

# Pre-Election Report 2019

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**JULY 2019**

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**TARANAKI REGIONAL COUNCIL**

**B G Chamberlain – Chief Executive**

Document 2301127

## Introduction

This is the Taranaki Regional Council's Pre-Election Report for the October 2019 local authority elections. The purpose is to inform the regional community and to promote public discussion about any financial issues facing the Council.

The preparation and timing of a pre-election report is a mandatory requirement for all councils in New Zealand. This report brings together information previously published in other Council documents – including its 2018/2028 Long-Term Plan, annual plans and annual reports. As such, the information reflects the policy and service delivery decisions of the current Council. As is required by law, the Pre-Election Report is prepared by the Council's Chief Executive and not the current elected Council members.

This Pre-Election Report provides historic information for the past three financial years (2016/2017 to 2018/2019), an overview of the current election year (2019/2020) and the Council's planned performance and financial position for the next three years (2020/2021-2022/2023). It also provides information on the works programme and major projects the Council expects to deliver over the next three years.

The Council has taken on a major commitment to fund the repair and refurbishment of Yarrow Stadium on a budget of up to \$50 million. Despite this, and as demonstrated in this report, the Council is by any metric in a strong operational position and sound financial position. With prudent direction and management, this should continue into the foreseeable future.

There is a wealth of more detailed information available, including all of the above long-term plans, annual plans and annual reports, on the Council's website [www.trc.govt.nz](http://www.trc.govt.nz).

## Operational achievements

### Supporting livelihoods | Improving lifestyles | Taking Taranaki forward

Over the last three years and more, the Council has successfully progressed its objectives across the full range of its functions and responsibilities.

#### Freshwater quality

The Council's monitoring has consistently recorded strong gains – the best-ever or near the best-ever – in the all-important ecological health of our rivers. While other indicators are currently more variable, these reflect the unusually wet weather of very recent years. This illustrates why it's important to take a long-term view and keep an eye on overall trends as well as day-to-day monitoring results.

Latest long-term monitoring trends for waterway ecological health at 57 sites have 48 of them showing significant or highly significant gains while nine are negative. The gains outweigh declines by 5.3 to one, up from 2.9 to one 11 years ago. These encouraging results testament to the foresight, commitment and energy of the people of Taranaki.

Three decades ago, under the guidance of the TRC, the region's farming community voluntarily began the mammoth task of fencing the ring plain's waterways and protecting them with vegetation. So far that's involved 5.6 million plants, thousands of kilometres of fencing and tens of millions of dollars in investment. The region's on target to largely complete the job by the end of the decade. A recent independent study by NIWA found that this effort is not only strongly associated with the best improvements in ecological health that we've ever seen, but has also reduced E. coli levels.

More recently, the project earned the 2019 Excellence Award for Environmental Well-Being from Local Government New Zealand.

Meanwhile, under direction from the TRC, the dairy-farming community is also investing in improvements to effluent disposal, switching to land-based systems that leave waterways out of the equation.

But there are still gains to be made. The Council has been fully engrossed in a review of its 'rulebook', the Freshwater and Land Plan, to tease out issues and potential fixes. The aim to have a proposed new plan ready for notification in mid-2020.

#### Towards Predator-Free Taranaki

The community has embraced the Towards Predator-Free project, the ambitious region-wide campaign launched by the Council in May 2018.

The Council's monitoring data shows this intensive predator control may already be making a difference – rats and possums in urban New Plymouth are decreasing, while the trapping network in rural and urban areas is expanding rapidly.

Monitoring, using rat footprint tracking and a possum bite-mark index, show catch rates have dropped; rats went from 33 per cent to 19 percent in the past year, while the urban New Plymouth possum index has fallen from 25.6 to 1.4 per cent in the past four years. These results strongly suggest the rapidly growing trapping network in urban New Plymouth backyards, parks and reserves is having an impact, supporting successful efforts removing predators on rural and conservation land.

The project, led by Council, will cost \$47 million in the first five years, with \$11.7 million from the Government. Towards Predator-Free Taranaki is the biggest project of its kind in the country. Other highlights so far:

- Eradicating all possums from Oākura is getting closer. Phenomenal support from Oākura urban and rural residents has seen 53 possums caught in town and 140 in rural Oākura in the past four months.
- New Plymouth school students are leading urban efforts, with 33 primary and secondary schools participating in urban predator control, analysing catches, checking traps on public land, making traps and selling traps to local residents as a fund-raiser.
- The first North Island robin to be seen at Pukeiti in 112 years was spotted after intensive predator control in the area. Robin returned to Pukeiti, after being released following predator control on Egmont National Park by Taranaki Mounga Project – a conservation restoration project partnering with Towards Predator-Free Taranaki.
- New Plymouth rural landowners are starting to manage and maintain traps utilising a new wireless trapping network and self-resetting traps, helping catch and monitor mustelids (stoats, ferrets, weasels) on a large scale, across 14,000 hectares between Egmont national park and New Plymouth for the first time.

The project focused on New Plymouth district in the first year and will expand around the mountain in the coming years.

## Yarrow Stadium

Proceeding with grandstand repairs and essential refurbishments at Yarrow Stadium with a budget of up to \$50 million was a challenging decision that required the best expert advice and sound, lawful processes. The Council studied the costs and benefits in detail, listened to a wide range views and had a strong and healthy debate. Councillors then arrived at a consensus, approving the repair and refurbishment project with a unanimous vote. In my view, Councillors demonstrated commendable leadership and robust governance skills as they worked through the process and arrived at their decision.

Weighing up everything they saw, heard and read during the wide-reaching consultation process, Councillors are confident the community largely shares their vision for Yarrow Stadium: The best non-metro stadium in the country for national and international sports, entertainment and community events, offering a quality experience for all who use it. It was pleasing that so many took part in the consultation process.

## Pukeiti, Tūpare and Hollard Gardens

The Council had been confident the public of Taranaki and their visitors would respond positively to the new Rainforest Centre and associated developments at Pukeiti, which opened two seasons ago. Right on cue, visitor numbers whooshed ahead before settling into a steady increase that's so far about 200% up on what was seen just before the revamp. Pukeiti visitor numbers are now nudging 85,000 a year. The Council's other two heritage properties, Tūpare and Hollard Gardens, are also enjoying steady visitor growth as their gardens and facilities are continually refined and enhanced.

The success of these developments has given the Council confidence as it works to further to develop Pukeiti, not only because it's worthwhile in itself but also to add resilience to the Taranaki economy, with tourism rapidly emerging as an important regional industry alongside agriculture and hydrocarbon-based activities.

There's also important conservation work taking place there.

## Other achievements

- Maintaining and improving freshwater quality across the region. The most recent trends are near the best ever measured.
- Maintaining and implementing an effective suite of statutory policies, plans and strategies.
- Processing 100% of resource consent applications within statutory deadlines.
- Monitoring and reporting on compliance with consent conditions for all issued resource consents.
- Responding to, and where necessary undertaking appropriate actions in respect of pollution incidents and non-compliance.
- Reporting on improvements to the overall quality of the Taranaki environment.
- Enabling the protection of Taranaki's biodiversity by preparing, implementing and monitoring biodiversity plans for 52 of the region's key native ecosystems.
- Developing and implementing new public passenger transport services in the New Plymouth urban areas and rural Taranaki with more than 640,000 passenger trips being undertaken each year.
- Ensuring that Taranaki is ready and capable of responding to civil defence or other emergencies.
- Maintaining the 1-in-100-year protection offered by the Waiwhakaiho River and Waitara River flood control schemes, establishing a new flood control to protect Opunake township, and maintaining flood protection schemes at Ōkato and Waitōtara.
- Being a foundation partner at Taranaki's regional library and museum facility: Puke Ariki.
- Holding Taranaki's investment in Port Taranaki Ltd on behalf of the regional community noting its strategic value to the Taranaki economy.

- Advocating on behalf of the Taranaki community on matters of regional significance and importance, including progress on infrastructure improvements such as Mt Messenger and Awakino bypasses, and the sealing and upgrading of SH43 Forgotten World Highway.

The next four pages outline the Council's 2017/2018 achievements as reported in the audited 2017/2018 Annual Report.

# Supporting livelihoods



## Reporting environmental performance

**120** major consents monitored and publicly reported on.

**92%** 'high' or 'good' environmental performance for major consents.

**92.3%** dairy farms and all pig and poultry farms complied with consent conditions.

 High level of environmental performance by industries, councils and farming sector.

## Planting and fencing streambanks

**5.1m**

plants put along streams by landowners. 430,567 in past year along 250 km.

**86%** riparian plan streambanks protected with fencing

**72%** riparian plan streambanks protected with riparian vegetation.



## Enforcing environmental standards

**414**

environmental incidents responded to. Control and cleanup initiated where required.

**200**

abatement notices served

**67**

infringement notices issued.

## Sustainable farming

**840**

sustainable land management plans, covering 67% of hillcountry land in private ownership.

**87%**

hill country being managed sustainably



# Supporting livelihoods



**Restoring native habitats**

**95%** of 13 Key Native Ecosystems monitored improving or maintaining condition.

**14** new biodiversity plans covering 88 ha of ecologically important habitats on private land. Total of 104 covering 4,522 ha.



**Removing predators and targeting pest plants**

**\$11.6m** funding for Towards Predator-Free Taranaki from Predator Free 2050 Limited over five years.

**4,086**  
properties in self-help possum control programme covering 240,200 ha

**2,212**  
inspections for pest plants.

**6.9%** catch rate for possums on properties monitored. Within 10% target to significantly reduce effects of possums.

**Monitoring nature's extremes**

- ✓ Regional and district councils maintained Civil Defence readiness and response capability.
- ✓ new flood protection scheme constructed to protect Opunake township.
- ✓ maintained flood protection schemes in the lower Waitara, lower Waiwhakaiho, Waitotara, and Stony Rivers, and Kaihihi Stream.

**5** flood warnings issued to protect people and property potentially affected.



**Regulating use of natural resources**

**100%**  
resource consents processed in RMA timeframes over past 18 years.

**100%**  
consents submitted on resolved through pre-hearing process.

# Improving lifestyles



## Checking marine and river health

- 99%** coastal beaches samples met MfE bathing guidelines during summer.
- 80%** freshwater bathing site samples met MfE bathing guidelines during summer.
- 53%** freshwater ecological sites show significant trends of improvement and 2% showing significant decline.
- 67%** nutrient measures at representative surface water sites stable or improving (since 1995).

 overall, surface water quality is improving

## Public bus services and transport

**624,286**  
passengers on region's public transport

**44,098**  
subsidised Total Mobility passenger trips

**\$54,000**  
for Inroads Vehicle Society to carry people with disabilities.




## World-class gardens

**285%** increase in visitors to Pukeiti.

Total of 141,111 visitors to Tupare, Pukeiti and Hollard Gardens. New Lodge for public and private events at Pukeiti.

## Assisting Puke Ariki, heritage and culture

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



## Ensuring clean air

Taranaki's air quality is good, with negligible contribution from human activities.




## Yarrow Stadium

Hosting All Blacks test match against Argentina in September 2017.

# Taking Taranaki forward



## Sound financial performance



Council balance sheet remains very strong, with no public debt.



general rates increases at or below inflation rate for past few years.

## Port Taranaki ownership **\$5.46m**

dividends from Council-owned Port Taranaki Ltd.



## Educating future generations



**6,543**

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

**16**

environmental champions recognized by Council environmental awards.

## Connecting people

engagement to progress Mt Messenger and Awakino Tunnel bypass projects

## Building scientific knowledge

Range of resource investigations and applied research projects undertaken.



## Supporting community initiatives

worked with Wild for Taranaki, iwi and grassroots community groups to improve Taranaki's biodiversity.

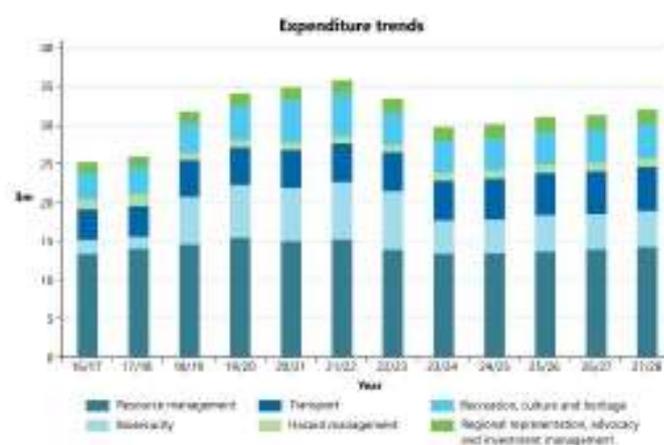


## Financial strategy

The content in this section derives from the Council’s Financial Strategy within the 2018/2028 Long-Term Plan. The full Financial Strategy is available on the Council’s website ([www.trc.govt.nz](http://www.trc.govt.nz)).

There are a number of strategies and policies that address and manage various facets of the financial operations of the Council. The objective of these various strategies and policies is to prudently manage the Council’s finances in such a manner as to protect the public’s investment and to minimise the exposure to risk. This acknowledges that at all times the Council is managing finances that belong to the Taranaki community.

The Council operates a balanced budget whereby in each year the operating expenditure is covered by sufficient operating revenue. Levels of service and operating programmes are established in the variety of policies, plans and strategies that the Council has prepared and adopted pursuant to key legislation. These planning documents include the Regional Policy Statement, regional plans for the coast, air, soil and fresh water, biosecurity strategies for plant and animal pests, land and passenger transport plans and strategies, civil defence emergency management plans and the asset management plans (gardens and flood control assets).



Expenditure budgets are set to deliver upon those levels of service and operating programmes. The Council is not anticipating any significant changes in Taranaki’s population or changes in the use of land within the region that would materially impact upon the policies, plans and strategies outlined above nor the capital and operating costs forecast in the 2018/2028 Long-Term Plan.

Within the Financial Strategy are parameters around rates levels and debt levels. The Council is in compliance with these parameters and there are no indicators that suggest the Council will breach these parameters at any stage over the life of the 2018/2028 Long-Term Plan. The Financial Strategy also includes targets on the performance of investments and equity securities. Leasehold land investments were forecast to return \$870,000 in 2018/2019—the preliminary actual results indicate this target will not be achieved. Port Taranaki Ltd was forecast to return \$8,000,000 for 2018/2019—the preliminary actual return for 2018/2019 was \$9,000,000.

## Rates

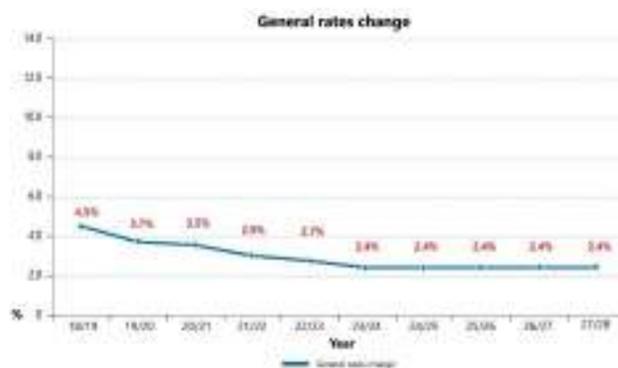
The Council has a proud history of modest rates increases. The exception to these modest increases was when the Council had to respond to reduced dividends from Port Taranaki Ltd in response to changes in Fonterra’s export arrangements and drop-offs in petrochemical trades. The Council also

has a history of rates reductions where Port Taranaki Ltd’s dividends have substantially increased due to buoyant trading conditions.

General rates changes for the last three years were 1% (2016/2017), 1% (2017/2018) and 4.5% (2018/2019). The change in general rates for 2019/2020 is 0%. The following diagram, from the 2018/2028 Long-Term Plan, shows the forecast general rates changes over the next 10 years. The Council’s rates are among the lowest, if not the lowest, for a New Zealand local authority. Again, provided Port Taranaki Ltd’s profitability and dividends continue, this position is expected to be retained in the foreseeable future.

## Public debt

Since 1996/1997, the Council has had no external debt. Borrowings of up to \$50m will be incurred to fund the Yarrow Stadium repairs and upgrades. This debt will be repaid over 25 years from specific targeted rates. There are no other plans for external public debt over the life of the 2018/2020 Long-Term Plan.



## Future revenue and expenditure

The expenditure forecasts for the next ten years do not include any significant increases that might indicate that the Council is not financially sustainable.

The Council’s revenue to fund its expenditure programme comes from a diverse range of sources, namely (for 2019/2020) rates (approximately 29%), direct charges (38%), dividends (17%), other investment sources (9%) and the Government (7%).

The biggest financial risk that the Council faces is the financial return (dividends) it receives from Port Taranaki Ltd (PTL). If PTL does not deliver the forecast dividends, the Council will need to increase general rates. The Council has had to address this problem twice in recent years (as a result of the drop-off in production from the Maui gas field and as a result of Fonterra’s decision to export local products through Auckland and Tauranga). The indicators are that Port Taranaki Ltd will continue to be profitable in the short to medium term.

Most of the Council’s activities revolve around the provision of regulatory and other services. Unlike most local authorities, the Council is not a major provider of large scale infrastructure (e.g., roading, water, wastewater and stormwater networks). Accordingly, the Council does not have a significant capital expenditure programme ahead of it. The Council funds the Taranaki Stadium Trust for capital expenditure on Yarrow Stadium.

## Qualification

Every reasonable effort has been made to ensure the accuracy of the information contained in this report. While the Pre-Election Report has not itself been audited, much of the information it contains has been audited by independent auditors. In particular, the first two years' (2016-2018) retrospective financial data have been audited as they have been taken directly from the relevant annual report. The next three years' (2020-2023) prospective financial data from the 2018/2028 Long-Term Plan have likewise been audited in conjunction with service performance targets and planned projects.

The retrospective financial information from the most recent financial year (2018/2019) has not been audited, as the timeframes within which councils are required to prepare this report are insufficient to complete an audit process. Some information, including that of the current year, may have changed since it was audited in the 2018/2028 Long-Term Plan. All figures for 2018/2019 are based upon the latest financial information as at June 2019. The Council is still in the process of preparing its independently audited 2018/2019 Annual Report. The final figures published for 2018/2019 in the 2018/2019 Annual Report will be different from the figures presented in the Pre-Election report. The differences may be material.

## Summary

The Council has been prudently governed and managed to date. As a consequence, the Council is in a strong financial position and is not facing many of the financial pressures of other local authorities. Provided that Port Taranaki Ltd dividends continue at forecast levels (and there are no indicators to suggest that they won't), the Council's strong financial performance and position should continue over the next three-year electoral cycle.

A handwritten signature in black ink, appearing to read 'B G Chamberlain'.

B G Chamberlain  
**Chief Executive**  
Stratford—July 2019

The Council's mission and activities are presented on the next two pages.

# Mission

To work for a thriving and prosperous Taranaki by:

- Promoting the sustainable use, development and protection of Taranaki's natural and physical resources;
- Promoting and providing for Taranaki's regionally significant services, amenities and infrastructure; and
- Safeguarding Taranaki's people and resources from natural and other hazards;

GROUPS OF ACTIVITIES		
 <p><b>Resource management</b></p>	 <p><b>Transport</b></p>	 <p><b>Hazard management</b></p>
<p><b>DESCRIPTION</b></p> <p>The Resource management group of activities provides the sustainable use, development and protection of Taranaki's natural and physical resources of land and soil, water, air, and coast in accordance with the Council's statutory duties, regional planning objectives and agreed national and other standards.</p>	<p>The Transport group of activities promotes an affordable, integrated, safe, responsive and sustainable transport system that assists economic development and safety and personal security, improves access and mobility, protects and promotes public health and ensures environmental sustainability.</p>	<p>The Hazard management group of activities enhances the safety and wellbeing of the public and protects property from hazards and minimises damage by floods and river erosion.</p>
<p><b>AIMS</b></p> <ul style="list-style-type: none"> <li>Protection of the life-supporting capacity of water in-stream uses and values</li> <li>Efficient allocation of water for consumptive use</li> <li>Maintenance and enhancement of all water quality in our rivers and lakes, groundwater and coastal waters</li> <li>Protection of riparian land in intensively farmed (predominantly dairy) catchments</li> <li>Sustainable land use in accordance with the physical capabilities of the land and soil resources</li> <li>Enhanced opportunities for sustainable development and best use of all country</li> <li>Maintenance of a high standard of ambient air quality</li> <li>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</li> <li>Efficient and effective resource consent processing, administration, compliance monitoring and enforcement</li> </ul>	<ul style="list-style-type: none"> <li>Land transport policies and activities that deliver efficient, effective and value for money transport solutions, land transport infrastructure and services for Taranaki</li> <li>Provision and increasing use of community passenger transport services</li> <li>Safe navigation for all users of the waters of Port Taranaki and its approaches</li> </ul>	<ul style="list-style-type: none"> <li>A civil defence emergency management system that delivers efficient and effective civil defence emergency management in Taranaki that is acceptable to the community</li> <li>Effective emergency readiness and response capability and capacity in the region</li> <li>Accurate and timely flood warnings</li> <li>Flood protection and drainage schemes that protect life and property</li> </ul>

- Representing Taranaki's interests and contributions to the regional, national and international community.

GROUPS OF ACTIVITIES		
<p><b>Recreation, culture and heritage</b></p> 	<p><b>Biosecurity and biodiversity</b></p> 	<p><b>Representation, advocacy and investment management</b></p> 
<p>The Recreation, culture and heritage group of activities supports and develops regional gardens, maintains an ongoing partnership relationship with Puke Ariki regional museum and library and ensures the continuing maintenance and development of Yarrow Stadium and the TSB Superstadium as part of a prosperous and vibrant Taranaki.</p>	<p>The Biosecurity and biodiversity group of activities minimises the actual or potential impact of pest plants and animals on the environment and on the Taranaki economy and community and maintains and enhances the indigenous biodiversity of the Taranaki region.</p>	<p>The Regional representation, advocacy and investment management group of activities maintains effective and open community representation as an important part of the democratic process; advocates on behalf of the Taranaki community on matters of regional interest; implements and further develops a programme of information transfer, advice and education on the Council's activities; and ensures that the equity, property and treasury investments owned by the Council are managed efficiently.</p>
<b>DESCRIPTION</b>		
<ul style="list-style-type: none"> <li>• Tagon, Holland Gardens and Pukeiti recognised as regionally or nationally significant gardens</li> <li>• A role in implementation of the Taranaki Crossing linking Pukeiti to the coast</li> <li>• Partnership relationship with the Puke Ariki regional museum and library</li> <li>• Presentation and operation of Yarrow Stadium as one of New Zealand's premier regional sporting stadium and venue</li> </ul>	<ul style="list-style-type: none"> <li>• Pest management plans that deliver efficient and effective management of the Council's biosecurity functions</li> <li>• Pest animals controlled to minimize their adverse effects on biodiversity, primary production and the regional economy and environment</li> <li>• Pest plants controlled or eradicated to minimize their adverse effects on biodiversity, primary production and the regional economy and environment</li> <li>• Maintenance and enhancement of indigenous biodiversity</li> <li>• Continue programmes to ensure Taranaki is one of the most advanced biodiversity regions in New Zealand and place the region to contribute to New Zealand's predator-free goals</li> </ul>	<p style="text-align: right;"><b>AIMS</b></p> <ul style="list-style-type: none"> <li>• Effective advocacy on behalf of the Taranaki community on matters that affect the statutory responsibilities of the Council or that relate to matters of regional significance which are of interest or concern to the people of Taranaki</li> <li>• Port Taranaki Ltd ownership as a strategic investment</li> <li>• Effective management of property and treasury investments owned by the Council</li> </ul>
<p>We will do this by leading with responsibility, working co-operatively, encouraging community participation, and taking into account the Treaty of Waitangi.</p>		

## Financial statements 2016/2017 to 2018/2019

This section provides an overview of the financial performance and position of the Council for the previous three years. This information has been drawn from Council's audited annual reports for 2016/2017 and 2017/2018 and the latest forecast figures for 2018/2019. If you are interested in more information, the annual reports explain in greater detail what the Council delivered compared to what it planned to do. The 2016/2017 and 2017/2018 Annual Reports are located on the Council's website [www.trc.govt.nz](http://www.trc.govt.nz). The Council is due to adopt the 2018/2019 Annual Report when it meets on 1 October 2019. It will be available on the website after this time.

## Funding Impact Statement

This table presents the actual Whole of Council Funding Impact Statement for the years ended 30 June 2017, 2018, and 2019. The Whole of Council Funding Impact Statement shows how the Council's activities will be funded. It shows where the funding comes from (including income from rates), the amount each source is expected to produce, and how those funds will be applied.

## Statement of financial position

This table presents the actual Statements of Financial Position for the years ended 30 June 2017, 2018 and 2019. The Statement of Financial Position is also known as the balance sheet. It shows what the Council owns (assets) and what it owes (liabilities) at the end of the financial year. The total sum of assets and liabilities is referred to as 'net assets' (public equity) – this is the net worth of the Council – providing a 'snapshot' of the Council's financial condition at that particular point in time.

## Funding Impact Statement

	<b>2018/2019 Forecast \$</b>	<b>2017/2018 Actual \$</b>	<b>2016/2017 Actual \$</b>
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	7,954,393	7,611,858	7,536,494
Targeted rates	2,220,791	1,865,532	1,820,603
Subsidies and grants for operating purposes	2,835,608	2,272,444	1,933,519
Fees and charges	12,269,872	7,802,467	7,275,299
Interest and dividends from investments	10,363,511	6,914,677	6,505,647
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding</b>	<b>35,644,175</b>	<b>26,466,978</b>	<b>25,071,562</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	27,042,353	25,134,602	20,636,484
Finance costs	0	0	0
Other operating funding applications	0	0	0
<b>Total applications of operating funding</b>	<b>27,042,353</b>	<b>25,134,602</b>	<b>20,636,484</b>
<b>Surplus/(deficit) of operating funding</b>	<b>8,601,822</b>	<b>1,332,376</b>	<b>4,435,078</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	207,500	207,500	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	323,381	323,381	214,434
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding</b>	<b>530,881</b>	<b>530,881</b>	<b>214,434</b>
<b>Applications of capital funding</b>			
Capital expenditure	0	0	
- to meet additional demand	0	0	0
- to improve the level of service	246,887	246,887	173,661
- to replace existing assets	3,701,657	3,701,657	4,579,372
Increase/(decrease) in reserves	377,903	110,384	1,205
Increase/(decrease) in investments	4,806,255	(2,195,671)	(104,726)
<b>Total applications of capital funding</b>	<b>9,132,703</b>	<b>1,863,257</b>	<b>4,649,512</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(8,601,822)</b>	<b>(1,332,376)</b>	<b>(4,435,078)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Statement of financial position

	<b>2018/2019</b>	<b>2017/2018</b>	<b>2016/2017</b>
	<b>Forecast \$</b>	<b>Actual \$</b>	<b>Actual \$</b>
<b>Current assets</b>			
Cash and cash equivalents	4,393,819	2,358,662	1,190,605
Current portion of investments	8,363,322	5,399,129	7,847,041
Receivables from exchange transactions	1,199,734	1,274,429	1,230,663
Receivables from non-exchange transactions	2,399,469	2,641,132	1,761,702
Inventories	23,900	56,108	41,763
Prepayments	226,176	195,602	186,823
Taxation refundable	5,109	5,109	6,555
Work-in-progress	172,004	161,854	127,904
<b>Total current assets</b>	<b>16,783,533</b>	<b>12,092,025</b>	<b>12,393,056</b>
<b>Non-current assets</b>			
Term deposits and treasury investments	2,625,250	2,500,000	2,500,000
Port Taranaki Ltd	26,000,000	26,000,000	26,000,000
Civic Assurance Ltd	1,000	1,000	1,000
Regional Software Holdings Ltd	798,118	798,118	798,118
Investment properties	18,513,000	17,380,500	16,669,500
Intangible assets	1,069,117	1,041,418	487,942
Property, plant and equipment	31,179,780	30,211,725	28,457,434
Deferred tax asset	0	0	0
<b>Total non-current assets</b>	<b>80,186,265</b>	<b>77,932,761</b>	<b>74,913,994</b>
<b>Total assets</b>	<b>96,969,798</b>	<b>90,024,786</b>	<b>87,307,050</b>
<b>Current liabilities</b>			
Payables from exchange transactions	3,182,940	2,972,318	2,787,592
Payables from non-exchange transactions	2,341,631	1,634,160	338,313
Employee entitlements	1,106,133	1,189,559	1,061,185
Work-in-progress	725,841	669,281	487,755
Borrowings	0	0	0
Taxation payable	0	0	0
<b>Total current liabilities</b>	<b>7,356,546</b>	<b>6,465,318</b>	<b>4,674,845</b>
<b>Non-current liabilities</b>			
Employee entitlements	778,300	717,400	752,000
Deferred tax liability	0	0	0
Borrowings	0	0	0
<b>Total non-current liabilities</b>	<b>778,300</b>	<b>717,400</b>	<b>752,000</b>
<b>Total liabilities</b>	<b>8,134,846</b>	<b>7,182,718</b>	<b>5,426,845</b>
<b>Public equity</b>			
Retained earnings	69,826,081	67,092,864	66,327,696
Reserves	14,179,561	11,239,866	11,129,483
Asset revaluation reserves	4,829,310	4,509,338	4,423,026
<b>Total public equity</b>	<b>88,834,952</b>	<b>82,842,068</b>	<b>81,880,205</b>
<b>Total liabilities and equity</b>	<b>96,969,798</b>	<b>90,024,786</b>	<b>87,307,050</b>

## Financial strategy

This table presents the actual performance for 2016/2017 and 2017/2018 and forecast performance for 2018/2019, against rates, rates increases, debt and returns on investments as established in the Financial Strategy in the 2015/2025 Long-Term Plan for 2016/2017 and 2017/2018 and the 2018/2028 Long-Term Plan for 2018/2019.

	<b>2018/2019 Forecast \$</b>	<b>2017/2018 Actual \$</b>	<b>2016/2017 Actual \$</b>
<b>Rates</b>			
Total rates will not exceed 60% of total revenue.	Forecast: 28%	Achieved: 36%	Achieved: 37%
<b>Rate increases</b>			
Total rates increases will not exceed 5% of total expenditure.	Forecast: 2.2%	Achieved: 0.5%	Achieved: 0.9%
<b>Borrowing</b>			
Total interest expense on net external public debt will not exceed 40% of total annual rates and levies.	Forecast: 0%	Achieved: 0%	Achieved: 0%
Net external public debt per capita will not exceed \$500.	Forecast: \$0	Achieved: \$0	Achieved: \$0
<b>Investment returns</b>			
Cash, cash equivalents and treasury investments - these investments are forecast to produce a 6% per annum return on investment.	Forecast: %	Achieved: %	Achieved: %
	Target \$870,000	Target \$860,000	Target \$860,000
Endowment properties.	Forecast \$888,862	Actual \$894,520	Actual \$861,411
	Target \$8,000,000	Target \$5,417,170	Target \$4,924,700
Port Taranaki Ltd.	Actual \$9,000,000	Actual \$5,46,000	Actual \$4,924,700
Civic Assurance Ltd (\$1,000 at 30 June 2011). The Council inherited these shares. They are not expected to return a dividend over the next ten years.	Achieved	Achieved	Achieved
Regional Software Holdings Ltd. This company owns and operates software for a group of regional councils. The Council holds these shares as a strategic investment in a critical component of its operations. The company is not expected to generate significant profits, nor is it expected to return a dividend over the next ten years.	Achieved	Achieved	Achieved

## Looking ahead 2020/2021 to 2022/2023

This section provides an overview of the financial performance and position of the Council for the next three years.

Every three years the Council prepares a 10-year plan, which outlines the work programme and financial implications for that 10-year period. The Council is then also required to prepare an annual plan, which updates the priorities and budgets for a particular year. The information in this section is drawn from the 2018/2028 Long-Term Plan and is therefore over a year old. It doesn't take into account any changes made to the work programme and budget in the 2019/2020 Annual Plan. This information will next be refreshed (and reforecast) in its entirety when Council prepares its 2020/2021 Annual Plan and the 2021/2031 Long-Term Plan. Given that, the 2019/2020 budget information from both the 2018/2028 Long-Term Plan and the 2019/2020 Annual Plan have been included for comparative purposes.

The following information is presented for compliance with section 99A of the Local Government Act 2002. It was prepared pursuant to the Local Government (Financial Reporting) Regulations 2011. 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 section 99A of the Local Government Act 2002 and the Local Government (Financial Reporting) Regulations 2011.

## Whole of Council Funding Impact Statement

This table presents the forecast Whole of Council Funding Impact Statements for the years ended 30 June 2020, 2021, 2022 and 2023. The Funding Impact Statement shows how the Council's activities will be funded. It shows where the funding comes from (including income from rates), the amount each source is expected to produce, and how those funds will be applied.

## Forecast statement of financial position

This table presents the forecast Statements of Financial Position for the years ended 30 June 2017, 2018, 2019 and 2020. It shows what the Council owns (assets) and what it owes (liabilities) at the end of the financial year.

## Whole of Council Funding Impact Statement

	2019/2020 Annual Plan \$	2019/2020 Long-Term Plan \$	2020/2021 Long-Term Plan \$	2021/2022 Long-Term Plan \$	2022/2023 Long-Term Plan \$
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	7,954,392	8,248,705	8,541,533	8,797,781	9,039,719
Targeted rates	5,910,867	2,283,745	2,320,583	2,352,091	2,242,816
Subsidies and grants for operating purposes	3,277,474	3,665,618	2,681,675	2,702,019	2,772,415
Fees, charges and targeted rates for water supply	17,677,048	9,816,070	10,735,960	11,292,078	9,744,645
Interest and dividends from investments	12,386,719	9,391,400	9,415,411	9,439,949	9,466,167
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0
<b>Total operating funding</b>	<b>47,206,500</b>	<b>33,405,538</b>	<b>33,695,162</b>	<b>34,583,918</b>	<b>33,265,762</b>
Applications of operating funding					
Payments to staff and suppliers	43,677,775	28,337,807	29,669,271	30,066,949	28,081,999
Finance costs	0	0	0	0	0
Other operating funding applications	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>43,677,775</b>	<b>28,337,807</b>	<b>29,669,271</b>	<b>30,066,949</b>	<b>28,081,999</b>
<b>Surplus/(deficit) of operating funding</b>	<b>3,528,725</b>	<b>5,067,731</b>	<b>4,025,891</b>	<b>4,516,969</b>	<b>5,183,763</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	0	0	0	0	0
Development and financial contributions	0	0	0	0	0
Increase/(decrease) in debt	0	0	0	0	0
Gross proceeds from sale of assets	195,000	215,000	237,000	214,000	482,000
Lump sum contributions	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0
<b>Total sources of capital funding</b>	<b>195,000</b>	<b>215,000</b>	<b>237,000</b>	<b>214,000</b>	<b>482,000</b>
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	0	0	0	0	0
- to improve the level of service	0	0	0	0	0
- to replace existing assets	3,220,649	3,084,029	3,095,613	2,435,625	2,788,535
Increase/(decrease) in reserves	(127,002)	(127,824)	149,376	151,351	(113,595)
Increase/(decrease) in investments	630,078	2,326,526	1,017,902	2,143,993	2,990,823
<b>Total applications of capital funding</b>	<b>3,723,725</b>	<b>5,282,731</b>	<b>4,262,891</b>	<b>4,730,969</b>	<b>5,665,763</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(3,528,725)</b>	<b>(5,067,731)</b>	<b>(4,025,891)</b>	<b>(4,516,969)</b>	<b>(5,183,763)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Source: The 2018/2028 Long-Term Plan and the 2019/2020 Annual Plan.

## Forecast statement of financial position

	2019/2020 Annual Plan \$	2019/2020 Long-Term Plan \$	2020/2021 Long-Term Plan \$	2021/2022 Long-Term Plan \$	2022/2023 Long-Term Plan \$
<b>Current assets</b>					
Cash and cash equivalents	1,855,374	698,803	695,566	607,755	607,755
Receivables from exchange transactions	960,000	1,000,742	1,022,758	1,046,281	1,046,281
Receivables from non-exchange transactions	1,040,000	1,084,138	1,107,989	1,133,473	1,133,473
Prepayments	100,000	104,244	106,537	108,987	108,987
Work-in-progress	400,000	416,976	426,149	435,950	435,950
<b>Total current assets</b>	<b>4,355,374</b>	<b>3,304,903</b>	<b>3,358,999</b>	<b>3,332,446</b>	<b>3,332,446</b>
<b>Non-current assets</b>					
Treasury investments	6,900,000	2,308,975	1,408,975	1,308,975	1,308,975
Port Taranaki Ltd	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000
Civic Financial Services Ltd	1,000	1,000	1,000	1,000	1,000
Regional Software Holdings Ltd	798,118	798,118	798,118	798,118	798,118
Yarrow Stadium Trust	22,870,781	0	0	0	0
Investment properties	17,380,500	14,617,000	14,617,000	14,617,000	14,617,000
Intangible assets	1,531,576	1,983,231	2,265,736	2,180,376	2,180,376
Property, plant and equipment	33,446,828	33,410,628	32,575,381	32,520,258	32,520,258
<b>Total non-current assets</b>	<b>108,928,803</b>	<b>79,118,952</b>	<b>77,666,210</b>	<b>77,425,727</b>	<b>77,425,727</b>
<b>Total assets</b>	<b>113,284,177</b>	<b>82,423,855</b>	<b>81,025,209</b>	<b>80,758,173</b>	<b>80,758,173</b>
<b>Current liabilities</b>					
Accounts payable	2,500,000	2,084,880	2,130,747	2,179,754	2,179,754
Work-in-progress	600,000	521,220	532,687	544,939	544,939
Employee entitlements	935,000	974,681	996,124	1,019,035	1,019,035
<b>Total current liabilities</b>	<b>4,035,000</b>	<b>3,580,781</b>	<b>3,659,558</b>	<b>3,743,728</b>	<b>3,743,728</b>
<b>Non-current liabilities</b>					
Employee entitlements	800,000	833,952	852,298	871,900	871,900
Borrowings	22,870,781	0	0	0	0
<b>Total non-current liabilities</b>	<b>23,670,781</b>	<b>833,952</b>	<b>852,298</b>	<b>871,900</b>	<b>871,900</b>
<b>Total liabilities</b>	<b>27,705,781</b>	<b>4,414,733</b>	<b>4,511,856</b>	<b>4,615,628</b>	<b>4,615,628</b>
<b>Public equity</b>					
Retained earnings	70,211,686	63,353,639	61,944,520	62,041,308	62,041,308
Reserves	10,857,372	10,932,251	10,845,601	10,378,005	10,378,005
Asset revaluation reserves	4,509,338	3,723,232	3,723,232	3,723,232	3,723,232
<b>Total public equity</b>	<b>85,578,396</b>	<b>78,009,122</b>	<b>76,513,353</b>	<b>76,142,545</b>	<b>76,142,545</b>
<b>Total liabilities and equity</b>	<b>113,284,177</b>	<b>82,423,855</b>	<b>81,025,209</b>	<b>80,758,173</b>	<b>80,758,173</b>

Source: The 2018/2028 Long-Term Plan and the 2019/2020 Annual Plan.

## Works programme

The Council intends to keep strongly focused on its core activities all of which are important for the well-being of the region. They contribute to community outcomes that Taranaki people have identified as being important. These activities include:

- protecting our rivers, lakes and water from pollution
- managing the wise and productive use of water and soil
- protecting the quality of our air
- managing our coastal resources wisely
- controlling animal and plant pests
- providing flood protection
- protecting biodiversity
- promoting efficient and safe transport networks
- providing public transport services, especially for transport disadvantaged people
- ensuring emergency and civil defence systems respond effectively in times of need
- managing regional garden amenities and supporting the protection of heritage
- ensuring the ongoing development and maintenance of Yarrow Stadium
- owning and ensuring good governance of Port Taranaki Ltd
- advocating for and promoting the best interests of Taranaki people and the sustainable development of the region.

More specifically, over the next three years the Council's work programme and major projects are to:

## Resource management

Prepare, adopt and maintain a comprehensive suite of legally compliant, high-quality and publicly considered policies, plans and strategies that will deliver efficient and effective management of the Council's functions and Taranaki's natural and physical resources. The immediate focus is preparing a draft regional fresh water and soil plan and preparing a draft regional coastal plan.

Process approximately 400 applications for resource consents annually; administer all current resource consents; undertake compliance monitoring of all resource consents including carrying out more than 3,300 annual inspections of agricultural and small business premises and completing over 120 annual tailored compliance monitoring programmes for major consents. The Council will also respond to all pollution incidents and, where necessary, undertake successful enforcement action.

Monitor and investigate the state of the environment in Taranaki and the effects of the implementation of the Council's policies and plans in accordance with the Council's monitoring

procedures and programmes. This will be done by applying recognised and reputable methods of data collection, analysis and reporting.

Provide relevant research information for resource management purposes through a series of resource investigations and projects.

Promote sustainable land management and riparian management by providing property planning services, in conjunction with landowners, that identify actions for land use management on an individual property basis.

Promote the implementation of the Taranaki Riparian Management Programme. Approximately 450,000 plants will be supplied to plan holders each year for planting.

Promote the protection of the environment through a programme of enhancement grants.

## Biosecurity and Biodiversity

Prepare, adopt and maintain a comprehensive suite of legally compliant, high-quality and publicly considered policies, plans and strategies that will deliver to the Taranaki community, efficient and effective management of the Council's biosecurity functions.

Control pest animals to minimize their adverse effects on biodiversity, primary production and the regional economy and environment, in accordance with the Council's approved regional pest animal management strategy. The Council's self-help possum control programme, implemented in partnership with land occupiers, will be continued to ensure that landholders maintain possum populations within acceptable limits within the programme.

Control and/or eradicate pest plants to minimize their adverse effects on biodiversity, primary production and the regional economy and environment in accordance with the Council's approved regional pest plant management strategy. Annually the Council will undertake the direct control and eradication of all known infestations of senegal tea, climbing spindleberry, mignonette vine, giant reed and Darwin's barberry in the region; confine the spread of or reduce the extent of 'eradication' and 'containment' pest plants through a programme of inspections and, where necessary, enforcement on all properties; and take necessary actions on all pest plant complaints.

Maintain and enhance the indigenous biodiversity of the Taranaki region, working alongside landowners and other groups and agencies in accordance with the Council's policies and biodiversity strategy priorities. Annually the Council will prepare 10 new biodiversity plans and monitor and report on the implementation of all biodiversity plans.

## Transport

Promote an integrated, safe, responsive and sustainable land transport system for Taranaki, promote the provision of community passenger transport in Taranaki and assist the special transport needs of the transport disadvantaged.

Promote safe navigation for all users of the waters of Port Taranaki.

Operate and improve passenger transport services in New Plymouth urban areas and regional Taranaki and the Total Mobility subsidy assistance programme, subject to funding approval processes.

Provide harbourmaster and harbour warden services for Port Taranaki to implement relevant harbour bylaws and regulations.

## Hazard management

Promote and enhance within the Taranaki community, an integrated, comprehensive civil defence emergency management system. Specifically, the Council will implement the Civil Defence Emergency Management Group Plan for Taranaki and the Taranaki Civil Defence Emergency Management Annual Business Plan.

Manage and maintain the Waitara and Waiwhakaiho flood protection schemes and manage other minor river control schemes to accepted or agreed design standards to minimize and prevent damage by floods and river erosion.

Provide accurate and timely flood warnings, flood control advice and undertake minor works and associated actions to minimise and prevent damage by floods and river erosion.

## Recreation, culture and heritage

Facilitate the continued development and maintenance of Yarrow Stadium and ensure that Tupare, Hollard Gardens and Pukeiti are maintained as regionally significant recreational and heritage amenities. The implementation of the asset management plans for Pukeiti will continue.

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

## Regional representation, advocacy and investment management

Ensure that the Council-owned port company, Port Taranaki Ltd, is efficiently managed as a successful business and that property and treasury investments owned by the Council are efficiently managed.

Promote community awareness and understanding of the Council's functions and activities and make quality and timely information publicly available. This area of activity will include further development of the Council's website.

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.

Ensure that public representation by the Council and its Committees is carried out effectively and efficiently in accordance with statutory requirements and advocate on behalf of the Taranaki community on matters of regional interest or concern.

## Exercise your democratic right

Council elections take place in October 2019 – it's important for you to familiarise yourself with the candidates and issues, and vote accordingly. The people who are elected make important decisions that impact on all our daily lives and our region's environment and economy. So have your say!

If you haven't already received a voter information pack, go to [www.vote.nz](http://www.vote.nz) and get yourself enrolled. If you have received your information pack, be sure to check your details are up to date, and attend to any updates that might be needed.

If you think you might like to stand as a candidate, be quick – nominations close at noon on Friday 16 August. Find out whether you're eligible and download nomination forms at [www.trc.govt.nz/council-elections-2019/](http://www.trc.govt.nz/council-elections-2019/)



