

Taranaki Regional Council

2019/2020 Annual Report

Working with people | caring for Taranaki





Table of Contents

- Table of Contents 1
- Chairman and Chief Executive’s Report 2
- At a glance..... 5
- Governance Report 10
- Working Together With Māori 12
- Staff Capacity..... 15
- The Taranaki Region..... 19
- Financial Trends..... 23
- Statement of Compliance & Responsibility..... 24
- Audit Report 25
- Achievement of Community Outcomes..... 28
- Performance Information 33
- Resource Management 34
- Biosecurity 49
- Transport..... 55
- Hazard Management 61
- Recreation, Culture and Heritage..... 69
- Regional Representation, Advocacy and Investment Management..... 76
- Financial Statements 84
- Explanatory Notes to the Financial Statements..... 89
- Funding Impact Statement..... 113
- Reporting and Prudence Regulations..... 121

Document 2470149

Chairman and Acting Chief Executive's Report

We are pleased to present the Taranaki Regional Council's 2019/2020 Annual Report.

As we all know, 2020 has brought unprecedented and extraordinary challenges for the region, the nation and the world. The impacts of COVID-19 will be felt for the foreseeable future but it's reassuring that the Council finished the year to 30 June in good financial shape and with most operational targets achieved or exceeded. We remain committed to supporting livelihoods, improving lifestyles and taking Taranaki forward.

It's worth highlighting a number of the noteworthy issues and achievements during the 2019/2020 year:

COVID-19 and its impacts

The Council was able to deliver the majority of its core services during the lockdown period from March to May, though inevitably some activities were curtailed. It was pleasing that no significant technical or logistical issues arose from having staff working from home, and they are to be commended for their efforts during this time.

We saw a significant impact on public transport operations, which were pared back to skeleton services for essential workers. Passenger numbers and fare box returns suffered accordingly, but they are beginning to recover.

Subsequent to the lockdown, the Council was able to benefit from a Government scheme to accelerate 'shovel-ready' projects to assist economic recovery from the consequences of COVID-19. A \$20 million grant has been secured for the Yarrow Stadium repair and refurbishment project. This project is discussed in more detail below.

Freshwater quality & riparian programme

Freshwater ecological health continues its improving trend in the region, with monitoring results still at or near the best since the programme began in 1995. Latest results, to June 2019, show statistically significant or very significant improvements at just under half the 59 monitored sites.

As has been independently confirmed by NIWA, a significant contributor to this improvement is the region's world-scale and non-regulatory riparian management programme, which is ever closer to full implementation. During the year to 30 June 2020, participating farmers voluntarily:

- Took delivery of almost 600,000 Council-supplied native plants for riparian protection – a record number despite COVID-19 restrictions
- Completed 339km of new fencing, taking the total of new fencing to 5,386km
- Completed 445km of new planting taking the total of new planting to 3,553km.

Taking pre-existing protection into account, total streambank fencing is now 14,174km and the total vegetated, where recommended, is now 9,419km.

Our consistent message to landowners is to crack on and get the job done, rather than wait to be forced by new regulations that will entail additional costs.

The Council's Riparian Management Programme will stand the region in good stead as the Government rolls out regulations and policies under its 'Action for Healthy Waterways' initiative. While some of the Government's initial proposals have been moderated or modified in the face of strong arguments by this Council and others, we're still seeing new measures that have significant implications for the whole region. Already, new requirements are adding complexity and cost to the resource consenting process and consent compliance, as well as ratepayer-funded environmental monitoring.

There's been a huge community buy-in to the effort to improve this region's waterways, and good results are being achieved. Our geography, hydrology and geology are unique in New Zealand. So it's disappointing to see

one-size-fits-all national regulations that are unlikely to result in much more progress, despite their cost to the region. But we can't ignore them. We have a history of meeting challenges with the most effective and pragmatic solutions that suit this region. Now we must do it again.

In the meantime, we're looking forward to a positive and fruitful partnership with iwi and hapū as we work together to improve the health of Waitara River and its catchment. Under the *New Plymouth District Council (Waitara Lands) Act 2018*, a portion of endowment land proceeds is directed to this Council and hapū for this specific purpose. The Act stipulates that use of these funds should be decided through a joint committee arrangement involving the Council and relevant iwi and hapū authorities. These funds continued to accumulate during the year. Committee arrangements were still being finalised as the year ended.

Towards Predator-Free Taranaki - Taranaki Taku Tūranga

The ground-breaking *Towards Predator-Free Taranaki* project is well-established and is leading the way nationally with its work to restore native bush and wildlife by removing predators from urban, rural and conservation land.

Launched in May 2018, it was the first large-scale project in New Zealand with the long-term goal of removing introduced predators from a region. It has attracted support from rural and urban residents, iwi, community organisations and schools, with innovative tools and methods deployed to eradicate possums, rats and mustelids (stoats, ferrets and weasels) from different landscapes.

Thousands of traps have been rolled out across the region –around 12,000 traps in New Plymouth alone –with the majority maintained by private landowners and volunteers. Early indications are they are making a real difference, borne out in surveys as well as anecdotal evidence pointing to increased populations of native birds and wildlife.

The Council-led project will cost \$47 million in the first five years, with \$11.7 million support from the Government.

Yarrow Stadium

As already noted, the Yarrow Stadium repair and refurbishment project was awarded a \$20 million grant under the Government's 'shovel-ready' economic recovery initiative. This is great news for the region and its ratepayers. The funding will be received over the next three financial years.

Works were put on hold during the lockdown while we conducted a thorough review of the project in the light of changing circumstances arising from the impacts of COVID-19. The review gave us a clearer understanding of the stadium's prospects.

Work on the project began ramping up again shortly after the end of the financial year. The first priority is repairing the West Stand, with announcements pending on other aspects of the project.

End of an era

The end of the 2019/2020 year brought a significant milestone with the retirement of Basil Chamberlain, the Council's Chief Executive since its establishment in 1989.



Basil was fully committed to the region for all of those 30 years and made an extraordinary contribution. The region has benefited immensely from his powerful intellect and his superb ability to strategize and develop robust and effective processes and programmes.

We wish Basil well in his retirement, and we welcome Steve Ruru as the new Chief Executive. Steve will take up the role in early October, having previously served as Chief Executive of Southland District Council, Kaipara District Council and Thames-Coromandel District Council.

The \$20 million grant means that ratepayers can confidently expect a reduction of just over 40% in their Yarrow Stadium targeted rates from July 2021. The grant also made it easier for us to decide on options for the project, and we're excited about the direction in which it's heading.

We remain committed to restoring its status as the nation's top regional venue.

Strong financial position

The Council finished the 2019/2020 financial year with a surplus of \$7.5m. This result was strongly and favourably influenced by property and asset revaluations (\$1.4m) and the non-commencement of expenditure on the Waitara River catchment (following enactment of the New Plymouth District Council (Waitara Lands) Act 2018 - see above). Excluding these extraordinary influences, the budget ran as planned, a pleasing result.

We gratefully acknowledge the efforts and achievements of staff during the year, ably governed by a team of councillors providing clear direction and leadership, consistent with our mission. It was a very busy period and the Council has been resolute in its efforts to support livelihoods, improve lifestyles and take Taranaki forward.



David MacLeod
Chairman



Mike Nield
Acting Chief Executive





Reporting environmental performance

120 major consent monitoring programmes publicly reported

98% 'high' or 'good' environmental performance for major consents.

94.8% dairy farms complied with consent conditions

✓ High level of environmental performance by industries and farming sector.



Removing predators and targeting pest plants

12,000 predator traps rolled out in urban New Plymouth and NPDC reserves to move Towards Predator-Free Taranaki

6.8% residual catch rate across self-help possum control programme, significantly reducing effects on biodiversity and agricultural production

1,246 inspections for pest plants.

Enforcing environmental standards

529 environmental incidents attended - control and cleanup initiated where required.

187 abatement notices served

5 prosecutions launched

105 infringement notices issued.



✓ Growing support for Towards Predator-Free Taranaki has proven benefits for native biodiversity.



Planting and fencing streambanks

6.2m

plants put along streams by landowners.
Almost 600,000 this year along 444.7 km

88.1% riparian plan streambanks
protected with fencing

76.3% riparian plan streambanks
protected with vegetation.

Sustainable land management

456 sustainable land management
plans over 68% of private
hillcountry land

87% hill country being
managed sustainably



Regulating use of natural resources

100%

resource consents processed in
RMA timeframes for the past 20 years

Prepared for nature's extremes

2065 year to which climate change
predictions were factored into design
of recently upgraded Lower
Waiwhakaiho and Lower Waitara Flood Protection Schemes.

100% performance rating standard to which
all flood schemes were maintained in
2019/2020.

4 Councils make up the Taranaki Civil Defence
Emergency Management Group, whose meetings
are hosted and administered by the TRC.





Checking marine and river health

99%

coastal beaches samples met MfE bathing guidelines over summer

80%

freshwater bathing site samples met MfE bathing guidelines over summer

44%

freshwater ecological sites show significant trends of improvement

75%

nutrient measures at representative surface water sites stable or improving in recent years



Consistent progress in waterway health

Public bus services and transport

510,212 passenger trips on New Plymouth's Citylink urban service

50,522 subsidised trips by 1701 Total Mobility cardholders

25,072 passenger trips on the Hāwera-New Plymouth service



World-class gardens

116,609 Visitors to Tūpare, Pukeiti and Hollard Gardens despite COVID-19

1370 rhododendron types at Pukeiti - up 86 on previous year

Assisting Puke Ariki, heritage and culture

Funding of two projects at Puke Ariki and one at Aotea Utanganui Museum of South Taranaki.



Ensuring clean air **100%**

air-discharge consent-holders with 'good' or 'high' consent compliance



\$20m Yarrow Stadium

COVID-19 economic recovery funding secured for Stadium repair and refurbishment project

Restoring native habitats



100%

improvement rate found in progress checks at 8 Key Native Ecosystems. Baseline assessments completed at another 36 sites.

24

new biodiversity plans covering 584 ha of ecologically important habitats on private land. Total of 155 plans covering 5708 ha.

Port Taranaki ownership

\$8m dividends from Council-owned Port Taranaki Ltd.



Building scientific knowledge

7 National Science Challenges projects in which the Council is involved

Sound financial performance



Council balance sheet remains very strong, with only \$4m of public debt.

Speaking for the region

22 submissions on policy initiatives of other agencies



Educating future generations

7,791

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

17

environmental champions recognized by TRC Environmental Awards

60

Taranaki schools and kindergartens in Council-supported Enviroschools programme

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

Taranaki Regional Council	
Committees	
Executive, Audit and Risk Neil Walker (Chairperson) Tom Cloke David Lean Charlotte Littlewood Matthew McDonald David MacLeod Michael Joyce Bruce Robertson	Policy and Planning Charlotte Littlewood (Chairperson) Neil Walker (Deputy Chair) Mike Davey Matthew McDonald Donald McIntyre Craig Williamson Elvina Van Der Leden David MacLeod Michael Joyce Stacey Hitchcock - NPDC Richard Jordan (alt) - NPDC Grant Boyde - SDC Chris Young - STDC Brian Rook (alt) - STDC Phill Muir - Federated Farmers Bonita Bigham - Iwi Peter Moeahu - Iwi Louise Tester - Iwi
Taranaki Civil Defence Emergency Management Group Tom Cloke (Chairperson) - TRC David MacLeod (alt) - TRC Mayor Neil Holdom - NPDC Richard Jordan (alt) - NPDC Mayor Neil Volzke - SDC Alan Jamieson (alt) - SDC Mayor Phil Nixon - STDC Robert Northcott (alt) - STDC	Consents and Regulatory David Lean (Chairperson) Craig Williamson (Deputy Chair) Tom Cloke Mike Davey Charlotte Littlewood Donald McIntyre Elvina Van Der Leden David MacLeod Michael Joyce Emily Bailey - Iwi Mitchell Ritai - Iwi Keith Holswich - Iwi
Taranaki Solid Waste Management Committee Neil Walker - TRC Donald McIntyre (alt) - TRC Richard Handley - NPDC Murray Chong (alt) - NPDC Alan Jamieson - SDC Mayor Neil Volzke (alt) - SDC Bryan Roach - STDC Mark Bellringer (alt) - STDC	Yarrow Stadium Joint Committee Members to be appointed and confirmed
Regional Transport Committee Matthew McDonald (Chair) - TRC Tom Cloke (Deputy Chair) David MacLeod - TRC Harry Duynhoven - NPDC Colin Johnston (alt) - NPDC Mayor Neil Volzke - SDC Jono Erwood (alt) - SDC Mayor Phil Nixon - STDC Robert Northcott (alt) - STDC Emma Speight - NZTA Ross l'Anson (alt) - NZTA	

Figure 1: Committee Structure at 30 June 2020

With the exception of the Executive, Audit and Risk 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.

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 adopted structure and approach provides an efficient basis for the sound consideration of issues and the making of good decisions.

Division of responsibility

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

Legislative compliance

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

Environmental compliance

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

Working Together With Māori

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

It is part of the Council's mission 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 it intends to take to foster the development of Māori capacity to contribute to the decision making processes over the period covered by the *Plan*.

There are eight recognised iwi in the region, Ngaa Rauru Kiihahi, Ngāti Ruanui, Ngāruahine, Taranaki Iwi, Te Atiawa, Ngāti Mutunga, Ngāti Maru and Ngāti Tama. It should also be noted that Ngāti Maniapoto have indicated a small overlapping interest in North Taranaki as part of their treaty settlement negotiations with the Crown, which will involve the establishment of a relationship agreement with this Council.

Policy development

Opportunities were provided to Māori to be involved in the development of policy and in particular input was sought or opportunities provided in regards to:

- the proposed *Coastal Plan for Taranaki* has progressed to the Environment Court for mediation to resolve outstanding issues raised by various stakeholders and individuals. The Plan has a focus on acknowledgement of cultural values and the recognition of statutory acknowledgements and sites of significance within the coastal marine area.
- the establishment and operation of the Wai Maori working group (iwi and hapū) for the review of the air, soil and freshwater plans towards a proposed draft of the Natural Resources Plan.
- discussions with iwi/hapu and other councils to gain an understanding of Mātauranga Māori and how it will be included into the monitoring programme for freshwater within Taranaki.
- a watching brief is maintained on the status of Marine and Coastal Area (MACA) applications from iwi and hapū.
- discussions continue with most of the iwi of Taranaki and the regional and district councils on the joint development of a collective Mana Whakahono a Rohe (iwi relationship) agreement.

Resource Consent Processes

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

- ongoing engagement with iwi authorities and hapū on resource consent applications within their respective rohe, in recognition of their Treaty of Waitangi settlement's and associated statutory acknowledgement areas.
- notification to iwi and hapū of resource consents applications in the coastal marine area that are associated with their respective MACA applications that are before the High court and the Crown.
- continued engagement with Ngāti Manuhiakai hapū and company representatives on the renewal of resource consents for Taranaki By-Products Ltd.
- in association with Trustpower staff, and along with Te Atiawa and Ngāti Maru representatives, we visited a number of hydroelectricity sites in Taranaki as a lead up to the re-consenting process for those sites later this year.



Enforcement

As Kaitiaki, Maori are involved in enforcement, including providing victim impact statements for Council initiated prosecutions under the *Resource Management Act*.

Ongoing Engagement

Maintained and developed processes for ongoing engagement with Māori on a number of fronts from meetings to discuss matters of mutual interest. During the year activities included:

- the work with Ngāti Mutunga on the Urenui and Mimi estuary, as part of the Estuary Vulnerability Assessment project and the cultural research by the Iwi has just concluded with a joint iwi/council presentation of their report.
- the Wai Maori working group established last year with iwi and hapu representatives from across the region has continued to meet regularly with policy staff and a mediator, to input into the draft *Natural Resources Plan*. The working group is financially supported by the Council. To date they have met as a roopu every six weeks from April last year (9 meetings).
- continued support for Tiaki Te Mauri o Paraninihi Trust for pest control and eradication in the Mount Messenger Conservation Area.
- the environmental management plan for Te Kotahitanga o Te Atiawa was presented by their iwi environmental staff in June of this year.
- the powhiri whakatau for the Council environment awards was led by the Chairman for Ngāti Te Whiti hapū Trenton Martin. The awards were again well attended, particularly with the number of schools and community groups receiving recognition for their great efforts this year.
- interaction with Okahu-Inuawai Mana Taiao representatives on a number resource consent applications within their rohe has continued as has support for the National Kaitiaki Wananga hosted by the hapū at Aotearoa Marae in late October early November last year.
- continued updates of the Taranaki Maunga Treaty Settlement negotiations from Iwi and Crown negotiators.
- discussions with Ngāti Maru Treaty negotiators and Te Arawhiti (Office of Treaty Settlements) to develop a joint management agreement is continuing.

- preliminary discussions with Ngāti Maniapoto Treaty negotiators and Te Arawhiti (OTS) on a relationship agreement.
- meetings with Parihaka representatives to discuss and explore options for a water supply and other environmental enhancements as part of the infrastructure build project for Parihaka.
- work with Nga Mahanga a Tairi hapū and Puniho and Oakura marae representatives towards a memorandum of understanding regarding Pukeiti gardens have continued.
- protection of the Piharau spawning area located on a tributary of the Waitara River remains a priority for Ngāti Maru and discussions with the land and forestry owners are ongoing.

Representation

Iwi participation in the decision making of the Policy and Planning and Consents and Regulatory standing committees has continued with the appointment and endorsement of three new and three returning representatives. The powhiri whakatau for the representatives was held on 3 March led by Council kaumatua and kuia Sandy Parata and Joyce Luke from Ngāti Ruanui. However, due to the Covid 19 lockdown the first meetings for the representatives were on 9 June. Inductions for the representatives have been scheduled for later in July early August.

Information management

A number of iwi and hapū have been provided with access to various layers of environmental and sites of significance data on the GIS (geographic information system). The sites of significance data, is a result of the current plan reviews and active engagement with iwi and hapū to identify and log those sites for consideration and protection as part of the policy and planning process. Guidelines on access to sensitive data are in development including a provision for a memorandum of understanding agreement. Maintenance of the regional Iwi contacts list is ongoing.

Training

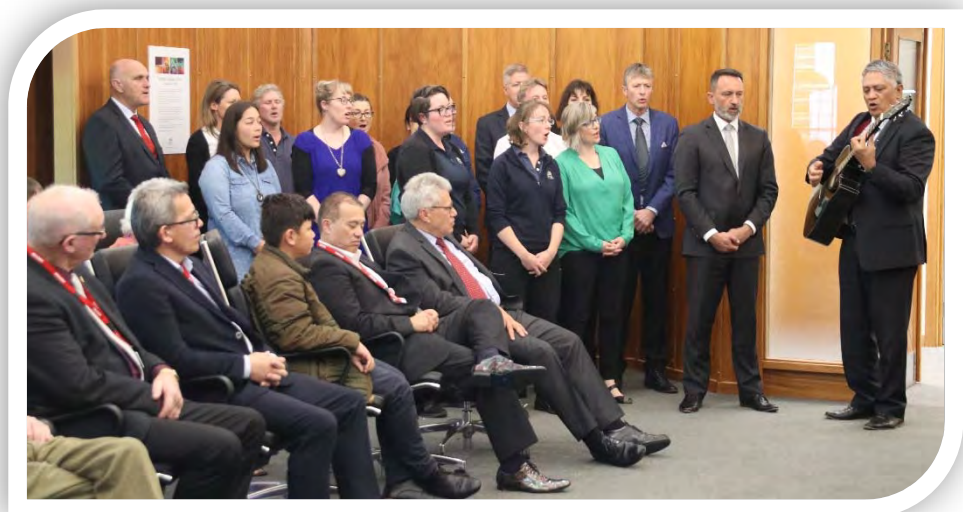
The cultural awareness programme for the staff and councillors has continued throughout the year with guidance in basic te reo, place name pronunciation, waiata and tikanga.

Resources

Support for iwi and hapū environmental projects is ongoing. In particular, letters of support for environmental research project funding applications have been provided. The involvement of iwi and hapū members in research projects such as the recent water allocation projects for small streams and rivers over a particular size has continued.

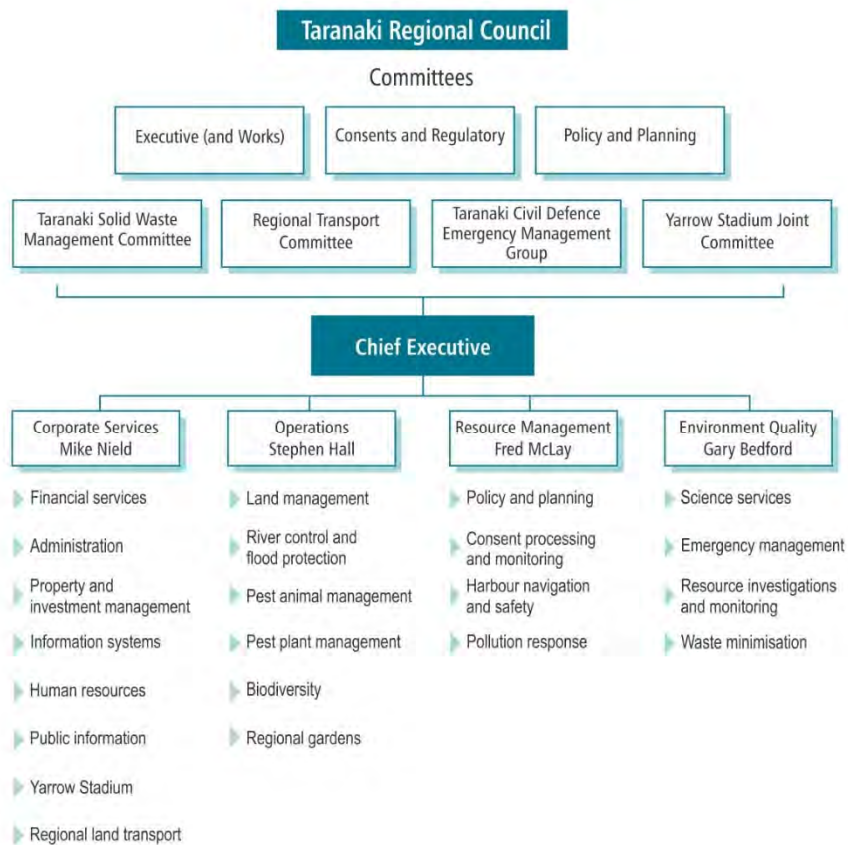
Review

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

Values statement

The staff are committed to:

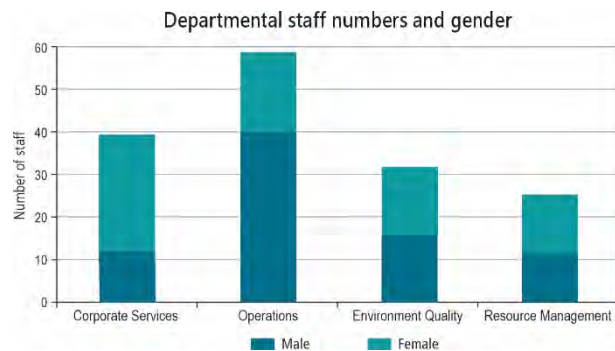
PUBLIC SERVICE

- 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.

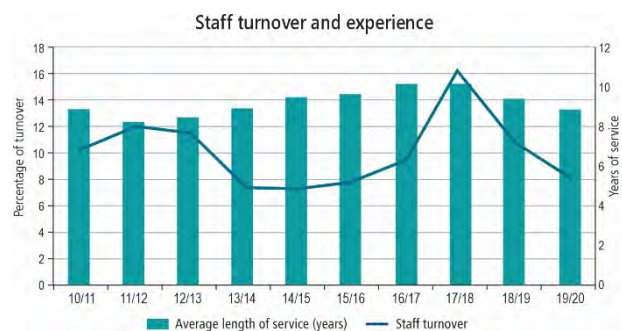


IMPROVING THE QUALITY OF OUR PERFORMANCE

- 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.

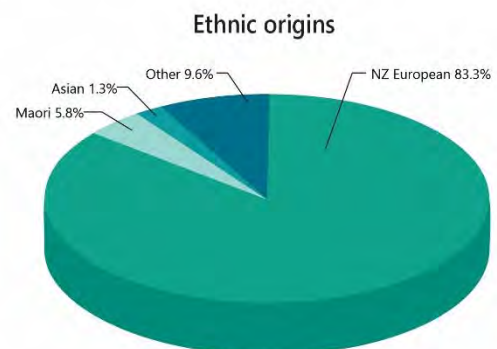
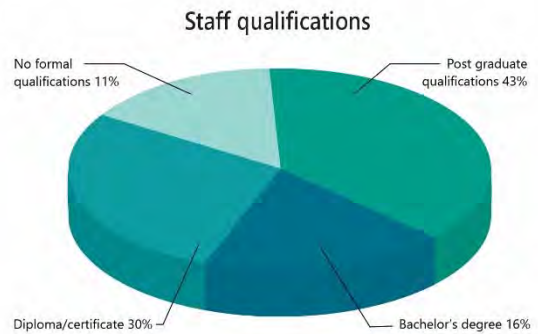
Performance metrics to measure individual, group and total performance across a full range of processes and outputs have been developed. This information is provided to all staff through the intranet and other means, at regular intervals. The individual performance and development programme incorporates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

Employment agreements

One-hundred and fifty-six (2018/2019—153) permanent staff are employed. Of these, 78% (77%) are employed under the *Taranaki Regional Council Collective Agreement*, with the balance employed on individual agreements and expired Collective Agreements. Staff employed under the collective agreement are represented by the Taranaki Regional Council Officers Staff Association Incorporated. We also have a number of staff who belong to the Public Service Association.

Equal employment opportunity

We are committed to the principle of equal opportunity in the recruitment, employment, training and promotion of its employees. We aim to provide a welcoming environment which accepts diversity.



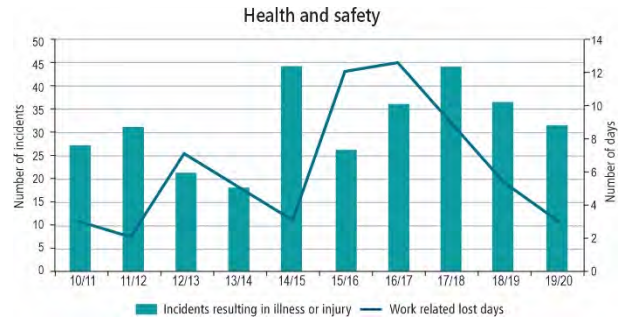
There is an awareness of and an intent to, eliminate discrimination in the areas of race, colour, ethnic or national origin, gender, religious beliefs, marital status, family responsibilities, sexual orientation, special needs, or age. Recruitment is designed to select from the widest possible cross-section of candidates in a non-discriminatory way. Data is collected to provide information for input into equal employment opportunity policy development, implementation and evaluation, whilst ensuring confidentiality.

Health and safety

The safety of staff, contractors and the public is taken seriously. All staff are provided with training and other services to promote health and safety in the workplace.

The aim is for no staff time lost from work-related incidents.

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



Training and experience

We are committed to ensuring staff are appropriately qualified, experienced and trained.

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

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.

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.



Figure 2: The Taranaki Region

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 Māori 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 1,620 dairy herds and about 477,311 dairy cows, producing approximately 9.0% of New Zealand's total milksolids. In addition to direct farm income from milk production, the added value by the processing of milk, whey and cheese manufacturing, is a significant contributor to employment.

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

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

The oil and gas industry is a major contributor to the regional economy. The Taranaki Basin is currently New Zealand's only hydrocarbon producing area, with the Kapuni and the offshore Maui fields making up the major part of New Zealand's natural gas resources. Extensive drilling programmes have continued in an effort to support the Kapuni and Maui fields. These have resulted in a number of significant additional fields being discovered in recent decades. 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. Other fields discovered or brought into production since 2000 include the Kauri and Tui fields, and the offshore Kupe field.

In April 2018, the Government announced an end to offshore oil and gas exploration in New Zealand. However, the decision does not affect existing permits.

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 665,048 guest nights spent in commercial accommodation in the Taranaki region by domestic and international visitors in the year to the end of December 2018– an increase of 1.9% over the previous year. This represented an easing of growth in total guest nights spent in Taranaki compared with recent years. However, estimates of visitor spend in the region continues to increase with rates of growth at higher levels than many other New Zealand regions.

Approximately 80% of visitors were domestic visitors and 20% were international visitors. The region continued to promote itself on the back of travel guide *Lonely Planet* having chosen Taranaki as the second best region in the world to visit in 2017.

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.

In an effort to diversify the economy and build long-term resilience, a major review of the Taranaki regional economic development strategy, *Tapuae Roa: Make Way for Taranaki* was completed in April 2018 with the launch of the Tapuae Roa Action Plan.

The review process has involved all local authorities in Taranaki working together with central government, iwi, business and community leaders. Work is now underway in implementing the Strategy and Action Plan.

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 will continue to be given to promoting good land and riparian management practices.

In recent years the Council has required disposal of farm dairy effluent to land wherever possible in preference to disposal to water. The Council's long-running riparian management programme continues to transform the Taranaki landscape, leading to improvements in water quality and indigenous biodiversity.

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 inland hill country experience significant soil erosion but changes to more sustainable land use practices and conversion to forestry present opportunities to address this. The development of a tree planting decision support portal is underway to assist 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 ecologically and culturally sensitive areas within the coastal environment, and that allows appropriate coastal use and development
- promoting protection of the region's indigenous biodiversity where the Council has ramped up its efforts in recent years
- 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 the regions natural and physical resources. Inherent in this relationship is kaitiakitanga which seeks to maintain the māuri of these resources, while allowing the ability to use and develop them for social, cultural and economic well-being. Iwi either individually or as a collective wish to maintain meaningful and adequate input to Council decision-making and to have effective and efficient structures and processes in place to enable that to occur.

Financial Trends

	Actual 2019/20	Budget 2019/20	Actual 2018/19	Actual 2017/18	Actual 2016/17	Actual 2015/16	Actual 2014/15	Actual 2013/14	Actual 2012/13	Actual 2011/12	Actual 2010/11
General rates	\$7.95m	\$7.95m	\$7.95m	\$7.61m	\$7.54m	\$7.46m	\$7.40m	\$7.29m	\$7.18m	\$7.18m	\$6.85m
Percent change	0%	0%	4.5%	1.0%	1.0%	0.9%	1.4%	1.5%	0%	4.82%	20.2%
General rates to income	18.3%	18.1%	22.2%	28.5%	30.0%	30.0%	30.2%	29.9%	31.6%	36.2%	31.8%
Rates per \$100,000 capital value	\$25.80	\$25.80	\$14.17	\$15.55	\$15.99	\$16.64	\$16.71	\$17.18	\$19.47	\$17.34	\$17.25
Total expenditure	\$37.8m	\$45.1m	\$31.3m	\$26.6m	\$24.8m	\$25.3m	\$23.3m	\$23.0m	\$21.5m	\$19.8m	\$18.6m
Percent change	20.7%	40.9%	17.7%	7.31%	-2.2%	8.6%	1.30%	7.0%	9.97%	6.12%	11.63%
Operating surplus/(deficit)	\$7.53m	\$1.16m	\$5.99m	\$0.96m	\$1.6m	\$0.97m	\$0.76m	\$1.4m	\$1.6m	\$0.32m	\$2.9m
Working capital	\$15.8m	\$0.32m	\$9.4m	\$5.6m	\$7.7m	\$11.0m	\$9.0m	\$4.3m	\$2.5m	\$2.2m	\$1.8m
Current ratio	2.4:1	1.07:1	2.26:1	1.87:1	2.7:1	3.78:1	3.11:1	2.12:1	1.72:1	1.53:1	1.55:1
Total assets	\$108.2m	\$113.2m	\$97.0m	\$90.0m	\$87.3m	\$85.1m	\$84.3m	\$83.1m	\$80.9m	\$79.6m	\$78.4m
Public debt	\$4m	\$22.8m	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public debt to total assets	3.7%	20.1%	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 2020 fairly reflect the financial position and operations of the Taranaki Regional Council.



David MacLeod
Chairman
22 September 2020



Michael Nield
Acting Chief Executive
22 September 2020

Audit Report



Independent Auditor's Report: To the Readers of Taranaki Regional Council's Annual Report for the Year Ended 30 June 2020

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

We are also required to report on:

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

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

We completed our work on 22 September 2020. This is the date on which we give our report.

Opinion on the audited information - Group

Qualified Opinion on the financial statements – Limited procedures over the carrying value of Yarrow Stadium

In our opinion, except for the matter described in the Basis for our qualified opinion section of our report, the consolidated financial statements of the Group on pages 85 to 112:

- present fairly, in all material respects:
 - the Group's financial position as at 30 June 2020;
 - the results of the operations and cash flows for the year ended on that date; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Opinion on the audited information - Parent

In our opinion:

- the financial statements on pages 85 to 112:
 - present fairly, in all material respects:
 - the Regional Council's and Group's financial position as at 30 June 2020;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 113, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's annual plan;
- the performance information on pages 6 to 9 and 33 to 83:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2020, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 33 to 83, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Regional Council's annual plan; and
- the funding impact statement for each group of activities on pages 113 to 120, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's annual plan.

Report on the disclosure requirements

We report that the Regional Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 121 to 123, which represent a complete list of required disclosures and accurately reflects the information drawn from the Regional Council's and Group's audited information and, where applicable, the Regional Council's long-term plan and annual plans.

Basis for our qualified opinion on the audited information – Group

In 2017/18 an impairment of \$15.5 million resulting from a detailed seismic assessment carried out in 2017/2018 was recognised relating to the Eastern and Western Stands of Yarrow Stadium that is disclosed in Note 10 of the financial statements. In the current year, a valuation was obtained which identified further impairment, amounting to \$1.9m based on circumstances known to date. The valuation considered the unimpaired depreciated replacement cost but concluded that the value was significantly impaired due to the restoration costs being similar in value. However there was limited information on the consideration of the restoration costs. For this reason, there are limited audit procedures that we can adopt to independently confirm the reasonableness of the asset value as at 30 June 2020.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

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

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

Basis for our opinion on the audited information - Parent

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

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

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

Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Regional Council and Group as set out in notes 12 and 15 of the financial statements.

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the performance information, as a reasonable basis for assessing the levels of service achieved and reported by the Regional Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Regional Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Regional Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 4, 10 to 24 and 28 to 32, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

Independence

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



Melissa Youngson

Partner
for Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand

Achievement of Community Outcomes

The Council operates within the following planning framework:

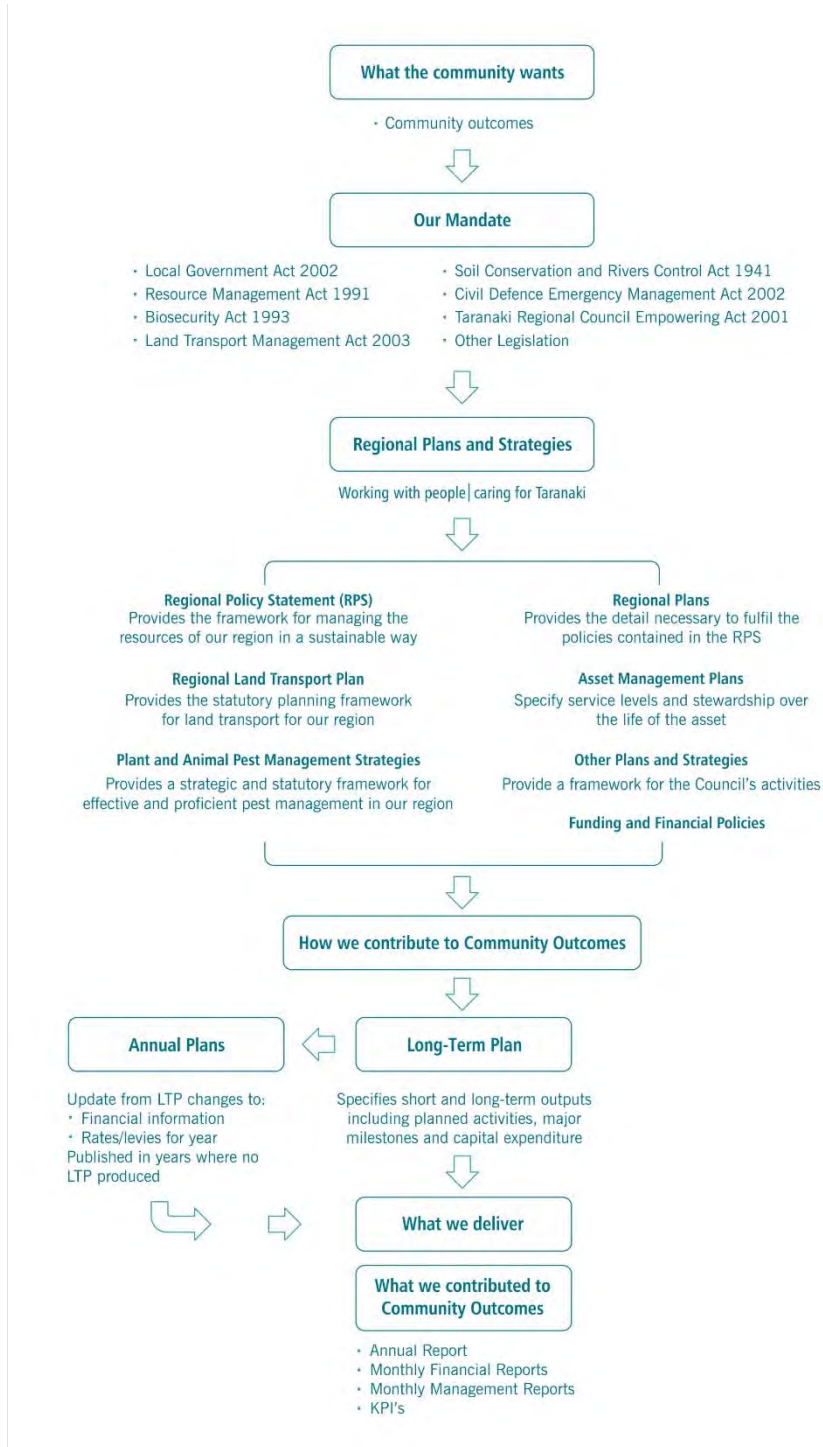


Figure 3: The Council's planning framework

Community outcomes

The *Local Government Act 2002* defines community outcomes as the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental and cultural well-being of its district or region in the present and for the future.

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 *2019/2020 Annual Plan* lists 28 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 *2019/2020 Annual Plan* and are reported against in this *Annual Report*.

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

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

The activities shown in Figure 4 are groups of activities. The groups of activities and the more specific individual activities within them form the basis of reporting on the details of the 10-year programmes contained in the *2019/2020 Annual Plan*. However, it is the contribution of these activities to the achievement of the community outcomes that lies at the heart of the *2019/2020 Annual Plan*.

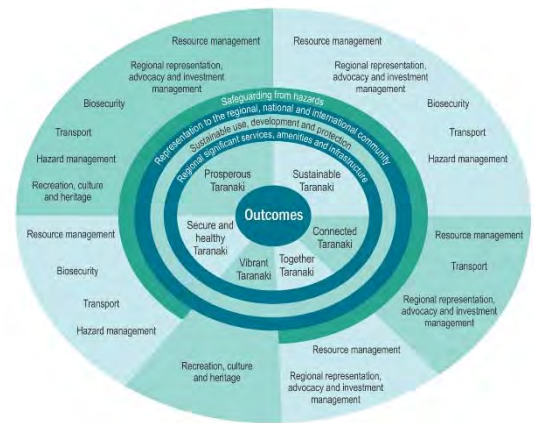


Figure 4: Relationship between the Council's mission and activities and community outcomes

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 planning processes and shows how each of the groups of 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 live, to quarter-hourly, to daily, quarterly, annually, three yearly or five yearly or longer) according to different needs or requirements.

Monitoring is also undertaken at different geographical scales (region-wide, catchment, eco-regions, property-based or site-specific) and may involve different types of information.

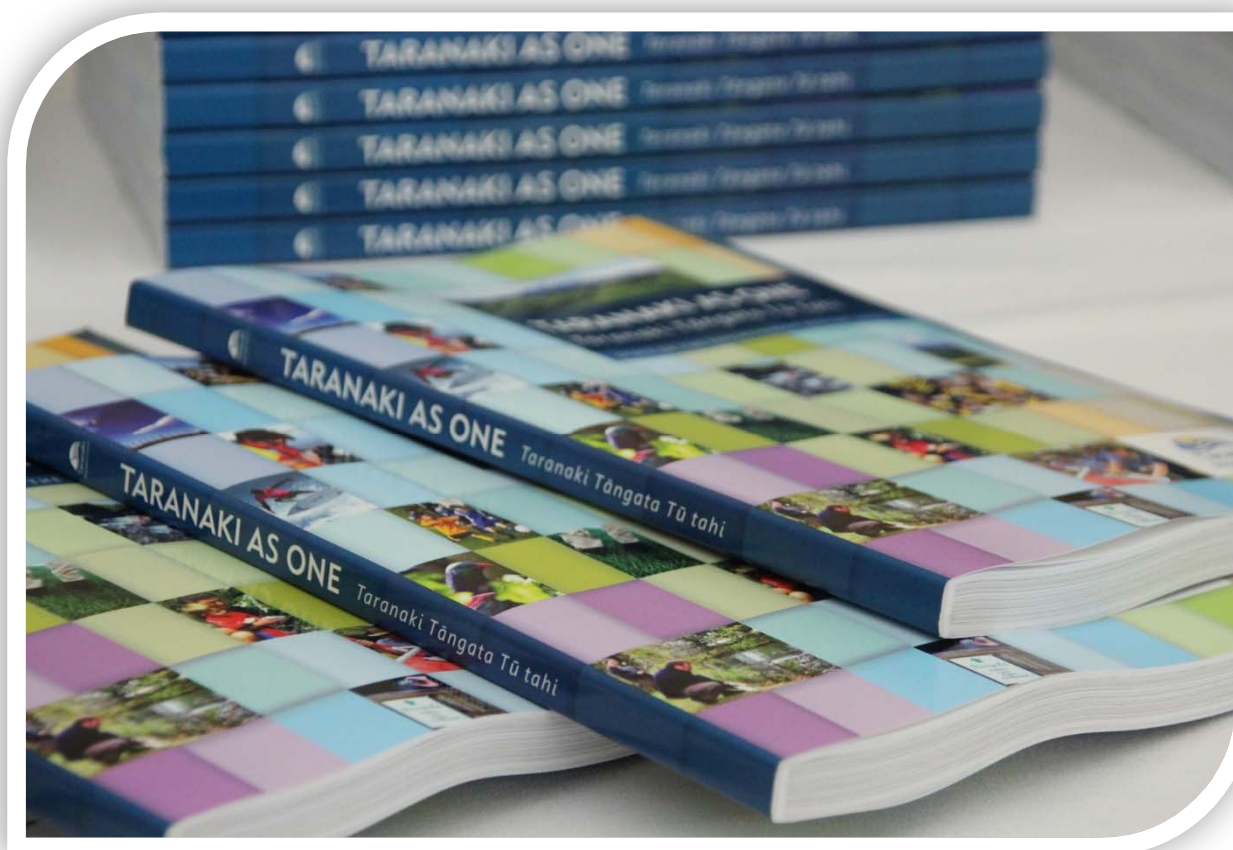
In developing its monitoring programmes, the Council has sought to establish an integrated monitoring framework that recognises the need for consistency, coordination and integration of monitoring activities:

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

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

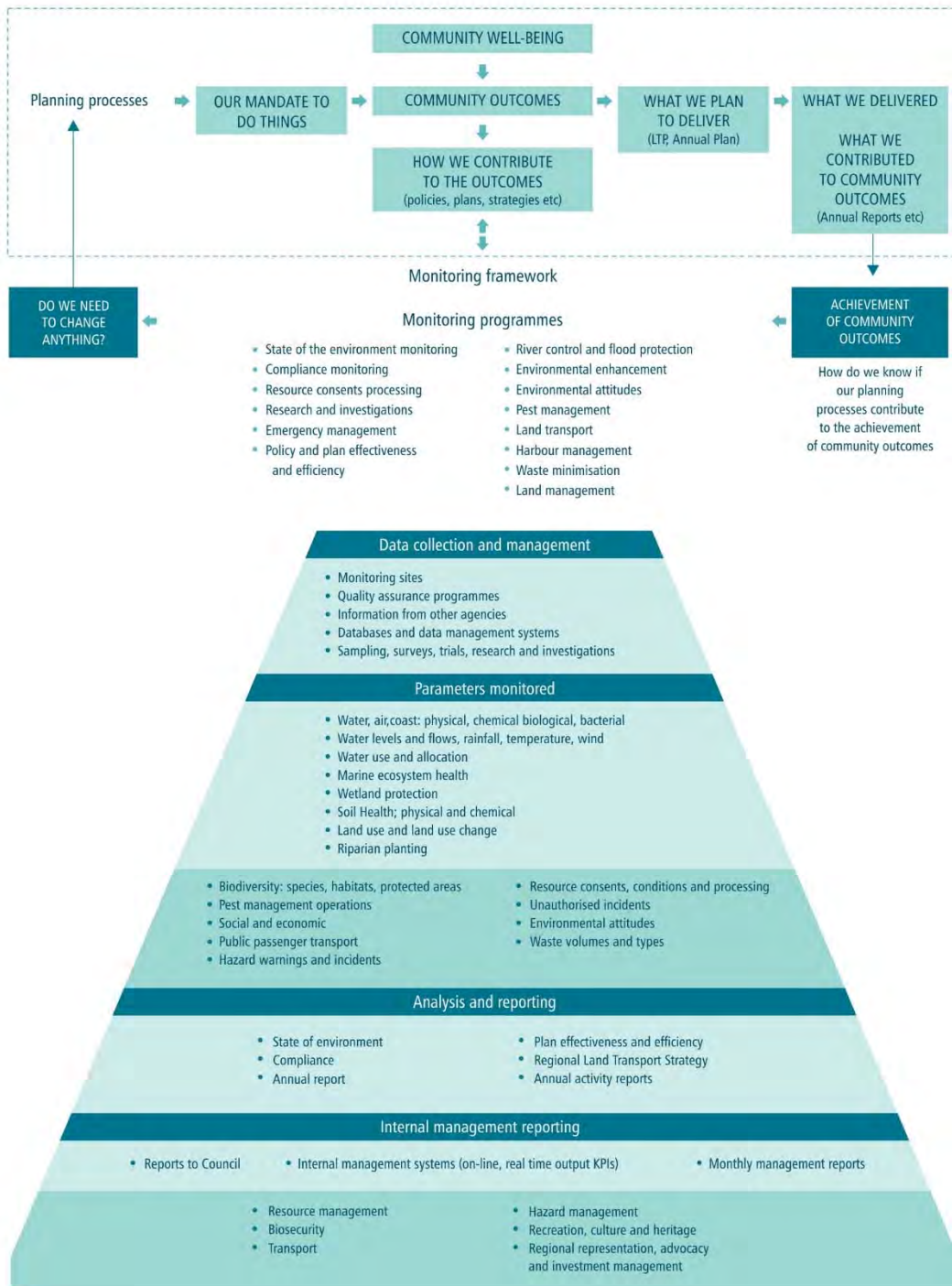


The Council's analysis, interpretation and reporting on the results of measurements undertaken is thorough and inevitably complex. Many reports are produced annually and the detailed results are set out in those reports. For example, the Council prepares particular state of the environment reports, compliance monitoring reports 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 *2019/2020 Annual Plan*.

Figure 5: The Council's performance monitoring framework



Performance Information

The following pages explain in detail how the Council performed in achieving the objectives and performance targets established in the 2018/2028 Long-Term Plan for 2019/2020.

Financial information on the net cost of services delivered is also provided in conjunction with the budget established in the 2018/2028 Long-Term Plan for 2019/2020 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 2020.

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 2018/2028 Long-Term Plan.

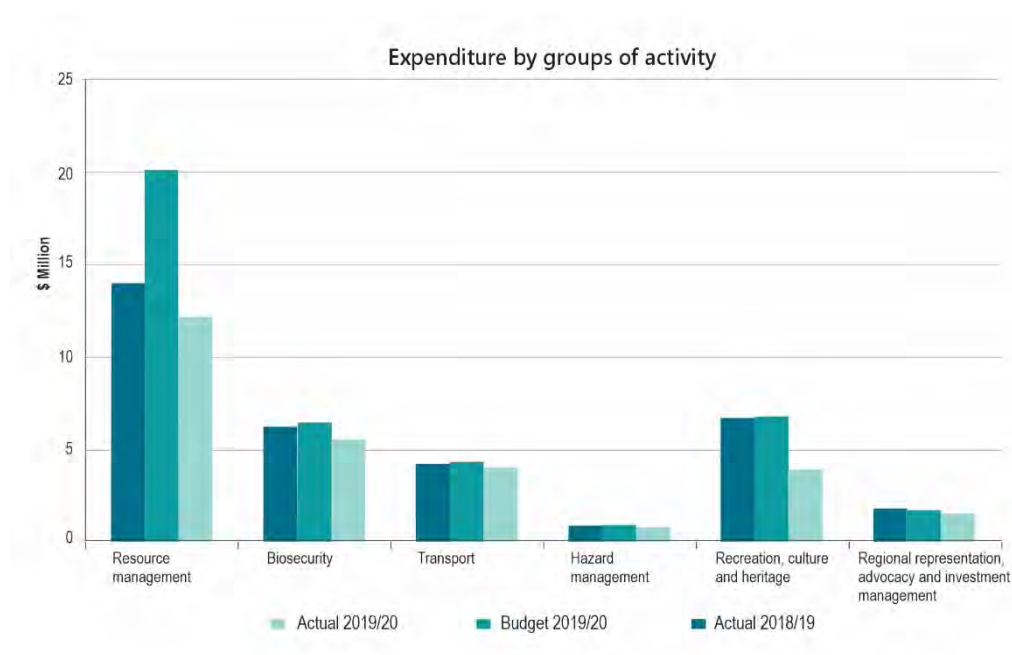


Figure 6:
Expenditure by
group of
activities

Resource Management

Resource management comprises the following activities:

Resource management planning

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

Consent processing and administration

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

Compliance monitoring programmes

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

Pollution incidents and response

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

State of the environment monitoring

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

Resource investigations and projects

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

Sustainable land management plans and plant supply programme

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

Enhancement grants

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

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 national policy 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, plans and guides relating to this group of activities can be found from the following sources:

- Resource Management Act 1991
- Soil Conservation and Rivers Control Act 1941
- Local Government Act 2002
- Regional Policy Statement for Taranaki 2010
- Regional Coastal Plan for Taranaki 1997
- Proposed Regional Coastal Plan for Taranaki 2018
- Regional Fresh Water Plan for Taranaki 2001
- Regional Soil Plan for Taranaki 2001
- Regional Air Quality Plan for Taranaki 2011
- Taranaki Regional Council Requirements for Good Farm Management in Taranaki 2017
- Regional Waste Strategy for Taranaki 2011
- Resource Consent Procedures document
- Resource Consents Monitoring Procedures document
- Resource Management Act Enforcement Policy 2017
- Enforcement Provisions and Procedures, Resource Management Act 1991
- Delegations Manual for the Taranaki Regional Council
- Charging Policy under section 36 of the Resource Management Act 1991
- Sustainable Dairying and Water Accord 2013
- Taranaki Regional Marine Oil Spill Response Plan 2016
- State of the Environment Monitoring Procedures.

The review of the *Regional Coastal Plan* continued. A formal hearing of submissions on the *Proposed Coastal Plan* was held on 24 July and 1 August 2019 with the decisions publicly notified on 5 October 2019. Ten submitters have subsequently appealed the decisions on the *Proposed Plan* to the Environment Court. Environment Court assisted mediation is ongoing. The *Proposed Coastal Plan* includes a number of important changes to the management of the Taranaki coastal environment and gives effect to the Government's revised *New Zealand Coastal Policy Statement*.

Progress on the ongoing engagement, research, investigations and information gathering underpinning the reviews of the air, soil and freshwater plans, including the development of a combined draft *Proposed Natural Resources Plan* continued. Key activities were the ongoing development of an e-Plan platform, ensuring draft *Natural Resources Plan* provisions comply with the *National Planning Standards*, completing a second study on



recommended environmental flow limits, the ongoing development of a freshwater accounting system, and on-going engagement with iwi and hapū on the development of draft Plan provisions and on the identification of sites of significance to Māori.

Two bylaws reviews commenced, being a review of the current *Navigation Safety Bylaws for Port Taranaki and its Approaches 2009* and the development of a new *River Control and Flood Protection Bylaw for Taranaki*.

Consent processing was undertaken on a range of applications during the year. Resource management policy is implemented through resource consents and other mechanisms. All the consent applications were processed efficiently within the time limits set in the Act. This is the

twentieth consecutive year that this milestone has been achieved. Ministry for the Environment surveys show consent processing costs are close to the median in New Zealand reflecting efficient systems, use of technology and prudent financial management. Efficient and effective consent processing contributes to a *Prosperous* and *Sustainable* community outcome.

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 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 social media commentary is coloured by 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 flagging areas where further progress is still desirable. This work contributes to the outcomes of a *Prosperous, Secure and Healthy, and a Sustainable Taranaki*.

Likewise, 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 in national-level strategic initiatives around increasing the effectiveness of research investment across the New Zealand science sector. This has been particularly so during the implementation of recommendations arising from reviews of research targeting and funding delivery in New Zealand, and the scoping and implementation of a second tranche of research within the National Science Challenges at the national level. Several of the challenges include a Taranaki-specific or relevant component (e.g. research into natural hazards, land use management, and biosecurity).

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, 599,331 contract-grown plants were purchased by landowners. Overall, in excess of 6.2 million plants have been planted under this programme. In the hill country area, there are incentives under the *South Taranaki Regional Erosion Support Scheme (STRESS)* programme to fence and plant erosion-prone land. Under *STRESS*, landowners have agreed to significant soil conservation work in the erosion-prone part of the region's hill country. The *Afforestation Grant Scheme* was reintroduced in 2016 but has now been replaced by the Government's 1 Billion Trees (1BT) programme. We are assisting landowners with applications to 1BT to achieve landuse change.

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

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

Levels of service

Programmed level of service	Reported level of service									
<p>1. Protection of the life-supporting capacity of water, in-stream uses and values</p>										
<p>Measure: Macroinvertebrate Community Index (MCI) values (a measure of freshwater community richness and composition) at least 50 regionally representative sites.</p> <p>Target (Years 1-10): The proportion of sites showing a trend (whether significant or indicative) of improvement in MCI against a base year of 1995 to exceed the proportion showing decline over the same period.</p> <p>Baseline: There is a continuing regional trend of improvement in the quality of freshwater ecology across the region. Trend analysis to June 2017 (from 1995) shows 30 sites of 57 with statistically significant trends of improvement, and one with a significant decline.</p>	<p>MCI values have been determined for 59 regionally significant sites, and trend analysis for the period to June 2019 (from 1995) has been undertaken and reported. Results show 25 sites of 57 with statistically significant trends of improvement, and one site with a significant decline. Trend analysis could not be undertaken for two sites, due to the short duration of monitoring at these sites. 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 2019/2020 year to be reported during 2020/2021.</p>									
<p>Measure: Microbiological state of inland waters and coastal waters at bathing sites.</p> <p>Target (Years 1-10): Maintenance or increase in number of sites compliant with the 2003 Ministry of Health contact recreational guidelines.</p> <p>Baseline: There are 11 freshwater and 9 coastal water bathing sites monitored since 2003/2004. The following sites were compliant with the 2003 Ministry of Health contact recreational guidelines:</p> <table border="1"> <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>2019/2020</td> <td>3</td> <td>6</td> </tr> </tbody> </table>		Freshwater	Coastal water	2003/2004	6	7	2019/2020	3	6	<p>Microbiological monitoring of 18 freshwater and 12 marine sites was conducted over the summer bathing season. Only 11/13 scheduled sampling runs were completed, due to Covid-19 lockdown. Results show that over 80% of freshwater samples were compliant with the bacteriological guidelines throughout the season.</p> <p>Three of the sites consistently monitored for freshwater quality since 2003/2004 were compliant in 2019/2020. Of the 18 freshwater sites monitored in 2019/2020, seven were compliant, while six exceeded Ministry of Health guidelines on one or two occasions. The remaining five had higher rates of non-compliance.</p> <p>Coastal water quality is generally high at monitored sites. In Taranaki, >98% of coastal samples at sites monitored in 2019/2020 were compliant. Three sites exceeded the bacteriological guideline during the monitoring season, all doing so once, on the same date, following recent rain.</p>
	Freshwater	Coastal water								
2003/2004	6	7								
2019/2020	3	6								

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

Reported level of service

There are no catchments allocated below ecological flows set by policy. Nine surface water abstraction consents were processed during the year (including new consent and renewal applications) which all complied with 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.

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: Water accounting systems identifying surface water available for consumptive use have been developed, and consents to take, use, dam or divert water have been granted in accordance with policy. Regularly updated information on water allocation guideline information is published.

Hydrological monitoring and assessment of abstraction consents indicates that some waterbodies within Taranaki are fully allocated, or are approaching this threshold. As part of the on-going development of the new *Natural Resources Plan*, a review of flow statistics across the region has been undertaken and a water accounting system developed. The accounting system is now in use and is updated as flow statistics are refined or new water take consents are issued. The water accounting systems will be used to ensure consented abstraction volumes from each waterbody remain below the limits set through the plan review process.

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 2017/2018, 100% of significant water abstraction consents were monitored with 96% attaining a "good" or "high" level of compliance and performance. 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 2019/2020, 99% of sites attained a "good" or "high" level of compliance and performance (2018/2019, 96%). All unauthorised incidents are responded to, investigated, and publicly reported upon in accordance with adopted procedures.

Programmed level of service

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 11 representative sites.

Baseline: Overall, surface water quality in Taranaki is stable or improving and is generally better than in 1995. Trend analysis to June 2017, for both the past 23 and 7 years, has been completed and reported. Trend analysis at the 11 regional representative sites demonstrates:

- MCI indicators for ecological health: every site of the 11 representative sites shows stability (4 sites; since 2010, 8 sites) or improvement (7 sites; since 2010, 3 sites) since 1995
- BOD: 9 (82%) sites of 11 stable against 1995 baseline, and all sites (100%) are stable over the recent period
- Bacteriological state: 82% show improvement (9%) or stability (73%) since 1995.
- Nutrients: the number of sites showing stability or improvement is increasing over time. Since 1995, 67% of nutrient measures have been stable (56%) or improving (11%); 75% of nutrient measures have been stable (55%) or improving (36%) over recent years. Total nitrogen has been stable (55%) or improving (36%) since 1995, and more recently stable at 82% of all sites.

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 35 was consistently above the NZDWS. Since 2002, 50% of sites sampled repeatedly have remained stable and more sites have shown an improvement (28%) than deterioration (21%).

Reported level of service

Surface water quality is improving and is better than in 1995. Trend analysis to June 2018 has been completed and reported, with reporting of state and trends to June 2019 in preparation. Trend analysis at 11 regional representative sites demonstrates:

- MCI indicators for ecological health: every site of the 11 representative sites shows stability (3 sites; to 2010, 8 sites) or improvement (8 sites; to 2010, 3 sites) since 1995
- BOD: 9 (82%) sites of 11 stable and 2 showing decline (18%) against 1995 baseline. In recent years, one site shows improvement (9%), with the rest stable (91%).
- Bacteriological state: 73% shows improvement (5%) or stable (68%) against 1995 baseline, and 91% stable over recent years.
- Nutrients: the number of sites showing stability or improvement is increasing over time. Since 1995, 73% of nutrient measures stable (62%) or improving (11%); 75% of nutrient measures stable (71%) or improvement (4%) over recent years. Total nitrogen has been stable (64%) or improving (27%) since 1995, and stable (73%) over recent years.
- Periphyton: the latest trend results (2002-2018) showed no sites had a significant increase in thick mat and long filaments measure. Two sites showed statistically significant decreasing (improvement) levels of long filamentous algae. 93% of surveys for all sites over the last two years (2016-2018) met national periphyton guidelines. The periphyton programme continued during the year under review, with results for the 2018-2020 years to be reported during 2020/2021.

Data for the period 2016 to 2020 is currently being analysed and will be reported on during the forthcoming year. Sampling is undertaken as part of the groundwater chemical quality monitoring programme. Concentrations of nitrate have fluctuated since monitoring commenced in 2002. The median nitrate concentrations recorded at 14 long-term monitoring locations during the most recent period of monitoring (2015/2016) was less than the median recorded across the same sites in 2002. More sites (29%) display statistically significant reducing trends in nitrate concentrations (improvement) than increasing (deteriorating) trends (21%). Across the wider 32 site shallow groundwater monitoring network (including the 14 long-term monitoring sites and 18 others with shorter records), only one site consistently exceeded the limit for nitrate set out in the NZDWS. Twenty-six sites (81%) have not recorded any exceedance of the NZDWS since monitoring commenced in 2002, while 91% of sites have recorded one or less exceedance.

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 2016-2018 state of the environment monitoring of Lake Rotorangi water quality and biological programme was completed in April 2019. The report shows that current life-supporting capacity of the lake is stable and relatively healthy. 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 2019/2020 year were completed as programmed, to be reported during 2020/2021.

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 2017/2018, 100% of significant point sources were monitored with 92% of significant industrial sources and 92.3% of significant agricultural sources attaining a 'good' or 'high' compliance and performance rating. 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. 96% of significant industrial point sources attained a "good" or "high" level of compliance and environmental performance (96% in 2018/2019). Of significant agricultural sources, 94.8% (90.9%) attained a "good" or "high" compliance and performance grading. Non-compliance was addressed by the use of various enforcement mechanisms under the *Resource Management Act*. There was 0 (1) instances of serious non-compliance that resulted in a prosecution being initiated.

3. 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 2017, 2,687 riparian management plans have been prepared recommending the planting of 5,981 km and fencing of 6,886 km of stream banks. At June 2017, 42.7% of the planting and 67.5% of the fencing had been completed resulting in 85% of riparian plan streams now protected by fencing and 70% by vegetation where recommended.

At year end, 2,930 (2,889—2018/2019) riparian management plans have been prepared recommending the planting of 6,476 (6,293) km and fencing of 7,297 (7,190) km of stream banks. At 30 June 2020, 54.9% (49.4%) of the recommended planting and 73.8% (70.2%) of the recommended fencing had been completed resulting in 88.1% (86.5%) of riparian plan streams now protected by fencing and 76.3% (73.7%) by vegetation where recommended. As a result of the ongoing changes to Government freshwater policy, rules requiring the program to be complete by 2020 have not yet been put in place. This is impacting the ability for these targets to be met.

Programmed level of service

Reported level of service

4. 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 2017, the area of hill country covered by sustainable land management plans was 204,335ha. 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.

The area of hill country covered by sustainable land management plans is 208,199ha (206,529ha —2018/2019). The monitoring of sustainably managed land use, in accordance with the physical capabilities of the land and soil resources, is a 5-yearly programme. A contract with Landcare Research to repeat the project in 2018 has been completed. The percentage of hill country being managed sustainably between 2012 and 2017 has stayed relatively the same at 86.9%. Overall, from 1994 to 2017, sustainability increased by 3% from 83.9% to 86.9%. Between 2012 and 2017, the area of bare sand decreased significantly at all 4 sites.

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 last survey was in 2018/2019, and the next will be in 2022/2023.

Baseline: Measurements of soil quality structure, composition and health were undertaken at representative sites in 1996-2001 as the baseline for further trend analysis. Re-sampling was undertaken in 2007/2008 and 2012/2013. Results showed 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 2018. Twenty sites were sampled and results indicated 71% of samples were within the target ranges. There was no overall significant change in soil cadmium concentrations. The results showed general patterns in soil quality are similar to those found in other regions.

5. Enhanced opportunities for sustainable development and best use of hill country

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

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

Baseline: 69% of hill country in private ownership (306,000 ha) with comprehensive farm plans.

There are 456 (450—2018/2019) comprehensive farm and agroforestry plans in place covering 208,199 ha (206,529ha) on the 840 Taranaki hill country farms, covering 68% (67.5%) 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

6. 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: Surveys undertaken to 2018 show 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. Monitoring of nitrogen oxide region-wide found 79% of results to be in the Ministry for the Environment's 'excellent' category.

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. In February 2016, continuous monitoring of fine particulate matter PM_{2.5} (potential health risk) commenced in central New Plymouth and continues to date. A report on the first 4 years has been released. It shows that sea spray is the main contributor to PM_{2.5} in Taranaki. Region-wide (30 sites) of nitrogen oxides during the year found concentrations to be well within standards, guidelines, and consent limits, and generally of 'excellent' quality according to MfE categories. In June 2018, the MfE started a review of the *National Environmental Standard* (NES) for air quality. Consultation (with Council participation) continued in 2019/2020.

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 2017/2018, 100% of significant point source emissions were monitored with 100% 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. Results show 100% of sources attained a "good" or "high" level of compliance and performance (97% in 2018/2019). 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 2019/2020 were collectively reported during the year and will be reported individually via annual reports.

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

Measure: Operative plans policies and strategies.

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

Baseline: As of June 2017, the Council has a full suite of operative *Regional Policy Statement* and regional plans (water, air, soil and coastal).

There is a complete suite of operative plans, policies and strategies in place.

The review of the *Regional Policy Statement for Taranaki* (RPS) was completed and made operative 1 January 2010. A non-statutory five-yearly interim review of the RPS, which included targeted consultation was completed.

The review of the *Regional Air Quality Plan for Taranaki* was completed and made operative on 25 July 2011. A non-statutory five-yearly interim review of the efficiency and effectiveness of the policies, rules and other methods of the *Plan* was completed. The review of the Air Quality Plan has been commenced with draft Plan provisions to be included in a new *Natural Resources Plan*.

The review of the *Regional Fresh Water Plan and Regional Soil Plan* continued. Ongoing engagement, research, investigations and information gathering underpinning the development of a *Proposed Natural Resources Plan* continued.

Programmed level of service

Reported level of service

This included the ongoing development of an e-Plan platform, ensuring draft provisions comply with the National Planning Standards, completing a second study on recommended environmental flow limits, the ongoing development of a freshwater accounting system, and ongoing engagement with iwi and hapū on the development of draft Plan provisions and on the identification of sites of significance to Māori.

Progress was made on the review of the *Regional Coastal Plan*. A formal hearing of submissions on the *Proposed Coastal Plan* was held with the decisions publicly notified on 5 October 2019. Ten submitters subsequently appealed the decisions to the Environment Court. Environment Court assisted mediation is ongoing.

8. Efficient and effective resource consent processing, compliance monitoring and enforcement

Measure: Compliance with Resource Management Act 1991 requirements.

All consents (100%—2018/2019) processed during the period complied with *Resource Management Act* requirements, and full compliance with timelines allowed activities to be undertaken without delay.

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

Baseline: As of June 2017, processing, administering and compliance monitoring of resource consents was 100% compliant with Resource Management Act requirements.

Activities—what we plan to do

Programme

2019/2020 actual performance

1. Resource management planning

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

Regional Policy Statement: Commence full review in 2019/2020 as part of the development of a combined natural resource management plan.

Work on the full review of *Regional Policy Statement* has commenced with the development of a draft project brief setting out the work programme for the review. A non-statutory interim review of the *Regional Policy Statement*, which included targeted consultation, was carried out in 2016/2017.

Regional Coastal Plan: Full review continued in 2019/2020 and will form part of the development of a combined natural resource management plan.

Coastal plan review ongoing with the *Proposed Coastal Plan* publicly notified February 2018. Schedule 1 Plan review process ongoing.

Regional Air Quality Plan: Commence full review in 2019/2020 as part of the development of a combined natural resource management plan.

Air Quality Plan review has commenced and forms part of the development of a Proposed Natural Resources Plan. A non-statutory interim review of the *Air Quality Plan* was carried out in 2018/2019.

Regional Fresh Water and Land Plan: Full review continued in 2019/2020 and will form part of the development of a combined natural resource management plan.

Freshwater and soil plan reviews ongoing and forms part of the development of a *Proposed Natural Resources Plan*.

Programme	2019/2020 actual performance
2. Consent processing and administration	
Provide accurate and timely information in response to all appropriate requests for assistance in implementing Regional Plan rules.	Provided information, to assist processing 263 (286—2018/2019) consent applications, being 1 (57) publicly notified, 7 (9) limited notified and 255 (220) non-notified applications, in compliance with the <i>Resource Management Act 1991</i> .
Process and determine all accepted resource consent applications (approximately 400 consents per annum), in compliance with the <i>Resource Management Act 1991</i> , including compliance with statutory timeframes, and the Council's <i>Resource Consents Procedures</i> document.	Of the 263 (286) applications, 263 (100%) were processed, issued and reported on in accordance with the statutory procedures of the Act, and the Council's <i>Resource Consents Procedures</i> document.
Successfully defend 100% of consent decisions appealed to the Environment Court.	Consent decisions associated with the Mt Messenger Bypass project appealed to the Environment Court during 2018/2019 have not been finally determined. An interim decision has been released. There were no appeals on any 2019/2020 decisions.
Minimise the number and duration of resource consent hearings by resolving, through the pre-hearing process, at least 50% of submissions received on resource consent applications.	Resolved, through the pre-hearing process, 100%-5 (12%-8) of resource consent applications attracting submissions without recourse to a formal hearing. No resource consent hearings were held. 11 out of 11 (16/985) submissions were resolved—100% (1.6%).
3. Compliance monitoring programmes	
100% of individual compliance monitoring programmes for all major consents designed, implemented and publicly reported upon (approximately 120 individual compliance monitoring programmes per annum) within the negotiated budgets and completed within nine months of the end of the monitoring period.	98% (100%—2018/2019) of individual compliance monitoring programmes for all major consents designed, implemented and reported upon within the negotiated budgets and completed within nine months of the end of the monitoring period. Five (32 in 2018/2019) reports were completed within or just after the nine month period but published later.
Implement and report on 100% of recommendations arising from prior year's monitoring of resource consents subject to an individual compliance monitoring programme.	Within every annual report, recommendations from previous reports are set out and their implementation reported upon.
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 411 (270) inspections of minor industrial operations (permitted activities) ensuring good environmental practices. Three (4) reinspections were required. Completed the annual inspection round of discharges of agricultural waste (100% of issued consents), including dairy, poultry and piggery farms – 1,711 (1,736) completed. The non-compliance rate (failure to meet consent conditions) was 5.2% (9.3%) for dairy farms. All poultry and piggery farms were compliant - 67 (61). 157 (282) dairy farm reinspections were undertaken to ensure full compliance. In total, 1,868 (2,018) farm dairy inspections and reinspections took place. The total number of inspections undertaken was 2,279 (2,353).

Programme	2019/2020 actual performance
4. Pollution incidents and response	
Respond to all consent non-compliance and implement appropriate advisory and enforcement actions to require 100% compliance with resource consents, regional plans and/or national environmental standards.	Responded to 183 (247—2018/2019) consent non-compliances found during routine monitoring. Appropriate enforcement action was undertaken under the Council's Enforcement Policy (2017).
Respond to 100% of pollution and other complaints (generally within four hours of receipt) and where appropriate instigate control, clean up and enforcement procedures, where reasonable and appropriate, and publicly report on all environmental incidents.	Responded to, and publicly reported upon, 529 incidents (452) with 100% (100%) within the required timeframe. Instigated control and clean-up where required. Appropriate enforcement action was undertaken under the Council's Enforcement Policy (2017): 187 (239) abatement notices and 105 (112) infringement notices were issued. 5 (2) prosecutions were initiated.
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 (1) minor marine oil spills occurred that warranted actioning the <i>Plan</i> . Undertook 1 (2) regional marine oil spill response exercise.
5. State of the environment monitoring	
Implement and report on 100% of the Council's state of the environment monitoring programmes comprising monitoring of surface fresh water, levels and flows, fresh water quality, groundwater quantity and quality, coastal waters, biodiversity, air quality and land use sustainability using recognized and reputable methods of data collection, analysis and reporting in accordance with the Council's <i>State of the Environment Monitoring Procedures</i> document and <i>State of the Environment Monitoring Programmes</i> .	Implemented 100% (100%—2018/2019) of the state of the environment monitoring programmes, in accordance with the prepared programmes. The Council's last regional report <i>Taranaki as one - Taranaki Tangata Tu Tahi</i> State of the Environment report 2015 was released at the start of the 2015/2016 year.
Monitor, review and where appropriate, further develop existing programmes by 30 June of each year.	Existing programmes were reviewed during 2019/2020. These programmes will be implemented in 2020/2021.
Prepare and publish the five-yearly state of the environment report. The next report is due in 2020.	Work continues collating data, trend analysis, and information for the next state of the environment report. Work has begun scoping content and format of the next regional report.
Maintain all quality assurance programmes and information databases for hydrometric, air quality, physicochemical freshwater, terrestrial biodiversity, fresh water biological and marine biological data. IANZ registration for chemical analysis maintained.	All quality assurance programmes and information databases for hydrometric, air quality, physicochemical freshwater, terrestrial biodiversity, fresh water biological and marine biological data, were maintained.
Maintain public access to on-line live regional data on hydrology, meteorology, soil moisture and bathing beach water quality. Live data reported on the Taranaki Regional Council's website.	Live on-line data was maintained and reported for 40 hydrology sites (40), 29 meteorology sites (29), 11 soil moisture sites (11), 3 dissolved oxygen sites, 19 freshwater bathing (16) and 12 marine bathing (14) water quality sites.

Programme**2019/2020 actual performance**

6. Resource investigations and projects

Over the period of the *2018/2028 Long-Term Plan* the Council intends to undertake a range of resource investigations and applied research projects. These are normally undertaken in partnership with science providers, other councils or resource users but may also include a range of other parties, including iwi, as potential partners for Council resource investigations and projects. Such projects evolve over time. Specifically for 2019/2020, the Council intends to:

Continue to support the “best practice dairying catchments” study in the Waiokura Stream catchment, and evaluation of data arising from this project.

Continued to monitor the ecological and physicochemical water quality parameters within the Waiokura catchment to inform the ongoing fresh water plan policy review. A collaborative study updating farm practices and water quality in the catchment has been initiated.

Support studies into the behaviour and bioavailability of cadmium and other contaminants in agricultural soils and fertilizer.

As part of the Cadmium Working Group, contributed to studies into the bioavailability and behaviour of cadmium in soils, the variability and drivers of uptake of cadmium by various plant species and bioaccumulation in livestock and evidence for management options.

Engagement in “Envirolink” and other science research opportunities, to enhance knowledge base for policy development and implementation. Projects with clear relevance and benefit to Taranaki to be adopted through “Envirolink” and other funding opportunities.

There was on-going engagement with MBIE's National Science Challenges - Our Land and Water and Natural Hazards- with regard to Taranaki case studies. Envirolink projects underway include:

- fish passage and barrier mitigation assessment protocol
- use of eDNA for in-situ native fish monitoring
- spectral analysis of coastal water quality
- Collaborative satellite data workspace platform

Projects assessed and approved for funding in 2020/2021 are:

- Microbial risk assessment for groundwater abstraction
- Suspended sediment monitoring technologies
- Riverine flow management under the National Policy Statement-Freshwater Management

7. Sustainable land management plans and plant supply programme

Planning services. Provide property planning services to landholders. Prepare plans covering 1,000 ha of land use capability mapping in the hill country and 100 riparian plans in the intensive water management zone.

Prepared 5 (7— 2018/2019) comprehensive farm plans and 1 (1) agroforestry plans covering 1,670 (1,104) ha of farmland. Prepared 41 (100) riparian plans covering 143 (453) kms of stream bank 55 (216) kms of riparian management was proposed with the balance of 88 kms (237) being adequately protected.

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 with plans on 13,811 (9,724) occasions. Supplementary advice and information was provided. 15.1% (12.1%) or 338.5 (296) km of the remaining recommended fencing of stream bank was fenced and 13.2% (9.2%) or 444.7 (321) km of streambank have been planted. 5,386 (5,048) km of stream bank has been fenced and 3,553 km planted (3,108). 2,774 ha (2,271) of retired marginal land, and 600 ha (340) of established production forest were recorded. Across all plans, 63,730 ha (57,760) of marginal land has been retired and 15,697 ha (15,097) of production forest have been established.

Programme

2019/2020 actual performance

Provision of advice. When requested, provide advice on sustainable land management practices within ten working days.

Received and actioned, within 10 days, 45 (104) inquiries. Advice and assistance on sustainable land management, soil conservation and riparian management was provided.

Provide, on a cost-recovery basis, approximately 450,000 suitable plants for land stabilisation, soil conservation and riparian planting programmes.

Provided 606,071 (547,510) plants for sustainable land management purposes. Provided 6,040 (7,591) items of poplar and willow planting material to 104 (113) landholders. Provided 599,331 (539,919) plants to 1,226 (1,209) landholders, to plant approximately 320 (300) kilometres of stream margins and supplied 700 (1,065) sand stabilisation plants targeting 2 (3) sites.

Implement the South Taranaki and Regional Erosion Support Soil Conservation Programme including an estimated 4,000 poplar poles, 50ha of protection forestry and construction of 22 km of retirement fencing to retire 400 ha of marginal land.

Planted 4,099 (4,184) poles, 75.5 (45.7) ha of forestry and erected 17.5 (18.6) km of fencing to retire or protect 200 (152.4) ha of marginal land.

8. Enhancement grants

Implement a programme using environmental enhancement grants for the protection of habitats of regional significance.

Ongoing fencing, planting and maintenance has been undertaken to secure the protection of wetlands. This included work on 37(44) regionally significant wetlands. This work means that 59 (59) wetlands are formally protected.



Costs and sources of funds

	2019/2020 Actual \$	2019/2020 Budget \$	2018/2019 Actual \$
Expenditure			
Resource management planning	813,475	942,104	748,857
Consent processing and administration	950,326	1,122,850	898,432
Compliance monitoring programmes	3,741,808	3,407,947	3,548,854
Pollution incidents and response	1,026,867	986,849	907,552
State of the environment monitoring	2,454,562	2,396,113	2,352,612
Resource investigations and projects	215,631	459,991	388,066
Sustainable land management plans and plant supply programme	4,705,251	3,954,815	4,011,245
Waitara River Catchment	50	8,000,000	-
Enhancement grants	1,785,121	1,465,242	775,584
Total expenditure	15,693,091	22,735,911	13,631,202
Income			
General rates	3,206,905	3,206,901	3,232,796
Direct charges	13,350,901	14,106,703	8,955,638
Government grants	1,682,891	1,302,000	755,563
Transfer to reserves	(6,606,442)	-	(2,561,792)
Investment funds	4,058,836	4,120,307	3,248,997
Total income	15,693,091	22,735,911	13,631,202
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	7,840	17,000	-
Motor vehicles	885,994	481,000	99,000
Plant and equipment	181,881	144,429	152,121
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	1,075,715	642,429	251,121
Funded by:			
Transfer from retained earnings	1,075,715	642,429	251,121
Total funding	1,075,715	642,429	251,121
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	-	642,429	251,121
Total capital expenditure	1,075,715	642,429	251,121
Gross proceeds from the sale of assets	211,253	159,000	30,956
Depreciation/amortisation expense	416,402	684,850	378,079

Asset acquisitions and replacements

Motor vehicle purchases includes the planned purchases that were deferred in 2018/2019.

Internal borrowing

There is no internal borrowing within this group of activities.

Biosecurity and biodiversity

Biosecurity and biodiversity comprises the following activities:

Biosecurity and biodiversity planning

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

Biosecurity/pest management

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

Biodiversity

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

Biosecurity and biodiversity 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 Plan for Taranaki 2017
- Biosecurity Strategy for the Taranaki Regional Council 2017.

Pest management planning and operational activities – both 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 pest management plan and biosecurity strategy contributes to a *Sustainable* and *Prosperous Taranaki*.

The Council is implementing the *Pest Management Plan for Taranaki* that sets out the regulatory framework for pest management and the *Biosecurity Strategy for Taranaki* that sets out all the programmes and activities relating to pest management, including non-regulatory activities.

Contractors tackled a heavily invested area consisting of near vertical cliffs, significantly slowing the expansion of the Old Man's Beard control in the Waingongoro catchment with 700 meters of riverbank being controlled, Once initial control is completed these areas will revert to landowner control.



There were no extensions of the self-help possum control programme, the total number of properties in the programme is 4,211 covering 240,000 ha. Monitoring confirms that occupiers in the self-help possum control programme have been effective in maintaining reduced possum numbers in areas treated. The mean residual trap catch for properties monitored was 6.8% (below the target of 10%) significantly reducing the adverse effects of possums.

Contractors undertook possum control surrounding Egmont National Park in conjunction with the Taranaki Mouna Project and Department of Conservation's joint aerial 1080 operation. The operation was split into three blocks with two successfully reducing possum numbers to less than 3% residual trap catch rate. The remaining block experienced delays due to Covid-19 lockdown and will be completed early in the 2020/2021 year.

Towards Predator Free Taranaki commenced following the announcement of \$11.6m funding over five years secured from Predator Free 2050 Limited, the Government owned company set up to allocate funding towards the vision of New Zealand being predator free by 2050. *Towards Predator free Taranaki* is split into three phases of work, urban trapping, rural control and zero possums.

The urban programme has enjoyed good community support with approximately 12,000 rat traps being rolled out predominantly across New Plymouth.

Rural predator control programmes targeting mustelids focussed on creating a predator control buffer around the entire National Park, covering an area of 28,000 ha. This adds to the first phase of the rural predator control programme in the Waiwhakaiho area which covered 14,000 ha.

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

In conjunction with land owners and community groups, 25 biodiversity plans were prepared for key native ecosystems covering 656 hectares with the objective of protecting and enhancing biodiversity values of those sites.

There was continued implementation of a regional biodiversity monitoring programme that will both measure the outcomes of the biodiversity programmes and inform state of the environment reporting.

As founding funder of Wild for Taranaki (Taranaki Biodiversity Trust), the Council undertook a review of the Trust's progress to date. As a result, the Council has committed to provide funding and in kind support for a further year.

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

Levels of service

Programmed level of service	Reported level of service
<p>1. Pest management plan that delivers efficient and effective management of biosecurity functions</p>	
<p>Measure: Presence of appropriate pest management plan.</p> <p>Target (Years 1-10): Pest management plan for pest plants and pest animals is in place in accordance with statutory requirements.</p> <p>Baseline: One adopted pest management plan is in place; reviewed in 2018.</p>	<p>Pest management plan and strategy, delivering efficient and effective management of biosecurity functions, are in place in accordance with statutory requirements.</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 2016/2017, the RTC was 4.98% across the <i>self-help programme</i>.</p>	<p>The self-help possum control monitoring programme showed landholders maintained the possum population at a 6.8% (2018/2019—6.7%) residual trap catch across the self-help possum control programme area. At this level, the adverse effects of possums on biodiversity and production are significantly reduced.</p>
<p>3. Pest plants controlled or eradicated to minimize 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, Madeira Vine, Moth Plant and Giant Reed in the region.</p> <p>Baseline: In 2016/2017, there were 152 properties where these plants were identified and controlled.</p>	<p>A total of 189 (168—2018/2019) active infestations of eradication pest plants have been identified. Of those, 99 (84) sites around the region have infestations of Mignonette Vine, 20 (17) properties for Climbing Spindleberry, 2 (2) property for Senegal Tea, 49 (46) properties for Giant Reed and 19 (19) properties for Moth plant. Direct control, where it was warranted, occurred on 106 (181) sites.</p>
<p>Measure: The extent of “sustained control” pest plants.</p> <p>Target (Years 1-10): Reduce the extent of sustained control pest plants through an inspection and monitoring programme (of Category C properties) to identify infestations requiring control.</p> <p>Baseline: 54 Category C properties in 2016/2017.</p>	<p>Undertook 1,246 (1,309) property inspections. Of these, 96 (90) related to Category C (heavy infestation) properties, requiring a Notice of Direction to be issued.</p>

Programmed level of service

Reported level of service

4. Maintenance and enhancement of indigenous biodiversity

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

Target (Years 1-10): Key Native Ecosystems (KNEs) on private land, covering at least 8,000ha, have a biodiversity plan.

Baseline: As at 30 June 2017, 88 Key Native Ecosystems (KNEs) comprising 4,345ha of private land had biodiversity plans.

Biodiversity plans were prepared for a further 24 KNEs (24—2018/2019) on private land, totalling 584 ha (1,099 ha). In total, there are 155 (132) KNEs on private land covering 5,708 (5,124) hectares with biodiversity plans. This equates to 63% (55%) of all KNE sites with private land. In addition, one (3) further biodiversity plan covering 72 ha (62.6 ha) was prepared for a KNE on public land – Tongaporutu Estuary KNE in the New Plymouth district.

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 2017, the inventory contained 235 sites.

Maintained and updated the inventory of KNEs. The inventory of Key Native Ecosystems is regularly maintained and updated. At June 2020, the inventory contained 300 sites (280).

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: Repeat five year condition assessments conducted on KNEs with biodiversity plans during 2016/2017 showed that 95% either maintained or improved in condition.

Good progress continues in collecting baseline information for KNEs with 36 (55) new assessments undertaken. In addition, 8 (24) repeat five-year condition assessments were completed at 8 (16) KNEs. From this all 8 (24) assessments showed an improved condition score.

Activities

Programme

2019/2020 actual performance

1. Biosecurity and biodiversity planning

Undertake an interim review of the *Pest Management Plan for Taranaki* in 2022/2023 and a ten-year full review in 2027/2028.

The *Pest Management Plan for Taranaki* sets out the regulatory framework for pest management and the *Taranaki Regional Council Biosecurity Strategy* sets out the programmes and activities relating to pest management (adopted 2018). These documents are delivering efficient and effective management of statutory biosecurity functions.

2. Biosecurity/pest management

Undertake operational programmes through both the *Pest Management Plan for Taranaki* and the *Biosecurity Strategy* including:

Eradication of selected pest plants.

Undertook direct control on 106 (168) eradication pest plant infestations. Continued control of Old Man's Beard in the Waingongoro catchment, treating 700 meters (17 km) of riverbank. Made 4 (3) releases of control agents to control Woolly nightshade, Tradescantia and Broom. Contributed to the Landcare biological control research programme.

Programme	2019/2020 actual performance
Inspection, monitoring and where necessary, enforcement of sustained control pest programmes.	<p>Undertook 747 (428) inspections with results estimating possum populations maintained to acceptable levels: 6.8% (6.7%) residual trap catch rate across the self-help possum control programme.</p> <p>Undertook 1,246 (1,309) property inspections for pest plants.</p> <p>Issued 135 (195) Notices of Direction for sustained control pest programmes, 39 (19) for possums and 96 (176) for plants.</p> <p>Undertook small scale control of unwanted plant organisms on 2 (13) occasions targeting Bone seed.</p>
Raising public awareness of and respond to enquiries related to pest issues.	Responded to 127 (149) requests for advice and, where appropriate, undertaking control action regarding <i>Pest Management Plan for Taranaki</i> species. Received 240 (366) notifications providing advice and information on other pests. Undertook a publicity and education programme on pest plants.
3. Biodiversity	
Continue to assess ecosystem sites within the region on a voluntary basis, in order to identify further key native ecosystems.	Assessments were made of 43 (55) natural areas, resulting in the scheduling of an additional 17 (28) KNE's
Prepare at least 20 biodiversity plans per annum for properties containing key native ecosystems (KNE).	Twenty-five (24) new biodiversity plans were completed for KNE sites.
Initiate and support implementation of work programmes on all KNE's with a biodiversity plan.	Initiated implementation of 100% (100%) of plans prepared during the year.
4. Towards Predator Free Taranaki	
Support voluntary control of rodents in urban areas aiming for 1 in 5 properties trapping or baiting.	Towards Predator free Taranaki is split into three phases of work, urban trapping, rural control and zero possums. The urban programme has good community support with approximately 10,000 rat traps being rolled out through New Plymouth. A further 2,000 traps have been laid through reserves. Contractors are checking these traps monthly.
Undertake mustelid control on 20,000ha surrounding Mt Taranaki.	Rural predator control programmes targeting mustelids focussed on creating a predator control buffer around the entire National Park, covering an area of 28,000 ha. This adds to the first phase of the rural predator control programme in the Waiwhakaiho area which covers 14,000 ha.
Complete a zero possum trial over 4,467 ha surrounding the Kaitake range and prevent re-infestation using a virtual barrier and electronic incursion detection system.	Contractors are trialling zero detection operation targeting possums in partnership with Taranaki Mounga including the Kaitake range, surrounding farmland and the township of Oakura. The project involves aerial 1080, ground baiting and trapping. Followed up with dogs and thermal cameras to detect and remove survivors. This operation has moved into the detect and remove phase with individual possums being detected using motion sensing cameras followed by intensive trapping or hunting with possum detection dogs.

Costs and sources of funds

	2019/2020 Actual \$	2019/2020 Budget \$	2018/2019 Actual \$
Expenditure			
Biosecurity and biodiversity planning	42,856	57,710	6,913
Biosecurity/pest management	3,975,268	4,107,869	3,628,299
Biodiversity	3,035,218	3,078,101	2,669,264
Total expenditure	7,053,342	7,243,680	6,304,476
Income			
General rates	2,148,144	2,148,145	2,076,428
Direct charges	1,982,412	2,168,545	2,179,041
Transfer from reserves	-	167,000	-
Transfer to reserves	(115,000)	-	(100,000)
Investment funds	3,037,786	2,759,990	2,149,007
Total income	7,053,342	7,243,680	6,304,476
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	604,513	104,000	-
Plant and equipment	14,371	118,000	44,910
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	618,884	222,000	44,910
Funded by:			
Transfer from retained earnings	618,884	222,000	44,910
Total funding	618,884	222,000	44,910
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	-	222,000	44,910
Total capital expenditure	618,884	222,000	44,910
Gross proceeds from the sale of assets	102,776	26,000	-
Depreciation/amortisation expense	177,038	124,822	120,301

Asset acquisitions and replacements

Motor vehicle purchases includes the planned purchases that were deferred in 2018/2019.

Internal borrowing

There is no internal borrowing within this group of activities.

Transport

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 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.

There was an ongoing focus on strong advocacy on many fronts with respect to land transport activities, particularly with regard to securing central government investment in regionally important state highway improvements.

Work continued on progressing the SH3 Awakino Gorge to Mt Messenger Programme. Through the Regional Transport Committee and as a participant in the State Highway 3 Working Party, there was a continued engagement with Waka Kotahi NZ Transport Agency on the three projects within this Programme:

- Mt Messenger Bypass project – appeals against the project’s resource consents further delayed the planned start of construction, which is now potentially late 2020
- Awakino Tunnel Bypass project – construction works started in October 2019 and are expected to be complete by the middle of 2021
- Corridor-wide safety and resilience improvements – good progress was made on the construction of a number of the more extensive improvements within this programme, such as passing lanes.

Support of the inter-regional cross-sector State Highway 3 Working Party continued to see relationships between the member organisations strengthen. The Mt Messenger and Awakino Tunnel bypass projects reflect the value of working collaboratively on land transport issues.

A variation to the *Regional Land Transport Plan 2015-2021* to add the Ahititi Stock Effluent and Pre-Treatment Facility as a new project continues to see long-term improvements to State Highway 3 in the north of the region. Advocacy continues for the building of a companion stock truck effluent disposal site on SH3 near Piopio.

A great success for the region during the year was securing Government funding for improvements to the Forgotten World Highway (SH43), which has long been a specific advocacy area. A successful bid to the Provincial Growth Fund was announced in December 2019, securing \$9.6m for sealing the 12km of unsealed road. In February 2020, a further \$13.45m was committed, from the NZ Upgrade Programme, for additional improvements such as passing opportunities, bridge/tunnel upgrades and culvert replacements.

The *Regional Land Transport Plan 2015-2021* (RLTP) remained operative throughout the year. Work commenced during the year on reviewing the RLTP for the 2021-2027 period. The RLTP has two core parts – one relating to policy and strategy, the other to the programme matters of projects, funding, priorities and timing. The strategic direction component informs the projects and activities proposed for funding.

During 2019/2020, three requests to make formal variations to the RLTP were received and approved as follows:

- from Waka Kotahi NZ Transport Agency, to add a new project ‘Implementing the Speed Management Guide on Taranaki State Highways’
- from Waka Kotahi NZ Transport Agency and New Plymouth District Council, to add a new project ‘Ahititi Stock Effluent and Pre-Treatment Facility Upgrade’
- from the Stratford District Council, to add a new project ‘Brecon Road Extension’.

On the advocacy front, submissions were made on the:

- Transport and Infrastructure Select Committee’s *Land Transport (NZTA) Legislation Amendment Bill*
- Ministry of Transport’s *2020-2030 Road Safety Strategy: Road to Zero*
- Stratford District Council and the New Zealand Transport Agency support for the Provincial Growth Funding application for sealing of SH43
- Waka Kotahi NZ Transport Agency’s *Waitara to Bell Block speed review*
- Ministry of Transport’s Government Policy Statement on Land Transport 2021.

The *Regional Public Transport Plan for Taranaki 2014/2024* (RPTP) remained operative throughout the year. The RPTP describes the public transport services proposed to be provided in the region, and sets out a programme of action and associated policies. A review of the Plan is ongoing.

The Covid-19 pandemic had a major impact on the regions bus services but less impact on Total Mobility services. Most bus services continued to operate, deemed essential services, and provided ongoing transport for essential service workers and those needing to access essential services. April 2020 was the most affected month with services being reinstated in late May. The result of Covid-19 is that patronage across almost all services was well down on that recorded in 2018/2019. Total Mobility services continued to operate throughout the period however the impact of Covid-19 was lessened with Waka Kotahi NZ Transport Agency funding the client’s share of the trip cost during lockdown and up to 30 June 2020.

The region's public transport services continued with the Citylink (New Plymouth, Bell Block, Waitara and Oakura) service recording 510,212 passenger trips, an decrease of 112,279 (-17.5%) from 2018/2019. The Connector (Hawera to New Plymouth) recorded 25,072 passenger trips, down 3,891 (-13.4%).

Of the three Southlink (South Taranaki) services, one showed an increase in patronage whilst the other two recorded reduced numbers. Patronage on the Opunake to New Plymouth service was 1,028, an increase of 22%. This was achieved through extending the service to school boarders who live in coastal Taranaki. This addition to the service replaced a commercial service creating greater service efficiency and savings for the families and bus operator. Opunake-Kaponga-Manaia-Hawera patronage was 291, down 33% whilst the Waverley to Hawera patronage was 1,028, a decrease of 18%.

Within the Total Mobility scheme 50,522 trips were made by 1,701 clients. This figure is up 1,513 (3%) trips over the previous year. Even with Covid-19 the trend in the last few years has been an increase in the number of trips.

The Ironside Vehicle Society also continued to receive funding assistance to a total of \$51,566. Total trips recorded was 4,714, a decrease of 2,039 trips (-30%), with 3,656 (78%) specifically involving passengers who required the use of wheelchair hoists. Ironside were particularly impacted by Covid-19 resulting in a significant drop in the number of eligible trips undertaken and funding.

A much awaited transport enhancement project continued to be progressed in 2019/2020. Taranaki is one of nine authorities with the responsibility for delivering public transport throughout the country collaboratively working on implementing a new passenger ticketing system. The new system will provide Citylink and Connector passengers with greater personal card management services and tag-on/tag-off functionality on-bus.

The 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 2019/2020-2020/2021</i> is current and operational.</p>	<p>The <i>Regional Land Transport Plan</i> is current and in accordance with statutory requirements. The Plan, as revised by the mid-term review in 2017/18 for the period 2019/2020-2020/2021, came into effect from 1 July 2018.</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>

Programmed level of service

Reported level of service

2. Provision and increasing use of public transport services

Measure: Annual number of passenger trips on the region's public transport services.

There were 537,595 (2018/2019—649,874) passengers carried on the region's public transport services. This is a decrease of 17.3% (+4%) on 2018/2019.

Target (Years 1-10): Annual Increase in the number of passengers carried.

Baseline: Between 2008/2009 and 2016/2017, passengers on community passenger transport services in the region grew from 349,607 to 614,815.

3. Safe navigation for all users of the waters of Port Taranaki and its approaches

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

There were 534 (977) vessel movements undertaken through Port Taranaki. Zero (0) significant incidents involving unsafe navigation practices were reported within Port Taranaki and its approaches.

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

Baseline: There have been no significant incidents in the last 10 years.

Activities

Programme

2019/2020 actual performance

1. Regional land transport planning

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

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

Three variations to the RLTP were processed during the year. An *Annual Monitoring Report* was published in June 2020.

Complete a full review of the *Regional Land Transport Plan 2021/2022-2026/2027* during 2020/2021.

The full review of the RLTP commenced during the year, and will be completed by 30 April 2021.

Complete a mid-term review of the *Regional Land Transport Plan 2021/2022-2026/2027* during 2023/2024.

The mid-term review was completed and adopted in June 2018.

Review and make adjustments to the *Transport Activity Procurement Strategy*, as required, in accordance with statutory requirements.

The regional component of the *Strategy* was implemented through a number of activities undertaken. These were regularly reported on.

2. Public transport

Provide Total Mobility subsidy assistance to qualifying persons through the New Zealand Transport Agency supported *Total Mobility Scheme*.

Provided Total Mobility Scheme services to the targeted areas—50,522 (49,009—2018/2019) passenger trips were made. An additional 4,714 (6,753) trips were made by the Ironside Vehicle Society.

Operate public transport services in the New Plymouth district and regional Taranaki consistent with the *Regional Public Transport Plan* subject to funding approval from the New Zealand Transport Agency and the availability of local share funding.

Passenger transport services in New Plymouth urban areas and regional Taranaki were operated consistent with the *Regional Public Transport Plan*.



Programme

Monitor the region's bus service contracts including patronage growth and fare box recovery. Monitor the commerciality ratio of the region's public transport services and publish the ratio annually.

2019/2020 actual performance

Patronage on the Citylink service was 510,212 (618,407) down 17.5% (+5%). Patronage on the Connector was 25,072 (28,963) down 13.4 (-4%). Opunake to New Plymouth was up 22% (-10%) with patronage of 992 (811). Waverley to Hawera was down 18% (+3%) with patronage of 1,028 (1,259). Opunake to Hawera was down 33% (-40%) with patronage of 291 (434). Farebox recovery for all services was 36.9% (38.1%). The commerciality ratio for the region's public transport services was 38% (39%).

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

Funding of \$51,466 (\$65,000) was provided to the Ironside Vehicle Society for carriage of disabled persons in restricted areas.

3. Harbour management

Provide harbourmaster and harbour warden services for Port Taranaki 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 arrangements are in place for harbourmaster services. There were 534 (977—2018/2019) vessel movements. Zero (0) unsafe navigation practices were reported. The *Navigation and Safety Bylaws for Port Taranaki and its Approaches* continues to be enforced. There were zero (0) significant breaches of the *Port Taranaki and Harbour Safety Management System (HSMS)*. The HSMS was reviewed during the year with only minor changes required.

Costs and sources of funds

	2019/2020 Actual \$	2019/2020 Budget \$	2018/2019 Actual \$
Expenditure			
Regional land transport planning	105,356	113,405	92,306
Passenger transport	4,519,455	4,694,525	4,349,437
Harbour management	50,114	46,500	44,363
Total expenditure	4,674,925	4,854,430	4,486,106
Income			
General rates	197,288	197,288	204,874
Targeted rates	1,246,090	1,246,090	1,207,670
Direct charges	941,987	1,173,800	1,127,279
Government grants	2,276,450	1,975,474	1,947,194
Government grants – for capital	71,350	-	132,851
Transfers from reserves	8,425	8,633	40,000
Transfers to reserves	(246)	(335)	(1,665)
Investment funds	(66,419)	253,480	(172,097)
Total income	4,674,925	4,854,430	4,486,106
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	-	-	-
Plant and equipment	105,776	-	209,279
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	105,776	-	209,279
Funded by:			
Transfer from retained earnings	105,776	-	209,279
Total funding	105,776	-	209,279
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	105,776	-	209,279
Total capital expenditure	105,776	-	209,279
Gross proceeds from the sale of assets	4,619	-	-
Depreciation/amortisation expense	8,006	144,200	7,293

Asset acquisitions and replacements

Asset acquisitions includes the Regional Integrated Ticketing Project. This is a joint procurement project with other regional councils. It was budgeted for in previous years.

Internal borrowing

There is no internal borrowing within this group of activities.

Hazard Management

Hazard management comprises the following activities:

Civil defence emergency management

—supporting, within the Taranaki community and Iwi, an integrated comprehensive emergency management system including hazard awareness, reducing risk, maintaining readiness, and providing response and recovery capacity and capabilities—refer to levels of service 1, 2 and 3.

Flood management and general river control

—providing accurate and timely flood warnings, providing flood control advice and undertaking minor works and associated actions (audit of regional plans and consent applications to ensure activities are undertaken without an increased risk of flooding and river erosion) to minimise and prevent damage by floods and river erosion—refer to level of service 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 level of service 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 2015
- National Disaster Resilience Strategy 2019
- Taranaki Civil Defence Emergency Management Group Plan 2018
- Taranaki Civil Defence Emergency Management Annual Business Plans
- Soil Conservation and Rivers Control Act 1941
- Resource Management Act 1991
- Land Drainage Act 1908
- Lower Waitara River Flood Control Protection Scheme asset management plan
- Lower Waiwhakaiho Flood Control Protection Scheme asset management plan
- Okato Scheme asset management plan
- Opunake Flood Control Scheme Asset Management Plan
- Waitotara Scheme Management Plan.

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

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

Activities include engaging with the region's three territorial authorities to promote land use management as a means of reducing community vulnerability, alongside the Council's own land use and river management. Through its membership of the Group, the Council supports awareness and preparation at both the individual and community level, the provision of an appropriate level of trained personnel and facilities, and co-ordination of the various agencies who would have a role in any significant event. Administration of the Group's Taranaki Emergency Management Office has been delegated to the New Plymouth District Council. This was the second year of implementation of the *Civil Defence Emergency Management Group Plan for Taranaki 2018-2023*, which carries a focus on community resilience (social and economic) alongside organisational upskilling.

Response to the Covid-19 pandemic in March-June resulted in the activation of response and recovery operations.

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, Opunake Township, the Stony River and the Kaihihi Stream, as well as minor river control works and the provision of advice.

All schemes were maintained to their design standards.

The Lower Waiwhakaiho Flood Control Scheme and the Lower Waitara River Flood Control Scheme provide 1% Annual Exceedance Probability (AEP) flood protection (1 in 100-year) to the businesses and residents in the area included within the scheme with an allowance for the effects of climate change to 2060. This is a very high level of protection, consistent with similar areas across New Zealand.

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 locations to control erosion. The risk of flooding to the Waitotara Township and low-lying farmland has been reduced as a result of this work.

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

Channel alignment work was 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.

Monitoring and inspections were undertaken on the Kaihihi Stream to ensure channel alignment and manage erosion.

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

Levels of service

Programmed level of service	Reported level of service
<p>1. 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: Statutory reviews of the <i>Civil Defence Emergency Management Group Plan for Taranaki</i> are undertaken and implemented through annual work programmes. The <i>Plan</i> will be reviewed in 2023.</p>	<p>The 2018/2023 Group Plan is in effect. An annual business plan and budget to implement the Plan was confirmed. Programmes providing administration and community engagement, and lifting levels of equipment, resourcing, and training as set out in the new Group Plan, were implemented. The CDEM functions across Risk reduction, Readiness, Response and Recovery, have been incorporated in the revised Group Plan and are being implemented through the annual work plan. The work plan covers governance, disaster risk identification and reduction research and implementation, organisational and community resilience, capability development, and service levels with associated resourcing.</p>
<p>Measure: Delivery of Administrating Authority requirements.</p> <p>Target (Years 1-10): Administrating Authority requirements for Civil Defence Emergency Management are delivered as specified.</p> <p>Baseline: All Administrating Authority requirements are currently delivered as specified.</p>	<p>NPDC is the administering authority delivering related services to the CDEM Group and ECC. The work plan, resourcing, and budgeted income and expenditure for 2019/2020 to cover administering authority requirements have been delivered as agreed by the Group. Appointments for key roles (group controllers, group recovery and group welfare managers) have been made to ensure availability of suitably trained and competent personnel. All rounds of CEG and CDEM Group meetings were administered as required in the 2019/2020 year, and an annual report for 2018/2019 has been presented to the CEG and CDEM Group. A budget for 2020/2021 has been agreed by the CDEM Group.</p>
<p>2. Effective hazard assessment and disaster risk management, community resilience, and emergency readiness and response capability and capacity in the region to levels that are acceptable to the community</p> <p>Measure: Level of capacity and capability within Taranaki CDEM.</p> <p>Target (Years 1-10): Group capability and capacity to be maintained at or enhanced above the level as set out in the <i>Group Plan</i> and as assessed by the MCDEM monitoring and evaluation analysis tool.</p> <p>Baseline: The Group's capability and capacity is set out in the operative <i>Group Plan</i> and has been assessed and recorded by the MCDEM monitoring and evaluation analysis tool in 2015.</p>	<p>MCDEM scored the Group's readiness and response capability (2014/2015) above the designated MCDEM target. Benchmarking and reporting of future improvements is included in the Group Plan. A Group-commissioned external audit and monitoring evaluation has been undertaken. The Group has been scored well above previous audits, with improvements shown in every area. The report noted changes and improvement in leadership and staffing numbers, legislative changes, significant increase in capability, capacity and delivery through the decentralized model, and greater local CDEM delivery and coordination.</p>

Programmed level of service

Measure: The Emergency Management Office to be implementing effective multi-agency advisory group planning, hazard contingency plans, and standard operating 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 plans and procedures are set out in supporting plans and Standard Operating Procedures within the Emergency Management Office as listed in the operative Group Plan.

Reported level of service

Recruitment of response and recovery personnel for ECC and EOCs, protocols, and training programmes are in place. The CDEM work plan for 2019/2020 prioritised the appointment and training of Group and local controllers and welfare and recovery managers. Common sets of ECC/EOC activation protocols were developed. The amended CDEM Act requires the Group to develop a strategic recovery plan, to be incorporated in due course into the new Group Plan. Work continued on this in 2019/2020. A comprehensive collation of existing and proposed plans and procedures to enhance response and recovery has been prepared, for review and delivery over the next 5 years. A Volunteers Management Plan and a strategic public education programme promoting community awareness, response and recovery capabilities are being developed. Response to the Covid-19 pandemic in March-June resulted in the activation of response and recovery operations.

3. Effective CDEM Group Office servicing the needs of the CDEM Group area stakeholders and partners

Measure: CDEM Group Office performance monitoring.

Target (Years 1-10): Support the Emergency Management office to prepare, implement, monitor and report upon the *Taranaki Civil Defence Emergency Management Annual Business Plan*.

Baseline: The current *Taranaki Civil Defence Emergency Management Annual Business Plan* is being implemented, monitored and reported upon.

The Group adopted an annual business plan and budget, and it was implemented. Six key activity areas were identified: (i) governance arrangement and accountability; (ii) disaster risk identification and reduction, management, strengthening risk planning and integration; (iii) organisation resilience, focusing on operational systems and protocols for emergency operations/coordination centres; (iv) community resilience through volunteer management protocols, public education, community resilience plans and development of a Group resilience strategy; (v) capability development through education and training courses; and (vi) response and recovery arrangements through appointment of local Controllers, Recovery Managers and function leads.

4. 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 2017, 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 plans.

All schemes were maintained to their full service potential. Maintenance works on the Waiwhakaiho and Waitara River Schemes included the regular stopbank and berm mowing and the clearance of excess vegetation from the flood fairway. All floodgates were inspected regularly to ensure they will operate effectively when required. Erosion control works were undertaken on the Waiwhakaiho and Waitara Schemes. Willow clearing works were undertaken on the Waitotara River along with planting and layering works required to control erosion at critical locations to control the channel alignment. Channel alignment work was undertaken on the Stony River to facilitate gravel transport and prevent land erosion. Monitoring and inspections were undertaken on the Kaihihi Stream to ensure channel alignment and manage erosion. The Opunake Flood Protection Scheme was maintained in accordance with the newly adopted asset management plan.

Activities

Programme	2019/2020 actual performance
1. Civil defence emergency management	
Support the Emergency Management office to prepare, implement, monitor and report upon the <i>Taranaki Civil Defence Emergency Management Annual Business Plan</i> .	The <i>2019/2020 Annual Business Plan for Taranaki Civil Defence and Emergency Management (CDEM)</i> was implemented. The work plan and budget for 2019/2020 was prepared and adopted, and its implementation was regularly reported on.
Support the Emergency Management office to implement, monitor and report upon the operative <i>Civil Defence Emergency Management Group Plan for Taranaki</i> , and draft, and notify the next Plan in accordance with the statutory review period.	The new Group Plan came into effect on 1 July 2018. The next statutory review of the Plan is due in 2023. Work on strategy recovery in Taranaki is continuing, arising from a new requirement under the CDEM Act to include this element within group plans. The Plan is being implemented and monitoring is being reported on.
Support the Emergency Management office to maintain, review, and as needs be, implement effective response and recovery procedures to minimise harm or damage to people and property arising from emergency events.	Supported the CDEM Group's move to local response and recovery delivery and regional coordination through the Taranaki Emergency Management Office (TEMO) and the regional Emergency Coordination Centre. Specification and development of operational systems for use during response and recovery is underway. Emergency operations systems are being configured for the new operating model. A flood response plan was finalised. During March-June the Council supported the Emergency Management office to respond to the Covid-19 pandemic.
2. Flood management and general river control	
Effectively monitor rainfall and river levels and issue timely flood warnings. Maintain continuous monitoring systems (100% functional) and issue timely warnings for all cases, where necessary, in accordance with the <i>Flood Event Standard Operating Procedure</i> (approximately 35 warnings per annum).	Received 39 special weather watches and warnings (37—2018/2019). In all instances, flood monitoring was undertaken in accordance with the <i>Flood Event Standard Operating Procedure</i> . One flood warning was issued during the year (0 – 2018/2019).
Undertake minor emergency river and flood control works when necessary.	No (0) emergency works were required.
Respond to 100% of requests for drainage, river and flood control advice and assistance within ten working days.	Investigated and responded to 100% of requests for advice within ten working days.
Facilitate river control projects for the environmental enhancement of the region's waterways.	Eight (12) river control projects were undertaken for environmental enhancement.
Resource management planners are given advice to ensure regional plan rule and consent conditions will not increase the risk of flooding or river erosion.	Advice was given on all consent applications received and advice was given on a range of planning matters.



Programme

2019/2020 actual performance

3. River control schemes

Manage all flood and river control schemes across the region in accordance with asset management plans or management plans; including Lower Waiwhakaiho, Lower Waitara, Opunake, Okato and Waitotara Schemes.

All schemes were maintained to design standards. Maintained stopbanks and berm areas by mowing, weed control and the clearance of larger vegetation within the flood fairway. Erosion control works on the Waiwhakaiho and Waitara Rivers. Willow and poplar clearing works undertaken on the Waitotara River to maintain the capacity of the flood channel and erosion control planting undertaken. Channel and erosion control works undertaken on the Okato Scheme. Inspections and weed control undertaken on the Opunake Scheme.

Manage other minor river schemes to standards as agreed with scheme participants.

No work was required on minor schemes.

Costs and sources of funds

	2019/2020 Actual \$	2019/2020 Budget \$	2018/2019 Actual \$
Expenditure			
Civil defence emergency management	440,924	406,221	379,360
Flood management and general river control	274,156	251,741	272,711
River control schemes	239,830	272,276	290,325
Total expenditure	954,910	930,238	942,396
Income			
General rates	144,420	144,419	141,757
Targeted rates	722,058	722,058	711,706
Direct charges	263	-	7
Government grants	-	-	-
Transfers from reserves	7,323	-	42,019
Transfers to reserves	(58,764)	(48,296)	(41,591)
Investment funds	213,106	185,553	163,733
Total income	1,028,406	1,003,734	1,017,631
Operating surplus/(deficit)	73,496	73,496	75,235
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	37,782	40,000	-
Plant and equipment	-	-	7,866
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	19,682	-	8
Computer software	-	-	-
Total capital expenditure	57,464	40,000	7,874
Funded by:			
Transfer from retained earnings	57,464	40,000	7,874
Total funding	57,464	40,000	7,874
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	57,464	40,000	7,874
Total capital expenditure	57,464	40,000	7,874
Gross proceeds from the sale of assets	4,356	10,000	-
Depreciation/amortisation expense	8,222	8,232	7,003

Asset acquisitions and replacements

No material asset acquisitions or replacements.

Information on core assets

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

	2019/2020 Actual \$	2018/2019 Actual \$
Closing book value	13,696,480	13,281,370
Acquisitions constructed by the Council	19,682	8
Acquisitions transferred to the Council	-	-
Estimated replacement cost	13,696,480	13,281,370



Internal borrowing

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

	2019/2020 Actual \$	2019/2020 Budget \$	2018/2019 Actual \$
Opening balance	4,576,896	4,494,730	4,655,168
Plus borrowed during the year	27,548	-	-
Less principal repaid during the year	82,485	88,779	78,272
Closing balance	4,521,959	4,405,951	4,576,896
Interest charged during the year	299,366	292,157	302,664

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 comprises the following activities:

Regional gardens

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

Puke Ariki

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

Yarrow Stadium

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

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 2017
- Tūpare Asset Management Plan 2017
- Pukeiti Asset Management Plan 2017

Yarrow Stadium

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

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

Yarrow Stadium operated in a limited capacity as both the stands were closed as they are earthquake prone buildings. There continued to be a range of events and activities at the Stadium, notably Taranaki's National Provincial Championship home games.

In opting to repair and refurbish Yarrow Stadium within a budget of up to \$50 million, the Council has reaffirmed its vision for the venue. The vision was originally adopted in 2015 following stakeholder engagement. It is:

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

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

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

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

The repair and refurbishment project will include:

- Repairs to the earthquake-prone grandstands and consequential changes.
- Important refurbishments including additional food and beverage outlets and toilets, technology upgrades, LED pitch lighting, car park improvements, maintenance and grounds storage sheds, gate improvements, new South Terrace seating and reinstatement of Field 1.

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

The implementation of the repair and refurbishment project commenced with the establishment of a Project Steering Group and detailed design and analysis work.

The project was put on hold during the Covid-19 pandemic as there was a significant adverse impact on national and international events arising from Covid-19. The project was put on hold to allow a review of options to be completed. Through this review, the Council successfully applied for "shovel-ready" funding (\$20m) from Crown Infrastructure Partners.

With the shovel-ready funding secured and the review of options complete the project has recommenced. As well as bringing a cut of 40% plus in the Yarrow Stadium targeted rates from next July, the funding injection will make it easier to ensure this iconic venue can continue to meet the region's needs amid all the changing circumstances.

Regional gardens

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

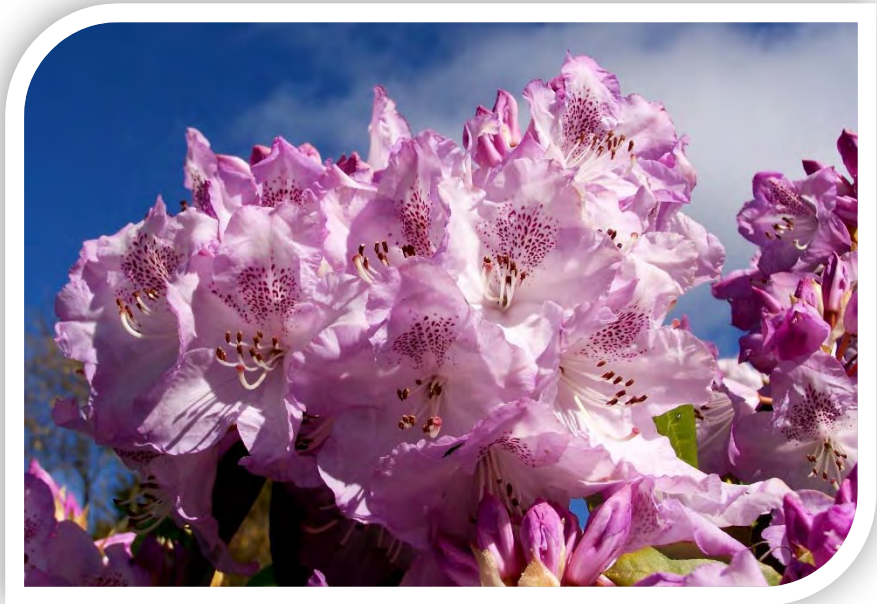
The programme of works to upgrade Pukeiti continued with many of the garden and facilities projects entering their final stages and some of the recreational projects aimed at opening up the Rainforest, progressing.

Other development works included:

- Completion of the plantings in the new display beds around the Lodge and Lawn environs.
- Completion of the concreting and lighting in the front of the Lodge and adjacent to the Rainforest Centre.
- Completing the construction of the Piwakawaka Family Hut in the Rainforest
- Continuing to enhance the rhododendron collection with regular bush margin clearance, new plant introductions and regular pruning and shaping.

- Completion of the mountain bike feeder routes and underpass in the garden area in preparation for upgraded tracks in the Rainforest.

Pukeiti houses 1,370 different types of rhododendrons, including different subspecies, varieties and forms. This is an increase of 86 new plants from last year and is primarily due to the joint conservation work between the Council, Massey University and the Pukeiti Rhododendron Trust.



Tūpare was maintained to the standard established in the asset management plan and continues to maintain a high standard of craft, care and curatorship. It has maintained its assessment as a 6 star garden by the New Zealand Gardens Trust. This achievement means that this is one of the top garden experiences in New Zealand. Development works for the year were focused on the garden with unexpected loss of the huge and historic Copper Beech prompting a replant of the Old Orchard area.

Hollard Gardens was maintained to the standard established in the asset management plan and continues to consolidate as a quality community asset for the outlying districts and beyond. Development works for the year included the construction of a new barbeque shelter and toilet and the landscaping of the Hillside to provide a welcoming approach to the busy Family Corner. Other garden developments include the creation of more picnic spaces in the New Garden to enable more areas for people to relax and to achieve a higher consistent standard of maintenance by reducing some of the garden areas.

The three properties visitor numbers were adversely affected by the covid-19 lockdown. Encouragingly, Hollard Gardens had a slight overall increase from 21,171 visitors to 21,673. Tupare's visitor numbers dropped from 43,617 to 41,616 and Pukeiti's dropped from 82,673 to 53,320

Puke Ariki

The partnership with Puke Ariki allows for the presentation of educational and information material of relevance to the Council as well as contributing to the successful presentation of Puke Ariki. The ongoing partnership relationship with Puke Ariki continues. The two 2019/2020 projects are the long-term refreshment of the Taranaki Naturally Gallery and Aotea Utanganui Museum of South Taranaki to support the development of an online documentary channel.

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
<p>1. Tūpare, Hollard Gardens and Pukeiti recognised as regionally or nationally significant gardens</p>	
<p>Measure: Maintenance and enhancement of three regionally significant gardens.</p> <p>Target (Years 1-10): Pukeiti, Tūpare and Hollard Gardens maintained and enhanced in accordance with the provisions of the adopted asset management plans.</p> <p>Baseline: The three properties are maintained to the latest adopted asset management plan. Latest asset management plans were adopted in 2017.</p>	<p>All three regional gardens were maintained and enhanced in accordance with their adopted asset management plans.</p>
<p>Measure: Level of use of Tūpare, Hollard Gardens and Pukeiti.</p> <p>Target (Years 1-10): Increasing the number of visitors and the number of events at each property.</p> <p>Baseline: In 2016/2017, Tūpare attracted 35,810 visitors, Hollard Gardens 18,175 and Pukeiti 29,109 visitors. There were 54 events at Tūpare, 79 at Hollard Gardens and 11 at Pukeiti. All three properties were part of the <i>Powerco Taranaki Garden Spectacular</i>.</p>	<p>Tūpare attracted approximately 41,616 visitors (43,617 – 2018/2019) with Hollard Gardens attracting approximately 21,673 (21,171) and Pukeiti 53,320 (82,673). There were 28 (33) events at Tūpare, 33 (57) at Hollard Gardens and 62 (26) at Pukeiti.</p>
<p>Measure: Access to Tūpare, Hollard Gardens and Pukeiti.</p> <p>Target (Years 1-10): Tūpare, Hollard Gardens and Pukeiti open to the public daily with unrestricted free general access.</p> <p>Baseline: Tūpare and Hollard Gardens have been open in this way since 2002. Free access to Pukeiti commenced from 1 July 2010.</p>	<p>The gardens were open to the public daily. Entry was free to all three properties.</p>
<p>2. Partnership relationship with the Puke Ariki regional museum and library</p>	
<p>Measure: Annual project for the delivery of display and presentation material.</p> <p>Target (Years 1-10): Delivery of an annual project.</p> <p>Baseline: The ongoing partnership relationship with Puke Ariki continued during 2016/2017. The partnership contributed towards five projects.</p>	<p>The partnership with Puke Ariki allows for the presentation of educational and information material of relevance to the Council as well as contributing to the successful presentation of Puke Ariki. The ongoing partnership relationship with Puke Ariki continues. The two 2019/2020 projects are the long-term refreshment of the Taranaki Naturally Gallery and Aotea Utanganui Museum of South Taranaki to support the development of an online documentary channel.</p>
<p>3. Presentation and operation of Yarrow Stadium as one of New Zealand's premier regional sporting stadium and venue</p>	
<p>Measure: Maintenance and development of Yarrow Stadium for a range of events and activities.</p> <p>Target (Years 1-10): Provision of funding for the ongoing maintenance and development of Yarrow Stadium.</p> <p>Baseline: The Council commenced providing funding for the ongoing maintenance and development of Yarrow Stadium in 2012/2013.</p>	<p>Yarrow Stadium operated in a limited capacity as both the stands were closed as they are earthquake prone buildings. There continued to be a range of events and activities at the Stadium, notably Taranaki's National Provincial Championship home games. Funding was provided to the Taranaki Stadium Trust to allow the Yarrow Stadium repair and refurbishment project to commence.</p>

Activities

Programme	2019/2020 actual performance
<p>1. Regional gardens</p>	
<p>Provide three regional gardens (Tūpare, Hollard Gardens and Pukeiti) for free general use by the regional community. Tūpare, Hollard Gardens and Pukeiti open to the public daily with unrestricted free general access.</p>	<p>The gardens were open to the public daily. Entry was free to all three properties.</p>
<p>Encourage the increased use of the regional gardens by the community for recreational purposes and for specific events.</p>	<p>Tūpare attracted approximately 41,616 visitors (43,617 – 2018/2019) with Hollard Gardens attracting approximately 21,673 (21,171) and Pukeiti 53,320 (82,673). There were 28 (33) events at Tūpare, 33 (57) at Hollard Gardens and 62 (26) at Pukeiti.</p>
<p>Continue implementing the Pukeiti asset management plans focusing on completing the upgrade works in the Zone 1 Garden, the rhododendron collection in Zone 2 and recreational development opportunities in Zone 3. Priority tasks to be completed include:</p> <ul style="list-style-type: none"> • completing the Lodge and surrounds landscaping • continuing the enhancement of the garden and the rhododendron collection. • continuing the implementation of the Plant Collection Plan • refurbishing the plant borders • upgrading the outer ring tracks • completing the fit-out of the Lodge • continuing the growth in recreational activities with the construction of a fitness trail. 	<p>A comprehensive upgrade programme is in progress including:</p> <ul style="list-style-type: none"> • enhancing the rhododendron collection through bush margin clearance, new plantings, and seasonal plant husbandry • completing the Lodge fit out • completing the garden display beds including contouring soil conditioning and planting of areas affected by the developments as built structures are completed • completing a new toilet in the Valley of the Giants • completing the Piwakawaka Family Hut. • commencing the tramline track upgrade with feeder tracks and underpass installed • completing the Pukeiti Rainforest Bridge preliminary design work.
<p>Continue implementing the Hollard Gardens asset management plans focusing on:</p> <ul style="list-style-type: none"> • installing a new toilet to meet demand in the Family Corner area • installing new stylized play equipment. 	<p>Implementing the Hollard Gardens asset management plans including:</p> <ul style="list-style-type: none"> • completing the barbeque shelter and toilet.
<p>Continue implementing the Tūpare asset management plans focusing on:</p> <ul style="list-style-type: none"> • continuing to improve the story telling • completing new art installation. 	<p>Implementing the Tūpare asset management plans including:</p> <ul style="list-style-type: none"> • beginning the cottage upgrade with heating, lighting and display cabinets completed, with the access upgrade to come.
<p>Review and adopt asset management plans for Tūpare, Hollard Gardens and Pukeiti by 31 October 2020.</p>	<p>All three asset management plans were revised and adopted in 2019/2020. The next review of the plans will occur in 2020/2021.</p>

Programme**2019/2020 actual performance**

2. 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.

Undertake asset management planning for the future maintenance, enhancement and development of Yarrow Stadium.

Asset management planning for Yarrow Stadium is on hold while issues arising from earthquake assessments of the stands, that indicated that they are earthquake prone buildings, are attended to.

Provide regional funding for the future maintenance, enhancement and development of Yarrow Stadium.

Provided regional funding to the Taranaki Stadium Trust for long-term maintenance and development at Yarrow Stadium. Funding has been used to allow the Taranaki Stadium Trust to commence the Yarrow Stadium repair and refurbishment project.

Taranaki Stadium Trust

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

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

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

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

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

An agreement for the management and operation of Yarrow Stadium, between the Trust and the New Plymouth District Council, is in place. The original agreement for the Council to manage and operate the stadium was signed in 2004 and the latest renewal came into effect from 27 June 2013. New Plymouth District Council operated Yarrow Stadium in accordance with the Management Agreement during 2019/2020.

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

The Taranaki Regional Council has approved a \$50m repair and refurbishment project for Yarrow Stadium. 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 2016/2017 to 30 June 2025. The Taranaki Regional Council provided the annual funding of \$3,942,708 to the Taranaki Stadium Trust.

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

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

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

Costs and sources of funds

	2019/2020 Actual \$	2019/2020 Budget \$	2018/2019 Actual \$
Expenditure			
Regional gardens	3,413,173	3,476,409	2,765,207
Puke Ariki	150,000	150,000	150,000
Yarrow Stadium	3,963,350	3,942,719	1,484,703
Total expenditure	7,526,523	7,569,128	4,399,910
Income			
General rates	1,500,951	1,500,951	1,566,192
Targeted rates	3,942,708	3,942,719	301,415
Direct charges	162,745	197,000	179,045
Investment funds	1,920,119	1,928,458	2,353,258
Total income	7,526,523	7,569,128	4,399,910
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	720,909	1,606,000	710,716
Motor vehicles	138,811	45,000	-
Plant and equipment	11,378	60,000	431,381
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	871,098	1,711,000	1,142,097
Funded by:			
Transfer from retained earnings	871,098	1,711,000	1,142,097
Total funding	871,098	1,711,000	1,142,097
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	871,098	1,711,000	1,142,097
Total capital expenditure	871,098	1,711,000	1,142,097
Gross proceeds from the sale of assets	9,565	-	27,022
Depreciation/amortisation expense	525,176	534,987	423,225

Asset acquisitions and replacements

The development of Pukeiti Gardens has continued. Asset acquisitions includes landscaping improvements, and the Pukeiti tramline and family hut construction. The canopy walk project has commenced.

Internal borrowing

There is no internal borrowing within this group of activities.

Regional Representation, Advocacy & Investment Management

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 level of service 2.

Community engagement

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

Advocacy and response

—advocating and responding, on behalf of the Taranaki community, to initiatives proposed by other agencies, when those initiatives affect 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 1.

Governance

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

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
- the Local Government Official Information and Meetings Act 1987
- Standing Orders.

The Council has had another successful year representing the Taranaki region across many fronts. Many activities contribute to these successes including advocating for Taranaki'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 accountability processes including elections, meetings and representation have also been appropriately and legally complied with.

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

The triennial local government elections were successfully conducted in October 2019. The next local authority elections are in October 2022.

With respect to the Council-owned port company, Port Taranaki Ltd, processes were maintained to enable the company to operate efficiently as a successful business. The medium to long-term viability and profitability of this regionally significant asset remains favourable. Recent performance of the region's port company has been good. Dividends of \$8m were received.

Property and treasury investments were efficiently managed with maximum returns sought from treasury investments in accordance with the *Investment Policy*. Overall, interest returns are down on previous years due to the current low interest financial environment.

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

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

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

- publishing four editions of the Council newsletter – the newsletter is published bi-monthly however the October 2019 and April 2020 editions were not produced due to the 2019 local government elections and the 2020 Covid-19 level 4 lockdown
- working with 272 classes involving 7,791 students, including class visits, field trips and the Pukeiti Rainforest School
- holding 43 staff meeting in addition to the distribution of additional resources to teachers.

Seventeen environmental awards were presented in October 2019.

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

Twenty-two submissions to the policy initiatives of other agencies were made. There is an ongoing 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.

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

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

Levels of service

Programmed level of service	Reported level of service
<p>1. Effective advocacy on behalf of the Taranaki community on matters that affect 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 2016/2017, 31 submissions were made with anecdotal evidence of successful advocacy in most cases.</p>	<p>Made 22 (26—2018/2019) submissions to the policy initiatives of other agencies with evidence of successful advocacy. Many of the submissions were on large or complex documents requiring considered response. Examples included: submissions on the Resource Management Amendment Bill, Climate Change Response (Zero Carbon) Amendment Bill, the Government's Essential Freshwater package, plus draft national policy statements and standards for indigenous biodiversity, urban development, highly productive land, outdoor tyre storage and air quality.</p>
<p>2. Port Taranaki ownership as a strategic investment</p> <p>Measure: The role of Port Taranaki Ltd in regional economy.</p> <p>Target (Years 1-10): Maintain or increase the contribution from Port Taranaki Ltd to the regional economy.</p> <p>Baseline: In 2012, the estimated Port dependent activity contributed \$465m to regional gross domestic product (GDP) and employed 1,270 full time equivalents. Industries utilizing the Port contributed \$2.5b to regional GDP and employed 11,700 FTEs.</p>	<p>The contribution to the wider community was measured by BERL (independent economists) in 2007, 2012 and 2017. Allowing for flow-on effects, the port's operations are estimated to generate \$28 million in value added (GDP) in 2019/2020. They also generate 319 full-time equivalent jobs (FTEs). The port's important enabling role can be seen from the estimates that its users and service providers are likely to generate \$353 million in value added (GDP) the current year, and 929 FTEs.</p>
<p>Measure: The financial and operational performance of Port Taranaki Ltd.</p> <p>Target (Years 1-10): Ensure financial and operational performance from Port Taranaki Ltd is in accordance with the levels presented in each year's statement of corporate intent.</p> <p>Baseline: Port Taranaki Ltd's performance is reviewed, against the statement of corporate intent twice a year.</p>	<p>The statement of corporate intent for 2019/2022 was considered on 13 August 2019. Port Taranaki Ltd's performance was reviewed when considering their 2018/2019 Annual Report on 1 October 2019. The half-year results to 31 December 2019 were considered on 7 April 2020.</p>
<p>3. Effective management of property and treasury investments owned by the Council.</p> <p>Measure: Investment returns from property and treasury investments on general rates.</p> <p>Target (Years 1-10): Maintain or increase the level of investment returns used to reduce each year's general rates requirement.</p> <p>Baseline: Total investment returns from property and treasury investments in 2016/2017 were interest \$527,175 and lease rent \$861,412. These returns were used to reduce the general rate requirement.</p>	<p>Total investment returns from property and treasury investments were interest \$411,873 (\$390,969—2018/2019) and lease rent \$910,042 (\$888,862). This represented a 3.3% (-1%) increase over last year. These returns were used to reduce the general rate requirement.</p>

Activities

Programme	2019/2020 actual performance
1. Investment management	
Consider Port Taranaki's annual statement of corporate intent and monitor performance against established targets.	The statement of corporate intent for 2019/2022 was considered on 13 August 2019. Port Taranaki Ltd's performance was reviewed when considering their 2018/2019 Annual Report on 1 October 2019. The half-year results to 31 December 2019 were considered on 7 April 2020.
Appoint Directors at Port Taranaki Ltd's annual general meeting and at other times as required.	Messrs Dryden and Marshall retired by rotation and were reappointed at the 26 September 2019 Port Taranaki Ltd annual general meeting (AGM).
Undertake on-going liaison with port company directors and management.	Regular formal and informal briefings and discussions occurred between the Board and the Council.
Manage and, where appropriate, divest leasehold land in accordance with the <i>Investment Policy</i> .	Renewed 5 leases (0—2018/2019). No (0) leasehold property was divested during the year. Achieved a 4.7% (4.8%) return from leasehold land rentals.
Manage and maximise returns from treasury investments in accordance with the <i>Investment Policy</i> .	All treasury investments were in accordance with the <i>Investment Policy</i> . Achieved a 3.01% (3.58%) return from treasury investments.
2. Community engagement	
Engage with the community across a range of channels including print and digital publications, news media, websites, mobile and social media. Produce five bi-monthly editions of the Council newsletter and publish through print and digital channels.	Ongoing engagement with the regional community occurred across the range of communications channels. Four issues of the <i>Talking Taranaki</i> newsletter were published in print, online and email – the October 2019 and April 2020 editions were not produced due to 2019 local government elections and the Covid-19 level 4 lockdown. The website continues to be developed and social media presence increased.
Implement the environmental awards programme.	Seventeen (14) environmental awards were presented in October 2019.
Provide an on-going environmental education programme for school children and the wider community including class visits, field trips, the Pukeiti Rainforest School and support for community projects.	Distributed 4 (4) issues of the <i>SITE (Schools in the Environment)</i> newsletter. Carried out 272 (229) class visits involving 7,791 (8,206) students. These included 8 (20) groups involving 247 (714) students to the Pukeiti Rainforest School. Forty-three (61) staff meetings were facilitated. Provide regional co-ordination of the EnviroSchools programme.
3. Advocacy and response	
Assess the implications of policy initiatives proposed by other agencies including discussion documents, proposed policies, strategies, plans and draft legislation, and respond within required timeframes on approximately 20 occasions per year.	Assessed the implications of the policy initiatives proposed by other agencies resulting in the preparation of 22 (26) submissions, which involved complex documents requiring thorough analysis and careful and considered responses.

4. Governance

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

Statutory planning and reporting accountability documents have all been prepared within statutory requirements and timeframes. The *2018/2019 Annual Report* was adopted on 1 October 2019. The *2020/2021 Annual Plan* was adopted on 30 June 2020.

Preparation of agendas and minutes and the conduct of meetings in accordance with *Standing Orders* and the *Local Government Official Information and Meetings Act 1987*.

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

Conduct of triennial local authority elections without any need for re-conduct of the elections as a result of judicial review.

The 2019 local authority elections were held in October 2019. The elections were successfully completed with no appeals or judicial reviews held. The next local authority elections are in October 2022.

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

Programmes and performance measures set in Port Taranaki Ltd's statement of intent

2019/2020 actual performance

The Company will pursue strategies aimed at maximising the opportunity for trade through the Port and growing the Port's hinterland. Over the next three financial years the Company aims to expand its hinterland and achieve a trade volume of five (5) million freight tonnes of which one (1) million freight tonnes will be non-bulk liquids trade.

Achieved: Total: 5.5m (2018/2019—5.0m)

Achieved: Non-liquid bulk: 1.7m (1.6m)

Financial: EBITDAF on average total assets (Target > 10.7%)

Achieved: 12.6% (10.5%)

Financial: Return (NPAT) on average total assets (Target > 4.0%)

Achieved: 6.1% (3.8%)

Financial: Return (NPAT) on average shareholder's funds (Target > 5.5%)

Achieved: 8.4% (5.3%)

Financial: Shareholder equity ratio (Target > 65.0%)

Achieved: 73.4% (72.4%)

Financial: Interest Coverage Ratio (Target > 5x)

Achieved: 12.2x (9.5x)

Environment: Incidents of Harbour Pollution (Target Nil)

Achieved: Nil (2)

Environment: Compliance with all resource consents (Target Yes)

Not achieved: No (No)

Regional Software Holdings Ltd

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

RSHL is a major shared services undertaking by the Northland, Waikato, Taranaki, Horizons, Hawkes' Bay, West Coast and Southland regional councils. It is responsible for the long-term maintenance and development of the Integrated Regional Information System (IRIS) product as developed for and by the shareholding councils. Over the last few years, the six regional councils have developed a leading edge software solution (IRIS) for the regional council specific functions undertaken by those councils. The development project has been a remarkable success with the project being delivered to specification and within budget.

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

The Council will continue to hold its 15.5% shareholding in RSHL long as it continues to use the IRIS product and/or any other products and services offered by RSHL. The Council has a Director on the Board of RSHL. Control over RSHL is exercised by holding and exercising the rights of a shareholder and by the retention of a Director on the Board.

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

Performance target	Comment
Undertake an annual survey of users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Baseline to be developed following the completion of the first survey.	Complete. The first annual survey was undertaken in July 2019. The next survey will be in August 2020.
Develop, approve, communicate and refine the annual roadmap for RSHL major enhancement projects. Draft annual roadmap presented to the Board by 31 December of each year for the following year. Adoption by the Board by 30 June of each year.	Complete. The product roadmap for IRIS was presented, discussed and agreed in December 2019 and the roadmap for the year was approved as part of the business plan.
Major Enhancement projects identified on the Annual Roadmap are all completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	Complete.
Budgets for support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively managed by the Advisory Group.	Complete.
User Groups and business representatives are engaged in the development of the Major Enhancement Annual Roadmap.	Complete. Representatives from all IRIS councils have been actively involved in developing the enhancement roadmap.
RSHL will operate within 5% (plus or minus) of its shareholder approved annual budget.	Achieved. Spend on capital development has been reduced in favour of operational spend to identify the eventual replacement for IRIS. ReCoCo (Regional Council Collaboration) activity continues to be unpredictable, although this does not impact on RSHL balance sheet. All variations to budget have been approved by the Board.
Annual charges for shareholders and customers to be at level approved by the Board and Shareholder Councils based upon the approved operating budget and budgets for major and minor enhancements.	Complete.



Performance target

Comment

Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL. (Applies once in 3 year period)

Complete. ReCoCo has helped to extend the customer base of RSHL with all 16 councils in the sector engaged in one or more projects. In addition, 11 councils are working with RSHL to identify the eventual replacement for IRIS.

Consider, evaluate and, if appropriate, implement new service areas or areas outside of the current scope of IRIS.

Complete. This is being achieved through the ReCoCo initiative.

Be a service delivery agent for wider regional council sector and related bodies information management projects (ReCoCo) and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the Regional Council Corporate Services SIG.

Complete. RSHL currently has 10 ReCoCo initiatives under management and several initiatives in development with the SIGs. RSHL has been engaged to manage the delivery of all sector shared work programmes under the Sector Shared Finance System initiative.

Costs and sources of funds

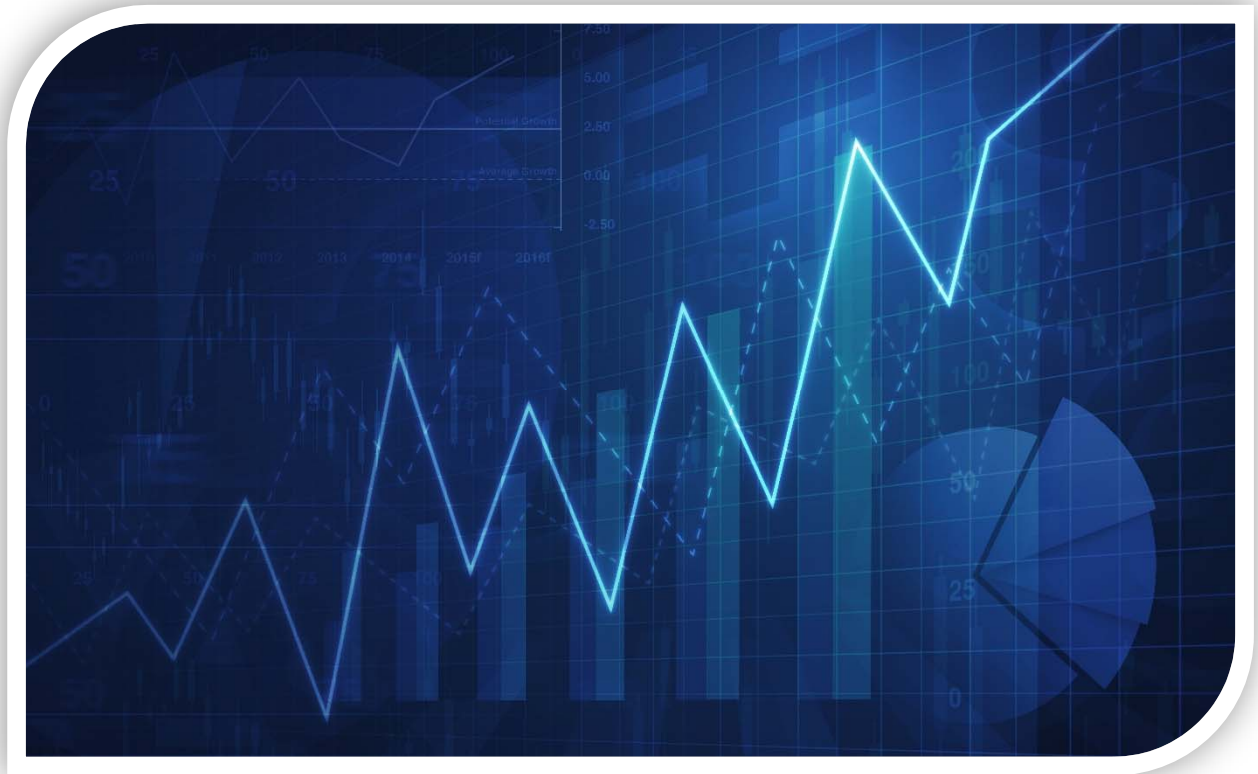
	2019/2020 Actual \$	2019/2020 Budget \$	2018/2019 Actual \$
Expenditure			
Investment management	3,735	6,000	8,790
Community engagement	401,210	350,835	312,560
Advocacy and response	379,358	286,139	263,406
Governance	1,145,979	1,116,926	1,001,119
Total expenditure	1,930,282	1,759,900	1,585,875
Income			
General rates	756,690	756,688	732,346
Direct charges	74,966	31,000	36,361
Investment funds	1,098,626	972,212	817,168
Total income	1,930,282	1,759,900	1,585,875
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	-	-	148,449
Motor vehicles	98,716	70,000	-
Plant and equipment	8,548	2,000	88,058
Office furniture	780	12,000	832
Computer equipment	157,106	163,520	159,143
Flood and river control assets	-	-	-
Computer software	93,193	357,700	278,584
Total capital expenditure	358,343	605,220	675,066
Funded by:			
Transfer from retained earnings	358,343	605,220	675,066
Total funding	358,343	605,220	675,066
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	358,343	605,220	675,066
Total capital expenditure	358,343	605,220	675,066
Gross proceeds from the sale of assets	52,690	20,000	4,935
Depreciation/amortisation expense	764,033	855,925	700,333

Asset acquisitions and replacements

Significant asset acquisitions include website developments. Some computer software purchases have been deferred.

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 2019/2020 year compared against the budget set for 2019/2020 in the 2019/2020 Annual Plan and the results achieved in 2018/2019.

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 2020

	Notes	Council			Group	
		2019/2020 Actual \$	2019/2020 Budget \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Cost of services						
Resource management		15,693,091	22,735,911	13,631,202	15,692,191	13,613,612
Biosecurity and biodiversity		7,053,343	7,243,680	6,304,476	7,053,343	6,304,476
Transport		4,674,924	4,854,430	4,486,106	4,674,924	4,486,106
Hazard management		954,910	930,238	942,396	954,910	942,396
Recreation, culture and heritage		7,526,523	7,569,128	4,399,910	5,147,822	3,929,888
Regional representation, advocacy and investment management		1,930,282	1,759,900	1,585,875	1,930,282	1,585,875
Port operating expenses		-	-	-	33,990,431	34,080,450
Total expenses	5	37,833,073	45,093,287	31,349,965	69,443,903	64,942,803
Revenue from exchange transactions						
Direct charges revenue	4	4,098,486	4,173,590	4,078,802	4,062,503	4,057,620
Other investment revenue		1,222,667	1,100,000	993,895	1,178,285	949,513
Dividends		8,000,837	8,000,000	9,000,000	837	-
Port revenue from operations		-	-	-	51,841,123	47,194,203
Revenue from non-exchange transactions						
General rates revenue		7,954,393	7,954,392	7,954,392	7,954,393	7,954,392
Targeted rates revenue		5,910,856	5,910,867	2,220,791	5,910,856	2,220,791
Direct charges revenue	4	12,307,505	13,503,458	8,377,217	12,327,297	8,909,919
Government grants		4,030,691	3,277,474	2,835,608	4,030,691	2,835,608
Vested assets		-	-	-	-	-
Total revenue	4	43,525,435	43,919,781	35,460,705	87,305,985	74,122,046
Operating surplus/(deficit) before finance income and expenses, other gains/losses and taxation		5,692,362	(1,173,506)	4,110,740	17,862,082	9,179,243
Finance income		411,873	3,286,719	390,969	384,508	437,156
Finance expense	5	40,399	937,500	-	2,091,368	2,102,643
Net finance income (expense)		371,474	2,349,219	390,969	(1,706,860)	(1,665,487)
Operating surplus before other gains/losses and taxation		6,063,836	1,175,713	4,501,709	16,155,222	7,513,756
Other gains/(losses)						
Gains/(losses) on revaluation of buildings		-	-	-	(1,890,148)	-
Gains/(losses) on revaluation of investment properties		1,046,000	-	1,132,500	1,046,000	1,132,500
Impairment of assets	10	-	-	-	(224,032)	-
Operating surplus/(deficit) before taxation		7,109,836	1,175,713	5,634,209	15,087,042	8,646,256
Income tax expense	7	(38,448)	10,000	(42,051)	3,303,082	3,540,037
Net surplus/(deficit) for the period, net of tax	22	7,148,284	1,165,713	5,676,260	11,783,960	5,106,219
Other comprehensive income						
Items that may be reclassified subsequently to profit and loss when specific conditions met.						
Revaluation of property, plant and equipment		387,562	-	319,972	767,562	4,853,477
Change in cash flow hedge		-	-	-	799,153	197,813
Other comprehensive income, net of tax		387,562	-	319,972	1,566,715	5,051,290
Total comprehensive income for the period, net of tax		7,535,846	1,165,713	5,996,232	13,350,675	10,157,509

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 2020

Council	Notes	Retained earnings \$	Reserves \$	Asset revaluation reserves \$	Cash flow hedge reserve \$	Total equity \$
As at 1 July 2018		67,092,864	11,239,866	4,509,338	-	82,842,068
Changes in equity for 2018/2019						
Total comprehensive income for the period		5,676,260	-	319,972	-	5,996,232
Transfers to and from reserves		(3,061,325)	3,061,325	-	-	-
As at 30 June 2019	19	69,707,799	14,301,191	4,829,310	-	88,838,300
Changes in equity for 2019/2020						
Total comprehensive income for the period		7,148,284	-	387,562	-	7,535,846
Transfers to and from reserves		(6,354,704)	6,354,704	-	-	-
As at 30 June 2020	19	70,501,379	20,655,895	5,216,872	-	96,374,146

Group	Notes	Retained earnings \$	Reserves \$	Asset revaluation reserves \$	Cash flow hedge reserve \$	Total equity \$
As at 1 July 2018		135,084,181	11,239,866	63,261,766	(996,966)	208,588,847
Changes in equity for 2018/2019						
Total comprehensive income for the period		5,106,219	-	4,853,477	197,813	10,157,509
Transfers to and from reserves		(3,061,325)	3,061,325	-	-	-
Transfers to and from asset revaluation reserves		-	-	-	-	-
As at 30 June 2019	19	137,129,075	14,301,191	68,115,243	(799,153)	218,746,356
Changes in equity for 2019/2020						
Total comprehensive income for the period		11,783,960	-	767,562	799,153	13,350,675
Transfers to and from reserves		(6,354,704)	6,354,704	-	-	-
Transfers to and from asset revaluation reserves		-	-	-	-	-
As at 30 June 2020	19	142,558,331	20,655,895	68,882,805	-	232,097,031

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

Statement of Financial Position as at 30 June 2020

Notes	Council			Group		
	2019/2020 Actual \$	2019/2020 Budget \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$	
Current assets						
Cash and cash equivalents	8	2,945,237	1,855,374	4,393,819	3,713,967	4,858,790
Current portion of investments	13	12,595,467	-	8,363,322	12,595,467	8,363,322
Receivables from exchange transactions	9	711,161	960,000	609,398	7,560,010	7,183,418
Receivables from non-exchange transactions	9	6,258,269	1,040,000	3,023,951	6,258,269	3,023,951
Inventories	12	162,185	-	23,900	835,015	733,328
Loan to Taranaki Stadium Trust	14	4,000,000	22,870,781	-	-	-
Prepayments		245,831	100,000	226,176	245,831	226,176
Taxation refundable	7	-	-	5,109	-	5,109
Work-in-progress	28	189,382	400,000	172,004	189,382	172,004
Total current assets		27,107,532	27,226,155	16,817,679	31,397,941	24,566,098
Non-current assets						
Term deposits and treasury investments	13	1,000,000	6,900,000	2,625,250	1,000,000	2,625,250
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
Investment properties	15	19,559,000	17,380,500	18,513,000	19,559,000	18,513,000
Intangible assets	11	869,701	1,531,576	1,069,117	1,462,917	1,478,459
Property, plant and equipment	10	32,786,757	33,446,828	31,179,780	238,683,287	241,119,718
Deferred tax asset	7	80,499	-	42,051	80,499	42,051
Total non-current assets		81,095,075	86,058,022	80,228,316	261,584,821	264,577,596
Total assets		108,202,607	113,284,177	97,045,995	292,982,762	289,143,694
Current liabilities						
Payables from exchange transactions	16	3,436,820	1,500,000	3,217,087	8,071,393	10,894,469
Payables from non-exchange transactions	16	2,102,320	1,000,000	2,380,334	2,102,320	1,771,631
Employee entitlements	17	1,141,005	935,000	1,106,133	2,480,868	2,330,360
Work-in-progress	29	591,816	600,000	725,841	591,816	725,841
Borrowings	18	4,000,000	-	-	4,172,876	3,982,771
Taxation payable	7	-	-	-	2,828,330	1,177,224
Total current liabilities		11,271,961	4,035,000	7,429,395	20,247,603	20,882,296
Non-current liabilities						
Employee entitlements	17	556,500	800,000	778,300	1,365,500	1,531,300
Deferred tax liability	7	-	-	-	207,898	1,264,402
Derivative financial instruments	30	-	-	-	-	735,230
Borrowings	18	-	22,870,781	-	39,064,730	45,984,110
Total non-current liabilities		556,500	23,670,781	778,300	40,638,128	49,515,042
Total liabilities		11,828,461	27,705,781	8,207,695	60,885,731	70,397,338
Public equity						
Retained earnings	19	70,501,379	70,211,686	69,707,799	142,558,331	137,129,075
Reserves	19	20,655,895	10,857,372	14,301,191	20,655,895	14,301,191
Asset revaluation reserves	19	5,216,872	4,509,338	4,829,310	68,882,805	68,115,243
Cash flow hedge reserve	19	-	-	-	-	(799,153)
Total public equity	19	96,374,146	85,578,396	88,838,300	232,097,031	218,746,356
Total liabilities and equity		108,202,607	113,284,177	97,045,995	292,982,762	289,143,694

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 2020

Notes:	Council			Group	
	2019/2020 Actual \$	2019/2020 Budget \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Cash flow from operating activities					
Cash was provided from:					
Rates	13,865,249	13,865,259	10,175,183	13,865,249	10,175,183
Interest	429,004	3,286,719	372,610	442,035	418,810
Dividends	8,000,837	8,000,000	9,000,000	837	-
Goods and services tax	-	-	-	105,663	-
Income tax	5,109	-	-	5,109	-
Other exchange transactions	4,910,410	5,478,639	5,766,222	64,045,637	60,673,236
Other non-exchange transactions	13,387,850	17,725,883	10,954,702	13,387,011	10,878,702
	40,598,459	48,356,500	36,268,717	91,851,541	82,145,931
Cash was applied to:					
Employees and suppliers	36,125,531	42,880,273	28,927,289	66,109,617	63,555,253
Income tax	-	-	-	2,670,000	2,576,048
Goods and services tax	439,275	60,000	84,356	439,275	84,356
Interest	40,399	937,500	-	2,174,344	2,046,891
	36,605,205	43,877,773	29,011,645	71,393,236	68,262,548
Net cash flow from operating activities 22	3,993,254	4,478,727	7,257,072	20,458,305	13,883,383
Cash flow from investing activities					
Cash was provided from:					
Investments	-	2,129,219	-	-	-
Proceeds from sale of property, plant and equipment	385,258	215,000	281,238	482,392	615,797
	385,258	2,344,219	281,238	482,392	615,797
Cash was applied to:					
Investments	6,606,895	26,000,000	3,089,443	2,606,895	3,089,443
Capitalised interest on property, plant and equipment	-	-	-	84,756	184,750
Purchase of property, plant and equipment	3,220,199	3,220,649	2,413,710	12,693,892	14,516,207
	9,827,094	29,220,649	5,503,153	15,385,543	17,790,400
Net cash flow outflow from investing activities	(9,441,836)	(26,876,430)	(5,221,915)	(14,903,151)	(17,174,603)
Cash flow from financing activities					
Cash was provided from:					
Loans	4,000,000	25,000,000	-	16,440,000	13,731,367
	4,000,000	25,000,000	-	16,440,000	13,731,367
Cash was applied to:					
Loans	-	2,129,219	-	23,139,977	8,451,350
	-	2,129,219	-	23,139,977	8,451,350
Net cash outflow from financing activities	4,000,000	22,870,781	-	(6,699,977)	5,280,017
Net increase/(decrease) in cash and cash equivalents	(1,448,582)	473,078	2,035,157	(1,144,823)	1,988,797
Opening cash and cash equivalents	4,393,819	1,382,296	2,358,662	4,858,790	2,869,993
Closing cash and cash equivalents 8	2,945,237	1,855,374	4,393,819	3,713,967	4,858,790

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

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

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

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

The financial statements of Taranaki Regional Council are for the year ended 30 June 2020. The financial statements were authorised for issue by Council on 22 September 2020.

2. Summary of accounting policies

STATEMENT OF COMPLIANCE

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

BASIS OF PREPARATION

As the primary objective of the Council 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.

SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

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

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

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

NEW AND AMENDED ACCOUNTING STANDARDS ADOPTED

The Group has not elected to early adopt any new standards or interpretations that are issued but not yet effective as at 30 June 2020.

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 2020, are outlined in the below:

New pronouncement	Effective for annual reporting periods beginning on or after:	Expected to be initially applied in the financial year ending:
PBE FRS 48 Service Performance Reporting	1 January 2021	30 June 2022
PBE IPSAS 40 PBE Combinations	1 January 2021	30 June 2022
PBE IFRS 9 Financial Instruments	1 January 2022	30 June 2023
PBE IFRS 17 Insurance Contracts	1 January 2022	30 June 2023
PBE IPSAS 41 Financial Instruments	1 January 2022	30 June 2020

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)	
			2019/2020 %	2018/2019 %	2019/2020 \$	2018/2019 \$
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)	
			2019/2020 %	2018/2019 %	2019/2020 \$	2018/2019 \$
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	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
The net operating surplus (deficit) was achieved after crediting:				
Dividends	8,000,837	9,000,000	837	-
Gain on sale of property, plant and equipment	249,067	50,518	304,611	50,518
Gain on sale of investment properties	-	-	-	-
Unrealised gain on revaluation of investment properties	1,046,000	1,132,500	1,046,000	1,132,500
Rental revenue from investment properties	910,042	888,862	865,660	844,480
Interest – corporate bonds	53,140	53,140	53,140	53,140
Interest – cash and term deposits	318,334	337,829	331,368	384,016
Interest – Taranaki Stadium Trust	40,399	-	-	-
Council direct charges revenue from exchange transactions				
Compliance monitoring charges	3,028,456	2,902,805	2,999,366	2,884,623
Resource consent applications	688,968	711,124	682,075	708,124
Other sales of goods and services	381,062	464,873	381,062	464,873
Total direct charges revenue from exchange transactions	4,098,486	4,078,802	4,062,503	4,057,620
Council direct charges revenue from non-exchange transactions				
Riparian plant sales	2,073,494	1,646,098	2,073,494	1,646,098
Bus fares	744,096	921,907	744,096	921,907
Pollution response	593,701	737,822	592,862	661,822
Resource consent condition charges	121,554	113,701	121,554	113,701
Predator Free 2050 funding	1,859,318	2,070,775	1,859,318	2,070,775
Waitara Lands Act 2018 income distribution	6,499,208	2,540,439	6,499,208	2,540,439
Other recoveries and sales of goods and services	416,134	346,475	416,134	955,177
Total direct charges revenue from non-exchange transactions	12,307,505	8,377,217	12,306,666	8,909,919

POLICIES

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

Revenue from non-exchange transactions:

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

Revenue from exchange transactions:

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

5. Expenditure

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
The net operating surplus (deficit) was achieved after charging:				
Employee benefits	13,818,415	12,501,595	28,204,883	26,537,858
Cost of services	19,715,404	15,033,843	15,751,154	13,534,550
General expenses	-	-	7,854,407	6,494,739
Finance costs	40,399	-	2,091,368	2,102,643
Repairs and maintenance	314,332	430,030	4,645,471	6,065,260
Directors' fees	-	-	328,615	334,027
Donations	162,000	170,000	162,000	170,000
Depreciation, amortisation and maintenance dredging	1,898,876	1,636,234	10,099,161	10,038,671
Loss on disposal of property, plant and equipment	32,213	5,936	316,493	30,619
Loss on revaluation of buildings	-	-	1,890,148	-
Impairment of assets	-	-	224,032	-
Bad debts	-	-	-	-
Income tax expense	(38,448)	(42,051)	3,303,082	3,540,037
Net loss/(gain) on currency bank balances	-	-	36,195	15,152
Audit fees – Annual Report	125,656	124,030	228,143	211,131
Minimum lease payments recognised as operating lease expense	-	-	51,204	62,499
Purchase of riparian plants (inventory)	1,766,177	1,448,297	1,766,177	1,448,297

POLICIES

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

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

6. Explanation of major variances against budget

	2019/2020 Actual \$
Operating expenditure was less than budgeted: <i>Across the range of activities there were over and under expenditures. The most significant underspend is Waitara River catchment expenditure as this awaits the establishment of the Waitara River Committee.</i>	7,260,214
Direct charges were less than budgeted: <i>Variances across all activities, however the largest were Waitara Lands Act distributions and bus fares, which were less than budgeted and plant sales, which were more than budgeted.</i>	(1,271,057)
Government grants were more than budgeted: <i>Mainly due to significant Fresh Water Improvement Funding and additional NZTA funding for lost bus fare revenue due to Covid-19.</i>	753,217
Other investment revenue was more than budgeted: <i>Mainly due to asset sales being higher than planned.</i>	122,667
Rates and dividend income was more than budgeted: <i>Due to an unbudgeted dividend being received from Civic Assurance.</i>	827
Net finance income was less than budgeted: <i>This is due to the Yarrow Stadium project being delayed resulting in less finance revenue than budgeted.</i>	(1,977,745)
Unrealised gains on revaluation of investment properties was more than budgeted: <i>No allowance was made for an increase or decrease in values.</i>	1,046,000
Income tax expense was less than budgeted: <i>More tax deductible expenditure was incurred than budgeted.</i>	48,448
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>	387,562

The entire operating surplus is from continuing activities.

7. Taxation

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Income tax recognised in the Statement of Comprehensive Revenue and Expense				
Current tax expense	-	-	4,321,106	3,050,497
Deferred tax on losses carried forward	(38,448)	(42,051)	(1,018,024)	(42,051)
Deferred tax income on temporary differences	-	-	-	531,591
Income tax expense per Statement of Comprehensive Revenue and Expense	(38,448)	(42,051)	3,303,082	3,540,037
Reconciliation of operating surplus before tax and income tax expense				
Surplus/(deficit) before taxation and subvention payment	7,109,836	5,634,209	15,087,042	8,646,256
Operating surplus/(deficit) before taxation	7,109,836	5,634,209	15,087,042	8,646,256
Income tax expense at 28%	1,990,754	1,577,579	4,224,372	2,420,952
Tax effect of non-deductible expenses in operating surplus before taxation	-	-	3,337,437	521,454
Tax effect of non-assessable income in operating surplus before taxation	1,082,235	1,880,371	-	4,142,878
Timing differences prior period	-	-	-	-
Timing differences current period	-	-	(781,750)	189,000
Prior period adjustments impacting income taxation expense	-	-	(365,540)	(234,246)
Imputation credit adjustment	(3,111,437)	(3,500,001)	(3,111,437)	(3,500,001)
Income taxation expense per Statement of Comprehensive Revenue and Expense	(38,448)	(42,051)	3,303,082	3,540,037
Taxation refundable/(payable)				
Opening balance	5,109	5,109	(1,172,115)	(971,891)
Prior year tax paid/(refund)	-	-	(1,310,000)	(523,000)
Prior year adjustment	-	-	364,358	-
Current taxation payable	-	-	(4,685,464)	(3,010,557)
Provisional taxation paid (refunded)	(5,109)	-	3,974,891	3,333,333
Taxation refundable/(payable)	-	5,109	(2,828,330)	(1,172,115)
Imputation credit account				
Credits available for use in subsequent periods	-	-	25,249,000	25,690,000
Imputation credits available directly and indirectly to the Council, through Port Taranaki Ltd	-	-	25,249,000	25,690,000

DEFERRED TAX ASSET/LIABILITY

	Depreciation/ Amortisation	Provisions/ Payables	Council Receivables/ Prepayments	Cash flow hedge reserve	Total
Balance 30 June 2018	-	-	-	-	-
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	-	-	42,051	-	42,051
Balance 30 June 2019	-	-	42,051	-	42,051
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	-	-	38,448	-	38,448
Balance 30 June 2020	-	-	80,499	-	80,499
			Group		
	Depreciation/ Amortisation	Provisions/ Payables	Receivables/ Prepayments	Cash flow hedge reserve	Total
Balance 30 June 2018	(1,435,000)	774,000	-	279,000	(382,000)
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	(1,046,675)	241,049	42,051	(76,776)	(840,351)
Balance 30 June 2019	(2,481,675)	1,015,049	42,051	202,224	(1,222,351)
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	1,024,160	234,568	38,448	(202,224)	1,094,952
Balance 30 June 2020	(1,457,515)	1,249,617	80,499	-	(127,399)

POLICIES

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

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

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

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

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

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

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

NOTES

The Council is exempt from income tax, except from transactions with council controlled organisations and port companies. There is a recognised deferred tax asset of \$80,499 (2018/2019—\$42,051) for the carry forward of unused tax credits.

Port Taranaki Ltd: On 25 March 2020, in response to the COVID-19 pandemic and as part of a broader suite of initiatives, the Government announced that depreciation allowances would be re-introduced for commercial building structures. This has impacted deferred tax by \$1.12m reduction in our liability.

8. Cash and cash equivalents

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Bank	420,194	1,061,985	1,185,609	1,523,676
Call deposits	2,525,043	3,331,834	2,528,358	3,335,114
Total bank and call deposits	2,945,237	4,393,819	3,713,967	4,858,790

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	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Receivables from exchange transactions				
Trade receivables	711,161	609,398	6,236,651	5,760,520
Provision for impairment	-	-	(289,369)	-
Net trade receivables	711,161	609,398	5,947,282	5,760,520
Other receivables	-	-	1,612,728	1,422,898
Related party receivables	-	-	-	-
Total receivables from exchange transactions	711,161	609,398	7,560,010	7,183,418
Receivables from non-exchange transactions				
Trade receivables	6,258,269	3,023,951	6,258,269	3,023,951
Provision for impairment	-	-	-	-
Net trade receivables	6,258,269	3,023,951	6,258,269	3,023,951
Other receivables	-	-	-	-
Related party receivables	-	-	-	-
Total receivables from non-exchange transactions	6,258,269	3,023,951	6,258,269	3,023,951

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 2018	2,313,979	-	10,013,965	-	1,396,420	1,241,247	91,361	347,623
Cost/valuation	2,313,979	-	13,739,758	-	3,240,467	4,994,588	654,462	3,145,502
Accumulated depreciation	-	-	(3,725,793)	-	(1,844,047)	(3,753,341)	(563,101)	(2,797,879)
Additions	-	-	-	-	99,000	263,643	832	159,143
Transfers	-	-	2,101,155	-	-	413,614	-	-
Revaluations	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(10,705)	(3,336)	-	(4,290)
Depreciation	-	-	(361,088)	-	(500,994)	(363,744)	(24,858)	(139,699)
Carrying amount 30 June 2019	2,313,979	-	11,754,032	-	983,721	1,551,424	67,335	362,777
Cost/valuation	2,313,979	-	15,812,988	-	3,175,025	5,527,197	655,294	3,289,560
Accumulated depreciation	-	-	(4,058,956)	-	(2,191,304)	(3,975,773)	(587,959)	(2,926,783)
Additions	-	-	7,840	-	1,765,815	165,853	780	157,106
Transfers	-	-	254,377	-	-	18,607	-	-
Revaluations	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(154,918)	(882)	-	(2,817)
Depreciation	-	-	(409,807)	-	(578,666)	(450,803)	(20,383)	(145,424)
Carrying amount 30 June 2020	2,313,979	-	11,606,442	-	2,015,952	1,284,199	47,732	371,642
Cost/valuation	2,313,979	-	16,075,205	-	3,764,324	5,703,734	656,074	3,415,571
Accumulated depreciation	-	-	(4,468,763)	-	(1,748,373)	(4,419,534)	(608,342)	(3,043,929)

Council	Dredging	Port services & equipment	Wharves and Breakwater	Work in progress	Flood and river control at valuation-	-	-	Total
Carrying amount 1 July 2018	-	-	-	2,203,860	12,603,270	-	-	30,211,725
Cost/valuation	-	-	-	2,203,860	12,603,270	-	-	42,895,886
Accumulated depreciation	-	-	-	-	-	-	-	(12,684,161)
Additions	-	-	-	1,748,999	-	-	-	2,271,617
Transfers	-	-	-	(3,087,717)	358,128	-	-	(214,820)
Revaluations	-	-	-	-	319,972	-	-	319,972
Disposals	-	-	-	-	-	-	-	(18,331)
Depreciation	-	-	-	-	-	-	-	(1,390,383)
Carrying amount 30 June 2019	-	-	-	865,142	13,281,370	-	-	31,179,780
Cost/valuation	-	-	-	865,142	13,281,370	-	-	44,920,555
Accumulated depreciation	-	-	-	-	-	-	-	(13,740,775)
Additions	-	-	-	958,924	-	-	-	3,056,318
Transfers	-	-	-	(363,948)	27,548	-	-	(63,416)
Revaluations	-	-	-	-	387,562	-	-	387,562
Disposals	-	-	-	(9,787)	-	-	-	(168,404)
Depreciation	-	-	-	-	-	-	-	(1,605,083)
Carrying amount 30 June 2020	-	-	-	1,450,331	13,696,480	-	-	32,786,757
Cost/valuation	-	-	-	1,450,331	13,696,480	-	-	47,075,698
Accumulated depreciation	-	-	-	-	-	-	-	14,288,941

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

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 2018	2,313,979	90,923,125	26,168,966	11,949,513	1,396,420	1,748,641	91,361	347,623
Cost/valuation	2,313,979	90,923,125	46,066,759	13,534,091	3,240,467	5,891,236	670,892	3,145,502
Accumulated depreciation	-	-	(19,897,793)	(1,584,578)	(1,844,047)	(4,142,595)	(579,531)	(2,797,879)
Additions	-	-	3,289,870	-	99,000	1,775,232	832	159,143
Capitalisation	-	-	-	-	-	-	-	-
Transfers	-	-	2,101,155	7,488	-	413,614	-	-
Impairment	-	-	-	-	-	-	-	-
Revaluations	-	4,533,505	-	-	-	-	-	-
Disposals	-	-	(45,548)	(1,400)	(10,705)	(3,336)	-	(4,290)
Depreciation	-	-	(1,424,321)	(311,010)	(500,994)	(935,231)	(24,858)	(139,699)
Carrying amount 30 June 2019	2,313,979	95,456,630	30,090,122	11,644,591	983,721	2,998,920	67,335	362,777
Cost/valuation	2,313,979	95,456,630	48,590,458	13,540,179	3,175,025	7,935,434	671,724	3,289,560
Accumulated depreciation	-	-	(18,500,336)	(1,895,588)	(2,191,304)	(4,936,514)	(604,389)	(2,926,783)
Additions	-	-	2,840	-	1,765,815	815,818	780	157,106
Capitalisation	-	-	-	-	-	-	-	-
Transfers	-	-	254,377	51,997	-	313,596	-	-
Impairment	-	-	-	-	-	-	-	-
Revaluations	-	380,000	-	(1,890,148)	-	-	-	-
Disposals	-	-	(24,000)	-	(154,918)	(882)	-	(2,817)
Depreciation	-	-	(1,468,898)	(314,260)	(578,666)	(1,115,020)	(20,383)	(145,424)
Carrying amount 30 June 2020	2,313,979	95,836,630	28,854,441	9,492,180	2,015,952	3,012,432	47,732	371,642
Cost/valuation	2,313,979	95,836,630	48,734,675	11,528,265	3,764,324	9,043,927	656,074	3,415,571
Accumulated depreciation	-	-	(19,880,234)	(2,036,085)	(1,748,373)	(6,031,495)	(608,342)	(3,043,929)

Group	Dredging	Port services & equipment	Wharves and Breakwater	Work in progress	Flood and river control at valuation	-	-	Total
Carrying amount 1 July 2018	18,947,000	21,876,874	11,682,000	29,770,699	12,603,270	-	-	229,819,471
Cost/valuation	25,202,000	71,140,875	29,848,000	30,346,699	12,603,270	-	-	334,926,895
Accumulated depreciation	(6,255,000)	(49,264,001)	(18,166,000)	(576,000)	-	-	-	(105,107,424)
Additions	2,251,108	28,580,023	133,000	14,669,441	-	-	-	50,957,649
Capitalisation	-	-	-	(34,416,091)	-	-	-	(34,416,091)
Transfers	-	-	-	(3,095,205)	358,128	-	-	(214,820)
Impairment	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	319,972	-	-	4,853,477
Disposals	-	(313,694)	-	-	-	-	-	(378,973)
Depreciation	(1,224,369)	(5,030,513)	(486,000)	576,000	-	-	-	(9,500,995)
Carrying amount 30 June 2019	19,973,739	45,112,690	11,329,000	7,504,844	13,281,370	-	-	241,119,718
Cost/valuation	24,958,512	95,933,128	29,981,000	7,504,844	13,281,370	-	-	346,631,843
Accumulated depreciation	(4,984,773)	(50,820,438)	(18,652,000)	-	-	-	-	(105,512,125)
Additions	-	5,248,000	337,000	6,697,766	-	-	-	15,025,125
Capitalisation	-	-	-	(6,011,000)	-	-	-	(6,011,000)
Transfers	-	-	-	(710,935)	27,548	-	-	(63,417)
Impairment	-	(224,032)	-	-	-	-	-	(224,032)
Revaluations	-	-	-	-	387,562	-	-	(1,122,586)
Disposals	-	(18,000)	-	(294,067)	-	-	-	(494,684)
Depreciation	(1,133,159)	(4,286,027)	(484,000)	-	-	-	-	(9,545,837)
Carrying amount 30 June 2020	18,840,580	45,832,631	11,182,000	7,186,608	13,696,480	-	-	238,683,287
Cost/valuation	24,958,512	99,933,096	30,318,000	7,186,608	13,696,480	-	-	351,386,141
Accumulated depreciation	(6,117,932)	(54,100,465)	(19,136,000)	-	-	-	-	(112,702,854)

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

POLICIES

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

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

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.

POLICIES

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

Buildings	5 to 45 yrs	2 to 20%
Motor vehicles	5 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	5 yrs	20%
Wharves and breakwaters	4 to 66 yrs	1.5 to 25%
Port services and equipment	2 to 50 yrs	2 to 50%
Dredging	2 yrs	Nil to 50%

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the *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.

The Port has changed its classification of PP&E with some assets being reclassified as "wharves & breakwaters", so as to group together assets of a similar nature and use in the Port's operations.

NOTES

The Waitara River Flood Protection Scheme assets, Okato River Flood Protection Scheme assets, Opunake Flood Protection Scheme assets and the Waiwhakaiho River Flood Protection Scheme assets were independently valued at 30 June 2020 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 \$13,696,480 (2018/2019 - \$13,281,370). The carrying amount of land had it been recognised under the cost model is \$2,825,194 (2018/2019 - \$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 2019 by Telfer Young (Taranaki) Ltd, New Plymouth. Telfer Young is an independent valuer. The carrying amount of land had it been recognised under the cost model is \$30,020,697 (\$30,020,697-2018/2019). 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).

Taranaki Stadium Trust land and buildings were last valued as at 30 June 2020, by Mike Drew, a registered valuer with Telfer Young (Taranaki) Ltd. Land and buildings were adjusted in the financial statements, for the year ending 30 June 2020, to reflect this revaluation. The land and buildings are valued based on the depreciated replacement cost approach using assumptions the valuer believed to be fair and reasonable at the date of valuation. The total fair value of the land and buildings valued at 30 June 2020 was \$12,992,178.

NOTES

The Group has considered the potential impact of COVID-19 as part of its impairment testing of assets on its statement of financial position. The provision of most group services was, and is, deemed essential and Port Taranaki Ltd (PTL) is a Lifeline Utility. Consequently, the group was able to operate and trade through all the Alert Levels. In addition, most trades serviced by PTL were deemed essential services and this limited the impact of the Government's response to COVID-19 on PTL.

11. Intangible assets

Council	Computer software	Total
Carrying amount 30 June 2018	1,041,418	1,041,418
Cost/valuation	3,482,576	3,482,576
Accumulated depreciation	(2,441,158)	(2,441,158)
Additions	58,730	58,730
Transfers	214,820	214,820
Disposals	-	-
Amortisation	(245,851)	(245,851)
Carrying amount 30 June 2019	1,069,117	1,069,117
Cost/valuation	3,756,125	3,756,125
Accumulated depreciation	(2,687,008)	(2,687,008)
Additions	30,961	30,961
Transfers	63,416	63,416
Disposals	-	-
Amortisation	(293,793)	(293,793)
Carrying amount 30 June 2020	869,701	869,701
Cost/valuation	3,850,501	3,850,501
Accumulated depreciation	2,980,800	2,980,800
Group	Computer software	Total
Carrying amount 30 June 2018	1,512,418	1,512,418
Cost/valuation	8,001,724	8,001,724
Accumulated depreciation	(6,489,306)	(6,489,306)
Additions	219,810	219,810
Transfers	214,820	214,820
Disposals	-	-
Amortisation	(468,589)	(468,589)
Carrying amount 30 June 2019	1,478,459	1,478,459
Cost/valuation	7,975,671	7,975,671
Accumulated depreciation	(6,497,212)	(6,497,212)
Additions	461,913	461,913
Transfers	63,416	63,416
Disposals	-	-
Amortisation	(540,871)	(540,871)
Carrying amount 30 June 2020	1,462,917	1,462,917
Cost/valuation	8,501,000	8,501,000
Accumulated depreciation	(7,038,083)	(7,038,083)

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	5 yrs	20%
-------------------	-------	-----

12. Inventories

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Plant materials	162,185	23,900	162,185	23,900
Maintenance consumables	-	-	672,830	709,428
Total inventories	162,185	23,900	835,015	733,328

POLICIES

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

13. Investments

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Current portion of investments				
Term deposits	12,595,467	8,363,322	12,595,467	8,363,322
Treasury investments - corporate bonds/notes	-	-	-	-
Total current portion of investments	12,595,467	8,363,322	12,595,467	8,363,322
Non-current investments				
Term deposits	-	1,625,250	-	1,625,250
Treasury investments - corporate bonds/notes	1,000,000	1,000,000	1,000,000	1,000,000
Port Taranaki Ltd (unlisted shares)	26,000,000	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	27,799,118	29,424,368	27,799,118	3,424,368
Total investments	40,394,585	37,787,690	40,394,585	11,787,690
Term deposit maturity dates and effective interest rates				
Term deposits maturing in less than 1 year	12,595,467	8,363,322	12,595,467	8,363,322
Weighted average effective interest rate	2.37%	3.43%	2.37%	3.43%
Term deposits maturing in 1 to 2 years	-	1,625,250	-	1,625,250
Weighted average effective interest rate	-	3.60%	-	3.60%
Corporate bonds/notes maturity dates and effective interest rates				
Corporate bonds maturing in less than 1 year	-	-	-	-
Weighted average effective interest rate	-	-	-	-
Corporate bonds maturing in 1 to 4 years	-	-	-	-
Weighted average effective interest rate	-	-	-	-
Corporate notes maturing in 5 to 10 years	1,000,000	1,000,000	1,000,000	1,000,000
Weighted average effective interest rate	5.31%	5.31%	5.31%	5.31%
Corporate bonds/notes carrying value	1,000,000	1,000,000	1,000,000	1,000,000
Corporate bonds/notes market value	1,012,310	1,037,668	1,012,310	1,037,668

POLICIES

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

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. Loan to Taranaki Stadium Trust

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Loan to Taranaki Stadium Trust	4,000,000	-	-	-
Total investment loans	4,000,000	-	-	-

POLICIES

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

NOTES

The loan to the Taranaki Stadium Trust is the on lending of funds borrowed from the LGFA for the repair of Yarrow Stadium. The weighted average rate earned on this investment was 1.52%. The asset is current as the loan is repayable on demand if required by the Council.

15. Investment property

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Balance 1 July	18,513,000	17,380,500	18,513,000	17,380,500
Additions	-	-	-	-
Disposals	-	-	-	-
Transfer to property, plant and equipment	-	-	-	-
Fair value gains/(losses) on valuation	1,046,000	1,132,500	1,046,000	1,132,500
Balance 30 June	19,559,000	18,513,000	19,559,000	18,513,000
Comprising:				
Current assets	-	-	-	-
Non-current assets	19,559,000	18,513,000	19,559,000	18,513,000
Total investment property	19,559,000	18,513,000	19,559,000	18,513,000
Reconciliation of net surplus on investment properties				
Rental income derived from investment properties	910,042	888,862	865,660	844,480
Direct operating expenses (including repairs and maintenance) generating rental income	10,466	5,000	10,466	5,000
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	1,424	1,452	1,424	1,452
Surplus arising from investment properties carried at fair value	898,152	882,410	853,770	838,028

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 2020 was \$19,559,000 (2018/2019—\$18,513,000). The valuer has included an uncertainty in the valuation report around the impact of Covid-19. This is due to minimal sales transactions as a result of lockdowns during the year. TelferYoung expects limited impact on market levels.

16. Payables

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Payables from exchange transactions				
Trade payables under exchange transactions	3,335,452	2,739,461	7,618,868	9,958,814
Accrued pay	101,368	477,626	452,525	935,655
Total payables from exchange transactions	3,436,820	3,217,087	8,071,393	10,894,469
Comprising:				
Current liabilities	3,436,820	3,217,087	8,071,393	10,894,469
Non-current liabilities	-	-	-	-
Total payables from exchange transactions	3,436,820	3,217,087	8,071,393	10,894,469
Payables from non-exchange transactions				
Trade payables under non-exchange transactions	2,102,320	2,380,334	2,102,320	1,771,631
Total payables from non-exchange transactions	2,102,320	2,380,334	2,102,320	1,771,631
Comprising:				
Current liabilities	2,102,320	2,380,334	2,102,320	1,771,631
Non-current liabilities	-	-	-	-
Total payables from non-exchange transactions	2,102,320	2,380,334	2,102,320	1,771,631

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.

17. Employee entitlements

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Holiday leave	896,205	832,933	1,974,577	1,774,257
Sick leave	104,000	102,500	164,000	162,500
Long service leave	308,000	313,000	509,118	554,903
Retirement gratuities	389,300	636,000	1,198,673	1,370,000
Total employee entitlements	1,697,505	1,884,433	3,846,368	3,861,660
Comprising:				
Current liabilities	1,141,005	1,106,133	2,480,868	2,330,360
Non-current liabilities	556,500	778,300	1,365,500	1,531,300
Total employee entitlements	1,697,505	1,884,433	3,846,368	3,861,660

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*.

18. Borrowings

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Current liabilities				
LGFA Borrowing	4,000,000	-	4,000,000	-
Secured loans - ASB	-	-	17,563	67,481
Secured loans – TSB Bank	-	-	155,313	3,915,290
Total current liability borrowings	4,000,000	-	4,172,876	3,982,771
Weighted average interest rate	1.52%		1.58%	4.17%
Non-current liabilities				
Secured loans - ASB	-	-	39,064,730	45,984,110
Deferred Loan Facility Fee	-	-	-	-
Total non-current liability borrowings	-	-	39,064,730	45,984,110
Weighted average interest rate	-	-	1.58%	2.75%

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.

NOTES

As at 30 June 2020, total borrowings from the New Zealand Local Government Funding Agency (LGFA) were \$4 million (2019 Nil). The average rate of interest was 1.52%.

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

On 24 March 2020, Port Taranaki Ltd revised its banking arrangements with ASB Bank Limited, extending the term of its facilities and granting security by way of a general security deed. The borrowings in the statement of financial position include accrued interest. During the year there had not been any defaults or breaches of bank covenants. The weighted average interest rate for the current liability in 2020 is 1.58% (2019: 2.75%).

The Taranaki Stadium Trust TSB Bank Liberty Revolving credit facility has a draw down limit of \$5,000,000 and is secured by way of a registered first mortgage over the property at 6 Maratahu Street, New Plymouth. Interest is incurred at a variable rate of 3.02% pa (2019: 4.17%).

19. Public equity

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Retained earnings				
Opening balance	69,707,799	67,092,864	137,129,075	135,084,181
Operating surplus/(deficit)	7,148,284	5,676,260	11,783,960	5,106,219
Transfers from asset revaluation reserves	-	-	-	-
Transfers to reserves	(6,780,452)	(3,159,808)	(6,780,452)	(3,159,808)
Transfers from reserves	425,748	98,483	425,748	98,483
Closing balance	70,501,379	69,707,799	142,558,331	137,129,075
Reserves				
Opening balance	14,301,191	11,239,866	14,301,191	11,239,866
Transfers from retained earnings	6,780,452	3,159,808	6,780,452	3,159,808
Transfers to retained earnings	(425,748)	(98,483)	(425,748)	(98,483)
Closing balance	20,655,895	14,301,191	20,655,895	14,301,191
<i>North Taranaki/Waitara River Control Scheme reserve</i>				
Opening balance	1,165,632	1,161,747	1,165,632	1,161,747
Transfers from retained earnings	53,660	41,591	53,660	41,591
Transfers to retained earnings	(6,646)	(37,706)	(6,646)	(37,706)
Closing balance	1,212,646	1,165,632	1,212,646	1,165,632
<p>The Council strikes a targeted rate based on capital values over the New Plymouth District for purposes of:</p> <ul style="list-style-type: none"> • 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. <p>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 <i>Hazard management</i> group of activities.</p>				
Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
<i>South Taranaki Rivers Control Scheme reserve</i>				
Opening balance	(22,474)	(18,160)	(22,474)	(18,160)
Transfers from retained earnings	5,104	16,463	5,104	16,463
Transfers to retained earnings	(677)	(20,777)	(677)	(20,777)
Closing balance	(18,047)	(22,474)	(18,047)	(22,474)
<p>The Council strikes a targeted rate based on capital values over the South Taranaki constituency for purposes of:</p> <ul style="list-style-type: none"> • construction and maintenance of the Opunake Flood Protection scheme • other minor river control works which are required for flood protection in the South Taranaki constituency. <p>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 <i>Hazard management</i> group of activities.</p>				
Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
<i>Contingency/disaster reserve</i>				
Opening balance	1,086,000	1,086,000	1,086,000	1,086,000
Transfers from retained earnings	-	-	-	-
Transfers to retained earnings	-	-	-	-
Closing balance	1,086,000	1,086,000	1,086,000	1,086,000
<p>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 <i>National Civil Defence Plan</i> 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.</p>				

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
<i>Dividend equalisation reserve</i>				
Opening balance	6,834,063	6,395,766	6,834,063	6,395,766
Transfers from retained earnings	-	438,297	-	438,297
Transfers to retained earnings	(410,000)	-	(410,000)	-
Closing balance	6,424,063	6,834,063	6,424,063	6,834,063
<p>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.</p>				
Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
<i>Passenger transport targeted rate reserve (New Plymouth/North Taranaki)</i>				
Opening balance	8,178	46,513	8,178	46,513
Transfers from retained earnings	247	1,665	247	1,665
Transfers to retained earnings	(8,425)	(40,000)	(8,425)	(40,000)
Closing balance	-	8,178	-	8,178
<p>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.</p>				
Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
<i>Egmont national park control reserve</i>				
Opening balance	498,000	398,000	498,000	398,000
Transfers from retained earnings	115,000	100,000	115,000	100,000
Transfers to retained earnings	-	-	-	-
Closing balance	613,000	498,000	613,000	498,000
<p>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.</p>				
Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
<i>Endowment land sales reserve</i>				
Opening balance	2,170,000	2,170,000	2,170,000	2,170,000
Transfers from retained earnings	-	-	-	-
Transfers to retained earnings	-	-	-	-
Closing balance	2,170,000	2,170,000	2,170,000	2,170,000
<p>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.</p>				
Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
<i>Waitara lands reserve</i>				
Opening balance	2,561,792	-	2,561,792	-
Transfers from retained earnings	6,606,441	2,561,792	6,606,441	2,561,792
Transfers to retained earnings	-	-	-	-
Closing balance	9,168,233	2,561,792	9,168,233	2,561,792
<p>This reserve was created to account for the proceeds from both rent and the sale of endowment land in Waitara arising from the <i>New Plymouth District Council (Waitara Lands) Act 2018</i>. The proceeds can only be used for purposes specified by the <i>New Plymouth District Council (Waitara Lands) Act 2018</i>, the <i>Local Government Act 1974</i> and the <i>Local Government Act 2002</i>. This reserve fund relates to the resource management group of activities.</p>				

	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Total reserves	20,655,895	14,301,191	20,655,895	14,301,191
Asset revaluation reserves				
Opening balance	4,829,310	4,509,338	68,115,243	63,261,766
Transfer to retained earnings on asset disposal	-	-	-	-
Change in asset value	387,562	319,972	767,562	4,853,477
Closing balance	5,216,872	4,829,310	68,882,805	68,115,243
<i>Waitara flood control scheme</i>				
Opening balance	3,100,636	2,962,866	3,100,636	2,962,866
Change in asset value	294,542	137,770	294,542	137,770
Closing balance	3,395,178	3,100,636	3,395,178	3,100,636
<i>Waiwhakaiho flood control scheme</i>				
Opening balance	1,583,472	1,489,312	1,583,472	1,489,312
Change in asset value	74,250	94,160	74,250	94,160
Closing balance	1,657,722	1,583,472	1,657,722	1,583,472
<i>Okato flood control scheme</i>				
Opening balance	63,490	57,160	63,490	57,160
Change in asset value	7,930	6,330	7,930	6,330
Closing balance	71,420	63,490	71,420	63,490
<i>Opunake flood control scheme</i>				
Opening balance	81,712	-	81,712	-
Change in asset value	10,840	81,712	10,840	81,712
Closing balance	92,552	81,712	92,552	81,712
<i>Land</i>				
Opening balance	-	-	63,285,933	58,752,428
Change in asset value	-	-	380,000	4,533,505
Closing balance	-	-	63,665,933	63,285,933
Total asset revaluation reserves	5,216,872	4,829,310	68,882,805	68,115,243
Cash flow hedge reserve				
Opening balance	-	-	(799,153)	(996,966)
Change in cash flow hedge reserve	-	-	799,153	197,813
Total cash flow hedge reserve	-	-	-	(799,153)
Total public equity	96,374,146	88,838,300	232,097,031	218,746,356

POLICIES

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

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

20. Remuneration

	Council	
	2019/2020 Actual \$	2018/2019 Actual \$
Total remuneration of Members		
Councillor M J Cloke	45,809	41,270
Councillor M G Davey	40,841	40,585
Councillor M P Joyce—Deputy Chairman	62,256	52,848
Councillor D L Lean	58,010	60,429
Councillor C L Littlewood	51,590	40,686
Councillor D N MacLeod—Chairman	103,299	103,740
Councillor M J McDonald	44,696	40,469
Councillor D H McIntyre	40,666	40,463
Councillor B K Raine – to October 2019	12,816	40,803
Councillor E D Van Der Leden – from October 2019	28,151	-
Councillor N W Walker	62,197	57,748
Councillor C S Williamson	43,641	48,974
Number of full-time employees	137	120
Full-time equivalent of all other employees	18	28
Number of employees receiving total annual remuneration below \$60,000	54	56
Number of employees receiving total annual remuneration between \$60,000 and \$79,999	70	66
Number of employees receiving total annual remuneration between \$80,000 and \$99,999	27	19
Number of employees receiving total annual remuneration between \$100,000 and \$139,999	14	14
Number of employees receiving total annual remuneration between \$140,000 and \$399,999	6	7

NOTES

The Chief Executive of the Taranaki Regional Council, appointed under section 42(1) of the *Local Government Act 2002*, received a salary of \$347,811 (\$340,999 - 2018/2019). 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 \$382,575 (\$375,074 – 2018/2019). In addition, retirement gratuities and long service leave of \$218,042 were paid upon retirement.

During the year ended 30 June 2020, the Council made no severance payments (one payment of \$10,000 – 2018/2019).

21. Subsequent events

NOTES

For the Council, it has received funding commitments from Crown Infrastructure Partners of \$20m for the Yarrow Stadium repair and refurbishment project and has agreed to sell an investment property for \$345,000. There have been no other material events subsequent to balance date (2018/2019: Nil). For the Port, on 13 August 2020, the Board resolved to pay a fully imputed final dividend of \$3.50 million at 6.73 cents per share on 6 October 2020. There have been no other material events subsequent to balance date (2018/2019: Nil). For the Trust, there have been no material events subsequent to balance date (2018/2019 Nil).

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

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Surplus/(deficit) for the period	7,148,284	5,676,260	11,783,960	5,106,219
Add/(less) non-cash items				
Depreciation and amortisation	1,898,876	1,636,234	10,099,161	10,038,671
Deferred tax movement	(38,448)	(42,051)	(1,018,024)	763,740
Loss on revaluation of buildings	-	-	1,890,148	-
Impairment of assets	-	-	224,032	-
Donated plant and equipment	-	-	(20,631)	(608,702)
Investment property: unrealised (gain)/loss	(1,046,000)	(1,132,500)	(1,046,000)	(1,132,500)
	7,962,712	6,137,943	21,912,646	14,167,428
Add/(less) movements in assets and liabilities				
Trade and other receivables	(3,336,081)	282,212	(3,610,910)	890,192
Taxation refundable	5,109	-	5,109	-
Prepayments	(19,655)	(30,574)	(19,655)	(30,574)
Inventories	(138,285)	32,208	(101,687)	(39,187)
Work in progress—current liability	(134,025)	56,560	(134,025)	56,560
Work in progress—current asset	(17,378)	(10,150)	(17,378)	(10,150)
Trade and other payables	(58,281)	990,944	(660,905)	(1,467,414)
Employee entitlements	(186,928)	(22,526)	(15,292)	(9,418)
Taxation payable	-	-	1,651,106	200,251
Add/(less) investing activity items				
(Profit)/loss on sale of assets (net)	(216,855)	(44,582)	11,881	(19,899)
Movement in fixed asset debtors	-	(218,325)	-	62,232
Movement in fixed asset creditors	132,921	83,362	1,437,415	83,362
Cash inflow from operating activities	3,993,254	7,257,072	20,458,305	13,883,383

POLICIES

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

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

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

23. Related party transactions

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Councillors total remuneration (11 people, 3 FTE)	593,972	568,015	593,972	568,015
Council senior management total remuneration (5 FTE)	1,277,512	1,253,759	1,277,512	1,253,759
Port Directors total remuneration (1 FTE)	-	-	328,615	334,027
Port senior management total remuneration (6 FTE (2018/2019:5 FTE))	-	-	1,768,000	1,492,000

POLICIES

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

NOTES

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

24. Commitments and contingencies

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Commitments				
Capital commitments approved and contracted	-	-	8,483,000	8,409,000
Total commitments	-	-	8,483,000	8,409,000

NOTES

As at 30 June 2020, the Council has a \$57,905 contingent liability reliant on new land title information for a land compensation payment in relation to the construction of the Opunake Flood Control Scheme (\$57,905—2018/2019). As at 30 June 2020, the Council has a contingent asset for fines waiting to be awarded on four prosecutions through the Environment Court (2018/2019: two).

The Council is a guarantor of the New Zealand Local Government Funding Agency (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating of Standard and Poor's of AA+. There are 31 local authority shareholders and 52 local authority guarantors of the LGFA. The uncalled capital of shareholders is \$20 million and that is available in the event that an imminent default is identified. Also, together with the shareholder's uncalled capital and guarantors, Council is a guarantor of all of the LGFA's borrowings. At 30 June 2020, the LGFA borrowings total \$13,090 m (2019: \$10,307 m). Financial reporting standards required Council to recognise the guarantee liability at fair value. However, Taranaki Regional Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of the LGFA defaulting on repayment of interest of capital to be very low on the basis that it is not aware of any local authority debt defaults in New Zealand and Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligation if further funds were required.

25. Leasing arrangements

Notes	Council		Group	
	2019/2020 Actual \$	2018/2019 Actual \$	2019/2020 Actual \$	2018/2019 Actual \$
Non-cancellable operating lease receivables				
Lease commitments due as follows:				
Not later than one year	914,852	753,277	6,787,510	5,361,347
Later than one year and not later than five years	3,270,903	1,745,717	19,308,995	14,317,142
Later than five years	2,669,398	950,315	13,532,588	11,666,218

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.

26. Statutory compliance

NOTES

In 2019/2020 there were no breaches of statutory compliance by the Group (2018/2019—Nil).

27. Insurance of assets

	Council	
	2019/2020 Actual \$	2018/2019 Actual \$
Total value of all assets of the local authority that are covered by insurance contracts	17,645,999	16,653,548
Maximum amount to which they are insured	46,429,401	44,604,232
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)	13,696,480	13,281,370
Total value of funds maintained for self-insured assets (only flood protection and control works)	1,086,000	1,086,000

28. Rating base information

	Council	
	2019/2020 Actual \$	2018/2019 Actual \$
The number of rating units within the region at the end of the preceding financial year	56,591	56,194
The total capital value of rating units within the region at the end of the preceding financial year	25,586,513,600	33,553,429,500
The total land value of rating units within the region at the end of the preceding financial year	20,031,465,250	19,728,822,450

29. Work-in-progress

POLICIES

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

30. Financial instruments

POLICIES AND NOTES

The Group holds the following financial instruments:

	2019/2020 Estimated fair value \$	2019/2020 Amortised cost \$	2019/2020 Fair value \$	2018/2019 Estimated fair value \$	2018/2019 Amortised cost \$	2018/2019 Fair value \$
Financial assets						
Cash and cash equivalents	3,713,967	3,713,967	-	4,858,790	4,858,790	-
Term deposits	12,595,467	12,595,467	-	9,988,572	9,988,572	-
Trade and other receivables	13,818,279	13,818,279	-	10,207,369	10,207,369	-
Held to maturity corporate bonds/notes	1,012,310	1,000,000	-	1,037,668	1,000,000	-
Financial liabilities						
Trade and other payables	10,173,714	10,173,714	-	13,274,803	13,274,803	-
Employee entitlements	3,846,368	3,846,368	-	3,861,660	3,861,660	-
Interest bearing loans	43,237,606	43,237,606	-	49,967,983	49,966,881	-
Derivative financial instruments	-	-	-	799,153	-	799,153

FAIR VALUE

The Group has carried out a fair value assessment of its financial assets and liabilities as at 30 June 2020 in accordance with *PBE IPSAS 30 Financial Instruments: Disclosures*.

The Group's derivative financial instruments (interest rate swaps) are recognised at fair value in accordance with Level 2 valuation techniques (financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable). Level 2 - the fair value is derived from inputs other than quoted prices included in Level 1 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. Fair value is stated at the indicative market value obtained from the calculation agent.

The fair value of corporate bonds and notes was estimated by an independent valuer (Bank of New Zealand) with reference to market value as at 30 June 2020. 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.

The carrying value of the Group's other financial instruments do not materially differ from their fair value.

CLASSIFICATION AND MEASUREMENT

Financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or as derivatives designated as hedging instruments in an effective hedge. 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.

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. If there is positive intention and ability to hold these to maturity, they will be classified accordingly. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment.

Financial liabilities are classified, at initial recognition as, payables, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge. They are initially recognised at fair value and, in the case of payables and loans and borrowings, net of directly attributable transaction costs. They 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. The effective interest rate amortisation is included as finance costs in the statement of comprehensive revenue and expenditure.

IMPAIRMENT

The Group assesses, at each reporting date, whether there is evidence that a financial asset or a group of financial assets is impaired. Financial assets are impaired when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The carrying amount of an asset is reduced through the use of a provision account, and the amount of the loss is recognised in surplus or deficit. When a receivable is uncollectible, it is written off against the provision account for receivables. Subsequent recoveries of amounts previously written off are credited against surplus or deficit.

HEDGE ACCOUNTING

Port Taranaki Ltd uses derivative financial instruments to hedge its exposure to fluctuations in foreign exchange rates, commodity prices and interest rate risks arising from operational, financing and investment activities.

Interest rate swaps are used to hedge against changes on BKBM interest rates associated with on-going term borrowings. Details of the interest rate swaps held at 30 June 2020 are as follows (30 June 2019 comparative figures are in brackets):

- No commencement date (24 June 2013)
- Rate: Nil (3.89%)
- Term: Nil (84 months)
- Expiry date: Nil (24 June 2020)
- Notional value: Nil (\$30,000,000)

Foreign currency forward exchange contracts may be used from time to time to hedge foreign currency transactions when purchasing major fixed assets in foreign currency.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in surplus or deficit. Amounts accumulated in equity are reclassified to the statement of comprehensive revenue and expense in the periods when the hedged transaction affects surplus or deficit. 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.

RISK MANAGEMENT

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

Risk:	Exposure arising from:	How the risk is managed:
Currency risk	Value of financial instruments fluctuating due to changes in foreign exchange rates	The Groups treasury policy allows foreign exchange forward exchange contracts to be entered into as appropriate (as described above).
Interest rate risk	Value of a financial instruments fluctuating due to changes in market interest rates	Reviewing banking arrangements to ensure the best return on funds while maintaining access to liquidity levels required.
Credit risk	Risk of default on cash and receivables balances by the other party to the transaction	Ensuring the Group places its cash with high credit quality financial institutions and monitoring aging of debtors.
Liquidity risk	Risk the Group cannot pay its contractual liabilities as they fall due	Active capital management and flexibility in funding arrangements in accordance with the Council's long term plan.

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

	2019/2020		2018/2019	
	Estimate Annual Plan \$	Actual \$	Estimate Long- Term Plan \$	Actual \$
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	7,954,392	7,954,398	7,954,392	7,954,393
Targeted rates	5,910,867	5,910,856	2,220,791	2,220,791
Subsidies and grants for operating purposes	3,277,474	4,030,691	3,646,423	2,835,608
Fees and charges	17,677,048	16,513,275	9,032,156	12,477,372
Interest and dividends from investments	12,386,719	9,635,377	9,370,000	10,384,864
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	47,206,500	44,044,597	32,223,762	35,873,028
Applications of operating funding				
Payments to staff and suppliers	43,677,775	37,467,628	26,657,679	31,235,909
Finance costs	-	40,399	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	43,677,775	37,508,027	26,657,679	31,235,909
Surplus/(deficit) of operating funding	3,528,725	6,536,570	5,566,083	4,637,119
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	4,000,000	-	-
Gross proceeds from sale of assets	195,000	385,259	384,000	62,913
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	195,000	4,385,259	384,000	62,913
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	3,220,649	3,087,280	5,303,061	2,330,347
Increase/(decrease) in reserves	(127,002)	6,354,704	107,509	3,061,325
Increase/(decrease) in investments	630,078	1,479,845	539,513	(691,640)
Total applications of capital funding	3,723,725	10,921,829	5,950,083	4,700,032
Surplus/(deficit) of capital funding	(3,528,725)	(6,536,570)	(5,566,083)	(4,637,119)
Funding balance	0	0	0	0

Resource management funding impact statement

	2019/2020			2018/2019	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$	Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	3,306,408	3,206,901	3,206,905	3,232,796	3,232,796
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	1,702,000	1,302,000	1,682,891	1,702,000	755,563
Fees and charges	6,313,313	14,106,703	13,350,901	5,927,698	8,955,638
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	11,321,721	18,615,604	18,240,697	10,862,494	12,943,997
Applications of operating funding					
Payments to staff and suppliers	11,102,441	17,856,798	12,282,149	10,413,049	10,633,365
Finance costs	-	-	-	-	-
Internal charges and overheads applied	5,101,161	4,284,965	5,495,800	4,992,771	4,857,592
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	16,203,602	22,141,763	17,777,949	15,405,820	15,490,957
Surplus/(deficit) of operating funding	(4,881,881)	(3,526,159)	462,748	(4,543,326)	(2,546,960)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	159,000	159,000	211,253	308,000	30,956
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	159,000	159,000	211,253	308,000	30,956
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	561,829	642,429	1,075,715	1,292,061	251,121
Increase/(decrease) in reserves	-	-	6,606,442	-	2,561,792
Increase/(decrease) in investments	(5,284,710)	(4,009,588)	(7,008,156)	(5,527,387)	(5,328,917)
Total applications of capital funding	(4,722,881)	(3,367,159)	674,001	(4,235,326)	(2,516,004)
Surplus/(deficit) of capital funding	4,881,881	3,526,159	(462,748)	4,543,326	2,546,960
Funding balance	0	0	0	0	0

Biosecurity and biodiversity funding impact statement

	2019/2020			2018/2019	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$	Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	2,071,205	2,148,145	2,148,144	2,076,428	2,076,428
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	2,125,010	2,168,545	1,982,412	1,755,098	2,179,041
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	4,196,215	4,316,690	4,130,556	3,831,526	4,255,469
Applications of operating funding					
Payments to staff and suppliers	1,168,115	5,526,295	5,247,698	977,411	4,946,559
Finance costs	-	-	-	-	-
Internal charges and overheads applied	496,091	1,501,863	1,057,781	497,854	746,406
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	1,664,206	7,028,158	6,305,479	1,475,265	5,692,965
Surplus/(deficit) of operating funding	2,532,009	(2,711,468)	(2,174,923)	2,356,261	(1,437,496)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	26,000	26,000	102,776	38,000	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	26,000	26,000	102,776	38,000	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	212,000	222,000	618,884	186,000	44,910
Increase/(decrease) in reserves	(167,000)	(167,000)	115,000	100,000	100,000
Increase/(decrease) in investments	2,513,009	(2,740,468)	(2,806,031)	2,108,261	(1,582,406)
Total applications of capital funding	2,558,009	(2,685,468)	(2,072,147)	2,394,261	(1,437,496)
Surplus/(deficit) of capital funding	(2,532,009)	2,711,468	2,174,923	(2,356,261)	1,437,496
Funding balance	0	0	0	0	0

Transport funding impact statement

	2019/2020			2018/2019	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$	Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	207,344	197,288	197,288	204,874	204,874
Targeted rates	1,260,968	1,246,090	1,246,090	1,207,670	1,207,670
Subsidies and grants for operating purposes	1,963,618	1,975,474	2,347,800	1,944,423	2,080,045
Fees and charges	1,197,847	1,173,800	941,987	1,174,360	1,127,279
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	4,629,777	4,592,652	4,733,165	4,531,327	4,619,868
Applications of operating funding					
Payments to staff and suppliers	4,501,223	4,463,576	4,397,168	4,412,729	4,232,996
Finance costs	-	-	-	-	-
Internal charges and overheads applied	251,512	246,654	269,750	252,406	245,817
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	4,752,735	4,710,230	4,666,918	4,665,135	4,478,813
Surplus/(deficit) of operating funding	(122,958)	(117,578)	66,247	(133,808)	141,055
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	-	-	4,619	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	-	-	4,619	-	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	105,776	-	209,279
Increase/(decrease) in reserves	(8,301)	(8,298)	(8,179)	(38,142)	(38,335)
Increase/(decrease) in investments	(114,657)	(109,280)	(26,731)	(95,666)	(29,889)
Total applications of capital funding	(122,958)	(117,578)	70,866	(133,808)	141,055
Surplus/(deficit) of capital funding	122,958	117,578	(66,247)	133,808	(141,055)
Funding balance	0	0	0	0	0

Hazard management funding impact statement—civil defence emergency management

	2019/2020			2018/2019	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$	Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	180,667	177,791	177,791	183,912	183,912
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	180,667	177,791	177,791	183,912	183,912
Applications of operating funding					
Payments to staff and suppliers	406,221	406,221	362,345	399,236	377,512
Finance costs	-	-	-	-	-
Internal charges and overheads applied	-	-	-	-	-
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	406,221	406,221	362,345	399,236	377,512
Surplus/(deficit) of operating funding	(225,554)	(228,430)	(184,554)	(215,324)	(193,600)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	-
Increase/(decrease) in reserves	-	-	-	-	-
Increase/(decrease) in investments	(225,554)	(228,430)	(184,554)	(215,324)	(193,600)
Total applications of capital funding	(225,554)	(228,430)	(184,554)	(215,324)	(193,600)
Surplus/(deficit) of capital funding	225,554	228,430	184,554	215,324	193,600
Funding balance	0	0	0	0	0

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

	2019/2020			2018/2019	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$	Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	(40,600)	(33,372)	(33,371)	(42,155)	(42,156)
Targeted rates	726,158	722,058	722,058	711,706	711,706
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	20,400	-	263	20,000	7
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	705,958	688,686	688,950	689,551	669,557
Applications of operating funding					
Payments to staff and suppliers	393,365	392,150	370,469	385,786	432,762
Finance costs	-	-	-	-	-
Internal charges and overheads applied	126,072	123,635	135,295	126,520	123,271
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	519,437	515,785	505,764	512,306	556,033
Surplus/(deficit) of operating funding	186,521	172,901	183,186	177,245	113,524
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	10,000	(10,000)	4,356	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	10,000	(10,000)	4,356	-	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	40,000	40,000	57,464	-	7,874
Increase/(decrease) in reserves	47,477	48,296	51,441	45,651	(429)
Increase/(decrease) in investments	109,044	74,605	78,637	131,594	106,079
Total applications of capital funding	196,521	162,901	187,542	177,245	(113,524)
Surplus/(deficit) of capital funding	(186,521)	(172,901)	(183,186)	(177,245)	(113,524)
Funding balance	0	0	0	0	0

Recreation, culture and heritage funding impact statement

	2019/2020			2018/2019	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$	Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	1,763,297	1,500,951	1,500,951	1,566,191	1,566,192
Targeted rates	296,619	3,942,719	3,942,708	301,415	301,415
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	156,500	197,000	162,745	152,000	179,045
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	2,216,416	5,640,670	5,606,404	2,019,606	2,046,652
Applications of operating funding					
Payments to staff and suppliers	2,921,065	6,988,738	5,925,708	2,403,122	3,028,948
Finance costs	-	-	40,399	-	-
Internal charges and overheads applied	970,749	982,903	1,075,639	974,200	947,737
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	3,891,814	7,971,641	7,041,746	3,377,322	3,976,685
Surplus/(deficit) of operating funding	(1,675,398)	(2,330,971)	(1,435,342)	(1,357,716)	(1,930,033)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	4,000,000	-	-
Gross proceeds from sale of assets	-	-	9,565	18,000	27,022
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	-	-	4,009,565	18,000	27,022
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	1,666,000	1,711,000	871,098	1,725,000	1,142,097
Increase/(decrease) in reserves	-	-	-	-	-
Increase/(decrease) in investments	(3,341,398)	(4,041,971)	1,703,125	(3,064,716)	(3,045,108)
Total applications of capital funding	(1,675,398)	(2,330,971)	2,574,223	(1,339,716)	(1,903,011)
Surplus/(deficit) of capital funding	1,675,398	2,330,971	1,435,342	1,357,716	1,930,033
Funding balance	0	0	0	0	0

Regional representation, advocacy and investment management funding impact statement

	2019/2020			2018/2019	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$	Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	760,384	756,688	756,690	732,346	732,346
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	3,000	31,000	74,966	3,000	36,361
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	763,384	787,688	831,656	735,346	768,707
Applications of operating funding					
Payments to staff and suppliers	1,140,004	1,192,534	1,223,365	1,020,229	1,016,245
Finance costs	-	-	-	-	-
Internal charges and overheads applied	543,683	538,371	589,500	545,615	530,768
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	1,683,687	1,730,905	1,812,865	1,565,844	1,547,013
Surplus/(deficit) of operating funding	(920,303)	(943,217)	(981,209)	(830,498)	(778,306)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	20,000	20,000	52,690	20,000	4,935
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	20,000	20,000	52,690	20,000	4,935
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	604,200	605,220	358,343	2,100,000	675,066
Increase/(decrease) in reserves	-	-	-	-	-
Increase/(decrease) in investments	(1,504,503)	(1,528,437)	(1,286,862)	(2,910,498)	(1,448,437)
Total applications of capital funding	(900,303)	(923,217)	(928,519)	(810,498)	(773,371)
Surplus/(deficit) of capital funding	920,303	943,217	981,209	830,498	778,306
Funding balance	0	0	0	0	0

Reporting and Prudence Regulations

Local Government (Financial Reporting and Prudence) Regulations 2014

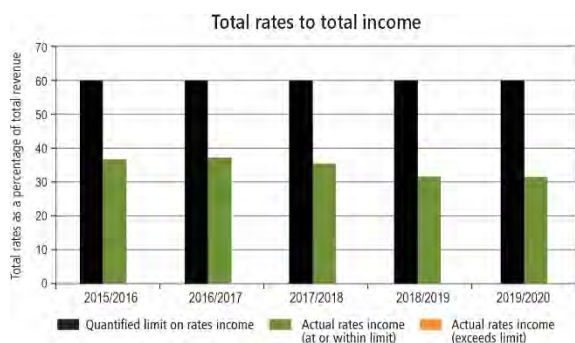
Annual Report disclosure statement for the Year Ending 30 June 2020

What is the purpose of this statement?

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

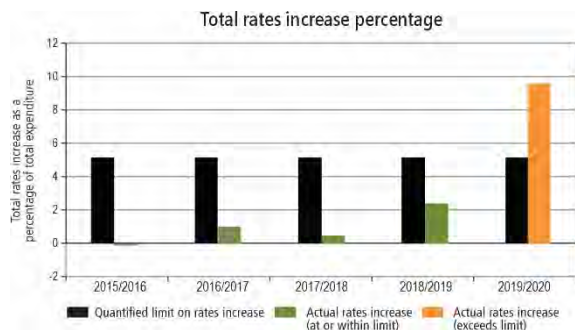
The Council is required to include this statement in its annual report in accordance with the *Local Government (Financial Reporting and Prudence) Regulations 2014* (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark



The Council meets the rates affordability benchmark if—

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



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

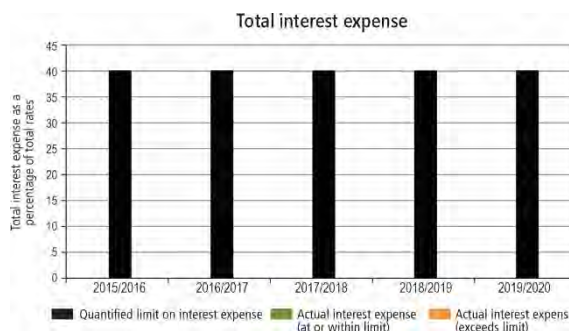
Rates (increases) affordability. The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is that total rates increase will not exceed 5% of total expenditure.

Debt affordability benchmark

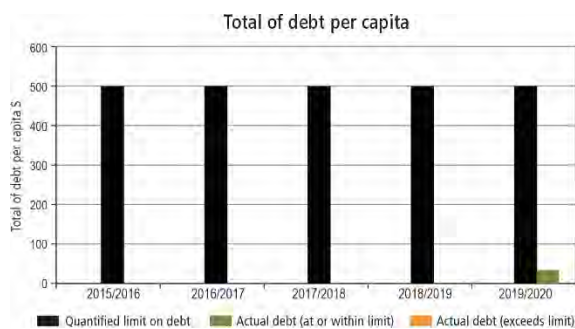
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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

During the period 2012/2013 to 2018/2019, the Council had no external public debt and, consequently no interest expense.



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



During the period 2012/2013 to 2018/2019, the Council had no external public debt and, consequently no interest expense.

Balanced Budget Benchmark

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

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



Essential services benchmark

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

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

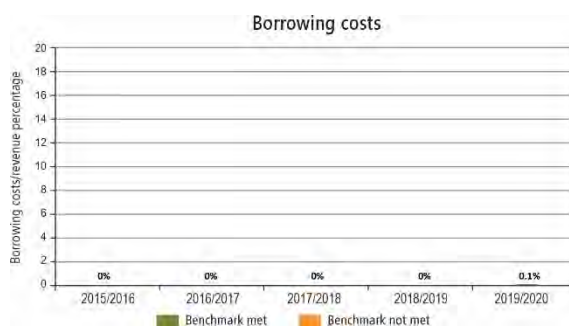
The Council's only network services are in relation to flood protection and control works. The Council does not provide any of the other network services. These network services are in the form of land assets. Accordingly, there is no depreciation on these assets. Capital expenditure will always be equal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

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

Debt servicing benchmark

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

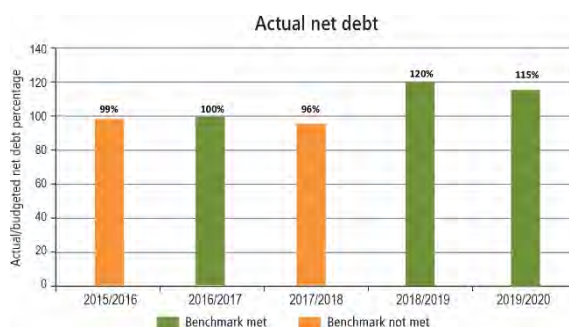
During the period 2012/2013 to 2018/2019, the Council had no external public debt and, consequently no borrowing costs.



Debt control benchmark

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

During the period 2012/2013 to 2018/2019, the Council had no external public debt. As such this benchmark is recording actual net financial assets as a proportion of planned net financial assets. That is, as the Council has limited external public debt, this benchmark is meaningless and should not be relied upon for anything other than compliance with the *Local Government (Financial Reporting and Prudence) Regulations 2014*. For the Council, the debt control benchmark is met if its actual net assets, financial assets (excluding trade and other receivables) less financial liabilities, equals or is more than its planned net assets.



Operations control benchmark

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



