the hosting of a number of T20 domestic games including the finals weekend.

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 2016/2017, the Stadium will look forward to hosting the Chiefs, the Wellington Phoenix and the Taranaki provincial rugby team.

The Trust is also delighted to note the return of the All Blacks to Yarrow Stadium in 2017 for a game against Argentina in the Investec Rugby Championship.

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 2015/2016.

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

The New Plymouth District Council and the Taranaki Regional Council have agreed upon a long-term maintenance and development programme for the ten years from 2015/2016 to 30 June 2025. The Council provided the annual funding of \$876,000 to the Taranaki Stadium Trust. This year's programme involved completion of the minor and major maintenance programmes for the year. This programme of maintenance and development was delivered on time and on budget. There were no significant capital purchases during this period.

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

	2015/2016 Actual \$	2015/2016 Budget \$	2014/2015 Actual \$
Expenditure			
Regional gardens	2,749,655	2,268,658	2,172,943
Puke Ariki	150,000	150,000	150,000
Yarrow Stadium	876,000	876,000	876,000
Total expenditure	3,775,655	3,294,658	3,198,943
Income			
General rates	1,564,434	1,564,434	1,622,070
Targeted rates	292,538	292,538	297,103
Direct charges	65,703	105,000	246,843
Investment funds	1,852,980	1,332,686	1,032,927
Total income	3,775,655	3,294,658	3,198,943
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	1,410,471	1,558,000	1,536,510
Motor vehicles	-	104,000	50,026
Plant and equipment	46,900	24,500	42,330
Office furniture	-	-	-
Computer equipment	12,770	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	1,470,141	1,686,500	1,628,866
Funded by:			
Transfer from retained earnings	1,470,141	1,686,500	1,628,866
Total funding	1,470,141	1,686,500	1,628,866
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	1,470,141	1,686,500	1,628,866
Total capital expenditure	1,470,141	1,686,500	1,628,866
Gross proceeds from the sale of assets	-	31,000	15,826
Depreciation/amortisation expense	252,210	293,573	221,362

ASSET ACQUISITIONS AND REPLACEMENTS

The budget for implementation of year one (2015/2016) of the Pukeiti asset management plans was \$1,313,000. This, together with a carry forward from the 2014/2015 unspent capital budget, was used to complete the carpark and arrival experience upgrade, construction and upgrade of the covered areas, the construction of the Waterwheel Walkway and the Misty Knoll and Founders Garden landscape installation.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.

Regional Representation, Advocacy and Investment Management

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT ACTIVITIES:



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.

Community engagement

—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.

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT AND 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.

FURTHER INFORMATION ON POLICIES AND PROGRAMMES

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

- Port Companies Act 1988
- Port Taranaki Ltd's statement of corporate intent
- Local Government Act 2002
- Resource Management Act 1991
- Investment Policy
- Standing Orders.

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

and representation have also been appropriately and legally complied with.

The Council maintained public representation through its Council and committee structures and processes which were carried out in accordance with statutory requirements. Preparations are well advanced for the October 2016 local authority elections.

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. Recent performance of the region's port company has been good. This year the Council received \$4.48m in dividends.

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*. Overall, interest returns are down on previous years due to the current low interest financial environment.

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 224 classes involving 7,686 students, including class visits, field trips and the Pukeiti Rainforest School. The Council held five teacher workshop and distributed additional resources to teachers. Fifteen environmental awards were presented in October 2015. The Council is in the middle of a major upgrade of its external website presence and services.

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 19 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 regional advocacy role has been particularly successful in the transport area, with works on the SH3 Vickers to City and the SH3 Normanby Bridge Realignment projects nearing completion and



major new announcements for works on SH3 North, including bypasses of the Awakino Gorge Tunnel and Mount Messenger, and significant safety works on SH3 Bell Block to Waitara.

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	
<p>Measure: Completion of statutory public accountability processes.</p> <p>Target (Years 1-10): Completion of statutory planning and reporting documents (Long-Term Plan, Annual Plans and Annual Reports) within statutory requirements.</p> <p>Baseline: Statutory planning and reporting accountability documents have all previously been prepared within statutory requirements and timeframes.</p>	<p>Statutory planning and reporting accountability documents have all been prepared within statutory requirements and timeframes. The <i>2014/2015 Annual Report</i> was adopted on 22 September 2015. The Council undertook to do no further public consultation on its <i>2016/2017 Annual Plan</i> at its February 2016 meeting. The <i>2016/2017 Annual Plan</i> was adopted 17 May 2016.</p>
<p>Measure: Successful completion of triennial local authority elections.</p> <p>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.</p> <p>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.</p>	<p>The 2013 local authority elections were held in October 2013. The elections were successfully completed with no appeals or judicial reviews held. The next local authority elections are in October 2016.</p>
<p>Measure: All Council meetings conducted in compliance with statutory requirements.</p> <p>Target (Years 1-10): Meetings conducted in accordance with <i>Standing Orders</i>, agendas publicly available at least 48 hours before a meeting and minutes prepared and adopted for all meetings.</p> <p>Baseline: It has always been Council practice for meetings to be conducted in accordance with <i>Standing Orders</i>, agendas to be publicly available at least 48 hours before meetings and minutes to be prepared and adopted for all meetings.</p>	<p>All Council meetings were conducted in accordance with <i>Standing Orders</i>. Agendas are publicly available at least 48 hours before each meeting and minutes are prepared and adopted for all meetings.</p>

Programmed level of service	Reported level of service
<p>[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</p> <p>Measure: Level of advocacy undertaken.</p> <p>Target (Years 1-10): Approximately 20 submissions made per year, with evidence of successful advocacy in most cases.</p> <p>Baseline: In 2012/2013, the Council made 28 submissions with anecdotal evidence of successful advocacy.</p>	<p>Made 19 (22) submissions to the policy initiatives of other agencies with evidence of successful advocacy. 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 2015/2016 were on large or technically or legally complex documents requiring thorough analysis and careful and considered response. Examples in the 2015/2016 year included submissions on the <i>Resource Legislation Amendment Bill</i>, the <i>South Taranaki District Plan</i>, the <i>Review of the Oil Pollution Levy</i>, <i>Te Atiawa and Taranaki Iwi Settlement Bills</i>, the <i>Next Steps for Freshwater</i> document, the <i>National Environmental Standard for Plantation Forestry</i>, and the <i>Draft Guide to the National CDEM Plan 2015</i>.</p>
<p>[3] Port Taranaki ownership as a strategic investment</p> <p>Measure: The role of Port Taranaki Ltd in regional economy.</p> <p>Target (Years 1-10): Maintain or increase the contribution from Port Taranaki Ltd to the regional economy.</p> <p>Baseline: 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. To be measured again in 2017.</p>	<p>The contribution to the wider community was measured in 2007 and in 2012 and the estimated Port dependent activity contributes \$465 million to regional gross domestic product (GDP) and employs 1,270 full time equivalents (FTEs). Industries that utilize the Port collectively contribute \$2.5 billion to regional GDP and employ 11,700 FTEs. The contribution will next be measured in 2017.</p>
<p>Measure: The financial and operational performance of Port Taranaki Ltd.</p> <p>Target (Years 1-10): Ensure financial and operational performance from Port Taranaki Ltd is in accordance with the levels presented in each year's statement of corporate intent.</p> <p>Baseline: Port Taranaki Ltd's financial and operational performance is reviewed, in terms of the statement of corporate intent, twice a year.</p>	<p>The statement of corporate intent for 2015/2018 was considered by the Council on 3 August 2015. Port Taranaki Ltd's performance was reviewed when considering their <i>2014/2015 Annual Report</i> at the Council's Ordinary Meeting on 22 September 2015 (<i>2015/2016 Annual Report</i> will be considered at the Council's Ordinary Meeting on 19 September 2016). The half-year results to 31 December 2015 were considered by the Council on 29 March 2016. Performance against standards set in the statement of corporate intent is reported on below. Comment on actual performance against Statement of Corporate Intent targets.</p>



[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 2015/2016 were interest \$665,731 (\$965,770 —2014/2015) and lease rent \$858,115 (\$830,057). This represented a 15.1% (2.07% increase) decrease over last year. These returns were used to reduce the general rate requirement.

ACTIVITIES

Programme	2015/2016 actual performance	Programme	2015/2016 actual performance
[1] Investment management		[2] Community engagement	
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 2015/2016 was considered by the Council on 3 August 2015. Port Taranaki Ltd's performance was reviewed when considering their <i>2014/2015 Annual Report</i> at the Council's Ordinary Meeting on 22 September 2015. The half-year results to 31 December 2015 were considered on 29 March 2016.	Produce regular editions (4 per annum) of the <i>Recount</i> newsletter to over 1,000 stakeholders through a range of channels.	Published 4 editions of the external newsletter <i>Recount</i> (4—2014/2015) to over 1,000 key stakeholders.
Appoint Directors at Port Taranaki Ltd's annual general meeting and at other times as required.	Messrs Taylor and Horton retired by rotation at the 24 September 2015 Annual General Meeting of Port Taranaki Ltd. The Council reappointed Messrs Taylor and Horton at the same meeting. The Council, at its 17 May 2016 meeting, appointed Mr Peter Dryden.	Engage with the community across a range of channels including print and digital publications, news media, websites and mobile and social media.	Ongoing engagement with the regional community occurred throughout the year across all traditional mediums as well as the newer electronic fronts. All Council's websites and social media accounts managed and maintained.
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 2015/2016.	Implement the Council's environmental awards programme.	Fifteen (14) environmental awards were presented (October 2015).
Manage and, where appropriate, divest leasehold land in accordance with the Council's <i>Investment Policy</i> .	Renewed 3 leases (6—2014/2015). Nil (1) leasehold property was divested during the year. Achieved a 5.55% (5.68%) return from leasehold land rentals.	Provide an on-going environmental education programme for school children and the wider community including class visits, field trips and the Pukeiti Rainforest School.	Distributed 4 (4) issues of the <i>SITE (Schools in the Environment)</i> newsletter. Carried out 224 (181) class visits involving 7,686 (5,552) students. These included 18 (17) groups involving 445 (455) students to the Pukeiti Rainforest School. 5 (1) teacher workshop and 8 (8) staff meetings were facilitated.
Manage and maximise the returns from treasury investments in accordance with the Council's <i>Investment Policy</i> .	All treasury investments were in accordance with the Council's <i>Investment Policy</i> . Achieved a 5.30% (6.14%) return from treasury investments.	[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 19 submissions (22), many of which involved large or technically or legally complex documents requiring thorough analysis and careful and considered response.

Programme	2015/2016 actual performance	Programmes and performance measures set in Port Taranaki Ltd's statement of intent	2015/2016 actual performance
[4] Governance			
Complete statutory public accountability documents including long-term plans in 2017/2018, 2020/2021 and 2023/2024, annual plans in years in which a long-term plan is not prepared, and an audited annual report each year.	Statutory planning and reporting accountability documents have all been prepared within statutory requirements and timeframes. The <i>2014/2015 Annual Report</i> was adopted on 22 September 2015. The Council undertook to do no further public consultation on its <i>2016/2017 Annual Plan</i> at its February 2016 meeting. The <i>2016/2017 Annual Plan</i> was adopted 17 May 2016.	Trade Volumes: The Company will pursue growth opportunities and will as a minimum seek to achieve a compound growth rate of 2.5% per annum. Freight Tonnes (m) target 5.60m.	5.15m
Preparation of agendas and meetings in accordance with <i>Local Government Official Information and Meetings Act 1987</i> .	Agendas are publicly available at least 48 hours before each meeting and minutes are prepared and adopted for all meetings.	Financial: EBITDA on average total assets (Target > 11.5%)	11.4%
Conduct of meetings in accordance with <i>Standing Orders</i> and the <i>Local Government Official Information and Meetings Act 1987</i> .	All Council meetings are conducted in accordance with adopted <i>Standing Orders</i> and the <i>Local Government Official Information and Meetings Act 1987</i> .	Financial: Return (NPAT) on average total assets (Target > 5.0%)	5.20% (6.98%)
Successful conduct of triennial local authority elections in 2016, 2019 and 2022.	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.	Financial: Return (NPAT) on average shareholder's funds (Target > 7.0%)	6.90% (9.47%)
		Financial: Equity Percentage (Target 73.0%)	74.9% (75.1%)
		Financial: Interest Coverage Ratio (Target > 3.5x)	11.3x
		Health and safety: Total Recordable Injury Frequency (Target < 1.2)	1.6 (1.4)
		Health and safety: Events reported (Target 1 per FTE)	1.15 per FTE
		Health and safety: Non Incident to Incident Ratio (Target 6 to 1)	6.72 to 1
		Environment: Incidents of Harbour Pollution (Target Nil)	Nil
		Environment: Compliance with all resource consents (Target Yes)	Yes

COSTS AND SOURCES OF FUNDS

	2015/2016 Actual \$	2015/2016 Budget \$	2014/2015 Actual \$
Expenditure			
Investment management	6,000	6,000	6,000
Public information	179,557	175,851	169,466
Advocacy and response	282,752	149,062	263,385
Governance	908,648	877,091	854,415
Total expenditure	1,376,957	1,208,004	1,293,266
Income			
General rates	648,538	648,538	629,387
Direct charges	952	7,000	10,945
Investment funds	727,467	552,466	652,934
Total income	1,376,957	1,208,004	1,293,266
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	12,535	-	71,467
Motor vehicles	26,131	68,000	-
Plant and equipment	83,320	101,500	75,880
Office furniture	18,491	54,000	1,440
Computer equipment	141,843	150,000	136,394
Flood and river control assets	-	-	-
Computer software	315,499	250,000	8,000
Total capital expenditure	597,819	623,500	293,181
Funded by:			
Transfer from retained earnings	597,819	623,500	293,181
Total funding	597,819	623,500	293,181
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	597,819	623,500	293,181
Total capital expenditure	597,819	623,500	293,181
Gross proceeds from the sale of assets	-	16,000	6,783
Depreciation/amortisation expense	505,235	500,038	524,374

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 2015/2016 year compared against the budget set for 2015/2016 in the 2015/2025 Long-Term Plan and the results achieved in 2014/2015.

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 2016

	Notes	Council			Group	
		2015/2016 Actual \$	2015/2016 Budget \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Cost of services						
Resource management		13,173,822	13,520,568	11,922,401	13,164,456	11,914,189
Biosecurity		1,727,712	1,732,518	1,967,865	1,727,712	1,967,865
Transport		3,688,073	3,920,323	3,695,648	3,657,073	3,664,648
Hazard management		1,597,159	1,289,946	1,237,595	1,597,159	1,237,595
Recreation, culture and heritage		3,775,655	3,294,658	3,198,943	4,033,117	3,199,732
Regional representation, advocacy and investment management		1,376,957	1,208,004	1,293,266	1,376,957	1,293,266
Port operating expenses		-	-	-	30,951,328	31,934,834
Total expenses	5	25,339,378	24,966,017	23,315,718	56,507,802	55,212,129
Revenue from exchange transactions						
Direct charges revenue	4	3,895,937	3,889,777	3,786,479	3,874,356	3,761,694
Other investment revenue		1,099,423	1,015,000	1,042,257	1,055,041	1,002,626
Dividends		4,477,000	4,477,000	4,070,000	-	-
Port revenue from operations		-	-	-	44,618,007	49,232,894
Revenue from non-exchange transactions						
General rates revenue		7,461,875	7,461,874	7,395,316	7,461,875	7,395,316
Targeted rates revenue		1,665,845	1,665,845	1,762,817	1,665,845	1,762,817
Direct charges revenue	4	3,409,687	4,120,609	3,617,851	3,409,586	3,616,240
Government grants		2,209,103	1,868,411	1,839,053	2,209,103	1,839,053
Vested assets		-	-	-	-	-
Total revenue	4	24,218,870	24,498,516	23,513,773	64,293,813	68,610,640
Operating surplus/(deficit) before finance income and expenses and taxation		(1,120,508)	(467,501)	198,055	7,786,011	13,398,511
Finance income	4	665,744	813,529	965,770	707,680	1,111,096
Finance expense	5	-	-	-	1,434,032	1,387,235
Net finance income (expense)		665,744	813,529	965,770	(726,352)	(276,139)
Operating surplus before taxation		(454,764)	346,028	1,163,825	7,059,659	13,122,372
Other gains/losses						
Gains/(losses) on revaluation of investment properties		848,000	-	(284,500)	848,000	(284,500)
Operating surplus before taxation		393,236	346,028	879,325	7,907,659	12,837,872
Income tax expense	7	9,329	-	-	3,439,217	4,610,498
Net surplus/(deficit) for the period, net of tax	21	383,907	346,028	879,325	4,468,442	8,227,374
Other comprehensive income						
Items that may be reclassified subsequently to profit and loss when specific conditions met.						
Revaluation of property, plant and equipment		578,913	-	(118,182)	9,384,539	(118,182)
Change in cash flow hedge		-	-	-	(1,440,666)	(1,807,026)
Other comprehensive income, net of tax		578,913	-	(118,182)	7,943,873	(1,925,208)
Total comprehensive income for the period, net of tax		962,820	346,028	761,143	12,412,315	6,302,166

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

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

Council	Notes	Retained earnings \$	Reserves \$	Asset revaluation reserves \$	Cash flow hedge reserve \$	Total equity \$
As at 1 July 2014		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		(971,230)	971,230	-	-	-
As at 30 June 2015	18	63,668,519	11,902,061	3,723,232	-	79,293,812
Changes in equity for 2015/2016						
Total comprehensive income for the period		383,907	-	578,913	-	962,820
Transfers to and from reserves		657,783	(657,783)	-	-	-
As at 30 June 2016	18	64,710,209	11,244,278	4,302,145	-	80,256,632

Group	Notes	Retained earnings \$	Reserves \$	Asset revaluation reserves \$	Cash flow hedge reserve \$	Total equity \$
As at 1 July 2014		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		(971,230)	971,230	-	-	-
As at 30 June 2015	18	135,824,157	11,902,061	54,755,778	(505,785)	201,976,211
Changes in equity for 2015/2016						
Total comprehensive income for the period		4,468,442	-	9,384,539	(1,440,666)	12,412,315
Transfers to and from reserves		657,783	(657,783)	-	-	-
Transfers to and from asset revaluation reserves		82,179	-	(82,179)	-	-
As at 30 June 2016	18	141,032,561	11,244,278	64,058,138	(1,946,451)	214,388,526

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Notes	Council			Group	
		2015/2016 Actual \$	2015/2016 Budget \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Current assets						
Cash and cash equivalents	8	1,702,093	706,193	2,786,728	2,485,573	6,062,172
Current portion of investments	13	9,664,806	-	7,095,293	9,664,806	7,095,293
Receivables from exchange transactions	9	863,235	960,000	771,758	10,723,629	5,228,379
Receivables from non-exchange transactions	9	2,022,147	1,040,000	1,993,931	2,022,147	1,993,931
Inventories	12	46,061	-	271,080	660,003	939,752
Investment properties held for sale	14	205,000	-	-	205,000	-
Prepayments		184,651	100,000	109,196	184,651	109,196
Work-in-progress	28	272,205	400,000	270,348	272,205	270,348
Total current assets		14,960,198	3,206,193	13,298,334	26,218,014	21,699,071
Non current assets						
Treasury investments	13	2,541,363	12,907,975	6,186,515	2,541,363	6,186,515
Port Taranaki Ltd	13	26,000,000	26,000,000	26,000,000	-	-
Civic Assurance Ltd	13	1,000	1,000	1,000	1,000	1,000
Regional Software Holdings Ltd	13	798,118	798,118	798,118	798,118	798,118
Taranaki Stadium Trust		-	-	-	-	-
Investment properties	14	15,260,000	14,901,500	14,617,000	15,260,000	14,617,000
Intangible assets	11	194,690	410,917	288,071	929,602	1,064,252
Property, plant and equipment	10	25,319,045	25,348,888	23,160,056	220,540,154	206,691,893
Deferred tax asset	7	-	-	-	908,624	665,129
Derivative financial instruments	29	-	-	-	-	-
Total non current assets		70,114,216	80,368,398	71,050,760	240,978,861	230,023,907
Total assets		85,074,414	83,574,591	84,349,094	267,196,875	251,722,978
Current liabilities						
Payables from exchange transactions	15	2,045,982	2,000,000	2,489,200	7,182,809	12,106,510
Payables from non-exchange transactions	15	410,142	-	250,989	410,142	250,989
Employee entitlements	16	1,030,768	920,000	931,600	2,440,872	2,723,301
Work-in-progress	28	469,002	500,000	597,993	469,002	597,993
Borrowings	17	-	-	-	1,991,125	23,727
Taxation payable	7	7,888	-	-	1,504,793	1,404,807
Total current liabilities		3,963,782	3,420,000	4,269,782	13,998,743	17,107,327
Non current liabilities						
Payables from exchange transactions	15	-	-	-	-	461,000
Employee entitlements	16	854,000	750,000	785,500	1,685,000	1,694,500
Derivative financial instruments	29	-	-	-	1,946,451	505,785
Borrowings	17	-	-	-	35,178,155	29,978,155
Total non current liabilities		854,000	750,000	785,500	38,809,606	32,639,440
Total liabilities		4,817,782	4,170,000	5,055,282	52,808,349	49,746,767
Public equity						
Retained earnings	18	64,710,209	64,231,127	63,668,519	141,032,561	135,824,157
Reserves	18	11,244,278	11,332,050	11,902,061	11,244,278	11,902,061
Asset revaluation reserves	18	4,302,145	3,841,414	3,723,232	64,058,138	54,755,778
Cash flow hedge reserve	18	-	-	-	(1,946,451)	(505,785)
Total public equity	18	80,256,632	79,404,591	79,293,812	214,388,526	201,976,211
Total liabilities and equity		85,074,414	83,574,591	84,349,094	267,196,875	251,722,978

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Council			Group	
		2015/2016 Actual \$	2015/2016 Budget \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Cash flow from operating activities						
Cash was provided from:						
Rates		9,127,720	9,127,719	9,158,133	9,127,720	9,158,133
Interest		641,945	813,529	966,792	684,051	1,123,428
Dividends		4,477,000	4,477,000	4,070,000	-	-
Goods and services tax		128,377	-	-	128,377	5,591
Income tax		-	-	-	-	49,467
Other exchange transactions		4,687,733	5,289,937	5,010,380	55,371,777	64,887,386
Other non-exchange transactions		5,575,321	5,603,860	4,593,267	5,575,220	4,593,267
		24,638,096	25,312,045	23,798,572	70,887,145	79,817,272
Cash was applied to:						
Employees and suppliers		23,292,900	23,549,787	21,625,408	54,650,112	55,159,523
Income tax		1,441	-	-	3,582,726	6,007,824
Goods and services tax		-	50,000	175,776	127	175,776
Interest		-	-	-	1,426,645	1,388,928
		23,294,341	23,599,787	21,801,184	59,659,610	62,732,051
Net cash flow from operating activities	21	1,343,755	1,712,258	1,997,388	11,227,535	17,085,221
Cash flow from investing activities						
Cash was provided from:						
Investments		1,075,639	2,000,000	3,918,458	1,075,639	4,918,458
Proceeds from sale of property, plant and equipment		186,710	303,000	130,616	259,685	441,426
		1,262,349	2,303,000	4,049,074	1,335,324	5,359,884
Cash was applied to:						
Investments		-	-	24,058	-	24,058
Capitalised interest on property, plant and equipment		-	-	-	393,098	343,976
Purchase of property, plant and equipment		3,690,739	3,741,150	4,223,461	22,861,052	15,703,838
		3,690,739	3,741,150	4,247,519	23,254,150	16,071,872
Net cash flow outflow from investing activities		(2,428,390)	(1,438,150)	(198,445)	(21,918,826)	(10,711,988)
Cash flow from financing activities						
Cash was provided from:						
Loans		-	-	-	7,114,692	253
		-	-	-	7,114,692	253
Cash was applied to:						
Loans		-	-	-	-	2,018,768
		-	-	-	-	(2,018,515)
Net cash outflow from financing activities		-	-	-	7,114,692	(2,018,515)
Net increase/(decrease) in cash and cash equivalents		(1,084,635)	274,108	1,798,943	(3,576,599)	4,354,718
Opening cash and cash equivalents		2,786,728	432,085	987,785	6,062,172	1,707,454
Closing cash and cash equivalents	8	1,702,093	706,193	2,786,728	2,485,573	6,062,172

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

Explanatory Notes to the Financial Statements

1. COUNCIL INFORMATION

REPORTING ENTITY	<p>Taranaki Regional Council is a regional local authority governed by the <i>Local Government Act 2002</i>.</p> <p>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 <i>Port Companies Act 1988</i> and incorporated in New Zealand. Taranaki Stadium Trust is a charitable trust governed by the <i>Charitable Trusts Act 1957</i> and registered under the <i>Charities Act 2005</i>. Regional Software Holdings Ltd is a company governed by the <i>Companies Act 1993</i> and incorporated in New Zealand. Taranaki Stadium Trust and Regional Software Holdings Ltd are council-controlled organisations pursuant to the <i>Local Government Act 2002</i>.</p> <p>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.</p> <p>The financial statements of Taranaki Regional Council are for the year ended 30 June 2016. The financial statements were authorised for issue by Council on 19 September 2016.</p>
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2. SUMMARY OF ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE	<p>The financial statements have been prepared in accordance with the requirements of the <i>Local Government Act 2002</i>, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).</p>
BASIS OF PREPARATION	<p>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 have been prepared in accordance with and comply with Tier 1 Public Benefit Entity (PBE) standards. The financial statements are presented in New Zealand dollars. The functional currency of Taranaki Regional Council is New Zealand dollars.</p>
SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS	<p>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.</p> <p>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.</p> <p>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 <i>Summary of Accounting Policies</i>.</p>
NEW AND AMENDED ACCOUNTING STANDARDS ADOPTED	<p>The Group has not elected to early adopt any new standards or interpretations that are issued but not yet effective as at 30 June 2016.</p>

**NEW
ACCOUNTING
STANDARDS
AND
INTERPRETATIONS NOT YET
ADOPTED**

PBE Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2016, are outlined in the below:

New pronouncement	Effective for annual reporting periods beginning on or after:	Expected to be initially applied in the financial year ending:
<p>XRBA1 Application of the Accounting Standards Framework. In December 2015 the new (and final) versions of the Accounting Standards Framework and XRBA1 were issued, which include updated descriptions, clarifications and the removal of redundant requirements and duplications. No substantive changes were made to the Framework. The latest XRBA1 is effective for annual reporting periods beginning on or after 1 January 2016.</p> <p>Disclosure Initiative (Amendments to PBE IPSAS 1). These amendments have been issued as part of a project to improve presentation and disclosure requirements and:</p> <ul style="list-style-type: none"> • clarify that an entity 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. • clarify that an entity's share of other comprehensive revenue and expense of equity accounted associates and joint ventures should be presented in aggregate. • clarify that entities have flexibility when designing the structure of the notes and provide guidance on how to determine a systematic order of the notes. 	<p>Various updates with different effective dates</p> <p>1 January 2016</p>	<p>Various updates with different effective dates</p> <p>30 June 2017</p>
<p>Consequential amendments were also made to PBE IPSAS 30 and PBE IAS 34. The amendments apply to annual periods beginning on or after 1 January 2016.</p> <p>2015 Omnibus Amendments to PBE Standards. The omnibus amendments fall into two categories:</p> <ul style="list-style-type: none"> • Amendments to align PBE Standards with NZ IFRS as a consequence of the IASB's Annual Improvements to IFRS. The following Standards are affected: <ul style="list-style-type: none"> ○ PBE IPSAS 16 ○ PBE IPSAS 20 ○ PBE IFRS 3 ○ PBE IFRS 5 ○ PBE IAS 34 • Amendments to align PBE Standards with IPSASs as a consequence of the IPSASB's Improvements to IPSASs 2014. The following Standards are affected: <ul style="list-style-type: none"> ○ PBE IPSAS 1 ○ PBE IPSAS 17 ○ PBE IPSAS 28 ○ PBE IPSAS 31 	<p>1 January 2016</p>	<p>30 June 2017</p>
<p>Minor editorial corrections were also made. The amendments apply to annual periods beginning on or after 1 January 2016.</p> <p>Amendments to PBE Standards and Authoritative Notice as a Consequence of XRBA1 and Other Amendments. These amendments consist of the following:</p> <ul style="list-style-type: none"> • generic amendments arising as a result of the updated XRBA1 (e.g. changing the name of XRBA1 in various standards) • other amendments, which include clarification in PBE FRS 46 and PBE FRS 47 relating to the basis of preparation of financial statements by Tier 1 and Tier 2 PBEs. <p>The amendments apply to annual periods beginning on or after 1 January 2016.</p>	<p>1 January 2016</p>	<p>30 June 2017</p>

New pronouncement	Effective for annual reporting periods beginning on or after:	Expected to be initially applied in the financial year ending:
<p>Donated Goods (Amendments to PBE IPSAS 23). These amendments provide relief for entities with respect to donated goods in-kind that meet the definition of inventories in PBE IPSAS 12 and where it is not practicable to measure reliably the fair value of those goods at the date of acquisition. These goods would not be recognised at that date. Subsequent to the date of acquisition the following accounting treatment must be applied:</p> <ul style="list-style-type: none"> • for goods in-kind that are sold – revenue will be recognised at the date of sale • for goods in-kind that are distributed free of charge – revenue will not be recognised. <p>The amendments apply to annual periods beginning on or after 1 January 2016.</p>	1 January 2016	30 June 2017

CHANGES IN ACCOUNTING ESTIMATES

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

3. PRINCIPAL ACTIVITIES/GROUP INFORMATION

NOTES

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

Subsidiary name	Principal activities	Country of incorporation	Percentage equity interest		Carrying value of investment (at cost)	
			2015/2016	2014/2015	2015/2016	2014/2015
Port Taranaki Ltd	Export and import activities through Port Taranaki.	New Zealand	100	100	26,000,000	26,000,000
Taranaki Stadium Trust	Long-term maintenance and development of Yarrow Stadium.	New Zealand	100	100	Nil	Nil

The Council also hold investments in the following entities:

Name	Principal activities	Country of incorporation	Percentage equity interest		Carrying value of investment (at cost)	
			2015/2016	2014/2015	2015/2016	2014/2015
Regional Software Holdings Ltd	Shared software resources.	New Zealand	15.5	15.5	798,118	798,118
Civic Assurance Ltd	Insurance services to local government.	New Zealand	<0.0	<0.0	1,000	1,000

4. REVENUE

Notes	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
The net operating surplus (deficit) was achieved after crediting:				
Dividends	4,477,000	4,070,000	-	-
Gain on sale of property, plant and equipment	160,022	100,851	193,305	100,851
Gain on sale of investment properties	-	37,000	-	37,000
Unrealised gain on revaluation of investment properties	848,000	-	848,000	-
Rental revenue from investment properties	858,115	837,858	813,733	798,227
Interest – corporate bonds	440,389	725,842	440,389	725,842
Interest – cash and term deposits	225,354	239,928	267,291	385,254
Direct charges revenue from exchange transactions				
Compliance monitoring charges	2,580,618	2,604,126	2,562,465	2,591,193
Resource consent applications	878,397	853,000	874,969	845,148
Other sales of goods and services	436,922	329,353	436,922	325,353
Total direct charges revenue from exchange transactions	3,895,937	3,786,479	3,874,356	3,761,694
Direct charges revenue from non-exchange transactions				
Riparian plant sales	1,083,281	1,005,456	1,083,281	1,005,456
Bus fares	877,833	891,408	877,833	891,408
Pollution response	636,948	820,472	636,847	818,861
Civil defence recoveries	376,780	344,069	376,780	344,069
Resource consent condition charges	89,008	98,333	89,008	98,333
Waste minimisation recoveries	63,082	65,267	63,082	65,267
Other recoveries and sales of goods and services	282,755	392,846	282,755	392,846
Total direct charges revenue from non-exchange transactions	3,409,687	3,617,851	3,409,586	3,616,240

POLICIES

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

Revenue from non-exchange transactions

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

Revenue from exchange transactions:

- Direct charges – goods and services: Revenue from the rendering of services or the sale of goods is recognised by reference to the stage of completion of the service. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.
- Interest revenue: For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.
- Dividends: Revenue is recognised when the Group's or Council's right to receive the payment is established, which is generally when shareholders approve the dividend.
- Rental revenue: Rental revenue arising from operating leases on investment properties is accounted for on a straight-line basis over the lease.

5. EXPENDITURE

Notes	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
The net operating surplus (deficit) was achieved after charging:				
Employee benefits	11,514,566	10,742,895	26,458,547	25,934,365
Cost of services	10,195,199	9,795,603	9,724,398	10,526,760
General expenses	-	-	4,009,119	3,267,504
Finance costs	-	-	1,434,032	1,387,235
Maintenance dredging	-	-	-	4,354
Repairs and maintenance	662,410	275,977	5,172,844	4,656,880
Directors' fees	-	-	290,446	299,970
Depreciation and amortisation	1,326,752	1,333,022	8,933,907	8,990,622
Loss on disposal of property, plant and equipment	529,971	14,830	730,583	9,916
Income tax expense	9,329	-	3,439,217	4,610,498
Change in the provision for doubtful debts	-	-	(8,000)	(7,000)
Donations	-	-	-	-
Bad debts	-	9,089	-	9,089
Net loss/(gain) on currency bank balances	-	-	19,066	(1,528)
Audit fees for financial statements	114,580	112,470	192,950	189,396
Audit fees for long-term plan	-	81,745	-	81,745
Unrealised loss on revaluation of investment properties	-	284,500	-	284,500
Minimum lease payments recognised as operating lease expense	-	-	5,325	8,719
Purchase of riparian plants (inventory)	995,900	950,087	995,900	950,087

POLICIES

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.

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.

6. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

	2015/2016 Actual \$
Operating expenditure was more than budgeted: <i>In particular flood and storm response was not budgeted for and asset impairment for Pukeiti was higher than budgeted.</i>	(373,361)
Direct charges were less than budgeted: <i>This is due to plant sales being significantly less than budgeted and a reduction in compliance monitoring revenue.</i>	(704,762)
Government grants were higher than budgeted: <i>Funding for flood and storm response and resource investigations were unbudgeted for.</i>	340,692
Other investment revenue was more than budgeted: <i>This arises from higher than planned gain on sale of assets.</i>	84,423
Unrealised gains on revaluation of investment properties was more than budgeted: <i>No allowance was made for an increase or decrease in values.</i>	848,000
Unrealised gains on revaluation of flood control scheme assets was more than budgeted: <i>No allowance was made for an increase or decrease in values.</i>	578,913
Finance income was lower than budget: <i>Lower than anticipated term investment balances and rates of return.</i>	(147,785)

The entire operating surplus is from continuing activities.

7. TAXATION

Notes	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Income tax recognised in the Statement of Comprehensive Revenue and Expense				
Current tax expense	9,329	-	3,682,712	4,707,849
Deferred tax income on temporary differences	-	-	(243,495)	(97,351)
Income tax expense per Statement of Comprehensive Revenue and Expense	9,329	-	3,439,217	4,610,498
Reconciliation of operating surplus before tax and income tax expense				
Profit before taxation and subvention payment	393,236	879,325	7,907,659	12,837,873
Operating surplus/(deficit) before taxation	393,236	879,325	7,907,659	12,837,873
Income tax expense at 28%	110,106	246,211	2,214,145	3,594,604
Tax effect of non deductible expenses in operating surplus before taxation	-	-	3,193	83,003
Tax effect of non assessable income in operating surplus before taxation	1,638,838	1,336,567	2,978,594	2,461,654
Tax effect of rate change on future tax benefits	-	-	-	-
Prior period adjustments impacting income taxation expense	1,441	-	(15,659)	54,015
Imputation credit adjustment	(1,741,056)	(1,582,778)	(1,741,056)	(1,582,778)
Income taxation expense per Statement of Comprehensive Revenue and Expense	9,329	-	3,439,217	4,610,498
Taxation refundable/(payable)				
Opening balance	-	-	(1,404,807)	(2,655,315)
Prior year tax paid/(refund)	1,441	-	1,182,726	2,758,357
Prior year adjustment	(1,441)	-	222,082	(103,043)
Current taxation payable	(7,888)	-	(3,904,794)	(4,604,806)
Provisional taxation paid	-	-	2,400,000	3,200,000
Taxation refundable/(payable)	(7,888)	-	(1,504,793)	(1,404,807)
Imputation credit account				
Credits available for use in subsequent periods	-	-	22,387,751	23,187,523
Imputation credits available directly and indirectly to the Council, through Port Taranaki Ltd:	-	-	22,387,751	23,187,523

DEFERRED TAX ASSET/LIABILITY

Notes	Group			Total
	Depreciation/ Amortisation	Provisions/ Payables	Receivables/ Prepayments	
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
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	540,065	(294,330)	(2,240)	243,495
Balance 30 June 2016	(191,128)	1,099,752	-	908,624

POLICIES

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

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

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses.

POLICIES

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.

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

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

NOTES

The Council is exempt from income tax. There is no recognised deferred tax liability (2014/2015—\$nil) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries. There is no income tax loss carried forward.

Included in the charge to the statement of comprehensive revenue and expense for depreciation/amortisation is the tax impact on the change in the asset revaluation reserve of \$3,424,410 (2014/2015 - \$nil).

Included in the credit to the statement of comprehensive revenue and expense for provisions/payables is the tax impact on the change in the cash flow hedge reserve of (\$560,259) (2014/2015 - (\$702,732)).

8. CASH AND CASH EQUIVALENTS

	Notes	Council		Group	
		2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Bank		728,895	989,510	1,512,375	4,264,954
Call deposits		973,198	1,797,218	973,198	1,797,218
Total bank and call deposits		1,702,093	2,786,728	2,485,573	6,062,172

POLICIES

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

NOTES

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

9. RECEIVABLES

	Notes	Council		Group	
		2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Receivables from exchange transactions					
Trade receivables		863,235	771,339	5,633,583	4,882,006
Provision for impairment		-	-	-	(8,000)
Net trade receivables		863,235	771,339	5,633,583	4,874,006
Other receivables		-	-	5,090,046	354,373
Related party receivables		-	419	-	-
Total receivables from exchange transactions		863,235	771,758	10,723,629	5,228,379
Receivables from non-exchange transactions					
Trade receivables		2,022,147	1,993,931	2,022,147	1,993,931
Provision for impairment		-	-	-	-
Net trade receivables		2,022,147	1,993,931	2,022,147	1,993,931
Other receivables		-	-	-	-
Related party receivables		-	-	-	-
Total receivables from non-exchange transactions		2,022,147	1,993,931	2,022,147	1,993,931

NOTES

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

10. PROPERTY, PLANT AND EQUIPMENT

Council	Land at cost	Land at valuation	Buildings at cost	Buildings at valuation	Motor vehicles	Plant, equipment and fittings	Office furniture	Computer equipment
Carrying amount 1 July 2014	1,969,509	-	5,403,900	-	1,430,021	784,690	64,289	241,052
Cost/valuation	1,969,509	-	8,422,965	-	2,919,046	4,380,480	600,900	2,598,567
Accumulated depreciation	-	-	(3,019,065)	-	(1,489,025)	(3,595,790)	(536,611)	(2,357,515)
Additions	-	-	824,286	-	535,584	229,570	20,020	137,463
Transfers	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(41,131)	(1,038)	-	(2,426)
Depreciation	-	-	(208,870)	-	(554,594)	(286,447)	(15,450)	(106,815)
Carrying amount 30 June 2015	1,969,509	-	6,019,316	-	1,369,880	726,775	68,859	269,274
Cost/valuation	1,969,509	-	9,247,251	-	3,042,879	4,590,781	620,920	2,721,041
Accumulated depreciation	-	-	(3,227,935)	-	(1,672,999)	(3,864,006)	(552,061)	(2,451,767)
Additions	-	-	-	-	472,970	178,488	19,054	154,613
Transfers	-	-	2,163,932	-	-	133,091	-	-
Revaluations	-	-	-	-	-	-	-	-
Disposals	-	-	(526,904)	-	(26,688)	(3,028)	(39)	-
Depreciation	-	-	(255,289)	-	(551,468)	(266,692)	(15,842)	(109,714)
Carrying amount 30 June 2016	1,969,509	-	7,401,055	-	1,264,694	768,634	72,032	314,173
Cost/valuation	1,969,509	-	10,757,249	-	3,022,261	4,877,466	638,770	2,875,654
Accumulated depreciation	-	-	(3,356,194)	-	(1,757,567)	(4,108,832)	(566,738)	(2,561,481)

Council	Maintenance dredging	Port installation	Floating plant	Capital dredging	Bulk tanks	Work in progress	Flood and river control	Total
Carrying amount 1 July 2014	-	-	-	-	-	1,558,954	8,479,624	19,932,039
Cost/valuation	-	-	-	-	-	1,558,954	8,479,624	30,930,045
Accumulated depreciation	-	-	-	-	-	-	-	(10,998,006)
Additions	-	-	-	-	-	3,697,035	-	5,443,958
Transfers	-	-	-	-	-	(880,989)	-	(880,989)
Revaluations	-	-	-	-	-	-	(118,182)	(118,182)
Disposals	-	-	-	-	-	-	-	(44,595)
Depreciation	-	-	-	-	-	-	-	(1,172,176)
Carrying amount 30 June 2015	-	-	-	-	-	4,375,000	8,361,443	23,160,056
Cost/valuation	-	-	-	-	-	4,375,000	8,361,443	34,928,824
Accumulated depreciation	-	-	-	-	-	-	-	(11,768,768)
Additions	-	-	-	-	-	2,510,615	-	3,335,740
Transfers	-	-	-	-	-	(2,297,023)	-	-
Revaluations	-	-	-	-	-	-	578,913	578,913
Disposals	-	-	-	-	-	-	-	(556,659)
Depreciation	-	-	-	-	-	-	-	(1,199,005)
Carrying amount 30 June 2016	-	-	-	-	-	4,588,592	8,940,356	25,319,045
Cost/valuation	-	-	-	-	-	4,588,592	8,940,356	37,669,857
Accumulated depreciation	-	-	-	-	-	-	-	(12,350,812)

Group	Land at cost	Land at valuation	Buildings at cost	Buildings at valuation	Motor vehicles	Plant, equipment and fittings	Office furniture	Computer equipment
Carrying amount 1 July 2014	1,969,509	76,303,000	18,802,540	22,654,000	1,430,021	10,996,283	64,289	241,052
Cost/valuation	1,969,509	76,303,000	34,231,227	22,690,432	2,919,046	31,699,768	617,330	2,598,567
Accumulated depreciation	-	-	(15,428,687)	(36,432)	(1,489,025)	(20,703,485)	(553,041)	(2,357,515)
Additions	-	130,000	1,183,209	3,308,809	535,584	1,749,936	20,020	137,463
Transfers	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-
Disposals	-	-	(15,530)	-	(41,131)	(353,422)	-	(2,426)
Depreciation	-	-	(1,059,522)	(680,515)	(554,594)	(2,005,391)	(15,450)	(106,815)
Carrying amount 30 June 2015	1,969,509	76,433,000	18,910,697	25,282,294	1,369,880	10,387,406	68,859	269,274
Cost/valuation	1,969,509	76,433,000	35,364,650	25,999,241	3,042,879	32,369,746	637,350	2,721,041
Accumulated depreciation	-	-	(16,453,953)	(716,947)	(1,672,999)	(21,982,340)	(568,491)	(2,451,767)
Additions	-	4,934,500	4,203,059	235,996	472,970	2,843,658	19,054	154,613
Transfers	-	-	2,163,932	-	-	133,091	-	-
Revaluations	-	8,805,625	-	-	-	-	-	-
Disposals	-	-	(527,941)	(200,612)	(26,688)	(266,831)	(39)	-
Depreciation	-	-	(1,220,852)	(599,761)	(551,468)	(1,783,584)	(15,842)	(109,714)
Carrying amount 30 June 2016	1,969,509	90,173,125	23,528,895	24,717,917	1,264,694	11,313,740	72,032	314,173
Cost/valuation	1,969,509	90,173,125	41,076,671	26,034,626	3,022,261	35,057,797	655,200	2,875,654
Accumulated depreciation	-	-	(17,547,776)	(1,316,709)	(1,757,567)	(23,744,057)	(583,168)	(2,561,481)

Group	Maintenance dredging	Port installation	Floating plant	Capital dredging	Bulk tanks	Work in progress	Flood and river control	Total
Carrying amount 1 July 2014	808,033	17,525,760	10,572,982	18,423,315	891,666	7,092,451	8,479,624	196,254,525
Cost/valuation	2,305,823	44,937,760	17,514,338	21,505,192	999,999	7,092,451	8,479,624	275,864,066
Accumulated depreciation	(1,497,790)	(27,412,000)	(6,941,356)	(3,081,877)	(108,333)	-	-	(79,609,541)
Additions	1,967,383	1,007,109	19,917	-	-	14,785,397	-	24,844,827
Transfers	-	(888,561)	-	888,561	-	(5,376,215)	-	(5,376,215)
Revaluations	-	-	-	-	-	-	(118,182)	(118,182)
Disposals	-	-	-	-	-	-	-	(412,509)
Depreciation	(968,268)	(1,650,441)	(908,299)	(451,260)	(100,000)	-	-	(8,500,555)
Carrying amount 30 June 2015	1,807,148	15,993,867	9,684,600	18,860,616	791,666	16,501,633	8,361,443	206,691,892
Cost/valuation	2,125,098	44,887,059	17,535,006	22,563,001	999,999	16,501,633	8,361,443	291,510,655
Accumulated depreciation	(317,950)	(28,893,192)	(7,850,406)	(3,702,385)	(208,333)	-	-	(84,818,763)
Additions	-	1,906,416	51,774	-	159,734	12,649,384	-	27,631,158
Transfers	-	-	-	-	-	(16,100,168)	-	(13,803,145)
Revaluations	-	-	-	-	-	-	578,913	9,384,538
Disposals	-	(53,101)	-	-	-	-	-	(1,075,212)
Depreciation	(990,000)	(1,533,540)	(917,083)	(451,260)	(115,973)	-	-	(8,289,077)
Carrying amount 30 June 2016	817,148	16,313,642	8,819,291	18,409,356	835,427	13,050,849	8,940,356	220,540,154
Cost/valuation	2,125,099	46,740,374	17,586,780	22,563,001	1,159,733	13,050,849	8,940,356	313,031,035
Accumulated depreciation	(1,307,951)	(30,426,732)	(8,767,489)	(4,153,645)	(324,306)	-	-	(92,490,881)

POLICIES

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

POLICIES

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

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

Buildings	5 to 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%

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

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

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

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

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

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

NOTES

The Waitara River Flood Protection Scheme assets, Okato River Flood Protection Scheme assets and the Waiwhakaiho River Flood Protection Scheme assets were independently valued at 30 June 2016 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 \$8,940,356 (2014/2015 - \$8,361,443). The carrying amount of land had it been recognised under the cost model is \$2,825,194 (2014/2015 - \$2,825,194). Information about core assets pursuant to Regulation 6 of the *Local Government (Financial Reporting and Prudence) Regulations 2014*. The Council does not have water supply, sewerage, stormwater drainage or roads and footpaths and, consequently, has no disclosures to make.

Port Taranaki Ltd land was revalued at 30 June 2016 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 carrying amount of land had it been recognised under the cost model is \$30,020,698 (\$25,336,198-2014/2015). 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).

11. INTANGIBLE ASSETS

Council	Computer software	Total
Carrying amount 1 July 2014	440,917	440,917
Cost/valuation	2,545,136	2,545,136
Accumulated depreciation	(2,104,219)	(2,104,219)
Additions	8,000	8,000
Transfers	-	-
Revaluations	-	-
Disposals	-	-
Amortisation	(160,846)	(160,846)
Carrying amount 30 June 2015	288,071	288,071
Cost/valuation	2,553,136	2,553,136
Accumulated depreciation	(2,265,065)	(2,265,065)
Additions	34,367	34,367
Transfers	-	-
Revaluations	-	-
Disposals	-	-
Amortisation	(127,748)	(127,748)
Carrying amount 30 June 2016	194,690	194,690
Cost/valuation	2,353,843	2,353,843
Accumulated depreciation	(2,159,153)	(2,159,153)

Group	Computer software	Total
Carrying amount 1 July 2014	949,411	949,411
Cost/valuation	7,269,438	7,269,438
Accumulated depreciation	(6,320,027)	(6,320,027)
Additions	670,463	670,463
Transfers	-	-
Revaluations	-	-
Disposals	-	-
Amortisation	(555,622)	(555,622)
Carrying amount 30 June 2015	1,064,252	1,064,252
Cost/valuation	7,939,901	7,939,901
Accumulated depreciation	(6,875,649)	(6,875,649)
Additions	231,930	231,930
Transfers	-	-
Revaluations	-	-
Disposals	-	-
Amortisation	(366,580)	(366,580)
Carrying amount 30 June 2016	929,602	929,602
Cost/valuation	6,652,974	6,652,974
Accumulated depreciation	(5,723,372)	(5,723,372)

POLICIES

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

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category 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%
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12. INVENTORIES

Notes	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Plant materials	46,061	271,080	46,061	271,080
Maintenance consumables	-	-	613,942	668,672
Total inventories	46,061	271,080	660,003	939,752

POLICIES

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

13. INVESTMENTS

Notes	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Current portion of investments				
Term deposits	5,043,299	6,083,585	5,043,299	6,083,585
Treasury investments - corporate bonds/notes	4,621,507	1,011,708	4,621,507	1,011,708
Total current portion of investments	9,664,806	7,095,293	9,664,806	7,095,293
Non current investments				
Treasury investments - corporate bonds/notes	2,541,363	6,186,515	2,541,363	6,186,515
Port Taranaki Ltd (unlisted shares)	26,000,000	26,000,000	-	-
Civic Assurance (unlisted shares)	1,000	1,000	1,000	1,000
Regional Software Holdings Ltd	798,118	798,118	798,118	798,118
Total non current investments	29,340,481	32,985,633	3,340,481	6,985,633
Total investments	39,005,287	40,080,926	13,005,287	14,080,926
Term deposit maturity dates and effective interest rates				
Term deposits maturing in less than 1 year	5,043,299	6,083,585	5,043,299	6,083,585
Weighted average effective interest rate	3.52%	4.09%	3.52%	4.09%
Corporate bonds/notes maturity dates and effective interest rates				
Corporate bonds maturing in less than 1 year	4,621,507	1,011,708	4,621,507	1,011,708
Weighted average effective interest rate	6.33%	6.00%	6.33%	6.00%
Corporate bonds maturing in 1 to 2 years	1,541,363	4,643,300	1,541,363	4,643,300
Weighted average effective interest rate	6.54%	6.33%	6.54%	6.33%
Corporate bonds maturing in 2 to 3 years	-	1,543,215	-	1,543,215
Weighted average effective interest rate	-	6.54%	-	6.54%
Corporate bonds maturing in 3 to 4 years	-	-	-	-
Weighted average effective interest rate	-	-	-	-
Corporate notes maturing in 5 to 10 years	1,000,000	-	1,000,000	-
Weighted average effective interest rate	5.31%	-	5.31%	-
Corporate bonds/notes carrying value	7,162,870	7,198,223	7,162,870	7,198,223
Corporate bonds/notes market value	7,346,141	7,516,244	7,346,141	7,516,244

POLICIES

The consolidated financial statements comprise the financial statements of the Council and its controlled entities (the Group) as at 30 June 2016. 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. 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.

POLICIES

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.

NOTES

Corporate bonds and term deposits are held to maturity. Unlisted shares are valued at cost price. There are no impairment provisions for investments.

- 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

14. INVESTMENT PROPERTY

	Notes	Council		Group	
		2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Balance 1 July		14,617,000	15,194,500	14,617,000	15,194,500
Additions		-	-	-	-
Disposals		-	293,000	-	293,000
Fair value gains/(losses) on valuation		848,000	(284,500)	848,000	(284,500)
Balance 30 June		15,465,000	14,617,000	15,465,000	14,617,000
Comprising:					
Current assets		205,000	-	205,000	-
Non current assets		15,260,000	14,617,000	15,260,000	14,617,000
Total investment property		15,465,000	14,617,000	15,465,000	14,617,000
Reconciliation of net surplus on investment properties					
Rental income derived from investment properties		858,115	830,058	813,733	830,058
Direct operating expenses (including repairs and maintenance) generating rental income		4,517	19,216	4,517	19,216
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)		-	-	-	-
Surplus arising from investment properties carried at fair value		853,598	810,842	809,216	810,842

POLICIES

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

NOTES

Investment properties are independently valued annually at fair value effective 30 June. All investment properties are valued based on the comparable sales approach using assumptions the valuer believed to be fair and reasonable at the date of valuation. The valuation was performed by TelferYoung (Taranaki) Limited. TelferYoung (Taranaki) Limited are a registered experienced valuer with extensive market knowledge. The total fair value of the property valued at 30 June 2016 was \$15,465,000 (2014/2015—\$14,617,000).

15. PAYABLES

Notes	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Payables from exchange transactions				
Trade payables under exchange transactions	1,697,764	2,226,365	6,197,702	11,440,613
Accrued pay	348,218	262,835	985,107	1,126,897
Total payables from exchange transactions	2,045,982	2,489,200	7,182,809	12,567,510
Comprising:				
Current liabilities	2,045,982	2,489,200	7,182,809	12,106,510
Non current liabilities	-	-	-	461,000
Total payables from exchange transactions	2,045,982	2,489,200	7,182,809	12,567,510
Payables from non-exchange transactions				
Trade payables under non-exchange transactions	410,142	250,989	410,142	250,989
Total payables from non-exchange transactions	410,142	250,989	410,142	250,989
Comprising:				
Current liabilities	410,142	250,989	410,142	250,989
Non current liabilities	-	-	-	-
Total payables from non-exchange transactions	410,142	250,989	410,142	250,989

POLICIES

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

NOTES

Payables from non-exchange transactions for 2014/15 have been re-stated to provide more accurate information regarding the nature of payables.

16. EMPLOYEE ENTITLEMENTS

Notes	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Holiday leave	740,768	701,200	1,844,913	2,036,807
Sick leave	244,000	157,400	304,000	212,400
Long service leave	417,000	407,400	693,959	754,494
Retirement gratuities	483,000	451,100	1,283,000	1,414,100
Total employee entitlements	1,884,768	1,717,100	4,125,872	4,417,801
Comprising:				
Current liabilities	1,030,768	931,600	2,440,872	2,723,301
Non current liabilities	854,000	785,500	1,685,000	1,694,500
Total employee entitlements	1,884,768	1,717,100	4,125,872	4,417,801

POLICIES

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

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

17. BORROWINGS

Notes	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Current liabilities				
Secured loans - Westpac	-	-	30,862	23,474
Secured loans – TSB Bank	-	-	1,960,263	253
Total current liability borrowings	-	-	1,991,125	23,727
Weighted average interest rate			3.43%	4.46%
Non current liabilities				
Secured loans - Westpac	-	-	35,200,000	30,000,000
Deferred Loan Facility Fee	-	-	(21,845)	(21,845)
Total non current liability borrowings	-	-	35,178,155	29,978,155
Weighted average interest rate	-	-	3.18%	3.30%

POLICIES

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.

NOTES

The non current loans are due within 4 years. The secured loans are obtained under a \$50m (2014/2015—\$50m) funding facility provided by Westpac Banking Corporation. As at 30 June 2016, \$14.8m (2014/2015-\$20m) was undrawn. The borrowings in the statement of financial position include accrued interest. The sole security interest, fixed charge and agreement to mortgage, is to Westpac Banking Corporation for a priority amount of \$80m (2014/2015-\$80m). 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 date. The weighted average interest rate for the current liability in 2016 is 0% (2014/2015 - 0%) as this is solely 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 3.43% pa, being the 90 day mid Bank bill rate plus a 1.00% margin.

18. PUBLIC EQUITY

Notes	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Retained earnings				
Opening balance	63,668,519	63,760,424	135,824,157	128,568,013
Operating surplus/(deficit)	383,907	879,325	4,468,442	8,227,374
Transfers from asset revaluation reserves	-	-	82,179	-
Transfers to reserves	(128,408)	(1,117,032)	(128,408)	(1,117,032)
Transfers from reserves	786,191	145,802	786,191	145,802
Closing balance	64,710,209	63,668,519	141,032,561	135,824,157
Reserves				
Opening balance	11,902,061	10,930,831	11,902,061	10,930,831
Transfers from retained earnings	128,408	1,117,032	128,408	1,117,032
Transfers to retained earnings	(786,191)	(145,802)	(786,191)	(145,802)
Closing balance	11,244,278	11,902,061	11,244,278	11,902,061
<i>North Taranaki/Waitara River Control Scheme reserve</i>				
Opening balance	1,334,135	1,194,421	1,334,135	1,194,421
Transfers from retained earnings	70,442	239,265	70,442	239,265
Transfers to retained earnings	(343,661)	(99,551)	(343,661)	(99,551)
Closing balance	1,060,916	1,334,135	1,060,916	1,334,135

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.

	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
<i>Contingency/disaster reserve</i>				
Opening balance	1,481,000	1,086,000	1,481,000	1,086,000
Transfers from retained earnings	-	395,000	-	395,000
Transfers to retained earnings	(395,000)	-	(395,000)	-
Closing balance	1,086,000	1,481,000	1,086,000	1,481,000
This reserve was created to meet the Council's share of the replacement cost of infrastructure assets affected by natural disasters. It also covers the Council's commitments under the National Civil Defence Plan in the event of emergencies. It is available for any other contingency or emergency response purposes including oil spill response and flood response. This reserve fund relates to the <i>Resource management</i> and the <i>Hazard management</i> groups of activities.				
<i>Dividend equalisation reserve</i>				
Opening balance	6,395,766	6,395,766	6,395,766	6,395,766
Transfers from retained earnings	-	-	-	-
Transfers to retained earnings	-	-	-	-
Closing balance	6,395,766	6,395,766	6,395,766	6,395,766
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.				
<i>Passenger transport targeted rate reserve (New Plymouth/North Taranaki)</i>				
Opening balance	150,880	181,016	150,880	181,016
Transfers from retained earnings	7,966	11,114	7,966	11,114
Transfers to retained earnings	(41,250)	(41,250)	(41,250)	(41,250)
Closing balance	117,596	150,880	117,596	150,880
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 <i>Transport</i> group of activities.				
<i>Passenger transport targeted rate reserve (Stratford)</i>				
Opening balance	3,140	5,314	3,140	5,314
Transfers from retained earnings	-	326	-	326
Transfers to retained earnings	(3,140)	(2,500)	(3,140)	(2,500)
Closing balance	-	3,140	-	3,140
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 <i>Transport</i> group of activities.				
<i>Passenger transport targeted rate reserve (South Taranaki)</i>				
Opening balance	3,140	5,314	3,140	5,314
Transfers from retained earnings	-	326	-	326
Transfers to retained earnings	(3,140)	(2,500)	(3,140)	(2,500)
Closing balance	-	3,140	-	3,140
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 <i>Transport</i> group of activities.				

	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
<i>Egmont national park control reserve</i>				
Opening balance	364,000	223,000	364,000	223,000
Transfers from retained earnings	50,000	141,000	50,000	141,000
Transfers to retained earnings	-	-	-	-
Closing balance	414,000	364,000	414,000	364,000
This reserve was created to meet the Council's share of the costs associated with initial control works and maintenance works resulting from the cyclical pest control works undertaken by the Department of Conservation in the Egmont National Park. This reserve 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 <i>Biosecurity</i> group of activities.				
<i>Endowment land sales reserve</i>				
Opening balance	2,170,000	1,840,000	2,170,000	1,840,000
Transfers from retained earnings	-	330,000	-	330,000
Transfers to retained earnings	-	-	-	-
Closing balance	2,170,000	2,170,000	2,170,000	2,170,000
This reserve was created to account for the proceeds from the sale of endowment land. The proceeds from the sale of endowment lands can only be used for purposes specified by the <i>Local Government Act 1974</i> and the <i>Local Government Act 2002</i> . This reserve fund relates to all groups of activities.				
Total reserves				
	11,244,278	11,902,061	11,244,278	11,902,061
<i>Asset revaluation reserves</i>				
Opening balance	3,723,232	3,841,414	54,755,778	54,873,960
Transfer to retained earnings on asset disposal	-	-	(82,179)	-
Change in asset value	578,913	(118,182)	9,384,539	(118,182)
Closing balance	4,302,145	3,723,232	64,058,138	54,755,778
<i>Waitara flood control scheme</i>				
Opening balance	2,544,660	2,724,762	2,544,660	2,724,762
Change in asset value	389,713	(180,102)	389,713	(180,102)
Closing balance	2,934,373	2,544,660	2,934,373	2,544,660
<i>Waiwhakaiho flood control scheme</i>				
Opening balance	1,161,772	1,106,852	1,161,772	1,106,852
Change in asset value	154,100	54,920	154,100	54,920
Closing balance	1,315,872	1,161,772	1,315,872	1,161,772
<i>Okato flood control scheme</i>				
Opening balance	16,800	9,800	16,800	9,800
Change in asset value	35,100	7,000	35,100	7,000
Closing balance	51,900	16,800	51,900	16,800
<i>Land</i>				
Opening balance	-	-	49,196,802	49,196,802
Change in asset value	-	-	8,805,626	-
Closing balance	-	-	58,002,428	49,196,802
<i>Buildings</i>				
Opening balance	-	-	1,835,744	1,835,744
Transfer to retained earnings on asset disposal	-	-	(82,179)	-
Change in asset value	-	-	-	-
Closing balance	-	-	1,753,565	1,835,744
Total asset revaluation reserves				
	4,302,145	3,723,232	64,058,138	54,755,778
<i>Cash flow hedge reserve</i>				
Opening balance	-	-	(505,785)	1,301,241
Change in cash flow hedge reserve	-	-	(1,440,666)	(1,807,026)
Total cash flow hedge reserve	-	-	(1,946,451)	(505,785)
Total public equity	80,256,632	79,293,812	214,388,526	201,976,211

POLICIES

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

The Council manages the Group's capital 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. 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.

19. REMUNERATION

	Council	
	2015/2016 Actual \$	2014/2015 Actual \$
Total remuneration of Members		
Councillor M J Cloke	47,436	42,938
Councillor M G Davey	37,344	33,835
Councillor P D Horton	37,835	34,917
Councillor M A Irving	37,127	33,841
Councillor B R Jeffares	44,552	40,481
Councillor M P Joyce	42,224	39,429
Councillor D L Lean—Deputy Chairman	53,503	49,693
Councillor D N MacLeod—Chairman	98,124	94,830
Councillor R F H Maxwell	44,416	42,129
Councillor N W Walker	49,092	44,960
Councillor C S Williamson	39,827	34,659
Number of full-time employees	122	123
Full-time equivalent of all other employees	18	14
Number of employees receiving total annual remuneration below \$60,000	72	72
Number of employees receiving total annual remuneration between \$60,000 and \$79,999	54	51
Number of employees receiving total annual remuneration between \$80,000 and \$99,999	14	12
Number of employees receiving total annual remuneration between \$100,000 and \$119,999	7	6
Number of employees receiving total annual remuneration between \$120,000 and \$359,999	8	8

NOTES

The Chief Executive of the Taranaki Regional Council, appointed under section 42(1) of the Local Government Act 2002, received a salary of \$317,640 (\$311,321—2014/2015). 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 \$350,000 (\$343,492).

During the year ended 30 June 2016 the Council made one severance payment of \$10,000 (\$0 – 2014/2015).

20. SUBSEQUENT EVENTS

NOTES

For the Council, there have been no material events subsequent to balance date. On the 18 August 2016 Port Taranaki Ltd entered into a contract for Maintenance Dredging. Under this contract the company has guaranteed dredging of \$2.04 million per campaign (i.e. biannually). The contract commences October 2017, and the first campaign under this contract would be in February/March 2019. There are five campaigns during the contract for a total guaranteed value of \$10.2m.

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

Notes	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Surplus/(deficit) for the period	383,907	879,325	4,468,442	8,227,374
<i>Add/(less) non-cash items</i>				
Depreciation and amortisation	1,326,752	1,333,022	8,933,907	9,113,955
Deferred tax movement	-	-	(243,495)	(97,351)
Investment property: unrealised (gain)/loss	(848,000)	284,500	(848,000)	284,500
	862,659	2,496,847	12,310,854	17,528,478
<i>Add/(less) movements in assets and liabilities</i>				
Trade and other receivables	(119,693)	(528,342)	(1,123,484)	2,722,355
Prepayments	(75,455)	(4,508)	(75,455)	(4,508)
Inventories	225,019	(171,871)	279,749	(159,843)
Derivative financial instruments	-	-	1,440,666	1,807,026
Work in progress—current liability	(128,991)	(21,216)	(128,991)	(21,216)
Work in progress—current asset	(1,857)	134,343	(1,857)	134,343
Trade and other payables	(284,065)	436,011	(3,060,788)	(2,967,233)
Employee entitlements	167,668	102,595	(291,929)	151,878
Taxation payable	7,888	-	99,986	(1,250,508)
<i>Add/(less) investing activity items</i>				
(Profit)/loss on sale of assets (net)	369,949	(86,020)	537,278	(90,934)
(Profit)/loss on sale of investment property (net)	-	(37,000)	-	(37,000)
Movement in fixed asset creditors	320,633	(347,509)	1,241,506	(751,675)
Movement in investment creditors	-	24,058	-	24,058
Cash inflow from operating activities	1,343,755	1,997,388	11,227,535	17,085,221

POLICIES

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

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

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

22. RELATED PARTY TRANSACTIONS

Notes	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Councillors total remuneration (11 people, 3 FTE)	531,482	491,712	531,482	491,712
Council senior management total remuneration (5 FTE)	1,171,365	1,143,742	1,171,365	1,143,742
Port Directors total remuneration (1 FTE)	-	-	290,446	299,970
Port senior management total remuneration (5 FTE)	-	-	1,975,193	2,060,802

POLICIES

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.

NOTES

Councillors and key management are, as part of a normal customer relationship, involved with minor transactions with the Council (such as payment of rates). The Chairperson of the Council (Councillor 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 was a Director of the TSB Bank Limited (retired December 2015). 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 \$nil (\$8,200—2014/2015). Key management personnel include the Chairperson, Councillors, Chief Executive and Directors (second tier managers).

23. COMMITMENTS AND CONTINGENCIES

Notes	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Commitments				
Capital commitments approved and contracted	1,938,187	666,351	8,929,369	2,458,447
Total commitments	1,938,187	666,351	8,929,369	2,458,447
Non cancellable operating lease commitments				
Lease commitments due as follows:				
Within 1 year	-	-	-	-
Between 1-5 years	-	-	-	-
Greater than 5 years	-	-	-	7,397
Total operating lease commitments	-	-	-	7,397
Lease payments under operating leases recognised as an expense during the year.	-	-	5,325	8,719

NOTES

The Taranaki Regional Council has no known contingent liabilities as at 30 June 2016 (Nil—2014/2015).

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.

As at 30 June 2016, the Council has a contingent asset for fines waiting to be awarded on four prosecutions through the Environment Court. In August 2016 the fines awarded in favour of the Council on these prosecutions totalled \$153,000.

24. LEASING ARRANGEMENTS

Notes	Council		Group	
	2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Non-cancellable operating lease receivables				
Lease commitments due as follows:				
Not later than one year	815,123	833,443	770,741	3,273,991
Later than one year and not later than five years	2,571,703	3,018,360	2,394,175	9,195,029
Later than five years	1,683,588	2,059,281	1,535,648	9,539,587

POLICIES

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

NOTES

Operating leases relate to investment properties owned by the Group 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.

25. STATUTORY COMPLIANCE

NOTES

In 2015/2016 there were no breaches of statutory compliance by the Council. Port Taranaki Ltd had one breach of statutory compliance relating to the notification of a new director to the NZ Companies Office within 20 business days of appointment. This breach has since been rectified. There were no breaches in 2014/2015.

26. RATING BASE INFORMATION

	Council	
	2015/2016 Actual \$	2014/2015 Actual \$
The number of rating units within the region at the end of the preceding financial year	55,415	54,245
The total capital value of rating units within the region at the end of the preceding financial year	29,768,928,140	27,929,732,750
The total land value of rating units within the region at the end of the preceding financial year	17,678,587,590	16,305,556,600

27. INSURANCE OF ASSETS

	Council	
	2015/2016 Actual \$	2014/2015 Actual \$
Total value of all assets of the local authority that are covered by insurance contracts	11,210,577	10,460,918
Maximum amount to which they are insured	36,677,394	31,224,910
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)	12,333,650	11,017,700
Total value of funds maintained for self-insured assets (only flood protection and control works)	1,086,000	1,481,000

28. WORK-IN-PROGRESS

POLICIES

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

29. FINANCIAL INSTRUMENTS

POLICIES AND NOTES

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 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.

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 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. 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.

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.

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.

A financial asset is derecognised 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.

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.

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.

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. 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.

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.

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

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. 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.

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.

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.

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.

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.

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.

The Group has a series of policies to manage the risks associated with financial instruments. The Group is risk averse and seeks to minimise exposure from its treasury activities. The Group does not enter into, or trade financial instruments, including derivative financial instruments for speculative purposes.

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 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.

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 and notes were independently valued to their market value by Bank of New Zealand as at 30 June 2016.

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.

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 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.

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/note investments as they are fixed interest and they are all held to maturity.

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.

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.

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 *2015/2025 Long-Term Plan*.

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—2014/2015).

The fair value of level two assets is determined using the methodology described in note 10 (Revaluations), note 14 (investment property) and note 29 (Categories of financial instruments).

Interest rate swap (note 29 (Categories of financial instruments)) \$(1,946,451) ((\$505,785)—2014/2015).

Land valuation (note 10 (Revaluations)) \$90,173,125 (\$76,433,000 – 2014/2015).
 Investment properties (note 14 (Investment property)) \$15,465,000 (\$14,617,000 – 2014/2015).
 Flood and river control assets (note 10 (Revaluations)) \$8,940,356 (\$8,361,443 – 2014/2015).

The estimated fair values of financial instruments are as follows:

	Notes	Council		Group	
		2015/2016 Actual \$	2014/2015 Actual \$	2015/2016 Actual \$	2014/2015 Actual \$
Financial assets					
Loans and receivables					
Foreign currency bank balances					
Carrying amount		-	-	378,295	20,086
Fair value		-	-	378,295	20,086
Term deposits					
Carrying amount		5,043,299	6,083,585	5,043,299	6,083,585
Fair value		5,043,299	6,083,585	5,043,299	6,083,585
Cash and cash equivalents					
Carrying amount		1,702,093	2,786,728	2,107,278	6,042,086
Fair value		1,702,093	2,786,728	2,107,278	6,042,086
Trade and other receivables					
Carrying amount		2,885,382	2,765,689	12,745,776	7,222,310
Fair value		2,885,382	2,765,689	12,745,776	7,222,310
Held-to-maturity					
Corporate bonds/notes					
Carrying amount		7,162,870	7,198,223	7,162,870	7,198,223
Fair value		7,346,141	7,516,244	7,346,141	7,516,244
Financial liabilities					
Trade and other payables					
Carrying amount		2,456,124	2,740,189	7,592,951	12,818,499
Fair value		2,456,124	2,740,189	7,592,951	12,818,499
Provisions					
Carrying amount		1,884,768	1,717,100	4,125,872	4,417,801
Fair value		1,884,768	1,717,100	4,125,872	4,417,801
Interest bearing loans					
Carrying amount		-	-	37,169,280	30,001,882
Fair value		-	-	35,415,595	30,001,882

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 2015/2016							
	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	2,456,124	-	-	-	-	2,456,124
Provisions (Council)	0.00	85,898	171,794	773,076	358,680	495,320	1,884,768
Trade and other payables (Trust)	0.00	-	518,474	-	-	-	518,474
Trade and other payables (Port)	0.00	2,404,661	261,143	1,952,549	-	-	4,618,353
Provisions (Port)	0.00	117,509	235,017	1,057,578	347,000	484,000	2,241,104
Variable interest rate instruments (Trust)	3.43	-	-	1,960,263	-	-	1,960,263
Variable interest rate instruments (Port)	3.18	-	280,288	840,864	36,416,373	-	37,537,525
Derivative financial instruments inflows/outflows (Port)	2.40	-	112,800	338,400	1,804,800	-	2,256,000
		5,064,192	1,579,516	6,922,730	38,926,853	979,320	53,472,611

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 (Port)	4.46	-	253	-	-	-	253
Derivative financial instruments inflows/outflows (Port)	4.08	-	306,000	918,000	31,327,956	-	32,551,956
	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

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 2015/2016							
	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	1,702,093	-	-	-	-	1,702,093
Current portion of investments (Council)	various*	2,043,299	1,531,535	6,089,972	-	-	9,664,806
Trade and other receivables (Council)	-	2,885,382	-	-	-	-	2,885,382
Non current portion of investments (Council)	various*	-	-	-	1,541,363	1,000,000	2,541,363
Cash and cash equivalents (Trust)	variable	440,242	-	-	-	-	440,242
Trade and other receivables (Trust)	-	22,539	-	-	-	-	22,539
Cash and cash equivalents (Port)	variable	343,238	-	-	-	-	343,238
Trade and other receivables (Port)	-	9,149,205	688,650	-	-	-	9,837,855
Total		16,585,998	2,220,185	6,089,972	1,541,363	1,000,000	27,437,518

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 13.

Funding Impact Statement

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

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

WHOLE OF COUNCIL FUNDING IMPACT STATEMENT

	2015/2016		2014/2015	
	Estimate Long-Term Plan \$	Actual \$	Estimate Annual Plan \$	Actual Annual Report \$
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	7,461,874	7,461,873	7,395,317	7,395,317
Targeted rates	1,665,845	1,665,845	1,762,817	1,762,817
Subsidies and grants for operating purposes	1,790,923	2,209,103	1,693,168	1,839,053
Fees and charges	8,010,386	7,305,624	7,447,539	7,412,130
Interest and dividends from investments	6,305,529	6,242,166	5,943,000	6,070,227
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	25,234,557	24,884,611	24,241,841	24,479,544
Applications of operating funding				
Payments to staff and suppliers	23,599,785	21,133,344	22,323,775	21,982,696
Finance costs	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	23,599,785	21,133,344	22,323,775	21,982,696
Surplus/(deficit) of operating funding	1,634,772	3,751,267	1,918,066	2,496,847
Sources of capital funding				
Subsidies and grants for capital expenditure	38,744	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	303,000	186,710	240,500	130,616
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	341,744	186,710	240,500	130,616
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	180,000	737,037	1,550,000	1,929,482
- to replace existing assets	3,561,150	2,633,070	2,543,150	2,643,612
Increase/(decrease) in reserves	71,509	(262,782)	101,184	641,230
Increase/(decrease) in investments	(1,836,143)	830,652	(2,035,768)	(2,586,861)
Total applications of capital funding	1,976,516	3,937,977	2,158,566	2,627,463
Surplus/(deficit) of capital funding	(1,634,772)	(3,751,267)	(1,918,066)	(2,496,847)
Funding balance	-	-	-	-

RESOURCE MANAGEMENT FUNDING IMPACT STATEMENT

	2015/2016		2014/2015	
	Estimate Long-Term Plan \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	3,841,829	3,841,829	3,468,056	3,575,413
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	245,000	562,484	255,400	237,500
Fees and charges	6,161,020	5,704,078	5,496,188	5,614,957
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	10,247,849	10,108,391	9,219,644	9,427,870
Applications of operating funding				
Payments to staff and suppliers	9,142,854	5,805,327	7,934,478	8,244,135
Finance costs	-	-	-	-
Internal charges and overheads applied	3,964,979	2,223,336	3,407,699	3,770,452
Other operating funding applications	-	-	-	-
Total applications of operating funding	13,107,833	8,028,663	11,342,177	12,014,587
Surplus/(deficit) of operating funding	(2,859,984)	2,079,728	(2,122,533)	(2,586,717)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	127,000	140,919	51,000	135,500
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	127,000	140,919	51,000	135,500
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	779,750	440,333	443,950	810,150
Increase/(decrease) in reserves	-	-	-	-
Increase/(decrease) in investments	(3,512,734)	1,780,314	(2,515,483)	(3,261,367)
Total applications of capital funding	(2,732,984)	2,220,647	(2,071,533)	(2,451,217)
Surplus/(deficit) of capital funding	2,859,984	(2,079,728)	2,122,533	2,586,717
Funding balance	-	-	-	-

BIOSECURITY FUNDING IMPACT STATEMENT

	2015/2016		2014/2015	
	Estimate Long-Term Plan \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	905,043	905,043	1,210,741	1,090,494
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	106,500	79,102	125,623	85,500
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	1,011,543	984,145	1,336,365	1,175,994
Applications of operating funding				
Payments to staff and suppliers	1,067,345	1,227,097	1,322,181	1,210,869
Finance costs	-	-	-	-
Internal charges and overheads applied	562,132	669,843	735,957	648,144
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,629,477	1,896,940	2,058,138	1,859,013
Surplus/(deficit) of operating funding	(617,934)	(912,795)	(721,774)	(683,019)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	113,000	45,791	38,500	48,500
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	113,000	45,791	38,500	48,500
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	335,200	80,470	198,500	244,500
Increase/(decrease) in reserves	50,000	50,000	50,000	85,000
Increase/(decrease) in investments	(890,134)	(997,474)	(931,774)	(964,019)
Total applications of capital funding	(504,934)	(867,004)	(683,274)	(634,519)
Surplus/(deficit) of capital funding	617,934	912,795	721,774	683,019
Funding balance	-	-	-	-

TRANSPORT FUNDING IMPACT STATEMENT

	2015/2016		2014/2015	
	Estimate Long-Term Plan \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	168,015	168,015	310,928	135,477
Targeted rates	748,774	748,774	901,727	781,196
Subsidies and grants for operating purposes	1,545,923	1,576,880	1,463,065	1,455,668
Fees and charges	1,234,086	1,053,359	1,399,224	1,181,013
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	3,696,798	3,547,028	4,074,944	3,553,354
Applications of operating funding				
Payments to staff and suppliers	3,767,293	3,537,843	4,121,524	3,561,946
Finance costs	-	-	-	-
Internal charges and overheads applied	145,288	145,294	133,484	135,030
Other operating funding applications	-	-	-	-
Total applications of operating funding	3,912,581	3,683,137	4,255,008	3,696,976
Surplus/(deficit) of operating funding	(215,783)	(136,109)	(180,064)	(143,622)
Sources of capital funding				
Subsidies and grants for capital expenditure	38,744	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	38,744	-	-	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	66,800	3,656	-	-
Increase/(decrease) in reserves	(41,655)	(39,564)	(33,195)	(35,854)
Increase/(decrease) in investments	(202,184)	(100,201)	(146,869)	(107,768)
Total applications of capital funding	(177,039)	(136,109)	(180,064)	(143,622)
Surplus/(deficit) of capital funding	215,783	136,109	180,064	143,622
Funding balance	-	-	-	-

HAZARD MANAGEMENT FUNDING IMPACT STATEMENT—CIVIL DEFENCE EMERGENCY MANAGEMENT

	2015/2016		2014/2015	
	Estimate Long-Term Plan \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	203,460	203,460	198,360	184,845
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	69,738	-	-
Fees and charges	376,780	380,042	342,324	344,069
Internal charges and overheads recovered	-	-	-	0
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	0
Total operating funding	580,240	653,240	540,684	528,914
Applications of operating funding				
Payments to staff and suppliers	509,827	570,781	448,085	464,694
Finance costs	-	-	-	-
Internal charges and overheads applied	206,635	204,132	196,466	183,329
Other operating funding applications	-	-	-	-
Total applications of operating funding	716,462	774,913	644,551	648,023
Surplus/(deficit) of operating funding	(136,222)	(121,673)	(103,867)	(119,109)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	8,000	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	8,000	-	-	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	69,400	5,635	41,000	81,000
Increase/(decrease) in reserves	-	-	-	-
Increase/(decrease) in investments	(197,622)	(127,308)	(144,867)	(200,109)
Total applications of capital funding	(128,222)	(121,673)	(103,867)	(119,109)
Surplus/(deficit) of capital funding	136,222	121,673	103,867	119,109
Funding balance	-	-	-	-

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

	2015/2016		2014/2015	
	Estimate Long-Term Plan \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	130,555	130,554	159,343	157,631
Targeted rates	624,533	624,533	643,704	684,518
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	20,000	22,389	20,000	20,000
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	775,088	777,476	823,047	862,149
Applications of operating funding				
Payments to staff and suppliers	418,721	744,540	587,876	516,434
Finance costs	-	-	-	-
Internal charges and overheads applied	105,664	106,177	87,173	103,869
Other operating funding applications	-	-	-	-
Total applications of operating funding	524,385	850,717	675,048	620,303
Surplus/(deficit) of operating funding	250,703	(73,241)	147,999	241,846
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	8,000	-	9,000	19,000
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	8,000	-	9,000	19,000
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	180,000	737,037	1,050,000	1,550,000
- to replace existing assets	-	35,016	-	-
Increase/(decrease) in reserves	63,164	(273,218)	50,249	52,038
Increase/(decrease) in investments	15,539	(572,076)	(943,250)	(1,341,192)
Total applications of capital funding	258,703	(73,241)	156,999	260,846
Surplus/(deficit) of capital funding	(250,703)	73,241	(147,999)	(241,846)
Funding balance	-	-	-	-

RECREATION, CULTURE AND HERITAGE FUNDING IMPACT STATEMENT

	2015/2016		2014/2015	
	Estimate Long-Term Plan \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	1,564,434	1,564,434	1,613,430	1,622,070
Targeted rates	292,538	292,538	331,632	297,103
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	105,000	65,703	184,534	175,000
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	1,961,972	1,922,675	2,129,596	2,094,173
Applications of operating funding				
Payments to staff and suppliers	2,192,755	2,713,151	2,192,044	2,238,852
Finance costs	-	-	-	-
Internal charges and overheads applied	808,330	810,294	795,453	804,986
Other operating funding applications	-	-	-	-
Total applications of operating funding	3,001,085	3,523,445	2,987,497	3,043,838
Surplus/(deficit) of operating funding	(1,039,113)	(1,600,770)	(857,900)	(949,665)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	31,000	-	-	7,000
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	31,000	-	-	7,000
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	1,686,500	1,470,141	131,000	630,000
Increase/(decrease) in reserves	-	-	-	-
Increase/(decrease) in investments	(2,694,613)	(3,070,911)	(988,900)	(1,572,665)
Total applications of capital funding	(1,008,113)	(1,600,770)	(857,900)	(942,665)
Surplus/(deficit) of capital funding	1,039,113	1,600,770	857,900	949,665
Funding balance	-	-	-	-

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT FUNDING IMPACT STATEMENT

	2015/2016		2014/2015	
	Estimate Long-Term Plan \$	Actual \$	Estimate Long-Term Plan \$	Estimate Annual Plan \$
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	648,538	648,538	661,308	629,387
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	7,000	952	25,000	27,000
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	655,538	649,490	686,308	656,387
Applications of operating funding				
Payments to staff and suppliers	786,833	816,885	707,732	770,533
Finance costs	-	-	-	-
Internal charges and overheads applied	405,221	405,892	416,251	387,951
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,192,054	1,222,777	1,123,983	1,158,484
Surplus/(deficit) of operating funding	(536,516)	(573,287)	(437,675)	(502,097)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	16,000	-	18,000	30,500
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	16,000	-	18,000	30,500
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	623,500	597,819	832,000	777,500
Increase/(decrease) in reserves	-	-	-	-
Increase/(decrease) in investments	(1,144,016)	(1,171,106)	(1,251,675)	(1,249,097)
Total applications of capital funding	(520,516)	(573,287)	(419,675)	(471,597)
Surplus/(deficit) of capital funding	536,516	573,287	437,675	502,097
Funding balance	-	-	-	-

Reporting and Prudence Regulations

Local Government (Financial Reporting and Prudence) Regulations 2014

ANNUAL REPORT DISCLOSURE STATEMENT FOR THE YEAR ENDING 30 JUNE 2016

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.

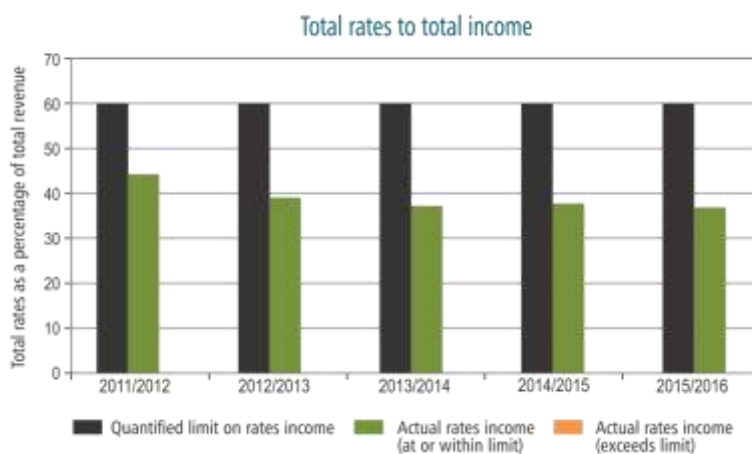
The Council is required to include this statement in its annual report in accordance with the *Local Government (Financial Reporting and Prudence) Regulations 2014* (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

RATES AFFORDABILITY BENCHMARK

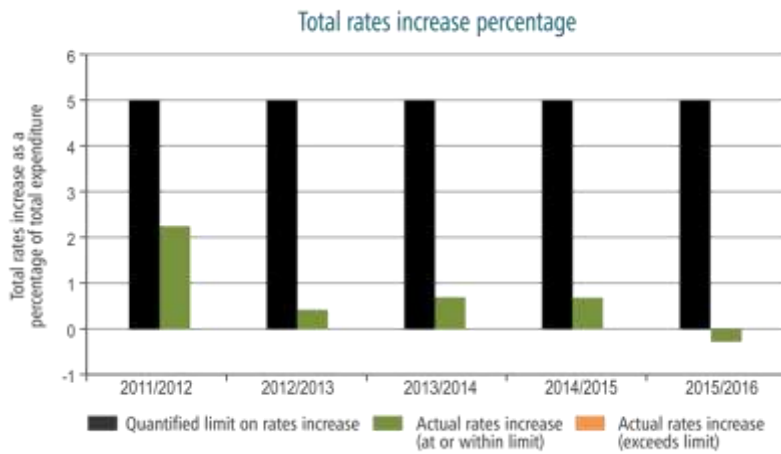
The Council meets the rates affordability benchmark if—

- 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.

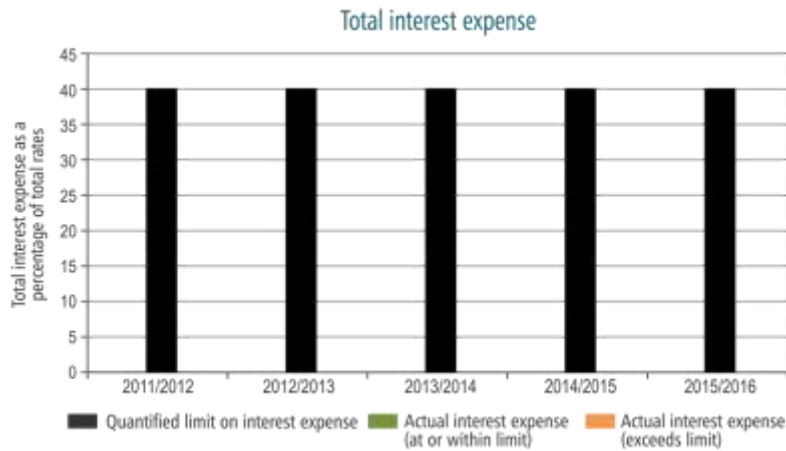


DEBT AFFORDABILITY BENCHMARK

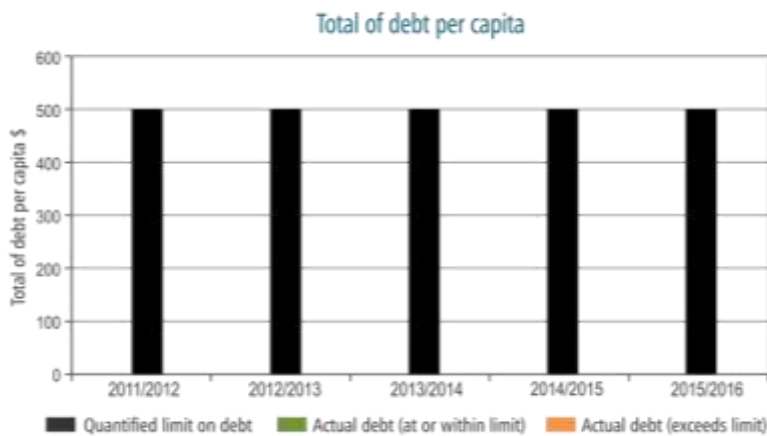
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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 2011/2012 to 2015/2016, 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.

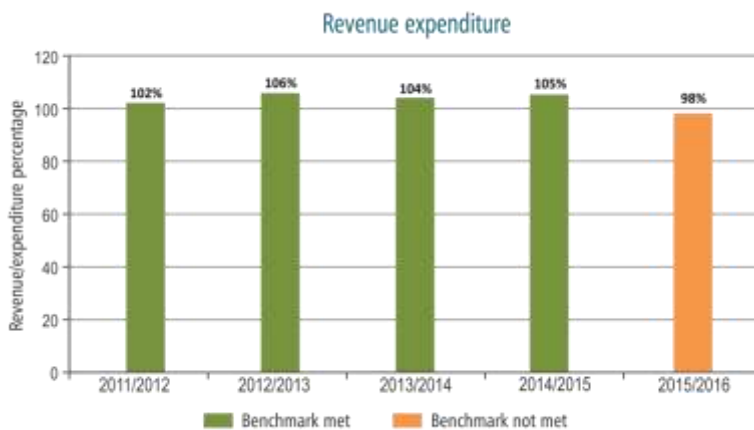


During the period 2011/2012 to 2015/2016, the Council had no external public debt and, consequently no interest expense. The graph shows that net external public debt per capita is \$0.

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.

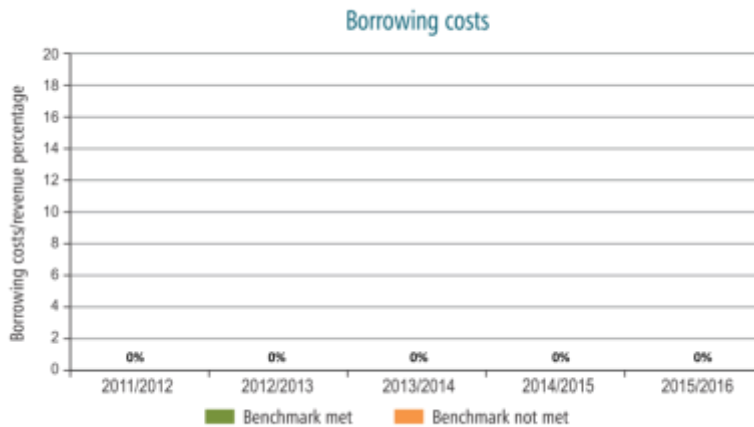
The Council’s only network services are in relation to flood protection and control works. The Council does not provide any of the other network services. These network services are in the form of land assets. Accordingly, there is no depreciation on these assets. The Council’s capital expenditure will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

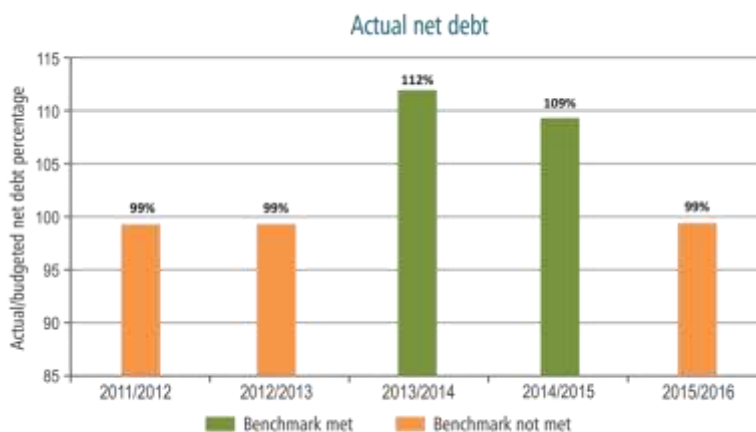
The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the 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 2011/2012 to 2015/2016, 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 2011/2012 to 2015/2016, 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.

