



FOREWORD

We have pleasure in presenting the Taranaki Regional Council's *2006/2016 Long-Term Council Community Plan*. This is the second such plan prepared by the Council under the provisions of the Local Government Act 2002.

In putting this *Plan* together, the Council has thought carefully about the contribution it can and should make to the Taranaki of tomorrow. It has done this after seeking the views of Taranaki people in a comprehensive consultative process. The Council has decided that it can be most effective by mainly concentrating its efforts on achieving a "sustainable Taranaki", ensuring that our natural environment and physical resources are sustained and protected in the long-term. We are in no doubt that this role is crucial for the future well-being of the region. That is a view that has also come through very strongly from the Taranaki community.

Good water quality, healthy rivers and streams, flourishing biodiversity, fresh clean air, quality coastal environments, productive land and soils and clean industries are vital ingredients of a prosperous, healthy and sustainable community. These are areas in which the Taranaki Regional Council is already playing a significant role. This *Plan* signals a continuation and strengthening of this role over the next ten years.

Also set to continue and develop further over this time is the Council's role in civil defence emergency management, public passenger transport (with a focus on the needs of the transport disadvantaged) and in developing its regional garden amenities.

The process of producing this *Plan* has been relatively straight-forward for two key reasons. First was the Council's commitment to completing, in co-operation with the region's three district councils, the assessment of community outcomes for the *2004/2014 Long-Term Council Community Plan*. Many local authorities are fully undertaking this process for the first time for the 2006/2016 long-term council community plan. The early completion of this exercise has allowed the Council to focus on the preparation of the *Plan* rather than concentrate on the time-consuming process of identifying community outcomes.

Second, and arguably more significantly, the Council's commitment to completing a suite of policies and strategies for specific functions over the past decade has allowed the Council to focus on developing a *Long-Term Council Community Plan* which compiles and coordinates the strategic directions adopted in those documents as opposed to establishing them.

The debates over the issues and solutions have already occurred through significant public processes. These key planning documents include the *Regional Policy Statement*, regional plans for the coast, air, soil and fresh water, biosecurity strategies for plant and animal pests, land transport plans and strategies, civil defence emergency management plans and the asset management plans for the regional gardens and flood control assets.

Those who are familiar with the past activities of the Council will notice that most of the programmes in this *2006/2016 Long-Term Council Community Plan* reflect a business as usual approach to the next ten years. Other than in the area of passenger transport services there are no major new programmes or expenditure areas proposed. Rather the programmes and budgets deliver upon the aforementioned agreed plans.

Changes to passenger transport services are as a result of the current review of the *Regional Land Transport Strategy for Taranaki* and the *Regional Passenger Transport Plan*. These reviews will be completed in 2006/2007.

Provision has been made in this *Plan* for trials of extended passenger transport services to be undertaken. These trials have been clearly signalled in the draft *Regional Land Transport Strategy* and the draft *Regional Passenger Transport Plan*.

Funding of these trials would be split 50:50 between the Council and Land Transport New Zealand.

Final decisions on proceeding with the trials are subject to the adoption of the *Strategy* and the *Plan* as proposed, as well as funding approval from Land Transport New Zealand. If these processes are unsuccessful then the Council and the community will need to readdress the provision of passenger transport services in Taranaki.

Formal auditing of plans in addition to traditional auditing of annual reports is a new statutory requirement for local authorities. The Council's auditors, Deloitte on behalf of the Controller and Auditor-General, have audited this *Plan* and have issued an unqualified opinion.

The most important issue addressed by the Council in this *Plan* is an expected loss in revenue from dividends from Port Taranaki Ltd.

The Council has owned Port Taranaki Ltd since its inception on behalf of the regional community. When Port Taranaki Ltd was incorporated the Council inherited \$50m of debt along with its shareholding. Through to 1996/1997 the Council used dividends from the Company to repay that debt. Since 1996/1997 the Council has used dividends to reduce the general rate requirement of the Council.

Maui gas and associated petrochemical products provided the backbone of Port Taranaki's trade, revenue and profit. So successful was this trade that the Council was able to reduce general rates substantially between 1997/1998 and 2004/2005. However with the Maui gas field reaching the end of its life and the subsequent wind-down of businesses such as Methanex's Motunui and Waitara Valley plants, Port Taranaki has had to seriously restructure its trade products and revenues. The Company is in the middle of this exercise. However as the transition continues, the Company's ability to make profits and return dividends to the Council has been significantly impaired.

For the short-term, Port Taranaki Ltd is forecasting significantly reduced dividend flows. For the years 2006/2007 to 2008/2009 the Council's *2004/2014 Long-Term Council*

Community Plan was forecasting dividend flows of \$3.5m per annum. The Company is now predicting dividends of \$0.8m, \$1.2m and \$2.2m for those years. In the medium to long-term the forecast dividend returns are predicted to rise back to former levels on the back of a diversified trade product range following on from the current port deepening exercise.

The Council must address these deficits. For 2006/2007 the Council faces a dividend shortfall of \$2.7m over that previously planned. Bearing in mind the previously delivered rates decreases and the potential for future rates decreases on the back of improved dividend returns, the Council is proposing the general rates take increase by \$1.0m. The remainder of the shortfall will be funded from dividends saved over the years in anticipation that this difficult business recession would occur for Port Taranaki about this time. Most of the change in rates will come from an increase in the uniform annual general charge from \$23.80 per ratepayer to \$38.25. The overall effect of this rates increase is in the order of \$25 to \$35 per ratepayer.

At this point in time the Council has taken a conservative and prudent approach to forecasting general rates levels. If the dividend returns forecast from Port Taranaki Ltd several years out are delivered, then the Council will review the level of general rates at that time. Some potential exists for future general rates decreases.

The Council views Port Taranaki Ltd as an integral cog in the region's infrastructure. From time to time the Council has reviewed its ownership of the Company but it has remained committed to keeping the port in public ownership. To do nothing to address this short to medium-term shortfall in revenue is not an option for the Council. The proposed course of action addresses the Council's funding needs whilst balancing the commitment to public ownership and the work being completed by Port Taranaki Ltd to address trade and profitability.

The long-term planning process provides an important opportunity for ratepayers and residents to examine and provide views on the Council's proposed activities in the forthcoming

years prior to the Council committing itself to a programme.

The Council received 15 submissions on the draft of this *Plan*. As a result of hearing and carefully considering these submissions the Council made a number of minor editorial changes to this document. Overall there was no significant change in the programmes outlined in the draft of this *Plan*. Some minor budgetary changes were also made. Overall these budget changes had no impact on the level of general rates. However, the targeted passenger transport rate was increased by \$8,000. The Council wishes to thank all submitters for their valued contribution.

This *Plan* was adopted on 17 May 2006.



David Walter
Chairman



Basil Chamberlain
Chief Executive

COUNCILLORS

Your Councillors prepared this *Long-Term Council Community Plan* with the assistance of Council staff and many others. The Taranaki Regional Council has ten representatives elected by the community through local body elections every three years.



AT A GLANCE

This *Plan* is the second *Long-Term Council Community Plan* prepared by the Taranaki Regional Council. It presents the Council's strategic directions and programmes for the next ten years. It also more specifically outlines programmes for the 2006/2007 year, the year ahead.

Over the next decade the Council's key objectives are to:

- Prepare, adopt and maintain a comprehensive suite of legally compliant, high quality and publicly considered **policies, plans and strategies** that will deliver to the Taranaki community, efficient and effective management of the Council's functions.

In 2006/2007 the Council will complete the reviews of the *Regional Policy Statement*, the *Pest Management Strategy for Taranaki: Animals* and the *Pest Management Strategy for Taranaki: Plants*. The Council will also complete the *Walkways and Cycleways Strategy for Taranaki* and commence a review of the *Regional Air Quality Plan*.

- Promote and enhance within the Taranaki community, an integrated, comprehensive **civil defence emergency management** system.

Specifically in 2006/2007, the Council will implement the *Civil Defence Emergency Management Group Plan for Taranaki* and the *2006/2007 Taranaki Civil Defence Emergency Management Annual Business Plan*.

- Process some 3,000 applications for **resource consents**; administer all current resource consents; undertake **compliance monitoring** of resource consents including carrying out more than 30,000 inspections of agricultural and small business premises and completing over 1,800 tailored compliance monitoring programmes for major consents. The Council will also respond to **pollution incidents** and where necessary undertake successful **enforcement** action. These activities will be carried out in an efficient and effective manner that places the Council at the forefront of national best practice.



During 2006/2007, the Council expects to process over 500 applications for resource consents and to process and administer not less than 98% of accepted resource consent applications within statutory timeframes. The Council will design and implement approximately 180 compliance monitoring programmes for major consents and complete 3,300 inspections of agricultural discharges and minor industrial operations.

- Promote **sustainable land management and riparian management** by providing property planning services, in conjunction with landowners, that identify actions for land use management on an individual property basis. The Council intends by the end of the period of this *Plan*, to have active or completed riparian plans in place for over 90% of dairy farms and active comprehensive farm plans in place for over 80% of sheep and beef farms. In ten years the Council expects to have supplied approximately three million plants – mostly native species – to holders of these plans to support its sustainable land management

programme, making it one of the largest water and soil management programmes in New Zealand.

During 2006/2007 the Council will prepare comprehensive, agroforestry and conservation farm plans covering not less than an additional 15,000 hectares from an estimated 45 properties and complete riparian management plans covering not less than an additional 1,250 kilometres from an estimated 350 properties. Approximately 200,000 plants will be supplied to plan holders for planting. The Council will continue to provide timely, high quality advice to promote sustainable land and water management throughout Taranaki.

- Manage and maintain the Waitara and Waiwhakaiho **flood protection schemes** and manage other minor **river control schemes** to accepted or agreed design standards to minimize and prevent damage by floods and river erosion. The Council will continue to provide accurate and timely flood warnings, flood control advice and undertake minor works and associated

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actions to minimise and prevent damage by floods and river erosion.

In addition to generally maintaining the current Waitara and Waiwhakaiho flood protection schemes, the Council will in 2006/2007 install continuous rock bank lining from McNaughton Street to the estuary on the Waitara River flood protection scheme. A ten-year programme of channel improvement works in the Waitotara catchment will also commence.

- Promote an integrated, safe, responsive and sustainable **land transport system** for Taranaki, promote the provision of community **passenger transport** in Taranaki and assist the special transport needs of the transport disadvantaged. The Council will promote **safe navigation** for all users of the waters of Port Taranaki.

Specifically in 2006/2007, the Council will complete a comprehensive review of passenger transport services in Taranaki. The review of the *Regional Land Transport Strategy for Taranaki* including

the *Regional Passenger Transport Plan* will be completed in 2006/2007. Trials of extended passenger transport services are also proposed to be undertaken. The progression of these trials is subject to the completion of the *Strategy* and the *Plan* as well as the funding approval processes of Land Transport New Zealand. The Council will continue to provide harbourmaster and harbour warden services for Port Taranaki to implement relevant harbour bylaws and regulations.

- Monitor and investigate the **state of the environment** in Taranaki and the effects of the implementation of the Council's policies and plans in accordance with the Council's monitoring procedures and programmes. This will be done by applying recognised and reputable methods of data collection, analysis and reporting.

In 2006/2007 the Council will comprehensively review the state of the environment monitoring programme for the 2007/2008 year. The Council

will also investigate the performance characteristics of farm dairy oxidation ponds and their effects on surface water quality, implement a monitoring regime to assess the effectiveness of riparian planting programmes and support selected studies being undertaken by research organisations.

- Encourage and implement **waste management** and cleaner production initiatives in Taranaki consistent with the *Regional Waste Strategy for Taranaki*.

In 2006/2007 the waste minimisation programme will continue, in conjunction with the region's district councils, including among other things employing a waste minimisation officer to assist sector leaders in exploring and implementing waste minimisation.

- Promote the protection of the environment through a programme of **enhancement grants**.

The Council will continue to use environmental enhancement grants for the protection of regionally significant or important wetlands.

- Control **pest animals** to minimize their adverse effects on biodiversity, primary production and the regional economy and environment in accordance with the Council's approved regional pest animal management strategy. By the end of the period of this *Plan* the Council's *self-help possum control programme*, implemented in partnership with land occupiers, will be extended to cover greater than 90% of the Taranaki ring plain and northern and southern coastal terraces, incorporating approximately 5,000 properties over an area of approximately 300,000 hectares.

In 2006/2007 the Council will as part of its *self-help possum control programme* undertake initial control operations on not less than 12,000 hectares and ensure that landholders maintain possum populations within acceptable limits on the 205,000 hectares of land already within the programme.

AT A GLANCE

- Control and/or eradicate **pest plants** to minimize their adverse effects on biodiversity, primary production and the regional economy and environment in accordance with the Council's approved regional pest plant management strategy.

In 2006/2007 the Council will undertake the direct control and eradication of all known infestations of *Senegal Tea*, *Climbing Spindleberry*, *Mignonette Vine*, *Giant Reed* and *Darwin's Barberry* in the region, confine the spread of or reduce the extent of 'eradication' and 'containment' pest plants through a programme of inspections and where necessary enforcement on all properties and take necessary actions on all pest plant complaints.

- Ensure that the **Pukeiti Rhododendron Trust gardens, Hollard Gardens and Tupare** are maintained and enhanced as regionally significant recreational and heritage amenities.

In 2006/2007 the Council will continue repayment of the grant made for redevelopment of Yarrow Stadium and progress development of Tupare and Hollard gardens to the standards established in asset management plans.

- Ensure that **public representation** by the Council and its Committees is carried out effectively and efficiently in accordance with statutory requirements and **advocate** on behalf of the Taranaki community on matters of regional interest or concern.

In the 2006/2007 the Council will complete a representation review in preparation for the 2007/2008 local government triennial elections.

- Promote community awareness and understanding of the Council's functions and activities and make quality and timely **information** publicly available. This area of activity will include further development of the Council's website, **sponsorship** of the *Taranaki Naturally* gallery in the Puke



Ariki museum and library complex and use of this facility to promote key messages. The Council will continue its **environmental education** programme where over the period of this plan, the Council expects to involve approximately 50,000 school students in class visits, field trips and visits to the Council's display areas.

Specifically in 2006/2007 the Council will publish and distribute regular editions of the *Recount* newsletter to over 1,000 stakeholders, maintain the Council's website and implement an environmental awards programme. At least 150 school class visits or field trips will be undertaken with approximately 1,000 people visiting the Council's display areas.

- Ensure that the Council-owned port company, Port Taranaki Ltd is efficiently managed as a successful business and that property and treasury investments owned by the Council are efficiently managed. The Council will seek to attain at least a 6% return on land and treasury investments over the period of this *Plan*.

- Over the 10-year life of this Plan the Council intends to retain a strong **financial position** with no public debt and maintain sound **financial performance** with minimum required rate increases.

Specifically for 2006/2007 the general rate is planned to increase by \$1,000,000. The uniform annual general charge will increase from \$23.80 to \$38.25. Targeted rates for river control and flood protection remain unchanged from 2005/2006. Targeted rates for passenger transport services are proposed to increase by \$147,500 to fund the expansion of trial passenger transport services.

PURPOSE



The Taranaki Regional Council's *Long-Term Council Community Plan* for 2006/2016 is the second such plan to be prepared by the Council under the Local Government Act 2002. This *Plan* is important to you because it presents the Council's strategic directions and programmes for the next decade.

As the name suggests, the *Long-Term Council Community Plan* is a document put together by the Council and the community. In it you will find a description of the activities the Council will be engaged in over the next ten years, the objectives of those activities and their costs – as accurately as can be forecast over this period. But the plan does more than this – it describes how the Council, through its various activities and programmes will contribute to achieving the long-term outcomes for the community that the community itself has identified. Many of these activities focus on ensuring that Taranaki's natural environment and physical resources are sustainably managed for the long-term benefit of the community.

The *Plan* also describes how the Council with the help of the community and other organisations will work together to achieve these community outcomes. The section of this *Plan* entitled, *Looking to the future: working together to achieve community outcomes*, tells you more about this.

There are a number of other more specific documents, plans and strategies that the Council has in place to help it carry out its work. These are also prepared and reviewed in consultation with the community. What this *Long-Term Council Community Plan* does is provide a basis for integrating and coordinating the activities and resources of the Council over the long-term. It provides an opportunity for you, the community, to have a say in these long-term plans.

Under the Local Government Act 2002, the Council is required to produce a long-term council community plan every three years, covering the next 10-year period. The Council is also required to prepare an annual plan for each financial year it does not prepare a long-term council community plan. The annual plans prepared in the years after the long-term council community plan will largely contain budget, funding and financial statements for that year in support of the long-term council community plan. The Council is required to prepare and adopt its next long-term council community plan by 30 June 2009.

The community outcomes contained within the Council's long-term council community plan are reviewed every six years to ensure the Council is on track. Progress towards achieving these outcomes is reported on every 3 years.

This planning environment is presented in Figure 1.

The emphasis in preparing this *Plan* has been to produce a straight-forward easy to read document. The *Plan* has been structured in the following way to help readers understand the long-term proposals of the Council:

- Introduction – a brief description of what the plan is about.
- Audit report – independent opinion on the extent to which this *Plan* complies with the Local Government Act 2002, the quality of the information and assumptions underlying this *Plan*, and the extent to which this *Plan* provides a meaningful assessment of the levels of service to be provided for each activity.
- Looking to the future – an explanation of community outcomes and how the Council will contribute to those outcomes.
- Taranaki region – key factors concerning the environment in which the Council operates.
- Assumptions – the underlying basis upon which this *Plan* was prepared.
- Groups of activities – the background, objectives, performance measures and budgets for each of the Council's activities.
- Funding and financial policies – the financial framework by which the Council operates and under which this *Plan* was prepared.
- Financial statements – the planned financial performance and position of the Council for the next ten years.
- Funding impact statement – the effect that this *Plan* will have on the ratepayers of the region.
- Explanatory notes – additional financial information.
- Developing Māori capacity – the processes by which the capacity of Māori to contribute to the decision-making processes is fostered.
- Appendices – additional policies and financial information.
- Submissions – how to be involved in the submission process and submission form.

The information included in the *Plan* has been prepared for the sole purpose of producing a long-term council community plan. The information contained in the *Plan* may not be suitable for other purposes.

The Council welcomes your input into this *Long-Term Council Community Plan*.

PLANNING PROCESSES

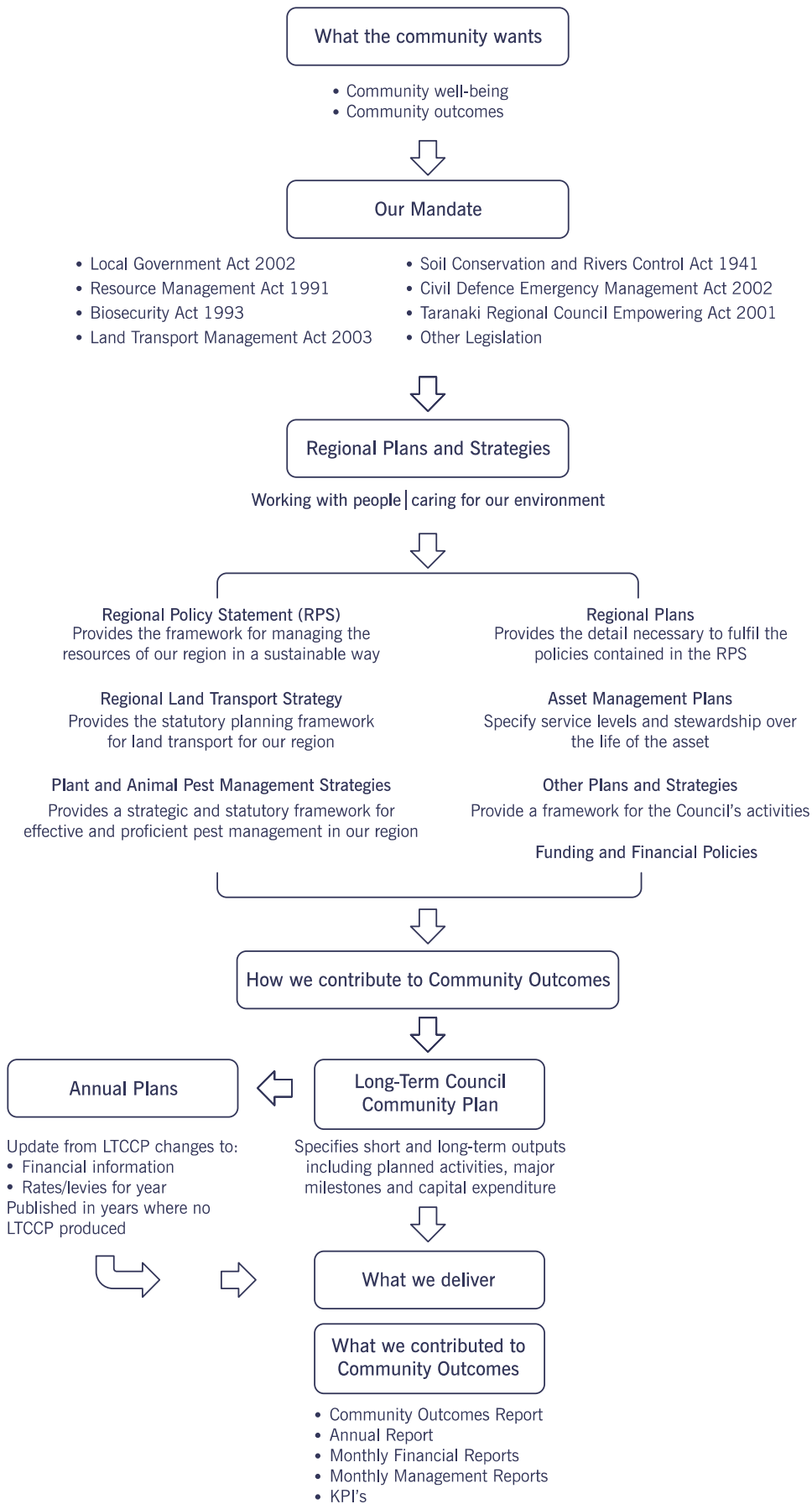


Figure 1: Planning environment for the Taranaki Regional Council

**REPORT TO THE READERS OF
TARANAKI REGIONAL COUNCIL'S
LONG-TERM COUNCIL COMMUNITY PLAN
FOR THE TEN YEARS COMMENCING 1 JULY 2006**

The Auditor-General is the auditor of Taranaki Regional Council (the Regional Council). The Auditor-General has appointed me, Bruce Taylor, using the staff and resources of Deloitte, to report on the Long-Term Council Community Plan (LTCCP), on his behalf.

The purpose of an LTCCP, as set out in section 93(6) of the Local Government Act 2002 (the Act), is to:

- describe the activities of the local authority;
- describe the community outcomes of the local authority's district or region;
- provide integrated decision making and co-ordination of the resources of the local authority;
- provide a long term focus for the decisions and activities of the local authority;
- provide a basis for accountability of the local authority to the community; and
- provide an opportunity for participation by the public in decision making processes on activities to be undertaken by the local authority.

OPINION

OVERALL OPINION

In our opinion the LTCCP of the Regional Council dated 17 May 2006 provides a reasonable basis for long term integrated decision-making by the Regional Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the Regional Council.

It is not our responsibility to express an opinion on the merits of any policy content within the LTCCP.

In forming our overall opinion, we considered our opinion on specific matters required by the Act, which is set out below.

OPINION ON SPECIFIC MATTERS REQUIRED BY THE ACT

The Auditor-General is required by section 94(1) of the Act to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

In terms of our obligation to report on the matters outlined in section 94(1) of the Act, in our opinion:

- the Regional Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;
- the underlying information used to prepare the LTCCP provides a reasonable basis for the preparation of the forecast information;
- the assumptions set out within the LTCCP are based on best information currently available to the Regional Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information is presented in accordance with generally accepted accounting practice in New Zealand;
- the extent to which the forecast information and proposed performance measures provide an appropriate framework for the meaningful assessment of the actual levels of service provision reflects good practice for a Council of its size and scale within the context of its environment.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 17 May 2006, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Regional Council and the Auditor, and explain our independence.

BASIS OF OPINION

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000 (revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements, and provides a reasonable basis for long term integrated decision-making by the public and the Regional Council about the activities of the Regional Council, and for subsequent accountability to the community about the activities of the Regional Council.

Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP, determining compliance with the requirements of the Act, and evaluating the overall adequacy of the presentation of information.

We obtained all the information and explanations we required to support the opinion above.

RESPONSIBILITIES OF THE COUNCIL AND THE AUDITOR

The Regional Council is responsible for preparing a LTCCP under the Act, by applying the Regional Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Regional Council's responsibilities arise from Section 93 of the Act.

We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

INDEPENDENCE

When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than this report, the provision of tax advice and conducting the annual audit, we have no relationship with or interests in the Regional Council.



Bruce Taylor
Deloitte
On behalf of the Auditor-General
Hamilton, New Zealand