



CHAIRMAN'S REPORT

On behalf of the Taranaki Regional Council it is my pleasure to present the Council's *2007/2008 Annual Report* to the regional community.

Operationally and financially the Council has completed another successful year. The Council has continued to focus on the efficient and effective delivery of its core functions. High levels of outputs were delivered across the range of Council activity areas, consistent with previous years.

The benefit of this focus on efficient and effective delivery of core functions is the delivery of exceptional environmental results. 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.

The Council's latest state of the Taranaki environment report is due to be published in early 2009. This report will clearly and comprehensively demonstrate the progress that

the Taranaki community is making in protecting and enhancing its environment as well as noting those areas in which improvement is still required.

Key operational highlights for 2007/2008 include:

- processing all 401 resource consents (up from 399 in 2006/2007), 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 540 (578—2006/2007) pollution incident notifications
- completing an additional 301 riparian plans (303—2006/2007) and supplying 243,000 plants (200,000—2006/2007), at cost, for the planting of stream banks to provide water quality protection
- extending the self-help possum control programme, which now covers 227,000ha on 3,757 properties (224,700 ha on 3,723 properties— 2006/2007)

- undertaking bus tendering for services, mainly in urban New Plymouth, and appointing a new service provider
- preparing and adopting a biodiversity operational strategy
- delivering civil defence emergency management services including responding to tornadoes in North Taranaki (July 2007)
- completing an additional 3.5 kilometres of channel clearing in the Waitotara River
- implementing the asset management plans for the 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 2007/2008 was also successful. The Council achieved an operating surplus of \$2.4m more than budgeted, albeit that \$2.0m of this occurred from property revaluations. The Council does not believe that these non-cash unrealised property revaluations should be included as Council income, but in complying

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with New Zealand International Financial Reporting Standards (NZ IFRS) it is required to do so. The Council shares the concerns of the Controller and Auditor-General that the necessity to comply with sector neutral NZ IFRS confuses the readers of reports such as these by adding unnecessary complexity.

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.

The Council remains committed to retaining Port Taranaki Ltd in public ownership and supporting its endeavours as it continues to operate in a highly competitive market-place.

Local authority elections were conducted in October 2007. As a result of a statutorily-required representation review the Council was required to add an additional councillor position in the New Plymouth constituency bringing the total number of Councillors to 11. Councillor Donald McIntyre did not return after the election. Councillor McIntyre made a significant contribution to the success of the Taranaki regional Council over a nine-year period. On behalf of our community, I would like to thank Donald for his contribution to the Council and indeed for his involvement in a range of capacities for the benefit of Taranaki.

The Council Chairman from 2001 to 2007, Mr David Walter, also retired from a very long and distinguished period of local government service at a local, regional and national level. David Walter was the Council's second Chairman through a period of significant activity and change for the Council. I would like to pay tribute to David's dedication, hard work and leadership, which have been key factors in the success of the Taranaki Regional Council. David is held in very high esteem both within Taranaki and nationally. We wish him and Isobel best wishes for the future.



Councillors Brian Jeffares, Mike Davey, Michael Joyce and Peter Horton were elected for the first time in October 2007 and are welcomed to the Council. After a period of induction the Council is now into the full swing of its work and performing well.

This has been my first year as Chairman of the Taranaki Regional Council. During this time I have found the role challenging but rewarding and enjoyable. The support of my fellow Councillors, management and staff has been invaluable and I extend my gratitude.

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 MacLeod
Chairman



CHIEF EXECUTIVE'S REPORT

INTRODUCTION

The Taranaki Regional Council has experienced a successful 2007/2008 year working with the Taranaki community. Quality outputs were delivered across the range of Council activity areas, consistent with previous years.

Of more importance are continuing signs that the Council's programmes and efforts are tracking well towards achieving their intended community outcomes. With some important exceptions, indicators are signalling the region having a good and healthy environment that is being maintained or improved with time and investment.

Despite significant international and national economic turmoil during the year, Taranaki's economy has remained comparatively strong on the back of healthy dairy and oil and gas sectors. This reflects through to the Council's activities where the demand for services like resource consents has remained strong.

The Council has kept a clear focus on the continuous improvement in service, quality and productivity. Praise is due at the outset of this report to the Council's staff, who are dedicated and competent professionals. The organisation is committed to community service and our people take the responsibility of being public servants very seriously.

Their work environment is enhanced by the knowledge that they contribute to taking Taranaki forward as a special place in which to live, raise families and enjoy both work and leisure time.

The Council enjoys productive relationships with key people in organisations throughout and beyond the region. With only rare exception, we find ourselves and our partners constructively focused on common goals, while acknowledging different roles. This has allowed the Council's energy to be applied to being productive and efficient in the provision of programmes and advocacy, as opposed to resource-sapping disagreements.

During the year, the Council was awarded the accolade of being the top Council in New Zealand by Federated Farmers Inc. after an extensive survey of their members. This was pleasing and it was great that the national and regional presidents took time to come to the Council and enjoy a barbecue lunch with Councillors and staff. Our people appreciated that tangible gesture. The Council has never shied away from confronting issues with our farmers. Our monitoring and enforcement activities would be at least the scale of any other council in New Zealand, but at the heart of an effective relationship, in this case with our farmers, is the trust and knowledge that

the Council's activities are aimed at working with people to ensure that we all enjoy a sustainable and prosperous future.

POLICY

The policy and planning area saw continued progress on the phased review of the Council's significant policy documents and in particular its Resource Management Act instruments. Very good progress was made on a review of the Council's coastal plan and regional policy statement. Progress on the coastal plan was slowed to coincide with the review process for the *New Zealand Coastal Policy Statement* to ensure that the plan would align with this document in due course. Constructive discussions have occurred with many submitters on the proposed regional policy statement. Although that has taken some time it will greatly assist the final stages towards adoption which is expected to occur in the next year.

During the year, the Council commenced and completed a major new strategy, the *Biodiversity Strategy for Taranaki*. It was adopted after consultation with a wide range of interested and affected people. The Council has spent several years undertaking many activities that have positively impacted on

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biodiversity, however, it was timely to draw all of these activities into one strategy document to provide a framework and point of focus on this important area. As a consequence, the Council has undertaken some internal restructuring of the organisation to better align and develop its capacity to deliver on the biodiversity strategy.

The Council was again active in the area of advocacy and response during the year, making 30 formal written submissions on a wide range of policy documents and legislative proposals from other organisations. These ranged from submissions on components of the Government's climate change policies, through to proposals to reshape the way land transport functions are delivered in New Zealand. The Council's representatives also provided direct assistance to a number of national working parties.

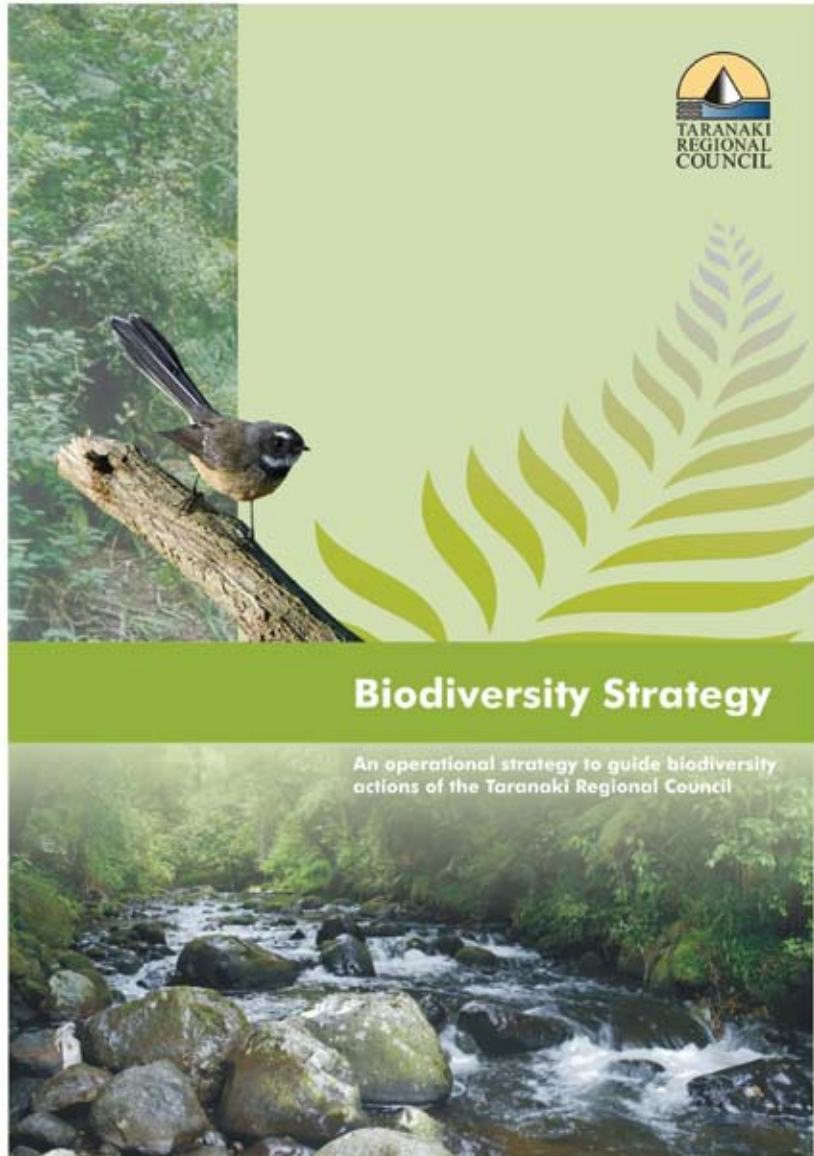
RESOURCE CONSENTS AND COMPLIANCE

Four hundred and one consents were processed during the year. This was a slight increase on the previous year and a relatively high level of activity.

The majority of applications (97%) were processed without public notification. For the eighth 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 time, quality and cost metrics.

The pre-hearing process, which the Council strongly advocates, has continued to be successfully deployed. Ninety-two percent of consent applications which attracted submissions were fully resolved through the pre-hearing process during the year, meaning there was no need to proceed to formal and more costly hearings.

Only three formal hearings were required during the year. One related to the extension of coastal protection work at Urenui Beach. The second was related to an air discharge consent application for a poultry farm and the third hearing was associated with the re-commissioning of the Normanby hydro-

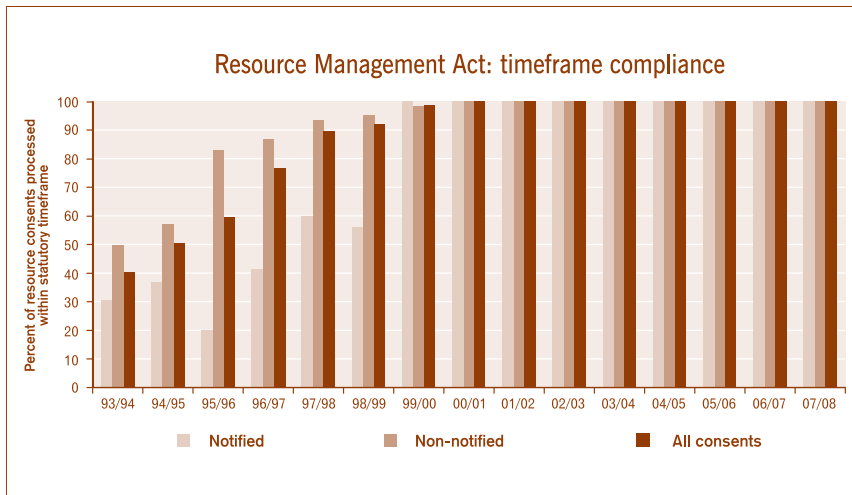


electric power scheme. No appeals were lodged within the 2007/2008 year, although appeals were later lodged in respect of the Normanby power station hearing. Of the three appeals to the Environment Court that were outstanding from the previous year, one was disallowed in favour of the Council, whilst the remaining two were allowed. In respect of these two, they were relatively minor applications tied to a major land use application made to a district council for a

quarry. This was at first approved by the district council and later overturned on appeal by the Court.

The Council implemented 214 individually-tailored compliance monitoring programmes involving 345 different resource consent holders with 1,020 resource consents during the year. These monitoring programmes involved 1,095 inspections, 1,629 water and soil samples, 213 air samples, 75 freshwater biology surveys, 49 marine biology surveys.

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Inspections and sampling covered site management, abstraction and discharge quality, and receiving environment or impact monitoring. Overall, some 93% of consent holders achieved either a high or good level of compliance performance.

Officers visited 1,901 dairy farms (all dairy farms in the region), 21 piggeries and 48 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 4.1% was necessary due to failure to satisfy consent conditions or regional plan requirements. This was about the normal level of reinspections that has traditionally occurred in Taranaki. Council officers also inspected 775 minor industrial operations. These included road works, exploration wells, sand blasters and production stations. Only 3% of these sites required reinspection.

There were 540 environmental incidents registered and investigated by Council officers during the year. Three percent related to the marine environment, 51% to freshwater quality, 41% to air quality and the balance to soil. The Council continues to place a very high emphasis on responding to and acting on pollution complaints to ensure that consents and plan requirements are complied with once approved. During the year, 50 letters of explanation were received and accepted from consent holders and others as to why enforcement action should not be proceeded with as a result of non-compliance. One hundred and four abatement notices were issued and 30 infringement notices, essentially instant fines, were served in relation to unauthorised incidents. During the year two prosecutions from 2006/2007 were concluded successfully. The Council resolved to undertake four prosecutions during the year. These will be resolved in 2008/2009.

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. Twelve annual reports summarising monitoring results relating to freshwater resources in the preceding years and current year were prepared and published. The Council put substantial resources during the year towards preparing and its comprehensive state of the environment report, which it tends to do about every five years. This report is due for publication in early 2009. The contributing reports and analyses indicate the report will generally provide a welcome overview. 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.

The extreme drought conditions of the summer resulted in an upping of field work to measure low flow and water quality parameters in these conditions. Although in often pleasant weather conditions, some long hours were put in to capture data for future use in a range of areas.

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.

Twelve research investigations and applied research projects were engaged in during the year, including further investigation of



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the water quality effects of dairy effluent discharges, the examination of biodiversity changes from the planting of riparian margins and the performance of nitrification inhibitors in Taranaki conditions.

One major investigation involved an assessment of the land contamination at the former Patea Freezing Works. This study was complicated and became a more explicit point of public focus because of a major fire at the site in February.

The Council continued to work in close collaboration with the district councils of the region on waste minimisation. Activities ranged from promotional work related to incinerators and recycling in schools through to assisting the AgRecovery Foundation with the delivery of a national farm agrichemical container recovery programme. Two locations have been established for the disposal of agrichemical containers in Taranaki, one in Waitara and the other in Hawera. Another welcome addition facilitated by the Council, was the expansion of the Agpac silage wrap recycling scheme in Taranaki during the year, utilising agricultural contractors as agents.

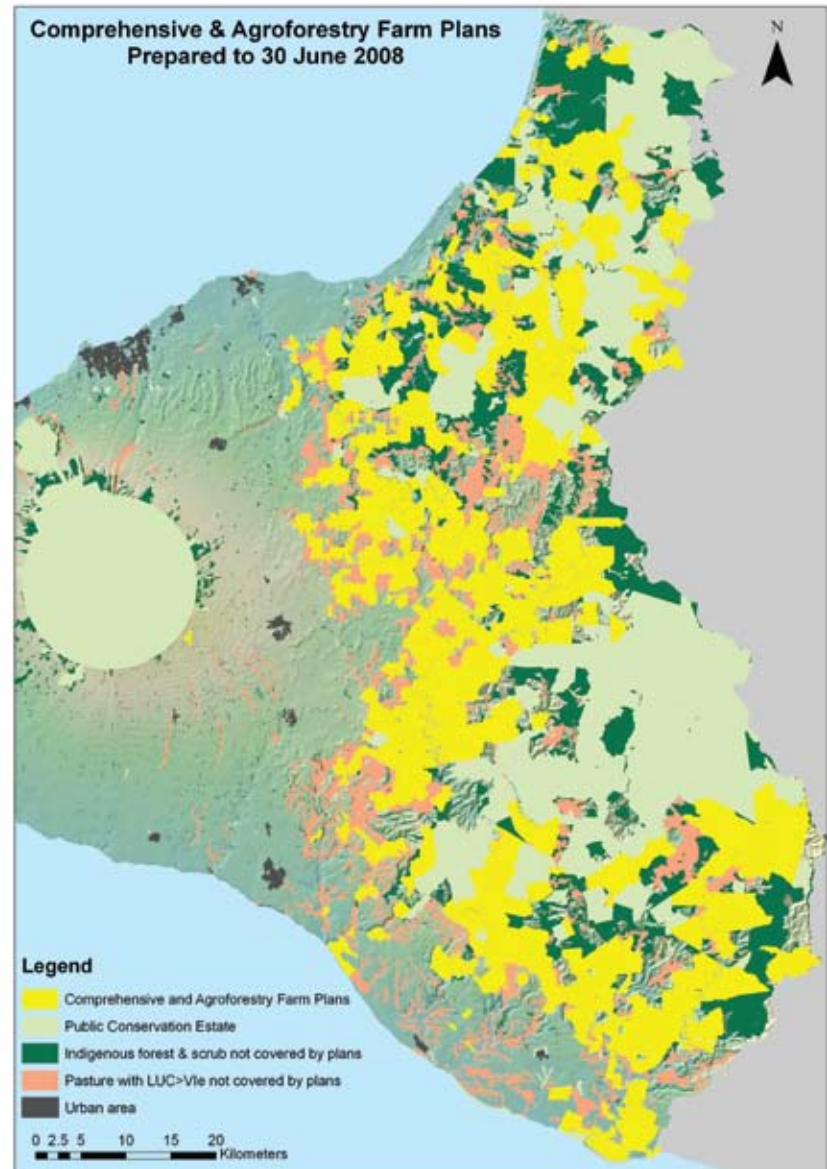
LAND MANAGEMENT

Land management services continued to be well received during the year. Public demand for sustainable land management advice continues to be strong.

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.

Twenty-one comprehensive farm plans and one agroforestry plan were prepared for hill country farmers during the year. These



plans brought an additional 15,355 ha of land under a comprehensive sustainable land management plan. This now means that over 178,580 ha of the hill country has coverage under comprehensive or agroforestry plans. During the year, 7 conservation plans were prepared bringing the total number of these plans to 224.

Good growth also continued in the development of riparian plans. Three hundred and one plans were prepared, covering 1,584 kilometres of stream bank.

The Council has now prepared 2,009 riparian plans for land owners. Monitoring shows that of the recommended fencing from those plans, 60% was completed prior to last winter's fencing and planting season and 43% was planted.

The majority of farms on the ring plain now have plans. Plan implementation, though, is moving quite slowly. The *Regional Action Plan*, which gives effect to the national *Dairying and Clean Streams Accord* in Taranaki, has a number of targets for plan development and implementation. Although

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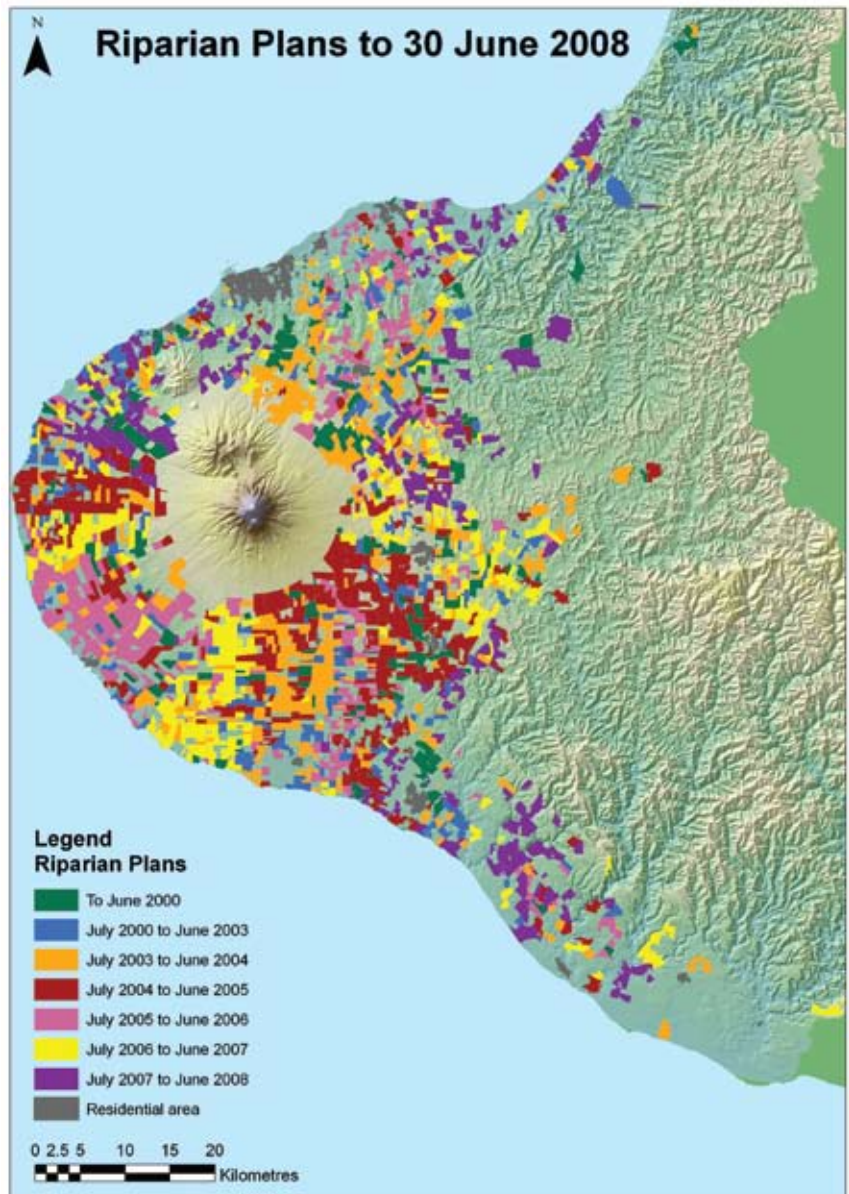
the 2010 targets are well within grasp or already surpassed, fencing and planting rates will have to increase substantially to meet the 2015 targets. It is important that Taranaki farmers now get on with the business of implementation as opposed to being led by regulation, as advocated is necessary by many critics of farmers' environmental performance.

That noted there were encouraging signs in the growth of riparian plant sales through the Council's bulk purchasing scheme during the year. Approximately 256,000 plants (riparian and poplar/willow planting material) were distributed at cost – a 25% growth over the previous year. By any comparison this number of plants going into the ground last winter is a major planting effort, noting that a significant number of farmers also use plants from other sources. One million four hundred thousand plants have moved through the Council's purchasing scheme in the last decade, so although fencing and planting rates need to keep moving upwards, recognition also needs to be given to the significant efforts by many at present.

The Council continued to administer and service the Taranaki Tree Trust including a financial contribution to the Trust's operations. A highlight during the year for the Trust was the completion of the Herekawe Stream walkway project which involved the facilitation of a number of corporate sponsors and other partners. Another highlight was the facilitation of the Hutiwai Stream whitebait restoration project funded by Honda Tree Fund.

Wetlands protection was also a continued focus, with several grants provided to enhance 12 of the 48 regionally significant wetlands.

During the year, the Council purchased land near Lepperton for the establishment of a poplar nursery for soil conservation. The site will also serve as a demonstration area and distribution point for riparian plants. Over the years the provision of quality poplar and willow material has been problematic and the new nursery will solve this issue by ensuring the provision of reliable quality material into the future.



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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. Substantially upgraded rock bank protection is now complete on the left bank between the town bridge and the mouth of the estuary.

The Waiwhakaiho flood protection scheme was managed to agreed standards with less need for extensive maintenance 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 commenced a scheme review of the Waiwhakaiho Flood Protection Scheme during the year. A range of significant changes in land use and catchment developments mean there are significant questions around the adequacy of the present protection levels provided by the scheme assets. The review will identify options for improved protection levels including costs and benefits. 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, a total of 16 km of channel clearance has now been undertaken, with the addition of a further 3.5 km of channel cleared during the year.

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 *2007/2008 Taranaki Civil Defence Emergency Management Business Plan*.

Taranaki experienced a number of extraordinary climatic events during the year. In July 2007, a swarm of tornados invaded the region. Oakura township was especially affected with many buildings losing roofs and suffering other damage. Thankfully and seemingly miraculously there was no loss of life. The emergency services and CDEM systems responded well during and after these events.

Later in the year, a series of extreme storm and rainfall events resulted in record flood flows in a number of rivers and streams. In coastal Taranaki, and in particular in the Stony and Kaihihi catchments, laharc-type events essentially 'filleted' the river channels. Extensive erosion on the slopes of Egmont volcano moved very large quantities of gravel into the channels and these will progressively cause issues as they move downstream over the next few years.

In February 2008, emergency services and CDEM were again called to assist when the former Patea Freezing Works site was engulfed in fire. Potential asbestos smoke hazard

resulted in an evacuation until authorities were satisfied that risks had abated.

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

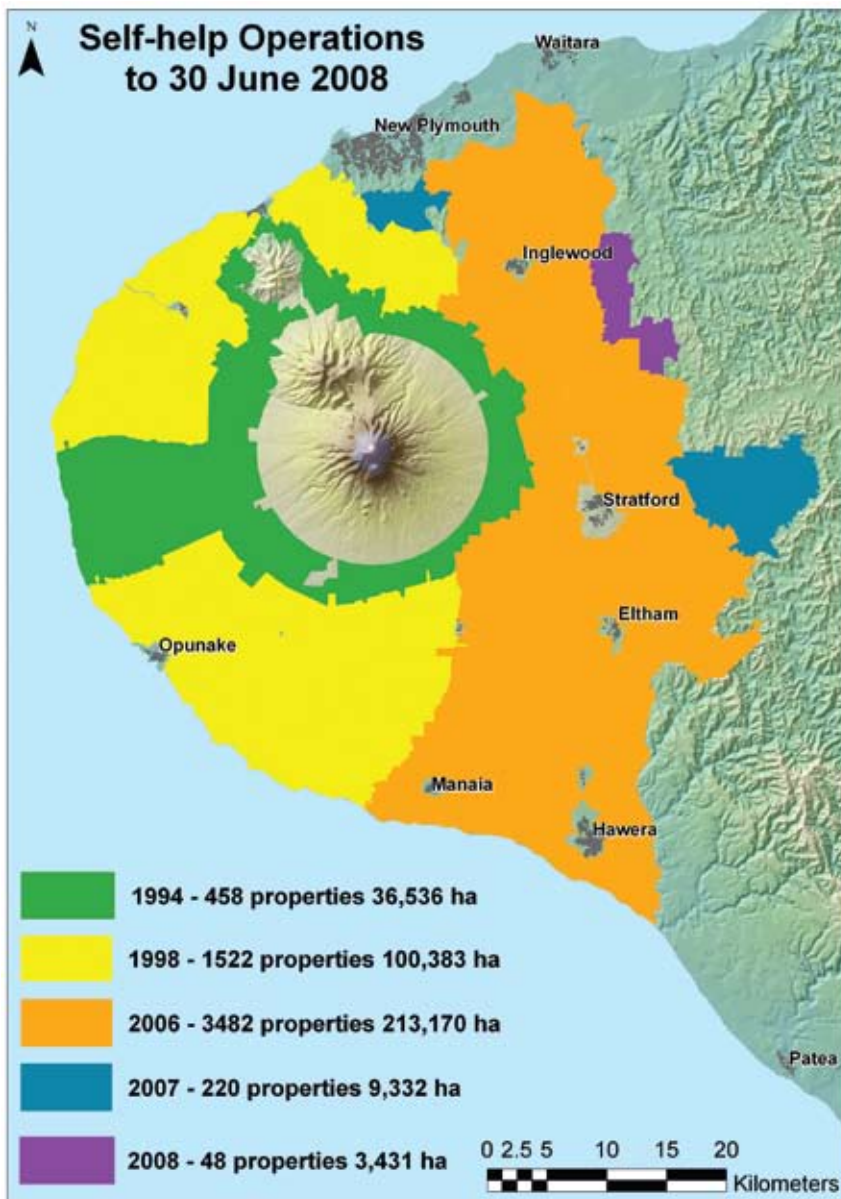
The Council's two pest management strategies were successfully implemented during the year. Implementation of the *Self-Help Possum Control Programme* on the Taranaki ring plain continued to be a major pest animal focus, under the Council's *Pest Animal Management Strategy for Taranaki*.

During the year, the *Programme* area was expanded by around 3,500 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 48 properties in the Kaimata area. By year-end, 3,757 properties comprising 227,000 ha had been incorporated into the *Self-Help Possum Control Programme*. This represents over 97% of privately-owned land on the ring plain.

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.

Over the last several years, the Council has relied on contractors to undertake initial control





operations associated with the expansion of the *Self-Help Possum Control Programme*. That market has tightened considerably in recent times and just prior to the commencement of the financial year the contractor that was engaged to undertake a substantial control operation in the Toko area went into receivership. Council staff completed the work (which was reported in last year's annual report) with the monitoring of performance of that task flowing through to the 2007/2008 year. It placed a very substantial burden on the staff involved and the fact that their performance was better than those any

contractors used in previous years provided a reminder of the quality of our staff.

The Council rigorously monitors the scheme area to ensure low possum rates are maintained by occupiers. Compliance by property owners is exceptional. Only five 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 344 properties monitored was 7.5% against the 10% residual trap catch required targets.

The Council is presently working on ways to determine where maintenance may properly be waived whilst protecting the integrity of the *Programme* in response to helpful suggestions to improve operations.

The *Self-Help Possum Control Programme* is an outstanding example of a local authority facilitating and empowering land occupiers to actively manage an environmental and agricultural pest to achieve results that could not have been attained by the Council acting on its own or simply leaving the issue to private individuals to address.

There are lessons from this programme for future approaches to managing biodiversity issues. Where active management is required by landowners, they must be facilitated and encouraged 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 animal pest management team also contributed significantly to the Council's targeted facilitation of protecting significant biodiversity assets. Forty-nine of the region's identified key native ecosystems are included in the *Self-Help Possum Control Programme* and so have a degree of control. A dozen key native ecosystem site-led programmes were developed and otherwise facilitated by the Council during the year. These range from relatively small sites, such as preparing a pest control plan for the Rapanui petrel colony, to working with Ngati Tama to undertake a large possum control operation in the White Cliffs forest.

Considerable planning and liaison occurred with the Department of Conservation in preparation to support the Department's planned retreatment of Egmont National Park in the forthcoming year. The Council also continued to respond to a large number of requests for advice and assistance in pest animal control.

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The Pest Plant Management Strategy for Taranaki was implemented as required. Promotion and enforcement of agricultural plant pest control continued to be a major focus, although compared to a decade ago, the ragwort problem in Taranaki is much reduced. Two hundred and seventy-four notices of direction were issued during the year. This represents a similar level to last year. The Council's increased focus on environmental pest plants such as pampas grass and wild ginger has seen a significant increase in inspections, and notices of direction in the last three years. Of note was that all notices were complied with and no further enforcement action was necessary.

The Council undertook over 5,660 inspections of properties for compliance with the Council's strategy rules and responded to 116 complaints relating to pest plants and 285 requests for information about weeds and other plants. The Council also inspected 46 plant nurseries and retail outlets. There continued to be an emphasis on raising awareness and assisting people with the transition to managing some plants only recently controlled by rules, such as Chilean rhubarb, common and purple pampas.

In relation to 'eradicated pest plants' the Council directly treated 50 small infestations and contracted land occupiers to treat a further 23 infestations. This control has addressed all of the known eradication pest plant infestations.

TRANSPORT

The Council's transport portfolio presented a busy schedule of often challenging activities, mainly arising from the implementation of the *Regional Land Transport Strategy* and the *Regional Passenger Transport Plan for Taranaki*.

After two years of trialling bus service options in New Plymouth and surrounds, decisions were made on preferred service levels for the approximately 300,000 passenger trips per annum. Services were then competitively tendered with Transit Group winning the business for at least the next three years. For a range of reasons, the Council has entered into an initial contract with Transit on what is termed a 'gross' basis, where the Council receives the fare income and carries the risks in respect of this revenue. It is the intention of the Council to move to a 'net' contract over time thereby providing more direct incentives on the service provider to promote fare-revenue from service use.

The transition from the previous providers, Okato Buslines, to Transit proceeded without significant issues for the travelling public. The services are being provided within budget estimates and Transit's new style of bus and service enhancements are being very well received. It is likely that one or two new services will be introduced in the present year, dependent on demand. These will be on top of the increased routes, service frequencies, number of people eligible for concession fares and free travel for WITT students and staff features, introduced in recent times.

During the year, a once-a-week bus service from Inglewood to New Plymouth was introduced on a trial basis. Similarly, once-a-week services were commenced on a two-year trial basis between Waverley-Patea-Hawera, Opunake-Hawera and Opunake-New Plymouth. Use levels will determine whether services continue beyond trials. Present data show use levels to be barely meeting criteria.

A total of 87,692 passenger trips were taken in total mobility services provided in New Plymouth, Bell Block, Waitara, Stratford and Hawera. Total mobility ID cards were

introduced during the year to reduce fraud risk. For the first year since commencement, total mobility expenditure decreased over the previous period.

For the first time also, the Council made concession fares available to users of Ironside vehicles to aid the Society's income. This required the Society to charge fares for services.

The Council has continued to strongly advocate for improved roading and other transport infrastructure for the region. Specific working groups, being the State Highway 3 Working Party and the Stratford to Okakukura Rail Working Party, were serviced and tangible progress was advanced on their objectives.

Active participation has also occurred in Government proposals to restructure the transport sector in New Zealand. With transport funding challenges increasing, coupled with the need to address issues such as the promotion of coastal shipping, New Plymouth's northern outlet, further passenger transport services and the impacts of fuel costs, climate change and a range of other variables, the picture ahead for transport is one of greater complexity and more difficult tradeoffs. In conjunction with other parties, the Council has sought to position Taranaki to be able to constructively address the future which will involve some inevitable controversy and a need for new funding methods and strong leadership.

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 2,097 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*

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and received full approval by Maritime New Zealand in July. This was the first management system manual approved in New Zealand.

A major oil spill occurred in October 2007 with approximately 15 tonnes of crude oil washed up on the west coast near Okato from the Floating Production, Storage and Offtake vessel *Umuroa* in the Tui oil field. This was the biggest crude oil spill to ever occur in New Zealand and the second largest oil spill of any type to occur in New Zealand in recent history. Quick action and fortunate timing kept long-term effects to a minimum. The spill was mainly deposited high up on the beach and away from sensitive environmental areas. A feature of the response to this incident was close liaison among Council (operating as agent for Maritime New Zealand), residents, iwi and surfers. Coastal land owners were also very co-operative in providing access and making farm equipment available for the clean-up operation. Council staff worked arduously for many days to clean up and their efforts were appreciated. As the spill occurred outside of the Council's boundary, enforcement action became the responsibility of Maritime New Zealand. Maritime New Zealand has recently successfully prosecuted the company involved. The Council fully cost-recovers these incidents.

RECREATION, CULTURE AND HERITAGE

The Council continued to rate to cover some of the costs for the development of Yarrow Stadium. 2007/2008 was the sixth 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 plans was strongly advanced during the year. At Tupare, the recently purchased neighbouring property was the site of the development of a tastefully-designed new car park and gatehouse. Both of these additions will substantially increase the safety of people visiting Tupare. Within the property itself a new replica glasshouse was built, the cottage fully renovated to become an information centre and the Tupare house was restored with careful attention to detail. With additional staff resources, the gardens themselves have also received considerable expert attention and the difference is obvious as you now walk through the property.

Similarly, at Hollard Gardens, the car park has been refreshed and improved, a new

gatehouse constructed and more resources applied to garden care. On the main lawn, a pavilion/utility block has been constructed. New signage, interpretation and way-finding have also been designed for installation on both properties. The Council is looking forward to re-launching both Tupare and Hollard Gardens as regional garden amenities during the Garden Festival season in the present year.

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

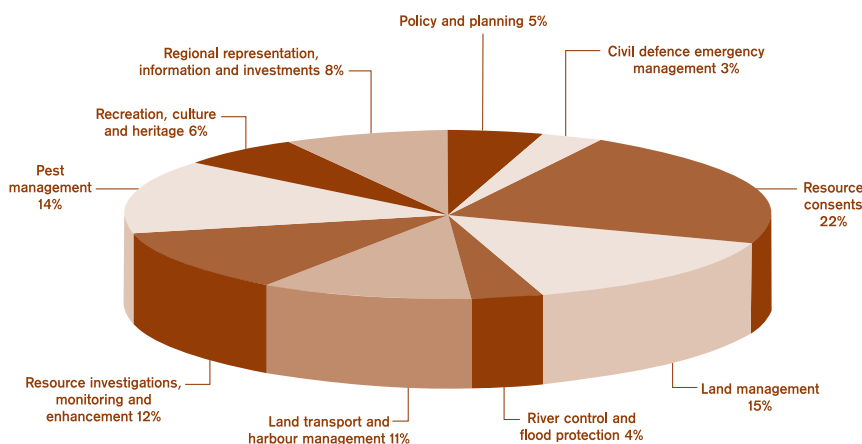
The Council has continued to place emphasis on the provision of information to the public and on the development of quality information systems.

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 70,029 per month, an increase of 20% on last year. The consistent use of the site to create map images has proved the usefulness of the site for many people in Taranaki.

Interest in the Council's website, www.trc.govt.nz, continues to grow, with average monthly visits being around 30,000. 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 17 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.

Expenditure by groups of activities 2007/2008



CHIEF EXECUTIVE'S REPORT

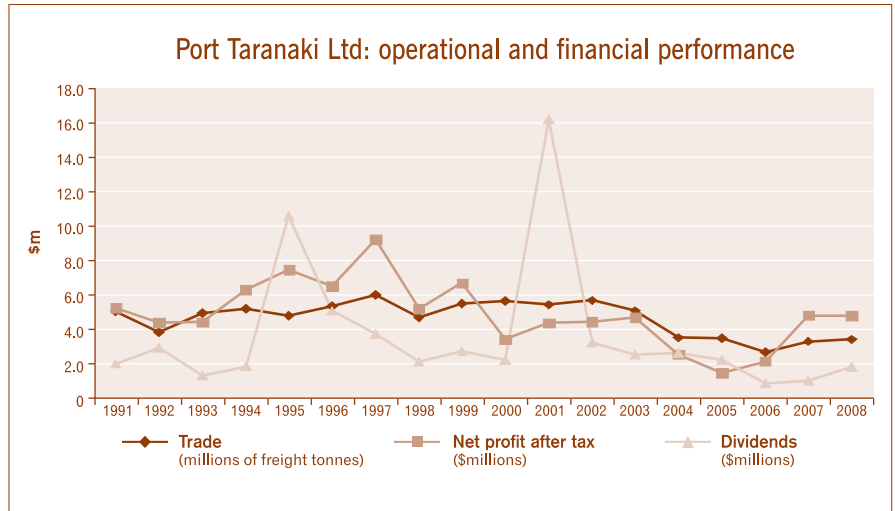


A continued emphasis was placed on providing educational material and other forms of assistance to schools, especially on environmental matters. Four issues of the school-oriented *S.I.T.E.* newsletter were produced. Thirty-five units of work and 447 additional resources were sent out to teachers covering topics such as weather, rivers, coast, recycling, sustainable land management, civil defence emergency management and trees. There were 210 class visits involving 5,585 students and a further 669 visitors to the Council's display areas. Council staff also conducted five well-attended teacher workshops on a variety of environmental-themed topics.

In addition to the above activities, five 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.

The Council also engaged in a number of significant public information campaigns during year, the most notable being a campaign promoting awareness of the aquatic pest, *Didymo*.

The Council's partnership with Puke Ariki continued, including sponsorship of the



Whenua exhibition and associated publication and launch of the *60 Springs* environmental education programme.

INVESTMENTS

Port Taranaki Ltd experienced a positive upturn in trade and revenue. Operational revenue rose 16% to \$42.8m associated with an increase in total trade to 3.38m tonnes.

After tax profit at \$4.8m, however, was essentially the same as for the previous period due to comparatively higher operating expenditure and expenditure write-offs associated with the Pike River Coal Project. The Company invested considerable effort in progressing a deal which would have seen a transport consortium provide an export transport chain for the Pike River coal mine on the West Coast. In the event, the proposal did not proceed. Pike River Coal went with alternative arrangements to rail through to Lyttleton, interestingly aided by a substantial taxpayer injection to upgrade the West Coast-Canterbury railway line.

Independent research has clearly demonstrated the value of Port Taranaki Ltd as a strategic asset for the Taranaki economy and

community. The port deepening project provided an opportunity to grow business like that associated with the Pike River coal mine. The Board is exploring other opportunities and no doubt, others will emerge in the future to build trade around the port's natural and built advantages. Several of the Company's present major exporters have benefited from improvements at the facilities including the deeper draft. Such transport chain improvements enhance the ability of exporters, such as Methanex, to say 'Yes' to reopening the Motunui facility with the benefits that occur to the local economy. As owner, the Council has worked very closely with Port Taranaki in recent times in its examination of business opportunities, including potential debt financing, and where appropriate the Council has taken independent advice to support its decisions as the port's owner on behalf of the Taranaki community.

The Council acknowledges the public's support for its ownership of Port Taranaki Ltd and is committed to supporting the Company in its commercial aspirations. That includes a periodic examination and re-examination of the Council's leadership, its capital structures and strategic value to the region.

CHIEF EXECUTIVE'S REPORT

FINANCIAL

The Council finished the year with a surplus of \$2.62m which was \$2.43m above budget. Land revaluations accounted for \$2.08m of the surplus over budget. Expenditure was \$13.61m, which was \$0.13m less than programmed.

As for most businesses, the Council has worked especially hard during the last period on cost control. The period saw cost pressures across a range of fronts including labour costs due to a tight labour market and the imposition of KiwiSaver, fuel, energy, materials and contracting costs.

The Council's financial position remains strong with no public debt. Total public equity increased to \$68.8m.

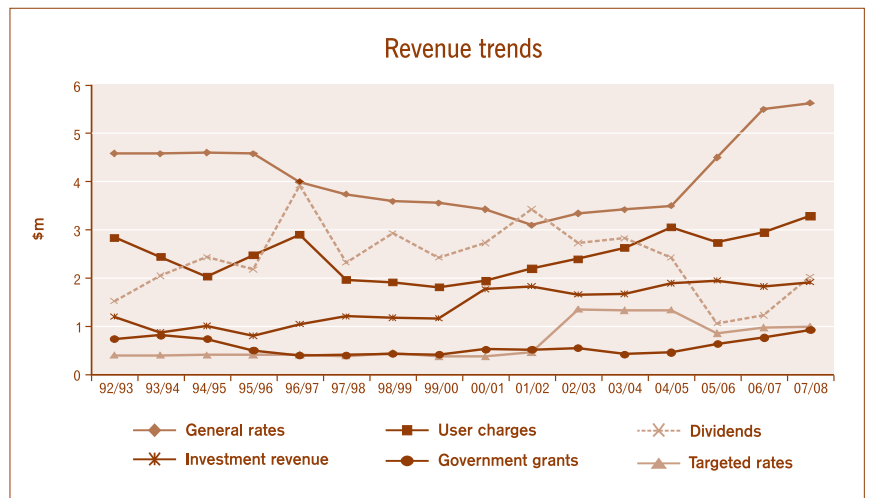
From the commencement of the 2006/2007 year, the Council changed its accounting policies to comply with new international standards (NZ IFRS). This transition to NZ IFRS has been a significant imposition on all local authorities with questionable benefit to the public.

ACKNOWLEDGEMENTS AND OUTLOOK

The triennial Council election occurred during the year. As a result of a mandatory representation review, the New Plymouth constituency gained another representative. The new Council, under Mr David MacLeod's leadership, has continued to provide clear and consistent direction, in a constructive manner.

The efforts and achievements of Council staff are gratefully acknowledged. They are skilled and positive in all they do and are a pleasure to work with.

The Council is financially and operationally sound. Like the region we serve, we move forward with a determined confidence to make our region positively 'like no other'.



Basil Chamberlain
Chief Executive