



CHAIRMAN'S REPORT

On behalf of the Taranaki Regional Council it is my pleasure to present the Council's *2006/2007 Annual Report* to the regional community.

Operationally and financially the Council has completed another successful year.

The Council continues to deliver exceptional environmental results through the implementation of innovative programmes such as the self-help possum control programme and the riparian planting programme for water quality enhancement. The long-term results of the full range of Council programmes indicate that in all but a few areas the region's environment is healthy and improving. The regional community is to be congratulated on its commitment to sustainably managing and developing its natural resources. Whilst there are continuing improvements that can be made the progress to date is encouraging.

In relation to the community outcomes in the *2006/2016 Long-Term Council Community Plan*, the Council published a *Progress Report on Community Outcomes for Taranaki 2007*. 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 latest in a series of reports that will assess Taranaki's progress towards achieving the desired outcomes for the community.

Key operational highlights for 2006/2007 included:

- processing all 399 resource consents (down from 433 in 2005/2006), 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 578 (618—2005/2006) pollution incident notifications
- completing an additional 303 riparian plans (303—2005/2006) and supplying 200,000 plants (151,000—2005/2006), at cost, for the planting of stream banks to provide water quality protection
- extending the self-help possum control programme, which now covers 224,700ha on 3,723 (213,000 ha on 3,481 properties—2005/2006)

- completing reviews of the pest plant and animal regional strategies and progressing the review of the regional policy statement
- preparing for and undertaking extended bus service trials, mainly in urban New Plymouth, but also in rural Taranaki
- implementing changes to the delivery of civil defence emergency management services arising from the Civil Defence Emergency Management Act 2002 including responding to severe weather warnings in the Waitotara valley
- completing an additional 6.3 kilometres of channel clearing in the Waitotara River
- commencing the implementation of 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 Explorer geographic information system website.

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 has been variable as the port changes its trade base from a reliance on Maui-gas related trade to a diversified range of products. This transition is progressing well which resulted in dividends ahead of budget by \$200,000.

As part of the port's transition the Council has addressed two significant projects in its role as shareholder on behalf of the region. The first of these projects was the deepening of the port's draft to 12.5m to facilitate new trades and secure existing ones.

The second was the Company's involvement in the Pike River Coal project. After significant consideration including independent legal and financial reviews, the Council gave shareholder approval for Port Taranaki Ltd to be involved in the Pike River Coal project.

The Council remains committed to retaining Port Taranaki Ltd in public ownership.

For a number of reasons expenditure was less than budgeted by \$680,000. This combined with higher than anticipated investment property revaluations turned a planned operating deficit for the year of \$101,000 into an operating surplus of \$1.75m.

This is the first *Annual Report* prepared under the Council's *2006/2016 Long-Term Council Community Plan*. It is also the first *Annual Report* prepared in compliance with New Zealand International Financial Reporting Standards. This has been a significant impost on the Council for little public benefit as perceived by the general public. However the transition has been relatively smooth and the Council is pleased to note the unqualified audit opinion issued by the Council's auditors (Deloitte on behalf of the Controller and Auditor-General).

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 three years. I would like to acknowledge and thank my

fellow Councillors for their hard work and contributions, not only during 2006/2007, but over the full term of office, which concludes with the forthcoming local authority elections.

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

INTRODUCTION

The 2006/2007 year was a busy and successful period for the Taranaki Regional Council. High levels of outputs were delivered across the range of Council activity areas, consistent with previous years.

Properties in the *Self-Help Possum Control Programme* for example, reached almost 3,723 covering 224,700 hectares on over 96% of the ring plain. Over half of dairy farmers now have a Council prepared riparian water quality management plan. In 2006/2007, a further 204,500 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.

There are also continuing signs that the Council's programmes are achieving the

outcomes sought. With a few notable exceptions, scientific indicators are pointing to a good and healthy Taranaki environment that is being maintained or improved with time and investment.

The strong regional economy again saw high workloads in a number of areas for the Council. Applications for resource consents were slightly down on last year, attributed to a decrease in dairy effluent discharge consent renewals, but still 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 while acknowledging different roles. 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 2 to 4 years. Significant progress was made on the review of the *Regional Policy Statement for Taranaki* with the release of the *Proposed Regional Policy Statement for Taranaki* in September 2006. A full public submission process was completed in the first half of 2007.

The Council's reviewed pest animal management strategies were publicly notified for submissions in the last half of 2006 and became operative in early 2007.

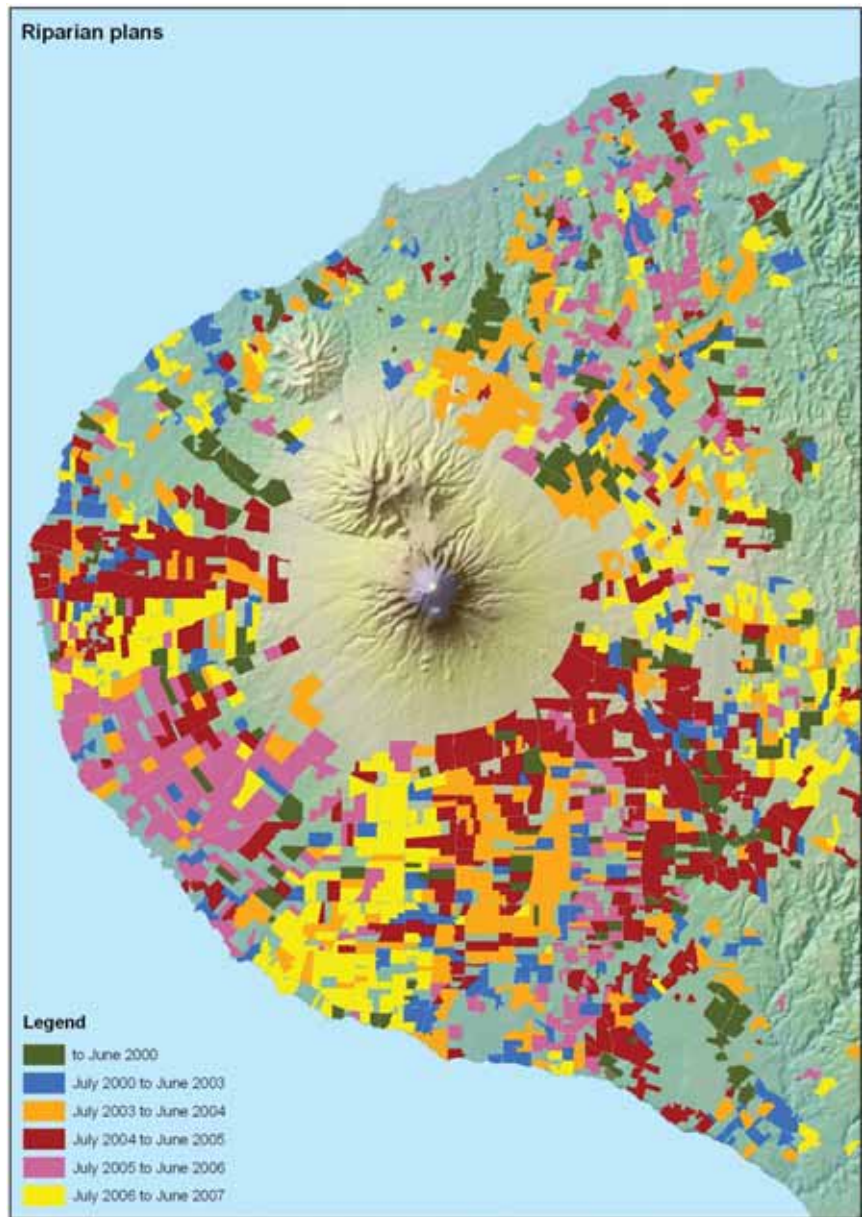
The Council's *Regional Air Quality Plan for Taranaki* is undergoing a full review with comments from key stakeholder groups being sought. It is anticipated that a revised proposed Air Quality Plan will be publicly notified in 2007/2008.

Public consultation with associated good information ensures that the Council's policies, plans and strategies remain effective in meeting the needs of the community and achieve their purpose with appropriate support.

The Council was again active in the area of advocacy and response during the year. It made 33 formal written submissions to a wide range of policy documents and legislative proposals from other agencies. These ranged from submissions on dam safety regulations under the Building Act 2004, to measures to reduce greenhouse gas emissions in New Zealand post-2012. Council representatives also provided direct assistance to a number of national working parties.

RESOURCE CONSENTS AND COMPLIANCE

Three hundred and ninety-nine consent applications were processed during the year. While this was a decrease on the record number of applications processed in the previous two years, it was still a high level



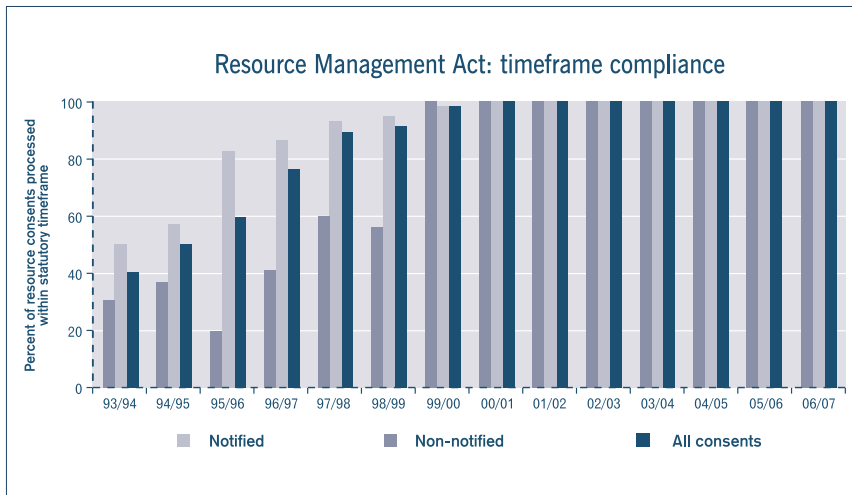
of activity. This was mainly attributable to the relatively buoyant state of the regional economy, notably in the rural and hydrocarbon exploration sectors.

The majority of applications (97%) were processed without public notification. For the seventh 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 Council continues to

benchmark extremely well in this function across a range of timelines, quality and cost comparitors.

The pre-hearing process has continued to be used successfully. Most resource consent applications attracting submissions were resolved without recourse to a formal hearing. Five hearings were held during the year. These related to the discharge of air emissions from the proposed Turangi Production Station by Greymouth Petroleum; a variation to a coastal

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permit to increase the maximum discharge volume from the Whareroa dairy complex by Fonterra; two applications for air emissions from the manufacture and processing of milk products from gas-fired generation plants by Fonterra; a variation to a coastal permit to increase the discharge volume of municipal wastes via a marine outfall by South Taranaki District Council to accommodate the Eltham township discharge; and two applications for the discharge of treated stormwater and a river control structure for a proposed bedrock quarry by RA Wallis Ltd.

There were no Environment Court appeals outstanding at the beginning of the year. Five appeals on four applications were lodged during the year, with one appeal since withdrawn. Another appeal has since been resolved by consultation. The other two appeals are still outstanding.

During the year, an assessment was made of the level of public involvement in the non-notified consent process using 2005/2006 consents data. The findings were compared to the 2004/2005 research carried out in the last financial year. 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 the 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 226 individually-tailored monitoring programmes during

the year. These were associated with 343 different resource consent holders and resource consents. The programmes required 1,150 inspections, 1674 water and soil samples, 169 air samples, 61 freshwater biological surveys, and 49 marine biosurveys. Inspections and sampling covered site management, abstraction and discharge quality, and receiving environment (impact) monitoring. Overall, some 93% of consent holders achieved either a high or good level of performance and compliance.

Officers visited 1,916 dairy farms (all dairying farms in the region), 15 piggeries and 46 poultry farms to inspect waste treatment systems. Inspections often included the measurement of various water quality parameters in effluent or receiving waters. A reinspection rate of only 2.7% was necessary to ensure required improvements were made. This is the lowest level of non-compliance on record and is considered partly to reflect the continued strategic use of enforcement tools by the Council and the higher Environment Court fines of late in assisting the relatively few non-compliant farmers to change their approach to compliance.

In addition to agricultural systems, 883 inspections were undertaken of minor industrial systems. A very creditable 5.2% reinspection rate occurred.

There were 578 pollution incidents reported to the Council during the year. Most of these were associated with freshwater incidents, mainly unauthorised waste discharges (57%). Air, mainly smell, complaints were the second largest category of reported incidents at 31.5%. 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, 118 abatement notices and 40 infringement



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notices were issued in relation to unauthorised incidents. None of these were appealed. During the year three prosecutions from 2005/2006 were concluded successfully, as were four arising during the 2006/2007 year. One regrettably involved a regional councillor, Mr B Cudby. His conviction after a jury trial resulted in his automatic disqualification as a councillor.

STATE OF THE ENVIRONMENT REPORTING

The Council continued to implement its extensive state of the environment monitoring programme during the year. Some 19 separate programmes were scheduled and completed. These together comprised over 1,156 inspections, sampling runs and surveys at 303 monitoring sites across 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

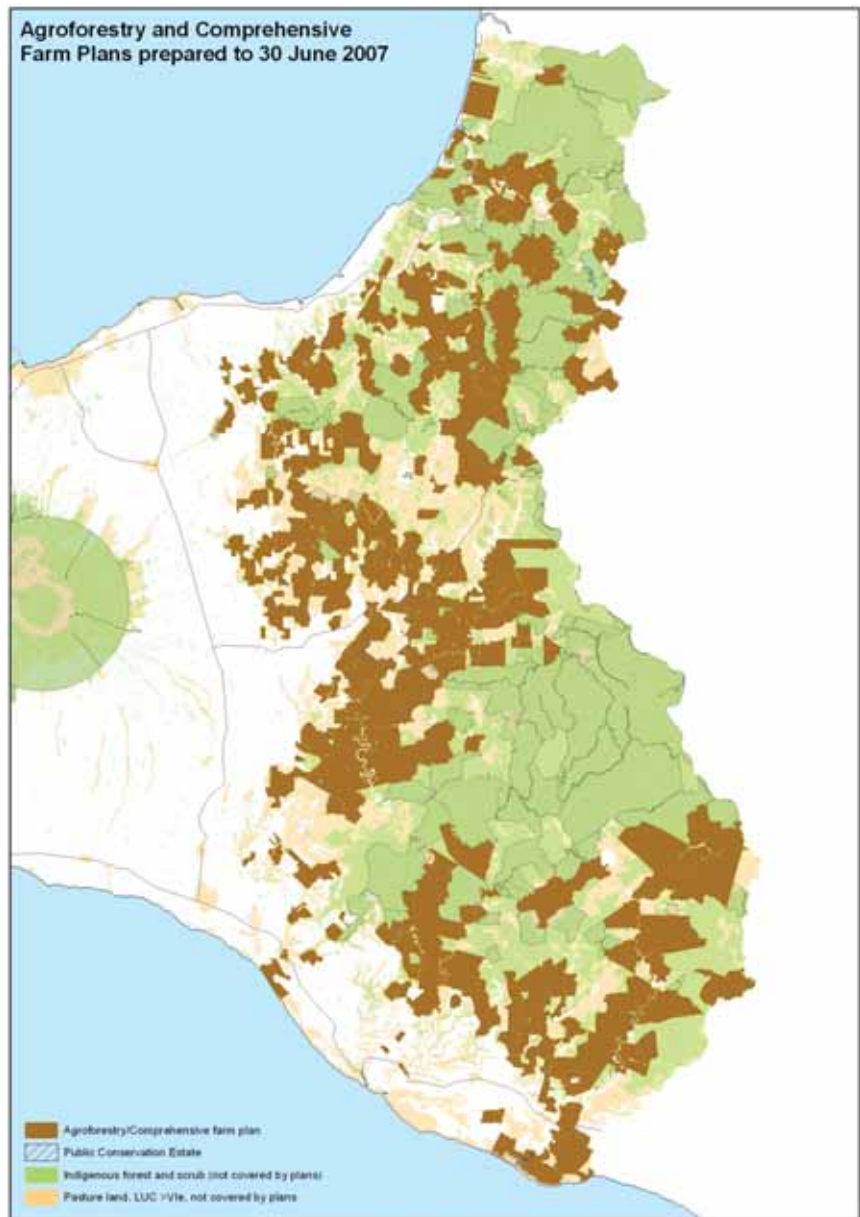
A number of investigations and research programmes continued to be progressed or implemented during the year. Several of these are joint venture projects with organisations such as Crown research institutes. The Council is committed to continuing to invest at an appropriate level to improve its knowledge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

This year, the Council undertook or provided funding for resource investigations and applied research projects that were identified in the *Long-Term Council Community Plan 2006/2016*.

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 six selected priority sectors. The pilot studies identified waste minimisation and recovery opportunities as a basis for subsequent waste minimisation programmes.

The Council continued to work with the South Taranaki and New Plymouth district councils to implement recycling for schools in those



districts. Options for recovery and recycling of fluorescent tubes and glass within the region to forestall landfilling of glass collected through recycling programmes were also investigated.

The Council has continued to assist the development of a national farm agrichemical containers recovery programme and has provided assistance in site location and preparation. Three locations have been confirmed with the scheme established at one location where farmers can leave empty

agrichemical containers for further processing. It is anticipated that the collection system will be established at all three sites by November 2007. Council staff continue 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.

Thirty comprehensive farm plans were prepared for hill country farmers during the year. These plans brought an additional 15,031 ha of land under a comprehensive sustainable land management plan. This now means that over 158,602 ha of the hill country has coverage under comprehensive or agroforestry plans. During the year, 15 conservation plans were prepared bringing the total number of these plans to 217

Outstanding growth also continued in the development of riparian plans. Three hundred and three plans were prepared, covering 1,552 kilometres of stream bank. Plans have now been prepared for 60% of Taranaki dairy farmland covering 12,386 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 204,250 plants provided during the

period, which translates into another major planting effort by Taranaki landholders. In the last decade, the Council has supplied 1,144,899 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. In the course of 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 third 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,



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Federated Farmers and our farmers working together to an agreed programme, the task is realistic and achievable. Good progress was again made towards all targets in the third 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 groyne 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. Substantially upgraded rock bank protection is now complete on the left bank between the town bridge and the mouth of the estuary. During the year, a further 2,500 tonnes of rock was placed over a distance of 300 metres adding to rock protection work carried out in previous years. An additional length of 60 metres of heavy bank lining was constructed about the McNaughton Street pumping station and connecting to the rock lining running down to 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. Special attention continues with channel clearing of the Mangaone Stream. The Council continued to work with communities in central Taranaki to maintain the small schemes in that part of the region.

This year work was initiated in the Stony River to address the aggradation of gravels

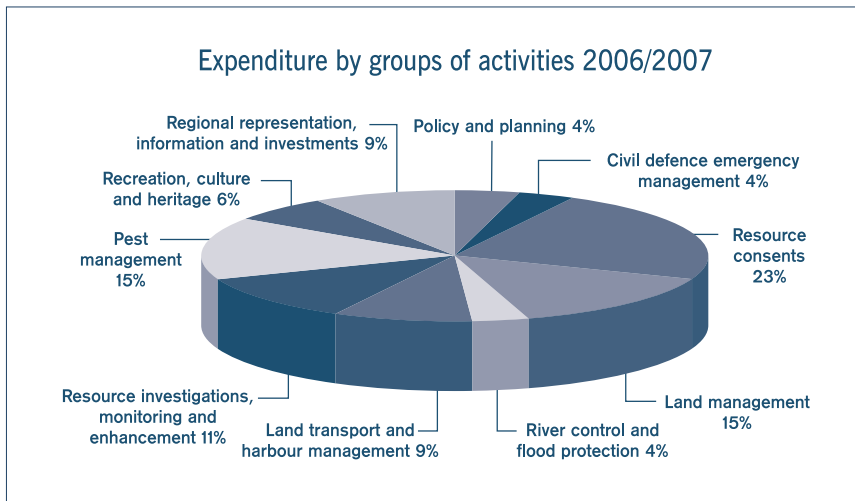


immediately downstream of the SH45 bridge. Further work is planned in the 2007/2008 year.

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, a total

of 12.6 km of channel clearance has now been undertaken.

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 in 2004, and the *2006/2007 Taranaki Civil Defence Emergency Management Business Plan*. The key foci for the Group this year centred on participating in three national exercises (Exercise Capital Quake, Exercise



Magill and Exercise Cruickshank), responding to three severe weather events and a tsunami warning, and participating in the launch of the Ministry led Education Programme *‘What’s the Plan, Stan?’*. 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 both reviewed and 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 11,700 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. This year, initial possum control was undertaken on 220 properties covering 9,332 hectares in the Huatoki, Mangamahoe and Toko operational areas.. Monitoring results to date record that the Council’s target of reducing possum levels to below 5% Residual Trap Catch were met.

Joint monitoring and control operations around Egmont National Park were carried out with the Department of Conservation. Improvement was required in this area and good progress has been made.

By year end, 3,723 properties comprising 224,700 ha had been incorporated into the *Self-Help Possum Control programme*. This represents over 96% 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 four

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 for the 300 properties monitored was 8.2%. 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 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.

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.

The *Pest Plant Management Strategy for Taranaki* was 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 sixty-six notices of direction were issued during the year. This represents



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almost a 22% increase from last year's figure. The notices of direction related primarily to gorse, ragwort, wild ginger, old man's beard, Darwin's barberry 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.

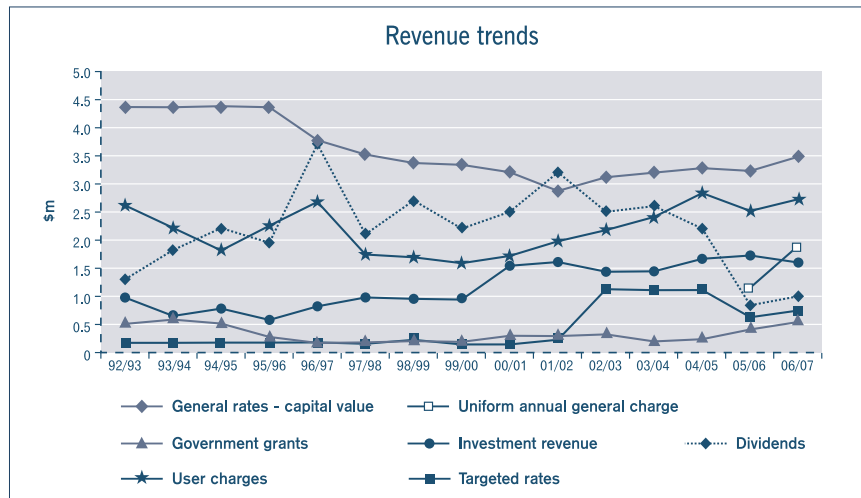
The Council continued its programme of promoting biological control agents to assist in pest plant control throughout the region. During the year, one new biological control agent release was made – Scotch thistle gallfly pupae at one site. In addition, a more vigorous strain of the Gorse soft shoot moth was released in December 2006 at one site. Releases of parasitic wasps to combat the impacts of clover root weevils were also supported.

The Council undertook over 6,540 inspections of properties for compliance with the Council's strategy rules and responded to 155 complaints relating to pest plants and 232 requests for information about weeds and other plants. The Council also inspected 43 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.

TRANSPORT

The 2006/2007 year was a very busy one for the Council in the area of land transport with continued implementation of the *Regional Land Transport Strategy and Regional Passenger Transport Plan for Taranaki*. Implementation focussed on improvements to the New Plymouth passenger transport services on an eighteen month trial; provision of a subsidy to assist the delivery of a concessionary fare scheme for children, tertiary students, people with disabilities, the elderly and beneficiaries using urban bus services in New Plymouth; provision of a subsidy to assist in the delivery of Total Mobility Services to people with disabilities and a range of advocacy, liaison and collaborative activities.

Extensive publicity and promotion took place in the lead-up to the trials in New Plymouth 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.

Proposals for trialling transport options in South Taranaki were finalised during the year and preparations made for the letting of contracts. The Council worked closely with the South Taranaki District Council and its community on the proposals.

With extended concession fares introduced on urban bus services in New Plymouth in the 2005/2006 year, this year, almost 298,924 passenger trips were made under the new concession fare arrangements. Over 94,869 trips were made under the total mobility scheme for those with disabilities that prevent them using public transport.

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. 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.

Priorities for the immediate future are for more passing lanes, realignment of the road between the Awakino Hotel and garage, a widening of the Awakino tunnel and easing of corners in the Awakino Gorge.

The *Regional Walkways and Cycleways Strategy for Taranaki* was adopted by the Council in June 2007 after full public consultation. This was a joint project involving the Council, each of the district councils, Department of Conservation, Taranaki/Wanganui Conservation Board, Transit New Zealand, Federated Farmers and Venture Taranaki. The *Strategy* establishes a vision and supporting policies and methods and targets to promote the benefits of walking and cycling, and identifies current and possible future walkways and cycleways.

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 2,119 vessel movements without any navigation and safety incidents occurring.

The *Port and Harbour Safety Management System Manual* met the requirements of the *New Zealand Port & Harbour Safety Code* and received pre-audit approval by Maritime New Zealand in May 2007. This was the first management system manual approved in New Zealand.

Two marine oil spills occurred within the port area. Both incidents were minor and cost recovery was achieved. Four exacerbated natural oil discharges as a result of capital dredging also occurred. Cost recovery for these incidents was also achieved.

RECREATION, CULTURE AND HERITAGE

The Council continued to rate to cover some of the costs for the development of Yarrow Stadium. 2006/2007 was the fifth year of the 10-year life of the targeted 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 2005. Implementation of these asset management plans has commenced, the most significant step being

the purchase of a neighbouring property at Tupare to allow full and safe redevelopment of the entry and car parking facilities. The Council has also made the necessary appointments to provide the full staffing complement for both gardens.

Hollard Gardens has been reassessed and has retained its National Gardens of Significance rating.

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

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 has continued to get as much of the Council's database information as possible out to the public through the Council's Regional Xplorer 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 averaged 59,690 per month, peaking at 69,964 in October 2006. 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.

Environmental awards were presented to nine recipients during the year. A good level of applications continues 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. Thirty-seven units of work and 732 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 198 class visits involving 5,553 students and a further 1,110 visitors to the Council's display areas.

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.

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INVESTMENTS

Port Taranaki Ltd experienced a more positive trading and financial year than previously. Total trade volumes were 24% up on 2005/2006 to 3.28m tonnes with increases across almost all trade types. Container volumes were up by 21% to 58,932 TEU.

A major milestone saw the completion of a capital dredging project to deepen the draft to 12.5 metres, greatly enhancing the ability of the port to service customers into the future.

Total revenues rose 25% to \$36.9m. After tax profit was \$4.8m, more than twice the previous period.

Port Taranaki remains in a period of transition away from substantial reliance on petrochemicals to alternative trades. The port deepening project was a key component of that transition and has aided the company to be optimistic in its outlook. The Pike River Coal project is the first of a number of potentially exciting and profitable opportunities. As for the port deepening, significant capital will be required by Port Taranaki to realise these opportunities. The Council has worked very closely with Port Taranaki in its examinations of business opportunities and where appropriate, independent professional advice has been obtained to support the Council in decisions that have been taken as the port's owner on behalf of the Taranaki community.

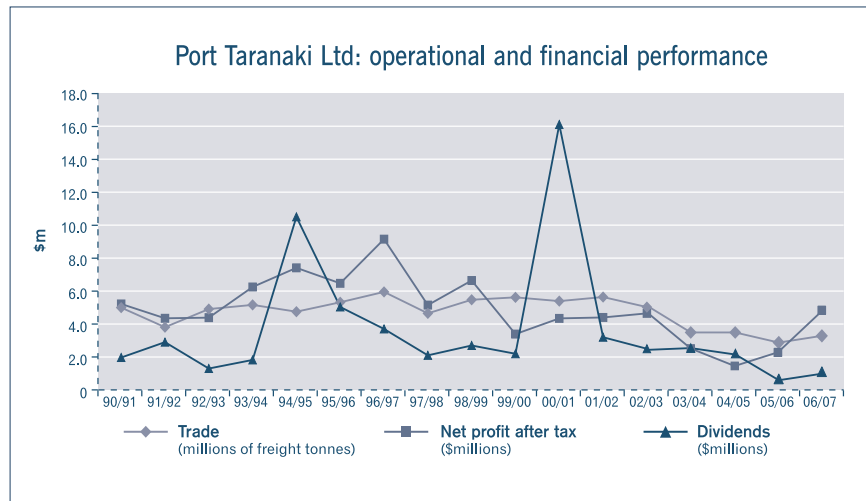
Venture Taranaki has recently described Port Taranaki as the single most important infrastructural asset in the region on the basis of its value to the regional economy as presented in an analysis by Business and Economic Research Ltd (BERL).

The Council acknowledges the public support for its ownership of Port Taranaki Ltd and is committed to supporting the company in its commercial aspirations.

FINANCIAL

The Council finished the year with a surplus of \$1.75m which was \$1.85m above budget. Land revaluations accounted for \$1.3m of the surplus and dividend revenues were \$0.2m more than budgeted. Expenditure was \$12.1m, which was \$0.7m less than programmed.

The Council's financial position remains strong with no public debt. Total public equity increased slightly to \$66m.



From the commencement of the 2006/2007 year, the Council changed its accounting policies to comply with new international standards (NZ IFRS). This transition to NZ IFRS has been a significant imposition on all local authorities with questionable benefit to the public.

ACKNOWLEDGEMENTS AND OUTLOOK

As previously noted, the efforts of Council staff are gratefully acknowledged. They approach work positively and skilfully. Mr Dex Knowles retired from his position as Director— Operations during the year. A lifelong career in the best traditions of public service has left a worthy legacy in Taranaki and elsewhere. His receipt of a MNZM (Member of the New Zealand Order of Merit) in 2006 was very warmly supported by the many people he has mentored and assisted in the field of water and soil management.

Regional Councillors have continued to provide clear and consistent direction in a way that is constructively focussed on Taranaki's future.

At the time of writing the Council's triennial election is imminent. As an outcome of a mandatory representation review, the number of regional councillors will increase by one to eleven following the election. The additional councillor will be elected from the New Plymouth constituency.

Council Chairman Mr David Walter has decided to retire as a councillor. David's long government service and broader public service have been exceptional and exemplary. His

trademark qualities of intelligence, considered and informed advocacy, integrity and fairness have won wide respect. As we wish him well for the future we shall miss his leadership, experienced advice and his good company.

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