

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT



REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT ACTIVITIES

Regional representation, advocacy and investment management comprises the following activities:

Investment management — ensuring that the equity, property and treasury investments owned by the Council are efficiently managed.

Public information — promoting community awareness and understanding of the Council's functions and activities, and making quality and timely information publicly available.

Advocacy and response — advocating and responding, on behalf of the Taranaki community, to initiatives proposed by other agencies, when those initiatives affect the statutory responsibilities of the Council or relate to matters of regional significance, which are of interest or concern to the people of Taranaki.

Governance — facilitating public representation by the Council and its committees in accordance with statutory requirements.

RECREATION, CULTURE AND HERITAGE AND COMMUNITY OUTCOMES

The Regional representation, advocacy and investment management group of activities contributes to community outcomes by maintaining effective and open community representation as an important part of the democratic process; advocating on behalf of the Taranaki community on matters of regional interest; implementing and further developing a programme of information transfer, advice and education on the Council's activities; and ensuring that the equity, property and treasury investments owned by the Council are managed efficiently.

Specifically this group of activities contributes to the following community outcomes:

- Prosperous Taranaki
- Sustainable Taranaki
- Connected Taranaki
- Together Taranaki

RATIONALE AND BACKGROUND

Taranaki Regional Councillors are elected every three years with the next election being in October 2010. The Council conducts six-weekly meetings of the full Council and main Council committees and convenes other meetings as appropriate. Councillor's remuneration is independently determined by the Remuneration Authority. Further information on the Council's governance arrangements is provided in the Governance section of this Plan.

The Council's general public information activities have tended to be relatively low key, focusing on responding to requests for information, distributing information and undertaking display and extension

activities in schools and other forums. In recent years the Council has provided resources for a range of modest promotional and educational programmes particularly aimed at the young people in our community. A significant website has also been developed and generates considerable public use.

The Council's investments comprise equities, properties and cash.

The Council currently owns 100% of Port Taranaki Ltd (Port Taranaki). Shares are carried at their book value of \$26 million. Port Taranaki is a significant asset held by the Council on behalf of the regional community. The port is widely recognised as a core component of the transport infrastructure of the region.

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The Council is committed to the port being a successful commercial business as required by the Port Companies Act 1998. In ensuring that Port Taranaki Ltd is a successful business the Council undertakes a number of activities within the constraints of the Port Companies Act. First it is able to appoint Directors to the Board to ensure that the port has the appropriate governance structure and skills. The Council then works with the Board through ongoing liaison, to ensure that planning for the future of the company and the monitoring of the port's performance are appropriately undertaken, noting that this is primarily the responsibility of the Board. Formally the Council receives and comments on an annual statement of corporate intent for Port Taranaki Ltd. Formal performance reviews of the Company's performance against the targets established in the Statement of Corporate Intent are undertaken every six months.

The Council views Port Taranaki Ltd as an important strategic regional asset. As such the Council is committed to continued public ownership. The Council holds the view that the port contributes significantly to the community outcome of a *Prosperous Taranaki*. From time to time the Council monitors this contribution to a Prosperous Taranaki by formally measuring the contribution to the wider regional economy. Similarly the Council undertakes periodic reviews of ownership of Port Taranaki Ltd to ensure that retained public ownership continues to contribute to the region's success.

The investment in Port Taranaki carries a degree of risk. The level of profitability that Port Taranaki generates drives returns to the shareholder. The level of revenue it can generate is the prime driver of profitability. Both the returns the Council can expect to receive from the investment and the ultimate value of its investment are, therefore, very dependent on the ability of Port Taranaki to protect and enhance its revenue base.

The Council owns properties in New Plymouth, which were transferred at the time the Council assumed the role of the previous Taranaki Harbours Board. All properties are currently leased on a long-term basis. It is the intention of the Council to review its ownership and management of these properties.

The treasury function involves managing the Council's cash surpluses and/or deficits. The Council maintains daily, monthly and annual cash flow projections that form the basis of its cash management activity. Working capital balances are managed by matching expenditure closely to revenue streams, and managing cash flow timing differences to the favour of Council. Daily bank balances are extracted, cash requirements are determined, and appropriate adjustments are made to money market balances.

The Council's investment activity is a risk management function. The Council's approach is to manage investments to optimise returns in the long-term while balancing risk and return considerations. The Council recognises that as a responsible public authority any investments that it holds should be managed prudently. It also recognises that lower risk generally means lower returns. The Council will continue to utilise investments to produce a revenue stream that reduces the reliance on general rate revenue.

LEVELS OF SERVICE

1. Maintaining effective, open and transparent democratic processes.

- **Measure:** Completion of statutory public accountability processes.

Target: Completion of statutory planning and reporting documents (Long-Term Council Community Plan, Annual Plans and Annual Reports) within statutory requirements.

Statutory planning and reporting accountability documents have all previously been prepared within statutory requirements and timeframes.

- **Measure:** Successful completion of triennial local authority elections.

Target: Conduct of triennial local authority elections without any need for re-conduct of the elections as a result of judicial review.

Elections have been conducted every three years. There have been no judicial reviews or a need to re-conduct any election.

- **Measure:** All Council meetings conducted in compliance with statutory requirements.

Target: Meetings conducted in accordance with Standing Orders, agendas publicly available at least 48 hours before a meeting and minutes prepared and adopted for all meetings.

It has always been Council practice for meetings to be conducted in accordance with Standing Orders, agendas to be publicly available at least 48 hours before meetings and minutes to be prepared and adopted for all meetings.

2. Providing effective advocacy on behalf of the Taranaki community on matters that affect the statutory responsibilities of the Council or that relate to matters of regional significance which are of interest or concern to the people of Taranaki.

- **Measure:** Level of advocacy undertaken.

Target: Approximately 30 submissions made per year, with evidence of successful advocacy in most cases.

In 2007/2008 the Council made 30 submissions with anecdotal evidence of successful advocacy.

3. Maintaining the Council's holding in Port Taranaki Ltd as a strategic investment on behalf of the regional community.

- **Measure:** The role of Port Taranaki Ltd in regional economy.

Target: Maintain or increase the contribution from Port Taranaki Ltd to the regional economy.

The contribution to the wider community was measured in 2007 and the estimated total economic impact of Port Taranaki is \$604 million to output, \$290 million to GDP, and the employment of 1,485 full time equivalents.

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- **Measure:** The financial and operational performance of Port Taranaki Ltd.

Target: Ensure financial and operational performance from Port Taranaki Ltd is in accordance with the levels presented in each year's statement of corporate intent.

Port Taranaki Ltd's financial and operational performance is reviewed, in terms of the statement of corporate intent, twice a year.

4. Ensuring that the property and treasury investments owned by the Council are managed efficiently.

- **Measure:** Investment returns from property and treasury investments on general rates.

Target: Maintain or increase the level of investment returns used to reduce each year's general rates requirement.

Between 2005/2006 and 2007/2008 the level of investment returns increased on average, by 1.2%.

FURTHER INFORMATION ON POLICIES AND PROGRAMMES

Further detailed information on the specific strategies, policies and plans relating to this group of activities can be found from the following sources:

- Port Companies Act 1988
- Port Taranaki Ltd's statement of corporate intent
- Local Government Act 2002
- Resource Management Act 1991
- Investment Policy
- Standing Orders

ACTIVITIES – WHAT WE PLAN TO DO

Years 2009/2010 to 2018/2019 unless otherwise noted

1. INVESTMENT MANAGEMENT

- Consider Port Taranaki's annual statement of corporate intent and monitor performance against established targets on an annual basis.
- Appoint Directors at Port Taranaki Ltd's annual general meeting and at other times as required.
- Undertake on-going liaison with port company directors and management.
- Undertake periodic reviews of the ownership structure of Port Taranaki Ltd.
- Measure and report at 5 yearly intervals, the economic contribution of Port Taranaki to the Taranaki economy.
- Manage and, where appropriate, divest leasehold land in accordance with the Council's Investment Policy.
- Manage and maximise the returns from treasury investments in accordance with the Council's Investment Policy.

2. PUBLIC INFORMATION

- Publish and distribute regular editions (4 per annum) of the Recount newsletter to over 1,000 stakeholders.
- Maintain the Council's website.
- Implement the Council's environmental awards programme.

- Provide an on-going resource management programme for school children and the wider community including presenting class visits or field trips and hosting visitors to the Council's display areas.

3. ADVOCACY AND RESPONSE

- Assess the implications of policy initiatives proposed by other agencies including discussion documents, proposed policies, strategies, plans and draft legislation, and respond within required timeframes on approximately 30 occasions.

4. GOVERNANCE

- Complete preparation/full reviews and interim reviews of local government policies, plans and strategies.
- Community outcomes process: reviews of community outcomes in 2012/2013 and 2018/2019.
- Community outcomes report on progress: reported annually with the full three yearly report prepared in 2009/2010, 2012/2013, 2015/2016 and 2018/2019.
- Preparation of agendas and meetings in accordance with Local Government Official Information and Meetings Act 1987.
- Conduct of meetings in accordance with Standing Orders and the Local Government Official Information and Meetings Act 1987.
- Successful conduct of triennial local authority elections in 2010, 2013 and 2016.

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INDICATIVE COSTS AND SOURCES OF FUNDS

2008/2009		2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Estimate \$		Estimate \$	Indicative \$	Indicative \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$	Forecast \$
Expenditure											
6,000	Investment management	6,000	6,204	6,353	6,505	6,655	6,815	6,978	7,146	7,325	7,509
161,639	Public information	182,505	185,872	189,589	193,702	196,860	201,247	204,302	209,104	215,128	219,321
103,550	Advocacy and response	90,784	94,063	103,456	111,317	100,143	110,621	104,403	107,147	119,149	127,289
766,204	Governance	777,858	875,228	813,822	830,222	931,331	868,152	883,907	997,866	937,544	958,862
1,037,394	Total expenditure	1,057,147	1,161,367	1,113,220	1,141,746	1,234,989	1,186,834	1,199,591	1,321,263	1,279,147	1,312,981
Income											
597,592	General rates	574,257	641,206	631,185	650,556	716,017	691,159	713,963	787,597	761,629	781,829
450	Direct charges	22,000	22,680	23,176	23,685	24,183	24,716	25,261	25,819	26,415	27,025
439,352	Investment funds	460,890	497,481	458,858	467,506	494,789	470,960	460,367	507,847	491,103	504,128
1,037,394	Total income	1,057,147	1,161,367	1,113,220	1,141,746	1,234,989	1,186,834	1,199,591	1,321,263	1,279,147	1,312,981
0	Operating surplus/(deficit)	0	0	0	0	0	0	0	0	0	0
Capital expenditure											
0	Land	0	0	0	0	0	0	0	0	0	0
0	Buildings	0	0	0	0	0	0	0	0	0	0
128,000	Motor vehicles	77,000	79,000	91,000	193,000	119,000	0	91,000	235,000	77,000	0
62,000	Plant and equipment	30,000	35,000	75,000	30,000	35,000	30,000	75,000	30,000	35,000	30,000
7,200	Office furniture	35,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
70,000	Computer equipment	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
0	Flood and river control assets	0	0	0	0	0	0	0	0	0	0
125,000	Computer software	390,000	440,000	740,000	215,000	215,000	215,000	215,000	515,000	215,000	215,000
392,200	Total capital expenditure	632,000	664,000	1,016,000	548,000	479,000	355,000	491,000	890,000	437,000	355,000
Funded by:											
392,200	Transfer from retained earnings	632,000	664,000	1,016,000	548,000	479,000	355,000	491,000	890,000	437,000	355,000
392,200	Total funding	632,000	664,000	1,016,000	548,000	479,000	355,000	491,000	890,000	437,000	355,000