

Role of the Council

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

Structure of the Council

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

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

Taranaki Regional Councillors



David Walter
Chairman
Stratford

Roger Maxwell
Deputy Chairman
North Taranaki

Donald McIntyre
North Taranaki

Bruce Cudby
South Taranaki

David MacLeod
South Taranaki

Neil Walker
South Taranaki

Tom Cloke
New Plymouth

Moira Irving
New Plymouth

David Lean
New Plymouth

Barry Marsh
New Plymouth

Governance report

Council committees

In formulating its committees, the Taranaki Regional Council is required to take into account the dictates of the Local Government Act 2002. This Act requires that a local authority should ensure that, so far as is practicable, responsibility and processes for decision-making in relation to regulatory responsibilities is separated from responsibility and processes for decision-making for non-regulatory responsibilities.

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

The Civil Defence Emergency Management Group is a Joint Committee established under the Civil Defence Emergency Management Act 2002. The Taranaki Regional Council is a member of this Group along with members from the New Plymouth, Stratford and South Taranaki district councils. The Taranaki Regional Council is the administering authority for the Joint Committee.

Te Putahitanga o Taranaki – the Council’s Māori liaison committee – was established in the early years after the Council’s formation. Its purpose was to act as a forum for discussion and a source of advice to the Council on issues of interest or concern to Māori, particularly with respect to resource management issues, and to ensure those issues were reflected in the Council’s policies, plans and activities.

Te Putahi has played a significant role in establishing the Council’s policies in regard to the principles of the Treaty of Waitangi and on resource management issues of significance to iwi. These policies and plans are now firmly in place and continue to guide the Council in carrying out its activities.

However, faced with other demands on matters not directly associated with the Council’s business, some iwi have not seen continued representation on Te Putahi as a priority. There have also been issues with rights of representation which remain unresolved. As a consequence, Te Putahi has been inactive in recent years. The Council continues to seek to maintain effective working relationships with individual iwi and hapu in its day-to-day activities.

Te Putahitanga o Taranaki will continue as a non-active Standing Committee of the Council until such time as there is greater clarity on its future role.

Taranaki Regional Council		
Committees		
Executive Committee David Walter <i>Chairman</i> Roger Maxwell David Lean Neil Walker	Policy and Planning Neil Walker <i>Chairman</i> Donald McIntyre Bruce Cudby David Lean Moira Irving David MacLeod Alex Matheson <i>NPDC</i> John Rowe <i>SDC</i> Ann Hickey <i>STDC</i> Kevin Thomas <i>Federated Farmers</i> Hayden Potaka <i>Te Puni Kōkiri</i>	Consents and Regulatory David Lean <i>Chairman</i> David MacLeod Tom Cloke Moira Irving Donald McIntyre Barry Marsh
Regional Land Transport Roger Maxwell <i>Chairman</i> Barry Marsh Tom Cloke Bruce Cudby Barry Finch <i>NPDC</i> John Edwards <i>SDC</i> Gordon Lawson <i>STDC</i> Erroyl Christiansen <i>Transit New Zealand</i> Rosalie Orr <i>Land Transport New Zealand</i> Hayden Potaka <i>Te Puni Kōkiri</i> John Geraghty <i>Road Transport Association</i> Sue Foley <i>Toll New Zealand</i> John Knuth <i>New Zealand AA</i> Laurie Bramley <i>New Zealand Taxi Federation</i> Brian Eriksen <i>Taranaki Disabilities Trust</i> Ian Craig <i>Taranaki District Health Board</i> Inspector Neil Wynne <i>New Zealand Police</i> Philip McQueen <i>ONTRACK</i>	Te Putahitanga o Taranaki	Civil Defence Emergency Management Committee Roger Maxwell <i>Chairman</i> <i>Taranaki Regional Council</i> Peter Tennent <i>New Plymouth District Council</i> Brian Jeffares <i>Stratford District Council</i> Mary Bourke <i>South Taranaki District Council</i>

Figure 1: Taranaki Regional Council committee structure

Governance systems

The full Council and main Council committees meet on a six-weekly cycle, with other meetings convened as necessary. Agendas and minutes from all meetings are publicly available for scrutiny. The Council is confident that its adopted structure and approach provides an efficient basis for the sound consideration of issues and the making of good decisions, and that the requirements of the Local Government Act 2002 are being met.

Division of responsibility

The Council operates a clear division of responsibilities between the role of the Council and that of management as required by the Local Government Act 2002. The Council's focus is on setting strategy and policy together with monitoring its implementation. Management is responsible for the implementation of the Council's policy and strategy decisions.

While many of the Council's functions have been delegated, the overall responsibility for maintaining effective systems of internal control rests with the Council. Internal control includes the policies, systems and procedures established to provide measurable assurance that the specific objectives of the Council are achieved.

Legislative compliance

As a regulatory body, the Council administers various regulations and laws. As such, the Council considers it vital that it also complies with relevant legislation. Members and management of the Council are cognisant of the Council's legislative requirements. Where necessary, legal advice is obtained to ensure legislative compliance.

Environmental compliance

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

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

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The Taranaki region

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The region

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

Taranaki consists of four distinctive landforms, each of which requires a different type of environmental management. The Taranaki ring plain, centred on Mount Taranaki, consists of fertile and free-draining volcanic soils. The ring plain supports intensive pastoral farming, particularly dairying that is most intensive on the flatter land in southern Taranaki. A large number of rivers and streams, which radiate from Mount Taranaki, are extensively used by the agricultural sector, for community water supplies and for a wide range of recreational purposes.

To the east of the ring plain lies the Taranaki hill country, comprising siltstones, sandstones and mudstones, known locally as papa. The topography of the hill country is steeply dissected and is prone to soil erosion and slipping, but can support both pastoral farming and commercial forestry when managed in accordance with the physical limitations of the land.

The coastal terraces along the north and south Taranaki coast make up the third major landform feature of the region. The soils of these areas are among the most versatile and productive in the region but the combination of light, sandy soils and strong winds in some areas can lead to localised wind erosion.

The Taranaki coastal environment is the fourth of the major landforms. The region is exposed to the west and as a consequence, high-energy wave and wind conditions dominate the coastal environment. There are few areas of sheltered water beyond the major estuaries such as the Tongaporutu, Waitara and Patea rivers, and the confines of Port Taranaki.

The Taranaki region has a temperate climate with generally abundant rainfall. The incised nature of ring plain streams means that flooding is not a major problem. However, occasional intense rainfall events can lead to rapid rises in river levels and flooding in hill country valleys and elsewhere.



Figure 2: The Taranaki region

The Taranaki region

The people

Provisional counts from the 2006 census show the total population of Taranaki stands at 103,600, an increase of 0.9% over the 2001 census figure. In the previous census period (1996-2001) the population of the region decreased by 3.5%. Taranaki's population accounts for 2.5% of New Zealand's total population.

Population changes have also varied within the region. The most notable feature has been the continued growth in the proportion of the population residing in the New Plymouth district, which, according to provisional figures from the 2006 census contains 67% of the region's population – up from 64.7% in 2001. Both Stratford and South Taranaki districts have experienced declining populations over the last ten years.

The general trend has been for a decrease in the population of smaller rural towns and an increased concentration of population in north Taranaki.

The Taranaki population is both older and younger than the national average, with a higher proportion of children under 15 years and adults over 65 years of age. This may be in part due to lifestyle factors, as Taranaki is seen as an attractive and desirable area for family living with good facilities and affordable housing.

The percentage of Māori within the region continues to increase from 11.3% in 1986 to 14.7% at the 2001 census. Figures from the 2006 census were unavailable at the time of publishing this report.

The economy

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

Over 16% of the labour force are employed in agriculture and fisheries, compared with 8.3% nationally.

Dairying dominates farming in Taranaki, particularly on the ring plain. There are over 2,000 dairy farms and more than 490,000 dairy cows, producing approximately 14% of New Zealand's total milk solids. In addition to direct farm income from milk production, the added value by the processing of milk, whey and cheese manufacturing, is a significant contributor to employment.

Sheep and beef farming are concentrated in the hill country and also play an important part in the regional economy.

Exotic forest plantations continue to expand, with the region offering a suitable climate, good forestry sites and a well-established roading system and port facility. There has been a marked increase in exotic forest plantations in the region from 9,700 hectares in 1990 to an estimated 28,000 hectares in 2002.

The oil and gas industry is a major contributor to the regional economy. The Taranaki Basin is currently New Zealand's only hydrocarbon producing area, with the Kapuni and the offshore Maui fields making up the major part of New Zealand's natural gas resources. Development of the offshore Kupe field, discovered in 1986, is to commence in the first half of 2007.

Extensive drilling programmes over recent years in an effort to support the Kapuni and Maui fields have resulted in a number of significant new finds. The Mangahewa onshore gas and condensate field was discovered in 1997, the Maari offshore field in 1998 and the Rimu onshore field in South Taranaki in 1999. The nearby Kauri field was discovered in 2001. The Pohokura offshore gas field in North Taranaki, the largest gas and condensate find in 30 years, was discovered in 2000 while the offshore Tui, Amokura and Pateke oil fields were discovered in 2003 and 2004. Exploration interest in Taranaki remains high.

The presence of oil and gas in the region has given rise to industries involved in the processing, distribution, use and export of hydrocarbons. Production stations or gas treatment plants are found at Oaonui, Kapuni, Waihapa, Rimu, Kaimiro and the McKee oil and gas field. An ammonia urea plant is located at Kapuni, UF resin plant at Waitara and gas-fired power stations at Stratford and New Plymouth.

Tourism is playing an increasingly important role in the Taranaki economy, with approximately 540,000 total guest nights spent in the Taranaki region by domestic and international visitors in the last year. Most visitors are from other North island regions. Some 15% of total guest nights are from international visitors. The region's mountain, forests, gardens and parks are attracting increasing numbers of visitors for rural-based and outdoor recreation activities.

As an export-based economy, major changes in the world economy can significantly affect Taranaki. The regional economy is therefore more vulnerable to changes in overseas markets than larger urban-dominated regions.

The Taranaki region

Environmental issues

The use and quality of water is the major resource management issue in the region. Water is a vital resource for agriculture, recreation and industry and has profound cultural and spiritual importance to the community.

While overall water quality in the region is very good, particularly in the upper catchments, there is some deterioration in the lower reaches of rivers as a result of intensive agricultural land use.

With the continuing intensification of dairying, there will be increasing pressures placed on our water resources from farm run-off, sediment and nutrients. Increased efforts will be needed just to maintain current water quality and to improve quality where deterioration has occurred. Attention must continue to be given to promoting good land and riparian management practices.

Management of the many industrial, municipal and agricultural waste discharges from individual point sources has improved significantly over the years. These discharges are closely monitored. It is vital for Taranaki's future that all major discharges to land, water and air are carefully managed.

Where there are gaps in our knowledge of the resources of the region or the environmental effects of their use, necessary investigations and research must be undertaken to improve our understanding.

Other significant environmental issues facing the Taranaki region include:

- managing clearance of bush and scrub on steep hill country, resulting in soil erosion that degrades land productivity and water quality. Parts of the inland hill country experience significant soil erosion but changes to more sustainable land use practices and conversion to forestry present opportunities to address this
- controlling threats to indigenous flora and fauna and the economic costs faced by the region as a result of pest plants and pest animals
- managing the coastline and coastal waters in a way that recognises special ecologically and culturally sensitive areas within the coastal environment, and that allows appropriate use and development of the coast
- promoting protection of the region's remaining significant wetlands

- managing discharges of contaminants to air and maintaining the high overall standard of air quality
- managing the allocation of the region's surface water resources, especially for increasing interest in pasture irrigation.

Resource management issues and iwi

The tangata whenua, through the region's eight iwi: (Ngati Tama, Ngati Mutunga, Ngati Maru, Te Atiawa, Taranaki, Nga Ruahine, Ngati Ruanui and Nga Rauru), have particular concerns with respect to the natural environment, particularly water (surface water, groundwater and coastal waters), the allocation of that water, and the discharge of contaminants which might affect water quality.

Iwi wish to maintain meaningful and adequate input to Council decision-making and to have structures and processes in place to enable that to occur.

Financial trends

	Actual 2005/06	Budget 2005/06	Actual 2004/05	Actual 2003/04	Actual 2002/03	Actual 2001/02	Actual 2000/01	Actual 1999/00	Actual 1998/99	Actual 1997/98	Actual 1996/97
General rates	\$4.3m	\$4.3m	\$3.3m	\$3.2m	\$3.1m	\$2.9m	\$3.2m	\$3.3m	\$3.4m	\$3.5m	\$3.8m
Percent change	30.5%	30.5%	3.1%	2.3%	6.9%	-3.9%	-3.9%	-1.2%	-4.3%	-6.7%	-13.4%
General rates to income	40.1%	35.4%	28.9%	29.2%	28.7%	25.8%	13.9%	39.7%	36.8%	40.5%	33.3%
Rates per \$100,000 capital value	\$18.80	\$18.80	\$23.89	\$27.14	\$30.72	\$32.63	\$36.72	\$37.34	\$37.60	\$35.67	\$37.53
Total expenditure	\$10.8m	\$11.6m	\$10.5m	\$9.6m	\$9.7m	\$18.9m	\$8.4m	\$9.4m	\$8.2m	\$7.8m	\$7.5m
Percent change	2.86%	10.5%	9.4%	-1.0%	-48.7%	125.7%	-10.9%	14.1%	5.1%	4.5%	-0.8%
Net operating surplus/(deficit)	(\$0.19m)	\$0.45m	\$0.84m	\$1.3m	\$1.2m	(\$7.8m)	\$14.6m	(\$1.0m)	\$0.9m	\$0.85m	\$3.8m
Working capital	\$4.7m	\$0.1m	\$1.8m	\$1.3m	\$2.9m	\$2.4m	\$1.0m	\$0.9m	\$2.1m	\$1.6m	\$4.2m
Current ratio	4.6:1	1.1:1	2.1:1	2.1:1	2.8:1	2.7:1	1.6:1	1.4:1	2.7:1	2.4:1	4.4:1
Total assets	\$66.3m	\$60.6m	\$66.5m	\$59.8m	\$58.1m	\$55.8m	\$63.5m	\$49.7m	\$49.4m	\$48.2m	\$47.3m
Public debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public debt to total assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

To the readers of the
Taranaki Regional Council and Group's
Annual Report for the year ended 30 June 2006

Deloitte.

The Auditor-General is the auditor of Taranaki Regional Council (the Regional Council) and group. The Auditor-General has appointed me, Bruce Taylor, using the staff and resources of Deloitte to carry out an audit on his behalf. The audit covers the Regional Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the Regional Council and group for the year ended 30 June 2006, including the financial statements.

Unqualified Opinion

In our opinion:

- the financial statements of the Regional Council and group on pages 61 to 75:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Regional Council and group's financial position as at 30 June 2006; and
 - the results of its operations and cash flows for the year ended on that date.
- the service provision information of the Regional Council and group on pages 27 to 60 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- the Regional Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 20 September 2006 and is the date at which our opinion is expressed. The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Regional Council and group as at 30 June 2006. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for preparing the

information in the other requirements. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and the provision of tax advice and the audit of the Long-Term Council Community Plan, we have no relationship with or interests in the Regional Council or any of its subsidiaries.



Bruce Taylor

Deloitte

On behalf of the Auditor-General

Hamilton, New Zealand