

## Encouraging progress on environment



The Taranaki Regional Council has completed another successful year, operationally and financially.

The Council continues to deliver exceptional environmental results through innovative

programmes such as the self-help possum control programme and the riparian planting programme to enhance water quality. Long-term results across the full range of Council programmes indicate that in all but a few areas, the region's environment is healthy and improving. The regional community is to be congratulated on its commitment to the sustainable management and development of its natural resources. While there are continuing improvements that can be made, progress to date is encouraging.

*A Progress Report on Community Outcomes for Taranaki 2007* uses a set of indicators to monitor trends and progress towards the achievement of the seven community outcomes identified for Taranaki as part of the Long-Term Council Community Plan process. The report is the latest in a series that will assess Taranaki's progress towards achieving the desired outcomes for the community.

Financially, the year was challenging but ultimately successful. The Council has been aware for a number of years that the profitability of the regionally owned Port Taranaki Ltd has been variable as the port changes from a reliance on Maui-gas related trade to a diversified range of products. This transition is progressing well, resulting in dividends being ahead of budget by \$200,000.

As part of the port's transition, the Council has addressed two significant projects in its

role as shareholder on behalf of the region. The first was the deepening of the port's draft to 12.5m to facilitate new trades and secure existing ones.

The second was the Port Company's involvement in the Pike River Coal project. After significant consideration, including independent legal and financial reviews, the Council gave shareholder approval for Port Taranaki Ltd to be involved in the Pike River Coal project.

The Council remains committed to retaining Port Taranaki Ltd in public ownership.

For a number of reasons, expenditure was less than budgeted by \$680,000. This, combined with higher than anticipated investment property revaluations, turned a planned operating deficit for the year of \$101,000 into an operating surplus of \$1.75 million.

The Council, through the contribution of all Councillors, has worked hard and well over the last three years. I would like to acknowledge and thank my fellow Councillors for their hard work and contributions, not only during 2006/2007, but over the full term of office.

The Council is in a very sound financial and operational position. With the continued assistance of our community, we are able to look forward optimistically to our role in enhancing our region's future.

David Walter  
Taranaki Regional Council Chairman



### Key operational highlights:

- processing all 399 resource consent applications (433 in 2005/2006) within statutory timeframes.
- monitoring revealing in general a very high level of compliance with consent and plan requirements
- response to 578 pollution incident notifications (618 in 2005/2006)
- completing an additional 303 riparian plans (303 previous year) and supplying 200,000 streambank plants (151,000 previous year) to provide water quality protection
- extending the self-help possum control programme to cover 224,700ha on 3,723 properties (previous year: 213,000 ha on 3,481 properties)
- completing reviews of the pest plant and animal regional strategies and continuing the review of the *Regional Policy Statement for Taranaki*
- preparing for and undertaking extended bus service trials
- implementing changes to the delivery of Civil Defence Emergency Management services arising from the Civil Defence Emergency Management Act 2002
- completing an additional 6.3 kilometres of channel clearing in the Waitotara River, taking the total to 12.6 kilometres.
- commencing the implementation of asset management plans for the maintenance and enhancement of the Tupare and Hollard Gardens
- continuing to develop, in collaboration with the Stratford and South Taranaki District Councils, the award-winning Taranaki Regional Explorer geographic information system website.

### Inside Recount

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# Growing appetite for sustainability

## At a glance:

- Comprehensive plans prepared for an additional 15,031 ha of hill country farmland.
- 303 riparian additional planting plans completed covering 1,552 kilometres of stream bank, bringing the total to more than 12,300 kilometres.
- 204,250 plants supplied for riparian schemes, bringing total to more than 1 million in a decade.
- Progress good in *Dairying and Clean Streams Accord* but much still to be done.

Public demand for sustainable land management advice continued to grow during 2006/2007.

Council advice is normally provided through a range of plans:

- comprehensive plans based on detailed land resource mapping and the incorporation of all aspects of the farming operation and business into a whole farm package
- agroforestry plans which provide more detail on agroforestry or forestry proposals
- conservation plans which provide site or issue-specific advice for often a small part of a property
- riparian plans, which provide site-specific advice on stream bank protection and planting, primarily for water quality protection.

Thirty comprehensive farm plans were prepared for hill country farmers, bringing an additional 15,031 ha under such a regime. This now means more than 158,602 ha of the hill country is under comprehensive or agroforestry plans.

During the year, 15 conservation plans were prepared, bringing the total number of these plans to 217.

Outstanding growth also continued in the development of riparian plans. Three hundred and three plans were prepared, covering 1,552 kilometres of stream bank. Plans have now been prepared for 60% of Taranaki dairy farmland covering 12,386 kilometres of stream bank.

Plan implementation is slowly growing as reflected in the provision of riparian plants through the Council's bulk purchasing scheme.



More than 1 million plants have been supplied for riparian schemes.

There were 204,250 plants provided during the period, and in the past decade, the Council has supplied 1,144,899 poplar, willow and riparian plants to plan holders.

Work continued to protect significant wetlands. The Council also administered and serviced the Taranaki Tree Trust including a financial contribution to the Trust's operations. The Trust assisted with a number of projects including the Herekawe Stream Walkway project and the Te Wera Aboretum restoration.

The *Regional Action Plan*, giving effect to the national *Dairying and Clean Streams Accord in Taranaki*, had its third year of implementation.

Taranaki has a substantial task ahead over the next decade but with the Council, Fonterra, Federated Farmers and our farmers working together to an agreed programme, the task is realistic and achievable.

It is important that Taranaki farmers continue to show proactive leadership in this area as opposed to being led by "draconian" regulation as advocated by critics of farmers' environmental performance.

## Clear division of responsibilities



The Taranaki Regional Council offices in Cloten Road, Stratford.

The Taranaki Regional Council was made up of 10 Councillors, elected as follows:

- New Plymouth constituency: Four members
- North Taranaki constituency: Two members
- Stratford constituency: One member
- South Taranaki constituency: Three members (one vacant).

The Council operates a clear division of responsibilities between the role of the Council and that of management, as required by the Local Government Act 2002.

The Council's focus is on setting strategy

and policy together with monitoring its implementation. Management is responsible for the implementation of the Council's policy and strategy decisions.

While many of the Council's functions have been delegated, the overall responsibility for maintaining effective systems of internal control rests with the Council.

Internal control includes the policies, systems and procedures established to provide measurable assurance that the specific objectives of the Council are achieved.

# Many on the move during busy year

## At a glance:

- Improved bus services on trial in New Plymouth.
- Bus concession fares extended in New Plymouth.
- Bus trial options finalised for South Taranaki.
- *Regional Walkways and Cycleways Strategy* adopted.

The 2006/2007 year was a very busy one in the area of land transport with continued implementation of the *Regional Land Transport Strategy* and *Regional Passenger Transport Plan for Taranaki*. This included the start of a trial of improvements to New Plymouth bus services and a subsidised concessionary fare scheme for children, tertiary students, people with disabilities, the elderly and beneficiaries; a subsidy for Total Mobility Services for people with disabilities; and a range of advocacy, liaison and collaborative activities.

Extensive publicity and promotion marked the launch of the New Plymouth bus trial in July 2006. Considerable additional ratepayer resources have been committed to the trials, with funding assistance also being provided by Land Transport New Zealand.

Proposals for trialling transport options in South Taranaki were finalised during the year and preparations made for letting contracts.

With extended concession fares introduced on urban bus services in New Plymouth in the 2005/2006 year, this year almost 298,924 passenger trips were made under the new concession fare arrangements.

Over 94,869 trips were made under the Total Mobility Scheme for those with disabilities that prevent them using public transport.

While recognising the need and value of the Total Mobility Scheme, the Council continued to press central government to take greater responsibility for funding of what the Council sees as an important social welfare function.

The Council continued to work through other avenues on roading and funding issues including submissions to Transit New Zealand's 10-year State Highway Forecast and to Land Transport New Zealand on national and regional (R funding) priorities and allocations and through the work of the State Highway 3 Working Party convened by the Council.



Improved bus services are being trialled in New Plymouth.

Priorities for the immediate future are for more passing lanes, realignment of the road between the Awakino Hotel and garage, a widening of the Awakino tunnel and easing of corners in the Awakino Gorge.

The *Regional Walkways and Cycleways Strategy for Taranaki* was adopted in June 2007 after full public consultation. The *Strategy* establishes a vision and supporting policies and methods and targets to promote the benefits of walking and cycling, and identifies current and possible future walkways and cycleways.

On the maritime front, the Council continued to administer navigation bylaws for Port Taranaki through its harbourmasters and honorary enforcement officers. During the year, there were 2,119 vessel movements without any navigation and safety incidents occurring.

The Port and Harbour Safety Management System Manual received pre-audit approval by Maritime New Zealand in May 2007, the first such approval in New Zealand.

Two marine oil spills occurred within the port area. Both incidents were minor and cost recovery was achieved. Four exacerbated natural oil discharges as a result of capital dredging also occurred. Costs were recovered.

## Communities protected from floodwaters

### At a glance:

- 2,500 tonnes of rock placed along 300m of the left bank of the Waitara River.
- 60m of heavy bank lining also constructed.
- Build-up of gravels in Stony River addressed.
- More channel clearance in the Waitotora River.

Good progress was made in a programme of upgrading the flood protection scheme works at Waitara.

Substantially upgraded rock bank protection is now complete on the left bank between the town bridge and the mouth of the estuary.

During the year, a further 2,500 tonnes of rock was placed over a distance of 300 metres



Flood protection work along the Waitara River adding to rock protection work carried out in previous years. An additional 60 metres of heavy bank lining was constructed about the McNaughton Street pumping station.

The Waiwhakaiho flood protection scheme was managed to agreed standards with less

need for extensive upgrade works than the older Waitara asset. Special attention continues with channel clearing of the Mangaone Stream.

The Council continued to work with communities in central Taranaki to maintain the small schemes in that part of the region.

This year work was initiated in the Stony River to address the build-up of gravels immediately downstream of the SH45 bridge. Further work is planned in the 2007/2008 year.

A total of 12.6 km of channel clearance has now been undertaken in the Waitotora River, in accordance with the *River Clearance and Maintenance Programme* adopted in 2005/2006, following consultation with the South Taranaki District Council, local land occupiers and the local community.

# Fresh eyes on policy

## At a glance:

- Significant progress in the review of the *Regional Policy Statement for Taranaki*.
- Pest animal and pest plant strategies adopted after reviews completed.
- *Regional Air Quality Plan for Taranaki* under full review.
- 33 formal submissions made on external policy documents and legislative proposals.

A feature of the 2006/2007 year was continued work on a phased review of the Council's significant policy documents that will build over the next two to four years.

Significant progress was made on the review of the *Regional Policy Statement for Taranaki* with the release of the *Proposed Statement* in September 2006. A full public submission process was completed in the first half of 2007.

The Council's reviewed pest animal and pest plant management strategies were publicly notified for submissions in the last half of 2006 and became operative in early 2007.

The Council's *Regional Air Quality Plan for Taranaki* is undergoing a full review with comments sought from key stakeholders. It is anticipated that a revised proposed *Air Quality Plan* will be publicly notified in 2007/2008.

The Council was again active in the area of advocacy and response during the year. It made 33 formal written submissions to a wide range of policy documents and legislative proposals from other agencies.

These ranged from submissions on dam safety regulations under the Building Act 2004, to measures to reduce greenhouse gas emissions in New Zealand post-2012.

Council representatives also provided direct assistance to a number of national working parties.



The *Regional Air Quality Plan for Taranaki* is under full review.



A number of activities were undertaken to promote waste minimisation.

## Keeping tabs on environment

### At a glance:

- 19 environmental monitoring programmes completed.
- 1,156 inspections, samples and surveys carried out at 303 monitoring sites.
- Waste minimisation pilot studies conducted in six priority sectors.

The Council continued to implement its extensive state of the environment monitoring programme during the year.

Some 19 separate programmes were scheduled and completed. These together comprised more than 1,156 inspections, sampling runs and surveys at 303 monitoring sites across the region.

A number of investigations and research programmes continued or were implemented during the year. Several of these are joint venture projects with organisations such as Crown research institutes.

A number of activities were undertaken to promote waste minimisation throughout

the region, with the Council often working closely with other agencies.

Waste minimisation pilot studies were conducted in six priority sectors to identify opportunities for subsequent waste minimisation programmes.

The Council continued to work with the South Taranaki and New Plymouth district councils to implement recycling for schools. The Council has also continued to assist the development of a national farm agricultural containers recovery programme and has provided assistance in site location and preparation.

Council staff continue to promote waste minimisation to members of the public and assisted with enquiries regarding recycling, the proper disposal of chemicals, paper, computers, tyres, glass, plastic and waste exchanges. The Council continued its own in-house waste reduction and recycling activities.

Work has started on the next five-yearly State of the Environment report, due to be published in October 2008.

## More growth at the gardens

### At a glance:

- Management plan implementation begins at Tupare and Hollard Gardens, with Tupare being expanded.
- Hollard Gardens retains National Gardens of Significance rating.

Work has begun to implement the asset management plans for the two Council-owned gardens of Tupare and Hollard Gardens. The most significant step was the purchase of a neighbouring property at Tupare to allow full and safe redevelopment of the entry and car parking facilities.

The Council has also made the necessary

appointments to provide the full staffing complement for both gardens.

Hollard Gardens has been reassessed and has retained its National Gardens of Significance rating.

Stakeholder funding arrangements between the Pukeiti Rhododendron Trust and the Council continued.

The Council continued to rate to recover some of the costs for the development of Yarrow Stadium, with 2006/2007 the fifth year of the 10-year life of the targeted rate. The stadium attracted a wide range of audiences and events during the year and is widely regarded as an excellent regional venue.

# Many have say on resource use

## At a glance:

- 399 resource consents processed, all within statutory timeframes.
- 97% processed without public notification.
- Study shows 1,235 parties involved with non-notified consent process.
- Record low 2.7% of farm waste systems needed reinspection.
- 578 pollution incidents reported.

The Council processed 399 resource consent applications in 2006/2007, slightly down on the record levels in previous years but still high reflecting the relatively buoyant state of the regional economy, notably in the rural and hydrocarbon exploration sectors.

The majority of applications (97%) were processed without public notification. For the seventh year in a row, all applications were fully processed within the statutory timeframes.

The pre-hearing process has continued to be used successfully. Most resource consent applications attracting submissions were resolved without recourse to a formal hearing. Five hearings were held during the year.

There were no Environment Court appeals outstanding at the beginning of the year. Five appeals on four applications were lodged during the year, with one appeal since withdrawn. Another appeal has since been resolved by consultation. The other two appeals are still outstanding.

During the year, an assessment was made of the level of public involvement in the non-notified consent process using 2005/2006 consents data. The report showed a considerable level of public input into the process, with some 1,235 parties involved



Every dairy farm in the region was inspected at least once.

– equating to roughly 1.7% of the Taranaki adult population. These included neighbours and other individuals, iwi and hapu groups, Department of Conservation, Fish and Game Council, government departments, network utility operators, recreational groups, non-government organisations and industry advocacy groups.

The Council implemented 226 individually-tailored monitoring programmes during the year, associated with 343 different resource consent holders and resource consents. The programmes required 1,150 inspections, 1,674 water and soil samples, 169 air samples, 61 freshwater biological surveys, and 49 marine biosurveys. Overall, some 93% of consent holders achieved either a high or good level of performance and compliance.

Officers visited all 1,916 dairy farms in the region, as well as 15 piggeries and 46 poultry farms to inspect waste treatment systems. A reinspection rate of only 2.7% was necessary to ensure required improvements were made.

This is the lowest level of non-compliance on record.

In addition to agricultural systems, 883 inspections were undertaken of minor industrial systems. A very creditable 5.2% reinspection rate occurred.

There were 578 pollution incidents reported to the Council during the year. Most were freshwater incidents, mainly unauthorised waste discharges (57%). Air, mainly smell, complaints were the second largest category of reported incidents at 31.5%.

During the year, 118 abatement notices and 40 infringement notices were issued. None was appealed.

During the year three prosecutions from 2005/2006 were concluded successfully, as were four arising during the 2006/2007 year. One regrettably involved a regional councillor, Mr B Cudby. His conviction after a jury trial resulted in his automatic disqualification as a councillor.



One of the 198 class visits made during the year.

## At a glance:

- Regional Xplorer website gets nearly 60,000 visits a month.
- Contact with 5,553 students in 198 class visits; another 1,110 students visit Council.

## Getting message through

The Council's award-winning Regional Xplorer website, which contains a broad range of geographic and local government information, has continued to be very popular. Visits to the site averaged 59,690 per month, peaking at 69,964 in October 2006. The consistent use of the site to create map images has proved the usefulness of the site for the people of Taranaki. Interest in the Council's website [www.trc.govt.nz](http://www.trc.govt.nz) also continues to grow.

Environmental awards were presented to nine recipients during the year. A good level of applications continues to be received for these annual awards.

A continued emphasis was placed on

providing educational material and other forms of assistance to schools, especially on environmental matters. Four issues of the school-oriented S.I.T.E. newsletter were produced.

Thirty-seven units of work and 732 additional resources were sent out to teachers covering topics such as weather, rivers, coast, recycling, sustainable land management, civil defence emergency management and trees. There were 198 class visits involving 5,553 students and a further 1,110 visitors to the Council's display areas.

Four issues of the Council's newsletter *Recount* were published and widely distributed.

# Year ends with surplus

## At a glance:

- Better year for Port Taranaki.
- Council finishes year with \$1.75m surplus and no public debt.

The Council-owned Port Taranaki Ltd experienced a more positive trading and financial year, with total trade volumes 24% up on 2005/2006 to 3.28m tonnes with increases across almost all trade types. Container volumes were up by 21% to 58,932 TEU.

A major milestone saw the completion of a capital dredging project to deepen the draft to 12.5 metres, greatly enhancing the ability of the port to service customers into the future.

Total port revenues rose 25% to \$36.9m. After tax profit was \$4.8m, more than twice the previous period.

Port Taranaki remains in a period of transition away from substantial reliance on petrochemicals to alternative trades. The Pike River Coal project is the first of a number of potentially exciting and profitable opportunities. The Council has worked very closely with Port Taranaki in its examinations of business opportunities and where appropriate, independent professional advice has been obtained to support the Council in decisions that have been taken as the port's owner on behalf of the Taranaki community. Venture Taranaki has recently described Port Taranaki as the single most important



The year was a positive one for Council-owned Port Taranaki Limited

infrastructural asset in the region on the basis of its value to the regional economy as presented in an analysis by Business and Economic Research Ltd (BERL).

Financially, the Council finished the year with a surplus of \$1.75 million, which was \$1.85m above budget. Land revaluations accounted for \$1.3m of the surplus and dividend revenues were \$0.2m more than budgeted. Expenditure was \$12.1m, which was \$0.7m less than programmed.

The Council's financial position remains strong with no public debt. Total public equity increased slightly to \$66m.

From the commencement of the 2006/2007 year, the Council changed its accounting policies to comply with new international standards (NZ IFRS). This transition to NZ IFRS has been a significant imposition on all local authorities with questionable benefit to the public.

## Taranaki Regional Council Facts File

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Web site:	www.trc.govt.nz

### AFTER HOURS CONTACT NUMBERS

After Hours Contact:	0-6-765 7127
Environmental Hotline:	0800 736 222
Civil Defence	
Emergency Management	0800 736 222

### REGIONAL COUNCILLORS

<b>New Plymouth Constituency:</b>	
Tom Cloke	0-6-753 5586
Moira Irving	0-6-753 3063
David Lean	0-6-753 3325
Barry Marsh	0-6-758 2252

<b>North Taranaki Constituency:</b>	
Roger Maxwell	0-6-752 3622
Donald McIntyre	0-6-762 4701

<b>South Taranaki Constituency:</b>	
David MacLeod	0-6-278 5577
Neil Walker	0-6-278 7541

<b>Stratford Constituency:</b>	
David Walter (Chairman)	0-6-762 7822

### Audit report to the readers of Taranaki Regional Council and Group's summary annual report for the year ended 30 June 2007



We have audited the summary annual report.

#### Unqualified Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
  - the information reported in the summary financial statements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.
- We expressed an unqualified audit opinion, in our report dated 19 September 2007, on:
- the full financial statements; and
  - the Council and group's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply 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. In addition to the audits we have carried out assignments in the areas of taxation assurance, NZ IFRS restatement of comparatives work, an independent investigation and the audit of the Long Term Council Community Plan. Other than the audits and these assignments, we have no relationship with or interests in Taranaki Regional Council or any of its subsidiaries.

#### Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on that report. These responsibilities arise from the Local Government Act 2002.

Graham Naylor, Deloitte  
On behalf of the Auditor-General  
Hamilton, New Zealand  
3 October 2007

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 first NZ IFRS's full financial statements.

**Changes in accounting policies and NZ IFRS**

The Council and Group changed its accounting policies on 1 July 2006 to comply with NZ IFRS. The transition to NZ IFRS is accounted for in accordance with NZ IFRS-1 "First-time Adoption of International Financial Reporting Standards", with 1 July 2005 as the date of transition. An explanation of how the transition from superseded policies to NZ IFRS has affected the Council's and Group's financial position, financial performance and cash flows is discussed in Note 2 of the 2006/2007 Annual Report. The key changes arising from the implementation of NZ IFRS are the separation of intangible assets from plant, property and equipment, the recognition of a sick leave liability, recognition of additional employee entitlements, the recognition of investment property revaluations as operating income and the elimination of the associated revaluation reserve, calculation of the deferred tax position, the elimination of the general provision for doubtful debts, the recognition of floating plant at deemed cost (resulting in an adjustment to the asset revaluation reserve) and the change in recognition of take or pay storage revenue (resulting in an increase in revenue and receivables). The reconciliation of equity from NZ GAAP to NZ IFRS is as follows:

	Previous NZGAAP 1 July 2005 \$	Effect on transition to NZIFRS 1 July 2005 \$	NZIFRS 1 July 2005 \$	Previous NZGAAP 30 June 2006 \$	Effect on transition to NZIFRS 30 June 2006 \$	NZIFRS 30 June 2006 \$
<b>Public equity</b>						
Retained earnings	59,525,227	9,389,784	68,915,011	61,874,042	9,578,588	71,452,630
Reserves	13,527,313	-	13,527,313	12,039,138	-	12,039,138
Asset revaluation reserves	32,791,700	-10,368,957	22,422,743	32,937,700	-10,433,957	22,503,743
<b>Total public equity</b>	<b>105,844,240</b>	<b>-979,173</b>	<b>104,865,067</b>	<b>106,850,880</b>	<b>-855,369</b>	<b>105,995,511</b>
Taranaki Regional Council Parent:						
<b>Public equity</b>						
Retained earnings	42,824,763	7,577,598	50,402,361	43,895,127	7,651,871	51,546,998
Reserves	13,527,313	-	13,527,313	12,039,138	-	12,039,138
Asset revaluation reserves	8,211,306	-7,669,500	541,806	8,357,306	-7,734,500	622,806
<b>Total public equity</b>	<b>64,563,382</b>	<b>-91,902</b>	<b>64,471,480</b>	<b>64,291,571</b>	<b>-82,629</b>	<b>64,208,941</b>

Reconciliation of retained earnings:

	2006/2007 Actual \$	2005/2006 Actual \$
Opening balance previous NZ GAAP 1 July 2005	42,824,763	59,525,227
Elimination of the general provision for doubtful debts	45,871	45,871
Change in the calculation of deferred tax	(137,773)	(1,462,053)
Recognition of employee entitlements	7,669,500	10,368,957
Eliminate asset revaluation reserves	50,402,361	68,915,011
Opening balance NZ IFRS 1 July 2005	43,895,127	61,874,042
Previous NZ GAAP 30 June 2006	45,871	45,871
Elimination of the general provision for doubtful debts	155,107	155,107
Change in revenue recognition on certain take or pay storage contracts	377,530	377,530
Change in the calculation of deferred tax	(128,500)	(1,433,878)
Recognition of employee entitlements	7,734,500	10,433,957
Eliminate asset revaluation reserves	51,546,998	71,452,630
Opening balance NZ IFRS 30 June 2006	51,546,998	71,452,630

Correction of prior period error. During the 2006/2007 financial year, it became known that \$3,033,725 of investments were actually due to be settled in the 2006/2007 financial year and therefore were current in the 2005/2006 financial year. This has been reclassified.

Correction of a prior period error. In the prior year (2005/2006) revenue was not recognised until the date it was invoiced. From 2006/2007 the work is now recognised as it is completed. This resulted in compliance monitoring revenue increasing and comparatives being restated. The opening balance of 2005/2006 is impracticable to estimate. The current assets in work-in-progress relates to work performed not yet charged to the customer, and the current liability in work-in-progress relates to work not yet charged in advance. The effect of this change on the financial statements is that direct charge revenue has been increased by \$226,232, to \$2,722,469 (2005/2006 reduced by \$226,232 to \$2,524,719), work-in-progress (current asset) is unchanged in 2006/2007 but in 2005/2006 this has been increased by \$187,601 to \$187,601.

**Explanation of major variances against budget**

The Council made a net operating surplus/deficit of \$1,748,464 (2005/2006—\$343,539) compared to a budgeted deficit, before transfers to and from reserves, of (\$100,731) (2005/2006—\$452,582). The major reasons for this variance between the actual net operating surplus and the budgeted net operating deficit are:

	2006/2007 Budget \$	2005/2006 Actual \$
Operating expenditure was less than budgeted	1,640	(\$1,641)
Due to in complete programmes and less riparian plant purchases than planned for.	(333,615)	(\$1,954)
Rates were more than budgeted	86,125	86,125
Direct charges were less than budgeted	200,126	(\$1,560,000)
Government grants were more than anticipated	(62,122)	\$68,276
Dividends were more than forecast	1,274,750	\$65,000
Better operational performance from Port Taranaki Ltd resulted in higher dividends.		
Other investment revenue was less than budgeted		
Unrealised gains on investment properties were more than budgeted		
Property valuations in New Plymouth grew by much more than the 5% budgeted for in the 2006/2016 Long-Term Council Community Plan.		

**Other notes**

The Taranaki Regional Council has no known contingent liabilities as at 30 June 2007. Port Taranaki Ltd has been notified by Heron Construction of a claim for payment, with respect to dredged volumes that have not been paid within contract terms, amounting to an estimated maximum of \$322,500. Port Taranaki Ltd has yet to receive an invoice for the amounts claimed which may yet be offset by a counterclaim for damage done by Heron Construction to wharf piles within the port in executing the capital dredging contract.

**Taranaki Regional Council and Group: Statement of financial performance for the year ended 30 June 2007**

	2006/2007 Actual \$	2005/2006 Actual \$
<b>Cost of services</b>		
Civil defence planning	493,292	643,459
Police and planning	433,153	432,903
Civil defence emergency management	2,792,638	2,690,203
Resource consents	1,753,539	1,507,740
Land management	384,385	384,565
River control and flood protection	1,054,415	884,565
Resource consent and harbour management	1,374,112	1,376,794
Resource consent monitoring and enhancement	1,071,411	1,059,463
Recreation, culture and heritage	1,916,370	1,768,414
Regional representation, information and investments	773,694	863,592
Port operations	1,097,816	1,014,127
<b>Total operating expenditure</b>	<b>12,091,396</b>	<b>12,773,687</b>
<b>Income</b>		
General rates revenue	5,273,975	5,273,975
Targeted rates revenue	2,470,760	4,274,550
Direct charges revenue	2,687,800	2,647,514
Government grants	2,480,925	3,056,984
Dividends	342,925	406,566
Other investment income	1,712,134	840,000
Investment property: unrealised gain	1,955,000	840,000
Port operations	36,915,467	29,908,240
<b>Total income</b>	<b>39,484,974</b>	<b>43,433,539</b>
<b>Operating surplus before tax</b>	<b>2,470,198</b>	<b>(343,539)</b>
<b>Surplus/(deficit) before tax</b>	<b>2,470,198</b>	<b>(343,539)</b>
<b>Surplus/(deficit) after tax</b>	<b>1,748,464</b>	<b>(343,539)</b>

Included in Total Operating expenditure above is:

	2006/2007 Actual \$	2005/2006 Actual \$
Operating expenditure	12,091,396	12,773,687
Share of associate surplus/(deficit)	8,197,474	8,197,474
Share of subsidiary surplus/(deficit)	8,197,474	8,197,474
Share of other entities surplus/(deficit)	5,525,132	5,525,132
<b>2006/2007 Actual \$</b>	<b>26,211,476</b>	<b>24,693,767</b>
<b>2005/2006 Actual \$</b>	<b>26,211,476</b>	<b>24,693,767</b>

**Taranaki Regional Council and Group: Statement of changes in equity for the year ended 30 June 2007**

	2006/2007 Actual \$	2005/2006 Actual \$
Public equity as at 1 July	64,208,941	64,208,941
Share of associate surplus/(deficit) after tax	1,748,464	1,748,464
Share of subsidiary surplus/(deficit) after tax	1,748,464	1,748,464
Share of other entities surplus/(deficit) after tax	1,832,464	1,832,464
Increase in asset revaluation reserves	84,000	84,000
Total recognised revenue and expenses	66,041,406	64,907,424
<b>Public equity as at 30 June</b>	<b>111,604,644</b>	<b>105,995,511</b>

**Taranaki Regional Council and Group: Statement of financial position as at 30 June 2007**

	2006/2007 Actual \$	2005/2006 Actual \$
Current assets	64,208,941	64,208,941
Non-current assets	1,748,464	1,748,464
<b>Total assets</b>	<b>66,041,406</b>	<b>66,041,406</b>
Current liabilities	2,935,082	2,935,082
Non-current liabilities	389,794	450,000
<b>Total liabilities</b>	<b>3,324,876</b>	<b>3,385,082</b>
<b>Public equity</b>	<b>111,604,644</b>	<b>105,995,511</b>

**Taranaki Regional Council and Group: Statement of cash flows for the year ended 30 June 2007**

	2006/2007 Actual \$	2005/2006 Actual \$
Net cash flow from operating activities	1,515,898	72,956
Net cash flow from investing activities	(2,162,637)	(1,495,000)
Net cash flow from financing activities	(646,739)	2,241,822
Net increase/(decrease) in cash and cash equivalents	4,370,921	1,219,999
Opening cash and cash equivalents	3,724,182	633,957
Closing cash and cash equivalents	8,095,103	1,853,956

**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 can not provide a complete 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 71 27) 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 2006/2007 Annual Report dated 19 September 2007. The Annual Report received an unqualified audit opinion dated 19 September 2007. This summary annual report has been audited and an unqualified opinion dated 3 October 2007 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 19 September 2007.

# Land owners co-operate in war on possums



Possums are the major focus of the pest animal strategy.

## At a glance:

- Self-help possum control programme expanded to cover 3,723 properties comprising 224,700 ha, or more than 96% of private land on the ring plain.
- Exceptional compliance by property owners in the programme.
- 266 pest plant notices issued, up 22% on previous year. All were met with compliance and no enforcement was needed.

The Council's two pest management strategies, covering animals and plants, were both reviewed and successfully implemented during the year.

The major focus in the pest animal strategy is the self-help possum control scheme, which was expanded by around 11,700 ha. Initial possum control was undertaken on 220 properties covering 9,332 hectares in the Huatoki, Mangamahoe and Toko areas, with monitoring results to date showing targets were met.

Joint monitoring and control operations around Egmont National Park were carried out with the Department of Conservation. Improvement was required in this area and good progress has been made.

By year end, 3,723 properties comprising 224,700 ha had been incorporated into the self-help possum control programme. This represents more than 96% of privately-owned land on the ring plain. Compliance by property owners is exceptional.

There are lessons from this programme for future approaches to managing biodiversity issues. Where active management is required

by landowners, they must be facilitated and encouraged to own their bit of the problem and to work collectively towards community objectives. For many of these issues, the primary role of the local authority is to inform, empower and facilitate, with rule-based enforcement being used to address exceptional circumstances only.

Ragwort continued as a major focus in the pest plants strategy, although compared with a decade ago, the ragwort problem in Taranaki is much reduced.

Two hundred and sixty-six notices of direction were issued, an increase of almost 22% from last year. The notices of direction related primarily to gorse, ragwort, wild ginger, old man's beard, Darwin's barberry and pampas grass. Most of the increase was attributed to the Council's increased focus on environmental pest plants such as pampas grass and wild ginger in New Plymouth. Of note was that all notices were complied with and no further enforcement action was necessary.

The Council continued its programme of promoting biological control agents to assist in pest plant control. During the year, one new biological control agent release was made – Scotch thistle gallfly pupae at one site. In addition, a more vigorous strain of the Gorse soft shoot moth was released in December 2006 at one site. Releases of parasitic wasps to combat the impacts of clover root weevils were also supported.

Council officers made more than 6,540 property inspections for compliance with strategy rules and responded to 155 complaints relating to pest plants and 232 requests for information about weeds and other plants.

## Getting ready for an emergency

### At a glance:

- Participation in three national exercises.
- Response to three severe weather events and a tsunami warning.
- Launch of "What's the Plan, Stan?"

The key focus of the Taranaki Civil Defence Emergency Management (CDEM) Group during the year was the implementation of the *Taranaki Civil Defence Emergency Management Group Plan* that was completed and approved in 2004, and the 2006/2007 *Taranaki Civil Defence Emergency Management Business Plan*.

The Group took part in three national exercises (Exercise Capital Quake, Exercise Magill and Exercise Cruickshank), responded to three severe weather events and a tsunami warning, and participated in the launch of the Ministry-led Education Programme *What's the Plan, Stan?*

The work of the CDEM Group was greatly assisted by the co-ordinating executive group which comprises professional representatives from a wide range of organisations and emergency service providers including Councils, the Fire Service, the District Health Board and Police.

The tornado events in July 2007 fell outside the 2006/2007 financial year.



CDEM Group Chairman Roger Maxwell and Senior Emergency Management Officer Mike Langford at the Launch of *What's the Plan, Stan?*