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Document 1757088

Foreword

We are pleased to present the Taranaki Regional Council's 2017/2018 Annual Plan. It is firmly focused on providing the resources, environment and people, which are at the core of our on-going work.

Two years ago we consulted widely on a 10-year plan to take us through to 2025. We're still on track with this long-term plan, but there are changes to three of our programmes in the 2017/2018 financial year.

Specifically, we will be undertaking:

- An exciting and potentially game-changing trial of enhanced predator control techniques in the region, leveraging off local and national initiatives.
- A new flood control scheme for Opunake.
- A replacement of The Lodge as part of the upgrade of Pukeiti.

In all three cases, new opportunities and/or changed circumstances add up to what we believe are compelling cases for the Council to slightly alter the course originally charted in our *2015/2025 Long-Term Plan*.

The Council undertook a full public consultation process on these new proposals before committing to them in this *Plan*.

Financially, the impact of these developments is relatively minor. With all three proposals included in this *2017/2018 Annual Plan*, general rates will go up 1% as opposed to the 0.5% rise forecast for 2017/2018 in the *2015/2025 Long-Term Plan*.

The Council wishes to thank all submitters, on the draft of the *Plan*, for their contribution to the development of the final *Plan*.

The *2017/2018 Annual Plan* was adopted on 8 May 2017.

David MacLeod
Chairman

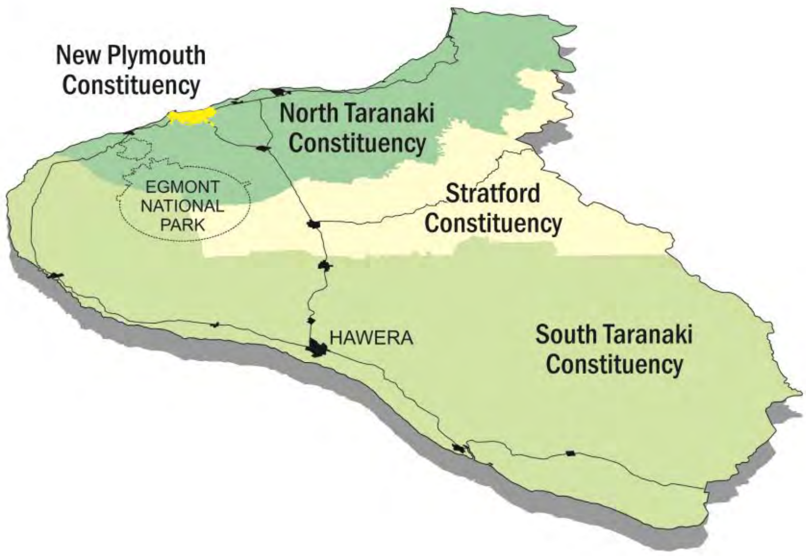
Basil Chamberlain
Chief Executive

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



New opportunities

New opportunities and/or changed circumstances add up to what we believe are compelling cases for the Council to slightly alter the course originally charted in our 2015/2025 Long-Term Plan.

Two years ago we consulted widely on a 10-year plan to take us through to 2025. We're still on track with this long-term plan, but we are amending and accelerating three of our programmes in the 2017/2018 financial year.

PREDATOR CONTROL

Making aspiration a reality.

Introduced predators are a major threat to our native plants and wildlife, and to our economic well-being. However, Taranaki is better placed than most regions to investigate opportunities that may lead to a predator free Taranaki by 2050, thanks to strong and enduring partnerships and a track record of innovation and successful results.

The adoption of the national predator-free 2050 goal opens up new opportunities for extra support and funding.

For 2017/2018, the Council will make an extra investment in a trial programme to test large-scale predator suppression and eradication techniques across an entire catchment – the Waiwhakaiho, which encompasses alpine rainforest, farmland and built-up urban areas. The area has multiple biodiversity values and many biodiversity protection initiatives currently occurring.

The trial will target possums, mustelids (weasels, ferrets and stoats), feral cats and rats. It will test a range of techniques including one of the new technologies seen as essential to achieving predator-free status – monitoring devices that allow traps to be checked remotely and wirelessly, reducing costs and increasing efficiency.

It will be coordinated under the "Wild for Taranaki" banner, through which the Taranaki Biodiversity Trust channels the efforts of its wide range of member organisations, including the Council. It will also build on the Council's own long-running self-help possum control programme and more recent urban possum control programme.

The trial will not proceed if external funding partnerships are not successfully negotiated.

WHAT IT MEANS FOR RATEPAYERS

The trial will cost $1.7m for 2017/2018, of which the Council will fund capital expenditure of $700,000. Operationally, the only additional costs that will need to be funded from general funds (general rates and investment funds) are depreciation ($70,000 pa). The rest of the funding is proposed to come from the Government and, possibly, from philanthropic organisations. The trial will not proceed if external funding partnerships are not successfully negotiated for a significant portion of the project.

OPUNAKE FLOOD DIVERSION

Preventing a repeat of August 2015.

Options for controlling floods at Opunake have been investigated since August 2015 when the Hihiwera Stream and a smaller tributary burst their banks and inundated a number of properties.

The Council and the South Taranaki District Council (STDC) have come up with a plan that's already won support at a community meeting, and detailed survey and design work has been carried out, but is still to be fully completed.

It's in two parts: A rural component to divert floodwaters away from the township, and an urban component to upgrade culverts and channels within the township. The urban part will be designed and implemented by the STDC, with the rural component being handled by the TRC. The scheme is designed to protect Opunake from a one-in-100-year (1% probability) flooding event.

WHAT IT MEANS FOR RATEPAYERS

The rural component will cost an estimated $600,000. The proposal is that $257,500 is paid for by the STDC as a capital contribution with the remainder being paid for by a targeted rate over the South Taranaki constituency.

The Council will wrap the funding of this scheme and its two other South Taranaki flood protection schemes at Waitotara and Okato into one targeted South Taranaki rate of approximately $51,000 a year. This equates to approximately 58¢ per $100,000 of the capital value of a property. A South Taranaki property with a $500,000 capital value will pay approximately $2.90 for flood protection. This is in line with how the Council's North Taranaki (Waitara and Waiwhakaiho rivers) flood protection schemes are funded.

THE LODGE AT PUKEITI

Keeping heritage values alive.

A major redevelopment project at Pukeiti is now entering its final stages, bringing the iconic and unique property into a new phase in the wake of its transfer into public ownership in 2010.

Refurbishment of The Lodge, the 62-year-old building that was the cultural hub for the development of Pukeiti in its early and middle years, was always part of the original plan. Unfortunately, detailed inspection revealed the poorly insulated and damp building to be in poor condition with a number of significant structural issues. Refurbishing it would be both costly and risky.

The Council and the Pukeiti Rhododendron Trust have both agreed that a completely new building is a better option. A number of architects were invited to submit design proposals evoking the heritage values of the old building while meeting the current and future needs of Pukeiti's users – the public of Taranaki and their visitors.

The preferred architect is Boon Goldsmith Bhaskar Brebner, a local firm with a strong track record. It has prepared a design concept. The old building has been dismantled to allow salvageable material to be stockpiled for the new Lodge, and so that geotechnical analysis of the site can be carried out.

WHAT IT MEANS FOR RATEPAYERS

The total cost estimate for the new Lodge is $1.2m million. Along with a likely $200,000 contribution from the Trust, an additional capital budget allocation of $700,000 would be required. This would be met from accumulated funds, with depreciation the only rating implication in the longer-term. This funding is in-line with all other garden developments at Pukeiti, Tupare and Hollard Gardens.

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 second *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 2017/2018 – and includes such information as the performance measures for our programmes in this year. Two years ago, 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 2017/2018, other than identified new opportunities, there are no significant or material differences from the plans set out for 2017/2018 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 found itself in. This *Annual Plan* delivers, almost exactly, what was outlined for 2017/2018 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". The Council is took the opportunity to consult on the extension and/or acceleration of three existing programmes.

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.

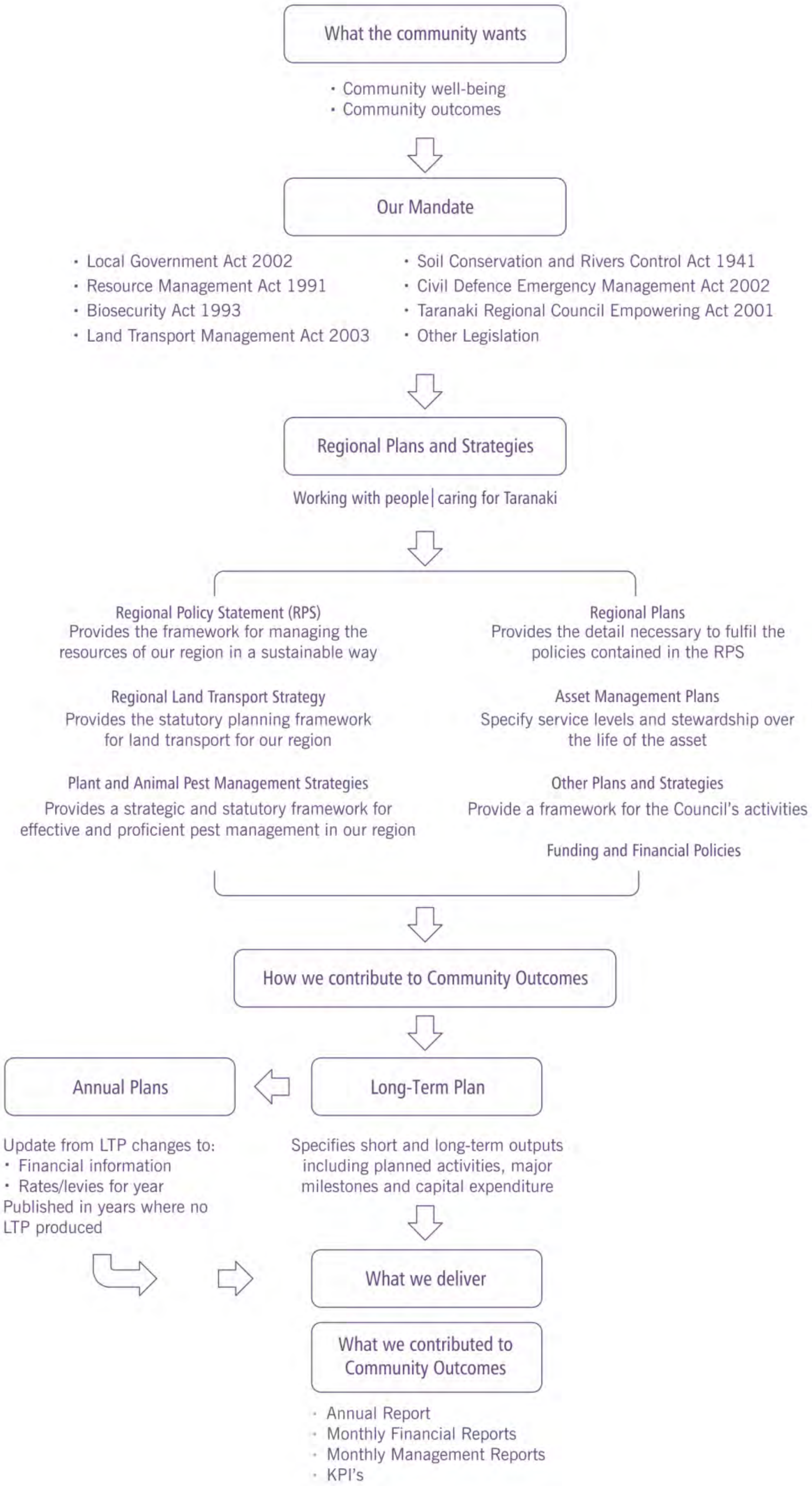
The relationship between the Council's legislative mandate, its various plans and strategies, its *Long-Term Plan* and annual plans is outlined in Figure 1.

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 2017/2018 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 2017/2018.

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 2017/2018 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
2015/2016	5	7

In 2015/2016, 87% of freshwater samples (93%-2003/2004) and 99% (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. Regularly updated information on water allocation guideline information is published.

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 2015/2016, 100% of significant water abstraction consents were monitored with 99% attaining a "good" or "high" level of compliance and performance. Every unauthorised incident was reported publicly. The Council responded to all non-compliance events in accordance with its documented enforcement procedures.

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 11 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 2015/2016, 100% of significant point sources were monitored with 96% of significant industrial sources and 94% 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 2015, 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 2015/2016, 100% of significant point source emissions were monitored with 94% of sources attaining a 'good' or 'high' level of compliance and performance. Council responded to all non-compliance events in accordance with its documented enforcement procedures.

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 2015/2016, the Council implemented 186 individual monitoring programmes of significant consents. Of those, 71% of programmes attained a ‘high’ environmental performance and 24% a ‘good’ performance. Monitored 1,743 (100%) dairy farms, and undertook 246 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 2017/2018.

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 continued in 2017/2018. Interim review 2023/2024.

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

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

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 and determine 100% of accepted resource consent applications (approximately 400 consents per annum), in compliance with the *Resource Management Act 1991,* including compliance with statutory timeframes, and the Council's *Resource Consents Procedures* document.

Successfully defend 100% of consent decisions appealed to the Environment Court.

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

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).

4. Pollution incidents and response

Respond to all consent non-compliance and implement appropriate advisory and enforcement actions to require 100% compliance with resource consents and/or regional plans.

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 environmental 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 2017/2018, 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.

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

In collaboration with the region's territorial authorities, facilitate a regional approach to waste management initiatives and programmes at a policy, management and implementation level. This includes servicing the Taranaki Solid Waste Management Committee; delivery and monitoring of the *Waste Management and Minimisation Strategy for Taranaki*, as well as the territorial authorities' waste management and minimisation plans.

8. Sustainable land management plans and plant supply programme

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

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, 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 4,000 poplar poles, 50ha of protection forestry and construction of 22 km of retirement fencing to retire 400 ha of 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.

Undertake a trial programme to test large-scale predator suppression and eradication techniques across an entire catchment (the Waiwhakaiho). The trial will target possums, mustelids (weasels, ferrets and stoats), feral cats and rats.

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

2016/2017 Estimate $		2017/2018 Estimate $	2017/2018 LTP $
	Expenditure		
784,633	Resource management planning	755,692	896,635
955,592	Consent processing and administration	980,640	1,078,393
2,622,302	Compliance monitoring programmes	2,705,280	2,693,758
981,874	Pollution incidents and response	999,369	1,070,790
1,973,959	State of the environment monitoring	2,072,511	1,893,016
402,251	Resource investigations and projects	410,116	407,973
138,889	Waste minimisation	137,216	141,430
3,336,192	Sustainable land management plans and plant supply programme	3,460,218	4,396,966
0	Biodiversity	1,829,105	1,275,613
689,529	Enhancement grants	705,733	680,662
13,364,221	**Total expenditure**	**14,055,880**	**14,535,236**
	Income		
3,986,371	General rates	4,209,997	3,890,651
5,608,690	Direct charges	5,682,156	6,721,769
300,000	Government grants	302,000	245,000
3,469,160	Investment funds	3,861,727	3,677,816
13,364,221	**Total income**	**14,055,880**	**14,535,236**
0	**Operating surplus/(deficit)**	**0**	**0**
	Capital expenditure		
0	Land	0	0
0	Buildings	0	0
408,000	Motor vehicles	288,000	288,000
190,600	Plant and equipment	911,250	115,950
0	Office furniture	0	0
0	Computer equipment	0	0
0	Flood and river control assets	0	0
0	Computer software	0	0
598,600	**Total capital expenditure**	**1,199,250**	**403,950**
	Funded by:		
598,600	Transfer from retained earnings	1,199,250	403,950
598,600	**Total funding**	**1,199,250**	**403,950**
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
598,600	- replace existing assets	1,199,250	403,950
598,600	**Total capital expenditure**	**1,199,250**	**403,950**
94,000	**Proceeds from sale of assets**	**71,000**	**71,000**
433,981	**Depreciation/amortisation**	**506,334**	**430,320**

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 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 2015/2016, the RTC was 6.13% across 235,464ha 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 2015/2016, there were 92 properties where these plants were identified and controlled.

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: 186 Category C properties in 2015/2016.

ACTIVITIES—WHAT WE PLAN TO DO

What we plan to do in 2017/2018.

1. Biosecurity planning

Undertake ten-yearly review of the *Pest Management Plan for Taranaki* in 2017/2018 and an interim review in 2022/2023.

2. Pest animal and pest plant management

Dependent upon the review of the *Pest Management Plan for Taranaki*, undertake operational programmes through both the *Pest Management Plan for Taranaki:* and the *Pest Management Strategy for Taranaki*, including:

Eradication of selected pest plants.

Inspection, monitoring and where necessary, enforcement of sustained control pest programmes.

Raise public awareness of and respond to enquiries related to pest issues.

Undertake direct control of pests within selected Key Native Ecosystems.

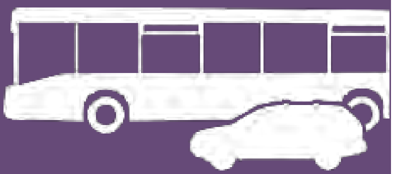
INDICATIVE COSTS AND SOURCES OF FUNDS

2016/2017 Estimate $		2017/2018 Estimate $	2017/2018 LTP $
	Expenditure		
50,674	Biosecurity planning	47,756	91,066
1,789,085	Pest management	1,485,448	1,715,728
1,839,759	**Total expenditure**	**1,533,204**	**1,806,794**
	Income		
727,847	General rates	796,288	923,601
106,500	Direct charges	106,500	110,116
372,000	Transfer from reserves	0	0
0	Transfer to reserves	(100,000)	(100,000)
633,412	Investment funds	730,416	873,077
1,839,759	**Total income**	**1,533,204**	**1,806,794**
0	**Operating surplus/(deficit)**	**0**	**0**
	Capital expenditure		
0	Land	0	0
0	Buildings	0	0
160,000	Motor vehicles	32,000	32,000
12,500	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
172,500	**Total capital expenditure**	**44,500**	**44,500**
	Funded by:		
172,500	Transfer from retained earnings	44,500	44,500
172,500	**Total funding**	**44,500**	**44,500**
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
172,500	- replace existing assets	44,500	44,500
172,500	**Total capital expenditure**	**44,500**	**44,500**
60,000	**Proceeds from sale of assets**	**8,000**	**8,000**
100,238	**Depreciation/amortisation**	**78,914**	**84,499**

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 2015/2016, passengers on community passenger transport services in the region grew from 349,607 to 605,603 pa. In 2015/2016, 605,603 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 2017/2018.

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.

Complete a mid-term review of the *Regional Land Transport Plan 2015/16-2020/21* during 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 region's bus service contracts including patronage growth and fare box recovery. Monitor the commerciality ratio of the region's public transport services and publish the ratio annually.

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

2016/2017 Estimate $		2017/2018 Estimate $	2017/2018 LTP $
	Expenditure		
118,236	Regional land transport planning	145,419	145,378
3,854,252	Passenger transport	3,851,430	4,000,220
33,500	Harbour management	33,500	33,127
4,005,988	**Total expenditure**	**4,030,349**	**4,178,725**
	Income		
149,796	General rates	146,089	169,761
850,272	Targeted rates	858,207	811,628
1,136,450	Direct charges	1,149,360	1,365,188
1,703,930	Government grants	1,705,987	1,638,854
402,000	Government grants for capital	0	0
40,000	Transfer from reserves	40,000	40,000
(4,820)	Transfer to reserves	(3,297)	(7,180)
130,360	Investment funds	134,003	160,474
4,407,988	**Total income**	**4,030,349**	**4,178,725**
402,000	**Operating surplus/(deficit)**	**0**	**0**
	Capital expenditure		
0	Land	0	0
0	Buildings	0	0
32,000	Motor vehicles	0	0
693,000	Plant and equipment	0	0
0	Office furniture	0	0
0	Computer equipment	0	0
0	Flood and river control assets	0	0
0	Computer software	0	0
725,000	**Total capital expenditure**	**0**	**0**
	Funded by:		
725,000	Transfer from retained earnings	0	0
725,000	**Total funding**	**0**	**0**
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
725,000	- replace existing assets	0	0
725,000	**Total capital expenditure**	**0**	**0**
8,000	**Proceeds from sale of assets**	**0**	**0**
8,806	**Depreciation/amortisation**	**16,000**	**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, Waiwhakaiho and Okato schemes. 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, Waiwhakaiho and Okato schemes, to provide an appropriate standard of flood and erosion 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 flood channel and scheme assets to provide security from flooding up to a level of 1% Annual Exceedence Probability for the Waiwhakaiho River industrial and business areas
- to maintain the flood channel and scheme assets on the Stony River and the Kaihihi Stream as they relate to the Okato Scheme
- to continually appraise and improve the river management techniques used to maintain or enhance the overall performance of the scheme assets
- 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 ten years
- to satisfy legislative requirements.

The Waiwhakaiho, Waitara and Okato scheme 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: Review of the *Civil Defence Emergency Management Group Plan for Taranaki 2012-2017* is to be completed in 2017. The *Plan* will be reviewed in 2022.

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 2016, the Waitara and Waiwhakaiho flood control schemes were maintained to their full service potential. The Waitotara and Okato river control schemes were maintained to the standard set out in their scheme management plans.

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 2015/2016, the Council issued warnings in 100% of cases.

ACTIVITIES—WHAT WE PLAN TO DO

What we plan to do in 2017/2018.

1. Civil defence emergency management

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

Implement, monitor and report upon the *Civil Defence Emergency Management Group Plan for Taranaki 2017*, and draft, and notify the next *Plan* in 2022.

Maintain, review, and as needs be, implement effective response and recovery procedures to minimise harm or damage to people and property arising from emergency events.

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.

Implement the rural component of an Opunake Flood Control Scheme. The rural component of the Scheme will divert floodwaters from the Hihiwera Stream to the Otahi Stream and the Waiaua River. An urban component will be designed and implemented by the South Taranaki District Council. The scheme is designed to protect Opunake from a 1% Annual Exceedance Probability (one-in-100-year) flooding event.

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.

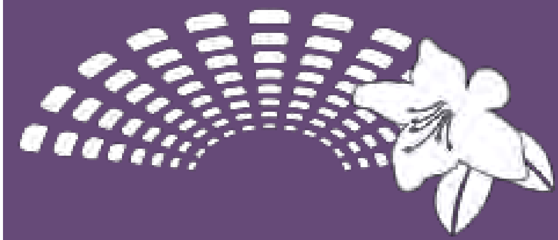
None of the Council's flood protection and control works schemes meet the threshold tests for being categorised as major. Therefore, the Council is not reporting the promulgated standard set of performance measures for this activity.

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

INDICATIVE COSTS AND SOURCES OF FUNDS

2016/2017 Estimate $		2017/2018 Estimate $	2017/2018 LTP $
	Expenditure		
723,444	Civil defence emergency management	1,042,967	768,884
254,489	Flood management & general river control	247,856	235,951
274,341	River control schemes	261,859	276,441
1,252,274	**Total expenditure**	**1,552,682**	**1,281,276**
	Income		
293,616	General rates	136,980	333,179
662,877	Targeted rates	700,454	591,295
412,764	Direct charges	965,858	405,475
0	Government grants	0	0
0	Transfer from reserves	0	0
(55,890)	Transfer to reserves	(44,672)	(76,871)
255,521	Investment funds	125,648	314,952
1,568,888	**Total income**	**1,884,268**	**1,568,030**
316,614	**Operating surplus/(deficit)**	**331,586**	**286,754**
	Capital expenditure		
0	Land	0	0
0	Buildings	0	0
40,000	Motor vehicles	70,000	0
4,800	Plant and equipment	4,000	4,000
0	Office furniture	0	0
0	Computer equipment	0	0
40,000	Flood and river control assets	600,000	0
0	Computer software	0	0
84,800	**Total capital expenditure**	**674,000**	**4,000**
	Funded by:		
84,800	Transfer from retained earnings	674,000	4,000
84,800	**Total funding**	**674,000**	**4,000**
	Capital expenditure to:		
0	- meet additional demand	0	0
40,000	- improve the level of service	600,000	0
44,800	- replace existing assets	74,000	4,000
84,800	**Total capital expenditure**	**674,000**	**4,000**
10,000	**Proceeds from sale of assets**	**0**	**0**
45,001	**Depreciation/amortisation**	**53,086**	**38,997**

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 and the number of events at each property.

Baseline: In 2015/2016, Tupare attracted 32,926 visitors, Hollard Gardens 16,030 and Pukeiti 29,481 visitors. There were 49 events at Tupare, 80 at Hollard Gardens and 23 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 2015/2016, the ongoing partnership relationship with Puke Ariki contributed towards four projects: *Sunlight – Ihi Kōmaru,* a touring interactive exhibition which showed how light shapes the world around us; *STQRY app*, a mobile app which adds a digital story-telling dimension to the Taranaki Naturally Gallery and Tupare; and the *TRC events programme*. Funding of $25,000 was invested in the *Aotea Utanganui Museum of South Taranaki* to support the development of an exhibition focusing on parks and recreation in South Taranaki.

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 2015/2016.

ACTIVITIES—WHAT WE PLAN TO DO

What we plan to do in 2017/2018.

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:

- rebuilding the Lodge and surrounds
- enhancing the garden and the rhododendron collection, including development of the weka wetland and children's activities
- continuing the implementation of the plant collection plan
- refurbishing the plant borders
- upgrading the outer ring tracks
- completing the upgrade of the Rain Forest Centre
- investigating further recreational opportunities.

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

2016/2017 Estimate $		2017/2018 Estimate $	2017/2018 LTP $
	Expenditure		
2,414,463	Regional gardens	2,477,947	2,505,825
150,000	Puke Ariki	150,000	150,000
876,000	Yarrow Stadium	876,000	876,000
3,440,463	**Total expenditure**	**3,503,947**	**3,531,825**
	Income		
1,601,390	General rates	1,588,231	1,601,997
307,454	Targeted rates	306,871	296,564
138,000	Direct charges	152,000	118,903
1,393,619	Investment funds	1,456,845	1,514,361
3,440,463	**Total income**	**3,503,947**	**3,531,825**
0	**Operating surplus/(deficit)**	**0**	**0**
	Capital expenditure		
0	Land	0	0
2,752,000	Buildings	1,162,000	412,000
20,000	Motor vehicles	40,000	40,000
67,000	Plant and equipment	24,000	24,000
0	Office furniture	0	0
0	Computer equipment	0	0
0	Flood and river control assets	0	0
0	Computer software	0	0
2,839,000	**Total capital expenditure**	**1,226,000**	**476,000**
	Funded by:		
2,839,000	Transfer from retained earnings	1,226,000	476,000
2,839,000	**Total funding**	**1,226,000**	**476,000**
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
2,839,000	- replace existing assets	1,226,000	476,000
2,839,000	**Total capital expenditure**	**1,226,000**	**476,000**
0	**Proceeds from sale of assets**	**8,000**	**8,000**
398,455	**Depreciation/amortisation**	**445,827**	**438,327**

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 documents have been prepared within statutory 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 are conducted every three years – There has been no need to re-conduct any election.

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: Meetings are conducted in accordance with Standing Orders, agendas are publicly available before meetings and minutes are prepared for all meetings.

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 2015/2016, 19 submissions were made with anecdotal evidence of successful advocacy.

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 2015/2016, 19 submissions were made 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: In 2012, the estimated Port dependent activity contributed $465m to regional gross domestic product (GDP) and employed 1,270 full time equivalents. Industries utilizing the Port contributed $2.5b to regional GDP and employed 11,700 FTEs.

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 performance is reviewed, against 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: Total investment returns from property and treasury investments in 2015/2016 were interest $665,731 and lease rent $858,115. These returns were used to reduce the general rate requirement.

ACTIVITIES—WHAT WE PLAN TO DO

What we plan to do in 2017/2018.

1. Investment management

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

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 returns from treasury investments in accordance with the *Investment Policy*.

2. Community engagement

Engage with the community across a range of channels including print and digital publications, news media, websites, mobile and social media. Produce regular editions (4 per annum) of the *Recount* newsletter to over 1,000 stakeholders through a range of channels.

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 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.

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

INDICATIVE COSTS AND SOURCES OF FUNDS

2016/2017 Estimate $		2017/2018 Estimate $	2017/2018 LTP $
	Expenditure		
6,000	Investment management	6,000	6,310
178,369	Community engagement	193,323	189,385
251,404	Advocacy and response	240,144	153,491
1,023,301	Governance	971,337	931,956
1,459,074	**Total expenditure**	**1,410,804**	**1,281,142**
	Income		
777,474	General rates	734,273	654,986
5,000	Direct charges	3,000	7,000
676,600	Investment funds	673,531	619,156
1,459,074	**Total income**	**1,410,804**	**1,281,142**
0	**Operating surplus/(deficit)**	**0**	**0**
	Capital expenditure		
0	Land	50,000	50,000
0	Buildings	0	0
262,000	Motor vehicles	32,000	130,000
1,500	Plant and equipment	62,000	62,000
19,000	Office furniture	19,000	19,000
150,000	Computer equipment	150,000	150,000
0	Flood and river control assets	0	0
550,000	Computer software	430,000	250,000
982,500	**Total capital expenditure**	**743,000**	**661,000**
	Funded by:		
982,500	Transfer from retained earnings	743,000	661,000
982,500	**Total funding**	**743,000**	**661,000**
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
982,500	- replace existing assets	743,000	661,000
982,500	**Total capital expenditure**	**743,000**	**661,000**
63,000	**Proceeds from sale of assets**	**31,000**	**31,000**
565,404	**Depreciation/amortisation**	**557,546**	**531,337**

Financial Statements

The following pages present the financial projections of the Council for 2017/2018.

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 2017. These figures differ from the estimated financial position as at 30 June 2017 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 2017. Actual financial results have been incorporated to the extent that they affect the opening forecast prospective financial position as at 1 July 2017. 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 45 to 48 has been prepared in accordance with the Council's current accounting policies as specified on pages 59 to 65. 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 2017/2018, 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 8 May 2017. 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

2016/2017 Estimate $		2017/2018 Estimate $	2017/2018 LTP $
	Cost of services		
13,364,221	Resource management	14,055,880	14,535,236
1,839,759	Biosecurity	1,533,204	1,806,794
4,005,988	Transport	4,030,349	4,178,725
1,252,274	Hazard management	1,552,682	1,281,276
3,440,463	Recreation, culture and heritage	3,503,947	3,531,825
1,459,074	Regional representation, advocacy and investment management	1,410,804	1,281,142
25,361,779	**Total operating expenditure**	**26,086,866**	**26,614,998**
	Revenue from exchange transactions		
3,765,701	Direct charges revenue	3,736,817	4,073,150
1,050,000	Rent revenue	1,050,000	1,093,903
4,924,700	Dividends	5,417,170	5,417,170
	Revenue from non-exchange transactions		
7,536,493	General rates revenue	7,611,858	7,574,175
1,820,603	Targeted rates revenue	1,865,532	1,699,487
3,641,703	Direct charges revenue	4,322,057	4,655,301
2,405,930	Government grants	2,007,987	1,883,854
0	Vested assets	0	0
25,145,130	**Total income**	**26,011,421**	**26,397,040**
(216,649)	**Operating surplus/(deficit) before net finance expenses and taxation**	**(75,445)**	**(217,958)**
525,000	Finance income	525,000	585,855
0	Finance expense	0	0
525,000	Net finance expense	525,000	585,855
308,351	**Operating surplus before taxation**	**449,555**	**367,897**
	Other gains/losses		
0	Gains/(losses) on revaluation of properties	0	0
308,351	Operating surplus before taxation	449,555	367,897
0	Income tax expense	(10,000)	0
308,351	**Surplus/(deficit) for the period**	**439,555**	**367,897**
	Other comprehensive income		
0	Revaluation of property, plant and equipment	0	0
0	**Other comprehensive income, net of tax**	**0**	**0**
308,351	**Operating surplus/(deficit)**	**439,555**	**367,897**

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

2016/2017 Estimate $		2017/2018 Estimate $	2017/2018 LTP $
	Retained Earnings		
64,460,953	**As at 1 July**	**65,120,594**	**64,860,131**
308,351	Total comprehensive income for the period	439,555	367,897
351,290	Transfers to and from reserves	(107,969)	(144,051)
65,120,594	**As at 30 June**	**65,452,180**	**65,083,977**
	Reserves		
11,244,278	**As at 1 July**	**10,892,988**	**11,036,607**
0	Total comprehensive income for the period	0	0
-351,290	Transfers to and from reserves	107,969	144,051
10,892,988	**As at 30 June**	**11,000,957**	**11,180,658**
	Asset revaluation reserves		
3,723,232	**As at 1 July**	**3,723,232**	**3,841,414**
0	Total comprehensive income for the period	0	0
0	Transfers to and from reserves	0	0
3,723,232	**As at 30 June**	**3,723,232**	**3,841,414**
	Total equity		
79,428,463	**As at 1 July**	**79,736,814**	**79,738,152**
308,351	Total comprehensive income for the period	439,555	367,897
0	Transfers to and from reserves	0	0
79,736,814	**As at 30 June**	**80,176,369**	**80,106,049**

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

2016/2017 Estimate $		2017/2018 Estimate $	2017/2018 LTP $
	Current assets		
914,877	Cash and cash equivalents	1,243,388	1,576,124
0	Current portion of investments	0	0
960,000	Receivables from exchange transactions	960,000	1,009,584
1,040,000	Receivables from non-exchange transactions	1,040,000	1,093,716
100,000	Prepayments	100,000	105,165
400,000	Work-in-progress	400,000	420,660
3,414,877	**Total current assets**	**3,743,388**	**4,205,249**
	Non current assets		
9,407,975	Treasury investments	7,407,975	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
1,018,071	Intangible assets	1,255,571	890,917
28,714,773	Property, plant and equipment	30,588,317	28,285,671
80,556,937	**Total non current assets**	**80,667,981**	**80,286,181**
83,971,814	**Total assets**	**84,411,369**	**84,491,430**
	Current liabilities		
2,000,000	Accounts payable	2,000,000	2,103,300
500,000	Work-in-progress	500,000	525,825
935,000	Employee entitlements	935,000	967,518
3,435,000	**Total current liabilities**	**3,435,000**	**3,596,643**
	Non current liabilities		
800,000	Employee entitlements	800,000	788,738
800,000	**Total non current liabilities**	**800,000**	**788,738**
4,235,000	**Total liabilities**	**4,235,000**	**4,385,381**
	Public equity		
65,120,594	Retained earnings	65,452,180	65,083,977
10,892,988	Reserves	11,000,957	11,180,658
3,723,232	Asset revaluation reserves	3,723,232	3,841,414
79,736,814	**Total public equity**	**80,176,369**	**80,106,049**
83,971,814	**Total liabilities and equity**	**84,411,369**	**84,491,430**

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

2016/2017 Estimate $		2017/2018 Estimate $	2017/2018 LTP $
	Cash flows from operating activities		
	Cash was provided from:		
9,357,096	Rates	9,477,390	9,273,662
525,000	Interest	525,000	585,855
4,924,700	Dividends	5,417,170	5,417,170
0	Goods and services tax	0	0
5,522,592	Other exchange transactions	5,154,774	5,431,636
5,340,742	Other non-exchange transactions	5,962,087	6,207,947
25,670,130		26,536,421	26,916,270
	Cash was applied to:		
23,744,046	Employees and suppliers	24,379,160	24,892,484
50,000	Taxation	60,000	50,000
23,794,046		24,439,160	24,942,484
1,876,084	**Net cash flows from operating activities**	**2,097,261**	**1,973,786**
	Cash flows from investing activities		
	Cash was provided from:		
3,500,000	Investments	2,000,000	0
235,000	Property, plant and equipment	118,000	118,000
3,735,000		2,118,000	118,000
	Cash was applied to:		
0	Investments	0	0
5,402,400	Property, plant and equipment	3,886,750	1,589,450
5,402,400		3,886,750	1,589,450
(1,667,400)	**Net cash flows from investing activities**	**(1,768,750)**	**(1,471,450)**
208,684	**Net increase/(decrease) in cash and cash equivalents**	**328,511**	**502,336**
706,193	Opening cash balance	914,877	1,073,788
914,877	**Closing cash and cash equivalents**	**1,243,388**	**1,576,124**

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 2017/2018 is $26,086,866. This expenditure will be funded from the following sources. These funding/financing sources are consistent with the Council's *Revenue and Financing Policy.*

2016/2017 Estimate $		2017/2018 Estimate $	2017/2018 LTP $
4,910,343	General rates	4,774,768	4,318,287
2,626,150	UAGC	2,837,090	3,255,888
1,820,603	Targeted rates	1,865,532	1,699,487
7,407,404	Direct charges	8,058,874	8,728,451
2,405,930	Government grants	2,007,987	1,883,854
4,924,700	Dividends	5,417,170	5,417,170
1,050,000	Rent revenue	1,050,000	1,093,903
0	Vested assets	0	0
0	Gains on property revaluation	0	0
525,000	Finance income	525,000	585,855
412,000	Transfer from reserves	40,000	40,000
(60,710)	Transfer to reserves	(147,969)	(184,051)
26,021,420	**Total funding**	**26,428,452**	**26,838,844**

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 2017/2018 is 0.017880 (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 54). The rates to be collected from each district are:

- New Plymouth and North Taranaki constituencies—to produce $3,039,259 at a rate of 0.0159717 cents in the dollar of capital value GST inclusive
- Stratford constituency—to produce $527,134 at a rate of 0.0200272 cents in the dollar of capital value GST inclusive
- South Taranaki constituency—to produce $1,924,590 at a rate of 0.0188221 cents in the dollar of capital value GST inclusive

UNIFORM ANNUAL GENERAL CHARGE

The Council proposes a uniform annual general charge of $60.95 (GST inclusive) on all separately used or inhabited parts of a rating unit in the region to produce $3,262,654 (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
Hazard management	Flood and river control works rate	All properties in the South Taranaki constituency 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 2017/2018:

- 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 2017/2018 is 0.003924 GST inclusive to produce $746,610 (GST inclusive).
- A targeted rate for flood and river control works 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 2017/2018 is 0.000576 GST inclusive to produce $58,912 (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 2017/2018 is 0.004873 GST inclusive to produce $927,262 (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 2017/2018 is 0.000705 GST inclusive to produce $18,563 (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 2017/2018 is 0.000402 GST inclusive to produce $41,113 (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 2017/2018 for each differential category is:
  - Group 1 Commercial and Industrial to produce $168,306 at a rate of 0.017658 cents in the dollar of land value GST inclusive
  - Group 2 Residential to produce $159,604 at a rate of 0.002883 cents in the dollar of land value GST inclusive
  - Group 3 Small holdings to produce $9,063 at a rate of 0.001686 cents in the dollar of land value GST inclusive
  - Group 4 Farmland to produce $15,929 at a rate of 0.000543 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 2018) 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: 30 August 2017.
Instalment 2: 29 November 2017.
Instalment 3: 28 February 2018.
Instalment 4: 30 May 2018.

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 2017 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 2017 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 2018 (New Plymouth and North Taranaki constituencies).

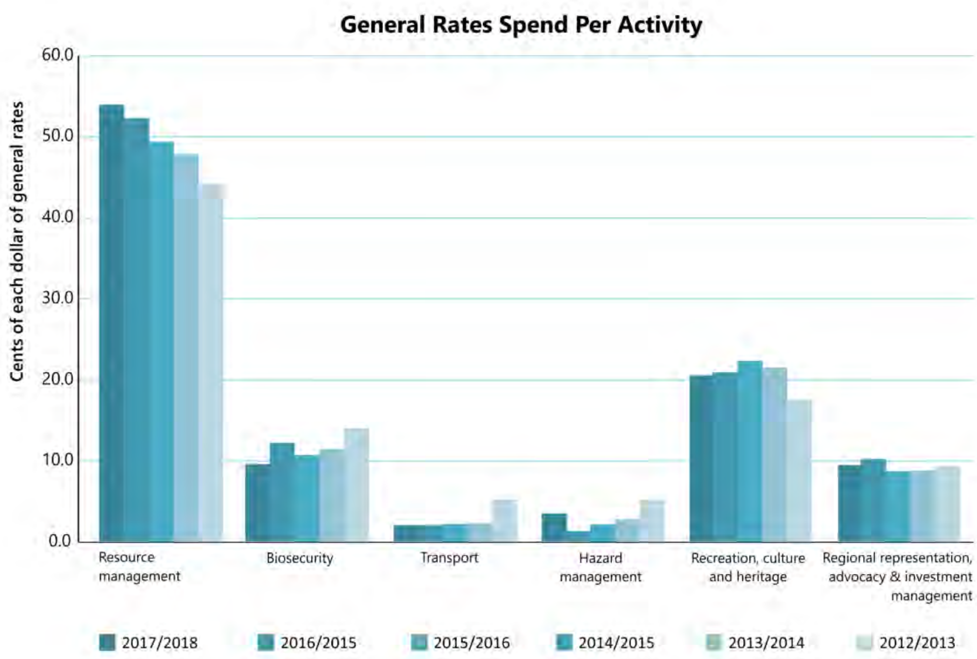
The Council will charge a penalty of 10% on so much of any rates levied before 1 July 2017 which remain unpaid on 10 July 2017 or such later date as required under section 58(1) (b) (ii). A continuing additional penalty of 10% on so much of any rates levied before 1 July 2016 which remain unpaid six 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 30 August 2017.

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 2017/2018 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 $126.82 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	$107.92	$131.54	$178.78	$237.83	$296.88
$100,000	$115.60	$139.22	$186.46	$245.51	$304.56
$150,000	$123.27	$146.89	$194.14	$253.19	$312.24
$300,000	$146.30	$169.93	$217.17	$276.22	$335.27
$500,000	$177.01	$200.63	$247.88	$306.93	$365.98

Residential property					
Capital value of property:	$200,000	**$300,000**	$500,000	$750,000	$1,000,000
Land value of property:					
$50,000	$101.49	**$125.12**	$172.36	$231.41	$290.46
$100,000	**$102.75**	**$126.37**	**$173.61**	**$232.66**	**$291.71**
$150,000	$104.00	**$127.62**	$174.86	$233.92	$292.97
$300,000	$107.76	**$131.38**	$178.62	$237.67	$296.73

Small holdings property					
Capital value of property:	$200,000	$300,000	$500,000	$750,000	$1,000,000
Land value of property:					
$50,000	$100.97	$124.59	$171.84	$230.89	$289.94
$100,000	$101.71	$125.33	$172.57	$231.62	$290.67
$150,000	$102.44	$126.06	$173.30	$232.35	$291.41
$300,000	$104.64	$128.26	$175.50	$234.55	$293.60

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	$172.28	$290.39	$526.59	$762.80	$1,235.21
$500,000	$173.46	$291.57	$527.77	$763.98	$1,236.39
$1,000,000	$175.82	$293.93	$530.13	$766.34	$1,238.75
$1,500,000	$178.18	$296.29	$532.49	$768.70	$1,241.11
$2,000,000	$180.54	$298.65	$534.85	$771.06	$1,243.48

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	$94.28	$156.20	$259.41	$465.81	$1,085.03

South Taranaki constituency					
Capital value of property:	$200,000	$500,000	$1,000,000	$2,000,000	$5,000,000
Total rates	$92.35	$151.36	$249.73	$446.45	$1,036.64

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	0.000160	$64.40
UAGC			1	$60.95	$60.95
River control	CV		$400,000	0.000039	$15.60
Transport	CV		$400,000	0.000049	$19.60
Yarrow Stadium	LV	Residential	$120,000	0.000029	$3.48
	LV	Commercial/industrial		0.000177	0.000177
	LV	Farmland		0.000005	N/A
	LV	Small holding		0.000017	N/A
Total rates					**$164.03**

New Plymouth and North Taranaki Constituencies					
Capital Value (CV):			Land Value (LV):		
Rate	**Factor**	**Differential**	**Value**	**Rate**	**Amount**
General	CV			0.000160	
UAGC			1	$60.95	$60.95
River control	CV			0.000039	
Transport	CV			0.000049	
Yarrow Stadium	LV	Residential		0.000029	
	LV	Commercial/industrial		0.000177	0.000177
	LV	Farmland		0.000005	
	LV	Small holding		0.000017	
Total rates					

Stratford Constituency					
Capital Value (CV):			Land Value (LV):		
Rate	**Factor**	**Differential**	**Value**	**Rate**	**Amount**
General	CV			0.000200	
UAGC			1	$60.95	$60.95
Transport	CV			0.000007	
Total rates					

South Taranaki Constituency					
Capital Value (CV):			Land Value (LV):		
Rate	**Factor**	**Differential**	**Value**	**Rate**	**Amount**
General	CV			0.000188	
UAGC			1	$60.95	$60.95
River control	CV			0.000006	
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
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
2017/2018						
New Plymouth	16,998,928,540	55.35%	2,642,834	396,425	3,039,259	
Stratford	2,946,817,514	9.60%	458,378	68,757	527,135	
South Taranaki	10,763,892,555	35.05%	1,673,556	251,033	1,924,589	
	30,709,638,609	100.00%	4,774,768	716,215	5,490,983	0.015548

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

2016/2017 Estimate $ Annual Plan		2017/2018 Estimate $ Annual Plan	2017/2018 Estimate $ LTP
	Sources of operating funding		
7,536,494	General rates, uniform annual general charges, rates penalties	7,611,858	7,574,175
1,820,603	Targeted rates	1,865,532	1,699,487
1,601,930	Subsidies and grants for operating purposes	2,007,987	1,883,854
7,407,404	Fees and charges	7,801,374	8,728,451
6,499,700	Interest and dividends from investments	6,992,170	7,096,928
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
24,866,131	**Total operating funding**	**26,278,921**	**26,982,895**
	Applications of operating funding		
23,809,900	Payments to staff and suppliers	24,429,159	25,053,608
0	Finance costs	0	0
0	Other operating funding applications	0	0
23,809,900	**Total applications of operating funding**	**24,429,159**	**25,053,608**
1,056,231	**Surplus/(deficit) of operating funding**	**1,849,762**	**1,929,287**
	Sources of capital funding		
402,000	Subsidies and grants for capital expenditure	257,500	0
0	Development and financial contributions	0	0
0	Increase/(decrease) in debt	0	0
235,000	Gross proceeds from sale of assets	118,000	118,000
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
637,000	**Total sources of capital funding**	**375,500**	**118,000**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
40,000	- improve the level of service	600,000	0
5,362,400	- replace existing assets	3,286,750	1,589,450
(351,290)	Increase/(decrease) in reserves	107,969	144,051
(3,357,879)	Increase/(decrease) in investments	(1,769,457)	313,786
1,693,231	**Total applications of capital funding**	**2,225,262**	**2,047,287**
(1,056,231)	**Surplus/(deficit) of capital funding**	**(1,849,762)**	**(1,929,287)**
0	**Funding balance**	**0**	**0**

RESOURCE MANAGEMENT FUNDING IMPACT STATEMENT

2016/2017 Estimate $ Annual Plan		2017/2018 Estimate $ Annual Plan	2017/2018 Estimate $ LTP
	Sources of operating funding		
3,986,371	General rates, uniform annual general charges, rates penalties	4,209,997	3,890,651
0	Targeted rates	0	0
300,000	Subsidies and grants for operating purposes	302,000	245,000
5,608,690	Fees and charges	5,682,156	6,721,769
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
9,895,061	**Total operating funding**	**10,194,153**	**10,857,420**
	Applications of operating funding		
8,790,150	Payments to staff and suppliers	9,160,657	9,933,701
0	Finance costs	0	0
4,140,094	Internal charges and overheads applied	4,388,888	4,171,214
0	Other operating funding applications	0	0
12,930,244	**Total applications of operating funding**	**13,549,545**	**14,104,915**
(3,035,183)	**Surplus/(deficit) of operating funding**	**(3,355,392)**	**(3,247,495)**
	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
94,000	Gross proceeds from sale of assets	71,000	71,000
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
94,000	**Total sources of capital funding**	**71,000**	**71,000**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
598,600	- replace existing assets	1,199,250	403,950
0	Increase/(decrease) in reserves	0	0
(3,539,783)	Increase/(decrease) in investments	(4,483,642)	(3,580,445)
(2,941,183)	**Total applications of capital funding**	**(3,284,392)**	**(3,176,495)**
3,035,183	**Surplus/(deficit) of capital funding**	**3,355,392**	**3,247,495**
0	**Funding balance**	**0**	**0**

BIOSECURITY FUNDING IMPACT STATEMENT

2016/2017 Estimate $ Annual Plan		2017/2018 Estimate $ Annual Plan	2017/2018 Estimate $ LTP
	Sources of operating funding		
727,847	General rates, uniform annual general charges, rates penalties	796,288	923,601
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
106,500	Fees and charges	106,500	110,116
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
834,347	**Total operating funding**	**902,788**	**1,033,717**
	Applications of operating funding		
1,258,250	Payments to staff and suppliers	985,745	1,134,839
0	Finance costs	0	0
481,270	Internal charges and overheads applied	468,547	587,458
0	Other operating funding applications	0	0
1,739,520	**Total applications of operating funding**	**1,454,292**	**1,722,297**
(905,173)	**Surplus/(deficit) of operating funding**	**(551,504)**	**(688,580)**
	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
60,000	Gross proceeds from sale of assets	8,000	8,000
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
60,000	**Total sources of capital funding**	**8,000**	**8,000**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
172,500	- replace existing assets	44,500	44,500
(372,000)	Increase/(decrease) in reserves	100,000	100,000
(645,673)	Increase/(decrease) in investments	(688,004)	(825,080)
(845,173)	**Total applications of capital funding**	**(543,504)**	**(680,580)**
905,173	**Surplus/(deficit) of capital funding**	**551,504**	**688,580**
0	**Funding balance**	**0**	**0**

TRANSPORT FUNDING IMPACT STATEMENT

2016/2017 Estimate $ Annual Plan		2017/2018 Estimate $ Annual Plan	2017/2018 Estimate $ LTP
	Sources of operating funding		
149,796	General rates, uniform annual general charges, rates penalties	146,089	169,761
850,272	Targeted rates	858,207	811,628
1,301,930	Subsidies and grants for operating purposes	1,705,987	1,638,854
1,136,450	Fees and charges	1,149,360	1,365,188
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
3,438,448	**Total operating funding**	**3,859,643**	**3,985,431**
	Applications of operating funding		
3,851,102	Payments to staff and suppliers	3,861,184	3,988,986
0	Finance costs	0	0
146,080	Internal charges and overheads applied	153,165	151,833
0	Other operating funding applications	0	0
3,997,182	**Total applications of operating funding**	**4,014,349**	**4,140,819**
(558,734)	**Surplus/(deficit) of operating funding**	**(154,706)**	**(155,388)**
	Sources of capital funding		
402,000	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
410,000	**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
725,000	- replace existing assets	0	0
(35,180)	Increase/(decrease) in reserves	(36,703)	(32,820)
(838,554)	Increase/(decrease) in investments	(118,003)	(122,568)
(148,734)	**Total applications of capital funding**	**(154,706)**	**(155,388)**
558,734	**Surplus/(deficit) of capital funding**	**154,706**	**155,388**
0	**Funding balance**	**0**	**0**

HAZARD MANAGEMENT FUNDING IMPACT STATEMENT—CIVIL DEFENCE EMERGENCY MANAGEMENT

2016/2017 Estimate $ Annual Plan		2017/2018 Estimate $ Annual Plan	2017/2018 Estimate $ LTP
	Sources of operating funding		
193,408	General rates, uniform annual general charges, rates penalties	184,955	197,626
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
361,721	Fees and charges	688,358	384,442
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
555,129	**Total operating funding**	**873,313**	**582,068**
	Applications of operating funding		
491,667	Payments to staff and suppliers	668,690	525,940
0	Finance costs	0	0
198,776	Internal charges and overheads applied	333,191	215,946
0	Other operating funding applications	0	0
690,443	**Total applications of operating funding**	**1,001,881**	**741,886**
(135,314)	**Surplus/(deficit) of operating funding**	**(128,568)**	**(159,818)**
	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
10,000	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
10,000	**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
44,800	- replace existing assets	74,000	4,000
0	Increase/(decrease) in reserves	0	0
(170,114)	Increase/(decrease) in investments	(202,568)	(163,818)
(125,314)	**Total applications of capital funding**	**(128,568)**	**(159,818)**
135,314	**Surplus/(deficit) of capital funding**	**128,568**	**159,818**
0	**Funding balance**	**0**	**0**

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

2016/2017 Estimate $ Annual Plan		2017/2018 Estimate $ Annual Plan	2017/2018 Estimate $ LTP
	Sources of operating funding		
100,208	General rates, uniform annual general charges, rates penalties	(47,975)	135,553
662,877	Targeted rates	700,454	591,295
0	Subsidies and grants for operating purposes	0	0
51,043	Fees and charges	20,000	0
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
814,128	**Total operating funding**	**672,479**	**747,881**
	Applications of operating funding		
410,590	Payments to staff and suppliers	386,323	389,968
0	Finance costs	0	0
106,240	Internal charges and overheads applied	111,392	110,424
0	Other operating funding applications	0	0
516,830	**Total applications of operating funding**	**497,715**	**500,392**
297,298	**Surplus/(deficit) of operating funding**	**174,764**	**247,489**
	Sources of capital funding		
0	Subsidies and grants for capital expenditure	257,500	0
0	Development and financial contributions	0	0
0	Increase/(decrease) in debt	0	0
0	Gross proceeds from sale of assets	0	0
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
0	**Total sources of capital funding**	**257,500**	**0**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
40,000	- improve the level of service	600,000	0
0	- replace existing assets	0	0
55,890	Increase/(decrease) in reserves	44,672	76,871
201,408	Increase/(decrease) in investments	(212,408)	170,618
297,298	**Total applications of capital funding**	**432,264**	**247,489**
(297,298)	**Surplus/(deficit) of capital funding**	**(174,764)**	**(247,489)**
0	**Funding balance**	**0**	**0**

RECREATION, CULTURE AND HERITAGE FUNDING IMPACT STATEMENT

2016/2017 Estimate $ Annual Plan		2017/2018 Estimate $ Annual Plan	2017/2018 Estimate $ LTP
	Sources of operating funding		
1,601,390	General rates, uniform annual general charges, rates penalties	1,588,231	1,601,997
307,454	Targeted rates	306,871	296,564
0	Subsidies and grants for operating purposes	0	0
138,000	Fees and charges	152,000	118,903
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
2,046,844	**Total operating funding**	**2,047,102**	**2,017,464**
	Applications of operating funding		
2,229,267	Payments to staff and suppliers	2,205,965	2,248,751
0	Finance costs	0	0
812,741	Internal charges and overheads applied	852,155	844,747
0	Other operating funding applications	0	0
3,042,008	**Total applications of operating funding**	**3,058,120**	**3,093,498**
(995,164)	**Surplus/(deficit) of operating funding**	**(1,011,018)**	**(1,076,034)**
	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
0	Gross proceeds from sale of assets	8,000	8,000
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
0	**Total sources of capital funding**	**8,000**	**8,000**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
2,839,000	- replace existing assets	1,226,000	476,000
0	Increase/(decrease) in reserves	0	0
(3,834,164)	Increase/(decrease) in investments	(2,229,018)	(1,544,034)
(995,164)	**Total applications of capital funding**	**(1,003,018)**	**(1,068,034)**
995,164	**Surplus/(deficit) of capital funding**	**1,011,018**	**1,076,034**
0	**Funding balance**	**0**	**0**

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT FUNDING IMPACT STATEMENT

2016/2017 Estimate $ Annual Plan		2017/2018 Estimate $ Annual Plan	2017/2018 Estimate $ LTP
	Sources of operating funding		
777,474	General rates, uniform annual general charges, rates penalties	734,273	654,986
0	Targeted rates	0	0
0	Subsidies and grants for operating purposes	0	0
5,000	Fees and charges	3,000	7,000
0	Internal charges and overheads recovered	0	0
0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
782,474	**Total operating funding**	**737,273**	**661,986**
	Applications of operating funding		
995,452	Payments to staff and suppliers	925,454	816,656
0	Finance costs	0	0
437,181	Internal charges and overheads applied	452,533	423,478
0	Other operating funding applications	0	0
1,432,633	**Total applications of operating funding**	**1,377,987**	**1,240,134**
(650,159)	**Surplus/(deficit) of operating funding**	**(640,714)**	**(578,148)**
	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
63,000	Gross proceeds from sale of assets	31,000	31,000
0	Lump sum contributions	0	0
0	Other dedicated capital funding	0	0
63,000	**Total sources of capital funding**	**31,000**	**31,000**
	Applications of capital funding		
	Capital expenditure to:		
0	- meet additional demand	0	0
0	- improve the level of service	0	0
982,500	- replace existing assets	743,000	661,000
0	Increase/(decrease) in reserves	0	0
(1,569,659)	Increase/(decrease) in investments	(1,352,714)	(1,208,148)
(587,159)	**Total applications of capital funding**	**(609,714)**	**(547,148)**
650,159	**Surplus/(deficit) of capital funding**	**640,714**	**578,148**
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 and Group is to provide goods or services for community and social benefit, rather than for making a financial return, the Council and Group are public benefit entities for the purpose of financial reporting. The financial statements of the Council and Group have been prepared in accordance with and comply with Tier 1 Public Benefit Entity (PBE) standards. The financial statements are presented in New Zealand dollars. The functional currency of Taranaki Regional Council is New Zealand dollars.

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

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

Judgements that management have made regarding the estimated useful life of plant property and equipment, 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.*

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

Revenue from non-exchange transactions:

- General and targeted rates: The Group recognises revenue from rates when the Council has struck the rate and provided the rates assessment. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable.
- Government grants and funding: Revenues from the Government is recognised when the Group obtains control of the transferred asset (cash, goods, services, or property), and when the revenue can be measured reliably and is free from conditions.
- Fines: The Group recognises revenue from fines when the notice of infringement or breach is served by the Council or Group.

- Direct charges – goods and services: Rendering of services or the sale of goods at a price that is not approximately equal to the value of the service provided by the Council or Group is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service and where the shortfall is subsidised by income from other activities, such as rates. Revenue from such subsidised services is recognised when the Council or Group issues the invoice or bill for the service.

Revenue from exchange transactions:

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

EXPENDITURE

The budget figures presented in these financial statements are those included in the Council's adopted Annual Plan or Long-Term Plan. The budget figures are for the Council as a separate entity, and do not include budget information relating to subsidiaries or associates.

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

INCOME TAX

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

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

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

In the case of receivables and payables, which are stated with the amount of GST included.

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 that are readily convertible to known amounts of cash.

INVENTORIES

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

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

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

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

Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value presented as other losses (negative net changes in fair value) or other gains (positive net changes in fair value) in the statement of comprehensive revenue and expense. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Available for sale (AFS) financial investments include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through surplus or deficit. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions. After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive revenue and expense and accumulated in the AFS reserve until:

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

A financial asset is derecognised primarily when:

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

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

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

For AFS financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in surplus or deficit – is removed from net assets/equity and recognised in surplus or deficit.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through surplus or deficit, payables, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of payables and loans and borrowings, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings (including bank overdrafts), financial guarantee contracts and derivative financial instruments.

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

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

Financial liabilities at amortised cost: This is the category of financial liabilities that is most relevant to the Group. After initial recognition, trade and other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the effective interest rate amortisation process. The effective interest rate amortisation is included as finance costs in the statement of financial performance.

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

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

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

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

A derivative is a financial instrument or contract whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, credit index or other variable. It requires no or a nominal initial investment and is settled at a later date. Port Taranaki Ltd uses derivative financial instruments to hedge its exposure to foreign exchange, commodity and interest rate risks arising from operational, financing and investment activities. Port Taranaki Ltd does not hold or issue derivative financial instruments for trading purposes. Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

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

Cash flow hedges: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the profit or loss with finance expenses. If the hedging instrument no longer meets the criteria for hedge accounting, expires, or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the hedging reserve remains there until the forecast transaction occurs. When the hedged item is a nonfinancial asset, the amount recognised in the hedging reserve is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in the hedging reserve is transferred to the profit or loss in the same period that the hedged item affects the profit or loss.

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

The Group manages its capital to ensure it is able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The finance departments of the Council and of Port Taranaki provide treasury services, monitoring and reviewing financial risk through internal management reporting. These risks include market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effects of these risks by adhering to a treasury policy reviewed by the Council and Port Taranaki's board of directors respectively. The treasury policy provides written guidelines on foreign exchange risk, interest rate risk and credit risk. Port Taranaki's surplus funds are either applied against Company borrowings minimising surplus liquidity or invested short term until required. The Group does not enter into, or trade financial instruments, including derivative financial instruments for speculative purposes.

Cash and cash equivalents, foreign currency balances, receivables, term deposits, and short term payables and accruals: The carrying value of these items is equivalent to the fair value.

Derivative financial instruments - Cash flow hedge: Interest rate swap. The nature of the risk is the variability of the hedged item resulting from the changes on BKBM interest rates associated with on-going term borrowings. Fair value is stated at the indicative market value obtained from the calculation agent.

Interest bearing loans: The fair value of the current loans and term loans are estimated based upon the market prices available for similar debt securities obtained from the lender at balance date.

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Taranaki Regional Council is not exposed to equity securities price risk on its investments. Taranaki Regional Council holds unlisted equity instruments in Port Taranaki Ltd and New Zealand Local Government Insurance Corporation Ltd.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Taranaki Regional Council is not exposed to currency risk, as it does not enter into foreign currency transactions. Port Taranaki Ltd's activities expose it to foreign exchange risk when capital assets are purchased in foreign currency.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates expose the Taranaki Regional Council to fair value interest rate risk. The Council has no such exposure. The Council has interest rate risk on its term deposit and corporate bond/note investments as they are fixed interest and they are all held to maturity.

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings do not expose Taranaki Regional Council to cash flow interest rate risk as the Council has no borrowings. Investments (term deposits and corporate bonds) are issued at fixed interest rates and therefore do not expose Taranaki Regional Council to cash flow interest rate risk.

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss. Taranaki Regional Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Taranaki Regional Council has powers under the *Local Government (Rating) Act 2002* to recover outstanding debts from ratepayers.

Taranaki Regional Council invests funds only in deposits with registered banks and local authority stock and its Investment policy limits the amount of credit exposure to any one institution or organisation. The Council only invests funds with those entities, which have a very strong credit rating. Accordingly, the group does not require any collateral or security to support these investments. The maximum exposure to credit risk is the carrying value of financial assets.

Liquidity risk is the risk that Taranaki Regional Council and Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Taranaki Regional Council and Group aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, Taranaki Regional Council and Group maintain a target level of investments that must mature within the next 12 months. Taranaki Regional Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy.

The Council and Group's assets and liabilities which are measured at fair value are categorised into one of three levels as follows:

- Level one - the fair value is determined using unadjusted quoted prices from an active market for identical assets and liabilities. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker industry Company, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- Level two - the fair value is derived from inputs other than quoted prices included in level one that are observable for the asset or liability, either directly (i.e. as prices)or indirectly (derived from prices). Financial instruments in this level include interest rate swaps and options and valuation of land.
- Level three - the fair value is derived from inputs that are not based on observable market data.

The Council and Group's policy is to recognise transfers between fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Group, and if the item's cost or fair value can be measured reliably. Subsequent to initial recognition, property, plant and equipment are measured using either the cost model or the revaluation model. Land and buildings are measured at fair value, less accumulated depreciation on buildings and any impairment losses recognised after the date of the revaluation. The fair value of land and buildings is their market value as determined by a registered valuer.

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

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

Buildings	5 to 50 yrs	2 to 20%
Motor vehicles	5 yrs	20%

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

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

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

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

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

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

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

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

Computer software	2 to 5 yrs	20 to 50%

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. 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.

EMPLOYEE BENEFITS

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

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

PROVISIONS

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

BORROWINGS

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

EQUITY

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

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

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. Finance leases are leases that transfer substantially all risks and benefits incidental to ownership of the leased item to the Group. Assets held under a finance lease are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Group also recognises the associated lease liability at the inception of the lease, at the same amount as the capitalised leased asset. Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

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 Council and Group.
- Operating activities include all transactions and events that are not investing or financing activities.

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

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.

	2017/2018 Estimate $
Opening balance 1 July	1,116,806
Transfer from retained earnings	44,672
Transfer to retained earnings	0
Closing balance 30 June	**1,161,478**

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.

	2017/2018 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.

	2017/2018 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.

	2017/2018 Estimate $
Opening balance 1 July	82,416
Transfer from retained earnings	3,297
Transfer to retained earnings	40,000
Closing balance 30 June	**45,713**

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.

	2017/2018 Estimate $
Opening balance 1 July	42,000
Transfer from retained earnings	100,000
Transfer to retained earnings	0
Closing balance 30 June	**142,000**

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.

	2017/2018 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
2017/2018	$1,657,706	$11,674,670

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 as at 30 June 2017.

Constituency	Number of rating units	Capital value of rating units $	Land value of rating units $
New Plymouth & Nth Taranaki	36,400	19,497,216,500	10,387,096,000
Stratford	4,189	2,701,170,950	1,780,405,150
South Taranaki	14,173	10,246,379,251	7,255,408,450
Total	**54,762**	**32,444,766,701**	**19,422,909,600**

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.

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.	0.46%	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%	102%	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	$90/hr	$85/hr
Professional/supervisory staff	$114/hr	$106/hr
Managers	$165/hr	$154/hr
Support staff	$90/hr	$85/hr
Directors	$275/hr	$255/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 2017.

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	$695
For non-notified consent other	$1,040
For notified consents (limited and public)	$7,000
Renewal, change or review of consent:	
Non-notified	$1,040
Notified (limited and public)	$7,000
Extension of a consent lapse date	$450
Certificate of compliance	$1,040
Approvals under Resource Management Act Water Measuring Regulations	$350
Transfer of consent to another party or change of consent holder name (1 to 5 consents)	$90 per consent
Transfer of consent to another party or change of consent holder name (6 to 20 consents)	$75 per consent
Transfer of consent to another party or change of consent holder name (more than 21)	$60 per consent

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 2017.

SCHEDULE 3: SCALE OF CHARGES FOR THE USE OF PLANT

Multi-parameter field meter	$100.00 per day
Mangati environmental sensors	$5,000 per year
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	$100.00 per hour
Disposable bailer	$20.00 per sample
Peristaltic pump	$120.00 per day
Groundwater level logger	$180.00 per year
Groundwater probe	$100.00 per day
Rain gauge calibration	$300.00 per deployment
Automatic water quality samplers	$50.00 per day
Hydrological gauging equipment (wading)	$60.00 per gauging
Hydrological gauging equipment (M9)	$120.00 per gauging
Datalogger	$160.00 per year
GPRS telemetry	$30 per month
Radio telemetry	$10 per month
Repair Parts (battery/fuse/cable)	$50 per deployment
Bertrand Rd hydrology equipment	$750.00 per year
Lake Rotorangi telemetry	$1,752.00 per year
Mangati hydrology equipment	$2,540.00 per year
Mangaehu hydrology equipment	$620.00 per year
Mangawhero-iti hydrology equipment	$1,510.00 per year
Patea Skinner Rd hydrology equipment	$475.00 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 hydrology equipment	$665.00 per year
Waitaha telemetry/equipment	$1,510.00 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

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 2017.

SCHEDULE 4: FIXED MINIMUM CHARGES FOR LABORATORY ANALYSES

pH	$16.50
Alkalinity	$22.50
Acidity	$22.50
Conductivity	$16.50
Salinity	$16.50
Turbidity	$16.50
Absorbance - filtered	$16.50
Hardness	$22.50
Boron	$31.50
Chloride	$28.50
Sulphate	$31.50
Sulphide	$28.50
Fluoride	$28.50
Silica - reactive dissolved	$28.50
Chlorine (kit)	$22.50
Formaldehyde (kit)	$22.50
Nitrogen - Ammonia	$28.50
Nitrogen - Nitrite	$28.50
Nitrogen - Nitrate	$35.50
Nitrogen - Urea	$35.50
Nitrogen - Total	$47.00
Phosphorus - Total	$35.50
Phosphorus - reactive dissolved	$28.50
Settleable solids	$16.50
Suspended solids	$35.50
Total Grease	$87.50
Floatable grease	$94.00
Oil and Grease, or Hydrocarbons	$104.00
Oil and Grease, and Hydrocarbons	$107.00
Chlorophyll	$52.00
Cyanide (total)	$80.00
Phenol (total)	$80.00
Methanol	$52.00
Biochemical oxygen demand:	
- clean water	$44.50
- wastewater	$91.00
- filtered BOD - clean water	$58.00
- filtered BOD - wastewater	$103.00
Chemical oxygen demand - filtered	$63.00
Chemical oxygen demand - total	$52.00
DO meter - Field	$23.50
Metals - direct soluble/acid soluble (includes cations)	$23.00
Metals - total	$52.00
Mercury - total	$77.50
Vanadium (gallic acid)	$52.00
Faecal coliforms or E.coli (Membrane filtration)	$39.00
Faecal coliforms and E.coli (Membrane filtration)	$41.00
Enterococci - Water/Wastewater (Membrane filtration)	$41.00
Faecol coliforms (MPN)	$93.00
Enterococci (MPN)	$93.00
Shellfish (MPN)	$111.00
Soil - Sample preparation	$39.00
Air deposition filters	$31.50
1080	$76.50
Metals -mussels/shellfish	$39.00

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 2017.

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

CATCHMENTS - HEREKAWE STREAM

Methanex Motunui Limited	$3,597
New Plymouth District Council	$2,111
Origin Energy Resources (Kupe) Limited	$2,619
Port Taranaki Limited	$2,255
Shell Todd Oil Services Limited (New Plymouth)	$4,864

CATCHMENTS - HONGIHONGI STREAM

Bulk Storage Terminals Limited (New Plymouth)	$3,080

Fonterra Limited	$1,652
Liquigas Limited	$1,908
Molten Metals Limited	$2,566
New Plymouth District Council	$1,652
New Zealand Oil Services Ltd (New Plymouth)	$2,576
Port Taranaki Limited	$1,140
Shell Todd Oil Services Limited (New Plymouth)	$2,390

CATCHMENTS - LOWER WAIWHAKAIHO AIRSHED

Downer NZ Limited	$7,609
Fitzroy Engineering Group Limited	$8,324
Intergroup Limited	$1,707
Katere Surface Coatings Limited	$4,050
Ravensdown Limited	$5,850

CATCHMENTS - LOWER WAIWHAKAIHO RIVER

AML Limited (Trading as Allied Concrete)	$2,912
Downer EDI Works Limited	$3,370
Envirowaste Services Limited	$4,061
Firth Industries Limited	$3,388
Fitzroy Engineering Group Limited	$4,432
Freight & Bulk Transport Limited	$4,271
Katere Stores Limited	$3,863
Nankervis Family Trust	$2,820
New Plymouth District Council	$11,656
New Zealand Decorative Concrete Limited	$1,875
New Zealand Railways Corporation	$5,879
Ravensdown Fertiliser Co-operative Ltd	$11,923
Taranaki Sawmills Limited	$9,540
Technix Group Limited	$4,867

CATCHMENTS - MANGATI STREAM

ABB Limited	$4,810
ABB Transformers Limited	$967
First Gas Limited	$2,905
GrainCorp Feeds Limited	$7,059
Greymouth Petroleum Acquisition Company Limited	$5,648
Halliburton New Zealand	$5,776
J Swap Contractors Limited	$5,890
McKechnie Aluminium Solutions Limited	$8,346
New Plymouth District Council	$5,302
Nexans New Zealand Limited	$5,962
OMV New Zealand Limited	$4,939
Schlumberger New Zealand Limited	$8,502
Tasman Oil Tools Limited	$5,830
Tegel Foods Limited (Feedmill)	$8,561
Tegel Foods Limited (Poultry Processing Plant)	$17,416
TIL Freighting Limited	$8,462

CATCHMENTS - TAWHITI STREAM

Graeme Lowe Protein Limited	$11,003
Silver Fern Farms Management Limited	$14,874
Taranaki Fish & Game Council	$1,554

CATCHMENTS - WAITAHA STREAM

AICA (NZ) Limited	$10,398
C&O Concrete Products Limited (NEW PLYMOUTH)	$2,149
Energyworks Limited	$3,121
Greymouth Facilities Limited	$2,981
Intergroup Limited	$2,981
Meredith Scrap Metals Limited	$4,290
New Plymouth District Council	$5,038
Symons Property Developments Limited	$3,086
Taranaki Sawmills Limited	$5,647
TBS Coatings Limited	$3,765
Weatherford New Zealand Limited	$4,401
Woodwards 2008 Limited	$1,129
Zelam Limited (NEW PLYMOUTH)	$1,155

DAIRY PROCESSING

Fonterra Co-operative Group Ltd, Whareroa	$36,846
Fonterra Limited	$117,443

HYDRO-ELECTRIC ENERGY

Opunake Power Limited	$11,257
Renewable Power Limited	$18,413
Trustpower Limited	$60,684

INDUSTRIAL

Ballance Agri-Nutrients Limited (Pungarehu)	$758
Dow AgroSciences (NZ) Limited	$19,332
Downer NZ Limited	$1,269
Fonterra Limited	$694
McKechnie Aluminium Solutions Limited	$18,332
Methanex Motunui Limited	$2,300
New Zealand Oil Services Ltd (New Plymouth)	$1,988
Port Taranaki Limited	$6,732
Powerco Limited (Electricity Operations)	$678
Sandford Bros Limited	$915
Solexin Industries Limited	$650
Taranaki Bulk Storage Limited	$758
Taranaki Stock Car Club Inc	$650
Technix Taranaki Terminal Limited	$900
Transpower New Zealand Limited	$1,568
Tranzit Coachlines Taranaki Limited (New Plymouth)	$477

IRRIGATION

AL & LA Campbell	$2,284
Anthony Ingman & Kerstin Johanna Williams	$2,390
AR Geary Trust	$1,847
BR & RG Harvey Family Trust	$601
Coastal Country Farms Limited	$2,178
Cornwall Park Farms Limited	$707
Craig Timothy & Joanne Maree McDonald	$2,178
Crosbig Trusts Partnership	$2,564
David Pease Family Trust	$1,966
DR Wilson	$3,340
Estate Andrew & Elva N Barkla	$2,284
Estate Ian Mantey & Sally Mantey Family Trust	$601
FJ Goodin & Sons Limited	$2,670
Fonic Farms Limited	$961
Gibbs G Trust	$608
Graham & Ruby Dorn	$1,330
Greg McCallum	$1,582
GSJ Trust	$2,284
Hawera Golf Club Inc	$399
Inglewood Golf Club Inc	$936
James & Donna-Maree Baker	$1,926
Jimian Limited	$2,178
John & Elaine Glenda Sanderson	$4,567
JW & MT Hamblyn Family Trusts	$1,702
Kaihihi Trust	$2,670
Kaitake Golf Club Inc	$830
KCCG Sole Trust	$1,383
Kereone Farms Limited	$8,056
Kohi Investments Limited	$2,411
Larsen Trusts Partnership	$2,178
Leatherleaf Limited	$1,475
Luttrell Trust Partnership	$3,065

Manaia Golf Club	$505
Manukorihi Golf Club Inc	$890
Mara Trust	$2,411
New Plymouth Golf Club Inc	$1,805
Nigel Wayne & Denise Mary King	$2,178
Nilock & Camole Trusts	$2,564
NRGE Farms Limited/Oceanview Trust	$2,178
Ohawe Farm Limited	$601
Pihama Farms Limited	$2,178
Pinehill Land Company Limited	$2,178
Pukeone Partnership	$7,084
RA & SM Geary Trusts Partnership	$1,025
Riverside Farms Taranaki Ltd	$2,199
RM & MC Julian Family Trust	$2,284
Roger Dickie Family Trust	$707
Spenceview Farms	$3,291
Stratford Golf Club Inc	$611
Taranaki Community Rugby Trust	$2,178
Te Ngutu Golf Club Incorporated	$989
Waikaikai Farms Limited	$1,595
Waitara Golf Club Inc	$830
Waiwira Trust	$2,575
Walker & McLean Partnership	$1,337
Wayne Douglas & Sandra Christine Morrison	$4,639
Westown Golf Club Incorporated	$830
Woollaston Family Trust Partnership	$2,390

LANDFILLS/CLEANFILLS

A & A George Family Trust	$1,361
AA Contracting Limited	$1,572
AE Riddick	$1,475
Barry & Lynette Bishop	$1,413
Central Greenwaste 2012	$1,278
Denis Wheeler Earthmoving Limited	$1,785
Dimar Partnership	$1,466
Downer EDI Works Ltd	$1,475
Downer NZ Limited	$2,897
Gas & Plumbing Ltd	$1,422
Graham Harris (2000) Limited	$1,475
Groundworkx Taranaki Limited	$1,278
JW & CT Bailey Ltd	$1,103
Malandra Downs Limited	$1,724
New Plymouth District Council	$65,502
South Taranaki District Council	$92,004
Stratford District Council	$8,225
Taranaki Trucking Company Limited	$1,245
TPJ Partnership	$2,356
Value Timber Supplies Limited	$2,828
Waverley Sawmills Limited	$6,449

MARINE DISCHARGES

Anzco Foods Waitara Limited (Eltham)	$4,005
New Plymouth District Council	$31,941
Port Taranaki Limited	$12,875
Meat Processing	
Ample Group Limited	$21,246
Riverlands Eltham Limited (Eltham)	$46,318
Silver Fern Farms Management Limited	$17,128
Taranaki By-Products Limited	$109,091

MINOR INDUSTRIES

AML Limited (Trading as Allied Concrete)	$1,357
Arabac Aerial Abseil Access (NZ) Limited	$612
Berridge Pet Food	$506
Blastways Limited	$612
Coastal Services Limited	$612
Edmonds Industrial Coatings Ltd	$612
Egmont Canine Retreat and Cattery	$506
Eltham Sandblasting Limited	$612
Firth Industries	$1,357
Fletcher Concrete & Infrastructure Limited	$1,357
Fulton Hogan Limited (New Plymouth)	$135
Hawera Rewinds	$506
Independent Services	$124
Inglewood Timber Processors	$506
JD Hickman 1997 Family Trust	$3,269
Lorry Land Limited	$506
M Hooper	$612
Napier Sandblasting Co Limited	$612
New Plymouth District Council	$6,433
Nickel Blast & Paint 2013	$612
Osflo Fertiliser Limited	$9,133
P Jones	$506
Pacific Natural Gut String Co. Limited	$2,242
Soda Blast Limited	$612
Taranaki Galvanizers Limited	$5,434
Transpower New Zealand Limited	$612
W Abraham Limited	$3,732
Waverley Sawmills Limited	$347

MISCELLANEOUS

New Plymouth District Council	$9,018
New Plymouth Girls' High School	$168
New Zealand Railways Corporation	$282
Pungarehu Community Committee	$168
South Taranaki District Council	$5,468
Stratford District Council	$168
Stratford High School	$168

NON-RENEWABLE ENERGY

Contact Energy Limited (Wellington)	$34,802

PETROCHEMICAL

Ballance Agri-Nutrients (Kapuni) Limited	$43,108
Bridge Petroleum Limited	$1,120
BTW Company Limited	$22,043
CD Boyd	$18,929
Cheal Petroleum Limited	$26,104
Contact Energy Limited (Wellington)	$6,084
Energy Services International Limited	$636
Greymouth Petroleum Acquisition Company Ltd	$21,217
Greymouth Petroleum Limited	$28,227
Greymouth Petroleum Turangi Limited	$3,182
Methanex Motunui Limited	$27,001
Nova Energy Limited	$6,945
NZEC Tariki Limited	$962
NZEC Waihapa Limited (NZ Energy Corp.)	$10,583
NZEC Waihapa Limited and NZEC Tariki Limited	$209
Origin Energy Resources (Kupe) Limited	$16,953
Origin Energy Resources NZ (Rimu) Limited	$23,068
Petrochem Limited	$5,573
Remediation (NZ) Limited	$55,163
Shell Exploration NZ Limited	$13,888
Shell Todd Oil Services Limited (New Plymouth)	$48,621
Surrey Road Landfarms Limited	$9,096
TAG Oil (NZ) Limited	$16,031
Taranaki Ventures II Limited	$345
Taranaki Ventures Limited	$7,972
Todd Energy Limited	$44,603
TWN Limited Partnership	$12,576

Vector Gas Trading Limited	$7,615
Vector Limited (Hawera)	$6,992
Waste Remediation Services Limited	$36,404
Wood Group M & O	$1,249

PIGGERIES

Aorere Farms Partnership	$1,082
DH Lepper Trust	$6,618
RKM Farms Limited	$4,979

QUARRIES

AA Contracting Limited	$1,989
CD Boyd	$1,989
Dennis Mark & Diane Lillian Bourke	$1,989
Ferndene Quarries Limited	$1,135
Gavin & Linda Jones	$700
Gibson Family Trust	$2,858
Goodin AG Limited	$1,724
Grant Cudby Contracting Limited	$862
Gully Rock Limited	$2,466
Hey Trust	$1,459
Horizon Trust Management Limited	$4,959
Inglewood Metal Limited	$7,171
Jones Quarry Limited	$3,165
OW Burgess & TH Crowley Partnership	$2,488
R A Wallis Limited	$2,004
RJ Dreaver	$1,989
Taranaki Trucking Company Limited	$1,135
Taunt Contracting Limited	$1,459
Vickers Quarries Limited	$3,349
Waverley Bulk Transport Limited	$1,724
Whitaker Civil Engineering Limited	$2,254
Winstone Aggregates Limited (Opunake)	$2,466

SEWERAGE DISCHARGES AND TREATMENT

CD Boyd	$3,702
New Plymouth District Council	$11,833
South Taranaki District Council	$101,702
Wai-iti Motor Camp Limited	$4,453

WATER TAKES

A Middleton	$436
Awatea Hawkes Bay Trust	$542
Belmont Dairies Limited	$542
Caiseal Trust Partnership	$542
Carter AJ Limited	$648
ClearAz Taranaki Spring Water	$648
Cold Creek Community Water Supply Limited	$13,993
Construction Mechanics (1993) Limited	$542
D Krumm	$436
DP & JH Roper Family Trusts Partnership	$648
Eric & Cedric Lander	$542
G Lance	$542
Gwerder Brothers	$648
Hernly Farm Limited	$542
I Cassie	$648
Ian & Judith Armstrong	$542
IHC New Zealand Inc (North Taranaki)	$648
Kaipi Holdings Limited	$542
Kathdan Trust Limited	$542
Living Light 2000 Limited	$489
MD Aiken Family Trust	$925
MJ Fahy & MO Fahy	$648
MJ Washer Trusts Partnership	$542
Naplin Trust	$648
New Plymouth District Council	$12,513
Ngatoro Poultry Limited	$542
Norwood Farm Partnership	$542
Nukumaru Water Scheme Society Inc	$648
Oakura Farms Limited	$648
Oaonui Water Supply Limited	$2,285
Pariroa Marae (The Trustees)	$648
PKW Farms LP	$1,084
Pungarehu Farmers Group Water Scheme	$2,575
SC & MJ O'Neill Family Trust	$542
Sona Chosta Limited	$648
South Taranaki District Council	$33,663
Stoney River Dairy Limited	$648
Stratford District Council	$4,813
Taranaki Greenhouses Limited	$648
Taranaki Thoroughbred Racing	$6,111
Te Rua O te Moko 2B Ahuwhenua Trust	$648
Todd Energy Limited	$648
Wairau Nurseries	$277

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 estimate 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 2017.

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:	$300
Discharge to water, no sampling:	$300
Discharge to water consent, including sampling discharge and receiving environment:	$900
Discharge to land and water consent, including sampling discharge and receiving environment:	$965
Discharge to land and water consent, no sampling:	$350

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	$747	$1,380
Discharge to water consent, including sampling and reinspection	$1,190	$1,822

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 (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 (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 2017.

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

The fixed charge for a regular compliance monitoring inspection that is not addressed in Schedule 5 or 6 is $300 per inspection plus any additional plant or laboratory analyses costs as set out in Schedules 3 and 4.

The fixed charge for a regular compliance monitoring re-inspection arising from non-compliance detected in an inspection that is not addressed in Schedule 5 or 6 is $335 per inspection plus any additional plant or laboratory analyses costs as set out in Schedules 3 and 4.

For the monitoring of some resource consents, it is not possible to predesign a monitoring programme, or to apply a fixed charge. This may be because the consent is exercised irregularly or the scale of the consented activity varies unpredictably. In such cases the Council will scale the monitoring programme according to the activity and charge for reasonable inspection time, sample analysis and equipment hire as set out in Schedules 1, 3 and 4 of this Appendix. This approach will be applied to monitoring of consents such as those associated with well-sites, hydraulic fracturing, forestry, construction of pipelines/highways /other roading projects and other temporary earthworks.

EXPLANATION

The above fixed charges for compliance monitoring inspections and re-inspections are based on staff time for a 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 2017.

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 2017.

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) $1,040 Medium Dam ($20,000 to $100,000 value) $803 Small Dam ($0 to $20,000 value) $574	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time.
Lodge building warrant of fitness	$106	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	$106	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) $4,123 Medium Dam ($20,000 to $100,000 value) $2,061 Small Dam ($0 to $20,000 value) $530	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)	$106	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	$106	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	$106	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 2017.

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 2017.

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 2017.