

The Local Government Act 1974 required the Council to prepare four financial accountability documents. These are the:

Long-Term Financial Strategy – outlines the expenditure plans of Council for the next ten years, together with the methods by which the Council will manage its finances over that period. The *Long-Term Financial Strategy* is prepared in accordance with the principles of financial management specified by the Act. The funding of that expenditure is also determined in accordance with the principles of the *Funding Policy*.

Funding Policy – examines and determines the funding sources and mechanisms to be used to finance the Council's activities.

Investment Policy – outlines the procedures by which the inherent risks in the Council's portfolio of financial and non-financial investments are to be managed. The Council currently has investments in land, shares (Westgate Transport Limited) and financial instruments.

Borrowing Policy – outlines the procedures by which the Council's debt portfolio is to be effectively and efficiently managed. The Council's current debt portfolio is nil and this is anticipated to continue over at least the next ten years

The Council has combined the investment policy and the borrowing policy into one document: *Treasury Management Policy*.

The Council adopted these documents in 2001. Copies of these accountability documents are available upon request and are free of charge.

The Local Government Act 2002 replaced these accountability documents with a new suite of policies and plans. The cornerstone to the new suite is the *Long-Term Council Community Plan*. The Council has prepared its first *Long-Term Council Community Plan* for 2004/2005 onwards. Prior to 1 July 2004, the *Long-Term Financial Strategy* remained in force and is the basis for the *2003/2004 Annual Plan* and this *Annual Report*. However, most of the other policy requirements of the 2002 Act were in the *2003/2004 Annual Plan*. Accordingly, this *Annual Report* is a combination of the existing and new policies and strategies. The new policy requirements are as follows:

- Long-Term Council Community Plan – replaces the *Long-Term Financial Strategy* with more of a focus on community outcomes
- Revenue and financing policy – replaces the *Funding Policy*
- Liability management policy – replaces the *Borrowing Policy*
- Investment policy – replaces the *Investment Policy*
- Private sector partnership policy – deals with how the Council will enter, if at all, into partnerships with private sector organisations
- Significance policy – establishes thresholds for dealing with major transactions and decisions
- Development and financial contributions policy – outlines the purposes for which development contributions and financial contributions may be required.

There are no material inconsistencies between the *Long-Term Financial Strategy* and the other financial instruments

Copies of these policy documents are available upon request and are free of charge.

The following pages outline the Council's actual performance in comparison to the measures and targets established in the various financial instruments.

Overall performance

There are no significant adverse variations between the *Long-Term Financial Strategy*, the *2003/2004 Annual Plan* and the Council's actual financial performance and financial position. For further analysis of the variances between budget and actual operating surpluses, refer to note 3 on page 57.

As demonstrated in the *Significant activities*, the Council has substantially achieved the level of non-financial performance established in the *Long-Term Financial Strategy* and the *2003/2004 Annual Plan*.

The assumptions used in the development of the *Long-Term Financial Strategy* remain valid.

Specific performance

A comparison of the Council's achievements in respect of some of the key targets established in the *Long-Term Financial Strategy* and the *2003/2004 Annual Plan* follows.

	Long-Term Financial Strategy	2003/2004 Annual Plan	Actual Performance 2003/2004
Total expenditure	\$9,129,438	\$9,875,581	\$9,650,528
General rates	\$3,119,812	\$3,190,653	\$3,194,325
Dividends	\$2,750,000	\$2,750,000	\$2,600,000
Direct charges	\$1,497,028	\$2,120,253	\$2,408,516
Operating surplus	\$1,031,992	\$877,050	\$1,312,784
Total assets	\$58,047,645	\$57,649,705	\$59,781,599
Total liabilities	\$1,700,000	\$1,850,000	\$1,625,520
Total equity	\$56,347,645	\$55,799,705	\$58,156,079

Overall performance

The Council applied the funding principles adopted in the *Revenue and Financing Policy* in the development of the *2003/2004 Annual Plan*. As outlined in each significant activity the Council achieved the planned mix of funding mechanisms during 2003/2004. There were no significant adverse variations or variances.

Specific performance

Each significant activity has an outline of the adopted funding principles and the actual results.

Overall performance

There were no variations or departures from the Council's *Investment Policy* and *Liability Management Policy*.

Investment policy

The Council ensures that investment, interest rate risk management activity is undertaken with institutions that are of high quality credit rating to ensure amounts owing to the Council are paid fully on the due date.

Specifically, the Council minimises its credit exposure by:

Programmes and performance measures

Ensuring all investment, cash management, interest rate risk management and any foreign exchange transactions are undertaken with entities that have a very strong credit rating.

Limiting total exposure to prescribed amounts and set percentages of total cash investments as set out below.

Monitoring compliance against set limits.

Actual performance

The Council has identified the following registered banks that can be used for cash management activities:

Bank of New Zealand

ANZ Banking Group (NZ)

National Bank of New Zealand

WestpacTrust Bank

ASB Bank

TSB Bank

No cash management activities were undertaken with any other financial institution.

The Council complied with the prescribed amounts and set percentages (refer to table below) during 2003/2004.

The Council's compliance with the *Investment Policy* and the set limits was reported to the Council, through the Executive Committee, on a monthly basis.

The following table summarises credit requirements and limits:

Institution	Total Exposure Limits	
	\$ Value	% of Total Cash Investments
Government stock and treasury bills	Unlimited	Unlimited
Registered banks and local authority and corporation stocks	\$6 million	40%

Liability management policy

The Council held no public debt during 2003/2004 or as at 30 June 2004. Consequently, the borrowing provisions of the *Liability Management Policy* were not utilised.

The following pages present the financial results of the Council for the 2003/2004 year compared against the budgets set in the *2003/2004 Annual Plan* and the results published in the *2002/2003 Annual Report*. In particular, the following information is presented:

- the practices and assumptions used in preparing the financial information
- where the Council's income came from and where it was subsequently spent
- the effect of the income and expenditure on the overall net worth of the Council
- what the Council owes and owns
- the cash payments and receipts during the year
- additional supporting information.

Reporting entity

The Taranaki Regional Council (the Council) is a regional local authority governed by the Local Government Act 1974. The group consists of the Council and its 100% owned subsidiary, Westgate Transport Limited. The consolidated financial statements have been prepared in terms of section 223E of the Local Government Act 1974, which includes the requirement to comply with generally accepted accounting practice.

Measurement base

The measurement base adopted is that of historical cost, modified by the revaluation of certain non-current assets.

Accounting policies

Budget figures

The budget figures are those approved by the Council, after public consultation, as part of the annual plan process. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Basis of consolidation

Consolidated financial results include the Council and Westgate Transport Limited. The subsidiary is accounted for using the purchase method. All significant inter-entity transactions are eliminated upon consolidation.

Goods and services tax

All items are exclusive of goods and services tax (GST), excluding accounts receivable and payable, which are recorded inclusive of GST in the *Statement of Financial Position*.

Revenue

Rates and other revenue excluding grants are recognised when rates are struck and/or invoices have been issued. Grant revenue is recognised as income when the conditions of entitlement have been met. Dividends are recognised in the period that they are authorised and approved.

Overhead allocation

Overheads have been allocated against activity centres on the basis of staff numbers. However, in the case of Councillors, they have been allocated on a 0.5:1 ratio.

Taxation

Income tax expense is charged in the *Statement of Financial Performance* in respect of the current year's surplus after allowing for permanent differences. The liability method of accounting for deferred taxation has been used and this has been applied on a comprehensive basis. Future taxation benefits attributable to tax losses or timing differences are recognised only when there is virtual certainty of realisation.

Foreign currency

Transactions in foreign currencies have been converted at the rate of exchange ruling at the date of the transaction. At balance date, all foreign currency monetary assets and liabilities are adjusted using the prevailing spot rate of the day. Any gain or loss is recognised in the reported financial year in the *Statement of Financial Performance*.

Maintenance dredging

The cost of maintenance dredging is capitalised and then expensed over the period of benefit through to the commencement of the next dredging campaign. The value of the unexpired portion of maintenance dredging at balance date is reflected in the *Statement of Financial Position* (Property, plant and equipment).

Investment properties

Investment properties are valued annually (at 30 June) by TelferYoung (Taranaki) Limited, registered valuers, at net current value based on an existing use valuation basis. Any revaluation gain is taken to the investment property revaluation reserve. There is no depreciation on investment properties.

Investments

Bank investments and shares in Westgate Transport Limited and the New Zealand Local Government Insurance Corporation Limited are stated at the lower of cost and net realisable value. The value of local authority and corporate bonds have been calculated using the yield to maturity method as those investments are intended to be held until maturity. Fixed Term Loans are shown at their fair value which is established by using a discounted cash flow approach that applies interest rates.

Property, plant and equipment

Property, plant and equipment are stated at historic cost except for the following:

- The Waitara River Flood Protection Scheme assets and the Waiwhakaiho River Flood Protection Scheme assets have been independently valued at 30 June 2004 at replacement cost, by Mr Gary Williams (Registered Engineer and member of IPENZ, B.E. (Hons), B.Sc., M Com. (Hons)) of G and E Williams Consultants Limited.

- Infrastructure restricted asset Waitara – this land has been included in the financial statements at the government valuation as at 30 June 1995.
- An independent registered valuer revalues Westgate Transport Limited-owned land every three years. Telfer Young (Taranaki) Limited, New Plymouth, revalued land at 30 June 2002. The basis of the valuation was fair value which equates to a highest and best use value.
- An independent registered valuer revalues Westgate Transport Limited-owned floating plant every five years. CB Richard Ellis, Wellington, revalued floating plant at 30 June 2002. The basis of the valuation was fair value, which equates to market value.

When a fixed asset is revalued the resulting increase or decrease in value is recognised in the *Statement of Movements in Equity*. If the revaluation of a fixed asset results in a revaluation deficit for that class of fixed asset then the revaluation deficit is recognised in the *Statement of Financial Performance*. To the extent that the revaluation of a fixed asset reverses a previous revaluation deficit for that class of fixed asset and the deficit was recognised in the *Statement of Financial Performance*, the revaluation increase is recognised in the *Statement of Financial Performance*.

Property held for sale

Property held for sale is held at cost in the year of incurrence, thereafter an independent registered valuer revalues it every year.

Depreciation

Depreciation is fully funded on a straight-line basis, which writes off the value of the assets over their expected remaining lives after allowing for residual values where applicable. The depreciation rates are as follows:

Buildings	5 to 40 years	2.50% to 20%
Motor vehicles	5 years	20%
Plant and equipment	2.5 to 25 years	4% to 40%
Office furniture	5 to 10 years	10% to 20%
Computer equipment	3 to 5 years	20% to 33%
Port installations	5 to 66 years	1.15% to 20%
Maintenance dredging	2 years	50%
Floating plant	3 to 25 years	4% to 33%

Flood scheme assets – the nature of these assets is equivalent to land improvements and, as such, they do not incur a loss of service potential over time. Land and flood scheme assets are not depreciated.

Accounts receivable

Accounts receivable are stated at estimated realisable value after providing for debts where collection is doubtful.

Inventories

Inventories are valued at the lower of weighted average cost and net realisable value after allowing for slow-moving and obsolete items.

Employee entitlements

Provision is made in respect of the group's liability for annual leave, long service leave, gratuities and payroll accruals. Annual leave has been calculated on an actual entitlement basis at current rates of pay. Gratuities and long service leave have been calculated on an actuarial basis at current rates of pay.

Financial instruments

The Council (and group) is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, debtors and creditors. All of these are recognised in the *Statement of Financial Position* at fair value unless otherwise stated.

Revenues and expenses in relation to financial instruments are recognised in the *Statement of Financial Performance*.

Westgate Transport Limited is party to foreign exchange forward contracts with off balance sheet risk to reduce exposure to fluctuation in foreign exchange rates. The Company enters into foreign currency forward exchange contracts to hedge foreign currency transactions when purchasing major fixed assets and when payment is denominated in foreign currency. Gains and losses on such contracts are recognised in the year in which the transaction is completed.

Statement of cash flows

The following are the definitions of terms used in the statement of cash flows:

- Cash means deposits with banks
- Investing activities comprise the purchase and sale of fixed assets, investment properties and investments
- Financing activities comprise the change in equity and debt structures
- Operating activities include all transactions and events that are not investing or financial activities.

Changes in accounting policies

There have been no changes in accounting policies during the year. All policies have been applied on a basis consistent with prior years.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

Consolidated		Notes	Council		
2003/2004 Actual \$	2002/2003 Actual \$		2003/2004 Actual \$	2003/2004 Budget \$	2002/2003 Actual \$
Cost of services					
893,433	784,568	Policy and planning	893,433	945,565	784,568
401,533	452,408	Emergency management	401,533	445,656	452,408
2,500,249	2,478,795	Resource consents	2,500,249	2,362,456	2,478,795
1,358,857	1,314,129	Land management	1,358,857	1,466,328	1,314,129
223,120	231,224	River control and flood protection	223,120	322,659	231,224
424,398	586,776	Land transport & harbour management	442,898	462,616	603,108
1,094,369	1,094,364	Resource investigations & monitoring	1,094,369	1,145,818	1,094,364
1,298,755	1,469,081	Pest animal management	1,298,755	1,331,014	1,469,081
373,014	346,589	Pest plant management	373,014	374,877	346,589
12,635	907	Investments	12,635	12,500	907
457,723	301,925	Recreation, culture and heritage	457,723	392,922	301,925
593,942	595,658	Representation	593,942	613,170	595,658
24,256,675	22,946,409	Port operations	-	-	-
33,888,703	32,602,833	Total operating expenditure	9,650,528	9,875,581	9,672,756
Revenue					
3,194,325	3,113,801	General rates	3,194,325	3,190,653	3,113,801
1,107,171	1,125,909	Targeted rates	1,107,171	1,104,500	1,125,909
2,313,037	2,145,491	Direct charges	2,408,516	2,120,253	2,173,354
198,301	322,924	Government grants	198,301	192,064	322,924
-	-	Dividends	2,600,000	2,750,000	2,500,000
1,372,999	1,334,125	Other investment revenue	1,442,999	1,395,161	1,434,125
12,000	167,858	Donated assets	12,000	-	167,858
28,061,121	29,874,958	Port operations	-	-	-
36,258,954	38,085,066	Total operating revenue	10,963,312	10,752,631	10,837,971
2,370,251	5,482,233	Operating surplus/(deficit) before tax	1,312,784	877,050	1,165,215
1,141,240	2,164,166	Taxation	-	-	-
1,229,011	3,318,067	Net operating surplus/(deficit) after tax	1,312,784	877,050	1,165,215

The variance between the actual net operating surplus/(deficit) and that budgeted for is explained in detail in Note 3.

This statement should be read in conjunction with the *Statement of accounting policies* and the *Notes to the financial statements*.

STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 30 JUNE 2004

Consolidated			Notes	Council		
2003/2004 Actual \$	2002/2003 Actual \$			2003/2004 Actual \$	2003/2004 Budget \$	2002/2003 Actual \$
83,315,422	79,164,455	Public equity as at 1 July		55,998,295	54,917,655	54,000,180
1,229,011	3,318,067	Net operating surplus after tax	2, 3	1,312,784	877,050	1,165,215
845,000	832,900	Increase/(decrease) in asset revaluation reserves	12	845,000	5,000	832,900
2,074,011	4,150,967	Comprehensive income		2,157,784	882,050	1,998,115
85,389,433	83,315,422	Public equity as at 30 June		58,156,079	55,799,705	55,998,295

This statement should be read in conjunction with the *Statement of accounting policies* and the *Notes to the financial statements*.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

Consolidated					Council	
2003/2004	2002/2003		Notes	2003/2004	2003/2004	2002/2003
Actual	Actual			Actual	Budget	Actual
\$	\$			\$	\$	\$
		Current assets				
1,691,158	4,225,448	Bank and call deposits	4	1,655,971	358,786	3,811,423
540,326	-	Taxation receivable	1	-	-	-
3,562,787	3,522,149	Accounts receivable	5	722,581	640,000	614,354
287,966	159,119	Inventory		133,126	-	-
187,869	63,482	Prepayments		63,020	80,000	38,148
-	1,498,000	Property held for sale	6	-	-	-
6,270,106	9,468,198	Total current assets		2,574,698	1,078,786	4,463,925
		Non current assets				
330,886	778,267	Future taxation benefit	1	-	-	-
17,974,956	13,551,000	Investments	6	42,476,956	43,577,000	39,551,000
6,542,000	5,707,000	Investment properties	7	6,542,000	5,005,000	5,707,000
80,390,064	81,155,241	Fixed assets	8	8,187,945	7,988,919	8,331,722
105,237,906	101,191,508	Total non current assets		57,206,901	56,570,919	53,589,722
111,508,012	110,659,706	Total assets		59,781,599	57,649,705	58,053,647
		Current liabilities				
-	35,022	Taxation payable	1	-	-	-
2,666,819	3,530,751	Accounts payable	9	781,406	1,000,000	1,051,160
1,452,967	1,526,446	Employee entitlements	10	445,321	400,000	552,127
21,600,000	10,800,000	Debenture (secured)	11	-	-	-
25,719,786	15,892,219	Total current liabilities		1,226,727	1,400,000	1,603,287
		Non current liabilities				
398,793	452,065	Employee entitlements	10	398,793	450,000	452,065
-	11,000,000	Debenture (secured)	11	-	-	-
398,793	11,452,065	Total non current liabilities		398,793	450,000	452,065
26,118,579	27,344,284	Total liabilities		1,625,520	1,850,000	2,055,352
		Public equity				
59,029,925	57,889,196	Retained earnings	12	41,576,247	53,393,451	40,351,745
13,931,526	13,843,244	Reserves	12	13,931,526	1,426,058	13,843,244
12,427,982	11,582,982	Asset revaluation reserves	12	2,648,306	980,196	1,803,306
85,389,433	83,315,422	Total public equity		58,156,079	55,799,705	55,998,295
111,508,012	110,659,706	Total liabilities and equity		59,781,599	57,649,705	58,053,647

This statement should be read in conjunction with the *Statement of accounting policies* and the *Notes to the financial statements*.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004

Consolidated 2003/2004 Actual \$	2002/2003 Actual \$	Notes	2003/2004 Actual \$	Council 2003/2004 Budget \$	2002/2003 Actual \$
Cash flow from operating activities					
Cash was provided from:					
30,961,897	33,622,012	Customers	2,897,778	2,686,667	3,052,544
4,259,356	4,199,930	Rates	4,259,356	4,295,153	4,199,930
1,131,615	1,019,521	Interest	1,033,793	1,020,811	992,748
-	-	Dividends	2,600,000	2,750,000	2,500,000
<u>36,352,868</u>	<u>38,841,463</u>		<u>10,790,927</u>	<u>10,752,631</u>	<u>10,745,222</u>
Cash was applied to:					
27,640,127	25,707,275	Employees and suppliers	9,074,920	8,855,275	8,544,059
1,269,207	2,289,739	Income tax	-	-	-
496,227	3,183	Goods and services tax	228,754	320,000	189,572
1,391,984	1,451,825	Interest	-	-	-
<u>30,797,545</u>	<u>29,452,022</u>		<u>9,303,674</u>	<u>9,175,275</u>	<u>8,733,631</u>
5,555,323	9,389,441	Net cash flow/(outflow) from operating activities	1,487,253	1,577,356	2,011,591
Cash flow from investing activities					
Cash was provided from:					
173,685	207,667	Fixed assets	84,133	136,500	145,807
<u>173,685</u>	<u>207,667</u>		<u>84,133</u>	<u>136,500</u>	<u>145,807</u>
Cash was applied to:					
2,925,955	200,000	Investments	2,925,955	976,000	200,000
5,137,343	5,626,333	Fixed assets	800,883	958,077	1,171,535
<u>8,063,298</u>	<u>5,826,333</u>		<u>3,726,838</u>	<u>1,934,077</u>	<u>1,371,535</u>
(7,889,613)	(5,618,666)	Net cash flow/(outflow) from investing activities	(3,642,705)	(1,797,577)	(1,225,728)
Cash flow from financing activities					
Cash was applied to:					
200,000	3,200,000	Loans	-	-	-
<u>200,000</u>	<u>3,200,000</u>		<u>-</u>	<u>-</u>	<u>-</u>
(200,000)	(3,200,000)	Net cash flow/(outflow) from financing activities			
(2,534,290)	570,775	Net increase/(decrease) in cash held	(2,155,452)	(220,221)	785,863
4,225,448	3,654,673	Opening cash balance	3,811,423	579,007	3,025,560
1,691,158	4,225,448	Closing cash balance	1,655,971	358,786	3,811,423

This statement should be read in conjunction with the *Statement of accounting policies* and the *Notes to the financial statements*.

STATEMENT OF COMMITMENTS AND CONTINGENCIES

Consolidated		Notes	Council		
2003/2004 Actual \$	2002/2003 Actual \$		2003/2004 Actual \$	2003/2004 Budget \$	2002/2003 Actual \$

Contingencies

Westgate Transport Limited has indemnified Duffill Watts & King Limited for a period of four years with respect to the payment of any redundancy or retiring allowances payable to three (three – 2002/2003) former employees who ceased employment with Westgate Transport Limited during 2000/2001 and concurrently took up employment with Duffill Watts & King Limited. At 30 June 2004 the quantum of the indemnity given amounts to \$129,408 (\$292,145 – 2002/2003).

The Council is a defendant in two actions. The Council expects to successfully defend both cases. Accordingly no provision for settlement has been made.

Commitments

644,000	2,593,588	Capital commitments approved and contracted	-	-	106,588
644,000	2,593,588		-	-	106,588

Consolidated			Council	
2003/2004	2002/2003		2003/2004	2002/2003
Actual \$	Actual \$		Actual \$	Actual \$
Note 1 – Taxation				
2,370,251	5,482,233	Operating surplus/(deficit)	1,312,784	1,165,215
782,183	1,809,137	Prima-facie taxation @ 33%	433,219	384,521
359,057	392,577	Plus (less) tax effect of permanent differences	1,291,219	1,209,521
(481,566)	133,308	Plus (less) tax effect of timing differences	-	-
659,674	2,335,022	Current taxation payable	1,724,438	1,594,042
-	-	Imputation credit adjustment	(1,724,438)	(1,594,042)
-	(37,548)	Prior year under (over) provision	-	-
481,566	(133,308)	Deferred taxation current year	-	-
1,141,240	2,164,166	Taxation per statement of financial performance	-	-
Future tax benefit				
778,267	632,111	Opening balance	-	-
(481,566)	133,308	Movement	-	-
34,185	12,848	Prior year adjustment	-	-
330,886	778,267	Future tax benefit	-	-
Current taxation				
(659,674)	(2,335,022)	Taxation receivable/(payable)	-	-
1,200,000	2,300,000	Taxation paid	-	-
540,326	(35,022)	Taxation receivable/(payable)	-	-
Imputation credit account				
3,784,605	2,729,816	Opening balance	-	-
(1,280,597)	(1,231,344)	Credits attached to dividends	-	-
-	(3,606)	Prior period adjustments	-	-
1,269,207	2,289,739	Income tax payments	-	-
3,773,215	3,784,605	Closing balance	-	-

Council's tax losses/surpluses arise from the shareholding in Westgate Transport Limited. A significant portion of the tax losses have been offset against the tax liability of Westgate Transport Limited. There are no tax losses carried forward.

Consolidated			Council	
2003/2004	2003/2004		2003/2004	2003/2004
Actual \$	Actual \$		Actual \$	Actual \$
Note 2 – Operating surplus				
The net operating surplus was achieved after receiving:				
-	-	Dividends	2,600,000	2,500,000
1,086,613	964,906	Interest	973,811	938,133
32,766	75,773	Gain on sale of assets	24,086	69,474
-	-	Donations	-	-
1,801	-	Foreign currency gains	-	-
-	-	Subvention payment	70,000	100,000
12,000	167,858	Donated assets	12,000	167,858
And after charging:				
84,000	62,500	Audit fees	49,000	35,000
8,050	11,440	Other services provided by auditors	8,050	11,440
5,363,104	4,908,391	Depreciation (refer to Note 8)	742,429	669,010
307,473	305,505	Councillors' fees	307,473	305,505
145,000	144,400	Directors' fees	-	-
1,392,037	1,475,018	Interest expense	-	-
(33,214)	(12,979)	Provision for doubtful debts	(1,214)	(2,979)
1,214	3,655	Bad debts written off	1,214	2,980
22,630	6,011	Loss on sale of assets	788	1,096
700	-	Donations	-	-
-	-	Insurance premiums	120,301	106,924
-	-	Subscriptions, levies, contributions	40,319	42,655
-	-	Unauthorised expenditure	3,284	10,066

Note 3 – Net operating surplus/(deficit)

The Council made a net operating surplus of \$1,312,784 compared to a budgeted surplus, before transfers to and from reserves, of \$877,050. The major reasons for this positive variance between the actual net operating surplus and budgeted net operating surplus are:

Operating expenditure was less than budgeted	\$225,053
General rates were more than budgeted	\$3,672
Targeted rates were more than budgeted	\$2,671
Direct charges were higher than budget	\$288,263
Government grants were higher than anticipated	\$6,237
Dividends were less than forecast	(\$150,000)
Other investment revenue was higher than budgeted	\$47,838
Donated assets	\$12,000

The Long-Term Council Community Plan has budgeted for a net operating surplus for 2004//2005, before transfers to and from reserves, of \$456,894.

NOTES TO THE FINANCIAL STATEMENTS

Consolidated			Council	
2003/2004	2002/2003		2003/2004	2002/2003
Actual \$	Actual \$		Actual \$	Actual \$
Note 4 – Bank				
196,309	653,639	Bank	161,122	239,614
1,494,849	3,571,809	Call deposits	1,494,849	3,571,809
1,691,158	4,225,448	Total bank and call deposits	1,655,971	3,811,423

The weighted average effective interest rate on call deposits was 5.61% for the year ended 30 June 2004 (5.62% for the year ended 30 June 2003).

Consolidated			Council	
2003/2004	2002/2003		2003/2004	2002/2003
Actual \$	Actual \$		Actual \$	Actual \$
Note 5 – Accounts receivable				
3,626,658	3,619,234	Trade receivables	768,452	661,439
(63,871)	(97,085)	Provision for doubtful debts	(45,871)	(47,085)
3,562,787	3,522,149	Total accounts receivable	722,581	614,354

Note 6 – Investments

Consolidated			Council	
2003/2004	2002/2003		2003/2004	2002/2003
Actual \$	Actual \$		Actual \$	Actual \$
Non-current assets				
16,475,956	13,550,000	Term deposits and bonds	16,475,956	13,550,000
1,498,000	-	Term loan	-	-
1,000	1,000	NZ Local Government Insurance Corporation	1,000	1,000
-	-	Westgate Transport Limited	26,000,000	26,000,000
17,974,956	13,551,000	Total investments	42,476,956	39,551,000

The weighted average effective interest rate on term deposits was 5.61% for the year ended 30 June 2004 (5.62% for the year ended 30 June 2003).

Term loan

On 1 December 2003 Westgate Transport Limited sold a property at cost to Fitzroy Yachts Ltd. Settlement is due on 30 June 2005 with the loan secured by a first ranking charge over the property and a guarantee by Fitzroy Engineering Ltd.

Shares

NZ Local Government Insurance Corporation Limited-insurance company-30 June balance date-1,000 shares. Westgate Transport Limited-port operator-100% owned subsidiary-30 June balance date-52,000,000 shares.

Consolidated			Council	
2003/2004	2002/2003		2003/2004	2002/2003
Actual \$	Actual \$		Actual \$	Actual \$
Note 6 – Local Authority and corporate bonds				
The market value of publicly tradable local government and corporate bonds are:				
1,507,170	-	Dunedin City Council	1,507,170	-
1,550,058	-	Christchurch City Holdings Ltd	1,550,058	-
961,938	-	Auckland Healthcare	961,938	-
1,052,563	-	Auckland International Airport	1,052,563	-
1,049,732	-	Bank of New Zealand	1,049,732	-
1,048,866	-	Meridian	1,048,866	-
1,111,035	-	Transpower	1,111,035	-
1,045,574	-	South Auckland Health	1,045,574	-

Note 6 – Property held for sale

Consolidated			Council	
2003/2004	2002/2003		2003/2004	2002/2003
Actual \$	Actual \$		Actual \$	Actual \$
Current assets				
Property held for sale within twelve months				
-	1,498,000		-	-
-	1,498,000	Total property held for sale	-	-

Note 7 – Investment properties

Consolidated			Council	
2003/2004	2002/2003		2003/2004	2002/2003
Actual \$	Actual \$		Actual \$	Actual \$
4,345,500	4,345,500	Cost	4,345,500	4,345,500
1,361,500	578,600	Revaluations to date	1,361,500	578,600
835,000	782,900	Current year revaluations	835,000	782,900
6,542,000	5,707,000	Total investment properties	6,542,000	5,707,000

An independent registered valuer (TelferYoung (Taranaki) Limited) revalued investment properties as at 30 June 2004.

Note 8 – Property, plant and equipment – 2003/2004 Actual \$

Council – at cost	Cost/valuation	Annual depreciation	Accumulated depreciation	Net book value
Land	466,025	-	-	466,025
Buildings	3,616,796	80,215	1,082,897	2,533,899
Motor vehicles	1,372,032	261,103	694,063	677,969
Plant and equipment	2,264,483	171,796	1,836,696	427,787
Office furniture	524,760	23,179	373,945	150,815
Computer equipment	2,236,435	206,136	1,628,214	608,221
Work in progress	46,229	-	-	46,229
Council—at valuation				
Infrastructure assets	3,277,000	-	-	3,277,000
Total assets	13,803,760	742,429	5,615,815	8,187,945

Note 8 – Property, plant and equipment – 2003/2004 Actual \$

Consolidated – at cost	Cost/valuation	Annual depreciation	Accumulated depreciation	Net book value
Land	16,299,088	-	-	16,299,088
Buildings	17,929,624	669,961	7,525,384	10,404,240
Motor vehicles	1,372,032	261,103	694,063	677,969
Plant and equipment	26,182,518	1,752,128	11,398,418	14,784,100
Office furniture	524,760	23,179	373,945	150,815
Computer equipment	2,236,435	206,136	1,628,214	608,221
Port installations	31,944,627	1,101,953	10,332,104	21,612,523
Maintenance dredging	1,690,256	799,250	211,281	1,478,975
Intangibles	178,976	2,629	2,629	176,347
Floating plant	11,449,843	546,399	1,144,082	10,305,761
Work in progress	615,025	-	-	615,025
Consolidated – at valuation				
Infrastructure assets	3,277,000	-	-	3,277,000
Total assets	113,700,184	5,362,738	33,310,120	80,390,064

Note 8 – Property, plant and equipment – 2002/2003 Actual \$

Council – at cost	Cost/valuation	Annual depreciation	Accumulated depreciation	Net book value
Land	466,025	-	-	466,025
Buildings	3,038,374	79,385	1,007,798	2,030,576
Motor vehicles	1,303,775	247,071	530,432	773,343
Plant and equipment	2,183,159	152,178	1,665,119	518,040
Office furniture	499,090	25,111	350,766	148,324
Computer equipment	2,076,836	165,265	1,422,113	654,723
Work in progress	485,691	-	-	485,691
Council – at valuation				
Infrastructure assets	3,255,000	-	-	3,255,000
Total assets	13,307,950	669,010	4,976,228	8,331,722

Note 8 – Property, plant and equipment – 2002/2003 Actual \$

Consolidated – at cost	Cost/valuation	Annual depreciation	Accumulated depreciation	Net book value
Land	16,259,613	-	-	16,259,613
Buildings	16,967,320	654,839	6,860,831	10,106,489
Motor vehicles	1,303,775	247,071	530,432	773,343
Plant and equipment	25,798,062	1,458,019	10,278,629	15,519,433
Office furniture	499,090	25,111	350,766	148,324
Computer equipment	2,076,836	165,265	1,422,113	654,723
Port installations	31,539,691	1,029,543	9,230,153	22,309,538
Maintenance dredging	1,371,924	783,956	783,956	587,968
Intangibles	178,976	-	-	178,976
Floating plant	11,415,538	544,587	597,682	10,817,856
Work in progress	543,978	-	-	543,978
Consolidated – at valuation				
Infrastructure assets	3,255,000	-	-	3,255,000
Total assets	111,209,803	4,908,391	30,054,562	81,155,241

NOTES TO THE FINANCIAL STATEMENTS

Fair values

The fair value of land and buildings is the value for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction. Quotable Value New Zealand and TelferYoung (Taranaki) Limited have valued the Council's land and buildings for insurance purposes as at 30 June 2004 on a fair value (current market value) basis at \$2,405,000 (2002/2003 – \$2,404,500). The Council records the land and buildings on a historic cost basis, which reflects the on-going existing use valuation to the Council. The Council has no plans to dispose of the land and buildings, which would make the fair value valuation more appropriate than the on-going existing use valuation. Westgate Transport Limited revalued its land and buildings as at 30 June 2002. The Company believes that this valuation reflects the fair value of land and buildings.

Consolidated			Council	
2003/2004	2002/2003		2003/2004	2002/2003
Actual \$	Actual \$		Actual \$	Actual \$
Note 9 – Accounts payable				
1,593,673	1,310,820	Trade creditors	420,185	568,218
43,387	43,334	Interest accrual	-	-
403,682	771,628	Fixed asset accruals	44,495	206,510
626,077	1,404,969	Other creditors and accruals	316,726	276,432
2,666,819	3,530,751	Total accounts payable	781,406	1,051,160

Consolidated			Council	
2003/2004	2002/2003		2003/2004	2002/2003
Actual \$	Actual \$		Actual \$	Actual \$
Note 10 – Employee entitlements				
1,706,567	1,727,690	Holiday and long service leave	698,921	753,371
145,193	250,821	Accrued pay	145,193	250,821
1,851,760	1,978,511	Total employee entitlements	844,114	1,004,192

Split between:

1,452,967	1,526,446	Current liabilities	445,321	552,127
398,793	452,065	Non current liabilities	398,793	452,065
1,851,760	1,978,511	Total employee entitlements	844,114	1,004,192

Consolidated			Council	
2003/2004	2002/2003		2003/2004	2002/2003
Actual \$	Actual \$		Actual \$	Actual \$
Note 11 – Debenture (secured)				
21,600,000	10,800,000	Repayable within one year	-	-
6.28%	5.65%	Westpac Banking Corporation	-	-
		Weighted average interest rate	-	-
		Repayable one to two years	-	-
-	11,000,000		-	-
-	6.40%	Weighted average interest rate	-	-

Westgate Transport Limited's sole debenture is to Westpac Banking Corporation. This debenture is secured over all of Westgate Transport Limited's assets and undertakings.

Note 12 – Public equity

		Retained earnings	
57,889,196	67,076,725	Opening balance	40,351,745 51,692,126
1,229,011	3,318,067	Operating surplus	1,312,784 1,165,215
(96,549)	(12,509,802)	Transfers to reserves	(96,549) (12,509,802)
8,267	4,206	Transfers from reserves	8,267 4,206
59,029,925	57,889,196	Closing balance	41,576,247 40,351,745

Reserves (refer to Note 13)

		Makuri River Control Scheme reserve	
2,670	4,076	Opening balance	2,670 4,076
150	229	Transfers from retained earnings	150 229
(375)	(1,635)	Transfers to retained earnings	(375) (1,635)
2,445	2,670	Closing balance	2,445 2,670

Consolidated					Council				
2003/2004	2002/2003		2003/2004	2002/2003		2003/2004	2002/2003		
Actual \$	Actual \$		Actual \$	Actual \$		Actual \$	Actual \$		
Note 12 – Public equity – continued									
		<i>North Taranaki/Waitara River Control Scheme reserve</i>							
269,560	247,572	Opening balance	269,560	247,572					
88,264	24,559	Transfers from retained earnings	88,264	24,559					
(7,892)	(2,571)	Transfers to retained earnings	(7,892)	(2,571)					
349,932	269,560	Closing balance	349,932	269,560					
		<i>Contingency/disaster reserve</i>							
1,086,000	1,086,000	Opening balance	1,086,000	1,086,000					
-	-	Transfers from retained earnings	-	-					
-	-	Transfers to retained earnings	-	-					
1,086,000	1,086,000	Closing balance	1,086,000	1,086,000					
		<i>Holland Garden Endowment reserve</i>							
145,014	-	Opening balance	145,014	-					
8,135	145,014	Transfers from retained earnings	8,135	145,014					
-	-	Transfers to retained earnings	-	-					
153,149	145,014	Closing balance	153,149	145,014					
		<i>Dividend equalisation reserve</i>							
12,340,000	-	Opening balance	12,340,000	-					
-	12,340,000	Transfers from retained earnings	-	12,340,000					
-	-	Transfers to retained earnings	-	-					
12,340,000	12,340,000	Closing balance	12,340,000	12,340,000					
13,931,526	13,843,244	Total reserves	13,931,526	13,843,244					
		Asset revaluation reserves							
		<i>Waitara flood control scheme</i>							
367,000	317,000	Opening balance	367,000	317,000					
10,000	50,000	Change in asset value	10,000	50,000					
377,000	367,000	Closing balance	377,000	367,000					

Consolidated					Council				
2003/2004	2002/2003		2003/2004	2002/2003		2003/2004	2002/2003		
Actual \$	Actual \$		Actual \$	Actual \$		Actual \$	Actual \$		
Note 12 – Public equity – continued									
		<i>Waiwhakaiho flood control scheme</i>							
74,806	74,806	Opening balance	74,806	74,806					
-	-	Change in asset value	-	-					
74,806	74,806	Closing balance	74,806	74,806					
		<i>Floating plant</i>							
2,699,457	2,699,457	Opening balance	-	-					
-	-	Change in asset value	-	-					
2,699,457	2,699,457	Closing balance	-	-					
		<i>Land</i>							
7,080,219	7,080,219	Opening balance	-	-					
-	-	Change in asset value	-	-					
7,080,219	7,080,219	Closing balance	-	-					
		<i>Investment properties</i>							
1,361,500	578,600	Opening balance	1,361,500	578,600					
835,000	782,900	Change in asset value	835,000	782,900					
2,196,500	1,361,500	Closing balance	2,196,500	1,361,500					
12,427,982	11,582,982	Total asset revaluation reserves	2,648,306	1,803,306					

NOTES TO THE FINANCIAL STATEMENTS

Note 13 – Reserves

Reserve funds are utilised to provide a fund for expenditure on specific purposes. In some circumstances the reserves are a legal requirement. The Council holds the following reserve funds:

Makuri River Control Scheme reserve

The Council strikes a Works and Services rate, as and when required, based on land values in the Makuri Valley River catchment for maintenance of the river scheme. Any unspent funds must be appropriated to this reserve.

North Taranaki/Waitara River Control Scheme reserve

The Council strikes a Works and Services rate based on capital values over the New Plymouth District for purposes of:

- maintenance of the Waitara River Flood Protection scheme
- the construction of flood protection works in the lower Waiwhakahiho catchment; and
- for other minor river control works which are required for flood protection in the district.

Any unspent funds must be appropriated to this reserve. Funds may only be appropriated to cover expenditure on the above purposes.

Contingency/disaster reserve

This reserve was created to meet the Council's share of the replacement cost of infrastructure assets affected by natural disasters. It also covers the Council's commitments under the National Civil Defence Plan in the event of emergencies. It is available for any other contingency or emergency response purposes including oil spill response and flood response.

Hollard Garden Endowment reserve

This reserve was established at the bequest of Mr Bernard Hollard. The reserve is to be used specifically and exclusively for the benefit of Hollard gardens.

Dividend equalisation reserve

The Council transfers dividends received in excess of budget to this reserve. The reserve is to be used to equalise dividend returns over time. Dividends in excess of budget since 1996/97 have been transferred to the reserve. Prior to 1996/97 all dividends were used to repay debt incurred during the incorporation of Westgate Transport Ltd. From 1996/97 onwards dividends have been used to reduce the general rate requirement.

Note 14 – Remuneration of the Chief Executive

The Chief Executive of the Taranaki Regional Council, appointed under section 119C(1)(a) of the Local Government Act 1974, received a salary of \$180,412. In terms of his contract, the Chief Executive also received the following additional benefits:

Superannuation	25,434
Vehicle	17,529
Medical insurance and professional fees	3,201

For the year ending 30 June 2004, the total annual cost including fringe benefit tax to the Taranaki Regional Council of the remuneration package being received by the Chief Executive is calculated at \$226,576.

Note 15 – Events subsequent to balance date

There have been no material events subsequent to balance date.

Consolidated			Council	
2003/2004	2002/2003		2003/2004	2002/2003
Actual \$	Actual \$		Actual \$	Actual \$
Note 16 – Reconciliation of net operating surplus to net cash flows from operating activities				
1,229,011	3,318,067	Net operating surplus/(deficit)	1,312,784	1,165,215
		Add/(less) non-cash items		
5,363,104	4,908,391	Depreciation	742,429	669,010
447,381	(146,156)	Future tax benefit	-	-
(12,000)	(26,102)	Donated assets	(12,000)	(26,102)
7,027,496	8,054,200		2,043,213	1,808,123
		Add/(less) movements in working capital		
(40,638)	815,976	Accounts receivable	(108,227)	18,518
(124,387)	788,288	Prepayments	(24,872)	31,802
(128,847)	9,866	Inventories	(133,126)	-
(863,932)	(160,227)	Accounts payable	(269,754)	61,994
(126,751)	254,154	Employee entitlements	(160,078)	174,068
(575,348)	20,584	Taxation payable	-	-
		Add/(less) investing activity items		
(10,135)	(69,762)	(Profit)/loss on sale of assets	(23,297)	(68,378)
397,865	(323,638)	Payables from fixed asset purchases	163,394	(14,536)
5,555,323	9,389,441	Cash inflow from operating activities	1,487,253	2,011,591

Note 17 – Financial instruments

Credit risk

The Taranaki Regional Council has minimal credit risk in its holdings of various financial instruments. These financial instruments include bank balances, short term deposits, local authority and corporate bonds, accounts receivable and accounts payable. The Group does not require any collateral or security to support financial instruments due to the quality of the financial institutions with which it deals. The Council is risk averse and seeks to minimise exposure arising from its treasury activities. The Council does not enter into transactions that are speculative in nature. The Council invests funds only in deposits with registered banks and limits the amount of exposure to any one organisation.

Westgate Transport Limited has a concentration of credit risk in accounts receivable where 13% (12) of the number of accounts receivable represent 82% of the total carrying amount of accounts receivable. Only 5.7% of the carrying amount of accounts receivable exceeded an age of 30 days. Where applicable term loans are supported by an appropriate registered security and/or financial guarantee from related parties. There are no other significant concentrations of credit risk. The group has a policy of assessing the credit risk of significant new customers and monitors the credit quality of existing customers.

Credit facilities

As at 30 June 2004 Westgate Transport Limited had a multi-option bank facility with Westpac Banking Corporation of \$25,000,000 (2002/2003 – \$30,000,000) of which \$21,600,000 (2002/2003 – \$21,800,000) was borrowed.

Note 18 – Related party transactions

The Council's 100% owned subsidiary Westgate Transport Limited is considered to be a related party of the Taranaki Regional Council.

The transactions between the Company and the Council during the year were:

	Council	
	2003/2004 Actual \$	2002/2003 Actual \$
Harbourmaster services	18,500	16,332
Resource consent application fees	2,429	25,716
Dividend received from Westgate Transport Limited	2,600,000	2,500,000
Oil spill clean-up costs	4,136	-
Resource consent compliance monitoring programme	88,914	2,147

Councillors and key management are, as part of a normal customer relationship, involved with minor transactions with the Council (such as payment of rates). The Chairman of the Council (Councillor David Walter) and Councillor David MacLeod are also Directors of Westgate Transport Limited. Except for items of a trivial nature, neither of these two Councillors, other Councillors or senior management have entered into related party transactions within the group. Councillors David Walter and David Lean are Directors of the TSB Bank Limited. The Council invests surplus funds and receives interest income from the TSB Bank Limited. All transactions between the Council and the TSB Bank Limited are on normal commercial terms.

There have been a number of transactions between Westgate Transport Limited and the Taranaki Regional Council during the year in the normal course of business. These transactions are of an immaterial amount both individually and collectively. During 2003/04 Westgate Transport Limited and the Taranaki Regional Council entered into a taxation grouping arrangement which resulted in the transfer of losses from the Council to Westgate Transport Limited amounting to \$212,121 (\$303,030 – 2002/03) and the payment of a subvention payment by Westgate Transport Limited to the Taranaki Regional Council amounting to \$70,000 (\$100,000).

Note 19 – Segmental reporting

The Taranaki Regional Council provides local authority services to ratepayers and other residents of the Taranaki region.

Westgate Transport Limited operates in one economic and geographic segment, that being the facilitating of export and import activities through the port of Taranaki.

All inter-segment pricing is on an arm's length basis. There were no items of an unusual nature included in the surplus before taxation.

	Port operations		Local authority operations		Eliminations		Consolidated	
	2003/04 \$000's	2002/03 \$000's	2003/04 \$000's	2002/03 \$000's	2003/04 \$000's	2002/03 \$000's	2003/04 \$000's	2002/03 \$000's
Revenue from outside the group	28,061	29,875	8,198	8,210	-	-	36,259	38,085
Inter-segment revenue	19	16	2,765	2,628	(2,784)	(2,644)	-	-
Total revenue	28,080	29,891	10,963	10,838	(2,784)	(2,644)	36,259	38,085
Segment net surplus	2,516	4,653	1,313	1,165	(2,600)	(2,500)	1,229	3,318
Segment assets	77,726	78,606	59,782	58,054	(26,000)	(26,000)	111,508	110,660

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

Compliance

The Council and management of the Taranaki Regional Council confirm that all the statutory requirements of Parts VIIA and VIIB of the Local Government Act 1974 have been complied with.

Responsibility

The Council and management of the Taranaki Regional Council accept responsibility for the preparation of the annual consolidated financial statements and the judgements used in them.

The Council and management of the Taranaki Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of the Taranaki Regional Council, the annual consolidated financial statements for the year ended 30 June 2004 fairly reflect the financial position and operations of the Taranaki Regional Council.



David Walter
Chairman
29 September 2004



Basil Chamberlain
Chief Executive
29 September 2004

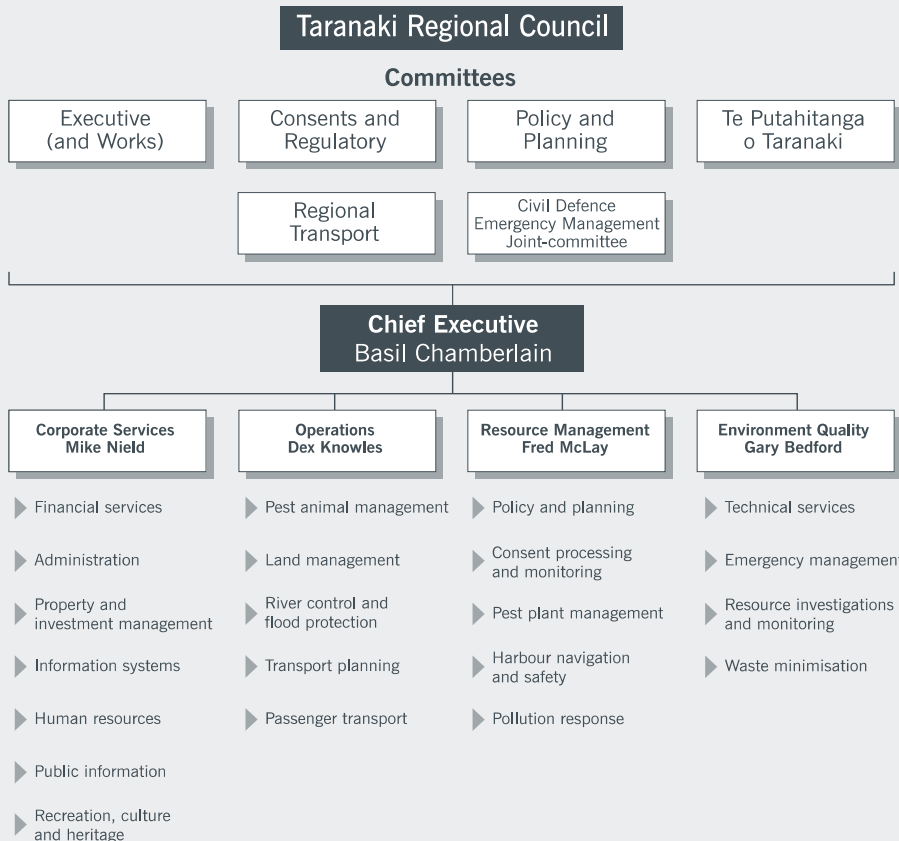


Michael Nield
Director-Corporate Services
29 September 2004

Organisational structure

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.



Values statement

The staff of the Council are individually and collectively committed to:

Public service

- behaving with integrity and neutrality in the best traditions of the public sector in New Zealand
- administering our functions for the collective good of our community with consistency, fairness and sensitivity in our treatment of individual situations
- not accepting direct or indirect offers, payment, gifts or bribes in any form and avoiding conflicts of interest.

Service first

- assisting people in a courteous, helpful, accurate and professional manner
- providing people with a better service than they may expect to receive, noting that many people do not have dealings with us out of choice
- recognising the social and cultural diversity that exists and take this into account in our dealings.

Improving the quality of our performance

- ensuring our personal contributions make a real and positive difference to the Council, its mission and performance
- continually improving the quality of our services to customers and the quality of our working relationships with each other
- improving our time management and productivity by increasing our knowledge and experience of our duties, working in a planned and strategic way and focusing on completing assignments
- calling for assistance when required
- being thorough and professional in our work so that we make sound recommendations and decisions based on knowledge and understanding.

Effective communication and teamwork

- informing each other about our tasks and seeking participation and advice
- communicating with simplicity, clarity, and certainty
- recognising that individual achievements are always underpinned by the assistance of others
- constructively assisting each other, being non-possessive and receptive to advice
- trusting, respecting and being loyal to each other and the organisation
- congratulating each other for jobs well done and helping each other through problems
- participative management systems which encourage constructive and timely expression of opinion, noting that having a say differs from having a vote.

Initiative and the right to make mistakes

- challenging the way we do things showing initiative with the aim of improving effectiveness
- being innovative in developing and using new ideas, methods and technologies
- minimising mistakes but accepting that we will make mistakes as we learn and improve
- forgiving well-intentioned errors
- being flexible and responsive to change.

Accountability and results

- being responsible and accountable for our own actions and the quality of our own work
- being collectively responsible for and loyal to the organisation's actions
- achieving results which benefit the community
- not mistaking activity for accomplishment.

Presentation, respect and care

- presenting ourselves for work in a fit state and in appropriate standards of dress and appearance
- respecting and caring for Council property, plant, vehicles and our workplace as if it were our own
- recognising the need to protect the integrity and public image of the Council and our colleagues in our private lives
- remembering that many of the people who are obliged to contribute to the funding of the organisation have low incomes.

Job satisfaction

- being appropriately trained and resourced to do our work well
- being satisfactorily rewarded for our work
- enjoying our work.

Performance management

The Council has extensive systems in place to assist performance management and continuous improvement.

Performance metrics to measure individual, group and total Council performance across a full range of processes and outputs have been developed. This information is provided to all staff through the intranet and other means, at regular intervals. Presently 79 performance metrics are used. The Council's individual performance development programme (IDP) incorporates individual performance expectations and appraisal, personal development and training needs.

Employment agreements

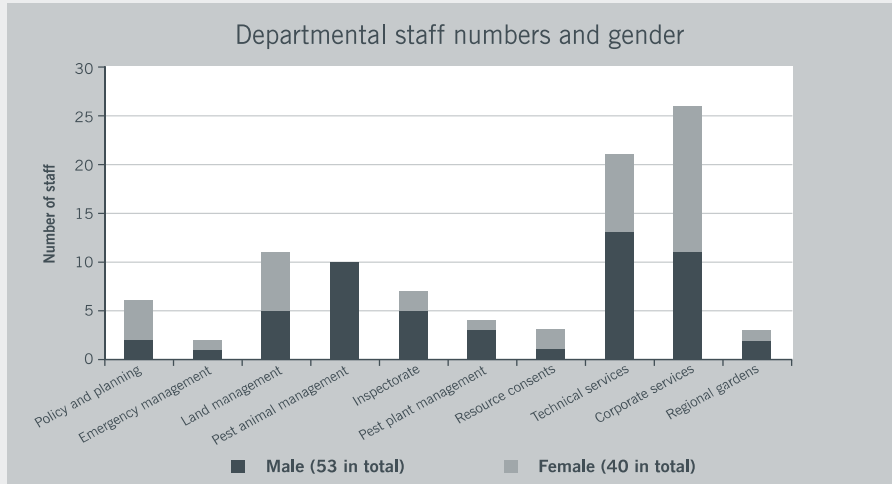
Ninety-three permanent staff were employed by the Council at 30 June 2004. Eighty-five percent were employed under the Taranaki Regional Council Collective Employment Agreement, with the balance employed on individual agreements. Staff employed under the collective agreement are represented by the Taranaki Regional Council Officers Staff Association Incorporated.

There were no disputes or personal grievances which triggered the "employment relationship problems" provisions of the Taranaki Regional Council Collective Employment Agreement during the period.

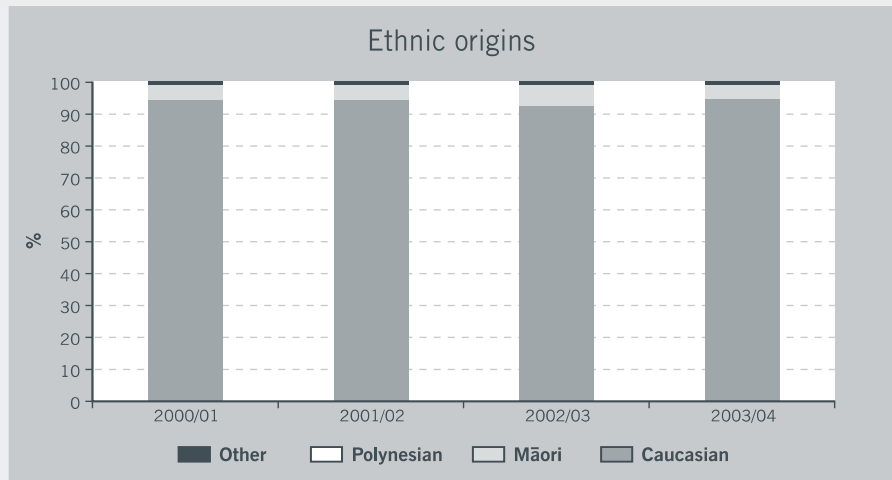
Equal employment opportunity

The Taranaki Regional Council is committed to the principle of equal opportunity in the recruitment, employment, training and promotion of its employees. The organisation aims to provide a welcoming environment which accepts diversity.

Activities and services are sought to be implemented with an awareness of and an intent to, eliminate discrimination in the areas of race, colour, ethnic or national origin, gender, religious beliefs, marital status, family responsibilities, sexual orientation, special needs, or age.

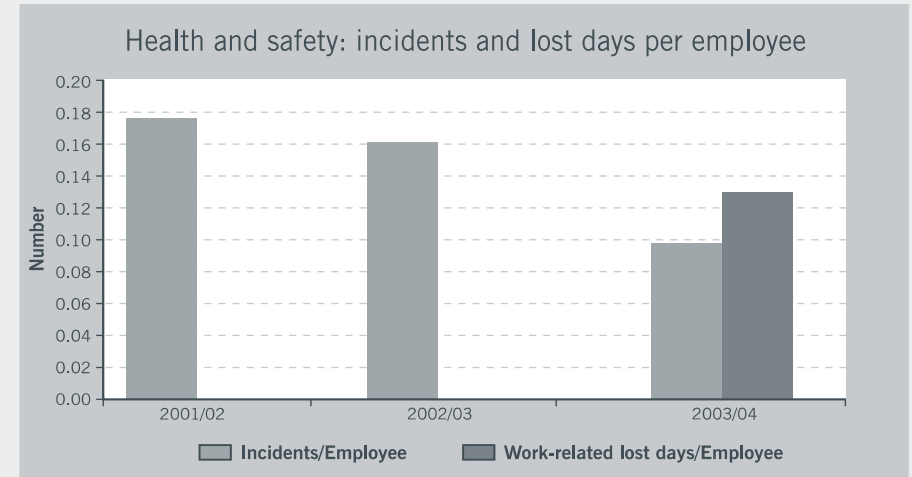


Recruitment procedures are designed to select from the widest possible cross section of potential staff in a non-discriminatory way. Databases are maintained to collect and provide information for input into equal employment opportunity policy development, implementation and evaluation, whilst ensuring confidentiality.



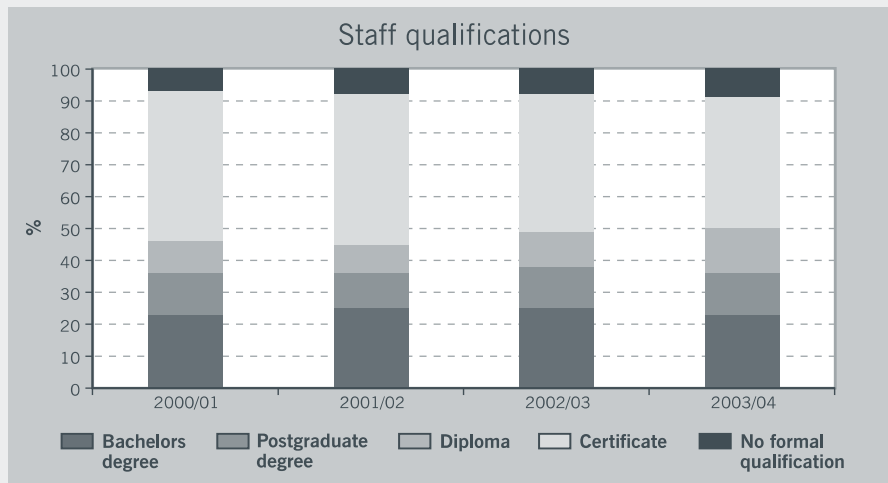
Health and safety

The Council takes the safety of staff, contractors and the public seriously. All staff are provided with training and other services to promote health and safety in the workplace. The aim is for no incidents and no staff time lost resulting from work-related incidents.

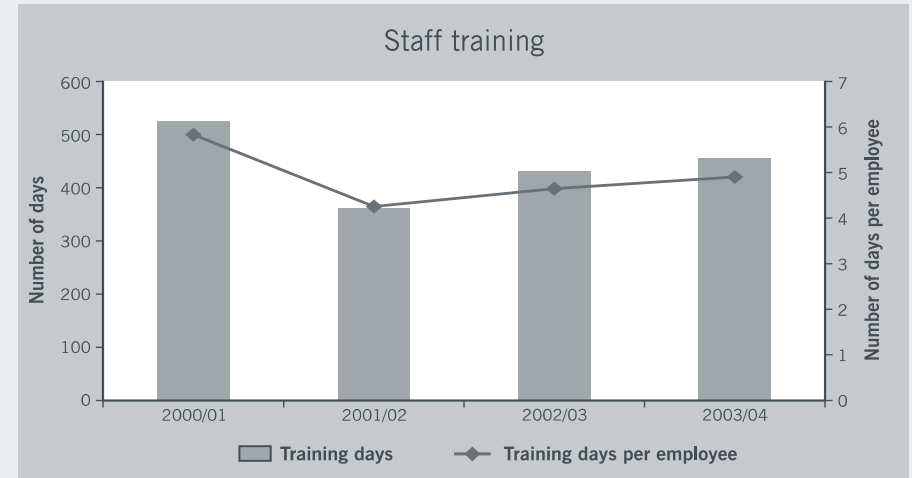


Training and experience

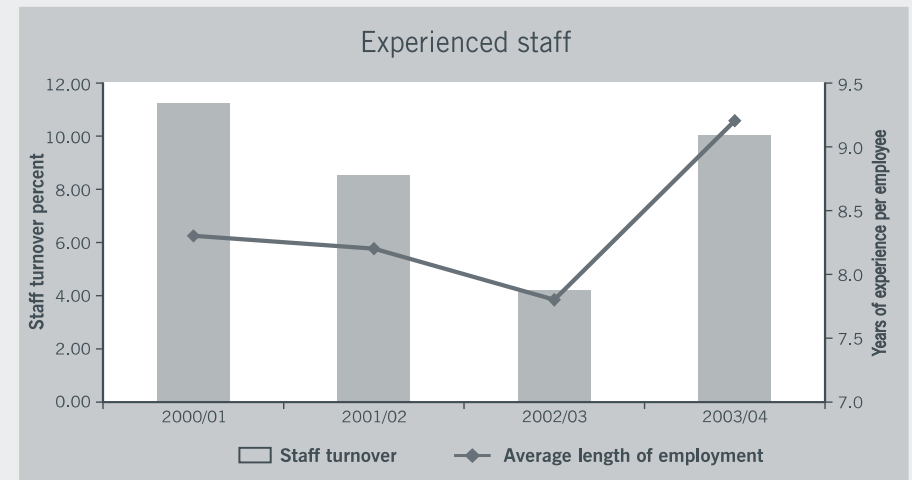
The Council is committed to ensuring that its staff are appropriately qualified, experienced and trained. The Council employs staff with many qualifications to undertake its wide range of duties and responsibilities.



Training is an investment in our employees. The Council is committed to maintaining continuing professional development.



Experienced, as well as well qualified and trained staff, are critical to the success of Council.



Taranaki Regional Council members

David E Walter (Chairman) – 1766 Ohura Road, RD 22, Stratford

Roger F H Maxwell (Deputy Chairman) – 70 Okoki Road, RD 45, Urenui

Ian D Armstrong – 2856 Eltham Road, RD 32, Opunake

MJ (Tom) Cloke – 850 Carrington Road, New Plymouth

David L Lean – 257 Tukapa Street, New Plymouth

Donald H McIntyre – 137 Ratapiko Road, RD 10, Inglewood

David N MacLeod – PO Box 9, 404 South Road, Hawera

Barry J Marsh – 2/302 St Aubyn Street, New Plymouth

Claire L Stewart – 1 Waiwera Place, New Plymouth (resigned December 2003)

Neil W Walker – 48A Rata Street, Hawera

Executive staff

Basil G Chamberlain – (Chief Executive)

Gary K Bedford – (Director—Environment Quality)

Dex G Knowles – (Director—Operations)

AD Fred McLay – (Director—Resource Management)

Michael J Nield – (Director—Corporate Services)

Bankers

Bank of New Zealand Ltd, Stratford

Auditors

Deloitte Touche Tohmatsu, Hamilton

On behalf of the Controller and Auditor-General, PO Box 3982, Wellington

Solicitors

Till Henderson King, PO Box 192, Stratford

Taranaki Regional Council

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Stratford

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(Fax) 0-6-765 5097

Email
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Website
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Emergency Management Office

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New Plymouth

Location
Marsland Hill
New Plymouth

Phone and fax
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