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## Chairman's report



**David Walter**  
**Chairman**

On behalf of the Taranaki Regional Council it is my pleasure to present the Council's 2001/02 Annual Report to the regional community.

Operationally the Council had a busy and productive year across our range of activities. Some of the key operational highlights included:

- processing 482 resource consents (up from 422 in 2000/01), within the statutory timeframes specified in the Resource Management Act 1991
  - compliance monitoring of all significant resource uses, which in general showed a very high level of compliance with consent and plan requirements
  - responding to 624 pollution incident notifications
  - adoption of Taranaki's first *Regional Fresh Water Plan* and *Regional Soil Plan* after very constructive public processes
  - completing reviews of the region's pest plant and pest animal strategies
  - the development of a Partnership Agreement with Puke Ariki to allow for the annual presentation of information and displays promoting environmental education and responsibility
- supplying 92,000 plants (33% increase over 2000/01), at cost, for the planting of stream banks to provide water quality protection
  - completing significant maintenance on the Waitara River flood control scheme
  - extension of the self-help possum control programme, which now covers 181,500 ha on 2,830 properties.

In addition to core activities the 2001/02 year was groundbreaking for the Council because of our engagement in new activities under the provisions of the *Taranaki Regional Council Empowering Act 2001*. With the Council providing financial support of \$9.6m, the Taranaki Events Centre Trust has been able to refurbish Rugby Park, now known as Yarrow Stadium. The key aspect of the refurbishment has been the construction of two new grandstands providing covered seating for approximately 9,000 people and associated servicing facilities for players, the media and the public. With the Council's support, Taranaki has not only secured the retention of existing sporting events (particularly Super 12 matches) that would have otherwise been lost, but has placed itself in line to secure new sporting and cultural events. The new Yarrow Stadium will be officially opened on 4 October 2002.

Of less financial impact, but by no means less important, was the Council's commitment to support regionally significant gardens. To this end, the Council has worked with the Queen Elizabeth II National Trust to purchase Hollard Gardens near Kaponga and Tupare on the outskirts of New Plymouth. The Council has also entered into a *Stakeholding Agreement* with the Pukeiti Rhododendron Trust to assist the Trust in securing a sound and high quality future for this world class garden asset. A challenge for the future is to prepare plans for the development and management of these gardens. A team has been engaged to do this planning work and the community will have the opportunity to have their say on the future direction of the amenities.

The Council has continued to focus on the efficient and effective delivery of its core functions. By any measure of achievement, 2001/02 was a successful operational and financial year. With the effect of the funding of Yarrow Stadium the Council had budgeted for an operating deficit of \$8.8m. The actual operating deficit was reduced to \$7.7m. A significant proportion of the financial success of the Council relates to the dividend streams received from Westgate Transport Limited. Westgate had another successful year and is in the process of implementing strategic plans to ensure this success continues.



## Chairman's report (cont)

Local authority elections were conducted in October 2001. Councillors Mary Perrott and Maurice Dimock did not seek re-election. On behalf of our community, I thank them for their contribution to the achievements of Council and indeed for their long service and involvement in a range of capacities for the benefit of Taranaki.

The Council Chairman, Mr Ross Allen, also retired from a very long and distinguished period of local government service. Ross Allen was the Council's Chairman from inception in 1989 to 2001 – a period of significant activity and change for the Council. I pay tribute to Ross's dedication, hard work and leadership, which have been key factors in the success of the Taranaki Regional Council. Ross is held in very high regard both within Taranaki and nationally. We wish him and Evelyn best wishes for the future.



Councillors Ian Armstrong, Tom Cloke and Claire Stewart were elected for the first time in October 2001 and are welcomed to the Council.

An organisation of this type cannot operate effectively without the contributions of many external people and a dedicated and professional management and staff. I would like to take this opportunity to personally, and on behalf of the Council, thank all of the staff, management and external parties who have contributed to another successful year.

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.

On behalf of the Taranaki Regional Council Councillors,

David Walter  
**Chairman**



## Chief Executive's report



**Basil Chamberlain**  
**Chief Executive**

### Introduction

It is pleasing to review the past year as being one of achievement in all of the Council's activities. With only minor variations, the work programme has been completed and performance objectives met within financial targets.

### Policy

A year ago, a change for the Council was signalled from an intense period of investigation and policy development to a time more focused on policy implementation, monitoring and review. That has clearly occurred. The Council now has a fully operative suite of Resource Management Act policy and plan statutory instruments. Biosecurity Act strategies and a number of other strategies and policy documents ranging from flood control scheme asset management plans to civil defence and oil spill response plans are also in place.

The very significant investment in policy and strategy development over the years has been vital for the Council for reasons ranging from the need to ensure action programmes are soundly based to the need to gain community ownership.

All of the Council's programmes are now fully operational and where appropriate, gathering momentum. The key test of course is whether the actions deliver in contributing as expected to desired outcomes. So far, the Council has cause for considerable satisfaction and confidence. All of our success indicators are positive.

During the year, the Council completed 5-yearly reviews of its two pest strategies and the regional air plan, with few changes made. This provided further evidence of the Council's confidence in, and the public's continued endorsement of, present directions.

### Resource consents and compliance

Four hundred and eighty-two consent applications were processed during the year, an increase of approximately 14% over the previous 12-month period. The increase was mainly attributable to a general upsurge in economic activity in Taranaki. There was a notable increase, for example, in applications to take water for dairy pasture irrigation.

The majority of applications (95%) were processed without public notification. For the second year in a row, all applications were fully processed within the statutory timeframes. This was an excellent achievement and a credit to the staff involved.

The pre-hearing process has continued to be used successfully. Only four hearings were held during the year: the Stratford Power Station Expansion Project, the Kapuni Production Station air discharges, the dredging and disposal of sand from Port Taranaki and the Riverlands Eltham wastewater spray irrigation system.

There were two references to the Environment Court in relation to one of the Council's consent decisions during the year. The Court had not determined this matter prior to the end of the period. In respect of a reference from the previous year, the Court found in favour of the Council.

For some years, the Council has been participating in the development of a national database of consent processing information, co-ordinated by regional councils, in recognition of the need to provide factual information on consent processing performance, including reliable comparative information to assist in developing good practices. The Council's performance measures up very well relatively but it is also notable that the majority of all regional councils' consent processing activities are of a high standard.





## Chief Executive's report (cont)

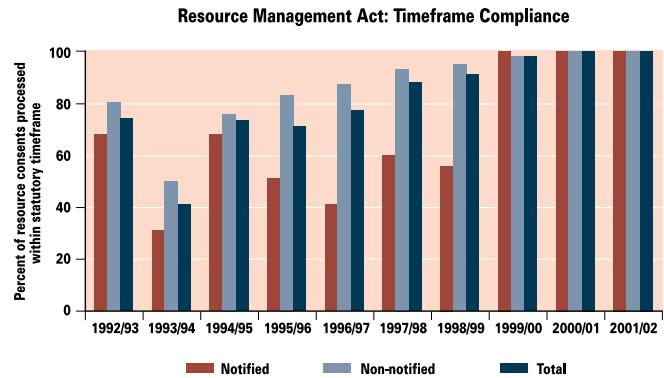
One hundred and eleven specific compliance monitoring programmes associated with the major consents administered by the Council were completed and publicly reported during the year. Of these programmes, 32% showed a high level of compliance and environmental performance and 59% a good level of performance. The combined total was similar to last year.

Unusually, no prosecutions were taken during the year for non-compliance with resource consents or regional plans. Three infringement notices and 206 abatement notices were issued over the period to enforce environmental requirements.

Officers visited 2,354 dairy farms, 16 piggeries and 41 poultry farms to inspect waste treatment systems. Inspections included the measurement of various water quality parameters in effluent and/or receiving waters. A 7% reinspection rate was necessary to ensure required improvements were made. This compared to a 4.5% rate from the previous inspection round.

In addition to agricultural systems, 522 inspections were undertaken of minor industrial systems. A 2.3% reinspection rate occurred.

There were 624 pollution incidents reported to the Council during the year. Most of these (62%) were associated with freshwater incidents, mainly unauthorised waste discharges. Air, mainly smell, complaints were the second largest category of reported incidents at 26%. All were responded to as appropriate. The Council continues to place a very high emphasis on responding to, and acting on, pollution complaints and ensuring that consents, once granted, are complied with.



### Resource investigations

The Council continued to implement its comprehensive state of the environment monitoring and investigations. The five-yearly report of the state of Taranaki's environment was prepared to draft stage by the end of the period.

A number of joint venture research programmes continued to be progressed with organisations such as Dexcel on issues ranging from the performance characteristics of oxidation ponds, through to the sustainability of various fertiliser application regimes. The Council is committed to continuing to invest at an appropriate level to improve its knowledge of regional environmental issues in particular to assist sound decision making.



A very high profile investigation completed during the year was in response to allegations of a proliferation of illegal and secret dumps of agricultural wastes containing dioxin in suburban New Plymouth. Working with community groups, the Council provided opportunities for anyone with concerns or information to present them, including potential locations they wished to see examined. Following this, the Council conducted detailed site investigations at 36 sites in close liaison with the concerned people. It also used independent specialist laboratories and peer reviews to assist analysis and interpretation. The outcome was that absolutely no illegal dumps were found, nor any new evidence of dioxin contamination. This finding was of substantial relief to the residents of the area who, regrettably, had been subjected to often substantial and unnecessary emotional distress over the issue.

Another very interesting assignment involved a partnership with Shell Petroleum Mining Limited and representatives from the Ngati Rahiri and Otaraoa hapu. The work involved collecting information from a traditional Maori and biological science perspective on the marine ecology in and around the Waitara foreshore. The project had a number of benefits ranging from reciprocal exchanges of information about our marine resources through to training opportunities for local people and the establishment of a useful database for long-term monitoring. Interestingly, this particular project formed the basis for one of the New Zealand presentations to 2002 Johannesburg Summit of the World Business Council for Sustainable Development.



## Chief Executive's report (cont)

### Land management

Land management services continued to be well received during the year. Public demand for sustainable land management advice continues to grow.

Council advice is normally provided at a property scale through a range of plans:

- comprehensive plans that are 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.

Twenty-three new comprehensive farm plans were prepared during the year. These plans provided advice covering 11,516 hectares of hill country, bringing the total coverage of these plans in the region to approximately 78,500 hectares. Thirty-one conservation plans were prepared for 2,032 hectares. Over 20,700 hectares are now covered by conservation plans.



Outstanding growth continues in the preparation and implementation of riparian plans and protection. Sixty-one plans were prepared during the year, addressing an additional 261 km of stream banks.

These plans were supplemented by similar remarkable growth in the demand and provision of planting materials. The Council's bulk growing and distribution programmes saw nearly 101,700 plants provided for protection purposes during the year. Nine thousand seven hundred of these were poplars and willows provided for land stabilisation purposes

Riparian plant provision rose to 92,000, a growth rate of 32% over last year. These plants, which are largely grown under contract to the Council, are typically made available at over 50% discount on normal retail prices. Nurseries, too, are benefiting from the increased work and certainty of supply contracts.

Good progress continued to be made towards the protection of important wetlands. Perhaps the most significant wetland to achieve protection status during the year was part of Lake Kaikura. Several other wetlands, however, were progressed towards, or gained, protection status.

The Council also continued to fully service and administer the Taranaki Tree Trust. During the year, the Trust assisted with several environmental enhancement projects.

### Flood control and emergency management

River and flood control activities were undertaken at expected levels during the year. Groyne maintenance was undertaken and three new sub-groynes constructed to maintain the integrity of the Lower Waitara River Flood Protection Scheme. A 100-metre length of stopbank was also rock-lined and upgraded to standard specifications. Minor works were also undertaken to maintain the Lower Waiwhakaiho River scheme.

The works were consistent with the ten-year programme of maintenance and improvements outlined in the asset management plan for the schemes.





## Chief Executive's report (cont)

General channel maintenance work continued to be promoted and assisted for the three smaller Central Taranaki schemes during the year. Other minor works were undertaken at various locations, including in the Kaihihi Stream near Okato.

Hazard awareness, response planning and training continued to be the focus of emergency management/civil defence activities. Implementation of the Co-ordinated Incident Management System (CIMS) approach to emergency management was a key operational focus during the year. This resulted in a number of changes to the set up of Headquarters and the roles and responsibilities of several people.

The Council has continued to contribute constructively to the overhaul of New Zealand's emergency management systems and legislation, although progress continued to be very slow. The Group also successfully delivered on all contracted district council civil defence tasks.

### Animal and pest plant management

The Council's two recently reviewed pest management strategies were successfully managed through their first year following the end of the five-year terms of the earlier strategies. Implementation of the *Self-Help Possum Control Programme* on the Taranaki ring plain continued to be the primary pest animal focus. This programme involves the Council undertaking initial control on properties and then facilitating, and where necessary requiring, landowners to maintain reduced possum densities.

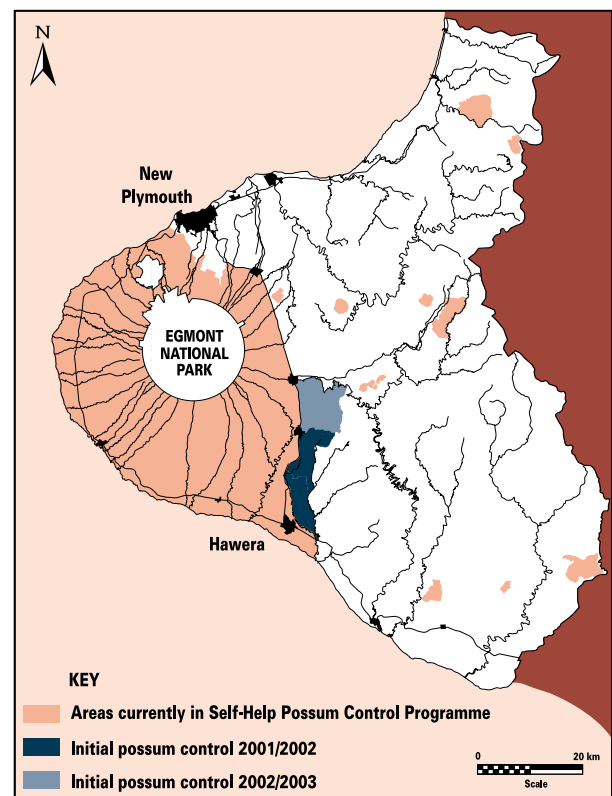
At year end, the Council had treated and included 2,830 properties comprising 181,500 ha into the *Self-Help Possum Control Programme*. During the period, Council staff contacted 2,677 occupiers in the programme area and discussed management techniques and timeframes for co-ordinating maintenance in their area to maximise the effectiveness of possum control. Farmers have responded willingly to the need to undertake maintenance with some doing it themselves and others employing contractors for the couple of days work typically necessary. In 25 instances, notices of direction were issued. No prosecutions were required to be undertaken.

Each year, the Council has sought to expand the area included in the *Self-Help Possum Control Programme*. During 2001/2002, the programme was expanded by the Council undertaking initial treatment in the Tawhiti, Te Roti and Skinner Road areas. The Council treated 327 properties covering 11,458 ha. Possum numbers in these areas were reduced by approximately 90%. As required by the strategy, the Council will only undertake initial control in an area, with subsequent inclusion in the self-help programme, if the majority (66% or more) of land occupiers are in support. For the Tawhiti, Te Roti and Skinner Road areas, over 99% of occupiers were in support of the programme expansion.

For the first time, during 2001/2002, external contractors, appointed following a tendering process, undertook initial control operations. The Council restructured its Animal Pest Management Section in recognition of an increasing ability within the market place for external contractors to provide competent, professional services.

The *Self-Help Possum Control Programme* now covers most of the ring plain. It is an outstanding example of a local authority facilitating and empowering the land occupiers to actively manage an environmental and agricultural pest to achieve results that could not have been attained by the Council acting on its own or simply leaving the issue to private individuals to address.

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. Commonly agreed objectives, clarity of roles, sharing of tasks and goodwill are the fundamental components for successful nature conservation activities on private land.



Self-Help Possum Control Programme



## Chief Executive's report (cont)

The *Pest Plant Management Strategy for Taranaki* was also implemented as required. Promotion and enforcement of ragwort control continued to be a major focus, although compared to a decade ago, the ragwort problem in Taranaki is very much reduced. One hundred and ninety-seven notices of direction were issued during the year, mainly requiring ragwort plants to be managed. This number was up on the previous year, largely because the Council has adopted a lower number of ragwort plants per hectare as its standard for regulatory intervention, with the aim of continuing to improve the overall level of control for this pest. All notices were satisfactorily complied with.

The Council also continued its programme of releasing biological control agents to assist in pest plant control throughout the region. Ten releases of ragwort flea beetle were undertaken. The Council also inspected 25 plant nurseries and retail outlets. Eighty-six complaints and inquiries about plant pests were actioned during the year. There continued to be an emphasis on raising people's awareness of plant pests such as *Giant Buttercup* and *Gunnera (Chilean Rhubarb)*, both of which will be the subject of regulatory programmes in the future.

### Transport

Transport activities occurred as programmed during the year. Road safety continued to be a particular focus for the Council. The Taranaki Road Safety Co-ordinating Group, under the *Roadsafe Taranaki* banner, facilitated 52 wide-ranging safety promotion projects. The Land Transport Safety Authority and the Council provided most of the funding for these activities which ranged from *Safe-with-age* training courses to road safety signs.

The regional component of the *Regional Land Transport Strategy* was completed in all respects.

Total mobility taxi services were provided to people with disabilities in the urban centres of New Plymouth, Bell Block, Waitara, Inglewood, Stratford and Hawera. Demand grew substantially during the year, resulting in a \$68,000 initial budget overrun. The Council agreed to provide additional funding to support demand during the year as a preferable course of action to reducing subsidies. A total of eight taxi organisations participated in the scheme, which is provided through the Disabled Persons Assembly, to 26 affiliated agencies. A total of 79,541 passenger trips were subsidised during the period.

The Council also provided funding for the delivery of a concessionary fare scheme for disabled persons, students and the elderly to use the urban bus service in New Plymouth. A total of 107,354 passenger trips were subsidised through this scheme. Again demand, especially from students, exceeded expectations. In this case, the Council responded by reducing the subsidy level for student travel during the year.

### Rugby Park to Yarrow Stadium

The *Taranaki Regional Council Empowering Act 2001* was enacted in November, allowing the Council to release funds for construction to commence on the redevelopment of Rugby Park. This was essentially the last stage of a very time-constrained and detailed process leading to the publicly supported decision for the project to proceed.

During the year, the Council was the recipient of the *2001 New Zealand Post Category Award for Community Relationships* in recognition of the process used for this project.

Since commencement of construction, the project has proceeded according to plan to the credit of the Taranaki Events Centre Trust. Fundraising is 97% of target, with activities still ongoing. Cost projections and timelines have been met.

Yarrow Stadium will be a facility that Taranaki people can be properly proud of for years to come.





## Chief Executive's report (cont)

### Regional gardens

Just prior to the end of the financial year, the ownership of Hollard Gardens and Tupare transferred from the Queen Elizabeth the Second National Trust to the Council for a peppercorn sum. As for the Yarrow Stadium development, actions in respect of these regionally important gardens required the enactment of the *Taranaki Regional Council Empowering Act 2001*.

Concurrently, the Council has entered into a long-term stakeholder relationship with the Pukeiti Rhododendron Trust, with the aim of assisting the Trust to secure and enhance the future of this world-class garden amenity.



The Trust and the Council will be working together to prepare management plans for these amenities in an effort to carefully assess and resource what is needed for the future. Community input will be a welcomed component of this planning process.

### Information

The Council has continued to place emphasis on the provision of quality information to the public and on the development of quality information systems.

A sophisticated geographic information system was installed during the year. The data layers sit on high quality digital photographs and link to all of the Council's detailed databases. This system, working in combination with trained staff, modern field tools such as global positioning system recorders, and special purpose interpretative, analytical and reporting software, is greatly enhancing the Council's ability to deliver better quality services faster. A doubling, or more, in productivity improvements is occurring in key Council services as a result of these technology advances. The organisation is strongly committed to capturing the benefits of these technologies going forward.

Efforts have also been on continuing to improve the breadth and quality of information on the Council's website. Website use continues to rapidly grow. The monthly average individual sessions for the year was 3,732.

More traditional style publications have also remained popular. During the year, the Council published *A Guide to Regional Plans in Taranaki – for oil and gas exploration and production activities*, part of a series of regional plan guides. A popular booklet *Working with people – the formative years of the Taranaki Regional Council* was launched in December at a function to recognise the service of Mr Ross Allen. The booklet *Investing in our banks*, the third in a series on the Council's policies and programmes, was also published.

The Council has also continued to publish regular *Recount* newsletters and a variety of materials and assistance to aid environmental education, especially in schools.

Another notable event during the year was the establishment of a foundation partnering agreement with New Plymouth District Council in respect of Puke Ariki, the region's new information and heritage centre presently under construction. The agreement sets out the Council's relationship with Puke Ariki over a ten-year period. The Council is sponsoring the development of a land and sea gallery at the facility, promoting environmental awareness and responsibility to a wide and large audience.



## Chief Executive's report (cont)

### Investments

Westgate Transport Limited, the Council's wholly owned port company, reported good operational and financial results for the 2002 financial year. Total revenue for the period was \$28.25m compared with \$24.04m in 2001.

Tax paid profit for the year was \$4.40m, up from the previous year's \$4.34m. This represents a return of 9.16% per annum on average shareholder's funds employed during the period. Total shareholder's equity improved from \$44.9m to \$51.2m over the period.

Uncertainties over gas supplies and pricing, as New Zealand moves into the post-Maui era, are presenting challenges to Westgate, especially given the Company's reliance on methanol trade for approximately one-quarter of its revenue. Westgate is approaching its future with a range of strategic initiatives, from widening its tidal operating capabilities to investing in growing container terminal operations.

The Council has been fully supportive of the Board's approach to developing and enhancing the business with a focus on the medium to long-term, as well as the immediate, noting the strategic importance of the port facility to the overall economy of Taranaki.

During the year, the Council also continued to receive income from leasehold lands and cash investments. Land rentals generated a 6.4% return and cash investments averaged a 5.6% return during the period.

### Financial

Total expenditure for the year was \$18.9m, which was within 2% of budget. The Council completed the year with a deficit of \$7.7m, a result that was \$1.1m ahead of the planned deficit of \$8.8m.

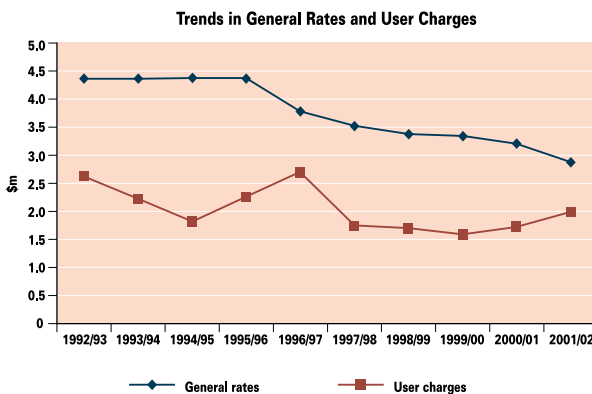
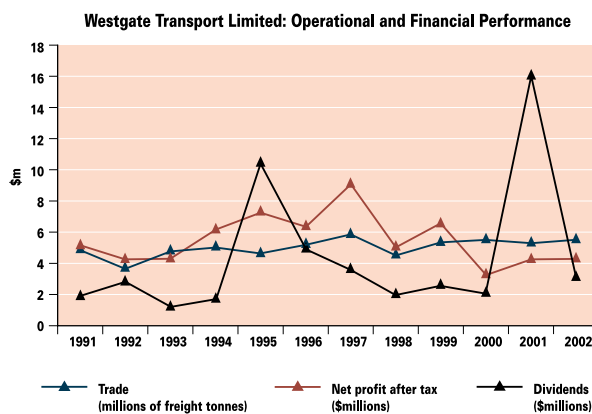
The planned deficit was associated with the one-off use of retained earnings to fund the development of Yarrow Stadium. This expenditure had a similar impact on the Council's financial position with net assets reducing to \$54.0m by the end of the period. Over the next decade, the Council will recover two-thirds (plus interest) of the grant provided for the Yarrow Stadium project. Separate rates are now in place for this purpose, consistent with the decisions arising from the extensive public processes associated with the development.

In addition to the Yarrow Stadium project's impact, there were a number of other factors that affected the Council's operating result in an unusual way. These included the receipt of greater than budgeted distributions from Westgate (\$0.65m gain), accounting for the purchase of Hollard Gardens and Tupare (\$0.96m gain), and the effect of the Council's decision to not commence rating for recreation, culture and heritage functions due to the late-in-the-year timing of the enactment of the *Taranaki Regional Council Empowering Act 2001* (\$1.13m loss).

Extracting these extraordinaries, the Council's financial performance for its traditional functions finished ahead of budget by about \$0.5m. Most activities ran well to budget. Where over-expenditure occurred, it was matched by recoveries, for example, in consent processing and riparian plant sales where business activity was higher than expected due to the buoyant regional economy.

The Council's financial position remains very strong with no public debt.

The Council achieved or exceeded all of the financial targets estimated for the year in its *Long-Term Financial Strategy*. Similarly, the Council complied in full with its *Funding Policy* and *Treasury Management Policy*.





## Chief Executive's report (cont)

### Acknowledgements

The skills of Council staff have resulted in the continued delivery of high quality outputs in a timely manner. I gratefully acknowledge their efforts and respect their achievements.

As from its first days, the organisation continues to evolve and retune to meet changing needs. During the last year, the pest animal group was substantially restructured to be better equipped to implement the Council's newly reviewed pest animal management strategy. Invariably, staff have responded positively to such changes. They do this because they are fundamentally aligned with the Council's mission, our organisational values and the ever valid privilege that attaches to being part of a public service organisation, which is focused on knowing and delivering on its role for the Taranaki community.

I pay tribute also to our elected Councillors who provide consistently wise direction for the Council under the leadership of Mr David Walter. Their style and approach is the vital first ingredient in the promotion of a positive culture for the organisation. The triennial election during the period resulted in changes at the Council table and in particular a new Council Chair for the first time since the inaugural meeting of the Council in 1989. Former Chair, Mr Ross Allen, provided wonderful leadership and service to Taranaki in his role and I record my personal thanks to him for his counsel, support and generous help to me during the Council's formative years.



### Outlook

By any reasonable measure, the Council has completed a highly satisfactory year. The organisation is financially strong and well resourced, with skilled people pursuing sound strategies. Taranaki is a place that has a magnificent environment that contributes to world class lifestyles by any comparison. We look forward to fulfilling our role, working with our community to enhance and improve our region.



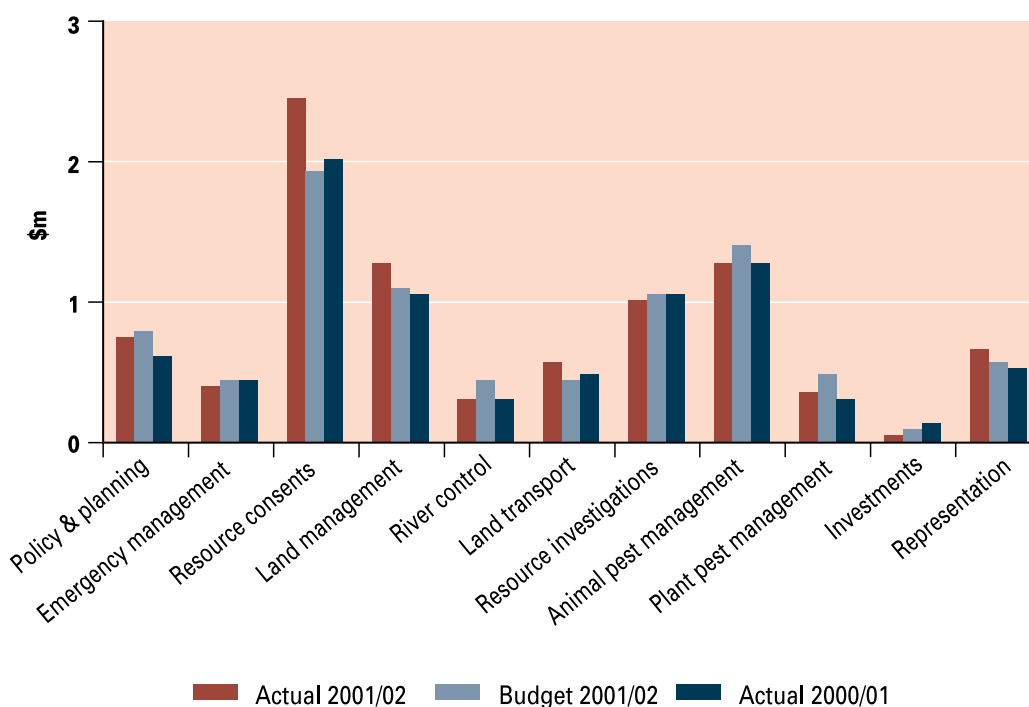
Basil Chamberlain  
**Chief Executive**



## Financial trends

|                                   | <b>Actual<br/>2001/02</b> | <b>Budget<br/>2001/02</b> | <b>Actual<br/>2000/01</b> | <b>Actual<br/>1999/00</b> | <b>Actual<br/>1998/99</b> | <b>Actual<br/>1997/98</b> | <b>Actual<br/>1997/96</b> | <b>Actual<br/>1995/96</b> |
|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| General rates                     | \$2.87m                   | \$3.12m                   | \$3.20m                   | \$3.32m                   | \$3.36m                   | \$3.52m                   | \$3.77m                   | \$4.36m                   |
| Percent change                    | -3.90%                    | -2.50%                    | -3.90%                    | -1.19%                    | -4.27%                    | -6.72%                    | -13.45%                   | -0.42%                    |
| General rates to income           | 25.78%                    | 32.14%                    | 13.92%                    | 39.69%                    | 36.82%                    | 40.47%                    | 33.31%                    | 34.35%                    |
| Rates per \$100,000 capital value | \$32.63                   | \$35.47                   | \$36.72                   | \$37.34                   | \$37.60                   | \$35.67                   | \$37.53                   | \$46.93                   |
| Total expenditure                 | \$18.89m                  | \$18.53m                  | \$8.37m                   | \$9.40m                   | \$8.24m                   | \$7.84m                   | \$7.50m                   | \$7.57m                   |
| Percent change                    | 125.69%                   | 121.39%                   | -10.89%                   | 14.08%                    | 5.16%                     | 4.50%                     | -0.85%                    | -5.80%                    |
| Net operating surplus/(deficit)   | (\$7.75m)                 | (\$8.83m)                 | \$14.63m                  | (\$1.00m)                 | \$0.90m                   | \$0.85m                   | \$3.82m                   | \$5.11m                   |
| Working capital                   | \$2.35m                   | \$1.56m                   | \$0.96m                   | \$0.94m                   | \$2.10m                   | \$1.56m                   | \$4.20m                   | \$5.28m                   |
| Current ratio                     | 2.70:1                    | 2.20:1                    | 1.60:1                    | 1.36:1                    | 2.68:1                    | 2.36:1                    | 4.42:1                    | 4.47:1                    |
| Total assets                      | \$55.82m                  | \$56.02m                  | \$63.51m                  | \$49.73m                  | \$49.44m                  | \$48.17m                  | \$47.34m                  | \$49.17m                  |
| Public debt                       | \$0                       | \$0                       | \$0                       | \$0                       | \$0                       | \$0                       | \$0                       | \$1.21m                   |
| Public debt to total assets       | 0%                        | 0%                        | 0%                        | 0%                        | 0%                        | 0%                        | 0%                        | 2.47%                     |

### Expenditure by Significant Activity







# Governance report

## Role of the Council

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The publicly elected Councillors have overall responsibility and accountability for the direction and control of the Council’s functions.

## Structure of the Council

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The Council is made up of ten Councillors, elected as follows:

- New Plymouth constituency .....Four members
- North Taranaki constituency .....Two members
- Stratford constituency.....One member
- South Taranaki constituency.....Three members

## Taranaki Regional Councillors



**David Walter**  
Chairman  
Stratford



**Roger Maxwell**  
Deputy Chairman  
North Taranaki



**Tom Cloke**  
New Plymouth



**David Lean**  
New Plymouth



**Barry Marsh**  
New Plymouth



**Claire Stewart**  
New Plymouth



**Ian Armstrong**  
South Taranaki



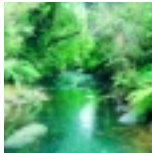
**David MacLeod**  
South Taranaki



**Neil Walker**  
South Taranaki



**Donald McIntyre**  
North Taranaki



# Governance report (cont)

## Council committees

In formulating its committees, the Taranaki Regional Council is required to take into account the requirements of the Local Government Act 1974. This Act requires that:

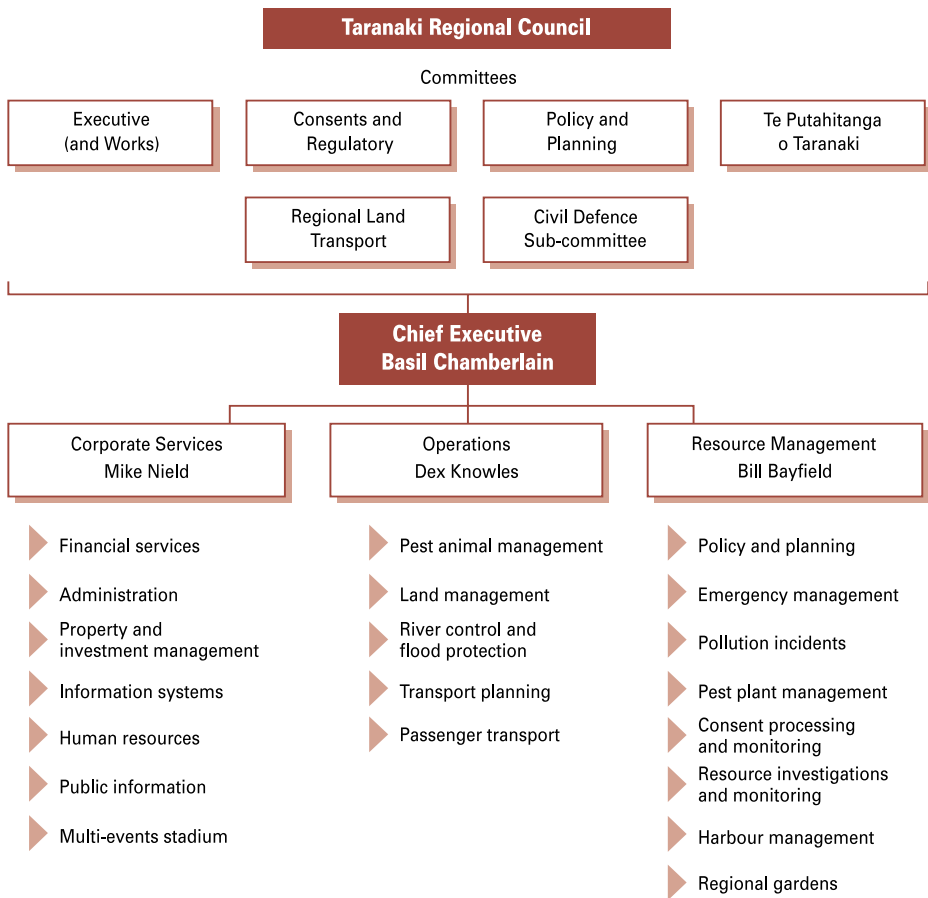
- conflicts between functions or objectives are addressed within different committees;
- specified limits on the power which may be delegated to a committee be observed; and
- requirements as to the composition of committees are observed.

With the exception of the Executive and the Consents and Regulatory Committees, the Council has decided to appoint non-Council representatives to its various committees as a means to increase the breadth of input to the decisions made by the Council.

## Council operations

To undertake its activities, the Council employs a permanent staff with wide-ranging professional, technical and administrative skills. In addition, the Council owns the necessary property, equipment and facilities.

Most Council activities are primarily the output of one section or department. However, a number of tasks, particularly those associated with the development of policy, require resources to be applied from throughout the organisation. The departmental structure has been designed in accordance with the Council's fields of activities. It is a flat compact structure, which results in a high level of delegated authority, productivity and commitment.





## Governance report (cont)

### Governance systems

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The full Council and main Council committees meet on a six-weekly cycle, with other meetings convened as necessary. The Council is confident that its adopted structure and approach provides an efficient basis for the sound consideration of issues and the making of good decisions, and that the requirements of the Local Government Act 1974 have been met.

Agendas and minutes from all meetings are publicly available for scrutiny.

### Division of responsibility

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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 1974. 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 ultimately rests with the Council. Internal control includes the policies, systems and procedures established to provide measurable assurance that the specific objectives of the Council will be achieved. Both the Council and management have acknowledged their responsibilities by signing the *Statement of Responsibility* on page 62 of this report.

### Legislative compliance

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The Council recognises its responsibility to comply with all relevant legislation. Members and management of the Council are aware of the Council's legislative requirements and have systems in place to advise of any new or changed statutory requirements.

### Environmental compliance

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Many of the Council's activities are focused on promoting the sustainable use, development and protection of the environment. Both regulatory and non-regulatory methods are employed, and a range of different types of monitoring is undertaken, to test the effectiveness of these methods.

However, in addition to its overall environmental management role in the region, which is substantially focused on the activities of external parties who use environmental resources, the Council itself occasionally engages in resource use activities in undertaking its functions. Where that occurs the Council has systems and procedures in place to ensure that its own actions comply with at least the standards expected of all other resource users. These include requirements to apply for and obtain necessary consents, the use of independent persons to make decisions on consent applications, and the implementation and public reporting of effective compliance monitoring.

The Council is not a major resource user. It holds a small number of relatively minor consents, mainly associated with river and flood control structures. These consents have been monitored to ensure compliance with conditions. There have been no identified significant breaches of consent conditions for those consents held by the Council.