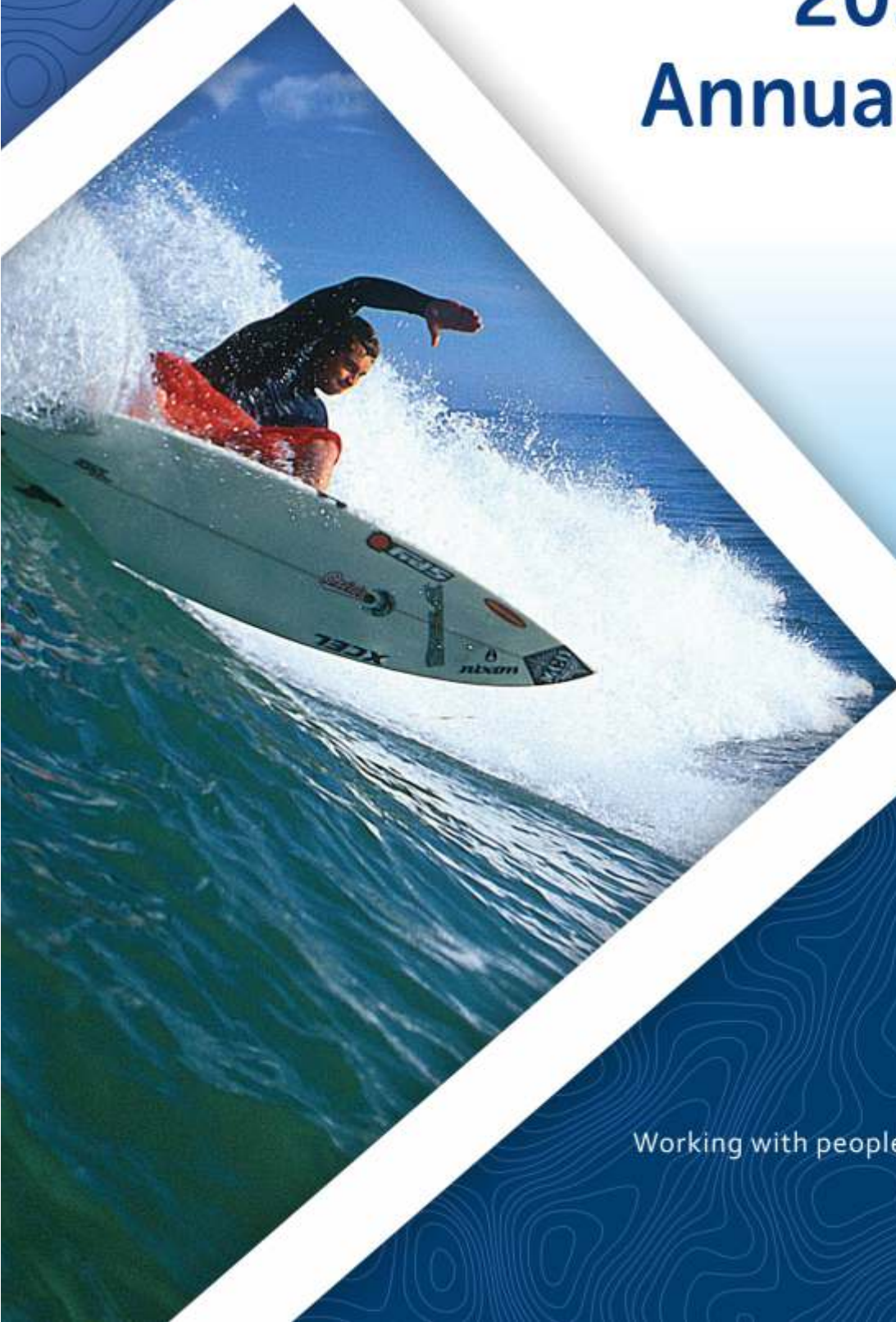


2021/2022 Annual Report



OUR MISSION

To work for a thriving and prosperous Taranaki by:

- Promoting the sustainable use, development and protection of Taranaki's natural and physical resources
- Safeguarding Taranaki's people and resources from natural and other hazards
- Promoting and providing for Taranaki's regionally significant services, amenities and infrastructure
- Representing Taranaki's interests and contributions to the regional, national and international community.

We will do this by leading with responsibility, working cooperatively, encouraging community participation, and taking into account the Treaty of Waitangi.



Ngā rārangi take

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Te pūrongo a te tumuaki me te tumu whakarae

Chairman and Chief Executive's report

We are pleased to present the Taranaki Regional Council's 2021/2022 Annual Report.

Kia ora koutou

Welcome to the Taranaki Regional Council *2021/22 Annual Report*, our look-back at the Council's achievements over the last year.

Improving lifestyles, taking Taranaki forward and supporting livelihoods are at the heart of everything we do, as we work towards our mission of a thriving and prosperous Taranaki. Our focus remains on working collaboratively with tangata whenua and our community to preserve our environment now and for future generations.

We work to make our mission a reality every day: restoring native habitats, checking the health of our rivers, supporting sustainable farming, promoting riparian planting, controlling predators and pest plants, providing public transport, maintaining the world-class Pukeiti, Tūpare and Hollard Gardens, monitoring rainfall, investing in Yarrow Stadium and much more.

Achievements

Figures from the 2021/2022 financial year show efforts to safeguard our environment by working together with our community continued with the addition of 30 new comprehensive farm plans and 24 biodiversity plans prepared for Key Native Ecosystems. We provided more than 418,000 plants for land owners to plant along the region's rivers and streams, meaning that some 4,631km of streams have now been planted – a rise of around 700km of riparian planting on the year before.

We published a handy guide called Weedbusters Taranaki to help Taranaki folk root out rogue plants and carried out more than 660 property inspections to control pest plants. Our Taranaki Taku Tūranga Towards Predator-Free Taranaki programme continues to grow and support livelihoods with an additional 23,000ha in Ōpunake and Oeo added to the zone for controlling stoats, weasels and ferrets (mustelids).

To ensure we're meeting our commitment as tuari (steward) of Taranaki and safeguarding people and resources from natural and other hazards, we monitor rivers, streams, wetlands and other habitats. We investigated nearly 600 environmental incidents in 2021/2022 and carried out 1,600 dairy effluent compliance inspections.

It's no fluke that Taranaki has a lifestyle that's second to none in Aotearoa: our long-term investment in projects, amenities and services continues to improve lifestyles and contribute to the well-being of the 120,000 people who live in our region. Following a downturn caused by the Covid-19 restrictions, public transport usage is rebounding and there was a 40% rise in passengers using the South Taranaki to New Plymouth Connector Service.

Pukeiti, Tūpare and Hollard Garden visitor numbers were also impacted by the pandemic and have started to recover with 110,000 visits in 2021/2022. The redevelopment of Yarrow Stadium gathered pace with the demolition of the East Stand, the installation of international-quality hybrid turf and new LED lights and continued repair work on the West Stand.

Financial result

The Council has recorded a 2021/2022 surplus of \$2.6m. This was significantly ahead of budget and strongly and favourably influenced by property and asset revaluations (\$1.8m) and the non-commencement of expenditure on the Waitara River catchment (following enactment of the New Plymouth District Council (Waitara Lands) Act 2018) and the Kaitake Trail Te Ara a Ruhihierapini. Excluding these extraordinary influences, the budget ran close to plan, a pleasing result.

Future challenges

While the facts and figures show how the Council is making a tangible difference, a massive focus is planning for the future and ensuring we can meet the challenges that the reforms being rolled out by central Government will bring.

From Essential Freshwater to Three Waters to the replacement of the Resource Management Act to name but a few, change is a constant and will have a direct impact on how we deliver services to the community in the future. Some of these changes are already in place while many others will come into effect over the next few years and we are doing the hard yakka to ensure we're ready. In 2021/2022, we've focused on starting to implement the freshwater reforms but also laid the foundations for the future with work developing our Natural Resources Plan for Taranaki which will set the rules for how we look after freshwater, air and soil.

A key focus has been to improve how we work with Māori. A new Heads of Agreement with the eight iwi of Taranaki detailing how we can work together collaboratively to advance development of a new Natural Resources Plan and the move to introduce a Māori constituency for the 2022 local elections are just two of the ways in which we are creating a platform for a new improved working relationship in the future.

Elections

The elections will also see change for Council with the decision by Chair David MacLeod and Deputy Chair Michael Joyce not to stand again. David has been on the Council for 22 years and been chair since 2007 while Michael has been on Council for 15 years. We are grateful to both councillors for their dedication, hard work and commitment to Council since being elected.

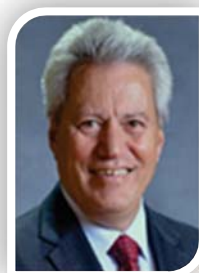
We also acknowledge the efforts and achievements of Council staff and all of our elected members over the last year.

A new Council will be elected in October to lead the organisation on the next stage of our journey.



A handwritten signature in black ink, appearing to be 'D MacLeod'.

David MacLeod
Chairman



A handwritten signature in black ink, appearing to be 'S Ruru'.

Steve Ruru
Chief Executive



Sustainable land management

30 comprehensive farm plans prepared

217,469 ha

hill country covered by sustainable and land management plans

Microbiological monitoring

17 marine sites



19 freshwater sites



110,000

visits to Tūpare, Pukeiti and Hollard Gardens

Public transport



40%

rise in passengers using South Taranaki to New Plymouth Connector service

43,632

Total Mobility Scheme passenger trips made

544,588

Passengers used public transport



Predator-free programme

22,918 ha

additional area added this year

353 responses to public for help controlling pests



73

biosecurity checks at identified sites



1,600
inspections



for dairy effluent
compliance monitoring



392 compliance
inspections
of small industrial operations



**Enforcing
environmental
standards**

531

environmental
incidents investigated

103

infringement
notices issued

147

abatement
notices issued

Taranaki Our Place

State of the Environment Report
published June 2022



**Habitat
protection**



24 biodiversity plans
prepared for key
native ecosystems

59 significant wetlands
formally protected



167,000
visits to TRC website



**Environmental
education**

11,000



tamariki and rangatahi
participated in education
programmes

Heritage and culture

2 projects delivered



in partnership with Puke Ariki and Aotea Utanganui - Museum of South Taranaki



Yarrow Stadium redevelopment

\$10m

additional "shovel ready" Covid infrastructure funding secured



16 Environmental heroes

recognised at annual Environmental Awards



Marine oil spill exercises



95%

Coastal beaches met bathing guidelines



Port Taranaki

1,100 vessel movements through Port Taranaki



31 river control projects undertaken

Ensuring clean air

99%

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

\$8m Port Taranaki dividend



15



submissions made on key policy issues

Pest plants



660 property inspections to control pest plants

233 sites with eradication pest plants identified

233 infestations controlled

100% 

State of the Environment monitoring programmes implemented

 **99%**

'good' or 'high' level of compliance and performance for major consents



Sustainable land management

501 comprehensive farm and agroforestry plans

840 hill country farms have plans in place



weather warnings received

Planting and fencing streambanks



418,312 plants

provided for sustainable land management

6,065 km of stream banks now fenced

Te pūrongo mana whakahaere

Governance report

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

Your Councillors

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

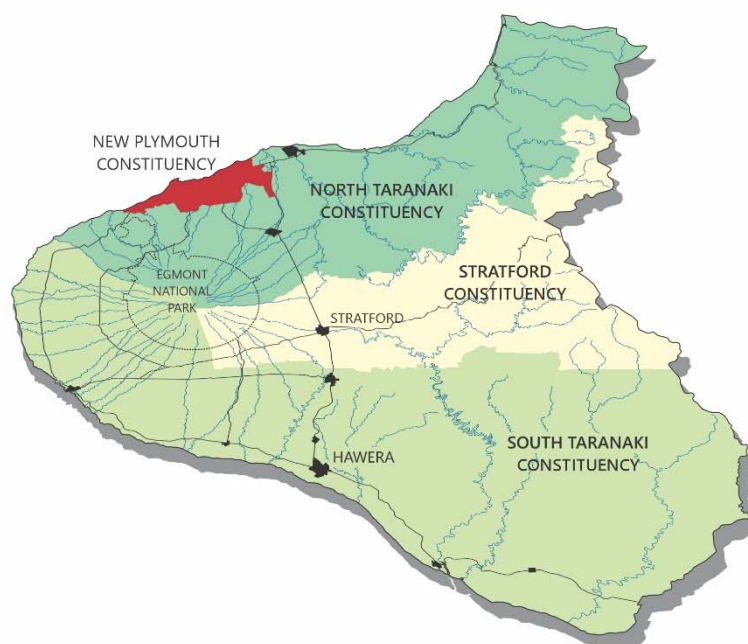
New Plymouth constituency:	Five members
North Taranaki constituency:	Two members
Stratford constituency:	One member
South Taranaki constituency:	Three members



Matthew McDonald Stratford	Craig Williamson New Plymouth	David MacLeod Chairman South Taranaki	Neil Walker South Taranaki	Charlotte Littlewood New Plymouth
Elvisa Van Der Leden New Plymouth	Tom Cloke New Plymouth	Mike Davey North Taranaki	Michael Joyce Deputy Chairman South Taranaki	Donald McIntyre North Taranaki
				David Lean New Plymouth



Mitchell Ritai Iwi Representative	Keith Holswich Iwi Representative	Peter Moeahu Iwi Representative	Louise Tester Iwi Representative	Bonita Bigham Iwi Representative	Emily Bailey Iwi Representative
---	---	---	--	--	---



Council committees

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

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

Figure 1: Committee Structure at 30 June 2022

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

With the exception of the Executive, Audit and Risk Committee, the Council has decided to appoint non-Council representatives to its various committees as a means to increase the breadth of input to the decisions.

Governance systems

The full Council and main committees meet on a six-weekly cycle, with other meetings convened as necessary. Agendas and minutes from all meetings are publicly available for scrutiny. The adopted structure and approach provides an efficient basis for the sound consideration of issues and the making of good decisions.

Division of responsibility

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

Legislative compliance

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

Environmental compliance

Many activities are focused on promoting the sustainable use, development and protection of the environment. Both regulatory and non-regulatory methods are employed, and

Ngā mahinga tahi me te iwi Māori

Working together with Māori

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

It is part of the Council's mission to carry out its various responsibilities by, among other things, taking into account the Te Tiriti o Waitangi Treaty of Waitangi. Furthermore, schedule 10 of the *Local Government Act 2002* requires the Council to set out in its long-term plan any steps it intends to take to foster the development of Māori capacity to contribute to the decision making processes over the period covered by the *Plan*.

There are eight recognised iwi in the region, Ngaa Rauru Kiiitahi, Ngāti Ruanui, Ngāruahine, Taranaki Iwi, Te Atiawa, Ngāti Mutunga, Ngāti Maru and Ngāti Tama. Of note is the Ngāti Maru (Taranaki) Claims Settlement Act 2022, which passed through its third reading in Parliament on 29 March 2022, marking the last iwi to reach this final milestone of the Te Tiriti o Waitangi Treaty of Waitangi settlements process. Ngāti Maniapoto have an overlapping interest in the region and are continuing to work towards finalising their Te Tiriti o Waitangi Treaty of Waitangi settlement claim with the Crown.

Policy development

Opportunities were provided to Māori to be involved in the development of policy and in particular:

- the release of the *National Policy Statement for Freshwater*, late in 2020, has led to a number of hui, mainly with iwi at this stage, to discuss the essential freshwater programme. A positive outcome from this process is a significant agreement, with the eight iwi of Taranaki, for the Council to fund two full time iwi planning positions to enable iwi to collaborate, with Council, on a wide range of freshwater matters associated with the development of the Natural Resources Plan.
- a watching brief is maintained on the status of Marine and Coastal Area (MACA) applications from iwi and hapū, that are before the High court and the Crown.
- initial discussions with the relevant iwi and hapū to establish a framework for the Waitara River Committee.
- preliminary discussions with Ngāti Maru on a Joint Management Agreement.

Resource consent processes

Continued to work with iwi/Māori to be involved in and contribute to resource consent processing and administration. This included:

- ongoing engagement with iwi authorities and hapū on resource consent applications within their respective rohe, in recognition of their Te Tiriti o Waitangi Treaty of Waitangi settlement's and associated statutory acknowledgement areas.
- greater transparency for reporting iwi and hapū involvement in the consent process.
- notification to iwi and hapū of resource consents applications in the coastal marine area that are associated with their respective MACA applications.
- continued engagement with Ngāti Maru, Te Atiawa, Pukerangiora hapū and Manawa Energy on the renewal of resource consents for the Motukawa Hydroelectric Power Scheme.
- the consents team engaging with Ngaa Rauru Kiiitahi taiao staff on resource consent matters for their rohe which also included a visit to Kaipo Marae in Waitootara to engage with the marae and hapū representatives and a site visit to engage with a water take consent applicant.
- working alongside the hapū in Waitara, Te Kotahitanga o Te Atiawa and Greymouth Petroleum to establish a kaitiaki forum to enable open discussions on matters of significance to the hapū and the technical aspects of the seismic survey off the Waitara coast.



- working collaboratively with Te Runanga o Ngāti Ruanui and the consent applicant on a discharge of stormwater and sediment, associated with earthworks onto land, that may reach water, where a requirement for cultural monitoring was included in the consent conditions.
- working with Ngāti Te Whiti, Te Kotahitanga and the Department of Conservation on an application to undertake works in a wetland and an unnamed tributary of the Mangaotoku Stream for pest control purposes. The outcome was the commitment to providing hapū with an opportunity to participate in the onsite works, planning and monitoring in the freshwater environment. As well as the exchange of mātauranga Māori and knowledge, on the detrimental effects of the pest fish *Gambusia* and how they are managed with rotenone, between the hapū and the Department of Conservation staff.

Enforcement

As kaitiaki, iwi and hapū are involved in providing cultural assessment reports for Council initiated prosecutions under the *Resource Management Act*.

Ongoing engagement

Maintained and developed processes for ongoing engagement with Māori. During the year activities included:

- participation in discussions with representatives from Tawhirikura hapū and Fonterra on the Mauri Compass cultural indicator tool.
- maintaining contact and a watching brief on the kaimoana rāhui placed by the hapū in the Taranaki iwi rohe.
- support for Tiaki Te Mauri o Parinihi Trust for pest control and eradication in the Mount Messenger Conservation Area.
- updates of the Taranaki Mouna Treaty Settlement negotiations from Iwi and Crown negotiators.
- participation in discussions between Ngāti Ruanui, Ngāti Maru and Contact Energy on a cultural assessment for their Peaker Power Station in Stratford.

- ongoing discussions with Ngaa Rauru Kaitahi taiao staff on access to LIDAR information to assist identification of sites of significance that are currently covered in forestry.
- ongoing liaison with Parihaka Papakainga representatives, Crown agencies and councils on the infrastructure build project for Parihaka and the Parihaka Visitor facility. Council staff are currently involved in discussions on wetlands and water security for the project site.
- ongoing engagement with Ngāti Mutunga on the monitoring of the Urenui and Mimitangiatua estuaries to preserve and enhance the estuarine environments in the Ngāti Mutunga rohe.
- working with Ngāti Te Whiti hapū to incorporate cultural designs, concepts and advice for the Yarrow Stadium redevelopment project, and relationship with mana whenua.

Representation

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

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

Information management

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

Training

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

Resources

Support for iwi and hapū environmental projects is ongoing. In particular, letters of support for environmental research project funding applications have been provided. The involvement of iwi and hapū members in research projects such as the Te Āhua o Ngā Kūrei Estuary health monitoring by Ngāti Mutunga.

Status

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

Review

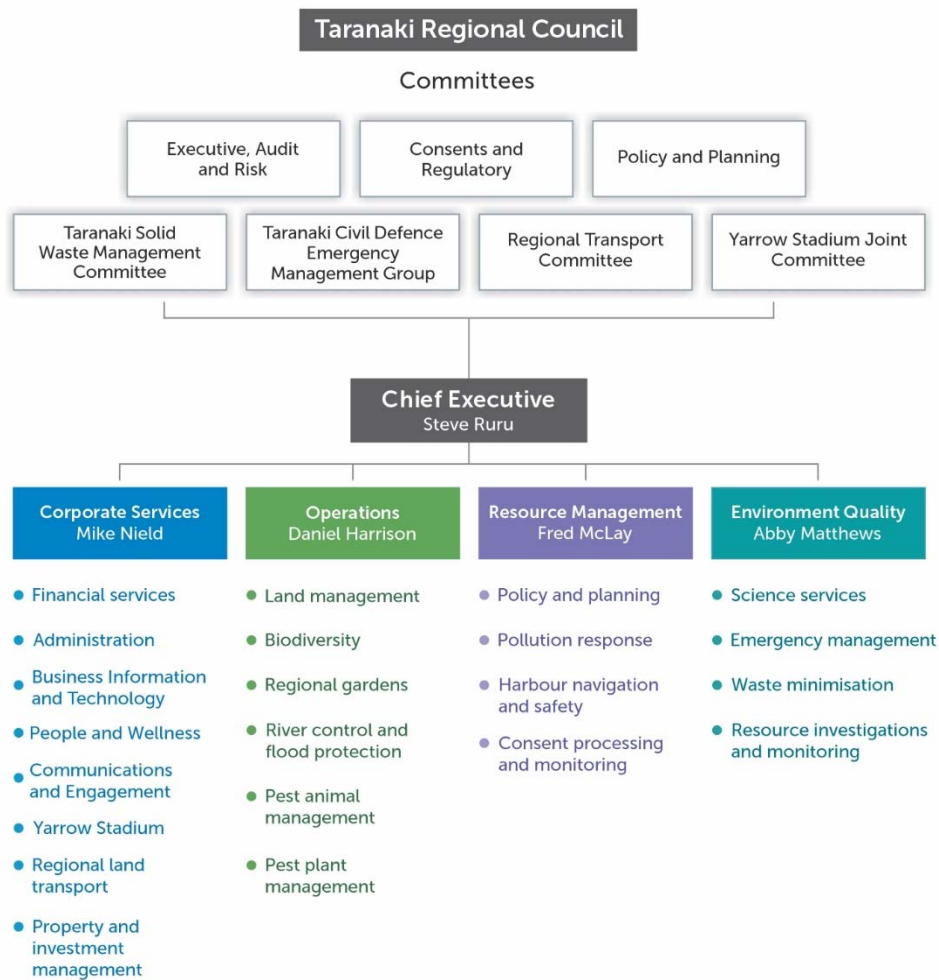
The Council will, with iwi, review the effectiveness of its policies and processes for working with iwi at times and places or in ways agreed with iwi.

Te kāhui kaimahi

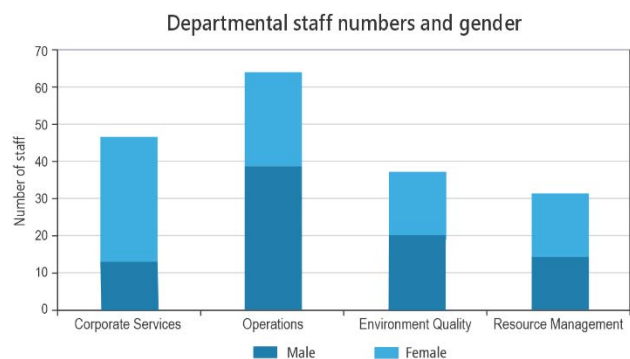
Staff capacity

To undertake its activities, the Council employs a permanent staff with wide-ranging professional, technical and administrative skills. In addition, the Council owns the necessary property, equipment and facilities.

Organisational structure



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



Values statement

The staff are committed to:

PUBLIC SERVICE

- behaving with integrity and neutrality in the best traditions of the public sector in New Zealand
- administering our functions for the collective good of our community with consistency, fairness and sensitivity in our treatment of individual situations
- not accepting direct or indirect offers, payment, gifts or bribes in any form and avoiding conflicts of interest.

SERVICE FIRST

- assisting people in a courteous, helpful, accurate and professional manner
- providing people with a better service than they may expect to receive, noting that many people do not have dealings with us out of choice
- recognising the social and cultural diversity that exists and take this into account in our dealings.

IMPROVING THE QUALITY OF OUR PERFORMANCE

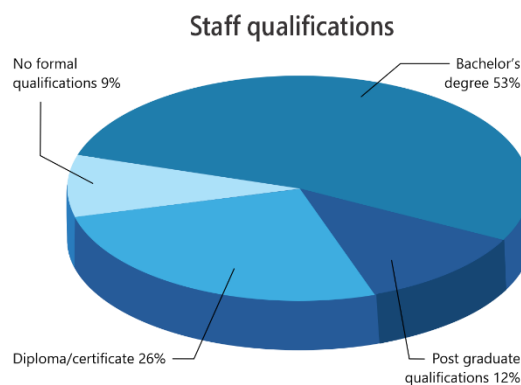
- ensuring our personal contributions make a real and positive difference to the Council, its mission and performance continually improving the quality of our services to customers and the quality of our working relationships with each other
- improving our time management and productivity by increasing our knowledge and experience of our duties, working in a planned and strategic way and focusing on completing assignments
- calling for assistance when required
- being thorough and professional in our work so that we make sound recommendations and decisions based on knowledge and understanding.

EFFECTIVE COMMUNICATION AND TEAMWORK

- informing each other about our tasks and seeking participation and advice
- communicating with simplicity, clarity, and certainty
- recognising that individual achievements are always underpinned by the assistance of others
- constructively assisting each other, being non-possessive and receptive to advice
- trusting, respecting and being loyal to each other and the organisation
- congratulating each other for jobs well done and helping each other through problems
- participative management systems which encourage constructive and timely expression of opinion, noting that having a say differs from having a vote.

ACCOUNTABILITY AND RESULTS

- being responsible and accountable for our own actions and the quality of our own work
- being collectively responsible for and loyal to the organisation's actions
- achieving results which benefit the community
- not mistaking activity for accomplishment.





PRESENTATION, RESPECT AND CARE

- presenting ourselves for work in a fit state and in appropriate standards of dress and appearance
- respecting and caring for Council property, plant, vehicles and our workplace as if it were our own
- recognising the need to protect the integrity and public image of the Council and our colleagues in our private lives
- remembering that many of the people who are obliged to contribute to the funding of the organisation have low incomes.

INITIATIVE AND THE RIGHT TO MAKE MISTAKES

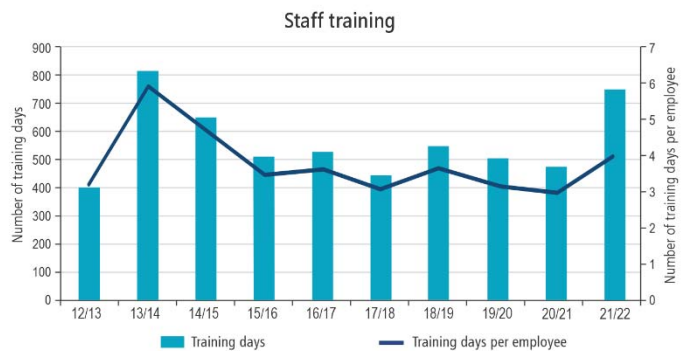
- challenging the way we do things showing initiative with the aim of improving effectiveness
- being innovative in developing and using new ideas, methods and technologies
- minimising mistakes but accepting that we will make mistakes as we learn and improve
- forgiving well-intentioned errors
- being flexible and responsive to change.

JOB SATISFACTION

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

Performance management

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



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

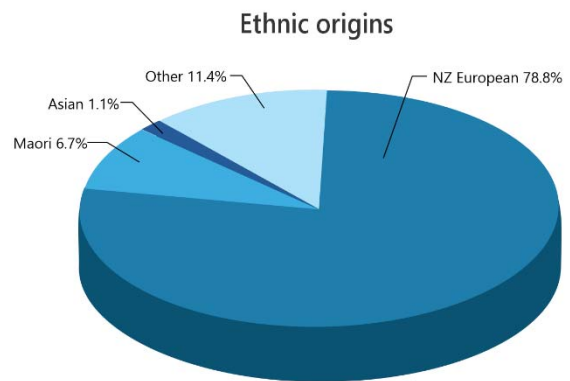
Employment agreements

One hundred and seventy-nine (2020/2021—154) permanent staff are employed. Of these, 73% (72%) are employed under the *Taranaki Regional Council Collective Agreement*, with the balance employed on individual agreements. Staff employed under the collective agreement are represented by the Taranaki Regional Council Officers Staff Association Incorporated. We also have a number of staff who belong to the Public Service Association.

Equal employment opportunity

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

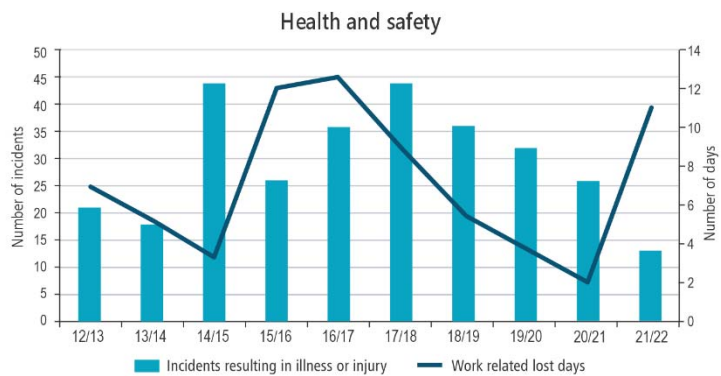
There is an awareness of and an intent to, eliminate discrimination in the areas of race, colour, ethnic or national origin, gender, religious beliefs, marital status, family responsibilities, sexual orientation, special needs, or age. Recruitment is designed to select from the widest possible cross-section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



Health and safety

The safety of staff, contractors and the public is taken seriously. All staff are provided with training and other services to promote health, safety and wellbeing in the workplace. The aim is for no staff time lost from work-related incidents.

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



The health and safety focus was on our continued response to Covid-19. While it has been another tough year for our people, we have been agile and responsive in our mitigations against Covid-19 and the support required to employees isolating and/or contracting Covid-19 (37% of staff have had Covid-19).

Training and experience

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

Taranaki rohenga

The Taranaki region

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

The region

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

Taranaki consists of four distinctive landforms, each of which requires a different type of environmental management. The Taranaki ring plain, centred on Mount Taranaki, consists of fertile and free-draining volcanic soils. The ring plain supports intensive pastoral farming, particularly dairying that is most intensive on the flatter land in southern Taranaki. A large number of rivers and streams, which radiate from Mount Taranaki, are extensively used by the agricultural sector, for community water supplies and for a wide range of recreational purposes.

To the east of the ring plain lies the Taranaki hill country, comprising siltstones, sandstones and mudstones, known locally as papa. The topography of the hill country is steeply dissected and is prone to soil erosion and slipping, but can support both pastoral farming and commercial forestry when managed in accordance with the physical limitations of the land.

The coastal terraces along the north and south Taranaki coast make up the third major landform feature of the region. The soils of these areas are among the most versatile and productive in the region but the combination of light, sandy soils and strong winds in some areas can lead to localised wind erosion.

The Taranaki coastal environment is the fourth of the major landforms. The region is exposed to the west and as a consequence, high-energy wave and wind conditions dominate the coastal environment. There are few areas of sheltered water beyond the major estuaries such as the Tongaporutu, Waitara and Pātea rivers, and the confines of Port Taranaki. The Taranaki region has a temperate climate with generally abundant rainfall. The incised nature of ring plain streams means that flooding is not a major problem. However, occasional intense rainfall events can lead to rapid rises in river levels and flooding in hill country valleys and elsewhere.

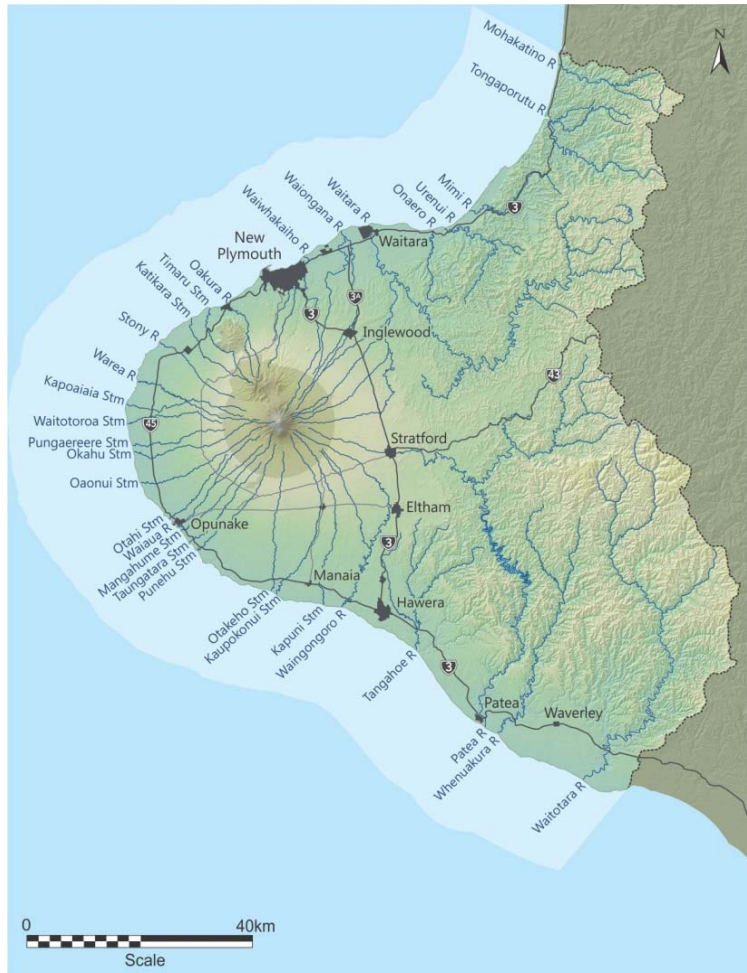


Figure 2: The Taranaki Region



The people

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

Population changes have also varied within the region. The general trend has been for a decrease in the population of smaller rural towns and an increased concentration of population in north Taranaki and the main centres. Most notable has been the continued growth in the proportion of the population residing in the New Plymouth district, which contains 67.7% of the region's population – up from 64.7% in 2001. Both Stratford and South Taranaki districts have experienced small population increases since 2006.

The Taranaki population is both older and younger than the national average, with a higher proportion of children under 15 years and adults over 65 years of age. This may be in part due to lifestyle factors, as Taranaki is seen as an attractive and desirable area for family living with good facilities and affordable housing.

The percentage of Māori within the region continues to increase from 16.3% at the 2013 census to 19.8% in 2018.

The economy

A notable feature of the Taranaki region is its reliance on the region's natural and physical resources for its social and economic wellbeing. Farming and other land-based activities continue to play a prominent role in employment.

Over 16% of the labour force is employed in agriculture and fisheries, compared with 8.3% nationally.

Dairying dominates farming in Taranaki, particularly on the ring plain. There are approximately 1,600 dairy herds and about 487,000 dairy cows, producing approximately 9.7% of New Zealand's total milk solids. In addition to direct farm income from milk production, the added value by the processing of milk, whey and cheese manufacturing, is a significant contributor to employment.

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

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

The oil and gas industry is a major contributor to the regional economy. The Taranaki Basin is currently New Zealand's only hydrocarbon producing area, with the Kapuni and the offshore Maui fields developed early and contributing to New Zealand's natural gas resources. Extensive drilling programmes have continued in an effort to support the Kapuni and Maui fields. These have resulted in a number of significant additional fields being discovered in the last 10 to 15 years. The Mangahewa onshore gas and condensate field was discovered in 1997, the Maari offshore field in 1998 and the Rimu onshore field in South Taranaki in 1999. The nearby Kauri field was discovered in 2001. The Pohokura offshore gas field in North Taranaki, the largest gas and condensate find in 30 years, was discovered in 2000 and brought into production in 2006. The offshore Tui well was discovered in 2003 and brought on-stream in 2008. Production from the offshore Kupe field, first discovered in 1986, commenced during 2010.

The presence of oil and gas in the region has given rise to industries involved in the processing, distribution, use and export of hydrocarbons. Production stations or gas treatment plants are found at Ōaonui, Kapuni, Waihapa, Rimu, Kaimiro and the McKee oil and gas field. An ammonia urea plant is located at Kapuni, UF resin plant at Waitara and gas-fired power stations at New Plymouth, Stratford and McKee are in place, while methanol production can occur at Motunui and Waitara Valley.

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

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



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

Environmental issues

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

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

Dairying continues to play a prominent role in the regional economy and this will place ongoing pressures on our water resources from farm run-off, sediment and nutrients. Increased efforts will be necessary to maintain current water quality and to improve quality where deterioration has occurred. Attention will continue to be given to promoting good land and riparian management practices however, additional actions will be likely be required to achieve the minimum standards for freshwater as required by Government's National Policy Statement for Freshwater Management (NPS-FM) 2020.

Industrial, municipal and agricultural waste discharges from individual point sources are closely monitored and improvements sought where possible. It is vital for Taranaki future that all such discharges are managed sustainably. Where there are gaps in our knowledge of the resources of the region or the environmental effects of their use, necessary investigations and research must be undertaken to improve our understanding.

Other significant environmental issues facing the Taranaki region include:

- Managing clearance of bush and scrub on steep hill country, to avoid soil erosion that degrades land productivity and water quality. Changes to more sustainable land use practices and conversion to forestry present opportunities to address this;
- Controlling threats to indigenous flora and fauna and the economic costs faced by the region as a result of pest plants and pest animals;
- Managing the coastline and coastal waters in a way that recognises special ecologically and culturally sensitive areas within the coastal environment and that allows appropriate use and development of the coast;
- Promoting protection of the region's indigenous biodiversity;
- Managing discharges of contaminants to air and maintaining the high overall standard of air quality; and
- Managing the allocation of the region's water resources.

Ngā ritenga pūtea

Financial trends

	Actual 2021/22	Budget 2021/22	Actual 2020/21	Actual 2019/20	Actual 2019/20	Actual 2018/19	Actual 2017/18	Actual 2016/17	Actual 2015/16	Actual 2014/15	Actual 2013/14
General rates	\$10.94m	\$10.94m	\$7.95m	\$7.95m	\$7.95m	\$7.95m	\$7.61m	\$7.54m	\$7.46m	\$7.40m	\$7.29m
Percent change	37.6%	37.6%	0%	0%	0%	4.5%	1.0%	1.0%	0.9%	1.4%	1.5%
General rates to income	25.9%	22.8%	15.7%	18.3%	18.3%	22.2%	28.5%	30.0%	30.0%	30.2%	29.9%
Rates per \$100,000 capital value	\$24.13	\$24.13	\$24.17	\$25.80	\$25.80	\$14.17	\$15.55	\$15.99	\$16.64	\$16.71	\$17.18
Total expenditure	\$41.2m	\$49.7m	\$41.2m	\$37.8m	\$37.8m	\$31.3m	\$26.6m	\$24.8m	\$25.3m	\$23.3m	\$23.0m
Percent change	0.03%	20.6%	8.9%	20.7%	20.7%	17.7%	7.31%	-2.2%	8.6%	1.30%	7.0%
Operating surplus/(deficit)	\$2.61m	(\$2.29m)	\$11.61m	\$7.53m	\$7.53m	\$5.99m	\$0.96m	\$1.6m	\$0.97m	\$0.76m	\$1.4m
Working capital	\$25.4m	(\$3.6m)	\$25.7m	\$15.8m	\$15.8m	\$9.4m	\$5.6m	\$7.7m	\$11.0m	\$9.0m	\$4.3m
Current ratio	3.1:1	0.47:1	2.8:1	2.4:1	2.4:1	2.26:1	1.87:1	2.7:1	3.78:1	3.11:1	2.12:1
Total assets	\$137.8m	\$124.9m	\$122.8m	\$108.2m	\$108.2m	\$97.0m	\$90.0m	\$87.3m	\$85.1m	\$84.3m	\$83.1m
Public debt	\$14.5m	\$17m	\$5m	\$4m	\$4m	\$0	\$0	\$0	\$0	\$0	\$0
Public debt to total assets	10.5%	13.6%	4.1%	3.7%	3.7%	0%	0%	0%	0%	0%	0%

Te noninga tūtohu

Statement of compliance and responsibility

The Council and management of the Taranaki Regional Council confirm that all the statutory requirements of the Local Government Act 2002 in relation to the Annual Report have been complied with.

Responsibility

The Council and management of the Taranaki Regional Council accept responsibility for the preparation of the annual consolidated financial statements and the judgements used in them.

The Council and management of the Taranaki Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of the Taranaki Regional Council, the annual consolidated financial statements for the year ended 30 June 2022 fairly reflect the financial position and operations of the Taranaki Regional Council.



David MacLeod

Chairman

20 September 2022



Chief Executive

20 September 2022



Michael Nield

Director—Corporate Services

20 September 2022

Te arotake pūtea

Audit report



Independent Auditor's Report: To the Readers of Taranaki Regional Council's Annual Report for the Year Ended 30 June 2022

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

We are also required to report on:

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

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

We completed our work on 20 September 2022. This is the date on which we give our report.

Opinion on the audited information - Group

Qualified opinion on the financial statements because of uncertainties over the carrying value of building assets for Yarrow Stadium in prior year

In our opinion, except for the matter described in the Basis for our qualified opinion section of our report, the consolidated financial statements of the Group on pages 81 to 109:

- present fairly, in all material respects:
 - the Group's financial position as at 30 June 2022;
 - the results of the operations and cash flows for the year ended on that date; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Opinion on the audited information - Parent

In our opinion:

- the financial statements on pages 81 to 109:
 - present fairly, in all material respects:

- the Regional Council's financial position as at 30 June 2022;
- the results of the operations and cash flows for the year ended on that date; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 110, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's Long-term plan;
- the performance information on pages 4 to 7 and 27 to 80:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2022, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 27 to 80, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Regional Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 110 to 117, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's Long-term plan.

Report on the disclosure requirements

We report that the Regional Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014)

on pages 118 to 120, which represent a complete list of required disclosures and accurately reflects the information drawn from the Regional Council's and Group's audited information and, where applicable, the Regional Council's long-term plan and annual plans.

Basis for our qualified opinion on the audited information – Group

In 2017/18 an impairment of \$15.5 million resulting from a detailed seismic assessment was recognised relating to the Eastern and Western Stands of Yarrow Stadium. In 2019/20, a valuation was obtained which identified further impairment, amounting to \$1.9m based on circumstances known to date. The valuation considered the unimpaired depreciated replacement cost but concluded that the value was significantly impaired due to known restoration requirements. However there was limited information of the extent to which the current components could be reused and the cost of restoration and thus the accuracy of the carrying value of the Eastern and Western Stands of Yarrow Stadium for the year ended 30 June 2021. The value of the stands and the level of impairment/losses on revaluation of buildings also impacts on the determination of the results of operations, and we were unable to determine whether adjustments to the results of operations and opening retained earnings might be necessary for 2021. For this reason, there are limited audit procedures that we could adopt to independently confirm the reasonableness of the asset value as at 30 June 2021 and our audit opinion on the financial statements for the year ended 30 June 2021 was modified accordingly.

In the current year, the restoration project has progressed, and the uncertainty around the extent of use of the components and the cost of restoration has been resolved. Our opinion on the current year financial statements is qualified because of the possible effect of this matter on the results of operations (and in particular the losses on revaluation of buildings) for the year ended 30 June 2022 and the comparability of the current year figures and the corresponding figures.

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

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

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

Basis for our opinion on the audited information - Parent

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

in the "Responsibilities of the auditor for the audited information" section of this report.

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists.

Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

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

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

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

We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Council and Group's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

We determine the appropriateness of the reported intended levels of service in the performance information, as a reasonable basis for assessing the levels of service achieved and reported by the Regional Council.

We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Regional Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Regional Council and the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 3, 8 to 21 and 26 to 27, but does not include the audited information and the disclosure requirements.

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

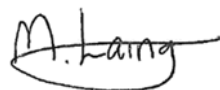
Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is

a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

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

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement on trustee reporting, which is compatible with those independence requirements. Other than this engagement we have no relationship with or interests in the Regional Council or its subsidiaries and controlled entities.



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

Ngā huanga hapori

Achievement of community well-beings

The Council operates within the following planning framework:

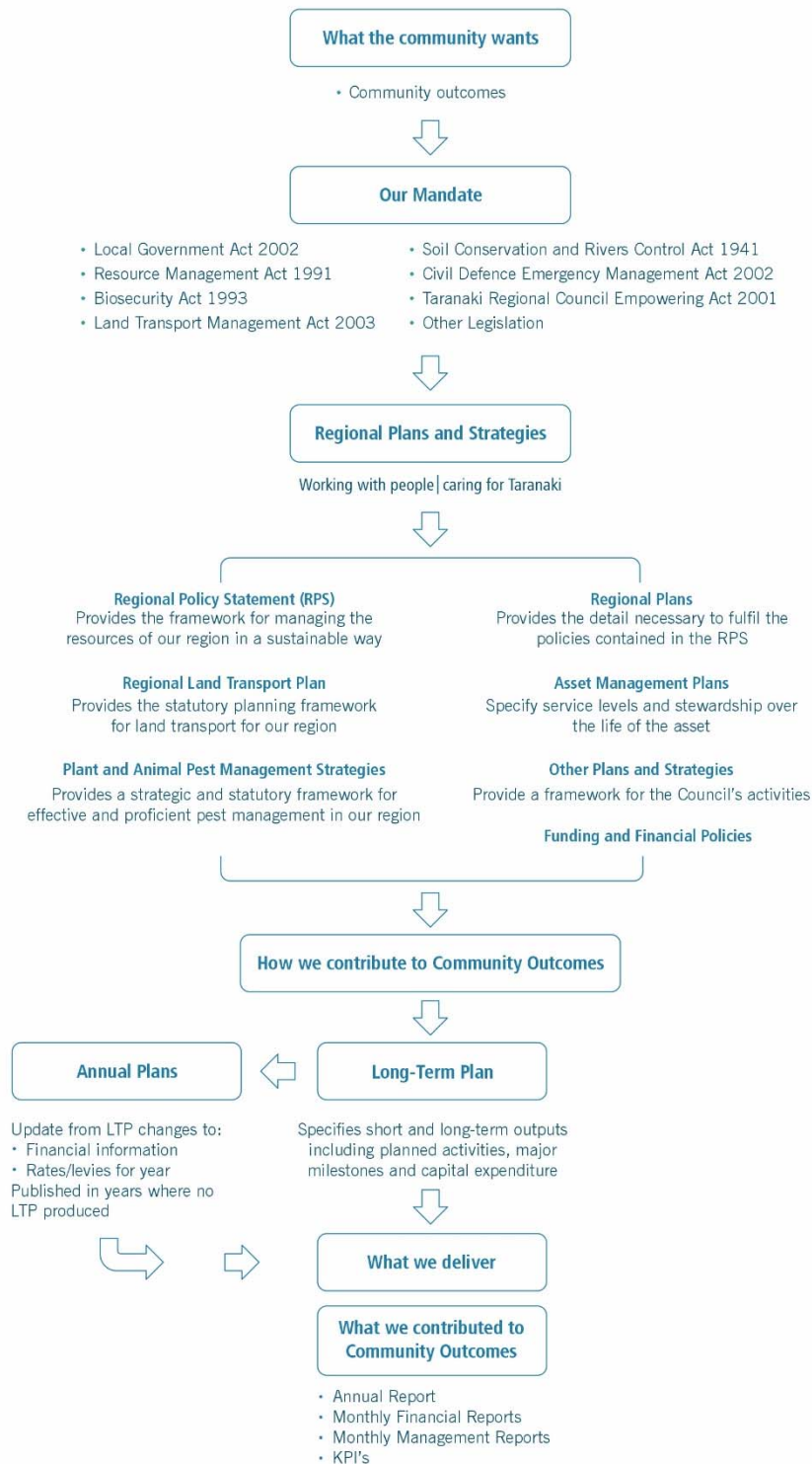


Figure 3: The Council's planning framework

Community well-beings

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

The community well-beings set out below were adopted following a comprehensive public process.

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

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

The groups of activities and the more specific individual activities within each group, form the basis of reporting on how the 10-year programmes contained in the *2021/2031 Long-Term Plan* support achievement of the overall community well-beings. The *2021/2031 Long-Term Plan* translates those activities to specific levels of service, each with detailed targets and measures of how they contribute to the community well-beings. Those levels are reported on in detail in this *Annual Report*.

Monitoring framework and programmes

The Council undertakes monitoring and reporting activities to measure progress towards achieving the community well-beings set out in the *2021/2031 Long Term Plan* on an on-going basis.

The Council maintains a comprehensive monitoring framework, comprised of many varied and wide-ranging programmes that monitor and to report on the outcomes of its activities. It includes overall state of the environment monitoring, monitoring of specific activity areas and monitoring of individual resource consents for compliance with consent conditions and statutory policies. It also covers different time scales (from continuous to five-yearly or longer) according to different needs or requirements. Monitoring is also undertaken at different geographical scales (region-wide, catchment, eco-regions, property-based or site-specific) and may involve different types of information.

In developing its monitoring programmes, an integrated monitoring framework has been developed that recognises the need for consistency, coordination and integration of monitoring activities:

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

Programme performance indicators for monitoring progress on implementation of the *2021/2031 Long-Term Plan* are measured and monitored monthly and annually, in readiness for inclusion in this *Annual Report*. The Council is confident that its activities have progressed the community well-beings in the *2021/2031 Long-Term Plan*.

Ngā mahinga

Performance information

The following pages explain in detail how we performed in achieving the objectives and performance targets established in the *2021/2031 Long-Term Plan for 2021/2022*.

Financial information on the net cost of services delivered is also provided in conjunction with the budget established in the *2021/2031 Long-Term Plan for 2021/2022* and the previous year's actual net cost of services.

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

We also intend that performance be measured in terms of:

Timeliness—in all cases, unless stated otherwise, the target was to complete the task by 30 June 2022.

Cost—in all cases the target was to complete the tasks defined for each significant activity within the budgeted expenditure and/or within any additionally stated, specific expenditure targets.

Quantity—in all cases where a quantity measure was specified, the target was to meet that specified quantity.

Quality—in all cases the target was to meet the quality expectations of the elected Councillors. The Council has extensive quality control procedures in place to ensure a high level of quality is present in the undertaking of activities.

Location—in all cases where a location was specified, the target is to deliver the service in that location.

The actual and estimated levels of expenditure are in accordance with the *Revenue and Financing Policy*.

Principal legislation and policy references for each significant activity are included in the *2021/2031 Long-Term Plan*.

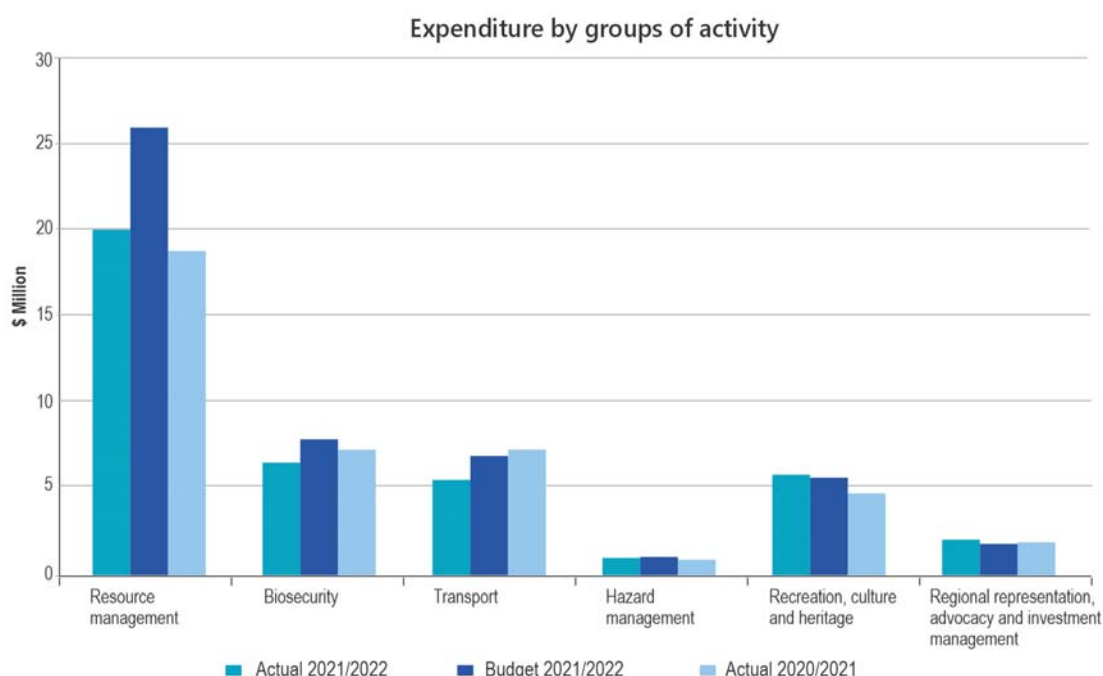


Figure 4: Expenditure by group of activities

Ngā ture whakahaere rawa

Resource management

Resource management comprises the following activities:

RESOURCE MANAGEMENT PLANNING

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

CONSENT PROCESSING AND ADMINISTRATION

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

COMPLIANCE MONITORING PROGRAMMES

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

POLLUTION INCIDENTS AND RESPONSE

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

STATE OF THE ENVIRONMENT MONITORING

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

RESOURCE INVESTIGATIONS AND PROJECTS

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

SUSTAINABLE LAND MANAGEMENT PLANS AND PLANT SUPPLY PROGRAMME

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

WAITARA RIVER CATCHMENT

—restoring, protecting, and enhancing the environmental, cultural, and spiritual health and well-being of the Waitara River, the Waitara River catchment and the lower catchment of the Waitara River. These functions must be performed only in relation to matters that are within the role and responsibilities of the Council under the *Local Government Act 2002* or any other Act.

ENHANCEMENT GRANTS

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

Community Well-beings

The Resource Management group of activities contributes to community well-beings by promoting the sustainable use, development and protection of Taranaki natural and physical resources of land and soil, water, air, coast and biodiversity in accordance with statutory duties, regional planning objectives and national policy and other standards. Specifically this group of activities contributes to the following community well-beings:

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


Resource management activities will contribute primarily to the well-being of a *Sustainable Taranaki*. They will also assist in the achievement of a *Prosperous Taranaki* by enhancing Taranaki clean, green image and ensuring it remains a reality in overseas markets as well as emphasising Taranaki as an attractive place to work, do business and visit.

Further information on policies and programmes

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

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

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



Progress on the ongoing engagement, research, investigations and information gathering underpinning the reviews of the air, soil and freshwater plans, including the development of a combined draft *Proposed Natural Resources Plan* continued. Key activities were policy advice on the implementation of the Government's *Essential Freshwater* programme, the ongoing development of an e-Plan platform, ensuring draft *Natural Resources Plan* provisions comply with the National Planning Standards, and on-going engagement with iwi and hapū on the development of draft Plan provisions and on the identification of sites of significance to Māori.

Consent processing was undertaken on a range of applications during the year. Resource management policy is implemented through resource consents and other mechanisms. All the consent applications were processed efficiently within the time limits set in the Act. This is the twenty-second consecutive year that this milestone has been achieved. Ministry for the Environment surveys show consent processing costs are close to the median in New Zealand reflecting efficient systems, use of technology and prudent financial management. Efficient and effective consent processing contributes to a *Prosperous* and *Sustainable* community well-being.

In terms of indicators that inform the regional community concerning our biophysical and ecological environments, we continue to design, implement, and report on state of the environment programmes that encompass surface and underground fresh water systems, land use, biodiversity, the coastal environs, air quality, and soil. These programmes and findings are regularly subject to independent expert review. These programmes provide information about the current state of our natural environment, and offer insights into how environmental indicators are changing. This work contributes to the well-beings of a *Prosperous, Secure and Healthy*, and a *Sustainable Taranaki*.

Comprehensive and rigorous consent monitoring work shows a high level of environmental performance and compliance by the majority of our industries, municipal authorities, and farming sector, achieved through significant investment in environmental protection measures and good management practices. This commitment contributes to a *Prosperous* and a *Sustainable* community well-being.

An important component of resource management is responding to pollution and unauthorised incidents, and where necessary, undertaking successful enforcement action. A range of enforcement tools are used ranging from the issuing of abatement notices to require an action to be undertaken through to prosecution. Appropriate use of enforcement tools increases compliance levels and contributes to a *Sustainable* community well-being.

A relatively modest and carefully targeted investment in research and resource investigations is significantly extended by the engagement in national-level strategic initiatives around increasing the effectiveness of research investment across the science sector. This has included participation in regional sector Envirolink projects, and the scoping and implementation of national research programmes of relevance to Taranaki.

Land management activities continue to be a focus with an increased emphasis on the implementation of property plans. In the riparian management area, which is New Zealand's largest streambank planting and fencing programme, 418,000 contract-grown plants were purchased by landowners. Overall, in excess of 7.6 million plants have been planted under this programme. In the hill country area, there are incentives under the *South Taranaki Regional Erosion Support Scheme (STRESS)* programme to fence and plant erosion-prone land. Under *STRESS*, landowners have agreed to significant soil conservation work in the erosion-prone part of the region's hill country.

Environmental enhancement grants promote a *Sustainable Taranaki* through the protection of the environment by a series of grants for specific protection works. Work was undertaken on securing protection or undertaking maintenance or enhancement on 34 regionally significant wetlands.

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

Levels of service

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE									
<p>1 Protection of the life-supporting capacity of water, in-stream uses and values</p>										
<p>Measure: Macroinvertebrate Community Index (MCI) values (a measure of freshwater community richness and composition) at least 50 regionally representative sites.</p> <p>Target (Years 1-10): The proportion of sites showing a trend (whether significant or indicative) of improvement in MCI against a base year of 1995 to exceed the proportion showing decline over the same period.</p> <p>Baseline: There is a continuing regional trend of improvement in the quality of freshwater ecology across the region. MCI values were determined for 59 regionally significant sites. Trend analysis to June 2019 (from 1995) shows 25 sites of 59 with statistically significant trends of improvement, and one with a significant decline.</p>	<p>MCI values have been determined for 63 regionally significant sites. Trend analysis has been undertaken for the period to June 2021 (from 1995) for 56 sites with sufficient data. Results show 36 sites (64%) with an improving trend and 12 sites (21%) degrading. There were 8 sites (14%) where trends were indeterminate. There is a decreasing downstream gradient of macroinvertebrate health from 'A' band to 'D' band (based on the NPS-FM grading criteria) in ring plain streams. The MCI state of the environment monitoring programme continued during the 2021/2022 year.</p>									
<p>Measure: Microbiological state of inland waters and coastal waters at bathing sites.</p> <p>Target (Years 1-10): Maintenance or increase in number of sites compliant with the 2003 Ministry of Health contact recreational guidelines.</p> <p>Baseline: There are 11 freshwater and 9 coastal water bathing sites monitored since 2003/2004. The following sites were compliant with the 2003 Ministry of Health contact recreational guidelines:</p> <table border="1" data-bbox="209 1249 746 1346"> <thead> <tr> <th></th> <th>Freshwater</th> <th>Coastal water</th> </tr> </thead> <tbody> <tr> <td>2003/2004</td> <td>6</td> <td>7</td> </tr> <tr> <td>2021/2022</td> <td>3</td> <td>6</td> </tr> </tbody> </table> <p>In 2019/2020, 78% of freshwater samples and >98% of coastal samples at these sites were compliant.</p>		Freshwater	Coastal water	2003/2004	6	7	2021/2022	3	6	<p>Microbiological monitoring of 19 freshwater and 17 marine sites was conducted over the 2021/2022 bathing season. Sampling was carried out regardless of rainfall, river flow or tidal conditions. This is a major change in sampling protocols from previous, which targeted sampling around dry weather and high tide, and influenced results. Rainfall was recorded either shortly before, or during, sampling on 13 of 22 occasions. Results show 222 (56%) of 397 primary samples from freshwater sites and were compliant with bacteriological guidelines throughout the season. In 2021/2022, none of the 11 freshwater sites monitored since 2003/2004 were compliant with the guidelines, due to the new protocol. Under fine weather conditions, coastal water quality is generally high at monitored sites but is known to decline temporarily following rainfall. There was an increase in non-compliant sample results in 2021/2022, due (in part) to the change in survey protocols. A total of 429 (95%) of 450 samples (primary and follow up) at coastal sites monitored in 2021/2022 were compliant. Six out of the nine baseline sites (67%), or 10 out of all 17 sites monitored (59%) recorded at least 1 non-compliance of the recreational water quality guidelines.</p>
	Freshwater	Coastal water								
2003/2004	6	7								
2021/2022	3	6								
<p>Measure: Ecological flows in catchments.</p> <p>Target (Years 1-10): Guideline ecological flows are identified for all significant catchments with no catchments allocated below ecological flows set by policy or by any national policy statement or national environmental standard.</p> <p>Baseline: Guideline ecological flows had been identified for all significant catchments. Three catchments or sub-catchments (about 1%) do not meet general ecological flow guideline but all consented abstractions comply with specific policies regarding the taking and use of water.</p>	<p>There are no catchments allocated below ecological flows set by policy. Three surface water abstraction consents were processed during the 2021/2022 year (including new consent and renewal applications). All complied with policy regarding ecological flows. There is no national policy statement or national environmental standard in place for ecological flows. The <i>Regional Fresh Water Plan</i> is currently being reviewed.</p>									



PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>2 Efficient allocation of water for consumptive use</p>	
<p>Measure: Allocation of surface water for consumptive use in catchments.</p> <p>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 policy or any national policy statement or national environmental standard.</p> <p>Baseline: Water accounting systems identifying surface water available for consumptive use have been developed, and consents to take, use, dam or divert water have been granted in accordance with policy. Regularly updated information on water allocation guidelines is published.</p>	<p>Hydrological monitoring and assessment of abstraction consents indicates that some waterbodies within Taranaki are fully allocated, or are approaching this threshold. As part of the on-going development of the new <i>Natural Resources Plan</i>, a review of flow statistics across the region has been undertaken and a water accounting system developed. The accounting system is now in use and is updated as flow statistics are refined or new water take consents are issued. The water accounting systems will be used to ensure consented abstraction volumes from each waterbody remain below the limits set through the plan review process.</p>
<p>Measure: The number of significant water abstraction permits monitored each year, their environmental performance and the response to non-compliance.</p> <p>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; response to all non-compliance events in accordance with its documented enforcement procedures with every unauthorised incident reported publicly.</p> <p>Baseline: In 2019/2020, 100% of significant water abstraction consents were monitored with 99% attaining a "good" or "high" level of compliance and performance. All unauthorised incidents are responded to, investigated, and publicly reported upon in accordance with adopted procedures.</p>	<p>Water resources are sustainably managed. Monitoring programmes are in place for 100% of significant water abstraction consents. In 2021/2022, 99% (173) of consents attained a "good" or "high" level of compliance and performance (2020/2021—97%). Actions to address lower levels of performance are identified in individual compliance monitoring reports. All unauthorised incidents are responded to, investigated, and publicly reported upon in accordance with adopted procedures.</p>



PROGRAMMED LEVEL OF SERVICE

REPORTED LEVEL OF SERVICE

3

Maintenance and enhancement of overall water quality in 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 2018, for both the past 21 and 7 years, has been completed and reported to Council. Trend analysis at the 11 regional representative sites demonstrates:

- Macroinvertebrate community index (MCI) indicator for ecological health: every site of the 11 representative sites shows stability (3 sites; to 2010, 8 sites) or improvement (8 sites; to 2010, 3 sites) since 1995
- Biological oxygen demand (BOD): 9 (82%) sites of 11 stable against 1995 baseline, one site shows improvement (11%), and the remainder (81%) are stable over recent years
- Bacteriological state: 73% show improvement (5%) or stability (68%) against the 1995 baseline and 91% are stable over recent years
- Nutrients: the number of sites showing stability or improvement is increasing over time. Since 1995, 73% of nutrient measures stable (62%) or improving (11%); 74% of nutrient measures stable (70%) or improving (4%) over recent years. Total nitrogen has been stable (64%) or improving (27%) since 1995, and stable (73%) over recent years
- Periphyton: the latest trend results (2002-2018) showed no sites had a significant increase in thick mat and long filaments measure. Two sites showed statistically significant decreasing levels of long filamentous algae. 93% of surveys for all sites over the last two years (2016-2018) met national periphyton guidelines.

Surface water quality was assessed for long-term and short-term trends at 11 sites. Long-term trend analysis covers the period 1995 to 2020 and was possible for at least 10 sites with sufficient data. Short-term trends were assessed for a ten year period (2010 to 2020) at all 11 sites. For MCI, long-term trend analysis covers the period 1995 to 2021 and the short-term period covers the 10 years from 2011 to 2021.

- MCI: between 1995 and 2021, 8 of 11 sites (73%) showed an improving trend, 2 sites were degrading (18%) and 1 site (9%) was indeterminate. Between 2011 and 2021, 9 of 11 sites (82%) showed a degrading trend and 2 sites were indeterminate.
- BOD: between 1995 and 2020, 4 of 10 sites (40%) showed an improving trend, 5 (50%) were degrading and 1 site (10%) was indeterminate. Between 2010 and 2020, 6 of 11 sites (55%) showed an improving trend, 4 (36%) were degrading and 1 site was indeterminate.
- Bacteriological: between 1995 and 2020, 2 of 10 sites (20%) showed an improving trend, 6 sites (60%) a degrading trend and 2 sites (20%) were indeterminate. Between 2010 and 2020, 2 of 11 sites (18%) showed an improving trend, 7 sites (64%) a degrading trend and 2 sites were indeterminate.
- Nutrients: Between 1995 and 2020, for dissolved reactive phosphorus, 4 sites (40%) were improving and 6 sites (60%) were degrading. For total phosphorus, 4 sites (40%) were improving, 4 sites (40%) were degrading and 2 sites were indeterminate. For nitrate, 3 sites (30%) were improving and 7 sites (70%) were degrading. For ammonia, 3 sites (30%) were improving, 3 sites (30%) were degrading and 4 sites were indeterminate. For total nitrogen, 7 sites (70%) were improving trend, 2 sites (20%) were degrading and 1 site was indeterminate.
- Between 2010 and 2020, 3 sites (27%) showed an improving trend for DRP, 5 sites (45%) were degrading and 3 sites were indeterminate. For TP, 6 sites (55%) showed an improving trend, 3 sites (27%) were degrading and 2 sites were indeterminate. For nitrate, 9 sites (82%) showed a degrading trend and 2 sites were indeterminate. For ammonia, 6 sites (55%) showed an improving trend, 2 sites (18%) were degrading and 3 sites were indeterminate. For TN, 10 sites (91%) showed a degrading trend and 1 site was indeterminate.
- Periphyton: For thick mats, trend results for the period 2002 to 2020 showed 2 sites (10%) were improving and 4 sites (20%) degrading. One site (5%) was found to be improving in relation to long filamentous algae. For the period 2018 to 2020, 97% and 84% of surveys met the periphyton guidelines for thick mats and long filamentous algae.

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>Measure: Nitrate levels in groundwater.</p> <p>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.</p> <p>Baseline: In the latest survey, one site out of 35 was consistently above the NZDWS. Since 2002, 50% of sites sampled repeatedly have remained stable and more site have showed an improvement (29%) than deterioration (21%).</p>	<p>Data collected between 2015 and 2020 showed median nitrate concentrations were low (less than 5 mg/L) at 27 (84%) of the 32 bores monitored. Nitrate concentrations in one bore significantly exceeded safe drinking water limits. Nitrate concentrations in the remaining four bores (13%) were found to be elevated (≥ 5 mg/L to < 11.3 mg/L). Trend analysis over the period 2010 to 2020 indicated nitrate concentrations were maintained at 29 (91%) of all bores routinely sampled. One bore (3%) showed an improvement in nitrate concentrations over time and two bores (6%) showed deterioration.</p>
<p>Measure: Physicochemical and biological parameters for quality of Lake Rotorangi.</p> <p>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).</p> <p>Baseline: An update of the Lake Rotorangi trend report (for the period 1990-2018) has confirmed a very slow, insignificant rate of increase in trophic level. This also confirmed that the lake would be classified as mesotrophic in terms of its biological condition.</p>	<p>Analysis of water quality and biomonitoring data to June 2021 suggests there has been no significant changes in the life-supporting capacity of Lake Rotorangi. The trophic state of lake is mildly eutrophic, with an insignificant rate of change. All of the four scheduled monitoring runs for the 2021/2022 year were completed as programmed.</p>
<p>Measure: The proportion of significant point source discharges into water monitored annually, associated consent compliance and the response to non-compliance.</p> <p>Target (Years 1-10): 100% of significant point sources monitored; 90% of consents for significant point sources to attain a 'good' or 'high' level of compliance and performance; response to every unauthorised incident to be reported publicly; response to all non-compliance events in accordance with documented enforcement procedures.</p> <p>Baseline: In 2019/2020, 100% of significant point sources were monitored with 96% of significant industrial sources and 94.8% of significant agricultural sources attaining a 'good' or 'high' compliance and performance rating. Response to every unauthorised incident was reported publicly. Responded to all non-compliance events in accordance with documented enforcement procedures.</p>	<p>Compliance monitoring programmes were implemented for 100% of significant point sources, with 96% of significant industrial point sources attaining a "good" or "high" level of compliance and environmental performance (2020/2021—96%). Of significant agricultural sources, 94% (91%) attained a "good" or "high" compliance and performance grading. Non-compliance was addressed by the use of various enforcement mechanisms under the <i>Resource Management Act</i>. There were no (0) instances of serious non-compliance that resulted in a prosecution being undertaken.</p>

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>4 Protection of riparian land in intensively farmed (predominantly dairying) catchments</p>	
<p>Measure: Protection of riparian land areas.</p> <p>Target (Years 1-10): By 30 June 2023, 100% of riparian plan streams to be protected by fencing and by 30 June 2025, 90% protected by vegetation where recommended.</p> <p>Baseline: As of June 2020, 2,930 riparian management plans have been prepared recommending the planting of 6,476 km and fencing of 7,297 km of stream banks. At June 2020, 54.9% of the planting and 73.8% of the fencing had been completed resulting in 88.1% of riparian plan streams now protected by fencing and 76.3% by vegetation where recommended.</p>	<p>There are 2,992 (2,930—2019/2020) riparian management plans prepared recommending the planting of 7,082 (6,782) km and fencing of 7,791 (7,492) km of stream banks. Of those plans, 65.4% (57.7%) of the recommended planting and 77.9% (75.6%) of the recommended fencing has been completed resulting in 89.7% (88.8%) of riparian plan streams now protected by fencing and 81.1% (77.4%) by vegetation where recommended. As a result of the ongoing changes to Government freshwater policy, rules requiring the program to be complete by 2020 have not yet been put in place and are now planned for 2024. This has impacted on the ability for these targets to be met.</p>
<p>5 Sustainable land use in accordance with the physical capabilities of the land and soil resources</p>	
<p>Measure: Changes in land use.</p> <p>Target (Years 1-10): Maintain a positive trend towards more sustainable land uses at monitored (representative SEM) hill country and sand country sites.</p> <p>Baseline: As of 30 June 2020, the area of hill country covered by sustainable land management plans is 208,199ha. The monitoring of sustainably managed land use, in accordance with the physical capabilities of the land and soil resources, is a 5-yearly programme. The percentage of hill country being managed sustainably between 2012 and 2017 has stayed relatively the same at 86.9%. Overall, from 1994 to 2017, sustainability increased by 3% from 83.9% to 86.9%. Between 2012 and 2017, the area of bare sand decreased significantly at all 4 sites.</p>	<p>The area of hill country covered by sustainable land management plans is 217,469ha (210,294ha —2020/2021). The monitoring of sustainably managed land use, in accordance with the physical capabilities of the land and soil resources, is a 5-yearly programme. A contract with Landcare Research to repeat the project in 2018 has been completed. The percentage of hill country being managed sustainably between 2012 and 2017 has stayed relatively the same at 86.9%. Overall, from 1994 to 2017, sustainability increased by 3% from 83.9% to 86.9%. Between 2012 and 2017, the area of bare sand decreased significantly at all 4 sites. The results for the 5-yearly programme to 2022 is due to be completed in 2022/2023.</p>
<p>Measure: Regional soil quality.</p> <p>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.</p> <p>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 2018. Results show increases in the number of soil quality indicators lying within target ranges and no net increase in cadmium.</p>	<p>The monitoring of regional soil quality is a five-yearly programme. Sampling was completed for the latest survey in 2017. Twenty sites were sampled and results indicated 71% of samples were within the target ranges. There was no significant change in soil cadmium concentrations overall. The results showed general patterns in soil quality are similar to those found in other regions. The next soil quality sampling round is due in the 2022/2023 monitoring year.</p>

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>6 Enhanced opportunities for sustainable development and best use of hill country</p>	
<p>Measure: Proportion of landowners informed of specific opportunities for sustainable land use on their properties.</p> <p>Target (Years 1-10): 69% of hill country in private ownership (306,000 ha) with comprehensive farm plans.</p> <p>Baseline: As at 30 June 2020, 208,199ha (68%) of private land have a comprehensive farm plan.</p>	<p>There are 501 (464—2020/2021) comprehensive farm and agroforestry plans in place covering 217,469ha (210,294ha) on the 840 hill country farms, covering 71% (68.7%) of the hill country land in private ownership. This provides a basis for landowners to make decisions on the most sustainable land uses for their properties.</p>
<p>7 Maintenance of a high standard of ambient air quality</p>	
<p>Measure: National Environmental Standard (NES) pollutants, namely sulphur oxide, nitrogen oxides, inhalable particulate, and carbon monoxide.</p> <p>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).</p> <p>Baseline: Surveys undertaken to 2019 show air in the region matched the 'good' or 'excellent' categories of the MfE ambient air quality guidelines. Where monitoring repeated previous surveys, it was found that air quality was being maintained. Monitoring of volatile organic compounds (VOC) benzene, toluene, ethylbenzene and xylenes (BTEX), and nitrogen oxide region-wide found 75% and 100% of results to be within the Ministry for the Environment's 'excellent' and 'good' categories respectively.</p>	<p>There is a co-ordinated programme of regional air quality monitoring across a ten-year timeframe. In February 2016, continuous monitoring of fine particulate matter PM2.5 (potential health risk) commenced in central New Plymouth, with upgraded equipment installed during 2021/2022. Results for nitrogen oxide (1-hour average) monitoring in the region showed 90% was classed as 'excellent' and 10% 'good'. In 2021/2022, a review of the <i>Regional Air Quality Plan 2011</i> was initiated as part of the development of the air quality sections of the <i>Natural Resources Plan</i>.</p>
<p>Measure: The proportion of significant point source discharges into air monitored annually, associated consent compliance and the response to non-compliance.</p> <p>Target (Years 1-10): 100% of significant discharge point sources monitored; 90% of consents for significant air point source discharges to attain a 'good' or 'high' level of compliance and performance; respond to all non-compliance events in accordance with documented enforcement procedures.</p> <p>Baseline: In 2019/2020, 100% of significant point source emissions were monitored with 100% of sources attaining a 'good' or 'high' level of compliance and performance. Responded to all non-compliance events in accordance with documented enforcement procedures.</p>	<p>Compliance monitoring programmes were implemented for 100% of significant point sources discharging to air. Results show 99% of sources attained a "good" or "high" level of compliance and performance (98% in 2020/2021). Non-compliance was addressed by the use of various enforcement mechanisms under the <i>Resource Management Act</i>. All non-compliance events were responded to in accordance with documented enforcement procedures. Enforcement actions for 2021/2022 were collectively reported during the year and will be reported individually via annual reports.</p>

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>8 Resource management policies, plans and strategies that deliver efficient and effective management of the natural and physical resources of the region and are acceptable to the community</p>	
<p>Measure: Operative plans policies and strategies.</p> <p>Target (Years 1-10): Full compliance with statutory requirements and timetables for the preparation review and implementation of policies, plans and strategies.</p> <p>Baseline: As of June 2020, the Council has a full suite of operative <i>Regional Policy Statement</i> and regional plans (water, air, soil and coastal).</p>	<p>There is a complete suite of operative plans, policies and strategies in place. The review of the <i>Regional Policy Statement for Taranaki</i> (RPS) was completed and made operative 1 January 2010. A non-statutory five-yearly interim review of the RPS, which included targeted consultation was completed. In 2019/2020, a full review of the <i>Regional Policy Statement</i> commenced.</p> <p>The review of the <i>Regional Air Quality Plan for Taranaki</i> was completed and made operative on 25 July 2011. A non-statutory five-yearly interim review of the efficiency and effectiveness of the policies, rules and other methods of the Plan was completed. The review of the <i>Air Quality Plan</i> has been commenced with draft Plan provisions to be included in a new <i>Natural Resources Plan</i>.</p> <p>The review of the <i>Regional Fresh Water Plan</i> and <i>Regional Soil Plan</i> continued as part of the development of a <i>Natural Resources Plan</i>. Ongoing engagement, research, investigations and information gathering underpinning the development of a <i>Proposed Natural Resources Plan</i> continued.</p> <p>This included the ongoing development of an e-Plan platform, ensuring draft provisions comply with the National Planning Standards and the National Policy Statement and National Environmental Standards for Freshwater. A heads of Agreement to support tangata whenua input into the development of the draft <i>Natural Resources Plan</i> (and other Essential Freshwater elements) was also developed and actioned.</p> <p>Progress was made on the review of the <i>Regional Coastal Plan</i>. A formal hearing of submissions on the <i>Proposed Coastal Plan</i> was held with the decisions publicly notified on 5 October 2019. Ten submitters subsequently appealed the decisions to the Environment Court. Environment Court assisted mediation has resulted in all appeals being resolved, excluding those related to oil and gas. Environment Court mediation is ongoing.</p>
<p>9 Efficient and effective resource consent processing, compliance monitoring and enforcement</p>	
<p>Measure: Compliance with <i>Resource Management Act 1991</i> requirements.</p> <p>Target (Years 1-10): 100% compliance.</p> <p>Baseline: As of June 2020, processing, administering and compliance monitoring of resource consents was 100% compliant with <i>Resource Management Act</i> requirements.</p>	<p>All consents (100%—2020/2021) processed during the period complied with <i>Resource Management Act</i> requirements, and full compliance with timelines allowed activities to be undertaken without delay.</p>

Activities—what we plan to do

PROGRAMME	2021/2022 ACTUAL PERFORMANCE
<p>1 Resource management planning</p>	
<p>Complete preparation/full reviews and interim reviews of resource management policies, plans and strategies:</p>	
<p><i>Regional Policy Statement:</i> Commence full review in 2020/2021 as part of the development of a combined natural resource management plan.</p>	<p>Work on the full review of <i>Regional Policy Statement</i> has commenced including public survey and workshop on the development of a freshwater vision in accordance with the <i>National Policy Statement for Freshwater Management</i>. A non-statutory interim review of the <i>Regional Policy Statement</i>, which included targeted consultation, was carried out in 2016/2017.</p>
<p><i>Regional Coastal Plan:</i> Full review continued in 2020/2021.</p>	<p>Coastal plan review ongoing with the <i>Proposed Coastal Plan</i> publicly notified February 2018. Schedule 1 Plan review process are ongoing. Environment Court assisted mediation has resulted in all appeals being resolved, excluding one related to climate change and ocean acidification</p>
<p><i>Regional Air Quality Plan:</i> Commence full review in 2020/2021 as part of the development of a combined natural resource management plan.</p>	<p><i>Air Quality Plan</i> review has commenced and forms part of the development of a <i>Proposed Natural Resources Plan</i>.</p>
<p><i>Regional Fresh Water and Land Plan:</i> Full review continued in 2020/2021 and will form part of the development of a combined natural resource management plan.</p>	<p>Freshwater and soil plan reviews is ongoing and forms part of the development of a <i>Proposed Natural Resources Plan</i> and implementation of the Government's <i>Essential Freshwater</i> programme.</p>
<p>2 Consent processing and administration</p>	
<p>Provide accurate and timely information in response to all appropriate requests for assistance in implementing Regional Plan rules.</p>	<p>Provided information, to assist processing 225 (269—2020/2021) consent applications, being 8 (2) publicly notified, 1 (1) limited notified and 216 (225) non-notified applications, in compliance with the <i>Resource Management Act 1991</i>.</p>
<p>Process and determine all accepted resource consent applications (approximately 400 consents per annum), in compliance with the <i>Resource Management Act 1991</i>, including compliance with statutory timeframes, and the Council's <i>Resource Consents Procedures</i> document.</p>	<p>Of the 225 (269-2020/2021) applications, 100% (100%) were processed, issued and reported on in accordance with the statutory procedures of the Act, and the Council's <i>Resource Consents Procedures</i> document.</p>
<p>Successfully defend 100% of consent decisions appealed to the Environment Court.</p>	<p>There were no appeals of consent conditions to the Environment Court.</p>
<p>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.</p>	<p>Resolved, through the pre-hearing process, 88% (100%) of resource consent applications attracting submissions. Only one application required a hearing for 5 submissions.</p>

PROGRAMME	2021/2022 ACTUAL PERFORMANCE
<h3>3 Compliance monitoring programmes</h3>	
<p>100% of individual compliance monitoring programmes for all major consents designed, implemented and publicly reported upon (approximately 110 individual compliance monitoring programmes per annum) within the negotiated budgets and completed within nine months of the end of the monitoring period.</p>	<p>100% (100%—2020/2021) of individual compliance monitoring programmes for all major consents designed, implemented and reported upon within the negotiated budgets and completed within nine months of the end of the monitoring period.</p>
<p>Implement and report on 100% of recommendations arising from prior year's monitoring of resource consents subject to an individual compliance monitoring programme.</p>	<p>Within every annual report, recommendations from previous reports are set out and their implementation reported upon.</p>
<p>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).</p>	<p>Undertook 392 (496 – 2020/2021) inspections of minor industrial operations (permitted activities) ensuring good environmental practices. Two (9) reinspections were required. Completed the annual inspection round of discharges of agricultural waste (100% of issued consents), including dairy, poultry and piggery farms – 1,632 (1,680) completed. The non-compliance rate (failure to meet consent conditions) was 6.2% (8.6%) for 1,590 dairy farms. All poultry farms, 58 (66) and piggery farms 4 (1) were compliant. 144 (226) dairy farm reinspections were undertaken to ensure full compliance. In total, 1,734 (1,836) farm dairy inspections and reinspections took place. The total number of inspections undertaken was 2,208 (2,412).</p>
<h3>4 Pollution incidents and response</h3>	
<p>Respond to all consent non-compliance and implement appropriate advisory and enforcement actions to require 100% compliance with resource consents, regional plans and/or national environmental standards.</p>	<p>Responded to 137 (199—2020/2021) consent non-compliances found during routine monitoring. Appropriate enforcement action was undertaken under the <i>Enforcement Policy (2017)</i>.</p>
<p>Respond to 100% of pollution and other complaints (generally within four hours of receipt) and where appropriate instigate control, clean up and enforcement procedures, where reasonable and appropriate, and publicly report on all environmental incidents.</p>	<p>Responded to, and publicly reported upon, 531 incidents (590 – 2020/2021) with 100% (100%) within the required timeframe. Instigated control and clean-up. Appropriate enforcement action was undertaken under the <i>Enforcement Policy (2017)</i>: 147 (254) abatement notices and 103 (152) infringement notices were issued. No (3) prosecutions were initiated. Reviewed the incident response system to allow for triaging of incident response.</p>
<p>Administer and implement the <i>Taranaki Regional Marine Oil Spill Response Plan</i> as agreed with Maritime New Zealand including responding to 100% of oil spills.</p>	<p>Administered the <i>Tier II Taranaki Regional Oil Spill Response Plan</i> in accordance with the agreed programme. No (0 – 2020/2021) minor marine oil spills occurred that warranted implementing the <i>Plan</i>. Undertook 2 (2) regional marine oil spill response exercises.</p>

PROGRAMME	2021/2022 ACTUAL PERFORMANCE
<p>5 State of the environment monitoring</p>	
<p>Implement and report on 100% of the 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 recognised and reputable methods of data collection, analysis and reporting in accordance with the <i>State of the Environment Monitoring Procedures</i> document and <i>State of the Environment Monitoring Programmes</i>.</p>	<p>Implemented 100% of active state of the environment monitoring programmes during 2021/2022, in accordance with the prepared programmes.</p>
<p>Monitor, review and where appropriate, further develop existing programmes by 30 June of each year.</p>	<p>Existing programmes were reviewed during 2021/2022. These programmes will be implemented in 2022/2023. A further comprehensive review of all freshwater state of the environment monitoring programmes is planned to take place during the 2022/2023 period.</p>
<p>Develop, implement and report on additional programmes as stipulated in the 2020 National Policy Statement for Freshwater, for mahinga kai, periphyton, threatened species, sediment and stream health index.</p>	<p>A stocktake of existing monitoring and comparison against the new requirements is underway. This includes a review and reconciliation of existing monitoring programmes for freshwater and contact recreation, to seek efficiencies within existing programmes, prior to developing additional monitoring programmes.</p>
<p>Prepare and publish the five-yearly state of the environment report. The reports are due in 2020 and 2025.</p>	<p>The latest regional state of the environment summary report <i>Our place - Taranaki State of the Environment 2022</i> was published in June 2022.</p>
<p>Maintain all quality assurance programmes and information databases for hydrometric, air quality, physicochemical freshwater, terrestrial biodiversity, fresh water biological and marine biological data. International Accreditation New Zealand registration for chemical analysis maintained by the contract laboratory.</p>	<p>All quality assurance programmes and information databases for hydrometric, air quality, physicochemical freshwater, terrestrial biodiversity, fresh water biological and marine biological data, were maintained.</p>
<p>Maintain public access to on-line live regional data on hydrology, meteorology, soil moisture and bathing site water quality.</p>	<p>Live on-line data was maintained and reported for 39 hydrology sites (41-2020/2021), 29 meteorology sites (29), 10 soil moisture sites (10), 22 freshwater bathing (18) and 17 marine bathing (14) water quality sites.</p>

PROGRAMME	2021/2022 ACTUAL PERFORMANCE
<p>6 Resource investigations and projects</p>	
<p>Over the period of the <i>2021/2031 Long-Term Plan</i>, a range of resource investigations and applied research projects will be undertaken. 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. Such projects evolve over time. Specifically for 2021/2022, the Council intends to:</p>	
<p>Investigate mitigation, migration and attenuation of usage and loss of water, nutrients and sediment through land and water.</p>	<p>Specific investigations and modelling work is being commissioned as data gaps and research needs are identified and prioritised. A number of these investigation will be commissioned to support NPS-FM implementation and regional plan development processes. During the 2021/2022 year these included regional spatial water quality and nutrient modelling. Bacteria (<i>E. coli</i>) and nutrient load assessments were also carried out and investigations into the contribution of 'natural' sources of phosphorous to Taranaki waterways commenced.</p>
<p>Support studies into the behaviour and bioavailability of cadmium and other contaminants in agricultural soils and fertilizer.</p>	<p>Monitoring of soil cadmium concentrations continued as part of the soil monitoring programme. Contributions were made to the development of a national accounting system for synthetic nitrogen fertiliser. Planning for the four-yearly national pesticide survey (scheduled for 2022/2023) was undertaken with sampling to include a range of pesticides, herbicides and per- and polyfluoroalkyl substances.</p>
<p>Engagement in 'Envirolink' and other science research opportunities, to enhance knowledge base for policy development and implementation.</p>	<p>During the 2021/2022 year, an application for inclusion in the Envirolink funding scheme was approved. Funding was received for a review of plans for a lake monitoring programme and analysis and reporting on previously collected bathometric survey data. Participated in the co-development and implementation of research projects relating to local land-use change and potential water quality interventions.</p>
<p>7 Sustainable land management plans and plant supply programme</p>	
<p>Planning services. Provide property planning services to landholders. Prepare plans covering 10,000 ha of land use capability mapping in the hill country and 30 riparian plans in the intensive water management zone.</p>	<p>Prepared 30 (6—2020/2021) comprehensive farm plans and 7 (2) agroforestry plans covering 7,175 (2,095) ha of farmland. Prepared 30 (32) riparian plans covering 86 (130) kms of stream bank 48 (55) kms of riparian management was proposed with the balance of 38 kms (74.5) being protected.</p>

PROGRAMME	2021/2022 ACTUAL PERFORMANCE
<p>Monitoring and reporting. Liaise with and monitor approximately 2,600 riparian plans and 150 farm plans and report on the implementation of the recommended fencing and planting.</p>	<p>Contacted plan holders on 12,022 (10,573-2020/2021) occasions. Advice and information was provided. 18.8% (13.3%) or 400 (279) km of the remaining recommended fencing of stream bank was fenced and 22.6% (11%) or 716 (362) km of stream bank have been planted. 6,065 (5,665) km of stream bank has been fenced and 4,631 km planted (3,914). Across all plans, 82,384 ha (66,577) of marginal land has been retired and 19,403 ha (18,902) of forest established.</p>
<p>Provision of advice. When requested, provide advice on sustainable land management practices within ten working days.</p>	<p>Received and actioned, within 10 days, 96 (96-2020/2021) inquiries. Advice and assistance on sustainable land management, soil conservation and riparian management was provided.</p>
<p>Provide, on a cost-recovery basis, approximately 550,000 suitable plants for land stabilisation, soil conservation and riparian planting programmes.</p>	<p>Provided 418,312 (993,749-2020/2021) plants for sustainable land management. Provided 6,918 (6,910) poplar and willow planting material to 107 (97) landholders. Provided 411,298 (985,239) plants to 1,115 (1,121) landholders, to plant 300 (500) kms of stream margins. Supplied 100 (1,600) sand stabilisation plants targeting 1 (2) site.</p>
<p>Implement the South Taranaki and Regional Erosion Support Soil Conservation Programme including an estimated 4,000 poplar poles, 233ha of protection forestry and construction of 17km of retirement fencing to retire 200 ha of marginal land/new forestry protection.</p>	<p>Planted 4,020 (5,177-2020/2021) poles, 287 ha (257) of forestry and erected 18 (18) km of fencing to retire or protect 22 (32) ha of marginal land.</p>
<p>8 Waitara River Catchment</p>	
<p>Develop and implement a strategy for the distribution of income from the sale of Waitara leasehold land (70% of proceeds) toward the restoration, protection, and enhancement of the environmental, cultural and spiritual health and well-being of the Waitara River and the Waitara River catchment. All distributions are to be within the roles and responsibilities of the Taranaki Regional Council.</p>	<p>Work is continuing with iwi and hapū to establish the Waitara Committee that will make decisions associated with the strategy development.</p>
<p>Develop and implement a strategy for the distribution of income from the sale of Waitara leasehold land (30% of proceeds) toward any matter in Waitara or in the lower catchment of the Waitara River. All distributions are to be within the roles and responsibilities of the Taranaki Regional Council.</p>	<p>Work is continuing with iwi and hapū to establish the Waitara Committee that will make decisions associated with the strategy development.</p>
<p>9 Enhancement grants</p>	
<p>Implement a programme using environmental enhancement grants for the protection of habitats of regional significance.</p>	<p>Ongoing fencing, planting and maintenance has been undertaken to secure the protection of wetlands. This included work on 34 (41-2020/2021) wetlands of regional significance. This work means that 59 (59) scheduled wetlands of regional significance are formally protected.</p>

Costs and sources of funds

	2021/2022 Actual \$	2021/2022 Budget \$	2020/2021 Actual \$
Expenditure			
Resource management planning	1,083,867	1,158,681	921,723
Consent processing and administration	1,515,735	1,173,890	1,158,642
Compliance monitoring programmes	3,899,150	4,632,383	3,793,747
Pollution incidents and response	975,053	1,133,675	1,100,689
State of the environment monitoring	3,997,680	3,416,636	3,007,672
Resource investigations and projects	619,665	702,239	287,241
Sustainable land management plans and plant supply programme	5,155,378	5,228,414	6,043,713
Waitara River Catchment	25	5,582,207	50
Enhancement grants	2,920,341	3,140,258	2,612,468
Total expenditure	20,166,894	26,168,383	18,925,945
Income			
General rates	4,965,036	4,965,037	3,061,369
Direct charges	8,116,930	13,199,566	15,664,593
Government grants	2,946,576	2,836,000	4,741,465
Transfer from reserves	-	-	-
Transfer to reserves	(1,622,733)	(75,000)	(9,266,015)
Investment funds	5,761,085	5,242,780	4,724,533
Total income	20,166,894	26,168,383	18,925,945
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	17,000	-
Buildings	-	-	-
Motor vehicles	752,330	1,005,000	870,047
Plant and equipment	191,006	272,190	153,125
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	943,336	1,294,190	1,023,172
Funded by:			
Transfer from retained earnings	943,336	1,294,190	1,023,172
Total funding	943,336	1,294,190	1,023,172
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	943,336	1,294,190	1,023,172
Total capital expenditure	943,336	1,294,190	1,023,172
Gross proceeds from the sale of assets	132,189	263,500	248,250
Depreciation/amortisation expense	566,247	612,032	478,559

ASSET ACQUISITIONS AND REPLACEMENTS

Plant and equipment and motor vehicle purchases have been deferred to 2022/2023.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.

Te toko i te mauri pūtaiao

Biosecurity and biodiversity

Biosecurity and biodiversity comprises the following activities:

BIOSECURITY AND BIODIVERSITY PLANNING

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

BIOSECURITY/PEST MANAGEMENT

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

BIODIVERSITY

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

TOWARDS PREDATOR FREE TARANAKI

—a large-scale project aimed at restoring Taranaki unique wildlife, plants and protecting the region's lifestyles and livelihoods by removing introduced predators using the latest trapping techniques, innovation and technology, sharing lessons learned as the country works towards its Predator Free 2050 target. The region-wide project is working with residents, businesses, schools, iwi, environmental and community groups to remove possums, rats and mustelids (stoats, ferrets and weasels) from urban, rural and public land around Taranaki Mouna. The shared vision is to see abundant and diverse native wildlife and plants flourishing in Taranaki in the absence of introduced predators, which are one of the greatest threats to Taranaki biodiversity, lifestyles and livelihoods; particularly in tourism and primary industries.

Community Well-beings

The Biosecurity group of activities contributes to community well-beings by minimising the actual or potential impact of pest plants and animals on the environment and on the Taranaki economy and community. Specifically this group of activities contributes to the following community well-beings:

- Secure and Healthy Taranaki
- Prosperous Taranaki
- Sustainable Taranaki.

Further information on Policies and Programmes

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

- Biosecurity Act 1993
- Local Government Act 2002
- Pest Management Plan for Taranaki 2017
- Biosecurity Strategy for the Taranaki Regional Council 2017.

Pest management planning and operational activities – both animals and plants –protect agricultural production and biodiversity by reducing the population of pests, preventing the spread of pests or in some cases eradicating all known infestations. The implementation of the *Regional Pest Management Plan* and *Biosecurity Strategy* contributes to a *Sustainable* and *Prosperous Taranaki*.

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

Contractors re-treated heavily infested areas consisting of near vertical cliffs, targeting Old Man's Beard control in the Waingongoro catchment with two kilometres of riverbank being controlled, Once a reduction of 95% is achieved, these areas will revert to landowner control.

There were no extensions of the self-help possum control programme, the total number of properties in the programme is 4,227 covering almost 232,000 ha. Monitoring confirmed that, for the first time, landowners in the self-help possum control programme failed to effectively maintain low possum numbers. The mean residual trap catch for properties monitored was 11.6% just above the target of 10%. As a result, there has been an increase in the number of Notices of Direction issued to landowners. Control efforts need to increase to ensure the possum population returns to below the target of 10% or the region will lose the hard won gains of the last three decades.

With the increased possum numbers requiring more resources, combined with Covid-19 and higher than normal staff changes, the sustained control pest plant inspection programme was reduced this year. Importantly all known eradication sites were visited to ensure these species do not establish further.

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

The urban programme continues to enjoy community support, this year the programme has focused on supporting regular trap checking and reporting of results. Volunteer community champions and reserve volunteers continue to undertake regular checks through many reserves. Rat monitoring undertaken shows an increase in rat tracking this year from 9.8% to 17% of tunnels detecting rats, however this is still lower than the 33% recorded before the start of the programme.

Contractors extended the rural predator control programme targeting mustelids in the Ōpunake and Oeo areas, covering an area of 22,918 ha. This adds to the first three phases of the rural predator control programme which covered 42,000 ha.

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

Implementation of the *Biodiversity Strategy* is underway to maintain the full range of Taranaki indigenous ecosystems and species in a healthy and fully functioning state. We are working co-operatively with agencies, community groups and individuals to work effectively guided by sound science.

In conjunction with land owners and community groups, 24 biodiversity plans were prepared for key native ecosystems with the objective of protecting, maintaining and restoring biodiversity values of those sites.

There was continued implementation of the regional Terrestrial Biodiversity Monitoring programme to measure the outcomes of the biodiversity programmes and inform state of the environment reporting.

As a founding funder of Wild for Taranaki (Taranaki Biodiversity Trust), Council continued to fund the Trust to connect and support member groups to achieve a vision where 'Taranaki biodiversity is restored to a state where it is visibly healthy and provides significant benefit to communities throughout the region'.

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

Levels of service

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>1 Pest management plan that delivers efficient and effective management of biosecurity functions</p>	
<p>Measure: Presence of appropriate pest management plan.</p> <p>Target (Years 1-10): Pest management plan for pest plants and pest animals is in place in accordance with statutory requirements.</p> <p>Baseline: One adopted pest management plan is in place; This Plan was reviewed in 2018.</p>	<p>Pest management plan and strategy, delivering efficient and effective management of biosecurity functions, are in place in accordance with statutory requirements.</p>
<p>2 Pest animals controlled to minimize their adverse effects on biodiversity, primary production and the regional economy and environment</p>	
<p>Measure: Area of the ring plain maintained under the <i>self-help possum control programme</i> at levels to reduce risks to the environment and primary production.</p> <p>Target (Years 1-10): Residual trap catch (RTC) of less than 10% across the rural area covered by the self-help possum control programme.</p> <p>Baseline: In 2019/2020, the RTC was 6.8% across the area covered by the <i>self-help programme</i>.</p>	<p>The self-help possum control monitoring programme showed landholders maintained the possum population at 11.6% (2020/2021—8%) residual trap catch across the self-help possum control programme area. This is the first year that monitoring has returned greater than 10% RTC. Of the 224 lines, 68 (30%) were significantly over the required target. All of these properties undertook additional control.</p>
<p>3 Pest plants controlled or eradicated to minimize their adverse effects on biodiversity, primary production and the regional economy and environment</p>	
<p>Measure: Control or eradication of “eradication” pest plants.</p> <p>Target (Years 1-10): Control of 100% of known infestations of Senegal Tea, Climbing Spindleberry, Madeira Vine, Moth Plant and Giant Reed in the region.</p> <p>Baseline: In 2019/2020, there were 189 properties where these plants were identified and controlled.</p>	<p>A total of 233 (204—2020/2021) active infestations of eradication pest plants have been identified. Of those, 109 (102) sites around the region have infestations of Mignonette Vine, 26 (23) properties for Climbing Spindleberry, 2 (2) properties for Senegal Tea, 56 (48) properties for Giant Reed and 40 (29) properties for Moth plant. Direct control, where it was warranted, occurred on all sites. Active infestations are determined by the time that seeds can remain viable at the site</p>
<p>Measure: The extent of “sustained control” pest plants.</p> <p>Target (Years 1-10): Reduce the extent of sustained control pest plants through an inspection and monitoring programme (of Category C properties) to identify infestations requiring control.</p> <p>Baseline: In 2019/2020, there were 96 Category C properties requiring sustained control.</p>	<p>Undertook 660 (1,498) property inspections. Of these, 27 (59) related to Category C (heavy infestation) properties, requiring a Notice of Direction to be issued.</p>

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
4 Maintenance and enhancement of indigenous biodiversity	
<p>Measure: Protection of Taranaki biodiversity on private land.</p> <p>Target (Years 1-10): Key Native Ecosystems (KNEs) on private land, covering at least 8,000ha, have a biodiversity plan.</p> <p>Baseline: As at 30 June 2020, 155 Key Native Ecosystems (KNEs) comprising 5,708ha of private land had biodiversity plans.</p>	<p>Biodiversity plans were prepared for a further 24 KNEs (21—2020/2021) on private land, totalling 1,333 ha (3,365 ha). In total, there are 209 (176) KNEs on private land covering 11,735 (6,819) hectares with biodiversity plans.</p>
<p>Measure: Inventory of sites that contain regionally significant biodiversity (KNEs) in the region.</p> <p>Target (Years 1-10): Maintain and regularly update current inventory of Key Native Ecosystems (KNEs).</p> <p>Baseline: As of June 2020, the inventory of sites that contain regionally significant biodiversity contained 300 sites.</p>	<p>Maintained and updated the inventory of KNEs. The inventory of Key Native Ecosystems is regularly maintained and updated. At June 2022, the inventory contained 358 sites (330).</p>
<p>Measure: Maintain and improve the condition of KNEs</p> <p>Target (Years 1-10): Improvement in biodiversity index at managed KNEs compared with a base year of application of the index.</p> <p>Baseline: In 2019/2020, eight of twenty-four assessments showed an improved condition score.</p>	<p>Good progress continues collecting biodiversity information at KNEs and potential KNEs around the region. A total of 73 (97) assessments were made including 19 (17) repeat five-year assessments, 25 (23) repeat ten-year assessments and 29 (57) assessments at new sites. Seventy-eight percent or 14 out of 18 (17/17-100%) repeat five-year assessment sites maintained or improved their condition score after implementation of a biodiversity plan. For 10-year assessment sites, 14 out of 19 (74%) (11 out of 12-92%) forest sites showed an improvement and 5 out of 6 (83%) (6 out of 11-55%) wetland sites showed an improvement.</p>



Activities—what we plan to do

PROGRAMME	2021/2022 ACTUAL PERFORMANCE
<p>1 Biosecurity and biodiversity planning</p>	
<p>Undertake a partial review of the <i>Pest Management Plan for Taranaki</i> in 2020/2021, an interim review in 2022/2023 and a ten-year full review in 2027/2028.</p>	<p>The <i>Pest Management Plan for Taranaki</i> sets out the regulatory framework for pest management and the <i>Taranaki Regional Council Biosecurity Strategy</i> sets out the programmes and activities relating to pest management (adopted 2018). These documents are delivering efficient and effective management of statutory biosecurity functions. A partial review of the plan was undertaken in June 2021 and mustelids were incorporated.</p>
<p>2 Biosecurity/pest management</p>	
<p>Undertake operational programmes through both the <i>Pest Management Plan for Taranaki</i>: and the <i>Biosecurity Strategy</i> including:</p>	
<p>Eradication of selected pest plants</p>	<p>Undertook direct control on 233 (121) eradication pest plant infestations. Continued control of Old Man's Beard in the Waingongoro catchment, re-treating two kilometres of riverbank. Made 8 (6) releases of biological control agents to control Old Man's Beard, Tradescantia and a new species targeting Japanese honeysuckle. Contributed to the Landcare Research biological control programme.</p>
<p>Inspection, monitoring and where necessary, enforcement of sustained control pest programmes.</p>	<p>Undertook 479 (786) inspections with results estimating possum populations have for the first time climbed above acceptable levels: 11.6% (8%) residual trap catch rate across the self-help possum control programme. Undertook 660 (1,498) property inspections for pest plants. Issued 82 (157) Notices of Direction for sustained control pest programmes, 55 (24) for possums and 27 (133) for plants. Undertook small scale control of unwanted plant organisms on 16 (14) occasions targeting Bone seed and for 1 <i>Houttuynia</i> infestation.</p>
<p>Raising public awareness of and respond to enquiries related to pest issues.</p>	<p>Responded to 353 (535) requests for advice and, where appropriate, undertaking control action regarding pest issues. Increased publicity and education programmes on pests through a new pest bulletin.</p>

PROGRAMME	2021/2022 ACTUAL PERFORMANCE
<h3>3 Biodiversity</h3>	
<p>Continue to assess ecosystem sites within the region on a voluntary basis, in order to identify further key native ecosystems.</p>	<p>Baseline assessments were made of 29 (57) natural areas, resulting in the scheduling of an additional 16 (30) KNE's. A further 44 (40) repeat assessment where undertaken on existing KNE's to measure change over time.</p>
<p>Undertake at least 25 environmental condition assessments at identified sites.</p>	<p>A total of 73 (97) assessments were completed this year.</p>
<p>Prepare at least 20 biodiversity plans per annum for properties containing key native ecosystems (KNE).</p>	<p>24 (24) new biodiversity plans were completed for KNE sites</p>
<p>Initiate and support implementation of work programmes on all KNE's with a biodiversity plan.</p>	<p>Initiated implementation of 100% (100%) of plans prepared during the year.</p>
<h3>4 Towards Predator Free Taranaki</h3>	
<p>Support voluntary control of rodents in urban areas aiming for 1 in 5 properties trapping or baiting.</p>	<p>While the urban programme continues to enjoy community support, the programme has focused on supporting regular trap checking and reporting of results. Volunteer community champions and reserve volunteers continue to undertake regular checks through many reserves.</p>
<p>Undertake mustelid control on 20,000ha in the Ōkato and Warea areas</p>	<p>The rural predator control programmes changed focus, instead targeting mustelids focussed extending predator control in the Ōpunake and Oeo areas, covering an area of 22,918 ha. This adds to the first three phases of the rural predator control programme which covered 72,000 ha. In addition, the Council has taken the opportunity to refine trap layout and remind landowners that they are now responsible for ongoing control during scheduled battery replacement of the remote trap reporting system</p>
<p>Complete/maintain possums at zero density over 4,467 ha surrounding the Kaitake range and prevent re-infestation using a virtual barrier and electronic incursion detection system.</p>	<p>A trial eradication operation targeting possums in partnership with Taranaki Mounga including the Kaitake range, surrounding farmland and the township of Oākura continued. This is the first eradication project involving multiple land uses. The project involved aerial 1080, ground baiting and trapping. Followed up with dogs and thermal cameras to detect and remove any survivors. This operation has continued to detect and remove individual possums using motion sensing cameras followed by intensive trapping or hunting with thermal cameras and possum detection dogs. While it remains challenging to detect lone survivors, this trial continues to develop techniques that will inform future eradication attempts as New Zealand heads towards our Predator Free ambition.</p>

Costs and sources of funds

	2021/2022 Actual \$	2021/2022 Budget \$	2020/2021 Actual \$
Expenditure			
Biosecurity and biodiversity planning	14,915	77,645	28,670
Biosecurity/pest management	2,105,090	2,180,261	4,160,328
Biodiversity	1,731,409	1,765,513	3,166,254
Towards Predator-Free Taranaki	2,751,479	3,935,837	-
Total expenditure	6,602,893	7,959,256	7,355,252
Income			
General rates	2,426,731	2,426,731	1,985,485
Direct charges	1,773,156	2,970,043	2,480,904
Government grants	80,000	-	-
Transfer from reserves	-	-	-
Transfer to reserves	-	-	(100,000)
Investment funds	2,323,006	2,562,482	2,988,863
Total income	6,602,893	7,959,256	7,355,252
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	38,067	400,000	92,996
Plant and equipment	-	22,000	-
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	38,067	422,000	92,996
Funded by:			
Transfer from retained earnings	38,067	422,000	92,996
Total funding	38,067	422,000	92,996
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	38,067	422,000	92,996
Total capital expenditure	38,067	422,000	92,996
Gross proceeds from the sale of assets	-	182,000	32,910
Depreciation/amortisation expense	216,291	115,505	212,502

ASSET ACQUISITIONS AND REPLACEMENTS

Motor vehicle purchases have been deferred to 2022/2023.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.



Ngā kawenga waka Transport

Transport comprises the following activities:

REGIONAL LAND TRANSPORT PLANNING

—contributing to a vibrant, resilient and connected region with safe roads and liveable places—refer to level of service 1.

PUBLIC TRANSPORT

—providing and promoting accessible and integrated public passenger transport services that cater for the needs of the people of Taranaki (including 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.

Community Well-beings

The Transport group of activities contributes to community well-beings by contributing to an effective, efficient and safe land transport system in the public interest by facilitating growth and economic development, reducing safety risk, maintaining and improving accessibility and public health, ensuring a regionally and nationally integrated transport network that is resilient and responsive and addresses these in an environment of constrained funding and affordability. Specifically this group of activities contributes to the following community well-beings:

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

Further Information on Policies and Programmes

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

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

On the Transport front, the year was exceptionally challenging on many fronts. The ongoing impact of Covid-19 on passenger transport services was offset by new initiatives in relation to fare, fare zones and new services. The state highway network continues to operate below acceptable standards due to lack of maintenance investment and a lack of ongoing capital reinvestment.

Through the Regional Transport Committee and as a participant in the State Highway 3 Working Group, engagement with Waka Kotahi, work is continuing on a number of projects:

- The Te Ara o Te Ata - Mt Messenger bypass is commencing with all High Court appeals dismissed. Construction to commence in spring 2022
- The Ahititi stock effluent site is nearing completion
- The Waitara to Bell Block improvements continue with stage two of the storm water works in progress.

During 2021/2022 one request to make a formal variation to the RLTP was received and approved as follows:

- from Waka Kotahi NZ Transport Agency, to add a Property purchase phase to the SH3 Waitara to Bell Block project

Advocacy with respect to transport activities included these submissions:

- Driving Change: Reviewing the Road User Charges System
- Horizons' Regional Transport Plan.

Recovery from the Covid-19 pandemic impacts on public transport services have varied throughout 2021/2022 with passenger numbers fluctuating in conjunction with the changes in lockdown, traffic light systems and the Omicron waves throughout the region. End of year figures reflect the impacts with the Citylink service being down by 8% with 505,073 trips. The Connector service linking South Taranaki and New Plymouth recorded 37,489 passengers, up 40%. Southlink services providing smaller services between Waverley, Hāwera and Ōpunake had a total of 1,956 passengers, down by 165 trips on the previous year.

The Total Mobility Scheme has also been significantly impacted with total patronage of 47,037 trips taken, down 13.5% compared to the previous year.

At the end of January 2022, the launch of the new fare zones across Taranaki, condensed 25 fare zones down to four and removed existing concessions (with the exception of the Super Gold card holders). Flat fares are used within the new zones starting at \$2 for bee card users within one zone and \$1 increments for subsequent zones crossed, resulting in reduced fares for some adult users across various routes and a minimal increase in child fares to accommodate the changes. At the beginning of April 2022, the Government also announced half price fares initially for three months and extended for an additional two months. This enables public transport users and Total Mobility clients to travel at a 50% discounted fare for the duration of the scheme. Feedback from the community was positively received across all of the new improvements.

In addition to the new fares and zones, three new school services were introduced. One service provided by Tranzit, allows students from Inglewood to travel to New Plymouth and vice versa to attend schools in both areas. The remaining two services are provided by Pickering Motors Ltd via the Your Connector service. These allow students attending New Plymouth secondary schools and WITT to travel from Hāwera to New Plymouth. Both services have continued to operate at full capacity with overflow services also being utilised.

The land transport activities contribute to the community well-beings of a *Secure and Healthy, Connected, Prosperous and Sustainable Taranaki*.

Levels of service

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>1 Land transport policies and activities that deliver efficient, effective and value for money transport solutions, land transport infrastructure and services for Taranaki</p>	
<p>Measure: Presence of an appropriate <i>Regional Land Transport Plan for Taranaki</i>.</p> <p>Target (Years 1-10): A <i>Regional Land Transport Plan for Taranaki</i> that is kept current in accordance with statutory requirements.</p> <p>Baseline: The <i>Regional Land Transport Plan for Taranaki 2019/2020-2020/2021</i> is current and operational.</p>	<p>The <i>Regional Land Transport Plan (RLTP)</i> is current and in accordance with statutory requirements. The Plan came into effect from the 1 July 2021.</p>
<p>Measure: Presence of an appropriate <i>Regional Public Transport Plan for Taranaki</i>.</p> <p>Target (Years 1-10): A <i>Regional Public Transport Plan for Taranaki</i> that is kept current in accordance with statutory requirements.</p> <p>Baseline: The <i>Regional Public Transport Plan for Taranaki 2014-2024</i> is current and operational.</p>	<p>The <i>Regional Public Transport Plan for Taranaki</i> is current and in accordance with statutory requirements. The Plan, covering the period 2014-2024 came into effect from 29 July 2014, with a review mid-term review completed in December 2020.</p>
<p>2 Provision and increasing use of public transport services</p>	
<p>Measure: Annual number of passenger trips on the region's public transport services.</p> <p>Target (Years 1-10): Annual increase in the number of passengers carried.</p> <p>Baseline: Between 2008/2009 and 2018/2019, passengers on public transport services in the region grew from 349,607 to 649,874.</p>	<p>There were 544,588 passengers carried on the region's public transport services. This is a decrease of 5.74% on 2020/2021 passenger numbers of 577,766.</p>
<p>3 Safe navigation for all users of the waters of Port Taranaki and its approaches</p>	
<p>Measure: The number of reported navigation safety incidents within Port Taranaki and its approaches.</p> <p>Target (Years 1-10): No significant incidents.</p> <p>Baseline: There have been no significant incidents in the last 10 years.</p>	<p>There were 1,100 (627) vessel movements undertaken through Port Taranaki. There were no (0) significant incidents involving unsafe navigation practices were reported within Port Taranaki and its approaches. No (2) near misses were observed and, accordingly, no appropriate remedial action taken.</p>

Activities—what we plan to do

PROGRAMME	2021/2022 ACTUAL PERFORMANCE
1 Regional land transport planning	
Review, monitor and make adjustments to the <i>Regional Land Transport Plan</i> , as required, in accordance with statutory requirements	One variation to the RLTP was processed during the year.
Review and make adjustments to the <i>Regional Public Transport Plan</i> , as required, in accordance with statutory requirements.	The <i>Regional Public Transport Plan</i> is valid and in line with statutory requirements.
Review and make adjustments to the <i>Transport Activity Procurement Strategy</i> , as required, in accordance with statutory requirements.	The regional component of the <i>Strategy</i> was implemented through a number of activities undertaken. These were regularly reported on.
2 Public transport	
Operate public transport services in the New Plymouth district and regional Taranaki consistent with the <i>Regional Public Transport Plan</i> subject to funding approval from Waka Kotahi NZ Transport Agency and the availability of local share funding.	Passenger transport services in New Plymouth urban areas and regional Taranaki were operated consistent with the <i>Regional Public Transport Plan</i> .
Monitor the region's bus service contracts including patronage growth and fare box recovery. Monitor the commerciality ratio of the region's public transport services and publish the ratio annually.	Patronage on the Citylink service was 505,073 (548,870—2020/2021) down 8% (8%). Patronage on the Connector was 37,489 (26,775) up 40%. Ōpunake to New Plymouth was down 33.5% with patronage of 569 (856). Waverley to Hāwera was up 18.4% with patronage of 874 (738). Ōpunake to Hāwera was down 2.7% with patronage of 513 (527). Farebox recovery for all services was 31.7% (36%). The commerciality ratio for the region's public transport services was 17.2% (36%).
Provide Total Mobility subsidy assistance to qualifying persons through Waka Kotahi NZ Transport Agency supported <i>Total Mobility Scheme</i> .	Provided Total Mobility Scheme services to the targeted areas 43,632 (49,735) passenger trips were made. An additional 3,405 (4,626) trips were made by the Ironside Vehicle Society.
3 Harbour management	
Provide harbourmaster and harbour warden services for Port Taranaki and implement the <i>Navigation Bylaw for Port Taranaki and Approaches</i> . No significant breaches of the requirements of the <i>New Zealand Port and Maritime Safety Code</i> , including the <i>Port Taranaki Harbour Safety Management System</i> .	External arrangements are in place for harbourmaster services. There were 1,100 (627) vessel movements. No (0) unsafe navigation practices were reported. No (2) near miss incidents occurred. The <i>Navigation and Safety Bylaws for Port Taranaki and its Approaches</i> continues to be enforced. There were 0 (0) significant breaches of the <i>Port Taranaki and Harbour Safety Management System (HSMS)</i> . The HSMS was audited during the year with only minor changes required.

Costs and sources of funds

	2021/2022 Actual \$	2021/2022 Budget \$	2020/2021 Actual \$
Expenditure			
Regional land transport planning	122,591	152,418	98,963
Passenger transport	5,659,178	5,464,628	4,609,031
Harbour management	61,504	51,000	47,969
Total expenditure	5,843,273	5,668,046	4,755,963
Income			
General rates	356,499	356,499	199,448
Targeted rates	1,438,997	1,438,997	1,280,678
Direct charges	862,086	1,102,400	897,097
Government grants	2,767,751	2,393,709	2,403,554
Government grants – for capital	-	-	193,418
Transfers from reserves	-	-	-
Transfers to reserves	-	-	-
Investment funds	417,940	376,441	(218,232)
Total income	5,843,273	5,668,046	4,755,963
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	-	40,000	28,319
Plant and equipment	4,303	-	297,566
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	4,303	40,000	325,885
Funded by:			
Transfer from retained earnings	4,303	40,000	325,885
Total funding	4,303	40,000	325,885
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	4,303	40,000	325,885
Total capital expenditure	4,303	40,000	325,885
Gross proceeds from the sale of assets	-	-	-
Depreciation/amortisation expense	160,061	106,778	22,313

ASSET ACQUISITIONS AND REPLACEMENTS

No material asset acquisitions or replacements.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.

Ngā ritenga mōrearea

Hazard management

Hazard management comprises the following activities:

EMERGENCY MANAGEMENT

—supporting, in conjunction with district councils, within the Taranaki community and iwi, an integrated comprehensive emergency management system that includes hazard awareness, 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 (audit of regional plans and consent applications to ensure activities are undertaken without an increased risk of flooding and river erosion) to minimise and prevent damage by floods and river erosion—refer to level of service 3.

RIVER CONTROL SCHEMES

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

Community Well-beings

The Hazard management group of activities contributes to community well-beings by enhancing the safety and wellbeing of the public and the protection of property from hazards and minimising and preventing damage by floods and river erosion. Specifically, this group of activities contributes to the following community well-beings:

- Secure and Healthy Taranaki
- Prosperous Taranaki
- Sustainable Taranaki.

Further Information on Policies and Programmes

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

- Civil Defence Emergency Management Act 2002
- National Civil Defence Emergency Management Plan 2015
- Taranaki Civil Defence Emergency Management Group Plan 2018
- Taranaki Civil Defence Emergency Management Annual Business Plans
- Soil Conservation and Rivers Control Act 1941
- Resource Management Act 1991
- Land Drainage Act 1908
- Lower Waitara River Flood Control Protection Scheme asset management plan
- Lower Waiwhakaiho Flood Control Protection Scheme asset management plan
- Ōkato Scheme asset management plan.

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



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

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

River control and flood protection activities are focused on ensuring that risks associated with flooding and river control are appropriately managed. The activities include flood protection schemes in the Lower Waitara, the Lower Waiwhakaiho, the Waitōtara River, Ōpunake Township, the Stony River and the Kaihihi Stream, as well as minor river control works and the provision of advice throughout the rest of the region. All schemes were maintained to their design standards and associated asset management plans.

The Lower Waiwhakaiho Flood Control Scheme and the Lower Waitara River Flood Control Scheme protect properties and infrastructure in surrounding

low lying areas. Both schemes provide current flood protection up to and including a 1% Annual Exceedance Probability (AEP) (1 in 100-year) with additional capacity to offset the effects of climate change up to 2060. The level of protection is considered to be high and consistent with similar areas across New Zealand.

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

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

Monitoring of the channel alignment work was undertaken on the Stony River in the vicinity of the SH45 Bridge continued. The work ensures that the river remains in a desirable central alignment that facilitated gravel transport and prevented land erosion.

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

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

Levels of service

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>1 An emergency management system that delivers efficient and effective emergency management in Taranaki that is acceptable to the community</p>	
<p>Measure: Presence of an appropriate emergency management system.</p> <p>Target (Years 1-10): A <i>Civil Defence Emergency Management Group Plan</i> that is kept current and resourced in accordance with statutory requirements.</p> <p>Baseline: Statutory reviews of the <i>Civil Defence Emergency Management Group Plan for Taranaki</i> are undertaken as specified, and the <i>Plan</i> is implemented through annual work programmes. The <i>Plan</i> will next be reviewed in 2023.</p>	<p>The <i>2018/2023 Group Plan</i> is in effect. An annual business plan and budget to implement the Plan was confirmed. Programmes providing administration and community engagement, and lifting levels of equipment, resourcing, and training as set out in the new Group Plan, were implemented. The CDEM functions across risk reduction, readiness, response and recovery, have been incorporated in the revised Group Plan. The work plan covers governance, disaster risk identification and reduction research and implementation, organisational and community resilience, capability development, and service levels with associated resourcing.</p>
<p>Measure: Delivery of administering authority requirements.</p> <p>Target (Years 1-10): Administering authority requirements for emergency management are delivered as specified in legislation and through agreed annual business plans.</p> <p>Baseline: All administering authority requirements are currently delivered as specified.</p>	<p>New Plymouth District Council is the administering authority delivering related services to the CDEM Group. The work plan and resourcing for 2021/2022 have been delivered as agreed by the Group. Appointments for key roles (group controllers, group recovery and group welfare managers) have been made to ensure availability of suitably trained and competent personnel. All rounds of CEG and CDEM Group meetings were administered as required.</p>
<p>2 Effective hazard assessment and disaster risk management, community resilience, and emergency readiness and response capability and capacity in the region to levels that are acceptable to the community</p>	
<p>Measure: Level of capacity and capability within Taranaki CDEM.</p> <p>Target (Years 1-10): Group capability and capacity to be maintained at or enhanced above the level as set out in the <i>Group Plan</i> and as assessed by monitoring and evaluation analysis tools.</p> <p>Baseline: The Group's capability and capacity is set out in the operative <i>Group Plan</i> and has been assessed and recorded by the MCDEM monitoring and evaluation analysis tool in 2015 and by independent invited audit in 2019.</p>	<p>MCDEM scored the Group's readiness and response capability (2014/2015) above the designated MCDEM target. Benchmarking and reporting of future improvements is included in the Group Plan. A Group-commissioned external audit and monitoring evaluation was undertaken in 2019/2020. The Group scored well above previous audits, with improvements shown in every area.</p>



PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>Measure: The Emergency Management Office to be implementing effective multi-agency advisory group planning, training, maintenance and enhancement of facilities and equipment, hazard contingency plans, and standard operating procedures to minimise harm or damage to people and property arising from an emergency.</p> <p>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.</p> <p>Baseline: Response and recovery plans and procedures are set out in supporting plans and Standard Operating Procedures within the Emergency Management Office as listed in the operative <i>Group Plan</i>.</p>	<p>Recruitment of response and recovery personnel for ECC and EOCs, protocols, and training programmes are in place. The amended CDEM Act requires the Group to develop a strategic recovery plan, to be incorporated in due course into the new Group Plan. Work continued on this in 2021/2022. A comprehensive collation of existing and proposed plans and procedures to enhance response and recovery has been prepared, for review and delivery over the next 5 years. A Volunteers Management Plan and a strategic public education programme promoting community awareness, response and recovery capabilities are being developed.</p>
<p>3 Flood protection and drainage schemes that protect life and property</p>	
<p>Measure: The number of schemes maintained to their full service potential.</p> <p>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.</p> <p>Baseline: As of 30 June 2020, the Waitara, Waiwhakaiho and Ōpunake flood control schemes were maintained to their full service potential. The Waitōtara and Ōkato river control schemes were maintained to the standard set out in their scheme management plans.</p>	<p>All schemes were maintained to their full service potential. Maintenance works on the Waiwhakaiho and Waitara River Schemes included the regular stopbank and berm mowing and the clearance of excess vegetation from the flood fairway. All floodgates were inspected regularly to ensure they will operate effectively when required. Erosion control works were undertaken on the Waiwhakaiho and Waitara Schemes. Willow clearing works were undertaken on the Waitōtara River along with planting and layering works required to control erosion at critical locations to control the channel alignment. The Ōpunake Flood Protection Scheme was maintained in accordance with the newly adopted asset management plan.</p>

Activities—what we plan to do

PROGRAMME	2021/2022 ACTUAL PERFORMANCE
1 Emergency management	
Support the Emergency Management office to implement, monitor and report upon the operative <i>Civil Defence Emergency Management Group Plan for Taranaki</i> , and each <i>Civil Defence Emergency Management Annual Business Plan</i> .	The Group Plan came into effect on 1 July 2018. The next statutory review of the Plan is in 2023. Work on strategy recovery is continuing, arising from a new requirement under the CDEM Act to include this element within group plans. The Plan is being implemented and is being reported on.
Support the Emergency Management office to maintain, review, and as needs be, implement effective risk reduction, response and recovery procedures to minimise harm or damage to people and property arising from emergency events.	Supported the CDEM Group's move to local response and recovery delivery and regional coordination through the Taranaki Emergency Management Office and the regional Emergency Coordination Centre. Specification and development of operational systems for use during response and recovery is underway.
2 Flood management and general river control	
Effectively monitor rainfall and river levels and issue timely flood warnings. Maintain continuous monitoring systems (100% functional) and issue timely warnings for all cases, where necessary, in accordance with the <i>Flood Event Standard Operating Procedure</i> (approximately 35 warnings per annum).	Received 51 special weather watches and warnings (49—2020/2021). In all instances, flood monitoring was undertaken in accordance with Standard Operating Procedures. Four flood warnings were issued during the year (2).
Undertake minor emergency river and flood control works when necessary.	Record rainfall and flooding between 5 and 7 February 2022 and Cyclone Dovi the following weekend caused extensive damage to infrastructure. None of our flood protection schemes sustained any significant damage. However, emergency works were required to protect infrastructure, reinstate lost access, mitigate erosion and stabilise banks.
Respond to 100% of requests for drainage, river and flood control advice and assistance within ten working days.	Investigated and responded to 100% (100%) of requests for advice within ten working days.
Facilitate river control projects for the environmental enhancement of the region's waterways.	Thirty-one (17) river control projects were undertaken for environmental enhancement.
Resource management planners are given advice to ensure regional plan rule and consent conditions will not increase the risk of flooding or river erosion.	Advice was given on all consent applications received and advice was given on a range of planning matters.



PROGRAMME	2021/2022 ACTUAL PERFORMANCE
<p>3 River control schemes</p>	
<p>Manage all flood and river control schemes across the region in accordance with asset management plans or management plans; including Lower Waiwhakaiho, Lower Waitara, Ōpunake, Ōkato and Waitōtara Schemes.</p>	<p>All schemes were maintained to design standards. Maintained stopbanks and berm areas by mowing, weed control and the clearance of larger vegetation within the flood fairway. Erosion control works on the Waiwhakaiho and Waitara Rivers. Willow and poplar clearing works undertaken on the Waitōtara River to maintain the capacity of the flood channel and erosion control planting undertaken. Channel and erosion control works undertaken on the Ōkato Scheme. Inspections and weed control undertaken on the Ōpunake Scheme.</p>
<p>Manage other minor river schemes to standards as agreed with scheme participants.</p>	<p>No work was required on minor schemes.</p>

Costs and sources of funds

	2021/2022 Actual \$	2021/2022 Budget \$	2020/2021 Actual \$
Expenditure			
Civil defence emergency management	484,805	480,000	414,437
Flood management and general river control	335,551	306,799	311,880
River control schemes	183,444	275,445	168,534
Total expenditure	1,003,800	1,062,244	894,851
Income			
General rates	98,523	98,523	162,654
Targeted rates	748,981	748,981	747,776
Direct charges	26,372	-	829
Government grants	-	-	-
Transfers from reserves	2,889	250,000	-
Transfers to reserves	(108,935)	(50,515)	(50,228)
Investment funds	324,749	104,034	122,599
Total income	1,092,579	1,151,023	983,630
Operating surplus/(deficit)	88,779	88,779	88,779
Capital expenditure			
Land	-	-	-
Buildings	-	-	-
Motor vehicles	50,008	-	34,972
Plant and equipment	-	-	-
Office furniture	-	-	-
Computer equipment	-	-	-
Flood and river control assets	-	250,000	-
Computer software	-	-	-
Total capital expenditure	50,008	250,000	34,972
Funded by:			
Transfer from retained earnings	50,008	250,000	34,972
Total funding	50,008	250,000	34,972
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	250,000	-
—to replace existing assets	50,008	-	34,972
Total capital expenditure	50,008	250,000	34,972
Gross proceeds from the sale of assets	-	-	-
Depreciation/amortisation expense	16,550	15,556	13,014

ASSET ACQUISITIONS AND REPLACEMENTS

No significant flood and river control asset acquisitions or replacements.

INFORMATION ON CORE ASSETS

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

	2021/2022 Actual \$	2020/2021 Actual \$
Closing book value	14,494,030	13,818,670
Acquisitions constructed by the Council	-	-
Acquisitions transferred to the Council	-	-
Estimated replacement cost	14,494,030	13,818,670

INTERNAL BORROWING

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

	2021/2022 Actual \$	2021/2022 Budget \$	2020/2021 Actual \$
Opening balance	4,432,841	4,311,402	4,521,959
Plus borrowed during the year	-	-	-
Less principal repaid during the year	94,911	100,695	89,118
Closing balance	4,337,930	4,210,707	4,432,841
Interest charged during the year	288,135	280,241	293,927

NON-FINANCIAL PERFORMANCE MEASURES RULES 2013

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

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

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

Ngā mahi a te rēhia, ngā tikanga ā-iwi me ngā taonga tuku iho

Recreation, culture and heritage

Recreation, culture and heritage comprises the following activities:

REGIONAL GARDENS

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

PUKE ARIKI

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

YARROW STADIUM

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

Community Well-beings

The Recreation, culture and heritage group of activities contributes to community well-beings by supporting and developing regional gardens, maintaining an ongoing partnership relationship with Puke Ariki regional museum and library and ensuring the continuing maintenance and development of Yarrow Stadium as part of a prosperous and vibrant Taranaki. Specifically, this group of activities contributes to the following community well-beings:

- Prosperous Taranaki
- Vibrant Taranaki
- Sustainable Taranaki.

Further information on policies and programmes

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

- Local Government Act 2002
- Taranaki Regional Council Empowering Act 2001
- Hollard Garden Asset Management Plan 2020
- Tūpare Asset Management Plan 2020
- Pukeiti Asset Management Plan 2020.

Yarrow Stadium

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

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

Yarrow Stadium is closed as both the stands are earthquake prone buildings.

In opting to repair and refurbish Yarrow Stadium within a budget of up to \$70 million, the Council has reaffirmed its vision for the venue. The vision was originally adopted in 2015 following stakeholder engagement. It is:

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

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

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

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

The repair and refurbishment project will include:

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

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

The implementation of the repair and refurbishment project continued during the year. Significant progress was made on the repair of the West Stand and the installation of new lighting and a new main field. These projects are due for completion in September 2022.

The East Stand was demolished and the design and contract for the new East Stand have been finalised. The construction of the new East Stand has resulted in an increase in the total project budget from \$50m to \$70m, with \$10m of this increase being funded by the Government through Crown Infrastructure Partners.

Regional gardens

This was the first year of implementation of the current asset management plans for Pukeiti, Tūpare and Hollard Gardens. The new plans include a climate change charter which will form the basis of a more comprehensive carbon reduction operational plan going forward. All three gardens plant records are now available on line through 'Pukeiti Plant Hunters Station' 'Bernie's Plant Register' and 'Tūpare Plants'

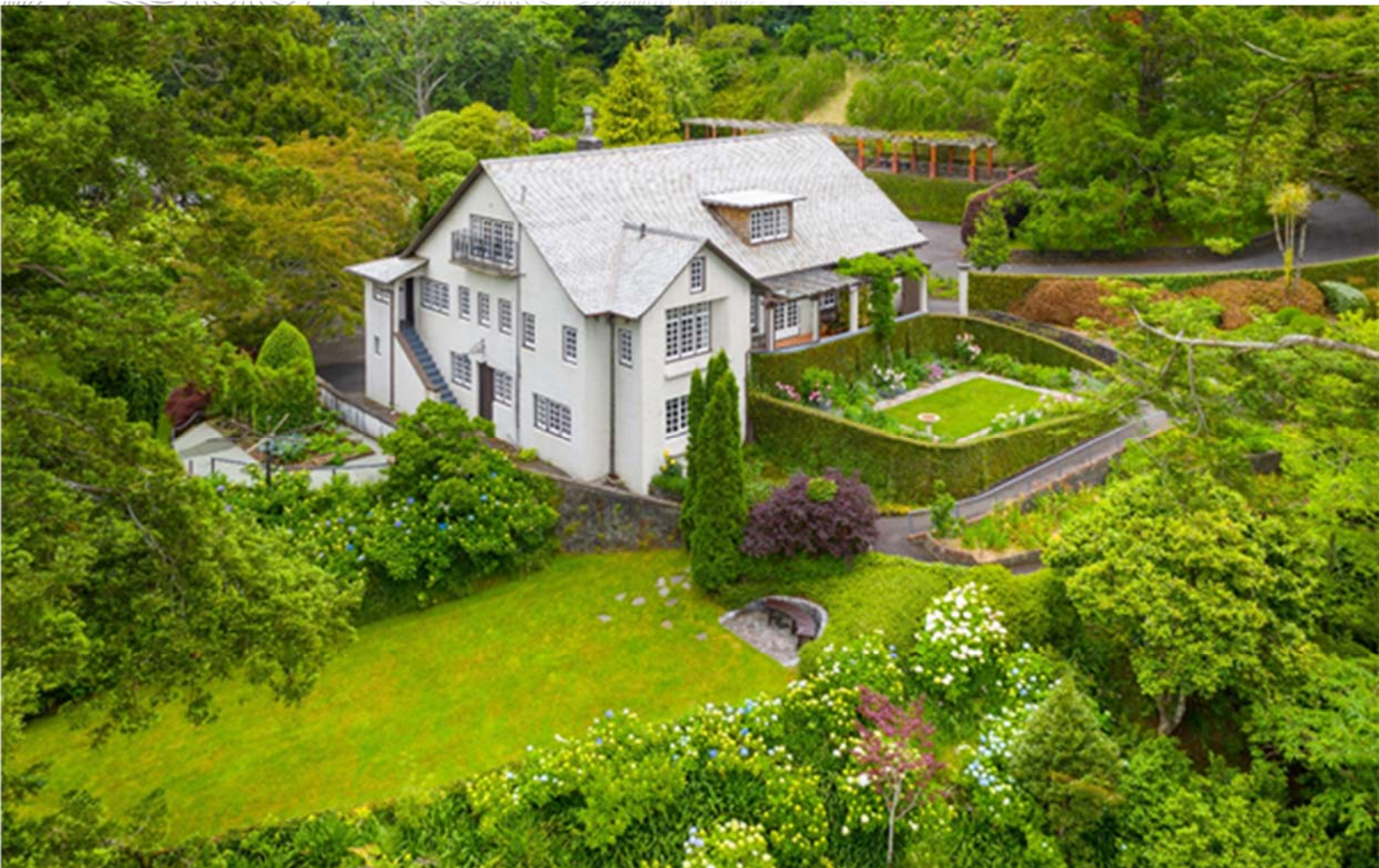
The programme of works to upgrade Pukeiti continued with many of the garden and facilities projects now complete and some of the recreational projects aimed at opening up the Rainforest, progressing.

Developments include:

- Continuing to enhance the rhododendron collection with regular bush margin clearance, new plant introductions, regular pruning and shaping, and improved drainage
- Progressing with new track work to initially provide an improved route from the Gardens to the Family hut
- New art work completed, the stone sculpture 'Kotahitanga' adjacent to the Lodge
- Upgrading of shelter in the Hybrid block
- Continuing progress with the ex situ conservation project in partnership with Massey University and the Pukeiti Rhododendron Trust.

Pukeiti houses 1,154 different types of rhododendrons, including different subspecies, varieties and forms. This is a decrease of 179 plants from last year and is primarily due to the removal of unsuitable varieties that are unable to thrive in the Pukeiti environment. The three garden database records continue to be regularly updated and enhanced. Thousands of new plant photos have been added.

Tūpare was maintained to the standard established in the asset management plan and continues to maintain a high standard of craft, care and curatorship. It has maintained its assessment as a 6 star garden by the New Zealand Gardens Trust. This achievement means that this is one of the top garden experiences in New Zealand.



Development works for the year included roof replacement on the top house, a new boundary fence adjacent to the carpark and new corten steel art work at the bottom of Mary Lane.

Hollard Gardens was maintained to the standard established in the asset management plan and continues to consolidate as a quality community asset for the surrounding districts and beyond. Development works for the year included the continued reconfiguring of the garden beds in the New Garden to improve the visitor experience and the construction of a shelter in the Old Garden.

The three public gardens visitor numbers were adversely affected by the Covid-19 pandemic. Hollard Garden's numbers decreased from 24,041 in 2020/21 to 19,585 in 2021/22. Tūpare decreased from 47,454 in 2020/21 to 36,303 in 2021/22 and Pukeiti's numbers decreased from 68,217 in 2020/21 to 54,100 in 2021/22. The summer events programme was cancelled, which took away our main visitor driver activities for the main season. Preceding this was an August lockdown as well as poor attendance at event around this period because of the obvious risks and uncertainties.

Puke Ariki

The partnership with Puke Ariki allows for the presentation of educational and information material of relevance to the Council as well as contributing to the successful presentation of Puke Ariki. The ongoing partnership relationship with Puke Ariki continues. The 2021/2022 projects are the Te Mahere Pā – interactive map of pā sites project and the Aotea Utanganui oral histories project.

These three recreation, culture and heritage activities contribute to the *Prosperous Taranaki*, the *Vibrant Taranaki* and the *Sustainable Taranaki* community well-beings by providing world-class community facilities and supporting programmes of activity. Yarrow Stadium, Puke Ariki and the regional gardens attract visitors and events to Taranaki that it would not otherwise receive. These attractions/events contribute financially to the regional economy (*Prosperous Taranaki*) and socially/environmentally/culturally (sporting and cultural events – *Vibrant Taranaki*). The provision of environmental and other educational activities through Puke Ariki and the regional gardens contributes to an educated society (*Sustainable Taranaki*).

Levels of service

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>1 Tūpare, Hollard Gardens and Pukeiti recognised as regionally or nationally significant gardens</p>	
<p>Measure: Maintenance and enhancement of three regionally significant gardens.</p> <p>Target (Years 1-10): Pukeiti, Tūpare and Hollard Gardens maintained and enhanced in accordance with the provisions of the adopted asset management plans.</p> <p>Baseline: The three properties are maintained to the latest adopted asset management plan. Updated asset management plans were adopted in 2020.</p>	<p>All three regional gardens were maintained and enhanced in accordance with their adopted asset management plans.</p>
<p>Measure: Level of use of Tūpare, Hollard Gardens and Pukeiti.</p> <p>Target (Years 1-10): Increasing the number of visitors and the number of events at each property.</p> <p>Baseline: In 2019/2020, Tūpare attracted 41,616 visitors, Hollard Gardens 21,673 and Pukeiti 53,320 visitors. There were 28 events at Tūpare, 33 at Hollard Gardens and 62 at Pukeiti. All three properties were part of the <i>Taranaki Garden Festival</i>.</p>	<p>Tūpare attracted approximately 36,303 visitors (47,454 – 2020/2021) with Hollard Gardens attracting approximately 19,585 (24,041) and Pukeiti 54,100 (68,217). There were 11 (32) events at Tūpare, 29 (33) at Hollard Gardens and 55 (70) at Pukeiti.</p>
<p>Measure: Access to Tūpare, Hollard Gardens and Pukeiti.</p> <p>Target (Years 1-10): Tūpare, Hollard Gardens and Pukeiti open to the public daily with unrestricted free general access.</p> <p>Baseline: Tūpare and Hollard Gardens have been open in this way since 2002. Free access to Pukeiti commenced from 1 July 2010.</p>	<p>The gardens were open to the public daily. Entry was free to all three properties.</p>
<p>2 Partnership relationship with the Puke Ariki regional museum and library</p>	
<p>Measure: Annual project for the delivery of display and presentation material.</p> <p>Target (Years 1-10): Delivery of an annual project(s).</p> <p>Baseline: The ongoing partnership relationship with Puke Ariki continued during 2019/2020. The partnership contributed towards a range of projects at both Puke Ariki and Aotea Utanganui-the Museum of South Taranaki.</p>	<p>The partnership with Puke Ariki allows for the presentation of educational and information material of relevance to the Council as well as contributing to the successful presentation of Puke Ariki. The ongoing partnership relationship with Puke Ariki continues. The 2021/2022 projects are the Te Mahere Pā – interactive map of pā sites project and the Aotea Utanganui oral histories project.</p>



PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
3 Presentation and operation of Yarrow Stadium as one of New Zealand's premier regional sporting stadium and venue	
<p>Measure: Maintenance and development of Yarrow Stadium for a range of events and activities.</p> <p>Target (Years 1-10): Provision of funding for the ongoing maintenance and development of Yarrow Stadium.</p> <p>Baseline: The Council commenced providing funding for the ongoing maintenance and development of Yarrow Stadium in 2012/2013. Current funding is focused on the repair and reinstatement of the Stadium as the stands are earthquake prone buildings.</p>	<p>The implementation of the repair and refurbishment project continued during the year. Significant progress was made on the repair of the West Stand and the installation of new lighting and a new main field. These projects are due for completion in September 2022. The East Stand was demolished and the design and contract for the new East Stand have been finalised. The construction of the new East Stand has resulted in an increase in the total project budget from \$50m to \$70m, with \$10m of this increase being funded by the Government through Crown Infrastructure Partners.</p>



Activities—what we plan to do

PROGRAMME	2021/2022 ACTUAL PERFORMANCE
<p>1 Regional Gardens</p>	
<p>Provide three regional gardens (Tūpare, Hollard Gardens and Pukeiti) for free general use by the regional community. Tūpare, Hollard Gardens and Pukeiti open to the public daily with unrestricted free general access.</p>	<p>The gardens were open to the public daily. Entry was free to all three properties.</p>
<p>Encourage the increased use of the regional gardens by the community for recreational purposes and for specific events.</p>	<p>Tūpare attracted approximately 36,303 visitors (47,454 – 2020/2021) with Hollard Gardens attracting approximately 19,585 (24,041) and Pukeiti 54,100 (68,217). There were 11 (32) events at Tūpare, 29 (33) at Hollard Gardens and 55 (70) at Pukeiti.</p>
<p>Continue implementing the Pukeiti asset management plans focusing on completing the upgrade works in the Zone 1 Garden, the rhododendron collection in Zone 2 and recreational development opportunities in Zone 3. Priority tasks to be completed include:</p> <ul style="list-style-type: none"> • completing the Lodge and surrounds landscaping • continuing the enhancement of the garden and the rhododendron collection. • continuing the implementation of the Plant Collection Plan • refurbishing the plant borders • upgrading the outer ring tracks • completing the fit-out of the Lodge • continuing the growth in recreational activities with the construction of a fitness trail. 	<p>A comprehensive upgrade programme is in progress including:</p> <ul style="list-style-type: none"> • enhancing the rhododendron collection through bush margin clearance, new plantings, seasonal plant husbandry and improved drainage • completing the landscaping of the Lodge surrounds • finishing the stone sculpture 'Kotahitanga' • progressing with new track work to provide an improved route from the Gardens to the Family Hut.
<p>Continue implementing the Hollard Gardens asset management plans focusing on:</p> <ul style="list-style-type: none"> • installing a new toilet to meet demand in the Family Corner area • installing new stylized play equipment. 	<p>Implementing the Hollard Gardens asset management plans including:</p> <ul style="list-style-type: none"> • constructing a new shelter in the Old Garden • continuing reconfiguring of garden beds in the New Garden.
<p>Continue implementing the Tūpare asset management plans focusing on:</p> <ul style="list-style-type: none"> • continuing to improve the story telling • completing new art installation. 	<p>Implementing the Tūpare asset management plans including:</p> <ul style="list-style-type: none"> • replacing the roof on the top house • installing new art at the bottom of Mary Lane • constructing a new boundary fence adjacent to the carpark.
<p>Review and adopt asset management plans for Tūpare, Hollard Gardens and Pukeiti by 31 October 2023.</p>	<p>All three asset management plans were revised and adopted in 2021/2022. The next review of the plans will occur in 2023/2024.</p>

2

Yarrow Stadium

Contract with New Plymouth District Council for the operation and management of Yarrow Stadium.	The Trust and the New Plymouth District Council have a management agreement for the operation and management of Yarrow Stadium. New Plymouth District Council operated and managed Yarrow Stadium.
Undertake asset management planning for the future maintenance, enhancement and development of Yarrow Stadium.	Asset management planning for Yarrow Stadium is on hold while issues arising from earthquake assessments of the stands, that indicated that they are earthquake prone buildings, are attended to.
Provide regional funding for the future maintenance, enhancement and development of Yarrow Stadium.	Provided regional funding to the Taranaki Stadium Trust for long-term maintenance and development at Yarrow Stadium. Funding has been used to allow the Taranaki Stadium Trust to commence the Yarrow Stadium repair and refurbishment project.

Taranaki Stadium Trust

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

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

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

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

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

An agreement for the management and operation of Yarrow Stadium, between the Trust and the New Plymouth District Council, is in place. The original agreement for the Council to manage and operate the stadium was signed in 2004 and the latest renewal came into effect from 27 June 2013. New Plymouth District Council operated Yarrow Stadium in accordance with the Management Agreement during 2021/2022.

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

The Taranaki Regional Council has approved a \$70m repair and refurbishment project for Yarrow Stadium. The New Plymouth District Council and the Taranaki Regional Council have agreed upon a long-term maintenance and development programme for the ten years from 2015/2016 to 30 June 2025. The Taranaki Regional Council provided the annual funding of \$2,178,669 to the Taranaki Stadium Trust.

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

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

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

Costs and sources of funds

	2021/2022 Actual \$	2021/2022 Budget \$	2020/2021 Actual \$
Expenditure			
Regional gardens	3,209,920	4,658,837	3,299,224
Puke Ariki	154,600	150,000	120,000
Yarrow Stadium	2,178,669	2,178,669	3,942,720
Total expenditure	5,543,189	6,987,506	7,361,944
Income			
General rates	2,239,529	2,239,529	1,841,487
Targeted rates	2,178,669	2,178,669	3,942,771
Direct charges	236,483	204,500	246,004
Investment funds	888,508	2,364,808	1,331,682
Total income	5,543,189	6,987,506	7,361,944
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	370,089	869,000	323,151
Motor vehicles	32,288	180,000	91,946
Plant and equipment	128,701	60,000	11,138
Office furniture	700	-	14,401
Computer equipment	-	-	-
Flood and river control assets	-	-	-
Computer software	-	-	-
Total capital expenditure	531,778	1,109,000	440,636
Funded by:			
Transfer from retained earnings	531,778	1,109,000	440,636
Total funding	531,778	1,109,000	440,636
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	531,778	1,109,000	440,636
Total capital expenditure	531,778	1,109,000	440,636
Gross proceeds from the sale of assets	9,916	97,500	30,957
Depreciation/amortisation expense	576,486	627,661	553,065

ASSET ACQUISITIONS AND REPLACEMENTS

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

INTERNAL BORROWING

There is no internal borrowing within this group of activities.

Ko te kōkiri me te whakangao pūtea hau kāinga

Regional representation, advocacy and investment management

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

INVESTMENT MANAGEMENT

—ensuring equity, property and treasury investments are efficiently managed—refer to levels of service 2 and 3.

COMMUNITY ENGAGEMENT

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

ADVOCACY AND RESPONSE

—advocating and responding, on behalf of the Taranaki community, to initiatives proposed by other agencies, when those initiatives affect statutory responsibilities or relate to matters of regional significance, which are of interest or concern to the people of Taranaki—refer to level of service 1.

GOVERNANCE

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

Community Well-beings

The regional representation, advocacy and investment management group of activities contributes to community well-beings by maintaining effective and open community representation as an important part of the democratic process; advocating on behalf of the Taranaki community on matters of regional interest; implementing and further developing a programme of information transfer, advice and education on activities; and ensuring that the equity, property and treasury investments are managed efficiently. Specifically this group of activities contributes to the following community well-beings:

- Prosperous Taranaki
- Sustainable Taranaki
- Connected Taranaki
- Together Taranaki.

Further Information on Policies and Programmes

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

- Port Companies Act 1988
- Port Taranaki Ltd's statement of corporate intent
- Local Government Act 2002
- Resource Management Act 1991
- Investment Policy
- Local Government Official Information and Meetings Act 1987
- Standing Orders.

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

The formal accountability processes including elections, meetings and representation have also been appropriately and legally complied with.

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

The triennial local government elections were successfully conducted in October 2019. The next local authority elections are in October 2022. The Council has decided to create a Māori Constituency for the 2022 elections. The necessary representation review, to enable this decision, has been completed.

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

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

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

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

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

- publishing five editions of Council newsletter, Talking Taranaki, which is emailed to 8,000 subscribers and published in community newspapers
- the public engaged with messages published through social media channels 25,000 times
- there were around 167,000 visits to the website to access or view information
- Across Environmental Education and EnviroSchools, our educators team delivered class visits and field trips to an estimated 11,000 tamariki across the region.

Sixteen environmental awards were presented in November 2021.

The Community engagement activity promotes community awareness and understanding of the Council's functions and activities which contributes to a prosperous, sustainable and together Taranaki.

Fifteen submissions to the policy initiatives of other agencies were made. There is an ongoing role in submissions on policy initiatives, which reflects, in particular, major reform programmes initiated by central government. Many of the submissions made were on large or technically or legally complex documents requiring thorough analysis and careful and considered response.

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

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

Levels of service

PROGRAMMED LEVEL OF SERVICE	REPORTED LEVEL OF SERVICE
<p>1 Effective advocacy on behalf of the Taranaki community on matters that affect statutory responsibilities or that relate to matters of regional significance which are of interest or concern to the people of Taranaki</p>	
<p>Measure: Level of advocacy undertaken.</p> <p>Target (Years 1-10): Approximately 20 submissions made per year, with evidence of successful advocacy in most cases.</p> <p>Baseline: In 2019/2020, 22 submissions were made with anecdotal evidence of successful advocacy in most cases.</p>	<p>Made 15 (15—2020/2021) submissions to the policy initiatives of other agencies with evidence of successful advocacy.</p>
<p>2 Port Taranaki ownership as a strategic investment</p>	
<p>Measure: The role of Port Taranaki Ltd in regional economy.</p> <p>Target (Years 1-10): Maintain or increase the contribution from Port Taranaki Ltd to the regional economy.</p> <p>Baseline: Allowing for flow-on effects, the port's operations are estimated to generate \$28m in value added (GDP) in 2016/2017. They also generate 319 full-time equivalent jobs (FTEs). The port's important enabling role can be seen from the estimates that its users and service providers are likely to generate \$353m in value added (GDP) and 929 FTEs.</p>	<p>The contribution to the wider community was measured by BERL (independent economists) in 2007, 2012 and 2017. Allowing for flow-on effects, the port's operations are estimated to generate \$28 million in value added (GDP) in 2021/2022. They also generate 319 full-time equivalent jobs (FTEs). The port's important enabling role can be seen from the estimates that its users and service providers are likely to generate \$353 million in value added (GDP) the current year, and 929 FTEs.</p>
<p>Measure: The financial and operational performance of Port Taranaki Ltd.</p> <p>Target (Years 1-10): Ensure financial and operational performance from Port Taranaki Ltd is in accordance with the levels presented in each year's statement of corporate intent.</p> <p>Baseline: Port Taranaki Ltd's performance is reviewed, against the statement of corporate intent twice a year.</p>	<p>The statement of corporate intent for 2021/2024 was considered on 2 August 2021. Port Taranaki Ltd's performance was reviewed when considering their 2020/2021 Annual Report on 21 September 2021. The half-year results to 31 December 2021 were considered in March 2022.</p>
<p>3 Effective management of property and treasury investments</p>	
<p>Measure: Investment returns from property and treasury investments on general rates.</p> <p>Target (Years 1-10): Maintain or increase the level of investment returns used to reduce each year's general rates requirement.</p> <p>Baseline: In 2019/2020, total investment returns from property and treasury investments were interest \$411,873 and lease rent \$910,042 These returns were used to reduce the general rate requirement.</p>	<p>Total investment returns from property and treasury investments were interest \$351,119 (\$274,852—2020/2021) and lease rent \$971,154 (\$958,765). This represented a 7% increase (7% decrease) over last year. These returns were used to reduce the general rate requirement.</p>

Activities—what we plan to do

PROGRAMME	2021/2022 ACTUAL PERFORMANCE
1 Investment management	
Consider Port Taranaki annual statement of corporate intent and monitor performance against established targets.	The statement of corporate intent for 2021/2024 was considered on 2 August 2021. Port Taranaki Ltd's performance was reviewed when considering their 2020/2021 Annual Report on 21 September 2021. The half-year results to 31 December 2021 were considered in March 2022.
Appoint Directors at Port Taranaki Ltd's annual general meeting and at other times as required.	Directors Littlewood was reappointment to the Board of Directors at the 21 September 2021 Port Taranaki Ltd annual general meeting (AGM). Messrs Kendrew and Tuuta were appointed to the Board in July 2022.
Undertake on-going liaison with port company directors and management.	Regular formal and informal briefings and discussions occurred between the Board and the Council.
Manage and, where appropriate, divest leasehold land in accordance with the <i>Investment Policy</i> .	Renewed 3 leases (3—2020/2021). 1 (1) leasehold property was divested during the year. Achieved 4.4% (4.5%) return from leasehold land rentals.
Manage and maximise returns from treasury investments in accordance with the <i>Investment Policy</i> .	All treasury investments were in accordance with the <i>Investment Policy</i> . Achieved 1.23% (1.49%) return from treasury investments.
2 Community engagement	
Engage with the community across a range of channels including print and digital publications, news media, websites, mobile and social media. Produce five bi-monthly editions of the Council newsletter and publish through print and digital channels.	Ongoing engagement with the regional community occurred across a range of communications channels. Five (6—2020/2021) editions of the Talking Taranaki newsletter were published in print, online and email. Around 167,500 (163,000) users visited the website, and people engaged with content on social media channels over 25,000 (35,000) times.
Implement the environmental awards programme.	Sixteen (17) environmental awards were presented in November 2021.
Provide an on-going environmental education programme for school children and the wider community including class visits, field trips, the Pukeiti Rainforest School and support for community projects.	Across Environmental Education and Enviroschools, our educator's team worked with around 62% of the region's 96 primary, intermediate and high schools delivering class visits and field trips to an estimated 11,000 tamariki.
3 Advocacy and response	
Assess the implications of policy initiatives proposed by other agencies including discussion documents, proposed policies, strategies, plans and draft legislation, and respond within required timeframes on approximately 20 occasions per year.	Assessed the implications of the policy initiatives proposed by other agencies resulting in the preparation of 15 (15) submissions, which involved complex documents requiring thorough analysis and careful and considered responses.

PROGRAMME	2021/2022 ACTUAL PERFORMANCE
4 Governance	
Completion of statutory planning and reporting documents (Long-Term Plan, Annual Plans and Annual Reports) within statutory requirements.	Statutory planning and reporting accountability documents have all been prepared within statutory requirements and timeframes. The <i>2020/2021 Annual Report</i> was adopted on 21 September 2021. The <i>2022/2023 Annual Plan</i> was adopted on 17 May 2022.
Preparation of agendas and minutes and the conduct of meetings in accordance with Standing Orders and the <i>Local Government Official Information and Meetings Act 1987</i> .	Agendas are publicly available at least 48 hours before each meeting and minutes are prepared and adopted for all meetings.
Conduct of triennial local authority elections without any need for re-conduct of the elections as a result of judicial review.	The 2019 local authority elections were held in October 2019. The elections were successfully completed with no appeals or judicial reviews held. The next local authority elections are in October 2022. A Māori Constituency has been created for the 2022 elections. The necessary representation review, to enable this decision, was completed.

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

PROGRAMMES AND PERFORMANCE MEASURES SET IN PORT TARANAKI LTD'S STATEMENT OF INTENT	2021/2022 ACTUAL PERFORMANCE
The Company will pursue strategies aimed at maximising the opportunity for trade through the Port and growing the Port's hinterland. Over the next three financial years the Company aims to expand its hinterland and achieve a trade volume of five (5) million freight tonnes of which one (1) million freight tonnes will be non-bulk liquids trade.	Not achieved: Total: 4.7m (2020/2021—5.1m) Achieved: Non-liquid bulk: 2.0m (2.1m)
Financial: EBITDAF on average total assets (Target > 10.5%)	Achieved: 10.6% (10.5%)
Financial: Return (NPAT) on average total assets (Target >4.0%)	Achieved: 4.9% (4.6%)
Financial: Return (NPAT) on average shareholder's funds (Target >5.5%)	Achieved: 6.3% (6.0%)
Financial: Shareholder equity ratio (Target >65.0%)	Achieved: 77.6% (76.1%)
Financial: Interest Coverage Ratio (Target > 5x)	Achieved: 30.5x (21.7x)
Dividends \$m (minimum p.a.)	Achieved: \$8.0m (\$8.0m)
Environment: Incidents of Harbour Pollution (Target Nil)	Not achieved: 1 (0)
Environment: Compliance with all resource consents (Target Yes)	Achieved: Yes (Yes)

Regional Software Holdings Ltd

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

RSHL is a major shared service undertaking by the Northland, Waikato, Taranaki, Horizons, West Coast and Southland regional councils. All sixteen Regional Councils/Unitary Authorities in New Zealand are stakeholders and customers of RSHL.

RSHL operates a range of collaboration and shared services on behalf of Te Uru Kahika (The Regional Sector). RSHL is at an exciting and challenging juncture in its journey, evolution and growth. A number of opportunities exist, that if they come to fruition, have the ability to significantly enhance the productivity of the regional and unitary sectors.

The Integrated Regional Information System (IRIS) programme is RSHL's longest running programme. The six member councils developed a software solution (IRIS) for regional council specific functions. Hawkes Bay Regional Council also uses IRIS. The programme has been in place for nearly 10 years and has been a remarkable success.

As the IRIS system reaches the end of its useful life, RSHL has made the strategic decision to prioritise planning for the next generation of IRIS (IRIS Next Generation). Significant steps towards this goal were taken in 2021/2022.

RSHL also operates the Sector Financial Management System (SFMS) on behalf of Te Uru Kahika. Under this agreement, RSHL supports a range of sector work programmes and projects. RSHL manages funding collected from the sector to support shared sector activities, as well as providing project management support. The Sector Financial Management System allows RSHL to further achieve its vision "To provide a high-quality shared service for the regional council sector (and associated agencies) that delivers value to customers, shareholders and the sector."

RSHL continues to extend the services and value it provides to Te Uru Kahika. In August 2021, the Regional Chief Executives Group approved the business case for the implementation of a Regional Sector Shared Services Organisation based on RSHL. This initiative is the next significant step towards RSHL achieving its potential as a shared services vehicle for the regional sector.

The business case set out that the next evolutionary step for Te Uru Kahika is to consolidate existing collaboration programmes and to put in place a fit-for-purpose structure that will enable the sector to respond quickly to shared issues and opportunities, while reducing individual council cost and resource use. Ultimately, doing more with less.

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

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

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

PERFORMANCE TARGET	COMMENT
Undertake an annual survey of IRIS users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.	Complete. The IRIS user survey was undertaken in November 2022. Results were reported to the Board in February 2022 and reflected overall improvement in the performance of RSHL, Datacom and the IRIS product. The report has been provided to member councils.
Develop, approve, and communicate the product strategy for IRIS NextGen.	Complete. The IRIS NextGen Product Strategy consists of outputs created during the Discovery phase of the programme. These outputs support the product strategy framework of Vision, Programme Goals, SWOT analysis, Product Goals and Product Initiatives. Through the Discovery Phase, outputs were developed that will provide a framework to guide the development and implementation of the IRIS NextGen product. <ul style="list-style-type: none"> • Good Practice Operating Model Baseline • Datascape solution mapping

PERFORMANCE TARGET	COMMENT																				
	<ul style="list-style-type: none"> • Prioritised requirement backlog • Requirements Gap Analysis • Datascape development backlog • Integration approach • Stakeholder success assurance report • Organisational change strategy • Risk plan and mitigations • Implementation and transition priorities. 																				
Prepare and adopt the annual IRIS major enhancement roadmap by 30 June for delivery in the subsequent year.	Complete. The IRIS Development road map extends for 3 years. It is refined by the Advisory Group as required. The roadmap was presented to the board in November 2021.																				
Major enhancement projects are completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	<p>Complete. The total budget for major enhancements to IRIS was \$460K including \$110K for enhancements to the core product, \$150K for business intelligence implementation and \$200K for data migration tools.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Budget \$</th> <th>Expenditure \$</th> <th>Variance \$</th> </tr> </thead> <tbody> <tr> <td>Business Intelligence</td> <td>150,000</td> <td>70,200</td> <td>79,800</td> </tr> <tr> <td>Data Migration</td> <td>200,000</td> <td>0</td> <td>200,000</td> </tr> <tr> <td>MAJs</td> <td>110,000</td> <td>61,539</td> <td>48,461</td> </tr> <tr> <td>Total</td> <td>460,000</td> <td>131,739</td> <td>328,261</td> </tr> </tbody> </table> <p>MAJ Costs. MAJ057 IRIS Advanced Search Enhancement was completed under budget for \$45,500. The balance of the costs being for releases. BI Initiative. The IRIS BI Applications Module Implementation had a budget of \$70,200 and was completed exactly on budget. Data Migration. The Data Migration project did not progress as a MAJ in FY22. Scoping activity was funded from the MIN budget.</p>	Item	Budget \$	Expenditure \$	Variance \$	Business Intelligence	150,000	70,200	79,800	Data Migration	200,000	0	200,000	MAJs	110,000	61,539	48,461	Total	460,000	131,739	328,261
Item	Budget \$	Expenditure \$	Variance \$																		
Business Intelligence	150,000	70,200	79,800																		
Data Migration	200,000	0	200,000																		
MAJs	110,000	61,539	48,461																		
Total	460,000	131,739	328,261																		
Budgets for support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively managed by the Advisor Group and the General Manager.	Complete. In FY2022, \$236,040 was allocated for minor enhancements and \$263k had been spent. \$260k was allocated for minor enhancements and \$240k was spent. This minor overspend was offset by a significant underspend on Major Projects.																				
RSHL will operate within approved budget, with any material variations approved by the Board.	RSHL operated within overall budget overall, with contributions from members and councils as-budgeted. The Statement of Financial Performance, and the Balance Sheet were impacted by the decision not to borrow to fund IRIS NextGen and the non-capitalisation of the IRIS NextGen Discovery work.																				
Annual charges for shareholders and customers to be at the level approved by the Board and Shareholder Councils based upon the approved operating budget and budgets for major and minor enhancements.	Complete. Charges to shareholders were exactly on budget at \$1,196,928.																				
Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of Regional Software Holdings Ltd	Complete. RSHL expects that up to 4 additional councils will participate in IRIS NextGen, subject to approval of the Partnership Agreement. They are Bay of Plenty Regional Council, Otago Regional Council, Tasman District Council and Nelson City Council. Through the Sector Financial Management System all 16 regional sector organisations are customers of RSHL. Ministry for the Environment, Ministry for																				

PERFORMANCE TARGET	COMMENT
	Primary industries and Toitū Te Whenua Land Information New Zealand also fund and receive benefit from our programmes.
Engage with councils in the sector to evaluate options for the eventual replacement of the current IRIS software package. The objective is to identify a solution that can be adopted by an increasing number of councils in the sector.	Complete. Datacom have been selected as our partner for the implementation of IRIS NextGen, with an offering based on their ERP platform "Datascape" and professional services to support the development of good practice process. Up to 11 councils are expected to participate in IRIS NextGen.
Be a service delivery vehicle for regional council sector shared programmes under the Sector Financial Management System (or similar).	<p>Complete. In FY2022, RSHL managed the funding for Te Uru Kahika work programmes with a total value of \$3.8M. In the same time period, \$3.6M in funding was collected. The following programmes were included in the Sector Financial Management System:</p> <ul style="list-style-type: none"> • ReCoCo Technology Projects • Regional Sector Office • EMAR • Bio Managers • Bio Control • River Managers Projects • Shovel Ready Projects • Science Programme • Sector Business Plan • Essential Freshwater MFE Fund • Sector Special Projects.
Be a service delivery vehicle for wider regional council sector and related bodies information management projects (ReCoCo) and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the ReCoCo Advisory Group.	<p>Complete. Under the ReCoCo Programme RSHL supported the delivery of the following projects:</p> <ul style="list-style-type: none"> • Environmental Data Mobility Implementation • Environmental Data Programme • Wells NZ Implementation • Sector Reference Model Engagement Project • N-Cap Implementation. <p>Appropriate project management controls were in place for each project. In addition, RSHL was responsible for the upgrade of the Sector's collaboration portal to a modern Teams environment. RSHL also managed the funding for the follow sector programmes:</p> <ul style="list-style-type: none"> • LIDAR PGF Programme Manager • Retrolens. <p>\$543K was collected in funding to support the ReCoCo Programme.</p>
Work with the RCEOs Group to develop a business case for the Regional Sector Shared Services Organisation. Business Case to be considered by December 2021 to allow for the development of a new Statement of Intent in early 2022.	Complete. The business case for the Regional Sector Shared Services organisation was approved by the RCEOs on 3 August 2021.

Costs and sources of funds

	2021/2022 Actual \$	2021/2022 Budget \$	2020/2021 Actual \$
Expenditure			
Investment management	39,353	6,000	-
Community engagement	491,961	448,517	451,058
Advocacy and response	380,549	362,771	292,835
Governance	1,148,966	1,005,255	1,170,241
Total expenditure	2,060,829	1,822,543	1,914,134
Income			
General rates	850,970	850,970	703,948
Direct charges	112,191	73,000	96,881
Investment funds	1,097,668	898,573	1,113,305
Total income	2,060,829	1,822,543	1,914,134
Operating surplus/(deficit)	-	-	-
Capital expenditure			
Land	-	-	-
Buildings	118,774	3,000,000	-
Motor vehicles	229,738	58,000	264,473
Plant and equipment	60,138	152,000	14,799
Office furniture	185,203	12,000	48,494
Computer equipment	209,942	250,000	325,437
Flood and river control assets	-	-	-
Computer software	997,949	920,000	424,462
Total capital expenditure	1,801,744	4,392,000	1,077,665
Funded by:			
Transfer from retained earnings	1,801,744	4,392,000	1,077,665
Total funding	1,801,744	4,392,000	1,077,665
Capital expenditure:			
—to meet additional demand	-	-	-
—to improve the level of service	-	-	-
—to replace existing assets	1,801,744	4,392,000	1,077,665
Total capital expenditure	1,801,744	4,392,000	1,077,665
Gross proceeds from the sale of assets	21,783	20,500	51,382
Depreciation/amortisation expense	844,770	1,069,427	807,604

ASSET ACQUISITIONS AND REPLACEMENTS

The office accommodation redevelopment has not started.

INTERNAL BORROWING

There is no internal borrowing within this group of activities.



Ngā whakataunga pūtea

Financial statements

The following pages present the financial results for the 2021/2022 year compared against the budget set for 2021/2022 in the 2021/2031 Long-Term Plan and the results achieved in 2020/2021.

In particular, the following information is presented:

- the practices and assumptions used in preparing the financial information
- where the income came from and where it was subsequently spent
- the effect of the income and expenditure on the overall net worth of the Council
- what the Council owes and owns
- the cash payments and receipts during the year
- additional supporting information.

Te whākinga rawa i ngā ritenga pūtea tae noa ki te tau i mutu i te 30 o Pipiri 2022

Statement of comprehensive revenue and expense for the year ended 30 June 2022

	Notes	Council			Group	
		2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Cost of services						
Resource management		20,166,894	26,168,383	18,925,945	20,164,939	18,924,790
Biosecurity and biodiversity		6,602,893	7,959,256	7,355,252	6,602,893	7,355,252
Transport		5,843,273	5,668,046	4,755,963	5,843,273	4,755,963
Hazard management		1,003,800	1,062,244	894,851	1,003,800	894,851
Recreation, culture and heritage		5,543,189	6,987,506	7,361,944	5,698,956	5,043,548
Regional representation, advocacy & investment management		2,060,829	1,822,543	1,914,133	2,060,829	1,914,133
Port operating expenses		-	-	-	37,186,350	37,069,650
Total expenses	5	41,220,878	49,667,978	41,208,088	78,561,040	75,958,187
Revenue from exchange transactions						
Direct charges revenue	4	4,837,089	4,729,359	4,223,900	4,802,649	4,184,286
Other investment revenue		1,405,539	1,125,000	1,695,419	1,361,157	1,651,037
Dividends		8,000,000	8,000,000	8,000,000	-	-
Port revenue from operations		-	-	-	51,861,702	50,840,638
Revenue from non-exchange transactions						
General rates revenue		10,937,289	10,937,289	7,954,392	10,937,289	7,954,392
Targeted rates revenue		4,366,647	4,366,647	5,971,225	4,366,647	5,971,225
Direct charges revenue	4	6,253,652	12,820,150	15,024,815	6,297,162	15,048,517
Government grants		5,794,327	5,229,709	7,458,806	12,488,377	7,458,806
Total revenue		41,594,543	47,208,154	50,328,557	92,114,983	93,108,901
Operating surplus/(deficit) before finance income and expenses, other gains/losses and taxation		373,665	(2,459,824)	9,120,469	13,553,943	17,150,714
Finance income		558,150	647,417	295,970	406,339	276,672
Finance expense		207,031	472,417	21,118	853,640	920,831
Net finance income (expense)		351,119	175,000	274,852	(447,301)	(644,159)
Operating surplus before other gains/losses and taxation		724,784	(2,284,824)	9,395,321	13,106,642	16,506,555
Other gains/(losses)						
Gains/(losses) on revaluation of buildings		-	-	-	(1,296,058)	-
Gains/(losses) on revaluation of investment properties		1,144,000	-	2,056,000	1,144,000	2,056,000
Impairment of assets	10	-	-	-	(91,939)	(161,738)
Operating surplus/(deficit) before taxation		1,868,784	(2,284,824)	11,451,321	12,862,645	18,400,817
Income tax expense	7	(67,917)	10,000	(37,240)	4,040,721	3,565,332
Net surplus/(deficit) for the period, net of tax	22	1,936,701	(2,294,824)	11,488,561	8,821,924	14,835,485
Other comprehensive income						
Items that may be reclassified subsequently to profit and loss when specific conditions met.						
Revaluation of property, plant and equipment		675,360	-	122,190	1,812,360	6,607,560
Change in cash flow hedge		-	-	-	1,180,954	295,558
Other comprehensive income, net of tax		675,360	-	122,190	2,993,314	6,903,118
Total comprehensive income for the period, net of tax		2,612,061	(2,294,824)	11,610,751	11,815,238	21,738,603

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

Te whāriki i ngā tinihanga pūtea/rawa hoki tae noa ki te tau i mutu i te 30 o Pipiri 2022

Statement of changes in net assets/equity for the year ended 30 June 2022

Council	Notes	Retained earnings \$	Reserves \$	Asset revaluation reserves \$	Cash flow hedge reserve \$	Total equity \$
As at 1 July 2020		70,501,379	20,655,895	5,216,872	-	96,374,146
Changes in equity for 2020/2021						
Total comprehensive income for the period		11,488,561	-	122,190	-	11,610,751
Transfers to and from reserves		(9,612,692)	9,612,692	-	-	-
As at 30 June 2021	19	72,377,248	30,268,587	5,339,062	-	107,984,897
Changes in equity for 2021/2022						
Total comprehensive income for the period		1,936,701	-	675,360	-	2,612,061
Transfers to and from reserves		(1,184,661)	1,184,661	-	-	-
As at 30 June 2022	19	73,129,288	31,453,248	6,014,422	-	110,596,958

Group	Notes	Retained earnings \$	Reserves \$	Asset revaluation reserves \$	Cash flow hedge reserve \$	Total equity \$
As at 1 July 2020		142,558,331	20,655,895	68,882,805	-	232,097,031
Changes in equity for 2020/2021						
Total comprehensive income for the period		14,835,485	-	6,607,560	295,558	21,738,603
Transfers to and from reserves		(9,612,692)	9,612,692	-	-	-
Transfers to and from asset revaluation reserves		-	-	-	-	-
As at 30 June 2021	19	147,781,124	30,268,587	75,490,365	295,558	253,835,634
Changes in equity for 2021/2022						
Total comprehensive income for the period		8,821,924	-	1,812,360	1,180,954	11,815,238
Transfers to and from reserves		(1,184,661)	1,184,661	-	-	-
Transfers to and from asset revaluation reserves		470,123	-	(470,123)	-	-
As at 30 June 2022	19	155,888,510	31,453,248	76,832,602	1,476,512	265,650,872

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

Te whāriki i te āhuatanga pūtea tae noa ki te tau i mutu i te 30 o Pipiri 2022

Statement of financial position as at 30 June 2022

Notes	2021/22 Actual \$	Council		Group		
		2021/22 Budget \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$	
Current assets						
Cash and cash equivalents	8	5,361,260	527,792	2,787,307	7,199,437	3,544,947
Current portion of investments	13	26,265,052	-	23,231,671	26,265,052	23,231,671
Receivables from exchange transactions	9	1,726,007	960,000	1,229,759	7,445,876	8,388,390
Receivables from non-exchange transactions	9	3,563,909	1,040,000	7,213,730	3,563,909	7,213,730
Inventories	12	286,006	150,000	98,976	1,200,988	823,568
Loan to Taranaki Stadium Trust	14	-	-	5,000,000	-	-
Prepayments		283,282	100,000	262,887	283,282	262,887
Work-in-progress	29	223,182	400,000	195,100	223,182	195,100
Total current assets		37,708,698	3,177,792	40,019,430	46,181,726	43,660,293
Non-current assets						
Term deposits and treasury investments	13	362,500	18,395,467	-	362,500	-
Port Taranaki Ltd	13	26,000,000	26,000,000	26,000,000	-	-
Civic Assurance Ltd	13	1,000	1,000	1,000	1,000	1,000
Regional Software Holdings Ltd	13	798,118	798,118	798,118	798,118	798,118
Loan to Taranaki Stadium Trust	14	14,500,000	17,000,000	-	-	-
Investment properties	15	22,054,000	19,559,000	21,305,000	22,054,000	21,305,000
Derivative financial instruments		-	-	-	2,052,098	409,263
Intangible assets	11	348,084	1,855,701	605,075	756,632	1,170,105
Property, plant and equipment	10	35,810,413	38,019,734	33,964,020	265,642,218	248,738,798
Deferred tax asset	7	185,656	80,499	117,739	185,656	117,739
Total non-current assets		100,059,771	121,709,519	82,790,952	291,852,222	272,540,023
Total assets		137,768,469	124,887,311	122,810,382	338,033,948	316,200,316
Current liabilities						
Payables from exchange transactions	16	4,226,704	3,000,000	4,118,444	11,795,146	10,758,019
Payables from non-exchange transactions	16	5,541,444	2,000,000	3,122,940	5,541,444	3,122,940
Employee entitlements	17	1,224,576	600,000	1,093,749	2,667,142	2,467,634
Work-in-progress	29	1,342,707	1,150,000	1,019,752	1,342,707	1,019,752
Borrowings	18	-	-	5,000,000	64,793	5,078,904
Taxation payable	7	-	-	-	2,344,397	1,040,824
Total current liabilities		12,335,431	6,750,000	14,354,885	23,755,629	23,488,073
Non-current liabilities						
Employee entitlements	17	336,080	564,100	470,600	809,080	1,038,600
Deferred tax liability	7	-	-	-	1,049,940	943,304
Borrowings	18	14,500,000	17,000,000	-	46,768,427	36,894,705
Total non-current liabilities		14,836,080	17,564,100	470,600	48,627,447	38,876,609
Total liabilities		27,171,511	24,314,100	14,825,485	72,383,076	62,364,682
Public equity						
Retained earnings	19	73,129,288	67,478,937	72,377,248	155,888,510	147,781,124
Reserves	19	31,453,248	27,877,402	30,268,587	31,453,248	30,268,587
Asset revaluation reserves	19	6,014,422	5,216,872	5,339,062	76,832,602	75,490,365
Cash flow hedge reserve	19	-	-	-	1,476,512	295,558
Total public equity	19	110,596,958	100,573,211	107,984,897	265,650,872	253,835,634
Total liabilities and equity		137,768,469	124,887,311	122,810,382	338,033,948	316,200,316

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

Te whāriki i ngā kapewhiti pūtea tae noa ki te tau i mutu i te 30 o Pipiri 2022

Statement of cash flows for the year ended 30 June 2022

	Notes:	2021/22 Actual \$	Council 2021/22 Budget \$	2020/21 Actual \$	Group 2021/22 Actual \$	2020/21 Actual \$
Cash flow from operating activities						
Cash was provided from:						
Rates		15,303,936	15,303,936	13,925,617	15,303,936	13,925,617
Interest		384,696	647,417	334,965	320,193	315,625
Dividends		8,000,000	8,000,000	8,000,000	-	-
Goods and services tax		207,876	-	-	295,487	-
Other exchange transactions		5,852,685	5,881,868	6,032,665	63,926,949	64,389,195
Other non-exchange transactions		16,991,297	19,622,350	22,401,274	23,759,192	22,398,877
		46,740,490	49,455,571	50,694,521	103,605,757	101,029,314
Cash was applied to:						
Employees and suppliers		37,730,110	46,855,231	38,581,829	71,706,881	72,061,562
Income tax		-	-	-	2,698,000	4,770,000
Goods and services tax		-	60,000	479,877	-	740,623
Interest		207,031	472,417	21,118	1,395,347	868,674
		37,937,141	47,387,648	39,082,824	75,800,228	78,440,859
Net cash flow from operating activities	22	8,803,349	2,067,923	11,611,697	27,805,529	22,588,455
Cash flow from investing activities						
Cash was provided from:						
Investments		-	3,200,000	-	-	-
Proceeds from sale of investment property		465,000	-	300,000	465,000	300,000
Proceeds from sale of property, plant and equipment		163,888	563,500	363,499	1,276,888	365,499
		628,888	3,763,500	663,499	1,741,888	665,499
Cash was applied to:						
Investments		12,895,881	5,000,000	10,636,204	3,395,881	9,636,204
Capitalised interest on property, plant and equipment		-	-	-	174,000	49,000
Purchase of property, plant and equipment		3,462,403	7,507,190	2,796,922	27,142,046	12,316,080
		16,358,284	12,507,190	13,433,126	30,711,927	22,001,284
Net cash flow outflow from investing activities		(15,729,396)	(8,743,690)	(12,769,627)	(28,970,039)	(21,335,785)
Cash flow from financing activities						
Cash was provided from:						
Loans		9,500,000	5,000,000	1,000,000	29,230,000	24,005,000
		9,500,000	5,000,000	1,000,000	29,230,000	24,005,000
Cash was applied to:						
Lease payments		-	-	-	91,000	106,709
Loans		-	-	-	24,320,000	25,319,981
		-	-	-	24,411,000	25,426,690
Net cash outflow from financing activities		9,500,000	5,000,000	1,000,000	4,819,000	(1,421,690)
Net increase/(decrease) in cash & cash equivalents		2,573,953	(1,675,767)	(157,930)	3,654,490	(169,020)
Opening cash and cash equivalents		2,787,307	2,203,559	2,945,237	3,544,947	3,713,967
Closing cash and cash equivalents	8	5,361,260	527,792	2,787,307	7,199,437	3,544,947

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

Ngā wetenga i ngā whākinga pūtea

Explanatory notes to the financial statements

1. Council information

REPORTING ENTITY

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

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

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

The financial statements of Taranaki Regional Council are for the year ended 30 June 2022. The financial statements were authorised for issue by Council on 20 September 2022.

2. Summary of accounting policies

STATEMENT OF COMPLIANCE

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

BASIS OF PREPARATION

As the primary objective of the Council and Group is to provide goods or services for community and social benefit, rather than for making a financial return, the Council and Group are public benefit entities for the purpose of financial reporting. The financial statements of the Council and Group have been prepared in accordance with and comply with Tier 1 Public Benefit Entity (PBE) standards. The financial statements are presented in New Zealand dollars. The functional currency of Taranaki Regional Council is New Zealand dollars.

SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

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

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

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

NEW AND AMENDED ACCOUNTING STANDARDS ADOPTED

The Group has not elected to early adopt any new standards or interpretations that are issued but not yet effective as at 30 June 2022.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

PBE Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2022, are outlined in the below:

New pronouncement	Effective for annual reporting periods beginning on or after:	Expected to be initially applied in the financial year ending:
PBE FRS 48 Service Performance Reporting	1 January 2022	30 June 2023
PBE IPSAS 41 Financial Instruments	1 January 2022	30 June 2023
PBE IFRS 17 Insurance Contracts	1 January 2023	30 June 2024
Amendments to PBE IFRS 17	1 January 2023	30 June 2024
2022 Omnibus Amendments to PBE Standards	1 January 2023	30 June 2024
Initial Application of PBE IFRS 17 and PBE IPSAS 41 – Comparative Information	1 January 2023	30 June 2024
Public Sector Specific Financial Instruments (Non-Authoritative Amendments to PBE IPSAS 41)	1 January 2023	30 June 2024

CHANGES IN ACCOUNTING ESTIMATES

There have been no changes in accounting estimates during the year for the Council and Taranaki Stadium Trust.

Port Taranaki Ltd has changed its recognition criteria in respect of repairs and maintenance to be more in line with the requirements of the accounting standard. Previously expensed repairs and maintenance expenditure related to major cyclical maintenance is now capitalised and depreciated over the period to the next expected inspection or overhaul (for example, vessel dockings and engine and propeller overhauls). If Port Taranaki Limited had not changed its recognition criteria the repairs and maintenance expense for 2022 would have increased by \$536 thousand.

3. Principal activities/Group information

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

Subsidiary name	Principal activities	Country of incorporation	Percentage equity interest		Carrying value of investment (at cost)	
			2021/22 %	2020/21 %	2021/22 \$	2020/21 \$
Port Taranaki Ltd	Export and import activities through Port Taranaki.	New Zealand	100	100	26,000,000	26,000,000
Taranaki Stadium Trust	Long-term maintenance and development of Yarrow Stadium.	New Zealand	100	100	Nil	Nil

The Council also hold investments in the following entities:

Subsidiary name	Principal activities	Country of incorporation	Percentage equity interest		Carrying value of investment (at cost)	
			2021/22 %	2020/21 %	2021/22 \$	2020/21 \$
Regional Software Holdings Ltd	Shared software resources.	New Zealand	15.5	15.5	798,118	798,118
Civic Assurance Ltd	Insurance services to local government.	New Zealand	<0.0	<0.0	1,000	1,000

4. Revenue

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
The net operating surplus (deficit) was achieved after crediting:				
Dividends	8,000,000	8,000,000	-	-
Gain on sale of property, plant and equipment	113,875	273,051	515,002	274,487
Unrealised gain on revaluation of investment properties	1,144,000	2,056,000	1,144,000	2,056,000
Rental revenue from investment properties	971,154	958,765	929,772	914,383
Interest – corporate bonds	-	44,283	-	44,283
Interest – cash and term deposits	351,119	230,569	406,339	232,389
Interest – Taranaki Stadium Trust	207,031	21,118	-	-
Direct charges revenue from exchange transactions				
Compliance monitoring charges	3,340,466	2,860,224	3,306,507	2,844,486
Resource consent applications	1,055,639	843,130	1,055,158	819,254
Other sales of goods and services	440,984	520,546	440,984	520,546
Total direct charges revenue from exchange transactions	4,837,089	4,223,900	4,802,649	4,184,286
Direct charges revenue from non-exchange transactions				
Riparian plant sales	1,662,890	1,229,444	1,662,890	1,229,444
Bus fares	635,676	710,678	635,676	710,678
Pollution response	470,474	1,087,705	470,154	1,085,308
Resource consent condition charges	51,401	102,517	51,401	102,517
Predator Free 2050 funding	1,638,803	2,288,601	1,638,803	2,288,601
Waitara Lands Act 2018 income distribution	1,393,703	9,128,474	1,393,703	9,128,474
Other recoveries and sales of goods and services	400,705	477,396	444,535	503,495
Total direct charges revenue from non-exchange transactions	6,253,652	15,024,815	6,297,162	15,048,517

POLICIES

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

REVENUE FROM NON-EXCHANGE TRANSACTIONS:

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

REVENUE FROM EXCHANGE TRANSACTIONS:

- Direct charges – goods and services: Revenue from the rendering of services or the sale of goods is recognised by reference to the stage of completion of the service. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

- Interest revenue: For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.
- Dividends: Revenue is recognised when the Group's or Council's right to receive the payment is established, which is generally when shareholders approve the dividend.
- Rental revenue: Rental revenue arising from operating leases on investment properties is accounted for on a straight-line basis over the lease.

5. Expenditure

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
The net operating surplus (deficit) was achieved after charging:				
Employee benefits	16,120,401	14,379,763	30,855,997	28,489,929
Cost of services	20,347,318	20,936,767	18,166,695	16,992,891
General expenses	-	-	10,610,215	8,672,504
Repairs and maintenance	558,391	396,726	5,903,661	7,543,993
Directors' fees	-	-	364,000	322,875
Donations	235,000	165,000	235,040	165,000
Depreciation, amortisation and maintenance dredging	2,380,405	2,107,637	10,734,416	10,363,243
Loss on disposal of property, plant and equipment	24,775	6,795	33,443	27,456
Bad debts	-	324	-	324
Net loss/(gain) on currency bank balances	-	-	-	11,611
Audit fees – audit of Annual Report	131,293	128,085	234,278	228,661
Audit fees – audit of Long-Term Plan	-	89,630	-	89,630
Minimum lease payments recognised as operating lease expense	-	-	-	52,709
Purchase of riparian plants (inventory)	1,423,295	2,997,361	1,423,295	2,997,361
Total expenses	41,220,878	41,208,088	78,561,040	75,958,187

POLICIES

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

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

6. Explanation of major variances against budget

	2021/22 Actual \$
Operating expenditure was less than budgeted. Across the range of activities there were over and under expenditures. The most significant variances are underspends in Waitara River catchment expenditure awaiting the establishment of the Waitara River Committee, non-progress of the Kaitake Trail project and underspend on Towards Predator-Free Taranaki.	8,447,100
Direct charges were less than budgeted. Across the range of activities there were a number of over and under revenues. Waitara Lands reserve distributions was the most significant under budget revenue.	(6,458,768)
Government grants were more than budgeted, due to increased Waka Kotahi grants as part of Covid-19 support.	564,618
Other investment revenue was more than budgeted. A number of revenues higher than planned including LiDAR project funding.	280,539
Unrealised gains on revaluation of investment properties was more than budgeted. No allowance was made for an increase or decrease in values.	1,144,000
Unrealised gains on revaluation of flood control scheme assets was more than budgeted. No allowance was made for an increase or decrease in values.	675,360

	2021/22 Actual \$
Total current assets was more than budgeted. Due to investments being classified as current and higher receivables.	34,530,906
Total non-current assets was less than budgeted. Due to investments being classified as current and timing differences in the loan to the Taranaki Stadium Trust.	(21,649,748)
Total current liabilities was more than budgeted. Due to higher payables including significant riparian plant purchases and income received in advance.	(5,585,431)
Total non-current liabilities was less than budgeted. Due to timing differences in the drawdown of borrowings for the Yarrow Stadium Plus project.	2,728,020
Total public equity was more than budgeted. Due to higher comprehensive income and reserves than budgeted.	10,023,747

The entire operating surplus is from continuing activities.

7. Taxation

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Income tax recognised in the Statement of Comprehensive Revenue and Expense				
Current tax expense	-	-	4,461,262	2,982,493
Deferred tax on losses carried forward	(67,917)	(37,240)	(420,541)	582,839
Income tax expense per Statement of Comprehensive Revenue and Expense	(67,917)	(37,240)	4,040,721	3,565,322
Reconciliation of operating surplus before tax and income tax expense				
Surplus/(deficit) before taxation and subvention payment	1,868,784	11,451,321	12,862,645	18,400,817
Operating surplus/(deficit) before taxation	1,868,784	11,451,321	12,862,645	18,400,817
Income tax expense at 28%	523,260	3,206,370	3,601,541	5,152,229
Tax effect of non-deductible expenses in operating surplus before taxation	2,519,934	(132,500)	3,524,291	1,518,183
Timing differences prior period	-	-	-	-
Timing differences current period	-	-	26,000	6,030
Prior period adjustments impacting income taxation expense	-	-	-	-
Imputation credit adjustment	(3,111,111)	(3,111,110)	(3,111,111)	(3,111,110)
Income taxation expense per Statement of Comprehensive Revenue and Expense	(67,917)	(37,240)	4,040,721	3,565,322
Taxation refundable/(payable)				
Opening balance	-	-	(1,040,824)	(2,828,330)
Prior year tax paid/(refund)	-	-	1,050,000	-
Prior year adjustment	-	-	-	65,639
Current taxation payable	-	-	(4,461,261)	(3,048,133)
Provisional taxation paid (refunded)	-	-	2,107,688	4,770,000
Taxation refundable/(payable)	-	-	(2,344,397)	(1,040,824)
Notes	2021/22 Actual \$	Council 2020/21 Actual \$	2021/22 Actual \$	Group 2020/21 Actual \$
Imputation credit account				
Credits available for use in subsequent periods	-	-	27,757,937	26,840,000
Imputation credits available directly and indirectly to the Council, through Port Taranaki Ltd	-	-	27,837,000	26,840,000

DEFERRED TAX (ASSET)/LIABILITY

	Depreciation/ Amortisation	Provisions/ Payables	Council Receivables/ Prepayments	Cash flow hedge reserve	Total
Balance 30 June 2020	-	-	(80,499)	-	(80,499)
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	-	-	(37,240)	-	(37,240)
Balance 30 June 2021	-	-	(117,739)	-	(117,739)
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	-	-	(67,917)	-	(67,917)
Balance 30 June 2022	-	-	(185,656)	-	(185,656)

	Depreciation/ Amortisation	Provisions/ Payables	Group Receivables/ Prepayments	Cash flow hedge reserve	Total
Balance 30 June 2020	1,457,515	(1,249,617)	(80,499)	-	127,399
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	510,000	110,406	(37,240)	115,000	698,166
Balance 30 June 2021	1,967,515	(1,139,211)	(117,739)	115,000	825,565
Charged/(credited) to the Statement of Comprehensive Revenue and Expense	(262,575)	(90,789)	(67,917)	460,000	38,719
Balance 30 June 2022	1,704,940	(1,230,000)	(185,656)	575,000	864,284
Represented by:					
Non-current assets					(185,656)
Non-current liabilities					1,049,940
Balance 30 June 2022					864,284

POLICIES

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

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

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

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

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

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

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

NOTES

The Council is exempt from income tax, except from transactions with council controlled organisations and port companies. There is a recognised deferred tax asset of \$185,656 (2020/2021—\$117,739) for the carry forward of unused tax credits.

8. Cash and cash equivalents

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Bank	142,338	396,835	555,963	672,240
Call deposits	5,218,922	2,390,472	6,643,474	2,872,707
Total bank and call deposits	5,361,260	2,787,307	7,199,437	3,544,947

POLICIES

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

NOTES

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

9. Receivables

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Receivables from exchange transactions				
Trade receivables	1,269,425	639,700	7,040,028	6,235,101
Provision for impairment	-	-	(287,369)	(288,589)
Net trade receivables	1,269,425	639,700	6,752,659	5,946,512
Other receivables	368,830	576,706	693,217	2,441,878
Related party receivables	87,752	13,353	-	-
Total receivables from exchange transactions	1,726,007	1,229,759	7,445,876	8,388,390
Receivables from non-exchange transactions				
Trade receivables	3,563,909	7,213,730	3,563,909	7,213,730
Provision for impairment	-	-	-	-
Net trade receivables	3,563,909	7,213,730	3,563,909	7,213,730
Other receivables	-	-	-	-
Related party receivables	-	-	-	-
Total receivables from non-exchange transactions	3,563,909	7,213,730	3,563,909	7,213,730

NOTES

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

10. Property, plant and equipment

Council	Land cost	Land valuation	Buildings cost	Buildings valuation	Motor vehicles cost	Plant, equipment & fittings cost	Office furniture cost	Computer equipment cost
Carrying amount 1 July 2020	2,313,979	- 11,606,442	-	2,015,952	1,284,199	47,732	371,642	
Cost/valuation	2,313,979	- 16,075,205	-	3,764,324	5,703,734	656,074	3,415,571	
Accumulated depreciation	-	- (4,468,763)	-	(1,748,372)	(4,419,535)	(608,342)	(3,043,929)	
Additions	-	-	-	1,382,752	153,237	62,896	325,437	
Transfers	-	- 493,638	-	-	791,425	-	-	
Revaluations	-	-	-	-	-	-	-	
Disposals	-	-	-	(73,902)	(2,999)	-	(4,214)	
Depreciation	-	- (417,429)	-	(735,561)	(446,420)	(21,918)	(179,499)	
Carrying amount 30 June 2021	2,313,979	- 11,682,651	-	2,589,241	1,779,442	88,710	513,366	
Cost/valuation	2,313,979	- 16,568,843	-	4,455,395	6,630,172	717,729	3,720,802	
Accumulated depreciation	-	- (4,886,192)	-	(1,866,154)	(4,850,730)	(629,019)	(3,207,435)	
Additions	-	- 31,506	-	1,102,431	270,790	185,903	209,942	
Transfers	-	- 794,455	-	-	44,048	-	-	
Revaluations	-	-	-	-	-	-	-	
Disposals	-	-	-	(47,152)	(27,636)	-	-	
Depreciation	-	- (429,771)	-	(827,132)	(579,998)	(42,657)	(197,779)	
Carrying amount 30 June 2022	2,313,979	- 12,078,841	-	2,817,388	1,486,646	231,956	525,530	
Cost/valuation	2,313,979	- 17,394,804	-	5,176,443	5,334,278	634,859	1,302,048	
Accumulated depreciation	-	- (5,315,963)	-	(2,359,055)	(3,847,632)	(402,903)	(776,518)	

Council	Dredging cost	Port services equipment cost	Wharves & breakwater cost	Port assets held for sale cost	Work in progress cost-	Flood & river control valuation	-	Total
Carrying amount 1 July 2020	-	-	-	-	1,450,331	13,696,480	-	32,786,757
Cost/valuation	-	-	-	-	1,450,331	13,696,480	-	47,075,698
Accumulated depreciation	-	-	-	-	-	-	-	(14,288,941)
Additions	-	-	-	-	1,028,821	-	-	2,953,143
Transfers	-	-	-	-	(1,285,063)	-	-	-
Revaluations	-	-	-	-	-	122,190	-	122,190
Disposals	-	-	-	-	(16,128)	-	-	(97,243)
Depreciation	-	-	-	-	-	-	-	(1,800,827)
Carrying amount 30 June 2021	-	-	-	-	1,177,961	13,818,670	-	33,964,020
Cost/valuation	-	-	-	-	1,177,961	13,818,670	-	49,403,551
Accumulated depreciation	-	-	-	-	-	-	-	(15,439,530)
Additions	-	-	-	-	1,568,664	-	-	3,369,236
Transfers	-	-	-	-	(884,583)	-	-	(46,080)
Revaluations	-	-	-	-	-	675,360	-	675,360
Disposals	-	-	-	-	-	-	-	(74,789)
Depreciation	-	-	-	-	-	-	-	(2,077,337)
Carrying amount 30 June 2022	-	-	-	-	1,862,042	14,494,030	-	35,810,412
Cost/valuation	-	-	-	-	1,862,042	14,494,030	-	48,512,484
Accumulated depreciation	-	-	-	-	-	-	-	(12,702,071)

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

Group	Land cost	Land valuation	Buildings cost	Buildings valuation	Motor vehicles cost	Plant, equipment & fittings cost	Office furniture cost	Computer equipment cost
Carrying amount 1 July 2020	2,313,979	95,836,630	28,854,441	9,492,180	2,015,952	3,012,432	47,732	371,642
Cost/valuation	2,313,979	95,836,630	48,937,250	11,528,265	3,764,324	9,043,927	672,504	3,415,571
Accumulated depreciation	-	-	(20,082,809)	(2,036,085)	(1,748,372)	(6,031,495)	(624,772)	(3,043,929)
Additions	-	-	121,906	-	1,382,752	153,237	62,896	325,437
Capitalisation	-	-	-	-	-	-	-	-
Transfers	-	(596,000)	423,638	-	-	791,425	-	-
Impairment	-	-	-	(161,738)	-	-	-	-
Revaluations	-	6,485,370	-	-	-	-	-	-
Disposals	-	-	-	-	(73,902)	(2,999)	-	(4,214)
Depreciation	-	-	(1,476,121)	(248,275)	(735,561)	(1,110,636)	(21,918)	(179,499)
Carrying amount 30 June 2021	2,313,979	101,726,000	27,923,864	9,082,167	2,589,241	2,843,459	88,710	513,366
Cost/valuation	2,313,979	101,726,000	49,344,843	10,260,449	4,455,395	9,970,366	734,159	3,720,802
Accumulated depreciation	-	-	(21,420,979)	(1,178,282)	(1,866,154)	(7,126,907)	(645,449)	(3,207,435)
Additions	-	-	312,506	-	1,102,431	270,790	185,903	209,942
Capitalisation	-	-	-	-	-	-	-	-
Transfers	-	-	794,455	18,267,903	-	44,048	-	-
Impairment	-	-	-	-	-	-	-	-
Revaluations	-	1,137,000	-	(1,296,058)	-	-	-	-
Disposals	-	-	-	-	(47,152)	(43,334)	-	-
Depreciation	-	-	(1,711,207)	(229,212)	(827,132)	(1,240,291)	(42,657)	(197,779)
Carrying amount 30 June 2022	2,313,979	102,863,000	27,319,618	25,824,800	2,817,388	1,874,672	231,956	525,530
Cost/valuation	2,313,979	102,863,000	50,451,804	26,635,393	5,176,443	8,658,773	651,289	1,302,048
Accumulated depreciation	-	-	(23,132,186)	(810,593)	(2,359,055)	(6,784,101)	(419,333)	(776,518)

Group	Dredging cost	Port services & equipment cost	Wharves & breakwater cost	Port assets held for sale cost	Work in progress cost	Flood and river control valuation	Total
Carrying amount 1 July 2020	18,840,580	45,832,631	11,182,000	-	7,186,608	13,696,480	238,683,287
Cost/valuation	24,970,512	101,010,096	30,318,000	-	7,186,608	13,696,480	352,694,146
Accumulated depreciation	(6,129,932)	(55,177,465)	(19,136,000)	-	-	-	(114,010,859)
Additions	2,492,145	1,855,000	-	-	11,798,431	-	18,191,804
Capitalisation	-	-	-	-	(4,633,000)	-	(4,633,000)
Transfers	-	-	-	665,000	(1,285,063)	-	-
Impairment	-	-	-	-	-	-	(161,738)
Revaluations	-	-	-	-	-	122,190	6,607,560
Disposals	-	(21,000)	-	-	(16,128)	-	(118,243)
Depreciation	(1,156,130)	(4,418,732)	(483,000)	-	-	-	(9,829,872)
Carrying amount 30 June 2021	20,176,595	43,247,899	10,699,000	665,000	13,050,848	13,818,670	248,738,798
Cost/valuation	25,212,975	102,681,096	30,318,000	665,000	13,050,848	13,818,670	368,272,582
Accumulated depreciation	(5,036,380)	(59,433,197)	(19,619,000)	-	-	-	(119,533,783)
Additions	-	1,971,000	69,000	46,000	25,786,777	-	29,954,349
Capitalisation	-	-	-	-	(2,117,000)	-	(2,117,000)
Transfers	-	-	-	-	(19,152,486)	-	(46,080)
Impairment	-	-	-	-	(91,939)	-	(91,939)
Revaluations	-	-	-	-	-	675,360	516,302
Disposals	-	(41,000)	-	(709,000)	(41,955)	-	(882,441)
Depreciation	(1,419,595)	(4,343,899)	(416,000)	(2,000)	-	-	(10,429,772)
Carrying amount 30 June 2022	18,757,000	40,834,000	10,352,000	-	17,434,245	14,494,030	265,642,218
Cost/valuation	25,212,975	103,820,000	30,387,000	-	17,434,245	14,494,030	389,400,979
Accumulated depreciation	(6,455,975)	(62,986,000)	(20,035,000)	-	-	-	(123,758,761)

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

POLICIES

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

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

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

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

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

Buildings	5 to 45 yrs	2 to 20%
Motor vehicles	5 to 8 yrs	12 to 20%
Plant and equipment	2.5 to 25 yrs	4 to 40%
Office furniture and fittings	5 to 10 yrs	10 to 20%
Computer equipment	5 yrs	20%
Wharves and breakwaters	4 to 66 yrs	1.5 to 25%
Port services and equipment	2 to 50 yrs	2 to 50%
Dredging	2 yrs	Nil to 50%

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

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

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

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

NOTES

The Waitara River Flood Protection Scheme assets, Ōkato River Flood Protection Scheme assets, Ōpunake Flood Protection Scheme assets and the Waiwhakaiho River Flood Protection Scheme assets were independently valued at 30 June 2022 at depreciated replacement cost, by Mr John Philpott (Masters of Civil Engineering of John Philpott & Associates Ltd). The revalued amount of land used in this report less the capital work in progress amounts to \$14,494,030 (2020/2021 - \$13,818,670). The carrying amount of land had it been recognised under the cost model is \$2,825,194 (2020/2021 - \$2,825,194). Information about core assets pursuant to Regulation 6 of the *Local Government (Financial Reporting and Prudence) Regulations 2014*. The Council does not have water supply, sewerage, stormwater drainage or roads and footpaths and, consequently, has no disclosures to make.

Port Taranaki Ltd land was revalued at 30 June 2022 by Telfer Young (Taranaki) Ltd, New Plymouth to \$98,408,000 (2020/2021 - \$98,821,000). Telfer Young is an independent valuer. The carrying amount of land had it been recognised under the cost model is \$30,049,000 (\$30,020,697-2020/2021). Port Taranaki Ltd land assets have been valued using a combination of the direct sales comparison approach and the rental returns approach methodology. Land assets have been valued on their existing zoning, potential for utilisation and localised port market. All land holdings are used or held for port operational requirements and as such are valued under the requirements of PBE IPSAS 17 using fair value (market value).

Taranaki Stadium Trust land and buildings were valued as at 30 June 2022, by Mike Drew, a registered valuer with Telfer Young (Taranaki) Ltd. The land and buildings are valued based on the depreciated replacement cost approach using assumptions the valuer believed to be fair and reasonable at the date of valuation. The total fair value of the land and buildings valued at 30 June 2022 was \$30,279,800.

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

11. Intangible assets

Council	Computer software	Total
Carrying amount 30 June 2020	869,701	869,701
Cost/valuation	3,850,501	3,850,501
Accumulated depreciation	(2,980,800)	(2,980,800)
Additions	42,184	42,184
Transfers	-	-
Disposals	-	-
Amortisation	(306,810)	(306,810)
Carrying amount 30 June 2021	605,075	605,075
Cost/valuation	3,892,685	3,892,685
Accumulated depreciation	(3,287,611)	(3,287,611)
Additions	-	-
Transfers	46,080	46,080
Disposals	-	-
Amortisation	(303,070)	(303,070)
Carrying amount 30 June 2022	348,084	348,084
Cost/valuation	2,426,724	2,426,724
Accumulated depreciation	(2,078,640)	(2,078,640)

Group	Computer software	Total
Carrying amount 30 June 2020	1,462,917	1,462,917
Cost/valuation	8,501,000	8,501,000
Accumulated depreciation	(7,038,083)	(7,038,083)
Additions	205,729	205,729
Transfers	-	-
Disposals	-	-
Amortisation	(498,541)	(498,541)
Carrying amount 30 June 2021	1,170,105	1,170,105
Cost/valuation	8,706,729	8,706,729
Accumulated depreciation	(7,536,624)	(7,536,624)
Additions	-	-
Transfers	46,080	46,080
Disposals	-	-
Amortisation	(459,553)	(459,553)
Carrying amount 30 June 2022	756,632	756,632
Cost/valuation	7,240,767	7,240,767
Accumulated depreciation	(6,484,135)	(6,484,135)

POLICIES

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

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

Computer software	5 yrs	20%
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12. Inventories

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Plant materials	286,006	98,976	286,006	98,976
Maintenance consumables	-	-	914,982	724,592
Total inventories	286,006	98,976	1,200,988	823,568

POLICIES

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

13. Investments

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Current portion of investments				
Term deposits	26,265,052	23,231,671	26,265,052	23,231,671
Treasury investments - corporate bonds/notes	-	-	-	-
Total current portion of investments	26,265,052	23,231,671	26,265,052	23,231,671
Non-current investments				
Term deposits	-	-	-	-
Treasury investments – borrower notes	362,500	-	362,500	-
Port Taranaki Ltd (unlisted shares)	26,000,000	26,000,000	-	-
Civic Assurance (unlisted shares)	1,000	1,000	1,000	1,000
Regional Software Holdings Ltd (unlisted shares)	798,118	798,118	798,118	798,118
Total non-current investments	27,161,618	26,799,118	1,161,618	799,118
Total investments	53,426,670	50,030,789	27,426,670	24,030,789
Term deposit maturity dates and effective interest rates				
Term deposits maturing in less than 1 year	26,265,052	23,231,671	26,265,052	23,231,671
Weighted average effective interest rate	1.23%	0.97%	1.23%	0.97%
Term deposits maturing in 1 to 2 years	-	-	-	-
Weighted average effective interest rate	-	-	-	-
Borrower notes maturity dates and effective interest rates				
Borrower notes maturing in 1 to 2 years	50,000	-	50,000	-
Weighted average effective interest rate	1.06%	-	1.06%	-
Borrower notes maturing in 3 to 4 years	125,000	-	125,000	-
Weighted average effective interest rate	3.11%	-	3.11%	-
Borrower notes maturing in 5 to 10 years	187,500	-	187,500	-
Weighted average effective interest rate	2.32%	-	2.32%	-
Borrower notes carrying value	362,500	-	362,500	-

POLICIES

Consolidated financial statements comprise the financial statements of the Council and its controlled entities as at 30 June. Controlled entities are all those over which the Council has the power to govern the financial and operating policies so as to obtain benefits from their activities. The financial statements of the controlled entities are prepared for the same reporting period as the Council, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full. At the end of each reporting period, the Council assesses whether there are any indicators that the carrying value of the investment in controlled entities may be impaired. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised. Investments held by the Council are accounted for at cost less any impairment charges in the financial statements of the Council.

NOTES

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

- NZ Local Government Insurance Corporation Limited (Civic Assurance)—insurance company—30 June balance date—1,000 shares
- Port Taranaki Ltd—port operator—100% owned subsidiary—30 June balance date—52,000,000 shares
- Regional Software Holdings Ltd—15.5% owned subsidiary—30 June balance date—1,550 shares

14. Loan to Taranaki Stadium Trust

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Current assets				
Loan to Taranaki Stadium Trust	-	5,000,000	-	-
Total current asset loans	-	5,000,000	-	-
Weighted average interest rate	-	0.53%	-	-
Non-current assets				
Loan to Taranaki Stadium Trust	14,500,000	-	-	-
Total non-current asset loans	14,500,000	-	-	-
Weighted average interest rate	2.79%	-	-	-

POLICIES

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

NOTES

The loan to the Taranaki Stadium Trust is the on lending of funds borrowed from the LGFA for the repair of Yarrow Stadium. The weighted average rate earned on this investment was 2.79% (30 June 2021 0.53%). The loan is repayable on demand if required by the Council – the Council has no intentions of requiring the early repayment of this loan.

15. Investment property

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Balance 1 July	21,305,000	19,559,000	21,305,000	19,559,000
Additions	-	-	-	-
Disposals	(395,000)	(310,000)	(395,000)	(310,000)
Transfer to property, plant and equipment	-	-	-	-
Fair value gains/(losses) on valuation	1,144,000	2,056,000	1,144,000	2,056,000
Balance 30 June	22,054,000	21,305,000	22,054,000	21,305,000
Comprising:				
Current assets	-	-	-	-
Non-current assets	22,054,000	21,305,000	22,054,000	21,305,000
Total investment property	22,054,000	21,305,000	22,054,000	21,305,000
Reconciliation of net surplus on investment properties				
Rental income derived from investment properties	971,154	958,765	926,772	914,383
Direct operating expenses (including repairs and maintenance) generating rental income	3,172	13,348	3,172	13,348
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	3,440	4,100	3,440	4,100
Surplus arising from investment properties carried at fair value	964,542	941,317	920,160	896,935

POLICIES

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

NOTES

Investment properties are independently valued annually at fair value effective 30 June. All investment properties are valued based on the comparable sales approach using assumptions the valuer believed to be fair and reasonable at the date of valuation. The valuation was performed by TelferYoung (Taranaki) Limited, a registered experienced valuer with extensive market knowledge. The total fair value of the property valued at 30 June 2022 was \$22,054,000 (2020/2021—\$21,305,000).

16. Payables

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Payables from exchange transactions				
Trade payables under exchange transactions	3,697,280	3,805,542	10,720,428	9,882,368
Accrued pay	258,237	173,882	803,531	737,959
Other payables	220,482	137,692	220,482	137,692
Related party payables	50,705	1,328	50,705	-
Total payables from exchange transactions	4,226,704	4,118,444	11,795,146	10,758,019
Comprising:				
Current liabilities	4,226,704	4,118,444	11,795,146	10,758,019
Non-current liabilities	-	-	-	-
Total payables from exchange transactions	4,226,704	4,118,444	11,795,146	10,758,019
Payables from non-exchange transactions				
Other payables	5,541,444	3,122,940	5,541,444	3,122,940
Total payables from non-exchange transactions	5,541,444	3,122,940	5,541,444	3,122,940
Comprising:				
Current liabilities	5,541,444	3,122,940	5,541,444	3,122,940
Non-current liabilities	-	-	-	-
Total payables from non-exchange transactions	5,541,444	3,122,940	5,541,444	3,122,940

POLICIES

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

Port Taranaki Ltd is required by the Environmental Protection Authority under their Fire Fighting Chemicals Group Standard 2021 HSR002573 to dispose of non-compliant firefighting foam. The cost of disposal has been estimated to be \$0.99 million and is to be disposed of by the end of December 2022 whereby the disposal is to coincide with the commissioning of a new firewater system. This cost has been provided for in these financial statements.

17. Employee entitlements

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Holiday leave	1,036,396	867,549	2,244,521	1,973,343
Sick leave	28,700	101,000	88,700	161,000
Long service leave	204,960	263,000	346,401	444,091
Retirement gratuities	290,600	332,800	796,600	927,800
Total employee entitlements	1,560,656	1,564,349	3,476,222	3,506,234
Comprising:				
Current liabilities	1,224,576	1,093,749	2,667,142	2,467,634
Non-current liabilities	336,080	470,600	809,080	1,038,600
Total employee entitlements	1,560,656	1,564,349	3,476,222	3,506,234

POLICIES

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

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

18. Borrowings

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Current liabilities				
LGFA Borrowing	-	5,000,000	-	5,000,000
Secured loans - ASB	-	-	64,461	78,572
Secured loans - TSB Bank	-	-	332	332
Total current liability borrowings	-	5,000,000	64,793	5,078,904
Weighted average interest rate	-	0.53%	1.52%	0.53%
Non-current liabilities				
LGFA Borrowing	14,500,000	-	14,500,000	-
Secured loans - ASB	-	-	32,268,427	36,894,705
Total non-current liability borrowings	14,500,000	-	46,768,427	36,894,705
Weighted average interest rate	2.79%	-	1.90%	1.51%

POLICIES

All borrowing costs are expensed in the period they occur, except for Port Taranaki Limited's exception for interest costs associated with capital projects. Port Taranaki Limited's borrowing costs incurred during construction/assembly of major capital projects are capitalised as part of the initial cost of the respective assets.

NOTES

As at 30 June 2022, total borrowings from the New Zealand Local Government Funding Agency (LGFA) were \$14.5 million (30 June 2021 \$5 million). The average rate of interest was 2.79% (30 June 2021 0.53%).

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

Port Taranaki Ltd borrowings with ASB Bank Limited are secured by way of a general security deed granting a security interest over its personal property, a fixed charge over its other property and a mortgage over its land and buildings. that extended the term of its facilities and revised the pricing structure to be based upon the Funding for Lending Programme. The borrowings in the statement of financial position include accrued interest. The weighted average interest rate in 2022 is 1.50% (2021: 1.51%).

The Taranaki Stadium Trust TSB Bank Liberty Revolving credit facility has a draw down limit of \$5,000,000 and is secured by way of a registered first mortgage over the property at 6 Maratahu Street, New Plymouth. Interest is incurred at a variable rate of 4.62% pa (30 June 2021: 3.02%).

19. Public equity

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Retained earnings				
Opening balance	72,377,248	70,501,379	147,781,124	142,558,331
Operating surplus/(deficit)	1,936,701	11,488,561	8,821,924	14,835,485
Transfers to reserves	(2,196,668)	(9,789,070)	(2,196,668)	(9,789,070)
Transfers from reserves	1,012,007	176,378	1,482,130	176,378
Closing balance	73,129,288	72,377,248	155,888,510	147,781,124
Reserves				
Opening balance	30,268,587	20,655,895	30,268,587	20,655,895
Transfers from retained earnings	2,196,668	9,789,070	2,196,668	9,789,070
Transfers to retained earnings	(1,012,007)	(176,378)	(1,012,007)	(176,378)
Closing balance	31,453,248	30,268,587	31,453,248	30,268,587

	Notes	Council		Group	
		2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
<i>North Taranaki/Waitara River Control Scheme reserve</i>					
Opening balance		1,315,992	1,212,646	1,315,992	1,212,646
Transfers from retained earnings		107,907	105,456	107,907	105,456
Transfers to retained earnings		(2,880)	(2,110)	(2,880)	(2,110)
Closing balance		1,421,019	1,315,992	1,421,019	1,315,992

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

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

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

	Notes	Council		Group	
		2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
<i>South Taranaki Rivers Control Scheme reserve</i>					
Opening balance		(717)	(18,047)	(717)	(18,047)
Transfers from retained earnings		1,028	17,599	1,028	17,599
Transfers to retained earnings		(9)	(269)	(9)	(269)
Closing balance		302	(717)	302	(717)

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

- construction and maintenance of the Ōpunake Flood Protection scheme
- other minor river control works which are required for flood protection in the South Taranaki constituency.

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

	Notes	Council		Group	
		2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
<i>Contingency/disaster reserve</i>					
Opening balance		1,086,000	1,086,000	1,086,000	1,086,000
Transfers from retained earnings		-	-	-	-
Transfers to retained earnings		-	-	-	-
Closing balance		1,086,000	1,086,000	1,086,000	1,086,000

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

	Notes	Council		Group	
		2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
<i>Dividend equalisation reserve</i>					
Opening balance		6,250,063	6,424,063	6,250,063	6,424,063
Transfers from retained earnings		-	-	-	-
Transfers to retained earnings		(1,009,118)	(174,000)	(1,009,118)	(174,000)
Closing balance		5,240,945	6,250,063	5,240,945	6,250,063

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

Notes	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
<i>Egmont national park control reserve</i>				
Opening balance	713,000	613,000	713,000	613,000
Transfers from retained earnings	-	100,000	-	100,000
Transfers to retained earnings	-	-	-	-
Closing balance	713,000	713,000	713,000	713,000

This reserve was created to meet the Council's share of the costs associated with initial control works and maintenance works resulting from the cyclical pest control works undertaken by the Department of Conservation in the Egmont National Park. This reserve smooths 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.

Notes	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
<i>Endowment land sales reserve</i>				
Opening balance	2,470,000	2,170,000	2,470,000	2,170,000
Transfers from retained earnings	465,000	300,000	465,000	300,000
Transfers to retained earnings	-	-	-	-
Closing balance	2,935,000	2,470,000	2,935,000	2,470,000

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

Notes	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
<i>Waitara lands reserve</i>				
Opening balance	18,434,249	9,168,233	18,434,249	9,168,233
Transfers from retained earnings	1,622,733	9,266,016	1,622,733	9,266,016
Transfers to retained earnings	-	-	-	-
Closing balance	20,056,982	18,434,249	20,056,982	18,434,249

This reserve was created to account for the proceeds from both rent and the sale of endowment land in Waitara arising from the *New Plymouth District Council (Waitara Lands) Act 2018*. The proceeds can only be used for purposes specified by the *New Plymouth District Council (Waitara Lands) Act 2018*, the *Local Government Act 1974* and the *Local Government Act 2002*. This reserve fund relates to the resource management group of activities.

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Total reserves	31,453,248	30,268,587	31,453,248	30,268,587
<i>Asset revaluation reserves</i>				
Opening balance	5,339,062	5,216,872	75,490,365	68,882,805
Transfers to retained earnings	-	-	(470,123)	-
Change in asset value	675,360	122,190	1,812,360	6,607,560
Closing balance	6,014,422	5,339,062	76,832,602	75,490,365
<i>Waitara flood control scheme</i>				
Opening balance	3,477,028	3,395,178	3,477,028	3,395,178
Change in asset value	453,080	81,850	453,080	81,850
Closing balance	3,930,108	3,477,028	3,930,108	3,477,028
<i>Waiwhakaiho flood control scheme</i>				
Opening balance	1,688,732	1,657,722	1,688,732	1,657,722
Change in asset value	178,430	31,010	178,430	31,010
Closing balance	1,867,162	1,688,732	1,867,162	1,688,732

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
<i>Ōkato flood control scheme</i>				
Opening balance	75,120	71,420	75,120	71,420
Change in asset value	20,680	3,700	20,680	3,700
Closing balance	95,800	75,120	95,800	75,120
<i>Ōpunake flood control scheme</i>				
Opening balance	98,182	92,552	98,182	92,552
Change in asset value	23,170	5,630	23,170	5,630
Closing balance	121,352	98,182	121,352	98,182
<i>Land</i>				
Opening balance	-	-	70,151,303	63,665,933
Transfers to retained earnings	-	-	(470,123)	-
Change in asset value	-	-	1,137,000	6,485,370
Closing balance	-	-	70,818,180	70,151,303
Total asset revaluation reserves	6,014,422	5,339,062	76,832,602	75,490,365
<i>Cash flow hedge reserve</i>				
Opening balance	-	-	295,558	-
Change in cash flow hedge reserve	-	-	1,180,954	295,558
Total cash flow hedge reserve	-	-	1,476,512	295,558
Total public equity	110,596,958	107,984,897	265,650,872	253,835,634

POLICIES

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

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

20. Remuneration

	Council	
	2021/22 Actual \$	2020/21 Actual \$
Total remuneration of Members		
Councillor M J Cloke	47,919	48,097
Councillor M G Davey	40,909	40,619
Councillor M P Joyce—Deputy Chairman	58,174	68,874
Councillor D L Lean	58,114	57,983
Councillor C L Littlewood	58,372	57,616
Councillor D N MacLeod—Chairman	103,590	102,957
Councillor M J McDonald	47,614	47,160
Councillor D H McIntyre	41,370	40,730
Councillor E D Van Der Leden	41,220	41,088
Councillor N W Walker	59,194	68,283
Councillor C S Williamson	41,038	41,136
Number of full-time employees	169	140
Full-time equivalent of all other employees	14	19
Number of employees receiving total annual remuneration below \$60,000	40	50
Number of employees receiving total annual remuneration between \$60,000-\$79,999	87	64
Number of employees receiving total annual remuneration between \$80,000-\$99,999	43	39
Number of employees receiving total annual remuneration between \$100,000-\$119,999	12	7
Number of employees receiving total annual remuneration between \$120,000-\$139,999	7	8
Number of employees receiving total annual remuneration between \$140,000-\$339,999	10	8

NOTES

The Chief Executive of the Taranaki Regional Council, appointed under section 42(1) of the *Local Government Act 2002*, received a salary of \$296,755 (\$296,755 - 2020/2021). In addition to salary the Chief Executive is entitled to private use of a Council vehicle, contribution to superannuation, professional membership fees and medical fees. Total remuneration was \$334,000 (\$334,000 – 2020/2021).

During the year ended 30 June 2022, the Council made one severance payment of \$12,802 (\$Nil – 2020/2021).

21. Subsequent events

NOTES

For the Council, there have been no other material events subsequent to balance date (2020/2021 Nil). For Port Taranaki Limited, on 12 September 2022 the Board resolved to pay a fully imputed final dividend of \$4.00 million at 7.69 cents per share, to be paid on 11 October 2022. There have been no other material events subsequent to balance date. (2020/2021: on 12 August 2021 the Board resolved to pay a fully imputed final dividend of \$4.00 million at 7.69 cents per share, to be paid on 11 October 2021). For the Trust, on 5 August 2022 the Trust purchased a property on Maratahu Street, New Plymouth for \$1.15 million (2020/2021 Nil) and on 3 September 2022, Yarrow Stadium became operational again for sports and events, a significant milestone for the Trust.

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

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Surplus/(deficit) for the period	1,936,701	11,488,561	8,821,924	14,835,485
Add/(less) non-cash items				
Depreciation and amortisation	2,380,405	2,107,637	10,734,416	10,363,243
Deferred tax movement	(67,917)	(37,240)	39,083	585,609
Loss on revaluation of buildings	-	-	1,296,058	-
Impairment of assets	-	-	91,939	161,738
Investment property: unrealised (gain)/loss	(1,144,000)	(2,056,000)	(1,144,000)	(2,056,000)
	3,105,189	11,502,958	19,839,420	23,890,075
Add/(less) movements in assets and liabilities				
Trade and other receivables	3,153,573	(1,474,059)	3,677,149	(1,784,342)
Provisions	-	-	963,000	(206,978)
Prepayments	(20,395)	(17,056)	(20,395)	(17,056)
Inventories	(187,030)	63,209	(377,030)	11,447
Work in progress—current liability	322,955	427,936	322,955	427,936
Work in progress—current asset	(28,082)	(5,718)	(28,082)	(5,718)
Trade and other payables	2,526,764	1,702,244	2,586,564	3,048,189
Employee entitlements	(3,693)	(133,156)	(3,693)	(133,156)
Taxation payable	-	-	1,303,573	(1,787,506)
Add/(less) investing activity items				
(Profit)/loss on sale of assets (net)	(89,100)	(266,256)	(89,100)	(247,031)
(Profit)/loss on sale of investment properties	(70,000)	10,000	(70,000)	10,000
Movement in fixed asset creditors	93,168	(198,405)	(298,832)	(617,405)
Cash inflow from operating activities	8,803,349	11,611,697	27,805,529	22,588,455

POLICIES

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

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

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

23. Related party transactions

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Councillors total remuneration (11 people, 3 FTE)	597,514	614,543	597,514	614,543
Council senior management total remuneration (5 FTE)	1,190,559	1,228,532	1,190,559	1,228,532
Port Directors total remuneration (1 FTE)	-	-	364,000	322,875
Port senior management total remuneration (6 FTE)	-	-	1,753,000	1,805,000
Taranaki Stadium Trust Council funding	2,178,669	3,942,720	-	-
Taranaki Stadium Trust loan	9,500,000	1,000,000	-	-
Port Taranaki Ltd dividend	8,000,000	8,000,000	-	-
Regional Software Holdings Limited	403,648	302,650	403,648	302,650

POLICIES

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

NOTES

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

24. Commitments and contingencies

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Commitments				
Capital commitments approved and contracted	-	-	7,678,088	12,314,374
Total commitments	-	-	7,678,088	12,314,374

NOTES

As at 30 June 2022, the Council has a \$57,905 contingent liability reliant on new land title information for a land compensation payment in relation to the construction of the Ōpunake Flood Control Scheme (\$57,905—2020/2021). As at 30 June 2022, the Council has a contingent asset for fines waiting to be awarded on one prosecution through the Environment Court (2020/2021: one).

The Council is a guarantor of the New Zealand Local Government Funding Agency (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating of Standard and Poor's of AAA. The shareholders are the New Zealand Government and 30 Councils with 68 Councils being guarantors of the LGFA. The uncalled capital of shareholders is \$20 million and that is available in the event that an imminent default is identified. Also, together with the shareholder's uncalled capital and guarantors, Council is a guarantor of all of the LGFA's borrowings. At 30 June 2022, the LGFA borrowings total \$16.146 million (2021: \$14.390 million). Financial reporting standards required Council to recognise the guarantee liability at fair value. However, Taranaki Regional Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of the LGFA defaulting on repayment of interest of capital to be very low on the basis that it is not aware of any local authority debt defaults in New Zealand and Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligation if further funds were required.

25. Leasing arrangements

	Council		Group	
	2021/22 Actual \$	2020/21 Actual \$	2021/22 Actual \$	2020/21 Actual \$
Non-cancellable operating lease receivables				
Lease commitments due as follows:				
Not later than one year	883,378	951,051	6,766,927	7,185,348
Later than one year and not later than five years	2,933,145	3,131,151	16,372,797	17,761,489
Later than five years	1,867,955	2,291,844	7,269,885	10,249,158

POLICIES

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

NOTES

Operating leases relate to investment properties owned by the Council and Port Taranaki Limited land and buildings. The Council has lease terms of between 5 to 21 years, with options to extend at the completion of each lease. Council operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. Port Taranaki Limited leases a range of land and buildings to a number of customers. The majority of leases include rights of renewal for periods of up to seven years, with several land leases containing rights of renewal from 20 up to 50 years.

26. Statutory compliance

NOTES

In 2021/2022 there were no breaches of statutory compliance by the Group (2020/2021—Nil).

27. Insurance of assets

	Council	
	2021/22 Actual \$	2020/21 Actual \$
Total value of all assets of the local authority that are covered by insurance contracts	19,350,487	18,436,445
Maximum amount to which they are insured	49,422,385	49,173,385
Total value of all assets of the local authority that are covered by financial risk sharing arrangements	-	-
Maximum amount available to the local authority under those arrangements	-	-
Total value of all assets that are self-insured (only flood protection and control works)	14,494,030	13,818,670
Total value of funds maintained for self-insured assets (only flood protection and control works)	1,086,000	1,086,000

28. Rating base information

	Council	
	2021/22 Actual \$	2020/21 Actual \$
The number of rating units within the region at the end of the preceding financial year	57,628	57,033
The total capital value of rating units within the region at the end of the preceding financial year	38,695,297,050	37,734,501,600
The total land value of rating units within the region at the end of the preceding financial year	22,313,392,700	22,126,752,250

29. Work-in-progress

POLICIES

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

30. Financial instruments

POLICIES AND NOTES

The Group holds the following financial instruments:

	2021/22 Estimated fair value \$	2021/22 Amortised cost \$	2021/22 Fair value \$	2020/21 Estimated fair value \$	2020/21 Amortised cost \$	2020/21 Fair value \$
Financial assets						
Cash and cash equivalents	7,199,437	7,199,437	-	3,544,947	3,544,947	-
Term deposits	26,265,052	26,265,052	-	23,231,671	23,231,671	-
Trade and other receivables	11,009,785	11,009,785	-	15,602,120	15,602,120	-
Held to maturity borrower notes	362,500	362,500	-	-	-	-
Derivative financial instruments	2,052,098	-	2,052,098	409,263	-	409,263
Financial liabilities						
Trade and other payables	17,336,590	17,336,590	-	13,880,959	13,880,959	-
Employee entitlements	3,476,222	3,476,222	-	3,506,234	3,506,234	-
Interest bearing loans	46,775,332	46,833,220	-	41,865,332	41,973,609	-

FAIR VALUE

The Group has carried out a fair value assessment of its financial assets and liabilities as at 30 June 2022 in accordance with PBE IPSAS 30 Financial Instruments: Disclosures. The Group's derivative financial instruments (interest rate swaps) are recognised at fair value in accordance with Level 2 valuation techniques (financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable).

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

DERIVATIVE FINANCIAL INSTRUMENTS

Port Taranaki Ltd uses derivative financial instruments to hedge its exposure to interest rate risks arising its activities. Derivative financial instruments are not held for trading purposes. Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of comprehensive income. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in the cash flow hedge reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of comprehensive income. The effective portion of changes in fair value of hedging instruments is accumulated in the cash flow hedge reserve as a separate component of equity. Port Taranaki Ltd determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. Port Taranaki Ltd assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. The notional amount of the hedging instrument must match the designated amount of the hedged item for the hedge to be effective.

IMPAIRMENT

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

RISK MANAGEMENT

Port Taranaki Ltd has managed cash flow interest rate risk through interest rate swaps. At 30 June 2022, the active hedges covered 99% (2021: 68%) of the Port's borrowings. At 30 June 2022, Port Taranaki Ltd had five interest rate swaps in place (2021: four financial instruments in place).

Port Taranaki Ltd can also apply surplus funds against the Company's borrowings or by investing these funds on a short-term basis until they are required.

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

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

If market interest rates at balance date had been 100 basis points higher or lower and all other variables were held constant, the Group's profit for the year ended 30 June 2022 would decrease/increase by \$252,776 (2021: decrease/increase by \$273,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Ngā pānga pūtea

Funding impact statement

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

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

Whole of Council funding impact statement

	2021/22		2020/21	
	Estimate Long-Term Plan \$	Actual \$	Estimate Annual Plan \$	Actual \$
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	10,937,289	10,937,288	7,954,391	7,954,391
Targeted rates	4,366,647	4,366,647	5,971,173	5,971,225
Subsidies and grants for operating purposes	5,229,709	5,714,327	4,094,968	7,338,437
Fees and charges	17,549,509	11,127,218	19,403,195	19,386,306
Interest and dividends from investments	9,772,417	9,963,688	10,491,772	9,991,390
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total operating funding	47,855,571	42,109,168	47,915,499	50,641,749
Applications of operating funding				
Payments to staff and suppliers	43,749,242	38,580,467	45,976,635	39,662,165
Finance costs	472,417	207,031	1,041,772	21,118
Other operating funding applications	-	-	-	-
Total applications of operating funding	44,221,659	38,787,498	47,018,407	39,683,283
Surplus/(deficit) of operating funding	3,633,912	3,321,670	897,092	10,958,466
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	9,500,000	-	1,000,000
Gross proceeds from sale of assets	563,500	163,888	243,000	363,499
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	563,500	9,663,888	243,000	1,363,499
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	250,000	-	-	-
- to replace existing assets	7,257,190	3,369,236	4,504,086	2,995,326
Increase/(decrease) in reserves	(199,485)	1,184,661	150,228	9,612,692
Increase/(decrease) in investments	(3,110,293)	8,431,661	(3,514,222)	(286,053)
Total applications of capital funding	4,197,412	12,985,558	1,140,092	12,321,965
Surplus/(deficit) of capital funding	(3,633,912)	(3,321,670)	(897,092)	(10,958,466)
Funding balance	0	0	0	0

Resource management funding impact statement

	2021/22			2020/21	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$	Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	4,965,037	4,965,037	4,965,036	3,186,752	3,061,369
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	2,836,000	2,836,000	2,946,576	702,000	4,741,465
Fees and charges	13,199,566	13,199,566	8,116,930	6,968,162	15,664,593
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	21,000,603	21,000,603	16,028,542	10,856,914	23,467,427
Applications of operating funding					
Payments to staff and suppliers	20,420,053	20,420,053	12,919,743	11,351,701	13,478,749
Finance costs	-	-	-	-	-
Internal charges and overheads applied	5,178,666	5,178,666	7,157,010	5,321,874	6,412,099
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	25,598,719	25,598,719	20,076,753	16,673,575	19,890,848
Surplus/(deficit) of operating funding	(4,598,116)	(4,598,116)	(4,048,211)	(5,816,661)	3,576,579
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	263,500	263,500	132,189	134,000	248,250
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	263,500	263,500	132,189	134,000	248,250
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	1,294,190	1,294,190	943,336	557,969	1,023,172
Increase/(decrease) in reserves	-	-	1,622,733	-	9,266,015
Increase/(decrease) in investments	(5,628,806)	(5,628,806)	(6,482,091)	(6,240,630)	(6,464,358)
Total applications of capital funding	(4,334,616)	(4,334,616)	(3,916,022)	(5,682,661)	3,824,829
Surplus/(deficit) of capital funding	4,598,116	4,598,116	4,048,211	5,816,661	(3,576,579)
Funding balance	0	0	0	0	0

Biosecurity and biodiversity funding impact statement

	2021/22			2020/21	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$	Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	2,426,731	2,426,731	2,426,731	2,073,581	1,985,485
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	2,970,043	2,970,043	1,773,156	2,353,826	2,480,904
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	5,396,774	5,396,774	4,199,887	4,427,407	4,466,389
Applications of operating funding					
Payments to staff and suppliers	2,798,252	2,798,252	4,598,739	1,010,525	5,321,931
Finance costs	-	-	-	-	-
Internal charges and overheads applied	1,067,293	1,067,293	1,325,491	524,030	1,191,352
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	3,865,545	3,865,545	5,924,230	1,534,555	6,513,283
Surplus/(deficit) of operating funding	1,531,229	1,531,229	(1,724,343)	2,892,852	(2,046,894)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	182,000	182,000	-	20,000	32,910
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	182,000	182,000	-	20,000	32,910
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	422,000	422,000	38,067	57,000	92,996
Increase/(decrease) in reserves	-	-	-	100,000	100,000
Increase/(decrease) in investments	1,291,229	1,291,229	(1,762,410)	2,755,852	(2,206,980)
Total applications of capital funding	1,713,229	1,713,229	(1,724,343)	2,912,852	(2,013,984)
Surplus/(deficit) of capital funding	(1,531,229)	(1,531,229)	1,724,343	(2,892,852)	2,046,894
Funding balance	0	0	0	0	0

Transport funding impact statement

	2021/22			2020/21	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$	Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	356,499	356,499	356,499	200,529	199,448
Targeted rates	1,438,997	1,438,997	1,438,997	1,294,207	1,280,678
Subsidies and grants for operating purposes	2,393,709	2,393,709	2,767,751	1,979,675	2,596,972
Fees and charges	1,102,400	1,102,400	862,086	1,224,201	897,097
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	5,291,605	5,291,605	5,425,333	4,698,612	4,974,195
Applications of operating funding					
Payments to staff and suppliers	5,273,788	5,273,788	5,334,482	4,548,846	4,429,781
Finance costs	-	-	-	-	-
Internal charges and overheads applied	287,480	287,480	348,730	265,677	303,869
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	5,561,268	5,561,268	5,683,212	4,814,523	4,733,650
Surplus/(deficit) of operating funding	(269,663)	(269,663)	(257,879)	(115,911)	240,545
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	40,000	40,000	4,303	-	325,885
Increase/(decrease) in reserves	-	-	-	-	-
Increase/(decrease) in investments	(309,663)	(309,663)	(262,182)	(115,911)	(85,340)
Total applications of capital funding	(269,663)	(269,663)	(257,879)	(115,911)	240,545
Surplus/(deficit) of capital funding	269,663	269,663	257,879	115,911	(240,545)
Funding balance	0	0	0	0	0

Hazard management funding impact statement—civil defence emergency management

	2021/22			2020/21	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$	Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	233,470	233,470	233,470	180,251	172,724
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	233,470	233,470	233,470	180,251	172,724
Applications of operating funding					
Payments to staff and suppliers	480,000	480,000	480,787	414,058	398,042
Finance costs	-	-	-	-	-
Internal charges and overheads applied	-	-	-	-	-
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	480,000	480,000	480,787	414,058	398,042
Surplus/(deficit) of operating funding	(246,530)	(246,530)	(247,317)	(233,807)	(225,318)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	-
Increase/(decrease) in reserves	-	-	-	-	-
Increase/(decrease) in investments	(246,530)	(246,530)	(247,317)	(233,807)	(225,318)
Total applications of capital funding	(246,530)	(246,530)	(247,317)	(233,807)	(225,318)
Surplus/(deficit) of capital funding	246,530	246,530	247,317	233,807	225,318
Funding balance	0	0	0	0	0

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

	2021/22		Actual \$	2020/21	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$		Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	(134,947)	(134,947)	(134,947)	(33,709)	(10,070)
Targeted rates	748,981	748,981	748,981	734,564	747,776
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	26,372	20,849	829
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	614,034	614,034	640,406	721,704	738,535
Applications of operating funding					
Payments to staff and suppliers	480,616	480,616	397,089	401,868	314,980
Finance costs	-	-	-	-	-
Internal charges and overheads applied	86,072	86,072	105,357	133,171	152,420
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	566,688	566,688	502,446	535,039	467,400
Surplus/(deficit) of operating funding	47,346	47,346	137,960	186,665	271,135
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	250,000	250,000	-	-	-
- to replace existing assets	-	-	50,008	-	34,972
Increase/(decrease) in reserves	(199,485)	(199,485)	106,047	49,376	120,676
Increase/(decrease) in investments	(3,169)	(3,169)	(18,095)	137,289	115,487
Total applications of capital funding	47,346	47,346	137,960	186,665	271,135
Surplus/(deficit) of capital funding	(47,346)	(47,346)	(137,960)	(186,665)	(271,135)
Funding balance	0	0	0	0	0

Recreation, culture and heritage funding impact statement

	2021/22			2020/21	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$	Actual \$	Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	2,239,529	2,239,529	2,239,529	2,207,767	1,841,487
Targeted rates	2,178,669	2,178,669	2,178,669	291,812	3,942,771
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	204,500	204,500	236,483	165,922	246,003
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	4,622,698	4,622,698	4,654,681	2,665,501	6,030,261
Applications of operating funding					
Payments to staff and suppliers	5,405,594	5,405,594	3,809,887	3,943,597	5,598,255
Finance costs	472,417	472,417	207,031	-	21,118
Internal charges and overheads applied	954,251	954,251	1,156,815	1,025,421	1,210,623
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	6,832,262	6,832,262	5,173,733	4,969,018	6,829,996
Surplus/(deficit) of operating funding	(2,209,564)	(2,209,564)	(519,052)	(2,303,517)	(799,735)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	9,500,000	-	1,000,000
Gross proceeds from sale of assets	97,500	97,500	9,916	20,000	30,957
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	97,500	97,500	9,509,916	20,000	1,030,957
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	1,109,000	1,109,000	531,778	1,647,000	440,636
Increase/(decrease) in reserves	-	-	-	-	-
Increase/(decrease) in investments	(3,221,064)	(3,221,064)	8,459,086	(3,930,517)	(209,414)
Total applications of capital funding	(2,112,064)	(2,112,064)	8,990,864	(2,283,517)	231,222
Surplus/(deficit) of capital funding	2,209,564	2,209,564	519,052	2,303,517	799,735
Funding balance	0	0	0	0	0

Regional representation, advocacy and investment management funding impact statement

	2021/22		Actual \$	2020/21	
	Estimate Long-Term Plan \$	Estimate Annual Plan \$		Estimate Long-Term Plan \$	Actual \$
Sources of operating funding					
General rates, uniform annual general charge, rates penalties	850,970	850,970	850,970	726,362	703,948
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	73,000	73,000	112,191	3,000	96,881
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	923,970	923,970	963,161	729,362	800,829
Applications of operating funding					
Payments to staff and suppliers	1,255,124	1,255,124	1,332,045	1,061,306	1,204,956
Finance costs	-	-	-	-	-
Internal charges and overheads applied	547,418	547,418	668,562	574,303	685,774
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	1,802,542	1,802,542	2,000,607	1,635,609	1,890,730
Surplus/(deficit) of operating funding	(878,572)	(878,572)	(1,037,446)	(906,247)	(1,089,901)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	20,500	20,500	21,783	63,000	51,382
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	20,500	20,500	21,783	63,000	51,382
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	4,392,000	4,392,000	1,801,744	833,644	1,077,665
Increase/(decrease) in reserves	-	-	-	-	-
Increase/(decrease) in investments	(5,250,072)	(5,250,072)	(2,817,407)	(1,676,891)	(2,116,184)
Total applications of capital funding	(858,072)	(858,072)	(1,015,663)	(843,247)	(1,038,519)
Surplus/(deficit) of capital funding	878,572	878,572	1,037,446	906,247	1,089,901
Funding balance	0	0	0	0	0

Te tuku pūrongo me te mana ture

Reporting and prudence regulations

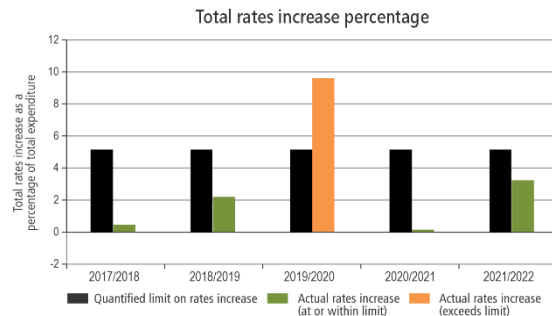
Local Government (Financial Reporting and Prudence) Regulations 2014

Annual Report Disclosure Statement for the Year Ending 30 June 2022

What is the purpose of this statement?

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

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

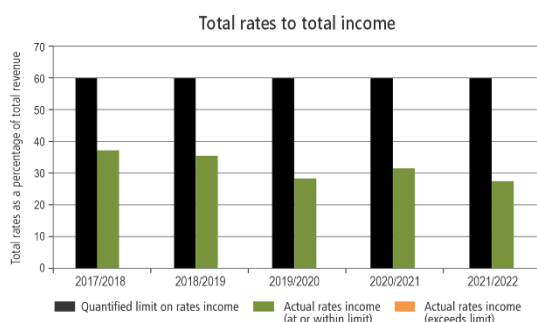


Rates affordability benchmark

The Council meets the rates affordability benchmark if—

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

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



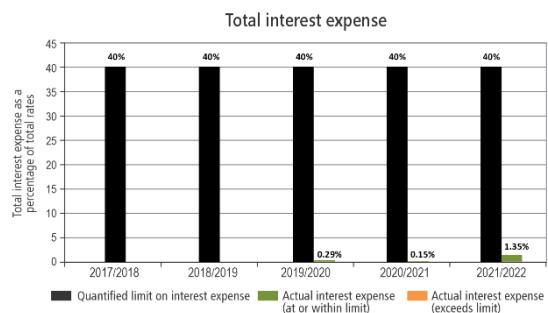
Rates (increases) affordability. The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is that total rates increase will not exceed 5% of total expenditure.

Debt affordability benchmark

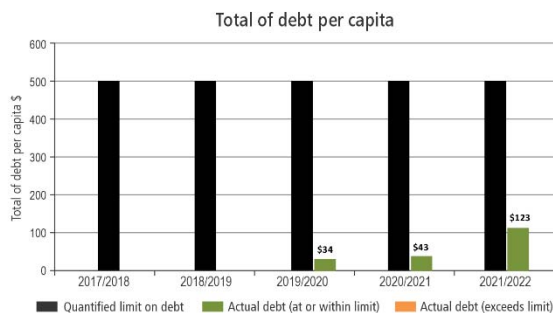
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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

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



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

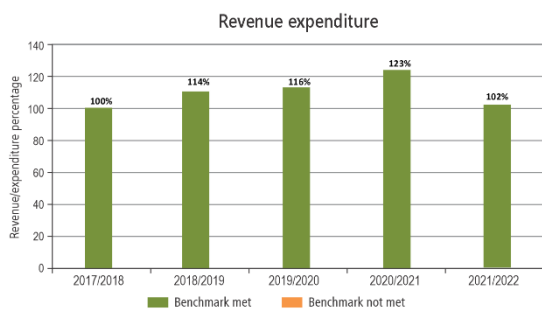


During the period to 2018/2019, the Council had no external public debt and, consequently no debt per capita.

Balanced budget benchmark

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

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



Essential services benchmark

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

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

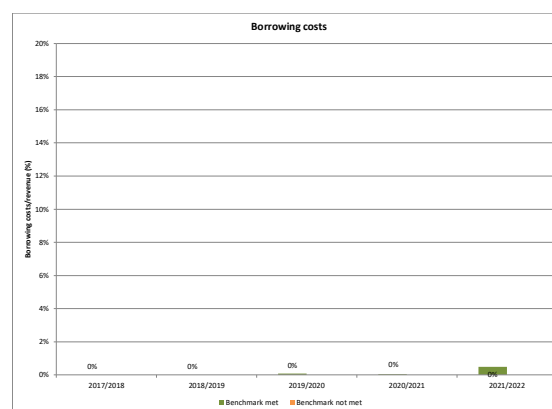
The Council's only network services are in relation to flood protection and control works. The Council does not provide any of the other network services. These network services are in the form of land assets. Accordingly, there is no depreciation on these assets. Capital expenditure will always be equal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

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

Debt servicing benchmark

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

During the period to 2018/2019, the Council had no

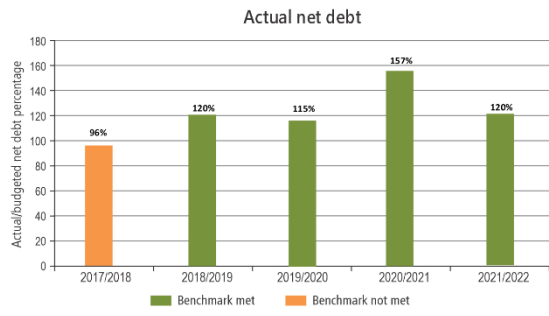


external public debt and, consequently no borrowing costs.

Debt control benchmark

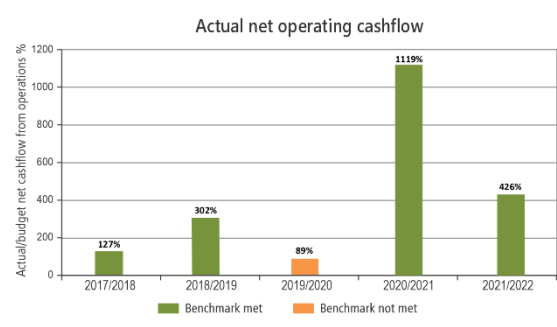
The following graph displays actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned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

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



Operations control benchmark

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



CONTACT DETAILS

TARANAKI REGIONAL COUNCIL MEMBERS

David N MacLeod (Chairman) – 14 Glen Almond Street, New Plymouth 4310
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David L Lean – 257 Tukapa Street, New Plymouth 4310
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Michael G Davey – 56 Kelly Street, Inglewood 4330
Charlotte L Littlewood - 8 Bright Way, New Plymouth 4310
Matthew J McDonald - 22 Tiromoana Road, RD 18, Eltham 4398
Donald H McIntyre - 137 Ratapiko Road, RD 10, Inglewood 4390
Elvisa Van Der Leden - 2A Vogel Street, New Plymouth 4312
Neil W Walker – 48A Rata Street, Hawera 4610
Craig Williamson – PO Box 3364, New Plymouth 4341

EXECUTIVE STAFF

Steve Ruru – (Chief Executive)
Abby Matthews – (Director – Environment Quality)
AD Fred McLay – (Director – Resource Management)
Michael J Nield – (Director – Corporate Services)
Daniel Harrison – (Director – Operations)

BANKERS

Bank of New Zealand Ltd, Stratford

AUDITORS

Deloitte, Hamilton
On behalf of the Controller and Auditor-General,
PO Box 3982, Wellington

SOLICITORS

Till Henderson King, PO Box 192, Stratford

TARANAKI REGIONAL COUNCIL

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