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Foreword

We are pleased to present the Taranaki Regional Council's 2016/2017 Annual Plan. It is firmly focused on providing the resources, environment and people, which are at the core of our on-going work.

Last year, the Council put considerable effort into the preparation and adoption of its *2015/2025 Long-Term Plan*. This included significant public engagement and consultation processes. This *Annual Plan* continues to deliver on the agreements put in place with the community in that *Long-Term Plan*. Indeed, for 2016/2017 there are no significant or material differences from the plans set out for 2016/2017 in the *Long-Term Plan*.

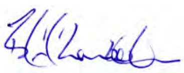
In 2014, Parliament amended the *Local Government Act 2002* to clearly note that if there are no significant or material differences in an annual plan from the position established for that year in the Long-Term Plan, there is no obligation to undertake further public engagement and consultation. This is exactly the situation the Council finds itself in. This Annual Plan delivers, almost exactly, what was outlined for 2016/2017 in the *2015/2025 Long-Term Plan*. There are no new issues, plans or programmes or work. The Council views this *Annual Plan* as "business as planned".

This *Plan* sets out how we intend to maintain our status as one of the lowest-rating Councils in New Zealand while still maintaining a high standard of programmes and services. The 2016/2017 year will see an increase of 1% in the general rates take (as forecast for 2016/2017 in the *2015/2025 Long-Term Plan*).

A full and busy programme of work is planned in the coming year and beyond as the Council seeks to build on previous achievements and successes. This includes:

- Maintaining the successful self-help possum control programme and undertaking maintenance around the Egmont National Park boundary in alignment with the Department of Conservtaion control work inside the Park.
- Continuing our partnership with farmers to fence and plant streambanks on the ring plain and coastal terraces. This includes organising the supply of around 450,000 native plants annually to those taking part in the Riparian Management Programme.
- Continuing to advocate for Taranaki's transport interests along the lines of the contribution provided to SH3 North, the Mt Messenger bypass, the Awakino tunnel bypass, the Normanby Bridge realignment and the SH3 Vickers to City project.
- Continuing to develop and grow passenger transport services (buses and total mobility taxi services) in Taranaki.
- Continuing to efficiently process resource consent applications within statutory timeframes, and continuing to comprehensively monitor and report on the performance of consent holders.
- Completing the Lower Waitara Flood Protection Scheme upgrade to give the Waitara community the level of flood protection it deserves.
- Continuing our successful sustainable land management programmes, particularly in the eastern hillcountry.
- Continuing the exciting upgrade at Pukeiti and ensuring that this iconic property, as well as Tupare and Hollard Gardens, are maintained as regionally significant heritage and amenity properties.

The team of elected councillors and the Council staff look forward to continuing to work with people and care for Taranaki.



David MacLeod
Chairman

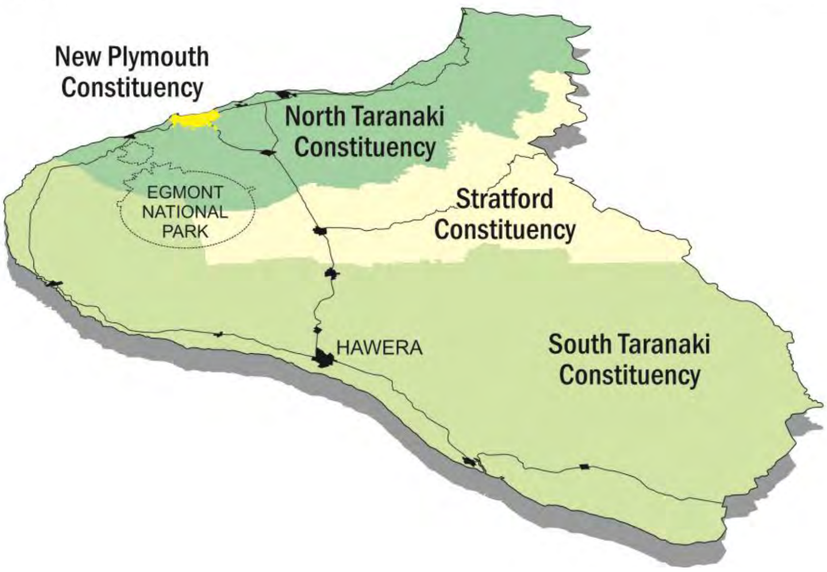
Basil Chamberlain
Chief Executive

Your Councillors

Your Councillors prepared this Annual Plan with the assistance of Council staff and many others.

The Taranaki Regional Council has eleven representatives elected by the community through local body elections every three years, elected as follows:

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



Purpose and Planning Processes

The Council is required to produce a long-term plan every three years, covering the next 10-year period. The Council is also required to prepare an annual plan for each financial year that it does not prepare a long-term plan. The annual plans prepared in the years after the long-term plan will mainly contain budget, funding and financial statements for that year in support of the long-term plan. The Council is required to prepare and adopt its next long-term plan by 30 June 2018.

This is the first *Annual Plan* produced by the Council under its *2015/2025 Long-Term Plan*. The purpose of the *Annual Plan* is to provide an update by exception against the *Long-Term Plan*, which remains the substantive reference document. Much of the material in the *Long-Term Plan*, e.g. explaining why we do what we do, remains current.

This *Annual Plan* concentrates on one year – in this case 2016/2017 – and includes such information as the performance measures for our programmes in this year. Last year, the Council put considerable effort into the preparation and adoption of its *2015/2025 Long-Term Plan*. This included significant public engagement and consultation processes. This *Annual Plan* continues to deliver on the agreements put in place with the community in that *Long-Term Plan*. Indeed, for 2016/2017 there are no significant or material differences from the plans set out for 2016/2017 in the *Long-Term Plan*.

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The *2015/2025 Long-Term Plan* is important as it presents the Council's strategic directions and programmes for the next decade. The *Long-Term Plan* is a document put together by the Council and the community. In it you will find a description of the activities the Council will be engaged in over the next 10 years, the objectives of those activities and their costs – as accurately as can be forecast over this period.

But the *Plan* does more than this – it describes how the Council, through its various activities and programmes will contribute to achieving the long-term outcomes for the community that the community itself has identified. Many of these activities focus on ensuring that Taranaki's natural environment and physical resources are sustainably managed for the long-term benefit of the community. The *Plan* also describes how the Council with the help of the community and other organisations will work together to achieve these community outcomes.

There are a number of other more specific documents, plans and strategies that the Council has in place to help it carry out its work. These are also prepared and reviewed in consultation with the community. The *2015/2025 Long-Term Plan* brings all the parts together in a single business planning process and document.

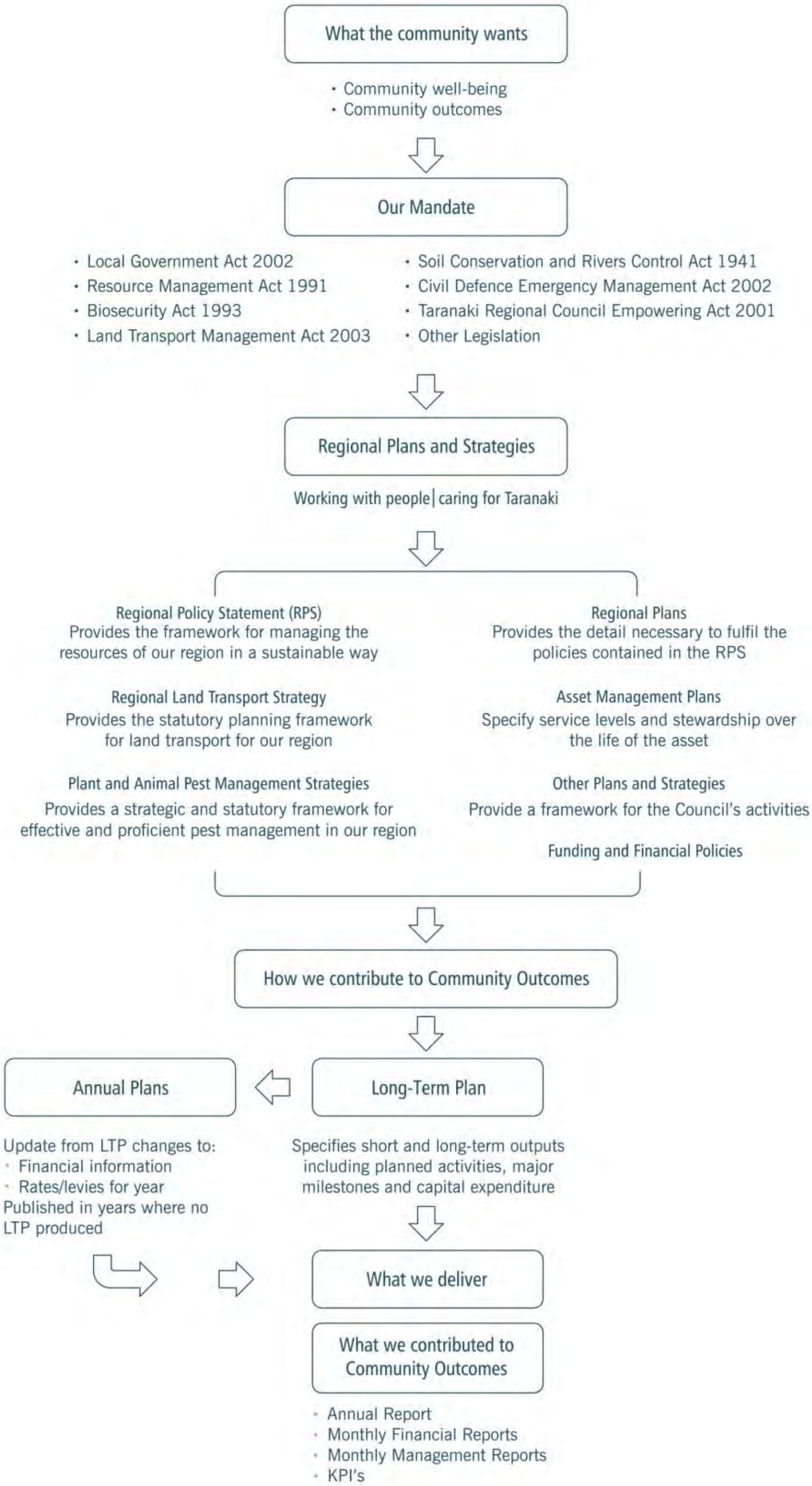
The relationship between the Council's legislative mandate, its various plans and strategies, its *Long-Term Plan* and annual plans is outlined in Figure 1.

The emphasis in preparing this *Annual Plan* has been to produce a straight-forward easy to read document. This has been aided by the *Local Government Act 2002*, which only requires the Council to present, in an *Annual Plan,* financial information and deviations from the adopted *Long-Term Plan*. That is what this *Annual Plan* presents.

Except where noted, the plans, strategies, programmes and targets established in the *2015/2025 Long-Term Plan* apply to this *Annual Plan* and the 2016/2017 operations of the Council. Therefore it is important that readers read the *Long-Term Plan* in conjunction with this *Annual Plan*.

Copies of the *Long-Term Plan* are available from the Council or from the Council's website (www.trc.govt.nz).

Figure 1: The Taranaki Regional Council planning processes



Working Together With Māori

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

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

To achieve these objectives the Council intends to undertake the following:

FOUNDATIONS OF A RELATIONSHIP

Act cooperatively and in good faith showing flexibility and responsiveness and a desire to engage with Māori for the good governance of the region. This will be done in a manner that is inclusive and makes the best use of the resources of both Māori and the Council.

POLICY DEVELOPMENT

Provide opportunities to involve Māori in major policy decisions including but not limited to policies, plans and strategies under the *Local Government Act 2002*, the *Resource Management Act 1991*, the *Biosecurity Act 1993*, the *Civil Defence Emergency Management Act 2002*, the *Land Transport Management Act 2003*, the *Public Transport Management Act 2008* and the *Maritime Transport Act 1994*.

Notify Māori of draft long-term plans and draft annual plans under the *Local Government Act 2002*.

In carrying out these steps the Council will:

- provide sufficient information to enable Māori to participate effectively in the decision-making processes of the Council
- provide reasonable time for consideration of the information or advice given
- give full and genuine consideration to the views of Māori in making its decisions
- take into account iwi management plans in the development of the Council's regional plans and regional policy statements under the *Resource Management Act 1991*.

RESOURCE CONSENTS PROCESS

Continue and further develop best practice in resource consent processing and administration.

In carrying out these steps the Council will:

- encourage applicants to consult where Māori may be an interested party, as part of an assessment of environmental effects
- ensure that sufficient information is provided by applicants on any actual or potential effects on Māori
- consider extending resource consent processing periods to enable adequate consultation and possible resolution of issues with Māori
- have regard to the effects on Māori in assessing whether resource consent applications are to be notified or non-notified and require applicants to obtain written approval to non-notification where Māori are an affected party including with particular regard to statutory acknowledgements arising from Treaty of Waitangi settlements with iwi
- provide information and technical assistance on resource consents and resource consent processing and administration
- arrange and facilitate meetings and undertake other forms of consultation with Māori as part of resource consent processing and administration
- hold meetings and pre-hearing meetings on marae as appropriate

- arrange interpretation services for the presentation of evidence in Māori when requested
- exclude the public from a hearing and restricting the publication of evidence when necessary to avoid serious offence to tikanga Māori or to avoid the disclosure of the location of wāhi tapu
- consider the participation of Māori in resource consent monitoring, including input into the design of monitoring programmes and involvement in monitoring activities.

ONGOING ENGAGEMENT

Meet with Māori to discuss any matter of mutual interest or importance at times and venues to be agreed.

Provide opportunities for Māori, within the framework of the Council's standing orders, to appear before and address any meeting of a Council standing committee or meeting of the full Council.

Seek opportunities when appropriate for the Council to be represented before meetings of Māori governance entities.

Establish as necessary, working parties or other informal groups with representatives of Māori and the Council to progress issues of mutual interest.

Contract with Māori for services for the delivery of specific advice, expertise, information, databases, research projects or training services.

Look to develop with the appropriate Māori governance entities, an effective working relationship between the Council and the governance entities, through memoranda of understanding protocols or other means.

REPRESENTATION

Continue to provide opportunities for Māori to be represented on the Council's Policy and Planning Committee, the Consents and Regulatory Committee and other committees arising out of Treaty of Waitangi settlements.

Consider the need for and desirability of establishing a Māori constituency or constituencies under the *Local Electoral Act 2002*.

INFORMATION MANAGEMENT

Share information held by the Council, subject to any statutory restrictions on the release or use of that information.

Protect sensitive information provided to the Council by Māori and restrict access to it in accordance with the *Local Government Official Information and Meetings Act 1987* and other relevant legislation. Obtain agreement from Māori to protect any sensitive or confidential information supplied by the Council.

Give due respect and recognition to silent files or plans held by or given to the Council by Māori.

Explore opportunities to develop in conjunction with Māori, databases or wāhi tapu sites using information technology where possible.

Maintain a database of iwi contacts including authorized voice, member hapu, and marae and provide to Māori contact details for key Council functions, responsibilities and personnel.

Consider iwi involvement or partnerships in Council resource investigations and projects.

TRAINING

In conjunction with Maori and iwi provide training in tikanga Maori, to councillors and Council staff.

Provide opportunities within the Council's work programmes and activities for Māori to gain experience, training and skill development.

RESOURCES

Provide technical advice, information and related support in the preparation and review of Council policies, plans and strategies.

Provide staff time and costs in attending meetings, hui or workshops.

Provide technical assistance and advice in preparing iwi planning documents and consider financial or other support for preparing such documents.

Provide technical advice, information and related support in the processing of applications for resource consent.

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.

Groups of Activities

The following sections of this Plan summarise the plans and programmes for each one of the Council's groups of activities in detail for 2016/2017.

INTRODUCTION

For the purpose of this *Annual Plan* the Council has arranged its business into six groups of activities, namely resource management, biosecurity, transport, hazard management, recreation culture and heritage, and regional representation, advocacy and investment management. For each group of activities, and activities within that group of activities, information is presented to:

- identify deviations, if any, from the *2015/2025 Long-Term Plan*
- identify performance targets for the 2016/2017 programme of activities
- identify the estimated levels of expenditure and how that expenditure is to be funded. Funding proposals are consistent with the Council's *Revenue and Financing Policy* (outlined in the *2015/2025 Long-Term Plan*).

INTENDED LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

Performance measures and targets by which performance maybe judged in relation to intended levels of service are included for each group of activities. These essentially outline the key results or outcomes, in terms for example, standards of environmental quality, which the Council expects to achieve from each of its groups of activities. The measures and targets are not totally comprehensive, but those presented have been selected as key indicators, sufficient to allow performance to be meaningfully assessed.

In addition to the levels of service measures and targets presented for each group of activities, for each of the activities within every group, work programmes are presented which contain further performance related measures and information. The most important measures by which performance may be judged in respect of these work programmes is that of whether the defined tasks have been performed as specified.

As well as the specific output targets identified the Council also intends that performance may be measured in terms of:

- **Timeliness**–in all cases, unless stated otherwise, the target is to complete the tasks by 30 June of each year
- **Cost**–in all cases the target is to complete the tasks defined within the budget set in the *Indicative costs and sources of funds*
- **Quantity**–in all cases where a quantity measure is specified, the target is to meet that specified quantity
- **Quality**–in all cases the target is 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 receipt of products or undertaking of activities. These range from laboratory accreditation, professional standards and systems to legal standards and benchmarking surveys. Overarching these procedures, acceptance of performance by the Councillors on behalf of the regional community is acceptance of the overall quality of performance
- **Location**–in all cases where a location is specified, the target is to deliver the service in that location.

COMMON ASSET INFORMATION

For each group of activities the Council is required to identify the assets or groups of assets required by the group of activities and identify, in relation to those assets or groups of assets:

- how the local authority will assess and manage the asset management implications of changes to:
  - demand for, or consumption of, relevant services
  - service provision levels and standards.
- what additional asset capacity is estimated to be required
- how the provision of additional asset capacity will be undertaken
- the estimated costs of the provision of additional asset capacity
- how the costs of the provision of additional asset capacity will be met

-
- how the maintenance, renewal, and replacement of assets will be undertaken
- how the costs of the maintenance, renewal, and replacement of assets will be met.

All groups of activities utilise the day to day operational assets of the Council (buildings, motor vehicles, plant and equipment, office furniture, and computer equipment). Other than for river control and flood protection activities, no assets of significance (as defined in the *Significance and Engagement Policy*—refer to the *2015/2025 Long-Term Plan*) or infrastructure assets are used.

The Council maintains sufficient operational assets to undertake its activities. The operational assets are maintained to sufficient service levels to enable staff to complete their duties efficiently and effectively. The maintenance and replacement of these assets is undertaken on a ten-year programme. All maintenance budgets are included in the operational expenses of the Council. New capital expenditure programmes and replacement capital expenditure programmes are also on a ten-year cycle and are included in the capital expenditure budgets.

All operational assets are depreciated over their useful life. Replacement and new operational assets are funded from retained earnings, being the accumulated depreciation on existing operational assets. Any significant increase in operational assets that could not be funded from retained earnings would be funded by application of the Council's *Revenue and Financing Policy* (no such expenditure is planned or provided for in this *Plan*).

Any additional asset information that is specific to each group of activities is included where relevant for each group under the heading *Specific group asset information*.

Resource Management

RESOURCE MANAGEMENT ACTIVITIES:

Resource management comprises the following activities:

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

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

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

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

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

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

Waste minimisation
—encouraging and implementing waste management and cleaner production initiatives in Taranaki consistent with the Waste Minimisation Act 2008, the Regional Waste Strategy for Taranaki and the waste management plans of the districts—refer to level of service 9

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

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

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

KEY CHANGES FROM THE LONG-TERM PLAN

There are no significant operational or financial changes from the outlined in the *2015/2025 Long-Term Plan*.

LEVELS 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 57 regionally significant sites. Trend analysis to June 2015 (from 1995) shows 29 sites of 57 with statistically significant trends of improvement, and none with a significant decline.

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
2014/2015	8	9

In 2014/2015, 86% of freshwater samples (93%-2003/2004) and 96% (99%-2003/2004) of coastal samples at these sites were compliant.

Measure: Physical barriers to fish passage.

Target (Years 1-10): 100% of resource consents for in-stream structures to be compliant with fish passage conditions; number of known barriers to fish movement and passage to reduce by comparison with 2001 survey.

Baseline: In October 2014, there were 43 consents with requirements for fish passage structures; as of May 2001 there were 26 consented and 30 unconsented structures known to be acting as barriers to fish passage. To October 2014, barriers to fish passage have been addressed at 12 of the sites consented in 2001, and at 6 of the sites un-consented in 2001.

Measure: Ecological flows in catchments.

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

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

2. Efficient allocation of water for consumptive use

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

Target (Years 1-10): Guidelines identifying available surface water are applied for all significant catchments and consents to take, use, dam or divert water granted in accordance with Council policy or any National Policy Statement or National Environmental Standard.

Baseline: By 2009, guidelines identifying surface water available for consumptive use had been prepared, and consents to take, use, dam or divert water have been granted in accordance with Council policy. A database has been developed to provide regularly updated information on water allocation guideline information.

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 2014/2015, 100% of significant water abstraction consents were monitored with 92% attaining a "good" or "high" level of compliance and performance. The Council response to every unauthorised incident was reported publicly. The Council responded to all non-compliance events in accordance with its documented enforcement procedures.

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 2015, for both the past 19 and 7 years, has been completed and reported to Council. Trend analysis at the regional representative sites demonstrates:

- MCI and periphyton indicators for ecological health: every site of the 11 representative sites shows stability or improvement since 1995
- BOD: 9 sites of 11 stable against 1995 baseline, and all sites are stable over the recent period
- Bacteriological state: 18 of the 22 measures show improvement or stability over the last 7 years. 18 of the 22 measures show improvement or stability since 1995
- Nutrients: the number of sites showing stability or improvement is increasing over time. Since 1995, 75% of nutrient measures are stable or improving; since 2008, 91% of nutrient measures are stable (82%) or improving (9%).

Measure: Nitrate levels in groundwater.

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

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

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

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

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

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

Target (Years 1-10): 100% of significant point sources monitored; 90% of sources to attain a 'good' or 'high' level of compliance and performance; Council response to every unauthorised incident to be reported publicly; the Council to respond to all non-compliance events in accordance with its documented enforcement procedures.

Baseline: In 2014/2015, 100% of significant point sources were monitored with 93% of significant industrial sources and 98% of significant agricultural sources attaining a 'good' or 'high' compliance and performance. The Council response to every unauthorised incident was reported publicly. The Council responded to all non-compliance events in accordance with its documented enforcement procedures.

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

Measure: Protection of riparian land areas.

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

Baseline: As of June 2015, 2,504 riparian management plans have been prepared recommending the planting of 5,483 km and fencing of 6,369 km of stream banks. At June 2015, 39% of the planting and 64% of the fencing had been completed resulting in 83.6% of riparian plan streams now protected by fencing and 68.55% by vegetation where recommended.

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 2015, the area of hill country covered by sustainable land management plans was 202,191ha. This represents a 1.5% increase over last year. The monitoring of sustainably managed land use, in accordance with the physical capabilities of the land and soil resources, is a 5-yearly programme. A contract with Landcare to undertake the project has been completed. The percentage of hill country being managed sustainably between 2007 and 2012 decreased slightly from 87.4% to 87.1%. Overall, from 1994 to 2012, sustainability increased by 3.2% from 83.9% to 87.1%. Between 2007 and 2012, the area of bare sand increased slightly at 2 of the 4 sites, decreased at 1 site and with no significant change at the other. 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.

Measure: Regional soil quality.

Target (Years 1-10): No overall deterioration in soil quality at 20 representative sites as shown by monitored soil structure parameters (density and macroporosity) maintenance of soil fertility at optimal (i.e. sustainable and productive) levels as shown by nutrient levels (total carbon and nitrogen, and Olsen phosphorus and mineralisable nitrogen) and no net increase in regional soil levels of cadmium and zinc to the extent that land use is compromised. The next survey will take place in 2017/2018.

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

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

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

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

Baseline: As at 30 June 2015, 202,191ha of private land have a farm plan.

7. Maintenance of a high standard of ambient air quality

Measure: National Environmental Standard (NES) pollutants, namely sulphur oxide, nitrogen oxides, inhalable particulate, and carbon monoxide.

Target (Years 1-10): Regional air quality to be maintained (i.e. at 2008 levels) within categories as defined by the Ministry for the Environment (MfE).

Baseline: Between 2008 and 2013, air in the region matched the 'good' or 'excellent' categories of the MfE. Where monitoring repeated previous surveys, it was found that air quality was being maintained.

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

Target (Years 1-10): 100% of significant discharge point sources monitored; 90% of sources to attain a 'good' or 'high' level of compliance and performance; the Council to respond to all non-compliance events in accordance with its documented enforcement procedures.

Baseline: In 2014/2015, 100% of significant point source emissions were monitored with 95% 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.

8. Maintenance and enhancement of indigenous biodiversity

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

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

Baseline: As at 30 June 2015, 74 or 49% of Key Native Ecosystems (KNEs) on private land covering 2,927ha have biodiversity plans.

Measure: Inventory of sites that contain regionally significant biodiversity (KNEs) in the region.

Target (Years 1-10): Maintain and regularly update current inventory of Key Native Ecosystems (KNEs).

Baseline: As of June 2015, the inventory contained 198 sites.

Measure: Maintain and improve the condition of KNEs

Target (Years 1-10): Improvement in biodiversity index at managed KNEs compared with a base year of application of the index.
Baseline: As at June 2014, of the 64 assessed forest remnants, over half (58%) were rated either "good" or "very good, 37.5% were rated "fair" and less than 5% were considered "poor".

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

Measure: Operative plans polices and strategies.

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

Baseline: As of June 2014, the Council has a full suite of operative *Regional Policy Statement* and regional plans (water, air, soil and coastal).

10. 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 2014, processing, administering and compliance monitoring of resource consents was 100% compliant with Resource Management Act requirements.

Measure: Monitoring and enforcement programmes.

Target (Years 1-10): All consents appropriately monitored with necessary compliance enforcement undertaken.

Baseline: In 2014/2015, the Council implemented 220 individual monitoring programmes of significant consents. In 2014/2015, 75% of programmes attained a 'high' environmental performance and 22% a 'good' performance. Monitored 1,785 (100%) dairy farms, and undertook 221 other inspections of minor industrial operations. All other consents were appropriately monitored. Necessary enforcement action was undertaken.

ACTIVITIES—WHAT WE PLAN TO DO

What we plan to do in 2016/2017.

1. Resource management planning

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

Regional Policy Statement: Interim review in 2016/2017. Full review in 2019/2020.

Regional Coastal Plan: Full review 2016/2017. Interim review 2022/2023.

Regional Air Quality Plan: Interim review 2016/2017. Full review 2021/2022.

Regional Fresh Water and Land Plan: Ongoing review 2019/2020. Interim review 2025/2026.

2. Consent processing and administration

Provide appropriate and timely information in response to 100% of requests for assistance in implementing *Resource Management Act 1991* plan rules.

Process, issue and report upon 100% of accepted resource consent applications (approximately 450 consents per annum), in compliance with the *Resource Management Act 1991* and the Council's *Resource Consents Procedures* document and successfully defend 100% of consent decisions appealed to the Environment Court.

Process and administer 100% of accepted resource consent applications in compliance with statutory timeframes prescribed in the *Resource Management Act 1991* and the Council's *Resource Consents Procedures* document.

Minimising the number and duration of resource consent hearings by resolving, through the pre-hearing process, at least 50% of submissions received on resource consent applications.

3. Compliance monitoring programmes

100% of individual compliance monitoring programmes for all major consents designed, implemented and publicly reported upon (approximately 200 individual compliance monitoring programmes per annum) within the negotiated budgets and completed within nine months of the end of the monitoring period.

Implement and report on 100% of recommendations arising from prior year's monitoring of resource consents subject to an individual compliance monitoring programme.

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).

Where necessary, implement appropriate advisory and enforcement actions to require 100% compliance with resource consents and/or regional plans.

4. Pollution incidents and response

Respond to 100% of pollution and other complaints (generally within fours hours of receipt) and where appropriate instigate control, clean up and enforcement procedures, where reasonable and appropriate, and publicly report on all pollution incidents.

Administer and implement the *Taranaki Regional Marine Oil Spill Response Plan* as agreed with Maritime New Zealand including responding to 100% of oil spills.

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*.

Monitor, review and where appropriate, further develop existing programmes by 30 June of each year.

Prepare and publish the five-yearly state of the environment report The next report is due in 2020.

Maintain all quality assurance programmes and information databases for hydrometric, air quality, physicochemical freshwater, terrestrial biodiversity, fresh water biological and marine biological data. IANZ registration for chemical analysis maintained.

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.

6. Resource investigations and projects

Over the period of the *2015/2025 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 2016/2017, the Council intends to:

Continue to support the "best practice dairying catchments" study in the Waiokura Stream catchment.

Continue to use microbial source testing technology to identify sources of faecal contamination in Taranaki waters.

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

Investigate shallow groundwater transport, transformation and attenuation processes.

Engagement in "Envirolink" and other science research project development opportunities and strategies for regional councils, to enhance knowledge base for policy development and implementation. Projects with clear relevance and benefit to Taranaki to be adopted by "Envirolink" and other funding opportunities (advocacy to be reported through Council's annual report processes).

7. Waste minimisation

Assist sector leaders in six activity areas in exploring and implementing energy efficiency and waste minimisation.

Work with the agricultural sector to identify, implement and/or promote waste minimisation opportunities.

Facilitate a regional approach to waste management initiatives and programmes at policy, management, and implementation levels, in particular servicing the Taranaki Solid Waste Management Committee, implementing a revision of the *Regional Waste Strategy* by June 2021, and partnering in delivering waste plans for the three districts of Taranaki.

8. Sustainable land management plans and plant supply programme

Planning services. Provide property planning services to landholders. Prepare plans covering 1,000 hectares of land use capability mapping in the hill country and 100 riparian plans in the intensive water management zone. By the end of the period of this *Plan* it is intended to have active or completed riparian plans in place for over 99% of dairy farms (approximately 1,680) and active comprehensive farm plans in place for over 69% of hill country in private ownership where approximately 840 sheep and beef farms are located.

Monitoring and reporting. Liaise with and monitor approximately 2,600 riparian plans and 100 farm plans and report on the implementation of the recommended fencing and planting.

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

Provide servicing and support to the Taranaki Biodiversity Trust and assistance to other organizations involved in promoting sustainable land management.

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

Implement the South Taranaki and Regional Erosion Support Soil Conservation Programme including an estimated 6,000 poplar poles, 50 ha of protection forestry and construction of 22 km of retirement fencing to retire 300 ha or marginal land.

9. Biodiversity

Prepare at least 10 biodiversity plans per annum for properties containing key native ecosystems (KNE).

Initiate and support implementation of work programmes on all KNE's with a biodiversity plan and monitor and report on progress.

10. Enhancement grants

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

INDICATIVE COSTS AND SOURCES OF FUNDS

2015/2016 Estimate $		2016/2017 Estimate $	2016/2017 LTP $
	Expenditure		
873,947	Resource management planning	784,633	873,944
1,040,562	Consent processing and administration	955,592	1,052,079
2,578,523	Compliance monitoring programmes	2,622,302	2,638,155
1,020,266	Pollution incidents and response	981,874	1,053,302
1,826,871	State of the environment monitoring	1,973,959	1,848,899
398,639	Resource investigations and projects	402,251	401,491
135,086	Waste minimisation	138,889	137,705
3,754,637	Sustainable land management plans and plant supply programme	3,336,192	4,093,043
1,217,496	Biodiversity	1,479,000	1,315,341
674,541	Enhancement grants	689,529	678,045
13,520,568	**Total expenditure**	**13,364,221**	**14,092,004**
	Income		
3,841,829	General rates	3,986,371	3,884,818
6,161,020	Direct charges	5,608,690	6,517,998
245,000	Government grants	300,000	245,000
3,272,719	Investment funds	3,469,160	3,444,188
13,520,568	**Total income**	**13,364,221**	**14,092,004**
0	**Operating surplus/(deficit)**	**0**	**0**
	Capital expenditure		
0	Land	0	0
0	Buildings	0	0
578,000	Motor vehicles	408,000	408,000
201,750	Plant and equipment	190,600	248,200
0	Office furniture	0	0
0	Computer equipment	0	0
0	Flood and river control assets	0	0
0	Computer software	0	0
779,750	**Total capital expenditure**	**598,600**	**656,200**
	Funded by:		
779,750	Transfer from retained earnings	598,600	656,200
779,750	**Total funding**	**598,600**	**656,200**
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
779,750	- replace existing assets	598,600	656,200
779,750	**Total capital expenditure**	**598,600**	**656,200**
127,000	**Proceeds from sale of assets**	**94,000**	**94,000**
412,743	**Depreciation/amortisation**	**433,981**	**443,708**

Biosecurity

BIOSECURITY ACTIVITIES:

Biosecurity comprises the following activities:

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

Pest animal management
—controlling pest animals to minimise their adverse effects on biodiversity, primary production and the regional economy and environment—refer to level of service 2.

Pest plant management
—controlling or eradicating pest plants to minimise their adverse effects on biodiversity, primary production and the regional economy and environment—refer to level of service 3.

KEY CHANGES FROM THE LONG-TERM PLAN

There are no significant operational or financial changes from the outlined in the *2015/2025 Long-Term Plan*.

LEVELS OF SERVICE

1. Pest management plans that deliver efficient and effective management of the Council's biosecurity functions

Measure: Presence of appropriate pest management plans.

Target (Years 1-10): Pest management plans for pest plants and pest animals are in place in accordance with statutory requirements.

Baseline: Two adopted pest management strategies (plans) are in place, both most recently reviewed in 2007.

2. Pest animals controlled to minimize their adverse effects on biodiversity, primary production and the regional economy and environment

Measure: Area of the ring plain maintained under the *self-help possum control programme* at levels to reduce risks to the environment and primary production.

Target (Years 1-10): Residual trap catch (RTC) of less than 10% across the rural area covered by the self-help possum control programme.

Baseline: In 2014/2015, the RTC was 6.77% across the 235,464 ha of the rural area covered by the *self help programme*.

3. Pest plants controlled or eradicated to minimize their adverse effects on biodiversity, primary production and the regional economy and environment

Measure: Control or eradication of "eradication" pest plants.

Target (Years 1-10): Control of 100% of known infestations of Senegal Tea, Climbing Spindleberry, Mignonette Vine and Giant Reed in the region.

Baseline: In 2014/2014, there were 87 properties where these plants were identified and controlled.

3. Pest plants controlled or eradicated to minimize their adverse effects on biodiversity, primary production and the regional economy and environment

Measure: The extent of "sustained control" pest plants.

Target (Years 1-10): Reduce the extent of sustained control pest plants and the number of Category C properties requiring two or more inspections (because of significant pest plant compliance problems).

Baseline: 139 Category C properties in 2014/2015.

ACTIVITIES—WHAT WE PLAN TO DO

What we plan to do in 2016/2017.

1. Biosecurity planning

Undertake ten-yearly review of the *Pest Management Plan for Taranaki* in 2016/2017 and an interim review in 2021/2022.

2. Pest animal and pest plant management

Dependent upon the review of the *Pest Management Plan for Taranaki*:

Undertake property inspections, provide advice and, where necessary, enforcement action, for the self-help possum control and sustained control pest plant programmes.

Engage with the community and raise awareness about management and control of pests, including providing advice and responding to public enquiries relating to pest issues.

Monitor and report trends for key pest species in the region and effectiveness of pest control programmes.

Implement control operations for:

- the eradication of selected pest plants
- possum control in the areas surrounding Egmont National Park in conjunction with the Department of Conservation
- Old Man's Beard control in the Waingongoro catchment
- selected Key Native Ecosystems.

Develop and implement biological control programmes for pest plants. Make releases of control agents when appropriate.

Provide advice on and, if necessary, implement small-scale control of unwanted plant organisms.

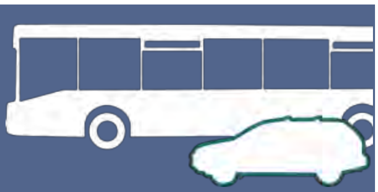
Implement the *National Pest Plant Accord*, inspecting all plant nurseries and retail outlets annually to promote and, where necessary, enforcing the prohibition from propagation, sale or distribution of specified unwanted plant organisms.

INDICATIVE COSTS AND SOURCES OF FUNDS

2015/2016 Estimate $		2016/2017 Estimate $	2016/2017 LTP $
	Expenditure		
88,756	Biosecurity planning	50,674	88,742
1,643,762	Pest management	1,789,085	1,961,965
1,732,518	**Total expenditure**	**1,839,759**	**2,049,707**
	Income		
905,043	General rates	727,847	850,460
106,500	Direct charges	106,500	108,250
0	Transfer from reserves	372,000	337,000
(50,000)	Transfer to reserves	0	0
770,975	Investment funds	633,412	753,997
1,732,518	**Total income**	**1,839,759**	**2,049,707**
0	**Operating surplus/(deficit)**	**0**	**0**
	Capital expenditure		
0	Land	0	0
0	Buildings	0	0
312,000	Motor vehicles	160,000	160,000
23,200	Plant and equipment	12,500	12,500
0	Office furniture	0	0
0	Computer equipment	0	0
0	Flood and river control assets	0	0
0	Computer software	0	0
335,200	**Total capital expenditure**	**172,500**	**172,500**
	Funded by:		
335,200	Transfer from retained earnings	172,500	172,500
335,200	**Total funding**	**172,500**	**172,500**
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
335,200	- replace existing assets	172,500	172,500
335,200	**Total capital expenditure**	**172,500**	**172,500**
113,000	**Proceeds from sale of assets**	**60,000**	**60,000**
103,039	**Depreciation/amortisation**	**100,238**	**100,606**

Transport

TRANSPORT ACTIVITIES:



Transport comprises the following activities:

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

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

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

KEY CHANGES FROM THE LONG-TERM PLAN

There are no significant operational or financial changes from the outlined in the *2015/2025 Long-Term Plan.*

LEVELS OF SERVICE

1. Land transport policies and activities that deliver efficient, effective and value for money transport solutions, land transport infrastructure and services for Taranaki

Measure: Presence of an appropriate *Regional Land Transport Plan for Taranaki.*

Target (Years 1-10): A *Regional Land Transport Plan for Taranaki* that is kept current in accordance with statutory requirements.

Baseline: The *Regional Land Transport Plan for Taranaki 2015/2016-2020/2021* is current and operational.

Measure: Presence of an appropriate *Regional Public Transport Plan for Taranaki.*

Target (Years 1-10): A *Regional Public Transport Plan for Taranaki* that is kept current in accordance with statutory requirements.

Baseline: The *Regional Public Transport Plan for Taranaki 2014-2024* is current and operational.

2. Provision and increasing use of public transport services

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

Target (Years 1-10): Increase by 6% pa the number of passengers carried.

Baseline: Between 2008/2009 and 2013/2014, passengers on community passenger transport services in the region grew from 349,607 to 584,371 pa. This represents an average growth of over 11% pa. In 2013/2014, 578,396 passengers were carried on the New Plymouth urban and community services.

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

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

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

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

ACTIVITIES—WHAT WE PLAN TO DO

What we plan to do in 2016/2017.

1. Regional land transport planning

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

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

During 2017/18 complete a mid-term review of the *Regional Land Transport Plan 2015/16-2020/21* in 2017/2018.

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

2. Public transport

Provide Total Mobility subsidy assistance to qualifying persons through the New Zealand Transport Agency supported *Total Mobility Scheme*. Process complete applications from eligible applicants within 10 working days.

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

Monitor the New Plymouth bus service contract including patronage growth and fare box recovery.

Monitor the regional 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.

Review public bus service fares annually to ensure passengers pay a fair share of the cost of the services.

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

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*.

INDICATIVE COSTS AND SOURCES OF FUNDS

2015/2016 Estimate $		2016/2017 Estimate $	2016/2017 LTP $
	Expenditure		
135,671	Regional land transport planning	118,236	117,072
3,753,152	Passenger transport	3,854,252	3,936,206
31,500	Harbour management	33,500	32,288
3,920,323	**Total expenditure**	**4,005,988**	**4,085,566**
	Income		
168,015	General rates	149,796	175,822
748,774	Targeted rates	850,272	810,821
1,234,086	Direct charges	1,136,450	1,296,551
1,584,667	Government grants	1,703,930	1,615,530
38,744	Government grants for capital	402,000	402,000
52,516	Transfer from reserves	40,000	40,000
(10,861)	Transfer to reserves	(4,820)	(9,038)
143,126	Investment funds	130,360	155,880
3,959,067	**Total income**	**4,407,988**	**4,487,566**
38,744	**Operating surplus/(deficit)**	**402,000**	**402,000**
	Capital expenditure		
0	Land	0	0
0	Buildings	0	0
0	Motor vehicles	32,000	32,000
66,800	Plant and equipment	693,000	693,000
0	Office furniture	0	0
0	Computer equipment	0	0
0	Flood and river control assets	0	0
0	Computer software	0	0
66,800	**Total capital expenditure**	**725,000**	**725,000**
	Funded by:		
66,800	Transfer from retained earnings	725,000	725,000
66,800	**Total funding**	**725,000**	**725,000**
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
66,800	- replace existing assets	725,000	725,000
66,800	**Total capital expenditure**	**725,000**	**725,000**
0	**Proceeds from sale of assets**	**8,000**	**8,000**
7,742	**Depreciation/amortisation**	**8,806**	**37,906**

Hazard Management

HAZARD MANAGEMENT ACTIVITIES:

Hazard management comprises the following activities:

Civil defence emergency management
—promoting and enhancing, within the Taranaki community, an integrated comprehensive emergency management system including reducing risk, maintaining readiness, and providing response and recovery capacity and capabilities—refer to levels of service 1 and 2.

Flood management and general river control
—providing accurate and timely flood warnings, providing flood control advice and undertaking minor works and associated actions to minimise and prevent damage by floods and river erosion—refer to levels of service 3 and 4.

River control schemes
—managing and maintaining river control scheme works to accepted design standards to minimise and prevent damage by floods and river erosion—refer to levels of service 3 and 4.

KEY CHANGES FROM THE LONG-TERM PLAN

There are no significant operational or financial changes from the outlined in the *2015/2025 Long-Term Plan*.

SPECIFIC GROUP ASSET INFORMATION

River control and flood protection activities utilise the flood control assets on the Waitara and Waiwhakaiho rivers. Asset management plans have been prepared for these assets.

The asset management plans' objectives are to manage the flood control assets of the Lower Waitara and Waiwhakaiho rivers, to provide an appropriate standard of flood protection for persons and property situated adjacent to the rivers. This will be achieved while maintaining, and where possible, enhancing the environmental and recreational value of the river and adjoining areas.

The levels of service required from the scheme assets are:

- to maintain the flood channel and scheme assets to provide security from flooding and flood damage up to the level of a 1% Annual Exceedence Probability for the Waitara township and residents
- to maintain the stopbank and gabion basket walls to provide security from flooding up to a level of 1% Annual Exceedence Probability for the Waiwhakaiho River industrial and business areas
- to continually appraise and improve the river management techniques used to maintain or enhance the overall performance of the scheme assets
- to maintain a defined river channel free from obstructions and vegetation
- to recognise the fishery and wildlife values of the river environment and maintain fish and wildlife habitats wherever possible within the scheme while achieving the management plan objectives of the scheme
- to recognise the importance of the rivers for recreational use and extend or enhance recreational opportunities in conjunction with the operation of the scheme when and where possible
- to ensure the scheme expenditure remains within budget except for specific Council approved contingencies
- to undertake a comprehensive review of the scheme at least every five years
- to satisfy legislative requirements.

Both the Waiwhakaiho River and Waitara River flood control assets are provided and maintained to meet the level of service identified above. The infrastructure assets are maintained to the identified service levels. All maintenance budgets are included in the operational expenses of the Council. New capital expenditure programmes and replacement capital expenditure programmes are included in the capital expenditure budgets. Further detail on the maintenance and capital programmes in relation to these infrastructure assets may be obtained by reference to the asset management plans.

LEVELS OF SERVICE

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

Measure: Presence of an appropriate Civil Defence Emergency Management system.

Target (Years 1-10): A *Civil Defence Emergency Management Group Plan* that is kept current and resourced in accordance with statutory requirements.

Baseline: The *Civil Defence Emergency Management Group Plan for Taranaki 2012-2017* is to be implemented through annual work programmes. The *Plan* will be reviewed in 2017.

Measure: Delivery of contractual requirements.

Target (Years 1-10): All contract requirements to provide emergency management office and administering authority services to the Civil Defence Emergency Management Group are delivered as specified.

Baseline: Annual budget and proposed annual work programme to be adopted by the CDEM Group and annual report adopted by the Group, each year.

2. Effective emergency readiness and response capability and capacity in the region

Measure: Level of capacity and capability within Taranaki CDEM.

Target (Years 1-10): Group readiness and response capability and capacity to be maintained at or enhanced above the level as set out in the *Group Plan* and as assessed by the MCDEM monitoring and evaluation analysis tool.

Baseline: The Group's readiness and response capability and capacity is set out in the *2012 Group Plan* and has been assessed and recorded by the MCDEM monitoring and evaluation analysis tool in 2015.

Measure: Implementing effective response and recovery procedures to minimise harm or damage to people and property arising from an emergency.

Target (Years 1-10): Response and recovery is carried out in accordance with established plans and procedures in order to minimise harm or damage to people and property, and reviewed for corrective actions.

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

3. Flood protection and drainage schemes that protect life and property

Measure: The number of schemes maintained to their full service potential.

Target (Years 1-10): 100% of schemes maintained to ensure that they provide protection to the agreed standard and the scheme assets are maintained as established in the adopted asset management plans.

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

4. Accurate and timely flood warnings

Measure: Number of accurate and timely flood warnings issued.

Target (Years 1-10): Accurate and timely flood warnings issued in 100% of cases.

Baseline: In 2014/2015, the Council issued warnings in 100% of cases.

ACTIVITIES—WHAT WE PLAN TO DO

What we plan to do in 2016/2017.

1. Civil defence emergency management

Prepare, implement, monitor and report upon the *Taranaki Civil Defence Emergency Management Annual Business Plan*.

Develop, implement, monitor and report upon the *Civil Defence Emergency Management Public Education Plan for Taranaki*. Review the *Plan* in 2016 and 2021

Implement, monitor and report upon the *Civil Defence Emergency Management Group Plan for Taranaki 2012*, and draft, and notify the next *Plan* in 2017.

2. Flood management and general river control

Effectively monitor rainfall and river levels and issue timely flood warnings. Maintain continuous monitoring systems (100% functional) and issue timely warnings for all cases, where necessary, in accordance with the *Flood Event Standard Operating Procedure* (approximately 35 warnings per annum).

Undertake minor emergency river and flood control works when necessary.

Respond to 100% of requests for drainage, river and flood control advice and assistance within ten working days.

Facilitate river control projects for the environmental enhancement of the region's waterways.

3. River control schemes

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

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

NON-FINANCIAL PERFORMANCE MEASURES RULES 2013

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

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

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

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

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

None of the Council's flood protection and control works schemes meet the threshold tests for being categorised as major. Therefore, the Council is not reporting the promulgated standard set of performance measures for this activity.

The Council does not engage in any other activities covered by the *Non-Financial Performance Measures Rules 2013*.

INDICATIVE COSTS AND SOURCES OF FUNDS

2015/2016 Estimate $		2016/2017 Estimate $	2016/2017 LTP $
	Expenditure		
753,561	Civil defence emergency management	723,444	758,175
226,070	Flood management & general river control	254,489	229,808
310,315	River control schemes	274,341	269,014
1,289,946	**Total expenditure**	**1,252,274**	**1,256,997**
	Income		
334,015	General rates	293,616	335,357
624,533	Targeted rates	662,877	584,007
396,780	Direct charges	412,764	399,587
0	Government grants	0	0
0	Transfer from reserves	0	0
(63,164)	Transfer to reserves	(55,890)	(72,519)
284,536	Investment funds	255,521	297,319
1,576,700	**Total income**	**1,568,888**	**1,543,751**
286,754	**Operating surplus/(deficit)**	**316,614**	**286,754**
	Capital expenditure		
0	Land	0	0
0	Buildings	0	0
64,000	Motor vehicles	40,000	40,000
5,400	Plant and equipment	4,800	4,800
0	Office furniture	0	0
0	Computer equipment	0	0
180,000	Flood and river control assets	40,000	0
0	Computer software	0	0
249,400	**Total capital expenditure**	**84,800**	**44,800**
	Funded by:		
249,400	Transfer from retained earnings	84,800	44,800
249,400	**Total funding**	**84,800**	**44,800**
	Capital expenditure to:		
0	- meet additional demand	0	0
180,000	- improve the level of service	40,000	0
69,400	- replace existing assets	44,800	44,800
249,400	**Total capital expenditure**	**84,800**	**44,800**
16,000	**Proceeds from sale of assets**	**10,000**	**10,000**
49,098	**Depreciation/amortisation**	**45,001**	**46,528**

Recreation, Culture and Heritage

RECREATION, CULTURE AND HERITAGE ACTIVITIES:

Recreation, culture and heritage comprises the following activities:

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

Puke Ariki
—maintaining an ongoing partnership relationship with the Puke Ariki regional museum and library including the ongoing use of display and presentation material within an annual project—refer to level of service 2.

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

KEY CHANGES FROM THE LONG-TERM PLAN

There are no significant operational or financial changes from the outlined in the *2015/2025 Long-Term Plan.*

SPECIFIC GROUP ASSET INFORMATION

Tupare is acknowledged as one of New Zealand's finest and most important heritage house and garden properties. The vision for the Tupare experience is:

> ***"Experience a beautifully restored garden and Chapman-Taylor home. Sculptured from the Taranaki hillside, this is the premier landscaped garden. Sense the prestige, lifestyle and stories of the Matthews family and the people who surrounded them. Enjoy a relaxed stroll through the garden, a picnic with friends and family, or high tea in the homestead. Or perhaps take in a tour of the house and experience a taste of 1950s Taranaki home life, Matthews family style."***

This plan seeks to focus and develop Tupare to realise the above description in a way that:

- protects the heritage and domestic qualities of the House and Garden
- captures the splendour of the gardens
- is accessible and appealing to a larger audience
- increases New Plymouth's and the wider Taranaki community's pride and use
- provides a range of quality visitor services and events
- leads to the ongoing improvement and redevelopment of Tupare.

Hollard Gardens are recognised as having a plant collection of national importance. The vision for the Hollard Gardens experience is:

> ***"A horticultural oasis – in the very heart of dairy country. A true plantsman's garden and Taranaki Showcase. A place to experience the legacy of Bernie Hollard's passion and determination that made him legendary among gardeners and nurserymen alike. Where garden visitors catch the dramatic views of Mount Taranaki, enjoy special functions and participate in community events."***

This plan seeks to focus and develop Hollard Gardens to realise the vision in a way that:

- preserves and enhances a unique regional plant collection
- communicates the stories of Bernie and Rose Hollard and the gardens
- promotes community engagement and support - knowledge, pride and use
- provides a range of user facilities and services
- promotes recreational and education experiences through tailored events, programmes, functions and marketing
- creates an inclusive environment between Hollard Gardens, individuals and groups.

The Council is positioning Pukeiti as an international garden and rainforest experience. The vision for the Pukeiti experience is:

"Encounter the mystery: Explore a wonderland of rhododendrons, rainforest and volcanoes. Take a short garden walk or a more challenging adventure and with either - sense another world and time. Feel the spiritual significance of Pukeiti to local iwi and learn some of the language, knowledge and stories which are part of the land. Find out about pioneering Europeans, passionate plant-collectors and garden-makers. Gain horticultural skills and experience biodiversity in action. Discover the property whilst doing a fun activity or make use of the facilities for a private or community event. Share Pukeiti - a truly unique part of Taranaki's heritage."

This plan seeks to focus and develop Pukeiti to realise the vision in a way that:

- preserves and enhances the unique international rhododendron collection
- promotes community engagement and support - knowledge, pride and use
- communicates iwi stories, language and knowledge
- communicates the stories of the pioneers, garden founders and members
- promotes adventure and discovery through recreational and educational experiences through tailored events, programmes, functions and marketing
- creates an inclusive environment between Pukeiti, individuals and groups
- promotes biodiversity particularly of the regenerating rainforest and the vireya collection.

LEVELS OF SERVICE

1. Tupare, Hollard Gardens and Pukeiti recognised as regionally or nationally significant gardens

Measure: Maintenance and enhancement of three regionally significant gardens.

Target (Years 1-10): Pukeiti, Tupare and Hollard Gardens maintained and enhanced in accordance with the provisions of the adopted asset management plans.

Baseline: The three properties are maintained to the latest adopted asset management plan. Latest asset management plans were adopted in 2014.

Measure: Level of use of Tupare, Hollard Gardens and Pukeiti.

Target (Years 1-10): Increasing the number of visitors to each property and the number of events at each property.

Baseline: In 2014/2015, Tupare attracted approximately 29,207 visitors with Hollard Gardens attracting approximately 12,595. Pukeiti had 27,050 visitors. There were 42 events at Tupare, 44 at Hollard Gardens and 50 at Pukeiti. All three properties were part of the *Powerco Taranaki Garden Spectacular*.

Measure: Access to Tupare, Hollard Gardens and Pukeiti.

Target (Years 1-10): Tupare**,** Hollard Gardens and Pukeiti open to the public between 9am to 5pm seven days a week with free general access.

Baseline: Tupare and Hollard Gardens have been open in this way since 2002. Free access to Pukeiti commenced from 1 July 2010.

2. Partnership relationship with the Puke Ariki regional museum and library

Measure: Annual project for the delivery of display and presentation material.

Target (Years 1-10): Delivery of an annual project.

Baseline: In 2012/2013, the partnership contributed towards the Taranaki public events programme (a series of events designed to enliven the Taranaki Naturally Gallery and explore the themes outlined as a schedule to the Partnership Agreement), a contribution to the development and delivery of the exhibition *Kiwi prefab: Cottage to Cutting Edge*, a contribution to develop and enhance the information on the i-SITE digital interactive tables around the Taranaki Regional Council Gardens and associated walkways and projects and funding towards the *Calling back the Kokako* display and the telling of its story. The Council and Puke Ariki worked with Aotea Utanganui - Museum of South Taranaki to support the *Port-able: a history of South Taranaki ports* exhibition.

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

Measure: Maintenance and development of Yarrow Stadium for a range of events and activities.

Target (Years 1-10): Provision of funding for the ongoing maintenance and development of Yarrow Stadium.

Baseline: The Council commenced providing funding for the ongoing maintenance and development of Yarrow Stadium in 2012/2013.

ACTIVITIES—WHAT WE PLAN TO DO

What we plan to do in 2016/2017.

1. Regional gardens

Provide three regional gardens (Tupare, Hollard Gardens and Pukeiti) for free general use by the regional community. Three gardens open 9am to 5pm seven days a week, with Hollard Gardens and Tupare open till 8pm during daylight saving hours.

Encourage the increased use of the regional gardens by the community for recreational purposes and for specific events.

Continue implementing the Pukeiti asset management plans focusing on completing the upgrade works at Pukeiti. Priority tasks to be completed include:

- enhancing the garden and the Rhododendron Collection
- continuing the implementation of the Plant Collection Plan
- refurbishing the Lodge and surrounds
- stabilising the cultivated area to the south of the Lodge by way of a retaining wall
- refurbishing the plant borders
- renovating the Pukeiti lookout
- completing the rainforest interpretation material
- subject to demand, extending the carpark
- upgrading the outer ring tracks
- reconfiguring and upgrading the Gate House.

Review and adopt asset management plans for Tupare, Hollard Gardens and Pukeiti by 31 October 2017.

2. Puke Ariki

Maintain an ongoing partnership relationship with the Puke Ariki regional museum and library including the ongoing use of display and presentation material within an annual project.

3. Yarrow Stadium

Contract with New Plymouth District Council for the operation and management of Yarrow Stadium.

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

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

INDICATIVE COSTS AND SOURCES OF FUNDS

2015/2016 Estimate $		2016/2017 Estimate $	2016/2017 LTP $
	Expenditure		
2,268,658	Regional gardens	2,414,463	2,427,908
150,000	Puke Ariki	150,000	150,000
876,000	Yarrow Stadium	876,000	876,000
3,294,658	**Total expenditure**	**3,440,463**	**3,453,908**
	Income		
1,564,434	General rates	1,601,390	1,613,134
292,538	Targeted rates	307,454	301,107
105,000	Direct charges	138,000	109,500
1,332,686	Investment funds	1,393,619	1,430,167
3,294,658	**Total income**	**3,440,463**	**3,453,908**
0	**Operating surplus/(deficit)**	**0**	**0**
	Capital expenditure		
0	Land	0	0
1,558,000	Buildings	2,752,000	2,702,000
104,000	Motor vehicles	20,000	20,000
24,500	Plant and equipment	67,000	67,000
0	Office furniture	0	0
0	Computer equipment	0	0
0	Flood and river control assets	0	0
0	Computer software	0	0
1,686,500	**Total capital expenditure**	**2,839,000**	**2,789,000**
	Funded by:		
1,686,500	Transfer from retained earnings	2,839,000	2,789,000
1,686,500	**Total funding**	**2,839,000**	**2,789,000**
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
1,686,500	- replace existing assets	2,839,000	2,789,000
1,686,500	**Total capital expenditure**	**2,839,000**	**2,789,000**
31,000	**Proceeds from sale of assets**	**0**	**0**
293,573	**Depreciation/amortisation**	**398,455**	**425,955**

Regional Representation, Advocacy and Investment Management

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT ACTIVITIES:

Regional representation, advocacy and investment management comprises the following activities:

Investment management
—ensuring that the equity, property and treasury investments owned by the Council are efficiently managed—refer to levels of service 3 and 4.

Community engagement
—promoting community awareness and understanding of the Council's functions and activities, and making quality and timely information publicly available.

Advocacy and response
—advocating and responding, on behalf of the Taranaki community, to initiatives proposed by other agencies, when those initiatives affect the statutory responsibilities of the Council or relate to matters of regional significance, which are of interest or concern to the people of Taranaki—refer to level of service 2.

Governance
—facilitating public representation by the Council and its committees in accordance with statutory requirements—refer to level of service 1.

KEY CHANGES FROM THE LONG-TERM PLAN

There are no significant operational or financial changes from the outlined in the *2015/2025 Long-Term Plan*.

LEVELS OF SERVICE

1. Effective, open and transparent democratic Council processes

Measure: Completion of statutory public accountability processes.

Target (Years 1-10): Completion of statutory planning and reporting documents (Long-Term Plan, Annual Plans and Annual Reports) within statutory requirements.

Baseline: Statutory planning and reporting accountability documents have all previously been prepared within statutory requirements and timeframes.

Measure: Successful completion of triennial local authority elections.

Target (Years 1-10): Conduct of triennial local authority elections without any need for re-conduct of the elections as a result of judicial review.

Baseline: Elections have been conducted every three years. There have been no judicial reviews or a need to re-conduct any election. Elections were successfully undertaken in October 2013.

Measure: All Council meetings conducted in compliance with statutory requirements.

Target (Years 1-10): Meetings conducted in accordance with *Standing Orders*, agendas publicly available at least 48 hours before a meeting and minutes prepared and adopted for all meetings.

Baseline: It has always been Council practice for meetings to be conducted in accordance with Standing Orders, agendas to be publicly available at least 48 hours before meetings and minutes to be prepared and adopted for all meetings.

2. Effective advocacy on behalf of the Taranaki community on matters that affect the statutory responsibilities of the Council or that relate to matters of regional significance which are of interest or concern to the people of Taranaki

Measure: Level of advocacy undertaken.

Target (Years 1-10): Approximately 20 submissions made per year, with evidence of successful advocacy in most cases.

Baseline: In 2012/2013, the Council made 28 submissions with anecdotal evidence of successful advocacy.

3. Port Taranaki ownership as a strategic investment

Measure: The role of Port Taranaki Ltd in regional economy.

Target (Years 1-10): Maintain or increase the contribution from Port Taranaki Ltd to the regional economy.

Baseline: The contribution to the wider community was measured in 2012 and the estimated Port dependent activity contributes $465 million to regional gross domestic product (GDP) and employs 1,270 full time equivalents (FTEs). Industries that utilize the Port collectively contribute $2.5 billion to regional GDP and employ 11,700 FTEs. To be measured again in 2017.

Measure: The financial and operational performance of Port Taranaki Ltd.

Target (Years 1-10): Ensure financial and operational performance from Port Taranaki Ltd is in accordance with the levels presented in each year's statement of corporate intent.

Baseline: Port Taranaki Ltd's financial and operational performance is reviewed, in terms of the statement of corporate intent, twice a year.

4. Effective management of property and treasury investments owned by the Council

Measure: Investment returns from property and treasury investments on general rates.

Target (Years 1-10): Maintain or increase the level of investment returns used to reduce each year's general rates requirement.

Baseline: Between 2011/2012 and 2012/2013, the level of investment returns decreased by 0.32%.

ACTIVITIES—WHAT WE PLAN TO DO

What we plan to do in 2016/2017.

1. Investment management

Consider Port Taranaki's annual statement of corporate intent and monitor performance against established targets on an annual basis.

Appoint Directors at Port Taranaki Ltd's annual general meeting and at other times as required.

Undertake on-going liaison with port company directors and management.

Manage and, where appropriate, divest leasehold land in accordance with the Council's *Investment Policy*.

Manage and maximise the returns from treasury investments in accordance with the Council's *Investment Policy*.

2. Community engagement

Produce regular editions (4 per annum) of the *Recount* newsletter to over 1,000 stakeholders through a range of channels.

Engage with the community across a range of channels including print and digital publications, news media, websites and mobile and social media.

Implement the Council's environmental awards programme.

Provide an on-going environmental education programme for school children and the wider community including class visits, field trips and the Pukeiti Rainforest School.

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 15 occasions per year.

4. Governance

Complete statutory public accountability documents including long-term plans in 2017/2018, 2020/2021 and 2023/2024, annual plans in years in which a long-term plan is not prepared, and an audited annual report each year.

Preparation of agendas and meetings in accordance with *Local Government Official Information and Meetings Act 1987*.

Conduct of meetings in accordance with *Standing Orders* and the *Local Government Official Information and Meetings Act 1987*.

Successful conduct of triennial local authority elections in 2016, 2019 and 2022.

INDICATIVE COSTS AND SOURCES OF FUNDS

2015/2016 Estimate $		2016/2017 Estimate $	2016/2017 LTP $
	Expenditure		
6,000	Investment management	6,000	6,150
175,851	Community engagement	178,369	178,464
149,062	Advocacy and response	251,404	149,553
877,091	Governance	1,023,301	949,861
1,208,004	**Total expenditure**	**1,459,074**	**1,284,028**
	Income		
648,538	General rates	777,474	676,902
7,000	Direct charges	5,000	7,000
552,466	Investment funds	676,600	600,126
1,208,004	**Total income**	**1,459,074**	**1,284,028**
0	**Operating surplus/(deficit)**	**0**	**0**
	Capital expenditure		
0	Land	0	0
0	Buildings	0	0
68,000	Motor vehicles	262,000	262,000
101,500	Plant and equipment	1,500	1,500
54,000	Office furniture	19,000	19,000
150,000	Computer equipment	150,000	150,000
0	Flood and river control assets	0	0
250,000	Computer software	550,000	550,000
623,500	**Total capital expenditure**	**982,500**	**982,500**
	Funded by:		
623,500	Transfer from retained earnings	982,500	982,500
623,500	**Total funding**	**982,500**	**982,500**
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
623,500	- replace existing assets	982,500	982,500
623,500	**Total capital expenditure**	**982,500**	**982,500**
16,000	**Proceeds from sale of assets**	**63,000**	**63,000**
500,038	**Depreciation/amortisation**	**565,404**	**555,249**

Financial Statements

The following pages present the financial projections of the Council for 2016/2017.

In particular, the following information is presented:

- the practices and assumptions used in preparing the financial information
- the sources of income and where it is planned to be spent
- the effect of the planned income and expenditure on the overall net worth of the Council
- what the Council owes and owns
- the forecast cash payments and receipts for each year
- additional supporting information.

The *Statement of Financial Position* includes the estimated financial position as at 1 July 2016. These figures differ from the estimated financial position as at 30 June 2016 included in the *2015/2025 Long-Term Plan.*

The forecast prospective financial information has been prepared for the purposes of this *Annual Plan* and may not be suitable for any other purpose. The forecast prospective financial information presented is based upon best-estimate assumptions. Whilst every care has been taken in the preparation of the forecast prospective financial information, the actual results are likely to differ. These differences may be material.

The forecasts are based upon assumptions and information available to the Council as at May 2016. Actual financial results have been incorporated to the extent that they affect the opening forecast prospective financial position as at 1 July 2016. There is no intention to update the forecast prospective financial information prior to the finalisation of this *Annual Plan*.

The forecast financial information on pages 38 to 41 has been prepared in accordance with the Council's current accounting policies as specified on pages 52 to 62. The forecast financial information presented in this Plan has been prepared in compliance with *Public Benefit Entity Financial Reporting Standard No. 42: Prospective Financial Statements.*

The summing of each *Indicative costs and sources of funds* statement with each group of activities equates to the figures included in the *Statement of comprehensive revenue and expense.*

The Council is required to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.

Prior to 1996/1997, the Council used dividends received from Port Taranaki Ltd to repay debt that the Council inherited upon the corporatisation of the new port company. Since then the Council has used the dividend returns to reduce the general rate requirement. In most years, the Council has received more dividend returns than it budgeted for. These extra dividends have accumulated in the Dividend Equalisation Reserve. In some years the Council has received less dividends than it budgeted for. In these cases the Council has used the Dividend Equalisation Reserve to smooth the impact on the general rate requirement.

The returns from Port Taranaki Ltd have the potential to fluctuate significantly. The Council uses the Dividend Equalisation Reserve to smooth fluctuations in dividend returns from Port Taranaki Ltd and, consequently, smooth the impact on general rate changes. Technically the use of the Dividend Equalisation Reserve results in unbalanced budgets where in some years the Council has surpluses and in others deficits.

The Council is required to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. For 2016/2017, the Council's projected operating revenues are sufficient to cover projected operating expenses.

The Taranaki Regional Council adopted and authorised the issue of the *Annual Plan* and prospective financial information on 17 May 2016. The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Statement of Comprehensive Revenue and Expense

2015/2016 Estimate $		2016/2017 Estimate $	2016/2017 LTP $
	Cost of services		
13,520,568	Resource management	13,364,221	14,092,004
1,732,518	Biosecurity	1,839,759	2,049,707
3,920,323	Transport	4,005,988	4,085,566
1,289,946	Hazard management	1,252,274	1,256,997
3,294,658	Recreation, culture and heritage	3,440,463	3,453,908
1,208,004	Regional representation, advocacy & investment management	1,459,074	1,284,028
24,966,017	**Total operating expenditure**	**25,361,779**	**26,222,210**
	Revenue from exchange transactions		
3,889,777	Direct charges revenue	3,765,701	4,040,966
1,015,000	Rent revenue	1,050,000	1,093,250
4,477,000	Dividends	4,924,700	4,924,700
	Revenue from non-exchange transactions		
7,461,874	General rates revenue	7,536,493	7,536,493
1,665,845	Targeted rates revenue	1,820,603	1,695,935
4,120,609	Direct charges revenue	3,641,703	4,405,345
1,868,411	Government grants	2,405,930	2,262,530
0	Vested assets	0	0
24,498,516	**Total income**	**25,145,130**	**25,959,219**
(467,501)	**Operating surplus/(deficit) before finance income and expenses and taxation**	**(216,649)**	**(262,991)**
813,529	Finance income	525,000	596,552
0	Finance expense	0	0
813,529	Net finance expense	525,000	596,552
346,028	Operating surplus before taxation	308,351	333,561
	Other gains/losses		
0	Gains/(losses) on revaluation of properties	0	0
346,028	Operating surplus before taxation	308,351	333,561
0	Income tax expense	0	0
346,028	**Surplus/(deficit) for the period**	**308,351**	**333,561**
	Other comprehensive income		
0	Revaluation of property, plant and equipment	0	0
0	**Other comprehensive income, net of tax**	**0**	**0**
346,028	**Operating surplus/(deficit)**	**308,351**	**333,561**

This statement should be read in conjunction with the *Summary of Accounting policies* and the *Explanatory notes to the financial statements.*

Statement of Changes in Net Assets/Equity

2015/2016 Estimate $		2016/2017 Estimate $	2016/2017 LTP $
	Retained Earnings		
63,847,794	**As at 1 July**	**64,121,717**	**64,231,127**
346,028	Total comprehensive income for the period	308,351	333,561
(72,105)	Transfers to and from reserves	351,290	295,443
64,121,717	**As at 30 June**	**64,781,358**	**64,860,131**
	Reserves		
11,511,409	**As at 1 July**	**11,583,514**	**11,332,050**
0	Total comprehensive income for the period	0	0
72,105	Transfers to and from reserves	(351,290)	(295,443)
11,583,514	**As at 30 June**	**11,232,224**	**11,036,607**
	Asset revaluation reserves		
3,841,414	**As at 1 July**	**3,723,232**	**3,841,414**
0	Total comprehensive income for the period	0	0
-118,182	Transfers to and from reserves	0	0
3,723,232	**As at 30 June**	**3,723,232**	**3,841,414**
	Total equity		
79,200,617	**As at 1 July**	**79,428,463**	**79,404,591**
346,028	Total comprehensive income for the period	308,351	333,561
(118,182)	Transfers to and from reserves	0	0
79,428,463	**As at 30 June**	**79,736,814**	**79,738,152**

This statement should be read in conjunction with the *Summary of Accounting policies* and the *Explanatory notes to the financial statements.*

Statement of Financial Position

2015/2016 Estimate $		2016/2017 Estimate $	2016/2017 LTP $
	Current assets		
706,193	Cash and cash equivalents	914,877	1,073,788
5,500,000	Current portion of investments	0	0
960,000	Receivables from exchange transactions	960,000	984,000
1,040,000	Receivables from non-exchange transactions	1,040,000	1,066,000
100,000	Prepayments	100,000	102,500
400,000	Work-in-progress	400,000	410,000
8,706,193	**Total current assets**	**3,414,877**	**3,636,288**
	Non current assets		
7,407,975	Treasury investments	9,407,975	9,408,975
26,000,000	Port Taranaki Ltd	26,000,000	26,000,000
1,000	Civic Assurance Ltd	1,000	1,000
798,118	Regional Software Holdings Ltd	798,118	798,118
0	Yarrow Stadium Trust	0	0
14,617,000	Investment properties	14,617,000	14,901,500
628,071	Intangible assets	1,018,071	800,917
25,505,106	Property, plant and equipment	28,714,773	28,465,604
74,957,270	**Total non current assets**	**80,556,937**	**80,376,114**
83,663,463	**Total assets**	**83,971,814**	**84,012,402**
	Current liabilities		
2,000,000	Accounts payable	2,000,000	2,050,000
500,000	Work-in-progress	500,000	512,500
935,000	Employee entitlements	935,000	943,000
3,435,000	**Total current liabilities**	**3,435,000**	**3,505,500**
	Non current liabilities		
800,000	Employee entitlements	800,000	768,750
800,000	**Total non current liabilities**	**800,000**	**768,750**
4,235,000	**Total liabilities**	**4,235,000**	**4,274,250**
	Public equity		
64,121,717	Retained earnings	64,781,358	64,860,131
11,583,514	Reserves	11,232,224	11,036,607
3,723,232	Asset revaluation reserves	3,723,232	3,841,414
79,428,463	**Total public equity**	**79,736,814**	**79,738,152**
83,663,463	**Total liabilities and equity**	**83,971,814**	**84,012,402**

This statement should be read in conjunction with the *Summary of Accounting policies* and the *Explanatory notes to the financial statements.*

Statement of Cash Flows

2015/2016 Estimate $		2016/2017 Estimate $	2016/2017 LTP $
	Cash flows from operating activities		
	Cash was provided from:		
9,127,719	Rates	9,357,096	9,232,428
813,529	Interest	525,000	596,552
4,477,000	Dividends	4,924,700	4,924,700
0	Goods and services tax	0	0
5,289,937	Other exchange transactions	5,522,592	5,616,569
5,603,860	Other non-exchange transactions	5,340,742	6,123,022
25,312,045		25,670,130	26,493,271
	Cash was applied to:		
23,549,787	Employees and suppliers	23,744,046	24,439,676
50,000	Taxation	50,000	50,000
23,599,787		23,794,046	24,489,676
1,712,258	**Net cash flows from operating activities**	**1,876,084**	**2,003,595**
	Cash flows from investing activities		
	Cash was provided from:		
2,000,000	Investments	3,500,000	3,499,000
303,000	Property, plant and equipment	235,000	235,000
2,303,000		3,735,000	3,734,000
	Cash was applied to:		
0	Investments	0	0
3,741,150	Property, plant and equipment	5,402,400	5,370,000
3,741,150		5,402,400	5,370,000
(1,438,150)	**Net cash flows from investing activities**	**(1,667,400)**	**(1,636,000)**
274,108	**Net increase/(decrease) in cash and cash equivalents**	**208,684**	**367,595**
432,085	Opening cash balance	706,193	706,193
706,193	**Closing cash and cash equivalents**	**914,877**	**1,073,788**

This statement should be read in conjunction with the *Summary of Accounting policies* and the *Explanatory notes to the financial statements*.

Funding Impact Statement

FUNDING IMPACT STATEMENT

The total estimated expenditure for the Taranaki Regional Council for 2016/2017 is $25,361,779. This expenditure will be funded from the following sources. These funding/financing sources are consistent with the Council's *Revenue and Financing Policy*.

2015/2016 Estimate $		2016/2017 Estimate $	2016/2017 LTP $
4,835,724	General rates	4,743,441	4,324,483
2,626,150	UAGC	2,793,053	3,212,010
1,665,845	Targeted rates	1,820,603	1,695,935
4,120,609	Direct charges	7,407,404	8,446,311
1,868,411	Government grants	2,405,930	2,262,530
4,477,000	Dividends	4,924,700	4,924,700
1,015,000	Rent revenue	1,050,000	1,093,250
0	Vested assets	0	0
0	Gains/(losses) on property revaluation	0	0
813,529	Finance income	525,000	596,552
52,516	Transfer from reserves	412,000	377,000
(124,621)	Transfer to reserves	(60,710)	(81,557)
21,350,163	**Total funding**	**26,021,420**	**26,851,214**

CAPITAL VALUE GENERAL RATE

The Council proposes a general rate on the capital value on each rating unit in the region. The estimated general rate (in cents in the dollar of capital value) for 2016/2017 is 0.0183873 (GST inclusive). The Council proposes no differentials on the general rate. The general rate will be equalised between the three districts in the Taranaki region (see page 46). The rates to be collected from each district are:

- New Plymouth and North Taranaki constituencies—to produce $3,365,708 at a rate of 0.0205717 cents in the dollar of capital value GST inclusive
- Stratford constituency—to produce $528,585 at a rate of 0.0203114 cents in the dollar of capital value GST inclusive
- South Taranaki constituency—to produce $1,560,663 at a rate of 0.0152979 cents in the dollar of capital value GST inclusive

UNIFORM ANNUAL GENERAL CHARGE

The Council proposes a uniform annual general charge of $60.38 (GST inclusive) on all separately used or inhabited parts of a rating unit in the region to produce $3,212,010 (GST inclusive).

Separately used or inhabited part of a rating unit (SUIP): A SUIP is defined as a separately used or occupied part of a rating unit and includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use.

Separately used or inhabited for a residential rating unit includes a building or part of a building that contains, two or more separately occupiable units, flats or houses each of which is separately inhabited or is capable of separate inhabitation

Separately used or inhabited for a small holding or farmland property rating unit includes a rural property/farm with multiple dwellings (e.g., a house is used by a farm worker) each of which is separately inhabited or is capable of separate inhabitation

Separately used or inhabited for a commercial or industrial rating unit: means a building or part of a building that is, or intended to be, or is able to be, separately tenanted, leased or subleased for commercial purposes

An exception is made for motels/hotels as these are treated as one business even if each accommodation unit may be capable of separate habitation.

This definition of SUIP only applies to the uniform annual general charge as the Council does not set a fixed charge for any other rates.

TARGETED RATES

The following table summarises the types of targeted rate, the group of activities or activity funded by that targeted rate together with the matters and factors of the targeted rates.

Group of activities funded	Type of rates	Types of land to be funded	Different categories
Hazard management	Flood and river control works rate	All properties in the New Plymouth and North Taranaki constituencies of the Taranaki region	Capital value
Transport	Passenger transport services rate	All properties in the New Plymouth and North Taranaki constituencies of the Taranaki region	Capital value
Transport	Passenger transport services rate	All properties in the Stratford constituency of the Taranaki region	Capital value
Transport	Passenger transport services rate	All properties in the South Taranaki constituency of the Taranaki region	Capital value
Recreation, culture and heritage	Yarrow Stadium rate	All properties in the New Plymouth and North Taranaki constituencies of the Taranaki region	Differential land value

The Council proposes the following targeted rates for 2016/2017:

- A targeted rate for flood and river control works on the capital value on each rating unit in the New Plymouth and North Taranaki constituencies of the Taranaki region. The estimated targeted rate (in cents in the dollar of capital value) for 2016/2017 is 0.004659 GST inclusive to produce $762,309 (GST inclusive).
- A targeted rate for passenger transport services on the capital value on each rating unit in the New Plymouth and North Taranaki constituencies of the Taranaki region. The estimated targeted rate (in cents in the dollar of capital value) for 2016/2017 is 0.005616 GST inclusive to produce $918,850 (GST inclusive).
- A targeted rate for passenger transport services on the capital value on each rating unit in the Stratford constituency of the Taranaki region. The estimated targeted rate (in cents in the dollar of capital value) for 2016/2017 is 0.000776 GST inclusive to produce $20,186 (GST inclusive).
- A targeted rate for passenger transport services on the capital value on each rating unit in the South Taranaki constituency of the Taranaki region. The estimated targeted rate (in cents in the dollar of capital value) for 2016/2017 is 0.000380 GST inclusive to produce $38,777 (GST inclusive).
- A differential targeted rate for Yarrow Stadium on the land value on each rating unit in the New Plymouth and North Taranaki constituencies of the Taranaki region. The estimated targeted rate (in cents in the dollar of land value) for 2016/2017 for each differential category is:
  - Group 1 Commercial and Industrial to produce $168,519 at a rate of 0.022003 cents in the dollar of land value GST inclusive
  - Group 2 Residential to produce $158,252 at a rate of 0.003708 cents in the dollar of land value GST inclusive
  - Group 3 Small holdings to produce $9,010 at a rate of 0.001970 cents in the dollar of land value GST inclusive
  - Group 4 Farmland to produce $17,792 at a rate of 0.000643 cents in the dollar of land value GST inclusive.

The Council differentiates the Yarrow Stadium targeted rate based on land use. The differential categories are:

- Group 1: Commercial/industrial. All rating units that are used primarily for any commercial or industrial purpose.
- Group 2: Residential. All rating units with a land area of one hectare or less, not being rating units in Group 1, used for residential and related purposes.
- Group 3: Small holdings. All rating units, not being rating units included in Groups 1 or 2, having a land area of more than one hectare but no greater than four hectares.
- Group 4: Farmland. All rating units, not being rating units included in Group 1, 2 or 3, having a land area in excess of four hectares.

The above figures are estimated cents in the dollar rates based upon the required revenue to be recovered from each type of rate and the current capital or land value of the region or sub-part of the region. The final capital or land value of the region or sub-part of the region used to set the rates (in July 2016) will be different from the values used in the above calculations. The effect on the cents in the dollar rates is not expected to be significant.

The Council does not require a lump sum contribution for any of its targeted rates.

DUE DATES

All rates will be payable in four equal instalments due on:
Instalment 1: 31 August 2016.
Instalment 2: 30 November 2016.
Instalment 3: 22 February 2017.
Instalment 4: 31 May 2017.

PENALTIES AND DISCOUNTS

Pursuant to Section 57 and 58 of the *Local Government (Rating) Act 2002* the following penalties on unpaid rates will be applied.

A charge of 10 percent on so much of any instalment that has been assessed after 1 July 2016 and which remains unpaid after the due date for that instalment.

The Council will charge a penalty of 10 per cent on any rates that were assessed or levied in any previous financial years and which remain unpaid on 30 September 2016 and a further additional penalty of 10 per cent on any rates that were assessed or levied in any previous financial years and which remain unpaid on 31 March 2017 (New Plymouth and North Taranaki constituencies).

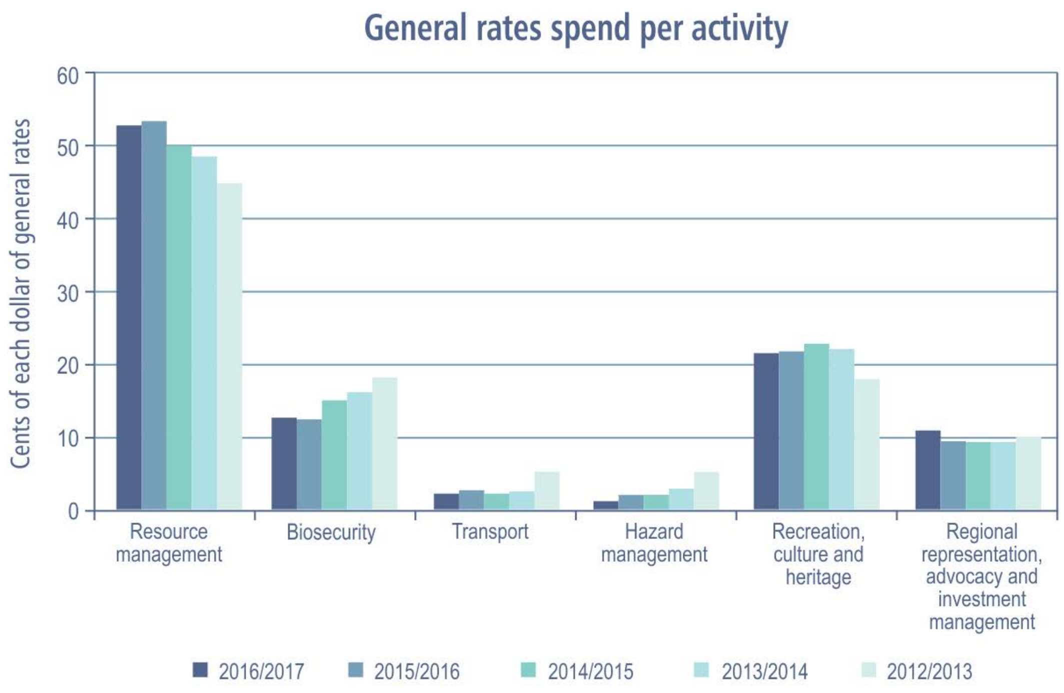
The Council will charge a penalty of 10% on so much of any rates levied before 1 July 2016 which remain unpaid on 10 July 2016 or such later date as required under section 58(1) (b) (ii). A continuing additional penalty of 10% on so much of any rates levied before 1 July 2015 which remain unpaid six months after the previous penalty was added (Stratford constituency).

The Council will allow a discount of 3% where a ratepayer pays the year's rates in full on or before the due date of the first instalment for the year (South Taranaki constituency only). This will be xx August 2016.

PAYMENT LOCATIONS

The Council's rates and charges will become due and payable at the principal offices and service centres of the region's district councils. The rates and charges can also be paid at the principal office of the Taranaki Regional Council.

EACH DOLLAR OF GENERAL RATES COLLECTED IS SPENT IN THE FOLLOWING MANNER:



RATING IMPACT

The following are examples of the level of total rates that different groups of ratepayers will incur in 2016/2017 under this *Annual Plan*. All figures are GST exclusive. These figures are calculated on the equalised capital value of each district. The actual rates struck will be on the unequalised capital value. Accordingly, there will be some differences (expected to be minor) between the figures below and the final rates figures charged.

RATEPAYERS IN THE NEW PLYMOUTH AND NORTH TARANAKI CONSTITUENCIES:

In these constituencies ratepayers incur a mixture of capital value general rates, uniform annual general charges, capital value targeted rates and land value targeted rates. To determine the rates for any property, refer to the table for that type of property and then look by capital value (columns) and land value (rows). For instance, a residential ratepayer with a capital value of $300,000 and a land value of $100,000 will pay **$144.24** in total regional council rates (see highlighted example below).

Commercial and industrial property					
Capital value of property:	$200,000	$300,000	$500,000	$750,000	$1,000,000
Land value of property:					
$50,000	$121.08	$150.59	$209.60	$283.37	$357.14
$100,000	$130.65	$160.15	$219.17	$292.94	$366.70
$150,000	$140.21	$169.72	$228.73	$302.50	$376.27
$300,000	$168.91	$198.42	$257.43	$331.20	$404.97
$500,000	$207.18	$236.69	$295.70	$369.47	$443.23

Residential property					
Capital value of property:	$200,000	**$300,000**	$500,000	$750,000	$1,000,000
Land value of property:					
$50,000	$113.13	**$142.63**	$201.65	$275.41	$349.18
$100,000	**$114.74**	$144.24	**$203.26**	**$277.03**	**$350.79**
$150,000	$116.35	**$145.86**	$204.87	$278.64	$352.41
$300,000	$121.19	**$150.69**	$209.71	$283.47	$357.24

Small holdings property					
Capital value of property:	$200,000	$300,000	$500,000	$750,000	$1,000,000
Land value of property:					
$50,000	$112.37	$141.88	$200.89	$274.66	$348.43
$100,000	$113.23	$142.73	$201.75	$275.52	$349.28
$150,000	$114.08	$143.59	$202.60	$276.37	$350.14
$300,000	$116.65	$146.16	$205.17	$278.94	$352.71

Farmland property					
Capital value of property:	$500,000	$1,000,000	$2,000,000	$3,000,000	$5,000,000
Land value of property:					
$250,000	$201.43	$348.97	$644.04	$939.11	$1,529.24
$500,000	$202.83	$350.36	$645.43	$940.50	$1,530.64
$1,000,000	$205.62	$353.16	$648.23	$943.30	$1,533.44
$1,500,000	$208.42	$355.95	$651.02	$946.09	$1,536.23
$2,000,000	$211.21	$358.74	$653.81	$948.88	$1,539.02

RATEPAYERS IN THE STRATFORD AND SOUTH TARANAKI CONSTITUENCIES:

In these constituencies, ratepayers incur a mixture of capital value general rates, uniform annual general charges and capital value targeted rates.

Stratford constituency					
Capital value of property:	$200,000	$500,000	$1,000,000	$2,000,000	$5,000,000
Total rates	$94.47	$157.43	$262.36	$472.22	$1,101.79

South Taranaki constituency					
Capital value of property:	$200,000	$500,000	$1,000,000	$2,000,000	$5,000,000
Total rates	$83.76	$130.64	$208.78	$365.07	$833.92

ACTUAL RATES TO BE PAID

To calculate the approximate rates payable for a property, obtain the rateable land value and capital vale from the Rates Assessment Notice issued by your local district council and then complete the attached table. All figures include GST. For example if you own a residential property in the North Taranaki constituency with a capital value of $400,000 and a land value of $120,000, then the rates calculation would be as follows:

EXAMPLE

New Plymouth and North Taranaki Constituencies					
Capital Value (CV):		*$400,000*	Land Value (LV):		*$120,000*
Rate	**Factor**	**Differential**	**Value**	**Rate**	**Amount**
General	CV		$400,000	0.000206	$82.29
UAGC			1	$60.38	$60.38
River control	CV		$400,000	0.000047	$18.64
Transport	CV		$400,000	0.000056	$22.46
Yarrow Stadium	LV	Residential	$120,000	0.000037	$4.45
	LV	Commercial/industrial		0.000220	N/A
	LV	Farmland		0.000006	N/A
	LV	Small holding		0.000020	N/A
Total rates					**$188.21**

New Plymouth and North Taranaki Constituencies					
Capital Value (CV):			Land Value (LV):		
Rate	**Factor**	**Differential**	**Value**	**Rate**	**Amount**
General	CV			0.000206	
UAGC			1	$60.38	$60.38
River control	CV			0.000047	
Transport	CV			0.000056	
Yarrow Stadium	LV	Residential		0.000037	
	LV	Commercial/industrial		0.000220	
	LV	Farmland		0.000006	
	LV	Small holding		0.000020	
Total rates					

Stratford Constituency					
Capital Value (CV):			Land Value (LV):		
Rate	**Factor**	**Differential**	**Value**	**Rate**	**Amount**
General	CV			0.000203	
UAGC			1	$60.38	$60.38
Transport	CV			0.000008	
Total rates					

South Taranaki Constituency					
Capital Value (CV):			Land Value (LV):		
Rate	**Factor**	**Differential**	**Value**	**Rate**	**Amount**
General	CV			0.000153	
UAGC			1	$60.38	$60.38
Transport	CV			0.000004	
Total rates					

The three Taranaki based district councils collect regional general rates on behalf of the Taranaki Regional Council. The projected apportionment of general rates between districts is as follows:

District	Capital Value Equalised $	%	Estimated Rate Revenue $	GST $	GST incl rate revenue $	Rate in the $ excl GST
2008/2009						
New Plymouth	16,317,475,000	58.02%	2,142,537	267,818	2,410,355	
Stratford	2,671,991,000	9.50%	350,812	43,852	394,664	
South Taranaki	9,134,143,000	32.48%	1,199,407	149,925	1,349,332	
	28,123,609,000	100.00%	3,692,756	461,595	4,154,351	0.014772
2009/2010						
New Plymouth	16,024,055,000	56.63%	2,076,891	259,611	2,336,502	
Stratford	2,957,872,000	10.45%	383,251	47,906	431,157	
South Taranaki	9,313,618,000	32.92%	1,207,332	150,917	1,358,249	
	28,295,545,000	100.00%	3,667,474	458,434	4,125,908	0.012962
2010/2011						
New Plymouth	14,961,826,000	59.11%	2,580,986	322,623	2,903,609	
Stratford	2,401,563,000	9.49%	414,372	51,797	466,169	
South Taranaki	7,948,075,000	31.40%	1,371,053	171,382	1,542,435	
	25,311,464,000	100.00%	4,366,411	545,802	4,912,213	0.017251
2011/2012						
New Plymouth	15,950,320,000	60.42%	$2,766,026	$414,904	$3,180,930	
Stratford	2,662,041,000	10.08%	$461,638	$69,246	$530,884	
South Taranaki	7,787,200,000	29.50%	$1,350,418	$202,563	$1,552,981	
	26,399,561,000	100.00%	$4,578,083	$686,712	$5,264,795	0.017342
2012/2013						
New Plymouth	13,290,429,000	55.07%	2,588,117	388,218	2,976,335	
Stratford	2,593,336,050	10.74%	504,746	75,712	580,458	
South Taranaki	8,252,154,000	34.19%	1,606,823	241,023	1,847,846	
	24,135,919,050	100.00%	4,699,686	704,953	5,404,639	0.019471
2013/2014						
New Plymouth	$16,094,949,00	60.17%	$2,765,159	$414,774	$3,179,933	
Stratford	$2,586,302,000	9.67%	$444,392	$66,659	$511,051	
South Taranaki	$8,069,489,050	30.16%	$1,386,026	$207,904	$1,593,930	
	$26,750,740,00	100.00%	$4,595,578	$689,337	$5,284,915	0.017179
2014/2015						
New Plymouth	16,453,922,100	59.03%	2,734,493	410,174	3,144,667	
Stratford	2,633,724,816	9.45%	437,760	65,664	503,424	
South Taranaki	8,786,039,704	31.52%	1,460,126	219,019	1,679,145	
	27,873,686,620	100.00%	4,632,379	694,857	5,327,236	0.016619
2015/2016						
New Plymouth	16,961,017,823	59.66%	2,822,044	423,307	3,245,341	
Stratford	2,663,615,050	9.37%	443,221	66,483	509,704	
South Taranaki	8,805,959,674	30.97%	1,464,946	219,742	1,684,688	
	28,430,592,547	100.00%	4,730,211	709,532	5,439,743	0.016638
2016/2017						
New Plymouth	18,304,730,066	61.70%	$2,926,703	$439,005	$3,365,708	
Stratford	2,873,743,895	9.69%	$459,639	$68,946	$528,585	
South Taranaki	8,488,451,250	28.61%	$1,357,098	$203,565	$1,560,663	
	29,666,925,211	100.00%	$4,743,441	$711,516	$5,454,957	0.015989

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

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

WHOLE OF COUNCIL FUNDING IMPACT STATEMENT

2015/2016 Estimate $ Annual Plan		2016/2017 Estimate $ Annual Plan	2016/2017 Estimate $ LTP
	Sources of operating funding		
7,461,874	General rates, uniform annual general charges, rates penalties	7,536,494	7,536,493
1,665,845	Targeted rates	1,820,603	1,695,935
1,790,923	Subsidies and grants for operating purposes	1,601,930	1,458,530
8,010,386	Fees and charges	7,407,404	8,438,886
6,305,529	Interest and dividends from investments	6,499,700	6,614,502
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
25,234,557	**Total operating funding**	**24,866,131**	**25,744,346**
	Applications of operating funding		
23,599,785	Payments to staff and suppliers	23,809,900	24,612,257
0	Finance costs	0	0
0	Other operating funding applications	0	0
23,599,785	**Total applications of operating funding**	**23,809,900**	**24,612,257**
1,634,772	**Surplus/(deficit) of operating funding**	**1,056,231**	**1,132,089**
	Sources of capital funding		
38,744	Subsidies and grants for capital expenditure	402,000	402,000
0	Development and financial contributions	0	0
0	Increase/(decrease) in debt	0	0
303,000	Gross proceeds from sale of assets	235,000	235,000
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
341,744	**Total sources of capital funding**	**637,000**	**637,000**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
180,000	- improve the level of service	40,000	0
3,561,150	- replace existing assets	5,362,400	5,370,000
71,509	Increase/(decrease) in reserves	(351,290)	(295,443)
(1,836,143)	Increase/(decrease) in investments	(3,357,879)	(3,305,468)
1,976,516	**Total applications of capital funding**	**1,693,231**	**1,769,089**
(1,634,772)	**Surplus/(deficit) of capital funding**	**(1,056,231)**	**(1,132,089)**
0	**Funding balance**	**0**	**0**

RESOURCE MANAGEMENT FUNDING IMPACT STATEMENT

2015/2016 Estimate $ Annual Plan		2016/2017 Estimate $ Annual Plan	2016/2017 Estimate $ LTP
	Sources of operating funding		
3,841,829	General rates, uniform annual general charges, rates penalties	3,986,371	3,884,818
0	Targeted rates	0	0
245,000	Subsidies and grants for operating purposes	300,000	245,000
6,161,020	Fees and charges	5,608,690	6,517,998
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
10,247,849	**Total operating funding**	**9,895,061**	**10,647,816**
	Applications of operating funding		
9,142,854	Payments to staff and suppliers	8,790,150	9,636,933
0	Finance costs	0	0
3,964,979	Internal charges and overheads applied	4,140,094	4,011,360
0	Other operating funding applications	0	0
13,107,833	**Total applications of operating funding**	**12,930,244**	**13,648,293**
(2,859,984)	**Surplus/(deficit) of operating funding**	**(3,035,183)**	**(3,000,477)**
	Sources of capital funding		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase/(decrease) in debt	0	0
127,000	Gross proceeds from sale of assets	94,000	94,000
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
127,000	**Total sources of capital funding**	**94,000**	**94,000**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
779,750	- replace existing assets	598,600	656,200
0	Increase/(decrease) in reserves	0	0
(3,512,734)	Increase/(decrease) in investments	(3,539,783)	(3,562,677)
(2,732,984)	**Total applications of capital funding**	**(2,941,183)**	**(2,906,477)**
2,859,984	**Surplus/(deficit) of capital funding**	**3,035,183**	**3,000,477**
0	**Funding balance**	**0**	**0**

BIOSECURITY FUNDING IMPACT STATEMENT

2015/2016 Estimate $ Annual Plan		2016/2017 Estimate $ Annual Plan	2016/2017 Estimate $ LTP
	Sources of operating funding		
905,043	General rates, uniform annual general charges, rates penalties	727,847	850,460
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
106,500	Fees and charges	106,500	108,250
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
1,011,543	**Total operating funding**	**834,347**	**958,710**
	Applications of operating funding		
1,067,345	Payments to staff and suppliers	1,258,250	1,384,157
0	Finance costs	0	0
562,132	Internal charges and overheads applied	481,270	564,945
0	Other operating funding applications	0	0
1,629,477	**Total applications of operating funding**	**1,739,520**	**1,949,102**
(617,934)	**Surplus/(deficit) of operating funding**	**(905,173)**	**(990,392)**
	Sources of capital funding		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase/(decrease) in debt	0	0
113,000	Gross proceeds from sale of assets	60,000	60,000
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
113,000	**Total sources of capital funding**	**60,000**	**60,000**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
335,200	- replace existing assets	172,500	172,500
50,000	Increase/(decrease) in reserves	(372,000)	(337,000)
(890,134)	Increase/(decrease) in investments	(645,673)	(765,892)
(504,934)	**Total applications of capital funding**	**(845,173)**	**(930,392)**
617,934	**Surplus/(deficit) of capital funding**	**905,173**	**990,392**
0	**Funding balance**	**0**	**0**

TRANSPORT FUNDING IMPACT STATEMENT

2015/2016 Estimate $ Annual Plan		2016/2017 Estimate $ Annual Plan	2016/2017 Estimate $ LTP
	Sources of operating funding		
168,015	General rates, uniform annual general charges, rates penalties	149,796	175,822
748,774	Targeted rates	850,272	810,821
1,545,923	Subsidies and grants for operating purposes	1,301,930	1,213,530
1,234,086	Fees and charges	1,136,450	1,296,551
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
3,696,798	**Total operating funding**	**3,438,448**	**3,496,724**
	Applications of operating funding		
3,767,293	Payments to staff and suppliers	3,851,102	3,901,645
0	Finance costs	0	0
145,288	Internal charges and overheads applied	146,080	146,015
0	Other operating funding applications	0	0
3,912,581	**Total applications of operating funding**	**3,997,182**	**4,047,660**
(215,783)	**Surplus/(deficit) of operating funding**	**(558,734)**	**(550,936)**
	Sources of capital funding		
38,744	Subsidies and grants for capital expenditure	402,000	402,000
0	Development and financial contributions	0	0
0	Increase/(decrease) in debt	0	0
0	Gross proceeds from sale of assets	8,000	8,000
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
38,744	**Total sources of capital funding**	**410,000**	**410,000**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
66,800	- replace existing assets	725,000	725,000
(41,655)	Increase/(decrease) in reserves	(35,180)	(30,962)
(202,184)	Increase/(decrease) in investments	(838,554)	(834,974)
(177,039)	**Total applications of capital funding**	**(148,734)**	**(140,936)**
215,783	**Surplus/(deficit) of capital funding**	**558,734**	**550,936**
0	**Funding balance**	**0**	**0**

HAZARD MANAGEMENT FUNDING IMPACT STATEMENT—CIVIL DEFENCE EMERGENCY MANAGEMENT

2015/2016 Estimate $ Annual Plan		2016/2017 Estimate $ Annual Plan	2016/2017 Estimate $ LTP
	Sources of operating funding		
203,460	General rates, uniform annual general charges, rates penalties	176,810	200,940
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
376,780	Fees and charges	392,764	379,087
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
580,240	**Total operating funding**	**569,574**	**580,027**
	Applications of operating funding		
509,827	Payments to staff and suppliers	491,667	515,977
0	Finance costs	0	0
206,635	Internal charges and overheads applied	198,776	207,670
0	Other operating funding applications	0	0
716,462	**Total applications of operating funding**	**690,443**	**723,647**
(136,222)	**Surplus/(deficit) of operating funding**	**(120,869)**	**(143,620)**
	Sources of capital funding		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase/(decrease) in debt	0	0
8,000	Gross proceeds from sale of assets	10,000	10,000
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
8,000	**Total sources of capital funding**	**10,000**	**10,000**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
69,400	- replace existing assets	44,800	44,800
0	Increase/(decrease) in reserves	0	0
(197,622)	Increase/(decrease) in investments	(155,669)	(178,420)
(128,222)	**Total applications of capital funding**	**(110,869)**	**(133,620)**
136,222	**Surplus/(deficit) of capital funding**	**120,869**	**143,620**
0	**Funding balance**	**0**	**0**

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

2015/2016 Estimate $ Annual Plan		2016/2017 Estimate $ Annual Plan	2016/2017 Estimate $ LTP
	Sources of operating funding		
130,555	General rates, uniform annual general charges, rates penalties	116,806	134,417
624,533	Targeted rates	662,877	584,007
0	Subsidies and grants for operating purposes	0	0
20,000	Fees and charges	20,000	20,500
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
775,088	**Total operating funding**	**799,683**	**738,924**
	Applications of operating funding		
418,721	Payments to staff and suppliers	410,590	380,630
0	Finance costs	0	0
105,664	Internal charges and overheads applied	106,240	106,192
0	Other operating funding applications	0	0
524,385	**Total applications of operating funding**	**516,830**	**486,822**
250,703	**Surplus/(deficit) of operating funding**	**282,853**	**252,102**
	Sources of capital funding		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase/(decrease) in debt	0	0
8,000	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
8,000	**Total sources of capital funding**	**0**	**0**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
180,000	- improve the level of service	40,000	0
0	- replace existing assets	0	0
63,164	Increase/(decrease) in reserves	55,890	72,519
15,539	Increase/(decrease) in investments	186,963	179,583
258,703	**Total applications of capital funding**	**282,853**	**252,102**
(250,703)	**Surplus/(deficit) of capital funding**	**(282,853)**	**(252,102)**
0	**Funding balance**	**0**	**0**

RECREATION, CULTURE AND HERITAGE FUNDING IMPACT STATEMENT

2015/2016 Estimate $ Annual Plan		2016/2017 Estimate $ Annual Plan	2016/2017 Estimate $ LTP
	Sources of operating funding		
1,564,434	General rates, uniform annual general charges, rates penalties	1,601,390	1,613,134
292,538	Targeted rates	307,454	301,107
0	Subsidies and grants for operating purposes	0	0
105,000	Fees and charges	138,000	109,500
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
1,961,972	**Total operating funding**	**2,046,844**	**2,023,741**
	Applications of operating funding		
2,192,755	Payments to staff and suppliers	2,229,267	2,215,581
0	Finance costs	0	0
808,330	Internal charges and overheads applied	812,741	812,372
0	Other operating funding applications	0	0
3,001,085	**Total applications of operating funding**	**3,042,008**	**3,027,953**
(1,039,113)	**Surplus/(deficit) of operating funding**	**(995,164)**	**(1,004,212)**
	Sources of capital funding		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase/(decrease) in debt	0	0
31,000	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
31,000	**Total sources of capital funding**	**0**	**0**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
1,686,500	- replace existing assets	2,839,000	2,789,000
0	Increase/(decrease) in reserves	0	0
(2,694,613)	Increase/(decrease) in investments	(3,834,164)	(3,793,212)
(1,008,113)	**Total applications of capital funding**	**(995,164)**	**(1,004,212)**
1,039,113	**Surplus/(deficit) of capital funding**	**995,164**	**1,004,212**
0	**Funding balance**	**0**	**0**

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT FUNDING IMPACT STATEMENT

2015/2016 Estimate $ Annual Plan		2016/2017 Estimate $ Annual Plan	2016/2017 Estimate $ LTP
	Sources of operating funding		
648,538	General rates, uniform annual general charges, rates penalties	777,474	676,902
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
7,000	Fees and charges	5,000	7,000
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
655,538	**Total operating funding**	**782,474**	**683,902**
	Applications of operating funding		
786,833	Payments to staff and suppliers	995,452	860,493
0	Finance costs	0	0
405,221	Internal charges and overheads applied	437,181	407,249
0	Other operating funding applications	0	0
1,192,054	**Total applications of operating funding**	**1,432,633**	**1,267,742**
(536,516)	**Surplus/(deficit) of operating funding**	**(650,159)**	**(583,840)**
	Sources of capital funding		
0	Subsidies and grants for capital expenditure	0	0
0	Development and financial contributions	0	0
0	Increase/(decrease) in debt	0	0
16,000	Gross proceeds from sale of assets	63,000	63,000
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
16,000	**Total sources of capital funding**	**63,000**	**63,000**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
623,500	- replace existing assets	982,500	982,500
0	Increase/(decrease) in reserves	0	0
(1,144,016)	Increase/(decrease) in investments	(1,569,659)	(1,503,340)
(520,516)	**Total applications of capital funding**	**(587,159)**	**(520,840)**
536,516	**Surplus/(deficit) of capital funding**	**650,159**	**583,840**
0	**Funding balance**	**0**	**0**

Explanatory Notes to the Financial Statements

SUMMARY OF ACCOUNTING POLICIES

REPORTING ENTITY

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

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

The principal activity of the Taranaki Regional Council is the provision of local authority services, including resource management, biosecurity, transport services, hazard management, recreation and cultural services and regional representation to ratepayers and other residents of the Taranaki region.
The financial statements have been prepared in accordance with the requirements of the *Local Government Act 2002*, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

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

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

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

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

The financial statements are presented in New Zealand dollars. The functional currency of Taranaki Regional Council is New Zealand dollars.

SIGNIFICANT ACCOUNTING POLICIES

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

SUBSIDIARIES

Consolidated prospective financial statements have not been prepared for the purposes of this *Plan*. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements in this *Plan* is to provide users with information about the core services that the Council intends to provide, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of the Council.

REVENUE

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

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

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

Revenue from non-exchange transactions
General and targeted rates
General and targeted rates are set annually and invoiced within the year. The Council recognises revenue from rates when the Council has struck the rate and provided the rates assessment. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable.

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

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

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

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

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

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

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

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

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

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

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

Rental revenue
Rental revenue arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the *Statement of Comprehensive Revenue and Expense* due to its operating nature.

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

INCOME TAX

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the *Statement of Comprehensive Revenue and Expense*. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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

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

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

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

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

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

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

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

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

FOREIGN CURRENCY

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

CASH AND CASH EQUIVALENTS

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

INVENTORIES

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

Stocks of riparian plants are valued at the lower of weighted average cost or net realisable value. Stocks of maintenance materials and supplies are valued at the lower of weighted average cost or net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. The write down from cost to net realisable value is recognised in the surplus or deficit in the *Statement of Comprehensive Revenue and Expense*.

FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

- Financial assets at fair value through surplus or deficit
- Loans and receivables

- Held to maturity investments
- Available for sale financial assets

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

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

Financial assets at fair value through surplus or deficit are carried in the *Statement of Financial Position* at fair value with net changes in fair value presented as other losses (negative net changes in fair value) or other gains (positive net changes in fair value) in the *Statement of Comprehensive Revenue and Expense*.

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

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

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

The effective interest rate amortisation is included in finance income in the *Statement of Comprehensive Revenue and Expense*.

The losses arising from impairment are recognised in the *Statement of Comprehensive Revenue and Expense* in finance costs for loans and in cost of sales or other operating expenses for receivables.

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

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

The effective interest rate amortisation is included as finance income in the *Statement of Comprehensive Revenue and Expense*.

The losses arising from impairment are recognised in the *Statement of Comprehensive Revenue and Expense* as finance costs.

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

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

- the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or;
- the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the *Statement of Comprehensive Revenue and Expense* in finance costs.

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

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the Council's *Statement of Financial Position*) primarily when:

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

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

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

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

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

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in surplus or deficit.

Interest income (recorded as finance income in the *Statement of Comprehensive Revenue and Expense*) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the effective interest rate amortisation process. The effective interest rate amortisation is included as finance costs in the *Statement of Comprehensive Revenue and Expense*.

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

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

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

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

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

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

Derivatives
A derivative is a financial instrument or contract whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, credit index or other variable. It requires no or a nominal initial investment and is settled at a later date.

The Council may enter into foreign currency forward exchange contracts, to hedge foreign currency transactions when purchasing major fixed assets and when payment is denominated in foreign currency. Gains and losses on such contracts are recognised in the profit or loss each year at balance date or date of completion by restating the liability to fair value at balance date or at the time of settlement.

Cash flow hedges: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the profit or loss with finance expenses.

If the hedging instrument no longer meets the criteria for hedge accounting, expires, or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the hedging reserve remains there until the forecast transaction occurs. When the hedged item is a nonfinancial asset, the amount recognised in the hedging reserve is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in the hedging reserve is transferred to the profit or loss in the same period that the hedged item affects the profit or loss.

NON-CURRENT ASSETS HELD FOR SALE

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

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

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

Assets and liabilities classified as held for sale or for distribution are presented separately as current items in the *Statement of Financial Position*.

IMPAIRMENT OF ASSETS

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

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

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

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

Impairment of non-cash-generating assets
For non-financial non-cash-generating assets, except for those assets that are valued using the revaluation model, the Council 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 Council estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

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

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

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

Impairment losses are recognised immediately in surplus or deficit.

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

PROPERTY, PLANT AND EQUIPMENT

These assets consist of:

- Operational assets. These include land, buildings, motor vehicles, plant & equipment, office furniture, computer equipment, maintenance and capital dredging, port installations, floating plant and bulk tanks.
- Infrastructure assets. These are fixed utility systems owned by the Council such as the Waitara and Waiwhakaiho River Flood Protection Scheme assets. Each asset type includes all items that are required for the network to function.

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

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

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

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

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

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

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

Revaluation is performed on a class-by-class basis. If an item of property, plant and equipment is revalued, the entire class to which the asset belongs is revalued.

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The valuation cycle for revalued asset classes is normally three years.

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

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

Buildings	5 to 50 yrs	2 to 20%
Motor vehicles	5 yrs	20%
Plant and equipment	2.5 to 25 yrs	4 to 40%
Office furniture and fittings	5 to 10 yrs	10 to 20%
Computer equipment	3 to 5 yrs	20 to 33%
Port installations	5 to 66 yrs	0.67 to 20%
Floating plant	3 to 25 yrs	4 to 33%
Resource consents	25 yrs	4%
Maintenance dredging	2 yrs	50%
Capital dredging	50 yrs	2%
Bulk tanks	5 to 25 yrs	4 to 20%

The residual value and the useful life of assets are reviewed at least annually.

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

The cost of maintenance dredging incurred is expensed over the period of benefit through to the commencement of the next dredging campaign. The value of the unexpired portion of maintenance dredging at balance date is reflected in property, plant and equipment.

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

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

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

INTANGIBLE ASSETS

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

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

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

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

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

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

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

Computer software	2 to 5 yrs	20 to 50%

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

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

RESEARCH AND DEVELOPMENT

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

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

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

INVESTMENT PROPERTY

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

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

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

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

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

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

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

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

EMPLOYEE BENEFITS

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

Long service leave
Employees of the Council 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 Council's liability is based on an actuarial valuation. Actuarial gains and losses on the long-term incentives are fully accounted for in the *Statement of Comprehensive Revenue and Expense*.

PROVISIONS

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

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

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

BORROWINGS

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Council and Council have chosen not to capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

EQUITY

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

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

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

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

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

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

GOODS AND SERVICES TAX (GST)

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the *Statement of Financial Position*.

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

COST ALLOCATIONS

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

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

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

LEASES

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

Council as a lessee
Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Council. 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 Council also recognises the associated lease liability at the inception of the lease, at the same amount as the capitalised leased asset.

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

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

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

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

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

STATEMENT OF CASH FLOWS

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

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

WORK-IN-PROGRESS

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

Judgements that management have made regarding the estimated useful life of plant property and equipment, the fair value of property, plant and equipment, the valuation of employee entitlements and the value of receivables are disclosed in *Summary of Accounting Policies.*

RESERVES

Reserve funds are utilised to provide a fund for expenditure on specific purposes. In some circumstances the reserves are a legal requirement. The Council holds the following reserve funds:

NORTH TARANAKI/WAITARA RIVER CONTROL SCHEME RESERVE

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

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

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

	2016/2017 Estimate $
Opening balance 1 July	1,397,257
Transfer from retained earnings	55,890
Transfer to retained earnings	0
Closing balance 30 June	**1,546,644**

CONTINGENCY/DISASTER RESERVE

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

	2016/2017 Estimate $
Opening balance 1 July	1,086,000
Transfer from retained earnings	0
Transfer to retained earnings	0
Closing balance 30 June	**1,086,000**

DIVIDEND EQUALISATION RESERVE

The Council transfers dividends received in excess of budget to this reserve. The reserve is to be used to equalise dividend returns over time. Dividends in excess of budget since 1996/97 have been transferred to the reserve. Prior to 1996/97 all dividends were used to repay debt incurred during the incorporation of Port Taranaki Ltd. From 1996/97 onwards dividends have been used to reduce the general rate requirement. This reserve fund relates to all groups of activities.

	2016/2017 Estimate $
Opening balance 1 July	6,395,766
Transfer from retained earnings	0
Transfer to retained earnings	0
Closing balance 30 June	**6,395,766**

PASSENGER TRANSPORT TARGETED RATE RESERVE (NEW PLYMOUTH/NORTH TARANAKI)

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

	2016/2017 Estimate $
Opening balance 1 July	120,491
Transfer from retained earnings	4,820
Transfer to retained earnings	40,000
Closing balance 30 June	**85,311**

PEST ANIMAL MANAGEMENT: EGMONT NATIONAL PARK CONTROL RESERVE

This reserve was created to meet the Council's share of the costs associated with initial control works and maintenance works resulting from the cyclical pest control works undertaken by the Department of Conservation in the Egmont National Park. This reserve smoothes the Council's revenue and expenditure. Funds are transferred to the reserve annually. When the Council's expenditure is incurred the funding is sourced from the reserve fund. This reserve fund relates to the *Biosecurity* group of activities.

	2016/2017 Estimate $
Opening balance 1 July	414,000
Transfer from retained earnings	0
Transfer to retained earnings	372,000
Closing balance 30 June	**42,000**

ENDOWMENT LAND SALES RESERVE

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

	2016/2017 Estimate $
Opening balance 1 July	2,170,000
Transfer from retained earnings	0
Transfer to retained earnings	0
Closing balance 30 June	**2,170,000**

STATEMENT OF COMPREHENSIVE INCOME

Included in the *Statement of Comprehensive Revenue and Expense* but not separately disclosed, are the following balances:

Year	Depreciation	Employee Benefits
2016/2017	$1,567,733	$11,045,241

CONTINGENCIES

Pursuant to the *Waitara Harbours Act 1940*, the Council has an interest in 180ha of New Plymouth District Council owned Waitara Harbour endowment lands. In the event of the sale of part or all of these lands by the New Plymouth District Council, the Council has a contingent asset. At this stage, the value is uncertain.

RATING BASE INFORMATION

The following table presents the projected rating base information for the Taranaki Regional Council as at 30 June 2016.

Constituency	Number of rating units	Capital value of rating units $	Land value of rating units $
New Plymouth & North Taranaki	35,390	16,824,235,490	8,599,420,790
Stratford	4,742	2,650,623,050	1,685,973,550
South Taranaki	14,138	10,230,000,000	7,255,000,000
Total	**54,270**	**29,704,858,540**	**17,540,394,340**

Council-Controlled Organisations

A council-controlled organisation can be a company, partnership, trust, arrangement for the sharing of profits, union of interest, co-operation, joint venture or other similar arrangement in which one or more local authorities, directly or indirectly, controls the organisation.

TARANAKI STADIUM TRUST

The Taranaki Stadium Trust is a charitable trust and a council-controlled organisation under the *Local Government Act 2002*. The Taranaki Stadium Trust (formerly the Yarrow Stadium Trust) was established in November 1999 to own and operate the then new Yarrow Stadium (the revamped former Rugby Park). The Taranaki Stadium Trust has no subsidiaries or joint ventures.

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

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

The performance of Taranaki Stadium Trust can be judged against the following measures:

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

SIGNIFICANT POLICIES AND OBLIGATIONS ON OWNERSHIP AND CONTROL

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.

REGIONAL SOFTWARE HOLDINGS LTD

Regional Software Holdings Ltd is a company governed by the *Companies Act 1993* and incorporated in New Zealand. Regional Software Holdings Ltd is a council-controlled organisation pursuant to the *Local Government Act 2002*. Regional Software Holdings Ltd has no subsidiaries or joint ventures.

Regional Software Holdings Ltd provides a framework for collaboration between the regional council 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. The company operates through managed contractual arrangements, and by facilitating collaborative initiatives between shareholder councils. Some shareholder councils are both customers of Regional Software Holdings Ltd and providers of service to Regional Software Holdings Ltd.

The mission of Regional Software Holdings Ltd is to Provide long term shared software resources that are relevant to regional council activities and are fit for purpose, reliable, robust, resilient and cost effective.

The purpose of Regional Software Holdings Ltd is to:

- Develop, maintain and licence the software intellectual property to the Shareholders and other customers on an ongoing basis
- Ensure the Company operates in a cost effective manner that reduces costs and risks to the shareholders
- Provide a framework for collaboration between the shareholder councils and other customers for the development and implementation of an IT platform or IT platforms over the long term
- Provide RSHL shareholders and customers with application software products and services in a manner that achieves:
    - Continuity of supply
    - Influence / control of the destiny of Regional Council sector specific software
    - Risk reduction
    - Economies of scale
    - Driving best practice through standardisation.

The current flagship is the Integrated Regional Information System (IRIS).

The performance of Regional Software Holdings Ltd can be judged against the following measures:

Non-financial

- RSHL Advisory Group meets regularly & is effective (self-assessed by the Advisory Group, compared to expectations in the Terms of Reference for the Advisory Group)
- A robust and consistent process operates to develop, approve, communicate and refine the annual roadmap for RSHL major enhancement projects. is developed and approved.
- Major enhancement projects identified on the Annual Roadmap are completed on time and within budget.
- Budgets and processes for support and minor enhancements are effectively managed. (assessed by the Advisory Group)
- User (non-IT) participation in RSHL management and development processes is increased. (Measured by membership of formal RSHL groups)
- Reporting and Payments (Section 9.3 of Business Plan) are completed on time
- Consider a new service area or areas outside of the current scope of IRIS.

Financial

- RSHL will operate within 5% (plus or minus) of its overall annual budget.
- Annual charges: increase in cost to councils not to exceed the CPI.

Growth

- Respond to requests from Councils with the intent of adding one further Council to IRIS as a shareholder or customer by end of 2018.

SIGNIFICANT POLICIES AND OBLIGATIONS ON OWNERSHIP AND CONTROL

The Council will retain its shareholding in Regional Software Holdings Ltd as long as it remains a user of the IRIS solution.

Reporting and Prudence Regulations

ANNUAL PLAN DISCLOSURE STATEMENT FOR THE YEAR ENDING 30 JUNE 2017

What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned 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 plan 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.

Benchmark		Planned	Met
Rates affordability benchmark			Yes
• Income	Total rates will not exceed 60% of total revenue.	36%	Yes
• Increases	Total rates increase will not exceed 5% of total expenditure.	2.51%	Yes
Debt affordability benchmark	Total interest expense on net external public debt will not exceed 40% of total annual rates and levies.	0%	Yes
Balanced budget benchmark	100%	101%	Yes
Essential services benchmark	100%	The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. The Council's only network services are in relation to flood protection and control works. The Council does not provide any of the other network services. These network services are in the form of land assets. Accordingly, there is no depreciation on these assets. The Council's capital expenditure will always be equal to or greater than the depreciation expense.	Yes
Debt servicing benchmark	10%	0%	Yes

Notes

Rates affordability benchmark

For this benchmark,—

(a) the Council's planned rates income for the year is compared with a quantified limit on rates contained in the Financial Strategy included in the Council's Long-Term Plan; and

(b) the Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the Financial Strategy included in the Council's Long-Term Plan.

The Council meets the rates affordability benchmark if—

(a) its planned rates income for the year equals or is less than each quantified limit on rates; and

(b) its planned rates increases for the year equal or are less than each quantified limit on rates increases.

Debt affordability benchmark

For this benchmark, the Council's planned borrowing is compared with a quantified limit on borrowing contained in the Financial Strategy included in the Council's Long-Term Plan.

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

Balanced budget benchmark
For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

Essential services benchmark
For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Debt servicing benchmark
For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned 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 that the Council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Appendix 1: Resource Management Act Charging Policy

SCHEDULE OF CHARGES PURSUANT TO SECTION 36 OF THE *RESOURCE MANAGEMENT ACT 1991*

SCHEDULE 1: SCALE OF CHARGES FOR STAFF TIME

	Rate for processing resource consents and responding to pollution incidents.	Rate for all other Council work.
Professional staff	$88/hr	$83/hr
Professional/supervisory staff	$112/hr	$104/hr
Managers	$162/hr	$151/hr
Support staff	$88/hr	$83/hr
Directors	$270/hr	$250/hr

EXPLANATION

This scale of charges is used to calculate the Council's actual and reasonable costs when carrying out functions under the *Resource Management Act 1991*, including any functions transferred to it under section 33. Where those actual and reasonable costs exceed any specified charges, the Council may recover those costs as additional charges under section 36(3) of the *Resource Management Act 1991*. Staff time is recovered at the charge appropriate to the task which they are undertaking. The charges are calculated as per the IPENZ method with a multiplier of 2.1. All collection costs incurred in the recovery of a debt will be added to the amount due. Overdue invoices will incur an interest charge at 12% per annum. All charges exclude GST. Effective from 1 July 2016.

SCHEDULE 2: FIXED MINIMUM CHARGES FOR THE PREPARATION OR CHANGE OF POLICY STATEMENT OR PLANS AND THE PROCESSING OF RESOURCE CONSENTS

Request for preparation or change to a plan/policy statement	$50,000
For non-notified farm dairy discharge consent	$680
For non-notified consent other	$1,020
For notified consents (limited and public)	$6,800
Renewal, change or review of consent:	
Non-notified	$680
Notified (limited and public)	$6,800
Extension of a consent lapse date	$448
Certificate of compliance	$561
Approvals under Resource Management Act Water Measuring Regulations	$340
Transfer of consent to another party or change of consent holder name	$91

EXPLANATION

Applicants, in accordance with Council policy, are required, where necessary, to pay all actual and reasonable charges for staff time, consultants, legal, hearing costs (including legal, administration, hearing commissioners (and disbursements and councillors acting as hearing commissioners costs), plant and laboratory analyses where these costs exceed the fixed minimum charges set out in Schedule 2. The above charges include those arising from any functions transferred to the Council under section 33 of the *Resource Management Act 1991*. Where independent commissioners are requested by submitters, these additional costs will be recovered from the applicant and reimbursed after collection from the submitter under Schedule 8. All collection costs incurred in the recovery of a debt will be added to the amount due. Overdue invoices will incur an interest charge at 12% per annum. All charges exclude GST. Effective from 1 July 2016.

SCHEDULE 3: SCALE OF CHARGES FOR THE USE OF PLANT

Multi-parameter field meter	$100.00 per day
Hydrological gauging equipment (wading)	$60.00 per gauging
Hydrological gauging equipment (M9)	$120.00 per gauging
In stream temperature monitor	$300.00 per year
Portable (12v) groundwater pump	$120.00 per day
Suspended particulate sampler	$30.00 per hour
Vandorn sampler	$50.00 per day
Black disc	$20.00 per deployment
Bladder pump	$450.00 per day
Calibration test equipment hire	$100.00 per hour
Disposabale bailer	$20.00 per sample
Peristaltic pump	$120.00 per day
Rain gauge calibration	$300.00 per deployment
Automatic water quality samplers	$50.00 per day
Betrand Rd telemetry	$2,000.00 per year
Lake Rotorangi telemetry	$1,752.00 per year
Mangati Stream telemetry	$2,900.00 per year
Mangawhero telemetry	$2,000.00 per year
Mangowheroiti telemetry	$2,000.00 per year
Otakeho telemetry	$2,000.00 per year
Patea River telemetry	$3,000.00 per year
Standard telemetry site equipment	$2,500.00 per year
Tawhiti River telemetry	$3,500.00 per year
Telemetry fee	$360.00 per year
Waingongoro River telemetry	$2,000.00 per year
Multigas monitor	$100.00 per deployment
Passive absorption disks	$170.00 per sample
Portable wind logger	$350.00 per month
BTEX absorption disk	$530.00 per sample
Deposition gauge	$50.00 per month
Drager air sampler	$40.00 per sample
DusTrak desktop monitor (PM10)	$100.00 per day
DusTrak handheld	$30.00 per deployment
Gastec air sampler	$50.00 per sample
Stack air sampling kits	$250.00 per day
Macroinvertebrate sample processing	$334.00 per sample
Oxipond algal analysis	$50.00 per sample
Periphyton aspirator	$100.00 per day
Soil biomonitoring	$7,658.00 per year

Ballance riparian administration	$3,000.00 per year
Riverlands riparian administration	$1,400.00 per year
Digital video survey	$100.00 per day
Sound system	$120.00 per day
Survey equipment	$50.00 per day
Traffic management (TMS)	$87.00 per hour
Video survey equipment	$50.00 per day
Motorboat - Delia S	$2,000.00 per day
Quad bike	$350.00 per day
Single axle trailer	$70.00 per day
Tandem trailer	$95.00 per day
Spill response trailer	$250.00 per day
Teryx ATV	$500.00 per day
Electric fishing equipment	$250.00 per day
Electrical submersible pump	$50.00 per day
Fyke net	$50.00 per deployment
G-minnow trap	$10.00 per deployment
Spray unit	$200.00 per day
GPRS telemetry	$30 per month
Radio telemetry	$10 per month
Repair Parts (battery/fuse/cable)	$50 per deployment

EXPLANATION

This scale of charges is used to calculate the Council's actual and reasonable costs when carrying out functions under the Resource Management Act 1991. Where those actual and reasonable costs exceed any specified amounts, the Council may recover those costs as additional charges under section 36(3) of the Resource Management Act 1991. The use of materials stored in the spill response trailer and/or used in spill response will be recovered from the spiller on an actual and reasonable basis. All collection costs incurred in the recovery of a debt will be added to the amount due. Overdue invoices will incur an interest charge at 12% per annum. All charges exclude GST. Effective from 1 July 2016.

SCHEDULE 4: FIXED MINIMUM CHARGES FOR LABORATORY ANALYSES

pH	$16.00
Alkalinity	$22.00
Acidity	$22.00
Conductivity	$16.00
Salinity	$16.00
Turbidity	$16.00
Absorbance - filtered	$16.00
Hardness	$22.00
Boron	$31.00
Chloride	$28.00
Sulphate	$31.00
Sulphide	$28.00
Fluoride	$28.00
Silica - reactive dissolved	$28.00
Chlorine (kit)	$22.00
Formaldehyde (kit)	$22.00
Nitrogen - Ammonia	$28.00
Nitrogen - Nitrite	$28.00
Nitrogen - Nitrate	$35.00
Nitrogen - Urea	$35.00
Nitrogen - Total	$46.00
Phosphorus - Total	$35.00
Phosphorus - reactive dissolved	$28.00
Settleable solids	$16.00
Suspended solids	$35.00
Total Grease	$86.00
Floatable grease	$92.00
Oil and Grease, or Hydrocarbons	$102.00
Oil and Grease, and Hydrocarbons	$105.00
Chlorophyll	$51.00
Cyanide (total)	$78.50
Phenol (total)	$78.50
Methanol	$51.00
Biochemical oxygen demand:	
- clean water	$43.50
- wastewater	$89.00
- filtered BOD - clean water	$57.00
- filtered BOD - wastewater	$101.00
Chemical oxygen demand - filtered	$61.50
Chemical oxygen demand - total	$51.00
DO meter - Field	$23.00
Metals - direct soluble/acid soluble (includes cations)	$23.00
Metals - total	$51.00
Mercury - total	$76.00
Vanadium (gallic acid)	$51.00
Faecal coliforms or E.coli (Membrane filtration)	$38.00
Faecal coliforms and E.coli (Membrane filtration)	$40.00
Enterococci - Water/Wastewater (Membrane filtration)	$40.00
Faecol coliforms (MPN)	$91.00
Enterococci (MPN)	$91.00
Shellfish (MPN)	$109.00
Soil - Sample preparation	$38.00
Air deposition filters	$31.00
1080	$75.00
Metals -mussels/shellfish	$38.00

EXPLANATION

This schedule sets out the fixed minimum charges for laboratory analyses, and is also a scale of charges that will be used to calculate the Council's actual and reasonable costs when carrying out functions under the *Resource Management Act 1991*. Where those actual and reasonable costs exceed the fixed charges in this schedule, the Council may recover those costs as additional charges under section 36(3) of the *Resource Management Act 1991*. An explanation of the methods used for laboratory analyses is available on request. All collection costs incurred in the recovery of a debt will be added to the amount due. Overdue invoices will incur an interest charge at 12% per annum. Charges exclude GST. Effective from 1 July 2016.

SCHEDULE 5: FIXED INITIAL ANNUAL MONITORING DEPOSIT CHARGES FOR ACTIVITIES WITH TAILORED COMPLIANCE MONITORING PROGRAMMES 2016/2017

CATCHMENTS - HEREKAWE STREAM

Chevron New Zealand	$2,160
Methanex Motunui Limited	$3,100
New Plymouth District Council	$1,714
Shell Todd Oil Services Limited (New Plymouth)	$4,712
Origin Energy Resources (Kupe) Ltd	$2,108

CATCHMENTS - HONGIHONGI STREAM

Bulk Storage Terminals Limited	$3,490
Fonterra Limited	$1,596
Greymouth Petroleum Limited	$1,417
Liquigas Limited	$1,998
Molten Metals Limited	$2,792
New Plymouth District Council	$1,946
New Zealand Oil Services Ltd	$2,608

Shell Todd Oil Services Limited (Head Office)	$2,162

CATCHMENTS - LOWER WAIWHAKAIHO AIRSHED

Downer EDI Works Limited	$7,277
Fitzroy Engineering Group Limited	$7,875
Katere Surface Coatings Limited	$3,673
Ravensdown Limited	$5,443
Taranaki Drum & Pallet Recycling	$1,075
Taranaki Regional Council	$6,844

CATCHMENTS - LOWER WAIWHAKAIHO RIVER

AML Limited [Trading as Allied Concrete]	$2,866
Downer EDI Works Limited	$2,920
Envirowaste Services Limited	$3,679
Farmlands Co-operative Society Limited	$3,278
Firth Industries Limited	$2,938
Fitzroy Engineering Group Limited	$3,558
Freight & Bulk Transport Limited	$3,841
Nankervis Family Trust	$2,492
New Plymouth District Council	$10,681
New Zealand Decorative Concrete Limited	$1,352
New Zealand Railways Corporation	$5,169
Ravensdown Fertiliser Co-operative Limited	$11,394
Taranaki Regional Council	$2,096
Taranaki Sawmills Limited	$9,469
Technix Group Limited	$3,618

CATCHMENTS - MANGATI STREAM

ABB Limited (TRANSFORMER DIVISION)	$4,870
ABB Transformers Limited	$890
GrainCorp Feeds Limited	$6,729
Greymouth Petroleum Acquisition Company Limited	$5,557
Halliburton New Zealand	$5,214
J Swap Contractors Limited	$5,134
McKechnie Aluminium Solutions Limited	$7,543
New Plymouth District Council	$5,362
Nexans New Zealand Limited	$5,616
OMV New Zealand Limited	$4,625
Schlumberger New Zealand Limited	$6,166
Taranaki Regional Council	$1,213
Tasman Oil Tools Limited	$5,403
Tegel Foods Limited (Feedmill)	$8,423
Tegel Foods Limited (Poultry Processing Plant)	$16,001
TIL Freighting Limited	$7,371
Vector Gas Limited (NEW PLYMOUTH)	$2,224

CATCHMENTS - TAWHITI STREAM

Graeme Lowe Protein Limited	$7,336
Silver Fern Farms Management Limited	$13,755
Taranaki Fish & Game Council	$1,304

CATCHMENTS - WAITAHA STREAM

AICA (NZ) Limited	$11,015
C&O Concrete Products Limited	$1,359
Energyworks Limited	$2,790
Greymouth Facilities Limited	$1,819
Intergroup Limited	$2,375
Meredith Scrap Metals Limited	$4,364
New Plymouth District Council	$3,186
Symons Property Developments Limited	$2,838
Taranaki Sawmills Limited	$4,678
TBS Coatings Limited	$3,786
Weatherford New Zealand Limited	$4,143
Woodwards 2008 Limited	$620

Zelam Limited (NEW PLYMOUTH)	$1,062

DAIRY PROCESSING

Fonterra Co-operative Group Limited, Kapuni	$1,043
Fonterra Co-operative Group Limited, Whareroa	$58,651
Fonterra Limited	$89,063
Taranaki Regional Council	$1,008

HYDRO-ELECTRIC ENERGY

Opunake Hydro Limited	$10,921
Renewable Power Limited	$12,678
Trustpower Limited	$57,181

INDUSTRIAL

Ballance Agri-Nutrients Limited	$744
Dow AgroSciences (NZ) Limited	$21,618
Downer New Zealand Limited	$943
Fonterra Limited	$681
McKechnie Aluminium Solutions Limited	$18,830
Methanex Motunui Limited	$2,255
New Zealand Oil Services Ltd	$1,949
Port Taranaki Limited	$6,094
Powerco Limited	$665
Sandford Bros Limited	$1,052
Solexin Industries Limited	$637
Taranaki Bulk Storage Limited	$744
Technix Taranaki Terminal Limited	$706
Transpower New Zealand Limited	$1,537
Tranzit Coachlines Taranaki Limited	$637

LANDFILL

New Plymouth District Council	$3,644
South Taranaki District Council	$3,425
Stratford District Council	$1,773

LANDFILLS/CLEANFILLS

A & A George Family Trust	$1,333
AA Contracting Limited	$1,538
AE Riddick	$1,445
Barry & Lynette Bishop	$1,382
Central Greenwaste 2012	$707
Dimar Partnership	$2,201
Dorset Fibre Farm	$1,333
Downer EDI Works Ltd	$1,445
Downer NZ Limited	$1,505
Gas & Plumbing Ltd	$1,393
Graham Harris (2000) Limited	$1,445
Groundworkx Taranaki Limited	$749
JW & CT Bailey Ltd	$1,078
Malandra Downs Limited	$1,690
New Plymouth District Council	$64,222
South Taranaki District Council	$27,450
Stratford District Council	$6,236
Taranaki Trucking Company Limited	$1,218
TPJ Partnership	$3,378
Value Timber Supplies Limited	$2,774
Waverley Sawmills Limited	$5,674
Westown Haulage Limited	$2,594

MARINE DISCHARGES

Anzco Foods Waitara Limited (ELTHAM)	$4,063
New Plymouth District Council	$37,728
Port Taranaki Limited	$3,271

MEAT PROCESSING

Gold International Meat Processors Limited	$20,534
Riverlands Eltham Limited (ELTHAM)	$39,675
Silver Fern Farms Limited (Waitotara)	$11,969
Silver Fern Farms Management Limited	$509
Taranaki By-Products Limited	$93,689

MINOR INDUSTRIES

Allied Concrete Limited	$1,123
Arabac Aerial Abseil Access [NZ] Limited	$560
Berridge Pet Food	$484
Blastways Limited	$560
Coastal Services Limited	$560
Edmonds Industrial Coatings Ltd	$560
Egmont Canine Retreat and Cattery	$484
Eltham Sandblasting Limited	$560
Firth Industries	$1,123
Fletcher Concrete & Infrastructure Limited	$1,123
Fulton Hogan Limited (New Plymouth)	$484
Hawera Rewinds	$484
Independent Services	$83
Indian Blast & Paint Limited	$560
Inglewood Timber Processors	$484
Intergroup Limited	$560
JD Hickman 1997 Family Trust	$3,206
Lorry Land Limited	$484
M Hooper	$560
Napier Sandblasting Co Limited	$560
New Plymouth District Council	$6,062
Nickel Blast & Paint 2013	$560
Osflo Fertiliser Limited	$6,586
P Jones	$484
Pacific Natural Gut String Co. Limited	$1,902
Soda Blast (Taranaki) Limited	$560
Soda Blast Limited	$560
Taranaki Galvanizers Limited	$4,982
Transpower New Zealand Limited (WELLINGTON)	$560
W Abraham Limited	$3,453
Waverley Sawmills Limited	$328

MISCELLANEOUS

New Plymouth District Council	$5,432
New Plymouth District Council & Methanex Motunui Ltd	$165
New Plymouth Girls' High School	$151
New Zealand Railways Corporation	$165
Pungarehu Community Committee	$151
South Taranaki District Council	$5,335
Stratford District Council	$151
Stratford High School	$151

NON-RENEWABLE ENERGY

Contact Energy Limited	$34,996
Port Taranaki Limited	$208

PETROCHEMICAL

Ballance Agri-Nutrients (Kapuni) Limited	$32,266
Bridge Petroleum Limited	$1,118
BTW Company Limited (NEW PLYMOUTH)	$7,363
CD Boyd	$22,211
Cheal Petroleum Limited	$21,147
Contact Energy Limited (WELLINGTON)	$5,616
Energy Services International Limited	$1,142
Greymouth Petroleum Acquisition Company Limited	$19,514
Greymouth Petroleum Limited	$32,407
Methanex Motunui Limited	$21,887
Nova Energy Limited	$4,269
NZEC Tariki Limited	$976
NZEC Waihapa Limited (NZ Energy Corp.)	$9,022
NZEC Waihapa Limited and NZEC Tariki Limited	$221
Origin Energy Resources (Kupe) Limited	$16,678
Origin Energy Resources NZ (Rimu) Limited	$21,277
Petrochem Limited	$4,290
Remediation (NZ) Limited	$50,642
Shell Exploration NZ Limited	$10,431
Shell Todd Oil Services Limited	$40,140
Surrey Road Landfarms Limited	$11,877
TAG Oil (NZ) Limited	$14,825
Taranaki Ventures II Limited	$355
Taranaki Ventures Limited	$7,173
Todd Energy Limited	$28,052
TWN Limited Partnership	$12,721
Vector Gas Trading Limited	$7,474
Vector Limited (Hawera)	$6,856
Waikaikai Farms Limited	$14,639
Waste Remediation Services Limited	$13,817
Wood Group M & O	$1,225

PIGGERIES

Aorere Farms Partnership	$956
DH Lepper Trust	$6,490
NZ Pure Bred Pig Genetics Limited	$3,630
RKM Farms Limited	$4,882

QUARRIES

AA Contracting Limited	$1,113
CD Boyd	$1,113
Dennis Mark & Diane Lillian Bourke	$1,112
Ferndene Quarries Limited	$1,950
Gavin & Linda Jones	$1,105
Gibson Family Trust	$1,965
Goodin AG Limited	$853
Grant Cudby Contracting Limited	$2,607
Gully Rock Limited	$4,374
Hey Trust	$593
Horizon Trust Management Limited	$1,690
Inglewood Metal Limited	$5,380
Jones Quarry Limited	$2,685
OW Burgess & TH Crowley Partnership	$1,369
R A Wallis Ltd (HAWERA)	$1,950
RJ Dreaver	$1,113
Taranaki Trucking Company Limited	$1,950
Taunt Contracting Limited	$593
Vickers Quarries Limited	$5,333
Waverley Bulk Transport Limited	$853
Whitaker Civil Engineering Limited	$1,373
Winstone Aggregates Limited	$1,581

SEWERAGE DISCHARGES AND TREATMENT

CD Boyd	$3,425
Dawson Falls Mountain Lodge Ltd	$1,008
New Plymouth District Council	$10,307
South Taranaki District Council	$84,484
Stratford District Council	$11,201
Wai-iti Motor Camp Limited	$2,984

IRRIGATION

AL & LA Campbell	$2,119
Anthony Ingman & Kerstin Johanna Williams	$2,015
BR & RG Harvey Family Trust	$527

Coastal Country Farms Limited	$2,015
Cornwall Park Farms Limited	$527
Craig Timothy & Joanne Maree McDonald	$2,015
David & Ann Gibson	$2,427
David Pease Family Trust	$2,015
DR Wilson	$2,933
Estate Andrew & Elva N Barkla	$2,119
FJ Goodin & Sons Limited	$2,119
Fonic Farms Limited	$887
Geary AR Trust (A R Geary)	$2,375
Gibbs G Trust	$535
Graham & Ruby Dorn	$1,219
Greg McCallum	$1,453
GSJ Trust	$2,119
Hawera Golf Club Inc	$345
Ian Mantey Family Trust & Sally Mantey Family Trust	$527
Inglewood Golf Club Inc	$873
James & Donna-Maree Baker	$2,312
Jimian Limited	$2,015
John & Elaine Glenda Sanderson	$4,029
JW & MT Hamblyn Family Trusts	$1,631
Kaihihi Trust	$2,119
Kaitake Golf Club Inc	$769
KCCG Sole Trust	$1,271
Kereone Farms Limited	$7,485
Kohi Investments Limited	$2,015
Kokako Road Limited	$2,119
Larsen Trusts Partnership	$2,015
Leatherleaf Limited	$2,015
Luttrell Trust Partnership	$1,355
Manaia Golf Club	$449
Manukorihi Golf Club Inc	$829
Mara Trust	$2,020
New Plymouth Golf Club Inc	$1,729
Nigel Wayne & Denise Mary King	$2,015
Nilock & Camole Trusts	$2,015
NRGE Farms Limited/Oceanview Trust	$2,015
Ohawe Farm Limited	$527
Pihama Farms Limited	$2,015
Pinehill Land Company Limited	$2,015
Pukeone Partnership	$6,551
RA & SM Geary Trusts Partnership	$959
Riverside Farms Taranaki Ltd	$2,020
RM & MC Julian Family Trust	$2,015
Roger Dickie Family Trust	$631
Spenceview Farms	$3,055
Stratford Golf Club Inc	$553
Taranaki Community Rugby Trust	$2,171
Taranaki Regional Council	$4,338
Te Ngutu Golf Club Incorporated	$925
Waikaikai Farms Limited	$2,135
Waitara Golf Club Inc	$769
Waiwira Trust	$2,379
Walker & McLean Partnership	$1,331
Wayne Douglas & Sandra Christine Morrison	$3,328
Westown Golf Club Incorporated	$769
Woollaston Family Trust Partnership	$2,015

WATER TAKES

A Middleton	$397
Awatea Hawkes Bay Trust	$657
Belmont Dairies Limited	$501
Caiseal Trust Partnership	$501
Carter AJ Limited	$605
ClearAz Taranaki Spring Water	$605
Cold Creek Community Water Supply Limited	$11,756
Construction Mechanics (1993) Limited	$501
D Krumm	$397
DP & JH Roper Family Trusts Partnership	$605
Eric & Cedric Lander	$501
G Lance	$605
Gwerder Brothers	$605
Hernly Farm Limited	$501
I Cassie	$605
Ian & Judith Armstrong	$605
IHC New Zealand Inc (NORTH TARANAKI)	$605
Kaipi Holdings Limited	$501
Living Light 2000 Limited	$241
MD Aiken Family Trust	$845
MJ Fahy & MO Fahy	$605
Naplin Trust	$605
New Plymouth District Council	$10,012
Ngatoro Poultry Limited	$501
Norwood Farm Partnership	$501
Nukumaru Water Scheme Society Inc	$605
Oakura Farms Limited	$605
Oaonui Water Supply Limited	$1,721
Pariroa Marae (The Trustees)	$605
PKW Farms LP	$1,001
Pungarehu Farmers Group Water Scheme	$2,379
SB & J May Family Trust	$501
SC & MJ O'Neill Family Trust	$501
Sona Chosta Limited	$605
South Taranaki District Council	$33,760
Stratford District Council	$4,839
Taranaki Greenhouses Limited	$605
Taranaki Thoroughbred Racing	$6,013
Te Rua O te Moko 2B Ahuwhenua Trust	$605
Todd Energy Limited	$605
Vickers B & NM & Church G & CG	$605
Wairau Nurseries	$241

EXPLANATION

The Council's fixed initial deposit charges for activities with tailored compliance monitoring programmes are presented in various groups based on the nature of the discharge and/or type of industry. Any additional costs over and above the initial fixed deposit will be charged in arrears.

For new tailored compliance monitoring programmes or inclusion of new consents into existing programmes (that arise between the setting of these charges and the end of the financial year that they relate to), an estimate will be provided to the consent holder and compliance monitoring work charged according to this. Where no invoice is provided, compliance monitoring costs will be recovered per Schedule 6 or 7 of this *Plan*.

Additional charges may be levied under section 36(3) of the *Resource Management Act 1991* where the Council's actual and reasonable costs exceed the fixed monitoring charge. See the scales of charges for staff time, consultants, plant and laboratory analyses set out in Schedules 1, 3 and 4. The above charges include those arising from any functions transferred to the Council under section 33 of the *Resource Management Act 1991*. All collection costs incurred in the recovery of a debt will be added to the amount due. Overdue invoices will incur an interest charge at 12% per annum. All charges exclude GST. Effective from 1 July 2016.

SCHEDULE 6: FIXED MINIMUM CHARGES FOR MONITORING FARM DAIRY DISCHARGES

The fixed charges for farm dairy discharge compliance monitoring inspection and sampling are set out below:

Discharge to land consent: $295
Discharge to water, no sampling: $295
Discharge to water consent, including sampling discharge and receiving environment: $880
Discharge to land and water consent, including sampling discharge and receiving environment: $946
Discharge to land and water consent, no sampling: $339

Where non-compliance is detected the following additional monitoring re-inspection and sampling fixed charge may apply:

	Minor Non-compliance	Significant Non-compliance
Discharge to land or water consent, no sampling	$732	$1,352
Discharge to water consent, including sampling and reinspection	$1,166	$1,786

EXPLANATION

The above fixed minimum charges for the annual farm dairy discharge compliance monitoring inspection and re-inspection, both including sampling, are based on actual and reasonable charges for staff time (Level 4- Professional Staff, Schedule 1) and laboratory analyses (Schedule 4). The above fixed minimum charges for monitoring, re-inspection and sampling after non-compliance with resource consent conditions or the *Resource Management Act 1991*, whether this arises from the annual inspection or not, are based on actual and reasonable charges for staff time (Level 4- Professional Staff, Schedule 1) and laboratory analyses (Schedule 4). Each farm dairy discharge non-compliance will be assessed in the context of the consent granted and compliance history of the consent. Significant non-compliance activities are non-compliances that will have actual or potential effects on the environment. Examples of a minor non-compliance are deficient baffles between ponds, minor failure to contain shed/race effluent and washings where these discharge to land, and stormwater diversion system deficient. Examples of significant non-compliance are ponding of effluent on the soil surface (unauthorised by resource consent), breach of discharge standards required in the resource consent, inadequate effluent storage and land area, significant increase in stock numbers beyond those allowed in the consent, and an inadequate effluent system. The above are examples and it should be noted they do not represent a complete list of non-compliances.

Additional charges may be levied under section 36(3) of the *Resource Management Act 1991* where the Council's actual and reasonable costs exceed the fixed monitoring and non-compliance charges. An example is a significant non-compliance for a discharge to land farm dairy discharge consent where sampling costs of the discharge and receiving water may be required. See the scales of charges for staff time, consultants, plant and laboratory analyses set out in Schedules 1, 3 and 4. All collection costs incurred in the recovery of a debt will be added to the amount due. Overdue invoices will incur an interest charge at 12% per annum. All charges exclude GST. Effective from 1 July 2016.

SCHEDULE 7: FIXED MINIMUM CHARGES FOR MONITORING WHERE NO TAILORED COMPLIANCE MONITORING PROGRAMME EXISTS

The fixed charge for a compliance monitoring inspection that is not addressed in Schedule 5 or 6 is $295 per inspection plus any additional plant or laboratory analyses costs as set out in Schedules 3 and 4.

The fixed charge for a compliance monitoring re-inspection arising from non-compliance detected in an inspection that is not addressed in Schedule 5 or 6 is $329 per inspection plus any additional plant or laboratory analyses costs as set out in Schedules 3 and 4.

EXPLANATION

The above fixed charges for compliance monitoring inspections and re-inspections are based on staff time for a Level 4- Professional Staff (Schedule 1). Additional charges may be levied under section 36(3) of the *Resource Management Act 1991* where the Council's actual and reasonable costs exceed the fixed monitoring charge. See scales of charges for staff time, consultants, plant and laboratory analyses set out in Schedules 1, 3 and 4. The above charges include those arising from any functions transferred to the Council under section 33 of the *Resource Management Act 1991*. All collection costs incurred in the recovery of a debt will be added to the amount due. Overdue invoices will incur an interest charge at 12% per annum. All charges exclude GST. Effective from 1 July 2016.

SCHEDULE 8: CHARGES FOR THOSE REQUESTING HEARING COMMISSIONERS

Any submitter making a request, under section 100A of the *Resource Management Act 1991*, shall be required to pay the additional cost of having the application heard and decided by independent commissioners as reasonably determined by the Council using costs set out in Schedules 1 and 2.

EXPLANATION

For a notified resource consent application a submitter may request that the Council delegate its functions, powers and duties required to hear and decide the application to one or more independent hearing commissioners. Section 36 (1)(ab) of the *Resource Management Act 1991* allows the Council to estimate the additional costs, as if the request had not been made, and immediately invoice the requestor(s) for this additional cost. Where more than one submitter makes a request the costs may be shared equally. If the additional cost of independent hearing commissioners is less than the payment then a refund will be made. Schedule 1 sets out the Council's scale of charges for staff time and Schedule 2 sets out the fixed minimum cost of processing resource consent applications and includes hearing costs. All collection costs incurred in the recovery of a debt will be added to the amount due. Overdue invoices will incur an interest charge at 12% per annum. All charges exclude GST. Effective from 1 July 2016.

Appendix 2: Building Act Charging Policy

SCHEDULE OF CHARGES PURSUANT TO THE *BUILDING ACT 2004*

DAM COMPLIANCE AND SAFETY

Function	Deposit	Additional hourly charge
Project information audit memorandum	Large Dam (above $100,000 value) $1,019 Medium Dam ($20,000 to $100,000 Value) $787 Small Dam ($0 to $20,000 value) $563	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time.
Lodge building warrant of fitness	$104	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time. Actual and reasonable for expert advice.
Amendment to compliance schedule	$104	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time. Actual and reasonable for expert advice.
Certificate of Acceptance	Large Dam (above $100,000 value) $4,042 Medium Dam ($20,000 to $100,000 value) $2,021 Small Dam ($0 to $20,000 value) $520	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time. Actual and reasonable for expert advice.
Lodge dam classification (potential impact category)	$104	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time. Actual and reasonable for expert advice.
Lodge annual dam safety compliance certificate	$104	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time. Actual and reasonable for expert advice.
Lodge dam safety assurance programme	$104	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time. Actual and reasonable for expert advice.

EXPLANATION

The charges are for the Council's actual and reasonable costs when carrying out functions under the *Building Act 2004* in relation to dams. The charge (in most cases) will be made up of a deposit and where required an additional charge, when the cost of performing the function exceeds the deposit by more than $20. If the cost of performing the function is less than the deposit paid by more than $20, a refund will be given. The *Building Act* does not specify a particular procedure for the Council to follow when setting *Building Act* fees and charges.

Charges under the *Building Act 2004* for performing any other function under the Act will be based on the staff charge our rates in Schedule 1. The Council has decided, for completeness and ease of reference, to include these charges in this *Plan*. All collection costs incurred in the recovery of a debt will be added to the amount due. Overdue invoices will incur an interest charge at 12% per annum. All charges are GST exclusive. Effective from 1 July 2016.

Appendix 3:
Local Government Act Charging Policy

SCHEDULE OF CHARGES PURSUANT TO THE *LOCAL GOVERNMENT ACT 2002*

INSPECTIONS AND INCIDENTS COST RECOVERY

Pursuant to section 150 of the *Local Government Act 2002*, the Taranaki Regional Council gives notice that it has adopted the following schedules of charges for the recovery of the costs of inspection, including but not limited to routine and additional inspections, and inspections following any incidents, discharges, spillages or non-containment of substances that cause, or have the potential to cause, adverse environmental effects, where these costs are not covered by a more specific charge elsewhere.

The cost recovery schedule for staff time is set out in Schedule 1; plant is set out in Schedule 3; and laboratory analysis costs are set out in Schedule 4, with all schedules in Appendix 1.

EXPLANATION

The scale of charges set out above may apply for the recovery of reasonable costs incurred of staff time and analyses associated with inspections and following incidents, discharges, spillages, non-containment of substances or breaches of permitted activity standards that cause, or have the potential to cause, adverse environmental effects. Inspections of permitted activities may be undertaken to assess compliance with permitted activity standards. Inspections may involve actions such as taking and analysing samples to determine environmental effects. All collection costs incurred in the recovery of a debt will be added to the amount due. Overdue invoices will incur an interest charge at 12% per annum. All charges are GST exclusive. Effective from 1 July 2016.

Appendix 4:
Local Government Official Information and Meetings Act Charging Policy

SCHEDULE OF CHARGES PURSUANT TO THE *LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987*

REQUESTS FOR SUPPLY OF INFORMATION UNDER THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

Pursuant to section 13(1A) of the *Local Government Local Government Official Information and Meetings Act 1987* (LGOIMA), the Taranaki Regional Council may charge for the supply of information to recover its reasonable costs for labour and materials.

The cost recovery schedule for staff time is set out in Schedule 1.

The first 15 minutes of time spent actioning a request for information on each or any occasion relating to the same general matter shall be provided free of charge. The Council reserves its rights to charge for the provision of information above 15 minutes.

The Council requires payment in advance.

The first 20 pages of black and white photocopying on standard A4 or A3 paper shall be provided free of charge. Where the total number of pages of photocopying is in excess of 20 then each sheet of paper will be charged at 10 cents per sheet.

Upon receipt of a request for information, the Council will advise of the decision to charge, the estimated amount of the charge, how the charge has been calculated, the requirement to pay in advance and the right to seek a review by an Ombudsman of the estimated charge.

EXPLANATION

The scale of charges set out above may apply for the recovery of staff time and reasonable costs incurred with the collection and supply of information under LGOIMA. The recovery regime is based upon the Ombudsman's guidance *"The LGOIMA for local government agencies: A guide to processing requests and conducting meetings"*. All collection costs incurred in the recovery of a debt will be added to the amount due. Overdue invoices will incur an interest charge at 12% per annum. All charges are GST exclusive. Effective from 1 July 2016.