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Foreword

We have pleasure in presenting to you the Taranaki Regional Council's *2005/2006 Annual Plan*. This is the first annual plan prepared by the Council consistent with the Council's *Long-Term Council Community Plan*.

The intent of an annual plan is to present next year's budget and funding impact statement as well as to highlight any changes from the budgets and programmes outlined in the Council's *Long-Term Council Community Plan*. Accordingly the regular reader will note that this *Annual Plan* is condensed from those produced previously. The budgets and programmes presented in this *Annual Plan* largely reflect those established in the *Long-Term Council Community Plan* adopted by the Council last year.

The Council undertook significant public consultation on the *Long-Term Council Community Plan* last year. The focus of public consultation this year has been on those areas in which the Council proposes changes from the *Long-Term Council Community Plan*. Those differences occur in five key areas.

In the *Long-Term Council Community Plan* the Council signalled that asset management plans were being prepared for Tupare and Hollard Gardens and that this *Annual Plan* would include the information associated with those plans. The Council has received draft asset management plans from the Technical Advisory Group charged with preparing them. The draft plans set out a programme of enhancement and maintenance for these public amenities. These plans have been prepared by experts in the field with input from many stakeholders within the community.

First drafts of the asset management plans were received by the Council in November 2004. The Technical Advisory Group was then requested by the Council to consult on their draft proposals. As a result of that consultation the Council has made some amendment to the plans for inclusion in this *Annual Plan*. In particular, the draft asset management plans included the replacement of the house at Hollard Gardens with a visitor/information facility. Feedback has emphasised the need for an on-site presence to be retained at Hollard Gardens. The Council has decided to defer any decision on removing/replacing the house at Hollard Gardens until consideration of its 2009/2019 *Long-Term Council Community Plan*. Deferring this decision will provide time for the other planned enhancements to be made and tested prior to deciding on a capital investment of the magnitude identified for a pavilion on the existing house site. A better quality decision will be able to be made at a later date.

The rest of the draft asset management plans have been incorporated into this *Annual Plan*. None of the development plans incorporated into this *Annual Plan* will be implemented until the Council has completed the process of finalising and adopting the asset management plans.

Additional resources have been included in the estimates to allow the Council to be more responsive to river control and flood protection across the whole region. This action is necessary as a result of changes to the nature of Taranaki's rivers arising from weather and flood events in February 2004. In the first instance there will be provision to lift the level of service in the Waitotara catchment.

Additional staff resources have also been provided for to allow the Council to implement programmes to deal with the Council's role in biodiversity.

Provision has likewise been made for a possible small increase in the level of subsidised passenger transport services which may arise from the current review of the *Regional Land Transport Strategy*.

The Council's *Long-Term Council Community Plan* budgeted dividends from Westgate Transport Ltd to be \$3.1m in 2005/2006. The ongoing change to Westgate's business, arising from the decline in Maui gas, has impacted upon dividend streams. Consequently the Council now only anticipates \$2.4m in dividends in 2005/2006. This shortfall in revenue has been addressed partly by means of transfer from the Dividend Equalisation Reserve (\$450,000) with the balance needing to be funded from rates.

The Council will introduce a relatively modest uniform annual general charge (UAGC) of \$23.80 (GST exclusive). This is a move away from the Council's rates being based solely upon the capital value of a ratepayer's property and reflects a core level of services that all ratepayers receive from the Council regardless of the value of their property. The move to a UAGC will result in some small change to the incidence of rates, but the effect on both high and low value properties is minor in nature. District councils have charged UAGCs for a number of years and increasingly regional councils are matching that trend now that they have the statutory authority to do so. The Council has in past years, received submissions seeking the introduction of a UAGC.

Foreword

General rates income based on capital value is proposed to decrease by 1.5% and income from targeted rates will also substantially reduce next year, being replaced by revenue from uniform annual general charges.

The annual planning process provides an important opportunity for ratepayers and residents to examine and provide views on the Council's proposed activities in the forthcoming financial year, prior to the Council committing itself to a programme. The draft *Annual Plan* was widely publicised including a summary being provided to every residence in the region. The Taranaki Regional Council received 17 submissions on the draft of this *Annual Plan*. As a result of those submissions some minor changes, with no financial implications, were made to this finalised *Annual Plan*.

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

This *Annual Plan* was adopted on 9 May 2005.



David Walter
Chairman



Basil Chamberlain
Chief Executive



David Walter
Chairman

Basil Chamberlain
Chief Executive

Councillors

Your Councillors prepared this *Annual 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.



David Walter
Chairman
Stratford

Roger Maxwell
Deputy Chairman
North Taranaki

Donald McIntyre
North Taranaki

Bruce Cudby
South Taranaki

David MacLeod
South Taranaki

Neil Walker
South Taranaki

Tom Cloke
New Plymouth

Moira Irving
New Plymouth

David Lean
New Plymouth

Barry Marsh
New Plymouth

Purpose

This is the first *Annual Plan* produced by the Taranaki Regional Council under the Local Government Act 2002. Under the new legislation, the purpose of the *Annual Plan* is to provide an update by exception against the *Long-Term Council Community Plan*, which remains the substantive reference document. Much of the material in the *Long-Term Council Community Plan*, for example explaining why we do what we do, remains current.

This *Annual Plan* concentrates on one year – in this case 2005/06 – and includes such information as the performance measures for our programmes in this year. Overall, the changes from what we had expected to happen in 2005/06 are relatively minor. The one or two more significant changes are noted and explained within that group of activities.

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 mainly 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 2006.

The Taranaki Regional Council's 2004-2014 *Long-Term Council Community Plan* was the first such plan to be prepared by the Council under the Local Government Act 2002. This *Long-Term Council Community Plan* is important as it presented 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 10 years, the objectives of those activities and their costs – as accurately as can be forecast over this period. But the *Long-Term Council Community 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 *Long-Term Council Community Plan* also describes how the Council with the help of the community and other organisations will work together to achieve these community outcomes.

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 the *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.

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 three years.

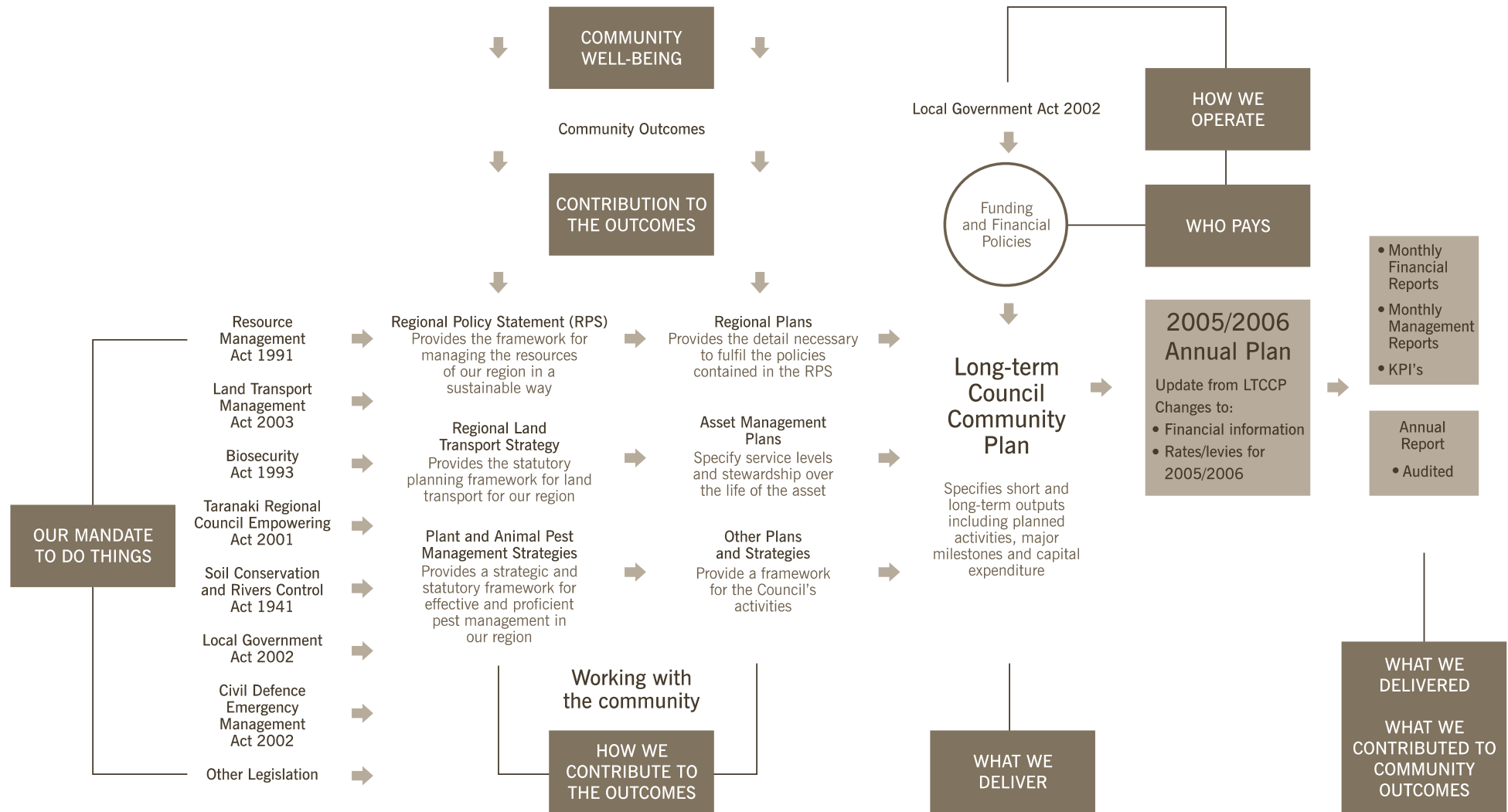
The emphasis in preparing this *Annual Plan* has been to produce a straight-forward easy to read document. This has been aided by the Local Government Act 2002 which only requires the Council to present, in an *Annual Plan*, financial information and deviations from the adopted *Long-Term Council Community Plan*. That is what this *Annual Plan* presents.

Except where noted, the plans, strategies, programmes and targets established in the *Long-Term Council Community Plan* apply to this *Annual Plan* and the 2005/2006 operations of the Council. Therefore it is important that readers read the *Long-Term Council Community Plan* in conjunction with this *Annual Plan*.

Copies of the *Long-Term Council Community Plan* are available from the Council or from the Council's website (www.trc.govt.nz).

In terms of section 83(1) (a) of the Local Government Act 2002, this *Annual Plan* also constitutes the *Statement of Proposal*. That is, this *Annual Plan* includes all of the information required in a *Statement of Proposal*.

Planning processes



Groups of activities

Introduction

For the purpose of this *Annual Plan* the Council has arranged its business into ten groups of activities, namely policy and planning, civil defence emergency management, resource consents, land management, river control and flood protection, land transport and harbour management, resource investigations, monitoring and enhancement, pest management, recreation culture and heritage, and regional representation, information and investments. For each group of activities, and activities within that group of activities, information is presented to:

- identify deviations, if any, from the *Long-Term Council Community Plan*
- identify performance targets for the 2005/2006 programme of activities
- identify the estimated levels of expenditure and how that expenditure is to be funded.

Funding proposals are consistent with the Council's *Revenue and Financing Policy*.

For the purposes of this *Annual Plan*, general rates, uniform annual general charges and investment revenue have been grouped together and, as a funding mechanism, are described as General Funds. For 2005/2006 this equates to:

| | 2005/06 Estimate \$ | 2005/06 LTCCP \$ | 2004/05 Estimate\$ |
|-------------------------------|------------------------|---------------------|-----------------------|
| General rates | 3,223,975 | 3,273,975 | 3,273,975 |
| Uniform annual general charge | 1,050,000 | 0 | 0 |
| Investment revenue | 4,054,508 | 4,730,630 | 5,154,060 |
| Total funding requirement | 8,328,483 | 8,004,605 | 8,428,035 |

Performance measures

Performance measures, by which performance may be judged in relation to objectives, are included in the programme. These have been described in simple, but comprehensive, terms. The most important measure by which performance may be judged is that of whether defined tasks have been performed.

The Council also intends that its performance be measured in terms of:

- Timeliness—in all cases, unless stated otherwise, the target is to complete the tasks by 30 June of each year.
- Cost—in all cases the target is to complete the tasks defined within the budget set in the *Indicative costs and sources of funds*.

- Quantity—in all cases where a quantity measure is specified, the target is to meet that specified quantity.
- Quality—in all cases the target is to meet the quality expectations of the elected Councillors. The Council has extensive quality control procedures in place to ensure a high level of quality is present in the receipt of products or undertaking of activities.
- Location—in all cases where a location is specified, the target is to deliver the service in that location.

Asset management

For each group of activities the Council is required to identify the assets or groups of assets required by the group of activities and identify, in relation to those assets or groups of assets:

- how the local authority will assess and manage the asset management implications of changes to:
 - demand for, or consumption of, relevant services
 - service provision levels and standards.
- what additional asset capacity is estimated to be required
- how the provision of additional asset capacity will be undertaken
- the estimated costs of the provision of additional asset capacity
- how the costs of the provision of additional asset capacity will be met
- how the maintenance, renewal, and replacement of assets will be undertaken
- how the costs of the maintenance, renewal, and replacement of assets will be met.

All groups of activities utilise the day to day operational assets of the Council (buildings, motor vehicles, plant and equipment, office furniture, and computer equipment). Other than for *River control and flood protection*, no assets of significance (as defined in the *Significance Policy*—refer to the *Long-Term Council Community Plan* or infrastructure assets are used.

The Council maintains sufficient operational assets to undertake its activities. The operational assets are maintained to sufficient service levels to enable staff to complete their duties efficiently and effectively. The maintenance and replacement of these assets is undertaken on a ten-year programme. All maintenance budgets are included in the operational expenses of the Council. New capital expenditure programmes and replacement capital expenditure programmes are also on a ten-year cycle and are included in the capital expenditure budgets (refer to the *Explanatory Notes*).

Groups of activities

All operational assets are depreciated over their useful life. Replacement and new operational assets are funded from retained earnings, being the accumulated depreciation on existing operational assets. Any significant increase in operational assets that could not be funded from retained earnings would be funded by application of the Council's *Revenue and Financing Policy* (no such expenditure is planned or provided for in this *Annual Plan*).

River control and flood protection activities utilise the flood control assets on the Waitara and Waiwhakaiho rivers. These assets are defined as significant in the Council's *Significance Policy*. Asset management plans have been prepared for these assets.

The asset management plans' objectives are to manage the flood control assets of the Lower Waitara and Waiwhakaiho rivers, to provide an appropriate standard of flood protection for persons and property situated adjacent to the rivers. This will be achieved while maintaining, and where possible, enhancing the environmental and recreational value of the river and adjoining areas.

The levels of service required from the scheme assets are:

- to maintain the flood channel and scheme assets to provide security from flooding and flood damage up to the level of a 2% Annual Exceedence Probability for the Waitara township and residents
- to maintain the stopbank and gabion basket walls to provide security from flooding up to a level of 2% Annual Exceedence Probability for the Waiwhakaiho River industrial and business areas
- to continually appraise and improve the river management techniques used to maintain or enhance the overall performance of the scheme assets
- to maintain a defined river channel free from obstructions and vegetation
- to recognise the fishery and wildlife values of the river environment and maintain fish and wildlife habitats wherever possible within the scheme while achieving the management plan objectives of the scheme
- to recognise the importance of the rivers for recreational use and extend or enhance recreational opportunities in conjunction with the operation of the scheme when and where possible
- to ensure the scheme expenditure remains within budget except for specific Council approved contingencies
- to undertake a comprehensive review of the scheme at least every five years
- to satisfy legislative requirements.

The assets are provided and maintained to meet these levels of service. At this stage there are no plans to increase the levels of service or to expand the coverage of the flood control assets. There is no identified need to construct significant new flood control assets on these or any other rivers in the region.

The infrastructure assets are maintained to these identified service levels. All maintenance budgets are included in the operational expenses of the Council. New capital expenditure programmes and replacement capital expenditure programmes are included in the capital expenditure budgets (refer to the *Explanatory Notes*). Further detail on the maintenance and capital programmes in relation to these infrastructure assets may be obtained by reference to the asset management plans.

The Council has developed asset management plans for Tupare and Hollard gardens. These plans were in the process of production during the preparation of the *Long-Term Council Community Plan*. The *Long-Term Council Community Plan* provided for the status quo to continue, noting that budgets for operating and capital expenditure would be included in this *Annual Plan* once the asset management plan were developed.

Specific development and operation plans for Tupare and Hollard Gardens can be found in the *Recreation, culture and heritage* section of this *Plan*.

The Tupare plan seeks to:

- protect the heritage qualities of the house and garden
- recapture the splendour of the gardens
- make the property accessible and appealing to a larger audience
- provide a range of quality visitor services and events
- lead to the ongoing improvement and redevelopment of Tupare.

The Hollard Garden plan seeks to:

- protect the integrity of the Hollard plant collection
- present the gardens as accessible and appealing to visitors
- encourage increased use through visitor education and interaction
- provide appropriate improvement and redevelopment
- lead to the ongoing protection and enhancement of Hollard Gardens.