

FOREWORD



We have pleasure in presenting the Taranaki Regional Council's *2011/2012 Annual Plan*. This is the second and final annual plan prepared out of the *2009/2019 Long-Term Council Community Plan*.

The Council is involved in a diverse range of activities, responsibilities and public services. It plays a significant role in the economic and environmental success of Taranaki. In 2009/2010, the Council processed resource consents that resulted in new capital investment of at least \$205m. Further, renewals of resource consents impacted upon \$55m of existing capital investment. These investments by Taranaki people and businesses result in employment and prosperity for the region. The Taranaki Regional Council is proud of its role in facilitating this investment in a leading-edge manner.

Resource management is about promoting the sustainable use, development and protection of natural and physical resources. As was noted in the 2009 state of the environment report, Taranaki can be proud of having a relatively high quality environment, which is valued and generally well managed by the community. Particularly it is pleasing to note and report that:

- Water quality, ecological health and bacteriological guidelines, are generally stable or improving
- Coastal water quality is excellent
- Soils are healthy and managed sustainably
- Air quality is excellent
- Wetland and key native ecosystems protection efforts have improved
- Landscape, amenity and heritage values are of a high quality.

None of this happens by accident. Long-term plans, strategies and, most importantly, programmes of activity are reaping rewards. The Council is committed to continuing this approach to successfully balancing economic activity and resource management.

The intention of an annual plan is to present the coming year's budget and funding impact statement and to highlight any changes from the budgets and programmes outlined in the *Long-Term Council Community Plan*. Accordingly, the regular reader will note that this *Annual Plan* is condensed from the *Long-Term Council Community Plan*.

In preparing and adopting its *2009/2019 Long-Term Council Community Plan* the Council completed a comprehensive public process to adopt robust programmes and budgets. Therefore it is pleasing to note that across the majority of the Council's programmes and budgets the proposals in the *Annual Plan* are in alignment with the plans for 2011/2012 as contained in the *2009/2019 Long-Term Council Community Plan*. There are only a few key issues and proposals that differ from that outlined for 2011/2012 in the *Long-Term Council Community Plan*. That is, this *Annual Plan* is a "business as usual" proposal that delivers on the programmes outlined in the *2009/2019 Long-Term Council Community Plan* and confirmed in the *2010/2011 Annual Plan*.



Both the *Long-Term Council Community Plan* and the *2010/2011 Annual Plan* noted the Council's involvement in improving the level of flood protection afforded in the Waiwhakaiho valley section of the *Waiwhakaiho River Flood Control Scheme*. The 2011/2012 year will see considerable activity and construction of flood control assets in this locality.

Further, 2011/2012 will see the consolidation of efforts into new programmes commenced during the last year or so. In particular, this will involve the "bedding down" of public transport services in New Plymouth. The Council will be encouraging the increased patronage of bus services during the year.

Second, the Council will be working to secure the benefits of public ownership and operation of Pukeiti. For 2011/2012, this will see a focus on the preparation of an asset management plan for Pukeiti ahead of the preparation and adoption of the *2012/2022 Long-Term Plan*.

The continuing nature of the Council's activities and programmes for 2011/2012 highlights the following:

- commencement of reviews of the *Regional Fresh Water Plan for Taranaki*, the *Pest Management Strategy for Taranaki: Animals*, the *Pest Management Strategy for Taranaki: Plants* and progressing the review of the *Taranaki Civil Defence Emergency Management Group Plan*
- continuing to process 100% of resource consent applications within the required statutory timeframe
- continuing to monitor and enforce compliance with all resource consents to ensure high standards of environmental performance
- maintaining an informed and well-researched understanding of the Taranaki environment
- monitoring the approximately 2,600 property plans developed and supplying over 380,000 plants, at cost, to facilitate the implementation of those plans
- continuing to protect and enhance the region's biodiversity
- extending the self-help possum control programme by 3,500ha and maintaining low levels on the 228,000ha already in the programme
- undertaking a property inspection programme to confine and eradicate pest plants
- continuing to grow the use of bus services and providing transport solutions for the transport disadvantaged
- planning and preparing to respond to civil defence emergencies and reducing regional vulnerability
- continuing construction of increased flood protection in the Waiwhakaiho River Flood Control Scheme
- increasing the public use of regionally-significant gardens: Tupare, Hollard Gardens and Pukeiti
- continuing to deliver an environmental education programme to schools.

The Council has reviewed its approach to monitoring farm dairy effluent discharges with the aim of ensuring compliance and protecting water quality. A range of factors is behind this incremental change, not least being the substantial increases in herd sizes arising from amalgamations and intensification. Consent holders will fund increased water sampling and associated work. Improved cost recovery has also been provided for non-compliance situations. The majority of farmers work well with the Council to meet their environmental responsibilities and the Council looks forward to assisting our farmers in their important role in our region's economy and for our water management objectives.



The Council has made provision to increase its capacity to build and develop effective relationships with tangata whenua.

Other than for the effect of Pukeiti – new from 2010/2011 – budgeted expenditure is at the levels anticipated for 2011/2012 in the *2009/2019 Long-Term Council Community Plan*. This is a pleasing result and a vindication of the work put into the ten-year plan in 2009.

Revenue remains a different story, however. As we noted in last year's *Annual Plan*, revenue from Port Taranaki Ltd dividends had taken a significant drop. In the *2009/2019 Long-Term Council Community Plan*, dividends were forecast at \$3.3m and \$3.2m for 2010/2011 and 2011/2012 respectively. In the *2010/2011 Annual Plan*, the dividends ended up being budgeted at \$1.85m. A combination of reserve funds (Dividend Equalisation Reserve) and general rates funded the shortfall. Port Taranaki Ltd has worked hard to address the drop in dividends and the forecast dividends for 2011/2012 are now \$2.2m, which is better than the \$1.85m in the 2010/2011 financial year, but still not at the forecast level for 2011/2012 of \$3.2m.

Again, the Council has had to address this revenue shortfall. The Council has resolved once more, to use a combination of the Dividend Equalisation Reserve and an increase in general rates. However, because the gap in dividend revenue projections is smaller than last year the impact on rates and reserves will be significantly smaller.

The overall effect of this year's budgeted programmes and the need to fund the shortfall in dividends is an increase in general rates of \$329,067. Included in this increase is a movement in the uniform annual general charge of \$2.50 from \$50.50 to \$53.00 (GST exclusive). A total of \$78,689 from the Dividend Equalisation Reserve will help fund the budget shortfall from dividends. With the dividend shortfall being \$1.0m, but the increase in general rates and the use of the Dividend Equalisation Reserve amounting to \$400,000, it is clear that this year's budget has prudently absorbed \$600,000 of the shortfall by controlling costs and increasing revenue from other sources.

Differences in valuation dates and the effect of the UAGC make the calculation of the effect of rates increases on different groups of

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ratepayers variable. If you wish to calculate what your rates are likely to be under this Annual Plan please use the table on page 43.

In 2009, the Government's Department of Internal Affairs undertook an analysis of all rates per dwelling for all councils in New Zealand. This information was sourced from each council's 2009/2019 long-term council community plan. The Taranaki Regional Council had the lowest rates per dwelling in New Zealand at \$160. This was \$14 per dwelling lower than the next lowest council. Across the country the average regional council rates per dwelling was \$300. (Source: LGIS 2009/15 Observations and Trends from 2009/19 Long-Term Council Community Plans, Department of Internal Affairs, 2009).

Even with the changes in this *Plan*, and the impact of changes made in the *2010/2011 Annual Plan*, the Council believes the Taranaki Regional Council will still collect the lowest rates per dwelling in New Zealand.

The Council remains in a strong financial and operational position to deliver on the plans and programmes agreed with the community through the many statutory planning processes that the Council is required to undertake.

The annual planning process provides an important opportunity for ratepayers and residents to examine and provide views on the Council's proposed activities in the forthcoming financial year, prior to the Council committing itself to a programme. The Taranaki Regional Council received 16 submissions on the draft of this *Plan*. After full consideration of those submissions a number of minor changes were made. None of these changes had any impact on the general rates for 2011/2012. The most significant of these changes was the provision of public transport services for Taranaki's Rugby World Cup games. The Council will fund the net cost, after fares and passenger contributions, of these public transport services. This expenditure (maximum of \$60,000) will be funded by way of transfer from the Passenger Transport Targeted Rate Reserve.

The Council has worked hard to listen to the community and to put in place efficient and effective programmes, which will benefit the region. The focus has been on our future as well as our present needs. With this *Annual Plan*, the Taranaki Regional Council is satisfied that it is in a position to carry on the work of this, and previous Councils, in a professional and efficient manner.

David MacLeod
Chairperson

Basil Chamberlain
Chief Executive