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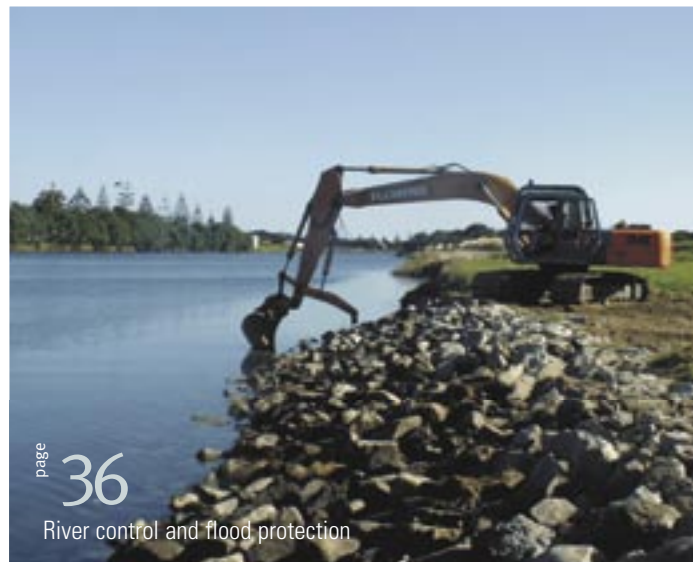
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Mission statement

Our mission is to work for the present and the 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.

Chairman's report

On behalf of the Taranaki Regional Council it is my pleasure to present the Council's 2004/2005 Annual Report to the regional community.

The Council has continued to focus on the efficient and effective delivery of its core functions. By any measure of achievement, 2004/05 was a successful operational and financial year. Financially, the Council is sound and in strong condition. The operating surplus for the year was some \$387,000 ahead of budget.

Operationally the Council had an exceptional and productive year across our range of activities. The preparation and implementation of riparian plans and protection continues to grow at significant rates. Three hundred and eighty-one (299 last year) riparian plans were prepared during the year, addressing an additional 1,363 (1,544) 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 maintaining clean streams while growing production.

Other key operational highlights included:

- processing all 622 resource consents (up from 568 in 2003/2004), 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 552 (558 – 2003/2004) pollution incident notifications
- supplying 219,000 plants (95,000 – 2003/2004), at cost, for the planting of stream banks to provide water quality protection
- extension of the self-help possum control programme, which now covers 205,202 ha on 3,193 properties
- progressing the review of the *Regional Policy Statement for Taranaki*



David Walter
Chairman

- preparing a guide to surface water availability and allocation in Taranaki
- implementing changes to the delivery of civil defence emergency management services arising from the Civil Defence Emergency Management Act 2002
- completing 4 kilometres of channel clearing in the Waitotara River
- progressing the development of asset management plans for the maintenance and enhancement of the Tupare and Hollard Gardens
- launching, in collaboration with the Stratford and South Taranaki District Councils, the award-winning Taranaki Regional Explorer geographic information system website (August 2004).

The Council, in conjunction with the three Taranaki district councils, agreed on a process for monitoring and reporting on the achievement of the community outcomes defined by the Taranaki community in 2003/04.

Westgate Transport Ltd continues to experience challenging times as it transforms its reliance on the petrochemicals trade to a diversified range of products. The company is experiencing a significant loss in trades as gas from the Maui field runs out and new fields, such as Pohokura, are yet to come on stream. This changing trading environment eventually results in challenges to the short-term profitability of the port and subsequently, to the amount of dividends that are returned to the Council.

Westgate has indicated that there will continue to be pressures on dividend returns for at least the next two years. The Council has, and will continue to, make the necessary financial planning changes to cope with these reduced dividend flows.



Chairman's report



The Council has made it clear to Westgate that it is committed to the future operational and financial success of the port. The port is viewed as holding an integral role in the region's infrastructure.

Part of the success of the Council is due to the commitment and leadership shown by the Councillors. The Council, through the contribution of all Councillors, has worked hard and well over the last year. I would like to acknowledge and thank my fellow Councillors for their contributions.

At the local authority elections in October 2004 the Council welcomed two new Councillors. I would like to express my appreciation to Councillor Armstrong who did not return after the election. The Council with new members Irving and Cudby has swung into top gear and is performing well.

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.



During the year Chief Executive Mr Basil Chamberlain's employment contract reached the end of its five-year term. As required the Council widely advertised the position and completed a comprehensive appointment process. I am pleased to report the reappointment of Mr Chamberlain for a further five year period.

The Council is in a very sound financial and operational position. With the continued assistance of our community, we are able to look forward optimistically to our role in enhancing our region's future.

On behalf of the Taranaki Regional Council Councillors,

David Walter
Chairman

Chief Executive's report

Introduction

The 2004/2005 year was a very active and successful period for the Taranaki Regional Council. Record outputs were delivered across many of the Council's significant activity areas.

Properties in the *Self-Help Possum Control Programme* for example, reached in excess of 3,000 covering over 90% of the ring plain. Over half of dairy farmers now have a Council-prepared riparian water quality management plan to work on, and they are working on them, with the region celebrating the planting of the 500,000th riparian plant supplied through the Council's plant scheme during the year. Over a quarter of a million plants were provided and planted for land and water protection last year. Such achievements by our community, with support from the Council, were considered pipe dreams by many, as little as ten years ago.

The strong regional economy saw growth in a number of areas for the Council. For example, a record number of consent applications were processed and so too the number of compliance monitoring programmes completed.

These results were achieved with little additional resources. An organisational culture of continuous improvement has seen ongoing productivity gains. In terms of work/life balance these gains have not come from people working generally longer hours although our staff have been stretched at times responding to the service demands from a number of sectors. Instead, they have come from operating smarter, from being precise and focused on work objectives and pursuing them by the most cost-effective methods.

An emphasis on productive relationships with key people and organisations has assisted. With rare exception we find ourselves and our partners constructively focused on common goals. This has allowed our energies to be directed to efficient



provision of programmes as opposed to resource-sapping disagreements.

While acknowledging the generous help received from many people in contributing to the Council's role in the Taranaki community, praise is due at the outset of this report to the Council staff. Across the full range of activities our people are competent professionals and dedicated public servants. They take pride in their individual and collective achievements and they know how and why their work makes a difference in contributing to the way of life that Taranaki people have told us they value.

Policy

Policy development is one of the few areas where work was quieter than usual and well under budget. That is how the Council wants it. It is really important to invest in sound policy and strategy development and review but it is equally important to get on with doing as opposed to talking. Several years ago, the Council was in a very significant policy development phase. The task is now more one of rolling review. In most cases, policies and strategies are not requiring major amendment on review. Professional and wider public advice has generally confirmed the soundness of the original work.

A case in point is the *Regional Policy Statement for Taranaki*. This very significant environmental policy instrument is undergoing its mandated ten-year review. A discussion document was prepared and distributed to aid community discussion of the *Regional Policy Statement for Taranaki* but the overwhelming feedback was that of affirmation.



Basil Chamberlain
Chief Executive

Chief Executive's report

The one area of more specific focus arising out of the regional policy statement review is the preparation of a biodiversity policy for the region. A working paper was released during the year to highlight the issues associated with biodiversity management and possible roles and actions to take us forward. Several very thorough and helpful submissions were received. Key actions arising from this policy process involve the preparation of an inventory of regionally significant biodiversity sites which would be in addition to the inventory and programme that already exists for the protection of regionally significant wetlands. It is also likely that the Council will agree to provide a range of incentives and services to landowners, such as pest control to protect these important assets. Biodiversity is one area where a wide range of organisations and people need to work together and we have been grateful for the indications of support and help from a variety of people.

During the year, the Council released *A guide to surface water availability for allocation in Taranaki*. The purpose of the guide is to help those planning to take or use water to interpret consent requirements and also to indicate where water might be available for taking and, conversely, where it is probably not available. The guide essentially provides high level water allocation plans for 38 catchments in Taranaki.

The Council was particularly active in the area of advocacy and response during the year. It made 32 formal written submissions to a wide range of policy documents and legislative proposals from other agencies. These ranged from submissions on proposals to amend the Resource Management Act, to the use of 1080 for possum control, to a *Draft Animal Welfare (Cats) Code of Welfare*. Council representatives also provided direct assistance to a number of national working parties.

Resource consents and compliance

Six hundred and twenty-two consent applications were processed during the year. This represented an increase of approximately 10% over the previous year and was mainly attributable to the relatively buoyant state of the regional economy, notably in the rural and hydrocarbon exploration sectors.

The majority of applications (94%) were processed without public notification. For the fifth 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.

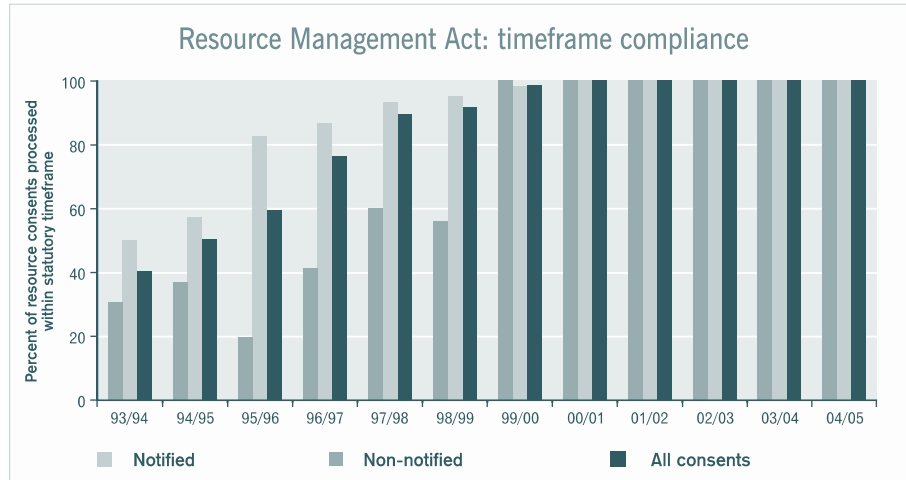


The pre-hearing process has continued to be used successfully. Only four hearings were held during the year. These related to air discharge permit applications for a dual fuel energy centre and a poultry farm, coastal permit applications to construct an artificial reef and consents associated with development of the Kupe gas field. Only one Council decision was referred to the Environment Court and was still outstanding at year end.

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 is notably high across all measures.

The Council implemented 188 individually-tailored monitoring programmes during the year. These were associated with 190 different resource consent holders and 871 resource consents. The programmes required 1,236 inspections, 1,640 water samples, 326 air samples, 72 freshwater biological surveys, 16 shellfish surveys, and 21 marine ecological surveys. Inspections and sampling

Chief Executive's report



covered site management, abstraction and discharge quality, and receiving environment or impact monitoring. From an overview, a total of 87% of consent holders achieved either a high or good level of performance and compliance.

Officers visited 2,037 dairy farms, 24 piggeries and 48 poultry farms to inspect waste treatment systems. Inspections included the measurement of various water quality parameters in effluent or receiving waters. A reinspection rate of only 4.2% was necessary to ensure required improvements were made. This reinspection rate was similar to that for the previous inspection round.

In addition to agricultural systems, 922 inspections were undertaken of minor industrial systems. A very creditable 3% reinspection rate occurred.

There were 552 pollution incidents reported to the Council during the year. Most of these were associated with freshwater incidents, mainly unauthorised waste discharges (60%). Air, mainly smell, complaints were the second largest category of reported incidents at 32%. 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. During the

year, 149 abatement notices and eight infringement notices were issued in relation to unauthorised incidents. None of these were appealed. One firm was prosecuted for an odour offence.

State of the environment reporting

The Council continued to implement its extensive state of the environment monitoring programme during the year. Some 29 separate programmes were scheduled and completed. These covered a wide range of examinations which together comprised over 1,658 inspections, sampling runs and surveys at 374 monitoring sites in the region. The Council places substantial emphasis on being informed, hopefully as soon as possible, about trends, wanted or unwanted in the state of the environment, so that as a community we can take considered and timely actions.

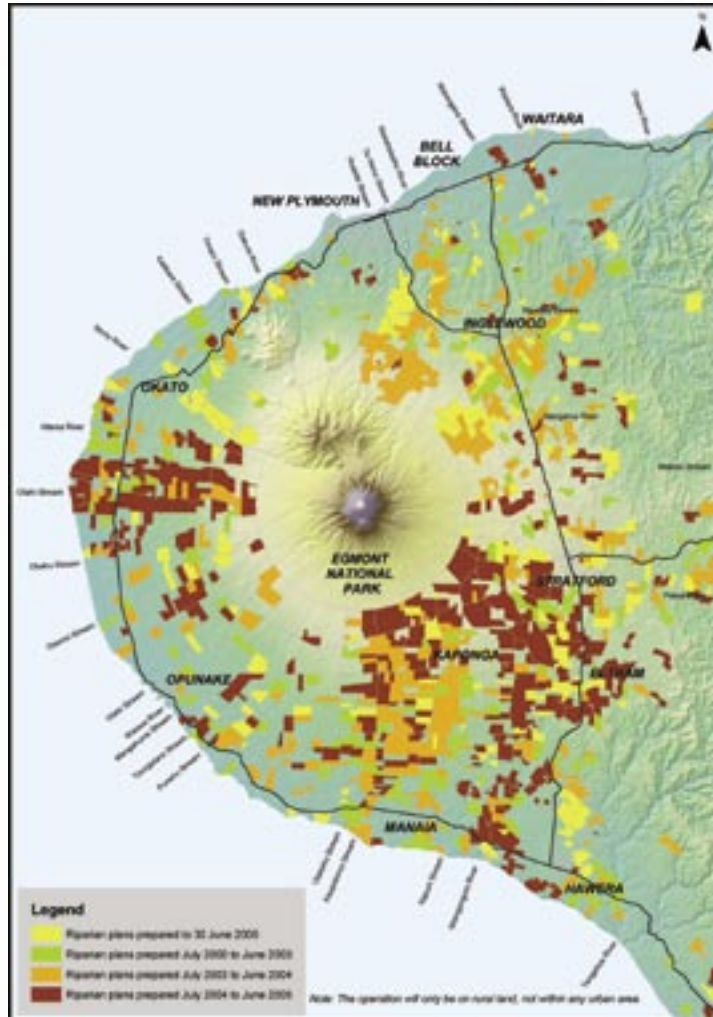
Resource investigations

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 area of work during the year involved a jointly-funded effort with district councils to develop waste minimisation pilot studies in seven selected sectors in the region. The purpose of these sector studies is to work with 'normal' representatives of these sectors to examine ways in which waste can be reduced during the 'tos and fros' of everyday business and to then take those examples out to the rest of each sector. To date, the approach is showing hopeful signs and is being well received.



Chief Executive's report



Riparian plans prepared up to 30 June 2005

A second investigation during the year was of rural wastes to examine with greater precision what waste is being produced within our rural community and what options might exist to better address the rural community's needs into the future. Again, this study was a good example of joint co-operation.

A further report released during the year provided the results of a five-yearly survey on nitrate levels in groundwater throughout the region. Results covered an 18-month long survey undertaken in 2001/2002 which involved analysis of samples from 65 wells across Taranaki. These results showed a significant general decrease in groundwater nitrate concentrations, notwithstanding these years and those previous being a time of significant dairying intensification coupled with increasing use of nitrogenous fertilisers. While it is important to be very cautious in reading too much into results such as these they, along with many other water quality parameters regularly measured by the Council, show that there is a lot of good news as well as not so good news about trends in the current state of our environment.

We have all seen wide press coverage given to a number of reports that have heavily focused on problems without sufficient precision and accuracy being provided about the context for those issues. Problems do exist in our environment from a variety of land uses, the quality of our urban streams in general being worse than anywhere, but these problems can only be successfully addressed if we are informed, accurate and specific about where they exist and what they are. Generalised, shotgun-type statements simply provide the opportunity for unnecessary disagreements and a diversion of resources from addressing the real issues.

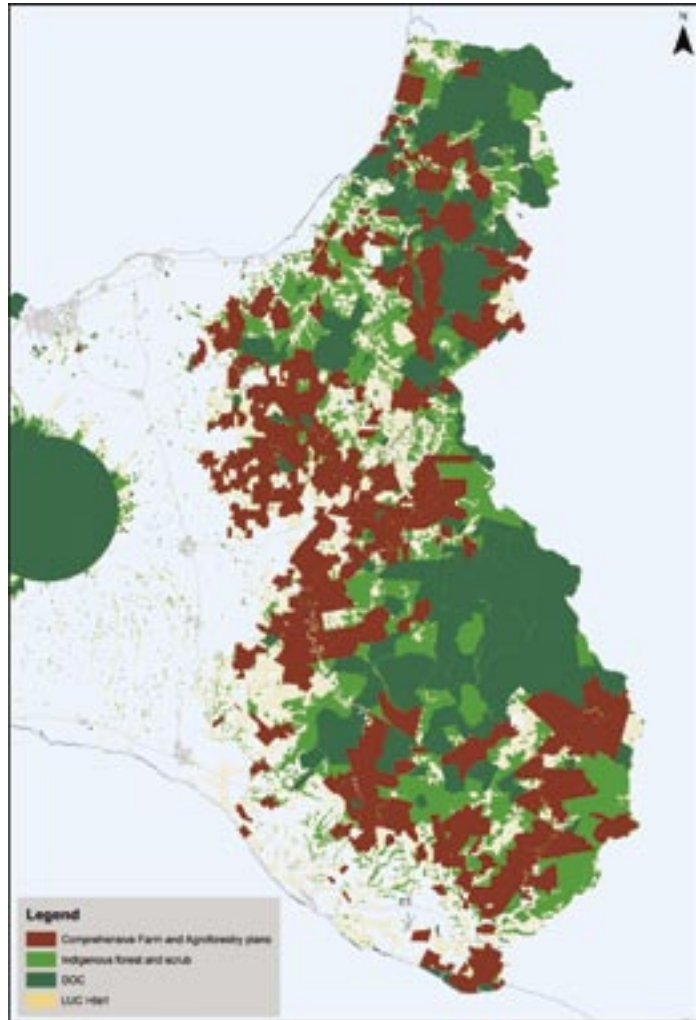
Land management

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.

Chief Executive's report



Agroforestry and comprehensive farm plans prepared.



Forty-one comprehensive and 8 conservation farm plans were prepared for farmers during the year. These plans brought an additional 27,181 ha of land under some form of sustainable land management plan. This was a record output which greatly exceeded the 15,000 ha target for the year.

Outstanding growth also continued in the development of riparian plans. Three hundred and eighty-one plans were prepared, about 25% more than for the previous year. Plans have now been prepared for 54% of Taranaki dairy farms.

Plan implementation is steadily growing as reflected in an increase in the provision of riparian plants through the Council's bulk purchasing scheme. There were 231,700 plants provided during the period, which translates into a major planting effort by Taranaki landholders. The number of plants distributed was 86% higher than the previous record set two years ago.

During the period, work continued to protect significant wetlands. The Council also administered and serviced the Taranaki Tree Trust including a financial contribution to the Trust's operations. During the year, the Trust assisted with a number of projects including the Herekawe Stream Walkway project and the Rapanui petrel colony protection.

Chief Executive's report

The regional action plan, giving effect to the national dairying and clean streams accord in Taranaki, had its first year of implementation. The regional plan is based around programmes already well established in Taranaki and in particular the riparian planning service. Taranaki has a substantial task ahead over the next decade but with the Council, Fonterra, Federated Farmers and our farmers working together to an agreed programme, the task is realistic and achievable. Good progress was made towards all targets in the first year.

Flood control and emergency management

Flood protection schemes at Waitara and Waiwhakaiho were maintained to design specifications during the year. A planned programme of upgrading the scheme works at Waitara continued to be progressed. A key element of the successful management of the Waitara flood protection scheme has been regular maintenance and monitoring of channel characteristics and flow conditions. Where deterioration or damage to the river training groynes and bank protection occurs, remedial work is carried out.

The lining of the left bank upstream of the town bridge has been extended to 150 meters to improve the standard of protection in that locality. The most significant threat of high value flood damage to the Waitara township is from failure of the left bank flood defences. To address this threat, heavy benched bank lining has been constructed from the wharf downstream to the sewage plant and on towards the McNaughton Street pumping station. Some 350 meters of this benched lining was put in place last year. This programme will continue to the pumping station from where conventional bank lining will be continued downstream to the estuary. Upstream of the State Highway 3 bridge a further three snub groynes were added to the training works on the left bank. This will provide improved channel alignment through the bridge and along the downstream protection and training works.

The Waiwhakaiho flood protection scheme was managed to agreed standards with less need for extensive upgrade works than is the case for the older Waitara asset. The Council has noted that with extensive development and changed, more intensive land use in the lower Waiwhakaiho/Glen Avon area there will be a need to review the standard of protection along the Waiwhakaiho River and associated tributaries in consultation with the community in due course. The Council continued to work with communities in central Taranaki to maintain the small schemes in that part of the region.



To the south, the Council engaged in trial work in the Waitotara catchment to assess the cost-effectiveness of channel clearance methods as part of a response to the 2004 floods. The trial works cost approximately \$100,000 and were applied to clearing approximately 4 km of the channel substantially around the township. On the basis of the trial, meetings will be held in the near future with a local liaison group and the South Taranaki District Council to consider proposals to extend the trial to a longer term works programme for river control in the catchment.

The key focus of the Taranaki Civil Defence Emergency Management Group (CDEM) during the year was the completion and approval of the *Taranaki Civil Defence Emergency Management Group Plan*. The CDEM is a joint committee of the four local authorities in Taranaki, which is administered and serviced by the Taranaki Regional Council. As well as adopting the region's first CDEM plan a lot of effort was put into the development of a single regional model for the delivery of civil defence functions throughout the region. The work of the CDEM was greatly assisted by the co-ordinating executive group which comprises professional representatives from a wide range of organisations and emergency service providers including Councils, the Fire Service, the District Health Board and Police. Their contributions to seek the benefits from combining resources have been greatly appreciated.

Chief Executive's report

The Council was pleased to make available one of its Emergency Management staff to form part of the United Nations Response team to assist in the Aceh province of Indonesia following the horrendous devastation caused by the Boxing Day tsunami.

Pest animal and 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, under the Council's *Pest Animal Management Strategy for Taranaki*.

During the year, the programme area was expanded by around 12,000 ha. Areas are included only after the Council has obtained at least 75% occupier support, recognising that following initial control by the Council, occupiers are then required to take responsibility for ongoing maintenance. There was over 93% support for the programme to be extended around the Inglewood area. Initial treatment resulted in a reduction in residual trap catch from 35% to about 3%.

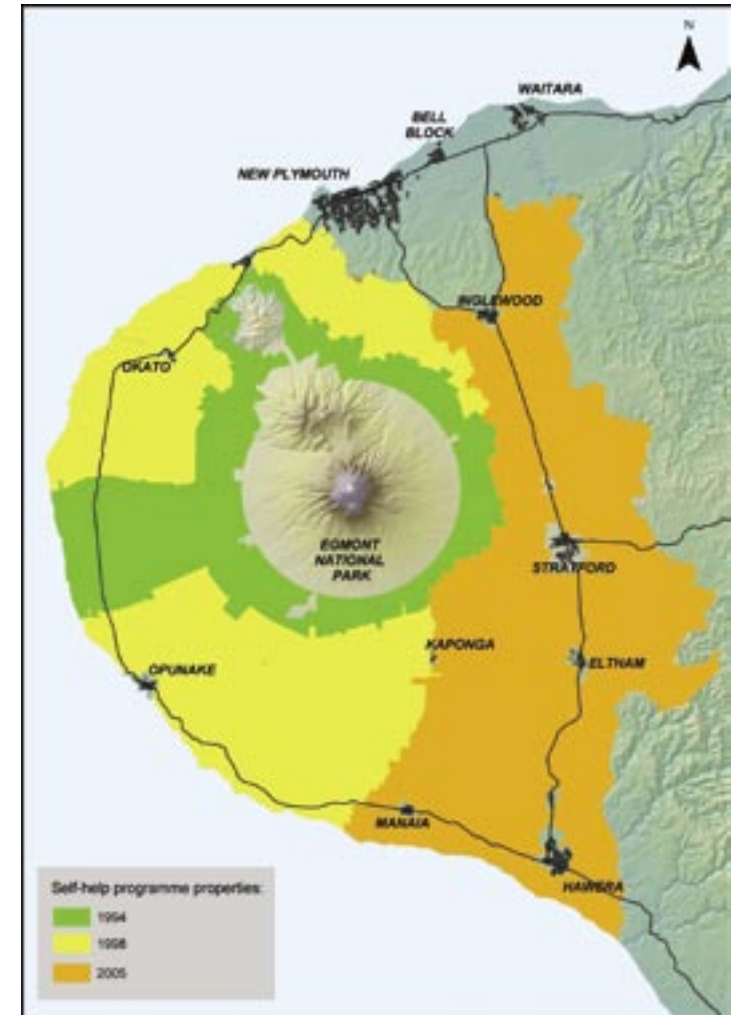
By year end, 3,193 properties comprising 205,200ha had been incorporated into the *Self-Help Possum Control Programme*. This represents 90% of privately-owned land on the ring plain.

The Council rigorously monitors the scheme area to ensure low possum rates are maintained by occupiers. Compliance by property owners is exceptional. No notices of direction or other enforcement actions were required last year. Across the whole area, mean trap catch rate averaged 4.7%, well below the 10% target. Keeping possum numbers at these low levels is great for biodiversity and for reducing the risk of Bovine Tb taking hold in the region.

The use of external contractors for initial control work continued to be cost-effective.

The *Self-Help Possum Control Programme* is an outstanding example of a local authority facilitating and empowering 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



Self-Help Possum Control Programme

Chief Executive's report



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 Council also continued to respond to a large number of requests for advice and assistance in pest animal control. These ranged from individuals wanting to control magpies to community groups wanting to protect or develop biodiversity assets such as at Lake Rotokare.

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. Eighty-three notices of direction were issued during the year. All notices were satisfactorily complied with.

The Council continued its programme of releasing biological control agents to assist in pest plant control throughout the region. Of particular interest this year was experimental work with AgResearch with a fungus to control *Giant Buttercup*. The Council also inspected 44 plant

nurseries and retail outlets. Two hundred and thirty-nine complaints and inquiries about plant pests were actioned during the year. There continued to be an emphasis on raising awareness and assisting people with the transition to managing some plants not previously or only recently controlled by rules, such as *Chilean Rhubarb*, *Common* and *Purple Pampas*.

Transport

Transport activities occurred as programmed during the year. The regional component of the *Regional Land Transport Strategy* was completed in all respects.

Total mobility services were provided to people with disabilities in the urban centres of New Plymouth, Bell Block, Waitara, Inglewood, Stratford and Hawera. A total of 92,886 passenger trips were financially assisted during the year. The budget again required upward adjustment to accommodate demand growth. Approximately 1,800 people are assisted by the scheme through 30 agencies affiliated with the Disabled Persons Assembly.

The Council also provided funding for the delivery of a concessionary fare scheme for urban buses in New Plymouth. A total of 49,995 passenger trips were subsidised through this scheme.

A comprehensive review of the *Regional Land Transport Strategy*, including regional passenger transport services, was commenced during the year. This review involves extensive analysis and opportunities for public input.

An important part of the review involves considering future passenger transport needs and services. Consultants were engaged to review present services and make recommendations for the future. This may involve trialling increases in routes and frequencies of bus services in New Plymouth and between urban centres in the region.



Chief Executive's report

The State Highway 3 Working Party met three times during the year. More passing lanes on the highway between Awakino and Piopio were included in the highway's works programme as advocated by the Working Party. Our neighbours, Environment Waikato, have been helpful in assisting progress.

A rural roads strategy was also completed during the year under the direction of another working party. This will assist in setting directions for rural roading within and across districts.

Restructuring of Government agencies with transport functions and new legislation resulted in 'teething' problems in the form of planning and programme co-ordination. In particular, confusion arose over the distribution of a component of the Government's roading funds known as 'R funds'. The Government has given significant discretion to regions to prioritise the expenditure of R funds. Taranaki's priorities failed to fully translate into national programmes. Better co-ordination is being sought.

On the maritime front, the Council continued to administer navigation bylaws for Port Taranaki through its harbourmasters and honorary enforcement officers. During the year, there were 1,121 vessel movements without any navigation and safety incidents occurring.

The Council completed a full *Harbour Risk Assessment* and a *Port and Harbour Safety Management System Manual* to draft stage during the year. Exercises, testing oil spill response plans and equipment were undertaken as scheduled.

There were five marine oil spills responded to during the year, two of which were reasonably significant. They were all successfully attended to.

Recreation, culture and heritage

The Council continued to rate to cover some of the costs for the development of Yarrow Stadium. The stadium attracted a wide range of audiences and events during the year and is widely regarded as an excellent regional venue.

In conjunction with the Pukeiti Rhododendron Trust, work continued on the development of asset management plans for Pukeiti and the two Council-owned gardens of Tupare and Hollard Gardens.



These exercises have made extensive use of local and wider expertise and Council looks forward to their finalisation in the near future, with a view to progressing improvements in the new year.

Information

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

A major effort was directed at getting as much of the Council's database information as possible out to the public through the internet during the year. This was in the form of the Taranaki Regional Xplorer which was launched in the region last year. Xplorer is a public inquiry portal for the delivery of a broad range of geographical information about the region. This award-winning development has been a collaborative GIS solution initiated by the Regional Council but also involving Stratford and South Taranaki district councils.

Xplorer enables the user to view a wide variety of data including aerial photography, land parcel boundaries, topographical databases such as roads and rivers, resource consents data and

Chief Executive's report

infrastructure services data. The presentation of a joint district and regional council information service in this way has been a New Zealand first. Feedback from users has been impressive and website usage has continued to expand rapidly with an average of 53,235 visits a month.

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. One hundred and one 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 about 121 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.

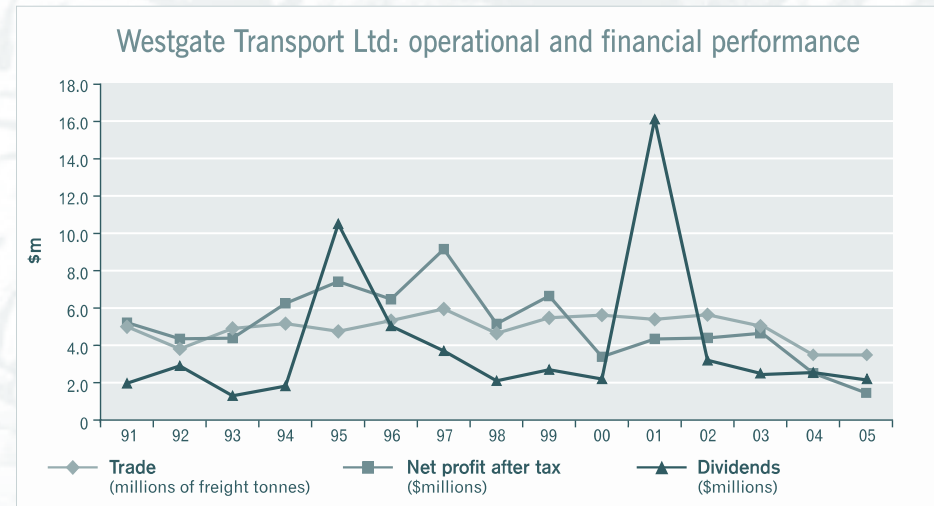
In addition to the above activities, four issues of the Council's newsletter *Recount* were published and widely distributed and, as always, several hundred requests for information on a wide range of topics were responded to.

Investments

Consistent with expectations, Westgate Transport Ltd recently reported on a period of reduced trade, revenue and profit. The effects of the Maui field rundown were evident, especially so in methanol trade where tonnages were significantly less than those of the previous period. The pursuit of other trades offset methanol losses to some extent. Container trade, for example, rose by 7.5%

Total revenue for the period was \$27.96m against \$28.08m for last year. Tax paid profit for the year was \$1.45m, down from the previous year's \$2.52m. This represents a return of 2.4% on average shareholders funds employed during the period. Total shareholders equity increased significantly to \$67.3m largely associated with land revaluations.

The Westgate Board is assertively facing the challenges of the future with a range of initiatives including diversifying the trade base. The Council has been advised to expect a further two



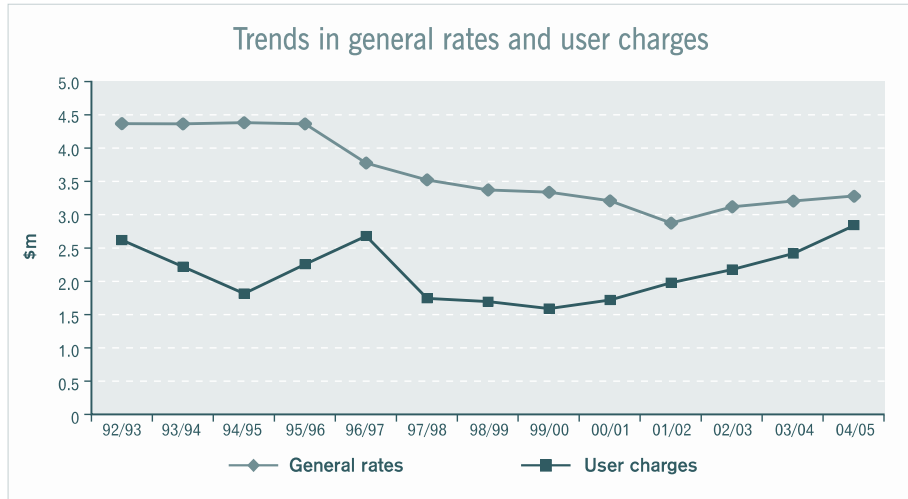
difficult years associated with the continuing decline of Maui. Steps have been taken to mitigate the impacts of temporarily reduced dividend returns on the Council's other revenue streams.

During the year, the Council also continued to receive income from leasehold lands and cash investments. Land rentals provided an average 3.1% return and cash investments a 6.2% return over the period. Total rental income increased over the period but the 3.1% return was almost half of last year. This simply reflected the dramatic increases in the valuation of Council properties and the lag that occurs with the timing of rent reviews.

Financial

The Council finished the year with a surplus of \$0.84m, which was \$0.38m 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.

Chief Executive's report



Total expenditure was \$10.5m, which was 3% less 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 where activity was higher than expected.

The Council's financial position remains very strong with no public debt. Total public equity rose \$6.4m to \$64.5m, due primarily to the aforementioned increases in property values. The Council achieved or exceeded all of the financial targets estimated for the year in its *Long-Term Council Community Plan*. Similarly, the Council complied in full with its *Revenue and Financing Policy* and *Investment Policy*.

Acknowledgements and outlook

As previously noted, the efforts of Council staff are gratefully acknowledged. They enjoy their work and together provide a very positive culture within the organisation. Regional Councillors have continued to provide clear and consistent direction in a way that has always been constructive and clearly focused on community needs. The Council election was held in October

2004 and following that event Mr David Walter was returned as Chair by his fellow Councillors. His wise counsel is a great asset to the organisation. At the election, the opportunity was also taken to test public opinion on whether the Council should have a separate Māori electoral constituency in the future as is now enabled by the local government legislation. Eighty-eight percent of those who took part in the referendum said they would not support the Council moving to establish a separate Māori constituency.

The Council has enjoyed a very successful year. Our work programmes are adding value to the Taranaki community and contributing towards community outcomes that we have been told by the community are important to them. The Council is financially strong and well-resourced in every sense, to move forward with confidence. We look forward to continuing our work with our community in the future.

Basil Chamberlain
Chief Executive