

Document: 507473

10 September 2008

**Chairperson and Members
Executive Committee**

Notice of Meeting

Notice is hereby given that a meeting of the **Executive Committee** will be held in the Taranaki Regional Council Chambers, 47 Cloten Road, Stratford on:

Monday 15 September 2008 commencing at 10.00am.

B G Chamberlain
Chief Executive

**THE TARANAKI REGIONAL COUNCIL REQUESTS THAT THIS
AGENDA REMAINS EMBARGOED UNTIL COMMENCEMENT OF THE
MEETING**

Agenda for the Executive Committee meeting of the Taranaki Regional Council to be held in the Taranaki Regional Council Chambers, 47 Cloten Road, Stratford on Monday 15 September 2008 at 10.00 am.



Councillors
 D N MacLeod
 D L Lean
 R F H Maxwell
 N W Walker

In Attendance
 Messrs B G Chamberlain (Chief Executive)
 M J Nield (Director-Corporate Services)
 Mrs K van Gameren (Committee Administrator)

Apologies

Notification of Late Items

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	One Separate Report

- **Recommendations**

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- Item 6** **2008/2009 Insurance Programme**
- **Recommendations**

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Item 7 **General Business**

Item 8 **Pubic Excluded**

THAT the Taranaki Regional Council:

resolves that the public be excluded from the following part of the proceedings of the Executive Committee Meeting of the Taranaki Regional Council, namely:

Item 9: Port Taranaki Limited

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution
Item 9 – Port Taranaki Limited	Where the withholding of the information is necessary to protect information where the making of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	NZS9202:2003 Incorporating Amendment No.1 A2(b)(ii)



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**One Separate
Report**

- **Recommendations**

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ITEM ONE

15 September 2008

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**Memorandum to
Chairperson and Members
Executive Committee**

Financial and Operational Report

Purpose

1. The purpose of this memorandum is to receive information on the operational and financial performance of the Council and to confirm the use of the Council's Common Seal.

Background

2. The Council produces a Monthly Financial Report outlining the financial performance for the month and year to date. This memorandum supports the Monthly Financial Report by providing additional supporting operational and financial information. The Council operates its Common Seal under delegated authority. Part of that delegated authority is the reporting back of all Seal transactions.

Financial report

3. Attached is the Monthly Financial Report for July 2008. The financial results so far are good and in line with the *2008/2009 Annual Plan*. Trends in expenditure have not fully developed this early in the new financial year. However, notable financial variances to date are:
 - Policy and planning over budget \$30,894 – costs associated with the reporting of community outcomes – these costs will be recovered from the district councils in due course.
 - Resource consents is under budget by \$54,020 due to the timing of the commencement of compliance monitoring programmes.
 - Land management is under budget by \$101,742 due to deposits on riparian planting contracts not yet paid.
 - Land transport planning under budget by \$104,371 due to the commencement of the new bus services and not all costs having come to charge to date.

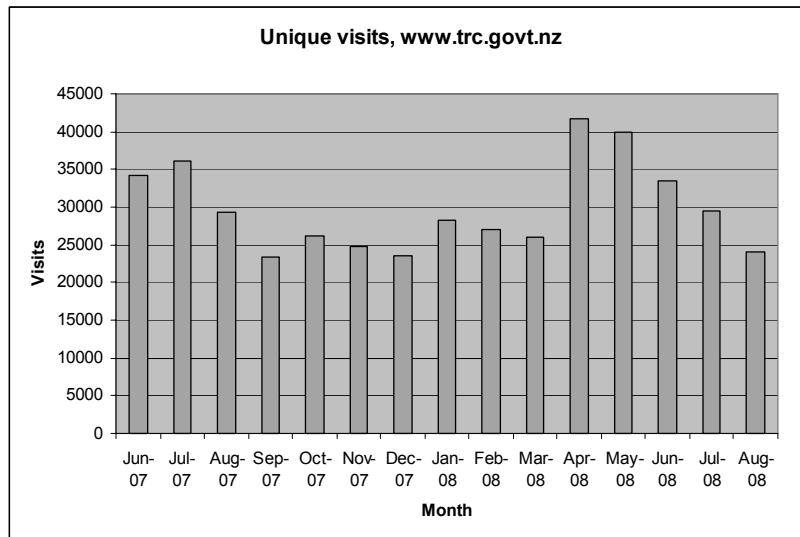
Operational report

4. Operationally, all programmes are currently on target with the planned levels of activity established in the *2008/2009 Annual Plan*.

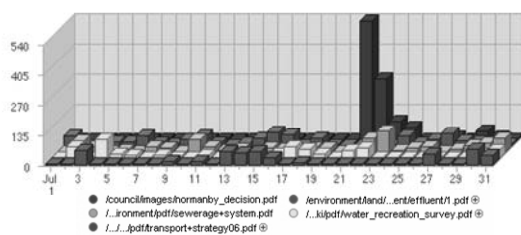
- The refurbishment of Tupare and Hollard Gardens is nearing completion. Official re-launch dates have been established: Tupare – 15 October 2008 and Hollard Gardens – 29 October 2008.

Internet usage – June-August 2008

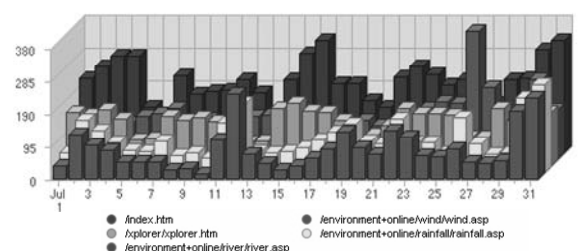
- Visits to the main Council website, www.trc.govt.nz, have declined from the high levels experienced in April and May 2008, when heavy rainfall events generated much interest in the site’s live weather data. Visits in August 2008 were the lowest since September 2007.



- A sub-site containing information on bus routes, timetables and fares was launched at the end of June, coinciding with the new New Plymouth bus contract taking effect from July 1. While these bus pages have a separate “look and feel” and are accessed with the URL www.taranakibus.info, they remain within the architecture of the main Council website.
- Bus pages have consistently been among the Council website’s top 10 pages for monthly visitor numbers since their launch.
- Other pages consistently in the top 10 include live weather data pages, the home page, the vacancy page, the news page, the portal to Taranaki Regional Xplorer and the Iwi Contacts pages.
- Document downloads remained in the mid-40,000 range during June, July and August. Popular downloads include the Proposed Regional Policy Statement, the chimneys appendix to the Regional Air Quality Plan, the Regional Land Transport Strategy and the Walkways and Cycleways Strategy, the Hearing Committee’s decision on the Normanby Hydro scheme, and the effluent section of the Dairying and Environment Committee manuals.

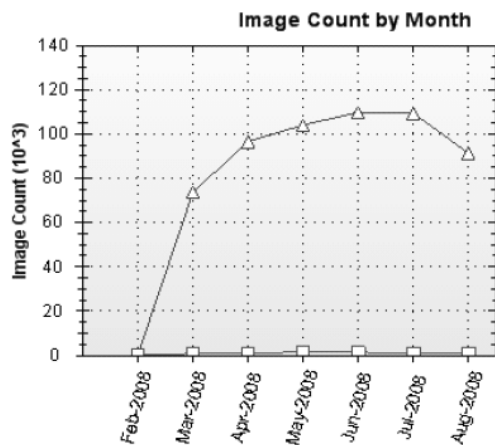


Downloads in July 2008. The blue bar represents the Normanby Hydro decision.



Page visits in July 2008. The purple bar represents the page showing live wind data and there was much interest during a weekend of gales on 26-27 July.

11. A biodiversity page has been added to the Environment section of the website and will be further developed as the Biodiversity Strategy is implemented.
12. Technical Staff have prepared a Stormwater Management Plan Template, which is available on the website as a Word document that businesses can download and customise.
13. A temporary page has been added to the website's Environment section promoting the Freshwater Sciences Society's 2008 annual conference, which is being held in New Plymouth in November with much input from Council staff.



14. The Taranaki Regional Xplorer website had 110,419 map requests in July and 92,309 in August. The map above shows the monthly image count since February.

Common Seal

15. The following documents were signed under seal during the period to 10 September 2008:

Nil.

Decision-making obligations

16. Part 6 (Planning, decision-making and accountability) of the Local Government Act 2002 has been considered and documented in the preparation of this agenda item. The recommendations made in this item comply with the decision-making obligations of the Act.

Policy considerations

17. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the Local Government Act 2002, the Resource Management Act 1991 and the Biosecurity Act 1993.

Financial considerations

18. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Council Community Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Legal considerations

19. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Recommendations

THAT the Taranaki Regional Council:

1. receives this memorandum and adopts the Monthly Financial Report for July 2008
2. notes the Common Seal has been affixed to the following documents:
Nil.

BG Chamberlain
Chief Executive

15 September 2008

**Memorandum to
Chairperson and Members
Executive Committee**

**Asset Management Plan-Waitara River and Waiwhakaiho River
Flood Control Schemes**

Purpose

1. To receive, review, update and adopt the asset management plans for the Waitara and Waiwhakaiho River flood control schemes.

Background

2. Asset management plans set a ten-year programme in place to provide for the adequate maintenance, renewal and upgrade of infrastructure assets to agreed service levels.
3. The Local Government Act 2002 requires local government to plan and provide for maintenance, new works, renewals and depreciation on infrastructure assets over a ten-year period.
4. The attached asset management plan for the Waitara and Waiwhakaiho River Flood Control Schemes has been prepared as a building block in the preparation of the *2009/2019 Long-Term Council Community Plan*.

2008 Asset Management Plan

5. The asset management plan covers a number of areas, specifically:
 - **general information** – explanation of what the schemes are, what the plan is for, legislative requirements, assumptions and general information. This is the scene-setting part of the plan.
 - **specific scheme information** – for each scheme, the history, location, boundaries, description, maintenance and valuation are outlined in some depth.
 - **financial information** – the specific accounting policies, funding policies, maintenance policies, financial plans and disaster recovery plans are outlined in detail.
 - **review process** – these are established at a minimum of three-year intervals.
6. In general terms, all works and maintenance on these two schemes are funded by a capital value targeted rate over the New Plymouth district. Surpluses and deficits are transferred to and from a separate reserve.

7. There are three distinct types of expenditure provided for in the asset management plan. These are:
 - **routine maintenance** – includes such items as mowing, vegetation management, surveying and aerial photographs. This is the day-to-day expense of running the scheme.
 - **flood damage maintenance** – this is the cost of repairs to the two schemes from flood damage. Damage is identified by an annual examination by an independent engineer and programmed for repair over the next twelve months.
 - **maintenance works** – these are works arising from improved knowledge of the schemes and/or the rivers or from changes to the river channel dynamics. These works are classified as maintenance rather than capital as they only maintain the current flood protection service levels rather than improve them.
8. The Plan is an update of the asset management plans adopted in 2005 for the *2006/2016 Long-Term Council Community Plan*. There is little change from the 2005 asset management plan. This reflects the completion of planned works to date and the lack of significant flood damage to the schemes over the last few years.
9. There has been some preliminary and ongoing research into the level of protection that needs to be provided by the Waiwhakaiho Scheme resulting from changes in land use in the Waiwhakaiho valley. This research will be finalised over the next year or so. The Council's intentions in relation to the level of service, proposed expenditure, proposed works and funding sources are intended to be signalled in the draft *2009/2019 Long-Term Council Community Plan* that goes out for public consultation in March 2009.

Decision-making obligations

10. Part 6 (Planning, decision-making and accountability) of the Local Government Act 2002 has been considered and documented in the preparation of this agenda item. The recommendation(s) made in this item comply with the decision-making obligations of the Act.

Policy considerations

11. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the Local Government Act 2002, the Resource Management Act 1991 and the Biosecurity Act 1993.

Financial considerations

12. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Council Community Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Legal considerations

13. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Recommendation

THAT the Taranaki Regional Council:

1. receives and adopts the Asset Management Plan for the Waitara River and Waiwhakaiho River flood control schemes.

D G Knowles
Manager – Special Projects

M J Nield
Director - Corporate Services

Approved:

B G Chamberlain
Chief Executive

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15 September 2008

**Memorandum to
Chairperson and Members
Executive Committee**

**Revenue and Financing Policy, Investment Policy and Liability
Management Policy Annual Activity Report for 2007/2008**

Purpose

1. To receive the *Revenue and Financing Policy, Investment Policy and Liability Management Policy* annual activity report for the 2007/2008 year.
2. A copy of this report is attached for Members' information.

Background

3. At the end of each financial year, annual activity reports are prepared outlining the progress made in the achievement of the Council's various programmes and activities.
4. Each of these reports is structured on the Council's *2006/2016 Long-Term Council Community Plan*, which has an objective and programme for the year under each significant area of activity. The reports describe the activities undertaken towards the achievement of the programme. This is done in an informative and appealing way by the use of graphs, tables, charts and photographs. The reports contain more detailed information on operational matters and less emphasis on financial reporting than the Council's Annual Report.
5. Copies of the reports will be sent to key stakeholders, made available to the public on request and published on the Council website.

The report

6. This annual activity report for the 2007/2008 year reviews the performance of the Council's achievements in relation to its *Revenue and Financing Policy, Investment Policy and Liability Management Policy*.
7. These policies can be summarised as:
 - *Revenue and Financing Policy* – the Council's policies relating to the sources of funds for both operational and capital expenditure.
 - *Investment Policy* – the policy framework for managing investments to optimise returns in the long-term, while balancing risk and return considerations.

- *Liability Management Policy* - defines the key responsibilities and operating parameters within which borrowing, investment and risk management activities can be carried out.
8. The Council had a successful year in terms of meeting the objectives and measures in each of the policies.

Recommendation

THAT the Taranaki Regional Council:

- 1 receives the annual activity report on the *Revenue and Financing Policy*, the *Investment Policy* and the *Liability Management Policy* for the 2007/2008 year.

MJ Nield
Director - Corporate Services

Approved:

B G Chamberlain
Chief Executive

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15 September 2008

**Memorandum to
Chairperson and Members
Executive Committee**

Annual activity report for 2007/2008

Purpose

1. To introduce, consider and receive the 2007/2008 Recreation, Culture and Heritage significant activity annual report (attached)

Background

2. At the end of each financial year, annual activity reports are prepared outlining the progress made in the achievement of the Council's various programmes and activities.
3. The reports are structured on the Council's Annual Plan, which has an objective and programme for the year under each significant area of activity. The reports describe the activities undertaken towards the achievement of the programme. This is done in an informative and appealing way by the use of graphs, tables, charts and photographs. The reports contain more detailed information on operational matters and less emphasis on financial reporting than the Council's Annual Report.
4. Copies of the reports will be sent to key stakeholders and will be made available to the public on request.

Recreation, culture and heritage

5. This activity encompasses ongoing repayment from targeted rates of the Taranaki Regional Council grant towards the redevelopment of Yarrow Stadium and the development, maintenance and enhancement of three of Taranaki's regionally significant gardens.
6. In relation to the development of Yarrow Stadium, the Council is on target in repaying its grant from regional targeted rates.
7. In relation to the regional gardens, the main focus for the year was the implementation of the enhancement and development works outlined in the asset management plans for Tupare and Hollard Gardens. These works are substantially completed and the gardens will be relaunched to the people of Taranaki in October/November this year.
8. A three-year review of the asset management plans was undertaken. The reviewed asset management plans are largely unchanged from the 2005 plans and the focus will now move away from a capital redevelopment programme to a programme of maintenance

and enhancement of the gardens to encourage the use of the properties by the regional community.

9. In relation to the Pukeiti Rhododendron Trust, the Council has continued its stakeholder funding arrangement with a contribution of \$50,000 towards the management and development of the Pukeiti Rhododendron Trust Gardens.

Recommendations

THAT the Taranaki Regional Council:

1. receives the 2007/2008 Recreation, Culture and Heritage significant activity annual report; and
2. notes that the report will be made available to key and interested stakeholders.

MJ Nield
Director—Corporate Services

Approved:

B G Chamberlain
Chief Executive

ITEM FIVE

15 September 2008

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**Memorandum to
Chairperson and Members
Executive Committee**

Significant Activity Annual Report – Emergency Management

Purpose

1. To introduce, consider and adopt the annual emergency management activity report for the 2007/2008 year.
2. The emergency management report is attached separate to the Agenda for Members' information.

Background

3. At the end of each financial year, annual reports are prepared outlining the progress made in the achievement of the Taranaki Regional Council's various programmes and activities.
4. The emergency management annual activity report is structured on the Council's Annual Plan, the Civil Defence Emergency Management (CDEM) Group Plan for Taranaki, and the Taranaki CDEM Group Business Plan for the 2007/2008 year, which outlines objectives and programmes for the year. The report describes the activities undertaken towards the achievement of the objectives and programmes set out in these reports. The report contains detailed information on operational matters and less emphasis on financial reporting which is covered in the Council's Long Term Council Community Plan and Annual Report.
5. The emergency management report was received by the Civil Defence Emergency Group at its meeting on 9 September 2008 and will be received by the Civil Defence Emergency Management Co-ordinating Executive Group at its meeting on 11 November.
6. Copies of the report will be sent to key stakeholders and will be made available to the public on request.

The report

7. A brief summary of the emergency management annual activity report follows.
8. The emergency management annual activity report reviews the performance of the CDEM Group and its achievements relating to its emergency management functions as set out in the Taranaki CDEM Group Plan for Taranaki and Taranaki CDEM Group

Business Plan for the 2007/2008 year, as well as the performance of Taranaki Regional Council staff in delivering the targets and performance measures of the Taranaki Regional Council's Long Term Council Community Plan.

9. The main activities of the CDEM Group for the 2007/2008 year were:
 - Completing a lifelines vulnerability study.
 - Responding to the severe weather events (tornadoes) on 4-5 July and 31 July 2007.
 - Assisting with evacuations and welfare in Patea as a result of the fire at the old Patea Freezing Works (6 February 2008).
 - Recruiting volunteers.
 - Participating in national exercises.
 - The development of the Taranaki Response Team.
10. The CDEM Group also continued to carry out the following activities in 2007/2008:
 - The regular convening of the Civil Defence Emergency Management Group and the Co-ordinating Executive Group to oversee the implementation of the Business Plan and the Civil Defence Emergency Management Group Plan for Taranaki 2004 (the Group Plan).
 - The advisory groups continued to meet throughout the year to provide input into the CDEM Plan process, and to provide support and specialist expertise across the "4 R's" - reduction of risks, readiness for events and response to and recovery from events.
 - The model of a single regional structure for the organisation and implementation of civil defence emergency management in Taranaki was continued.
 - Promotion of civil defence emergency management awareness and readiness within the community.
11. In addition, Emergency Management staff:
 - Responded to a total of 3 National Warning System test messages.
 - Delivered awareness programmes to 14 community groups.

Recommendations

THAT the Taranaki Regional Council:

1. receives this memorandum on the emergency management significant activity report for 2007/2008 ; and
2. adopts the emergency management annual report for 2007/2008.

GK Bedford
Director-Environment Quality

Approved:

B G Chamberlain
Chief Executive

ITEM SIX

15 September 2008

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**Memorandum to
Chairperson and Members
Executive Committee**

2008/2009 Insurance Programme

Purpose

1. The purpose of this memorandum is to inform Members on the placement of the Council's insurance needs for the 2008/2009 financial year.

Insurance Programme

2. The Council insures itself against various risks (detailed below). This insurance programme runs each year from 31 July to 31 July with the only exception being the combined liability cover, which runs from 30 June to 30 June. Prior to the completion of each insurance year, the Council reconfirms the risks it wishes to insure against and the levels of cover it wishes to retain. The Council's insurance brokers (Jardine Lloyd Thompson Limited) then seek quotes from the insurance market for the desired coverage. The rest of this memorandum outlines the risks covered, the coverage received, the insurer providing the coverage and the cost of the coverage. The 2007/08 figures are included in brackets to enable comparison.

Material damage

3. Coverage: Property anywhere in New Zealand—physical loss or damages.

Buildings	\$10,418,011	(\$9,616,711)
Plant/Contents	\$6,731,991	(\$6,467,041)
Deductible	\$2,500	(\$2,500)
Insurer:	NZLGIC	(NZLGIC)
Premium:	\$35,841	(\$34,706)

The buildings indemnity value has increased due to additions for Tupare and Hollards Gardens as per their approved asset management plans as well as general increases in asset indemnity values for other Council buildings.

The premium increase is due to the increase in asset indemnity values as well as a 4% increase in Fire Service Levies.

Business interruption

4. Coverage: Additional costs of operating administrative services arising from some form of business interruption.

Additional costs	\$350,000	(\$225,000)
Claim preparation costs	\$20,000	(\$20,000)
Indemnity period	24 months	(24 months)
Insurer:	NZLGIC	(NZLGIC)
Premium:	\$594	(\$432)

The additional costs of operating administrative services as a result of some form of business interruption has been at the same insured value for many years and it was decided that it would be prudent to increase it from \$225,000 to \$350,000 at an additional increase in premium of \$162.

Motor vehicles

5. Coverage: All fleet vehicles anywhere in New Zealand—accidental loss or damage and third party liability.

Deductible:	\$1,000—nil windscreen	(\$1,000—nil windscreen)
Insurer:	VERO	(NZLGIC)
Premium:	\$18,482	(\$16,406)

Personal accident

6. Coverage: Costs associated with the replacement of elected members and senior staff resulting from death by accident.

Elected members:	\$50,000	(\$50,000)
Middle managers:	\$50,000	(\$50,000)
Senior officers:	\$100,000	(\$100,000)
Insurer:	Ace Insurance NZ Ltd	(Ace Insurance)
Premium:	\$672	(\$671)

Emergency Management

7. Coverage: Civil defence management costs from a lawfully declared emergency.

Limit of indemnity:	\$500,000	(\$500,000)
Deductible	\$50,000	(\$50,000)
Insurer:	NZLGIC	(NZLGIC)
Premium:	\$9,755	(\$9,755)

Marine hulls

8. Coverage: Loss or damage to various hulls.

Sum insured:	\$24,350	(\$24,350)
Deductible:	\$200	(\$200)
Insurer:	NZLGIC	(NZLGIC)
Premium:	\$420	(\$421)

Fidelity guarantee

9. Coverage: Fidelity of employees—theft, fraud and embezzlement.

Indemnity:	\$250,000	(\$250,000)
Deductible:	\$2,500	(\$2,500)
Insurer:	NZLGIC	(NZLGIC)
Premium:	\$3,050	(\$3,050)

Travel Insurance

10. Coverage: All authorised travel by employees of the Council including spouse (including common-law) and families.

Aggregate limit of liability:		
For any one period of insurance	\$1,000,000	(\$1,000,000)
Non Scheduled aircraft	\$500,000	(\$500,000)
Deductible:	Nil	Nil
Insurer:	Ace Insurance	Ace Insurance
Premium:	\$650	(\$800)

Combined liability

11. Coverage: Legal liability arising from an occurrence causing accidental personal injury or property damage and associated legal costs. Legal liability arising from a negligent act, error or omission in advice (official's indemnity). The legal responsibilities of the Harbourmaster under the Harbours Act 1950 as well as Maritime Wreck Removal Costs.

Indemnity:	\$5,000,000	(\$5,000,000)
Deductible:	\$2,000	(\$2,000)
Professional Indemnity:	\$5,000,000	(\$5,000,000)
Deductible	\$10,000	(\$10,000)
Indemnity Harbourmaster:	\$20,000,000	(\$20,000,000)
Deductible:	\$25,000	(\$25,000)
Indemnity Wreck Removal Costs:	\$5,000,000	(\$5,000,000)
Deductible:	\$25,000	(\$25,000)
Insurer:	NZ Mutual Liability RiskPool	NZ Mutual Liability RiskPool
Premium:	\$28,000	(\$40,700)

Decision-making obligations

12. Part 6 (Planning, decision-making and accountability) of the Local Government Act 2002 has been considered and documented in the preparation of this agenda item. The recommendation made in this item complies with the decision-making obligations of the Act.

Policy considerations

13. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to the Local Government Act 2002.

Financial considerations

14. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Council Community Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Legal considerations

15. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Recommendation

THAT the Taranaki Regional Council:

1. notes the placement of insurance and coverage for material damage, business interruption, motor vehicles, personal accident, civil defence costs, marine hulls, fidelity guarantee and combined liability risks for the 2008/09 insurance year.

MJ Nield
Director—Corporate Services

Approved:

B G Chamberlain
Chief Executive