

Recount



TARANAKI REGIONAL COUNCIL SUMMARY ANNUAL REPORT 2009/2010

October 2010 No. 77



Keeping our eye on the ball



I'm pleased to present this summary of the Taranaki Regional Council's 2009/2010 Annual Report. The Report illustrates the variety of work that Council undertakes with our community

– work that affects the daily lives of all Taranaki residents in some way.

The Council has continued to focus on improving service, quality and productivity across its core functions during what has been a successful and busy year, even challenging at times.

Through its long-term plans, strategies and programmes the Council is committed to sustainable economic activity. During the year the Council processed resource consents representing at least \$205 million worth of new capital investment, while consent renewals accounted for \$55 million worth of existing investment. The Council is proud to facilitate this level of investment which brings employment and prosperity to the region.

Resource management is about promoting the sustainable use, development and protection of our natural resources. Taranaki can be proud of our relatively high quality environment which is valued and generally well managed by our community. Freshwater quality generally continues to be stable or improving, coastal water quality is excellent, soils are healthy and managed

sustainably, air quality is excellent and efforts to protect wetlands and key native ecosystems have improved.

Greatly improving New Plymouth bus services and successfully securing the future of Pukeiti for the people of Taranaki are two major highlights for the year.

The New Plymouth bus revamp was the biggest change to public transport in Taranaki in 20 years. Council will work hard to increase usage of these exciting new services and ensure they are retained for Taranaki residents and visitors.

It was also pleasing for Council to work through a full process with the Pukeiti Rhododendron Trust to transfer ownership to the Council and secure the future of the world-class gardens. I am confident that with appropriate planning, Pukeiti will attain high standards similar to Tupare and Hollard Gardens and public use will increase.

The Council is proud of its regional investments and the community has reaped the benefits of its \$9.6 million investment in the redevelopment of Yarrow Stadium. The regional benefits include hosting our second All Black test against Ireland and securing three Rugby World Cup 2011 games.

The Council continued its strong financial performance. In spite of reduced dividends from its 100% owned Port Taranaki Limited, \$1.6 million below forecast, Council's operating expenditure was 4%

below budget. And although the Council had a \$500,000 operating deficit, it still has no public debt.

Port company dividends were affected by Fonterra directing less product through the port and lower offshore exploration activity. The Council has empowered the company's board and management to address these issues in a timely manner and has not required them to make hasty decisions in the pursuit of short-term gains but at the expense of the long-term viability of the port.

The Council is committed to retaining the port company in public ownership as a key strategic asset for the region.

I acknowledge the Council's staff and management, the leadership of Chief Executive Basil Chamberlain and the external parties that have contributed to another successful year. I now invite you to look over the high level of outputs across the range of Council activities, outlined on the following pages.

David MacLeod
Taranaki Regional Council Chairman

The full Annual Report is available from the Council at 47 Cloten Road, Stratford, phone 06 765 7127 and online at www.trc.govt.nz.

Bigger, better bus services

New Plymouth's urban bus fleet almost doubled in May this year when the biggest changes to urban transport in Taranaki in 20 years were rolled out.

Nine new commuter services replaced the previous four urban routes, capacity increased to 500 seats daily, routes became shorter and more direct, new areas were included, two-way orbiters streamlined school services, and Oakura, Bell Block and Waitara services were improved. Convenient discounted SmartCard ticketing was introduced across the network.

Council has worked hard to respond to the community's call for better bus services and to gain \$1.94 million over two years from the New Zealand Transport Agency to help fund these improvements. Promotion of the improved services included new printed and online timetables. Initial signs indicate the new CityLink services are being well received and supported. During the year patronage increased 15% to over 400,000 trips.

Significantly discounted multi-trip passes for students were also introduced in response to parents' concerns. Overall fare increases were necessary to meet increased operating costs, improved service levels and to ensure users fund an appropriate share.

The Council and Transitz Coachlines Ltd are committed to making the new services succeed. The services will be reviewed after two years and solid support from the



- Biggest revamp of urban passenger transport services in 20 years.
- 15% increase in North Taranaki bus patronage to over 400,000 trips.
- Support from travelling public required to retain bus services.

community is essential to ensure they are retained.

Patronage targets for the once-a-week South Taranaki SouthLink services were met, including strong support from SuperGold card holders.

The Total Mobility Scheme, which provides discounted taxi travel for people with disabilities, continued to be rated highly by users. Client numbers grew to more than 2,000 but passenger trips and expenditure decreased due mainly to increased fares, improved administration and increased use of

the Ironside Vehicle Society. Council funds discounts for Ironside fares.

Good progress was made on consultation and review of the *Regional Land Transport Strategy for Taranaki*. The *Strategy*, which guides decision-making and funding allocation over 30 years, will go out for public consultation in the current year.

Council advocated on a wide range of land transport issues for the benefit of the people of Taranaki, and reviewed the navigation bylaws for Port Taranaki during the year.

Connecting with our community

The Council engages with the Taranaki community in many ways across the whole range of its business.

The Council's websites are increasingly powerful tools for people to access the Council and its services. Since the Council's website (www.trc.govt.nz) was redeveloped on a new content management platform, site visits have continued to trend up. The website is used extensively to access bus service information, the Taranaki Regional Explorer portal and live environmental data.

Twelve environmental awards were presented this year highlighting the investment and commitment people are making to enhance where we live.

During the year, 5,637 students were directly involved in learning about sustainable use of our natural environment and other topics such as emergency preparedness, through



- 5,637 students involved in environmental education programme.

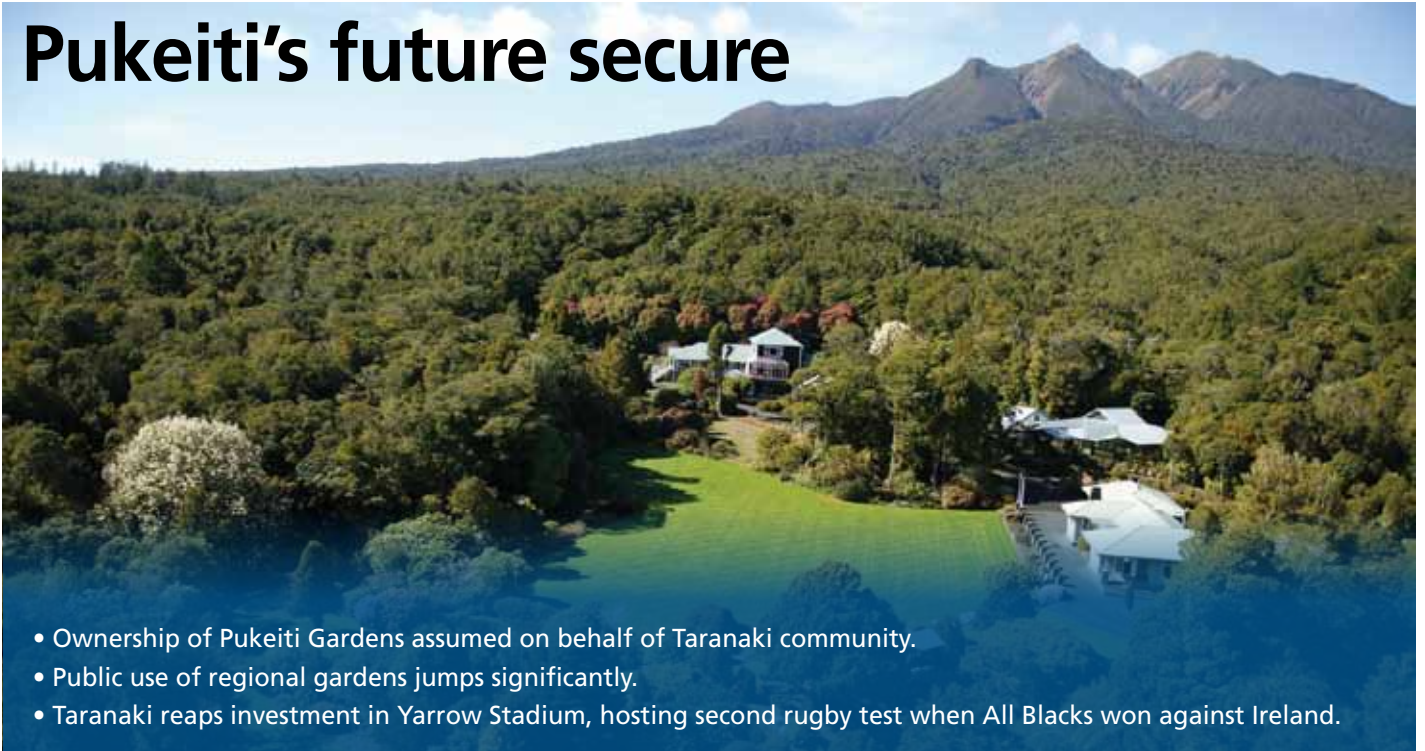
the Council's environmental education programme. In addition, almost 1,000 visitors, mainly students, visited learning areas at the Council.

To support teachers with environmental education studies Council held four teacher-training workshops, provided comprehensive teaching resources and distributed the programme's quarterly *SITE* newsletter to all schools.

Five issues of the Council's *Recount* newsletter were published during the year and media releases on Council activities and related issues were regularly distributed.

Targeted publicity campaigns were used to promote Tupare and Hollard Gardens, bus services, riparian management and emergency preparedness.

Pukeiti's future secure



- Ownership of Pukeiti Gardens assumed on behalf of Taranaki community.
- Public use of regional gardens jumps significantly.
- Taranaki reaps investment in Yarrow Stadium, hosting second rugby test when All Blacks won against Ireland.

The future of the iconic Pukeiti property and its famous rhododendron collection has been secured with the transfer into public ownership on 1 July 2010. Pukeiti has joined the Council's suite of regional gardens alongside Tupare and Hollard Gardens.

A partnership between the Council and the Pukeiti Rhododendron Trust was agreed in February and Council assumed ownership after a consultation process. The proposal was presented in the summary of the *2010/2011 Annual Plan* which went to all Taranaki households; public notices also invited submissions and all but one of the 16 submissions relating to Pukeiti favoured the move to public ownership.

Pukeiti's 360 hectare property contains one of the most comprehensive rhododendron collections in the Southern Hemisphere and is a Garden of National Significance. The move puts Pukeiti on a sound financial and operational footing.

Planning to redevelop and enhance Pukeiti will be the initial focus in a process similar to the very successful redevelopment of Tupare and Hollard Gardens. This will ensure that Pukeiti remains a valuable asset for the region, to benefit the people of Taranaki and future generations.

The benefits of the Council's increased operational and capital commitment to Tupare and Hollard Gardens have been apparent in the last few years. There were more than 24,000 visitors and 36 public events at Tupare during the year and more than 11,500 visitors and 18 events at Hollard Gardens.

Through its regional gardens and other activities, the Council aims to provide high quality and diverse recreational experiences to contribute to making Taranaki a prosperous and vibrant region.

2009/2010 was the eighth year of the 10-year targeted rate to cover some of the costs of redevelopment of Yarrow Stadium. The wide range of events and audiences attracted to this excellent regional venue demonstrate the success of the investment. In June 2010 a capacity crowd filled Yarrow Stadium when it hosted its second rugby test match, the All Blacks versus Ireland. Three Rugby World Cup 2011 games are programmed for the stadium.

During the year, the Council supported the *60 Springs* environmental education programme, a South Taranaki Museum environmental education programme and the Taranaki War exhibition, through its partnership with Puke Ariki.

Resource management instruments reviewed

A milestone was achieved when the new *Regional Policy Statement for Taranaki* became operative in January 2010 following a comprehensive review.

The *Regional Policy Statement* establishes the framework for all four Taranaki councils for the sustainable management of Taranaki's natural and physical resources—land, fresh water, air and the coastal environment — over the next 10 years and beyond.

The Council's approach to water quality management through its riparian and sustainable land management programmes was endorsed through the review process. Council

will closely monitor the ambitious targets set for implementation of riparian and farm management plans.

The review of the *Regional Air Quality Plan* continued throughout 2009/2010. There was extensive pre-hearing consultation with submitters on the *Proposed Plan* and a hearing of submissions in June 2010. The revised *Air Quality Plan* is set to become operative early in 2011, subject to any appeals to the Environment Court.

The Council will wait until central government releases the *New Zealand Coastal Statement* before doing any major work on

the review of the *Regional Coastal Plan for Taranaki*.

Assessment of the regional fresh water and regional soil plans showed that they were generally on track in achieving their objectives.

Council also made submissions on a wide range of policy documents and legislative proposals from other organisations.

- Reviewed Regional Policy Statement for Taranaki approved.

Focus on pre-hearing process

The number of resource consents processed during the year dropped 4% from last year to 342, the lowest figure in 10 years.

All applications were processed within statutory timeframes for the 10th consecutive year (compared to 69% nationally) and the majority (98%) were processed without public notification. The Council's charges are among the lowest in New Zealand, a reflection of the effectiveness of the regional plans, staff

competence and processing efficiency.

Council strongly advocates the pre-hearing process. Pre-hearing meetings were held for all notified or limited notified consent applications received by the Council. Two potential hearings were averted by successful pre-hearing meetings, considerably reducing the costs to all parties. Three applications could not be resolved by the pre-hearing process.

The Council's consenting role is economically significant. During the year proposed new activities with a capital value of \$205 million were licensed and consents for an estimated \$55 million of existing activities were renewed.

The Council has 216 individual programmes to monitor the performance of 394 major consent holders. 87% of consent holders achieved either a high or good level of environmental performance and only 2% were poor.

Waste treatment systems for all 1,834 dairy farms, 27 piggeries and 48 poultry farms were inspected. 4.4% required reinspection which is about normal. Of the 1,076 minor industrial operations, only 2.6% required reinspection.

The Council gives a high priority to the response to pollution complaints. Council staff investigated 546 environmental incidents during the year, mostly relating to freshwater and air quality. Fifty-three written explanations were required, and 107 abatement notices and 42 instant fines were issued. Nine prosecutions from previous years were successfully concluded and Council resolved to undertake five prosecutions.



- All consent applications processed within statutory timeframes, for 10th year in a row.
- Consents license new activity worth \$205 million capital value.
- 107 abatement notices and 42 infringement notices issued, and five prosecutions taken.

Good environmental understanding essential

Relevant and high-quality scientific information on environmental trends is essential for the community to make sound resource management decisions.

Five annual reports summarising the results from hundreds of samples from monitoring sites across the region provided valuable information to build towards the Council's five-yearly *State of the Environment Report*. Input from the state of the environment monitoring is also an essential part of the review of statutory plans and policies.

Council invested in 11 research investigations and applied research projects through joint ventures with organisations such as Crown Research Institutes to improve its knowledge and to aid decision-making.

During the year investigations into potential contamination at Marfell Park, New Plymouth was completed. Investigations concluded that the park is suitable for its current use and the recommendation to increase soil cover in a specific area was undertaken by NPDC.

New DNA profiling has provided the answer to the long-standing mystery of faecal

contamination of the Waimoku Stream at Oakura. Sampling results confirmed that wildfowl are the predominant source of the contamination.

Work by Massey University to develop monitoring tools to measure sediment loads in rivers during floods has also been supported. The tools will be used to monitor the effectiveness of land management programmes and for civil defence emergency management.

Collaboration with the region's district councils on waste minimisation and sustainability initiatives includes the introduction of recycling at major events at the Bowl of Brooklands, Yarrow Stadium and the coming Rugby World Cup 2011.

Other initiatives included supporting the collection of unwanted electronic equipment at eDay in September 2009 and schemes to collect unwanted farm chemicals, containers and plastics for safe disposal or recycling.

During the year the Taranaki Solid Waste Management Committee was established to provide a regional inter-council approach to waste management decisions, replacing the former working party.



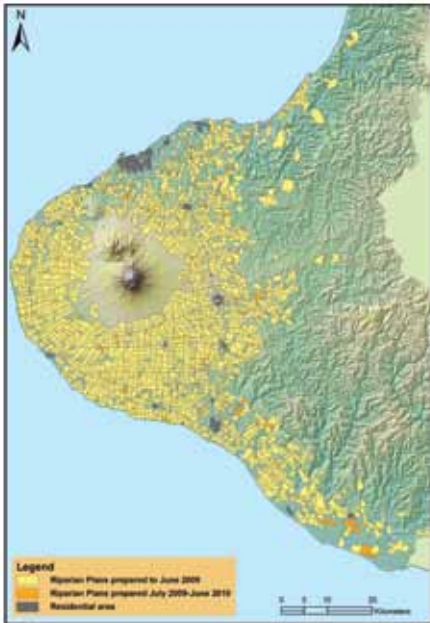
- Wildfowl, rather than cows or people, confirmed as predominant source of contamination.
- New regional approach to solid waste management.

Strong support for land management

Demand for individual property plans and advice on sustainable land management continued to be strong.

The four types of property plans are: comprehensive plans with detailed mapping to match land use with the land capability of hill country farmland; agroforestry plans; site-specific conservation plans; and riparian plans, which detail fencing and riparian planting to protect and enhance water quality.

An additional 7,478 hectares (16 plans) were covered by comprehensive farm plans during the year, bringing the total to 186,605 hectares. Council staff also advised landholders of opportunities for carbon farming as an alternative and sustainable land use, and of forestry opportunities through the Regional Council pool of the *Afforestation Grant Scheme*.



Forty-six plan holders have committed to work under the *South Taranaki and Regional Erosion Support Scheme* (\$1 million of Government funding over four years) which targets the Waitotara catchment and other erodible land.

Ninety-five percent of Taranaki's dairy farmers now have a riparian plan. This exceeds the regional target under the *Clean Streams Accord* of 90% by 2010.

During the year farmers fenced 369 kilometres and planted 156 kilometres of streambank. For streambanks covered by riparian plans, and taking existing fencing and vegetation into account, 68% (8,487 kilometres) are now fenced and 59% (that require protection) have riparian vegetation.

But farmers still need to substantially increase the rate of fencing and planting to meet the regional target of 90% of riparian plans implemented by 2015. The focus for Council staff is on one-on-one liaison with land holders, monitoring 85% of active riparian plans during the year.

The challenge for Taranaki farmers is to get on with the work to turn the plans into reality, rather than be led by regulation as many critics of their environmental performance advocate.

Almost 280,000 riparian plants went into the ground last winter through the Council's bulk purchasing scheme, a significant effort, bringing the total over the last 14 years to around 1.8 million.

To encourage implementation, the Council offers to tender contract planting for landholders doing their first riparian planting and a sponsored prize draw provides incentives for plan holders to order early.

A review of the Taranaki Tree Trust largely confirmed its directions but with more focus on natural areas of importance for biodiversity. Council continued to administer and contribute to the operation of the Trust.



- Over 186,000 hectares of the hill country covered by comprehensive or agroforestry plans.
- 95% of dairy farms have riparian plans.
- 68% of stream banks fenced and 59% planted.
- 285,500 plants distributed during the year.

Managing hazards and risks

Regular maintenance and restoration work was carried out on the region's two major flood protection schemes on the Waitara and lower Waiwhakaiho rivers.

In Waitara, protection work was carried out below the town bridge on sections of both banks of the river and work began on improving channel efficiency behind Mangaroa Island near the river mouth.

The revision of the *Lower Waitara River Reserve Management Plan* recognised the importance of the area to the Waitara community, the value of the river to tangata whenua and its historic and biodiversity values, in a way, which is

consistent with the reserve's primary purpose of maintaining flood protection assets for Waitara.

Stage II investigations of the Waiwhakaiho flood protection scheme were completed. These investigations are now the basis for further study to increase the level of protection of the Lower Waiwhakaiho scheme.

Work to clear 23 kilometres of the Waitotara River channel was completed this year.

The Civil Defence Emergency Management (CDEM) Group reviewed the *Group Plan* during the year. This involved reviewing hazard literature and research, a hazards and risk analysis and discussions with key stakeholders.

During the year the Taranaki CDEM Group responded to two tsunami events. The Group also held Exercise Ngaru which was based on a tsunami originating off the coast of Samoa.

A draft Companion *Animal Welfare Plan* and a draft *Emergency Operations Centre – Welfare Plan* were prepared, and a public awareness and readiness survey was undertaken.

Public education activities included 26 presentations to groups, facilitation of five workshops, Disaster Awareness Week and planning for the internet-based community exercise Taranaki Blowout.

Protecting agriculture and biodiversity from pests



- 3,828 properties included in Self-Help Possum Control Programme across 228,500 hectares.
- Possum populations maintained at very low levels.

Controlling possums on the Taranaki ring plain is still the major focus under the Council's *Pest Animal Management Strategy*.

The *Self-Help Possum Control Programme* covers almost all privately owned land on the ring plain, except urban areas, and significant parts of the coastal terraces and frontal hill country – 3,828 properties covering 228,500 hectares. The programme has succeeded in reducing possum numbers on the ring plain to a level that protects agricultural production values, animal health and biodiversity.

There was no major expansion of the self-help programme during the year as resources were directed to possum control on private land around Egmont National Park. Council

engaged contractors to carry out control work on 212 properties covering around 15,000 hectares. The work was co-ordinated with the Department of Conservation's aerial possum control in the Park.

Maintenance possum control was checked on 900 properties to make sure the level of possum infestation met the *Strategy's* requirement. If the levels were too high, land occupiers were required to carry out further control and ultimately 100% complied.

Monitoring of the overall effectiveness of the programme indicated that the residual trap catch was 5.7%, well below the 10% target.

These results show the value of Council facilitating and empowering land occupiers to actively manage this environmental and agricultural pest. Possum control also makes a significant contribution to protecting our biodiversity.

In recent years the focus for pest plant control has shifted from agricultural (where compliance is now generally high) to environmental pest plants such as old man's beard, giant gunnera, pampas and wild ginger.

The number of properties with problems in managing pest plants is steadily declining. However, the number of properties inspected has markedly increased to more than 12,000 in the last year. These have been mainly urban properties as surveys were carried out in several townships during the year. Many inspections involve education

about environmental weeds and 38 plant nurseries and retail outlets were inspected for pest plants.

The Council issued 342 notices of direction relating mainly to pampas, gorse, ragwort and wild ginger. Council treated 25 infestations of pest plants targeted for eradication and directed land occupiers to treat a further three. All known infestations of eradication pest plants have been destroyed apart from undaria, which is confined to Port Taranaki where physical control of undaria will be carried out later this year.



Audit report to the readers of Taranaki Regional Council and Group's Summary Annual Report for the year ended 30 June 2010



We have audited the summary financial statements and the other requirements of Schedule 10 of the Local Government Act 2002 as set out in page 7.

Unqualified opinion

In our opinion:

- the summary financial statements and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements and the other requirements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements and the other requirements from which they are derived.

We expressed an unqualified audit opinion, in our report dated 21 September 2010, on:

- the full financial statements;
- the service performance information; and
- the Council and group's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report.

Basis of Opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Taranaki Regional Council or its subsidiary.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary financial statements and the other requirements of Schedule 10 of the Local Government Act 2002 and we are responsible for expressing an opinion on those summary financial statements and the other requirements of Schedule 10 of the Local Government Act 2002. These responsibilities arise from the Local Government Act 2002.

Graham Naylor, Deloitte
On behalf of the Auditor-General
Hamilton, New Zealand
21 September 2010

Taranaki Regional Council and Group: Statement of comprehensive income for the year ended 30 June 2010

2009/2010 Actual \$	Group 2008/2009 Actual \$	2007/2008 Actual \$
8,966,050	7,956,003	7,213,376
1,978,213	2,133,339	2,030,747
2,419,862	1,992,252	1,413,250
1,083,425	1,041,743	936,139
1,238,843	1,082,593	957,705
950,447	973,889	1,019,731
31,074,225	35,670,080	31,422,472
47,711,065	50,849,899	44,993,420
5,720,560	5,535,565	5,405,824
1,305,638	1,042,339	772,514
4,068,897	4,307,792	3,040,917
1,573,633	844,144	698,852
76	139	132
583,196	517,261	455,142
(48,000)	(745,000)	2,795,000
37,765,998	46,554,064	42,748,621
50,969,998	58,056,304	55,917,002
3,258,933	7,206,405	10,923,582
1,021,883	1,066,022	1,211,876
3,082,666	2,715,090	3,312,010
(2,060,783)	(1,649,068)	(2,100,134)
1,198,150	5,557,337	8,823,448
4,911,230	2,738,914	3,246,220
(3,713,080)	2,818,423	5,577,228
(3,713,080)	2,818,423	5,577,228
18,000	1,311,570	14,931,396
18,000	1,311,570	14,931,396
(3,695,080)	4,129,993	20,508,624

Continuing operations

Cost of services

Resource management
Biosecurity
Transport
Hazard Management
Recreation, culture and heritage
Regional representation, advocacy and investment management
Port operating expenses

Total operating expenditure

Income

General rates revenue
Targeted rates revenue
Direct charges revenue
Government grants
Dividends
Other investment income
Gains/(losses) on revaluation of properties
Port operations

Total income

Operating surplus/(deficit) before finance income and expenses

Finance income

Finance expense

Net finance expense

Operating surplus before taxation

Income tax expense

Surplus/(deficit) from continuing activities

Surplus/(deficit) for the period

Other comprehensive income

Revaluation of property, plant and equipment

Other comprehensive income, net of tax

Total comprehensive income for the period, net of tax

2009/2010 Actual \$	Council 2009/2010 Budget \$	2008/2009 Actual \$	2007/2008 Actual \$
8,966,050	8,488,373	7,956,003	7,213,376
1,978,213	2,077,059	2,133,339	2,030,747
2,463,872	3,399,208	2,029,007	1,453,453
1,083,425	1,171,246	1,041,743	936,139
1,238,843	1,185,580	1,082,593	957,705
950,447	1,057,147	973,889	1,019,731
-	-	-	-
16,680,850	17,378,612	15,216,574	13,611,150
5,720,560	5,720,560	5,535,565	5,405,824
1,305,638	1,305,643	1,042,339	772,514
4,074,528	4,650,195	4,334,151	3,065,070
1,573,633	1,449,267	844,144	698,852
1,900,076	3,500,000	3,900,139	1,800,132
604,496	586,000	543,913	515,722
(48,000)	841,500	(745,000)	2,795,000
-	-	-	-
15,130,931	18,053,165	15,455,251	15,053,114
(1,549,919)	674,553	238,677	1,441,964
1,002,980	1,102,853	1,060,670	1,172,597
-	-	-	-
1,002,980	1,102,853	1,060,670	1,172,597
(546,939)	1,777,406	1,299,347	2,614,561
-	-	-	-
(546,939)	1,777,406	1,299,347	2,614,561
(546,939)	1,777,406	1,299,347	2,614,561
18,000	-	1,311,570	200,500
18,000	1,777,406	1,311,570	200,500
(528,939)	1,777,406	2,610,917	2,815,060

Taranaki Regional Council and Group: Statement of changes in equity for the year ended 30 June 2010

2009/2010 Actual \$	Group 2008/2009 Actual \$	2007/2008 Actual \$
136,243,261	132,113,268	111,604,644
(3,713,080)	2,818,423	5,577,228
18,000	1,311,570	14,931,396
132,548,181	136,243,261	132,113,268

As at 1 July

Changes in equity
Surplus/(deficit) for the period

Other comprehensive income

As at 30 June

2009/2010 Actual \$	Council 2009/2010 Budget \$	2008/2009 Actual \$	2007/2008 Actual \$
71,467,383	70,796,388	68,856,466	66,041,406
(546,939)	1,777,406	1,299,347	2,614,561
18,000	-	1,311,570	200,500
70,938,445	72,573,794	71,467,383	68,856,466

Taranaki Regional Council and Group: Statement of financial position as at 30 June 2010

2009/2010 Actual \$	Group 2008/2009 Actual \$	2007/2008 Actual \$
19,482,907	15,280,394	11,969,850
164,806,720	172,028,400	165,263,261
184,289,626	187,308,794	177,233,111
8,687,727	8,751,816	43,234,721
43,053,718	42,313,717	1,885,122
51,741,445	51,065,533	45,119,843
84,240,282	86,726,460	85,064,874
9,459,190	10,686,092	9,529,256
38,848,709	38,830,709	37,519,139
132,548,181	136,243,261	132,113,268
184,289,626	187,308,794	177,233,111

Total current assets

Total non current assets

Total assets

Total current liabilities

Total non current liabilities

Total liabilities

Public equity

Retained earnings

Reserves

Asset revaluation reserves

Total public equity

Total liabilities and equity

2009/2010 Actual \$	Council 2009/2010 Budget \$	2008/2009 Actual \$	2007/2008 Actual \$
13,262,698	2,915,576	10,427,327	5,694,247
60,895,128	72,858,217	64,053,884	66,220,889
74,157,826	75,773,794	74,481,211	71,915,136
2,672,341	2,750,000	2,500,428	2,627,548
547,040	450,000	513,400	431,122
3,219,381	3,200,000	3,013,828	3,058,670
59,242,379	62,608,204	58,562,415	58,419,905
9,459,190	9,055,590	10,686,092	9,529,256
2,236,876	910,000	2,218,876	907,306
70,938,445	72,573,794	71,467,383	68,856,466
74,157,826	75,773,794	74,481,211	71,915,136

Taranaki Regional Council and Group: Statement of cash flows for the year ended 30 June 2010

2009/2010 Actual \$	Group 2008/2009 Actual \$	2007/2008 Actual \$
7,911,704	12,845,613	7,322,585
(7,242,289)	(17,107,168)	(6,881,739)
(1,256,098)	5,257,317	(2,000,000)
(586,683)	995,763	(1,559,154)
3,377,588	2,381,825	3,940,979
2,790,905	3,377,588	2,381,825

Net cash flow from operating activities

Net cash flow outflow from investing activities

Net cash outflow from financing activities

Net increase/(decrease) in cash and cash equivalents

Opening cash and cash equivalents

Closing cash and cash equivalents

2009/2010 Actual \$	Council 2009/2010 Budget \$	2008/2009 Actual \$	2007/2008 Actual \$
1,406,456	2,168,308	2,337,294	(92,159)
(2,266,217)	(2,146,789)	(1,254,031)	(1,505,718)
-	-	-	-
(859,761)	21,519	1,083,263	(1,597,877)
3,209,568	147,893	2,126,305	3,724,182
2,349,807	169,412	3,209,568	2,126,305

Basis of preparation

These summary financial statements have been prepared in compliance with "Financial Reporting Standard No.43 Summary Financial Statements" issued by the Financial Reporting Standards Board of the New Zealand Institute of Chartered Accountants (May 2007). The summary report cannot provide as complete an understanding as the full Annual Report, which is available at any of the region's libraries. Request a free copy 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 2009/2010 Annual Report dated 21 September 2010. The Annual Report received an unqualified audit opinion dated 21 September 2010. This summary annual report has been audited and an unqualified opinion dated 21 September 2010 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 21 September 2010.

Taranaki Regional Council is the ultimate parent of the Group and controls one entity being Port Taranaki Ltd. There have been a number of transactions between Port Taranaki Ltd 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 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 New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). The full set of financial statements included in the Annual Report has been prepared in accordance with NZ GAAP. The full set complies with NZ IFRS, 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 NZ IFRS but do not comply with the presentation and disclosure requirements of NZ IFRS. The summary financial statements are in respect of the Council's NZ IFRS full financial statements.

Explanation of major variances

The Council made a net operating surplus/(deficit) of (\$546,939) (2008/2009—\$1,299,347) compared to a budgeted surplus, before transfers to and from reserves, of \$1,777,406 (2008/2009—\$1,327,875). The major reasons for this variance between the actual net operating surplus and the budgeted net operating deficit are:

	2009/2010 Actual \$	2008/2009 Actual \$	2007/2008 Actual \$
Operating expenditure was less than budgeted	697,762	335,187	133,581
<i>Due to programmes costing less than budgeted particularly passenger transport services and riparian plant purchases.</i>			
Targeted rates were less than budgeted	(5)	-	(715)
Direct charges were lower than budgeted	(575,667)	107,959	(99,789)
Government grants were higher than anticipated	124,366	(179,798)	50,102
Dividends were less than forecast	(1,599,924)	1,300,139	200,132
<i>Worse operational performance from Port Taranaki Ltd resulted in lower dividends.</i>			
Other investment revenue was more than budgeted	18,496	(110,179)	62,293
Unrealised losses on investment properties were more than budgeted	(48,000)	(745,000)	-
Unrealised gains on investment properties were less than budgeted	-	(736,838)	2,080,738
<i>Property valuations in New Plymouth dropped by 0.3 % in 2009/2010 but the 2009/2010 Annual Plan forecast an increase in valuation of 5%.</i>			

Other notes

The Taranaki Regional Council has no known contingent liabilities as at 30 June 2010 (Nil—2008/2009). Pursuant to the Waitara Harbours Act 1940, the Council has an interest in 180ha of New Plymouth District Council owned Waitara Harbour endowment lands. In the event of the sale of part or all of these lands by the New Plymouth District Council, the Council has a contingent asset. At this stage, the value is uncertain. Port Taranaki is a participating employer in the NPF DBP Contributors scheme ("the Scheme") which is a multi-employer defined benefit scheme. If the other employers ceased to participate in the Scheme, the employer could be responsible for the entire deficit of the Scheme. Similarly, if a number of employers ceased to participate in the Scheme, the Group could be responsible for an increased share of the deficit.

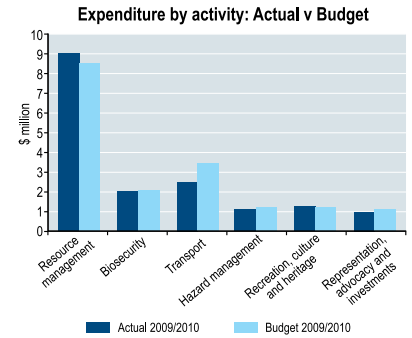
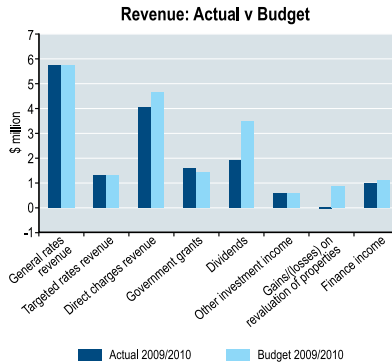
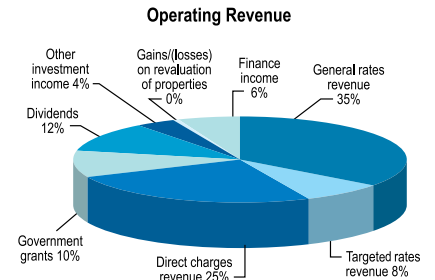
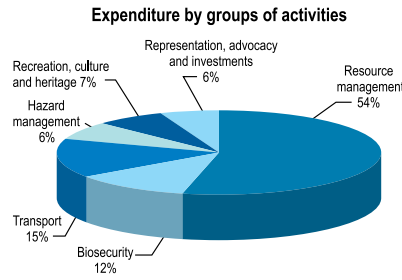
Strong financial position despite Port downturn

The Council has maintained its strong financial performance.

Tight control of operating costs (4% below budget) helped to offset the impact of reduced dividends from Port Taranaki Limited (\$1.6 million less than forecast) and a decrease in the value of investment properties. The \$0.5 million deficit at year end was \$2.3 million below budget but Council continues to hold no public debt.

Port Taranaki Limited is a key strategic regional asset which contributes to the Council's sound financial position. Council is committed to retaining the company in public ownership and in recent months it has been trading ahead of expectations. Port Taranaki Limited operates in a highly competitive environment and dividends were affected by a reduction in Fonterra's trade through the port and lower offshore exploration and development.

Reduced dividends are anticipated for the medium term. To address the income shortfall and to maintain its long-standing successful work programme, the Council has increased general rates and will call on its Dividend Equalisation Reserve in the 2010/2011 year.



- Significant decrease in trade and revenue - Port company dividends \$1.6 million below forecast.
- Operating expenditure \$700,000 less than programmed.
- The Council is financially and operationally sound.

Council-community partnerships protect biodiversity

The Council increased its focus on working with landowners and the community to maintain and enhance our indigenous biodiversity – the variability of our native plants and animals and ecosystems.

Ten biodiversity plans were prepared with landowners during the year, bringing the total to 24, covering 563 hectares of significant native bush and wetlands.

A wide range of work was carried out with the support of landowners and volunteers to implement the plans, including pest animal and pest plant control, and fencing.

There are several community-driven iconic projects which showcase Taranaki's biodiversity. Council provided support for the Lake Rotokare Scenic Reserve, Paranihi, Sandy Bay, East Taranaki kiwi recovery project and the blue duck species recovery project.

Council encourages landowners to be involved where active management of an area is required. In many cases Council provides information and advice, and facilitates biodiversity forums or meetings



to empower others to act. Work has begun on a *Taranaki Inc Biodiversity Strategy*, to be owned by all regional parties interested in biodiversity

- Ten biodiversity plans prepared.