



The Taranaki Regional Council remains focussed on the need to be both efficient and effective as it works to support livelihoods, improve lifestyles and take Taranaki forward. So we're pleased to report that we've completed our full range of planned programmes of work and have again finished the year with a good financial result.

HIGHLIGHTS OF THE 2016/2017 YEAR:

Supporting livelihoods

Our environment and natural resources, especially fresh water, underpin our regional economy. It's noteworthy that although much national commentary takes a negative view of freshwater quality, many indicators in this region collectively indicate that we're making excellent progress towards enhancing our already good environment and thus future-proofing our economy.

This is no accident. The regional community continues to make substantial investments to protect and enhance the environment, especially waterways. The benefits are becoming apparent and the Council is committed to working with the community to continue this improvement into the future.

The Council's flagship freshwater project, the Riparian Management Programme, continues to grow from strength to strength. By the end of June 2017, more than 4.66 million native plants had been supplied to landowners since the scheme began in 1996. Across the region, close on 2,700 riparian plans cover more than 14,500km of streambank. Plan holders have fenced 85% of their streams and protected 70% with planting.

This exceptional effort is producing dividends in improving trends in water quality. It is New Zealand's largest streambank fencing and planting programme.

With some disappointment, the Council continues to advocate strongly for national freshwater policy directions that take account of the huge investment already taking place in regions like Taranaki. Not doing so is tantamount to punishment for doing the right thing.

However, the Council is not waiting for the national debate to settle down. During the year we released our 'Requirements for good farm management in Taranaki' outlining what is expected of this sector. Many of our

requirements, for example a move to land-disposal of farm dairy effluent as existing consents are renewed, are in line with national policy.

For the 17th consecutive year, the Council has processed all resource consents within the time limits set out in the Resource Management Act. 95% of significant resource consent holders attained 'high' or 'good' environmental performance.

The Council continues to expand its work alongside landowners to protect bush remnants and wetlands on private land. More than 170 privately owned sites have been identified under the Key Native Ecosystem (KNE) programme, and 88 of those sites now have biodiversity plans covering predator protection, pest plant eradication and regeneration of native vegetation.

The Council administers and is a core funder of Wild for Taranaki (the Taranaki Biodiversity Trust), which brings together all the relevant agencies and community groups to speak with one regional voice on biodiversity. The groundwork is being laid for an exciting new region-wide biodiversity initiative 'Restoring Taranaki'. Watch this space!

During the year, the Council worked with the Ministry for Primary Industries during the myrtle rust incursion.

Improving our lifestyles

Important milestones have been reached in the exciting revamp taking place at Pukeiti.

The Rainforest Centre (formally known as the Gatehouse) was substantially completed and officially opened on 9 September 2017. This world-class development will enrich the visitor experience and Taranaki people can justifiably be proud of it.

Work continued on the 'Taranaki Crossing' proposal, a mountain to surf experience extending from the North Egmont Visitor's Centre in Egmont National Park down to

Oakura, via Pukeiti and with a shorter option via Pouakai Hut to Mangorei Rd. The Council has already committed substantial funding to the proposal in areas outside of the National Park and will be considering more. With support from all parties, including the Government, the Taranaki Crossing has the potential to provide a major boost to the regional economy.

At Yarrow Stadium, new hospitality suites and food and beverage facilities were completed in time for the All Blacks test against Argentina on 9 September 2017. This places Yarrow Stadium at the forefront of regional sporting facilities in New Zealand.

Taking Taranaki forward

The Council advocated for the region's interests by making 31 submissions on the policy initiatives of other agencies, the most for a number of years.

One area of particular focus has been regionally important state highway improvements. Through its Regional Transport Committee and as convener of the SH3 Working Party, the Council worked with the New Zealand Transport Agency as various options were considered for the \$245 million improvements to SH3 at Mt Messenger and Awakino Gorge.

Strong financial position

The Council finished the 2016/2017 year with a surplus of \$1.6 million (total comprehensive income). Expenditure was \$568,000 under budget. Overall it was a good result, noting that the general rates increases have been at or below the rate of inflation for the past few years. The Council's balance sheet remains very strong, with no public debt.



David MacLeod, Chairman

Deloitte. INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TARANAKI REGIONAL COUNCIL AND GROUP'S SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

The summary of the annual report was derived from the annual report of the Taranaki Regional Council (the Regional Council) and its subsidiaries and controlled entities (the Group) for the year ended 30 June 2017.

The summary of the annual report comprises the following summary statements on pages 2 to 4:

- the summary statement of financial position as at 30 June 2017;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended 30 June 2017;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary performance information.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and

- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2017 in our auditor's report dated 18 September 2017.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

Other than in our capacity as auditor, we have no relationship with, or interests in the Regional Council or its subsidiaries and controlled entities.



Melissa Youngson, Partner
for Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand
18 September 2017

Supporting livelihoods



Planting and fencing streambanks

4.7m plants put along streams by landowners. 363,525 in past year along 200 km.

85% riparian plan streambanks protected with fencing

70% riparian plan streambanks protected with riparian vegetation.

Monitoring nature's extremes

8 flood warnings issued to protect people and property potentially affected.

✓ Regional and district councils maintained Civil Defence readiness and response capability.

✓ Maintained Waitara and Waiwhakaiho flood protection schemes to one-in-100-year level of protection.



Regulating use of natural resources

100% | **100%**

resource consents processed in RMA timeframes over past 17 years.

consents submitted on resolved through pre-hearing process.

Sustainable land management

87% hill country being managed sustainably.

52% hill country farms with sustainable land management plans – covering 204,335 ha.



Reporting environmental performance

191 major consents monitored and publicly reported on.

95% 'high' or 'good' environmental performance for major consents.

92.6% dairy farms and all pig and poultry farms complied with consent conditions.

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



Destroying predators and targeting pest plants

4,094 properties in self-help possum control programme covering 240,200 ha.

6,061 inspections for pest plants.

5% catch rate for possums on properties monitored. Well within 10% target to significantly reduce effects of possums.



✓ Supported voluntary urban possum control programme across New Plymouth City.

Enforcing environmental standards

545

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

191

abatement notices served

55

infringement notices issued.

Taranaki Regional Council is made up of eleven publicly elected Councillors as follows: David MacLeod (Chairman), David Lean (Deputy Chairman), Michael Joyce, Donald McIntyre, Tom Cloke, Craig Williamson, Charlotte Littlewood, Neil Walker, Matthew McDonald, Michael Davey and Bev Raine.

Improving our lifestyle



Checking marine and river health

100% surface water quality representative sites show improvement or stability in ecological health.

99% coastal beaches samples met MfE bathing guidelines during summer.

87% freshwater bathing site samples met MfE bathing guidelines.

57% freshwater ecological sites show significant trends of improvement and 2% showing significant decline.



Overall, continued trend of improvement. Some areas for improvement noted.



Securing Yarrow Stadium

Hosting Wellington Phoenix A-League, Chiefs Super Rugby, domestic T20 cricket and Taranaki national provincial championship games.

Assisting Puke Ariki, heritage and culture

Funding five 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.



Public bus services and transport

614,815 passengers on region's public transport

38,477 subsidised Total Mobility passenger trips

\$50,000 for Ironside Vehicle Society to carry people with disabilities.

TRC gardens



83,094

visitors to the Council-owned Tūpare, Pukeiti and Hollard Gardens.

New world-class Rainforest Centre at Pukeiti.



Taking Taranaki forward



Restoring native habitats

13 new biodiversity plans covering 975 ha of ecologically important habitats on private land. Total of 88 covering 4,345 ha.

96% of 23 Key Native Ecosystems monitored improving or maintaining condition.

Supporting community initiatives

Foundation funder for Wild for Taranaki which encourages protection of native ecosystems in Taranaki.



Connecting people

\$245m

Government funding by Council advocacy for Mt Messenger bypass, Awakino tunnel bypass and SH3 safety improvements

Building scientific knowledge

Range of resource investigations and applied research projects undertaken.



Port Taranaki ownership

\$4.92m

dividends from Council-owned Port Taranaki Ltd.



Educating future generations



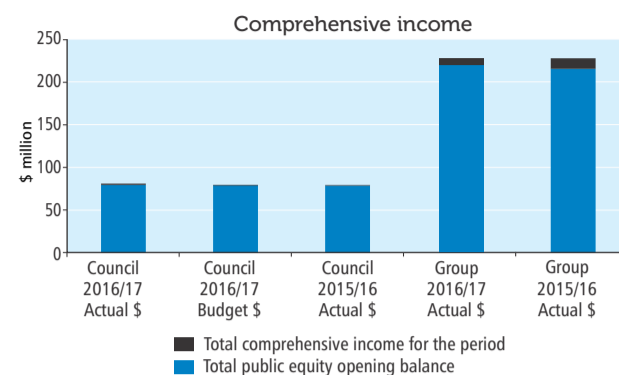
8,001

visits or field trips through the Council environmental education programme.

15 environmental champions recognized by Council environmental awards.

Comprehensive revenue and expense

	Council 2016/17 Actual \$	Council 2016/17 Budget \$	Council 2015/16 Actual \$	Group 2016/17 Actual \$	Group 2015/16 Actual \$
Total expenses	24,793,494	25,361,779	25,339,378	53,818,214	56,507,802
Total income	24,566,238	25,145,130	24,218,870	61,210,260	64,293,813
Operating surplus/(deficit) before finance income and expenses and taxation	(227,256)	(216,649)	(1,120,508)	7,392,046	7,786,011
Finance income	527,175	525,000	665,744	549,884	707,680
Finance expense	-	-	-	(1,254,056)	(1,434,032)
Operating surplus before taxation	299,919	308,351	(454,764)	(704,172)	(726,352)
Gains/(losses) on revaluation of investment properties	1,204,500	-	848,000	1,204,500	848,000
Income tax expense	(1,727)	-	(9,329)	(4,265,973)	(3,439,217)
Net surplus/(deficit) for the period	1,502,692	308,351	383,907	3,626,401	4,468,442
Items that may be reclassified subsequently to profit and loss when specific conditions met.					
Revaluation of property, plant and equipment	120,881	-	578,913	1,555,716	9,384,539
Change in cash flow hedge	-	-	-	(690,995)	(1,440,666)
Total comprehensive income for the period, net of tax	1,623,573	308,351	962,820	5,873,112	12,412,315



Changes in net assets/equity

The Council's equity grew by \$1.62m in 2016/2017 to \$81.9m. At a Group level, the total community ownership of the Council and the Group grew by \$5.87m to \$220.2m.

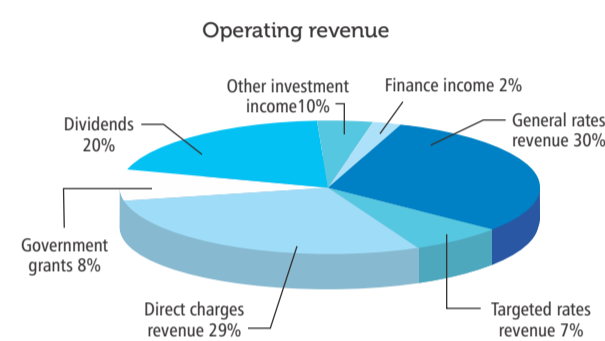
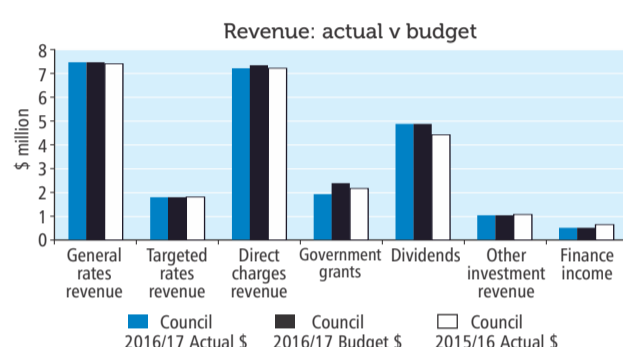
The Council's total equity of \$81.9m (Group - \$220.2m) is made up of retained earnings \$66.34m (Group - \$144.8m), special purpose reserves \$11.1m (Group - \$11.1m) and asset revaluation reserves \$4.4m (Group - \$65.6m). The Group also has a cash flows hedge reserve of \$1.26m (debit).

Comprehensive income

The Council made a net operating surplus (other comprehensive income) of \$1,623,573 (2015/2016, \$962,820) compared to a budgeted surplus, before transfers to and from reserves, of \$308,351. The entire operating surplus is from continuing activities.

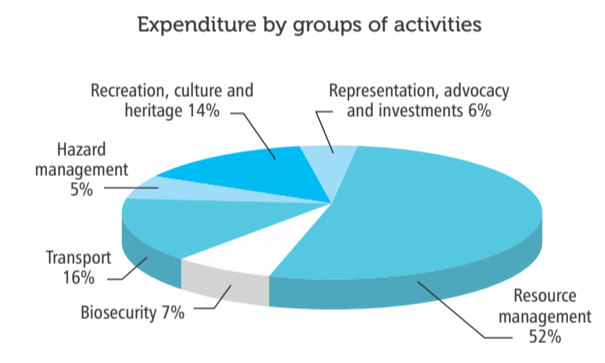
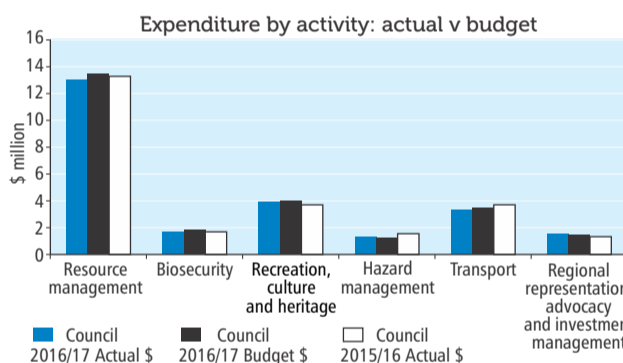
Revenue

Total revenue (including finance income) was below budget by \$576,717. This was largely due to the timing of the receipt of NZ Transport Agency funding for the regional integrated ticketing project.



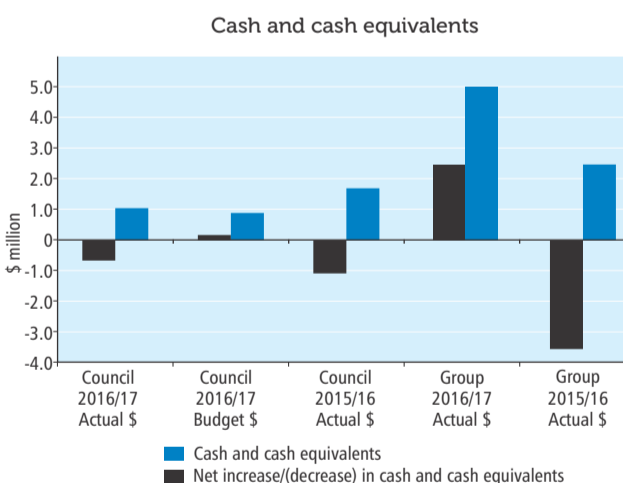
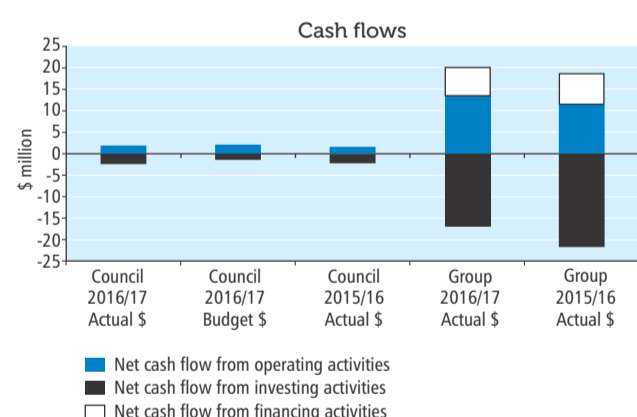
Expenditure

Operating expenditure was under budget for the year by \$568,285. There were many small ups and downs across the Council's budgets, but the two main variances against budget were a reduction in the level of riparian plant purchases and depreciation on newly constructed assets.



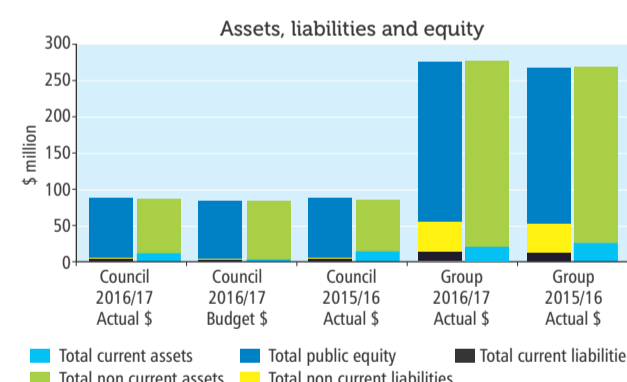
Cash flows

The Council's cash and cash equivalents reduced by \$511,488 during the year. Net cash inflows from operating was \$1.96m, whilst net cash outflows from investing activities was \$2.5m. At a Group level cash balances increased by \$2.6m to \$5.0m in total.



Financial position as at 30 June 2017

The Council's assets and liabilities remained relatively stable during the year. Assets grew by \$2.2m for the Council and by \$12.3m for the Group. Liabilities increased by \$609,063 for the Council and increased by \$6.5m for the Group. The Council continued to have no public debt.



Notes

These summary financial statements have been prepared in compliance with "Financial Reporting Standard No.43 (PBE)" issued by the External Reporting Board. The summary report cannot provide as complete an understanding as the full Annual Report, which is available free of charge from the Council offices (ph 06 765 7127) or email publications@trc.govt.nz or visit the Council's website www.trc.govt.nz.

This summary financial report has been extracted from the Taranaki Regional Council 2016/2017 Annual Report dated 18 September 2017. The Annual Report received an unmodified audit opinion dated 18 September 2017. This summary annual report has been audited and an unmodified opinion dated 18 September 2017 has been received. The financial statements are presented in New Zealand dollars. The Summary Annual Report was adopted and authorised by the Taranaki Regional Council on 18 September 2017.

Taranaki Regional Council is the ultimate parent of the Group and controls two entities being Port Taranaki Ltd and Taranaki Stadium Trust. There have been a number of transactions between Port Taranaki Ltd, the Taranaki Stadium Trust and the Taranaki Regional Council during the year in the normal course of business. These transactions are of an immaterial amount both individually and collectively.

The primary objective of the Taranaki Regional Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Taranaki Regional Council has designated itself and the Group as public benefit entities for the purposes of International Public Sector Accounting Standards (IPSAS). The full set of financial statements included in the Annual Report has been prepared in accordance with NZ GAAP. The full set complies with IPSAS, and other applicable Financial Reporting Standards, as appropriate for

public benefit entities. These summary financial statements are in accordance with the recognition and measurement requirements of IPSAS but do not comply with the presentation and disclosure requirements of IPSAS. The summary financial statements are in respect of the Council and Group's IPSAS full financial statements. This summary annual report has been prepared in accordance with Tier 1 Public Benefit Entity (PBE) standards.

Contingencies

The Taranaki Regional Council and Taranaki Stadium Trust have no known contingent liabilities as at 30 June 2017 (Nil-2015/2016). Pursuant to the Waitara Harbours Act 1940, the Council has an interest in 180 ha of New Plymouth District Council owned Waitara Harbour endowment lands. In the event of the sale of part or all of these lands by the New Plymouth District Council, the Council has a contingent asset. At this stage, the value is uncertain. For the Group, there have been no material events subsequent to balance date.