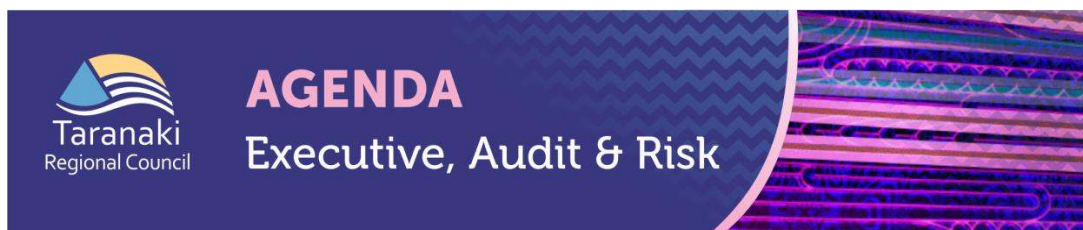




AGENDA

Executive, Audit & Risk

Monday 3 August 2020, 10am



Date: Monday 3 August 2020, 10am

Venue: Taranaki Regional Council chambers, 47 Cloten Road, Stratford

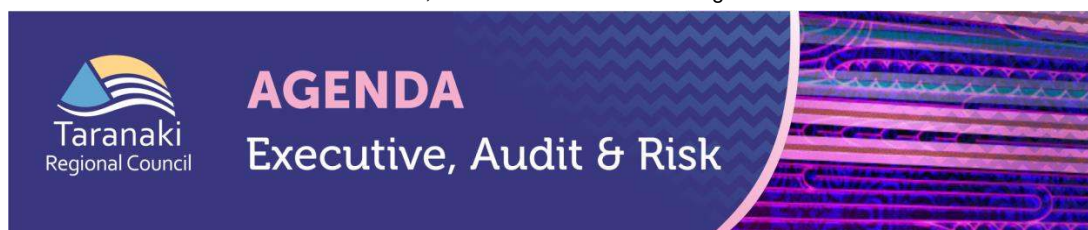
Members

Councillor N W Walker	(Committee Chairperson)
Councillor M J Cloke	
Councillor D L Lean	
Councillor C L Littlewood	
Councillor M J McDonald	
Councillor M P Joyce	(ex officio)
Councillor D N MacLeod	(ex officio)

Apologies

Notification of Late Items

Item	Page	Subject
	3	Purpose of the committee, membership and health and safety message
Item 1	5	Minutes - 22 June 2020
Item 2	8	Financial and Operational Report
Item 3	43	Adoption of Statements of Intent
Item 4	70	Port Taranaki Ltd: Draft Statement of Corporate Intent
Item 5	79	Regional Public Transport Plan
Item 6	134	Climate Change Strategy
Item 7	167	Public Excluded
Item 8	168	Public Excluded Minutes - 22 June 2020
Item 9	172	Consideration of 2019/2020 Annual Report
Item 10	121	Yarrow Stadium Update (Late item)



Purpose of Executive, Audit and Risk Committee

This committee handles all of the administrative and financial matters relating to Council's operations and works programme. Because these matters relate to all aspects of the Council, the membership is aimed to reflect the different aspects of Council's committee structure.

Responsibilities

Financial and expenditure

Capital expenditure

Work proposals and expenditure

Corporate services and personnel matters

Port Taranaki Ltd matters

General Contractual and other matters.

Membership of Executive, Audit and Risk Committee

Councillor N W Walker (Chairperson)

Councillor M J Cloke

Councillor M P Joyce (ex officio)

Councillor D L Lean

Councillor C L Littlewood

Councillor M J McDonald

Councillor D N MacLeod (ex officio)

Mr B Robertson (Independent - Yarrow Stadium)

Health and Safety Message

Emergency Procedure

In the event of an emergency, please exit through the emergency door in the committee room by the kitchen.

If you require assistance to exit please see a staff member.

Once you reach the bottom of the stairs make your way to the assembly point at the birdcage. Staff will guide you to an alternative route if necessary.

Earthquake

If there is an earthquake - drop, cover and hold where possible.

Please remain where you are until further instruction is given.



Date 3 August 2020

Subject: **Confirmation of Minutes - 22 June 2020**

Approved by: M J Nield, Acting Chief Executive

Document: 2537487

Resolves

That the Executive Audit and Risk Committee of the Taranaki Regional Council:

- a) takes as read and confirms the minutes of the Executive, Audit and Risk Committee of the Taranaki Regional Council held in the Taranaki Regional Council chambers, 47 Cloten road, Stratford on Monday 22 June 2020 at 10am
- b) notes the recommendations therein were adopted by the Taranaki Regional Council on 30 June 2020.

Matters arising

Appendices/Attachments

Document 2525079: Minutes Executive, Audit and Risk Committee - 22 June 2020



Date	22 June 2020, 10am
Venue:	Taranaki Regional Council chambers, 47 Cloten Road, Stratford
Document:	2525079

Members	Councillors	N W Walker M J Cloke D L Lean C L Littlewood M J McDonald D N MacLeod M P Joyce	Committee Chairperson <i>via zoom</i> ex officio ex officio
Attending	Messrs	B G Chamberlain M J Nield S R Hall	Chief Executive Director – Corporate Services Director - Operations
	Miss	L Davidson	Committee Administrator
	Mr	P Ledingham	Communications Adviser
Apologies	An apology was received from Mr B Robertson – Independent, Yarrow Stadium Project Steering Group. MacLeod/Cloke		
Notification of Late Items	There were no late items.		

1. Minutes – 17 February 2020

- 1.1 The minutes of the last meeting held Monday 17 February 2020 and the minutes from the ‘whole of committee’ meetings held Tuesday 7 April and Tuesday 19 May 2020 were attached.

Resolved

That the Executive, Audit and Risk Committee of the Taranaki Regional Council:

- receives the confirmed minutes of the Executive, Audit and Risk Committee meeting held at the Taranaki Regional Council, 47 Cloten Road, Stratford on Monday 17 February 2020
- receives the confirmed minutes of the Ordinary meeting of the Taranaki Regional Council held via audio-visual link (zoom) on Tuesday 7 April 2020 at 10.30am

- c) receives the unconfirmed minutes of the Ordinary meeting held via audio-visual link (zoom) on Tuesday 19 May 2020 at 10.30am.

Joyce/Lean

Matters Arising

There were no matters arising.

2. Financial and Operational Report

- 2.1 Mr M J Nield, Director – Corporate Services, spoke to the memorandum receiving information on the operational and financial performance of the Council and to confirm the use of Council’s common seal.
- 2.2 It was noted that the financial impact of Covid-19 on the Taranaki Regional Council has been minor at this stage.
- 2.3 The New Zealand Transport Agency is looking to accelerate the ticketing programme roll-out as a result from Covid-19 with the changes to people handling cash.
- 2.4 There were some positives that have come out of Covid-19 one of those being that staff can be more flexible about where they are working from. Those who are working out in the field can start and finish their day from home. This has also given the Council the opportunity to look at the accommodation review and revisit the needs.
- 2.5 A discussion was held around rates relief/remission and although New Plymouth District Council have indicated that they are offering no penalties on rates it has been made clear to the public that this is only for the New Plymouth District Council portion of their rates. Communication lines between the all the Taranaki councils are open and none of the councils have indicated any issues.

Recommends

That the Taranaki Regional Council:

- a) receives the memorandum and the April 2020 financial report
- b) approves the two common seal transactions:
- 2020/04 – Renewal of Lease – Todd Petroleum Mining Co Ltd – 89-105 Centennial Drive, New Plymouth
 - 2020/05 – Renewal of Lease – DM Mawson Family Trust – 41 Centennial Drive, New Plymouth.
- c) notes the Regional Integrated Ticketing System update
- d) notes the digital media update
- e) notes the health and safety reports for April and May 2020.

Walker/MacLeod

3. Quarterly Operational Report – March 2020

- 3.1 Mr M J Nield, Director – Corporate Services, spoke to the memorandum receiving and considering the Council’s Quarterly Operational Report (QOR) for the quarter ended 31 March 2020.

Recommends

That the Taranaki Regional Council:

- a) receives and adopts the Quarterly Operational Report for the quarter ended 31 March 2020.

Cloke/McDonald

4. Public Excluded

- 4.1 In accordance with section 48(1) of the *Local Government Information and Meetings Act 1987*, resolves that the public is excluded from the following part of the proceedings of the Executive, Audit and Risk Committee Meeting on Monday 22 June 2020 for the following reasons:

Item 5 - Confidential Minutes - 17 February 2020

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available 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.

Item 6 - Yarrow Stadium Project Steering Group Update

This Item is to be considered in Public Excluded as the public conduct of the whole or the relevant part of the proceedings would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available 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.

Item 7 - Wild for Taranaki Review

This Item is to be considered in Public Excluded as the public conduct of the whole or the relevant part of the proceedings would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available 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.

Lean/Joyce

There being no further business, the Committee Chairperson, Councillor N W Walker, declared the open meeting of the Executive, Audit and Risk Committee closed at 10.23am.

Confirmed

**Executive, Audit &
Risk Chairperson:** _____

N W Walker

3 August 2020



Date 3 August 2020

Subject: **Financial and Operational Report**

Approved by: M J Nield, Acting Chief Executive

Document: 2538871

Purpose

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

Recommendations

That the Taranaki Regional Council:

- a) receives the memorandum and the May 2020 financial report
- b) notes the Regional Integrated Ticketing System update
- c) notes the digital media update
- d) notes the health and safety reports for May 2020.

Background

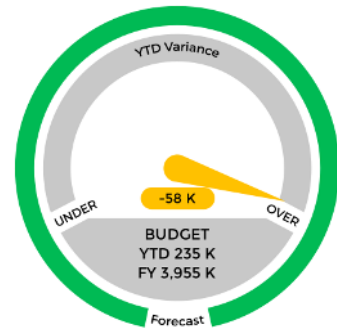
2. The Council produces a Monthly Financial Report outlining the financial performance for the month and year to date. This memorandum supports the Monthly Financial Report by providing additional supporting operational and financial information. The Common Seal is operated under delegated authority.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

Discussion

3. Attached is the Monthly Financial Report for May 2020.
4. In the "Financial Indicators Section", for revenue, expenditure and operating surplus/deficit, for the whole of the Council the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates an improving trend and a red down arrow indicates a deteriorating trend.

5. The financial performance pie graphs for operating expenditure and income show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of activities where the variance is within plus or minus 5% and less than \$50,000. The yellow slice indicates the number of activities where the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. The red slice indicates the number of activities where the variance is more than plus or minus 10% and more than \$100,000.
6. For each Group of Activities (Resource management, Biosecurity and biodiversity, Transport, Hazard management, Recreation culture and heritage, and Regional representation, advocacy and investment management, in the “Financial Indicators Section”, for revenue and expenditure, for that group of activities, the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates an improving trend and a red down arrow indicates a deteriorating trend.

7. In the “Operating Expenditure by Activity” section, there is a dial for each activity comparing YTD expenditure against budget and a forecast for the rest of the year. The colours are green – variance of less than plus or minus 5%, yellow – plus or minus variance of more than 5% but less than 10% and red – plus or minus variance of more than 10%. The key components of each dial are:



- The outer ring is the forecast for the rest of the year - green OK, yellow performance at risk, red target will not be achieved
 - The pointer indicates whether the variance is over or under budget and the colour indicates the scale of the variance - the actual variance figure sits at the bottom of the pointer
 - The YTD and full year (FY) budgets are included in the grey section.
8. Financially, the Council is in-line with the estimates established for 2019/2020 in the *2019/2020 Annual Plan*. At 31 May 2020, the overall financial result is ahead of budget. Significant income and expenditure variances (plus or minus \$100,000) are:
 - *Consent processing and administration* - \$197,963 under budget due to other departments spending less time on consent activities, reflecting the level of activity in this area.
 - *Compliance monitoring programmes* - \$237,696 over budget due to staff focus on monitoring and reporting.
 - *Resource investigations and projects* - \$232,841 under budget due to staff focus on compliance.
 - *Waitara River Catchment* - \$5,999,950 under budget due to Waitara Lands expenditure not occurring until after the establishment of the Waitara River Committee.

- *Enhancement grants* - \$292,754 over budget due to the timing of Fresh Water Improvement Fund expenditure and higher forestry STRESS expenditure than originally planned. This additional expenditure is offset by government grant revenue being \$429,922 over budget, as these grants are reimbursed by central government.
- *Resource management direct charges* - \$1,838,132 under budget mainly due to Waitara Lands reserve distributions being received more slowly than expected.
- *Biosecurity/pest management* - \$152,848 under budget mainly due to the timing of Predator Free project expenditure.
- *Biodiversity* - \$191,019 under budget mainly due to the timing of KNE and Predator Free project expenditure.
- *Biosecurity and biodiversity direct charges* - \$596,069 under budget mainly due to Predator Free 2050 funding being recognised on an accrual basis (as earned) rather than cash received.
- *Passenger transport* - \$469,461 under budget due to bus contract costs running lower than expected and lower depreciation due to the delay in the regional integrated ticketing project. This is forecast to continue all year.
- *Transport direct charges* - \$234,056 under budget due to bus revenue being down. This has been significantly impacted by Covid-19.
- *Transport government grants* - \$138,071 over budget due to Covid-19 lost passenger revenue being funded by NZTA.
- *Regional gardens* - \$175,886 under budget mainly due to a delay in the Kaitake Trail project funding.

Operational Report

9. Operationally, programmes are materially on target with the planned levels of activity established for 2019/2020 in the *2019/2020 Annual Plan*.

Regional Integrated Ticketing System

10. The RITS project continues to progress through its development and deployment.
11. Implementation across participating councils is gathering pace. Waikato Regional Council went live on 6 July 2020, with Bay of Plenty Regional Council, Horizons Nelson City Council and Hawkes Bay Regional Council all well on track to go live in late July through August. We are expecting to launch the Bee Card website for Taranaki in August and run an eight-week promotion campaign.
12. Resolution of financial back end issues continues to progress.
13. Project NEXT – the closing date for responses to the RFP has been extended to 21 August 2020, an additional 4 weeks. Other activities underway includes the setting up a commercial entity to deliver shared service functions and participation agreements.

Communications and Education

14. Communications activities are delivered across a range of channels including publications, media releases, advertising and digital media. Some recent highlights are:

- A story on Becky Dodunski, community support officer and mum, who has received huge praise from her local community in Eltham, as well as from across the region, for her trapping efforts in the town. The single post reached 4,569 people with 627 engagements.
- A post acknowledging the retirement of TRC's long-standing CE Basil Chamberlain. The post reached 3,444 people with 418 engagements.

Social Media by the Numbers

15. The total reach (non-unique users) across all six Facebook pages was 102,097 people. The total user engagement (where users liked, shared, clicked or commented) on our posts was 7,027. Our Facebook page followers have increased with a total of 171 more followers across our six pages from 12 June to 23 July 2020. Our Tweets reached 1,713 people.

Facebook page	Page followers	Reach	Engagement
TaranakiRegionalCouncil	4,730 (+37)	25,315	2,231
TaranakiPublicTransport	995 (+18)	7,693	221
Túpare	1,518 (+14)	13,636	828
Pukeiti	2,164 (+38)	24,709	1,509
Hollard Gardens	1,717 (+15)	7,781	372
Towards Predator-Free Taranaki	1,507 (+49)	22,963	1,866

Twitter profile	Followers	Impressions	Engaged
@TaranakiRC (TRC main)	1,862 (+3)	1,549	7

Top Facebook posts		Reach	Engaged
1	For long-time volunteers Tony and Anne Collins checking traps is a team effort. "We do it together. It's part of us, it's fun," Tony says. Over the years they've developed a well-oiled system. He deals with the traps, while Anne logs the catches. (Towards Predator-Free Taranaki)	7,069	276
2	Becky Dodunski is on a mission to help "bring nature back" to Eltham. A couple of years ago the community support officer and mum became concerned about introduced predators in the town.	4,569	627

	(Towards Predator-Free Taranaki)		
3	New Zealand's longest-serving local body chief was farewelled into retirement today, lauded for his 'extraordinary' contribution to the Taranaki community. Basil Chamberlain has been Chief Executive of the Taranaki Regional Council since it was established in 1989. (Taranaki Regional Council)	3,444	418
4	Almost 600,000 native plants were distributed to Taranaki farmers this week as part of our Riparian Management Programme - bringing the total to 6.2 million since the scheme began. That's a lot of plants! (Taranaki Regional Council)	2,929	506
5	Have you noticed more birds around lately? Well, now it's official! The annual Manaaki Whenua NZ Garden Bird Survey has shown a noticeable increase in native tūī, kererū, silveryeyes and pīwakawaka (fantails) around Taranaki over the last five years. (Toward Predator-Free Taranaki)	2,772	229
6	After all this rain, your warm, dry home might be looking pretty appealing to rats! So now's a great time to get yourself a trap, chuck on a raincoat and go set it in your backyard. (Towards Predator-Free Taranaki)	1,925	86
7	At Waitara High School, there's something special going on. From vegetable gardens to chicken runs, fruit and nut trees to freshly-baked bread, students are quietly creating sustainability projects with the goal of giving back. (Taranaki Regional Council)	1,782	158
8	A \$5 million Government funding boost will accelerate completion of the Transforming Taranaki riparian management programme, following more than 25 years of fencing and planting of waterways by Taranaki farmers. (Taranaki Regional Council)	1,686	177
9	Are you interested in playing a crucial role in sustainable resource use in Taranaki? We have a new vacancy for an Investigating Officer to join our team! For more details and to apply please visit: https://trc.careercentre.net.nz/Job/Investigating-Officer/Stratford/1285 . (Taranaki Regional Council)	1,608	115
10	Winter workshops are up and running across the three Taranaki Regional Gardens. Learn from our experts at one of	1,558	50

	the many gardening workshops, experience the birdlife at Pukeiti with the Towards Predator-Free Taranaki team, discover the history of the Chapman-Taylor architecture at Tūpare, and so much more! (Tūpare)		
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Top Tweets (from our TRC profile)		Impressions	Engaged
1	There's something special going on at Waitara High School.. Read the story (TRC)	231	7

Health and Safety

16. The Health and Safety report for June 2020 is attached.

Common Seal

17. There were no Common Seal transactions.

Decision-making considerations

18. 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*.

Financial considerations—LTP/Annual Plan

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

Policy considerations

20. 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 *Local Government Official Information and Meetings Act 1987*.

Iwi considerations

21. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan. Similarly, iwi involvement in adopted work programmes has been recognised in the preparation of this memorandum.

Legal considerations

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

Appendices/Attachments

Document 2545875: May 2020 Financial Report

Document 2542185: Health and Safety Report - June 2020



MAY 2020

MONTHLY FINANCIAL REPORT




TARANAKI REGIONAL COUNCIL





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Executive summary

Financial performance

FINANCIAL INDICATORS					
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%					
Total revenue		Operating expenditure		Operating surplus/deficit	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council’s activities:		Council’s total revenue less operating expenditure:	
Actual YTD:	Trend:	Actual YTD:	Trend:	Actual YTD:	Trend:
\$37.7M	\$2525.2K under budget 	\$33.3M	\$6972.1K under budget 	\$4.4M	\$4446.9K Over budget 
Against a YTD budget of \$40.3M and a full year budget of \$47.2M.		Against a YTD budget of \$40.4M and a full year budget of \$46.0M.		Against a YTD budget of \$-0.1M and a full year budget of \$1.2M.	

FINANCIAL PERFORMANCE			
Operating Expenditure		Income	
Actual	Forecast	Actual	Forecast
Financial Performance 	Future Performance 	Financial Performance 	Future Performance 

Commentary and variances

The overall financial result is ahead of budget. This is mainly due to Waitara Lands reserve expenditure not occurring till future financial years.

Key

This section defines the symbols and colours used in the Executive Summary and the Groups of Activities.

Introduction

In the "Financial Indicators Section", for revenue, expenditure and operating surplus/deficit, for the whole of the Council the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.

The financial performance pie graphs for operating expenditure and income show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of activities where the variance is within plus or minus 5% and less than \$50,000. The yellow slice indicates the number of activities where the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. The red slice indicates the number of activities where the variance is more than plus or minus 10% and more than \$100,000.

The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

For each Group of Activities:

In the "Financial Indicators Section", for revenue and expenditure, for that group of activities, the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.

In the "Operating Expenditure by Activity" section, there is a dial for each activity comparing YTD expenditure against budget and a forecast for the rest of the year. The colours are green – variance of less than plus or minus 5% and less than \$50,000, yellow – plus or minus variance of more than 5% and between \$50,000 and \$100,000 but less than 10% and red – plus or minus variance of more than 10% and \$100,000.

The key components of each dial are:

- The outer ring is the forecast for the rest of the year – green OK, yellow performance at risk, red target will not be achieved
- The pointer indicates whether the variance is over or under budget and the colour indicates the scale of the variance – the actual variance figure sits at the bottom of the pointer
- The YTD and Full Year (FY) budgets are included in the grey section.



The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities within that group of activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

Statement of comprehensive revenue and expense

This statement summarises performance against budget for the month and for the year to date.

	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Cost of services							
Resource management	2,241,578	4,184,657	1,943,079	13,514,431	19,425,668	5,911,237	22,735,911
Biosecurity and biodiversity	733,504	944,136	210,632	6,236,374	6,592,649	356,275	7,243,680
Transport	438,879	410,817	-28,062	3,944,836	4,428,421	483,585	4,854,430
Hazard management	110,008	79,352	-30,656	797,949	857,826	59,877	930,238
Recreation culture and heritage	1,268,824	1,318,320	49,496	7,062,667	7,217,922	155,255	7,569,128
Regional representation advocacy and investment management	198,871	171,075	-27,796	1,772,030	1,630,802	-141,228	1,759,900
Total operating expenditure	4,991,664	7,108,357	2,116,693	33,328,287	40,153,288	6,825,001	45,093,287
Revenue from exchange transactions							
Direct charges revenue	465,318	283,800	181,518	3,598,477	3,900,300	-301,823	4,169,590
Rent revenue	76,468	91,666	-15,198	1,091,473	1,008,326	83,147	1,100,000
Dividends	0	0	0	8,000,837	8,000,000	837	8,000,000
Revenue from non-exchange transactions							
General rates revenue	1,988,598	1,988,598	0	7,954,393	7,954,392	1	7,954,392
Targeted rates revenue	1,477,714	1,477,710	4	5,910,856	5,910,867	-11	5,910,867
Direct charges revenue	133,455	2,158,163	-2,024,708	7,492,316	9,930,304	-2,437,988	13,507,458
Government grants	340,327	241,456	98,871	3,306,009	2,738,016	567,993	3,277,474
Vested assets	0	0	0	0	0	0	0
Total income	4,481,881	6,241,393	-1,759,512	37,354,361	39,442,205	-2,087,844	43,919,781
Operating surplus/(deficit) before finance income/expenses & taxation	-509,783	-866,964	357,181	4,026,074	-711,083	4,737,157	-1,173,506
Finance income	29,604	326,693	-297,089	381,073	818,382	-437,309	3,286,719
Finance expense	0	-93,750	93,750	-40,399	-187,500	147,101	-937,500
Net finance expense	29,604	232,943	-203,339	340,674	630,882	-290,208	2,349,219
Operating surplus before taxation	-480,179	-634,021	153,842	4,366,747	-80,201	4,446,948	1,175,713
Other gains/losses							
Gains/(losses) on revaluation of properties	0	0	0	0	0	0	0
Operating surplus before taxation	-480,179	-634,021	153,842	4,366,747	-80,201	4,446,948	1,175,713
Income tax expense	0	0	0	0	0	0	10,000
Surplus/(deficit) for the period	-480,179	-634,021	153,842	4,366,747	-80,201	4,446,948	1,165,713
Other comprehensive income							
Revaluation of property, plant and equipment	0	0	0	0	0	0	0
Other comprehensive income, net of tax	0	0	0	0	0	0	0
Operating surplus/(deficit)	-480,179	-634,021	153,842	4,366,747	-80,201	4,446,948	1,165,713

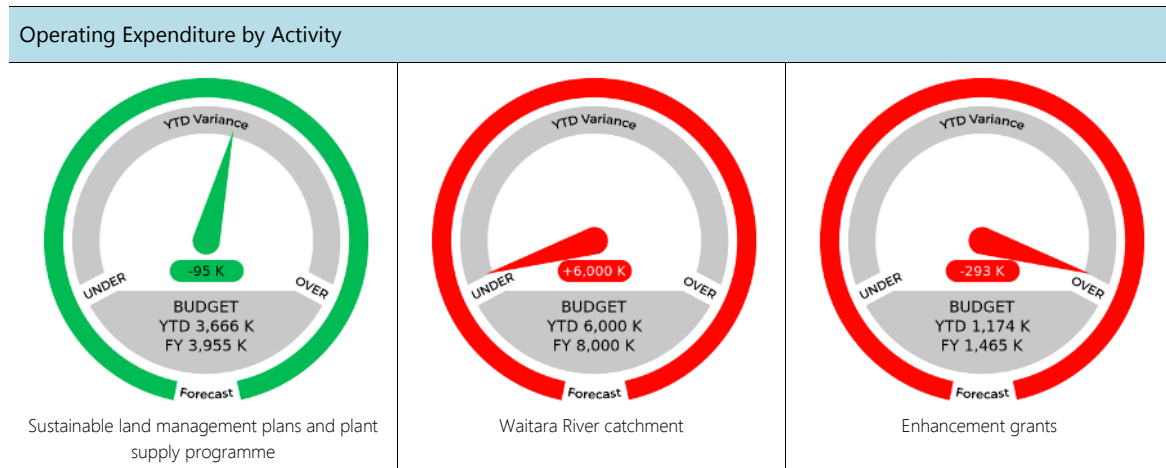
Resource management

Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$10.0M	\$1408.2K under budget ↓	\$13.5M	\$5911.2K under budget ↑
Against a YTD budget of 11.4M and a full year budget of 15.4M.		Against a YTD budget of 19.4M and a full year budget of 22.7M.	

Operating Expenditure by Activity		
<p>Resource management planning</p>	<p>Consent processing and administration</p>	<p>Compliance monitoring programmes</p>
<p>Pollution incidence and response</p>	<p>State of the environment monitoring</p>	<p>Resource investigations and projects</p>

RESOURCE MANAGEMENT



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall resource management expenditure is under budget. Material activity variances (> or < than \$100,000) are:

Consent processing and administration - \$197,963 under budget due to other departments spending less time on consent activities, reflecting the level of activity in this area.

Compliance monitoring programmes - \$237,696 over budget due to focus on monitoring and reporting.

Resource investigations and projects - \$232,841 under budget due to staff focus on compliance.

Waitara River catchment - \$5,999,950 under budget due to Waitara Lands expenditure not occurring until after the establishment of the Waitara River Committee.

Enhancement grants - \$292,754 over budget due to the timing of Fresh Water Improvement fund expenditure and higher forestry STRESS expenditure than originally budgeted. This additional expenditure is offset by government grant revenue being \$429,922 over budget, as these grants are largely reimbursed by central government.

Direct charges revenue - \$1,838,132 under budget mainly due to Waitara Lands reserve distributions being received more slowly than expected.

RESOURCE MANAGEMENT

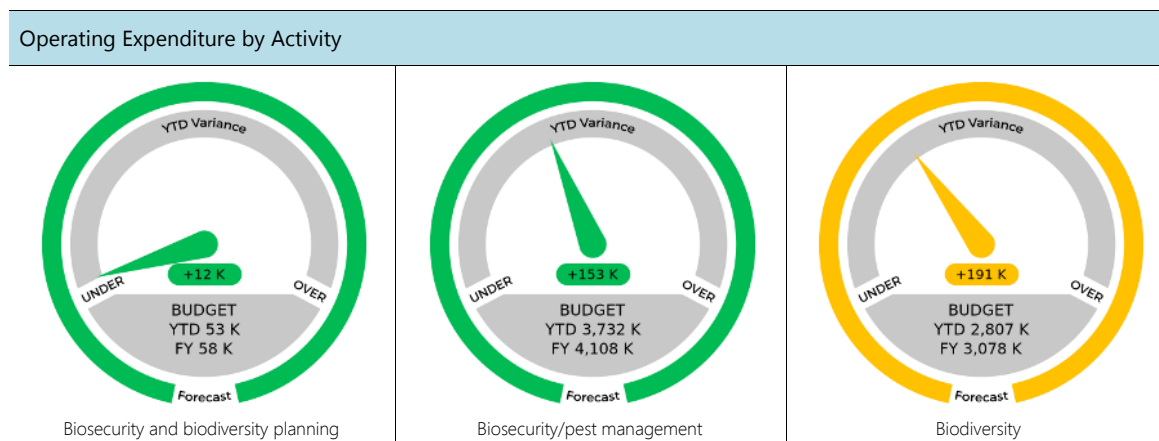
Cost of services statement

RESOURCE MANAGEMENT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Resource management planning	93,707	95,569	1,862	777,350	868,799	91,449	942,104
Consent processing and administration	113,327	113,789	462	837,502	1,035,465	197,963	1,122,850
Compliance monitoring programmes	421,296	332,610	-88,686	3,378,515	3,140,819	-237,696	3,407,947
Pollution incidents and response	92,721	100,146	7,425	919,913	909,544	-10,369	986,849
State of the environment monitoring	253,318	228,573	-24,745	2,182,548	2,207,549	25,001	2,396,113
Resource investigations and projects	22,697	40,193	17,496	190,550	423,391	232,841	459,991
Sustainable land management plans and plant supply programme	1,145,399	1,154,854	9,455	3,761,425	3,666,277	-95,148	3,954,815
Waitara River catchment	0	2,000,000	2,000,000	50	6,000,000	5,999,950	8,000,000
Enhancement grants	99,113	118,923	19,810	1,466,578	1,173,824	-292,754	1,465,242
Total expenditure	2,241,578	4,184,657	1,943,079	13,514,431	19,425,668	5,911,237	22,735,911
Income							
General rates	782,359	782,359	0	3,518,239	3,518,239	0	3,206,905
Direct charges	555,996	2,313,771	-1,757,775	8,550,315	10,388,447	-1,838,132	14,106,703
Government grants	89,082	83,333	5,749	1,428,585	998,663	429,922	1,302,000
Transfer from reserves	0	0	0	50	0	50	0
Transfer to reserves	-12,743	0	-12,743	-4,393,901	0	-4,393,901	0
Investment funds	826,883	1,005,194	-178,311	4,411,143	4,520,319	-109,176	4,120,303
Total income	2,241,578	4,184,657	-1,943,079	13,514,431	19,425,668	-5,911,237	22,735,911
Operating surplus/(deficit)	0	0	0	0	0	0	0

Biosecurity and biodiversity

Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$1.6M	\$596.1K under budget ↑	\$6.2M	\$356.3K under budget ↑
Against a YTD budget of 2.2M and a full year budget of 2.2M.		Against a YTD budget of 6.6M and a full year budget of 7.2M.	



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall biosecurity and biodiversity expenditure is under budget. Material activity variances (> or < than \$100,000) are:

Biosecurity/pest management - \$152,848 under budget mainly due to the timing of Predator Free project expenditure.

Biodiversity - \$191,019 under budget mainly due to the timing of KNE and Predator Free project expenditure.

Direct charges revenue is \$596,069 under budget mainly due to Predator Free 2050 funding being recognised on an accrual basis (as earned) rather than cash received.



BIOSECURITY AND BIODIVERSITY

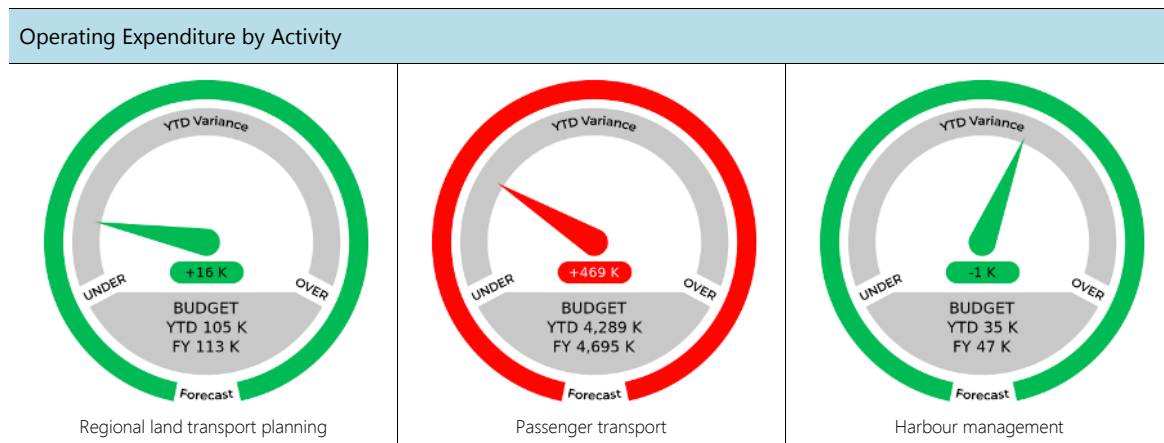
Cost of services statement

BIOSECURITY AND BIODIVERSITY							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Biosecurity and biodiversity planning	12,438	5,914	-6,524	40,811	53,219	12,408	57,710
Biosecurity/pest management	416,002	596,048	180,046	3,579,648	3,732,496	152,848	4,107,869
Biodiversity	305,065	342,174	37,109	2,615,915	2,806,934	191,019	3,078,101
Total expenditure	733,504	944,136	210,632	6,236,374	6,592,649	356,275	7,243,680
Income							
General rates	406,581	406,581	0	1,942,936	1,942,936	0	2,148,144
Direct charges	16,163	15,170	993	1,557,311	2,153,380	-596,069	2,168,545
Transfer from reserves	0	0	0	0	0	0	167,000
Transfer to reserves	0	0	0	0	0	0	0
Investment funds	310,760	522,385	-211,625	2,736,127	2,496,333	239,794	2,759,991
Total income	733,504	944,136	-210,632	6,236,374	6,592,649	-356,275	7,243,680
Operating surplus/(deficit)	0	0	0	0	0	0	0

Transport

Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$2.7M	\$96.0K under budget 	\$3.9M	\$483.6K under budget 
Against a YTD budget of 2.8M and a full year budget of 3.1M.		Against a YTD budget of 4.4M and a full year budget of 4.9M.	



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall transport expenditure is under budget. Material activity variances (> or < than \$100,000) are:

Passenger transport - \$469,461 under budget due to bus contract costs currently running lower than expected and lower depreciation due to the delay in the regional integrated ticketing project. This is forecast to continue all year.

Direct charges revenue - \$234,056 under budget due to bus fare revenue being down. This has been significantly impacted by Covid-19.

Government grants revenue - \$138,071 over budget mainly due to Covid-19 lost passenger revenue being funded by NZTA.

TRANSPORT

Cost of services statement

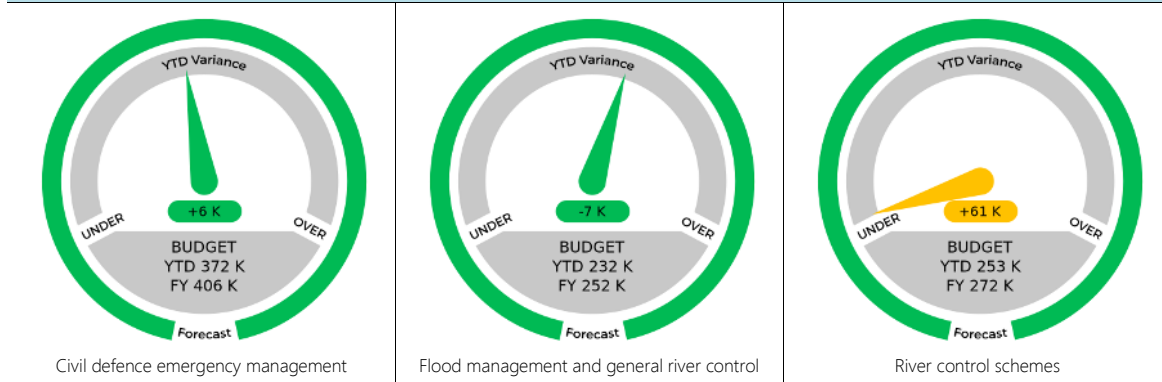
TRANSPORT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Regional land transport planning	13,447	11,774	-1,673	89,016	104,577	15,561	113,405
Passenger transport	425,433	398,918	-26,515	3,819,258	4,288,719	469,461	4,694,525
Harbour management	0	125	125	36,562	35,125	-1,437	46,500
Total expenditure	438,879	410,817	-28,062	3,944,836	4,428,421	483,585	4,854,430
Income							
General rates	-68,558	-68,558	0	160,624	160,624	0	197,288
Targeted rates	311,523	311,521	2	1,246,090	1,246,090	0	1,246,090
Direct charges	33,394	97,816	-64,422	841,920	1,075,976	-234,056	1,173,800
Government grants	251,245	158,123	93,122	1,877,424	1,739,353	138,071	1,975,474
Government grants for capital	0	0	0	0	0	0	0
Transfer from reserves	0	0	0	0	0	0	8,633
Transfer to reserves	0	0	0	0	0	0	-335
Investment funds	-88,724	-88,085	-639	-181,222	206,378	-387,600	253,480
Total income	438,879	410,817	28,062	3,944,836	4,428,421	-483,585	4,854,430
Operating surplus/(deficit)	0	0	0	0	0	0	0

Hazard management

Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$0.0M	\$0.2K over budget ↑	\$0.8M	\$59.9K under budget ↓
Against a YTD budget of 0.0M and a full year budget of 0.0M.		Against a YTD budget of 0.9M and a full year budget of 0.9M.	

Operating Expenditure by Activity



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall hazard management expenditure is under budget. There are no material activity variances (> or < than \$100,000).

HAZARD MANAGEMENT

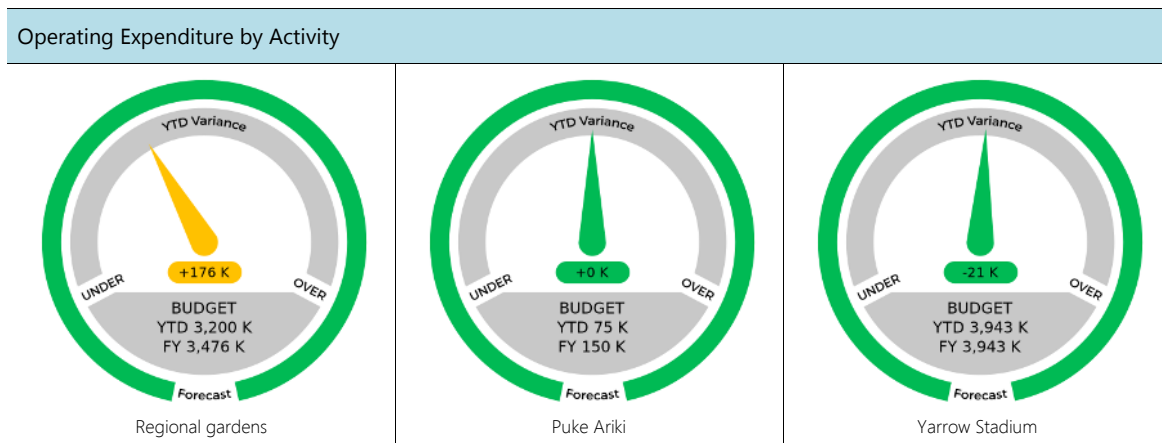
Cost of services statement

HAZARD MANAGEMENT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Civil defence emergency management	49,079	33,852	-15,227	365,927	372,372	6,445	406,221
Flood management and general river control	37,240	24,582	-12,658	239,494	232,089	-7,405	251,741
River control schemes	23,689	20,918	-2,771	192,528	253,365	60,837	272,276
Total expenditure	110,008	79,352	-30,656	797,949	857,826	59,877	930,238
Income							
General rates	-36,233	-36,233	0	91,590	91,590	0	144,420
Targeted rates	180,515	180,510	5	722,058	722,058	0	722,058
Direct charges	101	0	101	235	0	235	0
Government grants	0	0	0	0	0	0	0
Transfer from reserves	0	0	0	182,157	0	182,157	0
Transfer to reserves	-145,684	0	-145,684	-639,910	0	-639,910	-48,296
Investment funds	129,681	-46,554	176,235	515,315	117,674	397,641	185,552
Total income	128,379	97,723	30,656	871,445	931,322	-59,877	1,003,734
Operating surplus/(deficit)	18,371	18,371	0	73,496	73,496	0	73,496

Recreation, culture and heritage

Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● ≥5% and ● <10% ≥10%			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$0.2M	\$21.2K under budget ↓	\$7.1M	\$155.3K under budget ↑
Against a YTD budget of 0.2M and a full year budget of 0.2M.		Against a YTD budget of 7.2M and a full year budget of 7.6M.	



Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall recreation, culture and heritage expenditure is on budget. Material activity variances (> or < than \$100,000) are:

Regional gardens - \$175,886 under budget mainly due to a delay in the Kaitake Trail project.

RECREATION, CULTURE AND HERITAGE

Cost of services statement

RECREATION CULTURE AND HERITAGE							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Regional gardens	283,145	332,641	49,496	3,024,317	3,200,203	175,886	3,476,409
Puke Ariki	0	0	0	75,000	75,000	0	150,000
Yarrow Stadium	985,679	985,679	0	3,963,350	3,942,719	-20,631	3,942,719
Total expenditure	1,268,824	1,318,320	49,496	7,062,667	7,217,922	155,255	7,569,128
Income							
General rates	138,401	138,403	-2	1,354,417	1,354,419	-2	1,500,953
Targeted rates	985,677	985,679	-2	3,942,708	3,942,719	-11	3,942,719
Direct charges	5,128	16,418	-11,290	159,350	180,598	-21,248	197,000
Investment funds	139,617	177,820	-38,203	1,606,192	1,740,186	-133,994	1,928,456
Total income	1,268,824	1,318,320	-49,496	7,062,667	7,217,922	-155,255	7,569,128
Operating surplus/(deficit)	0	0	0	0	0	0	0

Regional representation, advocacy and investment management

Financial performance

FINANCIAL INDICATORS			
Financial threshold key (for adverse variances): ● $\geq 5\%$ and ● $< 10\% \geq 10\%$			
Total revenue		Operating expenditure	
What the Council earns – rates, charges, grants and investment income:		The costs to operate Council's activities:	
Actual YTD:	Trend:	Actual YTD:	Trend:
\$0.1M	\$46.4K over budget ↓	\$1.8M	\$141.2K over budget ↓
Against a YTD budget of 0.0M and a full year budget of 0.0M.		Against a YTD budget of 1.6M and a full year budget of 1.8M.	

Operating Expenditure by Activity		
<p>Investment management</p>	<p>Community engagement</p>	<p>Advocacy and response</p>
<p>Governance</p>	<p>Key</p> <ul style="list-style-type: none"> YTD Variance ■ $< 5\%$ and less than \$50,000 ■ $\geq 5\% < 10\%$ and between \$50,000 and \$100,000 ■ $\geq 10\%$ and greater than \$100,000 	

Commentary and variances

Overall regional representation and advocacy expenditure is over budget. There are no material activity variances ($>$ or $<$ than \$100,000).

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT

Cost of services statement

REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT							
	Month			Year to date			2019/2020
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Investment management	0	500	500	0	5,500	5,500	6,000
Community engagement	52,451	35,267	-17,184	357,787	323,106	-34,681	350,835
Advocacy and response	35,030	29,347	-5,683	363,478	263,881	-99,597	286,139
Governance	111,390	105,961	-5,429	1,050,765	1,038,315	-12,450	1,116,926
Total expenditure	198,871	171,075	-27,796	1,772,030	1,630,802	-141,228	1,759,900
Income							
General rates	73,744	73,744	0	701,319	701,319	0	756,690
Direct charges	195	2,583	-2,388	74,849	28,413	46,436	31,000
Investment funds	124,933	94,748	30,185	995,862	901,070	94,792	972,210
Total income	198,871	171,075	27,796	1,772,030	1,630,802	141,228	1,759,900
Operating surplus/(deficit)	0	0	0	0	0	0	0

Statement of financial position

This statement summarises the Council's assets, liabilities and residual equity. The statement is split between current items (those expected to be realised within 12 months) and non-current items (expected to last longer than 12 months).

	Month End Actual \$	2019/2020 Estimates \$	2018/2019 Annual Report \$
Current Assets			
Cash and cash equivalents	5,437,826	1,855,374	4,393,819
Current portion of investments	-	-	8,363,322
Trade and other receivables	5,296,434	2,000,000	3,633,349
Inventories	200,000	-	23,900
Prepayments	305,295	100,000	226,176
Taxation refundable	-	-	5,109
Work in progress	442,609	400,000	172,004
Total current assets	11,682,165	4,355,374	16,817,679
Non-current assets			
Treasury investments	12,658,749	6,900,000	2,625,250
Port Taranaki Ltd	26,000,000	26,000,000	26,000,000
Civic Assurance Ltd	1,000	1,000	1,000
Regional Software Holdings Ltd	798,118	798,118	798,118
Loan to Taranaki Stadium Trust	4,000,000	22,870,781	-
Intangible assets	831,863	1,531,576	1,069,117
Investment properties	18,513,000	17,380,500	18,513,000
Property plant and equipment	32,597,544	33,446,828	31,179,780
Deferred tax asset	42,051	-	42,051
Total non-current assets	95,442,325	108,928,803	80,228,316
Total assets	107,124,490	113,284,177	97,045,995
Current liabilities			
Trade and other payables	6,941,769	2,500,000	5,597,421
Work-in-progress	1,036,084	600,000	725,841
Employee entitlements current	1,163,288	935,000	1,106,133
Total current liabilities	9,141,141	4,035,000	7,429,395
Non-current liabilities			
Employee entitlements term	778,300	800,000	778,300
Borrowings	4,000,000	22,870,781	-
Total non-current liabilities	4,778,300	23,670,781	778,300
Total liabilities	13,919,441	27,705,781	8,207,695
Public equity			
Retained earnings	69,222,944	70,211,686	69,707,799
Reserves	19,152,795	10,857,372	14,301,191
Asset revaluation reserves	4,829,310	4,509,338	4,829,310
Total public equity	93,205,049	85,578,396	88,838,300
Total liabilities and equity	107,124,490	113,284,177	97,045,995

Commentary and variances

Reserves have increased significantly due to Waitara Lands reserve distributions.

Capital expenditure and disposals

Capital expenditure in excess of \$10,000 for the month was:

DESCRIPTION	AMOUNT \$
Pukeiti Family Hut WIP	34,694
Pukeiti Tramline WIP	33,452
Pukeiti Canopy Walk WIP	35,355

Fixed asset disposals in excess of \$10,000 for the month were:-

DESCRIPTION	AMOUNT \$
Nil	

Local Authorities (Members' Interests) Act 1968

Additions to the *Creditors Detail List* for the month were:

CODE	CREDITOR NAME	ADDRESS	DATE ESTABLISHED
3423	Mech Eng Ltd	P O Box 50, Oakura	04-May-20
3424	Bruce, Mr Ivan	33 Scott Street, New Plymouth	05-May-20
3425	Philip Joseph & Irene Glenda Mullan	442 Kina Road, Opunake	05-May-20
3426	Ministry of Social Development	P O Box 12136, Wellington	06-May-20
3427	Visualcraft Ltd	P O Box 301461, Albany, Auckland	07-May-20
3429	Canaan Trust	234 Smart Road, Hillsborough	20-May-20
3430	Glendalough Family Farms Limited	408 Dalziell Road, Eltham	22-May-20
3431	Beca Limited	P O Box 264, New Plymouth	22-May-20
3432	GHD Limited	P O Box 6543, Auckland	25-May-20
3433	Bluemarble	32 Egmont Street, New Plymouth	25-May-20
3434	Vertical Horizontz New Zealand Limited	P O Box 15030, Tauranga	28-May-20
3435	King & Queen Hotel	Cnr King and Queen Sts, New Plymouth	28-May-20

Notes:

1. The schedule of all previously listed creditors for the purpose of the Local Authorities (Members' Interests) Act 1968 is available for Members' perusal.
2. The schedule excludes any staff who may have become a creditor.
3. Under the terms of Section 6 and Section (1) of the Local Authorities (Members' Interests) Act 1968, members are required to declare if they hold directly or indirectly, a pecuniary interest other than an interest in common with the public.

Financial delegations

The following payments were made during the period to 31 May 2020 that exceeded the budgeted approved delegated authority levels:

DESCRIPTION	AMOUNT \$
Nil	

Aged debtors analysis

The total debtors outstanding at 31 May 2020 were aged as follows:

DESCRIPTION	AMOUNT \$	PERCENT %
Current balance	4,148,910	90
30 days balance	75,065	2
60 days balance	49,401	1
90 days and over balance	315,309	7
Total debtors	4,588,685	100

Reserves

As at 31 May 2020 the following reserve balances were held:

DESCRIPTION	AMOUNT \$
Contingency/Disaster Reserve	1,086,000
North Taranaki/Waitara River Control Scheme Reserve	1,605,377
South Taranaki Rivers Control Scheme Reserve	(4,467)
Dividend Equalisation Reserve	6,834,063
Passenger Transport Rate Reserve	8,179
Egmont National Park Control Reserve	498,000
Endowment Land Sales Reserve	2,170,000
Waitara Lands Act 2018 Reserve	6,955,643
Total reserves	19,152,795

Bank and investment balances

As at 31 May 2020 the following cash, bank and investment balances were held:

	% OF TOTAL	INVESTED \$	YIELD %	MATURITY DATE
Bank of New Zealand:				
Call Account	8	1,516,708	0.3	On Call
Current accounts	3	602,674	0.1	On Call
Waitara Lands Account		1,045	0.1	On Call
Subordinated Notes	6	1,008,857	5.3	17/12/2025
TSB Bank:				
Cheque Accounts		631		On Call
Call Account	18	3,306,607	0.5	On Call
Term Investment	9	1,633,745	3.6	09/04/2021
ASB Bank:				
Cheque Account		9,808		On Call
Term Investment	6	1,037,957	2.8	01/08/2020
Term Investment	11	2,023,946	1.6	14/07/2020
Term Investment	12	2,101,399	1.9	07/11/2020
Westpac:				
Waitara Lands Account		353	0.1	On Call
Waitara Lands Term Investment	12	2,222,374	2.9	22/07/2020
Waitara Lands Term Investment	15	2,630,472	2.4	06/10/2020
Total	100	18,096,575	2.7*	

All investments are in accordance with the *Investment Policy*. * Weighted average interest rate.

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Health and Safety Dashboard

Reporting Period:

1 June – 30 June 2020

Incidents (1 July 2019 – 30 June 2020)

Illness 0 (0)	Incidents 1 (28)	Injury 4 (29)
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ACC Claims 1 (7)	Near Miss 3 (58)	Notifiable 0 (0)
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Types of Incidents and Injuries

Slips/Trips/Falls (no injury)	-	No Treatment	-
Sprains/Strains	-	First Aid	-
Cuts/Abrasions	-	Medical Centre	1
Bruising	3	Physiotherapy	-
Near Miss	3	Hospital	-
Vehicle Damage	1	Formal Investigation	-
Insect Stings	-	WorkSafe Investigation	-
Other	1		

Health and Wellbeing

Workstation Assessments 7

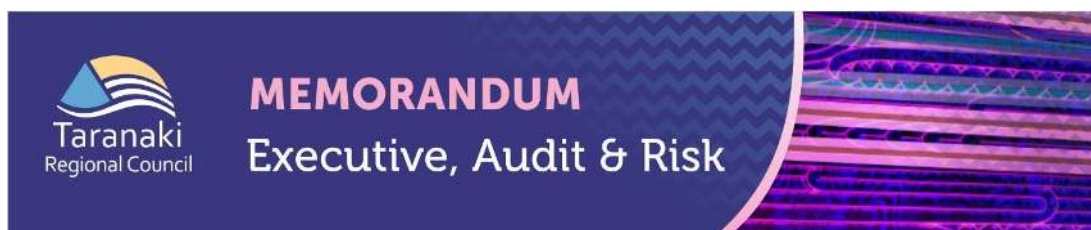
Health Monitoring Assessments 30
Pre-employment assessments 5

Wellness Initiatives
Flu Vaccinations - 83

2 return to work plans currently in place
(1 non-work related)

Health and Safety Objectives Update

Health & Safety Committee Meetings 1 Workers Committee meetings	Hazard reviews completed: 34
Evacuation practice: Due in August	Pandemic Plan still in place
2020/2021 Wellness Plan developed	WSMP Status: Tertiary Self-Audit – completed December 2019
Health and Safety training days: 6	2020/2021 Health and Safety plan adopted



Date 3 August 2020

Subject: **Adoption of Statements of Intent**

Approved by: M J Nield, Acting Chief Executive

Document: 2536115

Purpose

1. The purpose of this memorandum is to adopt the finalised statements of intent for the Taranaki Stadium Trust and Regional Software Holdings Ltd.

Recommendations

That the Taranaki Regional Council:

- a) adopts the finalised 2020/2021 Statement of Intent for the Taranaki Stadium Trust
- b) adopts the finalised 2020/2021 Statement of Intent for Regional Software Holdings Ltd.

Background

2. Council controlled organisations (CCO) are required to deliver a draft statement of intent by 1 March preceding the year the statement relates to. The Council provides its feedback on the draft statements and each CCO must furnish a completed statement of intent by 30 June. The *Local Government Act 2002* has been amended to require councils to formally adopt the completed statements of intent, to publish them on their website and retain them on the website for a period of up to seven years.

Discussion

3. The Council has previously received, considered and provided feedback to the Taranaki Stadium Trust and Regional Software Holdings Ltd on their draft statements of intent. The finalised statements of intent are attached. The Council now needs to adopt them and publish them.

Decision-making considerations

4. 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*.

Financial considerations—LTP/Annual Plan

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

Policy considerations

6. 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 *Local Government Official Information and Meetings Act 1987*.

Iwi considerations

7. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan. Similarly, iwi involvement in adopted work programmes has been recognised in the preparation of this memorandum.

Legal considerations

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

Appendices/Attachments

Document 2437809: Taranaki Stadium Trust Statement of Intent

Document 2438306: Taranaki Stadium Trust Statement of Intent Estimates

Document 2523831: Regional Software Holdings Ltd Statement of Intent

TARANAKI STADIUM TRUST STATEMENT OF INTENT FOR THE YEAR TO 30 JUNE 2021

Document: 2437809

The Taranaki Stadium Trust (the Trust) is a charitable trust, incorporated in New Zealand, under the *Charitable Trusts Act 1957*. The Trust is a council-controlled organisation, as defined by section 6 of the *Local Government Act 2002*, of the Taranaki Regional Council. The Trust owns Yarrow Stadium (the Stadium) land, building and facilities. The operation of the stadium is carried out by the New Plymouth District Council (the Council) in accordance with a Management Agreement between the two parties.

Objectives

The fundamental objective of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of the Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council to advance this purpose.

The Trust was formed to take over the former Rugby Park and redevelop it into a quality venue for the benefit of the wider Taranaki region. The provision of the stadium facilities contributes to the overall infrastructure of the region and provides economic stimulus from events held at the stadium, particularly sporting events that encourage safe and healthy living.

Vision

The vision for Yarrow Stadium is:

- The best regional stadium in New Zealand that regularly hosts national and international sports and entertainment events.
- A stadium for both major events and community events and the premier outdoor field for team sports codes.
- A stadium that is loved by sports fans and the local community.
- A stadium that is a quality experience for event promoters, participants and spectators, which is achieved through superior event facilities, presentation and management and through the early adoption and smart use of technology.

Governance

The Trust is managed by Trustees (2) who are appointed by the Taranaki Regional Council in accordance with the Trust Deed.

Nature and Scope of Activities to Be Undertaken

The Taranaki Regional Council, the New Plymouth District Council and the Trust operate the Stadium in a partnership arrangement.

The Taranaki Regional Council provides funding for the long-term maintenance and development of the Stadium.

The New Plymouth District Council provides funding for the ongoing operation of the Stadium. The operation of the Stadium is undertaken by the New Plymouth District Council, in accordance with a Management Agreement with the Trust.

Ratio of Shareholder's Funds to Total Assets

The ratio of equity to total assets is expected to be greater than 20%. The Trust's equity includes:

- Accumulated funds
- Asset revaluation reserves.

The Trust's assets include the Yarrow Stadium building, land, furniture and fittings.

Accounting Policies

The policies will be consistent with:

- The Financial Reporting Act 1993
- New Zealand Generally Accepted Accounting Practice (NZ GAAP)
- PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)

The full accounting policies are attached as Appendix 1.

Performance Targets

The Trust's performance will be judged against the following measures:

1. The presence of a Management Agreement with the New Plymouth District Council for the operation of the Stadium
2. The provision of funding for a programme of agreed maintenance and long-term development of the Stadium. The programme of maintenance and long-term development is to be agreed upon by the Taranaki Regional Council and the New Plymouth District Council.

Distribution Policy

As the Trust is a charitable trust, no distributions are planned.

Information to be provided

The following information will be made available:

- A draft Statement of Intent (including budget financial information) prior to 1 March of each year.
- A Statement of Intent (including budget financial information) prior to the commencement of each financial year.
- A six monthly report on operations, including a comparison against the Statement of Intent, within two months after the six monthly reporting period.
- An annual report for the year, which will also be made available to the public within two months after the end of each financial year.

Procedures for Share Acquisitions

The Trust will not acquire or subscribe for any share issues.

Activities for which Compensation is Sought

The Taranaki Regional Council will fund the Trust for the maintenance and long-term development of the Stadium and the operation of the Trust. There are currently no other activities for which compensation is sought from the Taranaki Regional Council.

There are currently no activities for which compensation is sought from the New Plymouth District Council. It is noted that under the current Management Agreement, the New Plymouth District Council is responsible for funding the operational costs of the Stadium.

Commercial Value of the Trust's Investment

The commercial value of the Trust's investment is estimated as equal to the Trust's equity. This is based on the following:

- The rationale that the Trust is a going concern;
- The assets are carried at their current net value, as determined by independent valuers on a three yearly revaluation cycle, the next occurring as at 30 June 2020.

This estimate will be re-assessed in the same manner on an annual basis. At 30 June 2019, the equity was recorded at \$12,109,734 (30 June 2018: \$11,190,115).

Other Matters

There are no other matters.

Appendix 1: Statement of Accounting Policies

Reporting entity

The Taranaki Stadium Trust (the Trust) is a charitable trust incorporated in New Zealand under the *Charitable Trusts Act 1957* and is domiciled in New Zealand. The Trust is controlled by the Taranaki Regional Council and is a Council Controlled Organisation as defined under section 6 of the *Local Government Act 2002*, by virtue of the Council's right to appoint the Board of Trustees.

Rather than making a financial return, the primary objective of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council. The Trust has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

Basis of preparation

Measurement base

The financial statements have been prepared on a historical costs basis, modified by the revaluation of certain fixed assets.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

New and amended accounting standards adopted

There have been no new or amended accounting standards adopted for the year ended 30 June 2019.

Changes in accounting policies

There have been no changes in accounting policies for the year ended 30 June 2019.

Significant accounting policies

The following is a summary of the significant accounting policies, adopted by the Trust, in the preparation of these financial statements.

Goods and services tax

The Trust is registered for Goods and Services Tax (GST). The financial statements have been prepared exclusive of GST, with the exception of receivables and payables, which are stated inclusive of GST. The net amount of GST, recoverable from or payable to the Inland Revenue Department (IRD), is included as part of receivables or payables, in the statement of financial position. The net amount of GST, paid to or received from the IRD, is classified as an operating cash flow, in the statement of cash flows.

Revenue

Council grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met (“use or return condition”). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Interest revenue is recorded as it is earned during the year.

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings, as a current liability, in the statement of financial position.

Investments

Investments comprise investments in terms deposits with banks. Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Debtors and other receivables

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Property, plant and equipment

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses with the exception of land and buildings which is recorded at valuation. Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised. For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount. For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Accounting for revaluations

The Trust elects to apply PBE IPSAS 17 *Property, Plant and Equipment* for the purposes of accounting for revaluations.

When an item of property, plant and equipment is revalued, any accumulated depreciation, at the date of the revaluation, is eliminated against the gross carrying amount of the asset. Then, the net amount is restated, to reflect the revaluation.

If the carrying amount of an item of property, plant and equipment increases, as the result of a revaluation, the increase shall be recognised in the asset revaluation reserve, within other comprehensive income. However, the increase shall be recognised in the surplus or deficit, to the

extent that it reverses a revaluation decrease, of the same asset, previously recognised in the surplus or deficit.

If the carrying amount of an item of property, plant and equipment decreases, as the result of a revaluation, the decrease shall be recognised in the surplus or deficit. However, the decrease shall be recognised in the asset revaluation reserve, within other comprehensive income, to the extent of any credit balance in the revaluation reserve, in relation to that asset.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

In accordance with the Trust's Statement of Intent for the year to 30 June 2019, property, plant and equipment is revalued on a three yearly cycle, with the latest occurring as at 30 June 2017.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential, associated with the item, will flow to the Trust, and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment will be recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it will be recognised at fair value as at the acquisition date.

Disposals

Gains and losses on disposal are determined by comparing proceeds received, with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit. When revalued assets are sold, amounts included in the asset revaluation reserve, in relation to those assets, will be transferred to accumulated funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised if, and only if, it is probable that future economic benefits or service potential, associated with the item, will flow to the Trust, and the cost of the item can be measured reliably.

Impairment of property, plant and equipment

The carrying values of property, plant and equipment are reviewed annually for impairment, with reference to internal and external factors which may indicate the carrying value exceeds depreciated replacement cost. The Trust elects to apply *Impairment of Revalued Assets including Amendments to PBE IPSASs 21 and 26* for the purposes of the impairment recognised in note 6. Any significant impairment is recognised by writing the assets down to their depreciated replacement cost and charging the impairment to the relevant revaluation reserve or to the surplus or deficit, where there is no revaluation reserve. If an asset's carrying value exceeds its recoverable amount, the asset is impaired, and the carrying amount is written down to the recoverable amount. In relation to revalued assets, the impairment loss is recognised against the revaluation reserve, for that asset class. Where that results in a debit balance, in the revaluation reserve, the balance is recognised in the surplus or deficit. In relation to assets that are not revalued, the total impairment is recognised in the surplus or deficit.

Depreciation and amortisation expense

Depreciation is provided on a straight-line basis, at rates that will write-off the cost or valuation of assets, to their estimated residual values, over their useful lives. The rates of depreciation are as follows:

Buildings	1.25% to 6.67% per annum
Furniture, fittings and equipment	6.67% to 25.00% per annum
Office Equipment	15.00% to 30.00% per annum

The residual value and the useful life of an asset is reviewed, and adjusted if applicable, at the end of each financial year.

Creditors and other payables

Creditors and accrued expenses are measured at the amount owed.

Income tax

The Trust has been granted Charitable Status by the IRD and therefore, is exempt from income tax.

Loans

Loans are recognised at the amount borrowed from the lender. Loan balances include any interest accrued at year-end that has not yet been paid.

Critical accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the actual results.

Estimates and assumptions are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the value of assets and liabilities, within the next financial year, are discussed below:

Property, plant and equipment useful lives and residual values:

At each balance date, the Trust reviews the useful lives and residual values of its property, plant and equipment. To assess whether the useful lives and residual values are appropriate, the Trust considers a number of factors, such as, the physical condition of the asset, the expected period of use of the asset, and the expected disposal proceeds, from future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset and will therefore, impact depreciation expense in the statement of comprehensive income, and the carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this uncertainty through physical inspection of assets. The Trust has made an impairment assessment with regard to the East and West Stands in the last financial year – refer note 6.

Going concern

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future. As at 30 June 2019, the Trust's current liabilities exceeded its current assets by \$6,653,937. This is the result of \$3,915,290 of borrowings from a revolving facility and \$2,709,360

of payables relating to the remediation project on Yarrow Stadium. The Trust is funded by Taranaki Regional Council to maintain Yarrow Stadium as a community asset.

Taranaki Regional Council has provided a letter of support to ensure that the Trust will continue to be provided financial support to enable it to pay its debts as they fall due. Taranaki Regional Council have also secured the \$50 million funding through borrowings that is required to repair the assets and the stadium as outlined in the 2019/2020 Annual Plan.

Taranaki Stadium Trust
Statement of Financial Performance
For the Three Years Ended 30 June 2021, 30 June 2022 and 30 June 2023

	Budget 2021	Budget 2022	Budget 2023
	\$	\$	\$
Income			
Taranaki Regional Council Grant	3,942,719	3,942,719	3,942,719
Interest received	0	0	0
Total income	<u>3,942,719</u>	<u>3,942,719</u>	<u>3,942,719</u>
Expenditure			
Depreciation and amortisation expense	900,000	900,000	1,900,000
Major maintenance	20,000	20,000	50,000
Interest	427,426	632,121	810,182
Insurance	70,000	74,290	101,080
Other expenses	10,000	10,200	10,400
Total expenses	<u>1,427,426</u>	<u>1,636,611</u>	<u>2,871,662</u>
Surplus/(deficit) before tax	<u>2,515,293</u>	<u>2,306,108</u>	<u>1,071,057</u>
Income tax expense	0	0	0
Total comprehensive income	<u>2,515,293</u>	<u>2,306,108</u>	<u>1,071,057</u>

Taranaki Stadium Trust
Statement of Changes in Equity
For the Three Years Ended 30 June 2021, 30 June 2022 and 30 June 2023

	Budget 2021	Budget 2022	Budget 2023
	\$	\$	\$
Balance at 1 July	14,480,000	16,995,293	19,301,401
Surplus/(Deficit) for the year	2,515,293	2,306,108	1,071,057
Other comprehensive income	0	0	0
Total comprehensive income	<u>2,515,293</u>	<u>2,306,108</u>	<u>1,071,057</u>
Balance at 30 June	<u>16,995,293</u>	<u>19,301,401</u>	<u>20,372,458</u>

Taranaki Stadium Trust
Statement of Financial Position
For the Three Years Ended 30 June 2021, 30 June 2022 and 30 June 2023

	Budget 2021	Budget 2022	Budget 2023
	\$	\$	\$
Assets			
Current assets			
Cash and cash equivalents	61,074	73,202	85,179
Debtors and other receivables	0	0	0
Total current assets	<u>61,074</u>	<u>73,202</u>	<u>85,179</u>
Non-current assets			
Property, plant and equipment	39,100,000	53,200,000	61,300,000
Total non-current assets	<u>39,100,000</u>	<u>53,200,000</u>	<u>61,300,000</u>
Total assets	<u><u>39,161,074</u></u>	<u><u>53,273,202</u></u>	<u><u>61,385,179</u></u>
Liabilities			
Current liabilities			
Creditors and other payables	100,000	100,000	100,000
Total current liabilities	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Non-current liabilities			
Loan	22,065,781	33,871,801	40,912,721
Total non-current liabilities	<u>22,065,781</u>	<u>33,871,801</u>	<u>40,912,721</u>
Total liabilities	<u><u>22,165,781</u></u>	<u><u>33,971,801</u></u>	<u><u>41,012,721</u></u>
Net assets	<u><u>16,995,293</u></u>	<u><u>19,301,401</u></u>	<u><u>20,372,458</u></u>
Equity			
Accumulated funds	16,025,293	18,331,401	19,402,458
Asset Revaluation Reserve	970,000	970,000	970,000
Total equity attributable to the trust	<u><u>16,995,293</u></u>	<u><u>19,301,401</u></u>	<u><u>20,372,458</u></u>

Taranaki Stadium Trust
Statement of Cash Flows
For the Three Years Ended 30 June 2021, 30 June 2022 and 30 June 2023

	Budget 2021 \$	Budget 2022 \$	Budget 2023 \$
Cash flows from operating activities			
Receipts from other revenue	3,942,719	3,942,719	3,942,719
Interest received	0	0	0
Payments to suppliers	(100,000)	(104,490)	(161,480)
Interest paid on the overdraft and bank fees	0	0	0
Goods and services tax (net)	0	0	0
Net cash from operating activities	<u>3,842,719</u>	<u>3,838,229</u>	<u>3,781,239</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	<u>(20,000,000)</u>	<u>(15,000,000)</u>	<u>(10,000,000)</u>
Net cash from investing activities	<u>(20,000,000)</u>	<u>(15,000,000)</u>	<u>(10,000,000)</u>
Cash flows from financing activities			
Loans raised	20,000,000	15,000,000	10,000,000
Interest paid	(427,426)	(632,121)	(810,182)
Repayment of borrowings	(3,404,219)	(3,193,980)	(2,959,080)
Net cash from financing activities	<u>16,168,355</u>	<u>11,173,899</u>	<u>6,230,738</u>
Net (decrease)/Increase in cash, cash equivalents and bank overdrafts	11,074	12,128	11,977
Cash, cash equivalents and bank overdrafts at the beginning of the year	50,000	61,074	73,202
Cash, cash equivalents and bank overdrafts at the end of the year	<u>61,074</u>	<u>73,202</u>	<u>85,179</u>

Regional Software Holdings Limited

Statement of Intent 2021/2022/2023

June 2020
Version 2.0

1 Introduction

This Statement of Intent is a declaration of the activities and intentions of Regional Software Holdings Limited (RSHL). The statement outlines the Directors' accountabilities to the shareholders for corporate performance, as is intended by Schedule 8 of the Local Government Act 2002.

RSHL has no subsidiaries or joint ventures.

1.1 Vision

To provide a high-quality shared service for the regional¹ council sector (and associated agencies) that delivers value to customers, shareholders and the sector.

1.2 Mission

Deliver shared solutions to the regional council sector along with collaborative outcomes through sector special interest groups to achieve:

- Consistent, good-practice regional council specific processes and functions
- Value through economies of scale
- Greater influence for the sector with central government through cohesion and collaboration
- Reduced risk through ensuring continuity of supply and control of the destiny of regional council sector specific software

1.3 Nature and Scope of Activities to be Undertaken

RSHL provides a framework for collaboration between the shareholders and across the sector. It supports the procurement or development of shared solutions in a manner that provides greater consistency in how we operate our core processes. RSHL provides a more cost effective alternative than individual councils can achieve on their own.

The company operates by facilitating collaborative initiatives between councils and through managed contractual arrangements. Some councils are both customers of RSHL and providers of service to RSHL.

RSHL activities are currently grouped into two key programmes of work:

IRIS	The IRIS Programme delivers the IRIS software platform to shareholder and customer councils. The IRIS software has been in use for 8 years and is currently in use at 7 councils. The 7 councils actively collaborate on the use of IRIS and the future development roadmap.
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¹ Including unitary authorities

	<p>IRIS Next Generation</p> <p>RSHL and the member councils have determined that the IRIS software platform will need to be replaced within the next 3-5 years.</p> <p>The intention is that IRIS NextGen will be cloud based with better online and mobile features. IRIS NextGen will be more efficient for staff and customers.</p> <p>Along with the software solution, we anticipate implementing consistent “good practice” processes for the sector.</p> <p>Over the next two years, RSHL will identify:</p> <ul style="list-style-type: none"> • The IRIS NextGen solution. • A transition plan for existing users • A growth plan to attract new councils to the programme. <p>The indicative budgets for 2021/22 and 2022/23 include increased member contributions for the creation of IRIS NG. These contributions are subject to shareholder approval in the 2021/22 and 2022/23 SOI. By February 2021 we will have better information about costs, and options for financing these - however councils are encouraged to consider inclusion of these indicative costs as part of their LTP budgeting process.</p>
ReCoCo	RSHL delivers collaborative technology projects for groups of regional councils under the ReCoCo Programme. The ReCoCo programme is led by the Corporate and Finance Special Interest Group.

1.4 Values

In all RSHL decisions and interactions the Board and staff together with council participants who may be working within the RSHL framework will observe the following values and ethos:

- We are forward thinking and innovative
- We are responsive and deliver value
- We are professional and accountable
- We are flexible and open

1.5 Guiding Principles

- The best decision is that which provides the best end result, primarily for participating councils and indirectly the communities they serve.
- Our solutions will be practical, appropriate to the scale of the problem and affordable
- Where appropriate we will utilise codes of practice and standards produced by industry groups
- All parties to any decision or interaction will be treated with respect, dignity, integrity, and honesty.

1.6 Possible Opportunities for Growth

RSHL has extended its collaboration framework and service delivery beyond the scope of the IRIS software product.

- RSHL will deliver collaborative outcomes through the sector special interest groups.
- RSHL will work alongside the special interest groups to agree and deliver the collaborative work programme and this will operate on a cost recovery basis.

- RSHL will provide a vehicle for delivering shared solutions and services to the sector in order to achieve consistent, good practice regional sector specific processes.

RSHL seeks to increase the value delivered to customers, shareholders and the sector.

RSHL will do this by attracting more councils to participate in collaborative projects under the IRIS and ReCoCo programmes of work. New opportunities will be identified, and priorities set in the Business Plan. Other opportunities may arise and be investigated on a case by case basis. New activities will require explicit Board approval.

RSHL will attract new councils to participate in defining and procuring the eventual replacement for IRIS.

The potential market for RSHL to offer products and services is New Zealand Regional Councils and Unitary Authorities.

2 Objectives

The principal objective of RSHL is to deliver on the vision, mission and values.

The secondary objective of RSHL is to:²

- a) achieve the objectives of its Shareholders, both commercial and non-commercial as specified in this Statement of Intent;
- b) be a good employer;
- c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when able to do so.

3 Board's Approach to Governance

Members of RSHL's Board of Directors are appointed by the shareholders to govern and direct RSHL's activities. The Shareholders Agreement states that each shareholder has the right to appoint one Director, and that person will be the CEO, or a person nominated by the CEO.³ The Constitution allows each Director to appoint an alternative director.⁴ The Constitution also allows the Shareholders to appoint independent directors.⁵ The Constitution requires that the Board collectively must have relevant knowledge and experience of finance, public bodies, management, governance, and IT management.⁶

The Board is the overall final body responsible for all decision-making within the company. The Board is accountable to its shareholders for the financial and non-financial performance of the company.

Directors' behaviour is to comply with Institute of Directors' standards for Code of Conduct. The purpose of the code is to clarify how the Board of Directors shall define and deal with:

- The role and fundamental obligations of the Board
- Independence and conflict of interest, including conflict with management

² From: Constitution of regional Software Holdings Ltd, Section 1.1

³RSHL Shareholders Agreement clause 4.1

⁴ RSHL Constitution clause 8.3

⁵ RSHL Constitution clause 8.4

⁶ RSHL Constitution clause 8.6

- Board procedures, including the role of the Chairman and interaction with the General Manager
- Reliance on information and independent advice
- Confidentiality of company information
- Board and Director performance review and development

RSHL will conduct itself in accordance with its Constitution, its annual Statement of Intent agreed with shareholders, the provisions of the Local Government Act 2002 and the Companies Act 1993.

4 Ratio of Consolidated Shareholder's Funds to Total Assets

It is intended that the proportion of equity to total assets be in excess of 60%.

5 Accounting Policies

The financial statements of RSHL have been prepared in accordance with the requirements of the Local Government Act 2002 and the Companies Act 1993, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZGAAP).

The financial statements have been prepared in accordance with Tier 3 Public Benefit Entity (PBE) Standards.

Appendix 1 includes RSHL's Accounting Policies

6 Performance Targets and Other Measures

Performance targets by which the success of the company may be judged in relation to its objectives are:

		2020/21	2021/22	2022/23
Non Financial	Undertake an annual survey of IRIS users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.	Applies each year		
	Develop, approve, communicate and refine the product strategy for IRIS and IRIS NG. Draft strategy presented to the Board by 31 December 2020	Applies in the 2020/2021 year only.		
	Prepare and adopt the annual IRIS major enhancement roadmap by 30 June for delivery in the subsequent year.	Applies each year		
	Major Enhancement projects are completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	Applies each year		
	Budgets for support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively managed by the Advisory Group and the General Manager	Applies each year		
Financial	RSHL will operate within approved budget, with any material variations approved by the Board	Applies each year		
	Annual charges for shareholders and customers to be at level approved by the Board and Shareholder Councils based upon the approved operating budget and budgets for major and minor enhancements.	Applies each year		
Growth	Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL.	Applies each year		
	Engage with councils in the sector to evaluate options for the eventual replacement of the current IRIS software package. The objective is to identify a solution that can be adopted by an increasing number of councils in the sector.	Applies each year		
	Be a service delivery vehicle for wider regional council sector and related bodies information management projects (ReCoCo) and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the ReCoCo Advisory Group.	Applies each year		

7 Distribution of Profits to Shareholders

RSHL does not have an objective to make a profit. It seeks to provide products and services at lower costs, and / or higher levels of service than shareholder councils can achieve on their own.

In order for RSHL to be subject to tax, generally it must meet the business test. Fundamental to this is a profit motive. Given the basis under which this CCO operates is to minimise the costs and generally operate on a cost recovery basis and that a pecuniary profit is not intended and highly unlikely, the lack of a profit motive is real.

The RSHL Shareholders Agreement states “If Operating Expenses for a fiscal year are less than the budgeted amount for such year, the Company will retain the funds for application to Operating Expenses for the subsequent fiscal year”⁷. Therefore there will not be a profit available for distribution.

8 Information to Be Provided to the Shareholders

The company will deliver the following Statements to shareholders:

- Within two months of the end of the first half of the financial year the following unaudited statements: Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and Service Performance.
- Within two months of the end of the financial year the following audited statements: Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows, Service Performance plus a summary of how the company has fared against its objectives and prospects for the next financial year, and a report on the company’s medium to long-term plans.
- The Directors shall approve by 1 March of each year a Draft Statement of Intent for the consideration of shareholders. The Directors must then consider any comments on the Draft Statement of Intent that are made by the shareholders and deliver the completed Statement of Intent to the shareholders by 30 June each year
- Preparation of a draft Business Plan will begin each November, for the financial year that commences on the following June. This early preparation is to allow Shareholder Councils the ability to include any changes in Annual Fees, or any other form of financial impact, in their budget processes. The Board are to approve the business plan by the end of June prior to the commencement of the new financial year.
- Any new developments which have not been covered in the statement of corporate intent for the year. Including, but not limited to, an update on any outcomes arising from any changes in shareholding, including the effect on individual Council’s shareholdings and apportionment of costs.
- Details of possible scenarios that might be foreseen that could result in annual fees increasing above approved budgets
- Any other information which would normally be available to a shareholder, thereby enabling the shareholder to assess the value of its investment in the company.

9 Procedures for Major Transactions and Other Acquisitions and Disposals

The Company will not enter into major transactions as defined in Section 129(2) of the Companies Act 1993 without the consent of the shareholders.

⁷ Shareholders Agreement, clause 7.4

10 Procedures for Issue of Shares

The RSHL shareholder agreement requires the approval of the Shareholders holding at least of 75% of the shares for “the issuing or acquisition of any Shares or any change to the rights attaching to any Shares”⁸.

11 Activities for Which Compensation Is Sought

Payment of an Annual Fee for IRIS will be sought from all customers of RSHL, which includes Shareholder Councils, for annual support and development fees, as set out in the License Agreement. The IRIS annual support fee also includes funding to cover the cost of running RSHL.

It is noted that other products or services may be delivered by RSHL. Any such services will only be delivered after the Directors have considered each individual business case including the proposed budget and agreed that the proposed service meets the objectives of RSHL.

Any ongoing activities to identify develop or procure additional products or services will be budgeted for in advance, subject to the business case. The subsequent recovery from one or more shareholder or customer councils will be agreed by the Directors on a case by case basis in accordance with the RSHL Constitution.

12 Estimate of Commercial Value of The Shareholder’s Investment

The Directors’ estimate of the commercial value of the Shareholders’ investment in RSHL is equal to the Shareholders’ equity in the Company. Reassessment of the value of this shareholding shall be undertaken on or about 30 June each year.

The technologies used to develop the IRIS product will eventually reach the end of their useful life. From time to time, RSHL will need to reinvest to ensure the underlying technology remains fit for purpose and current. In the next three years, RSHL will identify the technologies for the next iteration of IRIS and the level of re-investment required. Future statements of intent will provide for this reinvestment. The impact on the residual value of the existing IRIS product will be reassessed at that time.

13 Shareholding

Regional Software Holdings Limited (RSHL) was formed on 17 October 2012. At the time of formation the company issued 10,000 shares to its shareholders based on a previously agreed sizing formula. The following shareholding was agreed:

Shareholder	Percentage	# of shares
Waikato Regional Council	32.75%	3,275
Northland Regional Council	16.75%	1,675
Horizons Regional Council	15.50%	1,550
Taranaki Regional Council	15.50%	1,550
Southland Regional Council	15.50%	1,550
West Coast Regional Council	4.00%	400

⁸ RSHL Subscription & Shareholders Agreement Section 5.1 (b)

Statement of Intent 2020-2021
Regional Software Holdings Limited
Statement of Financial Performance
For the 12 Months to 30 June

2019/20 Budget	Notes	2020/21 SOI	2021/22 Indicative	2022/23 Indicative
Income				
1,139,931		1,196,928	1,747,514	2,516,420
1,139,931		1,196,928	1,747,514	2,516,420
Other Income				
600	Interest Received	600	600	600
	Saas	0	0	0
	Cognise & Elearning licences	0	0	0
65,905	Council Specific Funding	125,163	127,692	130,271
151,432	User Funding	154,612	157,735	160,921
	Sundry Income	0	0	0
1,357,868	Total Income	1,477,303	2,033,541	2,808,213
Expenditure				
<u>Administration costs</u>				
9,125	Administration costs	10,322	10,373	10,420
29,395	Accounting & Technical Support	27,264	57,336	28,015
5,900	Audit & Legal fees	5,900	6,019	6,141
208,260	Datacom Support Services	212,815	217,284	221,847
150,000	Technical Services	524,200	978,698	1,121,645
20,000	Environment Charges	22,000	22,444	22,898
50,400	Management Fees	190,400	190,400	190,400
155,000	Personnel Costs	158,255	161,452	164,713
1,600	Promotional Costs	16,000	1,600	1,600
30,600	Independent Director's Fees	30,630	31,249	31,880
9,000	Travel & Meeting Costs	18,750	18,750	18,750
77,905	Other Direct Software	125,163	127,692	130,271
1,042,970	<i>Total administration costs</i>	1,341,699	1,823,297	1,948,581
<u>Sundry other costs</u>				
786,423	Depreciation	900,438	920,438	990,438
1,829,393	Total expenditure:	2,242,137	2,743,735	2,939,018
	Surplus/ (Deficit) from RSHL Activities	(764,834)	(710,194)	(130,806)
ReCoCo Activity				
<u>Income</u>				
210,000	Regional Sector Funding	220,000	220,000	220,000
	Total Income	220,000	220,000	220,000
<u>Expenses</u>				
110,000	Regional Sector Share Services Expenditure	220,000	220,000	220,000
	Total expenditure:	220,000	220,000	220,000
	Operating Surplus for ReCoCo Activities	0	0	0
(471,525)	Surplus/(Deficit) before Tax	(764,834)	(710,194)	(130,806)
	Income Tax Expenses			
(471,525)	Surplus/(Deficit) after Tax	(764,834)	(710,194)	(130,806)

Regional Software Holdings Limited
Statement of Financial Position
As at 30 June

2019/20 Budget	Notes	2020/21 SOI	2021/22 Indicative	2022/23 Indicative
ASSETS				
Current assets				
137,932	Bank Accounts and Cash Debtors and Prepayments	630,630	140,874	50,506
Non Current Assets				
5,202,007	Property, Plant & Equipment	3,518,909	3,298,471	3,258,034
<u>5,339,939</u>	Total Assets	<u>4,149,539</u>	<u>3,439,346</u>	<u>3,308,540</u>
LIABILITIES				
Current liabilities				
	Creditors and Accrued Expenses	0	0	0
	Income Received in Advance	0	0	0
<u>0</u>	Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>
<u>5,339,939</u>	NET ASSETS	<u>4,149,539</u>	<u>3,439,346</u>	<u>3,308,540</u>

REPRESENTED BY:

2019/20 Budget		2020/21 SOI	2021/22 Indicative	2022/23 Indicative
Equity				
5,149,150	Equity	5,149,150	5,149,150	5,149,150
(0)	Current Year Earnings	(764,834)	(710,194)	(130,806)
<u>190,790</u>	Retained Earnings	<u>(234,777)</u>	<u>(999,611)</u>	<u>(1,709,805)</u>
<u>5,339,939</u>	Total Equity	<u>4,149,539</u>	<u>3,439,345</u>	<u>3,308,540</u>

Regional Software Holdings Limited
Statement of Cash Flows
For the 12 Months to 30 June

2019/20 Budget	Notes	2020/21 SOI	2021/22 Indicative	2022/23 Indicative
Cashflows from Operating Activities				
Cash received from:				
361,432	Receipts from customers	374,612	377,735	380,921
1,205,836	Shareholder contributions	1,322,091	1,875,206	2,646,691
600	Interest	600	600	600
	Income Tax Paid (refunded)	0	0	0
1,567,868	Total Operating Receipts	1,697,303	2,253,541	3,028,213
Cash applied to:				
857,185	Payments to suppliers	1,561,699	2,043,297	2,168,581
	Income Tax Paid (refunded)	0	0	0
	Interest W/holding tax paid	0	0	0
857,185	Total Operating Payments	1,561,699	2,043,297	2,168,581
710,683	Net cash from operating	135,604	210,244	859,632
Cashflow from Investing Activities				
Cash received from:				
0	Sale of Fixed Assets	0	0	0
	Investment Maturities	0	0	0
0	Total Investment Receipts	0	0	0
Cash applied to:				
600,000	Purchase of Fixed/ Intangible assets	200,000	700,000	950,000
	Investment deposits	0	0	0
600,000	Total Investment Payments	200,000	700,000	950,000
(600,000)	Net cash from investing	(200,000)	(700,000)	(950,000)
Cashflow from Financing Activities				
Cash received from:				
0	Capital contributions	0	0	0
0	Investment maturities	0	0	0
0	Total Financing Receipts	0	0	0
Cash applied to:				
	Capital repaid			
0	Total Financing Payments	0	0	0
0	Net cash from financing	0	0	0
110,683	Net increase (decrease) in cash-flow for the year	(64,396)	(489,756)	(90,368)
402,865	Opening cash balance	695,026	630,630	140,874
513,548	Closing cash balance	630,630	140,874	50,506
Made up of:				
25,000	Current account	25,000	25,000	25,000
488,548	Auto-call account	605,630	115,874	25,506
513,548		630,630	140,874	50,506

Appendix 1: Accounting Policies

1 General Information

Reporting Entity

Regional Software Holdings Limited (RSHL) is a Council Controlled Organisation (CCO), owned by Waikato Regional Council (32.75%) Northland Regional Council (16.75%) Horizons Regional Council (15.50%) Taranaki Regional Council (15.50%) Southland Regional Council (15.50%) and West Coast Regional Council (4.00%). RSHL was incorporated on 17 October 2012.

RSHL was primarily incorporated for the purposes of managing the investment and development of IRIS Software, and has designated itself a Public Benefit Entity (PBE), in keeping with the designation of the shareholders.

Public Benefit Entity Simple Format Reporting

RSHL qualifies for Public Benefit Simple Format Reporting – Accrual (PBE-SFR-A) on the basis that the Company does not have publically accountable (as defined) and has total annual expenses of less than \$2 million.

Basis of Preparation of the Financial Statements

The prospective financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period. The financial statements will be prepared on a historical cost basis.

Statement of Compliance

The prospective financial statements of RSHL have been prepared in accordance with the requirements of the Local Government Act 2002 and the Companies Act 1993, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZGAAP).

The financial statements have been prepared in accordance with Tier 3 Public Benefit Entity (PBE) Standards.

These prospective financial statements comply with PBE Standards.

Presentation Currency and Rounding

The prospective financial statements have been prepared in New Zealand dollars and there will be rounding in the numbers in the financial statements, as the financial model used calculates to the cent but the annual report is rounded to the nearest dollar.

The functional currency of RSHL is New Zealand dollars.

The reporting period for these prospective financial statements is the year ending 30 June.

2 Summary of Significant Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Members Contributions and Other forms of Revenue (excluding investment revenue), including fees, charges, and other revenues are recognised on an accrual basis.

Interest revenue is recorded as it is earned.

Expenditure

Expenditure is recognised on an accrual basis when the service was provided, or the goods received.

Costs associated with maintaining the IRIS software suite are recognised as an expense when incurred.

Bank Accounts and Cash

Cash and cash equivalents include cash on hand, on demand or call deposits, other short-term deposits with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are presented as a current liability in the Statement of Financial Position.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Inventories

Inventory is initially recorded at cost. Goods held for sale are subsequently measured at the lower of cost and their selling process. Goods for use or distribution are subsequently measured at cost and written down if they become obsolete.

Goods and Services Tax (GST)

RSHL is registered for GST; these financial statements are presented net of GST, except for receivables and payables which are inclusive of GST. Where GST paid is not recoverable, due to it relating to exempt items, the GST inclusive amount is recognised as part of the related asset or expense including the GST relating to investing and financing activities.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or recovered from, the Inland Revenue Department is recognised as an item in operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Income tax expenses calculated using the taxes payable method. As a result no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

Property, Plant and Equipment

Software acquisition and development

Costs that are directly associated with the development of the IRIS software suite are recognised as property, plant and equipment.

Depreciation

Depreciation begins when the asset is available for use and ceases at the date that the asset is derecognised. The depreciation charge for each period is recognised through the Statement of Financial Performance.

The carrying value is depreciated on a straight-line basis over its useful life. The useful life and associated depreciation rate for the IRIS software suite is 10 years and 10%. Revising changing to 20% over five years

Where software in this category is replaced, upgraded or determined by RSHL to be of no further operational benefit, a change in value will be recognised through the Statement of Financial Performance. This change in value will be the difference between the carrying value of the original item and its fair value.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, RSHL has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Additional Disclosure

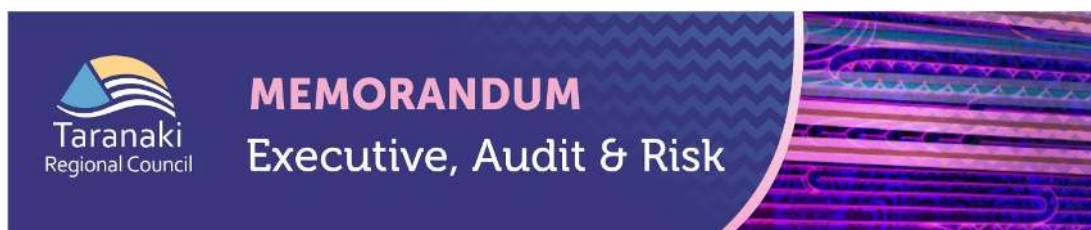
The Companies Act 1993 requires disclosure of the amount of donations, audit fees, fees for other services from the auditor, and the number of employees of the company who received remuneration and other benefits above \$100,000 per annum, in brackets of \$10,000.

Note For Information: Requirements for Statement of Intent

Source: Office of the Auditor General

<http://www.oag.govt.nz/2007/corporate-intent/appendix2.htm>

Item	Section
Statement of intent	This document
Coverage over three financial years and updated annually	1 & 8 & 6
Objectives of the group	2
A statement of the board's approach to governance	3
Nature and scope of the activities to be undertaken	1
Ratio of consolidated shareholders' funds to total assets, and the definitions of those terms	4
Accounting policies	5
Performance targets and other measures by which the performance of the group may be judged in relation to its objectives	6
An estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders	7
The kind of information to be provided to the shareholders/ shareholding Ministers by the organisation during the course of the next three financial years	8 (Shareholders)
Procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation	9
Any activities for which the board seeks compensation from any local authority, Harbour Board, or the Crown (whether or not the relevant entity has agreed to provide the compensation)	11 (Local authority)
The board's estimate of the commercial value of the Crown/shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed	12 (Shareholders)
Other matters that are agreed by the shareholders/ shareholding Ministers and the board	none (Shareholders)
Annual report should contain information that is necessary to enable an informed assessment of the operations of the parent entity and its subsidiaries, including a comparison of performance with the relevant statement of intent or statement of corporate intent	8 (Plus explanation of material variances)



Date 3 August 2020

Subject: **Port Taranaki Ltd: Draft Statement of Corporate Intent – 1 July 2020 to 30 June 2023**

Approved by: M J Nield, Acting Chief Executive

Document: 2553121

Purpose

1. The purpose of this memorandum is to receive and comment on Port Taranaki Ltd's draft Statement of Corporate Intent for the period 1 July 2020 to 30 June 2023.

Executive summary

2. Port Taranaki Ltd's draft Statement of Corporate Intent is presented for consideration. The document has been updated from last year. This is the Council's opportunity to provide feedback to the Board of Port Taranaki Ltd on the draft Statement of Corporate Intent.

Recommendations

That the Taranaki Regional Council:

- a) receives Port Taranaki Ltd's draft Statement of Corporate Intent for the period 1 July 2020 to 30 June 2023
- b) provides any feedback to the Acting Chief Executive on the content of the draft Statement of Corporate Intent.

Background

3. Section 8 of the *Port Companies Act 1998* (the Act) requires Port Taranaki Ltd's Directorate to deliver to the Council, as shareholder, a draft Statement of Corporate Intent. The content of the draft Statement of Corporate Intent is specified under section 9 of the Act.
4. Section 10 of the Act requires the Directorate to consider any comments from the shareholder on the draft Statement of Corporate Intent and then to deliver a completed Statement of Corporate Intent to the Council. It should be noted that port companies that are listed on the stock exchange or are less than 50% owned by local authorities are not required to produce a Statement of Corporate Intent.

Discussion

5. The Directorate of Port Taranaki Ltd has delivered the attached draft Statement of Corporate Intent pursuant to section 8 of the Act. The content complies with the requirements of section 9 of the Act.
6. This year's draft Statement of Corporate Intent follows the same format adopted last year. In most areas, the content is the same or very similar to previous years.
7. PTL is undertaking a review of its Mission and Vision. There have been minor adjustments to these statements in the draft SCI.
8. The key financial targets have been updated to reflect the current financial projections. The company has just completed a successful and profitable year but it notes that there are trading "headwinds" this year that will make replication of this success a challenge. PTL has also noted the impact of the Covid-19 pandemic on its business and the implications for the SCI.
9. The dividend payout policy remains unchanged and is in-line with the 2018/2028 Long-Term Plan. The considerations around distribution of profits to the shareholder have been updated.
10. The draft Statement of Corporate Intent has been reviewed and there are no further comments or suggestions other than those previously noted to the Board of Port Taranaki Ltd. The Statement of Intent reflects the challenges faced by the Board as the Company addresses its strategic directions.
11. The Council now has the opportunity to provide feedback to Port Taranaki Ltd on the draft Statement of Corporate Intent.

Decision-making considerations

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 recommendations made in this item comply with the decision-making obligations of the *Act*.

Financial considerations—LTP/Annual Plan

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

Policy considerations

14. 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 *Local Government Official Information and Meetings Act 1987*.

Iwi considerations

15. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-

term plan and/or annual plan. Similarly, iwi involvement in adopted work programmes has been recognised in the preparation of this memorandum.

Legal considerations

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

Appendices/Attachments

Document 2540165: Port Taranaki Ltd Draft Statement of Corporate Intent – 1 July 2020 – 30 June 2023.

DRAFT



PORT TARANAKI LIMITED

STATEMENT OF CORPORATE INTENT

For the period from 1 July 2020 to 30 June 2023

Introduction

This statement is presented by the Directors of Port Taranaki Limited ("Port Taranaki", "Company" or "Port") in accordance with the requirements of Section 9 of the Port Companies Act 1988 and sets out the intentions and expectations of the Company for the period 1 July 2020 to 30 June 2023.

The purpose of this Statement of Corporate Intent is to:

- State publicly the activities and intentions of Port Taranaki and the objectives to which those activities will contribute; and
- Provide a basis for the accountability of Port Taranaki's Board of Directors to the Shareholder for the performance of the Company.

Nature and Scope of Activities

The Company will operate port and marine related commercial activities including, but not limited to, the provision of vessel and cargo/logistics handling services, offshore support and property and storage services. All activities will be undertaken with full regard to health, safety and protection of the environment.

In achieving its strategic objectives, the nature and scope of activities undertaken by the Company will be influenced by, and be responsive to, the competitive environment. The Shareholder will be informed and consulted on any proposal for significant diversion from existing activities or expansion into new business areas.

Mission and Vision

Businesses face many challenges getting their products to market. At Port Taranaki we provide a safe harbour, services and storage facilities to customers moving cargo so that our region can thrive now and into the future.

When we make trade easy for customers the world opens up and Taranaki prospers.

Port Taranaki will deliver on its vision by:

- Proactively delivering customer satisfaction;
- Optimising the use of its assets and capability base;
- Delivering excellence in its service offering;
- Continuing to invest in people who are positive communicators, excellent problem solvers and make good decisions; and

- Investing in systems to achieve resilient performance and ensure everyone returns safely home every day.

Success is Measured by:

- Improving the satisfaction rating from our customers via feedback;
- Maximising the opportunity for trade and growing Port Taranaki's hinterland;
- Achieving a learning culture where all workers are proactively engaged in healthy, safe and productive work;
- On-going improvement with due care and protection of the environment in which we operate; and
- Exceeding targeted return on capital employed.

Objectives

- The principal objective of the Company is to operate as a successful business. This will be achieved by the delivery of performance targets and measures, including a satisfactory dividend return.
- The Company will provide customers, contractors and other service providers with a safe, effective, efficient and competitive port operation.
- The Company will seek to reduce risk and continuously improve safety in the working environment.
- For its Shareholder, the Company will manage its financial assets and liabilities prudently and, in a manner, which will provide an appropriate return on the Shareholder's investment, whilst ensuring the provision of long-term marine and port infrastructure assets for the region.
- The Company will be environmentally responsible.

Performance Monitoring

1. Trade Volumes

The Company will pursue strategies aimed at maximising the opportunity for trade through the Port and growing the Port's hinterland. Over the next three financial years the Company aims to expand its hinterland and achieve a trade volume of five (5) million freight tonnes of which one (1) million freight tonnes will be non-bulk liquids trade.

2. Financial

The Company will provide an assessment of its financial performance against several measures based on the book value of its assets including:

- Profitability and growth;
- Return on assets and capital employed; and
- Gearing levels and capability to service that debt.

The key financial targets of the Company are as presented in the table below:

<i>Year Ending 30 June</i>	2021 - 2023
EBITDA on Average Total Assets	> 10.5%
Return (NPAT) on Average Total Assets	> 4.0%
Return (NPAT) on Average Shareholder's Funds	> 5.5%
Shareholder Equity Ratio (Shareholder Equity / Total Assets)	> 65%
Interest Coverage Ratio	> 5x

The Company has completed the second year of a programme of extraordinary expenditure to repurpose or demolish aged and earthquake prone buildings and to remove the presence of asbestos on the site. Across the period FY21 to FY23 this expenditure is forecast at \$5.76 million. This lowers profitability and suppresses returns for the next three years. The targets above recognise the impact of this significant expenditure.

The impact and effects of COVID-19 are being felt by businesses globally. Governments around the world have put in place measures to contain the outbreak. These are impacting day to day life and consequently trade. The extent, and for how long, these measures will continue or may be required to be reinstated is unknown.

Consequently, accurately predicting the eventual impact of the COVID-19 outbreak is challenging as the outbreak presents various business challenges around people, commercial operations, disruption to supply. These may impact trade and create pricing and costs challenges. The forecasts outlined above are therefore highly uncertain and may be subject to change.

3. Health, Safety and Environment

Health, Safety and Environment at Port Taranaki continually evolves. The Company is committed to ensuring that it provides a safe and healthy workplace for its employees, Port users, contractors and the public. The Company is also committed to improving its environmental practices and performance.

Central to achieving these aims is the ability to anticipate, respond, monitor and learn. This requires an ongoing investment in culture (people and systems).

We will focus on the following key themes over the next three years:

- Stewardship of our Health, Safety and Environment vision and model;
- Engagement with our employees through healthy lifestyle initiatives, supporting mental and emotional wellbeing, and improving our physical work environment;
- Development of an improved care and responsibility programme for our harbour, beach and surrounds; and
- Collaborating with our Port users and the wider community to develop regional initiatives.

While the above has a three-year focus, our investment is based on achieving long term sustainability and inclusiveness reflecting the expectations of our community.

Port Taranaki's environmental targets are:

<i>Year Ending 30 June</i>	2021 - 2023
Incidents of Harbour Pollution	Nil
Compliance with all Resource Consents	Yes

Distribution of Profits to Shareholder

The Company's Capital Management Policy is to maintain a stable and strong capital base to maintain investor and creditor confidence and to sustain the future business development of the Company. In accordance with its Capital Management Policy, the Company's annual dividend pay-out takes into consideration:

- Earnings, cashflow and performance in any given period;
- Working capital requirements;
- Capital expenditure requirements;
- Risks from predicted short and medium-term economic and market conditions;
- The Company's trade and financial outlook;
- The free cash flow available for distribution
- The tax efficiency of distributions; and
- The interests of the Shareholder.

The Company forecasts, subject to the Directors' consideration of the above factors, that it will pay on average an annual dividend greater than or equal to \$8.0 million for each of the next three financial years.

As noted above, the current operating environment is highly uncertain and consequently developing forecasts is challenging. Dividend payments will reflect the circumstances at the time.

<i>Year Ending 30 June</i>	2021 - 2023
Dividends \$m per annum	≥ 8.00

Accounting Policies

Policy application will be made consistent with and conform to:

- The legal requirements of the Companies Act 1993;
- Generally accepted accounting principles (NZ GAAP);
- Financial Reporting Act 2013;
- New Zealand equivalents to the International Financial Reporting Standards (NZIFRS); and
- Other applicable regulatory and statutory requirements.

The latest published annual report including the Statement of Accounting Policies is available on the Company's website www.porttaranaki.co.nz.

Shareholder Information

The Company will provide the Shareholder with information (within two months of the relevant reporting period) that is normally provided to a controlling private Shareholder, and as required under the Port Companies Act 1988 as set out below.

- Quarterly report on activities and results including health, safety and environmental performance.
- Half-yearly report including such information as the Directors consider necessary to enable an informed assessment to be made of the Company's performance in the reporting period.
- Annual Report containing audited financial statements for the year.
- Budget and Business Plan financial information for the first of the three-year period covered under the Statement of Corporate Intent.
- Details of any significant new developments which have not been covered in the Budget or Statement of Corporate Intent for the year.
- Any information which would normally be available to a Shareholder, thereby enabling the Shareholder to assess the value of its investment in the Company.
- Significant departure from the anticipated performance of the Company including industrial or other activities that may affect the operations or reputation of the Company.
- Details of any new developments which would involve a significant move away from the current activities of the business.

In addition, the Company will provide to the Shareholder, within one month of commencement of each financial year, its draft Statement of Corporate Intent for that year with the expectation that it will be completed before the end of the first quarter of the financial year.

Procedures for Major Transactions and Other Acquisitions and Disposals

The Company will only invest in the shares of another business when the shares acquired are considered likely to bring added value or will further enhance the objectives of the Company.

The Company will not enter into major transactions as defined in Section 129(2) of the Companies Act 1993 without the consent of the Shareholder.

The Company will not enter into any transaction of the nature of a major transaction where a) the acquisition is of assets equivalent in value to 20% or more of the assets of the Company before the acquisition, or b) the disposition of assets equivalent in value to 20% or more of the assets of the Company, without giving written notice to the Shareholder of its intention and consulting with it.

The Company will always ensure that:

- Control of the affairs of every subsidiary of the Company is exercised by a majority of the Directors of that subsidiary; and

- A majority of the Directors of every subsidiary of the Company are persons who are also Directors or Executives of the Company, or who have been approved by the Shareholder for appointment as Directors of the subsidiary.

Procedures for Issues of Shares

In accordance with paragraph eight of the Company's constitution, the Company will not issue any shares unless the Shareholder has resolved by ordinary resolution to approve the issue.

Consent of the Shareholder must be granted prior to the Company entering into any transaction(s) that may have immediate or future potential to alter the current ownership structure of the Company.

Activities for Which Compensation is Sought

The Company, if requested by the Shareholder, will construct and maintain recreational facilities, for which the Company expects to be remunerated.

Estimate of Commercial Value of the Shareholder's Investment

The Directors' assessment of the value of the Shareholder's investment in the Company is the valuation of the worth of the net tangible assets at 30 June 2020 as shown in the audited financial statements as at that date. The market value of the Company may differ to that value.

A reassessment of the value of the Shareholder's investment in the Company will be undertaken as may be required from time to time by the Shareholder or Directors. In reassessing the value of the Company, following a specific request to do so, the Company is likely to determine the commercial value of the Company through a discounted cash flow approach.



Date	3 August 2020
Subject:	Regional Public Transport Plan
Approved by:	M J Nield, Acting Chief Executive
Document:	2544705

Purpose

1. The purpose of this memorandum is to present the draft *Regional Public Transport Plan for Taranaki 2020-2030* (RPTP) and to seek adoption of the draft RPTP for public consultation.

Recommendations

That the Taranaki Regional Council:

- a) receives the draft *Regional Public Transport Plan for Taranaki 2020-2030*
- b) adopts the draft *Regional Public Transport Plan for Taranaki 2020-2030* for public consultation.

Background

2. Public transport is a key component of the regional land transport system and the Council has a statutory responsibility for the planning and management of the public transport network in the region.
3. The RPTP is a statutory document required under the provision of the *Land Transport Management Act 2003* (LTMA). The plan sets out overall objectives and policies for public transport in the region, and contains details of the public transport network and development plans over the next ten years.
4. The current RPTP was adopted in 2014 with a 10-year forecast. It is required to be updated to ensure the Plan is consistent with new *2018- 21 Government Policy Statement on Land Transport* and the updated *2015/2016 - 2020/2021 Regional Land Transport Plan*, as revised by the mid-term review for the 2018/2019 - 2020/2021 period.
5. A Discussion Document prepared and circulated to key stakeholders in September 2019 received little feedback with only five stakeholders submitting responses.

Strategic responses

6. A number of proposed strategic responses were detailed in the discussion document. The first two, led by New Plymouth District Council were the Network Operating Plan

(NOP) and Integrated Transport Strategy (ITS). The NOP has since been completed. The process identified the current New Plymouth bus centre, located on Ariki St by the Library and Puke Ariki as not being in an optimal location. The Integrated Transport Strategy has been deferred until 2021/2022.

7. Due to the above developments, the strategic responses have been reorganised with a region wide network review being the key strategic response. The last network review was in 2008/2009 on which the current services are based.
8. Submissions on the draft Plan will be important to feed into the review. Assessing expectation of future services versus the ability to fund local share will be critical. The aim is to create a 10-15 year structured development plan. Changes in investment can be aligned with the Waka Kotahi NZ Transport Agency's 3-year funding programmes.
9. The Council's contribution to the Taranaki 2050 Roadmap towards a low-emission economy of the future and the introduction of low-emission, alternate fuelled buses also needs to be factored into the future development of services. A separate study assessing suitable alternate fuelled bus options and costs had already been planned, however, this has been delayed by the Covid-19 response.
10. Another important factor affirming the need for structured development is the Regional Transport Committee reconfirming that one of five strategic problems facing the region is *limited transport options and capacity of our current infrastructure* at a recent Investment Logic Mapping workshop on the *Regional Land Transport Plan 2021-2024*.

Objectives, policies and actions

11. A review of the objectives, policies and actions was undertaken as part of the development of the draft and feedback was received from stakeholders and incorporated in the Draft Plan.
12. One proposed key policy change is the Fare Box Recovery rate. Fare Box recovery is the measure of operational bus expenditure funded by passenger fares. The current Plan has a target of 50% that is aligned with Waka Kotahi's national target. The actual rate achieved over recent years has been just under 40%. The draft Plan proposes a change from a set target (50%) to maintaining or improving the existing rate. Due to the limited nature of the region's services, it is a fine balance between improving service efficiencies to reduce costs and ensuring the services remain affordable for the majority of users, especially the transport disadvantaged.

Timeline

13. The proposed process and timeline for the Plan review is:

Monday, 3 August 2020	Executive, Audit and Risk Committee adopt draft RPTP for public consultation
August - September	Public consultation on draft RPTP (4-6 weeks)
Monday, 19 October 2020	Executive, Audit and Risk Committee hold public hearings of submissions
Tuesday, 3 November 2020	Taranaki Regional Council to adopt RPTP which comes into effect 20 days later

Decision-making considerations

14. 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*.

Financial considerations—LTP/Annual Plan

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

Policy considerations

16. 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* and the *Land Transport Management Act 2003*.

Iwi considerations

17. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan. Similarly, iwi involvement in adopted work programmes has been recognised in the preparation of this memorandum.

Legal considerations

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

Appendices/Attachments

Document 2470199: Draft Regional Public Transport Plan for Taranaki 2020 - 2030

Draft Regional Public Transport Plan
for Taranaki
2020/2030

Taranaki Regional Council
Private Bag 713
Stratford
Document No: 2470199

July 2020

Foreword

(to be inserted)

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1. Introduction

The *Taranaki Regional Public Transport Plan* (RTP or the plan), prepared by Taranaki Regional Council (the Council), is a strategic document that sets out the objectives and policies for public transport in the region, and contains details of the public transport network and development plans for the next 10 years (2020-2030).

Purpose

This plan provides a means for the Council, public transport operators and other key stakeholders to work together in developing public transport services and infrastructure. It is an instrument for engaging with Taranaki residents on the design and operation of the public transport network.

The council is responsible for deciding which public transport services are needed in their region. The money to fund these contracts comes mainly from regional council ratepayers, Waka Kotahi NZ Transport Agency (Waka Kotahi), and fares from passengers using the service.

The decision as to which services should be provided is made through the preparation of this RTP, and the consultation involved in that process. Regional public transport plans are prepared under the *Land Transport Management Act 2003* (LTMA).

RTP review process

This plan has been prepared by the Taranaki Regional Council following circulation of a discussion document to stakeholders from territorial authorities, the education, health and access and disability sectors.

2. Strategic context

Land Transport Management Act 2003

The *Land Transport Management Act 2003* (LTMA), as amended from time to time, is the main statutory framework for land transport planning and funding in New Zealand.

The purpose of LTMA is to “contribute to an effective, efficient and safe land transport system in the public interest”, and requires regional councils to adopt a regional public transport plan (RPTP). The LTMA prescribes how plans are to be developed, and sets out the matters that must be contained in a plan. It also describes the purpose of the plan, which is to:

- describe the public transport services that are integral to the public transport network
- define the policies and procedures that apply to those public transport services
- identify the information and infrastructure that supports public transport

Principles of the *Public Transport Operating Model* (PTOM) have been incorporated into the LTMA. PTOM is a system for planning, procuring and funding public transport. It aims to increase patronage with less reliance on public subsidies, through improved collaboration between operators and regional councils. PTOM requires all bus services to be divided into units and provided under exclusive contracts to the council. However, services which do not form part of the core public transport network are exempt from operating under contracts.

Adoption of the RPTP will enable the Council to procure services required to deliver an integrated public transport network.

Government Policy Statement on Land Transport

The *Government Policy Statement* (GPS) sets out the government’s desired outcomes and funding priorities for the land transport sector, and is the policy document that directly influences decisions on how funding from the *National Land Transport Fund* (NLTF) is invested for the next three year period.

The four strategic priorities for GPS 2018 are:

Safety

A land transport system that:

- is a safe system, free of death and serious injury.

Access

A land transport system that:

- provides increased access to economic and social opportunities
- enables transport choices and access - is resilient.

Environment

A land transport system that:

- reduces the adverse effects on the climate, local environment and public health.

Value for money

A land transport system that:

- delivers the right infrastructure and services to the right level at the best cost.

Public transport services contribute to all these objectives. The GPS 2018 contains a significant increase in funding for public transport over the next three years in order to help achieve the strategic priority of providing a land transport system that enables transport choice and access.

Regional Land Transport Plan for Taranaki 2015/2016 – 2020/2021

The role of the *Regional Land Transport Plan* (RLTP) is to provide strategic direction to land transport in the region and set out how the region proposes to invest to achieve its objectives.

The purpose of the Plan is to:

- Identify the key transport issues and challenges in the Taranaki region, and how land transport activities proposed in the Plan will address these issues.
- Set out the region's land transport objectives, policies and measures for at least 10 financial years.
- List land transport activities in the region proposed for national funding during the six financial years from 1 July 2015 to 30 June 2021.
- Prioritise regionally significant activities.
- Provide a ten-year forecast.

The overall vision for land transport in Taranaki is –

“A safe, effective and efficient land transport network, integrated across the whole transport system, which enables Taranaki to thrive and to lead sustainably prosperous New Zealand.”.

Long-Term Plans

The Council's Long-Term Plan (LTP) describes how the council is to deliver the outcomes agreed to by the local community, the level of rates expected for the first three years of the LTP and other information pertinent to the community. One aspect of a LTP is to set out public transport activities and funding sources for the next ten years

Taranaki 2050 Roadmap

In August 2019, Taranaki launched a co-designed Roadmap for how the region will transition to a low-emissions economy by 2050. A collaborative process has been used to further develop detailed actions across the 12 pathways the Roadmap identifies, with Transition Pathway Action Plans (TPAP) being created for each area.

The Taranaki 2050: Infrastructure and Transport TPAP was released on 8 June 2020. The TPAP describes the actions required to assist infrastructure and transport developments in Taranaki to achieve a low-emissions economy.

One area of Council's contribution is the introduction of low-emission, alternate fuelled buses e.g. electric. The transition to low-emission vehicles needs to be factored into future development of services. A separate study assessing suitable alternate fuelled bus options and costs has already been planned and will be completed in 2020/2021.

2.1. Period of the Plan

Section 126 of the LTMA states the RPTP must, at all times, be kept current for a period not less than 3 years in advance, but not more than 10 years in advance. The Council may review the Plan

from time to time but the Plan must be reviewed and, if necessary, renewed or varied, after the public transport service components of a RLTP are approved or varied.

3. Our current public transport system

Taranaki has a total population of 122,700 people and ranks 10th in population size out of the 16 regions in New Zealand¹.

The Taranaki region has limited public transport services and is viewed as a 'small' region in terms of the scale of services and funding and is comparable to Northland and Hawke's Bay regions. The Council contracts out the provision of public transport in the region. Bus services are funded through targeted rates, with Total Mobility services funded through general rates.

Bus patronage has grown in the region from 407,000 trips in 2009/2010 to just under 650,000 in 2018/2019 an increase of 60%. Patronage in 2019/2020 dropped to 537,995 due to the impacts of COVID-19. While overall patronage has increased in recent years due to the introduction of the new Connector service (2014), and growth on the Citylink service from groups less likely to afford their own transport e.g. school students, patronage on the rural Southlink Ōpunake to Hāwera and Southlink Waverley to Hāwera services have declined over the last few years.

The regional services are classified as:

- Urban
- Rural
- Connector



Figure 1 Public transport decision making framework

Services within north Taranaki account for 95% of the region's public transport trips, comprised of now 10 urban routes, (with the ceasing of the urban service to Oākura in June 2020) and an additional 27 routes catering mainly to school students, operating Monday to Friday, with two urban services operating on Saturdays. There are no services operating on Sundays or public holidays. All urban buses are wheelchair accessible and have bike racks fitted and all but one of the school buses are wheelchair accessible.

The Hāwera to New Plymouth 'Connector' bus service accounts for less than 5% of the region's public transport trips and is comprised of one main bus operating four return trips Monday to Friday. It provides a link service to centres along State Highway 3. The main bus is supplemented by an additional bus to manage the high numbers of mainly Western Institute of Technology at Taranaki (WITT) students, travelling in the morning and afternoon, during term times only. The

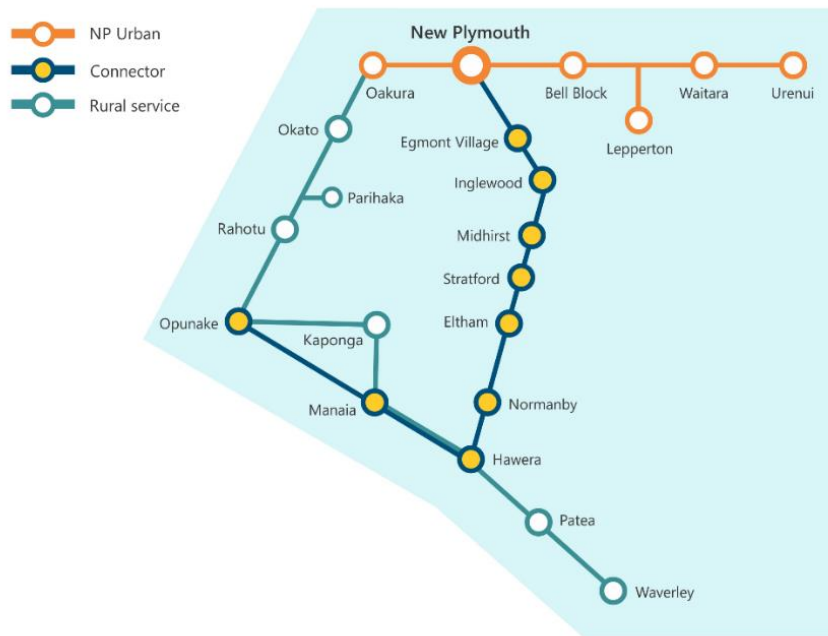
¹ Statistics NZ 2019

service does not run Saturday, Sundays or public holidays. The Connector buses are not wheelchair accessible.

The other three rural Southlink services provide a twice-weekly service from Waverley and Patea to Hāwera and once-a-week services covering Ōpunake, Rāhotu, Parihaka, Ōkato, Kaponga and Manaia. These services account for less than 1% of trips regionally.

Current Network

Taranaki public transport services



Taranaki services are similar to most other services in New Zealand and around the world where passenger fares received do not cover the full cost of providing public transport. Because of this there is an ongoing reliance on additional funding. The total gross cost of public transport contracts in the region is approximately \$3.2 million per annum and is funded through:

- Fares
- Government investment from the National Land Transport Fund, and
- Local share through rates

In addition, a minor source of revenue is received from selling advertising space on the backs and sides of the buses.

The Council also manages the Total Mobility Scheme. The scheme operates throughout the region with approved operators located in north Taranaki, Stratford and Hāwera. The scheme provides subsidised door-to-door transport for people with impairments affecting their ability to use bus services. It has 1,701 registered clients who undertook 50,522 trips in 2019/2020. Additionally, Ironside Vehicle Society receives funding support for its specialised wheelchair service undertaking 4,714 subsidised trips in 2019/2020.

Passenger rail services

The region does not have any public passenger rail services. Given the investment signals from the Government Policy Statement on Land Transport Funding 2018/19 – 2027/28 (GPS), it is not considered appropriate to propose any light rail passenger transport services within the period of this plan.

Section 183 of the GPS states:

While GPS 2018 makes provision for rail funding, the scope of this funding is very tight. GPS 2018 supports investment in:

- improving urban rail services for passengers accessing housing, major employment areas and major metropolitan areas. This applies particularly to areas where demand is outstripping capacity and reliability needs to be improved or there is a need to reduce conflict between freight and passenger trains
- existing and new inter-regional commuter rail services, including the capital costs associated with the rolling stock to support housing and employment opportunities

4. Strategic case

This section provides a summary of the strategic case for the RPTP. The strategic case forms part of Waka Kotahi's business case approach to investment in transport.

As part of the development of the Plan, regional problems, the benefits of addressing the problems and responses to them, taking into account some initial feedback from stakeholders, have been identified.

Problem 1

The ease of driving and high car ownership in the region along with general low profile and (legacy) low perception of public transport is leading to a decline in patronage growth from those that have their own vehicles.

Taranaki's public transport network is centred on two main week-day units. These are New Plymouth, Bell Block, Lepperton, Waitara, Urenui and Ōakura, (Citylink) and Hāwera to New Plymouth via SH3 (Connector). The level of vehicle commuting between the various centres is significant; many people commute between north and south Taranaki and east of New Plymouth city and vice versa. Similarly, students traverse frequently between the centres, for tertiary, secondary or special charter education.

Parking in all centres is plentiful and either cheap or free; district plan rules ensure parking provisions for businesses. Within New Plymouth city there is plenty of free all day parking within easy walking distance of the CBD.

Areas of rural Taranaki are covered by the Southlink services Ōpunake to Hāwera and Ōpunake to New Plymouth (both once-a-week) and Waverley to Hāwera (twice-weekly). The choice of living in rural areas of Taranaki means that access to a private motor vehicle is high with 84% of households in the South Taranaki District having access to one or more vehicles (2018 Census).

Public transport in the region is traditionally viewed as a mode to be used by people without easy access to private transport options i.e. the transport disadvantaged. In the absence of any bus prioritisation, or deterrents to private vehicle use such as congestion or parking availability/costs, drivers do not consider public transport as an option for them. The convenience of driving outweighs any other reasons for using public transport.

Access to motor vehicles in Taranaki Region

	2001	2006	2013	2018
Taranaki region	90%	92%	93%	87%

Adult patronage as proportion of total bus patronage

	2014/15	2015/16	2016/17	2017/18	2018/19
Total patronage	610,470	605,603	614,811	624,286	649,874
Adult patronage	42,809	41,511	38,254	38,359	36,013
Percentage	7.0%	6.9%	6.2%	6.1%	5.5%

Figures for 2019/2020 were not presented as all patronage was recorded as 'Adult' patronage while services operated under COVID-19 Alert Levels 4 and 3.

Problem 2

Limited accessibility and frequency of bus services is leading to under-utilisation of public transport.

Significant improvements have been made to Taranaki's bus networks over the last 10 years. The current operating structure for the Citylink services has been in effect since 2010. The network was viewed as fit for purpose, with nine peak services and five off-peak services operating. These are now supported by 27 additional peak services used mainly by school students. Student dominated services and the required resourcing limits the ability to enhance peak services to attract other users. The Citylink services (excluding the school services) follow a traditional hub and spoke model, with a pulse timetable, where most buses leave from and return to the New Plymouth CBD at the same time.

The Connector service commenced in February 2014. This is funded in part by the Western Institute of Technology at Taranaki (WITT) and the Taranaki District Health Board (TDHB). This is a one bus service, operating four return trips from Hāwera to New Plymouth. The travel distance (approximately 80km per trip) and travel time (approximately 90 minutes per trip) make service enhancements impossible without adding an additional vehicle/s.

The Southlink services were implemented to provide an opportunity for the transport disadvantaged to access services in the larger centres, namely New Plymouth and Hāwera. Patronage has declined steadily over the last few years with only a handful of regular users remaining, of which most of these travel for free under the Government SuperGold Card free off-peak travel scheme.

An example of a decrease in patronage is on the Waverley to Hāwera service. In 2012/2013 2,462 trips were recorded, with just 1,028 trips in 2019/20. This is a decrease of 58%.

Fares on the Connector service have remained unchanged since it started in 2014 and the last Citylink fare increase was in 2016. It is important to note that the fares have never been increased on the Southlink services. Council has recently reduced fares to a flat fare structure on two of the services, Ōpunake to Hāwera (now \$2) and Waverley to Hāwera (now \$3). This was to test whether fares may be a barrier to use and therefore a fare reduction would boost patronage.

The provision of fixed route, scheduled bus services is expensive. More frequent services or additional peak buses could be added but the cost of doing so needs to be carefully weighed against the potential use, especially considering the region's low population density and high car ownership. Any increase in service levels or increase in bus numbers will add a *significant cost to ratepayers* through targeted rates and taxpayers through central government investment.

Problem 3

The current car focused investment model in provincial areas is leading to a suboptimal transport system that does not effectively integrate public transport.

Transport planning and investment has traditionally been targeted at providing ever-improving roads, with public transport filling a minor role. Added to this is the region's dispersed communities and centralised location of essential services. These factors coupled with low population density, makes the provision of traditional public transport difficult and costly.

Traditional land use planning does not factor the provision of public transport into planning decisions. New residential areas continue to be developed without consideration for future public transport infrastructure or services. When services are considered the retrospective siting of infrastructure becomes problematic as many residential owners do not want bus infrastructure situated outside their property.

What Council would like to see is better integration of public transport into the transport system which, subject to proven demand and affordability, can play a greater role in the future. It is expected that there will be increasing demand for more services with greater coverage and a greater demand for specialist services such as Total Mobility and demand responsive services. This may require a different approach to public transport.

5. Benefits of addressing the problems

The benefits of addressing the issues identified equate to our long-term vision for the Taranaki region, which can be expressed as:

Benefit one: accessible and integrated public passenger transport services that caters to the needs of people at a reasonable cost:

- gets people to where they want to go
- is affordable for users and funders

With greater collaboration between all governing public transport agencies a more user-friendly journey experience that gets people to where they want to go can be achieved. However, this must be balanced against the cost of providing the services so that they remain affordable for users and funders.

Benefit two: contributes to a prosperous, connected, healthy, vibrant and environmentally sustainable community:

- enhances the health and wellbeing of our people
- improves the social cohesion of our communities
- makes our city and towns more liveable

There is strong evidence that there are significant economic, social and health benefits to enabling people to travel independently and safely around their local community. Communities that move around also interact with each other and are strengthened in the process.

A key benefit of moving people more effectively is the corresponding improvement in community wellbeing. Decreasing the priority for cars while increasing public transport priority will result in more areas of the region becoming attractive places to live.

The benefits also strongly align with wider regional and Government aims. These being:

- transitioning to a low-carbon economy, particularly relevant in Taranaki with the Council a stakeholder in the Tapuae Roa Strategy and Taranaki 2050 Roadmap
- recognising the wider social health and environmental benefits of public transport

6. Objectives, policies and actions

This chapter sets out the policies that apply to public transport services in the Taranaki region, and the actions that the Council proposes to take to implement those policies.

The Council's vision for public transport is:

"accessible and integrated public passenger transport services that cater for the needs of the people of Taranaki (including the transport disadvantaged) at a reasonable cost and in a manner which contributes to a prosperous, connected, healthy, vibrant and environmentally sustainable community".

Each section has the following format:

Objective: a statement describing the aim of the policy area

Discussion: a summary of the context for the policy area, including the issues it is addressing and the outcomes that it affects

Policies: the general course of action that the Council will follow to achieve each objective and guide its decisions on the future delivery of public transport services in Taranaki

Actions: the specific actions that the Council intends to take to implement each policy

Implementation of the policies and actions depends on whether funding is available.

The Council will ensure that the objectives, policies and actions in this Chapter are reflected in the provisions of contracts with public transport operators.

Unless specifically identified, the policies and actions outlined in this chapter do not apply to exempt services .

The lists of policies and actions are not in order of priority. The Council will assess and prioritise actions during the period of the plan, subject to available resources.

6.1. Network

Objective 1: A core network of accessible, integrated and reliable public transport services that support Taranaki's communities.

The Council proposes to provide a core network that is accessible, integrated and reliable connecting regional centres to key urban centres providing access to employment, education, health, welfare, social, and retail services.

A core network provides significant longer-term benefits for Taranaki, notably:

- efficient use of resources
- increased patronage as users can rely on consistent, dependable services
- efficient use of infrastructure, as it is used more frequently.

Investing in this type of network is expected to achieve better value-for-money outcomes for the Council and its funders.

The changing nature of demand means that there will be ongoing need to review existing services and consider new and innovative responses to changes in the region. The policies and actions below provide the opportunity for revised and new services to be implemented where these meet identified demand or social need in an affordable and integrated manner.

Policies	Actions
1.1. Provide a core network of integrated and reliable services	Continue to provide both urban, rural and connector public transport services, where appropriate, subject to meeting service KPI's
1.2. Encourage mutually supportive land use and public transport development policies	Work with the territorial authorities to promote transit oriented development around greenfield and urban intensification proposals
1.3. Investigate new service opportunities	Investigate options for trial services where gaps in the network exist or as new development occurs

6.2. Services

Objective 2: Responsive services that connect people with where they want to go.

The urban and connector service network will be the core of a timely route structure operating generally Monday to Friday (excluding public holidays) with limited urban services operating on a Saturday. Routes will mainly service major residential areas, schools, commercial and where possible industrial estates, and be integrated to maximise the range of travel options and destinations.

The rural service network will operate generally once-a-week to provide a lower frequency of geographic coverage across the region. Where possible, the rural services will be routed to enable passengers to make connections to the urban, connector and exempt services for example inter-regional bus services. This will allow more passengers to access a wider range of destinations throughout the region.

Passengers will be expected to transfer between services to complete their journey, therefore, the network will depend upon enabling passengers to move easily between different services, having appropriate infrastructure at the key interchange points and providing high quality customer information.

Policies	Actions
2.1. Provide a network of public transport services	<p>Plan and procure services using the following service layers:</p> <ul style="list-style-type: none"> • Urban: Regular frequency service (generally Monday to Saturday) that provides connections between, Bell Block and Waitara, to and from New Plymouth (Ōakura urban service was discontinued in 2020 due to low patronage) • Rural: Low frequency service (minimum weekly) that provide access to town centres for social, welfare, health and activity services • Connector: moderate frequency service (generally two-hourly week days) connecting Hāwera and New Plymouth

Policies	Actions
2.2. Provide a public transport network that maximises the range of travel options and destinations available	Design routes and timetables to provide convenient connections between services and to minimise total journey time, including waiting time for connections
2.3. Enable timely and cost-effective service provision in developing urban areas in collaboration with territorial authorities	<ol style="list-style-type: none"> i. Encourage planning decision-makers and authorities to ensure that public transport corridors are identified and provided for in all significant new developments. ii. Where appropriate introduce public transport (initially under trial) services in new and developing areas in a timely and cost effective manner
2.4. Ensure that services respond to identified customer needs	<ol style="list-style-type: none"> i. Consult operators, passengers, and the public in the affected areas during service planning and reviews prior to procurement ii. Consider options for trial or new services where these are shown to meet customer demand in an affordable cost-effective and integrated manner and introduce such changes as a variation to this Plan where appropriate.
2.5. Maintain consistent levels of service in each service layer, appropriate to demand	<p>Provide the following minimum service levels for each service layer:</p> <ul style="list-style-type: none"> • Urban: Peak 40 minutes • Off-peak 70 minutes • Rural: Once-a-week with approximately two hour stopovers • Connector: two hourly between 6am-7pm, weekdays (excluding public holidays)
2.6. Enable timely and cost-effective service adjustments to meet demand	<ol style="list-style-type: none"> i. Put mechanisms in place within the PTOM contracting environment to allow service provisions to be adjusted efficiently and effectively to match demand, fare revenue, and respond to new service opportunities. ii. Put mechanisms in place to enable efficient communication with public transport passengers, to ensure that services can continue to respond to demand

6.3. Service quality

Objective 3: A convenient and reliable public transport system using modern vehicles

A high quality public transport system gets passengers to where they want to go quickly, and provides reliable whole-of-journey travel times. The most important consideration for passengers and potential users is reliability - a trip leaves on time and arrives at (or very close to) the scheduled time.

Operational monitoring and fleet improvements will assist in reducing travel times and increase service reliability. However, where buses mix with traffic, journey times and reliability are affected by external factors.

All vehicles operating on current service contracts will be required to comply with Waka Kotahi's **Requirements for Urban Buses** (subject to any approved exemptions).

The PTOM provides for a partnering approach, where the Council and operators collaborate to achieve ongoing service and quality improvements.

The Council will also monitor trends in patronage to facilitate systematic improvement of the network through improved planning and operational and cost-efficiencies.

Policies	Actions
3.1. Develop realistic, achievable timetables that are reliable and dependable	<ul style="list-style-type: none"> i. Develop timetables using actual monitored travel times. ii. Work with operators to monitor actual travel times (if possible using GPS real time tracking) and other performance measurement systems, and modify timetables as required to provide customers with a high standard of service reliability.
3.2. Improve public transport journey times where possible	<ul style="list-style-type: none"> i. Increase electronic Smart Card usage (on applicable services) to reduce boarding times ii. Advocate for investigation of bus priority measures along key corridors to reduce bus journey times where appropriate iii. Advocate for specific measures to reduce the operating time of services, such as stop rationalisation or bus priority signage, where appropriate
3.3. Provide a reliable, punctual, customer focused network of services	<ul style="list-style-type: none"> i. Specify whole network standards for reliability and punctuality, and incentivise good service performance through the PTOM contracts ii. Work in partnership with operators to continually improve reliability, punctuality, safety and all aspects of customer service iii. Effectively and efficiently monitor services and manage performance through appropriate contractual methods, as required iv. Work with operators to carry out driver and staff training, including customer service training, to ensure a consistent high standard of presentation and performance v. Specify driver, crew, and staff training as a condition of any contract with the Council

Policies	Actions
	<ul style="list-style-type: none"> vi. Require operators to ensure that training and performance includes the safety of the public, both on and off the vehicle, including the safety of cyclists vii. Require the inclusion of disability awareness training, and training on the needs of passengers with special needs, for all staff who are in contact with customers
<p>3.4. Ensure that all vehicles meet required standards</p>	<ul style="list-style-type: none"> i. Ensure that all future urban bus service contracts comply with Waka Kotahi's Requirements for Urban Buses ii. Specify vehicle size and quality on rural and connector contracts match service demand, terrain, and road conditions as required iii. Enable cyclists to better access the public transport system, by providing bike racks on selected services
<p>3.5. Ensure agreements encourage good operator performance</p>	<ul style="list-style-type: none"> i. Incorporate specifications and a KPI regime including service reliability and punctuality, quality, compliance, customer service, and safety in PTOM service agreements ii. Where performance is consistently high and patronage has increased, ensure that appropriate reward mechanisms exist within contracts or through the PTOM framework
<p>3.6. Monitor and continuously improve service delivery</p>	<ul style="list-style-type: none"> i. Work with operators to access operational information in a timely fashion, and include conditions for timely operational reporting in PTOM contracts ii. Require contracted service operators to provide operational information, as required, including: <ul style="list-style-type: none"> • Reliability (early running) • Reliability (cancellation) • Punctuality (late running) • Patronage and passenger kilometres • Service inputs (in-service kms and hours delivered) • Farebox revenue • Safety and security • Driver training iii. Ensure that suppliers have sufficient information about service performance across the whole network, so that they can continually improve services offered to customers

Policies	Actions
	<ul style="list-style-type: none"> iv. Utilise shared, centrally accessed service specifications, service performance, and service measurement data between the Council and operators to improve service performance v. Collect customer feedback on service quality and performance (through surveys, customer complaint processes, and other methods) including information about: <ul style="list-style-type: none"> • Reporting timeliness • Customer satisfaction • Passenger facilities (on bus) • Complaints (including number resolved)

6.4. Farebox recovery

Objective 4: Effective and efficient allocation of public transport funding

Farebox recovery is the measure of operational bus expenditure funded by passenger fares. For the last several years the annual regional farebox recovery rate has been approximately 39% however in 2019/2020 this was down to 37%. The current balance between users, ratepayers and Waka Kotahi towards the total cost of providing the regions bus services are:

- i. Passenger fares 37%
- ii. Ratepayers 31%
- iii. Waka Kotahi 32%

The farebox recovery policy aims to maintain or increase the ratio of user fares to operating costs. The farebox recovery policy is included in Appendix C.

6.5. Fares and ticketing

Objective 5: A fares and ticketing system that attracts and retains customers

Fares will be subject to regular review and adjustment, to ensure that user charges keep pace with changes in operating costs, and that the farebox recovery targets in Section 4.2 are achieved. The Council will continue to review the targets to ensure that they achieve an optimum revenue balance between fares and patronage. It is intended to achieve improvements in farebox recovery through increasing patronage and carefully managing operating costs balanced with fare increases.

The introduction of a new ticketing system will enable Council to be more flexible in the fare structures it can offer. One option is fare capping. Fare capping is a pricing concept that limits the total amount of fares each passenger pays for a defined period of travel. An example is weekly capping where a passenger might only pay for four days while travelling for five days. The benefits for passengers is affordability, no upfront costs and the more travel undertaken within the defined period the less each trip costs.

Policies	Actions
5.1. Implement a fares and ticketing system appropriate for the level of service provided	<ul style="list-style-type: none"> i. Ensure all operators implement the required fare and ticketing systems ii. Ensure that all fare revenues collected by operators, and third parties are auditable and available for apportionment iii. Where required assign unit operators to use and manage, Council supplied, electronic ticketing equipment, and to provide an electronic fare collection system iv. Investigate other fare structure options made capable by the new ticketing system
5.2. Maintain fares at a level that will assist in achieving farebox recovery targets	<ul style="list-style-type: none"> i. Conduct regular annual reviews of operating costs and Waka Kotahi indexation levels to determine the extent of any fare adjustments required to maintain farebox recovery targets in Policy 9.2 ii. Implement actions to reduce operating costs and/or increase patronage
5.3. Provide concession fares for target groups on services	<ul style="list-style-type: none"> i. Retain existing urban services fare concessions for target groups, including: <ul style="list-style-type: none"> • Children under 5: free • Children 5-15 years of age • Secondary school students aged 16-18 years • Tertiary students • Community Service Card holders • ACCESS card holders • Seniors • SuperGold Card free off-peak ii. Retain existing rural services fare concessions for target groups, including: <ul style="list-style-type: none"> • Children under 5: free • Children 5-15 years of age • Seniors • Community Service Card holders • SuperGold Card free off-peak • ACCESS card holders iii. Provide connector service fare concessions for target groups, including: <ul style="list-style-type: none"> • Children under 5: free • Children 5-15 years of age • Secondary school students aged 16-18 years • Seniors • Community Service Card holders • SuperGold Card free off-peak

Policies	Actions
	<ul style="list-style-type: none"> • ACCESS card holders • Tertiary students <ul style="list-style-type: none"> iv. Regularly review concessionary fare levels and affordability v. Regularly review Total Mobility subsidy rates, in consultation with stakeholders, to determine whether they continue to meet user needs vi. Consider short-term promotional fare discounts to support new or improved services
5.4. Ensure that all users pay the correct fare	Following implementation of the new electronic ticketing system develop a fare inspection, enforcement, and auditing regime through operator contracts, to ensure that all passengers pay the correct fare and to minimise the opportunity for fraud.
5.5. Participate in the collective regional council electronic ticketing project	<ul style="list-style-type: none"> i. Continue to participate in the collective regional council Service Level Agreement with the contracted provider ii. Assess, when appropriate the, value for money case of participating in Project NEXT (National Ticketing System)

6.6. Process for establishing units

Objective 6: Follow all legislative requirements and Waka Kotahi guidelines to establish units that will be contracted to Council

Amendments to the LTMA in 2013 introduced the concept of a unit. A 'unit' means:

a public transport service, or group of public transport services:

- a. that a regional council identifies as integral to the region's public transport network; and
- b. that operates , or will operate, on the entire length of one or more routes specified in the regional council's regional public transport plan; and
- c. that includes all of the public transport services operating to a timetable that applies to the entire route or routes specified for the unit.

Policies	Actions
6.1. Implement a process for establishing operating units for all public transport services that will be contracted to the Council	Follow Waka Kotahi's guidelines for preparing regional public transport plans and LTMA requirements,

6.7. Procurement approach for units

Objective 7: A procurement system that supports the efficient delivery of public transport services

Urban public transport services (except for exempt services) will be procured through price and quality-based service contracts while all rural public transport services will be procured through either direct appointment or staged service contracts.

All public transport services described in this Plan (other than exempt services) will be required to be provided under contract to the Council as part of a unit, in order to implement the policies and actions described in this Plan.

The urban service in Taranaki will be subject to a partnering contract designed to be consistent with requirements in the Agency's procurement manual. Exempt services will continue to operate outside the PTOM and not provided under contract to the Council.

Policies	Actions
<p>7.1. Ensure the appropriate allocation of roles, responsibilities, and risk between the Council and operators using the PTOM</p>	<p>Work with operators, suppliers, and funders to align with the PTOM to deliver an efficient and effective range of public transport services across the region. Specifically:</p> <ul style="list-style-type: none"> i. All public transport services that are integral to the regional public transport network described in this Plan (other than deemed exempt services) will be grouped into units, based around logical geographic catchments, and taking into account the need for units to be of sufficient size to ensure a competitive service supplier market and deliver efficient and effective services which can increase patronage ii. All public transport services described in this Plan (other than exempt services) will operate under a contract with the Council, in order to implement the policies and actions in this Plan. iii. Each unit will form the basis of an individual PTOM contract with the Council iv. The financial incentive mechanism that will be incorporated into the partnering contracts will describe a shared responsibility between the operator and the Council for growing the business, and sharing the fare revenue risk and reward v. All contracts will include key performance indicators around service performance, quality, cost effectiveness, and safety

Policies	Actions
7.2. Ensure service continuity to the travelling public	<ul style="list-style-type: none"> i. Incorporate appropriate service continuity provisions into the unit contracts that include appropriate mechanisms for eliciting changes to a unit when network or service review processes deem this necessary ii. Provide appropriate lead times for all service provisions to allow operators sufficient time to secure resources
7.3. Identify specific exempt services that are not subject to PTOM contracts	<ul style="list-style-type: none"> i. Provide for exempt services to operate within the Taranaki region without a PTOM contract ii. Inter-regional services that operate without a direct subsidy from the Council iii. Existing registered commercial bus services in operation at 30 June 2011 that did not offer fares set by the Council
7.4. Adopt a partnership approach to network planning and service changes	<ul style="list-style-type: none"> i. Use the PTOM contracting model to enter and manage contractual relationships with operators. ii. Where possible, implement significant network changes at the start of the PTOM contract tendering / negotiation rounds iii. Work with contracted operators to develop a business plan for each PTOM unit that aims to grow its commerciality and passenger demand, subject to the overall network development plans and targets in the RPTP. The business plan will be jointly owned by The Council and the unit operator, and will clearly define individual and joint responsibilities iv. Revisit the business plan at regular intervals (at least annually) v. Publish an annual report of performance league tables showing PTOM unit patronage growth and commerciality
7.5. Ensure that the operation of exempt services does not adversely affect the wider public transport network	<ul style="list-style-type: none"> i. Assess all applications to operate or vary exempt services according to the statutory requirements. The Council may decline to register an exempt service, or vary the route or routes of an exempt service, where the service or variation is: <ul style="list-style-type: none"> • likely to have a material adverse effect on the financial viability of any unit • likely to increase the net cost to the Council of any unit

Policies	Actions
	<ul style="list-style-type: none"> • contrary to sound traffic management or any environmental factor identified by the Council as important to the region ii. The service is identified in this Plan as being integral to the public transport network in the region

6.8. Managing, monitoring and evaluating unit performance

Objective 8: A system of monitoring and review that supports continuous improvement

The Council will regularly monitor progress towards these targets. It will also monitor the implementation of this Plan and use a series of key performance indicators (KPIs) to determine how well the public transport system is achieving its objectives. This information will be regularly published to ensure that the public has access to up-to-date information on service performance.

The Council has developed a policy to determine whether or not any proposed variation to the RPTP is significant (see Appendix V). If the proposed variation to the RPTP is significant, the Council must consult on such variation in accordance with the requirements of section 125 of the LTMA.

Policies	Actions
8.1. Undertake regular monitoring and reporting of service, unit and system performance	<ol style="list-style-type: none"> i. Implement monitoring, reporting, and analysis of service trip and unit performance (including patronage, ticket sales and type, punctuality and reliability, and other matters) against patronage, farebox recovery, service level, and service performance targets ii. Prepare a regular public report on progress using the following KPIs, segregated where possible by weekday peak, inter-peak, and weekend time periods : <ul style="list-style-type: none"> • Total public transport boardings • Passenger km travelled • Proportion of residents within 500 metres walk of a stop on the rapid and frequent service network • Patronage growth on all bus services • Service improvements delivered to schedule within agreed budgets • Customer satisfaction ratings for public transport services • Customer rating of public transport value for money • Reliability: late running and cancelled services • Punctuality: proportion of services "on time" (i.e. percentage of scheduled trips between 59 seconds before and 4 minutes and 59 seconds after the scheduled departure time at the selected points) • Proportion of services with disability access • Operating subsidy per passenger km • Farebox Recovery Ratio

Policies	Actions
8.2. Ensure appropriate public consultation on future Plan variations	Use the policy on significance in Appendix V to determine the appropriate level of consultation undertaken for any proposed variation to the RPTP

6.9. Transport-disadvantaged

Objective 9: Improved access for communities and groups whose needs are not met by the public transport system

An important focus of this Plan is to meet the needs of those who are least able to travel to basic community activities and services – the transport-disadvantaged.

Providing a network of public transport services goes some way to meeting these needs. However, it is recognised that some groups have specific needs that may be met more effectively by access to specialised passenger transport services and / or concessionary fares. Subject to continued funding availability, the Council will therefore continue to support specific services such as the Total Mobility service for people with disabilities, fare concession schemes, and school bus services.

The Council will work with disability groups to ensure that the principles outlined in the Human Rights Commission report *The Accessible Journey* are reflected in the development of public transport services and infrastructure.

Policies	Actions
9.1. Provide a public transport network that is accessible and safe, particularly for vulnerable users	<ul style="list-style-type: none"> i. Identify target groups and areas where service planning can help the transport-disadvantaged, particularly vulnerable users such as children, senior citizens, and people with disabilities ii. Work with stakeholders to identify and resolve accessibility and safety issues iii. Specify services (or specific elements of services) that must be operated by accessible vehicles which conform to Waka Kotahi guidelines and the Council requirements iv. Ensure that accessible information is widely available by using appropriate formats and media, including audio and visual (see Section 6.6)
9.2. Provide transport services and facilities for customers whose needs are not met by the regular public transport network	<ul style="list-style-type: none"> i. Promote the location and design of facilities to ensure safe access for all customers to and around transport stops, with particular attention to the needs of people with disabilities ii. Advocate for better design of infrastructure to improve access and usability for the transport-disadvantaged iii. Work with operators to ensure that training for drivers, and other staff in contact with the public includes

Policies	Actions
	<p>appropriate assistance for customers who have difficulty using public transport</p> <p>iv. Investigate feasibility of demand-responsive services in order to provide transport options for those who are unable to use regular public transport services</p> <p>v. Continue to fund the Total Mobility scheme, including:</p> <ul style="list-style-type: none"> Contracting small passenger service operators and specialist operators to provide targeted services Providing a discount on qualifying travel (up to a specified subsidy) In eligible cases, assisting with the installation of hoists or ramps in specialist vehicles so that wheelchairs can be carried
9.3. Support public transport services and facilities that better meet the needs of individual, rural, and isolated communities, taking into account value for money and local initiatives	<p>i. Identify appropriate public transport services and facilities for rural areas by:</p> <ul style="list-style-type: none"> Engaging with territorial authorities and local communities to develop proposals for community-driven initiatives to design and implement tailored public transport services on a trial basis Working with territorial authorities and local communities to identify and resolve funding and procurement issues Working with territorial authorities and local communities to explore the longer-term viability of services that have been trialled successfully

6.10. Accessibility

Objective 10: Improved access for communities and groups who rely on public transport as their main means of transport

An important focus of this Plan is to advocate for those who are the least able to access private transport. There are three key areas of accessibility.

- i. access to the network
- ii. facilities
- iii. bus quality

Policies	Actions
10.1. Ensure good access to public transport services	Design urban routes so that at least 95% of the New Plymouth population resides within 400m of a public transport route
10.2. Advocate for accessible infrastructure	Continue to work with the Taranaki Disability Information Centre and agencies to advocate for facilities that cater to those with disabilities

6.11. Infrastructure

Objective 11: Advocate for a high standard of public transport infrastructure that supports service provision and enhances the customer experience

Bus stops, shelters, interchanges, terminal layover facilities require clear, consistent branding, with service levels and information to meet customers' needs for an integrated, easy-to-use, customer-focused system. An efficient and effective public transport system relies on the provision of well-designed and well-maintained facilities including:

- bus stops and shelters
- route and timetable information
- interchanges
- terminal layovers

Their design also needs to provide good access, and safety and personal security at all stages of the journey, particularly for people with disabilities.

Policies	Actions
<p>10.3. Collaborate with territorial authorities to integrate infrastructure and service provision</p>	<ul style="list-style-type: none"> i. Continue the Public Transport Operating Group for the Citylink service between New Plymouth District Council and the Taranaki Regional Council ii. Work with all territorial authorities to develop an on-going programme of infrastructure improvements based on level of service indicators, with upgrades to improve journey times, reliability, safety, and the connection environment for the customer iii. Work with bus operators and the territorial authorities to make provision for terminal layover facilities as necessary to ensure the efficient and reliable operation of bus services iv. Ensure a consistent strategy for network branding, naming, and information, is applied to all public transport facilities and infrastructure
<p>11.1. Advocate for the provision of accessible, customer-focused facilities appropriate to the public transport route and the immediate locality</p>	<ul style="list-style-type: none"> i. Advocate for bus facilities that comply with design guidelines such as the proposed Waka Kotahi Public Transport Infrastructure Guidelines and which are appropriate for existing and future land use ii. Advocate for central city and key interchange bus access, departure, and interchange points easy for customers to understand and access iii. Advocate for bus stops and interchange facilities focus on providing appropriate amenity and shelter, while maximising their attractiveness as a network access point from a customer perspective

Policies	Actions
	<ul style="list-style-type: none"> iv. Advocate for the location of bus stops in a way that allows for quick and convenient access, especially for transferring passengers v. Advocate for infrastructure that enhances customer safety and security by meeting or exceeding the safety requirements set out in design guidelines, as appropriate to the location

6.12. Customer interface

Objective 12: Simple, visible, and intuitive customer information and service

The move to a more connected network needs to be accompanied by a more customer-focused approach to public transport. This includes:

- a. a better understanding of, and response to, customer needs
- b. a more proactive approach to dealing with complaints
- c. using customer feedback to identify opportunities for improvement
- d. the provision of training at all levels
- e. a stronger focus on customer service in contracts and supplier relationships.

A consistently branded network, integrated end-to-end service, and relevant and accurate customer information gives users confidence that they will reach their destination on time or be able to make a timely and convenient change to another service.

A consistent brand will help customers to identify the network so it is easy to use, and also clearly integrates all elements of the network into a single multi-modal system.

The Council recognises the need to provide customer information and communications material, in order to attract new customers and to encourage existing customers to continue or expand their use of public transport.

Policies	Actions
12.1. Use customer feedback to continually enhance services	Continue to enhance the process for dealing with customer feedback and complaints, to provide for a "one-stop-shop" approach, a clear escalation process, and clarity on the respective responsibilities of the Council and operators
12.2. Provide a range of marketing material to attract potential customers	<ul style="list-style-type: none"> i. Work with operators to provide excellent customer information to market public transport products ii. Work with operators to build a strong public transport brand and on-road presence which highlights the levels of service offered by different elements of the service network, and emphasising frequencies and ease of use

Policies	Actions
	<ul style="list-style-type: none"> iii. Proactively market service improvements to key market segments, using a range of approaches and communication channels that are relevant to each group iv. Ensure that service changes are communicated to affected areas and groups before implementation, using a variety of communication channels, as appropriate
12.3. Provide a wide choice of information channels for customers	<ul style="list-style-type: none"> i. Provide up-to-date timetable information at all bus stops, in a standardised format with the network brand described in Policy 6.2 above ii. Maintain - and continually improve - a public transport information website iii. Ensure that external vehicle destination displays comply with the requirements of Waka Kotahi's Requirements for Urban Buses iv. Work with territorial authorities to develop appropriate travel information to promote journeys that better integrate active modes and public transport v. Continue to provide information in formats that are accessible for people with impaired vision (large print timetables) vi. Continue to provide information to Total Mobility members, agencies, and assessors (newsletters)
12.4. Provide a high-quality travel experience	<ul style="list-style-type: none"> i. Ensure that high-quality customer service standards are maintained by all drivers on public transport services ii. Ensure drivers are trained in the need for smooth acceleration and braking, which will have multiple benefits of: improving the comfort and safety of passengers, improving fuel consumption, and reducing vehicle emissions iii. Work with operators on improving all drivers on public transport services' disability awareness skills
12.5. Provide a range of customer feedback channels	<ul style="list-style-type: none"> i. Aim to respond to customer feedback within 10 working days ii. Monitor feedback on service performance and convey this to operators, as appropriate, for onward action

7. Proposed strategic responses

To address the problems identified for public transport in the Taranaki region a number of strategic responses are being proposed.

The strategic responses are not standard public transport initiatives that have been tried in the past with minimal gain, such as increase public transport mode share by travel behaviour change initiatives. The responses instead focus on strengthening relationships with supporting organisations. The Council would like to see supporting organisations accept wider responsibility and commit to increased collaboration to address the challenges identified within this document. Without a partnership approach, it is unlikely the perception and usage of public transport in Taranaki will improve.

The responses are:

1. Undertake a public transport network review using stakeholder and public feedback from the review to develop new public transport options and costings. This will create a 10-15 year structured development plan. Changes in investment can be aligned with the Waka Kotahi's 3-year funding programmes.
2. Participate in New Plymouth District Council's development of a Transport Strategy in 2020/2021. New Plymouth District Council is looking to develop an Integrated Transport Strategy for the District. This will be a multi-modal review of transport and how it integrates with existing and planned land-use and infrastructure across the District.
3. Participate in the Ministry of Transport review of Total Mobility likely in 2021.
4. Continue to make enhancements to existing services for example changes to improve reliability, customer service, coverage and technology advances.

The Council is of the opinion that unless we participate in responses one and three above and get greater understanding and support from the territorial authorities, in particular the New Plymouth District Council, then there is little benefit in a major step-change in the current levels of public transport investment.

Public Transport Network Review

As part of the development and long-term planning for public transport, funding has been budgeted for 2020/2021 to carry out a region-wide review of the region's public transport networks. The last region-wide review of passenger transport was undertaken in 2004 by Booz, Allen and Hamilton. The recommendations from that report formed the basis for the region's current network.

It is proposed the new Regional Public Transport Plan will be used as the basis for developing a short to medium term road map of the future public transport network in Taranaki. This will include developing options and costings for the further enhancement of services, where viable, and possibly the restructuring or cancelling of underperforming services. It is proposed that an external consultant develop the road map in conjunction with officers. Funding has been included in the 2020/21 financial year and officers will work with the Waka Kotahi to confirm the availability of the proposed funding.

The structure and timing of this review will allow time to consider future options and to allow for the required investment business case to be developed and submitted to the Agency as part of the 2021/2024 National Land Transport Programme (NLTP).

Participate in New Plymouth District Council's development of a Transport Strategy

New Plymouth District Council is looking to develop an Integrated Transport Strategy for the District. This will be a multi-modal review of transport and how it integrates with existing and planned land-use and infrastructure across the District. Development of the Strategy proposed for 2019/2020 has been deferred to 2021/2022.

Participate in Ministry of Transport review of Total Mobility

The Ministry of Transport recognises the difficulties that transport disadvantaged New Zealanders face when accessing the transport system. Consideration of issues for the transport disadvantaged is built into policy work. For example, the Ministry has engaged with representatives of disability groups, including the Disabled Persons Assembly, during the development of the new road safety strategy.

The Ministry has received feedback regarding the effectiveness of the Total Mobility Scheme and that it is not fit-for-purpose for all users. Examples include there being a limited number of accessible vehicles and providers in provincial areas of the country, and the cost of the Scheme for those who use it on a daily basis, despite the discounted fare.

This impacts on education, employment, and access to community services. However, the Ministry understands that simply reviewing the Total Mobility Scheme in isolation will not address all of the concerns that have been raised from the disabled community. Broadening this review to also consider how Councils can improve access to, and experience of, the transport system for those living with a disability will likely lead to more effective outcomes.

The Ministry is likely to undertake a strategic assessment of provision of services for people with different transport needs in the 2020/21 financial year. This assessment will include a review of the Total Mobility Scheme.

Planned activities

While there are ongoing challenges to ensure public transport is truly seen as a viable alternative transport option to the private motor car, the Council is continuing to improve and enhance the services. A number of enhancements have already commenced or planning for them is underway. The following are planned in the next one to three years:

- new bus ticketing system including new ticketing machines with tag-on tag-off functionality; personal card management via a website with features such as automatic card top-up; card balance; report a lost or stolen card; and automatic concession approval for SuperGold Card holders and children aged five to 15 years
- bus App with real-time passenger information
- increase the frequency of Connector trips and provide for an accessible bus option
- upgrade the Total Mobility management system
- assess funding for Ironside Vehicle Society Inc
- implement increased services levels between Waitara, Bell Block and New Plymouth
- investigate alternate fuelled bus options for example electric and develop a transition plan as part of Council's contribution to Taranaki 2050
- continue to assess Timaru's MyWay by Metro on-demand public transport service trial

- continue to participate in the national ticketing system procurement project

As noted the Council wants to undertake a network review of all the regions services following the renewal of this Plan, as the last review occurred in 2008/2009. The Council wants to avoid a piecemeal approach to any significant enhancement of existing services or implementation of new services. Waka Kotahi's funding structure requires enhancements and step changes in services to be proven by following the business case approach. Local share must also be available

We know that there are already other specific service requests as shown below. These along with other submissions will inform the proposed network review and lay the foundation for medium to long-term activities. They are not listed in any particular order.

- daily bus service with multiple return trips from Ōkato to New Plymouth
- expanded Citylink services to Taranaki Base Hospital catering to shift workers and patients
- cross-city services in New Plymouth focused around key service centres such as residentially-sited shopping centres, supermarkets and medical centres
- services to Bell Block industrial area during normal business hours
- services to New Plymouth Airport
- additional Saturday services and routes similar to the week-day schedule
- extended Citylink operating hours, these are currently 7am to 6.20pm

Appendix A: Public transport services integral to the public transport network

The Regional Council provides the following bus services covering New Plymouth, Bell Block, Lepperton, Waitara, Tikorangi, Urenui and Ōakura. These include a mix of urban services and school services. Other services may be identified and incorporated into the plan by way of variation.

Service	Area/s covered	Type
Route 1	CBD, Moturoa	Urban - Monday to Friday
Route 2	CBD, Lynmouth, Marfell, Whalers Gate	Urban - Monday to Friday
Route 3	CBD, Lynmouth, Marfell	Urban - Monday to Friday
Route 4	CBD, Westown, Hurdon	Urban - Monday to Friday
Route 5	CBD, Frankleigh, Park, Ferndale	Urban - Monday to Friday
Route 6	CBD, Vogeltown/Brooklands	Urban - Monday to Friday
Route 7	CBD, Welbourn/Highlands Park	Urban - Monday to Friday
Route 8	CBD, Merrilands/Highlands Park	Urban - Monday to Friday
Route 9	CBD, Fitzroy/The Valley/Glen Avon	Urban - Monday to Friday
Routes 51 – 54	CBD, Strandon, Welbourn, Brooklands, Vogeltown, Frankleigh Park, Westown, Marfell, Whalers Gate, Spotswood, Lynmouth	Urban - School
Route 20	CBD, Waitara/Bell Block/New Plymouth	Urban - Monday to Friday
Route 10	Saturday - CBD, Vogeltown, Frankleigh Park, Westown, Marfell, Spotswood, Moturoa,	Urban - Saturday
Route 11	Saturday - CBD, Strandon, Fitzroy, Bell Block, Merrilands, Brooklands, Vogeltown	Urban - Saturday
Route 12	Merrilands, Lynmouth, Spotswood	Urban - School
Route 14	Merrilands	Urban - School
Route 21	Waitara to Spotswood	Urban - School
Route 22	Waitara/Motunui to New Plymouth	Urban - School
Route 23	Urenui/Tikorangi to New Plymouth	Urban - School
Route 24	Waitara to New Plymouth	Urban - School

Service	Area/s covered	Type
Route 30	Bell Block to New Plymouth	Urban - School
Route 31	Lepperton to New Plymouth	Urban - School
Route 32	Bell Block to New Plymouth	Urban - School
Route 33	Bell Block to New Plymouth	Urban - School
Route 34	Bell Block to New Plymouth	Urban - School
Route 35	New Plymouth to Bell Block	Urban - School
Route 40	Ōakura/New Plymouth	Urban - School
Route 41	Ōmatā to New Plymouth	Urban - School
Route 42	Ōakura to New Plymouth	Urban - School
Route 43	Ōakura to New Plymouth	Urban - School
Route 44	Ōakura to New Plymouth	Urban - School
Route 45	New Plymouth to Ōakura	Urban - School
Routes 91, 92, 93, 95 and 97	Various New Plymouth schools to Ariki Street Bus Centre	Urban - School

The Regional Council provides the following bus services covering south and coastal Taranaki. Other services may be identified and incorporated into the plan by way of variation.

Service	Area/s covered	Type
Waverley to Hāwera	Waverley, Pātea, Hāwera	Rural
Ōpunake to Hāwera	Ōpunake, Kaponga, Manaia, Hāwera	Rural
Ōpunake to New Plymouth	Ōpunake, Rāhotu, Pungarehu, Ōkato, Ōakura, New Plymouth	Rural

The Regional Council provide the following bus service linking south and north Taranaki via State Highway 3. Other services may be identified and incorporated into the plan by way of variation.

Service	Area/s covered	Type
Hāwera to New Plymouth	Hāwera, Eltham, Stratford, Inglewood, New Plymouth	Connector

Total Mobility

The Total Mobility scheme caters to those people with impairments by providing access to suitable transport. The Council intends to continue providing the Scheme throughout Taranaki where approved transport providers operate. Areas where approved operators are based are:

Area	Approved transport provider
New Plymouth	Energy City Cabs New Plymouth Taxis Driving Miss Daisy Freedom Companion Driving T E Taxis
Stratford	Stratford Taxis
Hāwera	STOPS

Other services

The Council intends to continue to support Ironside Vehicle Society as a specialist transport provider as part of the Total Mobility Scheme.

Appendix B: Unit establishment

Unit design

The Public Transport Operating Model (PTOM) seeks to grow patronage while reducing a reliance on public subsidies by meeting the dual objective of growing the commerciality of public transport services and growing a confidence that services are priced efficiently and the market is competitive.

Principles

The following principles have been taken into consideration in designing the proposed units. The extent to which particular principles have been applied to particular units varies according to the peculiarities of the particular units.

Network and service review

Before identifying units, the Council identified routes and services that are integral to the region's public transport network. The proposed unit design takes into account the Council's ability to undertake future service reviews in consultation with operators (ideally, changes to services to meet foreseeable local community needs will be able to be delivered within a unit).

Marketable whole

Units should be 'marketable wholes' – that is, potentially deliverable by operators either as stand-alone operations or as part of a wider suite of services.

Customer market

Units should have readily identifiable customer markets for the services, enabling the operators and the Council to apply the right commercial behaviours to growing the market. A customer market might generally be thought of as a geographic area or areas, but could also be generated by a particular activity or use – for example, an airport, shopping precinct, hospital or university.

Whole-route operation

Each unit must comprise a service or group of services that operates on the entire length of one or more routes.

Unit attractiveness

Units should be attractive to a tenderer, and should attract competition from a range of operators. Units should be efficient groups of services in terms of management, vehicle utilisation etc.

Opportunities to group units in tenders

Opportunities for operators to tender for units in groups to encourage efficiencies and thus value for money have been taken into account.

Mode specific

Units must be single-mode specific, so a unit cannot include both a bus and a ferry or train route.

School services consideration

School services not provided by the Ministry of Education must be arranged into units. School services operating on a timetabled route are logically allocated to that unit.

Wider network consideration

This includes taking into account connections between routes and achieving higher frequencies by services overlapping on parts of a trunk route.

The following table highlights the key unit design principles applying to each proposed unit.

Unit	Key unit design factors
New Plymouth, Waitara Bell Block and Ōakura	<p>Network and service review – carried out in 2009 with current network rolled out in 2010. The only urban service (Monday – Saturday) in the Taranaki region</p> <p>Marketable whole – delivered as one contract. High integration between urban and school services</p> <p>Customer market – established with opportunity for continuing patronage growth</p> <p>Mode specific – bus</p> <p>School services consideration – 27 school services included in the unit</p> <p>Wider network consideration – urban services operate as a ‘pulse hub network’ enabling connections to be made between services</p>
Ōpunake-New Plymouth	<p>Marketable whole – one bus, once-a-week service</p> <p>Mode specific – bus</p>
Ōpunake-Manaia- Hawera	<p>Marketable whole – one bus, once-a-week service</p> <p>Mode specific – bus</p>
Waverley-Pātea-Hāwera	<p>Marketable whole – one bus, once-a-week service</p> <p>Mode specific – bus</p>
Hāwera -New Plymouth service via SH3	<p>Marketable whole – one to two buses, daily service (Monday-Friday) connecting south and north Taranaki</p> <p>Marketable whole – delivered as one contract</p> <p>Customer market – recently established service with opportunity to grow patronage</p> <p>Mode specific – bus</p>

Appendix C: Farebox recovery policy

Introduction

In accordance with the Waka Kotahi NZ Waka Kotahi (Waka Kotahi) requirements, the Taranaki Regional Council (the Council) has adopted a farebox recovery policy. Farebox recovery measures the percentage of the costs of providing bus services that is covered by passenger fares (the balance of the costs is met in equal proportions by local ratepayers and Waka Kotahi).

In the short to medium-term, central government funding is expected to be similar to current levels, although the impacts of Covid-19 is likely to have an impact for the medium term.

The previous national target of 50% was achieved with Waka Kotahi to review the policy in the future in order to help achieve the aims of the Government Policy Statement for Land Transport 2018. The review is not yet complete. However, Waka Kotahi has confirmed that the underlying principles are still relevant.

To continue to contribute towards maintaining farebox recovery the Council will give priority to actions that grow patronage (especially where spare capacity is available), and reduce operating costs (if possible), in preference to simply raising fares.

Background

Waka Kotahi requirements

Waka Kotahi requires that all regional councils prepare a "farebox recovery policy", and include that policy in the Regional Public Transport Plan.

Waka Kotahi require the farebox recovery policy to:

- Set a target farebox recovery rate for the public transport system
- Set out how the target was chosen
- Set out a strategy as to how the target will be achieved
- Set out how the policy complies with various relevant national and regional planning documents, and with legislation
- Provide for an annual review of fare levels and a review of fare structures at a minimum approximately once every six years or to coincide with RLTS and/or LTP reviews.
- Waka Kotahi prescribe the formula for establishing the farebox recovery rate.

Services included

The public transport services to be included in the calculation of the fare recovery are all the Council contracted services operating in the region.

Long-distance (e.g. inter-city services) services, privately funded school services, Ministry of Education funded school services, tourist and charter services are not included.

The farebox recovery target

In applying its farebox recovery policy, the Regional Council has decided to measure farebox recovery of region as a whole rather than measuring individual services, routes or trips. Individual services, routes or trips, particularly those that might be regarded as "social" services, are not necessarily expected to achieve the target set out in this policy.

However while the Council has agreed to adopt a region-wide target for the purposes of this policy, the Council has a target recovery rate of 25% for rural services (rural service make up a very small proportion of the total (about 3%)), and thus have little impact on the overall recovery rate.

The table below shows the actual farebox recovery level for the whole region for the last financial year, and the target rate set by the Council for the four years to 2023/2024. All figures have been calculated using the Waka Kotahi's farebox recovery formula.

Actual farebox recovery (2019/2020)	Target (2020/2021)	Target (2021/2022)	Target (2022/2023)	Target (2023/2024)
37%	≥37%	≥38%	≥38%	≥39%

How the targets were chosen

The Council has chosen targets that maintain or improve the farebox rate while at the same time recognising the ability-to-pay of passengers given the current structure of services and the challenge of reducing operating costs.

Lowering the target below that achieved in 2019/20 is not considered appropriate – the Council believes that it is appropriate that passengers pay a reasonable share of the costs. The Council considers that a seeking to improve passenger contribution will provide a suitable balance between the contributions of ratepayers/taxpayers and passengers.

Method of calculation

The formula used to calculate farebox recovery is prescribed by Waka Kotahi and is set out in detail on its website. In essence the formula is total fare revenue divided by total costs.

Strategies to meet the targets

As indicated above, unless future revenues increase and/or costs reduce, the target recovery levels will not be met in the future. Thus some form of intervention will be needed to achieve the targets.

Four intervention strategies are set out below. These strategies will require the Council to work with transport providers and local councils to achieve the targets. The needs of the transport disadvantaged will need to be considered in any intervention.

Strategy 1: Improve operating efficiencies

Improvements to operating efficiencies will reduce costs and therefore improve farebox recovery.

The Council in association with transport provider is constantly monitoring the costs and revenues of services, and investigating how to improve efficiency. Services with poor farebox recovery will be identified, and efforts made to improve the performance of those services. Changes may include better coordination and integration of services, which may for example be achieved through small timetable changes and/or route optimisation.

Strategy 2: Increase patronage

Increasing patronage will increase revenues, and thus improve farebox recovery.

The Council will look to increase patronage by undertaking general and targeted publicity as well as improving service quality through improving infrastructure, maintaining high vehicle quality standards, and optimising routes and service levels to increase accessibility.

Strategy 3: Reduce poor performing services

Reducing poorly performing services will have the effect of reducing costs and thus increasing farebox recovery.

Poor performing services (i.e. those services with high costs and/or low patronage) can be improved assessing operating times, frequencies and routes and making adjustments, (including reductions) to frequencies and routes where appropriate. The Council will also consider alternative ways of providing services, such as on-demand and dial-a-ride options.

Strategy 4: Review of fare products and fare levels

Increasing fares will lead to increases in revenue and thus improve farebox recovery.

Small increases in fares are likely to be required on a regular basis to cover the increases in costs of providing bus services.

Other options may include reviewing the availability and eligibility criteria for concession fares, reviewing the levels of discount available and seeking supplementary sources of funding.

How the policy will be applied

The current gross cost of the contract enables revenue recovery to be easily monitored on a monthly basis, and thus any reduction in farebox recovery will be quickly identified. If the recovery rate is dropping, the Council will then decide which of the intervention strategies will be applied.

Implementation date

This policy will apply once the Regional Public Transport Plan is approved.

Fare level review

An annual fare level review will be undertaken at the conclusion of each financial year. This review will take into consideration the farebox recovery levels but may also include any other factors he considers relevant. The review will also address the level of discounts and concessions within the existing fare structure.

Fare structure review

The Council will review fare structures at least every six years. The fare structure review will address all aspects of the fare system, including the appropriateness of zones as the base for the system, and the availability of (and discount to be applied to) concession fares.

Policy review

This policy (including the targets) will be reviewed at least every three years or when the Regional Public Transport Plan is reviewed (which is likely to be at least every three years).

It may also be reviewed immediately if Waka Kotahi policy or practices affecting farebox recovery change.

Policy contribution

Policy	Comment
Government Policy Statement on Land Transport Funding (GPS)	<p>The GPS outlines the Government's strategy to guide land transport investment over the next 10 years. It also provides guidance to decision-makers about where the Government will focus resources. The GPS operates under the Land Transport Management Act 2003, which sets out the scope and requirements for the GPS.</p> <p>The Government Policy Statement identifies four strategic directions: safety, access, environment, and value for money.</p> <p>The Government Policy Statement also sets the policy framework for the National Land Transport Programme, which allocates Waka Kotahi funds for transport activities.</p>
Regional land Transport Strategy (RLTP)	This policy contributes to the RLTP by at least maintaining the level of local contribution towards the funding of public transport, and thus helping to achieve objectives set in the RLTP.
Regional Public Transport Plan (RPTP)	This policy contributes to the RPTP by looking to improve efficiencies and value for money.
Land Transport Management Act 2003 (LTMA)	This policy contributes to the LTMA by aiming to improve efficiencies and effectiveness, and by maintaining the level of local contribution towards the funding of public transport.
Public Transport Operating Model (PTOM)	<p>The Public Transport Operating Model (PTOM) was developed for the procurement and service delivery of public transport services. Its key objectives are to:</p> <p>Grow the commerciality of public transport services and create incentives for services to become fully commercial</p> <p>Grow confidence that services are priced efficiently and that competitors have access to public transport markets</p> <p>The PTOM is a planning, procurement, and business development framework. Key features are the design of efficient public transport networks, incentivising joint public private investment, and building relationships between regional councils (including Auckland Transport) and operators to provide the basis for a genuine partnership.</p>

Appendix D: Significance policy

This appendix sets out the Taranaki Regional Council's (the Council) policy on significance. This is required to determine whether any proposed variation to the RPTP is significant for the purpose of section 126 (4) of the LTMA, which refers to the level of consultation that is required before a variation can be adopted.

A more streamlined process may be adopted for matters not considered significant.

For the purpose of this policy:

- Significance is a continuum, from variations of high significance through to variations of low significance. The policy sets a significance threshold, relating to a high degree of significance.
- If a variation is not significant then the consultation requirements under section 125 (1) of the LTMA do not apply. This does not imply that the variation is unimportant or that no consultation will take place. The Regional Council fully intends to undertake targeted consultation on matters that affect specific communities and stakeholders, including operators, even when these matters do not invoke the significance threshold outlined in this policy.

Significant variations

A significant variation is likely to have more than minor impact on any of the following:

- The Council's ability to achieve its vision
- The Council's ability to achieve the strategic direction and guiding principles of the RPTP
- The Council's ability to achieve the objectives of the RPTP, or the Regional Land Transport Plan
- The reallocation of the funding available for public transport in the region

When assessing the significance of any proposed variation, the Council will consider:

- The reasons for the variation, and the alternatives available
- The magnitude of the variation in terms of its financial cost to the region
- The extent to which the proposed variation departs from the strategic direction and guiding principles contained within the RPTP
- The proportion of the regional community that would be affected to a moderate or greater extent by the variation
- The likely effect on the overall level, quality, and use of public transport services in the region
- The extent to which the variation is consistent with the Regional Land Transport Plan, and the Government Policy Statement
- The implications for the present and future economic development and efficiency of the region, safety and personal security, access and mobility, environmental sustainability, or public health
- The likely effect on the Council's Long Term Plan

Any variation that amends this significance policy is deemed to be significant and must follow the consultation requirements in section 125 (1) of the LTMA.

Targeted engagement

When the Council finds that a proposed variation is not significant, the Council will undertake targeted stakeholder engagement in the following circumstances:

a For service reviews

As service reviews affect only a part of the region, full consultation will not generally be required. Key stakeholders will be included in preliminary engagement as the service plan is developed, and targeted public engagement will follow when options have been identified.

b For minor changes in the delivery of public transport services

Minor changes in service delivery that are required to improve efficiency (such as adding or removing trips, and minor route changes) have only a local impact. In these cases, engagement will generally be undertaken on a low level with the operator(s) involved, the relevant territorial authority, and passengers who use the services.

c Other variations

Any proposals for changes that affect only a sector of the community or the industry (such as a change to the *Total Mobility* scheme, or a change to specific vehicle quality standards) will be worked through with those most likely to be affected, as well as other relevant stakeholders.

Note that this policy does not preclude the Council from a more comprehensive consultation process for a variation that does not meet the significance threshold if the benefits of that consultation are considered to outweigh the costs.

Appendix E: Land Transport Management Act 2003 requirements

A regional public transport plan must contribute to the purpose of the Land Transport Management Act 2003 (LTMA) which is an efficient and effective land transport system in the public interest (Section 3 of the LTMA). A regional council must also, when preparing a statement of proposal to adopt a regional public transport plan and before adopting a regional public transport plan, be satisfied that the proposal satisfies the requirements of Section 123 of the LTMA. The following table contains an assessment against the requirements of Sections 3, 114 and 123. The Council is satisfied that the Plan complies with the LTMA.

LTMA reference	Provision	Contribution
3 Purpose	The purpose of this Act is to contribute to an effective, efficient, and safe land transport system in the public interest."	<ul style="list-style-type: none"> The Plan's contribution to the purpose of the LTMA, and the efficiency and effectiveness of the overall strategic approach to public transport in the Taranaki region has been assessed through the RLTS process. A range of strategic options were developed and evaluated as part of the RLTS process.
114A Principles "(1) (a)	Regional councils and public transport operators should work in partnership and collaborate with territorial authorities to deliver the regional public transport services and infrastructure necessary to meet the needs of passengers.	<ul style="list-style-type: none"> The RPTP includes a section on working together which covers both our relationship with operators and territorial authorities.
114A (1) (b)	The provision of public transport services should be coordinated with the aim of achieving the levels of integration, reliability, frequency, and coverage necessary to encourage passenger growth.	<ul style="list-style-type: none"> Enhanced levels of service on the Urban service in New Plymouth, Bell Block, Waitara and Ōakura will contribute to improved journey times, reduced congestion, and better use of existing transport capacity. The coverage provided by the regional public transport network as a whole will provide better access to education, health, employment and areas that contribute to economic growth.
114A (1) (c)	Competitors should have access to regional public transport markets to increase confidence that public transport services are priced efficiently.	<ul style="list-style-type: none"> The establishment of units is designed to enable regular entrance to the market, primarily through the Rural contracts and in future the Connector contract.
114A Principles "(1) (d)	Incentives should exist to reduce reliance on public subsidies to	<ul style="list-style-type: none"> The development of units, establishing a partnership approach and regular monitoring aligned with Waka

LTMA reference	Provision	Contribution
	cover the cost of providing public transport services.	<p>Kotahi's Key Performance Indicators will provide the framework for reducing reliance on public subsidies.</p> <ul style="list-style-type: none"> Specific incentives for performance will be incorporated into contract relationships with operators.
115 Principles "(1) (e)	The planning and procurement of public transport services should be transparent.	<ul style="list-style-type: none"> The RPTP clearly sets out both the planning and procurement approach for the Council's public transport services.
124 (a) (ii)	Has been prepared in accordance with any relevant guidelines that the Transport Agency has issued.	<ul style="list-style-type: none"> Waka Kotahi's Requirements for Urban Buses (2011) have been taken into account and referenced in this Plan.
124 (a) (iii)	Is, if it includes a matter that is not within the scope of the regional land transport plan, otherwise consistent with that plan.	<ul style="list-style-type: none"> The purpose of this Plan is to give effect to the public transport components of the current RLTS. The RLTS was assessed against the regional policy statement and regional plans, and was found to be consistent with them. District plans were also taken into account during the development of the RLTS. Future versions will be revised to be consistent with the regional land transport plan
124 (c) (i)	Take into account any national energy efficiency and conservation strategy.	<ul style="list-style-type: none"> The national energy efficiency and conservation strategy was taken into account in the development and assessment of the preferred strategic option in the RLTS.
124 (c) (ii)	Take into account any relevant regional policy statement, regional plan, district plan, or proposed regional plan or district plan under the Resource Management Act 1991	<ul style="list-style-type: none"> The purpose of this Plan is to give effect to the public transport components of the RLTPS. The RLTP was assessed against the regional policy statement and regional plans, and was found to be consistent with them. District plans were also taken into account during the development of the RLTP. Future versions will be revised to be consistent with the regional land transport plan.
124 (c) (iii)	Take into account the public transport funding likely to be available within the region.	<ul style="list-style-type: none"> The Investment and Funding section of the Plan provides a detailed assessment of the funding likely to be available within the region.
124 (c) (iv)	Take into account the need to obtain the best value for money, having regard to the desirability of encouraging a competitive and efficient market for public transport services.	<ul style="list-style-type: none"> The Council has a procurement strategy for transport activities. The objective of the strategy is to procure public transport services in a way that: <ul style="list-style-type: none"> achieves value for money, encourages competitive and efficient markets, and sustains those markets.

LTMA reference	Provision	Contribution
124 (c) (v)	Take into account the views of public transport operators in the region	<ul style="list-style-type: none"> ▪ A discussion document was distributed to public transport operators to enable their views to be taken into account during the development of the Plan.
35 and 120 (1) (vii)	Consider the needs of persons who are transport-disadvantaged	<ul style="list-style-type: none"> ▪ The Transport Disadvantaged section of the Plan considers the needs of the transport-disadvantaged.

Glossary of Terms and Acronyms

Bus priority measures	Facilities to improve bus operation i.e. enhance the attractiveness and reliability of public transport e.g. bus lanes, bus bypasses and traffic signal prioritisation.
Business Case Approach	Waka Kotahi's approach to transport planning investment. The approach is broken down into phases with decision points along the way to determine if the investment is worthwhile in relation to the desired outcome.
Concessions	Discounted bus fares for specific groups of passengers.
Demand-responsive services	A form of shared transport where the vehicles alter their routes based on passenger demand rather than operating to a fixed route or timetable.
Exempt services	Unsubsidised, commercial public transport services that are not considered an integral part of the regions urban public transport network so therefore do not operate under contract to the Council.
Fare capping	A pricing structure that limits the amount a passenger pays for their trips over a day, a week or a month. Provides incentive and accessibility to all passengers.
Farebox recovery	The percentage of operating expenditure which are met by fares paid by passengers.
GPS	Government Policy Statement – refers to the government's policy document on Land Transport issued under section 66 of the LTMA. The GPS directly influences how funding from the NLTF is to be invested for the following three year period.
Integrated public transport	The ability to combine different modes of transport to increase ease and efficiency for passengers in terms of cost, comfort, safety, accessibility and convenience.
Key corridors	Generally a linear area defined by one or more modes of transportation such as streets, roads and railway lines.
Layover facilities	A point where a bus stops to provide for passenger transfers and driver breaks.
LTMA	Land Transport Management Act 2003 – the main statutory framework for land planning and funding in New Zealand.
LTP	Long Term Plan – the ten year long-term council plan produced by regional and territorial authorities in accordance with section 93 of the <i>Local Government act 2002</i> .
Multi-modal	Using a variety of different methods (or modes) to accomplish something.
NLTF	National Land Transport Fund – the fund established under Section 10 of the LTMA to pay for land transport activities.
NOP	Network Operating Plan – an agreed process that helps better manage and plan the use of the transport network.
PTOM	Public Transport Operating Model – the framework introduced by Cabinet in 2011 for the provision of urban bus and ferry services. The model is used to contribute to government's goal to grow public transport patronage with less reliance on subsidy.

Requirements for Urban Buses	(RUB) the purpose of the RUB is to standardise urban bus requirements across regional councils (and Auckland Transport) to create efficiencies and improve the usability and accessibility of buses for all passengers.
RPTP	Regional Public Transport Plan – the strategic document prepared by Council under the LTMA. The document sets out the objectives and policies for public transport in the region, and contains details of the public transport network and development plans for the next 10 years.
Stop rationalisation	Reorganising existing bus stops on a given route based on certain criteria such as passenger density and land use patterns.
Tapuae Roa	Taranaki’s regional economic development strategy. Developed in collaboration with Taranaki’s four councils, Venture Taranaki, local business leaders, iwi and central government.
Territorial Authorities	A city or district council (in Taranaki these are the New Plymouth, Stratford and South Taranaki district councils)
Total Mobility Scheme	The Total Mobility scheme caters to those people with impairments by providing subsidised door-to-door transport.



Date 3 August 2020

Subject: **Climate Change Strategy**

Approved by: G K Bedford, Director - Environment Quality
M J Nield, Acting Chief Executive

Document: 2549851

Purpose

1. The purpose of this memorandum is to present for the Committee's consideration and recommendation for adoption as Corporate Policy, the '*Climate Change Strategy: a strategy to guide the Taranaki Regional Council's climate change response*'. The proposed Strategy is attached to this memorandum.

Executive summary

2. The Strategy is intended to provide regional leadership on climate change and a clear focus and strategic direction to the Council for its climate change intentions and priorities. It has been developed as a non-statutory framework for reference in addressing the broad issues around responding appropriately to climate change and its consequences. The Strategy includes an associated detailed Action Plan, setting out how it is intended the Strategy should be given effect to via in-house and outward-facing activities. The Strategy and Action Plan are seen as living documents, given the ongoing changes in the wider regulatory settings, emerging technologies, and opportunities with which the Council has to deal.
3. The purpose of the Climate Change Strategy is to:
 - provide an overarching document to align and coordinate climate change actions across the Council's responsibilities and operations;
 - respond to and raise awareness of climate change throughout the community; and
 - help coordinate collaboration and partnership between councils, central government and the community.
4. The Strategy proposes the following overarching objective:

'The Taranaki Regional Council strengthens the ability and willingness of the Taranaki community to adapt to and thrive under climate change risks and opportunities, through cooperation and coordination on climate change action consistent with its statutory functions.'

5. The Strategy adopts the following principles to which the Council can give effect:
- Precaution: act now to maximise co-benefits, reducing future risks and costs associated with climate change, and minimise actions which hinder adaptation.
 - Stewardship/Kaitiakitanga: flexible action and climate policies that enable all to do their bit to reduce emissions and enhance resilience.
 - Equity/justice: prioritise action to the most vulnerable communities and sectors.
 - Anticipation: anticipate change and take a long-term perspective, with a clear and consistent pathway to a low carbon future that will provide benefits and certainty for all.
 - Understanding: grow understanding around the potential impacts of climate change and use the best available information and evidence in education, community consultation planning and decision-making.
 - Cooperation: act together in partnership and build relationships across countries, communities, cultures and organisations.
 - Resilience: enhance the resilience and readiness of communities and businesses so they can thrive in the face of change.
 - Lawfulness: act in accordance with the law as provided through legislation and regulation, including seeking amendment to lawful powers when appropriate and justified.
 - Effectiveness: avoid perverse outcomes and unintended consequences while being able to deliver the desired outcomes.
 - Efficiency: avoid duplication of roles, responsibilities and actions.
 - Robustness: ensure that any interventions can endure through financial and political cycles.
6. In essence the Strategy gives a more explicit and all-encompassing recognition of the environmental, social, cultural and economic problems that climate change is generating. Through it, the Council acknowledges the need for action on climate change, noting the need is becoming ever more imperative in the face of growing national and international concern and evident effects. Further action now is necessary to avoid or reduce future risk and to better adapt to an emerging and very different future. The Strategy examines carefully the appropriateness of and the constraints upon possibilities for meaningful Council action.

Recommendations

That the Taranaki Regional Council:

- a) receives the memorandum ' *Climate Change Strategy*' and the report '*Climate Change Strategy: a strategy to guide the Taranaki Regional Council's climate change response*'
- b) adopts the Strategy (amended as directed by the Committee) as a non-statutory framework to provide regional leadership on climate change and a clear focus and strategic direction to the Council on its climate change intentions and priorities.

Background

7. The overwhelming consensus of scientific evidence across multiple disciplines is that human induced climate change is occurring and is intensifying. This poses environmental, social, cultural and economic issues across all strata and sectors of society.
8. In order to reduce potential impacts of climate change, mitigation policies to reduce greenhouse gas concentrations in the atmosphere are needed. Secondly, adaptation policies are required to take into account and adjust to the changes we are already seeing and will continue to see, even if global reductions in future emissions can be anticipated.
9. Central government is responsible for developing policy on climate change. The Paris Agreement which came into force in 2016, commits signatory nations (of which New Zealand is one), to limit global warming to below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius.
10. Local government does not yet have an explicit role in mitigating greenhouse gases across their local districts or regions – this is intended to be the role of central government. Local authorities, however, were permitted to have particular regard to the effects of climate change when exercising functions and powers under the *Resource Management Act (RMA)*. These provisions remain in force.
11. Territorial authorities have a particularly important role to play through their provision or control of road networks, water supplies, stormwater management, wastewater disposal, building design, urban development patterns, sea level rise adaptation and managed retreat etc.
12. The scope for regional councils to play any meaningful role is much more limited, despite perceptions held by some. However, it is recognised that action on climate change requires a comprehensive, coherent, coordinated and consistent framework across central and local government and all sectors of society, and that the Council can play a leadership role (having regard to the our statutory roles, functions and responsibilities) to provide a focus for climate change action in the region.

Discussion

13. Since the enactment of the RMA, this Council has been actively engaged in the greenhouse gas emissions/climate change space. Throughout the 1990s, the Council required compliance reporting by major GHG-emitting sources, and it routinely prepared reports on regional GHG emissions and sink inventories. The Council ceased preparing the reports when the Government at that time decided that regional councils would have no role in greenhouse gas mitigation. The call-in of the Stratford combined-cycle power station project (for many years, the only intervention by the Government in a consent application) placed the Council at the forefront of climate change awareness and considerations, and on a number of occasion the Council was required to defend in the Environment Court (successfully) its consenting decisions on significant GHG emitting industries.
14. The Committee will be aware that the riparian and hill country re-forestation programmes are amongst the largest and most successful in the country. The refusal of the Government of the day to recognise their contribution to GHG mitigation has been an ongoing frustration for the Council and the local communities.
15. The local government sector has publicly committed to mitigation and adaptation actions through the *Local Government Leaders' Declaration on Climate Change (2017)* and

the *Local Government Position Statement on Climate Change (2018)*. The Chairman of the Taranaki Regional Council is a signatory to the *Local Government Leaders' Declaration on Climate Change*.

16. Stats NZ (the New Zealand Statistics Department) has very recently (July 2020) released regional emissions inventories, that look at changes in emissions (but not sinks) on a region by region basis across New Zealand, for the last decade. This inventory shows that the Taranaki region has had the second biggest reduction in absolute terms, and the biggest reduction in percentage terms, of all regions in the country. The reductions have come about within the mining (hydrocarbon extraction and processing) and electricity (gas-fired thermal power generation) sectors. Emissions from the agricultural sector have remained steady across the decade, reflecting a mature and stable industry with emphasis upon productivity rather than gross output. The inventory shows that despite a significant increase in households in the region, gross household emissions in Taranaki have actually fallen.
17. On the other hand, the inventory shows that on a per person or per dollar of GDP basis, the region has relatively high GHG emissions (reflecting a regional economy based on primary industry and a small regional population).
18. The weaknesses of the NZ Stats approach are that it fails to account for sinks (re-forestation); it assigns emissions to sources rather than consumers (so the export of Taranaki's outputs to the rest of the nation or internationally are accounted against the region); and it does not acknowledge that the Government of the day excluded regional councils from interventions on emissions.
19. Climate change impact projections for Taranaki model only minor changes in weather and sea level rise, especially against the background of year-by-year variations, other than in the very long term. These changes offer both opportunities for diversification and risk of greater vulnerabilities.
20. Central government is now putting additional GHG emissions and climate change management frameworks in place, including a Climate Change Commission to provide advice. Community expectations around action on climate change are rising. The Council recognises that given the imperative for local, national, and international action, it is appropriate to explicitly consider and define a clear focus and strategic direction for its climate change intentions and priorities.
21. The Strategy examines (section 1.3 and Appendix 1) a range of other plans, strategies, and guidelines (both statutory and non-statutory) to identify opportunities to undertake initiatives. It sets out (section 2.3) our current roles and functions, with the implications of and for climate change.
22. Section 3 sets out the proposed principles by which the Council can weigh up any interventions or actions (see paragraph 5 above), the objectives the Council intends to pursue, and an overarching strategic vision (paragraph 4 above).
23. Specific policies and an Action Plan that delivers on the policies are presented in Sections 3.3-3.4 and 4, and Table 1. The Action Plan sets out a stocktake of actions that are already underway, those proposed for consideration and implementation within the next 5 years, and those for which a staged approach to further evaluation is deemed appropriate.
24. Committee members will note that even since the Strategy was drafted, the world has changed e.g. the government has moved into the space of publishing regional emission

inventories, and covid-19 responses have raised awareness of opportunities for innovation and change.

25. It is therefore envisaged that the Strategy needs to remain an agile living document, to reflect and adjust to a rapidly shifting external environment. Important triggers for review will include improvements in our knowledge and understanding of climate change, market changes such as in the financing and insurance industries, regulatory change, significant and more frequent extreme events, risks of litigation, and public expectations.

Decision-making considerations

26. 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*.

Financial considerations—LTP/Annual Plan

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

Policy considerations

28. 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 *Local Government Official Information and Meetings Act 1987*.

Iwi considerations

29. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the *Local Government Act 2002*) as outlined in the adopted long-term plan and/or annual plan. Similarly, iwi involvement in adopted work programmes has been recognised in the preparation of this memorandum.

Legal considerations

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

Appendices/Attachments

Document 2385229: Climate Change Strategy - A strategy to guide the Taranaki Regional Council's climate change response

Climate Change Strategy

A strategy to guide the Taranaki Regional Council's climate change response

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1 Introduction

1.1 Background

A global problem

Climate change is an established global environmental, social, cultural and economic problem. The overwhelming consensus of scientific evidence across multiple disciplines is that human induced climate change is occurring and is intensifying. Its impact will be far reaching and will affect us all in many different and unknown ways over generations to come.

Increasing concentrations of greenhouse gases in the atmosphere from human activity has led to rising global temperatures, melting ice caps, and extremes of weather including more frequent storms and droughts.¹ This in turn is resulting in rising sea levels, more severe flooding and erosion and risks to people and property including vital infrastructure. Pests and diseases may spread.

At the same time as posing major challenges, however, addressing climate change presents us with many opportunities in transitioning to a low-carbon economy. For example, it creates real opportunities for greater energy security, cleaner air, better water quality and reduced vehicle congestion. Warmer temperatures may also present opportunities for new crops and land uses.²

While strong mitigation policies to reduce greenhouse gas concentrations in the atmosphere are needed, adaptation policies are also required to respond to the changes we are already seeing and will continue to see, even with global reductions in future emissions.

New Zealand's role in tackling global climate change

New Zealand's greenhouse gas emissions are about 0.17% of total global emissions. However, despite its small contribution to global emissions, about 25% of global emissions come from small emitters, so that 'collectively, small emitters do matter and a global, concerted effort is needed'.³

New Zealand's greenhouse gas emission profile differs markedly from other developed nations. Nearly half of our emissions, (48.1%) are from agriculture, more than any other developed country. The energy sector accounts for 40.7% of which transport, the largest emissions source, has been the greatest contributor to rising emissions. Industrial processes (6.1%) and waste (5.1%) make up the balance.⁴

New Zealand's unique emissions profile presents us with some challenges in tackling global climate change. Rising transport emissions reflect a small and dispersed population in a geographically challenging landscape where mobility by private vehicles is largely unavoidable given current technology and the cost of alternatives. Furthermore, while we have a large proportion of agricultural emissions, it is internationally recognised that our agricultural production efficiency means we generate less emissions per unit of product than agriculture in most other

¹ <https://www.mfe.govt.nz/climate-change/why-climate-change-matters/evidence-climate-change>

² These benefits may be may be limited by the negative effects of climate change.

³ New Zealand Productivity Commission, 2018. *Low emissions economy*.

⁴ Ministry for the Environment, 2019. *New Zealand's greenhouse gas inventory 1990-2017*.

countries. This is a critical consideration in a world where food security is an ever-growing issue, brought about by increasing populations, loss of productive soils, conflicting demands for land for biofuels production and re-forestation.

At the same time however, New Zealand has enough forestry to offset just under a third of gross emissions (29.6%) – a high proportion by international standards. New forest plantings provide time for reductions in emissions to be developed but there are also disadvantages in using forests as permanent sinks with risks from fire, disease and other natural events, as well as social impacts from changing land use.

Central government is responsible for developing policy on climate change. The Paris Agreement which came into force in 2016, commits signatory nations (of which New Zealand is one), to limit global warming to below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius.

In response, the New Zealand Parliament passed the Climate Change (Zero Carbon) Amendment Bill in October 2019 which amended the Climate Change Response Act 2002. The Act commits New Zealand to reducing net emissions of all greenhouse gases (except biogenic methane) to zero by 2050 and reducing emissions of biogenic methane to 24-47% below 2017 levels by 2050, including to 10% below 2017 levels by 2030.

The Act also establishes a system of emissions budgets to act as stepping stones towards the long-term target and establishes an independent Climate Change Commission to provide advice to the Government. It also includes provisions to promote adaptation through the development of a National Adaptation Plan which will be preceded by a Climate Change Risk Assessment Framework.

The main tool in delivering on central government's greenhouse gas targets is the New Zealand Emissions Trading Scheme (NZ ETS). However, the Government is concerned that the NZ ETS is currently not being used to its full potential and has introduced legislation that would significantly improve the operation of the NZ ETS. Other legislative and policy changes will also be required over the coming years.

Local government's role

Local government does not yet have an explicit role in mitigating greenhouse gases across their local districts or regions – this is intended to be the role of central government. An amendment to the Resource Management Act in 2004 prevented regional councils from considering climate change effects when assessing applications for resource consents to discharge to air. Councils, however, were permitted to have particular regard to the effects of climate change when exercising functions and powers under the Act. These provisions remain in force.

However, the Local Government Act 2002 provides that the purpose of local government includes the promotion of the social, economic, environmental and cultural well-being of the community now and in the future.⁵ While climate change is not specifically mentioned in the purpose statement, the wording is sufficiently broad to capture it.

Furthermore, many of local government's policies and plans, while prepared to achieve other objectives (for example in resource management or transport) will also have co-benefits for greenhouse gas emissions reductions. There is also a role for local government to reduce

⁵ See section 10 of the Local Government Act 2002, for the full description of the purpose of local government.

emissions from its own operations, such as through its vehicle purchasing policies and waste management practices (although central government policies such as the NZ ETS will impact on these).

Much of the responsibility for adaptation to climate change will however, fall on local government through its environmental planning and regulatory role and through its role in providing local infrastructure. Territorial authorities will have a particularly important role to play through their provision or control of road networks, water supplies, stormwater management, wastewater disposal, building design, urban development patterns, sea level rise adaptation and managed retreat etc. However, local councils cannot address these issues by themselves and will require national policy guidance and support from central government, businesses, insurers, the banking industry, community and all parts of society, as well as a wide range of tools (not just regulation) to effectively manage the risks that climate change presents.

The local government sector has publicly committed to mitigation and adaptation actions through the Local Government Position Statement on Climate Change.⁶ A Local Government Leaders' Declaration on Climate Change accompanies the position statement.⁷

The Chairman of the Taranaki Regional Council is a signatory to the Local Government Leaders' Declaration on Climate Change.

The Position Statement and Leaders' Declaration commit to local government led action on climate change and to policies that outline what local government requires of central government. These include a national campaign to raise awareness of climate change; policy alignment and a clear legislative mandate to address climate change; a decision on fiscal responsibility for adaptation; and co-investment with central government to support low-carbon, climate resilient infrastructure.

Some local authorities have adopted climate change policies, declared 'climate emergencies', prepared greenhouse gas inventories or taken other actions to address climate change.⁸

Working together is vital because action on climate change requires a comprehensive, coherent, coordinated and consistent framework across central and local government and all sectors of society.

However, local government, including the Taranaki Regional Council, recognises that the need for action on climate change is becoming ever more imperative in the face of growing national and international concern. Further action now is necessary to avoid or reduce future risk and to better adapt to an emerging and very different future.

This Strategy will therefore align with the Council's current statutory roles and responsibilities to provide a focus for climate change in the region. It will be reviewed regularly as circumstances change, legislation is amended and policy develops in future.

1.2 Purpose and scope

The purpose of the Taranaki Regional Council's Climate Change Strategy is to:

⁶ Local Government New Zealand, 2018. *Local Government Position Statement on Climate Change*.

⁷ Local Government New Zealand, 2017. *Local Government Leaders' Climate Change Declaration*.

⁸ Local Government New Zealand records climate change actions of local government.

- provide an overarching document to align and coordinate climate change actions across the Council's responsibilities and operations;
- respond to and raise awareness of climate change throughout the community; and
- help coordinate collaboration and partnership between councils, central government and the community.

The Strategy is intended to provide regional leadership on climate change and a clear focus and strategic direction to the Taranaki Regional Council on its climate change intentions and priorities.

The scope of the Strategy are those actions that fall within the Taranaki Regional Council's current functions, responsibilities and spheres of influence in the Taranaki region. It will help set the platform for other plans and strategies that link with it.

1.3 Planning context

The strategy is a non-statutory document that is designed to complement national policy direction on the one hand and to complement other key statutory and non-statutory Council documents on the other. Community and iwi co-development and collaboration on climate change policy will be a key feature.

National policy direction comes from specific climate change legislation and related policy⁹ and the many policy and technical guidance documents that exist at central government level.¹⁰ At the regional level the key statutes that determine what the Council does and how it does it are the Local Government Act 2002, Resource Management Act 1991, Biosecurity Act 1993, Soil Conservation and Rivers Control Act 1941, Land Transport Management Act 2003, Maritime Transport Act 1994, and the Civil Defence Emergency Management Act 2002.

From these statutes come a range of statutory documents and related non-statutory strategies, operational plans and guidelines. These include the Long-Term Plan, Regional Policy Statement, regional plans, a pest management plan, biosecurity and biodiversity strategies, a Civil Defence Emergency Management Group Plan, a Regional Land Transport Plan, the Regional Public Transport Plan, a Walkways and Cycleways Strategy, asset management plans and an infrastructure strategy, among others.

In addition, there are documents that are prepared by other organisations that will influence what the Council does. Included among these are Iwi Management Plans, *Tapuae Roa: Make Way for Taranaki*, Strategy and Action Plan (the regional economic development strategy for Taranaki) and the *Taranaki 2050 Roadmap* (a plan to transition Taranaki to a low-emissions future).

The diagram contained in Appendix 1 shows the connections between the Climate Change Strategy and other key planning documents, as well as the main legislation under which the plans and strategies are produced. It illustrates how the Climate Change Strategy will act as coordinating and integrating mechanism on all climate change issues relevant to the Council.

⁹ This includes National Policy Statements prepared under the Resource Management Act which the Council is required to give effect to.

¹⁰ See for example <https://www.mfe.govt.nz/climate-change/>; <https://www.mpi.govt.nz/protection-and-response/environment-and-natural-resources/climate-change-and-the-primary-industries/>

2 Regional context

2.1 Greenhouse gas emissions in the Taranaki region

From the early 1990s until the end of that decade, the Taranaki Regional Council prepared annual inventories of greenhouse gas emissions by sector in the Taranaki region. The inventories were reported to the Taranaki Regional Council to keep the Council regularly informed and up-to-date on the status of greenhouse gas emissions in the region while central government worked on its national and international policy response to the issue.

The inventory reports identified the main sources and quantities of greenhouse gas emissions in the region and their relative contributions to the enhanced greenhouse effect. Typically, the reports found that the agricultural sector accounted for approximately 59.9% of total emissions, major industrial facilities 25.6%, and the transport sector 1.7%. Other sectors accounted for 12.8%.¹¹

The Council ceased preparing the reports when the Government at that time decided that regional councils would have no role in greenhouse gas mitigation.¹²

The Government has since developed its own policy further and now collects detailed information on greenhouse gas emissions sources.¹³ The Council should request that central government make available a regional breakdown of greenhouse gas emissions in the Taranaki region and what mitigation is occurring so that the Council can be kept informed, advocate to central government and show leadership on behalf of its community on climate change. It also makes the Government more transparent and accountable for its policy.

2.2 Climate change risks for Taranaki

Dealing with uncertainty

Projections of climate change and associated risks depend on many different factors, including future greenhouse gas emissions, technological advancements and societal expectations. There is ongoing uncertainty about future global processes and impacts and competing ideas about what should be done, who should do it and who should pay.

There are also limitations in the science and modelling used and the potential for poorly considered interventions to be made that have inequitable, inefficient or inappropriate or unintended economic, social, cultural and environmental consequences.

¹¹ Taranaki Regional Council, 2000. *Emissions of Greenhouse gases in Taranaki. Annual report 1998-99*. Internal Report.

¹² See comment under 1.1 Background on Local Government's role in greenhouse gas mitigation

¹³ See for example <https://www.mfe.govt.nz/publications/climate-change/new-zealands-greenhouse-gas-inventory-1990-2017>

All of these aspects involve uncertainty and risk. These risks include not only physical environmental risks associated with climate change, but also legal, insurance, financial and political risks.

The recommended approach for climate change planning and decision-making therefore, is one of risk management in the face of uncertainty. This will involve a dynamic adaptive pathways planning approach (DAPP) to future decision-making.¹⁴

Projected climate changes for Taranaki

Climate change trends for Taranaki are contained in a 2008 report by NIWA¹⁵ commissioned by the four councils of the region, and more recently on the Ministry for the Environment's website¹⁶.

According to the Ministry for the Environment, temperatures in Taranaki are likely to be 0.7 degrees Celsius to 1.1 degrees Celsius warmer by 2040 compared to 1995 and 3.1 degrees Celsius warmer by 2090. By 2090, Taranaki is projected to have from 5 to 41 extra days where maximum temperatures exceed 25 degrees Celsius. Frosts are likely to become increasingly rare in Taranaki by 2090.

Rainfall will vary locally within the region. North Taranaki will become slightly wetter and South Taranaki will become slightly drier. The largest changes will be for particular seasons rather than annually with up to 9% more rainfall in New Plymouth over winter by 2090. According to the most recent projections, Taranaki is not expected to experience a significant change in the frequency of extreme rainy days as a result of climate change.¹⁷

The NIWA report projects an increase in drought risk with severe droughts projected to at least double by the 2080s under a 'medium-high' scenario in central and southern parts of Taranaki.

The frequency of extremely windy days in Taranaki by 2090 is not likely to change significantly. There may be an increase in westerly wind flow during winter, and north-easterly wind flow during summer.

Some increase in storm intensity, local wind extremes and thunderstorms are likely to occur but future changes in the frequency of storms are likely to be small compared to natural inter-annual variability. The NIWA report projects some higher intensity ex-tropical cyclones may produce larger storm impacts in Taranaki as the 21st century progresses, but maintains that how these cyclones affect New Zealand after they transition to ex-tropical cyclone status remains uncertain.

¹⁴ See Ministry for the Environment, 2017. *Preparing for coastal change. A summary of coastal hazards and climate change guidance for local government*, for a discussion of the dynamic adaptive pathways planning approach. The approach identifies ways forward (pathways) despite uncertainty, while remaining responsive to change (dynamic) should this be needed.

¹⁵ NIWA, 2008. *Climate Trends, Hazards and Extremes – Taranaki. Synthesis Report*.

¹⁶ <https://www.mfe.govt.nz/climate-change/likely-impacts-of-climate-change/how-could-climate-change-affect-my-region/taranaki>

¹⁷ Ibid.

In terms of sea level rise, the Ministry for the Environment states that New Zealand tide records show an average rise in relative mean sea level of 1.7mm per year over the 20th century.¹⁸ Globally, the rate of sea level rise has increased and further rise is expected in New Zealand in future. However, sea level rises are not uniform around the world and neither are they consistent around New Zealand's coastline.¹⁹ In the Ministry for the Environment's *Our marine environment 2016* report, data on sea level rise at New Plymouth showed very large variations from year to year with current sea heights somewhat lower than 60 years ago and lower than other sites around New Zealand where long-term monitoring had taken place. Potential increases in storm surges may present a more significant risk in Taranaki.

For Taranaki, climate change impacts are not expected to be as severe as in some other regions of New Zealand.

Key climate change risks

Key climate change risks for Taranaki are as follows.²⁰

- **Coastal hazards:** There could be increased risks to coastal roads and coastal communities and infrastructure from coastal erosion and inundation, increased storminess and sea-level rise, threatening vulnerable beaches and low-lying areas.
- **Erosion, landslides and flooding:** More frequent and intense heavy rainfall events are likely to increase the risk of erosion and landslides. Flooding is likely to become more frequent and severe.
- **Drought:** By 2090, the time spent in drought ranges from minimal change to more than double depending on the climate model and emissions scenario considered. More frequent droughts are likely to lead to water shortages, increased demand for irrigation and increased risk of wildfires, as well as increased animal stress, pasture decline and loss of agricultural production.
- **Disease:** Warmer winters may alleviate cold-related illnesses and reduce cold-related deaths, while hotter summers will likely cause heat stress and promote the spread of sub-tropical diseases and their vectors.
- **Biosecurity and biodiversity:** Warmer, wetter conditions could increase the risk of invasive pests and weeds over time. Climate change can adversely affect important ecosystems.
- **Agriculture:** Warmer temperatures, a longer growing season and fewer frosts could provide opportunities to grow new crops. Farmers might benefit from faster growth of pasture and better crop growing conditions and better (more prolonged) use of seasonally-based infrastructure. However, these benefits may be limited by the negative effects of climate change such as prolonged drought or greater frequency and intensity of

¹⁸ Ibid.

¹⁹ See Ministry for the Environment and Stats NZ, 2017. *Our atmosphere and climate 2017*, and Ministry for the Environment and Stats NZ, 2016. *Our marine environment 2016*.

²⁰ See <https://www.mfe.govt.nz/climate-change/likely-impacts-of-climate-change/how-could-climate-change-affect-my-region/taranaki>

storms. Competition for water resources may increase, and greater stock losses may be experienced as a result of more extreme events.

2.3 Taranaki Regional Council's current role in addressing climate change

The Taranaki Regional Council has a wide range of roles, responsibilities, functions and powers that relate to the climate change risks outlined above. While these various roles and responsibilities are prescribed by law and undertaken to achieve objectives other than climate change objectives, there are co-benefits for climate change in achieving them.

Some of these functions and responsibilities fall within the scope of mitigation (reduction) of greenhouse gas emissions while others fall within the scope of adaptation to climate change that is already happening. Other functions involve ongoing engagement, awareness and community support on climate change.

Reference has already been made in Section 1.3 (Planning context) to Appendix 1 that shows the linkages between the statutes, policies and plans that the Council works under and the Climate Change Strategy.

Expanding on these statutory responsibilities, the following lists the practical work that the Council undertakes in assisting climate change mitigation and adaptation objectives:

- **Resource management:** managing the effects of the use of freshwater, land, air and the coast through the Regional Policy Statement and regional plans and through the issuing of resource consents, compliance monitoring and enforcement, pollution incidents and response, water shortage management, state of the environment monitoring and resource investigations.
- **Sustainable land management and plant supply:** promoting riparian management and sustainable land use by promoting the fencing and planting of riparian margins and sustainable land use in the hill country through individual property plans and a plant supply programme. These programmes are seeing significant areas of land undergoing land use change to more sustainable uses such as forestry and reversion or planting of native species to address soil loss, land instability, river bank erosion and water quality enhancement.
- **Biosecurity:** regional pest management to minimise the adverse effects of pests on biodiversity, primary production, the regional economy and the environment.
- **Biodiversity:** maintaining and enhancing the indigenous biodiversity of the region.
- **Transport:** regional land transport planning and contracting public transport services across the region. This area of work provides an opportunity to promote alternatives to the use of private motor vehicles such as public transport and walking and cycling and the use of electric vehicles and buses.
- **Hazard management:** supporting within the Taranaki community, an integrated and comprehensive emergency management system including hazard awareness, reducing risk, maintaining readiness and providing response and recovery capabilities.
- **Flood protection and river control:** providing flood control advice, undertaking minor works and managing and maintaining river control schemes to minimise and prevent damage by floods and river erosion.

- **Recreation, culture and heritage:** supporting and developing regional gardens, Puke Ariki regional museum and library and Yarrow Stadium.
- **Regional representation, advocacy and investment management:** this area of work involves maintaining effective and open community representation as an important part of the democratic process; advocating on behalf of the Taranaki community on matters of regional interest; implementing and further developing a programme of information transfer, advice and education on the Council's activities and ensuring that the Council's equity, property and treasury investments are managed efficiently.

The ways in which the Council achieves these various roles takes a number of forms. The Council from time-to-time takes on the roles of an advocate, facilitator, or educator or can take a more direct role of a funder, service provider, monitor or regulator. In many cases the Council will be involved in more than one way in furthering its objectives within the community. This makes the Council well placed to further promote the community's climate change objectives but this must be done in a way that aligns with national policy direction, is consistent with the Council's statutory functions and takes into account community wishes and ability to pay.

3 A strategic approach

3.1 Principles and vision

The Council's Climate Change Strategy is guided by the following seven principles outlined in Local Government New Zealand's *Local Government Leaders' Climate Change Declaration*.²¹

- **Precaution:** act now to maximise co-benefits, reducing future risks and costs associated with climate change and minimise actions which hinder adaptation.
- **Stewardship/Kaitiakitanga:** flexible action and climate policies that enable all to do their bit to reduce emissions and enhance resilience.
- **Equity/justice:** prioritise action to the most vulnerable communities and sectors.
- **Anticipation:** anticipate change and take a long-term perspective, with a clear and consistent pathway to a low carbon future that will provide benefits and certainty for all.
- **Understanding:** grow understanding around the potential impacts of climate change and use the best available information and evidence in education, community consultation planning and decision-making.
- **Cooperation:** act together in partnership and build relationships across countries, communities, cultures and organisations.
- **Resilience:** enhance the resilience and readiness of communities and businesses so they can thrive in the face of change.

The following principles can be added to these.

²¹ Op. cit.

- **Lawfulness:** act in accordance with the law as provided through legislation and regulation, including seeking amendment to lawful powers when appropriate and justified.
- **Effective:** avoid perverse outcomes and unintended consequences while being able to deliver the desired outcomes.
- **Efficient:** avoid duplication of roles, responsibilities and actions.
- **Robust:** ensure that any interventions can endure through financial and political cycles.

Applying these principles gives us the following overall strategic vision for the Taranaki Regional Council action on climate change:

The Taranaki Regional Council strengthens the ability and willingness of the Taranaki community to adapt to and thrive under climate change risks and opportunities through cooperation and coordination on climate change action consistent with its statutory functions.

3.2 Objectives

Objectives are statements of a desired outcome. The Strategy has three core objectives that together span the range of areas that the Taranaki Regional Council will focus on to achieve its vision: mitigation, adaptation and community engagement and awareness.

Mitigation involves actions to reduce greenhouse gases in the atmosphere whereas adaptation is responding to the changes we are already seeing and will continue to see, even with reductions in future emissions of greenhouse gases. Community engagement and awareness of both mitigation and adaptation solutions encourages businesses, communities and individuals to adjust their behaviour in ways that reduce emissions and improve resilience.

Mitigation

The overarching objective in relation to mitigation is that:

Greenhouse gas emissions are reduced across all Taranaki Regional Council areas of influence, including its own operations, helping to create the conditions for a transition to a smart, innovative, low-carbon regional economy.

Adaptation

The overarching objective in relation to adaptation is that:

Risks from climate-change related impacts are managed and resilience is increased through the application of sound and consistent adaptation planning based on best scientific information.

Community engagement and awareness

The overarching objective in relation to community engagement and awareness is that:

Community awareness of climate change mitigation and adaptation solutions increases and individuals and organisations are better informed about what they can do to contribute to the transition to a low-carbon regional economy.

3.3 Policies and actions

A policy means a specific statement that guides or directs decision-making. It indicates a commitment to a course of action in working towards an objective.

An action on the other hand, means a specific programme, procedure, technique or action to carry out a policy.

In line with the purpose and scope of this Climate Change Strategy (section 1.2), and consistent with the above objectives, the Taranaki Regional Council's policies and actions on climate change focus on the following two broad areas:

1. Those policies and actions that are **internal** to the organisation; and
2. Those policies and actions that are **external** to the organisation.

Policies and actions that are internal to the organisation are those that focus on building the Council's knowledge, capacity and capability on climate change and which ensure climate change mitigation and adaptation are factored into the Council's internal decision-making processes. This is the Council leading by example.

Policies and actions that are external to the organisation are those that focus on the work we do in the region, engaging with our communities and raising awareness of climate change. This is the Council requiring or encouraging others to take action that will have benefits for climate change.

Presenting the policies and actions in this way enables the translation of the vision and objectives into practical day-to-day initiatives or actions that the Taranaki Regional Council will pursue or consider.

3.4 Implementation

Implementing and resourcing the Action Plan will require careful consideration. Many of the actions proposed reflect the Council's current statutory responsibilities, which are carried out for reasons other than climate change or make good financial sense to do anyway. There are many co-benefits for climate change management and response in undertaking them.

However, if the Council was to significantly expand its existing programmes or introduce new programmes for climate change, the added costs and obligations would fall on the ratepayers of the region, while the Council would still be required to meet the prudent financial and other obligations under the Local Government Act 2002. In many cases, central government funding or funding from other sources would be required to reduce the financial burden on ratepayers.

Adequate and equitable funding to successfully implement the Strategy in the medium to long-term is of fundamental importance.

4 An Action Plan

The policies and associated actions set out in Table 1, constitute the Action Plan under the Taranaki Regional Council's Climate Change Strategy.

5 Review of the Strategy

The Taranaki Regional Council's Climate Change Strategy is a living document. It will be subject to periodic review and will be changed if required. This will provide an opportunity to review progress and to set new or different goals for the Council.²²

Climate change is an area where ongoing change, not only in the environment but also in our understanding of climate change and how we need to respond to it, will be the norm. It is important that the Council continues with actions that it can manage, that we do not place an unreasonable and unsustainable burden on ratepayers and that we are still able to deliver to the community on the Council's many other roles and responsibilities.

We agree with central government that we must all focus on a 'just transition' where everyone will be enabled to adjust to the new demands being placed on us by a changing climate. This will require agility in the face of uncertainty and a commitment to work together over the long term.

²² Important triggers for review will include improvements in our knowledge and understanding of climate change, market changes such as in the financing and insurance industries, regulatory change, significant and more frequent extreme events, risks of litigation and public expectations.

Table 1 Taranaki Regional Council Climate Change Strategy: Policies and actions

Internal policies and actions

Policies	Actions			Mitigation, adaption or community engagement
	Existing, underway or planned	Within the next 5 years	5 years and beyond	
1. Better understand our carbon footprint as a basis for future action		<ul style="list-style-type: none"> Undertake a baseline audit to establish the Council's current carbon footprint and mitigation options 	<ul style="list-style-type: none"> Consider adopting a net zero carbon target for the Council with timelines and interim carbon reduction targets Explore all carbon mitigation options for offsetting organisational emissions including tree planting on Council land, land purchase for tree planting and other carbon sinks Develop a monitoring and reporting system to track progress and inform further action 	Mitigation
2. Ensure appropriate and explicit consideration of	<ul style="list-style-type: none"> Climate change is recognised in the Council's own internal strategy and planning documents 	<ul style="list-style-type: none"> Undertake a review of the Council's legal obligations and 	<ul style="list-style-type: none"> Long-Term plans, Annual Plans and other internal documents are changed to reflect changes in 	Mitigation and adaptation

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Policies	Actions			Mitigation, adaption or community engagement
	Existing, underway or planned	Within the next 5 years	5 years and beyond	
<p>climate change in the Council's Long-Term Plans, Annual Plans and other internal procedure documents and guidelines</p>	<p>but these will need to be reviewed to ensure climate change is appropriately, robustly and visibly factored into Council decision making</p>	<p>potential liabilities with respect to climate change</p> <ul style="list-style-type: none"> • Include appropriate climate change policies and actions in the Council's Long-Term Plan and Annual Plans to ensure climate change is considered in all aspects of Council decision making • Review all internal procedures documents, guidelines and templates for Council papers, reports and project plans to ensure appropriate consideration of climate change • Review the Council's current investment portfolio to ensure consistency with climate change objectives • Ensure robust climate change information and science is available to support decisions • Increase the visibility of the Council's climate change work, for example by providing annual updates on key matters 	<p>climate change law, policy, science and information</p>	

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Policies	Actions			Mitigation, adaptation or community engagement
	Existing, underway or planned	Within the next 5 years	5 years and beyond	
<p>3. Reduce our carbon footprint by reducing emissions from :</p> <ul style="list-style-type: none"> - vehicle usage and corporate travel - waste generation and disposal - energy and electricity use - purchasing and procurement and - general administration 	<ul style="list-style-type: none"> • Continue policy on car pooling • A review of vehicle needs and potential for EVs has been completed • Maintain the Council's Sustainability Group. Waste minimisation, reuse and recycling programmes introduced. Biennial waste audits carried out. Other appropriate initiatives identified by staff • Reviews into lighting and heating carried out. New energy efficient lighting installed. Lighting, heating and cooling systems to be reviewed as part of accommodation review in 2019/2020 	<ul style="list-style-type: none"> • Review vehicle fleet needs and opportunities for increased fuel efficiency and conversion to EVs as costs and technology allow • Review corporate travel including limits on travel, no-travel options (e.g. web-based meetings), use of offsetting and use of accommodation with complementary environmental policies • Review purchasing and procurement policy to include specific climate change objectives • Review general administrative policies to ensure carbon footprint is reduced as far as possible (e.g. through reviewing use of printers) • Add specific climate change objectives to work of Sustainability Group 	<ul style="list-style-type: none"> • Consider advancements in technology and costs associated with EVs, solar panels, lighting, heating and cooling, and smart technology in all aspects of the Council's work and consider investment in technology taking a whole of life view 	Mitigation
<p>4. Staff actively support a low carbon workplace, lifestyle</p>	<ul style="list-style-type: none"> • Continue with current initiatives (see 3 above) 	<ul style="list-style-type: none"> • Consider implementing a comprehensive travel plan for staff travelling to work 	<ul style="list-style-type: none"> • Investigate incentives for staff to undertake low carbon actions 	Mitigation and adaptation

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Policies	Actions			Mitigation, adaptation or community engagement
	Existing, underway or planned	Within the next 5 years	5 years and beyond	
and economy and have the capability and capacity to deliver on the Council's climate change goals		<ul style="list-style-type: none"> • Increase climate change awareness throughout the Council (e.g. through regular Intranet postings and a new climate change webpage on the TRC website) • Develop an education or information pack for staff use (e.g. as part of Council induction) • Ensure staff actively contribute to national and regional direction on climate change through for example, membership of regional and national working groups that drive climate change • Review staff recruitment, training and individual job descriptions, and development programmes to ensure staff have the skills required or have opportunities to learn about and apply new skills and planning techniques relevant to climate change 		
5. Establish appropriate governance		<ul style="list-style-type: none"> • Consider what, if any, changes might be required to the terms of 	<ul style="list-style-type: none"> • Review organisational structure 	

Policies	Actions			Mitigation, adaption or community engagement
	Existing, underway or planned	Within the next 5 years	5 years and beyond	
arrangements for climate change		reference for Council committees in relation to climate change <ul style="list-style-type: none"> • Consider the establishment of a senior management position with responsibilities for climate change priorities within the Council • Consider 'low carbon champions' for each department of the Council 		

External policies and actions

Policies	Actions			Mitigation, adaptation or community engagement
	Existing, underway or planned	Within the next 5 years	5 years and beyond	
6. Progress climate change mitigation and adaptation through existing work programmes	<ul style="list-style-type: none"> Continue all existing work programmes recognising the benefits for climate change mitigation and adaptation, undertake planned or scheduled reviews of policies and strategies and incorporate explicit and appropriate climate change objectives and policies into existing work programmes Include climate change pressure, state and response in the Council's 2020/21 state of the environment report 	<ul style="list-style-type: none"> Finalise the Proposed Coastal Plan making appropriate provision for sea level rise, storm surge and other climate induced hazards Review the Regional Policy Statement for Taranaki and consider the need for updated climate change policies Prepare a Natural Resources Plan with rules and other methods to address climate change issues that are within the Council's jurisdiction Review and adapt the Council's Riparian Management Programme, Sustainable Land Management Programme, Biodiversity Programme, biosecurity programmes, wetlands restoration and environmental enhancement grants programme, as necessary and appropriate, to further support mitigation and adaptation to the effects of climate change 	<ul style="list-style-type: none"> Investigate the risk of increasing pest numbers and species and effects on work programmes and resources Investigate the use of electric buses or low-carbon or alternative fuels on the region's contracted bus services Respond to changes in climate change law and policy and amend work programmes as appropriate 	Mitigation, adaptation and community engagement

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Policies	Actions			Mitigation, adaption or community engagement
	Existing, underway or planned	Within the next 5 years	5 years and beyond	
		<ul style="list-style-type: none"> • Review the current contracted bus fleet and prepare a transport emissions report • Investigate the potential for existing contracted bus services and new public transport technologies to reduce carbon emissions • Consider initiatives for walking and cycling, car pooling and ride sharing, new public transport services, and greater use of rail • Consider the implications of flood risk induced by climate change, on the Council's flood protection schemes and on other river and flood control works in the region • Work through the Regional Solid Waste Management Committee to continually improve waste practices, reduce the generation of waste and increase recycling • Ensure climate change is appropriately considered in the Civil Defence Emergency 		

Policies	Actions			Mitigation, adaptation or community engagement
	Existing, underway or planned	Within the next 5 years	5 years and beyond	
		Management Group Plan for Taranaki <ul style="list-style-type: none"> • Consider opportunities and priorities for undertaking climate change related research, resource investigations and projects (e.g. update of the Renewable Energy Assessment for the Taranaki region, 2006, or research into the role of soil as a carbon sink at a farm scale in Taranaki) • Work with the Board of Port Taranaki Ltd to align their programmes for reducing emissions with those of the Council 		
7. Develop an integrated, coordinated regional response to climate change	<ul style="list-style-type: none"> • Continue to work through the Mayoral Forum to discuss and develop a regional response to climate change • Continue to promote implementation of the Taranaki 2050 Roadmap and Tapuae Roa • Continue to engage with and advocate to central government 	<ul style="list-style-type: none"> • Develop a region-wide emissions inventory • Undertake an initial region-wide climate change risk assessment based on community and ecological vulnerabilities • Develop region-wide emissions reduction targets 	<ul style="list-style-type: none"> • Prepare climate change policies, plans and strategies in accordance with central government policy 	Mitigation, adaptation and community engagement

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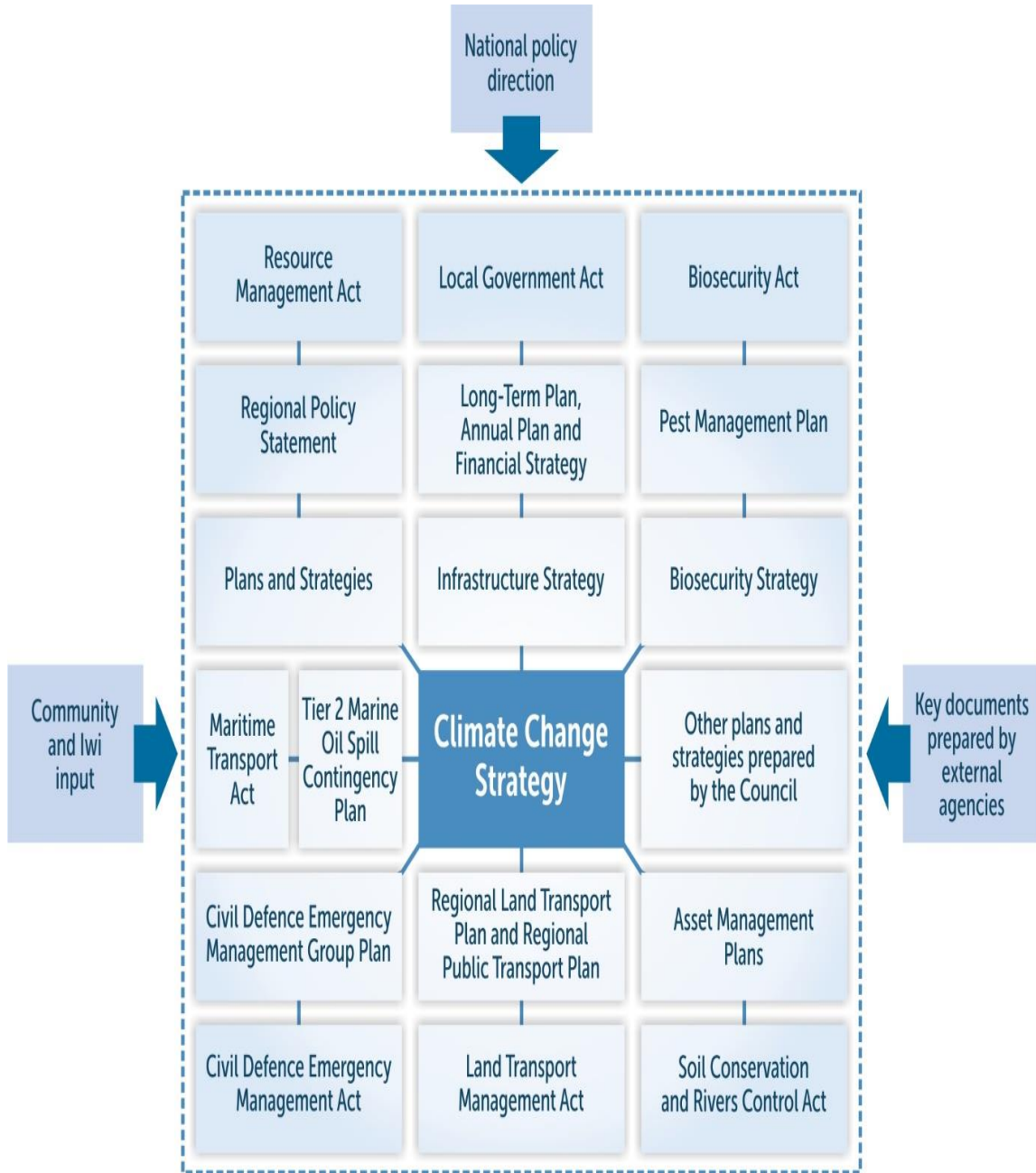
Policies	Actions			Mitigation, adaptation or community engagement
	Existing, underway or planned	Within the next 5 years	5 years and beyond	
	to develop coherent, effective and appropriate national policy on climate change <ul style="list-style-type: none"> Continue to work with other agencies to promote resource use and development that is integrated with transport, infrastructure and with well-designed, compact regional form 			
8. Work with other agencies to identify and obtain key information relating to climate change and associated risks	<ul style="list-style-type: none"> Support region-specific research into climate change impacts and implications where it relates to Council roles and responsibilities and where knowledge gaps exist Request central government make available a breakdown of greenhouse gas emissions in the Taranaki region and what mitigation is occurring Share any information and knowledge obtained with the regional community 	<ul style="list-style-type: none"> Contract appropriate agencies to update climate change projections and risks for the region 	<ul style="list-style-type: none"> Develop an ongoing climate change monitoring programme to help assess regional climate change threats and vulnerabilities and report the results to the community 	Mitigation, adaptation and community engagement

Policies	Actions			Mitigation, adaptation or community engagement
	Existing, underway or planned	Within the next 5 years	5 years and beyond	
<p>9. Raise awareness of climate change and build an engaged and resilient regional community</p>	<ul style="list-style-type: none"> • Continue to advocate on behalf of the regional community for action on climate change • Continue to publicise and celebrate climate change and resilience success stories in the region to inspire positive behaviour change • Continue to involve the regional community in decisions on climate change that affect them • Develop and maintain an on-line portal that will allow hill country farmers to access from one site, information on the benefits, costs and returns on investment from planting more trees on hill country properties 	<ul style="list-style-type: none"> • Investigate with others, practical community initiatives to build community understanding of and resilience to climate change (e.g. through Curious Minds projects, Enviroschools initiatives and Envirolink and other projects) • Develop in conjunction with iwi and hapū, specific options of relevance to tangata whenua, for reducing greenhouse gas emissions or adapting to the effects of climate change • Publish up-to-date information on greenhouse gas emissions in the Taranaki region and what mitigation is occurring (see action under Policy 7 above) • Identify successful local government examples of adaptation actions and evaluate their suitability for addressing climate risks in the Taranaki region and make the results available to the community 	<ul style="list-style-type: none"> • Develop an on-line platform to serve as an information repository and as a means to connect with the community on climate change responses regionally and nationally 	<p>Community engagement, mitigation and adaptation</p>

Policies	Actions			Mitigation, adaption or community engagement
	Existing, underway or planned	Within the next 5 years	5 years and beyond	
		<ul style="list-style-type: none"> • Encourage and support communities to make their own contributions to combating climate change • Take an active leadership role in fostering public debate and awareness through public fora and other events 		

Appendix 1

The relationship between the Taranaki Regional Council's Climate Change Strategy and other key regional planning documents



Executive, Audit & Risk Committee Public Excluded

In accordance with section 48(1) of the *Local Government Official Information and Meetings Act 1987*, resolves that the public is excluded from the following part of the proceedings of the Executive, Audit and Risk Committee Meeting on Monday 3 August 2020 for the following reason/s:

Item 8 - Confidential Minutes - 22 June 2020

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available 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.

Item 9 - Consideration of 2019/2020 Annual Report

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available 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.

Item 10 - Yarrow Stadium Update

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information where the making available 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.