

Chairman's report



David Walter
Chairman

On behalf of the Taranaki Regional Council it is my pleasure to present the Council's *2005/2006 Annual Report* to the regional community.

Operationally and financially the Council has completed another successful year.

Financially the year was challenging but ultimately successful. The Council has been aware for a number of years that the profitability of the regionally-owned Port Taranaki Ltd would come under threat with the depletion of the Maui gas field and the subsequent flow on effect on petrochemical trades through Port Taranaki. The drop off in Maui gas related trade fully hit Port Taranaki Ltd in 2004/2005 and 2005/2006. Dividends from Port Taranaki Ltd were down by \$1.56m in 2005/2006.

The Council has remained committed to holding Port Taranaki Ltd in full public ownership. However, to address the reduction of dividend flows the Council has undertaken a number of actions. First it gave clear guidance and commitment to the Board of Port Taranaki Ltd to allow it to diversify its trade mixture and to allow it to commit to such projects as port deepening. Second it took the necessary steps to strengthen the Council balance sheet and to increase rates levels to allow the Council to sustain the short to medium term reductions in dividend revenue.

Through the public consultation processes on the *2005/2006 Annual Plan* and the *2006/2016 Long-Term Council Community Plan* the Council has been heartened that the Taranaki community support the continued public ownership of Port Taranaki Ltd and the understanding of the necessity of rates increases to support that ownership.

By controlling its costs the Council was able to offset much of the loss in dividend revenue and finish the year with a reduced operating deficit.

The future financial returns from Port Taranaki Ltd appear encouraging. The *2006/2016 Long-Term Council Community Plan* forecasts dividend levels to return to past levels. Accordingly it is not anticipated that there will be a need for significant rates increase in the short to medium term.

The key planning focus for the Council during 2005/2006 was the preparation of, audit of, consultation on and adoption of the *2006/2016 Long-Term Council Community Plan*.



The preparation and adoption of the *2006/2016 Long-Term Council Community Plan* was a collation process for the Council. The significant planning effort to prepare and adopt plans, strategies and policies across the range of Council activities and functions made the preparation of the *Long-Term Council Community Plan* a relatively straight-forward process. That is not to say that a significant amount of effort from Councillors and staff was not required.

The Council received unqualified audit opinions on both the draft and final *Long-Term Council Community Plan*.

Public consultation on the *Long-Term Council Community Plan* confirmed the major policy directions of the Council for the next 10 years. Again, it was gratifying to note the high level of community support for the programmes of the Council.

In relation to the community outcomes in the *Long-Term Council Community Plan*, the Council published a *Progress Report on Community Outcomes for Taranaki 2006*. This report uses a set of indicators to monitor trends and progress towards the achievement of the seven community outcomes identified for Taranaki. The report is the first in a

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series of reports that will assess Taranaki's progress towards achieving the desired outcomes for the community.

Key operational highlights for 2005/2006 included:

- processing all 433 resource consents (down from 622 in 2004/2005), 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 618 (552—2004/2005) pollution incident notifications
- completing an additional 303 riparian plans (381—2004/2005) and supplying 151,000 plants (219,000—2004/2005), at cost, for the planting of stream banks to provide water quality protection
- extending the *self-help possum control programme*, which now covers 213,000 ha on 3,481 properties

- progressing the review of the *Regional Policy Statement for Taranaki*
- undertaking an aquaculture constraints mapping exercise
- implementing changes to the delivery of civil defence emergency management services arising from the Civil Defence Emergency Management Act 2002
- completing 6.3 kilometres of channel clearing in the Waitotara River
- adopting asset management plans for the maintenance and enhancement of the Tupare and Hollard Gardens
- continuing to develop, in collaboration with the Stratford and South Taranaki District Councils, the award-winning Taranaki Regional Xplorer geographic information system website.

An organisation of this type cannot operate effectively without the contributions from a dedicated and professional management and staff under the astute leadership of Chief Executive Basil Chamberlain. I would like to take this opportunity to personally, and on behalf of the Council, thank all of the staff, management and external parties who have contributed to another successful year.

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

On behalf of the Taranaki Regional Council Councillors,

David Walter
Chairman

Chief Executive's report



Basil Chamberlain
Chief Executive

Introduction

The 2005/2006 year was a very active and successful period for the Taranaki Regional Council. High levels of outputs were delivered across many of the Council's significant activity areas, continuing the trend of previous years.

Properties in the *Self-Help Possum Control Programme* for example, reached almost 3,500 covering 213,000 hectares on over 90% of the ring plain. Over half of dairy farmers now have a Council-prepared riparian water quality management

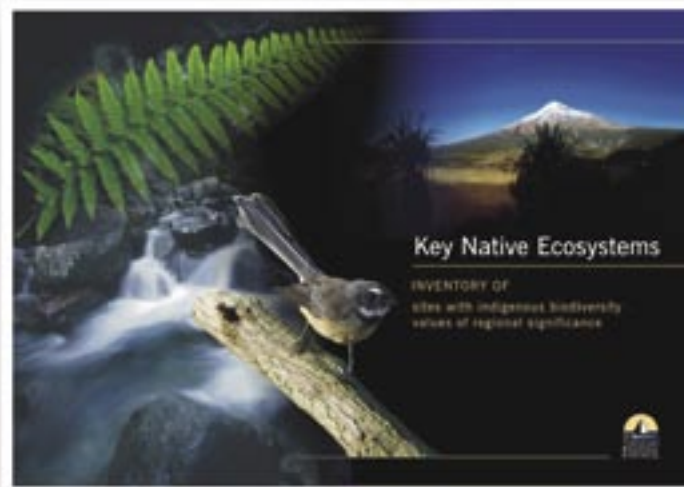
plan to work on, and they are working on them. Last year I reported that the region celebrated the planting of the 500,000th riparian plant supplied through the Council's plant scheme. In 2005/2006, a further 150,000 plants were provided for land and water protection. Such achievements demonstrate that our community, with the right support from the Council, can sustain serious programmes of environmental enhancement on a scale not thought possible only ten years ago and rarely seen elsewhere in New Zealand.

The strong regional economy again saw high workloads in a number of areas for the Council. Applications for resource consents while not at last year's record high were still at levels above those of many previous years and involved some significant developments. The number of compliance monitoring programmes and industrial inspections completed were above those of the previous year.

Again 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 being 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 solving 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

The policy and planning area saw the progression of a phased review of the Council's significant policy documents that will build over the next 3 to 5 years. Significant progress was made on the review of the *Regional Policy Statement for Taranaki* with a draft document

released for review by key stakeholders. A full public submission process is programmed for the first half of 2006/2007. Work on the reviews of the Council's pest plant and pest animal management strategies reached a point where they also will go through full public consultation processes in the first half of 2006/2007. The overwhelming feedback on these review processes to date however has been that our policies and strategies have served the region very well and do not require major amendment on review.

A significant step arising out of the Council's biodiversity policy developed last year was the completion of an inventory of key native ecosystems within Taranaki. This

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inventory contains site-specific information on 155 key native ecosystems with indigenous biodiversity values of regional significance located throughout the region. Together with the Council's existing inventory and programme for the protection of regionally significant wetlands, the work done on key native ecosystems provides a solid foundation on which to base Council programmes of incentives and services to landowners to protect these important assets. Biodiversity is an area where a wide range of organisations and people need to work together and the Council is appreciative of the indications of support it continues to get from a variety of people on this issue.

During the year the Council completed an aquaculture constraints mapping exercise. Changes to the way in which the aquaculture industry (marine farming) is managed in New Zealand were introduced in early 2005. These changes included new functions and powers to enable regional councils to identify Aquaculture Management Areas (AMAs) for their region if necessary. The nature of the Taranaki coast is such that it is not suited to traditional aquaculture activities and demand for aquaculture space is currently non-existent. The Council decided that under these circumstances lengthy and costly processes to identify AMAs was not justified. However, changes in technology or in potential species for marine farming could well change the outlook in future. An initial aquaculture constraints mapping exercise was therefore undertaken. This mapping exercise provides useful information for any interested parties on areas that might not be available for aquaculture (for example important recreation and amenity areas, fishing reefs, pipelines, cables and port areas), and conversely areas that may potentially be available. This work places the Council in a good position to go further in future if it needed to. The mapping report was distributed to the aquaculture industry, iwi and Venture Taranaki.

The Council was again active in the area of advocacy and response during the year. It made 22 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 proposed National Environmental Standards for human drinking water sources and proposals for walking access to the outdoors. Council representatives also provided direct assistance to a number of national working parties.

Resource consents and compliance

Four hundred and thirty three consent applications were processed during the year. While this was a decrease on the record number of applications processed in the previous year it was still higher than in many previous years. This high level of activity

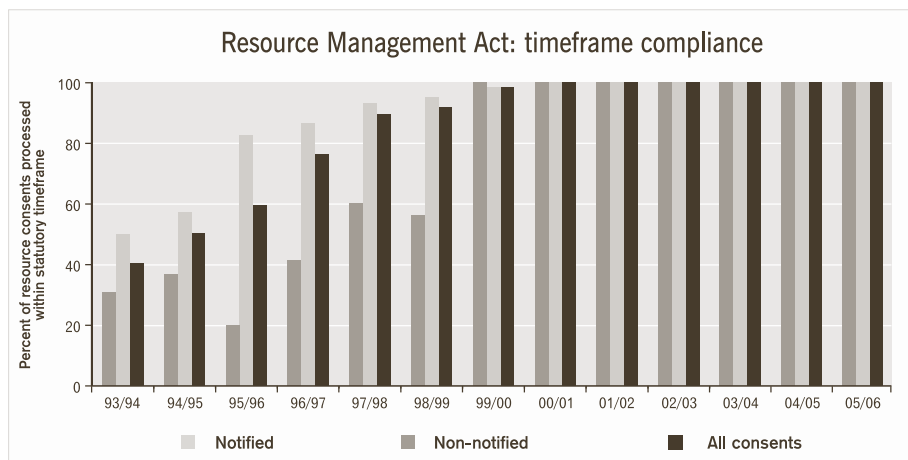


was mainly attributable to the relatively buoyant state of the regional economy, notably in the rural and hydrocarbon exploration sectors.

The majority of applications (97%) were processed without public notification. For the sixth year in a row, all applications were fully processed within the statutory timeframes. Equally important, the Council received no complaints from applicants regarding the time taken to process their applications. This was an excellent achievement and a credit to those involved in this activity.

The pre-hearing process has continued to be used successfully. Most resource consent applications attracting submissions were resolved without recourse to a formal hearing. Only one hearing was held during the year. This related to the discharge of treated wastewater from a rendering operation by Taranaki By-Products Ltd.

There was one Environment Court appeal outstanding at the beginning of the year. The Council's decision was upheld by the Environment Court. Two appeals on six applications (in respect of the Kupe gas field development) were lodged during the year. The issues were resolved by consultation and the Council's decisions upheld by the Environment Court.



During the year, an assessment was made of the level of public involvement in the non-notified consent process using 2004/2005 consents data. Nationally on average, 95% of resource consent applications are processed on a non-notified basis by local authorities, a level similar to applications processed by this Council. Nationally there has been advocacy from certain parties for more public input into the non-notified resource consent process, yet no information to show the nature and extent of existing public involvement. The Council's report on public involvement in non-notified consents was the first time in New Zealand that such an assessment had been undertaken. The report showed a considerable level of public input into the non-notified resource consent process. Some 1,235 parties were involved equating to roughly 1.7% of the Taranaki population over 20 years of age. These included individuals, neighbours, iwi and hapu groups, Department of Conservation, Fish and Game Council, government departments, network utility operators, recreational groups, non-government organisations and industry advocacy groups. Those involved cover the range of resource uses from resource conservation to resource use.

The Council implemented 207 individually-tailored monitoring programmes during the year. These were associated with 235 different resource consent holders and 960 resource consents. The programmes required 1,353 inspections, 1,480 water and soil samples, 205 air samples, 67 freshwater biological surveys, 30 shellfish surveys, and

12 marine ecological surveys. Inspections and sampling covered site management, abstraction and discharge quality, and receiving environment or impact monitoring. From an overview, a total of 92% of consent holders achieved either a high or good level of performance and compliance.

Officers visited 1,969 dairy farms (all dairying farms in the region), 22 piggeries and 47 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 4.9% 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, 987 inspections were undertaken of minor industrial systems. A very creditable 4.8% reinspection rate occurred.

There were 618 pollution incidents reported to the Council during the year. Most of these were associated with freshwater incidents, mainly unauthorised waste discharges (58%). 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, 143 abatement notices and 26 infringement notices were issued in relation to unauthorised incidents. None of these were appealed. The Council resolved to pursue three prosecutions (to be resolved in the 2006/2007 year).

State of the environment reporting

The Council continued to implement its extensive state of the environment monitoring programme during the year. Some 25 separate programmes were scheduled and completed. These covered a wide range of examinations which together comprised over 1,519 inspections, sampling runs and surveys at 325 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.

During the year the Council undertook statistical trend analysis of both surface water quality and of the biological health of our rivers and streams. This was the first time such a trend analysis was able to be done because it used data collected in a scientifically robust way specifically for this purpose and over a sufficiently long period – 10 years – to give statistical confidence in any trends identified.

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The findings of this work show that generally Taranaki has good to excellent freshwater quality when assessed against a range of physical and chemical measures and when compared against national guidelines. An analysis of recent and longer-term trends shows that overall water quality in our rivers and streams is substantially better now than it was 25 years ago. More recently, however, nitrate levels have been deteriorating, most likely as a result of the increasing use of nitrogenous fertilisers and stocking rates in the region in the last few years. The report concluded that fresh water in Taranaki is as good as or better than most equivalent waterways in New Zealand.

In addition to trend analysis of water quality the Council evaluated trends in the biological health of our rivers and streams using a macroinvertebrate community index or MCI. Because the type of macroinvertebrates – the range of insects, snails, worms etc that live in streambeds – reflect the quality of the water they live in, trends in the MCI index are a good measure of changes in the quality and health of our waterways. Using standard statistical tests on data from 60 sites throughout the region showed a considerable number of sites (21) had a statistically significant improvement in water quality. Important also, was that these improvements were not so much observed in the

more pristine upper catchments, but in the mid to lower reaches. The tests also showed that all but one of the other sites are maintaining water quality in the region.

These are very important and very encouraging results for Taranaki because they show that water quality in the region is improving or is being maintained despite increasing pressures being placed on our water resources from an expanding dairy industry and from other demands. In a study of the likely reasons for this improvement, we found that key factors were improvements in the quality of discharges in the vicinity due to improved wastewater treatment systems, higher levels of compliance with resource consents, increased surveillance and monitoring and more stringent consent conditions.

What is also significant from these studies is that the considerable regional investment taking place in riparian planting and management which I refer to later in my report, is not considered at this stage to be resulting in water quality improvements on a regional basis. These benefits are more likely to be discernable when greater proportions of catchments are managed and as the riparian margins grow and mature. These benefits are anticipated over the longer term over the next 20 years.

I am therefore greatly encouraged by the results of our state of the environment monitoring. The reports on trends in water quality validate the significant investments being made by the regional community and this Council in seeking to maintain and enhance surface water quality in the region. Such an outcome does not come about by accident but by hard work and commitment across a wide spectrum of parties.

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 supported by the Council was studies undertaken by Dexcel and others on the effects and consequences of high density stocking rates. Results presented to the Council by Dexcel in 2005/2006 confirm earlier results of no evidence of sudden decline in soil structure with higher stocking rates. More efficient cycling of nutrients as stocking rates increase was also evident.

A pilot project delivering inspections and compliance under the Hazardous Substances and New Organisms Act was undertaken during the year. More than 20 staff were trained and warranted with visits to targeted industrial sites completed.



A number of activities were undertaken as part of the Council's ongoing programme to promote waste minimisation throughout the region. Again these activities often involved working closely with other agencies.

Waste minimisation pilot studies were conducted in four selected priority sectors: the publishing, public service, outdoor pursuits and educational (primary and tertiary) sectors at selected sites in each of the district council areas. The pilot studies identified waste minimisation and recovery opportunities as a basis for subsequent waste minimisation programmes.

The Council continued to assist in a review by the Ministry of Education on current waste disposal practices carried out by schools in the region. The review identified all possible waste disposal options for schools including incineration, landfilling and recycling.

In 2005/2006 the Council investigated options for the recycling of silage wrap plastic and continued to deal with potential collectors and plastic recyclers. The Council also contributed to the national agrichemical container collection system which will see the setting-up of drop-off points throughout the region.

Council staff continued to promote waste minimisation to members of the public and assisted with enquiries regarding recycling, the proper disposal of chemicals, paper, computers, tyres, glass, plastic and waste exchanges. The Council continued its own in-house waste reduction and recycling activities.

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 the 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.



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Nineteen comprehensive farm plans were prepared for hill country farmers during the year. These plans brought an additional 11,737 ha of land under a comprehensive sustainable land management plan. This now means that over 144,000 ha of the hill country has coverage under comprehensive or agroforestry plans. During the year, 10 conservation plans were prepared bringing the total number of these plans to 208.

Outstanding growth also continued in the development of riparian plans. Three hundred and three plans were prepared, covering 1,462 kilometres of streambank. Plans have now been prepared for 56% of Taranaki dairy farmland covering 9,236 kilometres of stream bank.

Plan implementation is slowly growing as reflected in the provision of riparian plants through the Council's bulk purchasing scheme. There were 157,565 plants provided during the period, which translates into another major planting effort by Taranaki landholders. Since 1996/1997, the Council has supplied 940,649 poplar, willow and riparian plants to plan holders.

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 Te Wera Aboretum restoration.

The regional action plan, giving effect to the national dairying and clean streams accord in Taranaki, had its second 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



Riparian plans prepared to 30 June 2006



programme, the task is realistic and achievable. Good progress was again made towards all targets in the second year but plan implementation will require a substantially higher level of application over the next few years than is presently evident. It is important that Taranaki farmers continue to show proactive leadership in this area as opposed to being led by draconian regulation as advocated by critics of farmers' environmental performance.

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.

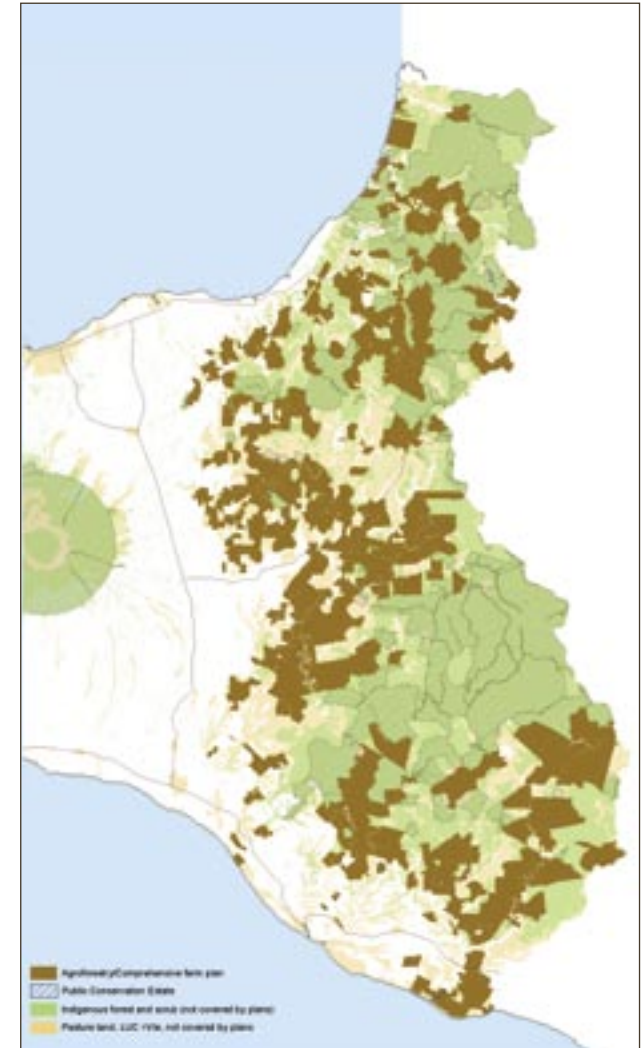
The most significant threat of high value flood damage to the Waitara township is from failure of the left bank flood defences. To address this threat heavy benched bank lining has been constructed from the wharf downstream to the sewage plant. In 2005/2006, the Council continued to progressively install continuous rock bank lining from the sewage plant to the estuary. Some 1,360 tonnes of rock over 200 metres was used to complete the heavy benched bank lining upstream of McNaughton Street. A further 902 tonnes of rock was placed to construct 120 metres of blanket bank lining downstream of McNaughton Street towards the estuary.

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. On-

going maintenance work focused on removing invasive vegetation considered restrictive to flood capacity. Investigations commenced into possible methods of improving the level of flood protection provided by the scheme. Work has focused on the Mangaone catchment and is examining flood detention and storage opportunities. The Council continued to work with communities in central Taranaki to maintain the small schemes in that part of the region.

In 2005/2006, following consultation with the South Taranaki District Council, local land occupiers and the local community, the Council adopted the document *Reducing the Risk: Proposed River Clearance and Maintenance Programme for the Waitotara River*. This document sets out an agreed staged programme of channel clearance and maintenance works, including funding arrangements. Following programmes set out in that document and based on a channel clearance trial carried out in 2004, the Council cleared some 4 kilometres of the Waitotara River that was heavily congested with mixed aged willow and poplar material. A further 2.3 kilometres of clearing downstream of the Waitotara township was completed by 30 June 2006. Preparations are being made to contract an additional 2.7 kilometres in two areas immediately upstream and downstream of the township. The timing of these works will depend to a significant extent on an ability to get machinery in place across heavily silted land after recent floods.

The cooperation of adjacent landowners has been an essential part of this work. The benefits of the work were evident when a severe storm in July 2006 caused flood flows to occur in the Waitotara River. At its peak flow the discharge of the river at the State Highway 3 bridge was calculated to be equal to or in excess of the peak flow of the February 2004 event when the Waitotara



Agroforestry and Comprehensive Farm Plans prepared to 30 June 2006



township experienced floodwaters up to one metre in depth. The July 2006 event involved backwaters only, a few centimetres deep entering a small area and affecting three homes.

The key focus of the Taranaki Civil Defence Emergency Management (CDEM) Group during the year was the implementation of the *Taranaki Civil Defence Emergency Management Group Plan* that was completed and approved last year, and the *2005/2006 Taranaki Civil Defence Emergency Management Business Plan*. The CDEM Group is a joint committee of the four local authorities in Taranaki, which is administered and serviced by the Taranaki Regional Council. One of the major areas of work for the Group during the year was the development of the *Pandemic Influenza Strategy for Taranaki*. The strategy identifies the potential impacts of pandemic influenza and positions the region to respond effectively to the inevitable disruption of such an event. Development of the *Strategy* has involved a wide range of individuals and organisations across many areas from law and order to welfare, workforce and transport. The first exercise for the CDEM Group – *Exercise Taniwha* – was undertaken during the year. This successful exercise to test the CDEM Group's response capabilities was based on a scenario of a flood event that affected both north and south Taranaki.

The work of the CDEM Group 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.

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 10,300 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 96% support for the programme to be extended into the Upland Road and Waiwhakaiho areas in 2005/2006. Initial treatment resulted in a reduction in residual trap catch from 19.8% to 3.5% in the Upland Road control area and from 22.1% to 4.4% in the Waiwhakaiho control area.

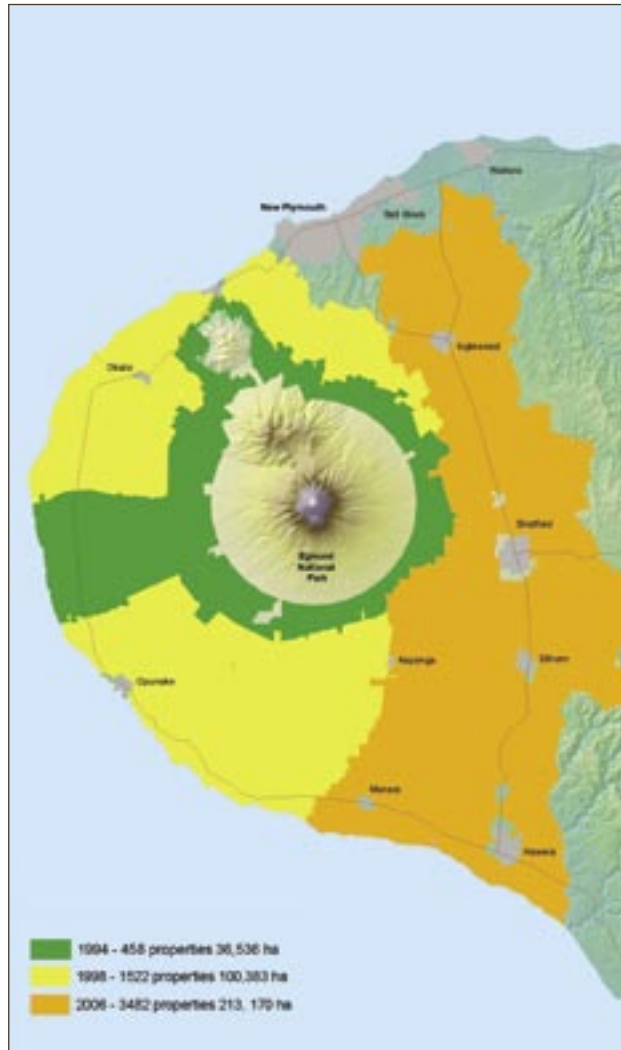
By year end, 3,481 properties comprising 213,000 ha had been incorporated into the *Self-Help Possum Control Programme*. This represents over 90% of privately-owned land on the ring plain.

The Council rigorously monitors the scheme area to ensure low possum rates are maintained by occupiers. Compliance by property owners is exceptional. Only three notices of direction to direct occupiers to control possums on their land were required last year. No other enforcement action was required. Across the whole area, the mean trap catch rate averaged 4.1%, 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 despite rising costs.

The self-help 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.

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Self-Help Possum Control Program

There are lessons from this programme for future approaches to managing biodiversity issues. Where active management is required by landowners, they must be facilitated and encouraged to own their bit of the problem and to work collectively towards community objectives. For many of these issues, the primary role of the local authority is to inform, empower and facilitate, with rule-based enforcement being used to address exceptional circumstances only. Commonly agreed objectives, clarity of roles, sharing of tasks and goodwill are the fundamental components for successful nature conservation activities on private land.

The Council also continued to respond to a large number of requests for advice and assistance in pest animal control. In January 2006, infestations of Argentine ants were discovered in Taranaki for the first time prompting a large number of enquiries to the Council for advice on control measures. The Argentine ant is native to Argentina and Brazil but is now considered one of the world's most invasive and problematic ant species. They breed prolifically and are highly active in searching for food, travelling up trees and through buildings. They also have a painful bite. Argentine ants pose a particularly serious threat to people's amenity and lifestyle values. Council investigations confirmed the presence of significant infestations in Waitara and Bell Block with smaller infestations at Oakura, Westown and Patea. In response to these discoveries and public concerns, the Council investigated both reported and potential infestations, undertook some control measures and launched an intensive media campaign to promote public awareness and encourage public reporting of other potential infestations. The Council also sourced and supplied pesticides to affected properties. The discovery of Argentine ants in Taranaki prompted the Council to

decide to include the ants as a pest in its proposed pest management strategy for animals.

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. Two hundred and seven notices of direction were issued during the year. This represents almost a 150% increase from last year's figure. The notices of direction related primarily to Gorse, Ragwort, Wild Ginger, Old Man's Beard and Pampas Grass. Most of the increase was attributed to the Council's increased focus on environmental pest plants such as Pampas Grass and Wild Ginger in New Plymouth. Of note was that all notices were complied with and no further enforcement action was necessary.

The Council continued its programme of releasing biological control agents to assist in pest plant control throughout the region. During the year biological control agents were released at four sites. Scotch Thistle Gallfly Pupae were released at three sites and Gorse Soft Shoot Moth Larvae were released at one site.

The Council undertook over 980 inspections of properties for compliance with the Council's strategy rules and responded to 81 complaints relating to pest plants and 232 requests for information about weeds and other plants. The Council also inspected 38 plant nurseries and retail outlets. 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.

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Transport

The 2005/2006 year was a very busy one for the Council in the area of land transport. In January 2006 the Council held a hearing on public submissions to its *Regional Land Transport Strategy* and *Regional Passenger Transport Plan* following months of consultation and investigations. After making its decisions on submissions and adopting its *Strategy* and *Passenger Transport Plan* the Council set about preparations for implementation. A major focus of the year was preparations for trials of enhanced urban bus services in New Plymouth subsequent to adoption of the Council's *Regional Passenger Transport Plan*. New routes, higher frequencies and expanded fare concessions were developed and new colour coded timetables prepared. Work was also carried out with the New Plymouth District Council to improve bus stops, signage and shelters. Extensive publicity and promotion took place in the lead-up to the trials which commenced in 1 July 2006. Considerable additional ratepayer resources have been committed to the trials with funding assistance also being provided by Land Transport New Zealand. The Council is making every effort to ensure that the 18 month trial is a success but in the end the success of the trial will depend on the level of use the public makes of the new services.

Investigations continued during the year into transport options in south Taranaki. The Council is working closely with the South Taranaki District Council and its community on a sensible way forward.

While these preparations were progressing the Council continued to implement the regional component of the *Strategy*. The Council's passenger service activities focus on the needs of the transport disadvantaged, those within our community who for various reasons, have few transport options. The Council continued its funding of subsidised concession fares on urban bus services in New Plymouth and of taxi-based total mobility services in New Plymouth and Bell Block, Waitara, Inglewood, Stratford and Hawera. With extended concession fares introduced on urban bus services in New Plymouth in the 2005/2006 year, almost 170,000 passenger trips were made under the new concession fare arrangements. Over 94,000 trips were made under the total mobility scheme for those with disabilities that prevent them using public transport. Funding assistance for both schemes is provided by Land Transport New Zealand.

The Council continued to respond throughout the year to proposals from the Ministry of Transport and Land Transport New Zealand to implement changes to the *Total Mobility Scheme* throughout New Zealand following a national review of the *Scheme*. In August



2005 the Minister of Transport announced changes to the *Scheme* to be introduced by Councils. The Council expressed concerns regarding the implications of the changes for the long-term funding and sustainability of the *Scheme*. While recognising the need and value of the *Scheme* to the community, the Council continued to press central government to take greater responsibility for funding of what the Council sees as an important social and welfare function. The Council is of the view that it would be more appropriate and efficient for this to be addressed through the benefit system.

The Council also took a lead in advocating on behalf of the region, on a variety of roading and funding issues. When Land Transport New Zealand deferred an application by Transit New Zealand for funding approval of the Bell Block Bypass project, the Council called a public meeting to discuss the issue. The meeting held in January 2006 was very well attended with over 300 people present. The Council subsequently arranged a closed meeting between the Land Transport New Zealand, Transit New Zealand, New Plymouth MP, Harry Duynhoven and key representatives of local government, industry and transport sectors. These meetings impressed upon all present the urgency and seriousness of the situation noting the contribution of Taranaki to the national economy and the strategic importance to the region of a fully functioning state highway system.



Chief Executive's report



The Council continued to work through other avenues on roading and funding issues including submissions to Transit New Zealand's *10-year State Highway Forecast* and to Land Transport New Zealand on national and regional (R funding) priorities and allocations and through the work of the State Highway 3 Working Party convened by the Council.

Further priorities identified for the region were work on the Rugby Road underpass, Normanby overbridge, improvements to the Awakino Gorge area, and additional passing lanes on State Highway 3.

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 1,494 vessel movements without any navigation and safety incidents occurring.

The Harbour Risk Assessment component of the *Port and Harbour Safety Management System Manual* was approved by Maritime New Zealand. Approval of the *Port and Harbour Safety Management System* is still awaited. Exercises and testing of oil spill response plans and equipment were undertaken as scheduled.



Three marine oil spills occurred within the port area. All three incidents were minor and cost recovery was achieved. However, a significant tallow spill occurred within the port area. Enforcement action and cost recovery was achieved for this incident.

Recreation, culture and heritage

The Council continued to rate to cover some of the costs for the development of Yarrow Stadium. 2005/2006 was the fourth year of the 10-year life of the rate. The stadium attracted a wide range of audiences and events during the year and is widely regarded as an excellent regional venue.

Asset management plans for the two Council-owned gardens of Tupare and Hollard Gardens were adopted in September 2005. The finalised asset management plans represented the conclusion of a significant and extensive development and consultation process. As a result the Council was able to commence works to implement the asset management plans for Tupare and Hollard Gardens. These works will accelerate over the next 2 years.

Stakeholder funding arrangements between the Pukeiti Rhododendron Trust and the Council continued.

Chief Executive's report



Information

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

Last year I reported on the major effort undertaken to get as much of the Council's database information as possible out to the public through the Council's *Regional Explorer* public enquiry website. This award-winning development which contains a broad range of geographic and local government information has continued to be very popular. Visits to the site peaked at 61,784 in October 2005 with a monthly average for the year of 53,951. The consistent use of the site to create map images has proved the usefulness of the site for the people of Taranaki.

Interest in the Council's website continues to grow. The site provides an overview of the region and the Council's significant activities. It also allows people to directly access information about the Council, request further information or provide feedback on issues.

The refreshment of the *Taranaki Naturally* gallery at Puke Ariki was completed as part of the 2005/2006 annual project under the Council's partnership agreement with Puke Ariki.



Two extensive Ministerial visits were hosted by the Council during the year. One with the Environment Minister, David Benson-Pope and the other for the Minister of Agriculture, Jim Anderton. These visits provide an opportunity for Ministers of the Crown to gain a first-hand appreciation of the work being done in the region.

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. Forty-four units of work and 242 additional resources were sent out to teachers covering topics such as weather, rivers, coast, recycling, sustainable land management, civil defence emergency management and trees. There were 87 class visits involving 3,511 students and a further 670 visitors to the Council's display areas.

Chief Executive's report



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

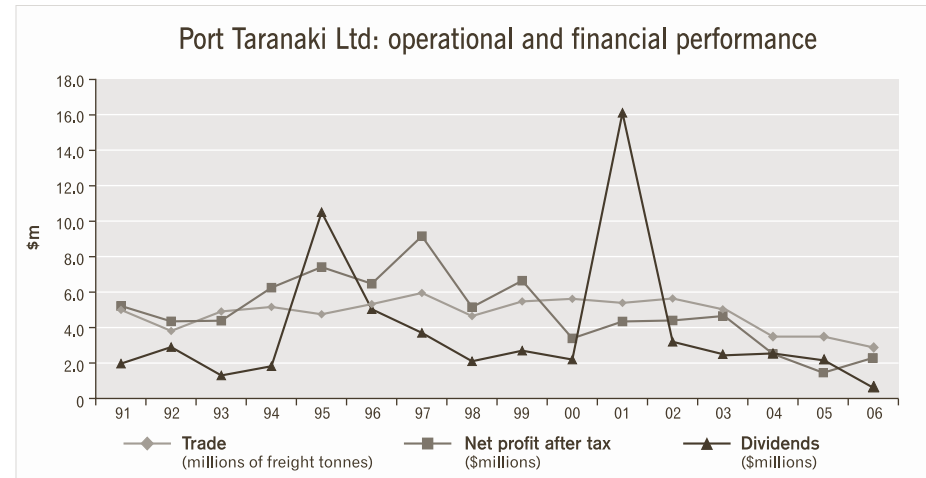
Investments

Port Taranaki Ltd experienced another difficult year of reduced profitability. The effects of the Maui field rundown were evident especially for methanol trade which for many years has been a mainstay trade and income source for the port.

Total trade volumes were 2.65 million tonnes, 23% less than handled last year. Close attention to costs and to building new value streams resulted in an increase in total revenue however from \$27.13 million to \$28.60 million.

Tax paid profit for the year was \$2.12 million, a 46% increase over 2005. This represented a 3.09% return on shareholder's equity.

With strong shareholder support, the Port Taranaki Board is assertively addressing the future of the business. Their plans are predicting a significant overall increase in



trade volumes in 2006/2007. The port is well poised to grow existing trades and attract new volumes with its increased draft, infrastructural investments and new supply chain partners. Opportunities associated with West Coast coal, offshore hydrocarbon exploration and development, container traffic, and potential LNG imports all loom in the near to medium term.

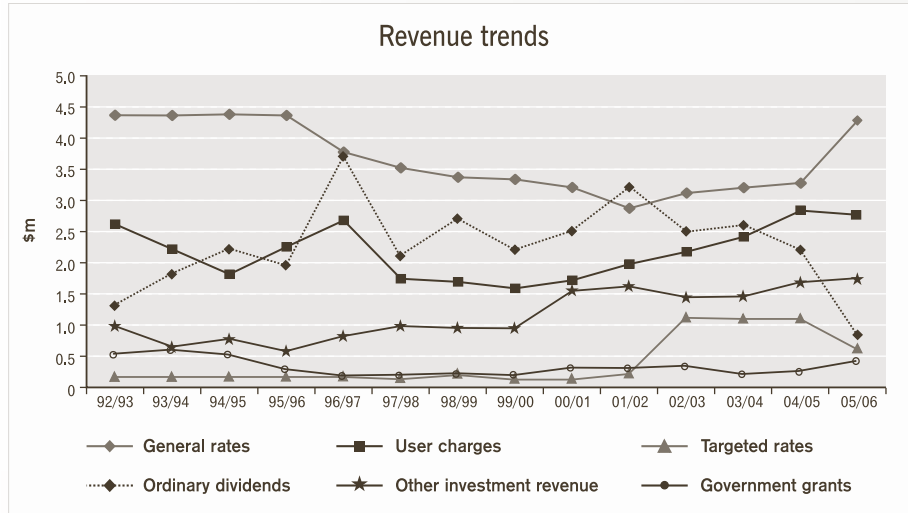
Arguably the New Zealand port sector is entering a period of substantial rationalisation during the next decade. Port Taranaki Limited is transitioning, through careful investments in infrastructure and relationships related to its natural advantages of location, to strengthen its role during the next decade as a substantial contributor to the national ports' environment and to the regional economy of Taranaki.

During the year the Council also continued to receive income from leasehold lands and cash investments. Land rentals provided an average 3.4% return and cash investments a 6.4% return over the period.

Financial

The Council finished the year with a deficit of \$0.19m, which was \$0.65m below budget. As noted, dividend revenues were \$1.6m less than budgeted. Savings in expenditure,

Chief Executive's report



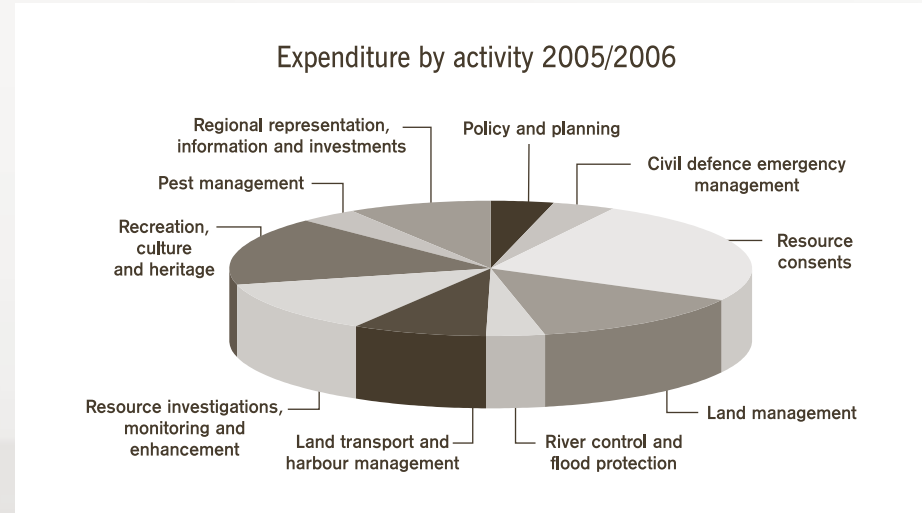
mainly through a planned deferral of a few projects, mitigated the impact of reduced income. Expenditure was \$10.8m, which was \$0.8m less than programmed.

The Council has always been well aware that dividends from Port Taranaki would at some point be severely impacted by the lifting of the cap on Maui gas prices and consequent effect on methanol exports. The timing has always been uncertain. It occurred during the 2005/2006 year.

Over the years the Council has developed a strong balance sheet to cushion the impact of this inevitable revenue reduction. Long planned adjustments have now been made to meet the multiple objectives of ensuring that the Council is appropriately resourced to meet its obligations, Port Taranaki has appropriate shareholder support during a period of major change, and the impact on ratepayers is minimised.

The Council complied with and met all the targets established in its *Revenue and Financing Policy*.

The Council's financial position remains strong with no public debt. Total public equity remained essentially constant at \$65.5m.



Acknowledgements and outlook

As previously noted, the efforts of Council staff are gratefully acknowledged. They approach work positively and skilfully. Regional councillors have continued to provide clear and consistent direction in a way that is constructively focused on Taranaki's future.

The Council completed preparation of its first full *2006-2016 Long-Term Council Community Plan* during the year. This plan sets out the Council's ambitions and programmes for the next decade. The Council is financially strong and well-resourced in every sense to move forward on its long-term plan with confidence. We look forward to working with our community on that challenge.

Basil Chamberlain
Chief Executive