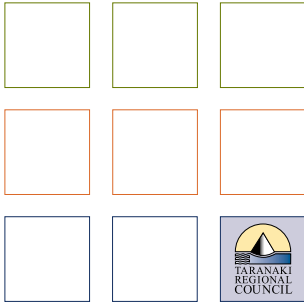


TARANAKI REGIONAL COUNCIL

2002/2003 Annual Report



Mission Statement

Our mission is to work for the present and future benefit of the Taranaki region by:

- promoting the sustainable use, development and protection of Taranaki's natural and physical resources;
- safeguarding Taranaki's people and resources from natural and other hazards; and
- representing and advocating Taranaki's regional interests.

We will do this in a responsible and cost effective way that includes and encourages participation by the regional community and takes account of the Treaty of Waitangi.

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Chairman's report

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On behalf of the Taranaki Regional Council it is my pleasure to present the Council's 2002/03 Annual Report to the regional community.

A highlight event for the Taranaki Regional Council during 2002/2003 was the completion, publication and launch of the 2003 state of the environment report – *Taranaki-Our Place, Our Future*. Taranaki people have demonstrated a willingness to commit their time, money and resources to protecting our environmental future. This commitment, and a willingness to work in co-operation with other groups and agencies, allows Taranaki to move forward in ways that are unparalleled in New Zealand.

Our region's commitment to the environment and the results of that commitment, are clearly demonstrated in the report. Accordingly, it was the Council's pleasure to host the Minister for the Environment, the Hon Marian Hobbs, to launch *Taranaki-Our Place, Our Future*.

The Council has continued to focus on the efficient and effective delivery of its core functions. By any measure of achievement, 2002/03 was a successful operational and financial year. Financially, the Council is sound and in strong condition. The operating surplus for the year was some \$290,000 ahead of budget.

Operationally the Council had a busy and productive year across our range of activities. The preparation and implementation of riparian plans and protection continues to grow at exceptional rates. One hundred and twelve plans were prepared during the year, addressing an additional 481 km of stream banks. A portion of this productivity gain is directly related to the Council's continuing investment in new technology. This places the Council well for the future as the dairy industry addresses matters such as the clean stream accord.

The Council was heavily involved in a possum control retreatment exercise in conjunction with the Department of Conservation's *Operation Egmont* in the National Park. Opportunity was taken to complement the maintenance work that has been undertaken by farmers during the last decade by retreating land adjoining the Egmont National Park. This work involved 337 properties covering 27,610 hectares.

During 2002/2003 the Council commenced the process of planning for the future development and maintenance of the two regionally significant gardens acquired from the Queen Elizabeth II National Trust—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. Through this agreement the Trust has been an active part of the planning process.

Stage I of the planning process involved the development of a strategic framework, which, after detailed consultation with stakeholders and the public, was adopted by the Council and the Trust. The development of detailed Stage II asset management plans for the three properties involved, is well underway.

Other key operational highlights included:

- processing 511 resource consents (up from 482 in 2001/2002), within the statutory timeframes specified in the Resource Management Act 1991
- compliance monitoring of significant resource uses, which in general showed a very high level of compliance with consent and plan requirements
- responding to 491 (624—2001/2002) pollution incident notifications
- completing a review of the Port Taranaki navigation and safety by-laws
- completing maintenance works on the Lower Waitara River Flood Protection Scheme
- supplying 115,000 plants (25% increase over 2001/2002), at cost, for the planting of stream banks to provide water quality protection
- extension of the self-help possum control programme, which now covers 188,300 ha on 2,951 properties.



David Walter
Chairman



Chairman's report

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Looking forward, the Council's focus in 2003/2004 will be on the implementation of new legislation. In particular this involves work around the Local Government Act 2002 and, to a lesser extent, implementation of the Civil Defence Emergency Management Act 2002.

Two key pieces of work will be completed in implementing the Local Government Act 2002. The first is the completion of a process to identify community outcomes for the intermediate and long-term future of the region in terms of its present and future social, economic, environmental, and cultural well-being. This is being completed in conjunction with the region's three district councils. Once the process of identifying community outcomes is complete, the results will form a key building block in the second key piece of work—the Council's first *Long-Term Council Community Plan*.



Minister for the Environment Marian Hobbs and Council Chairman David Walter with the state of the environment report.

Part of the success of the Council is due to the commitment and leadership shown by the Councillors. I would like to acknowledge and thank my fellow Councillors for their hard work and contributions during 2002/2003.

An organisation of this type cannot operate effectively without the contributions from a dedicated and professional management and staff under the astute leadership of Chief Executive Basil Chamberlain. 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,

A handwritten signature in blue ink, appearing to read 'David Walter'.

David Walter
Chairman



Chief Executive's report

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Introduction

The 2002/2003 year has been a period of good achievement across the full range of Council functions. Work programmes have been completed within set performance objectives.

Policy and planning

As noted last year, the Council is experiencing a relatively quiet period on the policy development front. Major resource management and biosecurity policy instruments have been previously developed and adopted. They are now being implemented. Appropriate monitoring and review processes are in place.

As part of that process, an interim review of the regional coastal plan was completed. No changes were instigated, confirming that the plan is providing a sound basis for managing the effects of activities in the coastal marine area.

Excellent progress was made in developing jointly with Taranaki's three district councils a regional waste management strategy for Taranaki. This strategy was developed to draft stage during the year and is awaiting the final endorsement of the district councils. It sets targets for waste management, from waste minimisation and recycling to ultimate disposal. The strategy has been designed to dovetail into the *New Zealand Waste Management Strategy*. It was pleasing to note that Taranaki is very well advanced in meeting the objectives presented in the national strategy.

The new Local Government Act 2002 has led to additional policy work. Taranaki's three district councils and the Regional Council have agreed to a joint process to identify community outcomes for the medium to long-term future of the region. This joint approach is a sensible and efficient way to undertake this new requirement for councils. Considerable background work was carried out during the year through a joint project team with the work due to be completed in 2003/2004.

A guide to Resource Management Act regional plans for small industrial and manufacturing businesses was prepared and distributed widely throughout the region. This guide was a continuation of a series that has been well received by targeted sectors in the community.

The Council completed a review of its navigation and safety bylaws, putting in place a revised set of bylaws for safe navigation within Port Taranaki and its approaches. The new bylaws balance the needs of both commercial and recreational port users. The proposals were well publicised and some very helpful community feedback assisted the quality of the final product.

Another project completed during the year was the preparation of an up-to-date database of iwi contacts in the region. The database includes information on iwi and hapu contacts and contact information for individual marae throughout Taranaki. It is available for viewing on the Council's website.

The Council also continued to make representations to the Government and other agencies on a wide range of issues and in various fora, advocating on behalf of the Taranaki community. For example, submissions were made on the new legislative proposals for marine reserves and land transport management, new maritime rules, an oceans policy, a national biosecurity strategy, national water quality guidelines, the management of the varroa bee mite, the development of a new national civil defence emergency management plan, a new national land transport funding allocation framework and Transit New Zealand's state highway programme and state highway review.



Basil Chamberlain
Chief Executive

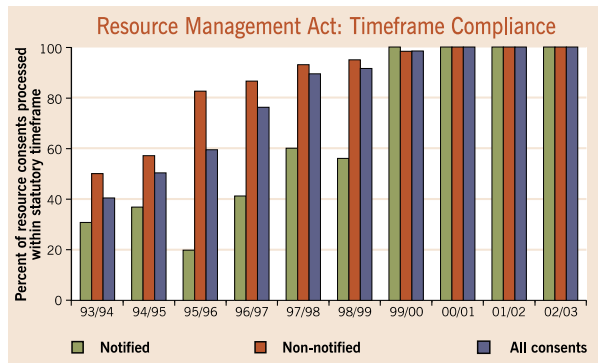


Chief Executive's report

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Resource consents and compliance

Five hundred and eleven consent applications were processed during the year. This represented an increase of approximately 6% over the previous year and was mainly attributable to the relatively buoyant state of the regional economy. Notably there was a decrease, however, in applications to take water for dairy pasture irrigation. Only two applications were processed during the year, perhaps reflective of less buoyant times for dairy farmers.



The majority of applications (94%) were processed without public notification. For the third year in a row, all applications were fully processed within the statutory timeframes. This was an excellent achievement and a credit to those involved in this activity.

The pre-hearing process has continued to be used successfully. Only three hearings were held during the year. The largest of these was associated with 17 consents allied to the Pohokura Gas Field Development Project. By Taranaki standards, this hearing was a relatively long event, run jointly with New Plymouth District Council to consider applications made to that organisation at the same time. Following a consent order, 23 appeals on 15 of the Pohokura consents were settled. One party proceeded to take its appeals to the Environment Court. These appeals were subsequently disallowed in all respects.



The Environment Court also dismissed two appeals lodged in respect of a consent from the previous year.

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 also provides information to a similar Ministry for the Environment information database on consent activities which covers the performance of all local authorities. The relative performance of the Council was notably high.

The Council implemented 149 individually-tailored monitoring programmes during the year. These were associated with 182 different resource consent holders and 587 resource consents. The programmes required 861 inspections, 1,398 water samples, 359 air samples, 73 freshwater biological surveys, 20 shellfish surveys, and 15 marine ecological surveys. Inspections and sampling covered site management, abstraction and discharge quality, and receiving environment or impact monitoring. From an overview, a total of 91% of consent holders achieved either a high or good level of performance and compliance. This was the same as in the previous year.

Officers visited 2,290 dairy farms, 16 piggeries and 47 poultry farms to inspect waste treatment systems. Inspections included the measurement of various water quality parameters in effluent and/or receiving waters. A 5% reinspection rate was necessary to ensure required improvements were made. This compared to a 7% rate from the previous inspection round.

In addition to agricultural systems, 847 inspections were undertaken of minor industrial systems. A creditable 1.4% reinspection rate occurred.

There were 491 pollution incidents reported to the Council during the year. Most of these were associated with freshwater incidents, mainly unauthorised waste discharges (62%). Air, mainly smell, complaints were the second



Chief Executive's report

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largest category of reported incidents at 26%. The Council continues to place a very high emphasis on responding to, and acting on, pollution complaints and ensuring that consents and plan requirements, once granted, are complied with.

State of the environment reporting

A major event during the year for the Council and, we believe, for the wider Taranaki community was the completion, publication and launch of the state of the environment monitoring report for the Taranaki region. *Taranaki – Our place, our future* was officially launched by the Minister for the Environment, Hon Marian Hobbs, in May and it has been released in various formats, including CDROM, the internet and widely distributed. Follow up activities, including a regional TV documentary, are occurring to take advantage of the profile gained for the environment from the report.



The state of the environment monitoring report confirmed excellent progress by the Taranaki community in managing and enhancing Taranaki's generally high quality environment. The report contains several innovative features including an economic assessment by independent consultants, BERL, quantifying the contribution the Taranaki community has made and is making over the years towards protecting where we live.

The report confirms the Council's current policy directions as sound and proposes pathways to sustainable development in the future. The overarching finding was that environmental responsibility is now a mainstream activity and consideration for our community. Our people are literally putting their money where their mouths are to protect our future and we are being generally successful as a community in combining the resources of agencies and individuals in constructive ways to move forward.

Resource investigations

A number of investigations and research programmes continued to be progressed or implemented during the year. Several of these are joint venture projects with organisations such as Crown research institutes. The Council is committed to continuing to invest at an appropriate level to improve its knowledge of issues to aid sound decision-making.



One high profile investigation completed during the year was an investigation undertaken by external consultants, expert in the field, to identify and assess the potential hazardous associated with orphaned, old, and by today's standards, poorly plugged oil wells in New Plymouth City. The need for this work arose out of an incident when one of these old wells popped its plug and started leaking, creating a hazard and much concern within the general vicinity.

On another subject, the Council commissioned work on potential pasture irrigation demands in Taranaki. This work identified areas of potentially economic pasture irrigation against a range of influencing factors and set out guidelines for best practice pasture irrigation. It was prepared to assist the Council to sustainably manage water resources in areas of increasing and competing demands. It will also prove generally useful to farmers contemplating investment in pasture irrigation.

Another project nearing completion involved the compilation of a detailed database of potential contaminated sites within the Taranaki region. Approximately 1,000 potential sites were identified in a desktop exercise. These sites have now all been subject to specific investigations and inspection. In some cases, remedial work has been required but the good news for Taranaki is that there are now only a handful of sites left that require remedial work to be undertaken. Work is in progress to have those sites appropriately managed and tidied up within the next year. There may from time to time in the future be the occasional site that becomes exposed that was previously unknown, but at this point in time Taranaki is rapidly moving to a situation of having a clean bill of health in respect of contaminated sites, which to our knowledge will be a first for any region in New Zealand.



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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.

Seventeen new comprehensive farm plans were prepared during the year. These plans provided advice covering 14,532 hectares of hill country, bringing the total coverage by these plans in the region to approximately 93,032 hectares. Fourteen conservation plans were prepared for 1,653 hectares. Over 22,353 hectares are now covered by conservation plans.

Outstanding growth continues in the preparation and implementation of riparian plans and protection. One hundred and twelve plans were prepared during the year, addressing an additional 481 km of stream banks. This was three times in excess of our target for the year.

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 124,500 plants provided for protection purposes during the year. Nine thousand five hundred of these were poplars and willows provided for land stabilisation purposes



Riparian plant provision rose to 115,000, a growth rate of 25% 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. Almost \$100,000 was spent on works to protect some of our more important wetlands by way of covenants or similar mechanisms during the year.



In addition to the regulatory protections that are in place, 60% of the region's identified regionally significant wetlands now have covenant-type agreements for protection. Of the 18 other important wetlands over 5 hectares that have been identified, three have agreements in place for protection and in respect of 11 other wetlands, identified because of rare or uncommon indigenous species, eight have agreements in place for protection in addition to the regulatory protection provided by the *Regional Freshwater Plan for Taranaki*.

The Council also continued to fully service and administer the Taranaki Tree Trust. During the year, the Trust assisted with several environmental enhancement projects, including planting along Centennial Drive in New Plymouth, the restoration of a reserve managed by South Taranaki District Council at Mangamingi and the erection of a predator proof fence at Rapanui to protect a breeding colony of grey-faced petrels.



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Flood control and emergency management

River and flood control activities were engaged 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 80-metre length of stopbank was also rock-lined and upgraded to standard specifications. Bank lining reconstruction was undertaken downstream of the wharf on the left bank of the river. Associated with this activity was the need to trim a number of pohutukawas which had grown to be a threat to the integrity of the bank and they also restricted access. These protected trees are something of a feature in the Waitara landscape and their trimming gave rise to a point of discussion in the community for a while. Further downstream bank lining reconstruction was also undertaken near the lower boat ramp. The five-yearly detailed hydrograph survey of the channel was completed during the year. This survey confirmed that the channel and bed conditions are within accepted design parameters and that the flood control works in place are stable and performing their expected role. 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.

General channel maintenance work continued to be promoted and assisted for the three smaller Central Taranaki schemes during the year.

The big change for Emergency Management/Civil Defence during the year was the enactment of the Civil Defence Emergency Management Act 2002. This new legislation requires a different approach to emergency management by local government in New Zealand, although the Taranaki set-up has previously been as close to the new system as possibly anywhere in the country. Nonetheless, all local authorities are contributing to a significant change process. The new Act requires the regional council and each of the district councils of a region to unite to establish a Civil Defence Emergency Management Group, supported by an officials' group whose task is to provide advice to the Civil Defence Emergency Management Group.

Following the establishment of the new civil defence emergency management structure, significant progress was made towards the preparation of a civil defence management group plan for the whole of Taranaki. Technical work is well underway on evaluating and prioritising hazards which will lead to the release of a proposed group plan in the 2003/2004 year.

Animal and pest plant management

The Council's two pest management strategies were successfully implemented during the year. 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.



During the year, the Council employed contractors to undertake possum control around the Egmont National Park boundary and what was the original 'Operation Egmont' land. This work involved 337 properties covering 27,610 hectares. It was essentially a retreatment exercise to complement the maintenance work that has been undertaken by farmers during the last decade. It was timed to co-incide with the retreatment of Egmont National Park, which was implemented by the Department of Conservation. The need to co-ordinate possum control in the National Park with that on the adjacent farm land has been a critical component of the self-help possum control programme and the Council will continue to work with the Department of Conservation on behalf of the private landowners adjacent to the park to ensure work activities complement each other.

During the year Council staff contacted 2,484 occupiers in the programme area, in addition to those who were adjacent to the Park, to support their maintenance activities. Farmers have responded willingly to undertake maintenance, some doing it themselves and others employing contractors for the couple of days work typically necessary. In only four instances were notices of direction required to be issued to farmers for non-compliance with maintenance standards. All of those notices were complied with and there was no need to take further enforcement action. Extensive monitoring was undertaken through the *Self-Possum Control Programme* area. That monitoring



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confirms that the farmers' efforts on maintaining reduced possum numbers have been very effective. The mean residual trap catch for properties within the programme was 5.5%.

In addition to the retreatment work associated with the Egmont National Park control operation, the Council also sought to expand the programme by undertaking initial control in the Skinner Road and Croyden areas. Again, contractors treated 110 properties covering 6,820 hectares. Possum numbers for these areas were reduced by approximately 87%. As required by the strategy the Council will undertake initial control in an area with subsequent inclusion in the *Self-Help Possum Control Programme* only if the majority (67%) of occupiers are in support. For the Skinner Road/Croyden area, 98% of occupiers were in support of the programme extension.

The use of external contractors for initial control work continues to be effective. The Council experienced a competitive market for all of the tenders it issued.

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

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 much reduced. Three hundred and thirty-seven notices of direction were issued during the year. This number was up on the previous year, largely because the Council has placed a higher emphasis on the control of a number of environmental weeds such as wild ginger. 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. Four releases of ragwort flea beetle were undertaken. The Council also inspected 38 plant nurseries and retail outlets. One hundred and four 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. Giant buttercup became the subject of occupier obligations during the year and rules to control gunnera took effect on 1 July 2003.

Transport

Transport activities occurred as programmed during the year. Twenty-seven road safety projects were approved and implemented. These ranged from a motorcycle safety programme to a *Kidsafe Week* where the focus was on rural school bus safety.

A review of the Council's involvement in the community road safety programme was concluded during the year, following a national review of the scheme by the Land Transport Safety Authority. As a result, the Council decided to discontinue its involvement in this activity from the end of the financial year. The new proposals from the Land Transport Safety Authority raised significant issues about the effective deployment of Council funds into the future. The Regional Road Safety Co-ordinating Group was abolished and the Regional Road Safety Co-ordinator position disestablished around year-end. Tribute is appropriately due to the practical approach and achievements of Mr Graham Moody in the Co-ordinator's role over past years.

The regional component of the *Regional Land Transport Strategy* was completed in all respects. Two special purpose working parties were established during the year. The first, a State Highway 3 Working Party, was tasked with identifying and promoting priorities for improvements to State Highway 3 especially in the northern sections. This work was effective on a range of fronts but notably in progressing the development of more passing lanes. Credit



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is due to roles played by Transit New Zealand and our neighbours, Environment Waikato, in assisting progress. The second Working Party has a focus on rural roading needs into the future and studies are underway to inform and shape directions.

Great debate occurred nationally during the year on Government proposals for land transport expenditure and in particular on proposals to shift road expenditure from the regions to Auckland to address compelling congestion problems. The Council made very strong submissions supporting Auckland's needs being addressed, but not at the expense of very legitimate needs in regions such as Taranaki. Some changes to the benefit of Taranaki were made as a result of consultation, but it is evident that our issues will require continued profiling in what has become a more politicised road funding system.

Total mobility services were provided to people with disabilities in the urban centres of New Plymouth, Bell Block, Waitara, Inglewood, Stratford and Hawera. By the end of the year, the total mobility scheme had a client base of approximately 1,500 involving 26 agencies affiliated to the Disabled Persons Assembly. A total of 83,296 passenger trips were financially assisted during the year. The budget again required upward adjustment during the year to accommodate demand growth.

The Council also provided funding for the delivery of a concessionary fare scheme for disabled persons and the elderly to use the urban bus service in New Plymouth. A total of 62,390 passenger trips were subsidised through this scheme.

The Regional Stock Truck Effluent Working Party influenced some very positive events during the year. At the commencement of the year, a new effluent disposal facility located opposite the Taranaki Live Weight Selling Centre, otherwise known as the saleyards, in Stratford was made successfully operational. Around Christmas time, a new effluent disposal facility near Waverley on State Highway 3 was completed. It is now reported to be the most utilised disposal facility in New Zealand, which perhaps emphasises the suitability of its location and the effectiveness of its design. The design for this site has been accepted by Transit New Zealand as the design that all future facilities will follow. For North Taranaki, although facilities were not constructed during the year, plans were developed to final stages with on-the-ground activities hopefully commencing in the near future.

Regional gardens

Around the commencement of the year, the ownership of Hollard Gardens and Tupare was transferred from the Queen Elizabeth the Second National Trust to the Council.

Concurrently the Council 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.

During the year, the Taranaki Regional Gardens Technical Advisory Group was established, tasked with developing an integrated strategy to maintain and enhance the three gardens into the future. There are two stages to this project. Stage I, which was completed during the year, involved developing of a strategic framework for the three gardens. This process involved extensive public and stakeholder consultation and the publication of a report identifying, for each site, strengths, weaknesses and opportunities with visions and goals for the future. The Stage I report was adopted by the Council and the Pukeiti Rhododendron Trust, which then allowed Stage II of the project to commence. That work is now underway and involves the preparation of management plans including asset management plans for the properties.

A notable milestone during the year was the 75th Jubilee of Hollard Gardens and a number of events were organised around this occasion.



Chief Executive's report

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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.

There were several notable information-related events during the year, the most significant of which was the launch of *Taranaki – Our place, our future, the report on the state of Taranaki environment*. The Council collaborated with other regional councils, the Ministry for the Environment and district councils on the national *Reduce Your Rubbish* marketing campaign aimed at promoting awareness for householders to reduce their waste. This campaign seemed to be relatively effective in the Taranaki region.



Another significant event was the opening of Puke Ariki, the new regional museum and library in New Plymouth. In partnership with the New Plymouth District Council, the Council has contributed (as a foundation partnership and major sponsor) to the development of the *Taranaki Naturally* gallery at Puke Ariki. The facility was opened on 14 June 2003 and it is already evident that the Council's objectives for making this investment are being exceeded.

Another interesting project was the development of a website www.taranakiplants.net.nz which was launched in October. The web-based collection of around 350 plants is an educational resource with information on native and introduced plants found in Taranaki. It is, in effect, a local, web-based educational herbarium which will continue to be developed over time. The development of this site was greatly facilitated by a bequest from the late Mr Percy Thomson.

Environmental awards were presented to eleven recipients during the year. A good level of applications continue to be received for these annual awards which provide an insight into the many and varied activities that dozens of people are undertaking to enhance where we live.

A continued emphasis was placed on providing educational material and other forms of assistance to schools, especially on environmental matters. Four issues of the school-oriented *S.I.T.E.* newsletter were produced. Seventy-five units of work covering topics from recycling through to emergency management were sent out to schools. About 1,000 people were hosted through the Council's biology laboratory. There were over 150 class visits and field trips and several days of seminars with school teachers to assist them in the teaching of environmental education relevant to Taranaki.

In addition to the above activities, five issues of the Council's newsletter *Recount* were published and widely distributed and, as always, several hundred requests for information on a wide range of topics were responded to, to the Council's best reasonable ability.



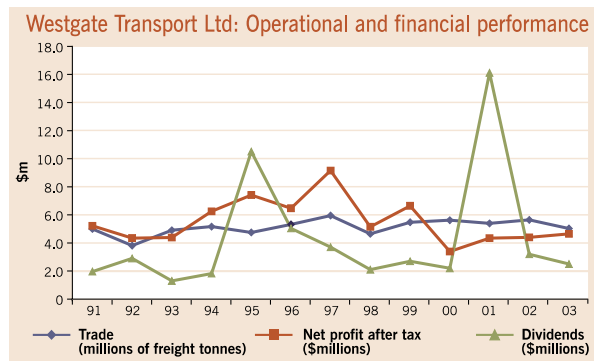
Chief Executive's report

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Investments

Westgate Transport Limited, the Council's wholly owned port company, recently reported good operational and financial results for the 2003 financial year. Total revenue for the period was \$29.89m compared with \$28.25m in 2002.

Tax paid profit for the year was \$4.65m, up from the previous year's \$4.40m. The pre-tax profit represents a return of 13.05% per annum on average shareholder's funds employed during the period. Total shareholder's equity improved to \$53.31m 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 a significant part 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.

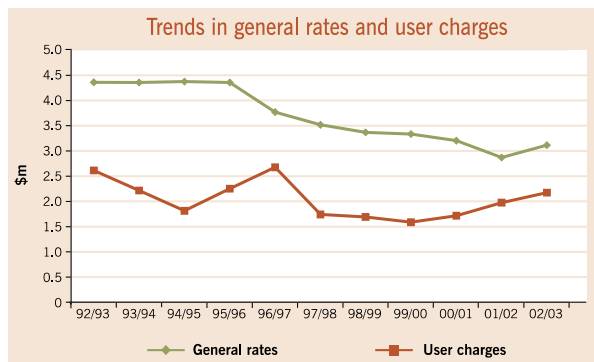
The Council has been fully supportive of the Board's approach to developing and enhancing the business with a focus on the medium to long-term, as well as the immediate, noting the strategic importance of the port facility to the overall economy of Taranaki. The Council has acknowledged advice from Westgate Transport Ltd that profitability will be significantly reduced over the next year or so as the Company reshapes for the future. Steps have been taken to mitigate the impacts of temporarily reduced returns on the Council's other revenue streams.

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

Financial

The Council finished the year with a surplus of \$1.17m, which was \$0.29m ahead of budget. The budgeted surplus recognised that the Council has targeted rates in place that will continue for the next several years to recover approximately two-thirds of the funding provided for redevelopment of Rugby Park into Yarrow Stadium.

Total expenditure was \$9.67m, which was 4% higher than budget. Most activities ran according to budget. Where over-expenditure occurred, it was normally at least matched by recoveries, for example, in consent processing and riparian plant sales where activity was higher than expected.



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

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Acknowledgements

Council staff have continued to respond to every challenge in a positive and intelligent way. They are focused on delivering high quality public service and I gratefully acknowledge their efforts.

Mr Bill Bayfield resigned his position as Director – Resource Management to take up a general manager position with the Ministry for the Environment in Wellington during the year. Bill was always a tremendous source of knowledge, energy and action. His no-nonsense approach to addressing issues has left a worthy legacy. Mrs Maggie Bayfield also resigned her position with the Council. Maggie was recently formally recognised for her services to conservation and the environment. The Bayfields were wonderfully giving citizens to Taranaki and we will miss them as good friends and colleagues.

Change continues to be ever present in the Council's environment. There was a restructuring of directorates during the year and new methods and technologies placed demands on staff to upskill and improve performance. As always, they have responded with confidence and ease arising from a culture based on clarity of purpose and the delivery of effective public service.

Regional councillors have consistently provided helpful direction without obfuscation, an approach which permeates the organisation. I am grateful for their leadership and in particular to Chairman, David Walter, for his wise counsel and support.

Outlook

The Council has enjoyed a very successful year. Several programmes, for example, riparian protection, were embryonic concepts a few years ago. They are now moving past the gaining traction stage to being full steam ahead. With that comes great endorsement and satisfaction, but more importantly, environmental improvements that will sustain the development of Taranaki into the foreseeable future. The Regional Council is financially strong. It is well-resourced, especially with skilled people who are implementing sound strategies. We confidently look forward to fulfilling our role, working with our community with neither fear nor favour.



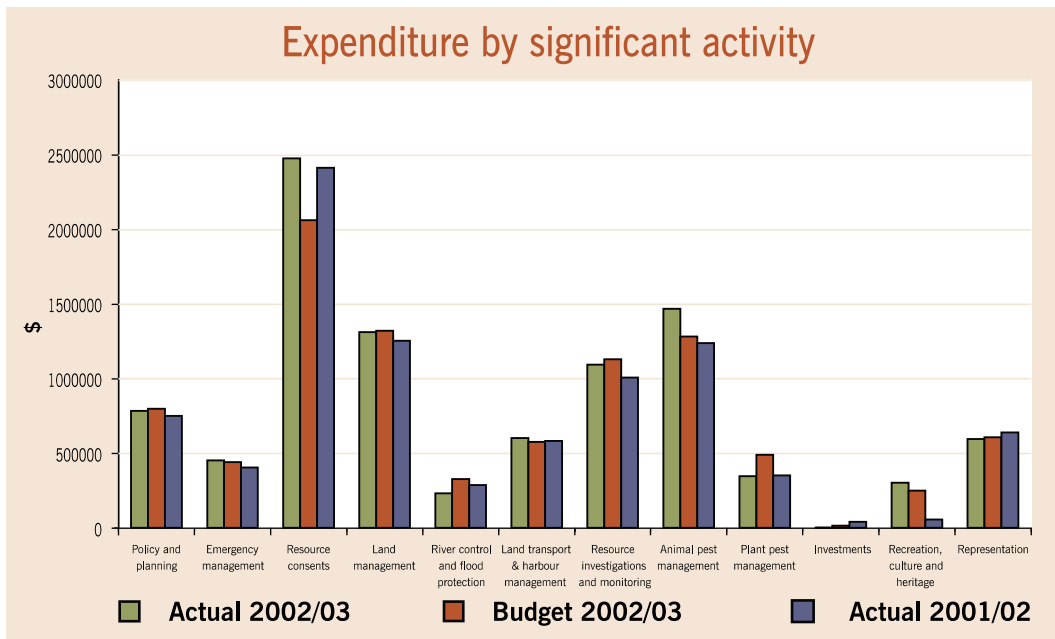
Basil Chamberlain
Chief Executive



Financial trends

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	Actual 2002/03	Budget 2002/03	Actual 2001/02	Actual 2000/01	Actual 1999/00	Actual 1998/99	Actual 1997/98	Actual 1996/97	Actual 1995/96
General rates	\$3.1m	\$3.1m	\$2.9m	\$3.2m	\$3.3m	\$3.4m	\$3.5m	\$3.8m	\$4.4m
Percent change	6.9%	0.0%	-3.9%	-3.9%	-1.2%	-4.3%	-6.7%	-13.4%	-0.4%
General rates to income	28.7%	30.6%	25.8%	13.9%	39.7%	36.8%	40.5%	33.3%	34.4%
Rates per \$100,000 capital value	\$30.72	\$30.72	\$32.63	\$36.72	\$37.34	\$37.60	\$35.67	\$37.53	\$46.93
Total expenditure	\$9.7m	\$9.3m	\$18.9m	\$8.4m	\$9.4m	\$8.2m	\$7.8m	\$7.5m	\$7.6m
Percent change	-48.7%	-50.8%	125.7%	-10.9%	14.1%	5.1%	4.5%	-0.8%	-5.8%
Net operating surplus/ (deficit)	\$1.2	\$0.9m	(\$7.8m)	\$14.6m	(\$1.0m)	\$0.9m	\$0.85m	\$3.8m	\$5.1m
Working capital	\$2.9m	\$-0.4m	\$2.4m	\$1.0m	\$0.9m	\$2.1m	\$1.6m	\$4.2m	\$5.3m
Current ratio	2.8:1	0.8:1	2.7:1	1.6:1	1.4:1	2.7:1	2.4:1	4.4:1	4.5:1
Total assets	\$58.1m	\$54.9m	\$55.8m	\$63.5m	\$49.7m	\$49.4m	\$48.2m	\$47.3m	\$49.2m
Public debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1.2m
Public debt to total assets	0%	0%	0%	0%	0%	0%	0%	0%	2.5%



Taranaki region

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The Taranaki region covers a land area of 723,610 hectares, reaching as far north as the Mohakato catchment, south to include the Waitotara catchment and inland to the boundary of, but not including, the Whanganui catchment. The region extends 12 nautical miles offshore to include the waters of the territorial sea.

Figures from the March 2001 Census put the total population of Taranaki at 102,858, accounting for 2.8% of New Zealand's total population. This represents a 3.5% decrease in population in the period 1996 to 2001. In the previous census period (1991-1996), the population in the region decreased by 0.5%.

A notable feature of the Taranaki region is its reliance on the region's natural and physical resources for its social and economic wellbeing. Farming and other land-based activities continue to play a prominent role in employment.

Dairying dominates farming in Taranaki, particularly on the ring plain. There are over 2,200 dairy farms, producing approximately 17% of New Zealand's total milksolids. Over 18% of the region's labour force is employed in agriculture and fisheries, compared with 9.4% nationally.

Taranaki also has significant pig and poultry industries. Taranaki is now the major poultry meat producing region in New Zealand involving all aspects of the industry from breeding and growing to production and distribution. Operations are concentrated in North Taranaki with the major processing facility at Bell Block.

The oil and gas industry is a major contributor to the regional economy. The Kapuni and the much larger offshore Maui field make up the major part of New Zealand's natural gas resources. A substantial infrastructure has been built around the processing, distribution and export of hydrocarbons. Exploration activity has increased throughout the region with significant finds in South Taranaki and offshore from Waitara.

Taranaki has an important and distinctive engineering sector servicing the special needs of the dairy, oil and gas, and petrochemical sectors. The region's specialist engineering skills and expertise are being applied to increasingly diverse areas such as luxury yacht construction.

The tourism industry in Taranaki continues to grow with both domestic and overseas visitors attracted to the region's diverse and high quality natural environment as well as its cultural and other attractions.



Governance report

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Role of the Council

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

Structure of the Council

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

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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:

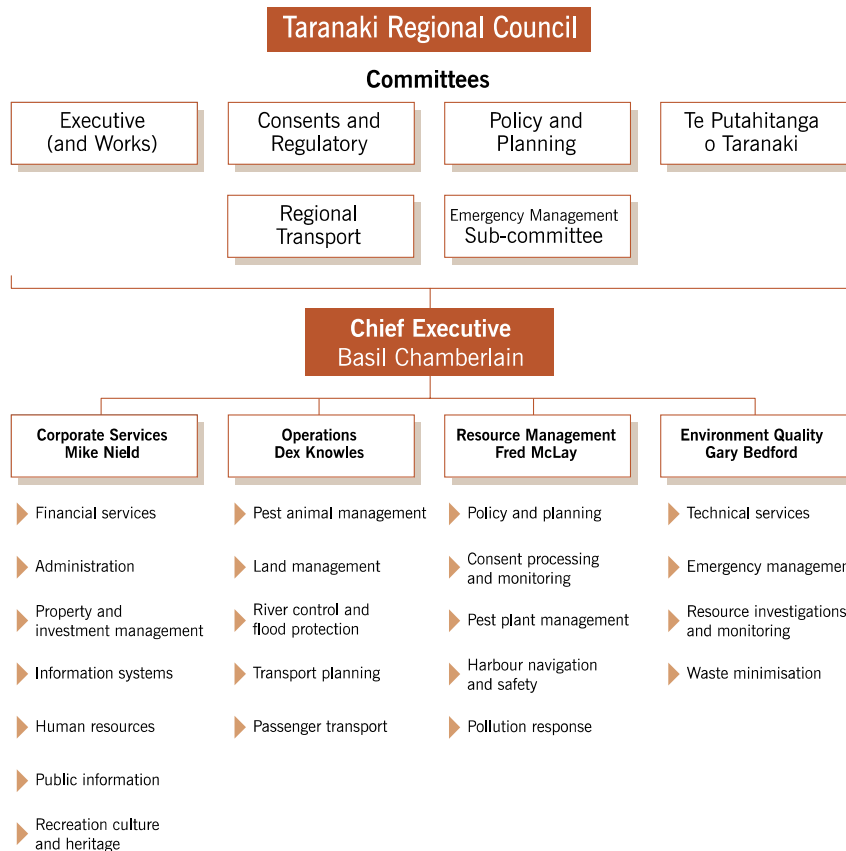
- conflicts between functions or objectives are addressed within different committees;
- specified limits on the power which may be delegated to a committee be observed; and
- requirements as to the composition of committees are observed.

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

2002/2003 ANNUAL REPORT

Governance systems

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

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 63 of this report.

Legislative compliance

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

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.

