

Taranaki Regional Council

2020/2021 Annual Report

Working with people | caring for Taranaki





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Chairman and Chief Executive's Report

We are pleased to present the Taranaki Regional Council's 2020/2021 Annual Report.

This Annual Report gives us an opportunity to pause briefly and reflect on progress amid a seemingly never-ending whirl of change.

The resilience and can-do attitude of the Taranaki community served the region well as we all responded to the threats and challenges of COVID-19 last year. Those threats and challenges were never far away during the 2020/2021 year. At the same time, the Government continued fleshing out a number of significant initiatives that are set to transform the role and shape of local government in the next few years.

Against this backdrop, it's pleasing to report that the Council achieved or exceeded most operational targets for 2020/2021 and finished the year in a strong financial position. At the same time, we were also able to start preparing to make the changes, some of them profound, needed to prepare the region for the future and ensure that we can continue working with people and caring for Taranaki.

Supporting livelihoods, improving lifestyles

The 2020/2021 year saw good progress across the broad spectrum of programmes and activities. Notably, the Government provided significant and welcome fillips to several of our programmes in the form of post-COVID funding.

A record 1 million plants were distributed to the region's farmers under the long-running *Riparian Management Programme*, thanks in part to a \$5 million funding boost via Jobs for Nature. That meant many farmers paid just \$1 per plant, which included contractors to do the planting.

The programme has so far seen just under 4,000km of streambank planted and more than 5,600km fenced, transforming the Taranaki landscape and bringing about freshwater improvements that have been independently verified by NIWA. It's a great credit to the region that 99.7% of its dairy farmers have voluntarily committed to fencing and planting their waterways.

Towards Predator-Free Taranaki also benefited from Jobs for Nature, with a \$750,000 grant allowing six extra positions to be created including two part-timers to engage with urban New Plymouth communities, and an officer to support rural landowners to meet their objectives. Again, the community has really taken ownership of this programme, resulting in the roll-out running ahead of schedule. Surveys and anecdotal evidence show it is already having an effect in boosting indigenous wildlife.

Partly to help cement the gains being made in *Towards Predator-Free Taranaki*, we amended the *Pest Management Plan* to include mustelids (ferrets, stoats and weasels). This places obligations on landowners to control these predators on their properties.

Yet another significant injection of Government funding saw the Yarrow Stadium Plus redevelopment project advance in leaps and bounds. Shortly after the project won \$20 million in Government COVID-19 response infrastructure investment funding, repair work started on the West Stand (Noel and Melva Yarrow Stand). It was well under way by the end of the financial year, as was demolition of the TSB Stand ahead of construction of a new East Stand. Most other contracts have already been let, including design of the new stand, and the installation of new lighting and new hybrid turf. The aim is to have the Stadium available, with the West Stand open, for the 2022 winter sport season.

It's also been a busy year for the public transport and transport planning teams. A new *Regional Land Transport Plan* was completed successfully and on time, despite difficulties thrown up by COVID-19. Bus passenger numbers are slowly recovering from their lockdown lows, but we were able to usefully engage with bus users and others as we prepared a new *Public Transport Plan* and long-term plan. Their messages were loud and clear: More and better bus services, and a decarbonised bus fleet. On both fronts, the Council has budgeted to work through the options in the 2021/2022 financial year.



Visitor numbers at Pukeiti, Tūpare and Hollard Gardens recovered strongly from the previous year's lockdown disruption. Hollard Gardens went from 21,673 to 24,041, Tūpare from 41,616 to 47,454 and Pukeiti from 53,320 to 68,217. The lack of overseas traffic was balanced by increases in visitor numbers from Auckland, Hamilton and Wellington, as well as many more repeat visits by locals.

Advocacy on behalf of the region is an important part of our work, particularly on issues such as climate change. A robust response was made to the Climate Change Commission's draft advice to the Government during the year, and will be followed up in the current year with a strong submission on its final advice. Altogether during the 2020/2021 year, the Council made 15 submissions on the region's behalf in response to policy initiatives by the Government or other agencies (down on previous years due to the disruptions of COVID-19 and the general election). We continue to see evidence that many of our points have been taken up.

Our all-important 'bread and butter' work continued at a good pace. For the 21st year running, resource consent applications were all processed within *Resource Management Act* timeframes. Inspectors investigated 590 environmental incidents that were either self-notified or the subject of third-party complaints. More than 1,600 inspections were carried out as part of the annual dairy effluent compliance monitoring programme. Details of all these achievements and many others can be found in the body of this report.

Taking Taranaki forward

A major undertaking during the year was preparing the *2021/2031 Long-Term Plan (LTP)*, and consulting the community on it. An immediate priority is meeting the new requirements rolling out under the Government's *Essential Freshwater* package. Implementing this will be one of the largest projects we have ever tackled, requiring significant investment in specialist staff and equipment. That investment was approved in the LTP process and the necessary work is well under way.

Meanwhile, other changes are looming. The *Three Waters* reforms will have an impact on the work of all councils in New Zealand, and we are no exception. The Government has also set a cracking pace in its intention to replace

the *Resource Management Act* with three new pieces of legislation. Again, this has profound implications for the way all councils work.

The latest Government initiative in this sector is a review of the future for local government, which is most timely given the rapidly changing world in which we all live, and that it is more than 30 years since the last comprehensive review of the role and shape of local government. We intend to ensure that Taranaki's voice is heard clearly in this process.

Meanwhile, the Council has decided to introduce a Māori constituency, after a consultation process that brought eloquent arguments for and against. It seemed clear to Councillors, though, that the majority of our community supports a move to better, more meaningful Māori representation around the Council table.

A representation review was launched in the wake of this decision, to decide on how constituencies will be arranged for the 2022 elections. The review will be completed in the current year.

The Council also went through significant change internally. Steve Ruru was welcomed as the new Chief Executive following the retirement of Basil Chamberlain. Steve has previously served as Chief Executive of the Southland District Council, Kaipara District Council and Thames-Coromandel District Council. The senior management team also welcomed newcomers Abby Matthews and Daniel Harrison, who respectively took up the roles of Director-Environment Quality and Director-Operations.

The Council joined the wider community in tributes to our former chair, David Walter, who sadly passed away during the year. David was elected to the Council in 1998 and became Chairman in 2001, holding the post until his retirement in 2007. He had previously served as Mayor of Stratford District. He was a tireless advocate for the region, and an invaluable mentor.

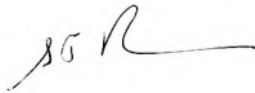
Strong financial position

The Council finished the 2020/2021 financial year with a surplus of \$11.6m. This result was strongly and favourably influenced by property and asset revaluations (\$2.1m) and the non-commencement of expenditure on the Waitara River catchment (following enactment of the *New Plymouth District Council (Waitara Lands) Act 2018*) and the Kaitake Trail Te Ara a Ruhihiwerapini. There were significant injections of shovel-ready and Jobs for Nature Government funding, and consequential expenditure, on a number of projects. This funding was to accelerate the post-Covid-19 economic recovery. Excluding these extraordinary influences, the budget ran as planned, a pleasing result.

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



David MacLeod
Chairman



Steve Ruru
Chief Executive





Reporting environmental performance

96% 'high' or 'good'
environmental performance
for major consents

91.4% dairy farms complied
with consent conditions



Removing predators and targeting pest plants

1 new rule added to Regional Pest Management
Plan, requiring landowners to control
mustelids

90% reduction in stoat numbers
in Warea-Rāhotu

1st possum eradication trial in NZ over a mix
of conservation, farming and urban land

1,489 inspections for
pest plants

Enforcing environmental standards

590 environmental
incidents attended

409 enforcement
actions taken



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



Planting and fencing streambanks

1m

Just under 1m plants
put along 362km
streambanks this year

88.8%

riparian plan streambanks
protected with fencing

77.4%

riparian plan streambanks
protected with vegetation

Sustainable land management

464

sustainable land management
plans covering 68.7% of
private hillcountry land



Regulating use of natural resources

100%

resource consents processed in
RMA timeframes for the past 21 years

Prepared for extreme events

2

flood warnings issued as a
result of monitoring during 49
weather watches and warnings

5

main flood control
schemes maintained





Checking marine and river health

99% coastal beach bathing samples met MfE recreational guidelines over summer

86% freshwater bathing samples met MfE recreational guidelines over summer

49% of macroinvertebrate sites showed improvement, 2% of sites showed a decline in health

11 river sites monitored monthly for a range of indicators of water quality and ecosystem health

Public bus services and transport

548,870 Citylink passenger trips up 7.6%

55,220 subsidised trips up by 1924 Total Mobility cardholders

26,775 passenger trips on the Hawera-New Plymouth service up 6.8%



World-class gardens

139,712

Visits to Tūpare, Pukeiti and Hollard Gardens up from just under 117,000 the previous year

Ensuring clean air

98% air-discharge consent-holders with 'good' or 'high' consent compliance



Yarrow Stadium



45% reduction in targeted Yarrow Stadium rate following \$20m COVID recovery infrastructure investment by the Govt.

Restoring native habitats

176 Biodiversity Plans covering 6819 ha

21 new biodiversity plans covering 3365 ha of ecologically important habitats on private land



Port Taranaki ownership

\$8m

dividends from Council-owned Port Taranaki Ltd.



Educating future generations

8,000 tamariki reached in class visits and field trips

86 schools and preschools involved in environmental education

17 environmental champions recognised by TRC Environmental Awards



Governance Report

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

Structure of the Council

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

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



Council committees

In formulating its committees, the 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 2021

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.

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 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 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 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 are cognisant of the legislative requirements. Where necessary, legal advice is obtained to ensure legislative compliance.

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 year, 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. Of particular note is Ngāti Maru have signed their deed of settlement and the first reading of the Ngāti Maru Treaty Settlement Bill was introduced into Parliament recently with support from all the political parties. Ngāti Maniapoto have continued to work towards finalising their treaty settlement claim with the crown, which when agreed and signed will involve the development 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 where most of the issues raised by various appellants have been resolved. 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 release of the *National Policy Statement for Freshwater* late last year led to a number of hui with Iwi and hapū to discuss the essential freshwater programme and a proposed model for engagement. Given the Government's three waters programme a decision was made by iwi to combine iwi engagement on both programmes. Further hui are planned to agree on freshwater engagement
- the Wai-Māori group have continued to meet to discuss and have input into the draft of the *Natural Resources Plan*
- a watching brief is maintained on the status of Marine and Coastal Area (MACA) applications from iwi and hapū, that are before the High court and the Crown
- positive discussions have continued with the combined council and iwi working groups on the joint development of a collective Mana Whakahono ā Rohe (iwi relationship) agreement.

Resource Consent Processes

Continued to work with Iwi/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
- continued engagement with Ngāti Maru, Te Atiawa, Pukerangiora hapū and Trustpower representatives on the renewal of resource consents for the Motukawa Hydroelectric Scheme (MHS).

Enforcement

As kaitiaki, Iwi and hapū have been involved in providing cultural assessment reports 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. During the year activities included:

- participation in workshops/wananga with Ngāti Mutunga, Ian Ruru and staff on the Mauri Compass cultural indicator tool
- support for Tiaki Te Mauri o Parininihi Trust for pest control and eradication in the Mount Messenger Conservation Area has continued
- the environmental management plan for Ngāti Mutunga was made available in March of this year. A formal presentation of the plan to the Council will be made shortly
- the powhiri whakatau for the 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
- updates of the Taranaki Maunga Treaty Settlement negotiations from Iwi and Crown negotiators have continued
- discussion with Te Arawhiti (Office of Treaty Settlements) on the relationship agreement for the Ngāti Maniapoto Treaty settlement have continued
- in conjunction with Ngāti Maru, Te Atiawa, Pukerangiora hapū, and Trustpower, NIWA pheromone testing for the presence of piharau was completed for the MHS intake race and the Manganui River
- discussion with representatives from Ngāa Rauru Kītahi, the landowner and the forestry company on a process to manage the removal and replanting of trees on and around waahi tapu and sites of significance
- engagement with Parihaka representatives on the infrastructure build project has continued with an agreement to meet more regularly, so that priority issues can be discussed and worked through. An example was a site assessment by the Council's rivers engineer of Te Rangikapuia house at Parihaka given the close proximity of the house to the Waitotoroa Stream
- work with Ngā Mahanga and Ngāti Tairi hapū and their marae representatives towards a memorandum of understanding regarding Pukeiti gardens have continued.

Representation

Of particular note is the agreement and support to establish a Māori constituency in time for the 2022 local body elections. Iwi committee representatives actively participated in workshops associated with this decision.

Iwi input and participation in the Policy and Planning and Consents and Regulatory standing committees has continued on a range of matters.

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.

Status

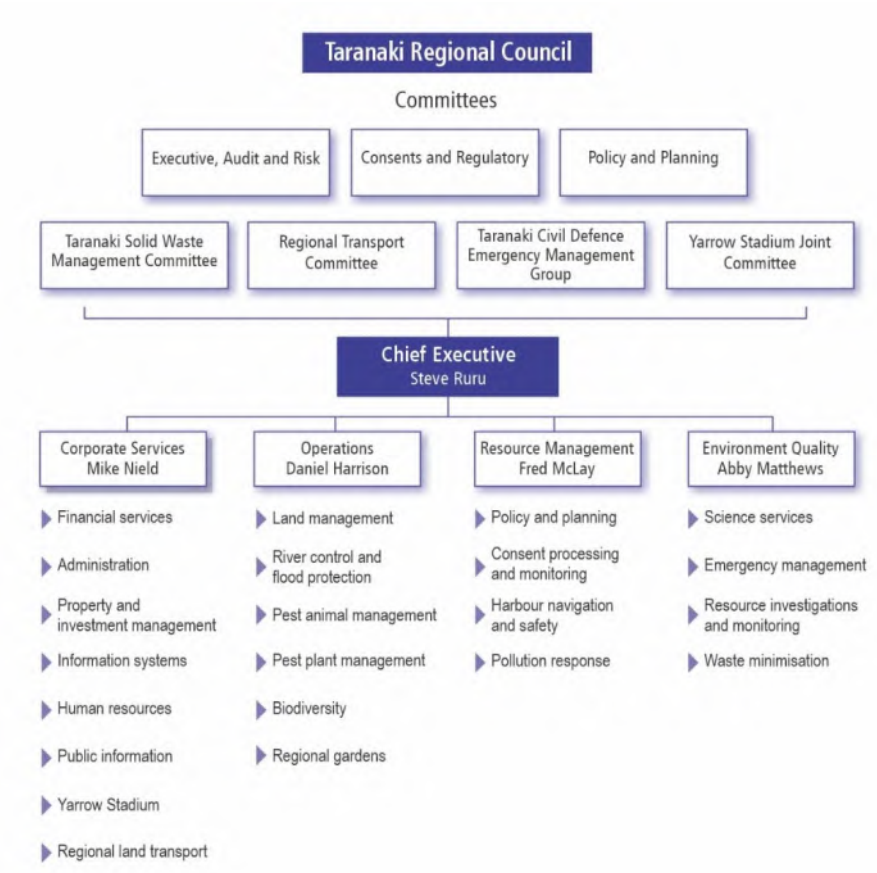
The relationship with mana whenua in the region continues to positively develop with a wide range of activities underway and planned that will assist the region.

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

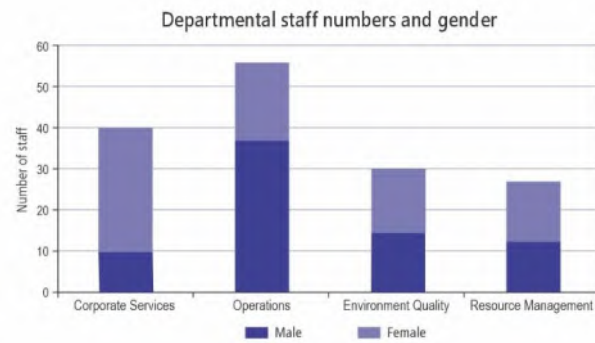
The staff are committed to:

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.

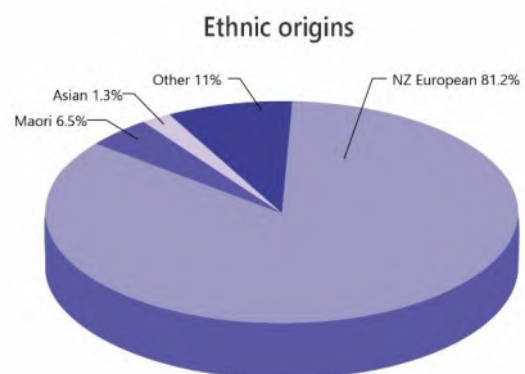
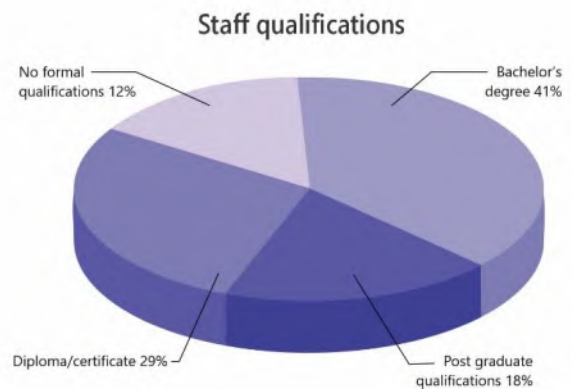
JOB SATISFACTION

- being appropriately trained and resourced to do our work well
- being satisfactorily rewarded for our work
- enjoying our work.

Performance management

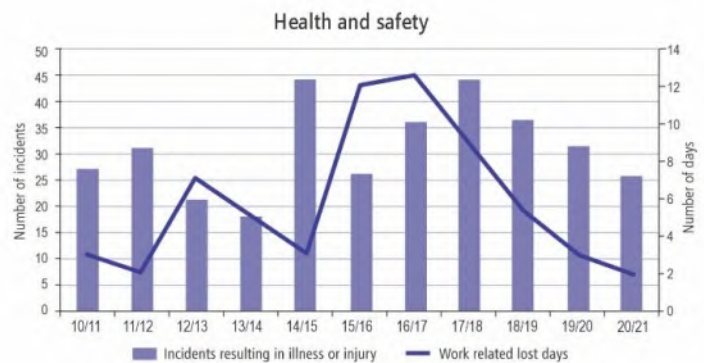
The Council has extensive systems in place to assist performance management and continuous improvement.

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-four (2019/2020—156) permanent staff are employed. Of these, 72% (78%) 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, safety and wellbeing in the workplace.

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

We are 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, safety and wellbeing 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

The geographical, social, economic, environmental, cultural and political elements of Taranaki both influence the nature of the region and shape the Council's activities.

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 2018 census show Taranaki's total population stands at 117,561, an increase of 7.3% over the 2013 census figure. In the previous census period (2006-2013) the region's population increased by 5.3%. Taranaki accounts for 2.5% of New Zealand's total population.

Population changes have also varied within the region. 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. Most notable 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 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 16.3% at the 2013 census to 19.8% in 2018.

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 1,600 dairy herds and about 487,000 dairy cows, producing approximately 9.7% 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 developed early and contributing to New Zealand's natural gas resources. Extensive drilling programmes have continued in an effort to support the Kapuni and Maui fields. These have resulted in a number of significant additional fields being discovered in the last 10 to 15 years. The Mangahewa onshore gas and condensate field was discovered in 1997, the Maari offshore field in 1998 and the Rimu onshore field in South Taranaki in 1999. The nearby Kauri field was discovered in 2001. The Pohokura offshore gas field in North Taranaki, the largest gas and condensate find in 30 years, was discovered in 2000 and brought into production in 2006. The offshore Tui well was discovered in 2003 and brought on-stream in 2008. Production from the offshore Kupe field, first discovered in 1986, commenced during 2010.

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 new Plymouth, Stratford and McKee, while methanol production occurs at Motunui and Waitara Valley.

The oil and gas industry is currently in a downturn given the effect of government policies such as the end to new offshore oil and gas exploration announced in 2018 and the zero carbon climate change response pathways.

Tourism is playing an increasingly important role in the Taranaki economy, with approximately 625,623 guest nights spent in the Taranaki region by domestic and international visitors per annum. Most visitors are from other North island regions. The region's mountain, forests, gardens and parks are attracting increasing numbers of visitors for rural-based and outdoor recreation activities. The Taranaki region is also becoming increasingly popular and recognised for a range of organised cultural, sporting and other events.

As an export-based economy, major changes in the world economy or commodity prices can significantly affect Taranaki. The regional economy is therefore more vulnerable to changes in overseas markets and price fluctuations for our land-based products than larger urban-dominated regions.

Environmental issues

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

While overall water quality in the upper catchments is generally very good, there is some deterioration in the mid-lower reaches of rivers and streams particularly as a result of agricultural land use. Significant challenges for the region include naturally high levels of phosphorus due to Taranaki's unique geology, sedimentation of rivers and streams as a result of hill country erosion, and elevated levels of bacteria as a result of run-off and discharges to rivers and streams.

Dairying continues 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 necessary 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 however, additional actions will be likely be required to achieve the minimum standards for freshwater as required by Government's National Policy Statement for Freshwater Management (NPS-FM) 2020.

Industrial, municipal and agricultural waste discharges from individual point sources are closely monitored and improvements sought where possible. 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. Changes to more sustainable land use practices and conversion to forestry present opportunities to address this
- Controlling threats to indigenous flora and fauna and the economic costs faced by the region as a result of pest plants and pest animals
- Managing the coastline and coastal waters in a way that recognises special ecologically and culturally sensitive areas within the coastal environment and that allows appropriate use and development of the coast
- Promoting protection of the region's indigenous biodiversity
- Managing discharges of contaminants to air and maintaining the high overall standard of air quality
- Managing the allocation of the region's water resources.

Financial Trends

| | Actual 2020/21 | Budget 2020/21 | Actual 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 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General rates | \$7.95m | \$7.95m | \$7.95m | \$7.95m | \$7.61m | \$7.54m | \$7.46m | \$7.40m | \$7.29m | \$7.18m | \$7.18m |
| Percent change | 0% | 0% | 0% | 4.5% | 1.0% | 1.0% | 0.9% | 1.4% | 1.5% | 0% | 4.82% |
| General rates to income | 15.7% | 16.6% | 18.3% | 22.2% | 28.5% | 30.0% | 30.0% | 30.2% | 29.9% | 31.6% | 36.2% |
| Rates per \$100,000 capital value | \$24.17 | \$24.17 | \$25.80 | \$14.17 | \$15.55 | \$15.99 | \$16.64 | \$16.71 | \$17.18 | \$19.47 | \$17.34 |
| Total expenditure | \$41.2m | \$48.2m | \$37.8m | \$31.3m | \$26.6m | \$24.8m | \$25.3m | \$23.3m | \$23.0m | \$21.5m | \$19.8m |
| Percent change | 8.9% | 6.9% | 20.7% | 17.7% | 7.31% | -2.2% | 8.6% | 1.30% | 7.0% | 9.97% | 6.12% |
| Operating surplus/(deficit) | \$11.61m | (\$1.6m) | \$7.53m | \$5.99m | \$0.96m | \$1.6m | \$0.97m | \$0.76m | \$1.4m | \$1.6m | \$0.32m |
| Working capital | \$25.7m | (\$0.9m) | \$15.8m | \$9.4m | \$5.6m | \$7.7m | \$11.0m | \$9.0m | \$4.3m | \$2.5m | \$2.2m |
| Current ratio | 2.8:1 | 0.77:1 | 2.4:1 | 2.26:1 | 1.87:1 | 2.7:1 | 3.78:1 | 3.11:1 | 2.12:1 | 1.72:1 | 1.53:1 |
| Total assets | \$122.8m | \$114.0m | \$108.2m | \$97.0m | \$90.0m | \$87.3m | \$85.1m | \$84.3m | \$83.1m | \$80.9m | \$79.6m |
| Public debt | \$5m | \$25m | \$4m | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Public debt to total assets | 4.1% | 21.9% | 3.7% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

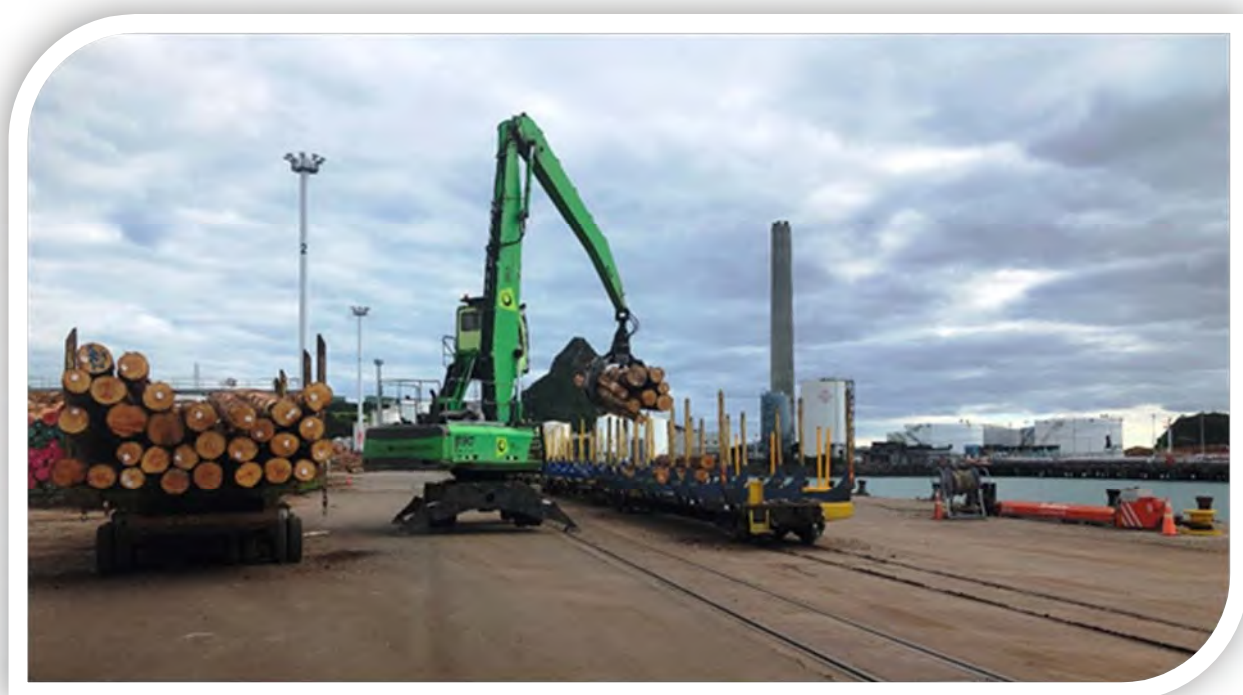


Image: Paul Campbell

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 2021 fairly reflect the financial position and operations of the Taranaki Regional Council.



David MacLeod
Chairman
21 September 2021



Steve Ruru
Chief Executive
21 September 2021



Michael Nield
Director—Corporate Services
21 September 2021

Audit Report



Independent Auditor's Report: To the Readers of Taranaki Regional Council's Annual Report for the Year Ended 30 June 2021

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, Matt Laing 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 21 September 2021. 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 84 to 109:

- present fairly, in all material respects:
 - the Group's financial position as at 30 June 2021;
 - 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 84 to 109:
 - present fairly, in all material respects:
 - the Regional Council's and Group's financial position as at 30 June 2021;
 - 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 110, 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 31 to 82:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2021, 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 31 to 82, 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 110 to 117, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council'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 118 to 120, 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 was recognised relating to the Eastern and Western Stands of Yarrow Stadium. In 2019/20, 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 known restoration requirements. However there was limited information of the extent to which the current components can be reused and the cost of restoration and thus the accuracy of the carrying value of the Eastern and Western Stands of Yarrow Stadium. In the current year, the restoration project has progressed, but uncertainty remains around the extent to which the current components can be reused and the cost of restoration. 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 2021.

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

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.

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 23 and 27 to 30, but does not include the audited information and the disclosure requirements.

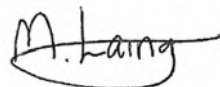
Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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.

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement on the Regional Council's long-term plan, trustee reporting and an agreed-upon procedures engagement for the purpose of assisting the Regional Council to report certain information to the Ministry for the Environment who provided funding to the Regional Council as outlined in the Freshwater Improvement Fund Deed of Funding, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Regional Council or its subsidiaries and controlled entities.



Matt Laing, 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:

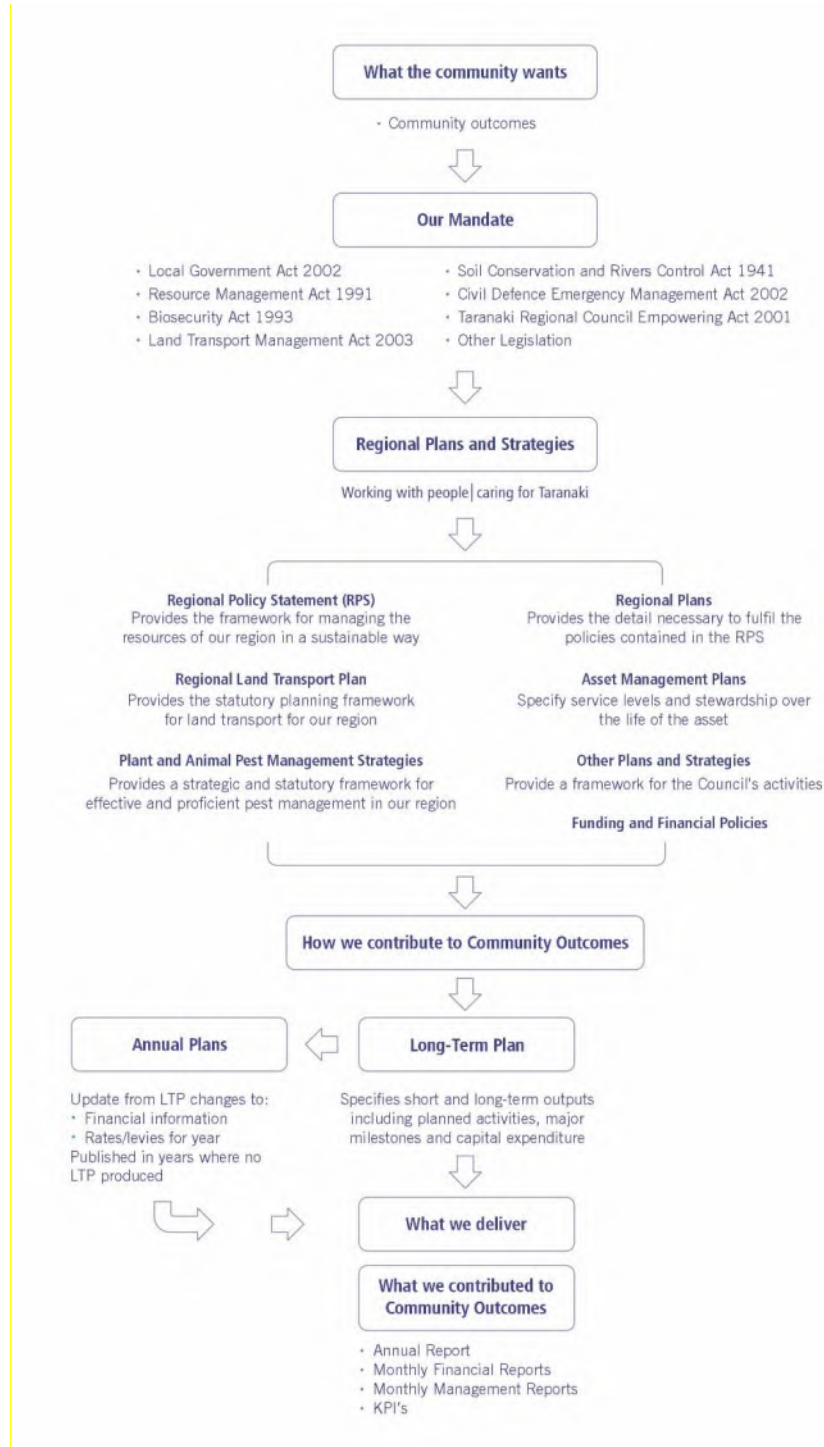


Figure 3: The Council's planning framework

Community outcomes

Consistent with our *Local Government Act 2002* duties, Council aims to achieve in order to promote the present and future social, economic, environmental and cultural well-being of the Taranaki region.

The broad community outcomes set out below were adopted by Council following a comprehensive public process.

- Connected Taranaki – focusing on physical and technological infrastructure
- Prosperous Taranaki – the economic measures underpinning Future Taranaki
- Secure and Healthy Taranaki – elements of a safe, healthy, friendly community
- Sustainable Taranaki – focusing on environmental factors
- Together Taranaki – measuring social inclusiveness and diversity
- Vibrant Taranaki – the cultural and recreational well-beings.



Figure 4 Relationship between the mission/activities and community outcomes

Figure 4 shows how Council aims to promote those six community outcomes through its mission and the activities it carries out.

The mission statement reflects Council's core statutory responsibilities and our resource management, environmental protection, pest management and hazard and emergency management activities. It also reflects Council's role in representing and advocating for Taranaki's regional interests across a range of fora.

The groups of activities shown in Figure 4, and the more specific individual activities within each group, form the basis of reporting on how the 10-year programmes contained in the *2020/2021 Annual Plan* support achievement of the overall community outcomes. The *2020/2021 Annual Plan* translates those activities to 28 specific levels of service, each with detailed targets and measures of how they contribute to the community outcomes. Those levels are reported on in detail in this *Annual Report*.

Monitoring framework and programmes

The Council undertakes monitoring and reporting activities to measure progress towards achieving the community well-beings set out in the *2018/2028 Long Term Plan* and the *2020/2021 Annual Plan* on an on-going basis.

There is a comprehensive monitoring framework in place with many varied and wide-ranging programmes to monitor and to report on the outcomes of its activities. It covers a range of monitoring programmes, from overall state of the environment monitoring, monitoring of specific activity areas (such as pest management and land transport) and monitoring of individual resource consents for compliance with consent conditions and statutory policies. It also covers different time scales (from continuous to 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, an integrated monitoring framework has been developed that recognises the need for consistency, coordination and integration of monitoring activities:

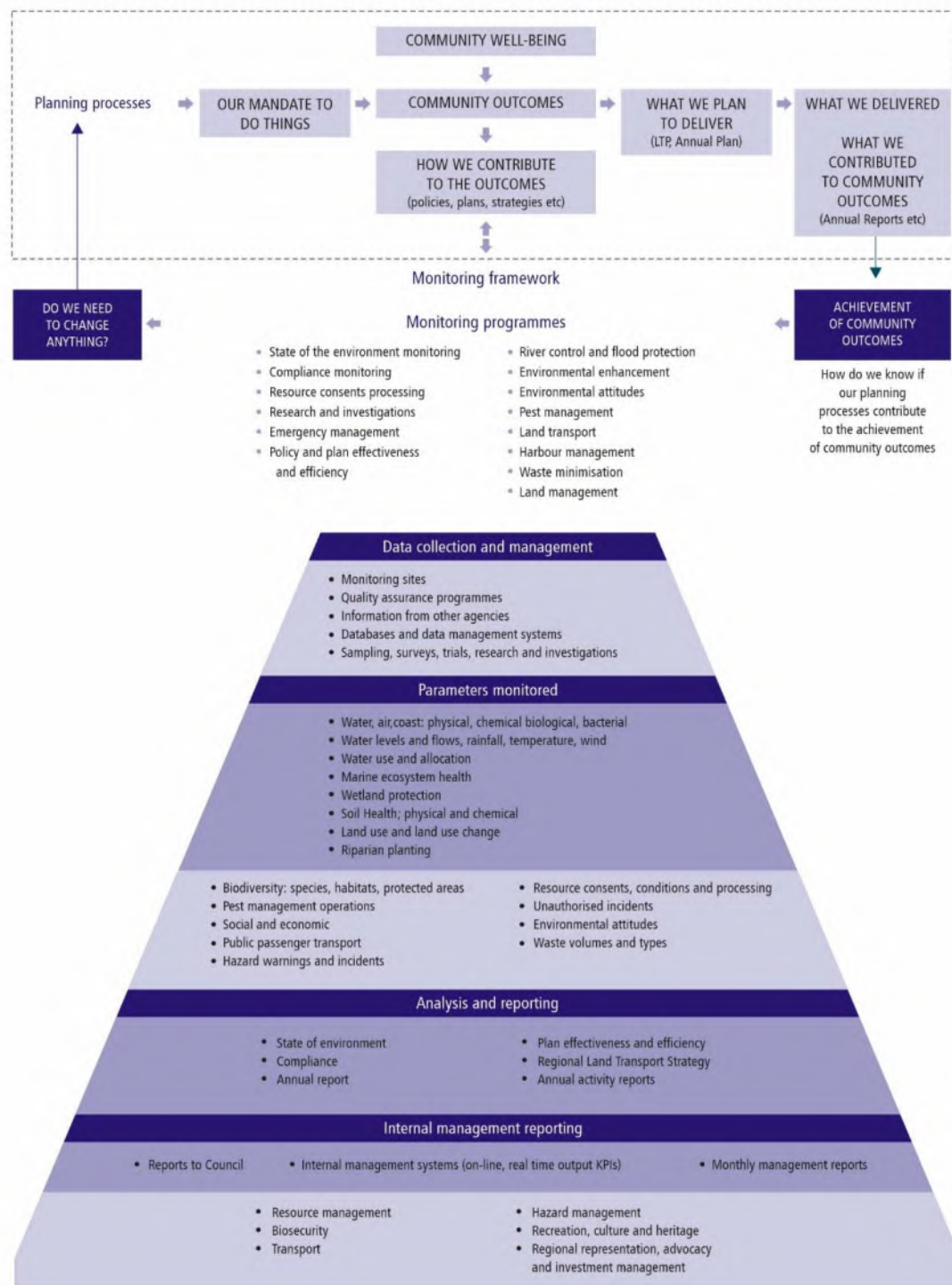
- Within the Council – to generate information that is timely, relevant and useful across a number of activities
- With other agencies – to avoid duplication and to make use of other sources of information where appropriate



- Across issues and media – to recognise the inter-connected nature of the biophysical, economic, social and cultural environments.

Programme performance indicators for monitoring progress on implementation of the *2020/2021 Annual Plan* are measured and monitored monthly and annually, in readiness for inclusion in this *Annual Report*. It should be noted that these performance measures focus on whether the defined tasks have been performed. A wider range of performance measures are contained in other reports prepared by the Council. The Council is confident that its activities have progressed the community outcomes in the *2020/2021 Annual Plan*.

Figure 5: The Council's performance monitoring framework



Performance Information

The following pages explain in detail how we performed in achieving the objectives and performance targets established in the 2020/2021 Annual Plan for 2020/2021.

Financial information on the net cost of services delivered is also provided in conjunction with the budget established in the *2020/2021 Annual Plan* for 2020/2021 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.

We also intend that performance be measured in terms of:

Timeliness—in all cases, unless stated otherwise, the target was to complete the task by 30 June 2021.

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 *Revenue and Financing Policy*.

Principal legislation and policy references for each significant activity are included in the *2018/2028 Long-Term Plan*.

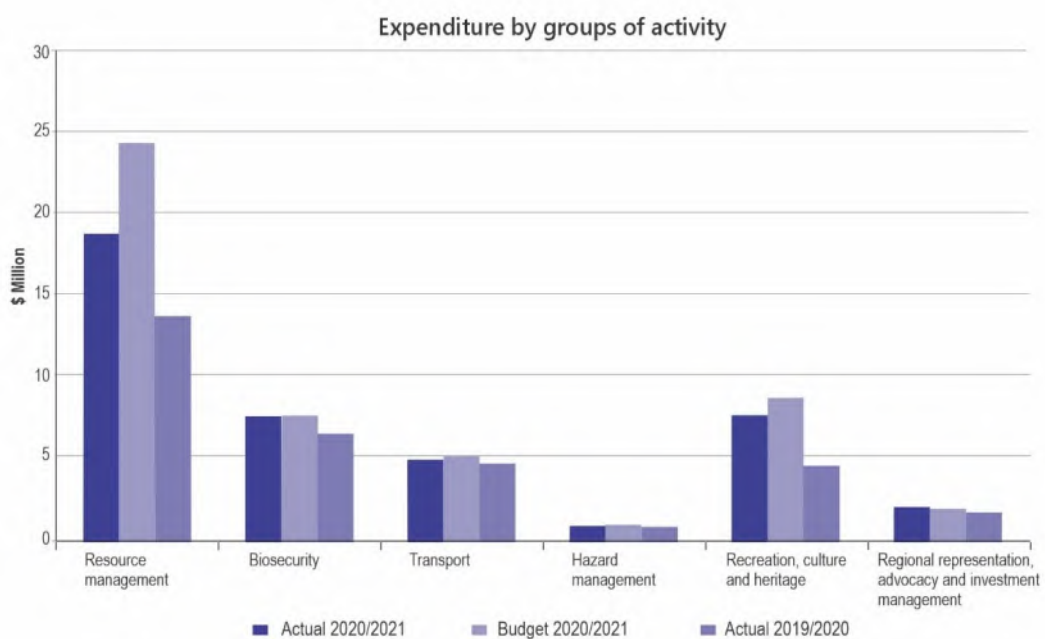


Figure 6: Expenditure by group of activities

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 policy advice on the implementation of the Government's *Essential Freshwater* programme, the ongoing development of an e-Plan platform, ensuring draft *Natural Resources Plan*

provisions comply with the National Planning Standards, 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 were completed- *Navigation Safety Bylaws for Port Taranaki and its Approaches 2020* and the *River Control and Flood Protection Bylaw for Taranaki 2020*.

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 twenty-first 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, we continue 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 provide information about the current state of our natural environment, and offer insights into how environmental indicators are changing.

Work is underway to provide information about the state of the Taranaki environment to inform the development of new policy and support decision-making around current and future natural resource management. This work contributes to the outcomes of a *Prosperous, Secure and Healthy*, and a *Sustainable Taranaki*.

Comprehensive and rigorous consent monitoring work shows a high level of environmental performance and compliance by the majority of 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 are used ranging from the issuing of abatement notices to require an action to be undertaken through to prosecution. Appropriate use of enforcement tools increases compliance levels and contributes to a *Sustainable* community outcome.

A relatively modest and carefully targeted 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 science sector. This has included participation in regional sector Envirolink projects, and the scoping and implementation of national research programmes of relevance to Taranaki.

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, 1 million contract-grown plants were purchased by landowners. Overall, in excess of 7.2 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* has now been replaced by the Government's 1 Billion Trees (1BT) programme. We are assisting landowners with applications to 1BT to achieve land use 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 forty-one 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

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

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

Target (Years 1-10): The proportion of sites showing a trend (whether significant or indicative) of improvement in MCI against a base year of 1995 to exceed the proportion showing decline over the same period.

Baseline: There is a continuing regional trend of improvement in the quality of freshwater ecology across the region. MCI values were determined for 59 regionally significant sites. Trend analysis to June 2017 (from 1995) shows 30 sites of 57 with statistically significant trends of improvement, and one with a significant decline.

MCI values have been determined for 63 regionally significant sites, and trend analysis for the period to June 2020 (from 1995) has been undertaken and reported. Results show 31 sites (2019/2020—49%) with a high confidence of an improving trend and one site (2%) with high confidence of a degrading trend. There were 24 sites (38%) with no statistically significant trend identified. Trend analysis could not be undertaken for seven sites (11%), due to the short duration of monitoring at these sites. There is a decreasing downstream gradient of macroinvertebrate health from 'A' band to 'D' band (based on the NPS-FM) in ring plain streams. The MCI state of the environment monitoring programme continued during the year under review, with results for 2020/2021 to be reported during 2021/2022.

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

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

Baseline: There are 11 freshwater and 9 coastal water bathing sites monitored since 2003/2004. The following sites were compliant with the 2003 Ministry of Health contact recreational guidelines:

| | Freshwater | Coastal water |
|-----------|------------|---------------|
| 2003/2004 | 6 | 7 |
| 2017/2018 | 6 | 7 |

In 2016/2017, 78% of freshwater samples and >99% of coastal samples at these sites were compliant.

Microbiological monitoring of 16 freshwater and 12 marine sites was conducted over the summer bathing season. Results show that over 173 (86%) freshwater samples collected and analysed were compliant with the bacteriological guidelines throughout the season. Three (50%) of the six sites consistently monitored for freshwater quality since 2003/2004 were compliant in 2020/2021. Of the 16 freshwater sites monitored in 2020/2021, seven sites (44%) were compliant, while seven (44%) exceeded Ministry of Health guidelines on one or two occasions. The remaining two sites (12%) had higher rates of non-compliance. Coastal water quality is generally high at monitored sites. In Taranaki, 99% of coastal samples at sites monitored in 2020/2021 were compliant. One site (8%) exceeded the bacteriological guideline during the monitoring season, following heavy swells.

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 Council's general ecological flow guideline but all consented abstractions comply with specific Council policies regarding the taking and use of water.

There are no catchments allocated below ecological flows set by policy. Thirteen surface water abstraction consents were processed during the 2020/2021 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.

Programmed level of service

Reported level of service

2. Efficient allocation of water for consumptive use

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

Target (Years 1-10): Guidelines identifying available surface water are 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 Council 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 2018/2019, 100% of significant water abstraction consents were monitored with 96% attaining a "good" or "high" level of compliance and performance. All unauthorised incidents are responded to, investigated, and publicly reported upon in accordance with adopted procedures.

Water resources are sustainably managed. Monitoring programmes are in place for 100% of significant water abstraction consents. In 2020/2021, 97% (161) of sites attained a "good" or "high" level of compliance and performance (2019/2020—99%). 3% (5) of sites failed to achieve a "good" or "high" level of compliance. Actions to address lower levels of performance are identified in individual compliance monitoring reports. All unauthorised incidents are responded to, investigated, and publicly reported upon in accordance with adopted procedures.



Programmed level of service

Reported level of service

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

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

Target (Years 1-10): Improvements in nutrient levels (ammonia, nitrate, total nitrogen, and dissolved reactive and total phosphorus), appearance (turbidity, clarity, absorbance, suspended solids), organic contamination (biochemical oxygen demand), bacterial levels (faecal coliform and enterococci bacteria), temperature, and algal cover, against a baseline of 1995 water quality, as applicable, at 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 19 and 7 years, has been completed and reported to Council. Trend analysis at the 11 regional representative sites demonstrates:

Overall, surface water quality in Taranaki is stable or improving and is generally better than in 1995. Trend analysis to June 2018, for both the past 19 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 (3 sites; to 2010, 8 sites) or improvement (8 sites; to 2010, 3 sites) since 1995
- BOD: 9 (82%) sites of 11 stable against 1995 baseline, one site shows improvement (11%), and the remainder (81%) are stable over recent years
- Bacteriological state: 73% show improvement (5%) or stability (68%) against the 1995 baseline and 91% are 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%); 74% of nutrient measures stable (70%) or improving (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 levels of long filamentous algae. 93% of surveys for all sites over the last two years (2016-2018) met national periphyton guidelines.

Surface water quality was assessed for both long-term and short-term trends at 11 sites. The long-term trend analysis covers the period 1995 to 2019. Short-term trends were also assessed for either a seven (2012-2019) or ten year period (2009-2019):

- MCI: between 1995 and 2019, 8 of 11 sites (73%) showed an improving trend, and 3 sites (27%) no significant trend. Between 2009 and 2019, 3 of 11 sites (27%) showed a degrading trend and 8 sites (73%) no significant trend.
 - BOD: between 1995 and 2019, 2 of 11 sites (18%) showed a degrading trend, and 9 sites (82%) no significant trend. Between 2012 and 2019, 2 sites (18%) showed an improving trend, 1 site (9%) a degrading trend, and the remaining 8 sites (73%) no significant trend.
 - Bacteriological: between 1995 and 2019, 1 of 11 sites (9%) showed an improving trend, 3 sites (27%) a degrading trend, and 7 sites (64%) no significant trend. Between 2012 and 2019, all 11 sites (100%) showed no significant trend.
 - Nutrients: Between 1995 and 2019, for dissolved reactive phosphorus (DRP), one site (9%) showed an improving trend, 5 sites (45%) a degrading trend and 5 sites (45%) no significant trend. For total phosphorus (TP), one site (9%) showed an improving trend, 3 sites (27%) a degrading trend and 7 sites (64%) no significant trend. For nitrate, 3 sites (27%) showed a degrading trend and 8 sites (73%) no significant trend. For ammonia, one site (9%) showed an improving trend, 3 sites (27%) a degrading trend and 7 sites (64%) no significant trend. For total nitrogen (TN), 3 sites (27%) showed an improving trend, one site (9%) a degrading trend and 7 sites (64%) no significant trend.
 - Between 2012 and 2019, for DRP, two sites (20%) showed an improving trend and 8 sites (80%) no significant trend. For TP, three sites (30%) showed an improving trend and 7 sites (70%) no significant trend. For nitrate, 4 sites (36%) showed a degrading trend and 7 sites (64%) no significant trend. For ammonia, 2 sites (18%) showed an improving trend, 2 sites (18%) a degrading trend and 7 sites (64%) no significant trend. For TN, five sites (45%) showed a degrading trend and 6 sites (55%) no significant trend.
 - Periphyton: trend results for the period 2002-2020 showed that 2 sites (10%) had statistically significant decreasing (improving) trends, and 4 sites (20%) had statistically significant increasing (degrading) trends for thick mats. Only one site (5%) had a statistically significant decreasing (improving) trend for long filamentous algae. For the period 2018-2020, 97% and 84% of surveys met the periphyton guidelines for thick mats and long filamentous algae, respectively.
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Programmed level of service

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 showed an improvement (28%) than deterioration (21%).

Reported level of service

Routine quarterly sampling is undertaken as part of the groundwater quality monitoring programme. Data for the period 2016 to 2020 is currently being analysed and will be reported during 2021/2022. Long-term monitoring shows nitrate concentrations have fluctuated since monitoring commenced in 2002. Data collected between 2015 and 2020 shows median nitrate concentrations were low (less than 5 mg/L) at 27 of the 32 (84%) sites monitored. Nitrate concentrations in one bore significantly exceeded safe drinking water limits. Nitrate concentrations in the remaining four bores (13%) were found to be elevated (≥ 5 mg/L to < 11.3 mg/L). Trend analysis over the period 2010 to 2020 showed an improvement in nitrate concentrations in one bore (3%) and declining trend in two bores (6%). No significant change in nitrate concentration was identified in 29 bores (91%) of routinely monitored bores.

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: An update of the Lake Rotorangi trend report (for the period 1990-2017) has confirmed a very slow, insignificant rate of increase in trophic level. This also confirmed that the lake would be classified as mesotrophic in terms of its biological condition.

Monitoring of Lake Rotorangi for 2019/2020 was completed in June 2020. Water quality and biomonitoring data suggests no significant changes in life-supporting capacity of the lake. The trophic state of lake is eutrophic with an insignificant rate of change. All of the four scheduled monitoring runs for the 2020/2021 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 consents for significant point 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 2018/2019, 100% of significant point sources were monitored with 96% of significant industrial sources and 90.9% 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.

Compliance monitoring programmes were implemented for 100% of significant point sources, with 96% of significant industrial point sources attaining a "good" or "high" level of compliance and environmental performance (2019/2020—96%). Of significant agricultural sources, 91% (95%) 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 were no (1) instances of serious non-compliance that resulted in a prosecution being initiated.

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

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

Measure: Protection of riparian land areas.

Target (Years 1-10): By 30 June 2021, 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.

There are 2,962 (2,930—2019/2020) riparian management plans recommending the planting of 6,782 (6,476) km and fencing of 7,492 (7,297) km of stream banks. Of those plans, 57.7% (54.9%) of the recommended planting and 75.6% (73.8%) of the recommended fencing has been completed resulting in 88.8% (88.1%) of riparian plan streams now protected by fencing and 77.4% (76.3%) 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 and are now planned for 2023. This has impacted on the ability for these targets to be met.

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

Measure: Changes in land use.

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

Baseline: As of 30 June 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 210,294ha (208,199ha —2019/2020). 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 five yearly survey took place during 2017/2018. 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 pattern in soil quality are similar to those found in other regions.

Baseline: Measurements of soil quality structure, composition and health at 20 sites were undertaken in 2007/2008 as the baseline for further trend analysis. Re-sampling was undertaken in 2012/2013. Results show increases in the number of soil quality indicators lying within target ranges and no net increase in cadmium.

The monitoring of regional soil quality is a five-yearly programme. Sampling was completed for the latest survey in 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. The next soil quality sampling round is due in the 2022/2023 monitoring year.

Programmed level of service

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

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

Baseline: As at 30 June 2017, 204,335ha of private land have a farm plan.

Reported level of service

There are 464 (456—2019/2020) comprehensive farm and agroforestry plans in place covering 210,294ha (208,199ha) on the 840 hill country farms, covering 68.7% (68%) of the hill country land in private ownership. This provides a basis for landowners to make decisions on the most sustainable land uses for their properties.

6. Maintenance of a high standard of ambient air quality

Measure: 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 2019 show air in the region matched the 'good' or 'excellent' categories of the MfE ambient air quality guidelines. Where monitoring repeated previous surveys, it was found that air quality was being maintained. Monitoring of volatile organic compounds (VOC) benzene, toluene, ethylbenzene and xylenes (BTEX), and nitrogen oxide region-wide found 75% and 100% of results to be within the Ministry for the Environment's 'excellent' and 'good' categories respectively.

There is a co-ordinated programme of regional air quality monitoring across a ten-year timeframe. In February 2016, continuous monitoring of fine particulate matter PM2.5 (potential health risk) commenced in central New Plymouth and continues. Results for nitrogen oxide (1-hour average) monitoring in the region showed 59% was classed as 'excellent', 10% 'good' and 7% 'acceptable'. In 2020/2021, a review of the *Regional Air Quality Plan 2011* was initiated as part of the development of the air quality sections of the *Natural Resources Plan*. A report on air quality related incidents and complaints was published in February 2021 as part of the review process.

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 consents for significant air point source discharges 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 2018/2019, 100% of significant point source emissions were monitored with 97% 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

Compliance monitoring programmes were implemented for 100% of significant point sources discharging to air. Results show 98% of sources attained a "good" or "high" level of compliance and performance (100% in 2019/2020). 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 2020/2021 were collectively reported during the year and will be reported individually via annual reports.

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

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. In 2019/2020, a full review of the *Regional Policy Statement* commenced.

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.

This included the ongoing development of an e-Plan platform, ensuring draft provisions comply with the National Planning Standards, 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.

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 has resulted in all appeals being resolved, excluding those related to oil and gas. Environment Court mediation is ongoing.

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

Measure: Compliance with Resource Management Act 1991 requirements.

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

Baseline: As of June 2019, processing, administering and compliance monitoring of resource consents was 100% compliant with Resource Management Act requirements.

All consents (100%—2019/2020) processed during the period complied with *Resource Management Act* requirements, and full compliance with timelines allowed activities to be undertaken without delay.

Activities—what we plan to do

| Programme | 2020/2021 actual performance |
|---|---|
| 1. Resource management planning | |
| Complete preparation/full reviews and interim reviews of resource management policies, plans and strategies: | |
| <i>Regional Policy Statement</i> : Commence full review in 2020/2021 as part of the development of a combined natural resource management plan. | Work on the full review of <i>Regional Policy Statement</i> has commenced including public survey and workshop on the development of a freshwater vision in accordance with the <i>National Policy Statement for Freshwater Management</i> . A non-statutory interim review of the <i>Regional Policy Statement</i> , which included targeted consultation, was carried out in 2016/2017. |
| <i>Regional Coastal Plan</i> : Full review continued in 2020/2021. | Coastal plan review ongoing with the <i>Proposed Coastal Plan</i> publicly notified February 2018. Schedule 1 Plan review process are ongoing. Environment Court assisted mediation has resulted in all appeals being resolved, excluding those related to oil and gas. |
| <i>Regional Air Quality Plan</i> : Commence full review in 2020/2021 as part of the development of a combined natural resource management plan. | <i>Air Quality Plan</i> review has commenced and forms part of the development of a <i>Proposed Natural Resources Plan</i> . A non-statutory interim review of the <i>Air Quality Plan</i> was carried out in 2019/2020. |
| <i>Regional Fresh Water and Land Plan</i> : Full review continued in 2020/2021 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 <i>Proposed Natural Resources Plan</i> and implementation of the Government's <i>Essential Freshwater</i> programme. |
| 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 269 (263—2019/2020) consent applications, being 2(1) publicly notified, 1 (7) limited notified and 266 (255) 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 269 (263) applications, 269 (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, High Court and Supreme Court have been partially determined in favour of the Council. Some matters raised by Poutama remain before the High Court. The matter is expected to be resolved in 2021. There was one appeal and 11 section 274 <i>Resource Management Act</i> interested parties applications on the Remediation NZ Ltd consent applications. |

| Programme | 2020/2021 actual performance |
|---|--|
| 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, 0% (100%-5) of resource consent applications attracting submissions. Two applications for Remediation NZ Ltd attracted 20 submissions in opposition, which were not resolved through the prehearing process, and a hearing was held. |
| 3. Compliance monitoring programmes | |
| 100% of individual compliance monitoring programmes for all major consents designed, implemented and publicly reported upon (approximately 100 individual compliance monitoring programmes per annum) within the negotiated budgets and completed within nine months of the end of the monitoring period. | 99% (98%—2019/2020) 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. One (5) report was completed within or just following the nine month period but published at a later date. |
| 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 496 (411) inspections of minor industrial operations (permitted activities) ensuring good environmental practices. Nine (3) reinspections were required. Completed the annual inspection round of discharges of agricultural waste (100% of issued consents), including dairy, poultry and piggery farms – 1,680 (1,711) completed. The non-compliance rate (failure to meet consent conditions) was 8.6% (5.2%) for dairy farms. All poultry farms were compliant 66 (63), 1 of the 4 (4) piggery farms was non-compliant, 226 (157) dairy farm reinspections were undertaken to ensure full compliance. In total, 1,836 (1,868) farm dairy inspections and reinspections took place. The total number of inspections undertaken was 2,412 (2,279). |
| 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 199 (183—2019/2020) consent non-compliances found during routine monitoring. Appropriate enforcement action was undertaken under the <i>Enforcement Policy (2017)</i> . |
| 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, 590 incidents (529) with 100% (100%) within the required timeframe. Instigated control and clean-up where required. Appropriate enforcement action was undertaken under the <i>Enforcement Policy (2017)</i> : 254 (187) abatement notices and 152 (105) infringement notices were issued. Three (5) 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 (0) minor marine oil spills occurred that warranted implementing the <i>Plan</i> . Undertook 2 (1) regional marine oil spill response exercises. |

Programme**2020/2021 actual performance**

5. State of the environment monitoring

Implement and report on 100% of the Council's state of the environment monitoring programmes comprising monitoring of surface fresh water, levels and flows, fresh water quality, groundwater quantity and quality, coastal waters, biodiversity, air quality and land use sustainability using recognized and reputable methods of data collection, analysis and reporting in accordance with the Council's *State of the Environment Monitoring Procedures* document and *State of the Environment Monitoring Programmes*.

Implemented 100% (100%—2019/2020) of the state of the environment monitoring programmes, in accordance with the prepared programmes. The last regional report *Taranaki as one - Taranaki Tangata Tu Tahi 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 2020/2021. These programmes will be implemented in 2021/2022.

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, freshwater 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 41 hydrology sites (40 in 2019/2020), 29 meteorology sites (29), 10 soil moisture sites (11), 18 freshwater bathing (19) and 14 marine bathing (12) water quality sites.

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 2020/2021, the Council intended 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. 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.

Engagement with MBIE's National Science Challenges - Our Land and Water and Natural Hazards continued. MBIE-approved EnviroLink 'Tools' projects include:

- Microbial risk assessment for groundwater abstraction
- Suspended sediment monitoring technologies

Riverine flow management under the National Policy Statement-Freshwater Management.

Programme

2020/2021 actual performance

Projects with clear relevance and benefit to Taranaki to be adopted through “Envirolink” and other funding opportunities.

Collaboration continues with Dairy Trust Taranaki in studying water usage and soil condition under farm management regimes. Endeavour funding for a 5-year study *Transitioning Taranaki to a future of long-term volcanic activity* has been approved, focusing on governance, economic, and social challenges. Continued to participate in the Curious Minds programme, to deliver a participatory *Science Platform Project*, mentoring community science projects.

7. Sustainable land management plans and plant supply programme

Planning services. Provide property planning services to landholders. Prepare plans covering 2,000 ha of land use capability mapping in the hill country and 30 riparian plans in the intensive water management zone.

Prepared 6 (5—2019/2020) comprehensive farm plans and 2 (1) agroforestry plans covering 2,095 (1,670) ha of farmland. Prepared 32 (41) riparian plans covering 130 (143) kms of stream bank 55 (55) kms of riparian management was proposed with the balance of 74.5 kms (88) being protected.

Monitoring and reporting. Liaise with and monitor approximately 2,600 riparian plans and 150 farm plans and report on the implementation of the recommended fencing and planting.

Contacted land occupiers with plans on 10,573 (13,811) occasions. Supplementary advice and information was provided. 13.3% (15.1%) or 279 (338) km of the remaining recommended fencing of stream bank was fenced and 11% (13%) or 362 (445) km of streambank have been planted. 5,665 (5,386) km of stream bank has been fenced and 3,914 km planted (3,553). 2,847 ha (2,774) of retired marginal land, and 507 ha (600) of production forest were recorded. Across all plans, 66,577 ha (63,730) of marginal land has been retired and 18,902 ha (15,697) of production forest established.

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

Received and actioned, within 10 days, 96 (45) inquiries. Advice and assistance on sustainable land management, soil conservation and riparian management was provided.

Provide, on a cost-recovery basis, approximately 550,000 suitable plants for land stabilisation, soil conservation and riparian planting programmes.

Provided 993,749 (606,071) plants for sustainable land management purposes. Provided 6,910 (6,040) items of poplar and willow planting material to 97 (104) landholders. Provided 985,239 (599,331) plants to 1,121 (1,226) landholders, to plant approximately 500 (320) kms of stream margins and supplied 1,600 (700) sand stabilisation plants targeting 2 (2) sites.

Implement the South Taranaki and Regional Erosion Support Soil Conservation Programme including an estimated 4,000 poplar poles, 233ha of protection forestry and construction of 10 km of retirement fencing to retire 200 ha of marginal land/new forestry protection.

Planted 5,177 (4,099) poles, 257 (75) ha of forestry and erected 18 (17) km of fencing to retire or protect 32 (200) 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 41 (37) regionally significant wetlands. This work means that 59 (59) wetlands are formally protected.

Costs and sources of funds

| | 2020/2021 Actual \$ | 2020/2021 Budget \$ | 2019/2020 Actual \$ |
|--|------------------------|------------------------|------------------------|
| Expenditure | | | |
| Resource management planning | 921,723 | 1,055,744 | 813,475 |
| Consent processing and administration | 1,158,642 | 1,157,001 | 950,326 |
| Compliance monitoring programmes | 3,793,747 | 3,535,190 | 3,741,808 |
| Pollution incidents and response | 1,100,689 | 1,004,005 | 1,026,867 |
| State of the environment monitoring | 3,007,672 | 2,434,537 | 2,454,562 |
| Resource investigations and projects | 287,241 | 435,802 | 215,631 |
| Sustainable land management plans and plant supply programme | 6,043,713 | 4,757,793 | 4,705,251 |
| Waitara River Catchment | 50 | 7,828,882 | 50 |
| Enhancement grants | 2,612,468 | 2,323,967 | 1,785,121 |
| Total expenditure | 18,925,945 | 24,532,921 | 15,693,091 |
| Income | | | |
| General rates | 3,061,369 | 3,061,369 | 3,206,905 |
| Direct charges | 15,664,593 | 15,258,159 | 13,350,901 |
| Government grants | 4,741,465 | 2,036,000 | 1,682,891 |
| Transfer from reserves | - | - | - |
| Transfer to reserves | (9,266,015) | (100,000) | (6,606,442) |
| Investment funds | 4,724,533 | 4,277,393 | 4,058,836 |
| Total income | 18,925,945 | 24,532,921 | 15,693,091 |
| Operating surplus/(deficit) | - | - | - |
| Capital expenditure | | | |
| Land | - | - | - |
| Buildings | - | 4,000 | 7,840 |
| Motor vehicles | 870,047 | 486,000 | 885,994 |
| Plant and equipment | 153,125 | 124,969 | 181,881 |
| Office furniture | - | - | - |
| Computer equipment | - | - | - |
| Flood and river control assets | - | - | - |
| Computer software | - | - | - |
| Total capital expenditure | 1,023,172 | 614,969 | 1,075,715 |
| Funded by: | | | |
| Transfer from retained earnings | 1,023,172 | 614,969 | 1,075,715 |
| Total funding | 1,023,172 | 614,969 | 1,075,715 |
| Capital expenditure: | | | |
| —to meet additional demand | - | - | - |
| —to improve the level of service | - | - | - |
| —to replace existing assets | 1,023,172 | 614,969 | - |
| Total capital expenditure | 1,023,172 | 614,969 | 1,075,715 |
| Gross proceeds from the sale of assets | 248,250 | 134,000 | 211,253 |
| Depreciation/amortisation expense | 478,559 | 601,818 | 416,402 |

Asset acquisitions and replacements

Motor vehicle purchases includes the planned replacements that were deferred in 2019/2020.

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 community outcomes

The Biosecurity and Biodiversity 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 and protects important habitats from further loss. 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
- Biodiversity 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*.

Implementing the *Pest Management Plan for Taranaki*, which sets out the regulatory framework for pest management, and the *Biosecurity Strategy for Taranaki*, which sets out all the programmes and activities relating to pest management, including non-regulatory activities is underway.

Contractors tackled a heavily infested area consisting of near vertical cliffs, significantly slowing the expansion of the Old Man's Beard control in the Waingongoro catchment with one kilometre 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 4,224 covering almost 232,000 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 8%. While below the target of 10% this is an increase from previous years, landowners will need to increase control efforts to ensure the population does not rise any further as the region would lose the hard won gains of the last three decades.

The remaining possum control block surrounding Te Papakura o Taranaki (Egmont National Park) was completed following delays due to Covid-19 lockdown. Contractors successfully reduced possum numbers to 0.67% residual trap catch rate well below the contract target of less than 3%.

Following the 2018 announcement of \$11.6m of Predator Free 2050 Ltd funding, *Towards Predator Free Taranaki* continued to be rolled out around the region across three phases of work, urban trapping, rural control and zero possums.

As part of the Government Covid-19 recovery *Jobs for Nature* programme a further \$750,000 was received to create six new jobs enabling the programme to better support the community and accelerate our eradication efforts.

The urban programme continues to enjoy good community support. Across New Plymouth the programme has focused on filling gaps in suburbs to ensure good trap coverage. There has been a focus on the extension of the programme into Opunake and Inglewood. Rat and bird monitoring undertaken confirms the increased traps are making a difference with rat tracking down from 26% to 9.8% this year and bird counts showing increasing numbers.

Contractors extended the rural predator control programme targeting mustelids in the Warea and Rahotu areas, covering an area of 30,300 ha. This adds to the first two phases of the rural predator control programme in the Waiwhakaiho area and surrounding Te Papakura o Taranaki which covered 42,000 ha. Camera monitoring of the previous year's control recorded a 90% reduction in stoat numbers.

Trials of an eradication operation targeting possums in partnership with Taranaki Mounga including the Kaitake range, surrounding farmland and the township of Oakura continued. This is the first eradication project involving multiple land uses. The project involved aerial 1080, ground baiting and trapping. Followed up with dogs and thermal cameras to detect and remove any survivors. This operation has continued to detect and remove individual possums using motion sensing cameras followed by intensive trapping or hunting with thermal cameras and possum detection dogs. While it remains challenging to detect lone survivors, this trial continues to develop techniques that will inform future eradication attempts as New Zealand heads towards our predator free ambition.

In conjunction with land owners and community groups, 24 biodiversity plans were prepared for key native ecosystems 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 a founding funder of Wild for Taranaki (Taranaki Biodiversity Trust), a review of the Trust's progress was completed. As a result, funding and in kind support was committed for a further two years.

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 |
|--|---|
| 1. Pest management plan that delivers efficient and effective management of biosecurity functions | |
| <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. Undertook a partial review of the <i>Pest Management Plan</i> to include mustelids as sustained control species requiring landowners to undertake control once initial control funded through the Towards Predator Free programme has been completed.</p> |
| 2. Pest animals controlled to minimize their adverse effects on biodiversity, primary production and the regional economy and environment | |
| <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 2018/2019, the RTC was 6.7% across the <i>self-help programme</i>.</p> | <p>The self-help possum control monitoring programme showed landholders maintained the possum population at 8% (2019/2020—6.8%) 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> |
| 3. Pest plants controlled or eradicated to minimize their adverse effects on biodiversity, primary production and the regional economy and environment | |
| <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 2018/2019, there were 168 properties where these plants were identified and controlled.</p> | <p>A total of 204 (189—2019/2020) active infestations of eradication pest plants have been identified. Of those, 102 (99) sites around the region have infestations of Mignonette Vine, 23 (20) properties for Climbing Spindleberry, 2 (2) properties for Senegal Tea, 48 (49) properties for Giant Reed and 29 (19) properties for Moth plant. Direct control, where it was warranted, occurred on 121 (106) sites. Active infestations are determined by the time that seeds can remain viable at the site</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: 90 Category C properties in 2018/2019.</p> | <p>Undertook 1,498 (1,246) property inspections. Of these, 59 (96) 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 2019, 132 Key Native Ecosystems (KNEs) comprising 5,357ha of private land had biodiversity plans.

Biodiversity plans were prepared for a further 21 KNEs (24—2019/2020) on private land, totalling 3,365 ha (584). In total, there are 176 (155) KNEs on private land covering 6,819 (5,708) hectares with biodiversity plans. In addition, 3 (1) further biodiversity plans were prepared in partnership with district councils for KNE's on public land.

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 2019, the inventory contained 280 sites.

Maintained and updated the inventory of KNEs. The inventory of Key Native Ecosystems is regularly maintained and updated. At June 2021, the inventory contained 330 sites (300).

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 2018/2019 showed that 95% either maintained or improved in condition.

Good progress continues collecting biodiversity information at KNEs and potential KNEs around the region. A total of 97 (44) assessments were made including 17 (8) repeat five-year assessments, 23 (0) repeat ten-year assessments and 57 (36) assessments at new sites. All 17 (100%) repeat five-year assessments showed an improved condition score after implementation of a biodiversity plan. For 10-year assessment sites, 11 out of 12 (92%) forest sites showed an improvement and 6 out of 11 (55%) of wetland sites showed an improvement.

Activities

| Programme | 2020/2021 actual performance |
|---|--|
| <p>1. Biosecurity and biodiversity planning</p> <p>Undertake a partial review of the <i>Pest Management Plan for Taranaki</i> in 2020/2021, an interim review in 2022/2023 and a ten-year full review in 2027/2028.</p> | <p>The <i>Pest Management Plan for Taranaki</i> sets out the regulatory framework for pest management and the <i>Taranaki Regional Council Biosecurity Strategy</i> sets out the programmes and activities relating to pest management (adopted 2018). These documents are delivering efficient and effective management of statutory biosecurity functions. A partial review of the <i>Pest Management Plan</i> to include mustelids as sustained control species requiring landowners to undertake control once initial control funded through the Towards Predator Free programme has been completed.</p> |
| <p>2. Biosecurity/pest management</p> <p>Undertake operational programmes through both the <i>Pest Management Plan for Taranaki</i> and the <i>Biosecurity Strategy</i> including:</p> | |
| <p>Eradication of selected pest plants.</p> | <p>Undertook direct control on 121 (106) eradication pest plant infestations. Continued control of Old Man's Beard in the Waingongoro catchment, treating one kilometre (700m) of riverbank. Made 6 (4) releases of control agents to control Ragwort, tradescantia, thistles and a new species targeting Japanese honeysuckle. Contributed to the Landcare biological control research programme.</p> |
| <p>Inspection, monitoring and where necessary, enforcement of sustained control pest programmes.</p> | <p>Undertook 786 (747) inspections with results estimating possum populations maintained to acceptable levels: 8% (6.8%) residual trap catch rate across the self-help possum control programme. Undertook 1,498 (1,246) property inspections for pest plants. Issued 157 (135) Notices of Direction for sustained control pest programmes, 24 (39) for possums and 133 (96) for plants. Undertook small scale control of unwanted plant organisms on 14 (2) occasions targeting Bone seed.</p> |
| <p>Raising public awareness of and respond to enquiries related to pest issues.</p> | <p>Responded to 173 (127) requests for advice and, where appropriate, undertaking control action regarding <i>Pest Management Plan for Taranaki</i> species. Received 362 (240) notifications providing advice and information on other pests. Undertook a publicity and education programme on pest plants.</p> |
| <p>3. Biodiversity</p> | |
| <p>Continue to assess ecosystem sites within the region on a voluntary basis, in order to identify further key native ecosystems.</p> | <p>Baseline assessments were made of 57 (43) natural areas, resulting in the scheduling of an additional 30 (17) KNE's. A further 40 repeat assessment where undertaken on existing KNE's to measure change over time.</p> |
| <p>Undertake at least 25 environmental condition assessments at identified sites.</p> | <p>A total of 97 (44) assessments were completed this year.</p> |
| <p>Prepare at least 20 biodiversity plans per annum for properties containing key native ecosystems (KNE).</p> | <p>Twenty-four (25) new biodiversity plans were completed for KNE sites.</p> |

| Programme | 2020/2021 actual performance |
|---|--|
| 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. | The urban programme continues to enjoy good community support, across New Plymouth the programme has focused on filling gaps in suburbs to ensure good trap coverage. Focus has been on the extension of the programme into Opunake and Inglewood. |
| Undertake mustelid control on 20,000ha in the Okato and Warea areas. | Rural predator control programmes targeting mustelids focussed extending predator control in the Warea and Rahotu areas, covering an area of 30,300 ha. This adds to the first two phases of the rural predator control programme which covered 42,000 ha. Camera monitoring of previous years control recorded a 90% reduction in stoat numbers. |
| Complete/maintain possums at zero density over 4,467 ha surrounding the Kaitake range and prevent re-infestation using a virtual barrier and electronic incursion detection system. | A trial eradication operation targeting possums in partnership with Taranaki Mounga including the Kaitake range, surrounding farmland and the township of Oakura continued. This is the first eradication project involving multiple land uses. The project involved aerial 1080, ground baiting and trapping. Followed up with dogs and thermal cameras to detect and remove any survivors. This operation has continued to detect and remove individual possums using motion sensing cameras followed by intensive trapping or hunting with thermal cameras and possum detection dogs. While it remains challenging to detect lone survivors, this trial continues to develop techniques that will inform future eradication attempts as New Zealand heads towards our Predator Free ambition. |

Costs and sources of funds

| | 2020/2021 Actual \$ | 2020/2021 Budget \$ | 2019/2020 Actual \$ |
|---|------------------------|------------------------|------------------------|
| Expenditure | | | |
| Biosecurity and biodiversity planning | 28,670 | 65,272 | 42,856 |
| Biosecurity/pest management | 4,160,328 | 4,206,046 | 3,975,268 |
| Biodiversity | 3,166,254 | 3,089,054 | 3,035,218 |
| Total expenditure | 7,355,252 | 7,360,372 | 7,053,342 |
| Income | | | |
| General rates | 1,985,485 | 1,985,485 | 2,148,144 |
| Direct charges | 2,480,904 | 2,700,736 | 1,982,412 |
| Transfer from reserves | - | - | - |
| Transfer to reserves | (100,000) | (100,000) | (115,000) |
| Investment funds | 2,988,863 | 2,774,151 | 3,037,786 |
| Total income | 7,355,252 | 7,360,372 | 7,053,342 |
| Operating surplus/(deficit) | - | - | - |
| Capital expenditure | | | |
| Land | - | - | - |
| Buildings | - | - | - |
| Motor vehicles | 92,996 | 104,000 | 604,513 |
| Plant and equipment | - | 22,000 | 14,371 |
| Office furniture | - | - | - |
| Computer equipment | - | - | - |
| Flood and river control assets | - | - | - |
| Computer software | - | - | - |
| Total capital expenditure | 92,996 | 126,000 | 618,884 |
| Funded by: | | | |
| Transfer from retained earnings | 92,996 | 126,000 | 618,884 |
| Total funding | 92,996 | 126,000 | 618,884 |
| Capital expenditure: | | | |
| —to meet additional demand | - | - | - |
| —to improve the level of service | - | - | - |
| —to replace existing assets | 92,996 | 126,000 | 618,884 |
| Total capital expenditure | 92,996 | 126,000 | 618,884 |
| Gross proceeds from the sale of assets | 32,910 | 26,000 | 102,776 |
| Depreciation/amortisation expense | 212,502 | 130,725 | 177,038 |

Asset acquisitions and replacements

Plant and equipment purchases have been deferred to 2021/2022.

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.

On the policy front, there was a review of the *Public Transport Plan* and a new *Regional Land Transport Plan* was prepared and adopted. Strong community led feedback was provided on these Plans with an overarching message of environmentally sound transport systems that meet the health and safety needs of the Taranaki community.

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. Funding constraints in the completion of work programmes and the need for strong advocacy for

the region was evident in 2020/2021 with delayed work programmes and maintenance deferral creating tension within the Taranaki community with visible deterioration in the state highway network.

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 projects within this Programme:

- Mt Messenger Bypass project – further appeals against the project’s resource consents further delayed the planned start of construction which is now awaiting Court rulings.
- Awakino Tunnel Bypass project – work was completed with the opening of the bypass in June 2021 and the retirement of the single lane Awakino Tunnel.

During 2020/2021, two 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’

On the advocacy front, submissions were made on the:

- Hikina te Kohupara (Transport Emissions Green Paper)
- Public Transport Operating Model (PTOM) Review
- Land Transport Rule: Setting of Speed Limits 2021
- Ministry of Transport’s Government Policy Statement on Land Transport 2021.

Recovery from the Covid-19 pandemic impacts on public transport services was steady throughout 2020/2021 with passenger numbers recovering to end the year slightly ahead of numbers achieved in 2020. Citylink Service patronage was up 7.6% to 548,870 trips. The Connector Service linking South Taranaki with New Plymouth was up 6.8% with 26,775 trips recorded. The satellite ‘Southlink services’ moved passengers between Waverly, Hawera and Opunake with total patronage of 2,121 across these smaller services. This is down 190 passengers on the previous year.

Within the Total Mobility Scheme, 55,220 trips were made by 1,824 qualifying clients. This figure is broadly similar to the number of trips over the previous year (55,236).

In October 2020, the launch of the new Bee Card integrated ticketing system was undertaken in Taranaki – aligning with 8 other councils across New Zealand. This was the culmination of 5 years work to create an integrated electronic ticketing system with centralised technical support to enhance bus services and customer experience across New Zealand. Work on enhancing and refining these services will continue to build on a safe and accessible public transport network in Taranaki.

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> (RLTP) is current and in accordance with statutory requirements. The Plan came into effect from the 1 July 2021.</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, with a review mid-term review completed in December 2020</p> |
| <p>2. Provision and increasing use of public transport services</p> <p>Measure: Annual number of passenger trips on the region's public transport services.</p> <p>Target (Years 1-10): Annual increase in the number of passengers carried.</p> <p>Baseline: Between 2008/2009 and 2018/2019, passengers on public transport services in the region grew from 349,607 to 649,874.</p> | <p>There were 577,766 passengers carried on the region's public transport services. This is an increase of 7.5% on 2019/2020 passenger numbers of 537,595.</p> |
| <p>3. Safe navigation for all users of the waters of Port Taranaki and its approaches</p> <p>Measure: The number of reported navigation safety incidents within Port Taranaki and its Approaches.</p> <p>Target (Years 1-10): No significant incidents.</p> <p>Baseline: There have been no significant incidents in the last 10 years.</p> | <p>There were 627 (534) vessel movements undertaken through Port Taranaki. No (0) significant incidents involving unsafe navigation practices were reported within Port Taranaki and its approaches. Two near misses were observed and appropriate remedial action taken.</p> |



Activities

| Programme | 2020/2021 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. | Nil (3—2019/2020) variations to the RLTP were processed during the year. |
| Complete a full review of the <i>Regional Land Transport Plan 2021/2022-2026/2027</i> during 2020/2021. | The RLTP 2021-2027 was reviewed, adopted and is in effect. |
| Review and make adjustments to the <i>Regional Public Transport Plan</i> , as required, in accordance with statutory requirements. | The <i>Regional Public Transport Plan</i> is valid and in line with statutory requirements. |
| Complete a mid-term review of the <i>Regional Land Transport Plan 2021/2022-2026/2027</i> during 2023/2024. | A mid-term review was completed and the updated <i>Plan</i> effective from December 2020. |
| Review and make adjustments to the <i>Transport Activity Procurement Strategy</i> , as required, in accordance with statutory requirements. | The regional component of the <i>Strategy</i> 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 Waka Kotahi New Zealand Transport Agency supported *Total Mobility Scheme*.

Provided Total Mobility Scheme services to the targeted areas—49,735 (50,522—2019/2020) passenger trips were made. An additional 4,626 (4,714) 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 Waka Kotahi 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*.

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.

Patronage on the Citylink service was 548,870 (510,212) up 7.6%. Patronage on the Connector was 26,775 (25,072) up 6.8%. Opunake to New Plymouth was down 13.7% with patronage of 856 (992). Waverley to Hawera was down 28% with patronage of 738 (1,028). Opunake to Hawera was up 81% with patronage of 527 (291). Farebox recovery for all services was 36% (39%). The commerciality ratio for the region's public transport services was 36% (38%).

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

Funding of \$23,393 (\$51,466) was provided to the Ironside Vehicle Society for carriage of disabled persons in restricted areas.

Programme

2020/2021 actual performance

3. Harbour management

Provide harbourmaster and harbour warden services for Port Taranaki and implement the *Navigation Bylaw for Port Taranaki and Approaches*. No significant breaches of the requirements of the *New Zealand Port and Maritime Safety Code*, including the *Port Taranaki Harbour Safety Management System*.

External arrangements are in place for harbourmaster services. There were 627 (534—2019/2020) vessel movements. No (0) unsafe navigation practices were reported. Two near miss incidents occurred. The *Navigation and Safety Bylaws for Port Taranaki and its Approaches* continues to be enforced. There were no (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

| | 2020/2021 Actual \$ | 2020/2021 Budget \$ | 2019/2020 Actual \$ |
|---|------------------------|------------------------|------------------------|
| Expenditure | | | |
| Regional land transport planning | 98,963 | 120,377 | 105,356 |
| Passenger transport | 4,609,031 | 4,830,188 | 4,519,455 |
| Harbour management | 47,969 | 41,500 | 50,114 |
| Total expenditure | 4,755,963 | 4,992,065 | 4,674,925 |
| Income | | | |
| General rates | 199,448 | 199,448 | 197,288 |
| Targeted rates | 1,280,678 | 1,280,678 | 1,246,090 |
| Direct charges | 897,097 | 1,174,300 | 941,987 |
| Government grants | 2,403,554 | 2,058,968 | 2,276,450 |
| Government grants – for capital | 193,418 | - | 71,350 |
| Transfers from reserves | - | - | 8,425 |
| Transfers to reserves | - | - | (246) |
| Investment funds | (218,232) | 278,671 | (66,419) |
| Total income | 4,755,963 | 4,992,065 | 4,674,925 |
| Operating surplus/(deficit) | - | - | - |
| Capital expenditure | | | |
| Land | - | - | - |
| Buildings | - | - | - |
| Motor vehicles | 28,319 | - | - |
| Plant and equipment | 297,566 | - | 105,776 |
| Office furniture | - | - | - |
| Computer equipment | - | - | - |
| Flood and river control assets | - | - | - |
| Computer software | - | - | - |
| Total capital expenditure | 325,885 | - | 105,776 |
| Funded by: | | | |
| Transfer from retained earnings | 325,885 | - | 105,776 |
| Total funding | 325,885 | - | 105,776 |
| Capital expenditure: | | | |
| —to meet additional demand | - | - | - |
| —to improve the level of service | - | - | - |
| —to replace existing assets | 325,885 | - | 105,776 |
| Total capital expenditure | 325,885 | - | 105,776 |
| Gross proceeds from the sale of assets | - | - | 4,619 |
| Depreciation/amortisation expense | 22,313 | 144,200 | 8,006 |

Asset acquisitions and replacements

Asset acquisitions include the completion of the regional integrated ticketing project. This is a joint procurement project with other regional councils.

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 risk 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 the risk associated with flooding and river erosion.

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 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. During the year there has continued to be a focus on 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.

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 throughout the rest of the region. 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 bank 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.

Monitoring of the channel alignment work was undertaken on the Stony River in the vicinity of the SH45 Bridge continued. The work ensures that the river remains in a desirable 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 next be reviewed in 2023.</p> | <p>The <i>2018/2023 Group Plan</i> 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. 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>New Plymouth District Council is the administering authority delivering related services to the CDEM Group. The work plan and resourcing for 2020/2021 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 and an annual report for 2019/2020 has been prepared.</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 and by independent invited audit in 2019.</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 was undertaken in 2019/2020. The Group scored well above previous audits, with improvements shown in every area.</p> |

Programmed level of service

Measure: The Emergency Management Office to be implementing effective multi-agency advisory group planning, training, maintenance and enhancement of facilities and equipment, 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 2020/2021 prioritised the appointment and training of Group and local controllers and welfare and recovery managers. 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 2020/2021. 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.

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 with regular reporting on progress provided to the Joint Emergency Management Committee.

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, Waiwhakaiho and Opunake 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. The Opunake Flood Protection Scheme was maintained in accordance with the newly adopted asset management plan.

Activities

| Programme | 2020/2021 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>2020/2021 Annual Business Plan for Taranaki Civil Defence and Emergency Management (CDEM)</i> was implemented. The work plan and budget was prepared and adopted, and its implementation was 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. |
| 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 49 special weather watches and warnings (39—2019/2020). In all instances, flood monitoring was undertaken in accordance with the <i>Flood Event Standard Operating Procedure</i> . Two flood warnings were issued during the year (1). |
| Undertake minor emergency river and flood control works when necessary. | No 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. | 17 (8) 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**2020/2021 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

| | 2020/2021 Actual \$ | 2020/2021 Budget \$ | 2019/2020 Actual \$ |
|---|------------------------|------------------------|------------------------|
| Expenditure | | | |
| Civil defence emergency management | 414,437 | 414,058 | 440,924 |
| Flood management and general river control | 311,880 | 334,138 | 274,156 |
| River control schemes | 168,534 | 250,490 | 239,830 |
| Total expenditure | 894,851 | 998,686 | 954,910 |
| Income | | | |
| General rates | 162,654 | 162,654 | 144,420 |
| Targeted rates | 747,776 | 747,776 | 722,058 |
| Direct charges | 829 | - | 263 |
| Government grants | - | - | - |
| Transfers from reserves | - | - | 7,323 |
| Transfers to reserves | (50,228) | (50,228) | (58,764) |
| Investment funds | 122,599 | 227,263 | 213,106 |
| Total income | 983,630 | 1,087,465 | 1,028,406 |
| Operating surplus/(deficit) | 88,779 | 88,779 | 73,496 |
| Capital expenditure | | | |
| Land | - | - | - |
| Buildings | - | - | - |
| Motor vehicles | 34,972 | 40,000 | 37,782 |
| Plant and equipment | - | 44,000 | - |
| Office furniture | - | - | - |
| Computer equipment | - | - | - |
| Flood and river control assets | - | - | 19,682 |
| Computer software | - | - | - |
| Total capital expenditure | 34,972 | 84,000 | 57,464 |
| Funded by: | | | |
| Transfer from retained earnings | 34,972 | 84,000 | 57,464 |
| Total funding | 34,972 | 84,000 | 57,464 |
| Capital expenditure: | | | |
| —to meet additional demand | - | - | - |
| —to improve the level of service | - | - | - |
| —to replace existing assets | 34,972 | 84,000 | 57,464 |
| Total capital expenditure | 34,972 | 84,000 | 57,464 |
| Gross proceeds from the sale of assets | - | - | 4,356 |
| Depreciation/amortisation expense | 13,014 | 16,232 | 8,222 |

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:

| | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
|---|------------------------|------------------------|
| Closing book value | 13,818,670 | 13,696,480 |
| Acquisitions constructed by the Council | - | 19,682 |
| Acquisitions transferred to the Council | - | - |
| Estimated replacement cost | 13,818,670 | 13,696,480 |

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.

| | 2020/2021 Actual \$ | 2020/2021 Budget \$ | 2019/2020 Actual \$ |
|---------------------------------------|------------------------|------------------------|------------------------|
| Opening balance | 4,521,959 | 4,405,951 | 4,576,896 |
| Plus borrowed during the year | - | - | 27,548 |
| Less principal repaid during the year | 89,118 | 94,549 | 82,485 |
| Closing balance | 4,432,841 | 4,311,402 | 4,521,959 |
| | | | |
| Interest charged during the year | 293,927 | 286,387 | 299,366 |

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 small range of events and activities at the Stadium.

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:

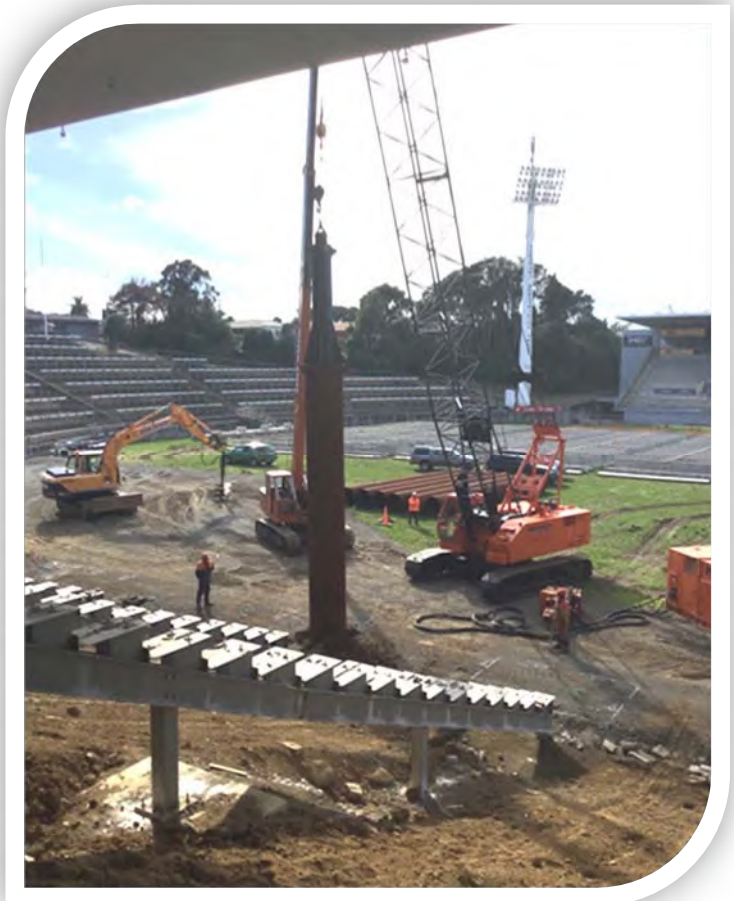
- Repair to the earthquake-prone West Stand
- Demolition and replacement of the East Stand
- Replaced lighting with LED and replacement of the main field
- Important refurbishments including additional food and beverage outlets and toilets, technology upgrades, car park improvements, maintenance and grounds storage sheds, gate improvements and new South Terrace seating.

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 1 July 2021, the funding injection has made it easier to ensure this iconic venue can continue to meet the region's needs amid all the changing circumstances.



Excellent progress has been made on the project. The West Stand repair is due to be complete by the end of December 2021. Contracts have been let for the replacement of the main field and the main field lighting (with LED lights). The East Stand has been demolished and a design team has been appointed for the new East Stand. The Stadium is planned to be open in 2022 with a repaired West Stand and the new East Stand under construction.

Regional gardens

This was the third 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 now complete and some of the recreational projects aimed at opening up the Rainforest, progressing.

Other development works included:

- Completing the fitness trail in the Valley of the Giants
- Continuing to enhance the rhododendron collection with regular bush margin clearance, opening of new shafts, new plant introductions and regular pruning and shaping.

Pukeiti houses 1,333 different types of rhododendrons, including different subspecies, varieties and forms. This is a decrease of 37 new plants from last year and is primarily due to the removal of unsuitable varieties that are unable to thrive in the Pukeiti environment. Pukeiti and Hollard Gardens plant databases are available on site as well as on line.

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 refurbishment of a number of garden beds including the Lower Dell.

Hollard Gardens was maintained to the standard established in the asset management plan and continues to consolidate as a quality community asset for the surrounding districts and beyond. Development works for the year included the expansion of the carpark and the associated landscaping. Also the programme of reconfiguring some of the garden beds in the New Garden continued. The three public gardens visitor numbers recovered strongly from the previous year's interruptions due to COVID-19 lockdowns. Hollard Garden's numbers increased from 21,673 in 2019/20 to 24,041 in 2020/21. Tūpare's increased from 41,616 in 2019/20 to 47,454 in 2020/21 and Pukeiti's numbers increased from 53,320 in 2019/20 to 68,217 in 2020/21. Our summer visitor survey offers a snapshot of the changes. These include no overseas visitors, strong repeat visitation from our region and increased visitation from Auckland, Hamilton and Wellington urban areas.

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 2020/2021 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 47,454 visitors (41,616 – 2019/2020) with Hollard Gardens attracting approximately 24,041 (21,673) and Pukeiti 68,217 (53,320). There were 32 (28) events at Tūpare, 33 (33) at Hollard Gardens and 70 (62) 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 relevant to the Council as well as contributing to the successful presentation of Puke Ariki. The ongoing partnership relationship with Puke Ariki continues. The two 2020/2021 projects delivered included launch of the Reef Alive exhibition at Puke Ariki and Aotea Utanganui Museum of South Taranaki's publication of a 200-pg book <i>Tales & Taonga of South Taranaki</i>.</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. Funding was provided to the Taranaki Stadium Trust to allow the Yarrow Stadium repair and refurbishment project to commence. Specifically in 2020/2021, the repair of the West Stand commenced, the demolition of the East Stand commenced and contracts were let for the replacement of the lighting and the main field.</p> |

Activities

| Programme | 2020/2021 actual performance |
|---|--|
| 1. Regional gardens | |
| Provide three regional gardens (Tupare, Hollard Gardens and Pukeiti) for free general use by the regional community. Tupare, Hollard Gardens and Pukeiti open to the public daily with unrestricted free general access. | The gardens were open to the public daily. Entry was free to all three properties. |
| Encourage the increased use of the regional gardens by the community for recreational purposes and for specific events. | Tūpare attracted approximately 47,454 visitors (41,616 – 2019/2020) with Hollard Gardens attracting approximately 24,041 (21,673) and Pukeiti 68,217 (53,320). There were 32 (28) events at Tūpare, 33 (33) at Hollard Gardens and 70 (62) at Pukeiti. |
| 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: <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. | A comprehensive upgrade programme is in progress including: <ul style="list-style-type: none"> • enhancing the rhododendron collection through bush margin clearance, new plantings, and seasonal plant husbandry • continuing the tramline track upgrade with feeder tracks and underpass installed • completing a new fitness trail in the Valley of the Giants |
| Continue implementing the Hollard Gardens asset management plans focusing on: <ul style="list-style-type: none"> • installing a new toilet to meet demand in the Family Corner area • installing new stylized play equipment. | Implementing the Hollard Gardens asset management plans including: <ul style="list-style-type: none"> • expansion of the carpark. |
| Continue implementing the Tupare asset management plans focusing on: <ul style="list-style-type: none"> • continuing to improve the story telling • completing new art installation. | Implementing the Tūpare asset management plans including: <ul style="list-style-type: none"> • completing the cottage upgrade work • constructing more storage area in the service yard. |
| Review and adopt asset management plans for Tupare, Hollard Gardens and Pukeiti by 31 October 2020. | All three asset management plans were revised and adopted in 2020/2021. The next review of the plans will occur in 2023/2024. |

| Programme | 2020/2021 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 2020/2021.

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 2015/2016 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

| | 2020/2021 Actual \$ | 2020/2021 Budget \$ | 2019/2020 Actual \$ |
|---|------------------------|------------------------|------------------------|
| Expenditure | | | |
| Regional gardens | 3,299,224 | 4,491,442 | 3,413,173 |
| Puke Ariki | 120,000 | 120,000 | 150,000 |
| Yarrow Stadium | 3,942,720 | 3,942,719 | 3,963,350 |
| Total expenditure | 7,361,944 | 8,554,161 | 7,526,523 |
| Income | | | |
| General rates | 1,841,487 | 1,841,487 | 1,500,951 |
| Targeted rates | 3,942,771 | 3,942,719 | 3,942,708 |
| Direct charges | 246,004 | 197,000 | 162,745 |
| Investment funds | 1,331,682 | 2,572,955 | 1,920,119 |
| Total income | 7,361,944 | 8,554,161 | 7,526,523 |
| Operating surplus/(deficit) | - | - | - |
| Capital expenditure | | | |
| Land | - | - | - |
| Buildings | 323,151 | 1,555,000 | 720,909 |
| Motor vehicles | 91,946 | 45,000 | 138,811 |
| Plant and equipment | 11,138 | 60,000 | 11,378 |
| Office furniture | 14,401 | - | - |
| Computer equipment | - | - | - |
| Flood and river control assets | - | - | - |
| Computer software | - | - | - |
| Total capital expenditure | 440,636 | 1,660,000 | 871,098 |
| Funded by: | | | |
| Transfer from retained earnings | 440,636 | 1,660,000 | 871,098 |
| Total funding | 440,636 | 1,660,000 | 871,098 |
| Capital expenditure: | | | |
| —to meet additional demand | - | - | - |
| —to improve the level of service | - | - | - |
| —to replace existing assets | 440,636 | 1,660,000 | 871,098 |
| Total capital expenditure | 440,636 | 1,660,000 | 871,098 |
| Gross proceeds from the sale of assets | 30,957 | 20,000 | 9,565 |
| Depreciation/amortisation expense | 553,065 | 549,226 | 525,176 |

Asset acquisitions and replacements

The development of Pukeiti Gardens has continued. The canopy walk project has been delayed.

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. The Council has decided to create a Māori Constituency for the 2022 elections. The necessary representation review, to enable this decision, has commenced.

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 six editions of Council newsletter, *Talking Taranaki*, which is emailed to 8,000 subscribers and published in community newspapers
- the public engaged with messages published through social media channels 35,000 times
- during 2020/21, there were around 163,000 visits to the website to access or view information
- The Enviroschools team worked with 63 schools and preschools and the Environmental Education team worked with 23 schools collectively delivering class visits and field trips to an estimated 8,000 tamariki. Demand for education services outstrips capacity to deliver, with 21 schools on the Enviroschools waitlist.

Seventeen environmental awards were presented in November 2020.

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*.

Fifteen 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 15 submissions to the policy initiatives of other agencies with evidence of successful advocacy. This level of activity was lower than in previous years, due to the combined impact of Covid-19 and the general election on central government agency activity. Activity did pick up in the second half of the year, with a particular focus on higher complexity climate change related policy consultations (Climate Change Commission, Ministry of Transport and Ministry for the Environment). Throughout the year, the most common focus area was transport related policies of central agencies and other regional councils' Land Transport Committees.</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 2020/2021. 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 2020/2023 was considered on 11 August 2020. Port Taranaki Ltd's performance was reviewed when considering their 2019/2020 Annual Report on 22 September 2020. The half-year results to 31 December 2020 were considered on 6 April 2021.</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 2018/2019 were interest \$390,969 and lease rent \$888,862. These returns were used to reduce the general rate requirement.</p> | <p>Total investment returns from property and treasury investments were interest \$274,852 (\$411,873—2019/2020) and lease rent \$958,765 (\$910,042). This represented a 7% decrease (3.3% increase) over last year. These returns were used to reduce the general rate requirement.</p> |

Activities

| Programme | 2020/2021 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 2020/2023 was considered on 11 August 2020. Port Taranaki Ltd's performance was reviewed when considering their 2019/2020 Annual Report on 22 September 2020. The half-year results to 31 December 2020 were considered on 6 April 2021. |
| Appoint Directors at Port Taranaki Ltd's annual general meeting and at other times as required. | Directors Krogh, MacLeod and Meads were reappointment to the Board of Directors at the 30 September 2020 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 3 leases (5—2019/2020). 1 (0) leasehold property was divested during the year. Achieved 4.5% (4.7%) 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 1.49% (3.01%) 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 a range of communications channels. Six issues of the <i>Talking Taranaki</i> newsletter were published in print, online and email. Around 163,000 users visited the TRC website, and people engaged with content on TRC's social media channels almost 35,000 times in 2020/2021. |
| Implement the environmental awards programme. | Seventeen environmental awards were presented in October 2020. |
| 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. | Four editions of SITE and the Enviroschools Taranaki newsletter were distributed. Enviroschools worked with 63 schools and preschools and the Environmental Education team worked with 23. Demand for education services outstripped our capacity to deliver, with 21 schools on the Enviroschools waitlist. |
| 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 15 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 *2019/2020 Annual Report* was adopted on 22 September 2020. The *2021/2031 Long-Term Plan* was adopted on 18 May 2021.

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. A Māori Constituency will be created for the 2022 elections. The necessary representation review, to enable this decision, has commenced.

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 | 2020/2021 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: 5.1m (2019/2020—5.5m) Achieved: Non-liquid bulk: 2.1m (1.7m) |
| Financial: EBITDAF on average total assets (Target > 10.5%) | Achieved: 10.5% (12.6%) |
| Financial: Return (NPAT) on average total assets (Target >4.0%) | Achieved: 4.6% (6.1%) |
| Financial: Return (NPAT) on average shareholder's funds (Target >5.5%) | Achieved: 6.0% (8.4%) |
| Financial: Shareholder equity ratio (Target >65.0%) | Achieved: 76.1% (73.4%) |
| Financial: Interest Coverage Ratio (Target >5x) | Achieved: 21.7x (12.2x) |
| Environment: Incidents of Harbour Pollution (Target Nil) | Achieved: Nil (0) |
| Environment: Compliance with all resource consents (Target Yes) | Achieved: Yes (No) |

Regional Software Holdings Ltd

Regional Software Holdings Limited (RSHL) 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 service undertaking specifically by the Northland, Waikato, Taranaki, Horizons, West Coast and Southland regional councils and generally by the regional council sector. All sixteen regional councils/unitary authorities in New Zealand are stakeholders and customers of RSHL.

RSHL 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. The six member councils have developed a software solution (IRIS) for the regional council specific functions undertaken. Hawkes Bay Regional Council also uses IRIS as an outcome. The development project has been a remarkable success. As the IRIS system reaches the end of its technical useful life, RSHL has made the strategic decision to prioritise planning for the next generation of IRIS (IRIS Next Generation). Significant steps towards this goal were taken in 2020/2021.

RSHL also operates the Sector Financial Management System (SFMS) on behalf of the regional sector. Under this agreement, RSHL manages funding collected from the sector to support shared sector activities. The Sector Financial Management System is major step towards achieving our vision "To provide a high-quality shared service for the regional council sector (and associated agencies) that delivers value to customers, shareholders and the sector."

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 IRIS users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year. | Complete. The first annual survey was undertaken in July 2019. The second was conducted in September 2020 and showed improvements in user feedback in all categories. Results were discussed with the RSHL Advisory group and presented to the Board. |
| Develop, approve, communicate and refine the product strategy for IRIS and IRIS NG. Draft strategy presented to the Board by 31 December 2020. | Complete. The product roadmap for IRIS was presented, discussed and agreed at the Board meeting in November 2020. The Programme Plan for IRIS NextGen was approved in August 2020. |
| Prepare and adopt the annual IRIS major enhancement roadmap by 30 June for delivery in the subsequent year. | Complete. The IRIS Product Roadmap has a 3 year timeframe. It is regularly updated by the Advisory Group. The roadmap was updated by the Advisory Group in January 2021 and again in April 2021. |
| Major Enhancement projects are completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year. | Complete. 4 Major Projects that were carried over from 2019/2020 were completed: <ul style="list-style-type: none"> • Business intelligence (BI) solution discovery and planning • Entity framework upgrade investigation • Session management implementation • IRIS v4 deployment assistance. <p>2 new 2020/2021 major projects were completed</p> <ul style="list-style-type: none"> • IRIS UX/UI refresh • IRIS search enhancement. |

| Performance target | Comment |
|--|--|
| 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 and the General Manager. | <p>There is one 2020/2021 Major Project that is being carried over to 2021/2122</p> <ul style="list-style-type: none"> • BI implementation for IRIS applications module. <p>Projects are being managed within scope and budget. Progress reports are regularly provided to the RSHL Advisory Group and Board.</p> |
| RSHL will operate within approved budget, with any material variations approved by the Board. | <p>Complete. Expenditure and income for management and overhead and IRIS continue to be within budgets. The Sector Financial Management System Agreement has driven significant variances in income and expenditure for ReCoCo. This does not impact on the RSHL balance sheet.</p> |
| 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. | <p>Complete. Charges to RSHL shareholders and IRIS customers were as agreed in the statement of intent. The Sector Financial Management System Agreement has driven significant variances in income and expenditure for ReCoCo.</p> |
| Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholders base of RSHL. | <p>Complete. Bay of Plenty Regional Council has advised RSHL of their intention to become a shareholder of RSHL and participate fully in the IRIS Next Gen Programme. The Sector Financial Management System has markedly increased the footprint of RSHL within the sector.</p> |
| Engage with councils in the sector to evaluate options for the eventual replacement of the current IRIS software package. The objective is to identify a solution that can be adopted by an increasing number of councils in the sector. | <p>Complete. 11 councils participated in the Request for Proposal process to find the eventual replacement for IRIS. These were the 7 "IRIS" councils plus Bay of Plenty RC, Otago RC, Tasman DC and Nelson CC.</p> |
| Be a service delivery vehicle for wider regional council sector and related 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 ReCoCo Advisory Group. | <p>Complete. The ReCoCo programme continues with 5 active high-profile projects.</p> <p>In June 2020 the Regional Chief Executive's Group approved a proposal for RSHL to manage the financials for sector wide programmes:</p> <ul style="list-style-type: none"> • Regional Sector Office • Sector Business Plan • River Manager's Programme • ReCoCo technology projects • EMaR Programme • Bio Managers Programme • Bio Control Programme <p>Under this agreement, RSHL is responsible for management of a budget of \$2.5m of funds collected from the 16 councils, and contract management of the suppliers providing the services to the sector.</p> |

Costs and sources of funds

| | 2020/2021 Actual \$ | 2020/2021 Budget \$ | 2019/2020 Actual \$ |
|---|------------------------|------------------------|------------------------|
| Expenditure | | | |
| Investment management | - | 6,000 | 3,735 |
| Community engagement | 451,058 | 438,513 | 401,210 |
| Advocacy and response | 292,835 | 319,091 | 379,358 |
| Governance | 1,170,241 | 996,912 | 1,145,979 |
| Total expenditure | 1,914,134 | 1,760,516 | 1,930,282 |
| Income | | | |
| General rates | 703,948 | 703,948 | 756,690 |
| Direct charges | 96,881 | 73,000 | 74,966 |
| Investment funds | 1,113,305 | 983,568 | 1,098,626 |
| Total income | 1,914,134 | 1,760,516 | 1,930,282 |
| Operating surplus/(deficit) | - | - | - |
| Capital expenditure | | | |
| Land | - | - | - |
| Buildings | - | 1,000,000 | - |
| Motor vehicles | 264,473 | 238,000 | 98,716 |
| Plant and equipment | 14,799 | 2,000 | 8,548 |
| Office furniture | 48,494 | 12,000 | 780 |
| Computer equipment | 325,437 | 217,117 | 157,106 |
| Flood and river control assets | - | - | - |
| Computer software | 424,462 | 550,000 | 93,193 |
| Total capital expenditure | 1,077,665 | 2,019,117 | 358,343 |
| Funded by: | | | |
| Transfer from retained earnings | 1,077,665 | 2,019,117 | 358,343 |
| Total funding | 1,077,665 | 2,019,117 | 358,343 |
| Capital expenditure: | | | |
| —to meet additional demand | - | - | - |
| —to improve the level of service | - | - | - |
| —to replace existing assets | 1,077,665 | 2,019,117 | 358,343 |
| Total capital expenditure | 1,077,665 | 2,019,117 | 358,343 |
| Gross proceeds from the sale of assets | 51,382 | 63,000 | 52,690 |
| Depreciation/amortisation expense | 807,604 | 906,052 | 764,033 |

Asset acquisitions and replacements

Significant asset acquisitions include website developments. The office accommodation redevelopment is yet to commence.

Internal borrowing

There is no internal borrowing within this group of activities.

Financial Statements

The following pages present the financial results for the 2020/2021 year compared against the budget set in the 2020/2021 Annual Plan and the results achieved in 2019/2020.

In particular, the following information is presented:

- the practices and assumptions used in preparing the financial information
- where the 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 2021

| | Notes | Council | | | Group | |
|--|-------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | | 2020/2021 Actual \$ | 2020/2021 Budget \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Cost of services | | | | | | |
| Resource management | | 18,925,945 | 24,532,921 | 15,693,091 | 18,924,790 | 15,692,191 |
| Biosecurity and biodiversity | | 7,355,252 | 7,360,372 | 7,053,343 | 7,355,252 | 7,053,343 |
| Transport | | 4,755,963 | 4,992,065 | 4,674,924 | 4,755,963 | 4,674,924 |
| Hazard management | | 894,851 | 998,686 | 954,910 | 894,851 | 954,910 |
| Recreation, culture and heritage | | 7,361,944 | 8,554,161 | 7,526,523 | 5,043,548 | 5,147,822 |
| Regional representation, advocacy and investment management | | 1,914,133 | 1,760,516 | 1,930,282 | 1,914,133 | 1,930,282 |
| Port operating expenses | | - | - | - | 37,069,650 | 33,990,431 |
| Total expenses | 5 | 41,208,088 | 48,198,721 | 37,833,073 | 75,958,187 | 69,443,903 |
| Revenue from exchange transactions | | | | | | |
| Direct charges revenue | 4 | 4,223,900 | 4,376,777 | 4,098,486 | 4,184,286 | 4,062,503 |
| Other investment revenue | | 1,695,419 | 1,150,000 | 1,222,667 | 1,651,037 | 1,178,285 |
| Dividends | | 8,000,000 | 8,000,000 | 8,000,837 | - | 837 |
| Port revenue from operations | | - | - | - | 50,840,638 | 51,841,123 |
| Revenue from non-exchange transactions | | | | | | |
| General rates revenue | | 7,954,392 | 7,954,392 | 7,954,393 | 7,954,392 | 7,954,393 |
| Targeted rates revenue | | 5,971,225 | 5,971,173 | 5,910,856 | 5,971,225 | 5,910,856 |
| Direct charges revenue | 4 | 15,024,815 | 15,026,418 | 12,307,505 | 15,048,517 | 12,327,297 |
| Government grants | | 7,458,806 | 4,094,968 | 4,030,691 | 7,458,806 | 4,030,691 |
| Total revenue | | 50,328,557 | 46,573,728 | 43,525,435 | 93,108,901 | 87,305,985 |
| Operating surplus/(deficit) before finance income and expenses, other gains/losses and taxation | | 9,120,469 | (1,624,993) | 5,692,362 | 17,150,714 | 17,862,082 |
| Finance income | | 295,970 | 1,341,772 | 411,873 | 276,672 | 384,508 |
| Finance expense | | 21,118 | 1,041,772 | 40,399 | 920,831 | 2,091,368 |
| Net finance income (expense) | | 274,852 | 300,000 | 371,474 | (644,159) | (1,706,860) |
| Operating surplus before other gains/losses and taxation | | 9,395,321 | (1,324,993) | 6,063,836 | 16,506,555 | 16,155,222 |
| Other gains/(losses) | | | | | | |
| Gains/(losses) on revaluation of buildings | | - | - | - | - | (1,890,148) |
| Gains/(losses) on revaluation of investment properties | | 2,056,000 | - | 1,046,000 | 2,056,000 | 1,046,000 |
| Impairment of assets | 10 | - | - | - | (161,738) | (224,032) |
| Operating surplus/(deficit) before taxation | | 11,451,321 | (1,324,993) | 7,109,836 | 18,400,817 | 15,087,042 |
| Income tax expense | 7 | (37,240) | 10,000 | (38,448) | 3,565,332 | 3,303,082 |
| Net surplus/(deficit) for the period, net of tax | 22 | 11,488,561 | (1,334,993) | 7,148,284 | 14,835,485 | 11,783,960 |
| Other comprehensive income | | | | | | |
| Items that may be reclassified subsequently to profit and loss when specific conditions met. | | | | | | |
| Revaluation of property, plant and equipment | | 122,190 | - | 387,562 | 6,607,560 | 767,562 |
| Change in cash flow hedge | | - | - | - | 295,558 | 799,153 |
| Other comprehensive income, net of tax | | 122,190 | - | 387,562 | 6,903,118 | 1,566,715 |
| Total comprehensive income for the period, net of tax | | 11,610,751 | (1,334,993) | 7,535,846 | 21,738,603 | 13,350,675 |

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 2021

| Council | Notes | Retained earnings \$ | Reserves \$ | Asset revaluation reserves \$ | Cash flow hedge reserve \$ | Total equity \$ |
|---|-------|----------------------|-------------------|-------------------------------|----------------------------|--------------------|
| As at 1 July 2019 | | 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 |
| Changes in equity for 2020/2021 | | | | | | |
| Total comprehensive income for the period | | 11,488,561 | - | 122,190 | - | 11,610,751 |
| Transfers to and from reserves | | (9,612,692) | 9,612,692 | - | - | - |
| As at 30 June 2021 | 19 | 72,377,248 | 30,268,587 | 5,339,062 | - | 107,984,897 |

| Group | Notes | Retained earnings \$ | Reserves \$ | Asset revaluation reserves \$ | Cash flow hedge reserve \$ | Total equity \$ |
|--|-------|----------------------|-------------------|-------------------------------|----------------------------|--------------------|
| As at 1 July 2019 | | 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 |
| Changes in equity for 2020/2021 | | | | | | |
| Total comprehensive income for the period | | 14,835,485 | - | 6,607,560 | 295,558 | 21,738,603 |
| Transfers to and from reserves | | (9,612,692) | 9,612,692 | - | - | - |
| Transfers to and from asset revaluation reserves | | - | - | - | - | - |
| As at 30 June 2021 | 19 | 147,781,124 | 30,268,587 | 75,490,365 | 295,558 | 253,835,634 |

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

Statement of Financial Position as at 30 June 2021

| Notes | Council | | | Group | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------|
| | 2020/2021 Actual \$ | 2020/2021 Budget \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ | |
| Current assets | | | | | | |
| Cash and cash equivalents | 8 | 2,787,307 | 632,347 | 2,945,237 | 3,544,947 | 3,713,967 |
| Current portion of investments | 13 | 23,231,671 | - | 12,595,467 | 23,231,671 | 12,595,467 |
| Receivables from exchange transactions | 9 | 1,229,759 | 960,000 | 711,161 | 8,388,390 | 7,560,010 |
| Receivables from non-exchange transactions | 9 | 7,213,730 | 1,040,000 | 6,258,269 | 7,213,730 | 6,258,269 |
| Inventories | 12 | 98,976 | - | 162,185 | 823,568 | 835,015 |
| Loan to Taranaki Stadium Trust | 14 | 5,000,000 | - | 4,000,000 | - | - |
| Prepayments | | 262,887 | 100,000 | 245,831 | 262,887 | 245,831 |
| Work-in-progress | 29 | 195,100 | 400,000 | 189,382 | 195,100 | 189,382 |
| Total current assets | | 40,019,430 | 3,132,347 | 27,107,532 | 43,660,293 | 31,397,941 |
| Non-current assets | | | | | | |
| Term deposits and treasury investments | 13 | - | 4,900,000 | 1,000,000 | - | 1,000,000 |
| 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 |
| Loan to Taranaki Stadium Trust | | - | 25,000,000 | - | - | - |
| Investment properties | 15 | 21,305,000 | 17,380,500 | 19,559,000 | 21,305,000 | 19,559,000 |
| Derivative financial instruments | | - | - | - | 409,263 | - |
| Intangible assets | 11 | 605,075 | 1,825,922 | 869,701 | 1,170,105 | 1,462,917 |
| Property, plant and equipment | 10 | 33,964,020 | 35,040,516 | 32,786,757 | 248,738,798 | 238,683,287 |
| Deferred tax asset | 7 | 117,739 | - | 80,499 | 117,739 | 80,499 |
| Total non-current assets | | 82,790,952 | 110,946,056 | 81,095,075 | 272,540,023 | 261,584,821 |
| Total assets | | 122,810,382 | 114,078,403 | 108,202,607 | 316,200,316 | 292,982,762 |
| Current liabilities | | | | | | |
| Payables from exchange transactions | 16 | 4,118,444 | 1,500,000 | 3,436,820 | 10,758,019 | 8,071,393 |
| Payables from non-exchange transactions | 16 | 3,122,940 | 1,000,000 | 2,102,320 | 3,122,940 | 2,102,320 |
| Employee entitlements | 17 | 1,093,749 | 935,000 | 1,141,005 | 2,467,634 | 2,480,868 |
| Work-in-progress | 29 | 1,019,752 | 600,000 | 591,816 | 1,019,752 | 591,816 |
| Borrowings | 18 | 5,000,000 | - | 4,000,000 | 5,078,904 | 4,172,876 |
| Taxation payable | 7 | - | - | - | 1,040,824 | 2,828,330 |
| Total current liabilities | | 14,354,885 | 4,035,000 | 11,271,961 | 23,488,073 | 20,247,603 |
| Non-current liabilities | | | | | | |
| Employee entitlements | 17 | 470,600 | 800,000 | 556,500 | 1,038,600 | 1,365,500 |
| Deferred tax liability | 7 | - | - | - | 943,304 | 207,898 |
| Borrowings | 18 | - | 25,000,000 | - | 36,894,705 | 39,064,730 |
| Total non-current liabilities | | 470,600 | 25,800,000 | 556,500 | 38,876,609 | 40,638,128 |
| Total liabilities | | 14,825,485 | 29,835,000 | 11,828,461 | 62,364,682 | 60,885,731 |
| Public equity | | | | | | |
| Retained earnings | 19 | 72,377,248 | 60,800,538 | 70,501,379 | 147,781,124 | 142,558,331 |
| Reserves | 19 | 30,268,587 | 18,933,527 | 20,655,895 | 30,268,587 | 20,655,895 |
| Asset revaluation reserves | 19 | 5,339,062 | 4,509,338 | 5,216,872 | 75,490,365 | 68,882,805 |
| Cash flow hedge reserve | 19 | - | - | - | 295,558 | - |
| Total public equity | 19 | 107,984,897 | 84,243,403 | 96,374,146 | 253,835,634 | 232,097,031 |
| Total liabilities and equity | | 122,810,382 | 114,078,403 | 108,202,607 | 316,200,316 | 292,982,762 |

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 2021

| Notes: | Council | | | Group | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2020/2021 Budget \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Cash flow from operating activities | | | | | |
| Cash was provided from: | | | | | |
| Rates | 13,925,617 | 13,925,565 | 13,865,249 | 13,925,617 | 13,865,249 |
| Interest | 334,965 | 1,341,772 | 429,004 | 315,625 | 442,035 |
| Dividends | 8,000,000 | 8,000,000 | 8,000,837 | - | 837 |
| Goods and services tax | - | - | - | - | 105,663 |
| Income tax | - | - | 5,109 | - | 5,109 |
| Other exchange transactions | 6,032,665 | 5,559,884 | 4,910,410 | 64,389,195 | 64,045,637 |
| Other non-exchange transactions | 22,401,274 | 19,088,279 | 13,387,850 | 22,398,877 | 13,387,011 |
| | 50,694,521 | 47,915,500 | 40,598,459 | 101,029,314 | 91,851,541 |
| Cash was applied to: | | | | | |
| Employees and suppliers | 38,581,829 | 45,775,669 | 36,125,531 | 72,061,562 | 66,109,617 |
| Income tax | - | - | - | 4,770,000 | 2,670,000 |
| Goods and services tax | 479,877 | 60,000 | 439,275 | 740,623 | 439,275 |
| Interest | 21,118 | 1,041,772 | 40,399 | 868,674 | 2,174,344 |
| | 39,082,824 | 46,877,441 | 36,605,205 | 78,440,859 | 71,393,236 |
| Net cash flow from operating activities 22 | 11,611,697 | 1,038,059 | 3,993,254 | 22,588,455 | 20,458,305 |
| Cash flow from investing activities | | | | | |
| Cash was provided from: | | | | | |
| Investments | - | 2,000,000 | - | - | - |
| Proceeds from sale of investment property | 300,000 | - | - | 300,000 | - |
| Proceeds from sale of property, plant and equipment | 363,499 | 243,000 | 385,258 | 365,499 | 482,392 |
| | 663,499 | 2,243,000 | 385,258 | 665,499 | 482,392 |
| Cash was applied to: | | | | | |
| Investments | 10,636,204 | 10,000,000 | 6,606,895 | 9,636,204 | 2,606,895 |
| Capitalised interest on property, plant and equipment | - | - | - | 49,000 | 84,756 |
| Purchase of property, plant and equipment | 2,796,922 | 4,504,086 | 3,220,199 | 12,316,080 | 12,693,892 |
| | 13,433,126 | 14,504,086 | 9,827,094 | 22,001,284 | 15,385,543 |
| Net cash flow outflow from investing activities | (12,769,627) | (12,261,086) | (9,441,836) | (21,335,785) | (14,903,151) |
| Cash flow from financing activities | | | | | |
| Cash was provided from: | | | | | |
| Loans | 1,000,000 | 10,000,000 | 4,000,000 | 24,005,000 | 16,440,000 |
| | 1,000,000 | 10,000,000 | 4,000,000 | 24,005,000 | 16,440,000 |
| Cash was applied to: | | | | | |
| Lease payments | - | - | - | 106,709 | - |
| Loans | - | - | - | 25,319,981 | 23,139,977 |
| | - | - | - | 25,426,690 | 23,139,977 |
| Net cash outflow from financing activities | 1,000,000 | 10,000,000 | 4,000,000 | (1,421,690) | (6,699,977) |
| Net increase/(decrease) in cash & cash equivalents | (157,930) | (1,223,027) | (1,448,582) | (169,020) | (1,144,823) |
| Opening cash and cash equivalents | 2,945,237 | 1,855,374 | 4,393,819 | 3,713,967 | 4,858,790 |
| Closing cash and cash equivalents 8 | 2,787,307 | 632,347 | 2,945,237 | 3,544,947 | 3,713,967 |

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 2021. The financial statements were authorised for issue by Council on 21 September 2021.

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 2021.

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 2021, 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: |
|--|---|--|
| Going Concern Disclosures (Amendments to PBE IPSAS 1) | 30 September 2020 | 30 June 2022 |
| Uncertainty over Income Tax Treatments (Amendments to PBE IAS 12) | 1 January 2020 | 30 June 2022 |
| PBE Interest Rate Benchmark Reform (Amendments to PBE IPSAS 41, PBE IFRS 9, PBE IPSAS 29 and PBE IPSAS 30) | 1 January 2020 | 30 June 2022 |
| PBE IPSAS 40 PBE Combinations | 1 January 2021 | 30 June 2022 |
| PBE Interest Rate Benchmark Reform – Phase 2 (Amendments to PBE IPSAS 41, PBE IFRS 9, PBE IPSAS 29 and PBE IPSAS 30) | 1 January 2021 | 30 June 2022 |
| 2018 Omnibus Amendments to PBE Standards (PBE IPSAS 2) | 1 January 2021 | 30 June 2022 |
| PBE FRS 48 Service Performance Reporting | 1 January 2022 | 30 June 2023 |
| PBE IFRS 9 Financial Instruments | 1 January 2022 | 30 June 2023 |
| PBE IPSAS 41 Financial Instruments | 1 January 2022 | 30 June 2023 |

New pronouncement
PBE IFRS 17 Insurance Contracts
Amendments to PBE IFRS 17

Effective for annual reporting
periods beginning on or after:
1 January 2023
1 January 2023

Expected to be initially applied
in the financial year ending:
30 June 2024
30 June 2024

CHANGES IN ACCOUNTING ESTIMATES

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

3. Principal activities/Group information

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) | |
|------------------------|--|--------------------------|----------------------------|-------------|--|--------------|
| | | | 2020/2021 % | 2019/2020 % | 2020/2021 \$ | 2019/2020 \$ |
| 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:

| Subsidiary name | Principal activities | Country of incorporation | Percentage equity interest | | Carrying value of investment (at cost) | |
|--------------------------------|---|--------------------------|----------------------------|-------------|--|--------------|
| | | | 2020/2021 % | 2019/2020 % | 2020/2021 \$ | 2019/2020 \$ |
| 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 | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| The net operating surplus (deficit) was achieved after crediting: | | | | |
| Dividends | 8,000,000 | 8,000,837 | - | 837 |
| Gain on sale of property, plant and equipment | 273,051 | 249,067 | 274,487 | 304,611 |
| Unrealised gain on revaluation of investment properties | 2,056,000 | 1,046,000 | 2,056,000 | 1,046,000 |
| Rental revenue from investment properties | 958,765 | 910,042 | 914,383 | 865,660 |
| Interest – corporate bonds | 44,283 | 53,140 | 44,283 | 53,140 |
| Interest – cash and term deposits | 230,569 | 318,334 | 232,389 | 331,368 |
| Interest – Taranaki Stadium Trust | 21,118 | 40,399 | - | - |
| Council direct charges revenue from exchange transactions | | | | |
| Compliance monitoring charges | 2,860,224 | 3,028,456 | 2,844,486 | 2,999,366 |
| Resource consent applications | 843,130 | 688,968 | 819,254 | 682,075 |
| Other sales of goods and services | 520,546 | 381,062 | 520,546 | 381,062 |
| Total direct charges revenue from exchange transactions | 4,223,900 | 4,098,486 | 4,184,286 | 4,062,503 |
| Council direct charges revenue from non-exchange transactions | | | | |
| Riparian plant sales | 1,229,444 | 2,073,494 | 1,229,444 | 2,073,494 |
| Bus fares | 710,678 | 744,096 | 710,678 | 744,096 |
| Pollution response | 1,087,705 | 593,701 | 1,085,308 | 592,862 |
| Resource consent condition charges | 102,517 | 121,554 | 102,517 | 121,554 |
| Predator Free 2050 funding | 2,288,601 | 1,859,318 | 2,288,601 | 1,859,318 |
| Waitara Lands Act 2018 income distribution | 9,128,474 | 6,499,208 | 9,128,474 | 6,499,208 |
| Other recoveries and sales of goods and services | 477,396 | 416,134 | 503,495 | 436,765 |
| Total direct charges revenue from non-exchange transactions | 15,024,815 | 12,307,505 | 15,048,517 | 12,327,297 |

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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 | |
|---|-------|------------------------|------------------------|------------------------|------------------------|
| | | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| The net operating surplus (deficit) was achieved after charging: | | | | | |
| Employee benefits | | 14,379,763 | 13,818,415 | 28,489,929 | 28,204,883 |
| Cost of services | | 20,936,767 | 19,715,404 | 16,992,891 | 15,751,154 |
| General expenses | | - | - | 8,672,504 | 7,854,407 |
| Repairs and maintenance | | 396,726 | 314,332 | 7,543,993 | 4,645,471 |
| Directors' fees | | - | - | 322,875 | 328,615 |
| Donations | | 165,000 | 162,000 | 165,000 | 162,000 |
| Depreciation, amortisation and maintenance dredging | | 2,107,637 | 1,898,876 | 10,363,243 | 10,099,161 |
| Loss on disposal of property, plant and equipment | | 6,795 | 32,213 | 27,456 | 316,493 |
| Bad debts | | 324 | - | 324 | - |
| Net loss/(gain) on currency bank balances | | - | - | 11,611 | 36,195 |
| Audit fees – audit of Annual Report | | 128,085 | 125,656 | 228,661 | 228,143 |
| Audit fees – audit of Long-Term Plan | | 89,630 | - | 89,630 | - |
| Minimum lease payments recognised as operating lease expense | | - | - | 52,709 | 51,204 |
| Purchase of riparian plants (inventory) | | 2,997,361 | 1,766,177 | 2,997,361 | 1,766,177 |
| Total expenses | | 41,208,088 | 37,833,073 | 75,958,187 | 69,443,903 |

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

| | 2020/2021 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. The most significant overspend is on riparian planting initiatives, due to government grants received to further promote this progress in our region.</i> | 6,990,633 |
| Direct charges were less than budgeted: <i>Across the range of activities there were a number of over and under revenues.</i> | (154,480) |
| Government grants were more than budgeted: <i>Mainly due to significant Public Waterways and Eco-system Restoration funds received. This was new government funding post Covid-19 and was unbudgeted.</i> | 3,363,838 |
| Other investment revenue was more than budgeted: <i>Mainly due to asset sales being higher than planned and LiDAR project funding received.</i> | 545,419 |
| Unrealised gains on revaluation of investment properties was more than budgeted: <i>No allowance was made for an increase or decrease in values.</i> | 2,056,000 |
| Unrealised gains on revaluation of flood control scheme assets was more than budgeted: <i>No allowance was made for an increase or decrease in values.</i> | 122,190 |
| Total current assets was more than budgeted: <i>Mainly due to investments being classified as current rather than non-current, higher term investments and higher receivables than planned including significant Waitara Lands distributions and government grants due.</i> | 36,887,083 |
| Total non-current assets was less than budgeted: <i>Mainly due to investments being classified as current rather than non-current and timing differences in the loan to the Taranaki Stadium Trust.</i> | (28,155,104) |
| Total current liabilities was more than budgeted: <i>Mainly due to borrowings being classified as current rather than non-current and higher payables than planned including significant riparian plant purchases and income received in advance accruals.</i> | (10,319,885) |
| Total non-current liabilities was less than budgeted: <i>Mainly due to borrowings being classified as current rather than non-current and timing differences in the drawdown of borrowings for the Yarrow Stadium Plus project.</i> | 25,329,400 |
| Total public equity was more than budgeted: <i>Mainly due to higher comprehensive income and reserves in recent years than budgeted.</i> | 23,741,494 |

The entire operating surplus is from continuing activities.

7. Taxation

| Notes | Council | | Group | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Income tax recognised in the Statement of Comprehensive Revenue and Expense | | | | |
| Current tax expense | | - | 2,982,493 | 4,321,106 |
| Deferred tax on losses carried forward | (37,240) | (38,448) | 582,839 | (1,018,024) |
| Deferred tax income on temporary differences | - | - | - | - |
| Income tax expense per Statement of Comprehensive Revenue and Expense | (37,240) | (38,448) | 3,565,322 | 3,303,082 |
| Reconciliation of operating surplus before tax and income tax expense | | | | |
| Surplus/(deficit) before taxation and subvention payment | 11,451,321 | 7,109,836 | 18,400,817 | 15,087,042 |
| Operating surplus/(deficit) before taxation | 11,451,321 | 7,109,836 | 18,400,817 | 15,087,042 |
| Income tax expense at 28% | 3,206,370 | 1,990,754 | 5,152,229 | 4,224,372 |
| Tax effect of non-deductible expenses in operating surplus before taxation | (132,500) | - | 1,518,183 | 3,337,437 |
| Tax effect of non-assessable income in operating surplus before taxation | - | 1,082,235 | - | - |
| Timing differences prior period | - | - | - | - |
| Timing differences current period | - | - | 6,030 | (781,750) |
| Prior period adjustments impacting income taxation expense | - | - | - | (365,540) |
| Imputation credit adjustment | (3,111,110) | (3,111,437) | (3,111,110) | (3,111,437) |
| Income taxation expense per Statement of Comprehensive Revenue and Expense | (37,240) | (38,448) | 3,565,332 | 3,303,082 |
| Taxation refundable/(payable) | | | | |
| Opening balance | - | 5,109 | (2,828,330) | (1,172,115) |
| Prior year tax paid/(refund) | - | - | - | (1,310,000) |
| Prior year adjustment | - | - | 65,639 | 364,358 |
| Current taxation payable | - | - | (3,048,133) | (4,685,464) |
| Provisional taxation paid (refunded) | - | (5,109) | 4,770,000 | 3,974,891 |
| Taxation refundable/(payable) | - | - | (1,040,824) | (2,828,330) |

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 \$117,739 (2019/2020—\$80,499) for the carry forward of unused tax credits.

8. Cash and cash equivalents

| | Notes | Council | | Group | |
|-------------------------------------|-------|------------------------|------------------------|------------------------|------------------------|
| | | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Bank | | 396,835 | 420,194 | 672,240 | 1,185,609 |
| Call deposits | | 2,390,472 | 2,525,043 | 2,872,707 | 2,528,358 |
| Total bank and call deposits | | 2,787,307 | 2,945,237 | 3,544,947 | 3,713,967 |

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 | |
|---|-------|------------------------|------------------------|------------------------|------------------------|
| | | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Receivables from exchange transactions | | | | | |
| Trade receivables | | 639,700 | 711,161 | 6,235,101 | 6,236,651 |
| Provision for impairment | | - | - | (288,589) | (289,369) |
| Net trade receivables | | 639,700 | 711,161 | 5,946,512 | 5,947,282 |
| Other receivables | | 576,706 | - | 2,441,878 | 1,612,728 |
| Related party receivables | | 13,353 | - | - | - |
| Total receivables from exchange transactions | | 1,229,759 | 711,161 | 8,388,390 | 7,560,010 |
| Receivables from non-exchange transactions | | | | | |
| Trade receivables | | 7,213,730 | 6,258,269 | 7,213,730 | 6,258,269 |
| Provision for impairment | | - | - | - | - |
| Net trade receivables | | 7,213,730 | 6,258,269 | 7,213,730 | 6,258,269 |
| Other receivables | | - | - | - | - |
| Related party receivables | | - | - | - | - |
| Total receivables from non-exchange transactions | | 7,213,730 | 6,258,269 | 7,213,730 | 6,258,269 |

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 at cost | Plant, equipment and fittings at cost | Office furniture at cost | Computer equipment at cost |
|-------------------------------------|------------------|-------------------|-------------------|------------------------|------------------------|---------------------------------------|--------------------------|----------------------------|
| Carrying amount 1 July 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) | - | (1,748,372) | (4,419,535) | (608,342) | (3,043,929) |
| Additions | - | - | - | - | 1,382,752 | 153,237 | 62,896 | 325,437 |
| Transfers | - | - | 493,638 | - | - | 791,425 | - | - |
| Revaluations | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | (73,902) | (2,999) | - | (4,214) |
| Depreciation | - | - | (417,429) | - | (735,561) | (446,420) | (21,918) | (179,499) |
| Carrying amount 30 June 2021 | 2,313,979 | - | 11,682,651 | - | 2,589,241 | 1,779,442 | 88,710 | 513,366 |
| Cost/valuation | 2,313,979 | - | 16,568,843 | - | 4,455,395 | 6,630,172 | 717,729 | 3,720,802 |
| Accumulated depreciation | - | - | (4,886,192) | - | (1,866,154) | (4,850,731) | (629,019) | (3,207,435) |

| Council | Dredging at cost | Port services & equipment at cost | Wharves and Breakwater at cost | Port Assets Held for Sale at cost | Work in progress at cost- | Flood and river control at valuation | - | Total |
|-------------------------------------|------------------|-----------------------------------|--------------------------------|-----------------------------------|---------------------------|--------------------------------------|---|-------------------|
| Carrying amount 1 July 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) |
| Additions | - | - | - | - | 1,028,821 | - | - | 2,953,143 |
| Transfers | - | - | - | - | (1,285,063) | - | - | - |
| Revaluations | - | - | - | - | - | 122,190 | - | 122,190 |
| Disposals | - | - | - | - | (16,128) | - | - | (97,243) |
| Depreciation | - | - | - | - | - | - | - | (1,800,827) |
| Carrying amount 30 June 2021 | - | - | - | - | 1,177,961 | 13,818,670 | - | 33,964,020 |
| Cost/valuation | - | - | - | - | 1,177,961 | 13,818,670 | - | 49,403,551 |
| Accumulated depreciation | - | - | - | - | - | - | - | (15,439,531) |

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 at cost | Plant, equipment and fittings at cost | Office furniture at cost | Computer equipment at cost |
|-------------------------------------|------------------|--------------------|-------------------|------------------------|------------------------|---------------------------------------|--------------------------|----------------------------|
| Carrying amount 1 July 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 | 48,937,250 | 11,528,265 | 3,764,324 | 9,043,927 | 672,504 | 3,415,571 |
| Accumulated depreciation | - | - | (20,082,809) | (2,036,085) | (1,748,372) | (6,031,495) | (624,772) | (3,043,929) |
| Additions | - | - | 121,906 | - | 1,382,752 | 153,237 | 62,896 | 325,437 |
| Capitalisation | - | - | - | - | - | - | - | - |
| Transfers | - | (596,000) | 423,638 | - | - | 791,425 | - | - |
| Impairment | - | - | - | (161,738) | - | - | - | - |
| Revaluations | - | 6,485,370 | - | - | - | - | - | - |
| Disposals | - | - | - | - | (73,902) | (2,999) | - | (4,214) |
| Depreciation | - | - | (1,476,121) | (248,275) | (735,561) | (1,110,636) | (21,918) | (179,499) |
| Carrying amount 30 June 2021 | 2,313,979 | 101,726,000 | 27,923,864 | 9,082,167 | 2,589,241 | 2,843,459 | 88,710 | 513,366 |
| Cost/valuation | 2,313,979 | 101,726,000 | 49,620,794 | 11,528,265 | 4,455,395 | 9,970,366 | 734,159 | 3,720,802 |
| Accumulated depreciation | - | - | (21,696,930) | (2,446,098) | (1,866,154) | (7,126,907) | (645,449) | (3,207,435) |

| Group | Dredging at cost | Port services & equipment at cost | Wharves and Breakwater at cost | Port Assets Held for Sale at cost | Work in progress at cost | Flood and river control at valuation | - | Total |
|-------------------------------------|-------------------|-----------------------------------|--------------------------------|-----------------------------------|--------------------------|--------------------------------------|----------|--------------------|
| Carrying amount 1 July 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 | 24,970,512 | 101,010,096 | 30,318,000 | - | 7,186,608 | 13,696,480 | - | 352,694,146 |
| Accumulated depreciation | (6,129,932) | (55,177,465) | (19,136,000) | - | - | - | - | (114,010,859) |
| Additions | 2,492,145 | 1,855,000 | - | - | 11,798,431 | - | - | 18,191,804 |
| Capitalisation | - | - | - | - | (4,633,000) | - | - | (4,633,000) |
| Transfers | - | - | - | 665,000 | (1,285,063) | - | - | - |
| Impairment | - | - | - | - | - | - | - | (161,738) |
| Revaluations | - | - | - | - | - | 122,190 | - | 6,607,560 |
| Disposals | - | (21,000) | - | - | (16,128) | - | - | (118,243) |
| Depreciation | (1,156,130) | (4,418,732) | (483,000) | - | - | - | - | (9,829,872) |
| Carrying amount 30 June 2021 | 20,176,595 | 43,247,899 | 10,699,000 | 665,000 | 13,050,848 | 13,818,670 | - | 248,738,798 |
| Cost/valuation | 25,212,975 | 102,681,096 | 30,318,000 | 665,000 | 13,050,848 | 13,818,670 | - | 369,816,348 |
| Accumulated depreciation | (5,036,380) | (59,433,197) | (19,619,000) | - | - | - | - | (121,077,550) |

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

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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

Council land and buildings are valued at cost whereas Port Taranaki Ltd land and Taranaki Stadium Trust land and buildings are valued at fair value. These classes of land and buildings are valued differently based upon the nature and use or purpose that the land is held for. Specifically, land held by Port Taranaki Ltd and land and buildings held by Taranaki Stadium Trust are used for commercial purposes, whereas land and buildings held by the Council are used for non-commercial or service delivery outcomes.

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

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

| | | |
|-------------------------------|---------------|------------|
| Buildings | 5 to 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 surplus or deficit. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

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

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

NOTES

The Waitara River Flood Protection Scheme assets, Okato River Flood Protection Scheme assets, Opunake Flood Protection Scheme assets and the Waiwhakahiho River Flood Protection Scheme assets were independently valued at 30 June 2021 at depreciated replacement cost, by Mr John Philpott (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 \$13,818,670 (2019/2020 - \$13,696,480). The carrying amount of land had it been recognised under the cost model is \$2,825,194 (2019/2020 - \$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 2021 by Telfer Young (Taranaki) Ltd, New Plymouth to \$98,821,000 (2019/2020 - \$92,336,000). Telfer Young is an independent valuer. The carrying amount of land had it been recognised under the cost model is \$30,020,697 (\$30,020,697-2019/2020). 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. There remains some uncertainty regarding the extent to which the components of the stadium can be reused and the cost of restoration.

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 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) |
| Additions | 42,184 | 42,184 |
| Transfers | - | - |
| Disposals | - | - |
| Amortisation | (306,810) | (306,810) |
| Carrying amount 30 June 2021 | 605,075 | 605,075 |
| Cost/valuation | 3,892,685 | 3,892,685 |
| Accumulated depreciation | (3,287,610) | (3,287,610) |
| Group | Computer software | Total |
| 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) |
| Additions | 205,729 | 205,729 |
| Transfers | - | - |
| Disposals | - | - |
| Amortisation | (498,541) | (498,541) |
| Carrying amount 30 June 2021 | 1,170,105 | 1,170,105 |
| Cost/valuation | 8,706,729 | 8,706,729 |
| Accumulated depreciation | (7,536,624) | (7,536,624) |

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 consistent with the function of the intangible assets. The Group holds 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 policy below. Costs directly associated with the development of software, including employee costs, are capitalised as an intangible asset. Training costs and costs associated with maintaining computer software are recognised as expenses when incurred. The estimated useful lives are as follows:

| | | |
|-------------------|-------|-----|
| Computer software | 5 yrs | 20% |
|-------------------|-------|-----|

12. Inventories

| Notes | Council | | Group | |
|--------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Plant materials | 98,976 | 162,185 | 98,976 | 162,185 |
| Maintenance consumables | - | - | 724,592 | 672,830 |
| Total inventories | 98,976 | 162,185 | 823,568 | 835,015 |

POLICIES

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

13. Investments

| Notes | Council | | Group | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Current portion of investments | | | | |
| Term deposits | 23,231,671 | 12,595,467 | 23,231,671 | 12,595,467 |
| Treasury investments - corporate bonds/notes | - | - | - | - |
| Total current portion of investments | 23,231,671 | 12,595,467 | 23,231,671 | 12,595,467 |
| Non-current investments | | | | |
| Term deposits | - | - | - | - |
| Treasury investments - corporate bonds/notes | - | 1,000,000 | - | 1,000,000 |
| Port Taranaki Ltd (unlisted shares) | 26,000,000 | 26,000,000 | - | - |
| Civic Assurance (unlisted shares) | 1,000 | 1,000 | 1,000 | 1,000 |
| Regional Software Holdings Ltd | 798,118 | 798,118 | 798,118 | 798,118 |
| Total non-current investments | 26,799,118 | 27,799,118 | 799,118 | 1,799,118 |
| Total investments | 50,030,789 | 40,394,585 | 24,030,789 | 14,394,585 |
| Term deposit maturity dates and effective interest rates | | | | |
| Term deposits maturing in less than 1 year | 23,231,671 | 12,595,467 | 23,231,671 | 12,595,467 |
| Weighted average effective interest rate | 0.97% | 2.37% | 0.97% | 2.37% |
| Term deposits maturing in 1 to 2 years | - | - | - | - |
| Weighted average effective interest rate | - | - | - | - |
| 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 |
| Weighted average effective interest rate | - | 5.31% | - | 5.31% |
| Corporate bonds/notes carrying value | - | 1,000,000 | - | 1,000,000 |
| Corporate bonds/notes market value | - | 1,012,310 | - | 1,012,310 |

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 | |
|--------------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Loan to Taranaki Stadium Trust | 5,000,000 | 4,000,000 | - | - |
| Total investment loans | 5,000,000 | 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 0.53%. The asset is current as the loan is repayable on demand if required by the Council.

15. Investment property

| Notes | Council | | Group | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Balance 1 July | 19,559,000 | 18,513,000 | 19,559,000 | 18,513,000 |
| Additions | - | - | - | - |
| Disposals | (310,000) | - | (310,000) | - |
| Transfer to property, plant and equipment | - | - | - | - |
| Fair value gains/(losses) on valuation | 2,056,000 | 1,046,000 | 2,056,000 | 1,046,000 |
| Balance 30 June | 21,305,000 | 19,559,000 | 21,305,000 | 19,559,000 |
| Comprising: | | | | |
| Current assets | - | - | - | - |
| Non-current assets | 21,305,000 | 19,559,000 | 21,305,000 | 19,559,000 |
| Total investment property | 21,305,000 | 19,559,000 | 21,305,000 | 19,559,000 |
| Reconciliation of net surplus on investment properties | | | | |
| Rental income derived from investment properties | 958,765 | 910,042 | 914,383 | 865,660 |
| Direct operating expenses (including repairs and maintenance) generating rental income | 13,348 | 10,466 | 13,348 | 10,466 |
| Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales) | 4,100 | 1,424 | 4,100 | 1,424 |
| Surplus arising from investment properties carried at fair value | 941,317 | 898,152 | 896,935 | 853,770 |

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 2021 was \$21,305,000 (2019/2020—\$19,559,000).

16. Payables

| | Notes | Council | | Group | |
|--|-------|------------------------|------------------------|------------------------|------------------------|
| | | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Payables from exchange transactions | | | | | |
| Trade payables under exchange transactions | | 3,805,542 | 3,335,452 | 9,882,368 | 7,618,868 |
| Accrued pay | | 173,882 | 101,368 | 737,959 | 452,525 |
| Other payables | | 137,692 | - | 137,692 | - |
| Related party payables | | 1,328 | - | - | - |
| Total payables from exchange transactions | | 4,118,444 | 3,436,820 | 10,758,019 | 8,071,393 |
| Comprising: | | | | | |
| Current liabilities | | 4,118,444 | 3,436,820 | 10,758,019 | 8,071,393 |
| Non-current liabilities | | - | - | - | - |
| Total payables from exchange transactions | | 4,118,444 | 3,436,820 | 10,758,019 | 8,071,393 |
| Payables from non-exchange transactions | | | | | |
| Other payables | | 3,122,940 | 2,102,320 | 3,122,940 | 2,102,320 |
| Total payables from non-exchange transactions | | 3,122,940 | 2,102,320 | 3,122,940 | 2,102,320 |
| Comprising: | | | | | |
| Current liabilities | | 3,122,940 | 2,102,320 | 3,122,940 | 2,102,320 |
| Non-current liabilities | | - | - | - | - |
| Total payables from non-exchange transactions | | 3,122,940 | 2,102,320 | 3,122,940 | 2,102,320 |

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 | |
|------------------------------------|-------|------------------------|------------------------|------------------------|------------------------|
| | | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Holiday leave | | 867,549 | 896,205 | 1,973,343 | 1,974,577 |
| Sick leave | | 101,000 | 104,000 | 161,000 | 164,000 |
| Long service leave | | 263,000 | 308,000 | 444,091 | 509,118 |
| Retirement gratuities | | 332,800 | 389,300 | 927,800 | 1,198,673 |
| Total employee entitlements | | 1,564,349 | 1,697,505 | 3,506,234 | 3,846,368 |
| Comprising: | | | | | |
| Current liabilities | | 1,093,749 | 1,141,005 | 2,467,634 | 2,480,868 |
| Non-current liabilities | | 470,600 | 556,500 | 1,038,600 | 1,365,500 |
| Total employee entitlements | | 1,564,349 | 1,697,505 | 3,506,234 | 3,846,368 |

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 surplus or deficit.

18. Borrowings

| Notes | Council | | Group | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Current liabilities | | | | |
| LGFA Borrowing | 5,000,000 | 4,000,000 | 5,000,000 | 4,000,000 |
| Secured loans - ASB | - | - | 78,572 | 17,563 |
| Secured loans - TSB Bank | - | - | 332 | 155,313 |
| Total current liability borrowings | 5,000,000 | 4,000,000 | 5,078,904 | 4,172,876 |
| Weighted average interest rate | 0.53% | 1.52% | 0.53% | 1.58% |
| Non-current liabilities | | | | |
| Secured loans - ASB | - | - | 36,894,705 | 39,064,730 |
| Deferred Loan Facility Fee | - | - | - | - |
| Total non-current liability borrowings | - | - | 36,894,705 | 39,064,730 |
| Weighted average interest rate | - | - | 1.51% | 1.58% |

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 2021, total borrowings from the New Zealand Local Government Funding Agency (LGFA) were \$5 million (30 June 2020 \$4 million). The average rate of interest was 0.53%.

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 29 June 2021, Port Taranaki Ltd revised its banking arrangements with ASB Bank Limited that extended the term of its facilities and revised the pricing structure to be based upon the Funding for Lending Programme. The borrowings in the statement of financial position include accrued interest. The weighted average interest rate in 2021 is 1.51% (2020: 1.58%).

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 (30 June 2020: 3.02%).

19. Public equity

| Notes | Council | | Group | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Retained earnings | | | | |
| Opening balance | 70,501,379 | 69,707,799 | 142,558,331 | 137,129,075 |
| Operating surplus/(deficit) | 11,488,561 | 7,148,284 | 14,835,485 | 11,783,960 |
| Transfers from asset revaluation reserves | - | - | - | - |
| Transfers to reserves | (9,789,070) | (6,780,452) | (9,789,070) | (6,780,452) |
| Transfers from reserves | 176,378 | 425,748 | 176,378 | 425,748 |
| Closing balance | 72,377,248 | 70,501,379 | 147,781,124 | 142,558,331 |
| Reserves | | | | |
| Opening balance | 20,655,895 | 14,301,191 | 20,655,895 | 14,301,191 |
| Transfers from retained earnings | 9,789,070 | 6,780,452 | 9,789,070 | 6,780,452 |
| Transfers to retained earnings | (176,378) | (425,748) | (176,378) | (425,748) |
| Closing balance | 30,268,587 | 20,655,895 | 30,268,587 | 20,655,895 |
| <i>North Taranaki/Waitara River Control Scheme reserve</i> | | | | |
| Opening balance | 1,212,646 | 1,165,632 | 1,212,646 | 1,165,632 |
| Transfers from retained earnings | 105,456 | 53,660 | 105,456 | 53,660 |
| Transfers to retained earnings | (2,110) | (6,646) | (2,110) | (6,646) |
| Closing balance | 1,315,992 | 1,212,646 | 1,315,992 | 1,212,646 |

The Council strikes a targeted rate based on capital values over the New Plymouth District for purposes of:

- maintenance of the Waitara River Flood Protection scheme
- the construction of flood protection works in the lower Waiwhakaiho catchment; and
- for other minor river control works which are required for flood protection in the district.

Any unspent funds must be appropriated to this reserve. Funds may only be appropriated to cover expenditure on the above purposes. This reserve fund relates to the *Hazard management* group of activities.

| Notes | Council | | Group | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| <i>South Taranaki Rivers Control Scheme reserve</i> | | | | |
| Opening balance | (18,047) | (22,474) | (18,047) | (22,474) |
| Transfers from retained earnings | 17,599 | 5,104 | 17,599 | 5,104 |
| Transfers to retained earnings | (269) | (677) | (269) | (677) |
| Closing balance | (717) | (18,047) | (717) | (18,047) |

The Council strikes a targeted rate based on capital values over the South Taranaki constituency for purposes of:

- 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.

Any unspent funds must be appropriated to this reserve. Funds may only be appropriated to cover expenditure on the above purposes. This reserve fund relates to the *Hazard management* group of activities.

| Notes | Council | | Group | |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 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 |

This reserve was created to meet the Council's share of the replacement cost of infrastructure assets affected by natural disasters. It also covers the Council's commitments under the *National Civil Defence Plan* in the event of emergencies. It is available for any other contingency or emergency response purposes including oil spill response and flood response. This reserve fund relates to the *Resource management* and the *Hazard management* groups of activities.

| Notes | Council | | Group | |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| <i>Dividend equalisation reserve</i> | | | | |
| Opening balance | 6,424,063 | 6,834,063 | 6,424,063 | 6,834,063 |
| Transfers from retained earnings | - | - | - | - |
| Transfers to retained earnings | (174,000) | (410,000) | (174,000) | (410,000) |
| Closing balance | 6,250,063 | 6,424,063 | 6,250,063 | 6,424,063 |

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.

| Notes | Council | | Group | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| <i>Passenger transport targeted rate reserve (New Plymouth/North Taranaki)</i> | | | | |
| Opening balance | - | 8,178 | - | 8,178 |
| Transfers from retained earnings | - | 247 | - | 247 |
| Transfers to retained earnings | - | (8,425) | - | (8,425) |
| Closing balance | - | - | - | - |

The Council strikes a targeted rate based on capital values over the New Plymouth District for purposes of funding passenger transport services. Any unspent funds must be appropriated to this reserve. Funds may only be appropriated to cover expenditure on these purposes. This reserve fund relates to the *Transport* group of activities.

| Notes | Council | | Group | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| <i>Egmont national park control reserve</i> | | | | |
| Opening balance | 613,000 | 498,000 | 613,000 | 498,000 |
| Transfers from retained earnings | 100,000 | 115,000 | 100,000 | 115,000 |
| Transfers to retained earnings | - | - | - | - |
| Closing balance | 713,000 | 613,000 | 713,000 | 613,000 |
| This reserve was created to meet the Council's share of the costs associated with initial control works and maintenance works resulting from the cyclical pest control works undertaken by the Department of Conservation in the Egmont National Park. This reserve smoothes the Council's revenue and expenditure. Funds are transferred to the reserve annually. When the Council's expenditure is incurred the funding is sourced from the reserve fund. This reserve fund relates to the <i>Biosecurity</i> group of activities. | | | | |
| Notes | Council | | Group | |
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 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 | 300,000 | - | 300,000 | - |
| Transfers to retained earnings | - | - | - | - |
| Closing balance | 2,470,000 | 2,170,000 | 2,470,000 | 2,170,000 |
| This reserve was created to account for the proceeds from the sale of endowment land. The proceeds from the sale of endowment lands can only be used for purposes specified by the <i>Local Government Act 1974</i> and the <i>Local Government Act 2002</i> . This reserve fund relates to all groups of activities. | | | | |
| Notes | Council | | Group | |
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| <i>Waitara lands reserve</i> | | | | |
| Opening balance | 9,168,233 | 2,561,792 | 9,168,233 | 2,561,792 |
| Transfers from retained earnings | 9,266,016 | 6,606,441 | 9,266,016 | 6,606,441 |
| Transfers to retained earnings | - | - | - | - |
| Closing balance | 18,434,249 | 9,168,233 | 18,434,249 | 9,168,233 |
| 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. | | | | |
| Notes | Council | | Group | |
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Total reserves | | | | |
| | 30,268,587 | 20,655,895 | 30,268,587 | 20,655,895 |
| Asset revaluation reserves | | | | |
| Opening balance | 5,216,872 | 4,829,310 | 68,882,805 | 68,115,243 |
| Transfer to retained earnings on asset disposal | - | - | - | - |
| Change in asset value | 122,190 | 387,562 | 6,607,560 | 767,562 |
| Closing balance | 5,339,062 | 5,216,872 | 75,490,365 | 68,882,805 |
| <i>Waitara flood control scheme</i> | | | | |
| Opening balance | 3,395,178 | 3,100,636 | 3,395,178 | 3,100,636 |
| Change in asset value | 81,850 | 294,542 | 81,850 | 294,542 |
| Closing balance | 3,477,028 | 3,395,178 | 3,477,028 | 3,395,178 |
| <i>Waiwhakaiho flood control scheme</i> | | | | |
| Opening balance | 1,657,722 | 1,583,472 | 1,657,722 | 1,583,472 |
| Change in asset value | 31,010 | 74,250 | 31,010 | 74,250 |
| Closing balance | 1,688,732 | 1,657,722 | 1,688,732 | 1,657,722 |
| <i>Okato flood control scheme</i> | | | | |
| Opening balance | 71,420 | 63,490 | 71,420 | 63,490 |
| Change in asset value | 3,700 | 7,930 | 3,700 | 7,930 |
| Closing balance | 75,120 | 71,420 | 75,120 | 71,420 |
| <i>Opunake flood control scheme</i> | | | | |
| Opening balance | 92,552 | 81,712 | 92,552 | 81,712 |
| Change in asset value | 5,630 | 10,840 | 5,630 | 10,840 |
| Closing balance | 98,182 | 92,552 | 98,182 | 92,552 |

| | Council 2020/2021 Actual \$ | Group 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
|---|-----------------------------------|---------------------------------|------------------------|------------------------|
| <i>Land</i> | | | | |
| Opening balance | - | - | 63,665,933 | 63,285,933 |
| Change in asset value | - | - | 6,485,370 | 380,000 |
| Closing balance | - | - | 70,151,303 | 63,665,933 |
| Total asset revaluation reserves | 5,339,062 | 5,216,872 | 75,490,365 | 68,882,805 |
| Cash flow hedge reserve | | | | |
| Opening balance | - | - | - | (799,153) |
| Change in cash flow hedge reserve | - | - | 295,558 | 799,153 |
| Total cash flow hedge reserve | - | - | 295,558 | - |
| Total public equity | 107,984,897 | 96,374,146 | 253,835,634 | 232,097,031 |

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 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 2020/2021 Actual \$ | 2019/2020 Actual \$ |
|---|-----------------------------------|------------------------|
| Total remuneration of Members | | |
| Councillor M J Cloke | 48,097 | 45,809 |
| Councillor M G Davey | 40,619 | 40,841 |
| Councillor M P Joyce—Deputy Chairman | 68,874 | 62,256 |
| Councillor D L Lean | 57,983 | 58,010 |
| Councillor C L Littlewood | 57,616 | 51,590 |
| Councillor D N MacLeod—Chairman | 102,957 | 103,299 |
| Councillor M J McDonald | 47,160 | 44,696 |
| Councillor D H McIntyre | 40,730 | 40,666 |
| Councillor E D Van Der Leden | 41,088 | 28,151 |
| Councillor N W Walker | 68,283 | 62,197 |
| Councillor C S Williamson | 41,136 | 43,641 |
| Number of full-time employees | 140 | 137 |
| Full-time equivalent of all other employees | 19 | 18 |
| Number of employees receiving total annual remuneration below \$60,000 | 50 | 54 |
| Number of employees receiving total annual remuneration between \$60,000 and \$79,999 | 64 | 70 |
| Number of employees receiving total annual remuneration between \$80,000 and \$99,999 | 39 | 27 |
| Number of employees receiving total annual remuneration between \$100,000 and \$119,999 | 7 | - |
| Number of employees receiving total annual remuneration between \$120,000 and \$139,999 | - | 14 |
| Number of employees receiving total annual remuneration between \$140,000 and \$159,999 | 8 | - |
| Number of employees receiving total annual remuneration between \$160,000 and \$179,999 | 8 | - |
| Number of employees receiving total annual remuneration between \$180,000 and \$199,999 | - | 6 |

NOTES

The Chief Executive of the Taranaki Regional Council, appointed under section 42(1) of the *Local Government Act 2002*, received a salary of \$296,755 (\$347,811 - 2019/2020). 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 \$334,000 (\$382,575 – 2019/2020).

During the year ended 30 June 2021, the Council made no severance payments (\$Nil – 2019/2020).

21. Subsequent events

NOTES

For the Council, there have been no other material events subsequent to balance date (2019/2020: it 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). For Port Taranaki Limited, on 12 August 2021 the Board resolved to pay a fully imputed final dividend of \$4.00 million at 7.69 cents per share, to be paid on 11 October 2021. There have been no other material events subsequent to balance date (2019/2020: 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). For the Trust, there have been no material events subsequent to balance date (2019/2020 Nil).

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

| Notes | Council | | Group | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Surplus/(deficit) for the period | 11,488,561 | 7,148,284 | 14,835,485 | 11,783,960 |
| Add/(less) non-cash items | | | | |
| Depreciation and amortisation | 2,107,637 | 1,898,876 | 10,363,243 | 10,099,161 |
| Deferred tax movement | (37,240) | (38,448) | 585,609 | (1,018,024) |
| Loss on revaluation of buildings | - | - | - | 1,890,148 |
| Impairment of assets | - | - | 161,738 | 224,032 |
| Donated plant and equipment | - | - | - | (20,631) |
| Investment property: unrealised (gain)/loss | (2,056,000) | (1,046,000) | (2,056,000) | (1,046,000) |
| | 11,502,958 | 7,962,712 | 23,890,075 | 21,912,646 |
| Add/(less) movements in assets and liabilities | | | | |
| Trade and other receivables | (1,474,059) | (3,336,081) | (1,784,342) | (3,610,910) |
| Taxation refundable | - | 5,109 | - | 5,109 |
| Prepayments | (17,056) | (19,655) | (17,056) | (19,655) |
| Inventories | 63,209 | (138,285) | 11,447 | (101,687) |
| Work in progress—current liability | 427,936 | (134,025) | 427,936 | (134,025) |
| Work in progress—current asset | (5,718) | (17,378) | (5,718) | (17,378) |
| Trade and other payables | 1,702,244 | (58,281) | 3,048,189 | (660,905) |
| Employee entitlements | (133,156) | (186,928) | (340,134) | (15,292) |
| Taxation payable | - | - | (1,787,506) | 1,651,106 |
| Add/(less) investing activity items | | | | |
| (Profit)/loss on sale of assets (net) | (266,256) | (216,855) | (247,031) | 11,881 |
| (Profit)/loss on sale of investment properties | 10,000 | - | 10,000 | - |
| Movement in fixed asset creditors | (198,405) | 132,921 | (617,405) | 1,437,415 |
| Cash inflow from operating activities | 11,611,697 | 3,993,254 | 22,588,455 | 20,458,305 |

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 | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Councillors total remuneration (11 people, 3 FTE) | 614,543 | 593,972 | 614,543 | 593,972 |
| Council senior management total remuneration (5 FTE) | 1,228,532 | 1,277,512 | 1,228,532 | 1,277,512 |
| Port Directors total remuneration (1 FTE) | - | - | 322,875 | 328,615 |
| Port senior management total remuneration (6 FTE (2019/2020:6 FTE)) | - | - | 1,805,000 | 1,768,000 |
| Taranaki Stadium Trust Council funding | 3,942,720 | 3,963,350 | - | - |
| Taranaki Stadium Trust loan | 1,000,000 | 4,000,000 | - | - |
| Port Taranaki Ltd dividend | 8,000,000 | 8,000,000 | - | - |
| Regional Software Holdings Limited | 302,650 | 163,836 | 302,650 | 163,836 |

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 | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Commitments | | | | |
| Capital commitments approved and contracted | - | - | 12,314,374 | 8,483,000 |
| Total commitments | - | - | 12,314,374 | 8,483,000 |

NOTES

As at 30 June 2021, 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—2019/2020). As at 30 June 2021, the Council has a contingent asset for fines waiting to be awarded on one prosecution through the Environment Court (2019/2020: four).

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 AAA. The shareholders are the New Zealand Government and 30 Councils and 63 member Councils are 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 2021, the LGFA borrowings total \$14,390 m (2020: \$13,090 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 | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Non-cancellable operating lease receivables | | | | |
| Lease commitments due as follows: | | | | |
| Not later than one year | 951,051 | 914,852 | 7,185,348 | 6,787,510 |
| Later than one year and not later than five years | 3,131,151 | 3,270,903 | 17,761,489 | 19,308,995 |
| Later than five years | 2,291,844 | 2,669,398 | 10,249,158 | 13,532,588 |

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 2020/2021 there were no breaches of statutory compliance by the Group (2019/2020—Nil).

27. Insurance of assets

| | Council | |
|--|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| Total value of all assets of the local authority that are covered by insurance contracts | 18,436,445 | 17,645,999 |
| Maximum amount to which they are insured | 49,173,385 | 46,429,401 |
| 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) | 13,818,670 | 13,696,480 |
| 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 | |
|--|------------------------|------------------------|
| | 2020/2021 Actual \$ | 2019/2020 Actual \$ |
| The number of rating units within the region at the end of the preceding financial year | 57,033 | 56,591 |
| The total capital value of rating units within the region at the end of the preceding financial year | 37,734,501,600 | 25,586,513,600 |
| The total land value of rating units within the region at the end of the preceding financial year | 22,126,752,250 | 20,031,465,250 |

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:

| | 2020/2021 Estimated fair value \$ | 2020/2021 Amortised cost \$ | 2020/2021 Fair value \$ | 2019/2020 Estimated fair value \$ | 2019/2020 Amortised cost \$ | 2019/2020 Fair value \$ |
|---|---|-----------------------------------|----------------------------|---|-----------------------------------|----------------------------|
| Financial assets | | | | | | |
| Cash and cash equivalents | 3,544,947 | 3,544,947 | - | 3,713,967 | 3,713,967 | - |
| Term deposits | 23,231,671 | 23,231,671 | - | 12,595,467 | 12,595,467 | - |
| Trade and other receivables | 15,602,120 | 15,602,120 | - | 13,818,279 | 13,818,279 | - |
| Held to maturity corporate bonds/notes | - | - | - | 1,012,310 | 1,000,000 | - |
| Derivative financial instruments | 409,263 | - | 409,263 | - | - | - |
| Financial liabilities | | | | | | |
| Trade and other payables | 13,880,959 | 13,880,959 | - | 10,173,714 | 10,173,714 | - |
| Employee entitlements | 3,506,234 | 3,506,234 | - | 3,846,368 | 3,846,368 | - |
| Interest bearing loans | 41,865,332 | 41,973,609 | - | 43,237,606 | 43,237,606 | - |

FAIR VALUE

The Group has carried out a fair value assessment of its financial assets and liabilities as at 30 June 2021 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 has managed cash flow interest rate risk through interest rate swaps. At 30 June 2021, these hedges covered 68% (2020: 0%) of the Port's borrowings. At 30 June 2021, Port Taranaki Ltd had four interest rate swaps in place (2020: no financial instruments in place).

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: |
|--------------------|--|--|
| 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

| | 2020/2021 | | 2019/2020 | |
|---|----------------------------|---------------------|----------------------------|--------------------|
| | Estimate Annual Plan \$ | Actual \$ | Estimate Annual Plan \$ | Actual \$ |
| Sources of operating funding | | | | |
| General rates, uniform annual general charge, rates penalties | 7,954,391 | 7,954,391 | 7,954,392 | 7,954,398 |
| Targeted rates | 5,971,173 | 5,971,225 | 5,910,867 | 5,910,856 |
| Subsidies and grants for operating purposes | 4,094,968 | 7,338,437 | 3,277,474 | 4,030,691 |
| Fees and charges | 19,403,195 | 19,386,306 | 17,677,048 | 16,513,275 |
| Interest and dividends from investments | 10,491,772 | 9,991,390 | 12,386,719 | 9,635,377 |
| Local authorities fuel tax, fines, infringement fees and other receipts | - | - | - | - |
| Total operating funding | 47,915,499 | 50,641,749 | 47,206,500 | 44,044,597 |
| Applications of operating funding | | | | |
| Payments to staff and suppliers | 45,976,635 | 39,662,165 | 42,740,275 | 37,467,628 |
| Finance costs | 1,041,772 | 21,118 | - | 40,399 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding | 47,018,407 | 39,683,283 | 42,740,275 | 37,508,027 |
| Surplus/(deficit) of operating funding | 897,092 | 10,958,466 | 4,466,225 | 6,536,570 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase/(decrease) in debt | - | 1,000,000 | - | 4,000,000 |
| Gross proceeds from sale of assets | 243,000 | 363,499 | 215,000 | 385,259 |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding | 243,000 | 1,363,499 | 215,000 | 4,385,259 |
| Applications of capital funding | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | - | - | - | - |
| - to improve the level of service | - | - | - | - |
| - to replace existing assets | 4,504,086 | 2,995,326 | 3,220,649 | 3,087,280 |
| Increase/(decrease) in reserves | 150,228 | 9,612,692 | (127,002) | 6,354,704 |
| Increase/(decrease) in investments | (3,514,222) | (286,053) | 1,587,578 | 1,479,845 |
| Total applications of capital funding | 1,140,092 | 12,321,965 | 4,681,225 | 10,921,829 |
| Surplus/(deficit) of capital funding | (897,092) | (10,958,466) | (4,466,225) | (6,536,570) |
| Funding balance | 0 | 0 | 0 | 0 |

Resource management funding impact statement

| | 2020/2021 | | | 2019/2020 | |
|---|----------------------------------|----------------------------|--------------------|----------------------------------|-------------------|
| | 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 | 3,186,752 | 3,061,369 | 3,061,369 | 3,306,408 | 3,206,905 |
| Targeted rates | - | - | - | - | - |
| Subsidies and grants for operating purposes | 702,000 | 2,036,000 | 4,741,465 | 1,702,000 | 1,682,891 |
| Fees and charges | 6,968,162 | 15,258,159 | 15,664,593 | 6,313,313 | 13,350,901 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees and other receipts | - | - | - | - | - |
| Total operating funding | 10,856,914 | 20,355,528 | 23,467,427 | 11,321,721 | 18,240,697 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 11,351,701 | 19,581,040 | 13,478,749 | 11,102,441 | 12,282,149 |
| Finance costs | - | - | - | - | - |
| Internal charges and overheads applied | 5,321,874 | 4,435,839 | 6,412,099 | 5,101,161 | 5,495,800 |
| Other operating funding applications | - | - | - | - | - |
| Total applications of operating funding | 16,673,575 | 24,016,879 | 19,890,848 | 16,203,602 | 17,777,949 |
| Surplus/(deficit) of operating funding | (5,816,661) | (3,661,351) | 3,576,579 | (4,881,881) | 462,748 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase/(decrease) in debt | - | - | - | - | - |
| Gross proceeds from sale of assets | 134,000 | 134,000 | 248,250 | 159,000 | 211,253 |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total sources of capital funding | 134,000 | 134,000 | 248,250 | 159,000 | 211,253 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | - |
| - to replace existing assets | 557,969 | 614,969 | 1,023,172 | 561,829 | 1,075,715 |
| Increase/(decrease) in reserves | - | - | 9,266,015 | - | 6,606,442 |
| Increase/(decrease) in investments | (6,240,630) | (4,142,320) | (6,464,358) | (5,284,710) | (7,008,156) |
| Total applications of capital funding | (5,682,661) | (3,527,351) | 3,824,829 | (4,722,881) | 674,001 |
| Surplus/(deficit) of capital funding | 5,816,661 | 3,661,351 | (3,576,579) | 4,881,881 | (462,748) |
| Funding balance | 0 | 0 | 0 | 0 | 0 |

Biosecurity and biodiversity funding impact statement

| | 2020/2021 | | | 2019/2020 | |
|---|----------------------------------|----------------------------|--------------------|----------------------------------|--------------------|
| | 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 | 2,073,581 | 1,985,485 | 1,985,485 | 2,071,205 | 2,148,144 |
| Targeted rates | - | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - | - |
| Fees and charges | 2,353,826 | 2,700,736 | 2,480,904 | 2,125,010 | 1,982,412 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees and other receipts | - | - | - | - | - |
| Total operating funding | 4,427,407 | 4,686,221 | 4,466,389 | 4,196,215 | 4,130,556 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 1,010,525 | 5,611,237 | 5,321,931 | 1,168,115 | 5,247,698 |
| Finance costs | - | - | - | - | - |
| Internal charges and overheads applied | 524,030 | 1,532,635 | 1,191,352 | 496,091 | 1,057,781 |
| Other operating funding applications | - | - | - | - | - |
| Total applications of operating funding | 1,534,555 | 7,143,872 | 6,513,283 | 1,664,206 | 6,305,479 |
| Surplus/(deficit) of operating funding | 2,892,852 | (2,457,651) | (2,046,894) | 2,532,009 | (2,174,923) |
| 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 | 26,000 | 32,910 | 26,000 | 102,776 |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total sources of capital funding | 20,000 | 26,000 | 32,910 | 26,000 | 102,776 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | - |
| - to replace existing assets | 57,000 | 126,000 | 92,996 | 212,000 | 618,884 |
| Increase/(decrease) in reserves | 100,000 | 100,000 | 100,000 | (167,000) | 115,000 |
| Increase/(decrease) in investments | 2,755,852 | (2,657,651) | (2,206,980) | 2,513,009 | (2,806,031) |
| Total applications of capital funding | 2,912,852 | (2,431,651) | (2,013,984) | 2,558,009 | (2,072,147) |
| Surplus/(deficit) of capital funding | (2,892,852) | 2,457,651 | 2,046,894 | (2,532,009) | 2,174,923 |
| Funding balance | 0 | 0 | 0 | 0 | 0 |

Transport funding impact statement

| | 2020/2021 | | | 2019/2020 | |
|---|----------------------------------|----------------------------|------------------|----------------------------------|------------------|
| | 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 | 200,529 | 199,448 | 199,448 | 207,344 | 197,288 |
| Targeted rates | 1,294,207 | 1,280,678 | 1,280,678 | 1,260,968 | 1,246,090 |
| Subsidies and grants for operating purposes | 1,979,675 | 2,058,968 | 2,596,972 | 1,963,618 | 2,347,800 |
| Fees and charges | 1,224,201 | 1,174,300 | 897,097 | 1,197,847 | 941,987 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees and other receipts | - | - | - | - | - |
| Total operating funding | 4,698,612 | 4,713,394 | 4,974,195 | 4,629,777 | 4,733,165 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 4,548,846 | 4,596,158 | 4,429,781 | 4,501,223 | 4,397,168 |
| Finance costs | - | - | - | - | - |
| Internal charges and overheads applied | 265,677 | 251,707 | 303,869 | 251,512 | 269,750 |
| Other operating funding applications | - | - | - | - | - |
| Total applications of operating funding | 4,814,523 | 4,847,865 | 4,733,650 | 4,752,735 | 4,666,918 |
| Surplus/(deficit) of operating funding | (115,911) | (134,471) | 240,545 | (122,958) | 66,247 |
| 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 | - | - | 325,885 | - | 105,776 |
| Increase/(decrease) in reserves | - | - | - | (8,301) | (8,179) |
| Increase/(decrease) in investments | (115,911) | (134,471) | (85,340) | (114,657) | (26,731) |
| Total applications of capital funding | (115,911) | (134,471) | 240,545 | (122,958) | 70,866 |
| Surplus/(deficit) of capital funding | 115,911 | 134,471 | (240,545) | 122,958 | (66,247) |
| Funding balance | 0 | 0 | 0 | 0 | 0 |

Hazard management funding impact statement—civil defence emergency management

| | 2020/2021 | | | 2019/2020 | |
|---|----------------------------------|----------------------------|------------------|----------------------------------|------------------|
| | 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 | 180,251 | 172,725 | 172,724 | 180,667 | 177,791 |
| 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 | 180,251 | 172,725 | 172,724 | 180,667 | 177,791 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 414,058 | 414,058 | 398,042 | 406,221 | 362,345 |
| Finance costs | - | - | - | - | - |
| Internal charges and overheads applied | - | - | - | - | - |
| Other operating funding applications | - | - | - | - | - |
| Total applications of operating funding | 414,058 | 414,058 | 398,042 | 406,221 | 362,345 |
| Surplus/(deficit) of operating funding | (233,807) | (241,333) | (225,318) | (225,554) | (184,554) |
| 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 | (233,807) | (241,333) | (225,318) | (225,554) | (184,554) |
| Total applications of capital funding | (233,807) | (241,333) | (225,318) | (225,554) | (184,554) |
| Surplus/(deficit) of capital funding | 233,807 | 241,333 | 225,318 | 225,554 | 184,554 |
| Funding balance | 0 | 0 | 0 | 0 | 0 |

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

| | 2020/2021 | | | 2019/2020 | |
|---|----------------------------------|----------------------------|------------------|----------------------------------|------------------|
| | 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 | (33,709) | (10,071) | (10,070) | (40,600) | (33,371) |
| Targeted rates | 734,564 | 747,776 | 747,776 | 726,158 | 722,058 |
| Subsidies and grants for operating purposes | - | - | - | - | - |
| Fees and charges | 20,849 | - | 829 | 20,400 | 263 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees and other receipts | - | - | - | - | - |
| Total operating funding | 721,704 | 737,705 | 738,535 | 705,958 | 688,950 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 401,868 | 442,227 | 314,980 | 393,365 | 370,469 |
| Finance costs | - | - | - | - | - |
| Internal charges and overheads applied | 133,171 | 126,169 | 152,420 | 126,072 | 135,295 |
| Other operating funding applications | - | - | - | - | - |
| Total applications of operating funding | 535,039 | 568,396 | 467,400 | 519,437 | 505,764 |
| Surplus/(deficit) of operating funding | 186,665 | 169,309 | 271,135 | 186,521 | 183,186 |
| 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 | 4,356 |
| Lump sum contributions | - | - | - | 0 | - |
| Other dedicated capital funding | - | - | - | 0 | - |
| Total sources of capital funding | - | - | - | 10,000 | 4,356 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | - |
| - to replace existing assets | - | 84,000 | 34,972 | 40,000 | 57,464 |
| Increase/(decrease) in reserves | 49,376 | 50,228 | 120,676 | 47,477 | 51,441 |
| Increase/(decrease) in investments | 137,289 | 35,081 | 115,487 | 109,044 | 78,637 |
| Total applications of capital funding | 186,665 | 169,309 | 271,135 | 196,521 | 187,542 |
| Surplus/(deficit) of capital funding | (186,665) | (169,309) | (271,135) | (186,521) | (183,186) |
| Funding balance | 0 | 0 | 0 | 0 | 0 |

Recreation, culture and heritage funding impact statement

| | 2020/2021 | | | 2019/2020 | |
|---|----------------------------------|----------------------------|------------------|----------------------------------|--------------------|
| | 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 | 2,207,767 | 1,841,487 | 1,841,487 | 1,763,297 | 1,500,951 |
| Targeted rates | 291,812 | 3,942,719 | 3,942,771 | 296,619 | 3,942,708 |
| Subsidies and grants for operating purposes | - | - | - | - | - |
| Fees and charges | 165,922 | 197,000 | 246,003 | 156,500 | 162,745 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees and other receipts | - | - | - | - | - |
| Total operating funding | 2,665,501 | 5,981,206 | 6,030,261 | 2,216,416 | 5,606,404 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 3,943,597 | 7,001,894 | 5,598,255 | 2,921,065 | 5,925,708 |
| Finance costs | - | 1,041,772 | 21,118 | - | 40,399 |
| Internal charges and overheads applied | 1,025,421 | 1,003,041 | 1,210,623 | 970,749 | 1,075,639 |
| Other operating funding applications | - | - | - | - | - |
| Total applications of operating funding | 4,969,018 | 9,046,707 | 6,829,996 | 3,891,814 | 7,041,746 |
| Surplus/(deficit) of operating funding | (2,303,517) | (3,065,501) | (799,735) | (1,675,398) | (1,435,342) |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase/(decrease) in debt | - | - | 1,000,000 | - | 4,000,000 |
| Gross proceeds from sale of assets | 20,000 | 20,000 | 30,957 | 0 | 9,565 |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total sources of capital funding | 20,000 | 20,000 | 1,030,957 | 0 | 4,009,565 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | - |
| - to replace existing assets | 1,647,000 | 1,660,000 | 440,636 | 1,666,000 | 871,098 |
| Increase/(decrease) in reserves | - | - | - | - | - |
| Increase/(decrease) in investments | (3,930,517) | (4,705,501) | (209,414) | (3,341,398) | 1,703,125 |
| Total applications of capital funding | (2,283,517) | (3,045,501) | 231,222 | (1,675,398) | 2,574,223 |
| Surplus/(deficit) of capital funding | 2,303,517 | 3,065,501 | 799,735 | 1,675,398 | 1,435,342 |
| Funding balance | 0 | 0 | 0 | 0 | 0 |

Regional representation, advocacy and investment management funding impact statement

| | 2020/2021 | | | 2019/2020 | |
|---|----------------------------------|----------------------------|--------------------|----------------------------------|------------------|
| | 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 | 726,362 | 703,948 | 703,948 | 760,384 | 756,690 |
| Targeted rates | - | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - | - |
| Fees and charges | 3,000 | 73,000 | 96,881 | 3,000 | 74,966 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees and other receipts | - | - | - | - | - |
| Total operating funding | 729,362 | 776,948 | 800,829 | 763,384 | 831,656 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 1,061,306 | 1,164,829 | 1,204,956 | 1,140,004 | 1,223,365 |
| Finance costs | - | - | - | - | - |
| Internal charges and overheads applied | 574,303 | 568,328 | 685,774 | 543,683 | 589,500 |
| Other operating funding applications | - | - | - | - | - |
| Total applications of operating funding | 1,635,609 | 1,733,157 | 1,890,730 | 1,683,687 | 1,812,865 |
| Surplus/(deficit) of operating funding | (906,247) | (956,209) | (1,090,901) | (920,303) | (981,209) |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase/(decrease) in debt | - | - | - | - | - |
| Gross proceeds from sale of assets | 63,000 | 63,000 | 51,382 | 20,000 | 52,690 |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total sources of capital funding | 63,000 | 63,000 | 51,382 | 20,000 | 52,690 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | - |
| - to replace existing assets | 833,644 | 2,019,117 | 1,077,665 | 604,200 | 358,343 |
| Increase/(decrease) in reserves | - | - | - | - | - |
| Increase/(decrease) in investments | (1,676,891) | (2,912,326) | (2,116,184) | (1,504,503) | (1,286,862) |
| Total applications of capital funding | (843,247) | (893,209) | (1,038,519) | (900,303) | (928,519) |
| Surplus/(deficit) of capital funding | 906,247 | 956,209 | 1,089,901 | 920,303 | 981,209 |
| 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 2021

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.

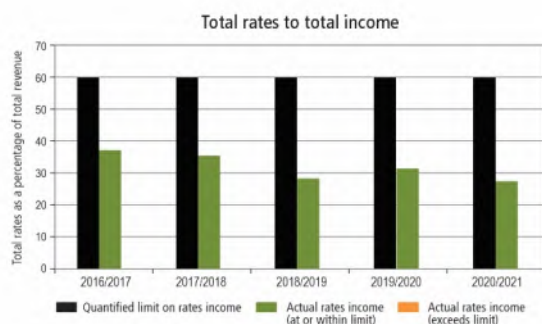
The Council is required to include this statement in its annual report in accordance with the *Local Government (Financial Reporting and Prudence) Regulations 2014* (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

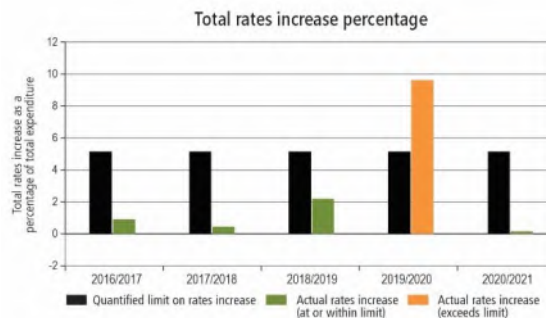
The Council meets the rates affordability benchmark if—

- 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.

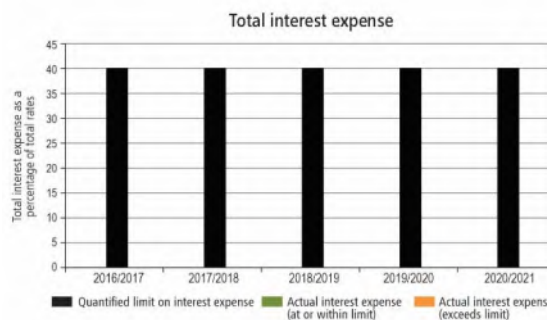


Debt affordability benchmark

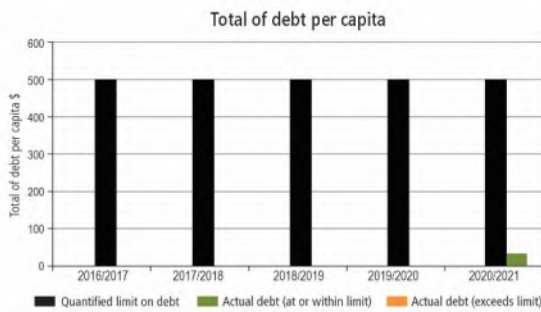
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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.

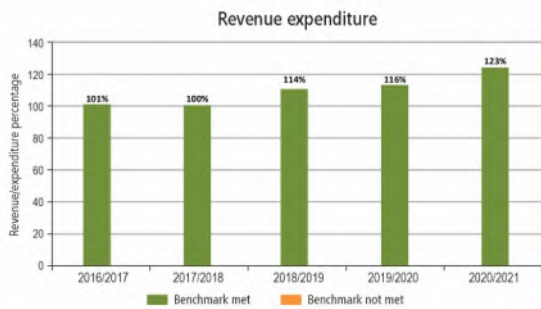


During the period 2012/2013 to 2018/2019, the Council had no external public debt and, consequently no debt per capita.

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—

- water supply
- sewerage and the treatment and disposal of sewage
- stormwater drainage
- flood protection and control works
- the provision of roads and footpaths.

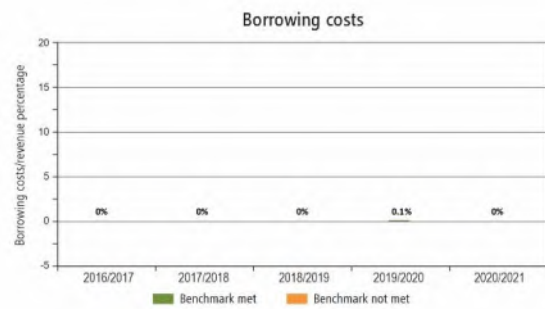
The Council's only network services are in relation to flood protection and control works. The Council does not provide any of the other network services. These network services are in the form of land assets. Accordingly, there is no depreciation on these assets. Capital expenditure will always be equal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

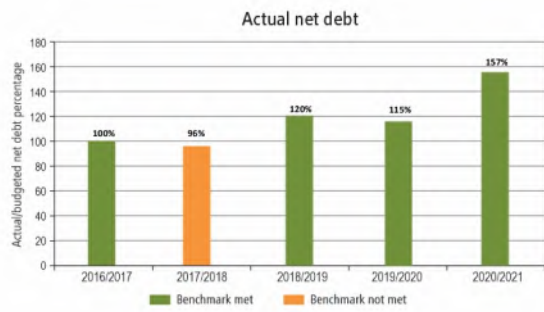
During the period 2012/2013 to 2018/2019, the Council had no external public debt and, consequently no borrowing costs.



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.

