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## Foreword

*We are pleased to present the Taranaki Regional Council's 2015/2025 Long-Term Plan It is firmly focused on resources, environment and people, which are at the core of our work.*

It also sets out how we intend to maintain our status as one of the lowest-rating Councils in New Zealand while still maintaining a high standard of programmes and services. The 2015/2016 year will see a decrease of \$30,414, or a little over a third of 1%, of the Council's total rates take (the combination of general rates, targeted rates and uniform annual charge), and an increase of just under 1% in the general rates take. In subsequent years, general rate increases below the rate of inflation are planned.

This Plan is the result of a new consultation process, and it went well. We're pleased with the calibre of the feedback and useful information from submitters. Some was of much assistance as we finalised the Long-Term Plan, which sets out what the Council would like to achieve over the next 10 years, with a particular focus on the 2015/2016 financial year.

A busy programme of work is planned in the coming year and beyond as the Council seeks to build on previous achievements and successes. This includes:

- Completing the current reviews of the Regional Fresh Water Plan and Soil Plan, where we're proposing changes that we're confident will further improve the quality of the region's waterways.
- Continuing our partnership with farmers to fence and plant streambanks on the ring plain and coastal terraces. This includes organising the supply of around 600,000 native plants annually to those taking part in the Riparian Management Programme.
- Completing the Lower Waitara Flood Protection Scheme upgrade to give the Waitara community the level of flood protection it deserves.
- Continuing our successful sustainable land management programmes, particularly in the eastern hillcountry.
- Continuing the exciting upgrade at Pukeiti and ensuring that this iconic property, as well as Tupare and Hollard Gardens, are maintained as regionally significant heritage and amenity properties.
- Continuing to efficiently process resource consent applications within statutory timeframes, and continuing to comprehensively monitor and report on the performance of consent holders.

The team of elected councillors and the Council staff look forward to continuing to work with people and care for Taranaki.



David MacLeod  
Chairman



Basil Chamberlain  
Chief Executive

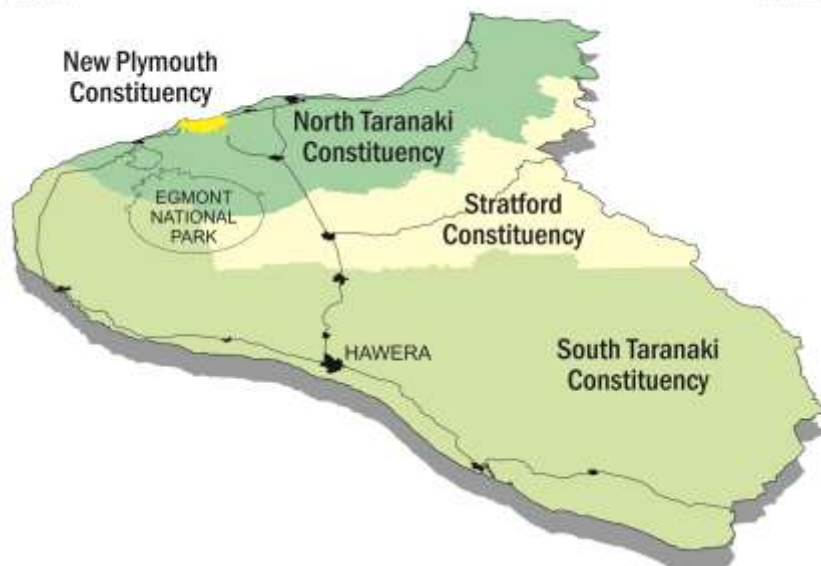


# Your Councillors

*Your Councillors prepared this Long-Term Plan with the assistance of Council staff and many others.*

The Taranaki Regional Council has eleven representatives elected by the community through local body elections every three years, elected as follows:

- |                             |               |
|-----------------------------|---------------|
| New Plymouth constituency   | Five members  |
| North Taranaki constituency | Two members   |
| Stratford constituency      | One member    |
| South Taranaki constituency | Three members |



Over the life of the 2015/2025 Long-Term Plan, the Council aims to achieve the following:

<h1>Mission</h1> <p>To work for a thriving and prosperous Taranaki by:</p> <ul style="list-style-type: none"> <li>Promoting the sustainable use, development and protection of Taranaki's natural and physical resources;</li> <li>Promoting and providing for Taranaki's regionally significant services, amenities and infrastructure; and</li> <li>Safeguarding Taranaki's people and resources from natural and other hazards;</li> </ul>			
GROUPS OF ACTIVITIES	<p><b>Resource management</b></p>	<p><b>Transport</b></p>	<p><b>Hazard management</b></p>
DESCRIPTION	<p>The Resource management group of activities promotes the sustainable use, development and protection of Taranaki's natural and physical resources of land and soil, water, air, coast and biodiversity in accordance with the Council's statutory duties, regional planning objectives and agreed national and other standards.</p>	<p>The Transport group of activities promotes an affordable, integrated, safe, responsive and sustainable transport system that assists economic development and safety and personal security, improves access and mobility, protects and promotes public health and ensures environmental sustainability.</p>	<p>The Hazard management group of activities enhances the safety and wellbeing of the public and protects property from hazards and minimises damage by floods and river erosion.</p>
AIMS	<ul style="list-style-type: none"> <li>Protection of the life-supporting capacity of water in-stream uses and values</li> <li>Efficient allocation of water for consumptive use</li> <li>Maintenance and enhancement of overall water quality in our rivers and lakes, groundwater and coastal waters</li> <li>Protection of riparian land in intensively farmed (predominantly dairying) catchments</li> <li>Sustainable land use in accordance with the physical capabilities of the land and soil resources</li> <li>Enhanced opportunities for sustainable development and best use of hill country</li> <li>Maintenance of a high standard of ambient air quality</li> <li>Maintenance and enhancement of indigenous biodiversity</li> <li>Resource management policies, plans and strategies that deliver efficient and effective management of the natural and physical resources of the region and are acceptable to the community</li> <li>Efficient and effective resource consent processing, administration, compliance monitoring and enforcement</li> </ul>	<ul style="list-style-type: none"> <li>Land transport policies and activities that deliver efficient, effective and value for money transport solutions, land transport infrastructure and services for Taranaki.</li> <li>Provision and increasing use of community passenger transport services</li> <li>Safe navigation for all users of the waters of Port Taranaki and its approaches</li> </ul>	<ul style="list-style-type: none"> <li>A civil defence emergency management system that delivers efficient and effective civil defence emergency management in Taranaki that is acceptable to the community</li> <li>Effective emergency readiness and response capability and capacity in the region</li> <li>Accurate and timely flood warnings</li> <li>Flood protection and drainage schemes that protect life and property</li> </ul>

- Representing Taranaki's interests and contributions to the regional, national and international community.

**Recreation, culture and heritage**

**Biosecurity**

**GROUPS OF ACTIVITIES**

**Regional representation, advocacy and investment management**

The Recreation, culture and heritage group of activities supports and develops regional gardens, maintains an ongoing partnership relationship with Puke Ariki regional museum and library and ensures the continuing maintenance and development of Yarrow Stadium and the TSB Superscreen as part of a prosperous and vibrant Taranaki.

The Biosecurity group of activities minimises the actual or potential impact of pest plants and animals on the environment and on the Taranaki economy and community.

**DESCRIPTION**

The Regional representation, advocacy and investment management group of activities maintains effective and open community representation as an important part of the democratic process; advocates on behalf of the Taranaki community on matters of regional interest; implements and further develops a programme of information transfer, advice and education on the Council's activities; and ensures that the equity, property and treasury investments owned by the Council are managed efficiently.

**AIMS**

- Tupare, Holland Gardens and Pukeiti recognised as regionally or nationally significant gardens
- Partnership relationship with the Puke Ariki regional museum and library
- Presentation and operation of Yarrow Stadium as one of New Zealand's premier regional sporting stadium and venue

- Pest management plans that deliver efficient and effective management of the Council's biosecurity functions
- Pest animals controlled to minimize their adverse effects on biodiversity, primary production and the regional economy and environment
- Pest plants controlled or eradicated to minimize their adverse effects on biodiversity, primary production and the regional economy and environment

- Effective advocacy on behalf of the Taranaki community on matters that affect the statutory responsibilities of the Council or that relate to matters of regional significance which are of interest or concern to the people of Taranaki
- Port Taranaki Ltd ownership as a strategic investment
- Effective management of property and treasury investments owned by the Council

**We will do this by leading with responsibility, working co-operatively, encouraging community participation, and taking into account the Treaty of Waitangi.**

## At a Glance

*This Plan consolidates the Council's strategic directions and programmes for the next ten years, and outlines programmes for 2015/2016, the year ahead.*

The *Plan* delivers upon the objectives and programmes agreed with the community through the development of a suite of regional plans, strategies and policies under various statutes. A regular reader will notice consistency with the programmes adopted in those plans, strategies and policies as well as with the *2012/2022 Long-Term Plan* and various annual plans.

The plans, strategies and policies include the regional policy statement, four regional plans (air, fresh water, soil and coastal), two biosecurity strategies (pest plants and pest animals), the biodiversity operational strategy, the regional waste strategy, the oil spill response plan, the regional land transport plan, the regional public transport plan, the civil defence emergency management group plan and a number of asset management plans (river and flood control schemes and regional gardens).

The Council intends to keep strongly focused on its core activities, all of which are important for the social, cultural, economic and environmental well-being of the region. These activities include:

- protecting our rivers, lakes and water from pollution
- managing the wise and productive use of water and soil
- protecting the quality of our air
- managing our coastal resources wisely
- controlling animal and plant pests
- providing flood protection
- protecting biodiversity
- promoting efficient and safe transport networks
- providing public transport services, especially for transport disadvantaged people
- ensuring emergency and civil defence systems are well prepared for and respond effectively in times of need
- managing regional garden amenities and supporting the protection of heritage
- ensuring the ongoing development and maintenance of Yarrow Stadium

- owning and ensuring good governance of Port Taranaki Ltd
- advocating for and promoting the best interests of Taranaki people and the sustainable development of the region.

More specifically, over the next decade the Council's key objectives are to:

### RESOURCE MANAGEMENT

Prepare, adopt and maintain a comprehensive suite of legally compliant, high quality and publicly considered **policies, plans and strategies** that will deliver to the Taranaki community, efficient and effective management of the Council's functions and Taranaki's natural and physical resources.

In 2015/2016, the Council will complete the reviews of the Regional Fresh Water and Land Plan and the Regional Coastal Plan.





Process some 4,500 applications for **resource consents**; administer all current resource consents; undertake **compliance monitoring** of resource consents, including carrying out more than 33,000 inspections of agricultural and small business premises and completing over 2,000 tailored compliance monitoring programmes for major consents. The Council will also respond to **pollution incidents** and where necessary undertake successful **enforcement** action. These activities will be carried out in an efficient and effective manner.

During 2015/2016, the Council expects to process over 450 applications for resource consents and to process and administer not less than 100% of accepted resource consent applications within statutory timeframes. The Council will design and implement approximately 200 compliance monitoring programmes for major consents and complete 3,300 inspections of agricultural discharges and minor industrial operations. Further, the Council will respond to all pollution and other complaints, and where necessary initiate control, clean-up and enforcement actions.

Monitor and investigate the **state of the environment** in Taranaki and the effects of the implementation of the Council's policies and plans according to the Council's monitoring procedures and programmes. This will be done by applying recognised and reputable methods of data collection, analysis and reporting.

In 2015/2016, the Council will undertake the annual state of the environment monitoring programme and comprehensively review the programme for the 2016/2017 year. Live regional data on hydrology, meteorology, soil moisture and bathing beach water quality will be available on the Council's website.

Provide relevant research information for resource management purposes through a series of **resource investigations and projects**.

In 2015/2016, the Council will continue to support the *best practice dairying catchments* study in the Waiokura Stream catchment; continue to use microbial-source testing technology to identify sources of faecal contamination in Taranaki waters; support studies into the behaviour and bioavailability of cadmium in agricultural soils and fertilizer; and engage in Envirolink and other science research project development opportunities and strategies for regional councils.

Encourage and implement **waste management** and cleaner production initiatives in Taranaki, consistent with the *Regional Waste Strategy for Taranaki*.

In 2015/2016, the waste minimisation programme will continue, in conjunction with the region's district councils, including employing a waste minimisation officer to assist sector leaders to explore and implement waste minimisation initiatives.

Promote **sustainable land management** and **riparian management** by providing property planning services, in conjunction with landowners, which identify actions for land use management on individual properties. The Council intends, by the end of the period of this *Plan*, to have active or completed riparian plans in place for over 99% of dairy farms and active comprehensive farm plans in place for over 69% of hill country in private ownership. In five years the Council expects to have supplied approximately three million plants – mostly native species – to holders of these plans to support its sustainable land management programme, making it one of the largest water and soil management programmes in New Zealand. By 30 June 2020, 100% of riparian plan streams to be protected by fencing and 90% protected by vegetation, where recommended.

During 2015/2016, the Council will prepare comprehensive, agroforestry and conservation farm plans covering not less than an additional 1,000 hectares and complete 100 riparian management plans. The Council will monitor and report on the implementation of 2,600 riparian management plans and 100 farm plans. Approximately 600,000 plants will be supplied to plan holders for planting. The Council will continue to provide timely, high quality advice to promote sustainable land and water management throughout Taranaki.

Maintain and enhance the indigenous **biodiversity** of the Taranaki region, working alongside landowners and other groups and agencies according to the Council's policies and biodiversity strategy priorities.

During 2015/2016, the Council will prepare 10 new biodiversity plans and monitor and report on the implementation of all biodiversity plans.

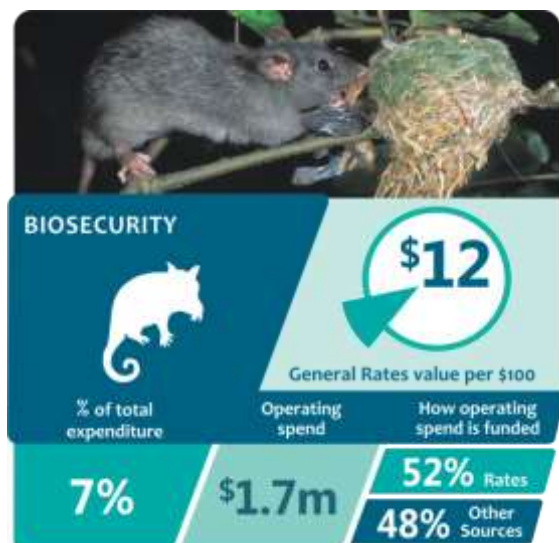
Promote the protection of the environment through a programme of **enhancement grants**.

The Council will continue to use environmental enhancement grants for the protection of regionally significant or important wetlands or parts of the environment identified as regionally significant.



## BIOSECURITY

Prepare, adopt and maintain a comprehensive suite of legally compliant, high quality and publicly considered **policies, plans and strategies** that will deliver, to the Taranaki community, efficient and effective management of the Council's biosecurity functions.





In 2015/2016, the Council will complete the ten-yearly review of the *Pest Management Plan for Taranaki*.

Control **pest animals** to minimize their adverse effects on biodiversity, primary production, and the regional economy and environment in accordance with the Council's approved regional pest animal management plan.

In 2015/2016 the Council will, as part of its self-help possum control programme, ensure that landholders keep possum populations below acceptable limits on the 235,000 hectares of land already within the programme, as well as continuing to expand the New Plymouth urban possum control programme.

Control and/or eradicate **pest plants** to minimize their adverse effects on biodiversity, primary production, and the regional economy and environment according to the Council's approved regional pest plant management plan.

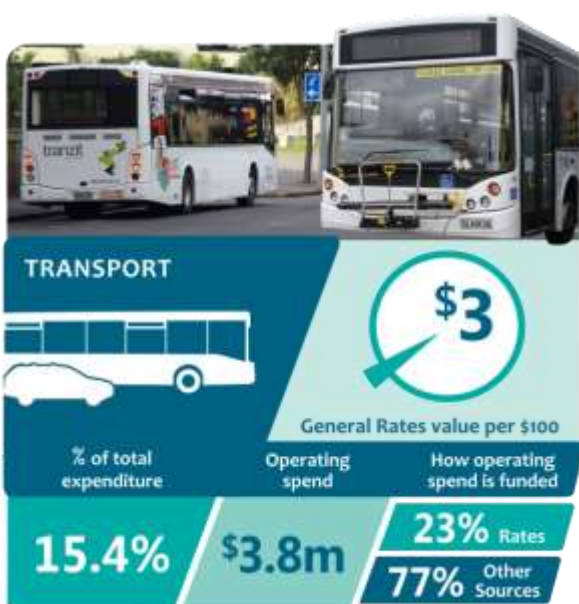
In 2015/2016, the Council will undertake the direct control and eradication of all known infestations of Senegal tea, climbing spindleberry, mignonette vine, and giant reed in the region; confine the spread of or reduce the extent of 'eradication' and 'containment' pest plants through a programme of inspections and where necessary enforcement on all properties; and take necessary actions on all pest plant complaints.



### TRANSPORT

Promote an integrated, safe, responsive and sustainable **land transport system** for Taranaki; promote the provision of community **passenger transport** in Taranaki; and assist the special transport needs of the transport disadvantaged. Promote **safe navigation** for all users of the waters of Port Taranaki.

In 2015/2016, the Council will maintain the *Regional Land Transport Plan for Taranaki* and the *Regional Public Transport Plan for Taranaki*. The Council will continue to operate extended passenger transport services in New Plymouth urban areas and regional Taranaki, and the total mobility subsidy assistance programme, subject to funding approval processes. The Council will continue to provide harbourmaster and harbour warden services for Port Taranaki to implement relevant harbour bylaws and regulations.



### HAZARD MANAGEMENT

Promote and enhance, within the Taranaki community, an integrated, comprehensive **civil defence emergency management** system.

In 2015/2016, the Council will implement the Civil Defence Emergency Management Group Plan for Taranaki and the 2015/2016 Taranaki Civil Defence Emergency Management Annual Business Plan.

Manage and maintain the Waitara and Waiwhakairo **flood protection schemes** and manage other minor **river control schemes** to accepted or agreed design standards to minimize or prevent damage by floods and river erosion. The Council will continue to provide accurate and timely flood warnings and flood control advice, and undertake minor works and associated actions to minimise or prevent damage by floods and river erosion.



In addition to generally maintaining the current Waitara, Waiwhakaiho and Okato flood protection schemes, the Council will complete the upgrade of the *Lower Waitara River Flood Control Scheme* to increase the protection scheme standard from 3% annual exceedance probability (AEP) to 1% AEP. The Council will monitor rainfall and river levels and issue timely flood warnings.

### RECREATION, CULTURE AND HERITAGE

Facilitate the continued development and maintenance of **Yarrow Stadium** and ensure that **Tupare, Hollard Gardens** and **Pukeiti** are maintained as regionally significant recreational and heritage amenities.

In 2015/2016, the Council will continue to provide funding for the ongoing maintenance and upgrade of Yarrow Stadium through the Taranaki Stadium Trust. The Council will continue to implement the Pukeiti asset management plan, including the upgrade and reconfiguration of the Gatehouse.

Maintain an ongoing partnership relationship with the **Puke Ariki** regional museum and library, including the ongoing use of display and presentation material within an annual project.

In 2015/2016 the Council will agree on and deliver an annual project, in partnership with Puke Ariki.

### REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT

Ensure that the Council-owned port company, **Port Taranaki Ltd** is efficiently managed as a successful business and that **property and treasury investments** owned by the Council are efficiently managed. The



Council will seek to attain at least a 6% return on land and treasury investments over the period of this *Plan*.

Promote community awareness and understanding of the Council's functions and activities, and make quality and timely **information** publicly available. This area of activity will include further development of the Council's social media, mobile and on-line presence. The Council will continue its **environmental education** programme where, over the period of this *Plan*, the Council expects to involve approximately 50,000 school students in class visits, field trips and visits to the Council's educational areas.



Specifically in 2015/2016 the Council will publish and distribute regular editions of the *Recount* newsletter to over 1,000 stakeholders, engage with the community across a range of channels including print and digital publications, news media, websites, mobile and social media, and implement an environmental awards programme. The Council will also provide an environmental education programme for school children and the wider community including class visits, field trips and the Pukeiti Rainforest School.

Ensure that **public representation** by the Council and its Committees is carried out effectively and efficiently according to statutory requirements and **advocate** on behalf of the Taranaki community on matters of regional interest or concern

Over the life of this *Plan* the Council intends to retain a strong **financial position** with no public debt and



maintain sound **financial performance** with minimum required rate increases.



The total rate take (general and targeted rates) is planned to decrease by \$30,414 or 0.33%. Specifically for 2015/2016, the general rate will increase by \$66,558 or 0.9%. The uniform annual general charge will be \$51.50. Rates for Yarrow Stadium remain unchanged from last year. River control and flood protection targeted rates will decrease by \$59,985 as the upgrades of the Waiwhakaiho and Waitara River flood control schemes reach fruition and targeted rates for passenger transport services will decrease by \$32,423.



# Purpose and Planning Processes

*The Council's Long-Term Plan for 2015-2025 is the fifth long-term plan to be prepared by the Council under the Local Government Act 2002. This Plan is important to you because it presents the Council's strategic directions and programmes for the next decade.*

As the name suggests, the long-term plan is a document put together by the Council to provide a long-term focus for the decisions and activities of the Council. In it you will find a description of the activities the Council will be engaged in over the next ten years, the objectives of those activities and their costs as accurately as can be forecast over this period. The *Plan* also describes how the Council, through its various activities and programmes will contribute to achieving the community outcomes that have been identified in the *Plan*.

Many of the Council's activities focus on ensuring that Taranaki's natural environment and physical resources are sustainably managed for the long-term benefit of the community. Others such as the Council's transport planning and passenger transport services contribute to efficient infrastructure and movement of people and goods so vital to economic development.

The Council's work in recreation and heritage, particularly its involvement in the maintenance and development of Yarrow Stadium and regionally important gardens such as Tupare, Hollard and Pukeiti Gardens provide important amenities for the people of the region, protect our heritage and promote tourism. These contribute to a vibrant Taranaki.

Ongoing improvements in our river control and flood protection schemes planned for the next few years and in enhancing our civil defence and emergency management capabilities will see Taranaki become an even more safe and secure place for people and families to live, work and play.

The *Plan* also describes how the Council with the help of the community and other organisations will work together to achieve these community outcomes. The section of this *Plan* entitled, *Looking to the future*:



*working together to achieve community outcomes*, tells you more about this.

There are a number of other more specific documents, plans and strategies that the Council has in place to help it carry out its work. These are also prepared and reviewed in consultation with the community. This *Long-term Plan* provides a basis for integrating and coordinating the activities and resources of the Council over the long-term. It provides an opportunity for you, the community, to have a say in these long-term plans.

Under the *Local Government Act 2002*, the Council is required to produce a long-term plan every three years, covering the next 10-year period. The Council is also required to prepare an annual plan for each financial year it does not prepare a long-term plan. The annual plans prepared in the years after the long-term plan will largely contain budget, funding and financial statements for that year in support of the long-term plan. The Council is required to prepare and adopt its next long-term plan by 30 June 2018.

The community outcomes contained within the Council's *Long-Term Plan* are reviewed every three years when the *Long-Term Plan* itself is reviewed. This ensures that the Council's activities and programmes set out in the *Plan* are aligned with the community outcomes that the Council aims to achieve.

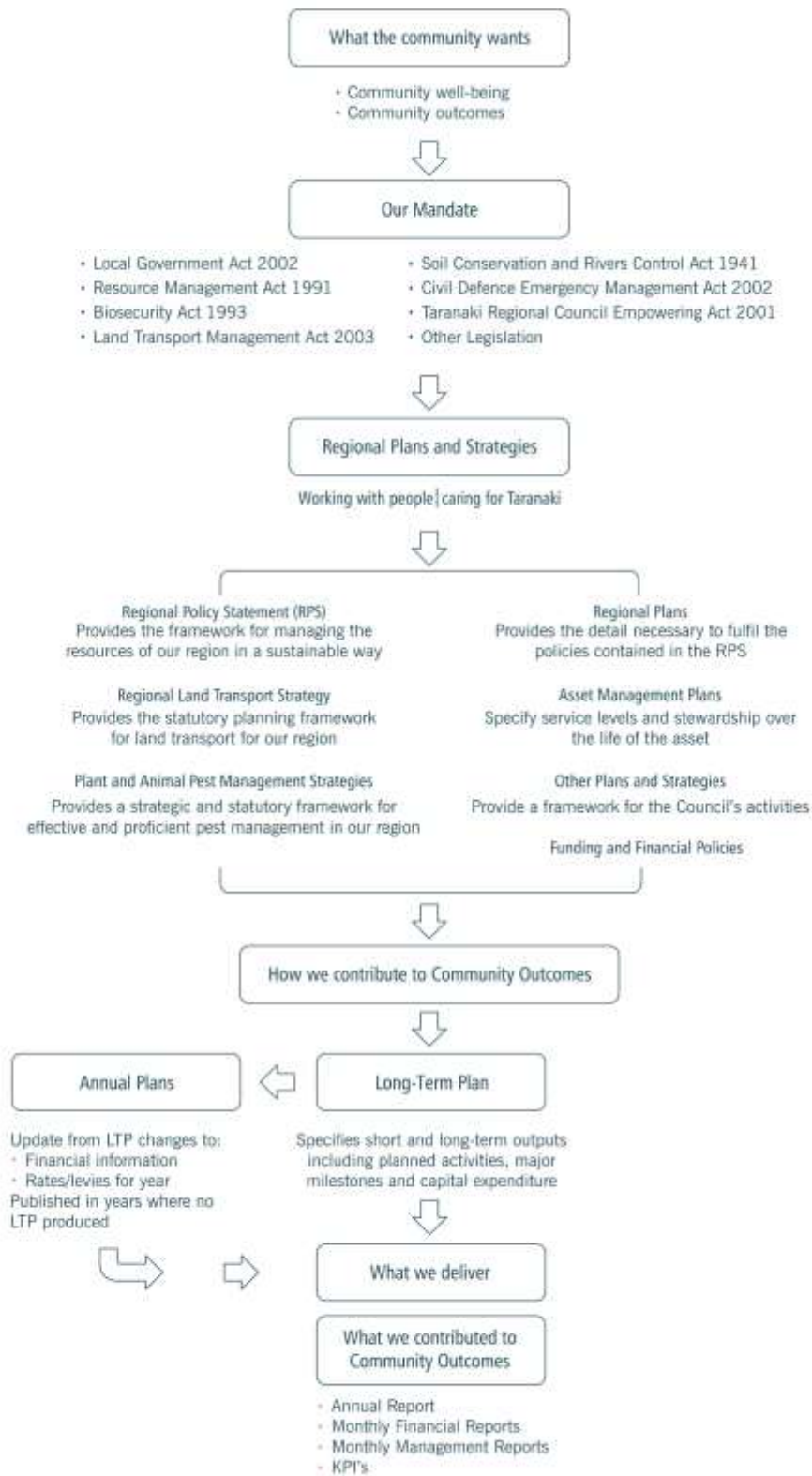
The emphasis in preparing this *Plan* has been to produce a straight-forward easy to read document. The *Plan* has been structured in the following way to help readers understand the long-term proposals of the Council:



- At a glance – the key plans and programmes included in the *Long-Term Plan*.
- Purpose and planning processes – a brief description of what the plan is about.
- Developing Māori capacity – the processes by which the capacity of Māori to contribute to the decision-making processes is fostered.
- Audit report – independent opinion on the extent to which this *Plan* complies with the *Local Government Act 2002*, the quality of the information and assumptions underlying this *Plan*, and the extent to which this *Plan* provides a meaningful assessment of the levels of service to be provided for each activity.
- Looking to the future – an explanation of community outcomes and how the Council will contribute to those outcomes.
- Taranaki region – key factors and influences concerning the environment in which the Council operates.
- Groups of activities – the background, objectives, performance measures and budgets for each of the Council's activities.
- Infrastructure strategy – a thirty year strategy for stormwater and flood protection infrastructure assets.
- Financial strategy – a guide to consider proposals for funding and expenditure by making transparent the overall effects of those proposals on services, rates, debt and investments.
- Revenue and financing policy – the methods by which the Council funds its works programmes and the associated operating and capital expenditure.
- Financial statements – the planned financial performance and position of the Council for the next ten years.
- Funding impact statement – the effect that this *Plan* will have on the ratepayers of the region.
- Explanatory notes – additional financial information.
- Reporting and prudence regulations – statutory disclosure of financial and other benchmarks.
- Appendices – additional policies and financial information.
- Funding and financial policies – the financial framework by which the Council operates and under which this *Plan* was prepared.

The information included in the *Plan* has been prepared for the sole purpose of producing a long-term plan. The information contained in the *Plan* may not be suitable for other purposes.

Figure 1: The Taranaki Regional Council planning processes



# Working Together With Maori

*The Council recognizes the importance of working together with Maori across the region including Maori involvement in decision making processes.*

This is part of the Council's Mission Statement to carry out its various responsibilities by, among other things, taking into account the Treaty of Waitangi. Furthermore, schedule 10 of the *Local Government Act 2002* requires the Council to set out in its long-term plan any steps that the Council intends to take to foster the development of Maori capacity to contribute to the decision making processes of the Council over the period covered by the *Plan*. There are eight recognised iwi in the region.

To achieve these objectives the Council intends to undertake the following:

## FOUNDATIONS OF A RELATIONSHIP

Act cooperatively and in good faith showing flexibility and responsiveness and a desire to engage with Māori for the good governance of the region. This will be done in a manner that is inclusive and makes the best use of the resources of both Māori and the Council.

## POLICY DEVELOPMENT

Provide opportunities to involve Māori in major policy decisions including but not limited to policies, plans and strategies under the *Local Government Act 2002*, the *Resource Management Act 1991*, the *Biosecurity Act 1993*, the *Civil Defence Emergency Management Act 2002*, the *Land Transport Management Act 2003*, the *Public Transport Management Act 2008* and the *Maritime Transport Act 1994*.

Notify Māori of draft long-term plans and draft annual plans under the *Local Government Act 2002*.

In carrying out these steps the Council will:

- provide sufficient information to enable Māori to participate effectively in the decision-making processes of the Council
- provide reasonable time for consideration of the information or advice given
- give full and genuine consideration to the views of Māori in making its decisions
- take into account iwi management plans in the development of the Council's regional plans and

regional policy statements under the *Resource Management Act 1991*.

## RESOURCE CONSENTS PROCESS

Continue and further develop best practice in resource consent processing and administration.

In carrying out these steps the Council will:

- encourage applicants to consult where Māori may be an interested party, as part of an assessment of environmental effects
- ensure that sufficient information is provided by applicants on any actual or potential effects on Māori
- consider extending resource consent processing periods to enable adequate consultation and possible resolution of issues with Māori
- have regard to the effects on Māori in assessing whether resource consent applications are to be notified or non-notified and require applicants to obtain written approval to non-notification where Māori are an affected party including with particular regard to statutory acknowledgements arising from Treaty of Waitangi settlements with iwi
- provide information and technical assistance on resource consents and resource consent processing and administration
- arrange and facilitate meetings and undertake other forms of consultation with Māori as part of resource consent processing and administration
- hold meetings and pre-hearing meetings on marae as appropriate
- arrange interpretation services for the presentation of evidence in Māori when requested
- exclude the public from a hearing and restricting the publication of evidence when necessary to avoid serious offence to tikanga Māori or to avoid the disclosure of the location of wāhi tapu
- consider the participation of Māori in resource consent monitoring, including input into the design of monitoring programmes and involvement in monitoring activities.

## ONGOING ENGAGEMENT

Meet with Māori to discuss any matter of mutual interest or importance at times and venues to be agreed.

Provide opportunities for Māori, within the framework of the Council's standing orders, to appear before and address any meeting of a Council standing committee or meeting of the full Council.

Seek opportunities when appropriate for the Council to be represented before meetings of Māori governance entities.

Establish as necessary, working parties or other informal groups with representatives of Māori and the Council to progress issues of mutual interest.

Contract with Māori for services for the delivery of specific advice, expertise, information, databases, research projects or training services.

Look to develop with the appropriate Māori governance entities, an effective working relationship between the Council and the governance entities, through memoranda of understanding protocols or other means.

## REPRESENTATION

Continue to provide opportunities for Māori to be represented on the Council's Policy and Planning Committee, the Consents and Regulatory Committee and other committees arising out of Treaty of Waitangi settlements.

Consider the need for and desirability of establishing a Māori constituency or constituencies under the *Local Electoral Act 2002*.

## INFORMATION MANAGEMENT

Share information held by the Council, subject to any statutory restrictions on the release or use of that information.

Protect sensitive information provided to the Council by Māori and restrict access to it in accordance with the *Local Government Official Information and Meetings Act 1987* and other relevant legislation. Obtain agreement from Māori to protect any sensitive or confidential information supplied by the Council.

Give due respect and recognition to silent files or plans held by or given to the Council by Māori.



Explore opportunities to develop in conjunction with Māori, databases or wāhi tapu sites using information technology where possible.

Maintain a database of iwi contacts including authorized voice, member hapu, and marae and provide to Māori contact details for key Council functions, responsibilities and personnel.

Consider iwi involvement or partnerships in Council resource investigations and projects.

## TRAINING

In conjunction with Maori and iwi provide training in tikanga Maori, to councillors and Council staff.

Provide opportunities within the Council's work programmes and activities for Māori to gain experience, training and skill development.

## RESOURCES

Provide technical advice, information and related support in the preparation and review of Council policies, plans and strategies.

Provide staff time and costs in attending meetings, hui or workshops.

Provide technical assistance and advice in preparing iwi planning documents and consider financial or other support for preparing such documents.

Provide technical advice, information and related support in the processing of applications for resource consent.

## REVIEW

The Council will, with iwi, review the effectiveness of its policies and processes for working with iwi at times and places or in ways agreed with iwi.



# Audit Report



*To The Reader:*

*Independent Auditor's Report On*

*Taranaki Regional Council's 2015/25 Long-Term Plan*

I am the Auditor-General's appointed auditor for Taranaki Regional Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long term plan (the plan). I have carried out this audit using the staff and resources of Deloitte. We completed the audit on 22 May 2015.

## **OPINION**

In my opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and coordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 109 to 116 and 132 to 134 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the Regional Council's audited information.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

## **BASIS OF OPINION**

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material

misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

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## RESPONSIBILITIES OF THE COUNCIL AND AUDITOR

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.
- I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

## INDEPENDENCE

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Taranaki Regional Council or any of its subsidiaries.



Bruno Dente,  
Deloitte  
On behalf of the Auditor-General,  
Hamilton, New Zealand

# Looking to the Future

## *Working together to achieve community outcomes*

### **PURPOSE**

The *Local Government Act 2002* specifies the purpose of local government, which is to:

- enable democratic local decision-making and action by, and on behalf of, communities
- meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

The role of the Taranaki Regional Council is to give effect to the purpose of local government in relation to the Taranaki region and to perform the duties and exercise the rights given to the Council under the *Local Government Act 2002* or any other Act.

### **COMMUNITY OUTCOMES – STRATEGIC CHOICES AND TRADE-OFFS**

The *Long-Term Plan* provides a long-term focus (over ten years) for the activities of the Council and describes how those activities will contribute to the achievement of community outcomes. Outcomes are simply a desired result or state of affairs. Community outcomes describe the type of place that Taranaki people want the region to be. They describe what we value as important for a good quality of life. It is important to identify the community outcomes that the Council aims to achieve to enable us to plan with a longer-term focus.

The *Local Government Act 2002* requires a long-term plan to describe the community outcomes for the region. Community outcomes that are to be included in the long-term plan are the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions

The broad statements of community outcomes contained in the Council's previous long-term council community plans and long-term plans were developed following a comprehensive and robust public process. The Council considers that they remain appropriate as broad outcomes that it aims to achieve in carrying out its

activities. These community outcomes have, therefore, been retained in this *Plan*. The outcomes are as follows:

#### **CONNECTED TARANAKI**

A region that delivers accessible and integrated infrastructure, transport and communications systems, which meet the needs of residents, business and visitors

#### **PROSPEROUS TARANAKI**

A region that boasts a sustainable, resilient and innovative economy that prospers within the natural and social environment.

#### **SECURE AND HEALTHY TARANAKI**

A region that provides a safe, healthy and friendly place to live, work or visit.

#### **SUSTAINABLE TARANAKI**

A region that appreciates its natural environment and its physical and human resources in planning, delivery and protection.

#### **TOGETHER TARANAKI**

A region that is caring and inclusive, works together, and enables people to have a strong and distinctive sense of identity.

#### **VIBRANT TARANAKI**

A region that provides high quality and diverse cultural and recreational experiences, and encourages independence and creativity.

#### **SPECIFIC COMMUNITY OUTCOMES**

The more specific community outcomes that the Council aims to achieve through this *Plan*, and that will contribute to the broader community outcomes, above are as follows:

- Protection of the life-supporting capacity of water, in-stream uses and values
- Efficient allocation of water for consumptive use
- Maintenance and enhancement of overall water quality in our rivers and lakes, groundwater and coastal waters
- Protection of riparian land in intensively farmed (predominantly dairying) catchments



- Sustainable land use in accordance with the physical capabilities of the land and soil resources
- Enhanced opportunities for sustainable development and best use of hill country
- Maintenance of a high standard of ambient air quality
- Maintenance and enhancement of indigenous biodiversity
- Resource management policies, plans and strategies that deliver efficient and effective management of the natural and physical resources of the region and are acceptable to the community
- Efficient and effective resource consent processing, administration, compliance monitoring and enforcement
- Pest management plans that deliver efficient and effective management of the Council's biosecurity functions
- Pest animals controlled to minimize their adverse effects on biodiversity, primary production and the regional economy and environment
- Pest plants controlled or eradicated to minimize their adverse effects on biodiversity, primary production and the regional economy and environment
- Land transport policies and activities that deliver efficient, effective and value for money transport solutions, land transport infrastructure and services for Taranaki
- Provision and increasing use of public transport services
- Safe navigation for all users of the waters of Port Taranaki and its approaches
- A Civil Defence Emergency Management system that delivers efficient and effective civil defence emergency management in Taranaki that is acceptable to the community
- Effective emergency readiness and response capability and capacity in the region
- Flood protection and drainage schemes that protect life and property
- Accurate and timely flood warnings
- Tupare, Hollard Gardens and Pukeiti recognised as regionally or nationally significant gardens
- Partnership relationship with the Puke Ariki regional museum and library
- Presentation and operation of Yarrow Stadium as one of New Zealand's premier regional sporting stadiums and venue
- Effective, open and transparent democratic Council processes
- Effective advocacy on behalf of the Taranaki community on matters that affect the statutory responsibilities of the Council or that relate to matters of regional significance which are of interest or concern to the people of Taranaki
- Port Taranaki Ltd ownership as a strategic investment
- Effective management of property and treasury investments owned by the Council.

The detailed measures and targets associated with each of these outcomes are set out in the *Levels of Service* under each of the *Groups of Activities* in this *Plan*.

### HOW THE COUNCIL WILL ACHIEVE THE OUTCOMES

The ways in which the Council can achieve the community outcomes can take a number of forms. For example the Council could take on the roles of:

- **Advocator** - trying to persuade others to act
- **Facilitator** - bringing various parties together to carry out an activity
- **Educator** - providing information and advice.

The Council can also take on the more direct roles of a:

- **Funder** - by making a financial investment in a programme
- **Service provider** - carrying out a programme using the Council's own resources
- **Regulator** - by developing and enforcing rules
- **Monitor** - gathering information.

In some cases the Council will be involved in more than one way in furthering its community outcomes. The details of these activities are outlined in the following sections of this *Plan*.

The Council's role in furthering community outcomes is summarised by its mission statement. The mission is a statement of the Council's primary role or 'reason for existence'.

The Council's mission is:

*To work for a thriving and prosperous Taranaki by:*

- *promoting the sustainable use, development and protection of Taranaki's natural and physical resources*
- *safeguarding Taranaki's people and resources from natural and other hazards*
- *promoting and providing for Taranaki's regionally significant services, amenities and infrastructure*
- *representing Taranaki's interests and contributions to the regional, national and international community.*

*We will do this by leading with responsibility, working co-operatively, encouraging community participation and taking into account the Treaty of Waitangi.*

The Council's mission statement reflects its core statutory responsibilities and activities in resource

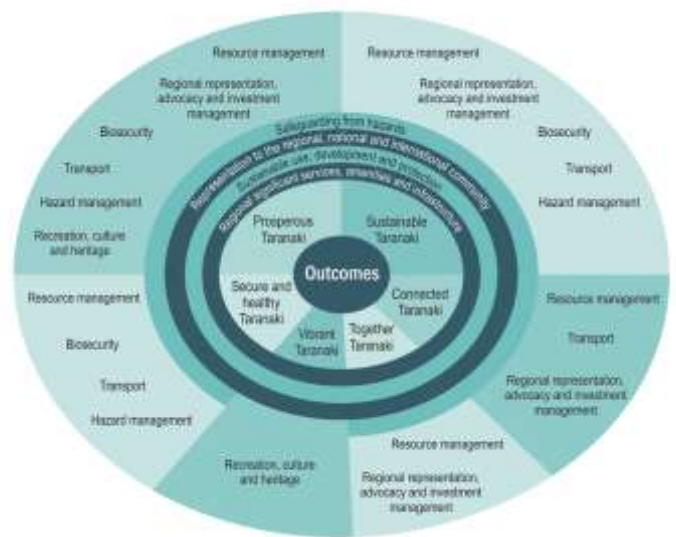


Figure 2 shows the way in which the Council will contribute to community outcomes through its mission and the actual activities the Council carries out.

management and environmental protection, pest management (biosecurity) and hazard and emergency management. It reflects the Council's role in promoting and providing for Taranaki's regionally significant services, amenities and infrastructure including transport and recreation, culture and heritage activities at the regional level, as well as ownership of Port Taranaki on behalf of the community. The Council's mission also reflects the Council's role in representing Taranaki's interests and contributions to the regional community as well as to the national and international community.

The groups of activities shown in Figure 2 and the more specific individual activities within them, form the basis of reporting on the details of the 10-year programmes contained in later sections of this *Plan*. However, it is the contribution of these activities to the achievement of the community outcomes that lies at the heart of this *Plan*.

Figure 2 shows how each group of Council activities is linked to the relevant key community outcomes that it contributes to. It shows that most of the Council's activities will contribute to furthering the community outcomes of a *Sustainable Taranaki* and a *Prosperous Taranaki*. Some activities will contribute to a *Secure and Healthy Taranaki* while others contribute to the outcomes of a *Connected, Together* and *Vibrant Taranaki*.

The Council, through this *Plan*, is making a significant contribution to the achievement of a *Sustainable Taranaki*.



The Council's regulatory activity, particularly in the area of resource consents processing and administration and compliance monitoring, is one of the core activities of the Council. The level of activity in this area fluctuates from year-to-year depending on the level of economic activity and other factors, but the Council anticipates that it will process some 4,500 applications for resource consents over the next ten years. The Council has always been committed to monitoring the effects of activities in the region to ensure they do not have undue adverse effects on the environment. Over the next ten years, the Council will carry out over 33,000 inspections of agricultural and minor industrial operations and complete over 2,000 tailored compliance monitoring programmes for major consents. The Council will continue its policy of efficiency and timeliness while ensuring that environmental effects of resource use on our land, water, air and coastal resources are thoroughly assessed and closely monitored and enforcement action taken when required. These activities will continue to be carried out in a way that places the Council at the forefront of national best practice.

The Council, through this *Plan*, has set out a programme of regular review and update of its main policy, plans and strategies over the next ten years. This will ensure that the policy frameworks that the Council works within remain relevant, up-to-date and appropriate to the region and fulfil their purpose.

The Council will also work hard to protect our rivers and streams in other ways. A major focus of the Council's land management work over the next ten years will be to continue to promote the retirement and

planting of riparian margins along all of our rivers and streams. One of the main instruments to achieve this will be through our riparian management programme and associated supply of riparian plants, delivered under our land management services. This voluntary programme, the largest of its type in New Zealand, is steadily transforming the Taranaki landscape.

By June 2014, the Council had completed the preparation of 2,483 riparian plans with farmers. This represents over 99% of Taranaki's dairy farms. The emphasis is now increasingly on plan implementation instead of development and resources are being deployed accordingly. Fonterra has a requirement for its suppliers to fence their waterways and the Taranaki approach to the requirement is to plant as well as fence. This has highlighted the importance of the Taranaki riparian management programme and means a significant increase in the rate of implementation. It is planned to provide around 600,000 plants at cost for streamside planting in 2015/2016. The aim is to have 100% of riparian plan streams fenced and 90% protected by vegetation by 30 June 2020.

Within the first year of this *Plan*, it is the Council's intention to introduce a regulatory regime for the riparian management programme, through the review of the regional fresh water and regional soil plans. This will formalise what most responsible farmers in Taranaki are now doing under the Council's voluntary programme but it will also require the minority of landowners who have simply not bothered to come on board with the programme, to adopt the standards that most have already applied or are in the process of

applying. The Council has signalled the change for some years now, so it will come as no surprise to most. Overall, the Council's riparian management programme with its focus on working with landowners, will have major benefits for water quality in our rivers and streams, and in our coastal waters into which our rivers ultimately flow. It will also provide a major boost to biodiversity protection and enhancement in Taranaki by providing habitat for native plants and animals and corridors of native vegetation from mountain to sea.

The Council through this *Plan* is further committed to promoting sustainable land management on erosion-prone land, particularly in the region's hill country and other sensitive environments. The Council intends to raise the coverage of comprehensive farm plans to over 69% of all hillcountry farms in private ownership over the next ten years. In this time the Council expects to supply over three million plants to holders of riparian and comprehensive farm plans.

In addition the Council will continue to closely monitor soil health in the region to ensure that activities do not lead to any significant deterioration in soil structure, nutrient status or soil contamination.

Resource investigations, monitoring and enhancement is a significant area of activity for the Council. The Council has invested considerable time and resources to monitoring the overall state of the environment so that the Council is in the best possible position to anticipate trends and take action ahead of time rather than be reactive. This is set to continue over the next ten years. Where necessary the Council will undertake research and investigations, at times in conjunction with outside research providers and iwi, to ensure that it keeps abreast of resource management issues or potential issues facing the region.

Practical assistance in the form of environmental enhancement grants will continue to be made available over the life of the *Plan* for regional initiatives to protect the environment. It is the Council's aim to use this scheme to further protect and enhance the region's remaining significant wetlands and areas of native bush, and to protect our native freshwater ecosystems – all contributing to protecting and enhancing the region's biodiversity.

Over the next 10 years, the Council anticipates that it will expand its role further in maintaining and protecting the region's biodiversity. This is an area of enormous challenge, not only for Taranaki, but also for New Zealand as a whole. The threats to our native plants and animals are real and the costs of protection of habitats and species is potentially high.

However, with positive working relationships and the goodwill of landowners that already exists in Taranaki,



the Council believes it can make significant progress in this area. The broad policy to maintain and enhance our indigenous biodiversity has been developed through reviews of our *Regional Policy Statement* and pest strategies as signalled in this *Plan*. The key to successful implementation of our policy is having good information and a commitment to work alongside landowners in a proactive, constructive and supportive way to maintain and protect our most valued areas.

The Council has worked closely with a number of stakeholders to identify our key native ecosystems, their values and threats. The Council has also prepared a *Biodiversity Operational Strategy* to identify its priorities and guide its actions in the area of biodiversity protection. Now that these initiatives are in place, the Council can go to work alongside our landowners to protect our most significant natural areas and native plants and animals. In time, as the targets of the self-help possum control programme on the ring plain are met, efforts will be redirected to biodiversity protection on specific sites. The Council's environmental enhancement grant and general advisory services will also be applied. Resources for monitoring our progress in this area will be put in place. Work is already underway in these areas and is set to pick up significantly over the term of this *Plan*.



Waste minimisation and efforts towards meeting the targets in the *Regional Waste Strategy* will continue to be a focus for the Council over the next ten years. The *Regional Waste Strategy* is the result of a joint planning exercise with the New Plymouth, Stratford and South Taranaki district councils and the Taranaki Regional Council. It is based on the targets for waste minimisation and management contained in the *New Zealand Waste Strategy* but in many areas sets targets that better those in the national strategy. Achieving these targets will produce environmental benefits as well as gains for industry through better efficiencies and reduced costs in resource use. The Council expects to be able to report further progress in this area to build on the achievements of the last ten years.

All of the activities outlined above will contribute to the outcome of a *Sustainable Taranaki*. They will also help achieve a *Prosperous Taranaki* by enhancing Taranaki's clean, green image and ensuring it remains a reality in overseas markets, as well as emphasising Taranaki as an attractive place to work, do business and visit.

Details of these activities can be found in the *Resource Management* chapter of the *Plan*.

The Council's pest management activities are also set to make further significant contributions to a *Sustainable Taranaki* over the next ten years. Details can be found in the *Biosecurity* chapter of the *Plan*. Pest management is recognised in the *New Zealand Biodiversity Strategy* as one of the most critical areas for halting the decline in New Zealand's biodiversity and for returning the 'dawn chorus'. The Council has a

major role to play. Within the life of this *Plan*, the Council intends to have over 90% coverage on the ring plain, of the Council's self-help possum control programme. This programme involves a partnership with landowners whereby the Council undertakes initial control to reduce possum numbers to very low levels. Landowners are then trained in appropriate pest management techniques to keep possum numbers at low levels. This very successful programme significantly reduces risks to animal health and pastoral production, and therefore our agricultural economy, as well as protecting our native biodiversity from the highly destructive effects of possums.

Ongoing activities are also programmed for pest plants, with proposals to control agricultural and environmental pest plants to acceptable levels and in some cases completely eradicate damaging plants from the region. The Council will remain vigilant and ready to respond, with other stakeholders, to act on incursions of unwanted organisms in Taranaki.

The Council continued its role in land transport during the period of the last *Long-Term Plan*. A period of consolidation and refinement of Council services, with adjustments to meet changing community needs and demands, are anticipated over the next ten years.

Further efficiencies in land transport planning processes and activities under the relevant legislation are expected. Details of the Council's transport activities can be found in the *Transport* chapter of this *Plan*. The Council is charged with preparing a *Regional Land Transport Plan* for the region that includes information



on all aspects of land transport, including state highways, local roads, public transport, walking and cycling. A key part of the *Plan*, which is reviewed and prepared every three years, is regionally agreed priorities for major projects. The process for preparing the *Plan* involves public consultation on what the priorities should be. Once adopted, the *Plan* sets the direction for investment in this important area. This function is carried out by the Council's Regional Transport Committee and relies upon a collaborative approach between central, regional and local government.

In respect of the Council's own operational activities - planning and funding public transport services - further gradual enhancements in services are proposed over the next ten years.

In recent years, the Council has made a successful transition to a fully-contracted urban bus service in New Plymouth, and introduced once-a-week services throughout rural Taranaki on a trial basis. A four-times-daily bus service between Hawera and New Plymouth is currently on a two-year trial. This *Plan* anticipates that the service will continue on past the two-year trial. Continued monitoring of services in rural Taranaki will enable the Council to make decisions about the longer-term future of these services. Provision of well-designed and cost-effective public transport services that meet the needs of users, and particularly the needs of the transport disadvantaged, is important for the social wellbeing of the community.

This Council will work with other funders and providers, including iwi, to ensure that the needs of the transport disadvantaged are met. This will ensure that all members of the community have reasonable access to transport for those social, health, educational, recreational or employment opportunities that are important to maintain an acceptable quality of life. These activities will promote the community outcomes of a *Prosperous, Sustainable, Connected and Secure and Healthy Taranaki*.

Over the next ten years, the Council will work to further strengthen its civil defence emergency management structures and processes. Details can be found in the *Hazard Management* chapter of this *Plan*. This will result in a region-wide civil defence emergency management structure, working to policies and programmes developed under each updated *Taranaki Civil Defence Emergency Management Group Plan*. This will ensure that the risks to people, property and the environment from all hazards are managed to acceptable levels.

The Council's long-standing role in river control and flood protection will continue over the next ten years, including ongoing maintenance of the Council's Waitara, Waiwhakaiho and Okato flood protection schemes. A substantial increase in the level of flood protection associated with the *Lower Waiwhakaiho Flood Control Scheme* has recently been put in place. The *Lower Waitara River Flood Control Scheme* is undergoing a similar increase in the level of protection provided. The upgrade is due to be complete by 30 June 2016. These activities will make a significant contribution to a *Sustainable, Prosperous and a Secure and Healthy Taranaki*.

This *Plan* continues the Council's role in the ongoing development and maintenance of Yarrow Stadium, with New Plymouth District Council undertaking the day-to-day operation of this regionally-significant facility. The partnership, and associated funding streams, is vital as Yarrow Stadium competes to attract international and national events. Details can be found in the *Recreation, culture and heritage* section of this *Plan*.

The *Plan* also provides for the maintenance and enhancement of three regionally significant and nationally recognised garden amenities. For Tupare and Hollard Gardens, this is largely maintenance of the status quo. For Pukeiti, the continued rejuvenation through implementation of the asset management plan continues to be the focus. This *Plan* provides for a significant upgrade of the existing Gatehouse facilities at Pukeiti. Details of these activities can be found in the *Recreation, culture and heritage* chapter of this *Plan*.

The activities in the area of recreation, culture and heritage will contribute to the outcomes of a *Prosperous and a Vibrant Taranaki*.

When the need has arisen, or where the community has demanded it, the Council has taken on a regional representation role. The Council expects that it will continue to be active in this area over the next ten years.

The Council will continue to develop and implement a programme of community engagement, information transfer, advice and education on the Council's activities. This will raise awareness and involvement within the community for the Council's work, and will continue to stimulate positive attitudes and actions towards the environment. Use of the Puke Ariki regional museum and library complex for this purpose will add a new dimension to the Council's efforts in this area in future years.



The Council’s investments, including its 100% shareholding in Port Taranaki Ltd, will be managed to optimise returns in the long term, while balancing risk and return considerations. Port Taranaki is a critical part of the region’s infrastructure.

Details of these activities can be found in the *Regional Representation Advocacy and Investment Management* chapter of this *Plan*. These activities will contribute to the outcomes of a *Sustainable, Prosperous, Connected* and a *Together Taranaki*.

## HOW THE COUNCIL WILL WORK WITH OTHERS

The Council will work with other local and regional organisations, Māori, central government and non-government organisations, and the private sector in furthering community outcomes. The range of organisations and stakeholders that the Council will work with is shown in Figure 3.

The Council’s role and how it will work with others will vary depending on the specific outcome and the activities involved. In areas where it has a primary role it will act as the lead agency, being largely responsible for action in a particular area.

This is the case in the areas of promoting the sustainable use, development and protection of our natural and physical resources, and in safeguarding the community from natural and other hazards. In these areas the Council’s involvement is wide, which requires it to work with many stakeholders in a number of different ways, for example, as a regulator, funder and educator. In other areas, such as in regional representation, its role may be one of advocating, supporting or monitoring. In appropriate cases of regional significance the Council may take on a more direct role which may involve working jointly or in partnership with other agencies. In consulting and working with the community, the Council will apply the consultation, planning and decision-making provisions of the *Local Government Act 2002* and other statutes that it works under. The Council will also develop partnerships and work through other forums with its



Figure 3: The stakeholders that the Council will work with.

stakeholders to agree on approaches to furthering community outcomes.

### MONITORING AND REPORTING

The Council currently undertakes monitoring and reporting activities that will assist in measuring progress towards achieving the community outcomes set out in this *Plan*.

The Council has a comprehensive monitoring framework in place with many varied and wide-ranging programmes to monitor and to report on the outcomes of its activities. The main components of this framework, and their connection to the Council's planning processes, are shown in Figure 4. The Council's monitoring framework is complex and multi-tiered. It covers a range of monitoring programmes, from overall state of the environment monitoring, monitoring of specific activity areas (such as pest management, land transport and emergency management) and monitoring of individual resource consents for compliance with consent conditions and Council policies. It also covers different time scales (from quarter-hourly, to daily, quarterly, annually, three-yearly, five-yearly or longer) according to different needs or requirements.

Monitoring is also undertaken at different geographical scales (region-wide, catchment, eco-regions, property-based or site-specific) and may involve different types of information.

In developing its monitoring programmes, the Council has sought to establish an integrated monitoring framework that recognises the need for consistency, coordination and integration of monitoring activities:

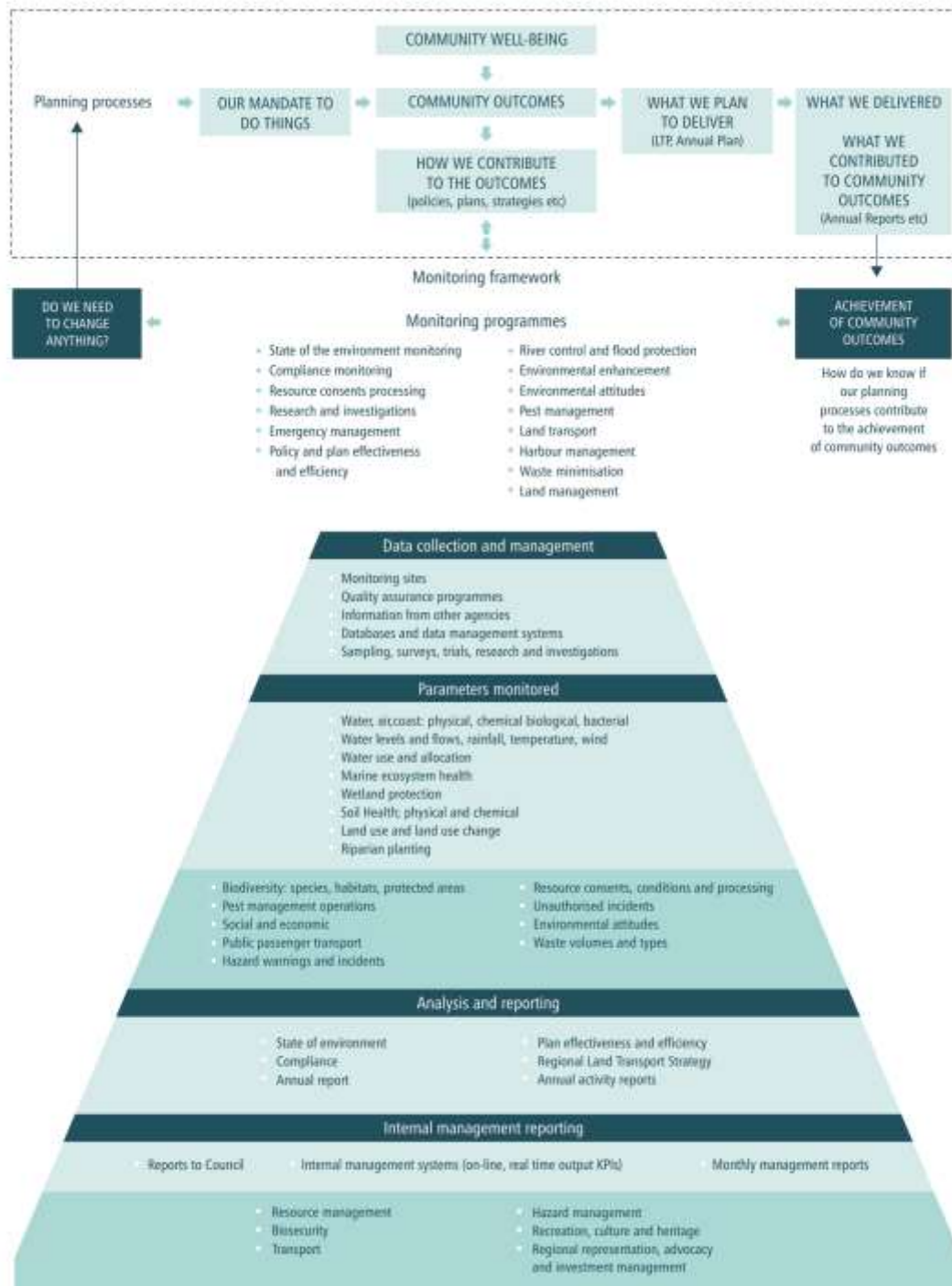
- within the Council – to generate information that is timely, relevant and useful to the Council across a number of activities
- with other agencies – to avoid duplication and to make use of other sources of information where appropriate
- across issues and media – to recognise the interconnected nature of the biophysical, economic, social and cultural environments.

Effective data collection and management underpins all aspects of the Council's monitoring programmes. This involves careful selection and maintenance of monitoring sites (having regard to the purpose, location, type and number of sites); proper sampling, surveying and analysis being undertaken according to recognised quality assurance programme by suitably qualified staff; and the maintenance of effective databases and data management systems. A wide range of parameters is used in monitoring and these form the foundations of the Council's monitoring framework.



Programme performance indicators for monitoring progress on implementation of this *Plan* are set out in later stages of this *Plan*. These programme performance indicators are specifically measured, monitored and reported on monthly and annually. The full year's achievement of these programme measures is included in each year's audited annual report and in specific, more detailed annual reports that are separately published for each group of activities. It should be noted that these performance measures focus on whether the defined tasks have been performed. A wider range of performance measures are contained in other reports prepared by the Council. The results of measurement of progress on this *Plan* towards the achievement of community outcomes are published in each year's annual report.

Figure 4: Monitoring and reporting framework



# The Taranaki Region

## Key factors and influences

In looking forward to the next ten years, it is important to consider the key factors and influences that may impact on the region, and therefore, the actions of the Taranaki Regional Council. These factors include geographical, social, economic, environmental, cultural and political influences.

## THE REGION

The Taranaki region covers a land area of 723,610 hectares, reaching as far north as the Mohakatino catchment, south to include the Waitotara catchment and inland to the boundary of, but not including, the Whanganui catchment. The region extends 12 nautical miles offshore to include the waters of the territorial sea.

Taranaki consists of four distinctive landforms, each of which requires a different type of environmental management. The Taranaki ring plain, centred on Mount Taranaki/Egmont, consists of fertile and free-draining volcanic soils. The ring plain supports intensive pastoral farming, particularly dairying that is most intensive on the flatter land in southern Taranaki. A large number of rivers and streams, which radiate from Mount Taranaki/Egmont, are extensively used by the agricultural sector, for community water supplies and for a wide range of recreational purposes.

To the east of the ring plain lies the Taranaki hill country, comprising siltstones, sandstones and mudstones, known locally as papa. The topography of the hill country is steeply dissected and is prone to soil erosion and slipping, but can support both pastoral farming and commercial forestry when managed in accordance with the physical limitations of the land.

The coastal terraces along the north and south Taranaki coast make up the third major landform feature of the region. The soils of these areas are among the most versatile and productive in the region but the combination of light, sandy soils and strong winds in some areas can lead to localised wind erosion.



Figure 5: The Taranaki Region

The Taranaki coastal environment is the fourth of the major landforms. The region is exposed to the west and as a consequence, high-energy wave and wind conditions dominate the coastal environment. There are few areas of sheltered water beyond the major estuaries such as the Tongaporutu, Waitara and Patea rivers, and the confines of Port Taranaki.

The Taranaki region has a temperate climate with generally abundant rainfall. The incised nature of ring plain streams means that flooding is not a major problem. However, occasional intense rainfall events can lead to rapid rises in river levels and flooding in hill country valleys and elsewhere.



Stratford and South Taranaki districts have experienced small population increases since 2006.

The general trend has been for a decrease in the population of smaller rural towns and an increased concentration of population in north Taranaki and the main centres.

The Taranaki population is both older and younger than the national average, with a higher proportion of children under 15 years and adults over 65 years of age. This may be in part due to lifestyle factors, as Taranaki is seen as an attractive and desirable area for family living with good facilities and affordable housing.

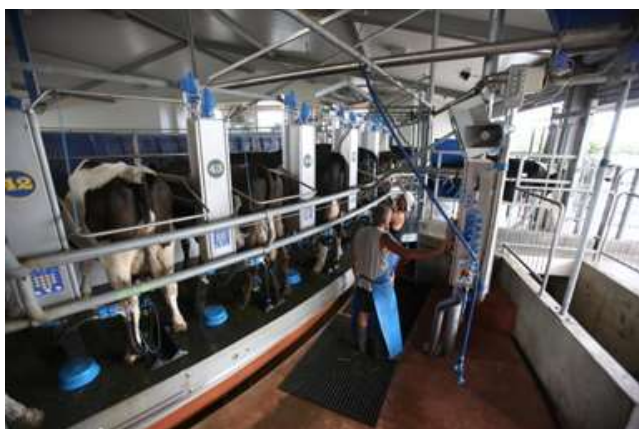


The percentage of Maori within the region continues to increase from 14.7% at the 2001 census to 15.2% at the 2006 census and 16.6% at the 2013 census.

## THE ECONOMY

A notable feature of the Taranaki region is its reliance on the region's natural and physical resources for its social and economic wellbeing. Farming and other land-based activities continue to play a prominent role in employment.

Over 16% of the labour force is employed in agriculture and fisheries, compared with 8.3% nationally.



Dairying dominates farming in Taranaki, particularly on the ring plain. There are approximately 1,800 dairy farms and about 490,500 dairy cows, producing approximately 10.2% of New Zealand's total milksolids. In addition to direct farm income from milk production, the added value by the processing of milk, whey and cheese manufacturing, is a significant contributor to employment.

Sheep and beef farming are concentrated in the hill country and also play an important part in the regional economy.

## THE PEOPLE

Figures from the 2013 census show the total population of Taranaki stands at 109,608, an increase of 5.3% over the 2006 census figure. In the previous census period (2001-2006) the population of the region increased by 1.2%. Taranaki's population accounts for 2.6% of New Zealand's total population.

Population changes have also varied within the region. The most notable feature has been the continued growth in the proportion of the population residing in the New Plymouth district, which contains 67.7% of the region's population – up from 64.7% in 2001. Both

Exotic forest plantations continue to expand, with the region offering a suitable climate, good forestry sites and a well-established roading system and port facility.

The oil and gas industry is a major contributor to the regional economy. The Taranaki Basin is currently New Zealand's only hydrocarbon producing area, with the Kapuni and the offshore Maui fields making up the major part of New Zealand's natural gas resources. Extensive drilling programmes have continued in an effort to support the Kapuni and Maui fields. These have resulted in a number of significant additional fields being discovered in the last 10 to 15 years. The Mangahewa onshore gas and condensate field was discovered in 1997, the Maari offshore field in 1998 and



the Rimu onshore field in South Taranaki in 1999. The nearby Kauri field was discovered in 2001. The Pohokura offshore gas field in North Taranaki, the largest gas and condensate find in 30 years, was discovered in 2000 and brought into production in 2006. The offshore Tui well was discovered in 2003 and brought on-stream in 2008. Development of the offshore Kupe field, discovered in 1986, commenced during 2010. Exploration interest in Taranaki remains high.

The presence of oil and gas in the region has given rise to industries involved in the processing, distribution, use and export of hydrocarbons. Production stations or gas treatment plants are found at Oaonui, Kapuni, Waihapa, Rimu, Kaimiro and the McKee oil and gas field. An ammonia urea plant is located at Kapuni, UF resin plant at Bell Block and gas-fired power stations at Stratford and McKee, while methanol production occurs at Motunui and Waitara Valley.

Tourism is playing an increasingly important role in the Taranaki economy, with over 680,000 guest nights spent in the Taranaki region by domestic and international visitors per annum. Most visitors are from other North island regions. Some 17% of total guest nights are from international visitors. The region's mountain, forests, gardens and parks are attracting increasing numbers of visitors for rural-based and outdoor recreation activities. The Taranaki region is also becoming increasingly popular and recognised for a range of organised cultural, sporting and other events.

As an export-based economy, major changes in the world economy can significantly affect Taranaki. The regional economy is therefore more vulnerable to changes in overseas markets than larger urban-dominated regions.

### ENVIRONMENTAL ISSUES

The use and quality of water is the major resource management issue in the region. Water is a vital resource for agriculture, recreation and industry and has profound cultural and spiritual importance to the community.

While overall water quality in the region is very good, particularly in the upper catchments, there is some deterioration in the lower reaches of rivers as a result of intensive agricultural land use.

With the continuing intensification of dairying, there will be increasing pressures placed on our water resources from farm run-off, sediment and nutrients. Current efforts are resulting in improvements in many measures of water quality, but there is scope for further cost-effective interventions to safeguard our gains and to ensure rising community expectations can be satisfied. Attention must continue to be given to promoting good land and riparian management practices.



Management of the many industrial, municipal and agricultural waste discharges from individual point sources has improved significantly over the years. These discharges are closely monitored. It is vital for Taranaki's future that all major discharges to land, water and air are carefully managed.

Where there are gaps in our knowledge of the resources of the region or the environmental effects of their use, necessary investigations and research must be undertaken to improve our understanding.

Other significant environmental issues facing the Taranaki region include:



- managing clearance of bush and scrub on steep hill country, to avoid soil erosion that degrades land productivity and water quality. Parts of the inland hill country experience significant soil erosion but changes to more sustainable land use practices and conversion to forestry present opportunities to address this
- controlling threats to indigenous flora and fauna and the economic costs faced by the region as a result of pest plants and pest animals
- managing the coastline and coastal waters in a way that recognises special ecologically and culturally sensitive areas within the coastal environment, and that allows appropriate use and development of the coast
- promoting protection of the region's indigenous biodiversity
- managing discharges of contaminants to air and maintaining the high overall standard of air quality
- managing the allocation of the region's surface water resources, especially for increasing interest in pasture irrigation.



## RESOURCE MANAGEMENT ISSUES AND IWI

The tangata whenua, through the region's eight iwi: (Ngati Tama, Ngati Mutunga, Ngati Maru, Te Atiawa, Taranaki, Ngāruahine, Ngati Ruanui and Nga Rauru), have a special relationship with natural and physical resources. Inherent in this relationship is kaitiakitanga which seeks to maintain the mauri of these resources, while allowing the ability to use and develop them for social, cultural and economic well-being.

Iwi wish to maintain meaningful and adequate input to Council decision-making and to have structures and processes in place to enable that to occur.



# Groups of Activities

*The following sections of this Plan summarise the plans and programmes for each one of the Council's groups of activities in detail for 2015/2016, in indicative terms for 2016/2017 and 2017/2018, and in general terms for the seven years after that.*

## INTRODUCTION

For the purpose of this *Plan*, the Council has arranged its business into six groups of activities, namely:

- resource management
- biosecurity
- transport
- hazard management
- recreation culture and heritage
- regional representation, advocacy and investment management.

The following sections of this *Plan* summarise the plans and programmes for each one of the Council's groups of activities in detail for 2015/2016, in indicative terms for 2016/2017 and 2017/2018, and in general terms for the seven years after that.

Information is presented to identify the activities within each of the groups and to identify the background rationale for delivery of the activities, including the community outcomes to which each group of activities primarily contributes.

The estimated levels of expenditure and how that expenditure is to be funded are also outlined. Funding proposals are consistent with the Council's *Revenue and Financing Policy*.

## INTENDED LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

Performance measures and targets by which performance may be judged in relation to intended levels of service are included for each group of activities. These essentially outline the key results or outcomes, in terms for example, standards of environmental quality, which the Council expects to achieve from each of its groups of activities. The measures and targets are not totally comprehensive, but those presented have been selected as key indicators, sufficient to allow performance to be meaningfully assessed.

In addition to the levels of service measures and targets presented for each group of activities, for each of the activities within every group, work programmes are

presented which contain further performance related measures and information. The most important measures by which performance may be judged in respect of these work programmes is that of whether the defined tasks have been performed as specified.

As well as the specific output targets identified the Council also intends that performance may be measured in terms of:

- **Timeliness**—in all cases, unless stated otherwise, the target is to complete the tasks by 30 June of each year
- **Cost**—in all cases the target is to complete the tasks defined within the budget set in the *Indicative costs and sources of funds*
- **Quantity**—in all cases where a quantity measure is specified, the target is to meet that specified quantity
- **Quality**—in all cases the target is to meet the quality expectations of the elected Councillors. The Council has extensive quality control procedures in place to ensure a high level of quality is present in the receipt of products or undertaking of activities. These range from laboratory accreditation, professional standards and systems to legal standards and benchmarking surveys. Overarching these procedures, acceptance of performance by the Councillors on behalf of the regional community is acceptance of the overall quality of performance
- **Location**—in all cases where a location is specified, the target is to deliver the service in that location.

## PERFORMANCE MONITORING AND REPORTING CONTEXT

The Council uses a very wide range of measures and targets to monitor and report upon performance at all levels and for a variety of purposes in addition to those presented herein. These are analysed and reported on at regular intervals (refer to the section of the *Plan* entitled *Monitoring and reporting* and Figure 4).

The Council will publicly report on the performance measures in this *Plan* in the audited annual report. In respect of each group of activities the following specific annual activity reports will be prepared and published:

Group of activities	Annual activity reports
<b>Resource management</b>	<ul style="list-style-type: none"> <li>• Resource management planning, and advocacy and response</li> <li>• Consent processing and administration</li> <li>• Compliance monitoring and pollution incidents and response</li> <li>• Resource investigations, state of environment monitoring and waste minimisation</li> <li>• Sustainable land management and plant supply</li> <li>• Biodiversity and enhancement grants</li> </ul>
<b>Biosecurity</b>	<ul style="list-style-type: none"> <li>• Pest animal management</li> <li>• Pest plant management</li> </ul>
<b>Transport</b>	<ul style="list-style-type: none"> <li>• Regional land transport planning and public transport</li> <li>• Harbour management</li> </ul>
<b>Hazard management</b>	<ul style="list-style-type: none"> <li>• Civil defence emergency management</li> <li>• Flood management and river control</li> </ul>
<b>Recreation, culture and heritage</b>	<ul style="list-style-type: none"> <li>• Recreation, culture and heritage</li> </ul>
<b>Regional representation, advocacy and investment management</b>	<ul style="list-style-type: none"> <li>• Public information</li> </ul>

Additional measures by which the performance of the Council can be assessed are found in the various statutory policies, plans and strategies and other documents that the Council has prepared. The measures included in these statutory strategies, policies

and plans are monitored, analysed and publicly reported upon in various timeframes (live, monthly, yearly or five yearly).

## COMMON ASSET INFORMATION

For each group of activities the Council is required to identify the assets or groups of assets required by the group of activities and identify, in relation to those assets or groups of assets:

- how the local authority will assess and manage the asset management implications of changes to:
  - demand for, or consumption of, relevant services
  - service provision levels and standards.
- what additional asset capacity is estimated to be required
- how the provision of additional asset capacity will be undertaken
- the estimated costs of the provision of additional asset capacity
- how the costs of the provision of additional asset capacity will be met
- how the maintenance, renewal, and replacement of assets will be undertaken
- how the costs of the maintenance, renewal, and replacement of assets will be met.

All groups of activities utilise the day to day operational assets of the Council (buildings, motor vehicles, plant and equipment, office furniture, and computer equipment). Other than for river control and flood protection, no assets of significance (as defined in the *Significance and Engagement Policy*) or infrastructure assets are used.

The Council maintains sufficient operational assets to undertake its activities. The operational assets are maintained to sufficient service levels to enable staff to complete their duties efficiently and effectively. The maintenance and replacement of these assets is undertaken on a ten-year programme. All maintenance budgets are included in the operational expenses of the Council. New capital expenditure programmes and replacement capital expenditure programmes are also on a ten-year cycle and are included in the capital expenditure budgets (refer to the *Explanatory Notes*).



All operational assets are depreciated over their useful life. Replacement and new operational assets are funded from retained earnings, being the accumulated depreciation on existing operational assets. Any significant increase in operational assets that could not be funded from retained earnings would be funded by application of the Council's *Revenue and Financing Policy* (no such expenditure is planned or provided for in this *Plan*).

Any additional asset information that is specific to each group of activities is included where relevant for each group under the heading *Specific group asset information*.

### DISCLOSURE OF SIGNIFICANT NEGATIVE EFFECTS ON WELL-BEING

It is conceivable that some Council activities which are undertaken to promote specific community outcomes may have adverse effects for other outcomes. For each group of activities the Council is required to identify and disclose these, where they are considered potentially significant.

Based on historical monitoring, for all of the groups of activities and associated programmes in this *Plan*, no significant negative effects on the social, economic, cultural or environmental wellbeing of the community have been identified. The Council will continue to monitor for significant negative effects on the social, economic, cultural or environmental well-being of the community.

### FORECASTING ASSUMPTIONS AND CRITICAL ESTIMATIONS IN APPLYING THE COUNCIL'S ACCOUNTING POLICIES

The preparation of a long-term plan requires the adoption of a number of assumptions about events and activities that the Council believes will reasonably occur over the life of the *Plan*.

The assumptions underlying the preparation of these forecasts were adopted on 22 May 2015 and incorporate known financial results as at that date and estimates for the year to 30 June 2015. Events occurring subsequent to this date may have a significant effect on these forecasts.

In order to provide predictability and certainty about sources and levels of funding, the Council has adopted the following funding and financial policies:

- Revenue and financing policy
- Liability management policy
- Investment policy
- Policy on development contributions and financial contributions
- Policy on the remission and postponement of rates on Māori freehold land
- Rates remission policy
- Rates postponement policy

In addition, this *Plan* includes a *Funding Impact Statement* which provides information about the revenue and financing mechanisms to be used by the Council.

The preparation of financial statements in conformity with NZIPSAS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following significant forecasting risks have been specifically identified due to the potential for them to materially impact upon the Council's:

- Overall revenue
- Overall operating expenditure
- Ability to finance and fund future operating and capital expenditure
- Strategic assets
- Ability to deliver intended levels of service.

The level of risk is derived from consideration of the potential scale of impact and the probability of occurrence.

Forecasting issue	Risk	Level of risk	Comment and financial effect of uncertainty
<b>Useful lives of significant assets and sources of funds for future replacement of significant assets.</b>	Insufficient funds to replace significant assets at the end of their useful lives.	Low.	<p>The Council fully funds depreciation on assets. The funded depreciation is used to fund capital expenditure requirements. Refer to the depreciation note in the <i>Statement of Accounting Policies</i>. All infrastructure assets (river control schemes) will be maintained in an <i>as new</i> condition in accordance with adopted asset management plans. Capital expenditure on river control works (or other infrastructure projects) will be undertaken as set out in the asset management plans and as included in this <i>Plan</i>.</p> <p>The Council fully funds the replacement of assets in accordance with the <i>Revenue and Financing Policy</i>. The Council's fixed assets are assumed to be sufficient to carry out its activities. Depreciation will continue to be fully funded and will be sufficient to enable the full programme of capital expenditure.</p>
<b>Projected growth/demand change factors.</b>	Increased population and economic activity places additional pressures to increase the level of Council services.	Low.	Population change in Taranaki has been steady and no significant increases are anticipated. Economic activity has been growing for the last few years. Existing resources have generally coped with service demands without major adjustments. This is not expected to change significantly.
<b>Competition for supply of services.</b>	Limited competition for service provision for some activities.	Low.	Passenger transport services are tendered. The market is not large and the quality and depth of the providers limited. Accordingly when services are re-tendered there could be a significant increase in costs and/or a significant decrease in the quality of the services provided. This could adversely impact on the Council's levels of service or costs to maintain existing levels of service.

Forecasting issue	Risk	Level of risk	Comment and financial effect of uncertainty																																																												
<b>General cost changes.</b>	Inflation will increase costs to Council and there will be insufficient revenue.	Low.	<p>Cost changes have been included in the financial projections. Cost changes are as follows (Source: BERL):</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Staff Costs</th> <th colspan="2">Other Costs</th> <th rowspan="2">Cumulative</th> </tr> <tr> <th>Annual</th> <th>Cumulative</th> <th>Annual</th> <th>Cumulative</th> </tr> </thead> <tbody> <tr> <td>2015/2016</td> <td>-</td> <td>1.000</td> <td>-</td> <td>1.000</td> </tr> <tr> <td>2016/2017</td> <td>1.90%</td> <td>1.019</td> <td>2.50%</td> <td>1.025</td> </tr> <tr> <td>2017/2018</td> <td>2.00%</td> <td>1.039</td> <td>2.60%</td> <td>1.051</td> </tr> <tr> <td>2018/2019</td> <td>2.10%</td> <td>1.060</td> <td>2.70%</td> <td>1.078</td> </tr> <tr> <td>2019/2020</td> <td>2.20%</td> <td>1.082</td> <td>2.90%</td> <td>1.107</td> </tr> <tr> <td>2020/2021</td> <td>2.30%</td> <td>1.105</td> <td>3.00%</td> <td>1.137</td> </tr> <tr> <td>2021/2022</td> <td>2.40%</td> <td>1.129</td> <td>3.10%</td> <td>1.168</td> </tr> <tr> <td>2022/2023</td> <td>2.50%</td> <td>1.154</td> <td>3.30%</td> <td>1.201</td> </tr> <tr> <td>2023/2024</td> <td>2.60%</td> <td>1.180</td> <td>3.40%</td> <td>1.235</td> </tr> <tr> <td>2024/2025</td> <td>2.70%</td> <td>1.207</td> <td>3.60%</td> <td>1.271</td> </tr> </tbody> </table>	Year	Staff Costs		Other Costs		Cumulative	Annual	Cumulative	Annual	Cumulative	2015/2016	-	1.000	-	1.000	2016/2017	1.90%	1.019	2.50%	1.025	2017/2018	2.00%	1.039	2.60%	1.051	2018/2019	2.10%	1.060	2.70%	1.078	2019/2020	2.20%	1.082	2.90%	1.107	2020/2021	2.30%	1.105	3.00%	1.137	2021/2022	2.40%	1.129	3.10%	1.168	2022/2023	2.50%	1.154	3.30%	1.201	2023/2024	2.60%	1.180	3.40%	1.235	2024/2025	2.70%	1.207	3.60%	1.271
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<b>Return on investments excluding Port Taranaki Ltd.</b>	Investments do not return sufficient funds and general rates have to increase.	Low.	Investments are planned to return 6% pa. These are relatively high return levels and but should be achievable in the current investment market. Any shortfall in these returns will increase the demand on general rates.																																																												
<b>Climate change.</b>	Changes to costs from potential climate change impacts.	Low.	Potential climate change impacts are routinely factored into the Council's planning and design activities as prediction and adaption information becomes available. The Council expects that there will be rising costs through the government's regulatory response to climate change, but that these cost increases will not be significant in terms of the Council's areas of activities, costs and expenditure and they are not expected to be material.																																																												
<b>Council functions.</b>	Changes to Council functions will significantly change costs.	Medium.	The statutory functions of the Council are constantly changing. In recent years the trend has been for more functions and greater process complexity with increased costs. No allowance has been made for significant change to functions which may significantly change expenditure.																																																												
<b>Unforeseen or new environmental issues or resource management needs.</b>	There will be new environmental or resource management issues requiring work that cannot be funded out of normal budgetary provisions.	Low.	The potential effect of any new environmental or resource management issues is dependent upon the scale, type, location and impact upon the environment of the issue. Each issue will be addressed on its merits and any funding requirement addressed in terms of the principles outlined in the <i>Revenue and Financing Policy</i> .																																																												
<b>Significant natural or other hazard emergencies.</b>	There will be new natural or other hazard emergencies requiring work that cannot be funded out of normal budgetary provisions.	Low.	The potential effect of a natural disaster on the Council's financial position is dependent upon the scale, duration and location of the event. However the Council's financial position is strong enough to fully replace all infrastructure assets in the case of an event causing total destruction. Such an event is unlikely.																																																												

Forecasting issue	Risk	Level of risk	Comment and financial effect of uncertainty
<b>Transport subsidy rates.</b>	New Zealand Transport Agency subsidy rates for public transport, total mobility and transport planning services drop below the prevailing rates.	Low.	New Zealand Transport Agency subsidy rates for public transport, Total Mobility and transport planning services are to continue at prevailing or slightly reduced rates. If, in future, these rates significantly reduce then the Council will need to increase general rates or targeted rates in accordance with the Council's <i>Revenue and Financing Policy</i> . In the worst case the Council would need to reassess its involvement in the provision of these services.
<b>Revaluation of noncurrent assets.</b>	The revaluation of non-current assets (infrastructure assets and investment properties) is materially different from forecast.	Low.	The Council revalues infrastructure assets (river and flood control scheme assets) and investment properties annually. These revaluations occur for financial reporting purposes only. No provision has been made for increases or decreases in the value of infrastructure assets. Similarly, there has been no provision for increases or decreases in the value of investment properties. If the actual revaluations are materially different there will be no cash flow implications nor will there be any impact on the levels of service provided by the Council's groups of activities. There would be a material variance in the Council's <i>Statement of Comprehensive Income</i> .
<b>Residual statutory obligation or liability for a Council activity.</b>	The Council becomes responsible for an act of negligence or the residual liability arising from an activity of the Council.	Low.	The Council has a number of statutory obligations and responsibilities. Under these obligations the Council may become liable for an act of omission or negligence or it may become liable for the residual costs or obligations arising from the actions of a third party. The Council has risk management policies and procedures in place to mitigate the impact of these obligations and it insures against these risks and obligations. Despite these policies, procedures and insurances, the Council could still incur some significant residual liability. Whilst the risk is assessed as low, the financial impact could be significant. This could lead to the Council having to raise rates or debt finance to attend to these liabilities.
<b>Return on investment in Port Taranaki Ltd.</b>	Investment does not return sufficient funds and general rates have to increase.	High.	The Council's general rate requirement is reduced by the level of dividend returned by Port Taranaki Limited. In 2015/2016 dividends are forecast to be 17.7% of total revenue requirements or about 60% of the general rate requirement. As such dividends are a significant part of the Council's funding. Port Taranaki's revenue, and consequently its dividend-paying ability, is subject to many risk factors including generally a competitive trading environment and specifically a volatile oil and gas and related petrochemical sector. Dividends have been estimated based upon Port Taranaki's strategic plans. Any circumstance that reduces the level of dividend will result in a commensurate increase in the level of general rates. This can be offset in the short-term by funding any short-falls in dividends by transfers from the Dividend Equalisation Reserve.

**PORT TARANAKI LTD DIVIDENDS**

The forecast dividends from Port Taranaki Ltd for the next ten years are as follows. These are conservative estimates noting that the port operates in a highly-competitive and volatile marketplace.

Year	Dividends
2015/2016	\$4,477,000
2016/2017	\$4,924,700
2017/2018	\$5,417,170
2018/2019	\$5,606,771
2019/2020	\$5,803,008
2020/2021	\$6,006,113
2021/2022	\$6,216,327
2022/2023	\$6,433,898
2023/2024	\$6,659,084
2024/2025	\$6,892,152

The following three scenarios demonstrate the effect of changes in dividend levels upon general rates. Scenario 1 is a worst case situation in which Port Taranaki Ltd suffers significant adverse trade results and the Council only receives 25% of the forecast dividend level. In scenario 2 Port Taranaki Ltd trades poorly but not as badly as in scenario 1. In this case the Council receives 80% of forecast dividends. Scenario 3 is a situation in which Port Taranaki Ltd is trading better than forecast and dividends are 20% ahead of forecast.

**SCENARIO 1 – 25% of forecast dividends**

Proposed dividends	\$4,477,000
Revised dividends	\$1,119,250
Shortfall	\$3,357,750
Original general rate requirement	\$7,461,874
Revised general rate requirement	\$10,819,624
Original general rate per \$100,000 of capital value	\$26.25
Revised general rate per \$100,000 of capital value	\$38.06

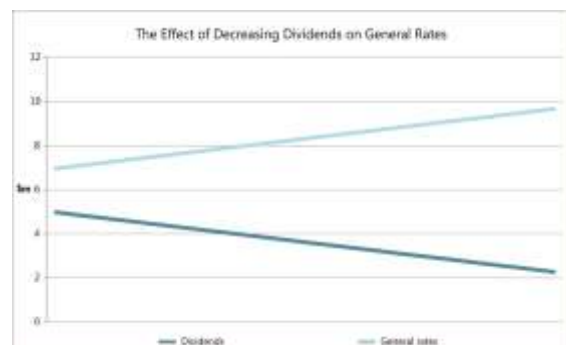
**SCENARIO 2 – 80% of forecast dividends**

Proposed dividends	\$4,477,000
Revised dividends	\$3,581,600
Shortfall	\$895,400
Original general rate requirement	\$7,461,874
Revised general rate requirement	\$8,357,274
Original general rate per \$100,000 of capital value	\$26.25
Revised general rate per \$100,000 of capital value	\$29.40

**SCENARIO 3 – 120% of forecast dividends**

Proposed dividends	\$4,477,000
Revised dividends	\$5,372,400
Surplus	\$895,400
Original general rate requirement	\$7,461,874
Revised general rate requirement	\$6,566,474
Original general rate per \$100,000 of capital value	\$26.25
Revised general rate per \$100,000 of capital value	\$23.10

The following graph shows how general rates increase as dividends decrease:



# Resource Management

## RESOURCE MANAGEMENT ACTIVITIES:

Resource management comprises the following activities:



### Resource management planning

—preparing, adopting and maintaining comprehensive and publicly considered policies, plans and strategies that will deliver to the Taranaki community, efficient and effective management of the Council's functions and Taranaki's natural and physical resources. This activity contributes to all levels of service (1 through 10) but is directly linked to the resource management policies, plans and strategies level of service (refer to level of service 9).

### Consent processing and administration

—processing all applications for resource consents and administering resource consents in an efficient and effective manner—refer to levels of service 1, 2, 3, 5, 7, 8 and 10.

### Compliance monitoring programmes

—undertaking effective and efficient monitoring of resource consents and, where necessary, undertaking successful enforcement action—refer to levels of service 1, 2, 3, 5, 7, 8 and 10.

### Pollution incidents and response

—responding effectively to pollution incidents, reducing the occurrence and effects of pollution and other unauthorised incidents and, where necessary, undertaking successful enforcement action—refer to levels of service 1, 2, 3, 5, 7, 8 and 10.

### State of the environment monitoring

—monitoring the state of the environment in Taranaki to enable periodic evaluation of trends in the state of the environment and of the effects of the implementation of the Council's policies and plans—this activity contributes to all levels of service (1 through 10).

### Resource investigations and projects

—providing relevant research information for resource management purposes—this activity contributes to all levels of service (1 through 10).

### Waste minimisation

—encouraging and implementing waste management and cleaner production initiatives in Taranaki consistent with the Regional Waste Strategy for Taranaki and the waste management plans of the districts—refer to level of service 9

### Sustainable land management plans and plant supply programme

—promoting sustainable land and riparian management by providing land management advice and information on an individual property basis and through advocacy and facilitation—refer to levels of service 4, 5, 6 and 8.

### Biodiversity

—maintaining and enhancing the indigenous biodiversity of the Taranaki region, working alongside landowners and other groups and agencies in accordance with the Council's policies and biodiversity strategy priorities—refer to level of service 8.

**Enhancement grants**—promoting the protection of the environment through the provision of targeted enhancement grants refer to levels of service 5, 6 and 8.

## RESOURCE MANAGEMENT AND COMMUNITY OUTCOMES

The Resource Management group of activities contributes to community outcomes by promoting the sustainable use, development and protection of Taranaki's natural and physical resources of land and soil, water, air, coast and biodiversity in accordance with the Council's statutory duties, regional planning objectives and agreed national and other standards. Specifically this group of activities contributes to the following community outcomes:

- Secure and Healthy Taranaki
- Prosperous Taranaki
- Sustainable Taranaki
- Connected Taranaki
- Together Taranaki.

Resource management activities will contribute primarily to the outcome of a *Sustainable Taranaki*. They will also assist in the achievement of a *Prosperous Taranaki* by enhancing Taranaki's clean, green image and ensuring it remains a reality in overseas markets as well as emphasising Taranaki as an attractive place to work, do business and visit.



## FURTHER INFORMATION ON POLICIES AND PROGRAMMES

Further detailed information on the specific strategies, policies and plans relating to this group of activities can be found from the following sources:

- Resource Management Act 1991
- Soil Conservation and Rivers Control Act 1941
- Local Government Act 2002
- Regional Policy Statement for Taranaki 2010
- Regional Coastal Plan for Taranaki 1997
- Regional Fresh Water Plan for Taranaki 2001
- Regional Soil Plan for Taranaki 2001
- Regional Air Quality Plan for Taranaki 2011
- Regional Waste Strategy for Taranaki 2011
- Resource Consent Procedures document
- Resource Consents Monitoring Procedures document
- Enforcement Provisions and Procedures, Resource Management Act 1991
- Delegations Manual for the Taranaki Regional Council
- Charging Policy under section 36 of the Resource Management Act 1991
- Taranaki Regional Marine Oil Spill Response Plan 2008
- Regional Action Plan for Taranaki: Dairying and Clean Streams Accord 2004
- State of the Environment Monitoring Procedures Document 1997.

## RATIONALE AND BACKGROUND

**Resource management planning** is a core activity for the Council. A range of statutes require or enable the Council to engage in policy and planning activities. Public consultation and information are fundamental elements of this activity. Policies, plans and strategies that have statutory force must be developed in accordance with procedures provided in parent statutes. In general these procedures require the detailed analysis of options and provide extensive opportunities for formal and informal public input.

Under the *Resource Management Act 1991* the Council was required to prepare a regional policy statement. The first *Regional Policy Statement for Taranaki* became operative in 1994. The Council has since reviewed its *Regional Policy Statement* in accordance with statutory requirements. The reviewed *Regional Policy Statement*



for Taranaki became operative in 2010. This instrument identifies the regionally significant resource management issues in Taranaki and the actions to be taken to address them. It prescribes the role of the Council in respect of a number of its activities such as land and water management.

Regional plans are subservient instruments to the *Regional Policy Statement for Taranaki*. They focus on presenting the regulatory framework to be applied to resource use activities by defining consent procedures and requirements. All four of the Council's regional plans are operative. These regional plans are the *Regional Coastal Plan for Taranaki 1997*, the *Regional Fresh Water Plan for Taranaki 2001*, the *Regional Soil Plan for Taranaki 2001* and the *Regional Air Quality Plan for Taranaki 2011*.

The Council's first *Regional Air Quality Plan* was made operative in 1997 and has since been reviewed and replaced by the current *Regional Air Quality Plan 2011*.

Considerable resources have been applied to regional plan preparation. The Council has formed the view that in addition to preparing plans with the aim of promoting sustainable resource management, a key aim of plan preparation is to provide greater efficiency in resource management administration. The opportunity to categorise a wide range of resource use activities, with well-known and minor effects, as permitted or controlled, is being used to remove unnecessary time and cost associated with consent processing. Such rationalisation increasingly enables the resources of the Council to be more clearly focused on the more significant resource management issues. It also has significant cost benefits for a wide range of resource users.

Maintaining publicly considered policies and plans therefore provides the community with confidence that the systems and processes in place to manage the natural and physical resources of the region are effective and efficient. They not only provide the basis to protect our environment for present and future generations but also establish Taranaki as a cost

effective place to do business. Public confidence in and acceptance of the Council's strategic resource management policy and planning documents is an important outcome for the Resource Management group of activities.

There is a requirement to review existing plans, and the regional policy statement, after they have been operative for 10 years. The Council has commenced reviews of its remaining regional plans: the *Regional Coastal Plan for Taranaki 1997*, *Regional Fresh Water Plan for Taranaki 2001* and *Regional Soil Plan for Taranaki 2001*.

The Council is also required to change its plans where necessary to give effect to national policy statements and national environmental standards prepared by central government. Two such instruments in particular, the *New Zealand Coastal Policy Statement 2010* and the *National Policy Statement on Freshwater Management 2014*, will have an important influence on the reviews of the Council's coastal, fresh water and soil plans programmed to be undertaken during the term of this Plan.

The involvement of Maori and the iwi of Taranaki is important in any statutory plan review. Of particular importance will be the review of the *Fresh Water Plan*. As Tangata Whenua, the involvement of iwi in the *Fresh Water Plan* review will therefore play an important part in the Council's development and decision making process for this particular plan.

The Council also recognises that *Iwi Management Plans* are significant documents. These plans provide important input into the Council's resource management planning processes.

**Resource consents** is a core function for the Council. The *Resource Management Act 1991* requires the Council to process, monitor and ensure compliance with water, discharge and coastal permits and certain types of land use consents. The Council also has other relatively minor miscellaneous consenting responsibilities under other statutes.

Consents must be obtained for resource use activities unless those activities are "permitted" by regional plans or directly by the *Resource Management Act 1991*. The Act provides detailed procedures to be followed in processing resource consents.

In recent years, the Council has typically processed between 300 and 400 consent applications per year. Few have involved formal hearings. The Council has developed procedures that place a strong emphasis on early and effective consultation between the parties to consent applications.

The adoption of regional plans has been a key factor in reducing the number of consent applications processed by the Council. Regional plans have provided the opportunity to permit activities that would otherwise require consents. Such activities are those with insignificant environmental effects. The decline in application numbers, however, has not translated into a significant reduction in the Council's workload. Some unnecessary bureaucracy has been removed, but the majority of consent processing activities have always been associated with the relatively few major applications received each year. Consent processing workloads are difficult to predict and are quite dependent on economic activity within the region.

The Council holds the view that **compliance monitoring** and enforcement is a critical element of resource management and one that underpins the integrity of the regional plans and consents issued under them. For major consents, individual and specific monitoring programmes are designed, implemented and publicly reported on. Approximately 220 of these individual programmes are completed each year. That level of activity is projected to continue. For less significant consents, such as for dairymilk wastes, regional-wide inspection programmes are completed. Approximately 3,300 inspections are undertaken annually as a result of these programmes. That level of workload is projected to be ongoing.

The costs associated with consent processing and monitoring are largely recovered from consent applicants and holders in compliance with the Council's *Revenue and Financing Policy*.

The fourth element of resource management activity is the task of **responding to pollution incidents** and unauthorised incidents. As environmental awareness and heightened expectations have grown in the community, the Council has experienced a steady growth in the number of pollution complaints from the public. Each of these is responded to in a timely manner and addressed as appropriate. Enforcement actions are often involved occasionally resulting in prosecutions. The Council anticipates a continuation in this workload at around present levels.

Marine pollution responsibilities form part of pollution incidence and response activities. The Council is responsible for administering the *Taranaki Regional Oil Spill Response Plan*, which provides for an oil spill response capability within the coastal waters of the region. Maritime New Zealand financially supports this activity. Provision has been made for this activity to continue into the future.

**Resource investigations and projects** is a core activity for the Council. The *Resource Management Act 1991* requires the Council to make policy and decisions



based on sound knowledge and information. It further requires the Council to monitor the state of the Taranaki environment and the results of the Council's policies and decisions.

Scientific knowledge is a fundamental prerequisite of effective resource management. Environmental science is complex and challenging. Precise, accurate and comprehensive understanding of cause and effect relationships and the cost effectiveness of various methods of addressing environmental issues seldom exist, to a totally satisfactory level. The Council seeks to gain and maintain defensible, comprehensive, current and strategic data and information through targeted investigations and monitoring at an appropriate level. The collection of information and data recognises the imperatives of the *Resource Management Act* and the scale and nature of current or potential resource issues in the region.

The Council is also committed to incorporating Maori knowledge and research and recognises the innovative and different "world view" that Maori can bring to resource investigations and projects.

The Council holds the view that the government, through the administration of its substantial public good science fund, has a critical role in ensuring that competent, relevant and useable environmental science and research is provided to underpin resource management in New Zealand. For its part, the Council has recognised its responsibility to assist the government in prioritising and defining environmental research agendas and to resource supplementary,

investigative projects of an applied nature, which are focused on the needs of Taranaki and the functions of the Council.

Resource investigations comprise investigations and analyses of biophysical resources to allow the Council to develop and review policy and to promote sustainable resource management. Monitoring is conducted to provide long-term information on the state of the region's environment. Such information is fundamental for assessing the effectiveness of resource management policies and plans within medium and long-term timeframes consistent with the Council's statutory duties.

The Council will use a blend of ongoing (systematic) monitoring across the region, together with short-term investigations focused on specific issues. It will maintain staffing by competent and experienced staff with local knowledge.

The Council has had an on-going **state of the environment monitoring programme** since 1994. This programme comprises a comprehensive approach to regularly collecting and releasing scientific and other indicative information for environmental quality and trend reporting. The programme comprises monitoring of fresh water quantities, levels and flows, surface water quality, ground water quantity and quality, coastal water quality and ecology, air quality and land use sustainability. It provides fundamental feedback for the Council's development and review of policy and activities.

In early 2009, the Council published the third *State of the Environment-Taranaki Region* report. It is intended to update and publish the information covered in this report at regular intervals. The next report is scheduled to be published in 2015.

The involvement of iwi in state of environment reporting is important to iwi. The Council will provide opportunities for iwi to participate in state of the environment reporting undertaken by the Council.

In the field of **waste minimisation**, the Council is responding to the impetus of the New Zealand Waste Strategy, by determining, in conjunction with the region's district councils, appropriate waste minimisation and waste management targets for the region, implementing the updated *Regional Waste Strategy for Taranaki* and co-operating in the implementation of the waste management plans of each district, and identifying and delivering means of monitoring and attaining achievement targets. A key role in this activity is the employment of a jointly-funded waste minimisation officer to assist key groups in the agricultural, retail, commercial, public and light industrial sectors of the region in recognising and adopting waste minimisation principles and practices. This work will continue subject to the support of the region's district councils.

**Sustainable land management plans and the plant supply** activity comprises promoting sustainable land use, soil conservation and appropriate riparian management through the provision of site and property specific planning services. It also involves providing general advisory and extension services to land users to promote sustainable land use practices. The promotion of sustainable land management is a core function of the Council under the *Resource Management Act 1991*. The *Soil Conservation and Rivers Control Act 1941* also requires the Council, as a catchment authority, to promote wise land use and to prevent, control and mitigate damage caused by erosion and flooding. The two statutes have complementary objectives, which are appropriately covered by the Council's programmes.



The *Regional Policy Statement for Taranaki 2010* highlights the importance of sustainable land management in the region. It also identifies a range of land use issues that need to be addressed and the methods to be deployed. In accordance with the *Regional Policy Statement*, the Council has developed a series of responses to promote sustainable land management, ranging from regulatory to advisory. The *Regional Soil Plan for Taranaki 2001* provides two rules to be applied, however, the emphasis of its approach to promoting sustainable land use will, for the present, continue to be a focus on non-regulatory methods. This emphasis in part recognises that most land in Taranaki is privately owned in contrast to air and water resources where there is no private ownership.

The provision of sustainable land management planning services is the main component of the Council's land management activity. Plans are prepared by the Council at the request of and in consultation with property owners. Four types of plan may be prepared, namely, comprehensive farm plans, agro-forestry plans, conservation plans and riparian plans. Approximately 3,000 of these plans have been prepared to date. There is a strong demand for the service and most are being implemented to varying degrees. The Council intends to continue to provide this service into the future using continuously improving methods. The Council also intends to carefully monitor the uptake of non-regulatory advice. Regular plan reviews will consider whether complementary regulatory initiatives are required to ensure reasonable progress, especially in water quality protection.

In addition to specific sustainable land management plans, the Council has, to date, provided a range of other general sustainable land management services. These range from a response capability to general information requests, to the provision, at cost, of soil conservation and riparian plants to landowners. In respect of the latter activity, the Council facilitates the supply of relatively low cost, high quality plants





through bulk purchase contracts with nurseries. The Council also owns a nursery to provide specialist plant materials. These types of activity provide practical supplements to property planning services and will be continued.

The riparian management programme is one of the Council's flagships. During the period of the last *Plan* the Council's riparian programme reached a significant milestone of 3.5 million plants supplied to riparian plan holders since the programme began in the mid 1990's. The focus of the programme is now on implementation and the Council plans to continue to expand its plant supply efforts each year to reach 750,000 plants per year by 2019/2020. The Council's riparian management programme with the active support of landowners, is transforming the Taranaki landscape.

In addition to its property planning services, over the past few years the Council has engaged with interested land owners (largely in the hill country) to inform them of opportunities for carbon farming as an alternative and sustainable land use. In particular, the *Forestry Emissions Trading Scheme*, the *Permanent Forest Sink Initiative* and the *Afforestation Grants Scheme (AGS)*. However, due to the current low prices for carbon, interest in the first two schemes has diminished and the AGS has been discontinued. However, with government funding, the Council has been actively delivering the South Taranaki and Regional Erosion Support Scheme to plan holders in the region to deliver it sustainable land management objectives.

The Council also provides servicing and support to the Taranaki Tree Trust, whose objective is to preserve and develop Taranaki's natural ecosystems and landscapes.

The Council is set to further increase its focus in **biodiversity** protection and enhancement, particularly on private land, in accordance with its policy and operational strategies on biodiversity and has committed additional resources to the task. This work is supported by changes to the *Resource Management Act* which specifically identified the maintenance of indigenous biodiversity as a function of regional councils, by Government statements of national priorities for protecting rare and threatened native biodiversity on private land and by the Taranaki community which has confirmed its support for such initiatives. Working alongside land owners with practical advice and support will be a key factor in the success of the programme.

The Council has a programme of providing **environmental enhancement grants** to help in addressing environmental issues. Wetland protection is one present focus of this programme. Grants are presently available to assist the protection of privately owned wetlands that have been identified as regionally important. The Council has made provision for an on-going grants programme which will be applied in limited and specific circumstances for resource management purposes. The Council's *Biodiversity Operational Strategy* extends the role of the Council in promoting biodiversity on private land including the use of environmental enhancement grants for this purpose.

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## LEVELS OF SERVICE

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### [1] Protection of the life-supporting capacity of water, in-stream uses and values

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**Measure:** Macroinvertebrate Community Index (MCI) values (a measure of freshwater community richness and composition) at least 50 regionally representative sites.

**Target (Years 1-10):** The proportion of sites showing a trend (whether significant or indicative) of improvement in MCI against a base year of 1995 to exceed the proportion showing decline over the same period.

**Baseline:** There is a continuing regional trend of improvement in the quality of freshwater ecology across the region. MCI values were determined for 57 regionally significant sites. Trend analysis to June 2013 (from 1995) shows 25 sites of 57 with statistically significant trends of improvement, and none with a significant decline.

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**Measure:** Microbiological state of inland waters and coastal waters at bathing sites.

**Target (Years 1-10):** Maintenance or increase in number of sites compliant with the 2003 Ministry of Health contact recreational guidelines.

**Baseline:** There are 11 freshwater and 8 coastal water bathing sites monitored since 2003/2004. The following sites were compliant with the 2003 Ministry of Health contact recreational guidelines:

	Freshwater	Coastal water
2003/2004	6	7
2013/2014	9	10

In 2013/2014, 86% of freshwater samples (93%-2003/2004) and 95% (99%-2003/2004) of coastal samples at these sites were compliant.

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**Measure:** Physical barriers to fish passage.

**Target (Years 1-10):** 100% of resource consents for in-stream structures to be compliant with fish passage conditions; number of known barriers to fish movement and passage to reduce by comparison with 2001 survey.

**Baseline:** In October 2014, there were 43 consents with requirements for fish passage structures; as of May 2001 there were 26 consented and 30 unconsented structures known to be acting as barriers to fish passage. To October 2014, barriers to fish passage have been addressed at 12 of the sites consented in 2001, and at 6 of the sites un-consented in 2001.

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**Measure:** Ecological flows in catchments.

**Target (Years 1-10):** Guideline ecological flows are identified for all significant catchments with no catchments allocated below ecological flows set by Council policy or by any National Policy Statement or National Environmental Standard.

**Baseline:** By 2009, guideline ecological flows had been identified for all significant catchments. Three catchments or sub-catchments (about 1%) do not meet the Council's general ecological flow guideline but all consented abstractions comply with specific Council policies regarding the taking and use of water.

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### [2] Efficient allocation of water for consumptive use

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**Measure:** Allocation of surface water for consumptive use in catchments.

**Target (Years 1-10):** Guidelines identifying available surface water are applied for all significant catchments and consents to take, use, dam or divert water granted in accordance with Council policy or any National Policy Statement or National Environmental Standard.

**Baseline:** By 2009, guidelines identifying surface water available for consumptive use had been prepared, and consents to take, use, dam or divert water have been granted in accordance with Council policy. A database has been developed to provide regularly updated information on water allocation guideline information.

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**Measure:** The number of significant water abstraction permits monitored each year, their environmental performance and the Council's response to non-compliance.

**Target (Years 1-10):** 100% of significant water abstraction consents monitored; 85% of abstractors to attain a 'good' or 'high' level of compliance and performance; Council response to every unauthorised incident to be reported publicly; the Council to respond to all non-compliance events in accordance with its documented enforcement procedures.

**Baseline:** In 2013/2014, 100% of significant water abstraction consents were monitored with 91% attaining a "good" or "high" level of compliance and performance. The Council response to every unauthorised incident was reported publicly. The Council responded to all non-compliance events in accordance with its documented enforcement procedures.

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**[3] Maintenance and enhancement of overall water quality in our rivers and lakes, groundwater and coastal waters**



**Measure:** Parameters that characterise the physical, bacteriological, biological and chemical quality of surface water.

**Target (Years 1-10):** Improvements in nutrient levels (ammonia, nitrate, total nitrogen, and dissolved reactive and total phosphorus), appearance (turbidity, clarity, absorbance, suspended solids), organic contamination (biochemical oxygen demand), bacterial levels (faecal coliform and enterococci bacteria), temperature, and algal cover, against a baseline of 1995 water quality, as applicable, at 10 representative sites.

**Baseline:** Overall, surface water quality in Taranaki is stable or improving and is generally better than in 1995. Trend analysis to June 2013, for both the past 18 and 7 years, has been completed and reported to Council. Trend analysis at the regional representative sites demonstrates:

- MCI and periphyton indicators for ecological health: every site of the 11 representative sites shows stability or improvement since 1995
- BOD: 10 sites of 11 stable against 1995 baseline, and all sites are stable over the recent period
- Bacteriological state: 1 measure shows improvement over the last 7 years and all other measures are stable. 19 of 22 measures show improvement or stability since 1995
- Nutrients: the number of sites showing stability or improvement is increasing over time. Since 1995, 75% of nutrient measures are stable or improving; since 2005, 99% of nutrient measures are stable (75%) or improving (24%).

**Measure:** Nitrate levels in groundwater.

**Target (Years 1-10):** No sites in the state of the environment monitoring programme consistently above NZ human drinking water standard (NZDWS);

improvement (decrease) in nitrate levels on a regional basis.

**Baseline:** In the latest survey, one site out of 74 was consistently above the NZDWS. Since 2002, 73% of sites sampled repeatedly have remained stable and 14% have showed an improvement. The number of sites and the number of samples exceeding the NZDWS has decreased.

**Measure:** Physicochemical and biological parameters for quality of Lake Rotorangi.

**Target (Years 1-10):** The trophic state (an indication of the ecological condition as affected by nutrient enrichment) of Lake Rotorangi to remain as it was in 1988 (mesotrophic/mildly eutrophic, or the middle category of trophic states).

**Baseline:** The current life-supporting capacity of the lake is stable and relatively healthy (better than almost 2/3 of lakes monitored nationally). State of lake shown to continue to be mesotrophic/mildly eutrophic.

**Measure:** The proportion of significant point source discharges into water monitored annually, associated consent compliance and the Council's response to non-compliance.

**Target (Years 1-10):** 100% of significant point sources monitored; 90% of sources to attain a 'good' or 'high' level of compliance and performance; Council response to every unauthorised incident to be reported publicly; the Council to respond to all non-compliance events in accordance with its documented enforcement procedures.

**Baseline:** In 2013/2014, 100% of significant point sources were monitored with 93% of significant industrial sources and 95% of significant agricultural sources attaining a 'good' or 'high' compliance and performance. The Council response to every unauthorised incident was reported publicly. The Council responded to all non-compliance events in accordance with its documented enforcement procedures.

**[4] Protection of riparian land in intensively farmed (predominantly dairying) catchments**

**Measure:** Protection of riparian land areas.

**Target (Years 1-10):** By 30 June 2020, 100% of riparian plan streams to be protected by fencing and 90% protected by vegetation where recommended.



**Baseline:** As of June 2014, 2,483 riparian management plans have been prepared recommending the planting of 5,404 km and fencing of 6,301 km of stream banks. At June 2014, 32.7% of the planting and 56.5% of the fencing had been completed resulting in 80% of riparian plan streams now protected by fencing and 65% by vegetation where recommended.

#### [5] Sustainable land use in accordance with the physical capabilities of the land and soil resources

**Measure:** Changes in land use.

**Target (Years 1-10):** Maintain a positive trend towards more sustainable land uses at monitored (representative SEM) hill country and sand country sites.

**Baseline:** As of 30 June 2014, the area of hill country covered by sustainable land management plans was 199,157ha. This represents a 1.5% increase over last year. The monitoring of sustainably managed land use, in accordance with the physical capabilities of the land and soil resources, is a 5-yearly programme. A contract with Landcare to undertake the project has been completed. The percentage of hill country being managed sustainably between 2007 and 2012 decreased slightly from 87.4% to 87.1%. Overall, from 1994 to 2012, sustainability increased by 3.2% from

83.9% to 87.1%. Between 2007 and 2012, the area of bare sand increased slightly at 2 of the 4 sites, decreased at 1 site and with no significant change at the other. The Council's own state of the environment monitoring of all coastal sand country shows a net decrease in bare sand of 65.5 ha.

**Measure:** Regional soil quality.

**Target (Years 1-10):** No overall deterioration in soil quality at 20 representative sites as shown by monitored soil structure parameters (density and macroporosity) maintenance of soil fertility at optimal (i.e. sustainable and productive) levels as shown by nutrient levels (total carbon and nitrogen, and Olsen phosphorus and mineralisable nitrogen) and no net increase in regional soil levels of cadmium and zinc to the extent that land use is compromised. The next survey will take place in 2017/2018.

**Baseline:** Measurements of soil quality structure, composition and health at 20 sites were undertaken in 2007/2008 as the baseline for further trend analysis. Re-sampling was undertaken in 2012/2013. Results show increases in the number of soil quality indicators lying within target ranges and no net increase in cadmium.

#### [6] Enhanced opportunities for sustainable development and best use of hill country

**Measure:** Proportion of landowners informed of specific opportunities for sustainable land use on their properties.

**Target (Years 1-10):** 69% of hill country in private ownership (306,000 ha) with comprehensive farm plans.

**Baseline:** As at 30 June 2014, 199,157 ha of private land have a farm plan.

#### [7] Maintenance of a high standard of ambient air quality

**Measure:** National Environmental Standard (NES) pollutants, namely sulphur oxide, nitrogen oxides, inhalable particulate, and carbon monoxide.

**Target (Years 1-10):** Regional air quality to be maintained (i.e. at 2008 levels) within categories as defined by the Ministry for the Environment (MfE).

**Baseline:** Between 2008 and 2013, air in the region matched the 'good' or 'excellent' categories of the MfE. Where monitoring repeated previous surveys, it was found that air quality was being maintained.



**Measure:** The proportion of significant point source discharges into air monitored annually, associated consent compliance and the Council's response to non-compliance.

**Target (Years 1-10):** 100% of significant discharge point sources monitored; 90% of sources to attain a 'good' or 'high' level of compliance and performance; the Council to respond to all non-compliance events in accordance with its documented enforcement procedures.

**Baseline:** In 2013/2014, 100% of significant point source emissions were monitored with 90% of sources attaining a 'good' or 'high' level of compliance and performance. Council responded to all non-compliance events in accordance with its documented enforcement procedures.

**[8] Maintenance and enhancement of indigenous biodiversity**

**Measure:** Protection of Taranaki's biodiversity on private land.

**Target (Years 1-10):** 60% of Key Native Ecosystems (KNEs) on private land, covering at least 4,000ha, have a biodiversity plan.

**Baseline:** As at 30 June 2014, 64 or 48% of Key Native Ecosystems (KNEs) on private land covering 2,528 hectares have biodiversity plans.

**Measure:** Inventory of sites that contain regionally significant biodiversity (KNEs) in the region.

**Target (Years 1-10):** Maintain and regularly update current inventory of Key Native Ecosystems (KNEs).

**Baseline:** As of June 2014, the inventory contained 178 sites.

**Measure:** Maintain and improve the condition of KNEs

**Target (Years 1-10):** Improvement in biodiversity index at managed KNEs compared with a base year of application of the index.

**Baseline:** As at June 2014, of the 64 assessed forest remnants, over half (58%) were rated either "good" or "very good, 37.5% were rated "fair" and less than 5% were considered "poor".

**[9] Resource management policies, plans and strategies that deliver efficient and effective management of the natural and physical resources of the region and are acceptable to the community**

**Measure:** Operative plans policies and strategies.

**Target (Years 1-10):** Full compliance with statutory requirements and timetables for the preparation review and implementation of policies, plans and strategies.

**Baseline:** As of June 2014, the Council has a full suite of operative *Regional Policy Statement* and regional plans (water, air, soil and coastal).

**[10] Efficient and effective resource consent processing, compliance monitoring and enforcement**

**Measure:** Compliance with Resource Management Act 1991 requirements.

**Target (Years 1-10):** 100% compliance.

**Baseline:** As of June 2014, processing, administering and compliance monitoring of resource consents was 100% compliant with Resource Management Act requirements.

**Measure:** Monitoring and enforcement programmes.

**Target (Years 1-10):** All consents appropriately monitored with necessary compliance enforcement undertaken.

**Baseline:** In 2013/2014, the Council implemented 220 individual monitoring programmes of significant consents. In 2013/2014, 60% of programmes attained a 'high' environmental performance and 29% a 'good' performance. Monitored 1,785 (100%) dairy farms, and undertook 221 other inspections of minor industrial operations. All other consents were appropriately monitored. Necessary enforcement action was undertaken.

**ACTIVITIES—WHAT WE PLAN TO DO**

Years 2015/2016 to 2024/2025 unless otherwise noted.

**[1] Resource management planning**

Complete preparation/full reviews and interim reviews of resource management policies, plans and strategies:

*Regional Policy Statement:* Full review 2019/2020.

*Regional Coastal Plan:* Full review 2015/2016. Interim review 2022/2023.

*Regional Air Quality Plan:* Interim review 2016/2017. Full review 2021/2022.

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*Regional Fresh Water and Land Plan: Full review 2015/2016. Interim review 2022/2023.*

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## [2] Consent processing and administration

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Provide appropriate and timely information in response to 100% of requests for assistance in implementing *Resource Management Act 1991* plan rules.

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Process, issue and report upon 100% of accepted resource consent applications (approximately 450 consents per annum), in compliance with the *Resource Management Act 1991* and the Council's *Resource Consents Procedures* document and successfully defend 100% of consent decisions appealed to the Environment Court.

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Process and administer 100% of accepted resource consent applications in compliance with statutory timeframes prescribed in the *Resource Management Act 1991* and the Council's *Resource Consents Procedures* document.

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Minimising the number and duration of resource consent hearings by resolving, through the pre-hearing process, at least 50% of submissions received on resource consent applications.

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By the end of the period of this Plan the Council will have processed some 4,500 applications for resource consents.

## [3] Compliance monitoring programmes

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100% of individual compliance monitoring programmes for all major consents designed, implemented and publicly reported upon (approximately 200 individual compliance monitoring programmes per annum) within the negotiated budgets and completed within nine months of the end of the monitoring period.

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Implement and report on 100% of recommendations arising from prior year's monitoring of resource consents subject to an individual compliance monitoring programme.

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Implement annual programmes for 100% of resource consents for agricultural discharges and 90% of minor industries not otherwise subject to an individual compliance monitoring programme (approximately 3,300 inspections per annum).

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Where necessary, implement appropriate advisory and enforcement actions to require 100% compliance with resource consents and/or regional plans.

## [4] Pollution incidents and response

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Respond to 100% of pollution and other complaints (generally within four hours of receipt) and where appropriate instigate control, clean up and enforcement procedures, where reasonable and appropriate, and publicly report on all pollution incidents.

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Administer and implement the *Taranaki Regional Marine Oil Spill Response Plan* as agreed with Maritime New Zealand including responding to 100% of oil spills.

## [5] State of the environment monitoring

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Implement and report on 100% of the Council's state of the environment monitoring programmes comprising monitoring of surface fresh water, levels and flows, fresh water quality, groundwater quantity and quality, coastal waters, biodiversity, air quality and land use sustainability using recognized and reputable methods of data collection, analysis and reporting in accordance with the Council's *State of the Environment Monitoring Procedures* document and *State of the Environment Monitoring Programmes*.

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Monitor, review and where appropriate, further develop existing programmes by 30 June of each year.

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Prepare and publish the five-yearly state of the environment report. The next report is due in 2020.

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Maintain all quality assurance programmes and information databases for hydrometric, air quality, physicochemical freshwater, terrestrial biodiversity, fresh water biological and marine biological data. IANZ registration for chemical analysis maintained.

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Maintain public access to on-line live regional data on hydrology, meteorology, soil moisture and bathing beach water quality. Live data reported on the Taranaki Regional Council's website.

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**[6] Resource investigations and projects**

Over the period of the *2015/2025 Long-Term Plan* the Council intends to undertake a range of resource investigations and applied research projects. These are normally undertaken in partnership with science providers, other councils or resource users but may also include a range of other parties, including iwi, as potential partners for Council resource investigations and projects. Such projects evolve over time. Specifically for 2015/2016, the Council intends to:

Continue to support the “best practice dairying catchments” study in the Waiokura Stream catchment.

Continue to use microbial source testing technology to identify sources of faecal contamination in Taranaki waters.

Support studies into the behaviour and bioavailability of cadmium in agricultural soils and fertilizer.

Investigate shallow groundwater transport, transformation and attenuation processes.

Engagement in “Envirolink” and other science research project development opportunities and strategies for regional councils, to enhance knowledge base for policy development and implementation. Projects with clear relevance and benefit to Taranaki to be adopted by “Envirolink” and other funding opportunities (advocacy to be reported through Council’s annual report processes).

**[7] Waste minimisation**

Assist sector leaders in six activity areas in exploring and implementing energy efficiency and waste minimisation.

Work with the agricultural sector to identify, implement and/or promote waste minimisation opportunities.

Facilitate a regional approach to waste management initiatives and programmes at policy, management, and implementation levels, in particular servicing the Taranaki Solid Waste Management Committee, implementing a revision of the *Regional Waste Strategy* by June 2021, and partnering in delivering waste plans for the three districts of Taranaki.

**[8] Sustainable land management plans and plant supply programme**

**Planning services.** Provide property planning services to landholders. Prepare plans covering 1,000 hectares

of land use capability mapping in the hill country and 100 riparian plans in the intensive water management zone. By the end of the period of this *Plan* it is intended to have active or completed riparian plans in place for over 99% of dairy farms (approximately 1,680) and active comprehensive farm plans in place for over 69% of hill country in private ownership where approximately 840 sheep and beef farms are located.

**Monitoring and reporting.** Liaise with and monitor approximately 2,600 riparian plans and 100 farm plans and report on the implementation of the recommended fencing and planting.

**Provision of advice.** When requested, provide advice on sustainable land management practices within ten working days.

Provide servicing and support to the Taranaki Tree Trust and assistance to other organizations involved in promoting sustainable land management.

Provide annually, on a cost-recovery basis, approximately 600,000 suitable plants for land stabilisation, soil conservation and riparian planting programmes.

**[9] Biodiversity**



Prepare at least 10 biodiversity plans per annum for properties containing key native ecosystems (KNE).

Initiate and support implementation of work programmes on all KNE’s with a biodiversity plan and monitor and report on progress.

**[10] Enhancement grants**

Implement a programme using environmental enhancement grants for the protection of biodiversity habitats of regional significance.

## INDICATIVE COSTS AND SOURCES OF FUNDS

2014/2015 Estimate \$	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Expenditure</b>										
814,430	873,947	873,944	896,635	915,411	959,248	966,365	1,008,360	1,014,013	1,037,944	1,064,347
1,047,910	1,040,562	1,052,079	1,078,393	1,099,936	1,125,010	1,159,292	1,185,369	1,215,521	1,243,613	1,275,064
2,727,598	2,578,523	2,638,155	2,693,758	2,756,590	2,808,661	2,901,696	2,962,289	3,047,323	3,121,358	3,203,567
942,789	1,020,266	1,053,302	1,070,790	1,098,538	1,120,251	1,157,846	1,183,642	1,217,836	1,248,015	1,281,111
1,454,991	1,826,871	1,848,899	1,893,016	1,923,726	1,950,260	2,023,797	2,056,791	2,118,652	2,166,822	2,226,502
461,646	398,639	401,491	407,973	414,568	419,967	429,732	436,033	444,896	452,588	461,149
160,106	135,086	137,705	141,430	144,403	147,584	152,355	155,582	159,859	163,619	167,772
3,270,578	3,754,637	4,093,043	4,396,966	4,607,724	2,862,030	2,405,143	2,413,916	2,420,753	2,389,716	2,450,830
908,648	1,217,496	1,315,341	1,275,613	1,305,943	1,453,823	1,451,246	1,480,401	1,564,321	1,552,871	1,590,185
631,113	674,541	678,045	680,662	682,153	683,537	676,746	678,229	680,219	681,949	684,267
<b>12,419,809</b>	<b>13,520,568</b>	<b>14,092,004</b>	<b>14,535,236</b>	<b>14,948,992</b>	<b>13,530,371</b>	<b>13,324,218</b>	<b>13,560,612</b>	<b>13,883,393</b>	<b>14,058,495</b>	<b>14,404,794</b>
<b>Income</b>										
3,575,413	3,841,829	3,886,351	3,892,222	3,925,008	3,974,871	3,918,279	3,926,952	3,978,152	3,966,914	3,987,423
5,614,957	6,161,020	6,517,998	6,721,769	6,980,728	5,365,099	5,170,999	5,254,996	5,331,732	5,386,402	5,525,032
237,500	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000
2,991,939	3,272,719	3,442,655	3,676,245	3,798,256	3,945,401	3,989,940	4,133,664	4,328,509	4,460,179	4,647,339
<b>12,419,809</b>	<b>13,520,568</b>	<b>14,092,004</b>	<b>14,535,236</b>	<b>14,948,992</b>	<b>13,530,371</b>	<b>13,324,218</b>	<b>13,560,612</b>	<b>13,883,393</b>	<b>14,058,495</b>	<b>14,404,794</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating surplus/(deficit)</b>										
<b>Capital expenditure</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
631,000	578,000	408,000	288,000	520,000	538,000	368,000	288,000	520,000	538,000	413,000
179,150	201,750	248,200	115,950	70,450	94,750	73,200	73,750	129,000	129,000	129,000
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
<b>810,150</b>	<b>779,750</b>	<b>656,200</b>	<b>403,950</b>	<b>590,450</b>	<b>632,750</b>	<b>441,200</b>	<b>361,750</b>	<b>649,000</b>	<b>667,000</b>	<b>542,000</b>
<b>Total capital expenditure</b>										
<b>Funded by:</b>										
810,150	779,750	656,200	403,950	590,450	632,750	441,200	361,750	649,000	667,000	542,000
<b>810,150</b>	<b>779,750</b>	<b>656,200</b>	<b>403,950</b>	<b>590,450</b>	<b>632,750</b>	<b>441,200</b>	<b>361,750</b>	<b>649,000</b>	<b>667,000</b>	<b>542,000</b>
<b>Total funding</b>										
<b>Capital expenditure to:</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
810,150	779,750	656,200	403,950	590,450	632,750	441,200	361,750	649,000	667,000	542,000
<b>810,150</b>	<b>779,750</b>	<b>656,200</b>	<b>403,950</b>	<b>590,450</b>	<b>632,750</b>	<b>441,200</b>	<b>361,750</b>	<b>649,000</b>	<b>667,000</b>	<b>542,000</b>
<b>Total capital expenditure</b>										
<b>135,500</b>	<b>127,000</b>	<b>94,000</b>	<b>71,000</b>	<b>170,000</b>	<b>155,000</b>	<b>122,000</b>	<b>92,000</b>	<b>170,000</b>	<b>170,000</b>	<b>132,000</b>
<b>Proceeds from sale of assets</b>										
<b>405,222</b>	<b>412,743</b>	<b>443,708</b>	<b>430,320</b>	<b>437,607</b>	<b>417,104</b>	<b>400,620</b>	<b>408,180</b>	<b>421,247</b>	<b>434,313</b>	<b>457,178</b>
<b>Depreciation/amortisation</b>										

# Biosecurity

## BIOSECURITY ACTIVITIES:

Biosecurity comprises the following activities:

### Biosecurity planning

—preparing, adopting and maintaining comprehensive and publicly considered policies, plans and strategies that will deliver to the Taranaki community, efficient and effective management of the Council’s biosecurity functions—refer to level of service 1.

### Pest animal management

—controlling pest animals to minimise their adverse effects on biodiversity, primary production and the regional economy and environment—refer to level of service 2.

### Pest plant management

—controlling or eradicating pest plants to minimise their adverse effects on biodiversity, primary production and the regional economy and environment—refer to level of service 3.



## BIOSECURITY AND COMMUNITY OUTCOMES

The Biosecurity group of activities contributes to community outcomes by minimising the actual or potential impact of pest plants and animals on the environment and on the Taranaki economy and community. Specifically this group of activities contributes to the following community outcomes:

- Secure and Healthy Taranaki
- Prosperous Taranaki
- Sustainable Taranaki.

## FURTHER INFORMATION ON POLICIES AND PROGRAMMES

Further detailed information on the specific strategies, policies and plans relating to this group of activities can be

found from the following sources:

- Biosecurity Act 1993
- Local Government Act 2002
- Pest Management Strategy for Taranaki: Animals 2007
- Pest Management Strategy for Taranaki: Plants 2007.



## RATIONALE AND BACKGROUND

Biosecurity planning is a core activity for the Council. A range of statutes require or enable the Council to engage in policy and planning activities. Public consultation and information are fundamental elements of this activity. Policies, plans and strategies that have statutory force must be developed in accordance with procedures provided in parent statutes. In general these procedures require the detailed analysis of options and provide extensive opportunities for formal and informal public input.

Pest management strategies are prepared pursuant to the *Biosecurity Act 1993*. The Council has adopted two ten-year term strategies for pest plants and pest animals, respectively. Both strategies were due for review in 2012/2013. However, due to delays in central government releasing a national policy direction (NPD) outlining how new pest management strategies are to operate, the Council has delayed these reviews until the NPD is finalised.

Pest management is a core function of the Council as provided by the *Biosecurity Act 1993*. The *Biosecurity Act 1993* contains powers that enable, but do not require, the Council to carry out pest management.

With the exception of monitoring and surveillance activities, and non-regulatory pest control activities, the Council may only become involved in pest management activities in accordance with pest management strategies, which have been adopted in compliance with the procedures of the Act.

The Council may adopt pest management plans that identify pests, set out obligations in relation to managing or controlling those pests and identify funding sources and levels.

The Council has adopted a third *Pest Management Strategy for Taranaki: Animals 2007*. The *Strategy* has a ten-year term and binds the Council to provide funding and to act as the management agency for the *Strategy* over that term. Pests under the *Strategy* include rooks, hares, certain mustelids, deer, feral goats, feral cats, magpies and feral pigs. For these pests no obligations have been imposed requiring land occupiers to undertake control measures. Release or liberation of these animals is, however, prohibited and the Council will monitor and, where necessary, engage control measures.

Rabbits are also a pest in Taranaki and the *Strategy* imposes landowner obligations to control rabbits to below defined infestation levels. The Council is required to monitor and enforce that regime, supplemented by the provision of advice and user-pays control services.



Possums are the most significant declared pest and the substantial focus of the *Pest Animal Management Strategy*. Under the provisions of the *Strategy*, the Council is required to provide a range of direct control, advisory and regulatory services. Facilitating the incremental establishment and maintenance of a self-help possum control scheme around the Taranaki ring plain is the major component. In brief, the self-help programme involves the Council largely funding and implementing initial control operations to reduce possum numbers, with land occupiers being supported to then continue with on-going maintenance work. Maintenance must be undertaken. The Council monitors and facilitates maintenance, and where necessary, enforces the requirement.

By 30 June 2014 approximately 235,000 ha was covered by the programme. With rare exception, there has been very strong land occupier support from the more than 4,300 properties involved in the scheme. Except for urban areas, the programme now covers almost all privately owned land on the ring plain and significant parts of the coastal terraces and frontal hill country. Further expansion is constrained by a number of factors such as land use. The primary focus of the programme is now ongoing occupier maintenance of low possum populations.

The Council will continue to extend its pest management work into assisting landowners to protect and enhance our valued key native ecosystems as part of the Council's *Biodiversity Strategy* under its Resource Management group of activities. The role of the Crown as a landowner will be important in realising



biodiversity objectives. The Council will only commit funds to protect biodiversity if nearby Crown land is bound to be managed in a similar way.

Pest plant management is also a core function of the Council. In 2007, the Council adopted a third *Pest Management Strategy for Taranaki: Plants*. The *Strategy* also has a ten-year term and binds the Council to provide funding and act as the management agency for the *Strategy* over that term.

Under the *Strategy*, a number of plants are declared as pest plants but there are essentially two types of management regime applied, dependent on the risks posed by the plant species.

Surveillance pest plants are banned from sale, propagation or distribution. However, the *Strategy* does not impose land occupier obligations to destroy or control these plants where they are found on properties. The Council provides promotional and advisory services for these surveillance pest plants. It also inspects nurseries and retail outlets to enforce the ban on sale, propagation and distribution.

More significant pest plants have been declared as either eradication or containment control pest plants. In addition to a ban on the sale, propagation and distribution of plants, the *Strategy* places obligations on land occupiers to destroy or control these pests. For eradication pest plants, such as Mignonette Vine, the Council's goal is the eradication of the plant. For containment pest plants, the Council's goal is to prevent the spread of the plant to new areas or to neighbouring properties and, if practicable, reduce the area affected. Control regimes vary amongst different parts of the region, with generally tighter control being applied on the ring plain and coastal terraces as opposed to the hill country.

Both strategies will be reviewed following the release of central government's national policy direction.

## LEVELS OF SERVICE

### [1] Pest management plans that deliver efficient and effective management of the Council's biosecurity functions

**Measure:** Presence of appropriate pest management plans.

**Target (Years 1-10):** Pest management plans for pest plants and pest animals are in place in accordance with statutory requirements.

**Baseline:** Two adopted pest management strategies (plans) are in place, both most recently reviewed in 2007.

### [2] Pest animals controlled to minimize their adverse effects on biodiversity, primary production and the regional economy and environment

**Measure:** Area of the ring plain maintained under the *self-help possum control programme* at levels to reduce risks to the environment and primary production.

**Target (Years 1-10):** Residual trap catch (RTC) of less than 10% across the rural area covered by the *self-help possum control programme*.

**Baseline:** In 2013/2014, the RTC was 3.54% across the 235,464 ha of the rural area covered by the *self help programme*.

### [3] Pest plants controlled or eradicated to minimize their adverse effects on biodiversity, primary production and the regional economy and environment

**Measure:** Control or eradication of "eradication" pest plants.

**Target (Years 1-10):** Control of 100% of known infestations of Senegal Tea, Climbing Spindleberry, Mignonette Vine and Giant Reed in the region.

**Baseline:** In 2013/2014, there were 32 properties where these plants were identified and controlled.

**Measure:** The extent of "sustained control" pest plants.

**Target (Years 1-10):** Reduce the extent of sustained control pest plants and the number of Category C properties requiring two or more inspections (because of significant pest plant compliance problems).

**Baseline:** In 2013/2014, there were 183 Category C properties.



## ACTIVITIES—WHAT WE PLAN TO DO

Years 2015/2016 to 2024/2025 unless otherwise noted.

### [1] Biosecurity planning

Complete ten-yearly review of the *Pest Management Plan for Taranaki* in 2015/2016 and an interim review in 2020/2021.

### [2] Pest animal and pest plant management

Dependent upon the review of the *Pest Management Plan for Taranaki*:

Undertake property inspections, provide advice and, where necessary, enforcement action, for the self-help possum control and sustained control pest plant programmes.

Engage with the community and raise awareness about management and control of pests, including providing advice and responding to public enquiries relating to pest issues.

Monitor and report trends for key pest species in the region and effectiveness of pest control programmes.

Undertake urban pest programme in New Plymouth targeting, possums, rats and mustelids.

Implement control operations for:

- the eradication of selected pest plants
- the New Plymouth urban pest programme
- the Kaupokonui Old Mans Beard control programme
- selected Key Native Ecosystems.

Develop and implement biological control programmes for pest plants. Make releases of control agents when appropriate.

Provide advice on and, if necessary, implement small-scale control of unwanted plant organisms.

Implement the *National Pest Plant Accord*, inspecting all plant nurseries and retail outlets annually to promote and, where necessary, enforcing the prohibition from propagation, sale or distribution of specified unwanted plant organisms.



## INDICATIVE COSTS AND SOURCES OF FUNDS

2014/2015 Estimate \$	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Expenditure</b>										
86,429	88,756	88,742	91,066	92,957	97,659	98,164	102,639	103,013	105,450	108,138
1,437,825	924,616	1,103,043	965,097	976,998	1,098,465	1,026,059	1,046,630	1,175,741	1,097,514	1,123,487
479,275	719,146	857,922	750,631	759,887	854,362	798,046	814,046	914,465	853,622	873,823
<b>2,003,529</b>	<b>1,732,518</b>	<b>2,049,707</b>	<b>1,806,794</b>	<b>1,829,842</b>	<b>2,050,486</b>	<b>1,922,269</b>	<b>1,963,315</b>	<b>2,193,219</b>	<b>2,056,586</b>	<b>2,105,448</b>
<b>Income</b>										
1,090,494	905,043	850,795	923,974	923,785	857,774	944,185	947,171	883,293	956,456	959,376
85,500	106,500	108,250	110,116	112,104	114,297	116,631	119,115	121,841	124,743	127,920
0	0	337,000	0	0	227,000	0	0	227,000	0	0
(85,000)	(50,000)	0	(100,000)	(100,000)	0	(100,000)	(100,000)	0	(100,000)	(100,000)
912,535	770,975	753,662	872,704	893,953	851,415	961,453	997,029	961,085	1,075,387	1,118,152
<b>2,003,529</b>	<b>1,732,518</b>	<b>2,049,707</b>	<b>1,806,794</b>	<b>1,829,842</b>	<b>2,050,486</b>	<b>1,922,269</b>	<b>1,963,315</b>	<b>2,193,219</b>	<b>2,056,586</b>	<b>2,105,448</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating surplus/(deficit)</b>										
<b>Capital expenditure</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
232,000	312,000	160,000	32,000	0	319,500	160,000	32,000	0	312,000	167,500
12,500	23,200	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
<b>244,500</b>	<b>335,200</b>	<b>172,500</b>	<b>44,500</b>	<b>12,500</b>	<b>332,000</b>	<b>172,500</b>	<b>44,500</b>	<b>12,500</b>	<b>324,500</b>	<b>180,000</b>
<b>Total capital expenditure</b>										
<b>Funded by:</b>										
244,500	335,200	172,500	44,500	12,500	332,000	172,500	44,500	12,500	324,500	180,000
<b>244,500</b>	<b>335,200</b>	<b>172,500</b>	<b>44,500</b>	<b>12,500</b>	<b>332,000</b>	<b>172,500</b>	<b>44,500</b>	<b>12,500</b>	<b>324,500</b>	<b>180,000</b>
<b>Total funding</b>										
<b>Capital expenditure to:</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
244,500	335,200	172,500	44,500	12,500	332,000	172,500	44,500	12,500	324,500	180,000
<b>244,500</b>	<b>335,200</b>	<b>172,500</b>	<b>44,500</b>	<b>12,500</b>	<b>332,000</b>	<b>172,500</b>	<b>44,500</b>	<b>12,500</b>	<b>324,500</b>	<b>180,000</b>
<b>Total capital expenditure</b>										
48,500	113,000	60,000	8,000	0	113,500	60,000	8,000	0	113,000	60,500
<b>Proceeds from sale of assets</b>										
144,516	103,039	100,606	84,499	73,099	72,496	73,497	74,496	75,497	76,496	76,697
<b>Depreciation/amortisation</b>										

# Transport

## TRANSPORT ACTIVITIES:

Transport comprises the following activities:



### Regional land transport planning

—contributing to an effective, efficient and safe land transport system in the public interest—refer to level of service 1.

### Public transport

—promoting the provision of community public transport in Taranaki and assist the transport needs of the transport disadvantaged—refer to level of service 2.

### Harbour management

—promoting safe navigation for all users of the waters of Port Taranaki—refer to level of service 3.

## TRANSPORT AND COMMUNITY OUTCOMES

The Transport group of activities contributes to community outcomes by contributing to an effective, efficient and safe land transport system in the public interest by facilitating growth and economic development, reducing safety risk, maintaining and

improving accessibility and public health, ensuring a regionally and nationally integrated transport network that is resilient and responsive and addresses these in an environment of constrained funding and affordability.

Specifically this group of activities contributes to the following community outcomes:

- Secure and Healthy Taranaki
- Prosperous Taranaki
- Sustainable Taranaki
- Connected Taranaki
- Together Taranaki
- Vibrant Taranaki.

## FURTHER INFORMATION ON POLICIES AND PROGRAMMES

Further detailed information on the specific strategies, policies and plans relating to this group of activities can be found from the following sources:

- Local Government Act 2002
- Land Transport Management Act 2003
- Maritime Transport Act 1994
- Regional Land Transport Plan for Taranaki.
- Regional Public Transport Plan for Taranaki.

## RATIONALE AND BACKGROUND

Land transport is a core function of the Council. Various statutes oblige the Council to engage in a range of land transport planning, public transport, and harbour management activities.

The *Land Transport Management Act 2003* requires Regional Transport Committees to prepare and consult on a regional land transport plan. The plan identifies all land transport activities in a region that are to receive funding assistance from the National Land Transport Fund, in addition to the Council's own proposals in the area of public transport and regional land transport planning. These six-yearly plans are submitted to the New Zealand Transport Agency for inclusion in the National Land Transport Programme.

The *Land Transport Management Act* sets out the requirements relating to the form, content and process of preparing the regional land transport plans for at least 10 financial years from the start of the plan. Specifically, these plans are required to include:

- a statement of transport priorities for the region for the 10 financial years
- a financial forecast of anticipated revenue and expenditure on activities for the 10 financial years
- an identification of activities (if any) that have inter-regional significance
- a list of all local road maintenance, renewals and minor capital works, and existing public transport



services submitted by local authorities in the region for the first six financial years from the start of the plan

- a list of all activities that do not fit in one of the above groups (e.g., larger capital projects and new public transport services)
- a list of State highway activities in the region that are proposed by the New Zealand Transport Agency
- any other New Zealand Transport Agency activities (e.g., travel planning and road safety projects)
- the order of priority of the significant activities.

As well as the activities listed above, each regional land transport plan is required to list activities that have been approved but are not yet complete.

The *Regional Land Transport Plan for Taranaki 2015/16-2020/21* has been developed as a separate document.

The Council's *Regional Public Transport Plan (RPTP)* sets out the public transport services the Council proposes for the region. The *RPTP* must consider in particular, the needs of the transport disadvantaged.

During the term of the last *RPTP* the Council continued to improve public transport services in the New Plymouth urban area and in rural Taranaki. The New Plymouth and rural SouthLink services have been retendered with new contracts in place. Changes to the *Land Transport Management Act 2003* in 2013 and the introduction of the Public Transport Operating Model

have resulted in changes to the Council's public transport contracts. A key focus for the delivery of services is ensuring value for money and reducing the reliance on public subsidy to fund services.

Also, the Council in collaboration with the local Health Board, tertiary institute (WITT) and local authorities commenced, in February 2014, a daily public transport service from Hawera to New Plymouth (the 'Connector') without central government investment.

There has been strong branding and promotion of the services under the Citylink, SouthLink and Connector logos. The Council continues a marketing strategy which has been important in ensuring that resources and efforts have been targeted to gain the most benefit.

In 2013/2014, a total of 592,398 trips were completed on all existing services (including the Connector), an increase of 6.5% over the previous year.

The Council has made provision in the *RPTP* to continue these services. It will also look to continue to fine tune and improve existing services where it can within budgetary constraints.

The Council completed a review of its *Regional Public Transport Plan* in 2014 which forms the basis of the activities, levels of service and funding provided for in this *Plan*.



Council funding for its public transport services are supplemented by New Zealand Transport Agency grants. Council contracted services now and in the future are therefore dependent on receiving adequate funding support from the New Zealand Transport Agency. Funding from the New Zealand Transport Agency for new public transport activities is limited with funding priorities focused on the main metropolitan centres.

Critical to ongoing funding from the New Zealand Transport Agency and the Council for public transport services in the region will be patronage growth and receiving an appropriate share of the costs from users.

Funding is conditional on services delivering value for money and therefore the ongoing message to local residents from the Council is 'use it or lose it'. For its part the Council will continue to work hard to make these services a success.

The Council also provides a subsidised fare scheme for Total Mobility services in the region where approved transport providers operate and a subsidised fare for trips taken on the Ironside Vehicle Society vans.

The Council has continued to make improvements in the Total Mobility Scheme. In recent years the Council increased the maximum trip subsidy to \$20 (GST inclusive) and increased the standard voucher book allocation to 10 books per annum.



The Total Mobility Scheme has a client base of approximately 1,760 and in 2013/2014 clients completed some 45,441 passenger trips. The number of trips and expenditure on the scheme has decreased in recent years. This is likely attributable to changes in client travel patterns due to affordability, greater use of mobility scooters and growth in rest homes and retirement villages.

The Total Mobility Scheme provides an important service for clients in maintaining their quality of life. Council funding for this service is supplemented by New Zealand Transport Agency grants.



The Council is required as a transport function, to promote safe navigation within the harbour waters associated with Port Taranaki and its approaches. A contracted harbourmaster and volunteer wardens administer the Council's bylaw for this purpose. The Council's current harbour bylaw came into effect on 1 July 2003. To comply with the *Port and Harbour Marine Safety Code*, a *Port Risk Assessment and Harbour Safety Management System* was prepared in 2005 for Port Taranaki. The Council continues to administer only those waters within Port Taranaki and its approaches, whilst Maritime New Zealand continues to manage all other waters in the region.



Currently, the overall resource requirements are small and at this stage, no materially significant changes are projected for the future.

### LEVELS OF SERVICE

**[1] Land transport policies and activities that deliver efficient, effective and value for money transport solutions, land transport infrastructure and services for Taranaki**

**Measure:** Presence of an appropriate *Regional Land Transport Plan for Taranaki*.

**Target (Years 1-10):** A *Regional Land Transport Plan for Taranaki* that is kept current in accordance with statutory requirements.

**Baseline:** The *Regional Land Transport Plan for Taranaki 2015/2016-2020/2021* is current and operational.

**Measure:** Presence of an appropriate *Regional Public Transport Plan for Taranaki*.

**Target (Years 1-10):** A *Regional Public Transport Plan for Taranaki* that is kept current in accordance with statutory requirements.

**Baseline:** The *Regional Public Transport Plan for Taranaki 2014-2024* is current and operational.

**[2] Provision and increasing use of public transport services**

**Measure:** Annual number of passenger trips on the region's public transport services.

**Target (Years 1-10):** Increase by 6% pa the number of passengers carried.

**Baseline:** Between 2008/2009 and 2013/2014, passengers on community passenger transport services in the region grew from 349,607 to 584,371 pa. This represents an average growth of over 11% pa. In 2013/2014, 578,396 passengers were carried on the New Plymouth urban and community services.

**[3] Safe navigation for all users of the waters of Port Taranaki and its approaches**

**Measure:** The number of reported navigation safety incidents within Port Taranaki and its Approaches.

**Target (Years 1-10):** No significant incidents.

**Baseline:** There have been no significant incidents in the last 10 years.

## ACTIVITIES—WHAT WE PLAN TO DO

Years 2015/2016 to 2024/2025 unless otherwise noted.

### [1] Regional land transport planning



Complete preparation/full reviews and interim reviews of the transport policies, plans and strategies:

Review and make adjustments to the regional land transport plan, as required, in accordance with statutory requirements.

During 2017/18 complete a mid-term review of the *Regional Land Transport Plan 2015/16-2020/21* in 2017/2018.

Review and make adjustments to the *Transport Activity Procurement Strategy*, as required, in accordance with statutory requirements.

### [2] Public transport

Provide Total Mobility subsidy assistance to qualifying persons through the New Zealand Transport Agency supported *Total Mobility Scheme*. Process complete applications from eligible applicants within 10 working days.

Operate public transport services in the New Plymouth district and regional Taranaki consistent with the *Regional Public Transport Plan* subject to funding approval from the New Zealand Transport Agency and the availability of local share funding.

Monitor the New Plymouth bus service contract including patronage growth and fare box recovery.

Monitor the regional bus service contracts including patronage growth and fare box recovery.

Monitor the commerciality ratio of the region's public transport services and publish the ratio annually.

Review public bus service fares annually to ensure passengers pay a fair share of the cost of the services.

Provide financial assistance to the Ironside Vehicle Society subject to funding eligibility criteria being met.

### [3] Harbour management



Provide harbourmaster and harbour warden services for Port Taranaki and implement the *Navigation Bylaw for Port Taranaki and Approaches*. No significant breaches of the requirements of the *New Zealand Port and Maritime Safety Code*, including the *Port Taranaki Harbour Safety Management System*.

INDICATIVE COSTS AND SOURCES OF FUNDS

2014/2015 Estimate \$	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Expenditure</b>										
122,011	135,671	117,072	145,378	122,958	125,722	154,976	132,748	136,497	164,738	143,335
3,550,065	3,753,152	3,936,206	4,000,220	4,016,300	4,133,393	4,257,847	4,383,743	4,517,293	4,654,745	4,799,137
30,500	31,500	32,288	33,127	34,021	35,008	36,059	37,177	38,404	39,710	41,140
<b>3,702,576</b>	<b>3,920,323</b>	<b>4,085,566</b>	<b>4,178,725</b>	<b>4,173,279</b>	<b>4,294,123</b>	<b>4,448,882</b>	<b>4,553,668</b>	<b>4,692,194</b>	<b>4,859,193</b>	<b>4,983,612</b>
<b>Income</b>										
135,476	168,015	175,892	169,829	146,712	147,130	145,513	150,029	152,092	149,480	154,752
781,197	748,774	810,821	811,628	787,238	790,969	828,080	839,629	840,842	842,347	842,464
1,181,013	1,234,086	1,296,551	1,365,188	1,435,123	1,513,606	1,592,597	1,676,368	1,768,552	1,863,136	1,963,808
1,455,668	1,584,667	1,615,530	1,638,854	1,627,443	1,659,502	1,727,724	1,730,219	1,765,754	1,836,728	1,842,824
0	38,744	402,000	0	0	0	0	0	0	0	0
46,250	52,516	40,000	40,000	40,000	40,000	7,705	0	0	0	0
(10,396)	(10,861)	(9,038)	(7,180)	(5,211)	(3,123)	(911)	(503)	(533)	(565)	(599)
113,368	143,126	155,810	160,406	141,974	146,039	148,174	157,926	165,487	168,067	180,363
<b>3,702,576</b>	<b>3,959,067</b>	<b>4,487,566</b>	<b>4,178,725</b>	<b>4,173,279</b>	<b>4,294,123</b>	<b>4,448,882</b>	<b>4,553,668</b>	<b>4,692,194</b>	<b>4,859,193</b>	<b>4,983,612</b>
<b>0</b>	<b>38,744</b>	<b>402,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating surplus/(deficit)</b>										
<b>Capital expenditure</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	32,000	0	0	0	32,000	0	0	0	32,000
0	66,800	693,000	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
<b>0</b>	<b>66,800</b>	<b>725,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,000</b>
<b>Funded by:</b>										
0	66,800	725,000	0	0	0	32,000	0	0	0	32,000
<b>0</b>	<b>66,800</b>	<b>725,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,000</b>
<b>Capital expenditure to:</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	66,800	725,000	0	0	0	32,000	0	0	0	32,000
<b>0</b>	<b>66,800</b>	<b>725,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,000</b>
<b>0</b>	<b>0</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,000</b>
<b>5,600</b>	<b>7,742</b>	<b>37,906</b>	<b>37,906</b>	<b>37,906</b>	<b>37,906</b>	<b>37,906</b>	<b>37,906</b>	<b>37,906</b>	<b>37,906</b>	<b>37,906</b>

# Hazard Management



## HAZARD MANAGEMENT ACTIVITIES:

Hazard management comprises the following activities:

### Civil defence emergency management

—promoting and enhancing, within the Taranaki community, an integrated comprehensive emergency management system including reducing risk, maintaining readiness, and providing response and recovery capacity and capabilities—refer to levels of service 1 and 2.

### Flood management and general river control

—providing accurate and timely flood warnings, providing flood control advice and undertaking minor works and associated actions to minimise and prevent damage by floods and river erosion—refer to levels of service 3 and 4.

### River control schemes

—managing and maintaining river control scheme works to accepted design standards to minimise and prevent damage by floods and river erosion—refer to levels of service 3 and 4.

## HAZARD MANAGEMENT AND COMMUNITY OUTCOMES

The Hazard management group of activities contributes to community outcomes by enhancing the safety and wellbeing of the public and the protection of property from hazards and minimising and preventing damage by floods and river erosion.

Specifically this group of activities contributes to the following community outcomes:

- Secure and Healthy Taranaki
- Prosperous Taranaki
- Sustainable Taranaki.

## FURTHER INFORMATION ON POLICIES AND PROGRAMMES

Further detailed information on the specific strategies, policies and plans relating to this group of activities can be found from the following sources:

- Civil Defence Emergency Management Act 2002
- National Civil Defence Emergency Management Plan 2005
- Taranaki Civil Defence Emergency Management Group Plan 2012
- Taranaki Civil Defence Emergency Management Annual Business Plans
- Soil Conservation and Rivers Control Act 1941
- Resource Management Act 1991
- Land Drainage Act 1908
- Lower Waitara River Flood Control Protection Scheme asset management plan
- Lower Waiwhakaiho Flood Control Protection Scheme asset management plan
- Okato Scheme asset management plan.

## RATIONALE AND BACKGROUND

The *Civil Defence Emergency Management Act 2002* provides the basis and accountability for emergency planning and management in New Zealand. It provides for a comprehensive all-hazards approach to civil defence emergency management, integrated across a region, and requires agencies to focus on risk reduction, readiness, response and recovery. Traditional civil defence focused on the response to an event and did not fully incorporate non-natural hazards such as civil unrest, public health or an agricultural emergency. Civil defence emergency management:

- promotes sustainable management of hazards
- encourages and enables communities to define and achieve acceptable levels of risk
- provides for planning and preparation for emergencies, and for response and recovery
- requires local authorities to co-ordinate Civil Defence Emergency Management planning and activities as a single structure





- encourages co-ordination across a wide range of agencies, recognising that emergencies are multi-agency events
- provides a basis for the integration of national and local civil defence emergency management

A Taranaki Civil Defence Emergency Management Group has been established to implement this approach. It was formed as a joint standing committee comprising of the chair or mayor (or alternative elected representative) from each of the region's local authorities. The Civil Defence Emergency Management Group for Taranaki incorporates the Taranaki Regional Council, New Plymouth District Council, Stratford District Council and South Taranaki District Council. The Taranaki Regional Council is the administering authority of the Civil Defence Emergency Management Group.

The functions of the Civil Defence Emergency Management Group are embodied in the *Taranaki Civil Defence Emergency Management Group Plan 2012*. They include the co-ordination of civil defence emergency management planning, programmes and activities across the region, carrying out risk management, planning for emergency management by developing, implementing, monitoring and reviewing a civil defence emergency management group plan, and delivering emergency management based on a single response arrangement. To that end the Council's Emergency Management Office is involved in the day-to-day administration, recruiting and training of staff, as well as maintenance of organisations and systems capable of responding at short notice, across the region.

The Council acknowledges the important role that Maori and iwi have in assisting and providing information for hazard planning including a critical role in civil defence response and recovery across the region. The Council is committed to involvement of Maori and iwi including actively reviewing the *Civil Defence Emergency Management Group Plan for Taranaki* in 2017.

Two reviews of the *Civil Defence Emergency Management Group Plan* will, in accordance with statutory requirements, be undertaken within the term of this *Plan*.

The Civil Defence Emergency Management Group has formed a Co-ordinating Executive Group (CEG), consisting of the chief executive or senior officer of each local authority and the District Health Board together with senior officers from emergency services, to implement decisions of the Civil Defence Emergency Management Group and oversee the *Civil Defence Emergency Management Group Plan*.

For the 2015/2016 year the Council will implement the *2015/2016 Taranaki Civil Defence Emergency Management Business Plan*. Progress will continue on the implementation of the strategic *Civil Defence Emergency Management Group Plan*.

River control and flood protection comprises the Council, acting as a catchment authority in the exercise of its duties and functions under the *Soil Conservation and Rivers Control Act 1941*. This Act requires the Council to minimise and prevent damage by floods and erosion. Specifically, this involves providing advice and assistance to landholders on matters relating to the



control of rivers and flooding. Flood protection schemes are constructed and maintained as deemed necessary. These scheme infrastructure assets are maintained according to the Council's policy, in *as new* condition. In addition, a regional flood event operating procedure is maintained and actioned as necessary.

Taranaki does not have large flood plains, as is the case in many regions of New Zealand. Flood control activities have accordingly been of relatively modest proportions. Five significant schemes exist. The first of these comprises flood detention and routing works on the Huatoki and Mangaotuku streams to provide protection in central New Plymouth. These scheme works are owned, administered and maintained by the New Plymouth District Council under delegation from the Council. They were substantially constructed during the last thirty years.

The four other significant schemes are managed and maintained by the Council. The Council also owns the flood control assets of these schemes.

The *Lower Waitara River Flood Control Scheme* comprises a series of channel training and stopbank structures, which provide a level of protection for the

flood plain within the township of Waitara. Works are currently underway to upgrade the Scheme to provide Waitara protection from a 1% annual exceedence probability flood event. These works will be completed in 2015/2016. Annual routine maintenance costs are relatively minor.

The *Lower Waiwhakaiho Flood Control Scheme* involves stopbanks through the Glen Avon-Valley area of New Plymouth as the main component of the flood control assets. Routine annual maintenance costs are relatively minor. A substantial upgrading of the level of protection offered by the scheme was completed in 2013/2014.

The *Okato Scheme* comprises a series of erosion control and channel training works on relatively small reaches of the Stony River and the Kaihihi Stream. Routine maintenance costs are also small.

The *Waitotara River Scheme* has no infrastructural assets but rather comprises a continuous programme of channel maintenance for flood management.

District-based targeted rates are used to fund the maintenance requirements of the Waitara, Waiwhakaiho and Okato schemes. For the Waitotara scheme, the South Taranaki District Council is a funding partner in lieu of a targeted rate.

In 2014 the Council adopted updated ten-year asset management plans for the Waitara, Waiwhakaiho and Okato Schemes, scheduling the necessary works to maintain the design capacity of them. The programme herein is based on those plans.

There are a number of other small rural flood control/drainage schemes in the region. The Council does not own any flood control assets associated with these schemes. However, it does facilitate maintenance activities in association with affected landowners.

Although the majority of the region's watercourses are relatively small in size and length, frequent high flows cause channels to be quite active necessitating on-going surveillance and occasional maintenance.

Storms, particularly northerly cyclonic storms, periodically cause localised flooding problems. These can result in the Council implementing emergency river and flood control works, such as small channel diversions, or debris clearance. The Council intends to continue to provide a reasonable capability to respond to contingency events in the future.

The Council also maintains flood warning systems based on its telemetered hydrometric network. These will continue to be maintained and enhanced in the future.

Council carries out its river control and flood protection functions in accordance with the sustainable management purpose and principles of the *Resource Management Act 1991*. From time to time, the Council will also facilitate specific river control projects for the environmental enhancement of the region's waterways. In addition, the Council's sustainable land management and riparian programmes outlined in the Land Management section of this *Plan*, will promote the maintenance and restoration of the natural character of waterways and their margins throughout the region.

## LEVELS OF SERVICE

### [1] A Civil Defence Emergency Management (CDEM) system that delivers efficient and effective civil defence emergency management in Taranaki that is acceptable to the community

**Measure:** Presence of an appropriate Civil Defence Emergency Management system.

**Target (Years 1-10):** A *Civil Defence Emergency Management Group Plan* that is kept current and resourced in accordance with statutory requirements.

**Baseline:** The *Civil Defence Emergency Management Group Plan for Taranaki 2012-2017* is to be implemented through annual work programmes. The *Plan* will be reviewed in 2017.

**Measure:** Delivery of contractual requirements.

**Target (Years 1-10):** All contract requirements to provide emergency management office and administering authority services to the Civil Defence Emergency Management Group are delivered as specified.

**Baseline:** Annual budget and proposed annual work programme to be adopted by the CDEM Group and annual report adopted by the Group, each year.

### [2] Effective emergency readiness and response capability and capacity in the region

**Measure:** Level of capacity and capability within Taranaki CDEM.

**Target (Years 1-10):** Group readiness and response capability and capacity to be maintained at or enhanced above the level as set out in the *Group Plan* and as assessed by the MCDEM monitoring and evaluation analysis tool.



**Baseline:** The Group's readiness and response capability and capacity is set out in the *2012 Group Plan* and has been assessed by the MCDEM monitoring and evaluation analysis tool in 2015.

**Measure:** Implementing effective response and recovery procedures to minimise harm or damage to people and property arising from an emergency.

**Target (Years 1-10):** Response and recovery is carried out in accordance with established plans and procedures in order to minimise harm or damage to people and property, and reviewed for corrective actions.

**Baseline:** Response and recovery procedures are set out in *Standard Operating Procedures* as listed in the *2012 Group Plan*.

### [3] Flood protection and drainage schemes that protect life and property

**Measure:** The number of schemes maintained to their full service potential.

**Target (Years 1-10):** 100% of schemes maintained to ensure that they provide protection to the agreed standard and the scheme assets are maintained as established in the adopted asset management plans.

**Baseline:** As of 30 June 2014, the Waitara and Waiwhakaiho flood control schemes were maintained to their full service potential. The Waitotara and Okato river control schemes were maintained to the standard set out in their scheme management plan.

**Measure:** The level of protection provided by the *Lower Waitara River Flood Control Scheme* and the *Lower Waiwhakaiho Flood Control Scheme*.

**Target (Years 1-10):** The *Lower Waiwhakaiho Flood Control Scheme* provides flood protection of approximately 1% annual exceedance probability (AEP) (or 1 in 100 years) with allowance for climate change to 2060 and the level of protection provided by the *Lower Waitara River Flood Control Scheme* will be increased from 3% AEP (or 1 in 33 years), to approximately 1% AEP (or 1 in 100 years) with allowance for climate change to 2065.

**Baseline:** The *Lower Waiwhakaiho Flood Control Scheme* protection standard was 1% AEP from July 2014. The *Lower Waitara River Flood Control Scheme* protection standard was 3% AEP at 1 July 2014. This standard will be increased to the 1% AEP standard by 30 June 2016.

#### [4] Accurate and timely flood warnings

**Measure:** Number of accurate and timely flood warnings issued.

**Target (Years 1-10):** Accurate and timely flood warnings issued in 100% of cases.

**Baseline:** In 2013/2014, the Council issued warnings in 100% of cases.

## ACTIVITIES—WHAT WE PLAN TO DO

Years 2015/2016 to 2024/2025 unless otherwise noted.

### [1] Civil defence emergency management

Prepare, implement, monitor and report upon the *Taranaki Civil Defence Emergency Management Annual Business Plan*.

Develop, implement, monitor and report upon the *Civil Defence Emergency Management Public Education Plan for Taranaki*. Review the *Plan* in 2016 and 2021

Implement, monitor and report upon the *Civil Defence Emergency Management Group Plan for Taranaki 2012*, and review, draft, and notify the next *Plan* in 2017.



### [2] Flood management and general river control

Effectively monitor rainfall and river levels and issue timely flood warnings. Maintain continuous monitoring systems (100% functional) and issue timely warnings for all cases, where necessary, in accordance with the *Flood Event Standard Operating Procedure* (approximately 35 warnings per annum).

Undertake minor emergency river and flood control works when necessary.

Respond to 100% of requests for drainage, river and flood control advice and assistance within ten working days.

Facilitate river control projects for the environmental enhancement of the region's waterways.

### [3] River control schemes

Manage all flood and river control schemes across the region in accordance with asset management plans; including Lower Waiwhakaiho, Lower Waitara, Okato and Waitotara Schemes.

Manage other minor river schemes to standards as agreed with scheme participants.

Design and construct upgrade works for the Lower Waitara River Flood Control Scheme.

## NON-FINANCIAL PERFORMANCE MEASURES RULES 2013

The Secretary for Local Government has promulgated, pursuant to section 261B of the *Local Government Act 2002*, a standard set of performance measures for flood protection and control works that are required to be applied by councils in respect of major works. Major flood protection and control works means flood protection and control works that meet two or more of the following criteria:

- operating expenditure of more than \$250,000 in any one year
- capital expenditure of more than \$1 million in any one year

- scheme asset replacement value of more than \$10 million, or
- directly benefitting a population of at least 5,000 people.

None of the Council's flood protection and control works schemes meet the threshold tests for being categorised as major. Therefore, the Council is not reporting the promulgated standard set of performance measures for this activity.

The Council does not engage in any other activities covered by the *Non-Financial Performance Measures Rules 2013*.

## INDICATIVE COSTS AND SOURCES OF FUNDS

2014/2015 Estimate \$	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Expenditure</b>										
683,594	753,561	758,175	768,884	781,933	794,409	818,288	884,523	907,323	928,548	952,129
309,379										
	226,070	229,808	235,951	241,434	247,107	254,963	260,885	268,385	275,324	283,003
339,098	310,315	269,014	276,441	283,564	291,375	300,778	309,321	319,310	329,314	340,333
<b>1,332,071</b>	<b>1,289,946</b>	<b>1,256,997</b>	<b>1,281,276</b>	<b>1,306,931</b>	<b>1,332,891</b>	<b>1,374,029</b>	<b>1,454,729</b>	<b>1,495,018</b>	<b>1,533,186</b>	<b>1,575,465</b>
<b>Income</b>										
342,476	334,015	332,515	330,255	334,575	338,009	345,208	360,428	365,295	369,074	373,399
684,518	624,533	584,007	591,225	597,952	606,392	616,485	625,328	635,878	647,022	658,083
364,069	396,780	399,587	405,475	412,568	419,432	432,040	465,866	478,045	489,486	502,184
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
(52,038)	(63,164)	(66,910)	(70,924)	(75,180)	(79,690)	(84,472)	(89,540)	(94,913)	(100,607)	(106,644)
286,587	284,536	294,552	311,929	323,770	335,503	351,522	379,401	397,467	414,966	435,197
<b>1,625,612</b>	<b>1,576,700</b>	<b>1,543,751</b>	<b>1,568,030</b>	<b>1,593,685</b>	<b>1,619,646</b>	<b>1,660,783</b>	<b>1,741,483</b>	<b>1,781,772</b>	<b>1,819,941</b>	<b>1,862,219</b>
<b>293,541</b>	<b>286,754</b>	<b>286,754</b>	<b>286,754</b>	<b>286,754</b>	<b>286,755</b>	<b>286,754</b>	<b>286,754</b>	<b>286,754</b>	<b>286,755</b>	<b>286,754</b>
<b>Capital expenditure</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
72,000	64,000	40,000	0	40,000	64,000	40,000	0	40,000	64,000	40,000
9,000	5,400	4,800	4,000	9,000	5,300	5,000	87,000	11,000	11,000	11,000
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
1,550,000	180,000	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
<b>1,631,000</b>	<b>249,400</b>	<b>44,800</b>	<b>4,000</b>	<b>49,000</b>	<b>69,300</b>	<b>45,000</b>	<b>87,000</b>	<b>51,000</b>	<b>75,000</b>	<b>51,000</b>
<b>Funded by:</b>										
1,631,000	249,400	44,800	4,000	49,000	69,300	45,000	87,000	51,000	75,000	51,000
<b>1,631,000</b>	<b>249,400</b>	<b>44,800</b>	<b>4,000</b>	<b>49,000</b>	<b>69,300</b>	<b>45,000</b>	<b>87,000</b>	<b>51,000</b>	<b>75,000</b>	<b>51,000</b>
<b>Capital expenditure to:</b>										
0	0	0	0	0	0	0	0	0	0	0
1,550,000	180,000	0	0	0	0	0	0	0	0	0
81,000	69,400	44,800	4,000	49,000	69,300	45,000	87,000	51,000	75,000	51,000
<b>1,631,000</b>	<b>249,400</b>	<b>44,800</b>	<b>4,000</b>	<b>49,000</b>	<b>69,300</b>	<b>45,000</b>	<b>87,000</b>	<b>51,000</b>	<b>75,000</b>	<b>51,000</b>
<b>19,000</b>	<b>16,000</b>	<b>10,000</b>	<b>0</b>	<b>15,000</b>	<b>16,000</b>	<b>10,000</b>	<b>0</b>	<b>15,000</b>	<b>16,000</b>	<b>10,000</b>
<b>63,746</b>	<b>49,098</b>	<b>46,528</b>	<b>38,997</b>	<b>36,620</b>	<b>31,902</b>	<b>32,457</b>	<b>41,221</b>	<b>42,405</b>	<b>43,589</b>	<b>44,773</b>

# Recreation, Culture and Heritage



## RECREATION, CULTURE AND HERITAGE ACTIVITIES:

Recreation, culture and heritage comprises the following activities:

### Regional gardens

—ensuring that Hollard Gardens, Tupare and Pukeiti are maintained and enhanced as regionally significant recreational and heritage amenities—refer to level of service 1.

### Puke Ariki

—maintaining an ongoing partnership relationship with the Puke Ariki regional museum and library including the ongoing use of display and presentation material within an annual project—refer to level of service 2.

### Yarrow Stadium

—facilitating the continued maintenance and development of Yarrow Stadium—refer to level of service 3.

## RECREATION, CULTURE AND HERITAGE AND COMMUNITY OUTCOMES

The Recreation, culture and heritage group of activities contributes to community outcomes by supporting and

developing regional gardens, maintaining an ongoing partnership relationship with Puke Ariki regional museum and library and ensuring the continuing maintenance and development of Yarrow Stadium as part of a prosperous and vibrant Taranaki.

Specifically this group of activities contributes to the following community outcomes:

- Prosperous Taranaki
- Vibrant Taranaki
- Sustainable Taranaki.

## FURTHER INFORMATION ON POLICIES AND PROGRAMMES

Further detailed information on the specific strategies, policies and plans relating to this group of activities can be found from the following sources:

- Local Government Act 2002
- Taranaki Regional Council Empowering Act 2001
- Hollard Garden Asset Management Plan 2014
- Tupare Asset Management Plan 2014
- Pukeiti Asset Management Plan 2014.

## RATIONALE AND BACKGROUND

The *Taranaki Regional Council Empowering Act 2001* provided specific powers to undertake, implement, encourage or maintain any services, works or facilities that are for the recreational or cultural well-being of Taranaki, or that are for preserving or encouraging the reasonable enjoyment of the physical and cultural heritage of the Taranaki region.

Many of the activities possible under the Act are, in general, allied to the Council's existing functions and mission. The Act does not alter the Council's obligations to fully comply with the accountability requirements of the *Local Government Act 2002*, but it does provide for the opportunity to apply those

provisions in ways more appropriate to community needs and expectations. It also provides the opportunity for the local authorities and residents of Taranaki to work more coherently with the Council, on a range of matters when they are regionally significant, further to that provided in the *Local Government Act*. In earlier years, the Taranaki Regional Council contributed, as a Foundation Partner, to the construction of the Puke Ariki regional museum and library facility. Over the next decade the Council is proposing to continue to support the Puke Ariki facilities for information and education activities.



In 2001/2002 the Council provided \$9.6m to the Taranaki Events Centre Trust for the development of Yarrow Stadium. In 2003, ongoing responsibility for the management of Yarrow Stadium was vested with the New Plymouth District Council. The value of Yarrow Stadium to the regional community is well recognised and it continues to grow. In the recent past, Yarrow Stadium has hosted three All Black test matches, three Rugby World Cup 2011 games and six FIFA U-20 World Cup New Zealand 2015 games. It is well placed to continue to host national and international sporting and community events.

In 2012/2013, the Taranaki Stadium Trust (charitable trust) became a council-controlled organisation of the Council. A partnership funding arrangement between the Trust, the New Plymouth District Council and the Taranaki Regional Council was established for the operation, maintenance and development of Yarrow Stadium.

New Plymouth District Council operates, and funds the operations, of Yarrow Stadium under a management agreement with the Taranaki Stadium Trust. The Taranaki Regional Council provides annual funding to the Taranaki Stadium Trust for the long-term maintenance and development of Yarrow Stadium.

The two Councils, through a joint governance committee, agree upon a programme of long-term maintenance and development of Yarrow Stadium for the Taranaki Stadium Trust to use the Taranaki Regional Council's funding on. Previous funding has been used for projects such as the replacement of the lifts and scoreboard. Maintaining Yarrow Stadium to the

highest standards ensures that it will be competitive when bidding for national and international sporting and other events.

This *Plan* continues the partnership and funding to the Taranaki Stadium Trust (\$876,000pa).

The maintenance and development of the facilities is an important component of Taranaki's ongoing vibrancy and prosperity.

Taranaki has several outstanding gardens that assist in attracting a significant number of visitors to the region. They are also treasured community amenities. Three of these are Pukeiti gardens, Tupare and Hollard Gardens. In 2002, the Council assumed ownership of Tupare and Hollard Gardens and in 2010 assumed ownership of Pukeiti.

It is the Council's intention to ensure these amenities are appropriately maintained and enhanced. The plans for the maintenance and enhancement of these properties are detailed in the adopted 2014 asset management plans.

The Council has completed an extensive process of developing and adopting detailed asset management plans for all three properties.

### SPECIFIC GROUP ASSET INFORMATION

Tupare is acknowledged as one of New Zealand's finest and most important heritage house and garden properties. The vision for the Tupare experience is:

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**“Experience a beautifully restored garden and Chapman-Taylor home. Sculptured from the Taranaki hillside, this is the premier landscaped garden. Sense the prestige, lifestyle and stories of the Matthews family and the people who surrounded them. Enjoy a relaxed stroll through the garden, a picnic with friends and family, or high tea in the homestead. Or perhaps take in a tour of the house and experience a taste of 1950s Taranaki home life, Matthews family style.”**

---

This plan seeks to focus and develop Tupare to realise the above description in a way that:

- protects the heritage and domestic qualities of the House and Garden
- captures the splendour of the gardens
- is accessible and appealing to a larger audience
- increases New Plymouth’s and the wider Taranaki community’s pride and use
- provides a range of quality visitor services and events
- leads to the ongoing improvement and redevelopment of Tupare.

Hollard Gardens are recognised as having a plant collection of national importance. The vision for the Hollard Gardens experience is:

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**“A horticultural oasis – in the very heart of dairy country. A true plantsman’s garden and Taranaki Showcase. A place to experience the legacy of Bernie Hollard’s passion and determination that made him legendary among gardeners and nurserymen alike. Where garden visitors catch the dramatic views of Mount Taranaki, enjoy special functions and participate in community events.”**

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This plan seeks to focus and develop Hollard Gardens to realise the vision in a way that:

- preserves and enhances a unique regional plant collection
- communicates the stories of Bernie and Rose Hollard and the gardens

- promotes community engagement and support - knowledge, pride and use
- provides a range of user facilities and services
- promotes recreational and education experiences through tailored events, programmes, functions and marketing
- creates an inclusive environment between Hollard Gardens, individuals and groups.

The Council is positioning Pukeiti as an international garden and rainforest experience. The vision for the Pukeiti experience is:

---

**“Encounter the mystery:  
Explore a wonderland of rhododendrons, rainforest and volcanoes. Take a short garden walk or a more challenging adventure and with either - sense another world and time. Feel the spiritual significance of Pukeiti to local iwi and learn some of the language, knowledge and stories which are part of the land. Find out about pioneering Europeans, passionate plant-collectors and garden-makers. Gain horticultural skills and experience biodiversity in action. Discover the property whilst doing a fun activity or make use of the facilities for a private or community event. Share Pukeiti - a truly unique part of Taranaki’s heritage.**

---

This plan seeks to focus and develop Pukeiti to realise the vision in a way that:

- preserves and enhances the unique international rhododendron collection
- promotes community engagement and support - knowledge, pride and use
- communicates iwi stories, language and knowledge
- communicates the stories of the pioneers, garden founders and members
- promotes adventure and discovery through recreational and educational experiences through tailored events, programmes, functions and marketing
- creates an inclusive environment between Pukeiti, individuals and groups
- promotes biodiversity particularly of the regenerating rainforest and the vireya collection.





## LEVELS OF SERVICE

### [1] Tupare, Hollard Gardens and Pukeiti recognised as regionally or nationally significant gardens

**Measure:** Maintenance and enhancement of three regionally significant gardens.

**Target (Years 1-10):** Pukeiti, Tupare and Hollard Gardens maintained and enhanced in accordance with the provisions of the adopted asset management plans.

**Baseline:** The three properties are maintained to the latest adopted asset management plan. Latest asset management plans were adopted in 2014.

**Measure:** Level of use of Tupare, Hollard Gardens and Pukeiti.

**Target (Years 1-10):** Increasing the number of visitors to each property and the number of events at each property.

**Baseline:** In 2013/2014, Tupare attracted approximately 24,650 visitors with Hollard Gardens attracting approximately 12,858. Pukeiti had 30,421 visitors. There were 42 events at Tupare, 44 at Hollard Gardens and 50 at Pukeiti. All three properties were part of the *Powerco Taranaki Garden Spectacular*.

**Measure:** Access to Tupare, Hollard Gardens and Pukeiti.

**Target (Years 1-10):** Tupare, Hollard Gardens and Pukeiti open to the public between 9am to 5pm seven days a week with free general access.

**Baseline:** Tupare and Hollard Gardens have been open in this way since 2002. Free access to Pukeiti commenced from 1 July 2010.

### [2] Partnership relationship with the Puke Ariki regional museum and library

**Measure:** Annual project for the delivery of display and presentation material.

**Target (Years 1-10):** Delivery of an annual project.

**Baseline:** In 2012/2013, the partnership contributed towards the Taranaki public events programme (a series of events designed to enliven the Taranaki Naturally Gallery and explore the themes outlined as a schedule to the Partnership Agreement), a contribution to the development and delivery of the exhibition *Kiwi prefab: Cottage to Cutting Edge*, a contribution to develop and enhance the information on the i-SITE digital interactive tables around the Taranaki Regional Council Gardens and associated walkways and projects and funding towards the *Calling back the Kokako* display and the telling of its story. The Council and Puke Ariki worked with Aotea Utanganui - Museum of South Taranaki to support the *Port-able: a history of South Taranaki ports* exhibition.



### [3] Presentation and operation of Yarrow Stadium as one of New Zealand's premier regional sporting stadium and venue

**Measure:** Maintenance and development of Yarrow Stadium for a range of events and activities.

**Target (Years 1-10):** Provision of funding for the ongoing maintenance and development of Yarrow Stadium.

**Baseline:** The Council commenced providing funding for the ongoing maintenance and development of Yarrow Stadium in 2012/2013.

## ACTIVITIES—WHAT WE PLAN TO DO

Years 2015/2016 to 2024/2025 unless otherwise noted.

### [1] Regional gardens

Provide three regional gardens (Tupare, Hollard Gardens and Pukeiti) for free general use by the regional community. Three gardens open 9am to 5pm seven days a week, with Hollard Gardens and Tupare open till 8pm during daylight saving hours.

Encourage the increased use of the regional gardens by the community for recreational purposes and for specific events.

Continue implementing the Pukeiti asset management plans focusing on completing the upgrade works at Pukeiti. Priority tasks to be completed include:

- enhancing the garden and the Rhododendron Collection
- continuing the implementation of the Plant Collection Plan
- refurbishing the Lodge and surrounds
- stabilising the cultivated area to the south of the Lodge by way of a retaining wall
- refurbishing the plant borders
- renovating the Pukeiti lookout
- completing the rainforest interpretation material
- subject to demand, extending the carpark
- upgrading the outer ring tracks
- reconfiguring and upgrading the Gate House.

Review and adopt asset management plans for Tupare, Hollard Gardens and Pukeiti by 31 October 2017.

### [2] Puke Ariki

Maintain an ongoing partnership relationship with the Puke Ariki regional museum and library including the ongoing use of display and presentation material within an annual project.

### [3] Yarrow Stadium

Contract with New Plymouth District Council for the operation and management of Yarrow Stadium.

Undertake asset management planning for the future maintenance, enhancement and development of Yarrow Stadium.

Provide regional funding for the future maintenance, enhancement and development of Yarrow Stadium.



## INDICATIVE COSTS AND SOURCES OF FUNDS

2014/2015 Estimate \$	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Expenditure</b>										
2,425,537	2,268,658	2,427,908	2,505,825	2,579,844	2,645,191	2,738,652	2,799,164	2,867,985	2,936,858	3,007,477
150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
876,000	876,000	876,000	876,000	876,000	876,000	876,000	876,000	876,000	876,000	876,000
<b>3,451,537</b>	<b>3,294,658</b>	<b>3,453,908</b>	<b>3,531,825</b>	<b>3,605,844</b>	<b>3,671,191</b>	<b>3,764,652</b>	<b>3,825,164</b>	<b>3,893,985</b>	<b>3,962,858</b>	<b>4,033,477</b>
<b>Income</b>										
1,622,070	1,564,434	1,613,771	1,602,644	1,622,644	1,636,411	1,663,072	1,665,866	1,671,660	1,676,591	1,678,347
297,103	292,538	301,107	296,564	292,021	287,478	282,924	278,370	273,805	269,240	264,664
175,000	105,000	109,500	118,903	120,935	123,023	125,168	127,371	129,636	131,962	134,353
1,357,364	1,332,686	1,429,530	1,513,714	1,570,244	1,624,279	1,693,488	1,753,557	1,818,884	1,885,065	1,956,113
<b>3,451,537</b>	<b>3,294,658</b>	<b>3,453,908</b>	<b>3,531,825</b>	<b>3,605,844</b>	<b>3,671,191</b>	<b>3,764,652</b>	<b>3,825,164</b>	<b>3,893,985</b>	<b>3,962,858</b>	<b>4,033,477</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital expenditure</b>										
0	0	0	0	0	0	0	0	0	0	0
511,000	1,568,000	2,702,000	412,000	223,500	159,000	260,000	90,000	75,000	97,000	36,000
36,000	104,000	20,000	40,000	40,000	115,000	20,000	40,000	40,000	104,000	31,000
83,000	24,500	67,000	24,000	228,003	66,000	26,000	25,000	38,000	58,000	46,000
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
<b>630,000</b>	<b>1,686,500</b>	<b>2,789,000</b>	<b>476,000</b>	<b>491,503</b>	<b>340,000</b>	<b>306,000</b>	<b>155,000</b>	<b>153,000</b>	<b>259,000</b>	<b>113,000</b>
<b>Funded by:</b>										
630,000	1,686,500	2,789,000	476,000	491,503	340,000	306,000	155,000	153,000	259,000	113,000
<b>630,000</b>	<b>1,686,500</b>	<b>2,789,000</b>	<b>476,000</b>	<b>491,503</b>	<b>340,000</b>	<b>306,000</b>	<b>155,000</b>	<b>153,000</b>	<b>259,000</b>	<b>113,000</b>
<b>Capital expenditure to:</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
630,000	1,686,500	2,789,000	476,000	491,503	340,000	306,000	155,000	153,000	259,000	113,000
<b>630,000</b>	<b>1,686,500</b>	<b>2,789,000</b>	<b>476,000</b>	<b>491,503</b>	<b>340,000</b>	<b>306,000</b>	<b>155,000</b>	<b>153,000</b>	<b>259,000</b>	<b>113,000</b>
<b>7,000</b>	<b>31,000</b>	<b>0</b>	<b>8,000</b>	<b>15,000</b>	<b>32,000</b>	<b>0</b>	<b>15,000</b>	<b>15,000</b>	<b>31,000</b>	<b>1,000</b>
<b>407,699</b>	<b>293,573</b>	<b>425,955</b>	<b>438,327</b>	<b>468,020</b>	<b>480,797</b>	<b>504,297</b>	<b>511,925</b>	<b>518,947</b>	<b>530,581</b>	<b>537,581</b>

# Regional Representation, Advocacy and Investment Management

## REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT ACTIVITIES:



Regional representation, advocacy and investment management comprises the following activities:

### **Investment management**

—ensuring that the equity, property and treasury investments owned by the Council are efficiently managed—refer to levels of service 3 and 4.

### **Community engagement**

—promoting community awareness and understanding of the Council's functions and activities, and making quality and timely information publicly available.

### **Advocacy and response**

—advocating and responding, on behalf of the Taranaki community, to initiatives proposed by other agencies, when those initiatives affect the statutory responsibilities of the Council or relate to matters of regional significance, which are of interest or concern to the people of Taranaki—refer to level of service 2.

### **Governance**

—facilitating public representation by the Council and its committees in accordance with statutory requirements—refer to level of service 1.

## REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT AND COMMUNITY OUTCOMES

The Regional representation, advocacy and investment management group of activities contributes to community outcomes by 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 equity, property and treasury investments owned by the Council are managed efficiently. Specifically this group of activities contributes to the following community outcomes:

- Prosperous Taranaki
- Sustainable Taranaki
- Connected Taranaki
- Together Taranaki.

## FURTHER INFORMATION ON POLICIES AND PROGRAMMES

Further detailed information on the specific strategies, policies and plans relating to this group of activities can be found from the following sources:

- Port Companies Act 1988
- Port Taranaki Ltd's statement of corporate intent
- Local Government Act 2002
- Resource Management Act 1991
- Investment Policy
- Standing Orders.

## RATIONALE AND BACKGROUND

Taranaki Regional Councillors are elected every three years with the next election being in October 2016. The Council conducts six-weekly meetings of the full Council and main Council committees and convenes other meetings as appropriate. Councillor's

remuneration is independently determined by the Remuneration Authority. Further information on the Council's governance arrangements is provided in the *Governance* section of this *Plan*.



The Council's general public information activities have tended to be relatively low key, focusing on responding to requests for information, distributing information and undertaking display and extension activities in schools and other forums. In recent years the Council has provided resources for a range of modest promotional and educational programmes particularly aimed at the young people in our community. The Council's websites provide a range of services and generate considerable public use.

The Council's investments comprise equities, properties and cash.

The Council currently owns 100% of Port Taranaki Ltd (Port Taranaki). Shares are carried at their book value of \$26 million. Port Taranaki is a significant asset held by the Council on behalf of the regional community. The port is widely recognised as a core component of the transport infrastructure of the region.

The Council is committed to the port being a successful commercial business as required by the *Port Companies Act 1988*. In ensuring that Port Taranaki Ltd is a successful business the Council undertakes a number of activities within the constraints of the *Port Companies Act*. First it is able to appoint Directors to the Board to ensure that the port has the appropriate governance structure and skills. The Council then works with the Board through ongoing liaison, to ensure that planning for the future of the company and the monitoring of the port's performance are appropriately undertaken, noting that this is primarily the responsibility of the Board. Formally the Council receives and comments on an annual statement of corporate intent for Port Taranaki Ltd. Formal performance reviews of the

Company's performance against the targets established in the *Statement of Corporate Intent* are undertaken every six months.

The Council views Port Taranaki Ltd as an important strategic regional asset. As such the Council is committed to continued public ownership. The Council holds the view that the port contributes significantly to the community outcome of a *Prosperous Taranaki*. From time to time the Council monitors this contribution to a *Prosperous Taranaki* by formally measuring the contribution to the wider regional economy. Similarly the Council undertakes periodic reviews of ownership of Port Taranaki Ltd to ensure that retained public ownership continues to contribute to the region's success.

The investment in Port Taranaki carries a degree of risk. The level of profitability that Port Taranaki generates drives returns to the shareholder. The level of revenue it can generate is the prime driver of profitability. Both the returns the Council can expect to receive from the investment and the ultimate value of its investment are, therefore, very dependent on the ability of Port Taranaki to protect and enhance its revenue base.

The Council owns properties in New Plymouth, which were transferred at the time the Council assumed the role of the previous Taranaki Harbours Board. Properties are leased on a long-term basis.

The treasury function involves managing the Council's cash surpluses and/or deficits. The Council maintains daily, monthly and annual cash flow projections that form the basis of its cash management activity. Working capital balances are managed by matching

expenditure closely to revenue streams, and managing cash flow timing differences to the favour of Council. Daily bank balances are extracted, cash requirements are determined, and appropriate adjustments are made to money market balances. The Council's investment activity is a risk management function. The Council's approach is to manage investments to optimise returns in the long-term while balancing risk and return considerations. The Council recognises that as a responsible public authority any investments that it holds should be managed prudently. It also recognises that lower risk generally means lower returns. The Council will continue to utilise investments to produce a revenue stream that reduces the reliance on general rate revenue.

## LEVELS OF SERVICE

### [1] Effective, open and transparent democratic Council processes

**Measure:** Completion of statutory public accountability processes.

**Target (Years 1-10):** Completion of statutory planning and reporting documents (Long-Term Plan, Annual Plans and Annual Reports) within statutory requirements.

**Baseline:** Statutory planning and reporting accountability documents have all previously been prepared within statutory requirements and timeframes.

**Measure:** Successful completion of triennial local authority elections.

**Target (Years 1-10):** Conduct of triennial local authority elections without any need for re-conduct of the elections as a result of judicial review.

**Baseline:** Elections have been conducted every three years. There have been no judicial reviews or a need to re-conduct any election. Elections were successfully undertaken in October 2013.

**Measure:** All Council meetings conducted in compliance with statutory requirements.

**Target (Years 1-10):** Meetings conducted in accordance with *Standing Orders*, agendas publicly available at least 48 hours before a meeting and minutes prepared and adopted for all meetings.

**Baseline:** It has always been Council practice for meetings to be conducted in accordance with *Standing Orders*, agendas to be publicly available at least 48 hours before meetings and minutes to be prepared and adopted for all meetings.

### [2] Effective advocacy on behalf of the Taranaki community on matters that affect the statutory responsibilities of the Council or that relate to matters of regional significance which are of interest or concern to the people of Taranaki

**Measure:** Level of advocacy undertaken.

**Target (Years 1-10):** Approximately 20 submissions made per year, with evidence of successful advocacy in most cases.

**Baseline:** In 2012/2013, the Council made 28 submissions with anecdotal evidence of successful advocacy.

### [3] Port Taranaki ownership as a strategic investment

**Measure:** The role of Port Taranaki Ltd in regional economy.

**Target (Years 1-10):** Maintain or increase the contribution from Port Taranaki Ltd to the regional economy.

**Baseline:** The contribution to the wider community was measured in 2012 and the estimated Port dependent activity contributes \$465 million to regional gross domestic product (GDP) and employs 1,270 full time equivalents (FTEs). Industries that utilize the Port collectively contribute \$2.5 billion to regional GDP and employ 11,700 FTEs. To be measured again in 2017.

**Measure:** The financial and operational performance of Port Taranaki Ltd.

**Target (Years 1-10):** Ensure financial and operational performance from Port Taranaki Ltd is in accordance with the levels presented in each year's statement of corporate intent.

**Baseline:** Port Taranaki Ltd's financial and operational performance is reviewed, in terms of the statement of corporate intent, twice a year.

### [4] Effective management of property and treasury investments owned by the Council

**Measure:** Investment returns from property and treasury investments on general rates.

**Target (Years 1-10):** Maintain or increase the level of investment returns used to reduce each year's general rates requirement.

**Baseline:** Between 2011/2012 and 2012/2013, the level of investment returns decreased by 0.32%.

**ACTIVITIES—WHAT WE PLAN TO DO**

Years 2015/2016 to 2024/2025 unless otherwise noted.

**[1] Investment management**

Consider Port Taranaki’s annual statement of corporate intent and monitor performance against established targets on an annual basis.

Appoint Directors at Port Taranaki Ltd’s annual general meeting and at other times as required.

Undertake on-going liaison with port company directors and management.

Manage and, where appropriate, divest leasehold land in accordance with the Council’s *Investment Policy*.

Manage and maximise the returns from treasury investments in accordance with the Council’s *Investment Policy*.

**[2] Community engagement**

Produce regular editions (4 per annum) of the *Recount* newsletter to over 1,000 stakeholders through a range of channels.

Engage with the community across a range of channels including print and digital publications, news media, websites and mobile and social media.

Implement the Council’s environmental awards programme.

Provide an on-going environmental education programme for school children and the wider community including class visits, field trips and the Pukeiti Rainforest School.

**[3] Advocacy and response**

Assess the implications of policy initiatives proposed by other agencies including discussion documents, proposed policies, strategies, plans and draft legislation, and respond within required timeframes on approximately 20 occasions per year.

**[4] Governance**

Complete statutory public accountability documents including long-term plans in 2017/2018, 2020/2021 and 2023/2024, annual plans in years in which a long-term plan is not prepared, and an audited annual report each year.

Preparation of agendas and meetings in accordance with *Local Government Official Information and Meetings Act 1987*.

Conduct of meetings in accordance with *Standing Orders* and the *Local Government Official Information and Meetings Act 1987*.

Successful conduct of triennial local authority elections in 2016, 2019 and 2022.



## INDICATIVE COSTS AND SOURCES OF FUNDS

2014/2015 Estimate \$	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
	<b>Expenditure</b>									
6,000	6,000	6,150	6,310	6,480	6,668	6,868	7,081	7,315	7,564	7,836
176,628	175,851	178,464	189,385	189,737	192,477	197,980	201,516	206,264	210,738	215,694
145,250	149,062	149,553	153,491	156,610	163,362	165,316	171,793	173,438	177,513	182,012
855,186	877,091	949,861	931,956	951,526	1,031,153	993,327	1,014,919	1,112,827	1,067,943	1,095,616
<b>1,183,064</b>	<b>1,208,004</b>	<b>1,284,028</b>	<b>1,281,142</b>	<b>1,304,353</b>	<b>1,393,660</b>	<b>1,363,491</b>	<b>1,395,309</b>	<b>1,499,844</b>	<b>1,463,758</b>	<b>1,501,158</b>
	<b>Income</b>									
629,387	648,538	677,169	655,251	659,322	695,910	672,100	676,353	714,940	685,745	689,983
27,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
526,677	552,466	599,859	618,891	638,031	690,750	684,391	711,956	777,904	771,013	804,175
<b>1,183,064</b>	<b>1,208,004</b>	<b>1,284,028</b>	<b>1,281,142</b>	<b>1,304,353</b>	<b>1,393,660</b>	<b>1,363,491</b>	<b>1,395,309</b>	<b>1,499,844</b>	<b>1,463,758</b>	<b>1,501,158</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Capital expenditure</b>									
0	0	0	50,000	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
137,500	68,000	262,000	130,000	0	159,500	192,000	130,000	70,000	68,000	213,500
230,000	101,500	1,500	62,000	90,000	0	10,000	0	0	10,000	10,000
10,000	54,000	19,000	19,000	19,000	19,000	16,000	16,000	16,000	16,000	16,000
150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
0	0	0	0	0	0	0	0	0	0	0
250,000	250,000	550,000	250,000	250,000	250,000	250,000	550,000	250,000	250,000	250,000
<b>777,500</b>	<b>623,500</b>	<b>982,500</b>	<b>661,000</b>	<b>509,000</b>	<b>578,500</b>	<b>618,000</b>	<b>846,000</b>	<b>486,000</b>	<b>494,000</b>	<b>639,500</b>
	<b>Funded by:</b>									
777,500	623,500	982,500	661,000	509,000	578,500	618,000	846,000	486,000	494,000	639,500
<b>777,500</b>	<b>623,500</b>	<b>982,500</b>	<b>661,000</b>	<b>509,000</b>	<b>578,500</b>	<b>618,000</b>	<b>846,000</b>	<b>486,000</b>	<b>494,000</b>	<b>639,500</b>
	<b>Capital expenditure to:</b>									
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
777,500	623,500	982,500	661,000	509,000	578,500	618,000	846,000	486,000	494,000	639,500
<b>777,500</b>	<b>623,500</b>	<b>982,500</b>	<b>661,000</b>	<b>509,000</b>	<b>578,500</b>	<b>618,000</b>	<b>846,000</b>	<b>486,000</b>	<b>494,000</b>	<b>639,500</b>
<b>30,500</b>	<b>16,000</b>	<b>63,000</b>	<b>31,000</b>	<b>0</b>	<b>34,000</b>	<b>48,000</b>	<b>31,000</b>	<b>15,000</b>	<b>16,000</b>	<b>51,000</b>
<b>742,028</b>	<b>500,038</b>	<b>555,249</b>	<b>531,337</b>	<b>466,980</b>	<b>482,495</b>	<b>521,490</b>	<b>562,613</b>	<b>583,709</b>	<b>592,766</b>	<b>572,297</b>



# Infrastructure Strategy

*The Council is required to plan and manage its infrastructure needs with a thirty year time horizon. Specifically, the Council must identify significant infrastructure issues and identify the principal options for managing those issues and the implications of those options*

## INTRODUCTION

The Council is required to prepare a thirty year strategy for the following classes of infrastructure; roads, water supplies, sewage treatment and disposal, stormwater and flood protection. The Council provides flood protection services and has no infrastructure assets in the other classes. This strategy, therefore, focuses on the Council's river and flood control schemes.

Flood management and river control schemes is a relatively minor component of the Council's operations. It accounts for approximately 2% of total operating expenditure. At 30 June 2014, the Council's flood control schemes were valued at \$8.5m out of total Council assets of \$83m.

The Council has two significant flood control schemes on the Waitara and Waiwhakaiho Rivers and a number of relatively small and minor schemes to address specific issues.

In 2013/2014 the Council completed an upgrade of the *Lower Waiwhakaiho Flood Control Scheme* and by 30 June 2016, a similar upgrade of the *Lower Waitara River Flood Control Scheme* will have been completed. The upgrades of the two significant flood control schemes provide 1% annual exceedance probability (AEP) – or 1 in 100 year protection, with allowance for climate change through to 2060.



Asset management plans have been prepared, and adopted by the Council, for the *Lower Waiwhakaiho River Flood Control Scheme*, the *Lower Waitara River Flood Control Scheme* and the *Okato Scheme*.

## LOWER WAIWHAKAIHO FLOOD CONTROL SCHEME

The land use in the area protected by the Scheme is 98% commercial and industrial with approximately 2% residential. The 1% AEP protection standard is considered to be the accepted standard for an area largely used for commercial and industrial uses.

Changes in the industries and commercial entities are likely to occur in the area protected by the Scheme over the life of this strategy but the land use would most likely continue to be commercial and industrial. In the very unlikely event that a change in land use would result in an increase in the percentage of residential land use, the protection standard provided by the Scheme would still be appropriate and therefore a further capital upgrade would not be required.

There is no planned upgrade to the level of service provided by the Scheme before 2060 as the Scheme will provide at least 1%AEP standard until that date.

The risk to the Scheme infrastructure arising from natural disasters is low. The nature and ongoing maintenance of the assets make them resistant to significant damage in large flood events. Any damage that did occur would be funded from Scheme reserves. An annual budget of \$15,000 is provided for the repair of flood damage from the North Taranaki Schemes and if unspent, accumulates in the Scheme reserve account.

The Scheme has infrastructure assets that fall into seven types. The following table sets out how the Council will manage these asset types.

Asset Type	Renewal or replacement requirements	Expenditure
Earth stopbanks	No replacement required. Stopbanks will be maintained to the design levels and standards.	Operational
Gabion basket structures	Gabion baskets have a design life in the order of 100 years. The first gabion baskets were constructed in the Scheme in 1997. Some minor maintenance may be required. No replacement required before 2045.	Operational
Concrete structures	Concrete structures have a design life in the 50 to 100 year range. The concrete structures in the Scheme were all constructed since 2011 as part of the Scheme upgrade works. No replacement required before 2045.	Nil
Concrete culverts	Concrete culverts have a design life of at least 50 years. The earliest culverts installed as part of the Scheme were constructed in 1997 as part of the initial Scheme construction works. No replacement required before 2045.	Nil
Aluminium and galvanised floodgates	Aluminium floodgates will not need replacing before 2045. Galvanised floodgates may need replacing prior to 2045. Current asset value of all floodgates is \$5,000 and would be replaced as required from annual maintenance funding.	Operational
Rock riprap	Rock does not need replacement. Minor topping up may be required very irregularly. The Waiwhakaiho River and Mangaone Streams have stable beds resulting in stable riprap works that require minimal attention.	Operational
Ancillary minor structures	Gates, fences and bollards have a life shorter than 30 years but individually have a low replacement cost and will be replaced as a maintenance activity as required.	Operational

## RISK MANAGEMENT

The following table sets out the risks faced by the Scheme assets by natural disasters and indicates the financial implications and potential size of that risk.

The potential risk to the Scheme assets arises from over design flood events and from earthquakes.

Disaster Type	Risk	Financial Risk	Expenditure type to fund repair
<b>Earth stopbanks</b>			
Flood	Some minor damage possible. If a stopbank was to fail, the damage to the stopbank would be localised.	Minor	Operational
Earthquake	Could suffer significant damage from cracking and slumping.	Significant	Capital
<b>Gabion basket structures</b>			
Flood	Minimal	Minor	Operational
Earthquake	Could suffer significant damage from cracking and toppling.	Medium	Capital
<b>Concrete structures</b>			
Flood	Minimal	Minor	Operational
Earthquake	Minimal	Minor	Operational
<b>Concrete culverts</b>			
Flood	Minimal	Minor	Operational
Earthquake	Could have fractures in culverts that would need replacing	Minor	Capital
<b>Aluminium and galvanised floodgates</b>			
Flood	Minor damage to floodgates	Minor	Operational
Earthquake	Minimal		Operational
<b>Ancillary minor structures</b>			
Flood	Moderate risk of damage	Minor	Operational
Earthquake	Minimal	Minor	Operational
<b>Rock riprap</b>			
Flood	Moderate risk of rock riprap needing to be repositioned or topped up	Minor	Capital
Earthquake	Minimal	Minor	Operational

The indicative estimated set out below for the management of the Scheme assets is drawn from the Lower Waiwhakaiho Flood Control Scheme asset management plan. There is no planned capital expenditure over the next 30 year period.

Year(s)	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Estimated operating costs \$000's	44	46	64	49	44
Year(s)	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
Estimated operating costs \$000's	44	64	47	59	48
Year(s)	2025/ 2030	2031/ 2035	2036/ 2040	2041/ 2045	
Estimated operating costs \$000's	273	315	364	421	

**ASSUMPTIONS MADE**

The assumptions made in determining the above estimates are:

- That the frequency and size/nature of the future maintenance works required are in line with that which has occurred over recent years.
- That the frequency of damaging flood events and the damage that occurs in these events does not change significantly.

**LOWER WAITARA RIVER FLOOD CONTROL SCHEME**

The land use in the area protected by the Scheme is a mixture of commercial, industrial and residential with the majority of the area being residential. The 1% AEP protection standard is considered to be the accepted standard for town the size of Waitara.

Changes in the land uses are likely to occur over time but it is unlikely that the percentages of land use type will vary significantly over the next 30 years. The value of the assets in Waitara protected by the Scheme are unlikely to change significantly over the next 30 years to warrant an upgrade to a higher standard of protection. Notwithstanding this, once the current upgrade has been completed there is no plan to further upgrade to the level of service provided by the Scheme before 2065 as the Scheme will provide at least 1%AEP standard until that date.

The risk to the Scheme infrastructure arising from natural disasters is low. The nature and ongoing maintenance of the assets make them resistant to significant damage in large flood events. Any damage



that did occur would be funded from Scheme reserves. An annual budget of \$15,000 is provided for the repair of flood damage from the North Taranaki Schemes and if unspent, accumulates in the Scheme reserve account.

The Scheme has infrastructure assets that fall into six types. The following table sets out how the Council will manage these asset types.

Asset Type	Renewal or replacement requirements	Expenditure
Earth stopbanks	No replacement required. Stopbanks will be maintained to the design levels and standards.	Operational
Gabion basket structures	Gabion baskets have a design life in the order of 100 years. The first gabion baskets were constructed in the Scheme in 2014. Some minor maintenance may be required. No replacement required before 2045.	Operational
Concrete structures	Concrete structures have a design life in the 50 to 100 year range. The concrete structures in the Scheme will all be constructed post 2014 as part of the Scheme upgrade works. No replacement required before 2045.	Nil
Concrete culverts and flood gates	All culverts and floodgates are New Plymouth District Council assets.	Nil
Rock riprap	Rock does not need replacement. Minor topping up may be required very irregularly.	Operational
Ancillary minor structures	Gates, fences, access tracks and bollards have a life shorter than 30 years but individually have a low replacement cost and will be replaced as a maintenance activity as required.	Operational

## RISK MANAGEMENT

The following table sets out the risk faced by the Scheme assets by natural disasters and indicates the financial implications and potential size of that risk.

The potential risk to the Scheme assets arises from over design flood events and from earthquakes.

Disaster Type	Risk	Financial Risk	Expenditure type to fund repair
<b>Earth stopbanks</b>			
Flood	Some minor damage possible. If a stopbank was to fail, the damage to the stopbank would be very localised.	Minor	Operational
Earthquake	Could suffer significant damage from cracking and slumping.	Significant	Capital
<b>Gabion basket structures</b>			
Flood	Minimal	Minor	Operational
Earthquake	Could suffer significant damage from cracking and toppling.	Medium	Capital
<b>Concrete structures</b>			
Flood	Minimal	Minor	Operational
Earthquake	Could suffer significant damage due to foundation failure.	Significant	Capital
<b>Rock riprap</b>			
Flood	Moderate risk of rock riprap needing to be repositioned or topped up	Moderate	Capital
Earthquake	Minimal	Minor	Operational
<b>Ancillary minor structures</b>			
Flood	Moderate risk of damage	Minor	Operational
Earthquake	Minimal	Minor	Operational

The indicative estimated set out below for the management of the Scheme assets is drawn from the *Lower Waitara River Flood Control Scheme* asset management plan. Other than the completion of the upgrade of the Scheme in 2015/2016 (\$180,000), no additional capital expenditure is planned for the next 30 year period.

Year(s)	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Estimated operating costs \$'000's	54	53	40	48	59
Year(s)	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
Estimated operating costs \$'000's	39	63	36	40	58
Year(s)	2025/ 2030	2031/ 2035	2036/ 2040	2041/ 2045	
Estimated operating costs \$'000's	267	309	357	412	

## ASSUMPTIONS MADE

The assumptions made in determining the above estimates are:

- That the frequency and size/nature of the future maintenance works required are in line with that which has occurred over recent years.
- That the frequency of damaging flood events and the damage that occurs in these events does not change significantly.

## OKATO FLOOD CONTROL SCHEME

The *Okato Scheme* comprises works in the Stony River and Kaihihi Stream primarily to protect the Okato community and to manage a short reach of the Stony River upstream and downstream of the SH45 Bridge.

The *Okato Scheme* assets include earthen stop banks, river training groynes, rock riprap and flood overflow channels. Works on the Stony and the Kaihihi involve the management of in-channel gravel build up, the maintenance of bank protection and alignment control works, the maintenance of river edge vegetation, and the maintenance of stopbanks and overflow channels.

The current valuation of these assets to 30 June 2014 is \$351,800.

Some relatively minor upgrade works were undertaken on the *Okato Scheme* in 2012/2013. The Scheme currently manages sections of the Stony River and Kaihihi Stream to control the channel alignments and limit the adverse effects of out of channel floods flows as is practicable but to no particular standard.

The land use in the area protected by the Scheme is predominantly agricultural with some small areas of urban and commercial. The protection standard provided by the Scheme is considered to be an acceptable standard considering the land use and the nature of the assets at risk. Significant changes in the land uses are unlikely to occur in the area benefiting from the scheme works.

There is no upgrade planned for the Scheme within the next 30 years.

The risk to some of the Scheme infrastructure arising from natural disasters is significant especially those associated with the Stony River. Depending on the size of the damage to the Stony River assets, their repair may involve capital expenditure but those in the Kaihihi Stream would be funded from Scheme reserves. An annual budget of \$15,000 is provided for the repair of flood damage from the North Taranaki Schemes and if unspent, accumulates in the Scheme reserve account.

The Scheme has infrastructure assets that fall into five types. The following table sets out how the Council will manage these asset types.

Asset Type	Renewal or replacement requirements	Expenditure
Earth stopbanks	No replacement required. Stopbanks will be maintained to the design levels and standards.	Operational
Earth stopbanks and guide banks	No replacement required. Stopbanks will be maintained to the design levels and standards.	Operational
Rock river training works	Rock does not need replacement. Some rock repositioning may be required from time to time.  Minor topping up may be required very irregularly.	Operational
Rock groynes	Rock does not need replacement. Minor repositioning may be required.	Operational
Rock riprap	Rock does not need replacement. Minor topping up may be required very irregularly.	Operational

**RISK MANAGEMENT**

The following table sets out the risk faced by the Scheme assets by natural disasters and indicates the financial implications and potential size of that risk. The potential risk to the Scheme assets arises from over design flood events.

Disaster Type	Risk	Financial Risk	Expenditure type to fund repair
<b>Earth stopbanks and guide banks</b>			
Flood	Some minor damage possible. If a stopbank was to fail, the damage to the stopbank would be localized.	Minor	Operational
<b>Rock river training works</b>			
Flood	The large rock river training works could be severely damaged in a very large flood in the river.	Significant	Capital
<b>Rock groynes</b>			
Flood	Moderate	Minor	Operational
<b>Rock riprap</b>			
Flood	Moderate risk of rock riprap needing to be repositioned or topped up.	Minor	Operational

The indicative estimated set out below for the management of the Scheme assets is drawn from the Okato Scheme asset management plan. No capital expenditure is planned for the next 30 year period.

Year(s)	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Estimated operating costs \$000's	40	40	43	41	40
Year(s)	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Estimated operating costs \$000's	40	43	41	40	40
Year(s)	2025/2030	2031/2035	2036/2040	2041/2045	
Estimated operating costs \$000's	218	252	291	337	

**ASSUMPTIONS MADE**

The assumptions made in determining the above estimates are:

- That the frequency and size/nature of the future maintenance works required are in line with that which has occurred over recent years.
- That the frequency of damaging flood events and the damage that occurs in these events does not change significantly.

# Financial Strategy

*The Council is required to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently, and in a manner that sustainably promotes the current and future interests of the community. Thus, the Financial Strategy is an important component of this Long-Term Plan.*

## PURPOSE

The purpose of this *Strategy* is to facilitate:

- prudent financial management by providing a guide for the Council to consider proposals for funding and expenditure, allied with
- consultation on the Council's proposals for funding and expenditure by making transparent the overall effects of those proposals on services, rates, debt and investments.

This *Strategy* brings together important information that is set out in the rest of this *Plan*, integrates it with financial forecasts, and arrives at a sustainable and prudent budget.

## BACKGROUND

There are a number of strategies and policies that address and manage various facets of the financial operations of the Council. The objective of these various strategies and policies is to prudently manage the Council's finances in such a manner as to protect the public's investment and to minimise the exposure to risk. This acknowledges that at all times the Council is managing finances that belong to the Taranaki community.

The Council looks to operate a balanced budget whereby in each year the operating expenditure is covered by sufficient operating revenue.

Levels of service and operating programmes are established in the variety of policies, plans and strategies that the Council has prepared and adopted pursuant to a number of pieces of legislation. These key planning documents include the *Regional Policy Statement*, regional plans for the coast, air, soil and fresh water, biosecurity strategies for plant and animal pests, land and passenger transport plans and strategies, civil defence emergency management plans and the asset management plans for the regional gardens and flood control assets.

Expenditure budgets are set to deliver upon those levels of service and operating programmes.

The Council is not anticipating any significant changes in Taranaki's population or changes in the use of land within the region that would materially impact upon the policies, plans and strategies outlined above nor the capital and operating costs forecast in this *Plan*.

## CURRENT SITUATION

Through appropriately prudent stewardship over many years, the Council is in a strong financial position. It has sufficient budgets and resources to deliver upon all of the agreed levels of service outlined in the suite of regional plans, policies and strategies.

By any metric (such as rates per dwelling, rates per capita, etc.), the Council's rates are the bottom end of rates set by local authorities in New Zealand. The Council has a recent history of minimal rates increases. The rates and rate increases are underpinned by returns from investments (particularly dividends from Port Taranaki Ltd). Significant rate increases have only occurred when dividends from Port Taranaki Ltd have dropped. Provided dividends from Port Taranaki Ltd are delivered at forecast levels, rate increases are predicted to be at or below the rate of inflation for the next ten years. Indeed, if Port Taranaki Ltd's dividend levels continue to grow there may be opportunities for future rates decreases.

The Council has no external public debt. There is nothing in this *Plan* that will incur external public debt.



## LOOKING FORWARD

The Council has a suite of regional plans, policies and strategies in place. All of these have been through some form of public adoption process. These plans, policies and strategies have been transformed into the levels of service and works programmes outlined in this *Plan*. The *Plan* provides all the necessary operational and financial resources to deliver upon those agreed levels of service and works programmes.

Port Taranaki Ltd is forecasting, in the short to medium term, a period of good and improving trading conditions. This will result in increased revenue, profits and dividends. The Council has taken a conservative approach to estimating dividends in this *Plan*. Port Taranaki Ltd has been consulted over the levels of dividends.

Dividends are a significant portion of the Council's revenue streams. Port Taranaki Ltd operates in a highly-competitive trading environment. Accordingly there are no guarantees that Port Taranaki Ltd will be able to continue to deliver upon forecast dividend levels. Accordingly there is a risk that profits and dividends may fall at some future point. This is the biggest risk to the delivery of the programmes outlined in this *Plan*. The Council has a range of tools in place to manage this risk, but ultimately a reduction in dividends would adversely impact on the Council's rates requirement.

Taranaki's population has remained relatively stable in the recent past. Overall there are some small increases in population, but in some specific parts of the region there are decreases. The overall stability of the region's population is such that there is little financial impact from population change over the life of this *Plan*.

The regional economy is largely based on agriculture (particularly dairying) and the oil and gas industry. Over the recent past, activity in both of these areas has intensified. This is expected to continue in the foreseeable future. The Council's *Revenue and Financing Policy* results in most of the costs associated with these activities being covered by user-pays direct charges. Consequently, the Council has had sufficient resources available to respond to intensification in these industries. Again, the user-pays nature of the industries is budgeted to provide sufficient resources for the Council to attend to its obligations in the regional suite of plans, policies and strategies over the life of this *Plan*.

The Council has completed its upgrade of the *Waiwhakaiho River Flood Control Scheme* and has largely completed its upgrade of the *Waitara River Flood Control Scheme*. Both of these upgrades have increased the level of protection provided to 1 in 100 year events. The impacts from climate change have also been provided for. Therefore, over the next thirty years, there is no planned significant capital

expenditure on network infrastructure, flood protection and flood control works.

So looking forward, the *Plan* retains the Council's strong financial position.

## IMPLICATIONS

This *Plan* forecasts the maintenance of prudent financial planning for the Council that ensures:

- the delivery of agreed levels of service and works programmes in accordance with the suite of regional plans, policies and strategies
- modest rates increases at or below the level of inflation for the next ten years
- no external public debt of the life of this *Plan*
- balanced budgets for each year of the next ten years.

## FUNDING SOURCES

The delivery of the adopted policies, plans and strategies and the application of the Council's funding and financial policies has resulted in the following funding sources over the last two years:

	2013/2014 Estimate	2014/2015 Estimate
General rates revenue	31.1%	30.5%
Targeted rates revenue	7.3%	7.3%
Direct charges revenue	30.5%	30.7%
Government grants	7.3%	7.0%
Dividends	15.8%	16.8%
Rent revenue	4.1%	4.0%
Finance income	3.9%	3.7%
<b>Total income</b>	<b>100.0%</b>	<b>100.0%</b>

Given that there are no anticipated significant changes in policies, plans and strategies, in funding and financial policies and in population and land use, the application of these funding sources does not significantly change over the life of this *Plan*:

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
General rates	29%	28%	28%	28%	29%
Targeted rates	7%	6%	6%	6%	6%
Direct charges	32%	32%	32%	33%	29%
Government	7%	9%	7%	7%	7%
Dividends	18%	19%	20%	20%	22%
Rent revenue	4%	4%	4%	4%	4%
Finance income	3%	2%	2%	2%	2%
<b>Total income</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
General rates	29%	28%	28%	28%	27%
Targeted rates	6%	6%	6%	6%	6%
Direct charges	28%	28%	28%	28%	28%
Government grants	7%	7%	7%	7%	7%
Dividends	23%	23%	23%	23%	24%
Rent revenue	4%	4%	4%	4%	5%
Finance income	2%	2%	3%	3%	3%
<b>Total income</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## RATES

The balance of the Council's funding requirements will be funded by general rates. Total rates represents between 30% and 40% of total Council revenue.

This *Plan* demonstrates that, whilst rates are an important source of funding, the Council's dependence on rates is not increasing over time. In fact, it is slowly decreasing.

In applying its funding and financial policies, general rates dominates the total rate take. This reflects the Council's use of general rates to fund activities that support the wider public good and the use of direct charges to fund activities that relate to a specific beneficiary or exacerbator.

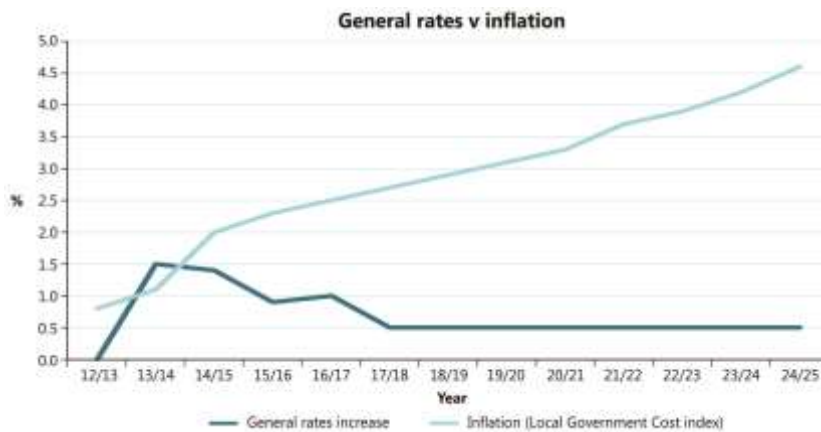
General rates are reduced by investment returns. The Council receives investment returns from its treasury, equity and land investments. By using these investment returns to reduce the general rates the Council is effectively providing these returns back to the regional community.

Compared to inflation, the Council's rates increases are in line with the inflation forecast to be faced by local government. This *Plan* proposes rates changes that are in-line with or below anticipated price changes (inflation).

Many of the services that the Council supplies are used equally by all members of the regional community and have no correlation with property ownership or valuation (e.g., community representation and democracy). In these instances the Council looks to use uniform annual general charges (UAGCs) to match costs and benefits. There is a statutory limit to the level of UAGCs that the Council can impose. Once this limit is reached the rest of these services need to be funded by property value general rates. The remainder of the Council's general rates are set on the capital value system of rating.

All of the Council's rates are collected by three Taranaki-based district councils. This is fiscally and operationally the most effective and efficient collection system.





Provided Port Taranaki Ltd delivers the dividend levels forecast in this *Plan* and there is no change in the key forecasting assumptions, total rates will not exceed 60% of total revenue and total rates increases will not exceed 5% of total expenditure.

If Port Taranaki Ltd is not able to deliver forecast dividend levels or the key forecasting assumptions do not hold, then the rates levels and increases will not be able to be achieved.

The highest risk in achieving the financial results forecast in this *Plan* relates to the dividends that the Council receives from Port Taranaki Ltd. Port Taranaki Ltd operates in a highly competitive commercial environment. The Council has worked with Port Taranaki Ltd to develop appropriately conservative estimates of dividends over the next ten years. The highly competitive commercial environment is such that it is highly likely that in some years dividends will exceed budgets and in other years dividends will be below budget. It is likely that these variances will be materially significant.

The Council will, where feasible and financially prudent, use the Dividend Equalisation Reserve to smooth the impact of dividend fluctuations on general rates. However, in some cases, increases in general rates will be inevitable. As a guide, a \$75,000 reduction in dividends equates to a 1% increase in general rates. Therefore, a reduction in dividends of \$1m would result in a general rates increase of approximately 13.4%.

Dividends from Port Taranaki Ltd are variable and subject to fluctuations. To accommodate these fluctuations the Council uses a dividend equalisation reserve. Since 1996/1997, when the debt the Council inherited from corporatisation of the port was fully repaid, the level of dividends received has fluctuated, sometimes significantly, over and below budgeted levels. Surpluses have been accumulated in the dividend equalisation reserve. Where the port has

been unable to return dividends at the levels budgeted for then the dividend equalization reserve is used to subsidise the need to increase general rates.

**INVESTMENTS**

The Council holds treasury, equity and land investments on behalf of the regional community. In real terms, the Council intends to maintain the value of these investments in the long-term. The Council intends to hold these investments for strategic reasons on behalf of the regional

community. Over the next ten years, the Council has worked on returns from investments as follows. Please note these are based upon the book values of these investments as, in the case of Port Taranaki Ltd, there is no reliable market valuation.

The Council holds investments in land, treasury investments and equities. The Council’s objectives in holding these investments are as follows:

- to provide an income stream to reduce the Council’s dependency on general rates
- to meet statutory obligations in relation to endowment properties
- to hold assets on behalf of the regional community for strategic protection/development of the region.

The Council held \$17.9m of cash, cash equivalents and treasury investments at 30 June 2014. The Council holds these investments to produce an income stream to reduce general rates. These investments are forecast to produce a 6% per annum return on investment. The Council invests surplus funds in treasury investments.

At 30 June 2014 the Council held \$14.9m of endowment properties. These properties were inherited by the Council from the former Taranaki Harbours Board. The Council holds them to produce an income stream. There are statutory restrictions on the Council’s ability to dispose of endowment properties. They are forecast to return to following over the life of this *Plan*:

<b>2015/ 2016</b>	<b>2016/ 2017</b>	<b>2017/ 2018</b>	<b>2018/ 2019</b>	<b>2019/ 2020</b>
\$850,000	\$871,250	\$893,903	\$918,038	\$944,661
<b>2020/ 2021</b>	<b>2021/ 2022</b>	<b>2022/ 2023</b>	<b>2023/ 2024</b>	<b>2024/ 2025</b>
\$973,001	\$1,003,164	\$1,036,268	\$1,071,501	\$1,110,075

The Council is the 100% owner of Port Taranaki Ltd. This investment is valued at a book value of \$26m at 30

June 2014. There is no readily determinable market valuation. The Council holds this investment for strategic purposes on behalf of the regional community and to provide an income stream. Over the next ten years, Port Taranaki Ltd is forecast to return dividends of:

2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
\$4,477,000	\$4,924,700	\$5,417,170	\$5,606,771	\$5,803,008
2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
\$6,006,113	\$6,216,327	\$6,433,898	\$6,659,084	\$6,892,152

The Council owns shares in Civic Assurance (\$1,000 at 30 June 2014). The Council inherited these shares. They are not expected to return a dividend over the next ten years. It is impracticable and administratively inefficient to dispose of these shares.

The Council is a 15.5% shareholder in Regional Software Holdings Ltd. This company owns and operates software for a group of regional councils. The Council holds these shares as a strategic investment in a critical component of its operations. The company is not expected to generate significant profits, nor is it expected to return a dividend over the next ten years.

## DEBT

The Council retains the ability to use public debt to construct infrastructure assets or to finance investments where the benefit of the expenditure is spread over a number of years. The use of public debt matches the costs of the expenditure with the benefits.

Total interest expense on net external public debt will not exceed 40% of total annual rates and levies. Net external public debt per capita will not exceed \$500. These limits may be exceeded if the Council is required to meet the obligations of Port Taranaki Ltd under a guarantee in respect of any proposed expansion.

At this stage, the Council does not have, nor does it plan to have, any external public debt. The Council has used internal borrowing to fund the upgrade of the *Waiwhakaiho River Flood Control Scheme* and for the upgrade of the *Waitara River Flood Control Scheme*. The Council does not offer assets other than general or targeted rates as security for borrowing programmes. In unusual circumstances security may be offered over specific assets, only with prior Council approval.

## RESERVES AND PUBLIC EQUITY

The Council holds a number of reserves to provide cover for specific events or to address statutory or other obligations. The Council intends to maintain the minimum level and number of reserves.

The net financial value of the Council is to be maintained, in real terms in the long-term. The Council is not intending to significantly increase or decrease the community's net ownership of the Council.

## SUMMARY

The Council is in a strong financial position that will continue throughout the next ten years. It has no significant adverse pressures that will impact upon its ability to deliver on the levels of service and programmes outlines in this *Plan*. By any metric, the Council is meeting its obligations to undertake its business in a prudent and financially sustainable manner.

The biggest uncertainty remains the ability for Port Taranaki Ltd to deliver upon its forecast dividend levels. However, the Council has a demonstrated ability to manage the financial implications of dividend fluctuations.

# Revenue and Financing Policy

*This policy presents the Council's approach to financing its planned groups of activities and individual activities.*

## INTRODUCTION

The Council is required to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the regional community. For the purposes of this *Revenue and Financing Policy*, the Council's policy is to fully fund all operational expenditure from the sources allowed under section 103(2) of the *Local Government Act 2002*. This *Plan* funds all the identified expenditure needs of the Council.

The following considerations were factors in determining the sources of revenue and finance for each of the Council's activities:

- the outcomes to which the activity primarily contributes
- the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
- the period in or over which those benefits are expected to occur
- the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities
- the overall impact of any allocation of liability for revenue needs on the community.

The Council is entitled to finance its activities and functions from the following sources:

- general rates
- targeted rates
- lump sum contributions
- fees and charges
- interest and dividends from investments
- borrowing
- proceeds from asset sales
- financial contributions under the *Resource Management Act 1991*

- grants and subsidies
- any other source.

User charges are used for services where there is a benefit to a party or a party causes the Council to provide a service or incur expenditure. If it is possible to legally and efficiently impose a charge, the Council does so, on the basis of recovering the full cost of the service.

General rates is used to fund those services where the Council believes there is a public benefit even though it may not be to the whole community. It typically funds "public goods" for which there is no practical method for charging individual users as the benefit is wider than just specific users. General rates fund a range of services which are used by individual ratepayers to varying extents.

The Council uses the general rate rather than a number of targeted rates in order to achieve a simpler rating structure. That simpler structure makes it easier for ratepayers to understand how they are being rated and it is also simpler and cheaper to administer.

Rates are regarded as a tax which funds the collective community benefit rather than be any form of proxy for use of a service.

The system of rating for general rates is a combination of the capital value system equalised for the timing of valuations between districts and uniform annual general charges. The Council does not use differential rating on general rates.

Uniform annual general charges are used to fund services that are applied equally to all residents and/or ratepayers regardless of any other factor. Typically the range of services that should be funded from uniform annual general charges exceeds the legal limit imposed upon the Council. The Council will aim to optimise the use of uniform annual general charges within statutory limitations. A uniform annual general charge is set on all separately used or inhabited parts of a rating unit in the region.

Targeted rates are also used to fund community benefits and wider public goods. A targeted rate means a rate to be used exclusively to pay for that operating or capital expense. It is used in circumstances where the Council believes that the benefits from the services are such that the principles of a general rate approach are not sufficient and that they should be targeted to a particular beneficiary group.

Grants and subsidies are accessed where they are available.

Borrowing is not generally used to fund operating expenses, but is used as a tool to smooth out variations in the capital replacement and acquisitions programme.

Income from dividends, interest and net rental income is used to offset the general rate requirement. Accordingly, for the purposes of this *Revenue and Financing Policy* investment funds and general rates have been combined and are referred to as *general funds*.

Enforcement fees are charged when possible. The purpose of the fee is to promote compliance rather

than to raise revenue. At times enforcement fees will recover the full cost of enforcement and at other times it will not depending on the level of compliance and also the extent to which the charges are limited by statute or the courts.

The Council is also entitled to fund its capital expenditure from the same sources identified above. This Council funds depreciation on all of its assets. The Council's policy is to fund capital expenditure from accumulated cash surpluses arising from the full financing of depreciation. If for any capital project those accumulated operating cash surpluses are insufficient then the considerations outlined above will be applied to the project to determine the sources of financing appropriate for that project.

The region's three district councils collect regional rates. The rates remission and rates discount policies of the Council are the same as those adopted by the respective district councils (refer to Appendix 5).

The policies and sources of funding for each of the Council's activities are outlined in the remainder of this *Policy*.

## REVENUE AND FINANCING SOURCES AND MECHANISMS FOR THE COUNCIL'S ACTIVITIES

GROUP OF ACTIVITIES	ACTIVITIES	FUNDING SOURCES AND MECHANISMS
<b>RESOURCE MANAGEMENT</b>		
<p>Resource management planning has a regional focus with the benefits accruing to the wider community. Accordingly, the activity is substantially funded from general funds.</p> <p>The processing and monitoring of specific resource consents is funded by direct charging those who specifically benefit from and/or cause the expenditure, namely, consent applicants and holders. General inquiries, administration and information requests are funded from general funds as a broad community service. A portion of compliance monitoring is also funded from general funds, which recognises that certain compliance monitoring information is of benefit to the wider community. Pollution control is funded by general funds provided recovery from the polluter has been pursued as far as practicable. Marine oil spill contingency</p>	Resource management planning	100% general funds.
	Consent processing and administration	60% fees and charges. 40% general funds.
	Compliance monitoring programmes	70% fees and charges. 30% general funds.
	Pollution incidents and response	100% fees and charges from the party responsible for the pollution. General funds when fees and charges are unable to be applied. Maritime Safety Authority contribution for national services (oil spills).
	State of the environment monitoring	100% general funds.
	Resource investigations	100% general funds.
	Waste minimisation	Contributions from the region's three territorial authorities. General funds for Council portion of these services.

GROUP OF ACTIVITIES	ACTIVITIES	FUNDING SOURCES AND MECHANISMS
<p>response is funded by Crown contribution in compliance with the <i>Maritime Transport Act 1994</i>.</p> <p>State of the environment monitoring and resource investigations and projects activities provide the necessary regional scientific information for Council to be informed and make defensible decisions across its range of activities. Consequently, the activity is funded from general funds.</p> <p>Waste minimisation is an advocacy, encouragement and facilitation role. The results of this work are implemented and funded by third parties. The wider community, through enhanced environmental quality, is the beneficiary of this work. The project is a shared service of the region's four local authorities. The region's three district councils contribute to the cost of the activity with the Council's portion being funded by general funds.</p> <p>Land management services are funded by general funds. These services are principally of an advisory nature and are typically in the range of 10-20% of the costs of the recommended physical works which are funded by the landowners. There are sales of merchandise (e.g., riparian plants) to landholders (at full cost recovery) to support land management.</p> <p>Biodiversity and enhancement grants involve the promotion of the protection of the region's environment through the use of enhancement grants. The protection of the environment is a combined effort between the Council and landowners. Landowners do not forgo ownership rights to the land but they incur opportunity costs in respect of potential land development. The Council provides grants for the long-term preservation and protection (e.g., fencing) of the land. Consequently, the activity is funded from general funds.</p>	Sustainable land management plans and plant supply programme	100% general funds for sustainable land management plans and for the provision of advice and information. Fees and charges for the supply of poplar, willow poles and other plant materials.
	Biodiversity	100% general funds.
	Enhancement grants	100% general funds.

GROUP OF ACTIVITIES	ACTIVITIES	FUNDING SOURCES AND MECHANISMS
<b>BIOSECURITY</b>		
<p>Biosecurity planning has a regional focus with the benefits accruing to the wider community. Accordingly, the activity is substantially funded from general funds. Council funded pest management activities are typically complimented by land owner funded activities several times greater than the Council's costs. Pest management services, with some minor exceptions that are directly charged for or funded by Crown contributions, are funded from general funds. The basis of this approach was developed in accordance with section 76 of the <i>Biosecurity Act 1993</i> and is provided in detail in Council's adopted <i>Pest Management Strategy for Taranaki: Animals</i> and <i>Pest Management Strategy for Taranaki: Plants</i>.</p>	Biosecurity planning	100% general funds.
	Pest animal management	Crown contributions for national services. Fees and charges for bait stations and enforcement operations. General funds for other services.
	Pest plant management	Crown contributions for national services. Fees and charges for enforcement operations. General funds for other services.
<b>TRANSPORT</b>		
<p>Regional land transport planning and disabled persons passenger transport services benefit the wider community and as such are funded from general funds. Passenger transport bus subsidies are provided to specific communities and accordingly are funded by that community. Ratepayer funds are generally matched by Crown contributions with service users paying user charges through fares. Harbour safety and navigational services benefit the wider community and are funded from general funds.</p>	Regional land transport planning	Crown contributions for national services. General funds for regional services.
	Passenger transport	Crown contributions for national services. User charges through fares. Capital value targeted rate over the New Plymouth and North Taranaki constituencies for the New Plymouth passenger transport bus subsidies. Capital value targeted rate over the Stratford constituency for the Stratford passenger transport bus subsidies. Capital value targeted rate over the South Taranaki constituency for the South Taranaki passenger transport bus subsidies.
	Harbour management	100% general funds.

GROUP OF ACTIVITIES	ACTIVITIES	FUNDING SOURCES AND MECHANISMS
<b>HAZARD MANAGEMENT</b>		
<p>Civil defence emergency management. The Council provides an administering role to the Civil Defence Emergency Management Group. The Group administers the provision of emergency management services. The region's four local authorities contribute to the provision of these services. All services benefit the wider community. Therefore, the Council's share of the Group's costs is funded from general funds.</p> <p>River control schemes are funded by targeted rate over the community benefiting from the protection. Advice, minor river works and flood response services are provided to the whole region however, the North Taranaki community tends to benefit more from this function than the rest of the regional community because of the higher incidence of flooding events in that part of the region.</p>	Civil defence emergency management	Crown contributions for national services. Contributions from the four local authority members of the Civil Defence Emergency Management Group. General funds for Council portion of these services.
	Flood management and general river control	70% general funds. 30% capital value based targeted rate over the New Plymouth and North Taranaki constituencies.
	River control schemes	<p>The Waiwhakaiho River and the Waitara River Flood Control Schemes: 100% capital value based targeted rate over the New Plymouth and North Taranaki constituencies.</p> <p>For small river control schemes (Stony River Flood Control Scheme and Waitotara River Flood Control Scheme) where it is not administratively efficient or cost-effective to established separate targeted rating areas the services are funded by general funds. For the Waitotara River Flood Control Scheme the South Taranaki community contributes to the cost of the service via a cost sharing arrangement with the South Taranaki District Council.</p>
<b>RECREATION, CULTURE AND HERITAGE</b>		
<p>For major expenditure projects, such as Yarrow Stadium, specific targeting of beneficiaries, as confirmed by independent expert analysis, is utilised. The provision of regionally significant recreation, culture and heritage services provides "public good" benefits to the wider community and, as such, they are funded from general funds. Regional gardens provide free public-benefit services to the wider community. As such, other than for specific hire services, these amenities are provided free of charge to the regional community and are funded by general funds. The provision of display and information services, via Puke Ariki,</p>	Regional gardens	Direct charges for the hire of regional garden amenities. 100% general funds for community use of the facilities.
	Puke Ariki	100% general funds.
	Yarrow Stadium	A combination of uniform annual general charges and land value differential targeted rates (New Plymouth and North Taranaki constituencies) that recover approximately 78% of the costs from the New Plymouth and North Taranaki constituencies, 5% of the costs from the Stratford constituency and 17% of the costs from South

GROUP OF ACTIVITIES	ACTIVITIES	FUNDING SOURCES AND MECHANISMS
provides public good benefits to the wider regional community and, as such, are funded from general funds.		Taranaki constituency.

#### REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT

<p>Managing the Council's interest in its investments is an activity conducted on behalf of the whole region. Accordingly, general funds finance this activity.</p> <p>The community engagement activity involves the promotion of the Council's functions and activities and in particular community awareness and understanding of sustainable resource management. This function benefits all of the ratepayers and residents of the region. The Council has a policy of charging for <i>Local Government Local Government Official Information and Meetings Act 1987</i> requests where the information requested is specific in nature and requires significant time and resources to compile.</p> <p>Advocacy and response involves advocating and responding on behalf of the Taranaki community, to initiatives proposed by other agencies that impact upon either Taranaki or the Council. There are neither separately identifiable individual beneficiaries nor those who clearly cause the expenditure to be incurred. Accordingly, general funds finance this activity.</p> <p>The representation and governance activity benefits all of the ratepayers and residents of the region. There are neither separately identifiable individual beneficiaries nor those who clearly cause the expenditure to be incurred. Accordingly, general funds finance this activity.</p>	Investment management	100% general funds.
	Community engagement	Fees and charges for specific large or complex information requests. General funds for regional services.
	Advocacy and response	100% general funds.
	Governance	100% general funds.



# Financial Statements

*The following pages present the financial projections of the Council for 2015/2016 and, in addition, in indicative terms information for the following two years and in forecast terms for the subsequent seven years.*

In particular, the following information is presented:

- the practices and assumptions used in preparing the financial information
- the sources of income and where it is planned to be spent
- the effect of the planned income and expenditure on the overall net worth of the Council
- what the Council owes and owns
- the forecast cash payments and receipts for each year
- additional supporting information.

The *Statement of Financial Position* includes the estimated financial position as at 1 July 2015. These figures differ from the estimated financial position as at 30 June 2015 included in the *2014/2015 Annual Plan* and the *2012/2022 Long-Term Plan*.

The forecast prospective financial information has been prepared for the purposes of this Long-Term Plan and may not be suitable for any other purpose. The forecast prospective financial information presented is based upon best-estimate assumptions. Whilst every care has been taken in the preparation of the forecast prospective financial information, the actual results are likely to differ. These differences may be material.

The forecasts are based upon assumptions and information available to the Council as at May 2015. Actual financial results have been incorporated to the extent that they affect the opening forecast prospective financial position as at 1 July 2015. There is no intention to update the forecast prospective financial information prior to the finalisation of this *Long-Term Plan*.

The forecast financial information on pages 99 to 102 has been prepared in accordance with the Council's current accounting policies as specified on pages 117 to 128. The forecast financial information presented in this Plan has been prepared in compliance with *Public Benefit Entity Financial Reporting Standard No. 42: Prospective Financial Statements*.

The summing of each *Indicative costs and sources of funds* statement with each group of activities equates

to the figures included in the *Statement of comprehensive revenue and expense*.

The Council is required to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.

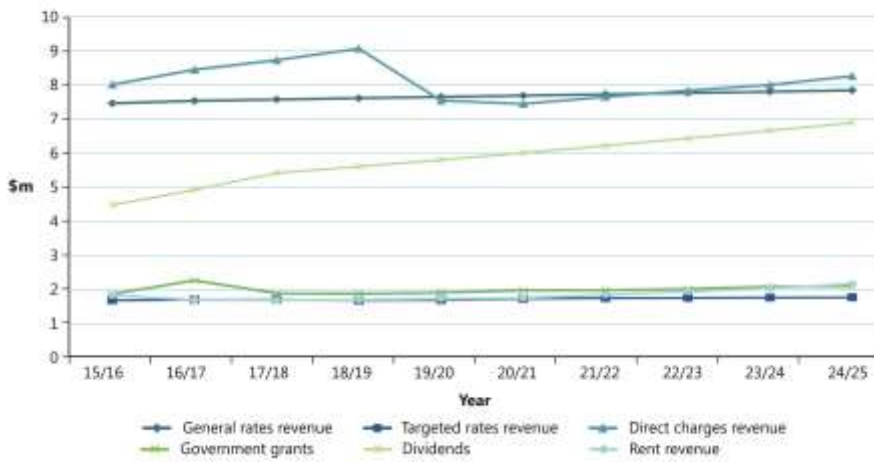
Prior to 1996/1997, the Council used dividends received from Port Taranaki Ltd to repay debt that the Council inherited upon the corporatisation of the new port company. Since then the Council has used the dividend returns to reduce the general rate requirement. In most years, the Council has received more dividend returns than it budgeted for. These extra dividends have accumulated in the Dividend Equalisation Reserve. In some years the Council has received less dividends than it budgeted for. In these cases the Council has used the Dividend Equalisation Reserve to smooth the impact on the general rate requirement.

The returns from Port Taranaki Ltd have the potential to fluctuate significantly. The Council uses the Dividend Equalisation Reserve to smooth fluctuations in dividend returns from Port Taranaki Ltd and, consequently, smooth the impact on general rate changes. Technically the use of the Dividend Equalisation Reserve results in unbalanced budgets where in some years the Council has surpluses and in others deficits.

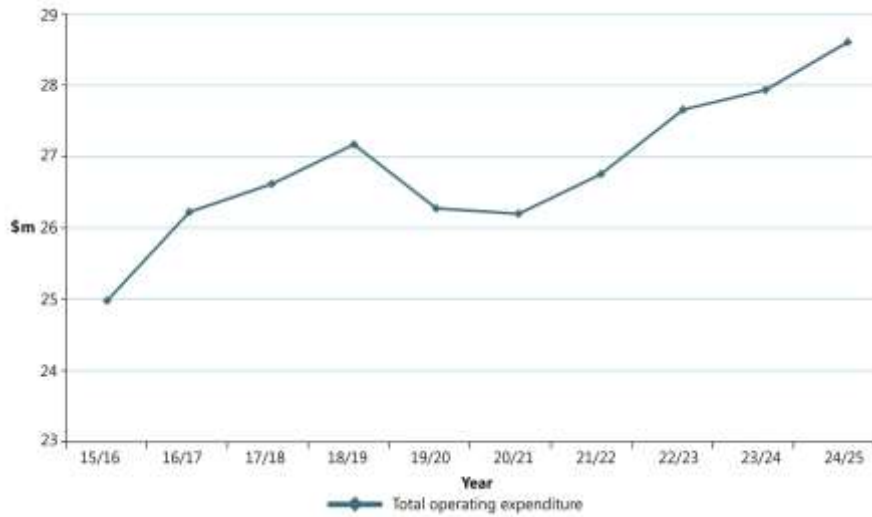
The Council is required to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. For 2015/2016 and the subsequent nine years, the Council's projected operating revenues are sufficient to cover projected operating expenses.

The Taranaki Regional Council adopted and authorised the issue of the Long-Term Plan and prospective financial information on 22 May 2015. The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

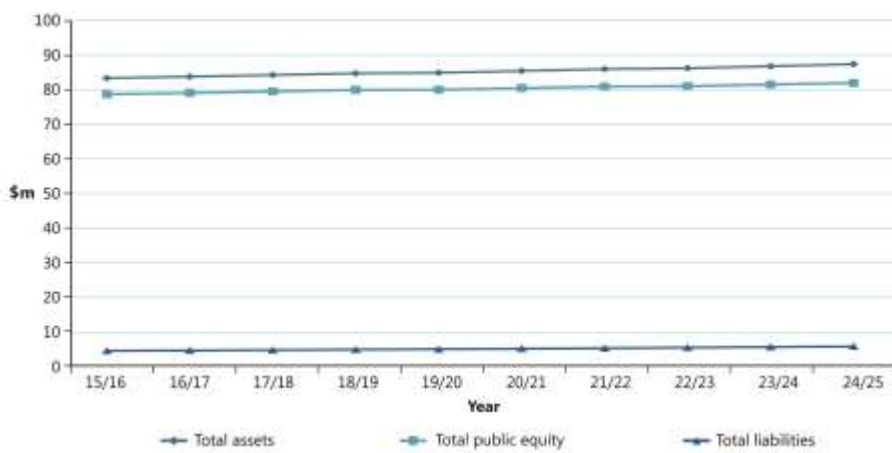
### Revenue Trends



### Expenditure trends



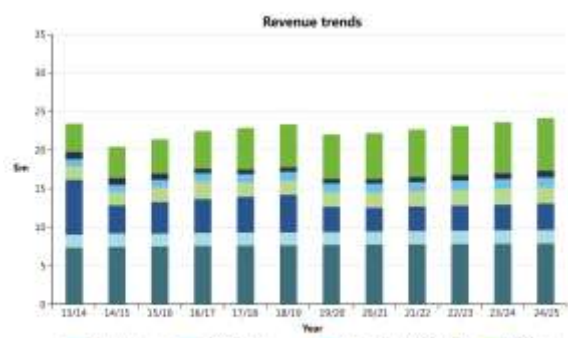
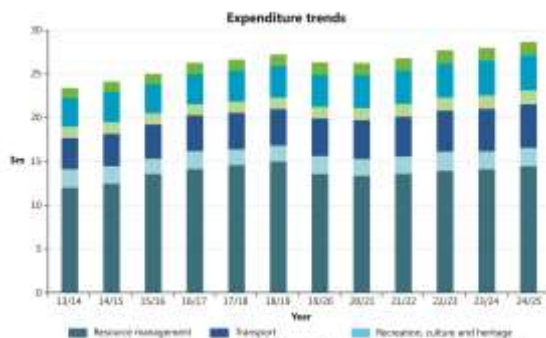
### Financial Position Trends



# Statement of Comprehensive Revenue and Expense

2014/2015 Estimate \$	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Cost of services</b>										
12,419,809	13,520,568	14,092,004	14,535,236	14,948,992	13,530,371	13,324,218	13,560,612	13,883,393	14,058,495	14,404,794
2,003,529	1,732,518	2,049,707	1,806,794	1,829,842	2,050,486	1,922,269	1,963,315	2,193,219	2,056,586	2,105,448
3,702,576	3,920,323	4,085,566	4,178,725	4,173,279	4,294,123	4,448,882	4,553,668	4,692,194	4,859,193	4,983,612
1,332,071	1,289,946	1,256,997	1,281,276	1,306,931	1,332,891	1,374,029	1,454,729	1,495,018	1,533,186	1,575,465
3,451,537	3,294,658	3,453,908	3,531,825	3,605,844	3,671,191	3,764,652	3,825,164	3,893,985	3,962,858	4,033,477
1,183,064	1,208,004	1,284,028	1,281,142	1,304,353	1,393,660	1,363,491	1,395,309	1,499,844	1,463,758	1,501,158
<b>24,092,586</b>	<b>24,966,017</b>	<b>26,222,210</b>	<b>26,614,998</b>	<b>27,169,241</b>	<b>26,272,722</b>	<b>26,197,541</b>	<b>26,752,797</b>	<b>27,657,653</b>	<b>27,934,076</b>	<b>28,603,954</b>
<b>Revenue from exchange transactions</b>										
3,793,355	3,889,777	4,040,966	4,073,150	4,157,203	4,251,233	4,347,402	4,450,042	4,562,670	4,679,520	4,804,179
973,000	1,015,000	1,093,250	1,093,903	1,118,038	1,144,661	1,173,001	1,203,164	1,236,268	1,271,501	1,310,075
4,070,000	4,477,000	4,924,700	5,417,170	5,606,771	5,803,008	6,006,113	6,216,327	6,433,898	6,659,084	6,892,152
<b>Revenue from non-exchange transactions</b>										
7,395,316	7,461,874	7,536,493	7,574,175	7,612,046	7,650,106	7,688,357	7,726,799	7,765,433	7,804,260	7,843,281
1,762,817	1,665,845	1,695,935	1,699,487	1,677,211	1,684,839	1,727,489	1,743,327	1,750,525	1,758,609	1,765,211
3,654,184	4,120,609	4,405,345	4,655,301	4,911,255	3,291,224	3,097,033	3,200,674	3,274,136	3,323,209	3,456,118
1,693,168	1,868,411	2,262,530	1,883,854	1,872,443	1,904,502	1,972,724	1,975,219	2,010,754	2,081,728	2,087,824
0	0	0	0	0	0	0	0	0	0	0
<b>23,341,840</b>	<b>24,498,516</b>	<b>25,959,219</b>	<b>26,397,040</b>	<b>26,954,967</b>	<b>25,729,573</b>	<b>26,012,119</b>	<b>26,515,552</b>	<b>27,033,684</b>	<b>27,577,911</b>	<b>28,158,840</b>
<b>Operating surplus/(deficit) before finance income and expenses and taxation</b>										
<b>(750,746)</b>	<b>(467,501)</b>	<b>(262,991)</b>	<b>(217,958)</b>	<b>(214,274)</b>	<b>(543,149)</b>	<b>(185,422)</b>	<b>(237,245)</b>	<b>(623,969)</b>	<b>(356,165)</b>	<b>(445,114)</b>
900,000	813,529	596,552	585,855	580,729	580,729	580,729	640,729	700,729	760,729	850,729
0	0	0	0	0	0	0	0	0	0	0
<b>900,000</b>	<b>813,529</b>	<b>596,552</b>	<b>585,855</b>	<b>580,729</b>	<b>580,729</b>	<b>580,729</b>	<b>640,729</b>	<b>700,729</b>	<b>760,729</b>	<b>850,729</b>
<b>149,254</b>	<b>346,028</b>	<b>333,561</b>	<b>367,897</b>	<b>366,455</b>	<b>37,580</b>	<b>395,307</b>	<b>403,484</b>	<b>76,760</b>	<b>404,564</b>	<b>405,615</b>
<b>Other gains/losses</b>										
0	0	0	0	0	0	0	0	0	0	0
<b>149,254</b>	<b>346,028</b>	<b>333,561</b>	<b>367,897</b>	<b>366,455</b>	<b>37,580</b>	<b>395,307</b>	<b>403,484</b>	<b>76,760</b>	<b>404,564</b>	<b>405,615</b>
0	0	0	0	0	0	0	0	0	0	0
<b>149,254</b>	<b>346,028</b>	<b>333,561</b>	<b>367,897</b>	<b>366,455</b>	<b>37,580</b>	<b>395,307</b>	<b>403,484</b>	<b>76,760</b>	<b>404,564</b>	<b>405,615</b>
<b>Other comprehensive income</b>										
0	0	0	0	0	0	0	0	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>149,254</b>	<b>346,028</b>	<b>333,561</b>	<b>367,897</b>	<b>366,455</b>	<b>37,580</b>	<b>395,307</b>	<b>403,484</b>	<b>76,760</b>	<b>404,564</b>	<b>405,615</b>

This statement should be read in conjunction with the *Summary of Accounting policies* and the *Explanatory notes to the financial statements*.



# Statement of Changes in Net Assets/Equity

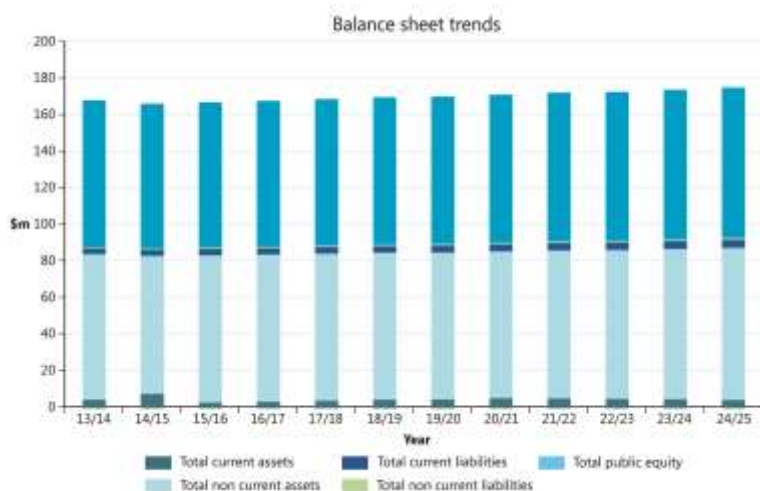
2014/2015 Estimate \$	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Retained Earnings</b>										
64,124,064	63,957,204	64,231,127	64,865,740	65,095,533	65,321,597	65,543,364	65,760,993	65,974,434	66,182,748	66,386,140
As at 1 July										
Total comprehensive income										
149,254	346,028	333,561	367,897	366,455	37,580	395,307	403,484	76,760	404,564	405,615
(101,184)	(72,105)	301,052	(138,104)	(140,391)	184,187	(177,678)	(190,043)	131,554	(201,172)	(207,243)
Transfers to and from reserves										
64,172,134	64,231,127	64,865,740	65,095,533	65,321,597	65,543,364	65,760,993	65,974,434	66,182,748	66,386,140	66,584,512
As at 30 June										
<b>Reserves</b>										
10,943,831	11,259,945	11,332,050	11,030,998	11,169,102	11,309,493	11,125,306	11,302,984	11,493,027	11,361,473	11,562,645
As at 1 July										
Total comprehensive income										
0	0	0	0	0	0	0	0	0	0	0
101,184	72,105	(301,052)	138,104	140,391	(184,187)	177,678	190,043	(131,554)	201,172	207,243
Transfers to and from reserves										
11,045,015	11,332,050	11,030,998	11,169,102	11,309,493	11,125,306	11,302,984	11,493,027	11,361,473	11,562,645	11,769,888
As at 30 June										
<b>Asset revaluation reserves</b>										
3,492,082	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414
As at 1 July										
Total comprehensive income										
0	0	0	0	0	0	0	0	0	0	0
349,332	0	0	0	0	0	0	0	0	0	0
Transfers to and from reserves										
3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414
As at 30 June										
<b>Total equity</b>										
78,559,977	79,058,563	79,404,591	79,738,152	80,106,049	80,472,504	80,510,084	80,905,391	81,308,875	81,385,635	81,790,199
As at 1 July										
Total comprehensive income										
149,254	346,028	333,561	367,897	366,455	37,580	395,307	403,484	76,760	404,564	405,615
349,332	0	0	0	0	0	0	0	0	0	0
Transfers to and from reserves										
79,058,563	79,404,591	79,738,152	80,106,049	80,472,504	80,510,084	80,905,391	81,308,875	81,385,635	81,790,199	82,195,814
As at 30 June										

This statement should be read in conjunction with the *Summary of Accounting policies* and the *Explanatory notes to the financial statements*.

# Statement of Financial Position

2014/2015 Estimate \$	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Current assets</b>										
432,085	706,193	1,073,788	1,576,124	2,051,427	2,058,790	2,713,342	2,464,179	2,149,189	1,865,125	1,277,959
5,000,000	0	0	0	0	0	0	0	0	0	0
960,000	960,000	984,000	1,009,584	1,036,843	1,066,911	1,098,918	1,132,984	1,170,372	1,210,165	1,253,731
1,040,000	1,040,000	1,066,000	1,093,716	1,123,246	1,155,820	1,190,495	1,227,400	1,267,904	1,311,013	1,358,209
100,000	100,000	102,500	105,165	108,004	111,136	114,470	118,019	121,914	126,059	130,597
400,000	400,000	410,000	420,660	432,018	444,547	457,883	472,077	487,656	504,236	522,388
<b>7,932,085</b>	<b>3,206,193</b>	<b>3,636,288</b>	<b>4,205,249</b>	<b>4,751,538</b>	<b>4,837,204</b>	<b>5,575,108</b>	<b>5,414,659</b>	<b>5,197,035</b>	<b>5,016,598</b>	<b>4,542,884</b>
<b>Non current assets</b>										
9,907,975	12,907,975	9,408,975	9,408,975	9,408,975	9,408,975	9,408,975	10,408,975	11,408,975	12,408,975	13,908,975
26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
798,118	798,118	798,118	798,118	798,118	798,118	798,118	798,118	798,118	798,118	798,118
0	0	0	0	0	0	0	0	0	0	0
14,901,500	14,901,500	14,901,500	14,901,500	14,901,500	14,901,500	14,901,500	14,901,500	14,901,500	14,901,500	14,901,500
320,917	410,917	800,917	890,917	980,917	1,045,917	1,085,917	1,400,917	1,390,917	1,355,917	1,355,917
23,366,968	25,348,888	28,465,604	28,285,671	28,134,242	28,151,767	27,908,202	27,305,111	26,771,902	26,564,752	26,133,321
<b>75,296,478</b>	<b>80,368,398</b>	<b>80,376,114</b>	<b>80,286,181</b>	<b>80,224,752</b>	<b>80,307,277</b>	<b>80,103,712</b>	<b>80,815,621</b>	<b>81,272,412</b>	<b>82,030,262</b>	<b>83,098,831</b>
<b>83,228,563</b>	<b>83,574,591</b>	<b>84,012,402</b>	<b>84,491,430</b>	<b>84,976,290</b>	<b>85,144,481</b>	<b>85,678,820</b>	<b>86,230,280</b>	<b>86,469,447</b>	<b>87,046,860</b>	<b>87,641,715</b>
<b>Current liabilities</b>										
2,000,000	2,000,000	2,050,000	2,103,300	2,160,089	2,222,732	2,289,414	2,360,386	2,438,279	2,521,180	2,611,942
500,000	500,000	512,500	525,825	540,022	555,683	572,353	590,096	609,569	630,294	652,985
920,000	920,000	943,000	967,518	993,641	1,022,457	1,053,131	1,085,778	1,121,609	1,159,744	1,201,495
<b>3,420,000</b>	<b>3,420,000</b>	<b>3,505,500</b>	<b>3,596,643</b>	<b>3,693,752</b>	<b>3,800,872</b>	<b>3,914,898</b>	<b>4,036,260</b>	<b>4,169,457</b>	<b>4,311,218</b>	<b>4,466,422</b>
<b>Non current liabilities</b>										
750,000	750,000	768,750	788,738	810,034	833,525	858,531	885,145	914,355	945,443	979,479
<b>750,000</b>	<b>750,000</b>	<b>768,750</b>	<b>788,738</b>	<b>810,034</b>	<b>833,525</b>	<b>858,531</b>	<b>885,145</b>	<b>914,355</b>	<b>945,443</b>	<b>979,479</b>
<b>4,170,000</b>	<b>4,170,000</b>	<b>4,274,250</b>	<b>4,385,381</b>	<b>4,503,786</b>	<b>4,634,397</b>	<b>4,773,429</b>	<b>4,921,405</b>	<b>5,083,812</b>	<b>5,256,661</b>	<b>5,445,901</b>
<b>Public equity</b>										
64,172,134	64,231,127	64,865,740	65,095,533	65,321,597	65,543,364	65,760,993	65,974,434	66,182,748	66,386,140	66,584,512
11,045,015	11,332,050	11,030,998	11,169,102	11,309,493	11,125,306	11,302,984	11,493,027	11,361,473	11,562,645	11,769,888
3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414	3,841,414
<b>79,058,563</b>	<b>79,404,591</b>	<b>79,738,152</b>	<b>80,106,049</b>	<b>80,472,504</b>	<b>80,510,084</b>	<b>80,905,391</b>	<b>81,308,875</b>	<b>81,385,635</b>	<b>81,790,199</b>	<b>82,195,814</b>
<b>83,228,563</b>	<b>83,574,591</b>	<b>84,012,402</b>	<b>84,491,430</b>	<b>84,976,290</b>	<b>85,144,481</b>	<b>85,678,820</b>	<b>86,230,280</b>	<b>86,469,447</b>	<b>87,046,860</b>	<b>87,641,715</b>

This statement should be read in conjunction with the *Summary of Accounting policies* and the *Explanatory notes to the financial statements*.



# Statement of Cash Flows

2014/2015 Estimate \$	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Cash flows from operating activities</b>										
Cash was provided from:										
9,158,133	9,127,719	9,232,428	9,273,662	9,289,257	9,334,945	9,415,846	9,470,126	9,515,958	9,562,869	9,608,492
900,000	813,529	596,552	585,855	580,729	580,729	580,729	640,729	700,729	760,729	850,729
4,070,000	4,477,000	4,924,700	5,417,170	5,606,771	5,803,008	6,006,113	6,216,327	6,433,898	6,659,084	6,892,152
0	0	0	0	0	0	0	0	0	0	0
5,711,628	5,289,937	5,616,569	5,431,636	5,495,571	5,925,730	6,135,767	6,247,149	6,396,432	6,579,694	6,714,410
5,502,079	5,603,860	6,123,022	6,207,947	6,492,382	4,587,587	4,371,041	4,493,236	4,590,030	4,672,637	4,830,334
25,341,840	25,312,045	26,493,271	26,916,270	27,464,710	26,231,999	26,509,496	27,067,567	27,637,047	28,235,013	28,896,117
Cash was applied to:										
21,703,775	23,549,787	24,439,676	24,892,484	25,486,954	24,572,586	24,438,244	24,918,480	25,765,537	25,995,577	26,638,283
320,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
22,023,775	23,599,787	24,489,676	24,942,484	25,536,954	24,622,586	24,488,244	24,968,480	25,815,537	26,045,577	26,688,283
<b>3,318,065</b>	<b>1,712,258</b>	<b>2,003,595</b>	<b>1,973,786</b>	<b>1,927,756</b>	<b>1,609,413</b>	<b>2,021,252</b>	<b>2,099,087</b>	<b>1,821,510</b>	<b>2,189,436</b>	<b>2,207,834</b>
<b>Cash flows from investing activities</b>										
Cash was provided from:										
2,500,000	2,000,000	3,499,000	0	0	0	0	0	0	0	0
240,500	303,000	235,000	118,000	200,000	350,500	248,000	146,000	215,000	346,000	262,500
2,740,500	2,303,000	3,734,000	118,000	200,000	350,500	248,000	146,000	215,000	346,000	262,500
Cash was applied to:										
0	0	0	0	0	0	0	1,000,000	1,000,000	1,000,000	1,500,000
4,093,150	3,741,150	5,370,000	1,589,450	1,652,453	1,952,550	1,614,700	1,494,250	1,351,500	1,819,500	1,557,500
4,093,150	3,741,150	5,370,000	1,589,450	1,652,453	1,952,550	1,614,700	2,494,250	2,351,500	2,819,500	3,057,500
<b>(1,352,650)</b>	<b>(1,438,150)</b>	<b>(1,636,000)</b>	<b>(1,471,450)</b>	<b>(1,452,453)</b>	<b>(1,602,050)</b>	<b>(1,366,700)</b>	<b>(2,348,250)</b>	<b>(2,136,500)</b>	<b>(2,473,500)</b>	<b>(2,795,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>										
265,415	274,108	367,595	502,336	475,303	7,363	654,552	(249,163)	(314,990)	(284,064)	(587,166)
166,670	432,085	706,193	1,073,788	1,576,124	2,051,427	2,058,790	2,713,342	2,464,179	2,149,189	1,865,125
<b>Closing cash and cash equivalents</b>										
432,085	706,193	1,073,788	1,576,124	2,051,427	2,058,790	2,713,342	2,464,179	2,149,189	1,865,125	1,277,959

This statement should be read in conjunction with the *Summary of Accounting policies* and the *Explanatory notes to the financial statements*.

# Funding Impact Statement

## FUNDING IMPACT STATEMENT

The total estimated expenditure for the Taranaki Regional Council for 2015/2016 is \$24,979,276. This expenditure will be funded from the following sources. These funding/financing sources are consistent with the Council's *Revenue and Financing Policy*.

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
General rates	4,730,211	4,777,513	4,801,401	4,825,408	4,849,535
UAGC	2,731,663	2,758,980	2,772,774	2,786,638	2,800,571
Targeted rates	1,678,946	1,695,935	1,699,487	1,677,211	1,684,839
Direct charges	8,010,607	8,446,311	8,728,451	9,068,458	7,542,457
Government	1,868,411	2,262,530	1,883,854	1,872,443	1,904,502
Dividends	4,477,000	4,924,700	5,417,170	5,606,771	5,803,008
Rent revenue	1,015,000	1,093,250	1,093,903	1,118,038	1,144,661
Vested assets	0	0	0	0	0
Gains/(losses) on property revaluation	0	0	0	0	0
Finance income	813,529	596,552	585,855	580,729	580,729
Tsfer from reserves	52,516	377,000	40,000	40,000	267,000
Tsfer to reserves	(124,621)	(75,948)	(178,104)	(180,391)	(82,813)
<b>Total funding</b>	<b>25,253,262</b>	<b>26,856,823</b>	<b>26,844,791</b>	<b>27,395,305</b>	<b>26,494,489</b>

	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
General rates	4,873,782	4,898,152	4,922,642	4,947,255	4,971,991
UAGC	2,814,575	2,828,647	2,842,791	2,857,005	2,871,290
Targeted rates	1,727,489	1,743,327	1,750,525	1,758,609	1,765,211
Direct charges	7,444,435	7,650,716	7,836,806	8,002,729	8,260,297
Dividends	6,006,113	6,216,327	6,433,898	6,659,084	6,892,152
Rent revenue	1,173,001	1,203,164	1,236,268	1,271,501	1,310,075
Vested assets	0	0	0	0	0
Gains/(losses) on property revaluation	0	0	0	0	0
Finance income	580,729	640,729	700,729	760,729	850,729
Tsfer from reserves	7,705	0	227,000	0	0
Tsfer to reserves	(185,383)	(190,043)	(95,446)	(201,172)	(207,243)
<b>Total funding</b>	<b>24,442,446</b>	<b>24,991,019</b>	<b>25,855,213</b>	<b>26,055,740</b>	<b>26,714,502</b>

## CAPITAL VALUE GENERAL RATE

The Council proposes a general rate on the capital value on each rating unit in the region. The estimated general rate (in cents in the dollar of capital value) for 2015/2016 is 0.0191334 (GST inclusive). The Council proposes no differentials on the general rate. The general rate will be equalised between the three districts in the Taranaki region (see page 108). The rates to be collected from each district are:

- New Plymouth and North Taranaki constituencies—to produce \$3,245,351 at a rate of 0.0202557 cents in the dollar of capital value GST inclusive
- Stratford constituency—to produce \$509,704 at a rate of 0.01806 cents in the dollar of capital value GST inclusive

- South Taranaki constituency—to produce \$1,684,688 at a rate of 0.0199134 cents in the dollar of capital value GST inclusive

## UNIFORM ANNUAL GENERAL CHARGE

The Council proposes a uniform annual general charge of \$59.23 (GST inclusive) on all separately used or inhabited parts of a rating unit in the region to produce \$3,141,412 (GST inclusive).

**Separately used or inhabited part of a rating unit (SUIP):** A SUIP is defined as a separately used or occupied part of a rating unit and includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use.

Separately used or inhabited for a residential rating unit includes a building or part of a building that contains, two or more separately occupiable units, flats or houses each of which is separately inhabited or is capable of separate habitation

Separately used or inhabited for a small holding or farmland property rating unit includes a rural property/farm with multiple dwellings (e.g., a house is used by a farm worker) each of which is separately inhabited or is capable of separate habitation

Separately used or inhabited for a commercial or industrial rating unit: means a building or part of a building that is, or intended to be, or is able to be, separately tenanted, leased or subleased for commercial purposes

An exception is made for motels/hotels as these are treated as one business even if each accommodation unit may be capable of separate habitation.

This definition of SUIP only applies to the uniform annual general charge as the Council does not set a fixed charge for any other rates.

## TARGETED RATES

The following table summarises the types of targeted rate, the group of activities or activity funded by that targeted rate together with the matters and factors of the targeted rates.

Group of activities funded	Type of rates	Types of land to be funded	Different categories
Hazard management	Flood and river control works rate	All properties in the New Plymouth and North Taranaki constituencies of the Taranaki region	Capital value
Transport	Passenger transport services rate	All properties in the New Plymouth and North Taranaki constituencies of the Taranaki region	Capital value
Transport	Passenger transport services rate	All properties in the Stratford constituency of the Taranaki region	Capital value
Transport	Passenger transport services rate	All properties in the South Taranaki constituency of the Taranaki region	Capital value
Recreation, culture and heritage	Yarrow Stadium rate	All properties in the New Plymouth and North Taranaki constituencies of the Taranaki region	Differential land value

The Council proposes the following targeted rates for 2015/2016:

- A targeted rate for flood and river control works on the capital value on each rating unit in the New Plymouth and North Taranaki constituencies of the Taranaki region. The estimated targeted rate (in cents in the dollar of capital value) for 2015/2016 is 0.004483 GST inclusive to produce \$718,213 (GST inclusive).
- A targeted rate for passenger transport services on the capital value on each rating unit in the New Plymouth and North Taranaki constituencies of the Taranaki region. The estimated targeted rate (in cents in the dollar of capital value) for 2015/2016 is 0.005060 GST inclusive to produce \$810,656 (GST inclusive).

- A targeted rate for passenger transport services on the capital value on each rating unit in the Stratford constituency of the Taranaki region. The estimated targeted rate (in cents in the dollar of capital value) for 2015/2016 is 0.000435 GST inclusive to produce \$12,273 (GST inclusive).
- A targeted rate for passenger transport services on the capital value on each rating unit in the South Taranaki constituency of the Taranaki region. The estimated targeted rate (in cents in the dollar of capital value) for 2015/2016 is 0.000451 GST inclusive to produce \$38,162 (GST inclusive).
- A differential targeted rate for Yarrow Stadium on the land value on each rating unit in the New Plymouth and North Taranaki constituencies of the Taranaki region. The estimated targeted rate (in cents in the dollar of land value) for 2015/2016 for each differential category is:
  - Group 1 Commercial and Industrial to produce \$167,100 at a rate of 0.021878 cents in the dollar of land value GST inclusive
  - Group 2 Residential to produce \$144,721 at a rate of 0.003418 cents in the dollar of land value GST inclusive
  - Group 3 Small holdings to produce \$8,122 at a rate of 0.001803 cents in the dollar of land value GST inclusive
  - Group 4 Farmland to produce \$16,476 at a rate of 0.000594 cents in the dollar of land value GST inclusive.

The Council differentiates the Yarrow Stadium targeted rate based on land use. The differential categories are:

- Group 1: Commercial/industrial. All rating units that are used primarily for any commercial or industrial purpose.
- Group 2: Residential. All rating units with a land area of one hectare or less, not being rating units in Group 1, used for residential and related purposes.
- Group 3: Small holdings. All rating units, not being rating units included in Groups 1 or 2, having a land area of more than one hectare but no greater than four hectares.
- Group 4: Farmland. All rating units, not being rating units included in Group 1, 2 or 3, having a land area in excess of four hectares.

The above figures are estimated cents in the dollar rates based upon the required revenue to be recovered from each type of rate and the current capital or land value of the region or sub-part of the region. The final capital or land value of the region or sub-part of the region used to set the rates (in July 2015) will be different from the values used in the above



calculations. The effect on the cents in the dollar rates is not expected to be significant.

The Council does not require a lump sum contribution for any of its targeted rates.

**DUE DATES**

All rates will be payable in four equal instalments due on:

- Instalment 1: 26 August 2015.
- Instalment 2: 25 November 2015.
- Instalment 3: 24 February 2016.
- Instalment 4: 25 May 2016.

**PENALTIES AND DISCOUNTS**

Pursuant to Section 57 and 58 of the *Local Government (Rating) Act 2002* the following penalties on unpaid rates will be applied.

A charge of 10 percent on so much of any instalment that has been assessed after 1 July 2015 and which remains unpaid after the due date for that instalment.

The Council will charge a penalty of 10 per cent on any rates that were assessed or levied in any previous financial years and which remain unpaid on 30 September 2015 and a further additional penalty of 10

per cent on any rates that were assessed or levied in any previous financial years and which remain unpaid on 31 March 2016 (New Plymouth and North Taranaki constituencies).

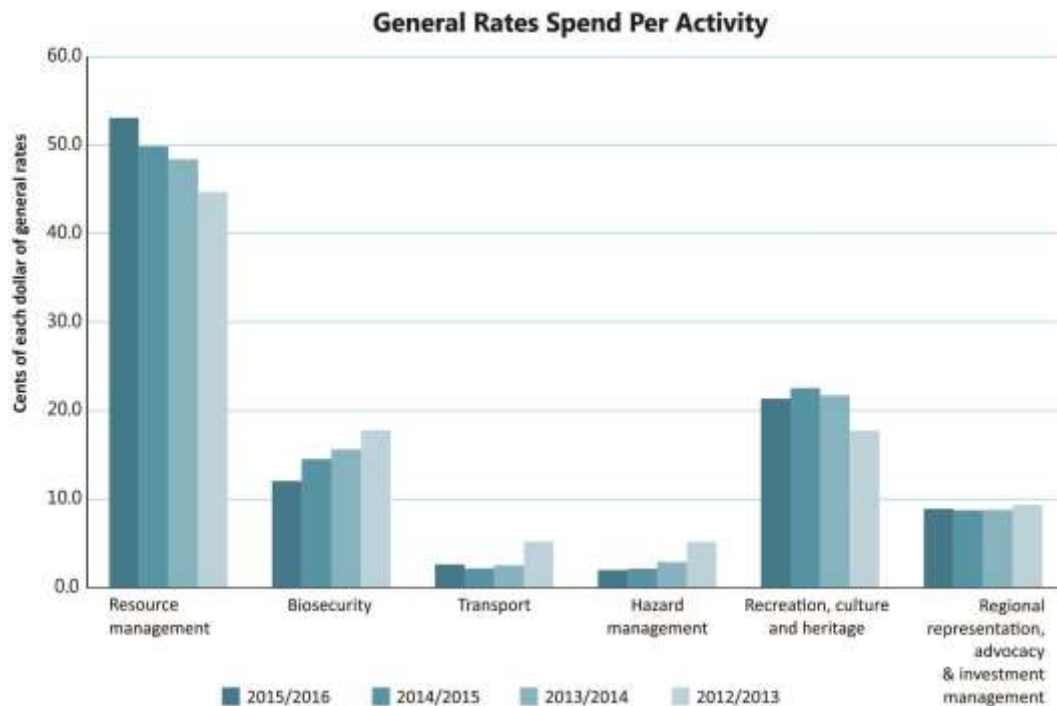
The Council will charge a penalty of 10% on so much of any rates levied before 1 July 2015 which remain unpaid on 10 July 2015 or such later date as required under section 58(1) (b) (ii). A continuing additional penalty of 10% on so much of any rates levied before 1 July 2014 which remain unpaid six months after the previous penalty was added (Stratford constituency).

The Council will allow a discount of 3% where a ratepayer pays the year's rates in full on or before the due date of the first instalment for the year (South Taranaki constituency only). This will be 26 August 2015.

**PAYMENT LOCATIONS**

The Council's rates and charges will become due and payable at the principal offices and service centres of the region's district councils. The rates and charges can also be paid at the principal office of the Taranaki Regional Council.

**EACH DOLLAR OF GENERAL RATES COLLECTED IS SPENT IN THE FOLLOWING MANNER:**



## RATING IMPACT

The following are examples of the level of total rates that different groups of ratepayers will incur in 2015/2016 under this *Long-Term Plan*. These are estimates only and the final rate charge may be more or less than displayed below. All figures are GST exclusive. These figures are calculated on the equalised capital value of each district. The actual rates struck will be on the unequalised capital value. Accordingly, there will be some differences (expected to be minor) between the figures below and the final rates figures charged.

### RATEPAYERS IN THE NEW PLYMOUTH AND NORTH TARANAKI CONSTITUENCIES:

In these constituencies ratepayers incur a mixture of capital value general rates, uniform annual general charges, capital value targeted rates and land value targeted rates. To determine the rates for any property, refer to the table for that type of property and then look by capital value (columns) and land value (rows). For instance, a residential ratepayer with a capital value of \$300,000 and a land value of \$100,000 will pay **\$140.13** in total regional council rates (see highlighted example below).

<b>Commercial and industrial property</b>					
Capital value of property:	\$200,000	\$300,000	\$500,000	\$750,000	\$1,000,000
Land value of property:					
\$50,000	\$118.12	\$146.67	\$203.78	\$275.16	\$346.55
\$100,000	\$127.63	\$156.18	\$213.29	\$284.68	\$356.06
\$150,000	\$137.14	\$165.70	\$222.80	\$294.19	\$365.57
\$300,000	\$165.68	\$194.23	\$251.34	\$322.72	\$394.11
\$500,000	\$203.73	\$232.28	\$289.39	\$360.77	\$432.16
<b>Residential property</b>					
Capital value of property:	\$200,000	<b>\$300,000</b>	\$500,000	\$750,000	\$1,000,000
Land value of property:					
\$50,000	\$110.09	<b>\$138.65</b>	\$195.75	\$267.14	\$338.52
<b>\$100,000</b>	<b>\$111.58</b>	<b>\$140.13</b>	<b>\$197.24</b>	<b>\$268.62</b>	<b>\$340.01</b>
\$150,000	\$113.07	<b>\$141.62</b>	\$198.73	\$270.11	\$341.49
\$300,000	\$117.52	<b>\$146.08</b>	\$203.18	\$274.57	\$345.95
<b>Small holdings property</b>					
Capital value of property:	\$200,000	\$300,000	\$500,000	\$750,000	\$1,000,000
Land value of property:					
\$50,000	\$109.39	\$137.94	\$195.05	\$266.43	\$337.82
\$100,000	\$110.17	\$138.73	\$195.84	\$267.22	\$338.60
\$150,000	\$110.96	\$139.51	\$196.62	\$268.00	\$339.39
\$300,000	\$113.31	\$141.86	\$198.97	\$270.35	\$341.74
<b>Farmland property</b>					
Capital value of property:	\$500,000	\$1,000,000	\$2,000,000	\$3,000,000	\$5,000,000
Land value of property:					
\$250,000	\$195.56	\$338.33	\$623.86	\$909.39	\$1,480.46
\$500,000	\$196.85	\$339.62	\$625.15	\$910.69	\$1,481.75
\$1,000,000	\$199.43	\$342.20	\$627.74	\$913.27	\$1,484.34
\$1,500,000	\$202.02	\$344.79	\$630.32	\$915.85	\$1,486.92
\$2,000,000	\$204.60	\$347.37	\$632.90	\$918.44	\$1,489.50

### RATEPAYERS IN THE STRATFORD AND SOUTH TARANAKI CONSTITUENCIES:

In these constituencies, ratepayers incur a mixture of capital value general rates, uniform annual general charges and capital value targeted rates.

#### Stratford constituency

Capital value of property:	\$200,000	\$500,000	\$1,000,000	\$2,000,000	\$5,000,000
Total rates	\$88.38	\$143.69	\$235.88	\$420.26	\$973.41

**South Taranaki constituency**

Capital value of property:	\$200,000	\$500,000	\$1,000,000	\$2,000,000	\$5,000,000
Total rates	\$92.11	\$153.03	\$254.56	\$457.61	\$1,066.78

**ACTUAL RATES TO BE PAID**

To calculate the approximate rates payable for a property, obtain the rateable land value and capital value from the Rates Assessment Notice issued by your local district council and then complete the attached table. All figures include GST. For example if you own a residential property in the North Taranaki constituency with a capital value of \$400,000 and a land value of \$120,000, then the rates calculation would be as follows:

**EXAMPLE**

<b>New Plymouth and North Taranaki Constituencies</b>					
Capital Value (CV):		\$400,000	Land Value (LV):		\$120,000
Rate	Factor	Differential	Value	Rate	Amount
General	CV		\$400,000	0.000203	\$81.02
UAGC			1	\$59.23	\$59.23
River control	CV		\$400,000	0.000045	\$17.93
Transport	CV		\$400,000	0.000051	\$20.24
Yarrow Stadium	LV	Residential	\$120,000	0.000034	\$4.10
	LV	Commercial/industrial		0.000219	N/A
	LV	Farmland		0.000006	N/A
	LV	Small holding		0.000018	N/A
<b>Total rates</b>					<b>\$182.52</b>

**CALCULATE YOUR OWN RATES:**

<b>New Plymouth and North Taranaki Constituencies</b>					
Capital Value (CV):			Land Value (LV):		
Rate	Factor	Differential	Value	Rate	Amount
General	CV			0.000203	
UAGC			1	\$59.23	\$59.23
River control	CV			0.000045	
Transport	CV			0.000051	
Yarrow Stadium	LV	Residential		0.000034	
	LV	Commercial/industrial		0.000219	
	LV	Farmland		0.000006	
	LV	Small holding		0.000018	
<b>Total rates</b>					

<b>Stratford Constituency</b>					
Capital Value (CV):			Land Value (LV):		
Rate	Factor	Differential	Value	Rate	Amount
General	CV			0.000181	
UAGC			1	\$59.23	\$59.23
Transport	CV			0.000004	
<b>Total rates</b>					

<b>South Taranaki Constituency</b>					
Capital Value (CV):			Land Value (LV):		
Rate	Factor	Differential	Value	Rate	Amount
General	CV			0.000199	
UAGC			1	\$59.23	\$59.23
Transport	CV			0.000005	
<b>Total rates</b>					

The three Taranaki based district councils collect regional general rates on behalf of the Taranaki Regional Council. The projected apportionment of general rates between districts is as follows:

District	Capital Value Equalised \$	%	Estimated Rate Revenue \$	GST \$	GST incl rate revenue \$	Rate in the \$ excl GST
<b>2007/2008</b>						
New Plymouth	14,050,793,000	60.84%	2,185,588	273,198	2,458,786	
Stratford	1,964,937,000	8.51%	305,709	38,214	343,923	
South Taranaki	7,079,265,000	30.65%	1,101,057	137,632	1,238,689	
	23,094,995,000	100.00%	3,592,354	449,044	4,041,398	0.0155547
<b>2008/2009</b>						
New Plymouth	16,317,475,000	58.02%	2,142,537	267,818	2,410,355	
Stratford	2,671,991,000	9.50%	350,812	43,852	394,664	
South Taranaki	9,134,143,000	32.48%	1,199,407	149,925	1,349,332	
	28,123,609,000	100.00%	3,692,756	461,595	4,154,351	0.014772
<b>2009/2010</b>						
New Plymouth	16,024,055,000	56.63%	2,076,891	259,611	2,336,502	
Stratford	2,957,872,000	10.45%	383,251	47,906	431,157	
South Taranaki	9,313,618,000	32.92%	1,207,332	150,917	1,358,249	
	28,295,545,000	100.00%	3,667,474	458,434	4,125,908	0.012962
<b>2010/2011</b>						
New Plymouth	14,961,826,000	59.11%	2,580,986	322,623	2,903,609	
Stratford	2,401,563,000	9.49%	414,372	51,797	466,169	
South Taranaki	7,948,075,000	31.40%	1,371,053	171,382	1,542,435	
	25,311,464,000	100.00%	4,366,411	545,802	4,912,213	0.017251
<b>2011/2012</b>						
New Plymouth	15,950,320,000	60.42%	\$2,766,026	\$414,904	\$3,180,930	
Stratford	2,662,041,000	10.08%	\$461,638	\$69,246	\$530,884	
South Taranaki	7,787,200,000	29.50%	\$1,350,418	\$202,563	\$1,552,981	
	26,399,561,000	100.00%	\$4,578,083	\$686,712	\$5,264,795	0.017342
<b>2012/2013</b>						
New Plymouth	13,290,429,000	55.07%	2,588,117	388,218	2,976,335	
Stratford	2,593,336,050	10.74%	504,746	75,712	580,458	
South Taranaki	8,252,154,000	34.19%	1,606,823	241,023	1,847,846	
	24,135,919,050	100.00%	4,699,686	704,953	5,404,639	0.019471
<b>2013/2014</b>						
New Plymouth	\$16,094,949,00	60.17%	\$2,765,159	\$414,774	\$3,179,933	
Stratford	\$2,586,302,000	9.67%	\$444,392	\$66,659	\$511,051	
South Taranaki	\$8,069,489,050	30.16%	\$1,386,026	\$207,904	\$1,593,930	
	\$26,750,740,00	100.00%	\$4,595,578	\$689,337	\$5,284,915	0.017179
<b>2014/2015</b>						
New Plymouth	16,453,922,100	59.03%	2,734,493	410,174	3,144,667	
Stratford	2,633,724,816	9.45%	437,760	65,664	503,424	
South Taranaki	8,786,039,704	31.52%	1,460,126	219,019	1,679,145	
	27,873,686,620	100.00%	4,632,379	694,857	5,327,236	0.016619
<b>2015/2016</b>						
New Plymouth	16,961,017,823	59.66%	2,822,044	423,307	3,245,341	
Stratford	2,663,615,050	9.37%	443,221	66,483	509,704	
South Taranaki	8,805,959,674	30.97%	1,464,946	219,742	1,684,688	
	28,430,592,547	100.00%	4,730,211	709,532	5,439,743	0.016638

The following information is presented for compliance with Local Government (Financial Reporting and Prudence) Regulations 2014.

In accordance with the Regulations, the information presented is incomplete (in particular, the information presented does not include depreciation and internal transactions such as overheads) and it is not prepared in compliance with generally accepted accounting practice. It should not be relied upon for any other purpose than compliance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

**WHOLE OF COUNCIL FUNDING IMPACT STATEMENT**

2014/2015 Estimate \$ Annual Plan	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Sources of operating funding</b>										
7,395,316	7,461,874	7,536,493	7,574,175	7,612,046	7,650,105	7,688,357	7,726,799	7,765,432	7,804,260	7,843,280
1,762,818	1,665,845	1,695,935	1,699,487	1,677,211	1,684,839	1,727,489	1,743,327	1,750,525	1,758,609	1,765,211
1,693,168	1,790,923	1,458,530	1,883,854	1,872,443	1,904,502	1,972,724	1,975,219	2,010,754	2,081,728	2,087,824
7,447,539	8,010,386	8,438,886	8,728,451	9,068,458	7,542,457	7,444,435	7,650,716	7,836,806	8,002,729	8,260,297
5,943,000	6,305,529	6,614,502	7,096,928	7,305,538	7,528,398	7,759,843	8,060,220	8,370,895	8,691,314	9,052,956
0	0	0	0	0	0	0	0	0	0	0
<b>24,241,841</b>	<b>25,234,557</b>	<b>25,744,346</b>	<b>26,982,895</b>	<b>27,535,696</b>	<b>26,310,301</b>	<b>26,592,848</b>	<b>27,156,281</b>	<b>27,734,412</b>	<b>28,338,640</b>	<b>29,009,568</b>
<b>Applications of operating funding</b>										
22,323,778	23,599,785	24,612,257	25,053,608	25,649,013	24,750,028	24,627,275	25,116,458	25,977,950	26,218,430	26,877,519
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
<b>22,323,778</b>	<b>23,599,785</b>	<b>24,612,257</b>	<b>25,053,608</b>	<b>25,649,013</b>	<b>24,750,028</b>	<b>24,627,275</b>	<b>25,116,458</b>	<b>25,977,950</b>	<b>26,218,430</b>	<b>26,877,519</b>
<b>1,918,063</b>	<b>1,634,772</b>	<b>1,132,089</b>	<b>1,929,287</b>	<b>1,886,683</b>	<b>1,560,273</b>	<b>1,965,573</b>	<b>2,039,823</b>	<b>1,756,462</b>	<b>2,120,210</b>	<b>2,132,049</b>
<b>Sources of capital funding</b>										
0	38,744	402,000	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
240,500	303,000	235,000	118,000	200,000	350,500	248,000	146,000	215,000	346,000	262,500
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
<b>240,500</b>	<b>341,744</b>	<b>637,000</b>	<b>118,000</b>	<b>200,000</b>	<b>350,500</b>	<b>248,000</b>	<b>146,000</b>	<b>215,000</b>	<b>346,000</b>	<b>262,500</b>
<b>Applications of capital funding</b>										
0	0	0	0	0	0	0	0	0	0	0
1,550,000	180,000	0	0	0	0	0	0	0	0	0
2,543,150	3,561,150	5,370,000	1,589,450	1,652,453	1,952,550	1,614,700	1,494,250	1,351,500	1,819,500	1,557,500
101,184	71,509	(301,052)	138,104	140,391	(184,187)	177,678	190,043	(131,554)	201,172	207,243
(2,035,771)	(1,836,143)	(3,299,859)	319,733	293,839	142,410	421,195	501,530	751,516	445,538	629,806
<b>2,158,563</b>	<b>1,976,516</b>	<b>1,769,089</b>	<b>2,047,287</b>	<b>2,086,683</b>	<b>1,910,773</b>	<b>2,213,573</b>	<b>2,185,823</b>	<b>1,971,462</b>	<b>2,466,210</b>	<b>2,394,549</b>
<b>(1,918,063)</b>	<b>(1,634,772)</b>	<b>(1,132,089)</b>	<b>(1,929,287)</b>	<b>(1,886,683)</b>	<b>(1,560,273)</b>	<b>(1,965,573)</b>	<b>(2,039,823)</b>	<b>(1,756,462)</b>	<b>(2,120,210)</b>	<b>(2,132,049)</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## RESOURCE MANAGEMENT FUNDING IMPACT STATEMENT

2014/2015 Estimate \$ Annual Plan	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Sources of operating funding</b>										
	General rates, uniform annual general charges, rates penalties									
3,575,413	3,841,829	3,886,351	3,892,222	3,925,008	3,974,871	3,918,279	3,926,952	3,978,152	3,966,914	3,987,423
0	0	0	0	0	0	0	0	0	0	0
	Subsidies and grants									
237,500	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000
5,614,957	6,161,020	6,517,998	6,721,769	6,980,728	5,365,099	5,170,999	5,254,996	5,331,732	5,386,402	5,525,032
	Internal charges and overheads recovered									
0	0	0	0	0	0	0	0	0	0	0
	Local authorities fuel tax, fines, infringement fees and other receipts									
0	0	0	0	0	0	0	0	0	0	0
<b>9,427,870</b>	<b>10,247,849</b>	<b>10,649,349</b>	<b>10,858,991</b>	<b>11,150,736</b>	<b>9,584,970</b>	<b>9,334,278</b>	<b>9,426,948</b>	<b>9,554,884</b>	<b>9,598,316</b>	<b>9,757,455</b>
<b>Applications of operating funding</b>										
	Payments to staff and suppliers									
8,196,204	9,142,854	9,636,933	9,933,701	10,249,578	8,754,937	8,352,981	8,503,521	8,663,930	8,730,391	8,940,836
0	0	0	0	0	0	0	0	0	0	0
	Internal charges and overheads applied									
3,744,482	3,964,979	4,011,360	4,171,214	4,261,807	4,358,336	4,570,616	4,648,913	4,798,224	4,893,794	5,006,776
0	0	0	0	0	0	0	0	0	0	0
	Other operating funding applications									
0	0	0	0	0	0	0	0	0	0	0
<b>11,940,686</b>	<b>13,107,833</b>	<b>13,648,293</b>	<b>14,104,915</b>	<b>14,511,385</b>	<b>13,113,273</b>	<b>12,923,597</b>	<b>13,152,434</b>	<b>13,462,154</b>	<b>13,624,185</b>	<b>13,947,612</b>
<b>(2,512,816)</b>	<b>(2,859,984)</b>	<b>(2,998,944)</b>	<b>(3,245,924)</b>	<b>(3,360,649)</b>	<b>(3,528,303)</b>	<b>(3,589,319)</b>	<b>(3,725,486)</b>	<b>(3,907,270)</b>	<b>(4,025,869)</b>	<b>(4,190,157)</b>
<b>Sources of capital funding</b>										
	Subsidies and grants for capital expenditure									
0	0	0	0	0	0	0	0	0	0	0
	Development and financial contributions									
0	0	0	0	0	0	0	0	0	0	0
	Increase/(decrease) in debt									
0	0	0	0	0	0	0	0	0	0	0
135,500	127,000	94,000	71,000	170,000	155,000	122,000	92,000	170,000	170,000	132,000
	Lump sum contributions									
0	0	0	0	0	0	0	0	0	0	0
	Other dedicated capital funding									
0	0	0	0	0	0	0	0	0	0	0
<b>135,500</b>	<b>127,000</b>	<b>94,000</b>	<b>71,000</b>	<b>170,000</b>	<b>155,000</b>	<b>122,000</b>	<b>92,000</b>	<b>170,000</b>	<b>170,000</b>	<b>132,000</b>
<b>Applications of capital funding</b>										
	Capital expenditure to:									
	- meet additional demand									
0	0	0	0	0	0	0	0	0	0	0
	- improve the level of service									
0	0	0	0	0	0	0	0	0	0	0
810,150	779,750	656,200	403,950	590,450	632,750	441,200	361,750	649,000	667,000	542,000
	Increase/(decrease) in reserves									
0	0	0	0	0	0	0	0	0	0	0
(3,187,466)	(3,512,734)	(3,561,144)	(3,578,874)	(3,781,099)	(4,006,053)	(3,908,519)	(3,995,236)	(4,386,270)	(4,522,869)	(4,600,157)
	Total applications of capital funding									
<b>(2,377,316)</b>	<b>(2,732,984)</b>	<b>(2,904,944)</b>	<b>(3,174,924)</b>	<b>(3,190,649)</b>	<b>(3,373,303)</b>	<b>(3,467,319)</b>	<b>(3,633,486)</b>	<b>(3,737,270)</b>	<b>(3,855,869)</b>	<b>(4,058,157)</b>
<b>2,512,816</b>	<b>2,859,984</b>	<b>2,998,944</b>	<b>3,245,924</b>	<b>3,360,649</b>	<b>3,528,303</b>	<b>3,589,319</b>	<b>3,725,486</b>	<b>3,907,270</b>	<b>4,025,869</b>	<b>4,190,157</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

BIOSECURITY FUNDING IMPACT STATEMENT

2014/2015 Estimate \$ Annual Plan	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Sources of operating funding</b>										
	General rates, uniform annual general charges, rates penalties									
1,090,494	905,043	850,795	923,974	923,785	857,774	944,185	947,171	883,293	956,456	959,376
0	0	0	0	0	0	0	0	0	0	0
	Subsidies and grants for operating purposes									
85,500	106,500	108,250	110,116	112,104	114,297	116,631	119,115	121,841	124,743	127,920
0	0	0	0	0	0	0	0	0	0	0
	Internal charges and overheads recovered									
0	0	0	0	0	0	0	0	0	0	0
	Local authorities fuel tax, fines, infringement fees and other receipts									
0	0	0	0	0	0	0	0	0	0	0
<b>1,175,994</b>	<b>1,011,543</b>	<b>959,045</b>	<b>1,034,090</b>	<b>1,035,889</b>	<b>972,071</b>	<b>1,060,816</b>	<b>1,066,286</b>	<b>1,005,134</b>	<b>1,081,199</b>	<b>1,087,296</b>
<b>Applications of operating funding</b>										
1,258,804	1,067,345	1,384,157	1,134,839	1,156,528	1,364,180	1,205,066	1,234,084	1,441,959	1,290,868	1,323,618
0	0	0	0	0	0	0	0	0	0	0
	Internal charges and overheads applied									
674,111	562,132	564,945	587,458	600,216	613,810	643,708	654,735	675,763	689,223	705,135
0	0	0	0	0	0	0	0	0	0	0
	Other operating funding applications									
0	0	0	0	0	0	0	0	0	0	0
<b>1,932,915</b>	<b>1,629,477</b>	<b>1,949,102</b>	<b>1,722,297</b>	<b>1,756,744</b>	<b>1,977,990</b>	<b>1,848,774</b>	<b>1,888,819</b>	<b>2,117,722</b>	<b>1,980,091</b>	<b>2,028,753</b>
<b>(756,921)</b>	<b>(617,934)</b>	<b>(990,057)</b>	<b>(688,207)</b>	<b>(720,855)</b>	<b>(1,005,919)</b>	<b>(787,958)</b>	<b>(822,533)</b>	<b>(1,112,588)</b>	<b>(898,892)</b>	<b>(941,457)</b>
<b>Sources of capital funding</b>										
0	Subsidies and grants for capital expenditure									
0	0	0	0	0	0	0	0	0	0	0
	Development and financial contributions									
0	0	0	0	0	0	0	0	0	0	0
	Increase/(decrease) in debt									
0	0	0	0	0	0	0	0	0	0	0
48,500	113,000	60,000	8,000	0	113,500	60,000	8,000	0	113,000	60,500
0	0	0	0	0	0	0	0	0	0	0
	Lump sum contributions									
0	0	0	0	0	0	0	0	0	0	0
	Other dedicated capital funding									
0	0	0	0	0	0	0	0	0	0	0
<b>48,500</b>	<b>113,000</b>	<b>60,000</b>	<b>8,000</b>	<b>0</b>	<b>113,500</b>	<b>60,000</b>	<b>8,000</b>	<b>0</b>	<b>113,000</b>	<b>60,500</b>
<b>Applications of capital funding</b>										
	Capital expenditure to:									
0	- meet additional demand									
0	0	0	0	0	0	0	0	0	0	0
	- improve the level of service									
244,500	335,200	172,500	44,500	12,500	332,000	172,500	44,500	12,500	324,500	180,000
85,000	50,000	(337,000)	100,000	100,000	(227,000)	100,000	100,000	(227,000)	100,000	100,000
(1,037,921)	(890,134)	(765,557)	(824,707)	(833,355)	(997,419)	(1,000,458)	(959,033)	(898,088)	(1,210,392)	(1,160,957)
	Increase/(decrease) in investments									
0	0	0	0	0	0	0	0	0	0	0
<b>(708,421)</b>	<b>(504,934)</b>	<b>(930,057)</b>	<b>(680,207)</b>	<b>(720,855)</b>	<b>(892,419)</b>	<b>(727,958)</b>	<b>(814,533)</b>	<b>(1,112,588)</b>	<b>(785,892)</b>	<b>(880,957)</b>
<b>756,921</b>	<b>617,934</b>	<b>990,057</b>	<b>688,207</b>	<b>720,855</b>	<b>1,005,919</b>	<b>787,958</b>	<b>822,533</b>	<b>1,112,588</b>	<b>898,892</b>	<b>941,457</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## TRANSPORT FUNDING IMPACT STATEMENT

2014/2015 Estimate \$ Annual Plan	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Sources of operating funding</b>										
	General rates, uniform annual									
135,476				146,712	147,130	145,513	150,029	152,092	149,480	154,752
781,197	168,015	175,892	169,829	787,238	790,969	828,080	839,629	840,842	842,347	842,464
1,455,668	748,774	810,821	811,628							
	Subsidies and grants for									
1,455,668				1,627,443	1,659,502	1,727,724	1,730,219	1,765,754	1,836,728	1,842,824
1,181,013	1,545,923	1,213,530	1,638,854	1,435,123	1,513,606	1,592,597	1,676,368	1,768,552	1,863,136	1,963,808
	1,234,086	1,296,551	1,365,188							
	Internal charges and									
0				0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	Local authorities fuel tax, fines, infringement fees and other receipts									
0	0	0	0	0	0	0	0	0	0	0
<b>3,553,354</b>	<b>3,696,798</b>	<b>3,496,794</b>	<b>3,985,499</b>	<b>3,996,516</b>	<b>4,111,207</b>	<b>4,293,914</b>	<b>4,396,245</b>	<b>4,527,240</b>	<b>4,691,691</b>	<b>4,803,848</b>
<b>Applications of operating funding</b>										
3,561,946	3,767,293	3,901,645	3,988,986	3,980,242	4,097,573	4,244,605	4,346,540	4,479,632	4,643,151	4,763,457
0	0	0	0	0	0	0	0	0	0	0
	Internal charges and									
135,030	145,288	146,015	151,833	155,131	158,644	166,371	169,222	174,656	178,136	182,249
0	0	0	0	0	0	0	0	0	0	0
	Other operating funding applications									
<b>3,696,976</b>	<b>3,912,581</b>	<b>4,047,660</b>	<b>4,140,819</b>	<b>4,135,373</b>	<b>4,256,217</b>	<b>4,410,976</b>	<b>4,515,762</b>	<b>4,654,288</b>	<b>4,821,287</b>	<b>4,945,706</b>
<b>(143,622)</b>	<b>(215,783)</b>	<b>(550,866)</b>	<b>(155,320)</b>	<b>(138,857)</b>	<b>(145,010)</b>	<b>(117,062)</b>	<b>(119,517)</b>	<b>(127,048)</b>	<b>(129,596)</b>	<b>(141,858)</b>
<b>Sources of capital funding</b>										
0	Subsidies and grants for									
0	38,744	402,000	0	0	0	0	0	0	0	0
	capital expenditure									
0	0	0	0	0	0	0	0	0	0	0
	Development and financial									
0	0	0	0	0	0	0	0	0	0	0
	contributions									
0	0	0	0	0	0	0	0	0	0	0
	Increase/(decrease) in debt									
0	0	8,000	0	0	0	8,000	0	0	0	8,000
	Gross proceeds from sale of assets									
0	0	0	0	0	0	0	0	0	0	0
	Lump sum contributions									
0	0	0	0	0	0	0	0	0	0	0
	Other dedicated capital funding									
0	0	0	0	0	0	0	0	0	0	0
<b>0</b>	<b>38,744</b>	<b>410,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,000</b>
<b>Applications of capital funding</b>										
	Capital expenditure to:									
0	0	0	0	0	0	0	0	0	0	0
	- meet additional demand									
0	0	0	0	0	0	0	0	0	0	0
	- improve the level of service									
0	66,800	725,000	0	0	0	32,000	0	0	0	32,000
	- replace existing assets									
(35,854)	(41,655)	(30,962)	(32,820)	(34,789)	(36,877)	(6,794)	503	533	565	599
	Increase/(decrease) in reserves									
(107,768)	(202,184)	(834,904)	(122,500)	(104,068)	(108,133)	(134,268)	(120,020)	(127,581)	(130,161)	(166,457)
	Increase/(decrease) in investments									
<b>(143,622)</b>	<b>(177,039)</b>	<b>(140,866)</b>	<b>(155,320)</b>	<b>(138,857)</b>	<b>(145,010)</b>	<b>(109,062)</b>	<b>(119,517)</b>	<b>(127,048)</b>	<b>(129,596)</b>	<b>(133,858)</b>
<b>143,622</b>	<b>215,783</b>	<b>550,866</b>	<b>155,320</b>	<b>138,857</b>	<b>145,010</b>	<b>117,062</b>	<b>119,517</b>	<b>127,048</b>	<b>129,596</b>	<b>141,858</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Funding balance</b>									



**HAZARD MANAGEMENT FUNDING IMPACT STATEMENT—CIVIL DEFENCE EMERGENCY MANAGEMENT**

2014/2015 Estimate \$	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Annual Plan</b>										
<b>Sources of operating funding</b>										
186,082	203,460	201,019	197,706	198,691	199,341	202,718	215,460	217,263	218,549	219,841
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
341,797	376,780	379,087	384,442	390,967	397,204	409,145	442,262	453,662	464,274	476,064
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
<b>527,879</b>	<b>580,240</b>	<b>580,106</b>	<b>582,148</b>	<b>589,658</b>	<b>596,545</b>	<b>611,863</b>	<b>657,722</b>	<b>670,925</b>	<b>682,823</b>	<b>695,905</b>
<b>Applications of operating funding</b>										
464,694	509,827	515,977	525,940	536,928	549,123	561,458	614,875	628,763	643,855	660,402
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
183,329	206,635	207,670	215,946	220,636	225,633	236,623	240,676	248,407	253,355	259,203
0	0	0	0	0	0	0	0	0	0	0
<b>648,023</b>	<b>716,462</b>	<b>723,647</b>	<b>741,886</b>	<b>757,564</b>	<b>774,756</b>	<b>798,081</b>	<b>855,551</b>	<b>877,170</b>	<b>897,210</b>	<b>919,605</b>
<b>(120,144)</b>	<b>(136,222)</b>	<b>(143,541)</b>	<b>(159,738)</b>	<b>(167,906)</b>	<b>(178,211)</b>	<b>(186,218)</b>	<b>(197,829)</b>	<b>(206,245)</b>	<b>(214,387)</b>	<b>(223,700)</b>
<b>Sources of capital funding</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	8,000	10,000	0	0	8,000	10,000	0	0	8,000	10,000
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	8,000	10,000	0	0	8,000	10,000	0	0	8,000	10,000
<b>0</b>	<b>8,000</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>8,000</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>8,000</b>	<b>10,000</b>
<b>Applications of capital funding</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
81,000	69,400	44,800	4,000	49,000	69,300	45,000	87,000	51,000	75,000	51,000
0	0	0	0	0	0	0	0	0	0	0
(201,144)	(197,622)	(178,341)	(163,738)	(216,906)	(239,511)	(221,218)	(284,829)	(257,245)	(281,387)	(264,700)
<b>(120,144)</b>	<b>(128,222)</b>	<b>(133,541)</b>	<b>(159,738)</b>	<b>(167,906)</b>	<b>(170,211)</b>	<b>(176,218)</b>	<b>(197,829)</b>	<b>(206,245)</b>	<b>(206,387)</b>	<b>(213,700)</b>
<b>120,144</b>	<b>136,222</b>	<b>143,541</b>	<b>159,738</b>	<b>167,906</b>	<b>178,211</b>	<b>186,218</b>	<b>197,829</b>	<b>206,245</b>	<b>214,387</b>	<b>223,700</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## HAZARD MANAGEMENT FUNDING IMPACT STATEMENT—FLOOD MANAGEMENT, GENERAL RIVER CONTROL AND RIVER CONTROL SCHEMES

2014/2015 Estimate \$	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Annual Plan</b>										
<b>Sources of operating funding</b>										
156,394	130,555	131,496	132,549	135,884	138,668	142,490	144,968	148,032	150,525	153,558
684,518	624,533	584,007	591,295	597,952	606,392	616,485	625,328	635,878	647,022	658,083
Subsidies and grants for										
0	0	0	0	0	0	0	0	0	0	0
22,272	20,000	20,500	21,033	21,601	22,228	22,895	23,604	24,383	25,212	26,120
Internal charges and										
0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts										
0	0	0	0	0	0	0	0	0	0	0
<b>863,184</b>	<b>775,088</b>	<b>736,003</b>	<b>744,877</b>	<b>755,437</b>	<b>767,288</b>	<b>781,870</b>	<b>793,900</b>	<b>808,293</b>	<b>822,759</b>	<b>837,761</b>
<b>Applications of operating funding</b>										
516,434	418,721	380,630	389,968	399,926	410,854	422,493	434,886	448,422	462,835	478,542
0	0	0	0	0	0	0	0	0	0	0
Internal charges and										
103,869	105,664	106,192	110,424	112,822	115,378	120,998	123,070	127,023	129,553	132,544
0	0	0	0	0	0	0	0	0	0	0
<b>620,303</b>	<b>524,385</b>	<b>486,822</b>	<b>500,392</b>	<b>512,748</b>	<b>526,232</b>	<b>543,491</b>	<b>557,956</b>	<b>575,445</b>	<b>592,388</b>	<b>611,086</b>
<b>Surplus/(deficit) of operating funding</b>										
<b>242,881</b>	<b>250,703</b>	<b>249,181</b>	<b>244,485</b>	<b>242,689</b>	<b>241,056</b>	<b>238,379</b>	<b>235,944</b>	<b>232,848</b>	<b>230,371</b>	<b>226,675</b>
<b>Sources of capital funding</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
19,000	8,000	0	0	15,000	8,000	0	0	15,000	8,000	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
<b>19,000</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>8,000</b>	<b>0</b>
<b>Applications of capital funding</b>										
Capital expenditure to:										
0	0	0	0	0	0	0	0	0	0	0
1,550,000	180,000	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
52,038	63,164	66,910	70,924	75,180	79,690	84,472	89,540	94,913	100,607	106,644
(1,340,157)	15,539	182,271	173,561	182,509	169,366	153,907	146,404	152,935	137,764	120,031
<b>261,881</b>	<b>258,703</b>	<b>249,181</b>	<b>244,485</b>	<b>257,689</b>	<b>249,056</b>	<b>238,379</b>	<b>235,944</b>	<b>247,848</b>	<b>238,371</b>	<b>226,675</b>
<b>(242,881)</b>	<b>(250,703)</b>	<b>(249,181)</b>	<b>(244,485)</b>	<b>(242,689)</b>	<b>(241,056)</b>	<b>(238,379)</b>	<b>(235,944)</b>	<b>(232,848)</b>	<b>(230,371)</b>	<b>(226,675)</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

RECREATION, CULTURE AND HERITAGE FUNDING IMPACT STATEMENT

2014/2015 Estimate \$ Annual Plan	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Sources of operating funding</b>										
1,622,070										
297,103	1,564,434	1,613,771	1,602,644	1,622,644	1,636,411	1,663,072	1,665,866	1,671,660	1,676,591	1,678,347
0	292,538	301,107	296,564	292,021	287,478	282,924	278,370	273,805	269,240	264,664
0	0	0	0	0	0	0	0	0	0	0
175,000	105,000	109,500	118,903	120,935	123,023	125,168	127,371	129,636	131,962	134,353
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
<b>2,094,173</b>	<b>1,961,972</b>	<b>2,024,378</b>	<b>2,018,111</b>	<b>2,035,600</b>	<b>2,046,912</b>	<b>2,071,164</b>	<b>2,071,607</b>	<b>2,075,101</b>	<b>2,077,793</b>	<b>2,077,364</b>
<b>Applications of operating funding</b>										
2,238,852	2,192,755	2,215,581	2,248,751	2,274,730	2,307,753	2,334,722	2,371,749	2,403,311	2,441,195	2,481,933
0	0	0	0	0	0	0	0	0	0	0
804,986	808,330	812,372	844,747	863,094	882,641	925,633	941,490	971,727	991,082	1,013,963
0	0	0	0	0	0	0	0	0	0	0
<b>3,043,838</b>	<b>3,001,085</b>	<b>3,027,953</b>	<b>3,093,498</b>	<b>3,137,824</b>	<b>3,190,394</b>	<b>3,260,355</b>	<b>3,313,239</b>	<b>3,375,038</b>	<b>3,432,277</b>	<b>3,495,896</b>
<b>(949,665)</b>	<b>(1,039,113)</b>	<b>(1,003,575)</b>	<b>(1,075,387)</b>	<b>(1,102,224)</b>	<b>(1,143,482)</b>	<b>(1,189,191)</b>	<b>(1,241,632)</b>	<b>(1,299,937)</b>	<b>(1,354,484)</b>	<b>(1,418,532)</b>
<b>Sources of capital funding</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
7,000	31,000	0	8,000	15,000	32,000	0	15,000	15,000	31,000	1,000
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
<b>7,000</b>	<b>31,000</b>	<b>0</b>	<b>8,000</b>	<b>15,000</b>	<b>32,000</b>	<b>0</b>	<b>15,000</b>	<b>15,000</b>	<b>31,000</b>	<b>1,000</b>
<b>Applications of capital funding</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
630,000	1,686,500	2,789,000	476,000	491,503	340,000	306,000	155,000	153,000	259,000	113,000
0	0	0	0	0	0	0	0	0	0	0
(1,572,665)	(2,694,613)	(3,792,575)	(1,543,387)	(1,578,727)	(1,451,482)	(1,495,191)	(1,381,632)	(1,437,937)	(1,582,484)	(1,530,532)
<b>(942,665)</b>	<b>(1,008,113)</b>	<b>(1,003,575)</b>	<b>(1,067,387)</b>	<b>(1,087,224)</b>	<b>(1,111,482)</b>	<b>(1,189,191)</b>	<b>(1,226,632)</b>	<b>(1,284,937)</b>	<b>(1,323,484)</b>	<b>(1,417,532)</b>
<b>949,665</b>	<b>1,039,113</b>	<b>1,003,575</b>	<b>1,075,387</b>	<b>1,102,224</b>	<b>1,143,482</b>	<b>1,189,191</b>	<b>1,241,632</b>	<b>1,299,937</b>	<b>1,354,484</b>	<b>1,418,532</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## REGIONAL REPRESENTATION, ADVOCACY AND INVESTMENT MANAGEMENT FUNDING IMPACT STATEMENT

2014/2015 Estimate \$	2015/2016 Estimate \$	2016/2017 Indicative \$	2017/2018 Indicative \$	2018/2019 Forecast \$	2019/2020 Forecast \$	2020/2021 Forecast \$	2021/2022 Forecast \$	2022/2023 Forecast \$	2023/2024 Forecast \$	2024/2025 Forecast \$
<b>Annual Plan</b>										
<b>Sources of operating funding</b>										
629,387	648,538	677,169	655,251	659,322	695,910	672,100	676,353	714,940	685,745	689,983
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
27,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
<b>656,387</b>	<b>655,538</b>	<b>684,169</b>	<b>662,251</b>	<b>666,322</b>	<b>702,910</b>	<b>679,100</b>	<b>683,353</b>	<b>721,940</b>	<b>692,745</b>	<b>696,983</b>
<b>Applications of operating funding</b>										
770,533	786,833	860,493	816,656	833,950	920,878	872,632	896,801	986,577	940,789	966,718
0	0	0	0	0	0	0	0	0	0	0
387,951	405,221	407,249	423,478	432,675	442,474	464,027	471,976	487,134	496,837	508,307
0	0	0	0	0	0	0	0	0	0	0
<b>1,158,484</b>	<b>1,192,054</b>	<b>1,267,742</b>	<b>1,240,134</b>	<b>1,266,625</b>	<b>1,363,352</b>	<b>1,336,659</b>	<b>1,368,777</b>	<b>1,473,711</b>	<b>1,437,626</b>	<b>1,475,025</b>
<b>Surplus/(deficit) of operating funding</b>										
<b>(502,097)</b>	<b>(536,516)</b>	<b>(583,573)</b>	<b>(577,883)</b>	<b>(600,303)</b>	<b>(660,442)</b>	<b>(657,559)</b>	<b>(685,424)</b>	<b>(751,771)</b>	<b>(744,881)</b>	<b>(778,042)</b>
<b>Sources of capital funding</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
30,500	16,000	63,000	31,000	0	34,000	48,000	31,000	15,000	16,000	51,000
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
<b>30,500</b>	<b>16,000</b>	<b>63,000</b>	<b>31,000</b>	<b>0</b>	<b>34,000</b>	<b>48,000</b>	<b>31,000</b>	<b>15,000</b>	<b>16,000</b>	<b>51,000</b>
<b>Applications of capital funding</b>										
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
777,500	623,500	982,500	661,000	509,000	578,500	618,000	846,000	486,000	494,000	639,500
0	0	0	0	0	0	0	0	0	0	0
(1,249,097)	(1,144,016)	(1,503,073)	(1,207,883)	(1,109,303)	(1,204,942)	(1,227,559)	(1,500,424)	(1,222,771)	(1,222,881)	(1,366,542)
<b>(471,597)</b>	<b>(520,516)</b>	<b>(520,573)</b>	<b>(546,883)</b>	<b>(600,303)</b>	<b>(626,442)</b>	<b>(609,559)</b>	<b>(654,424)</b>	<b>(736,771)</b>	<b>(728,881)</b>	<b>(727,042)</b>
<b>Surplus/(deficit) of capital funding</b>										
<b>502,097</b>	<b>536,516</b>	<b>583,573</b>	<b>577,883</b>	<b>600,303</b>	<b>660,442</b>	<b>657,559</b>	<b>685,424</b>	<b>751,771</b>	<b>744,881</b>	<b>778,042</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding balance</b>										

# Explanatory Notes to the Financial Statements

## SUMMARY OF ACCOUNTING POLICIES

### REPORTING ENTITY

Taranaki Regional Council is a regional local authority governed by the *Local Government Act 2002*.

The Taranaki Regional Council Group (TRC) consists of Taranaki Regional Council and its subsidiaries Port Taranaki Ltd (100% owned) and Taranaki Stadium Trust (100% controlled). The Council has a 15.5% investment in Regional Software Holdings Ltd. Port Taranaki Ltd is a port company governed by the *Port Companies Act 1988* and incorporated in New Zealand. Taranaki Stadium Trust is a charitable trust governed by the *Charitable Trusts Act 1957* and registered under the *Charities Act 2005*. Regional Software Holdings Ltd is a company governed by the *Companies Act 1993* and incorporated in New Zealand. Taranaki Stadium Trust and Regional Software Holdings Ltd are council-controlled organisations pursuant to the *Local Government Act 2002*.

The principal activity of the Taranaki Regional Council is the provision of local authority services, including resource management, biosecurity, transport services, hazard management, recreation and cultural services and regional representation to ratepayers and other residents of the Taranaki region.

### BASIS OF PREPARATION

The financial statements have been prepared in accordance with the requirements of the *Local Government Act 2002*, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

As the primary objective of the Council is to provide goods or services for community and social benefit, rather than for making a financial return, the Council is a public benefit entity for the purpose of financial reporting.

The financial statements of the Council comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 1 PBE standards.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, and financial instruments.

The financial statements are presented in New Zealand dollars. The functional currency of Taranaki Regional Council is New Zealand dollars.

### SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

#### SUBSIDIARIES

Consolidated prospective financial statements have not been prepared for the purposes of this *Plan*. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements in this *Plan* is to provide users with information about the core services that the Council intends to provide, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of the Council.

#### REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Council and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

#### Revenue from non-exchange transactions

##### General and targeted rates

General and targeted rates are set annually and invoiced within the year. The Council recognises revenue from rates when the Council has struck the rate and provided the rates assessment. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable.

#### Government grants and funding

Revenue from non-exchange transactions with the Government and government agencies is recognised when the Council obtains control of the transferred asset (cash, goods, services, or property), and:

- it is probable that the economic benefits or service potential related to the asset will flow to the Council and can be measured reliably; and

- the transfer is free from conditions that require the asset to be refunded or returned to the Government if the conditions are not fulfilled.

Revenue from government grants and funding is measured at the fair value of the assets (cash, goods, services, or property) transferred over to the Council at the time of transfer.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Council has satisfied these conditions.

#### **Fines**

The Council recognises revenue from fines when the notice of infringement or breach is served by the Council.

#### **Direct charges – subsidised**

Rendering of services – subsidised

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service and where the shortfall is subsidised by income from other activities, such as rates. Generally there are no conditions attached to such revenue. Revenue from such subsidised services is recognised when the Council issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council for the service) if the service is not completed.

#### **Sale of goods – subsidised**

A sale of goods at a price that is not approximately equal to the value of the goods provided by the Council is considered a non-exchange transaction. This includes sales of goods where the price does not allow the Council to fully recover the cost of producing the goods and where the shortfall is subsidised by income from other activities such as rates. Revenue from the sale of such subsidised goods is recognised when the Council issues the invoice or bill for the goods. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the goods.

#### **Revenue from exchange transactions:**

Direct charges – full cost recovery

Rendering of other services – full cost recovery

Revenue from the rendering of services is recognised by reference to the stage of completion of the service. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

#### **Sale of goods – full cost recovery**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, and when the amount of revenue can be measured reliably and it is

probable that the economic benefits or service potential associated with the transaction will flow to the Council.

#### **Interest revenue**

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the *Statement of Comprehensive Revenue and Expense*.

#### **Dividends**

Revenue is recognised when the Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### **Rental revenue**

Rental revenue arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the *Statement of Comprehensive Revenue and Expense* due to its operating nature.

#### **Other gains and losses**

Other gains and losses includes fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties, share of surplus or deficit of associates and joint venture, and realised gains and losses on the sale of PP&E held at cost.

### **INCOME TAX**

#### **Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Council operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the *Statement of Comprehensive Revenue and Expense*. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred income tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting surplus or deficit nor taxable surplus or deficit.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary

differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting surplus or deficit nor taxable surplus or deficit.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable surplus will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside surplus or deficit is recognised outside surplus or deficit. Deferred tax items are recognised in correlation to the underlying transaction in other comprehensive revenue and expense.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in surplus or deficit.

## FOREIGN CURRENCY

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency

are reported at the *Statement of Financial Position* reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the *Statement of Financial Position* comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the *Statement of Cash Flows*, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the *Statement of Financial Position*.

## INVENTORIES

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Stocks of riparian plants are valued at the lower of weighted average cost or net realisable value. Stocks of maintenance materials and supplies are valued at the lower of weighted average cost or net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. The write down from cost to net realisable value is recognised in the surplus or deficit in the *Statement of Comprehensive Revenue and Expense*.

## FINANCIAL ASSETS AND LIABILITIES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets-Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Council commits to purchase or sell the asset.

The Council's financial assets include: cash and short term deposits, trade and other receivables, loans and other

receivables; quoted and unquoted financial instruments; and derivative financial instruments.

#### **Subsequent measurement**

For the purpose of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through surplus or deficit
- Loans and receivables
- Held to maturity investments
- Available for sale financial assets

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by PBE IPSAS 29.

The Council has not designated any financial assets at fair value through surplus or deficit.

Financial assets at fair value through surplus or deficit are carried in the *Statement of Financial Position* at fair value with net changes in fair value presented as other losses (negative net changes in fair value) or other gains (positive net changes in fair value) in the *Statement of Comprehensive Revenue and Expense*.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through surplus or deficit. These embedded derivatives are measured at fair value with changes in fair value recognised in surplus or deficit. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through surplus or deficit.

#### **Loans and receivables**

This category of financial assets is the most relevant to the Council. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

The effective interest rate amortisation is included in finance income in the *Statement of Comprehensive Revenue and Expense*.

The losses arising from impairment are recognised in the *Statement of Comprehensive Revenue and Expense* in finance costs for loans and in cost of sales or other operating expenses for receivables.

#### **Held to maturity investments.**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Council has the positive intention and ability to hold them to maturity.

After initial measurement, held to maturity investments are measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

The effective interest rate amortisation is included as finance income in the *Statement of Comprehensive Revenue and Expense*.

The losses arising from impairment are recognised in the *Statement of Comprehensive Revenue and Expense* as finance costs.

#### **Available for sale financial investments**

Available for sale (AFS) financial investments include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through surplus or deficit. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive revenue and expense and accumulated in the AFS reserve until:

- the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or;
- the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the *Statement of Comprehensive Revenue and Expense* in finance costs.

Interest earned whilst holding AFS financial investments is reported as interest income using the effective interest rate method.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised (i.e. removed from the Council's *Statement of Financial Position*) primarily when:

- The rights to receive cash flows from the asset have expired, or
- The Council has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Council has transferred substantially all the risks and rewards of the asset, or (b) the Council has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



When the Council has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Council continues to recognise the transferred asset to the extent of the Council's continuing involvement. In that case, the Council also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the

#### **Impairment of financial assets**

The Council assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### **Financial assets carried at amortised cost (loans and receivables)**

For financial assets carried at amortised cost, the Council first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. An impairment provision is recognised when there is objective evidence that the Council will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment.

If the Council determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in surplus or deficit.

Interest income (recorded as finance income in the *Statement of Comprehensive Revenue and Expense*) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Individual trade receivable balances that are known to be uncollectible are written off when identified, along with associated allowances. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Council.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the *Statement of Comprehensive Revenue and Expense*.

#### **Available for sale financial assets**

For AFS financial investments, the Council assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

The Council's investment in Port Taranaki Ltd is not included in this category as it is held at cost.

When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in surplus or deficit – is removed from net assets/equity and recognised in surplus or deficit.

Impairment losses on equity investments are not reversed through surplus or deficit; increases in their fair value after impairment are recognised in other comprehensive revenue and expense.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in surplus or deficit.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income.

If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in surplus or deficit, the impairment loss is reversed through surplus or deficit.

#### **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through surplus or deficit, payables, loans and borrowings, or as derivatives designated as

hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of payables and loans and borrowings, net of directly attributable transaction costs.

The Council's financial liabilities include trade and other payables, loans and borrowings (including bank overdrafts), financial guarantee contracts and derivative financial instruments.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at fair value through surplus or deficit.**

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Council that are not designated as hedging instruments in hedge relationships as defined by PBE IPSAS 29. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in surplus or deficit.

Financial liabilities designated upon initial recognition at fair value through surplus or deficit are designated at the initial date of recognition, and only if the criteria in PBE IPSAS 29 are satisfied. The Council has not designated any financial liability as at fair value through surplus or deficit.

#### **Financial liabilities at amortised cost:**

This is the category of financial liabilities that is most relevant to the Council. After initial recognition, trade and other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the effective interest rate amortisation process. The effective interest rate amortisation is included as finance costs in the *Statement of Comprehensive Revenue and Expense*.

Trade and other payables are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

#### **Financial guarantee contracts**

Financial guarantee contracts issued by the Council are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in surplus or deficit.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the *Statement of Financial Position* if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **Fair value of financial instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. In the absence of an active market, the fair value of financial instruments is measured using valuation techniques with the objective of estimating what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations.

#### **Derivatives**

A derivative is a financial instrument or contract whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, credit index or other variable. It requires no or a nominal initial investment and is settled at a later date.

The Council may enter into foreign currency forward exchange contracts, to hedge foreign currency transactions when purchasing major fixed assets and when payment is denominated in foreign currency. Gains and losses on such contracts are recognised in the profit or loss each year at balance date or date of completion by restating the liability to fair value at balance date or at the time of settlement.

Cash flow hedges: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the profit or loss with finance expenses.

If the hedging instrument no longer meets the criteria for hedge accounting, expires, or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the hedging reserve remains there until the forecast transaction occurs. When the hedged item is a nonfinancial asset, the amount recognised in the hedging reserve is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in the hedging reserve is transferred to the

profit or loss in the same period that the hedged item affects the profit or loss.

### NON-CURRENT ASSETS HELD FOR SALE

The Council classifies non-current assets as held for sale or for distribution to owners if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use. Such non-current assets classified as held for sale or as held for distribution are measured at the lower of their carrying amount and fair value less costs to sell or to distribute. Costs to sell (or distribute) are the incremental costs directly attributable to the sale (or distribution), excluding the finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate distribution in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the sale will be withdrawn. Management must be committed to the distribution expected within one year from the date of the classification. Similar considerations apply to assets or a disposal group held for distribution.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale or as held for distribution.

Assets and liabilities classified as held for sale or for distribution are presented separately as current items in the *Statement of Financial Position*.

### IMPAIRMENT OF ASSETS

#### Impairment of cash generating assets

For non-financial cash-generating assets, except for those assets that are measured using the revaluation model, the Council assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Council estimates the asset's recoverable amount. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. An asset's or CGU's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Council bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Council's CGUs to which the individual assets are allocated. These budgets and forecast

calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the *Statement of Comprehensive Revenue and Expense*.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Council estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

#### Impairment of non-cash-generating assets

For non-financial non-cash-generating assets, except for those assets that are valued using the revaluation model, the Council assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Council estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

In assessing value in use, the Council has adopted the depreciation replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

In determining fair value less costs to sell, the price of the asset in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset, is used. If there is no binding agreement, but the asset is traded on an active market, fair

value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the Council determines fair value less cost to sell based on the best available information.

Impairment losses are recognised immediately in surplus or deficit.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Council estimates the asset's recoverable service amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

## PROPERTY, PLANT AND EQUIPMENT

These assets consist of:

- Operational assets. These include land, buildings, motor vehicles, plant & equipment, office furniture, computer equipment, maintenance and capital dredging, port installations, floating plant and bulk tanks.
- Infrastructure assets. These are fixed utility systems owned by the Council such as the Waitara and Waiwhakaiho River Flood Protection Scheme assets. Each asset type includes all items that are required for the network to function.

Property, plant and equipment is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Council, and if the item's cost or fair value can be measured reliably.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of property, plant and equipment. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Council recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

### Measurement subsequent to initial recognition:

Subsequent to initial recognition, property, plant and equipment are measured using either the cost model or the revaluation model, as described below:

Land and buildings are measured at fair value, less accumulated depreciation on buildings and any impairment losses recognised after the date of the revaluation.

The fair value of land and buildings is their market value as determined by a registered valuer.

Revaluation is performed on a class-by-class basis. If an item of property, plant and equipment is revalued, the entire class to which the asset belongs is revalued.

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The valuation cycle for revalued asset classes is normally three years.

A revaluation surplus is recorded in other comprehensive revenue and expense and credited to the asset revaluation reserve in net assets/equity. However, to the extent that it reverses a revaluation deficit of the same class of asset previously recognised in surplus or deficit, the increase is recognised in surplus or deficit. A revaluation deficit is recognised in the surplus or deficit, except to the extent that it offsets an existing surplus on the same asset class recognised in the asset revaluation reserve.

### Depreciation

Depreciation calculated on a straight-line basis, which writes off the value of the assets over their expected remaining lives after allowing for residual values where applicable. The depreciation rates are as follows:

Buildings	5 to 50 yrs	2 to 20%
Motor vehicles	5 yrs	20%
Plant and equipment	2.5 to 25 yrs	4 to 40%
Office furniture and fittings	5 to 10 yrs	10 to 20%
Computer equipment	3 to 5 yrs	20 to 33%
Port installations	5 to 66 yrs	0.67 to 20%
Floating plant	3 to 25 yrs	4 to 33%
Resource consents	25 yrs	4%
Maintenance dredging	2 yrs	50%
Capital dredging	50 yrs	2%
Bulk tanks	5 to 25 yrs	4 to 20%

The residual value and the useful life of assets are reviewed at least annually.

Flood scheme assets – the nature of these assets is equivalent to land improvements and, as such, they do not incur a loss of service potential over time. Land and flood scheme assets are not depreciated. Maintenance costs are expensed as they are incurred in the surplus or deficit in the *Statement of Comprehensive Revenue and Expense*.

The cost of maintenance dredging incurred is expensed over the period of benefit through to the commencement of the next dredging campaign. The value of the unexpired portion of maintenance dredging at balance date is reflected in property, plant and equipment.

**Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to accumulated comprehensive revenue and expense.

**INTANGIBLE ASSETS**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

The Council holds several computer software packages for internal use, including purchased software and software developed in-house by the Council. Purchased software is recognised and measured at the cost incurred to acquire the software. Developed software is recognised and measured during the development stage in accordance with the Research and Development paragraph below. Costs that are directly associated with the development of the software, including employee costs, are capitalised as an intangible asset. Staff training costs and costs associated with maintaining computer software are recognised as expenses in surplus or deficit when incurred. The estimated useful lives are as follows:

Computer software	2 to 5 yrs	20 to 50%
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Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life

continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in surplus or deficit when the asset is derecognised.

**RESEARCH AND DEVELOPMENT**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Council can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention and ability to complete and use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

**INVESTMENT PROPERTY**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

Subsequent to initial recognition, investment properties are measured at fair value, which is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in surplus or deficit in the year in which they arise.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in surplus or deficit in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by

commencement of owner-occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use.

If the property occupied by the Council as an owner-occupied property becomes an investment property, the Council accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. At the date of the change in use, any difference between the carrying amount of the property and its fair value is recognised as surplus or deficit, in the same way as a revaluation under this policy.

For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in surplus or deficit.

## EMPLOYEE BENEFITS

### Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits), annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee rendered the related services, and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

### Long service leave

Employees of the Council become eligible for long service leave after a certain number of years of employment, depending on their contract. The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. The Council's liability is based on an actuarial valuation. Actuarial gains and losses on the long-term incentives are fully accounted for in the *Statement of Comprehensive Revenue and Expense*.

## PROVISIONS

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Council expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the *Statement of Comprehensive Revenue and Expense* net of any reimbursement.

## BORROWINGS

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Council and Council have chosen not to capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

## EQUITY

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

### Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the Council's accumulated surplus or deficit since the formation of the Council, adjusted for transfers to/from specific reserves.

### Asset revaluation reserve

This reserve is for the revaluation of those PP&E items that are measured at fair value after initial recognition.

### Cash flow hedge reserve

This reserve is for the revaluation of derivatives designated as cash flow hedges. It consists of the cumulative effective portion of net changes in the fair value of these derivatives.

### Targeted rates reserve

This is a restricted equity reserve that comprises funds raised by the Council through targeted rates. The use of these funds is restricted to the specific purpose for which the targeted rates were levied. The amount of total targeted rates revenue for the year, less total expenses incurred in performing the specific activities for which these targeted rates were levied, is transferred from accumulated comprehensive revenue and expense to the targeted rates reserve via the *Statement of Changes in Net Assets/Equity*.

### Special purpose reserve

This is a restricted equity reserve created by the Council for the specific identified purpose. The use of these funds is restricted to the specific purpose. Amounts determined in accordance with Council policy are transferred on an annual basis from accumulated comprehensive revenue and expense to the special projects reserve via the *Statement of Changes in Net Assets/Equity*. Whenever an asset is purchased or expenses are incurred as part of the execution of a special purpose, an equivalent amount is transferred from the special projects reserve to accumulated comprehensive revenue and expense via the *Statement of Changes in Net Assets/Equity*.

## GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- In the case of receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the *Statement of Financial Position*.

Cash flows are included in the *Statement of Cash Flows* on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

### COST ALLOCATIONS

The Council has derived the cost of service for each significant activity, as reported within the *Statements of Service Performance*, in the following way:

**Direct costs:** Direct costs, which can be traced directly to a specific significant activity, are expensed directly to the relevant activity.

**Indirect costs:** Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. Indirect costs are allocated as overheads across all activities. Overheads have been allocated against activity centres on the basis of staff numbers. However, in the case of Councillors (*Representation*), they have been allocated on a 0.5:1 ratio.

### LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### Council as a lessee

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Council. Assets held under a finance lease are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Council also recognises the associated lease liability at the inception of the lease, at the same amount as the capitalised leased asset.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in surplus or deficit. Contingent rents shall be charged as expenses in the period in which they are incurred.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Council will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Council. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

#### Council as a lessor

Leases in which the Council does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

Rent received from an operating lease is recognised as income on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

### STATEMENT OF CASH FLOWS

Cash flows from operating activities are presented using the direct method. Definitions of terms used in the *Statement of Cash Flows*:

- Cash means cash on deposit with banks, net of outstanding bank overdrafts.
- Investing activities comprise the purchase and sale of property, plant and equipment, investment properties and investments
- Financing activities comprise the change in equity and debt capital structure of the company
- Operating activities include all transactions and events that are not investing or financing activities.

### WORK-IN-PROGRESS

Work-in-progress relates to unbilled time and costs (current asset) or time and costs billed-in-advance (current liability) for resource consent applications, resource consent compliance monitoring and unauthorised pollution incidents.

### CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Council's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements, estimates and assumptions

In the process of applying the Council's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Judgements that management have made regarding the estimated useful life of plant property and equipment, the fair value of property, plant and equipment, the valuation of employee entitlements and the value of receivables are disclosed in *Summary of Accounting Policies*.

## RESERVES

Reserve funds are utilised to provide a fund for expenditure on specific purposes. In some circumstances the reserves are a legal requirement. The Council holds the following reserve funds:

### NORTH TARANAKI/WAITARA RIVER CONTROL SCHEME RESERVE

The Council strikes a targeted rate based on capital values over the New Plymouth District for purposes of:

- maintenance of the Waitara River Flood Protection scheme
- the construction of flood protection works in the lower Waiwhakaiho catchment; and
- for other minor river control works which are required for flood protection in the district.

Any unspent funds must be appropriated to this reserve. Funds may only be appropriated to cover expenditure on the above purposes. This reserve fund relates to the *Hazard management* group of activities.

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Opening balance	1,052,038	1,115,160	1,182,070	1,252,994	1,328,174
From retained earnings	63,122	66,910	70,924	75,180	79,690
To retained earnings	0	0	0	0	0
<b>Closing balance</b>	<b>1,115,160</b>	<b>1,182,070</b>	<b>1,252,994</b>	<b>1,328,174</b>	<b>1,407,864</b>

	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
Opening balance	1,407,864	1,492,336	1,581,876	1,676,789	1,777,396
From retained earnings	84,472	89,540	94,913	100,607	106,644
To retained earnings	0	0	0	0	0
<b>Closing balance</b>	<b>1,492,336</b>	<b>1,581,876</b>	<b>1,676,789</b>	<b>1,777,396</b>	<b>1,884,040</b>

### CONTINGENCY/DISASTER RESERVE

This reserve was created to meet the Council's share of the replacement cost of infrastructure assets affected by natural disasters. It also covers the Council's commitments under the National Civil Defence Plan in the event of emergencies. It is available for any other contingency or emergency response purposes including oil spill response and flood response. This reserve fund relates to the *Resource management* and the *Hazard management* groups of activities.

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Opening balance	1,086,000	1,086,000	1,086,000	1,086,000	1,086,000
From retained earnings	0	0	0	0	0
To retained earnings	0	0	0	0	0
<b>Closing balance</b>	<b>1,086,000</b>	<b>1,086,000</b>	<b>1,086,000</b>	<b>1,086,000</b>	<b>1,086,000</b>

	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
Opening balance	1,086,000	1,086,000	1,086,000	1,086,000	1,086,000
From retained earnings	0	0	0	0	0
To retained earnings	0	0	0	0	0
<b>Closing balance</b>	<b>1,086,000</b>	<b>1,086,000</b>	<b>1,086,000</b>	<b>1,086,000</b>	<b>1,086,000</b>

### DIVIDEND EQUALISATION RESERVE

The Council transfers dividends received in excess of budget to this reserve. The reserve is to be used to equalise dividend returns over time. Dividends in excess of budget since 1996/97 have been transferred to the reserve. Prior to 1996/97 all dividends were used to repay debt incurred during the incorporation of Port Taranaki Ltd. From 1996/97 onwards dividends have been used to reduce the general rate requirement. This reserve fund relates to all groups of activities.

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Opening balance	6,395,766	6,395,766	6,395,766	6,395,766	6,395,766
From retained earnings	0	0	0	0	0
To retained earnings	0	0	0	0	0
<b>Closing balance</b>	<b>6,395,766</b>	<b>6,395,766</b>	<b>6,395,766</b>	<b>6,395,766</b>	<b>6,395,766</b>

	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
Opening balance	6,395,766	6,395,766	6,395,766	6,395,766	6,395,766
From retained earnings	0	0	0	0	0
To retained earnings	0	0	0	0	0
<b>Closing balance</b>	<b>6,395,766</b>	<b>6,395,766</b>	<b>6,395,766</b>	<b>6,395,766</b>	<b>6,395,766</b>

### PASSENGER TRANSPORT TARGETED RATE RESERVE (NEW PLYMOUTH/NORTH TARANAKI)

The Council strikes a targeted rate based on capital values over the New Plymouth District for purposes of funding passenger transport services. Any unspent funds must be appropriated to this reserve. Funds may only be appropriated to cover expenditure on these purposes. This reserve fund relates to the *Transport* group of activities.

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Opening balance	181,016	150,627	119,665	86,845	52,056
From retained earnings	10,861	9,038	7,180	5,211	3,123
To retained earnings	41,250	40,000	40,000	40,000	40,000
<b>Closing balance</b>	<b>150,627</b>	<b>119,665</b>	<b>86,845</b>	<b>52,056</b>	<b>15,179</b>

	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
Opening balance	15,179	8,385	8,888	9,421	9,986
From retained earnings	911	503	533	565	599
To retained earnings	7,705	0	0	0	0
<b>Closing balance</b>	<b>8,385</b>	<b>8,888</b>	<b>9,421</b>	<b>9,986</b>	<b>10,585</b>

### PASSENGER TRANSPORT TARGETED RATE RESERVE (STRATFORD)

The Council strikes a targeted rate based on capital values over the Stratford District for purposes of funding passenger transport services. Any unspent funds must be appropriated to this reserve. Funds may only be appropriated to cover expenditure on these purposes. This reserve fund relates to the *Transport* group of activities.

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Opening balance	5,314	0	0	0	0
From retained earnings	310	0	0	0	0
To retained earnings	5,633	0	0	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
Opening balance	0	0	0	0	0
From retained earnings	0	0	0	0	0
To retained earnings	0	0	0	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



### PASSENGER TRANSPORT TARGETED RATE RESERVE (SOUTH TARANAKI)

The Council strikes a targeted rate based on capital values over the South Taranaki District for purposes of funding passenger transport services. Any unspent funds must be appropriated to this reserve. Funds may only be appropriated to cover expenditure on these purposes. This reserve fund relates to the *Transport* group of activities.

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Opening balance	5,314	0	0	0	0
From retained earnings	310	0	0	0	0
To retained earnings	5,633	0	0	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
Opening balance	0	0	0	0	0
From retained earnings	0	0	0	0	0
To retained earnings	0	0	0	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### PEST ANIMAL MANAGEMENT: EGMONT NATIONAL PARK CONTROL RESERVE

This reserve was created to meet the Council's share of the costs associated with initial control works and maintenance works resulting from the cyclical pest control works undertaken by the Department of Conservation in the Egmont National Park. This reserve smoothes the Council's revenue and expenditure. Funds are transferred to the reserve annually. When the Council's expenditure is incurred the funding is sourced from the reserve fund. This reserve fund relates to the *Biosecurity* group of activities.

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Opening balance	308,000	358,000	21,000	121,000	221,000
From retained earnings	50,000	0	100,000	100,000	0
To retained earnings	0	337,000	0	0	227,000
<b>Closing balance</b>	<b>358,000</b>	<b>21,000</b>	<b>121,000</b>	<b>221,000</b>	<b>(6,000)</b>

	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
Opening balance	(6,000)	94,000	194,000	(33,000)	67,000
From retained earnings	100,000	100,000	0	100,000	100,000
To retained earnings	0	0	227,000	0	0
<b>Closing balance</b>	<b>94,000</b>	<b>194,000</b>	<b>(33,000)</b>	<b>67,000</b>	<b>167,000</b>

### ENDOWMENT LAND SALES RESERVE

This reserve was created to account for the proceeds from the sale of endowment land. The proceeds from the sale of endowment lands can only be used for purposes specified by the *Local Government Act 1974* and the *Local Government Act 2002*. This reserve fund relates to all groups of activities.

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Opening balance	2,133,000	2,133,000	2,133,000	2,133,000	2,133,000
From retained earnings	0	0	0	0	0
To retained earnings	0	0	0	0	0
<b>Closing balance</b>	<b>2,133,000</b>	<b>2,133,000</b>	<b>2,133,000</b>	<b>2,133,000</b>	<b>2,133,000</b>

	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025
Opening balance	2,133,000	2,133,000	2,133,000	2,133,000	2,133,000
From retained earnings	0	0	0	0	0
To retained earnings	0	0	0	0	0
<b>Closing balance</b>	<b>2,133,000</b>	<b>2,133,000</b>	<b>2,133,000</b>	<b>2,133,000</b>	<b>2,133,000</b>

### STATEMENT OF COMPREHENSIVE INCOME

Included in the *Statement of Comprehensive Revenue and Expense* but not separately disclosed, are the following balances:

Year	Depreciation	Employee Benefits
2015/2016	\$1,366,230	\$10,833,261
2016/2017	\$1,628,284	\$11,052,589
2017/2018	\$1,561,383	\$11,271,783
2018/2019	\$1,513,882	\$11,506,103
2019/2020	\$1,519,525	\$11,743,116
2020/2021	\$1,570,265	\$11,808,086
2021/2022	\$1,636,341	\$12,083,643
2022/2023	\$1,679,709	\$12,377,577
2023/2024	\$1,715,650	\$12,690,924
2024/2025	\$1,726,431	\$13,024,770

### CONTINGENCIES

Pursuant to the *Waitara Harbours Act 1940*, the Council has an interest in 180ha of New Plymouth District Council owned Waitara Harbour endowment lands. In the event of the sale of part or all of these lands by the New Plymouth District Council, the Council has a contingent asset. At this stage, the value is uncertain.

### RATING BASE INFORMATION

The number of rating units within the region at the end of the preceding financial year is:

2015/2016	52,764
2016/2017	53,134
2017/2018	53,504
2018/2019	53,874
2019/2020	54,244
2020/2021	54,614
2021/2022	54,984
2022/2023	55,354
2023/2024	55,724
2024/2025	56,094

# Council-Controlled Organisations

*A council-controlled organisation can be a company, partnership, trust, arrangement for the sharing of profits, union of interest, co-operation, joint venture or other similar arrangement in which one or more local authorities, directly or indirectly, controls the organisation.*

## TARANAKI STADIUM TRUST

The Taranaki Stadium Trust is a charitable trust and a council-controlled organisation under the *Local Government Act 2002*. The Taranaki Stadium Trust (formerly the Yarrow Stadium Trust) was established in November 1999 to own and operate the then new Yarrow Stadium (the revamped former Rugby Park). The Taranaki Stadium Trust has no subsidiaries or joint ventures.

The purpose 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, the New Plymouth District Council and the Taranaki Regional Council have a partnership arrangement for the operation and development/enhancement of the Yarrow Stadium facilities. Under the Trust's Deed and the management agreement between the Trust and the New Plymouth District Council, the New Plymouth District Council operates and funds the operations of Yarrow Stadium. The Taranaki Regional Council funds, via the Trust, the long-term maintenance and development of Yarrow Stadium. This partnership for funding and operating, maintaining and developing assists in maintaining Yarrow Stadium as a premier regional sports and events venue.

The performance of Taranaki Stadium Trust can be judged against the following measures:

- The presence of a Management Agreement with the New Plymouth District Council for the operation of the Stadium
- The provision of annual 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.

### SIGNIFICANT POLICIES AND OBLIGATIONS ON OWNERSHIP AND CONTROL

The Trust will remain in the control of the Taranaki Regional Council as long as the partnership agreement between the Trust, the New Plymouth District Council and the Taranaki Regional Council continues. If the partnership dissolves, control of the Trust, and the associated obligations, revert to the New Plymouth District Council.

## REGIONAL SOFTWARE HOLDINGS LTD

Regional Software Holdings Ltd is a company governed by the *Companies Act 1993* and incorporated in New Zealand. Regional Software Holdings Ltd is a council-controlled organisation pursuant to the *Local Government Act 2002*. Regional Software Holdings Ltd has no subsidiaries or joint ventures.

Regional Software Holdings Ltd provides a framework for collaboration between the regional council shareholders. It supports the procurement or development of shared software resource products and services in a manner that provides a more cost effective alternative than individual councils can achieve on their own. The company operates through managed contractual arrangements, and by facilitating collaborative initiatives between shareholder councils. Some shareholder councils are both customers of Regional Software Holdings Ltd and providers of service to Regional Software Holdings Ltd.

The mission of Regional Software Holdings Ltd is to:

- develop, maintain and licence the software intellectual property to the shareholders and other customers on an ongoing basis
- ensure the Company operates in a cost effective manner that reduces costs and risks to the shareholders
- provide a framework for collaboration between the shareholder councils and other customers for the development and implementation of an information technology platform over the long term
- provide Regional Software Holdings Ltd shareholders and customers with application software products and services in a manner that achieves continuity of supply, influence/control of the destiny of regional council sector specific software, risk reduction, economies of scale, and standardisation of practice or adoption of best practice.

The current flagship is the Integrated Regional Information System (IRIS).

The performance of Regional Software Holdings Ltd can be judged against the following measures:

**Non-financial**

- IRIS Advisory Group meets regularly and is effective (self-assessed by the Advisory Group, compared to expectations in the Terms of Reference for the Advisory Group)
- 95% of support requests are resolved within agreed timeframes
- IRIS user groups meet and effectively control their support and minor development budgets
- IRIS annual development projects have approved business cases, and are completed on time and within budget.

**Financial**

- Reporting and payments (Section 9.3 of Business Plan) are completed on time
- An annual new service area or areas outside of the current scope of IRIS
- Regional Software Holdings Ltd will operate within its budget
- Annual charges: increase in cost to councils not to exceed the CPI

**Growth**

- One further Council added to IRIS as shareholder or customer by end of 2017

**SIGNIFICANT POLICIES AND OBLIGATIONS ON OWNERSHIP AND CONTROL**

The Council will retain its shareholding in Regional Software Holdings Ltd as long as it remains a user of the IRIS solution.

# Reporting and Prudence Regulations

## LONG-TERM PLAN DISCLOSURE STATEMENT FOR PERIOD COMMENCING 1 JULY 2015

### What is the purpose of this statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

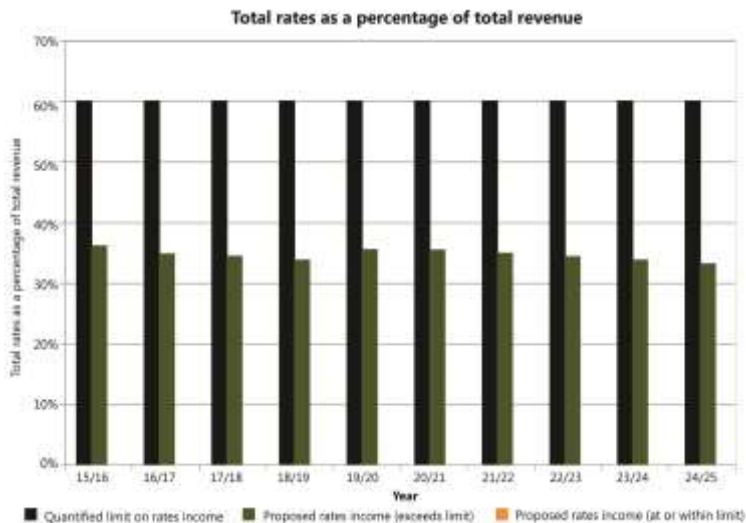
The Council is required to include this statement in its long-term plan in accordance with the *Local Government (Financial Reporting and Prudence) Regulations 2014* (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

### RATES AFFORDABILITY BENCHMARK

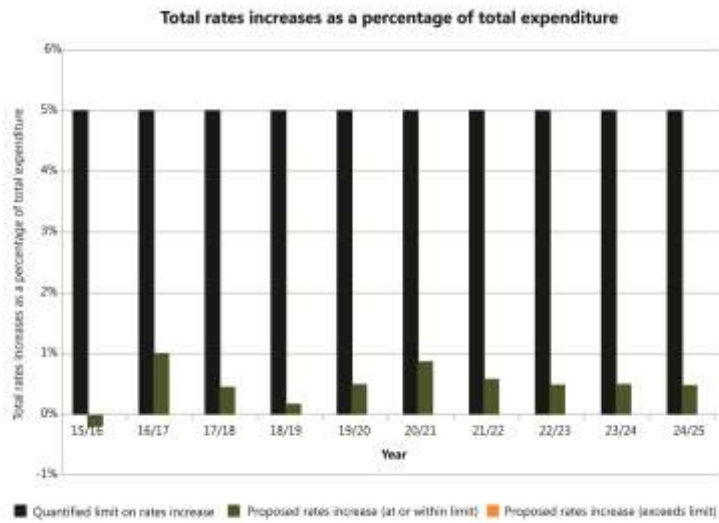
The Council meets the rates affordability benchmark if—

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability. The following graph compares the Council's planned rates with a quantified limit on rates contained in the financial strategy included in this Long-Term Plan. The quantified limit is that total rates will not exceed 60% of total revenue.



Rates (increases) affordability. The following graph compares the Council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this Long-Term Plan. The quantified limit is that total rates increase will not exceed 5% of total expenditure.

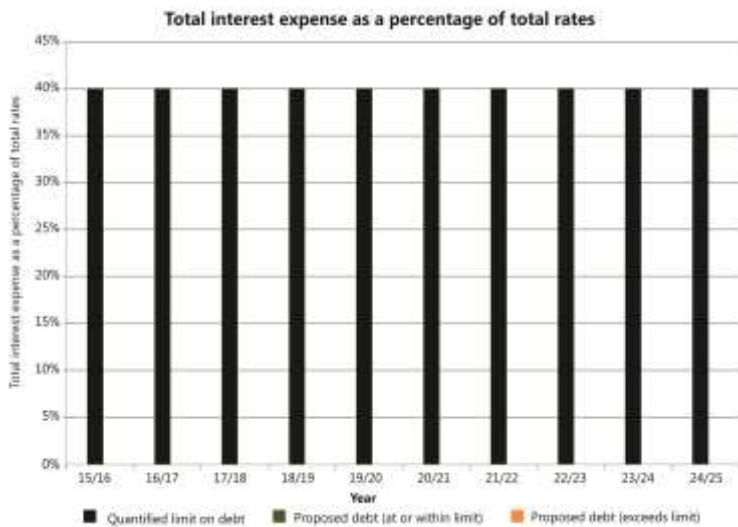


**DEBT AFFORDABILITY BENCHMARK**

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this Long-Term Plan. The quantified limit is that total interest expense on net external public debt will not exceed 40% of total annual rates and levies.

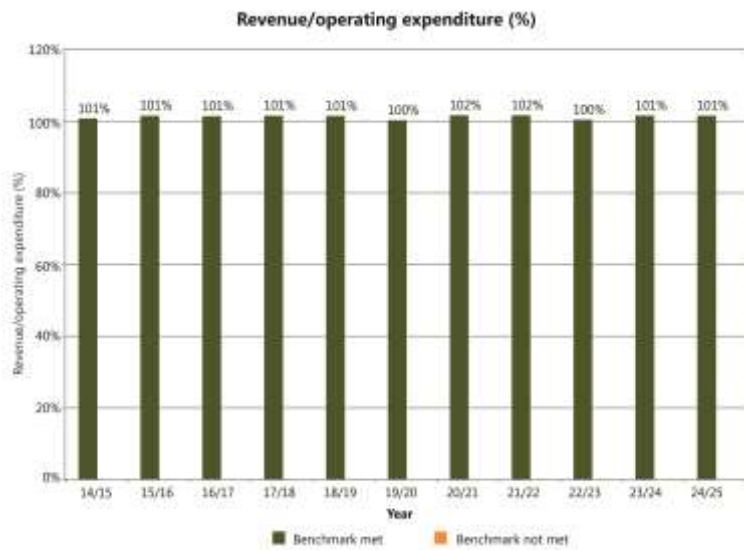
During the period 2015/2016 to 2024/2025, the Council plans to have no external public debt and, consequently no interest expense. The graph shows the total interest expense on net external public debt as 0% of total annual rates and levies.



**BALANCED BUDGET BENCHMARK**

The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



### ESSENTIAL SERVICES BENCHMARK

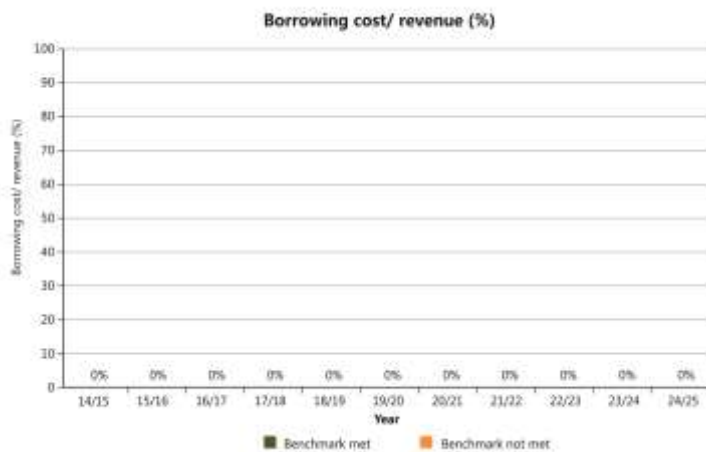
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Network services means infrastructure related to—

- (a) water supply
- (b) sewerage and the treatment and disposal of sewage
- (c) stormwater drainage
- (d) flood protection and control works
- (e) the provision of roads and footpaths.

The Council's only network services are in relation to flood protection and control works. The Council does not provide any of the other network services. These network services are in the form of land assets. Accordingly, there is no depreciation on these assets. The Council's capital expenditure will always be equal to or greater than the depreciation expense. As there is no depreciation, the graph required by Schedule 6 of the *Local Government (Financial Reporting and Prudence) Regulations 2014* cannot be produced.

### DEBT SERVICING BENCHMARK

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue. During the period 2015/2016 to 2024/2025, the Council planning to have no external public debt and, consequently no borrowing costs.



# Governance

The publicly elected Councillors have overall responsibility and accountability for the direction and control of the Council's functions.

## STRUCTURE OF THE COUNCIL

The Council is made up of eleven Councillors, elected as follows:

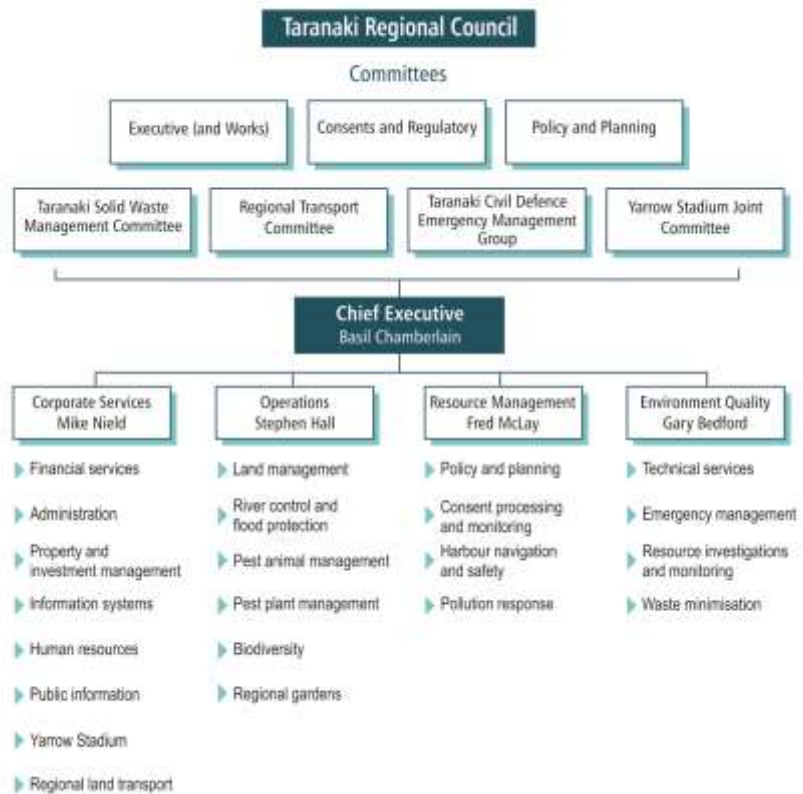
- New Plymouth constituency (5 members)
- North Taranaki constituency (2 members)
- Stratford constituency (1 member)
- South Taranaki constituency (3 members)

## COUNCIL COMMITTEES

In formulating its committees, the Council is required to take into account the dictates of the *Local Government Act 2002*. This Act requires that a local authority should ensure that, so far as is practicable, responsibility and processes for decision-making in relation to regulatory responsibilities is separated from responsibility and processes for decision-making for non-regulatory responsibilities.

With the exception of the Executive and the Consents and Regulatory Committees, the Council has decided to appoint non-Council representatives to its various committees as a means to increase the breadth of input to the decisions made by the Council.

The Civil Defence Emergency Management Group is a Joint Committee established under the



*Civil Defence Emergency Management Act 2002*. The Council is a member of this Group along with members from the New Plymouth, Stratford and South Taranaki district councils. The Council is the administering authority for the Joint Committee.

The Yarrow Stadium Joint Committee has two members from the Council and the New Plymouth District Council. New Plymouth District Council is the administering authority for the Joint Committee.

## GOVERNANCE SYSTEMS

The full Council and main Council committees meet on a six-weekly cycle, with other meetings convened as necessary. Agendas and minutes from all meetings are publicly available for scrutiny. The Council is confident that its adopted structure and approach provides an efficient basis for the sound consideration of issues and the making of good decisions, and that the requirements of the *Local Government Act 2002* are being met.

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## DIVISION OF RESPONSIBILITY

The Council operates a clear division of responsibilities between the role of the Council and that of management as required by the *Local Government Act 2002*. The Council's focus is on setting strategy and policy together with monitoring its implementation. Management is responsible for the implementation of the Council's policy and strategy decisions.

While many of the Council's functions have been delegated, the overall responsibility for maintaining effective systems of internal control rests with the Council. Internal control includes the policies, systems and procedures established to provide measurable assurance that the specific objectives of the Council are achieved.

## LEGISLATIVE COMPLIANCE

As a regulatory body, the Council administers various regulations and laws. As such, the Council considers it vital that it also complies with relevant legislation. Members and management of the Council are cognisant of the Council's legislative requirements. Where necessary, legal advice is obtained to ensure legislative compliance.

## ENVIRONMENTAL COMPLIANCE

Many of the Council's activities are focused on promoting the sustainable use, development and protection of the environment. Both regulatory and non-regulatory methods are employed, and a range of different types of monitoring is undertaken, to test the effectiveness of these methods.

However, in addition to its overall environmental management role in the region, which is substantially focused on the activities of external parties who use environmental resources, the Council itself occasionally engages in resource use activities in undertaking its functions. Where that occurs, the Council has systems and procedures in place to ensure that its own actions comply with at least the standards expected of all other resource users. These include requirements to apply for and obtain necessary consents, the use of independent persons to make decisions on consent applications, and the implementation and public reporting of effective compliance monitoring.

## COUNCIL OPERATIONS

To undertake its activities, the Council employs a permanent staff with wide-ranging professional, technical and administrative skills. In addition, the Council owns the necessary property, equipment and facilities.

Most Council activities are primarily the output of one section or department. However, a number of tasks, particularly those associated with the development of policy, require resources to be applied from throughout the organisation. The departmental structure has been designed in accordance with the Council's fields of activities. It is a flat, compact structure, which results in a high level of delegated authority, productivity and commitment.

## VALUES STATEMENT

The staff of the Council are individually and collectively committed to:

### PUBLIC SERVICE

- behaving with integrity and neutrality in the best traditions of the public sector in New Zealand
- administering our functions for the collective good of our community with consistency, fairness and sensitivity in our treatment of individual situations
- not accepting direct or indirect offers, payment, gifts or bribes in any form and avoiding conflicts of interest.

### SERVICE FIRST

- assisting people in a courteous, helpful, accurate and professional manner
- providing people with a better service than they may expect to receive, noting that many people do not have dealings with us out of choice
- recognising the social and cultural diversity that exists and take this into account in our dealings.

### IMPROVING THE QUALITY OF OUR PERFORMANCE

- ensuring our personal contributions make a real and positive difference to the Council, its mission and performance continually improving the quality of our services to customers and the quality of our working relationships with each other
- improving our time management and productivity by increasing our knowledge and experience of our duties, working in a planned and strategic way and focusing on completing assignments
- calling for assistance when required
- being thorough and professional in our work so that we make sound recommendations and decisions based on knowledge and understanding

### EFFECTIVE COMMUNICATION AND TEAMWORK

- informing each other about our tasks and seeking participation and advice
- communicating with simplicity, clarity, and certainty
- recognising that individual achievements are always underpinned by the assistance of others
- constructively assisting each other, being non-possessive and receptive to advice
- trusting, respecting and being loyal to each other and the organisation
- congratulating each other for jobs well done and helping each other through problems
- participative management systems which encourage constructive and timely expression of opinion, noting that having a say differs from having a vote.



**INITIATIVE AND THE RIGHT TO MAKE MISTAKES**

- challenging the way we do things showing initiative with the aim of improving effectiveness
- being innovative in developing and using new ideas, methods and technologies
- minimising mistakes but accepting that we will make mistakes as we learn and improve
- forgiving well-intentioned errors
- being flexible and responsive to change.

**ACCOUNTABILITY AND RESULTS**

- being responsible and accountable for our own actions and the quality of our own work
- being collectively responsible for and loyal to the organisation's actions
- achieving results which benefit the community
- not mistaking activity for accomplishment.

**PRESENTATION, RESPECT AND CARE**

- presenting ourselves for work in a fit state and in appropriate standards of dress and appearance
- respecting and caring for Council property, plant, vehicles and our workplace as if it were our own
- recognising the need to protect the integrity and public image of the Council and our colleagues in our private lives
- remembering that many of the people who are obliged to contribute to the funding of the organisation have low incomes.

**JOB SATISFACTION**

- being appropriately trained and resourced to do our work well
- being satisfactorily rewarded for our work
- enjoying our work.

# Appendix 1: Resource Management Act Charging Policy

## SCHEDULE OF CHARGES PURSUANT TO SECTION 36 OF THE RESOURCE MANAGEMENT ACT 1991

### SCHEDULE 1: SCALE OF CHARGES FOR STAFF TIME

		Rate for processing resource consents and responding to pollution incidents.	Rate for all other Council work.
Level 1	Senior management	\$338/hr	\$317/hr
Level 2	Managers/supervisors	\$157/hr	\$147/hr
Level 3	Professional staff	\$109/hr	\$101/hr
Level 4	Professional staff	\$86/hr	\$81/hr
Level 5	Support staff	\$86/hr	\$81/hr

#### EXPLANATION

This scale of charges is used to calculate the Council's actual and reasonable costs when carrying out functions under the *Resource Management Act 1991*. Where those actual and reasonable costs exceed any specified charges, the Council may recover those costs as additional charges under section 36(3) of the *Resource Management Act 1991*. Staff time is recovered at the charge appropriate to the task which they are undertaking. The charges are calculated as per the IPENZ method with a multiplier of 2.1. All collection costs incurred in the recovery of a debt will be added to the amount due. All charges exclude GST. Effective from 1 July 2015.

### SCHEDULE 2: FIXED MINIMUM CHARGES FOR THE PREPARATION OR CHANGE OF POLICY STATEMENT OR PLANS AND THE PROCESSING OF RESOURCE CONSENTS

Request for preparation or change to a plan/policy statement	\$20,000
For non-notified farm dairy discharge consent	\$660
For non-notified consent other	\$990
For notified consents (limited and public)	\$6,600
Renewal, change or review of consent:	
Non-notified	\$660
Notified (limited and public)	\$6,600
Extension of a consent lapse date	\$435
Certificate of compliance	\$545
Approvals under Resource Management Act Water Measuring Regulations	\$330
Transfer of consent to another party or change of consent holder name	\$88

#### EXPLANATION

Applicants, in accordance with Council policy, are required, where necessary, to pay all actual and reasonable charges for staff time, consultants, legal, hearing costs (including legal, administration, hearing commissioners (including councillors) and disbursements), plant and laboratory analyses where these costs exceed the fixed minimum charges set out in Schedule 2. All collection costs incurred in the recovery of a debt will be added to the amount due. All charges exclude GST. Effective from 1 July 2015.

### SCHEDULE 3: SCALE OF CHARGES FOR THE USE OF PLANT

Groundwater probe	\$100.00 per day
Hydrological gauging equipment	\$60.00 per gauging
In stream temperature monitor	\$300.00 per year
Portable (12v) groundwater pump	\$120.00 per day
Suspended particulate sampler	\$30.00 per hour
Vandorn sampler	\$50.00 per day
Black disc	\$20.00 per deployment
Bladder pump	\$450.00 per day
Calibration test equipment hire	\$100.00 per hour
Disposabale bailer	\$20.00 per sample
Peristaltic pump	\$100.00 per day
Rain gauge calibration	\$300.00 per deployment
Automatic water quality samplers	\$50.00 per day
Repair parts (battery/fuse/cable)	\$50.00 per deployment
Betrand Rd telemetry	\$2,000.00 per year
GPRS telemetry	\$30.00 per month
Lake Rotorangi telemetry	\$1,752.00 per year
Mangati Stream telemetry	\$2,900.00 per year
Mangawhero telemetry	\$2,000.00 per year
Mangowheroiti telemetry	\$2,000.00 per year
Otakeho telemetry	\$2,000.00 per year
Patea River telemetry	\$3,000.00 per year
Radio telemetry	\$10.00 per month
Standard telemetry site equipment	\$2,500.00 per year
Tawhiti River telemetry	\$3,500.00 per year
Telemetry fee	\$360.00 per year
Waingongoro River telemetry	\$2,000.00 per year
Multigas monitor	\$100.00 per deployment
Passive absorption disks	\$170.00 per sample
Portable wind logger	\$350.00 per month
BTEX absorption disk	\$530.00 per sample
Deposition gauge	\$50.00 per month
Drager air sampler	\$40.00 per sample
DusTrak desktop monitor (PM10)	\$100.00 per day
DusTrak handheld	\$30.00 per deployment
Gastec air sampler	\$50.00 per sample
Stack air sampling kits	\$250.00 per day
Macroinvertebrate sample processing	\$318.00 per sample
Oxipond algal analysis	\$50.00 per sample
Periphyton aspirator	\$50.00 per day
Soil biomonitoring	\$7,658.00 per year
Cold Creek riparian administration	\$1,333.00 per year
Ballance riparian administration	\$3,000.00 per year
Riverlands riparian administration	\$1,400.00 per year
Digital video survey	\$100.00 per day
Sound system	\$120.00 per day

Survey equipment	\$50.00 per day
Traffic management (TMS)	\$87.00 per hour
Video survey equipment	\$50.00 per day
Motorboat - Delia S	\$2,000.00 per day
Quad bike	\$350.00 per day
Single axle trailer	\$70.00 per day
Tandem trailer	\$95.00 per day
Spill response trailer	\$250.00 per day
Teryx ATV	\$500.00 per day
Electric fishing equipment	\$250.00 per day
Electrical submersible pump	\$50.00 per day
Fyke net	\$50.00 per deployment
G-minnow trap	\$10.00 per deployment
Spray unit	\$200.00 per day

#### EXPLANATION

This scale of charges is used to calculate the Council's actual and reasonable costs when carrying out functions under the Resource Management Act 1991. Where those actual and reasonable costs exceed any specified amounts, the Council may recover those costs as additional charges under section 36(3) of the Resource Management Act 1991. The use of materials stored in the spill response trailer and/or used in spill response will be recovered from the spiller on an actual and reasonable basis. All collection costs incurred in the recovery of a debt will be added to the amount due. All charges exclude GST. Effective from 1 July 2015.

#### SCHEDULE 4: FIXED MINIMUM CHARGES FOR LABORATORY ANALYSES

pH	\$15.50
Alkalinity	\$21.50
Acidity	\$21.50
Conductivity	\$15.50
Salinity	\$15.50
Turbidity	\$15.50
Absorbance - filtered	\$15.50
Hardness	\$21.50
Boron	\$30.00
Chloride	\$27.00
Sulphate	\$30.00
Sulphide	\$27.00
Fluoride	\$27.00
Silica - reactive dissolved	\$27.00
Chlorine (kit)	\$21.50
Formaldehyde (kit)	\$21.50
Nitrogen - Ammonia	\$27.00
Nitrogen - Nitrite	\$27.00
Nitrogen - Nitrate	\$34.00
Nitrogen - Urea	\$34.00
Nitrogen - Total	\$44.50
Phosphorus - Total	\$34.00
Phosphorus - reactive dissolved	\$27.00
Settleable solids	\$15.50
Suspended solids	\$34.00
Total Grease	\$83.50
Floatable grease	\$89.50
Oil and Grease, or Hydrocarbons	\$99.00
Oil and Grease, and Hydrocarbons	\$102.00
Chlorophyll	\$49.50
Cyanide (total)	\$76.00
Phenol (total)	\$76.00
Methanol	\$49.50
Biochemical oxygen demand:	
- clean water	\$42.00

- wastewater	\$86.50
- filtered BOD - clean water	\$55.50
- filtered BOD - wastewater	\$98.00
Chemical oxygen demand - filtered	\$59.50
Chemical oxygen demand - total	\$49.50
DO meter - Field	\$22.50
Metals - direct soluble/acid soluble (includes cations)	\$22.50
Metals - total	\$49.50
Mercury - total	\$74.00
Vanadium (gallic acid)	\$49.50
Faecal coliforms or E.coli (Membrane filtration)	\$37.00
Faecal coliforms and E.coli (Membrane filtration)	\$39.00
Enterococci - Water/Wastewater (Membrane filtration)	\$39.00
Faecal coliforms (MPN)	\$88.50
Enterococci (MPN)	\$88.50
Shellfish (MPN)	\$106.00
Soil - Sample preparation	\$37.00
Air deposition filters	\$30.00
1080	\$73.00

#### EXPLANATION

This schedule sets out the fixed minimum charges for laboratory analyses, and is also a scale of charges that will be used to calculate the Council's actual and reasonable costs when carrying out functions under the *Resource Management Act 1991*. Where those actual and reasonable costs exceed the fixed charges in this schedule, the Council may recover those costs as additional charges under section 36(3) of the *Resource Management Act 1991*. An explanation of the methods used for laboratory analyses is available on request. All collection costs incurred in the recovery of a debt will be added to the amount due. Charges exclude GST. Effective from 1 July 2015.

#### SCHEDULE 5: FIXED INITIAL ANNUAL MONITORING DEPOSIT CHARGES FOR ACTIVITIES WITH TAILORED COMPLIANCE MONITORING PROGRAMMES 2015/2016

##### CATCHMENTS - HEREKAWA STREAM

Chevron New Zealand	\$1,724
Methanex Motunui Limited	\$3,098
New Plymouth District Council	\$1,377
Origin Energy Resources (Kupe) Limited	\$2,358
Shell Todd Oil Services Limited	\$4,715

##### CATCHMENTS - HONGIHONGI STREAM

Bulk Storage Terminals Limited	\$4,633
Fonterra Co-operative Group Limited, New Plymouth Coolstore	\$1,815
Greymouth Petroleum Limited	\$1,637
Liquigas Limited	\$2,317
New Zealand Oil Services Ltd	\$2,346
Shell Todd Oil Services Limited	\$2,346

##### CATCHMENTS - LOWER WAIWHAKAIHO AIRSHED

Downer EDI Works Limited	\$7,136
Farmlands Co-operative Society Limited	\$2,795
Fitzroy Engineering Group Limited	\$8,247
Katere Surface Coatings Limited	\$3,875
Ravensdown Fertiliser Co-operative Limited	\$4,931
Taranaki Drum & Pallet Recycling	\$1,042

**CATCHMENTS - LOWER WAIWHAKAIHO RIVER**

AML Limited [Trading as Allied Concrete]	\$2,641
Downer EDI Works Limited	\$2,732
Farmlands Co-operative Society Limited	\$2,719
Firth Industries Ltd	\$2,090
Fitzroy Engineering Group Limited	\$3,140
Freight & Bulk Transport Limited	\$2,286
KiwiRail Holdings Limited	\$1,297
Nankervis Family Trust	\$2,035
New Plymouth District Council	\$8,126
New Zealand Decorative Concrete Limited	\$1,731
New Zealand Railways Corporation	\$2,500
Ravensdown Fertiliser Co-operative Limited	\$9,915
Taranaki Sawmills Limited	\$6,000
Technix Group Limited	\$4,175

**CATCHMENTS - MANGATI STREAM**

ABB Limited	\$6,448
BLM Feeds Limited	\$6,343
Conveyorquip Engineering Services Limited	\$126
Greymouth Petroleum Acquisition Company Limited	\$4,923
Halliburton New Zealand	\$4,914
McKechnie Aluminium Solutions Limited	\$6,998
New Plymouth District Council	\$4,385
Olex New Zealand Limited	\$5,229
OMV New Zealand Limited	\$4,376
Schlumberger New Zealand Limited	\$9,485
Tasman Oil Tools Limited	\$5,020
Tegel Foods Limited (Feedmill)	\$9,456
Tegel Foods Limited (Poultry Processing Plant)	\$14,743
TIL Freightling Limited	\$6,855
Vector Gas Limited	\$1,958

**CATCHMENTS - TAWHITI STREAM**

Graeme Lowe Protein Limited	\$7,090
Silver Fern Farms Limited	\$10,396
Taranaki Fish & Game Council	\$1,301

**CATCHMENTS - WAITAHA STREAM**

Aica (NZ) Limited	\$11,730
C&O Concrete Products Limited	\$2,190
Energyworks Limited	\$2,817
Greymouth Facilities Limited	\$2,254
Intergroup Limited	\$3,348
Meredith Scrap Metals Limited	\$6,315
New Plymouth District Council	\$3,193
Symons Property Developments Limited	\$4,024
Taranaki Sawmills Limited	\$6,133
TBS Coatings Limited	\$4,036
Weatherford New Zealand Limited	\$6,254
Woodwards 2008 Limited	\$999
Zelam Limited	\$1,794

**DAIRY PROCESSING**

Fonterra Co-operative Group Limited, Kapuni	\$58,855
Fonterra Co-operative Group Limited, Whareroa	\$78,744
Hydro-electric Energy	
Normanby Power Limited	\$7,573
Opunake Hydro Limited	\$9,820
Trustpower Limited	\$64,362

**INDUSTRIAL**

Ballance Agri-Nutrients Limited	\$722
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Dow AgroSciences (NZ) Limited	\$32,154
Downer New Zealand Limited	\$717
Fonterra Co-operative Group Limited	\$661
McKechnie Aluminium Solutions Limited	\$18,463
Methanex Motunui Limited	\$1,792
New Zealand Oil Services Ltd	\$1,792
Port Taranaki Limited	\$5,718
Powerco Limited	\$646
Sandford Bros Limited	\$1,022
Solexin Industries Limited	\$619
Taranaki Bulk Storage Limited	\$722
Technix Taranaki Terminal Limited	\$586
Transpower New Zealand Limited	\$1,492
Tranzit Coachlines Taranaki Limited	\$619

**LANDFILLS/CLEANFILLS**

A & A George Family Trust	\$1,195
AA Contracting Limited	\$1,399
Barry & Lynette Bishop	\$1,248
Central Greenwaste 2012	\$1,417
Dimar Partnership	\$2,246
Dorset Fibre Farm	\$1,195
Downer EDI Works Limited	\$1,362
Downer NZ Ltd	\$1,304
EE Riddick	\$1,304
Gas & Plumbing Ltd	\$1,253
Graham Harris (2000) Limited	\$1,195
Groundworkx Taranaki Limited	\$1,619
JW & CT Bailey Ltd	\$1,578
Malandra Downs Limited	\$2,016
New Plymouth District Council	\$50,663
South Taranaki District Council	\$24,901
Stratford District Council	\$4,717
Taranaki Trucking Company Limited	\$1,089
V Rowe Family Trust & CG Bayliss Family Trust	\$1,195
Value Timber Supplies Limited	\$2,795
Waverley Sawmills Limited	\$6,165
Westown Haulage Limited	\$2,571

**MARINE DISCHARGES**

Anzco Foods Waitara Limited	\$3,693
New Plymouth District Council	\$23,464
Port Taranaki Limited	\$6,157

**MEAT PROCESSING**

Gold International Meat Processors Limited	\$21,322
Riverlands Eltham Limited	\$38,071
Silver Fern Farms Limited	\$10,802
Taranaki Abattoirs Co [1992] Limited	\$1,953
Taranaki By-Products Limited	\$77,862

**MINOR INDUSTRIES**

Abraham W Limited	\$3,384
Allied Concrete	\$1,127
Anzco Foods Waitara Limited	\$449
Arabac Aerial Abseil Access [NZ] Limited	\$518
Berridge Pet Food	\$449
Blastways Limited	\$518
Coastal Services Limited	\$518
DG & MI Nelley	\$449
Edmonds Industrial Coatings Ltd	\$518
Eltham Sandblasting Limited	\$518
Energyworks Limited	\$518
Firth Industries	\$1,127
Fletcher Concrete & Infrastructure Limited	\$1,127



GM & PJ Rutten Family Trust Partnership	\$1,158
Graham & Ruby Dorn	\$1,238
Greg McCallum	\$1,653
Greymouth Petroleum Acquisition Company Limited	\$390
GSJ Trust	\$2,115
Gwerder Brothers	\$491
Hawera Golf Club Inc	\$289
I Cassie	\$491
Ian & Judith Armstrong	\$491
Ian Mantey Family Trust & Sally Mantey Family Trust	\$2,014
IHC New Zealand Inc	\$491
Inglewood Golf Club Inc	\$491
James & Donna-Maree Baker	\$2,427
Jimian Limited	\$2,014
John & Elaine Glenda Sanderson	\$4,028
Julian RM & MC Family Trust	\$2,014
JW & MT Hamblyn Family Trusts	\$1,689
Kaihihi Trust	\$2,115
Kaipu Holdings Limited	\$390
Kaitake Golf Club Inc	\$491
Kathdan Trust Limited	\$925
KCCG Sole Trust	\$1,288
Kereone Farms Limited	\$7,503
Kohi Investments Limited	\$2,014
Kokako Road Limited	\$1,077
Larsen Trusts Partnership	\$2,014
Leatherleaf Limited	\$2,014
Manaia Golf Club	\$390
Manukorihi Golf Club Inc	\$390
Mara Trust	\$2,014
MD Aiken Family Trust	\$680
MJ Fahy & MO Fahy	\$491
Naplin Trust	\$491
New Plymouth District Council	\$9,370
New Plymouth Golf Club Inc	\$2,014
Ngatoro Poultry Limited	\$390
Nigel Wayne & Denise Mary King	\$925
Norwood Farm Partnership	\$491
NRGE Farms Limited/Oceanview Trust	\$2,014
Nukumaru Water Scheme Society Inc	\$558
Oakura Farms Limited	\$491
Oaonui Water Supply Limited	\$2,479
Ohawe Farm Limited	\$562
Pariroa Marae (The Trustees)	\$491
Pihama Farms Limited	\$2,014
Pinehill Land Company Limited	\$2,014
PKW Farms LP	\$390
Pukeone Partnership	\$7,348
Pungarehu Farmers Group Water Scheme	\$976
RA & SM Geary Trusts Partnership	\$1,057
Riverside Farms Taranaki Ltd	\$865
SB & J May Family Trust	\$390
Sona Chosta Limited	\$491
South Taranaki District Council	\$32,594
Spenceview Farms	\$3,024
Stratford District Council	\$4,202
Stratford Golf Club Inc	\$289
T & V Gibson Limited	\$925
Taranaki Community Rugby Trust	\$2,166
Taranaki Greenhouses Limited	\$491
Taranaki Thoroughbred Racing	\$5,940
Te Ngutu Golf Club Incorporated	\$1,370
Te Rua O te Moko 2B Ahuwhenua Trust	\$491
Todd Energy Limited	\$882
Vickers B & NM & Church G & CG	\$491
Waikaikai Farms Limited	\$1,692
Waitara Golf Club Inc	\$390

Waiwira Trust	\$2,317
Walker & McLean Partnership	\$2,074
Wayne & Sandra Morrison	\$2,392
Westown Golf Club Inc	\$390
Woollaston Family Trust Partnership	\$2,014

## EXPLANATION

The Council's fixed initial deposit charges for activities with tailored compliance monitoring programmes are presented in various groups based on the nature of the discharge and/or type of industry. Any additional costs over and above the initial fixed deposit will be charged in arrears.

For new tailored compliance monitoring programmes or inclusion of new consents into existing programmes (that arise between the setting of these charges and the end of the financial year that they relate to), an estimate will be provided to the consent holder and compliance monitoring work charged according to this. Where no invoice is provided, compliance monitoring costs will be recovered per Schedule 6 or 7 of this Plan.

Additional charges may be levied under section 36(3) of the *Resource Management Act 1991* where the Council's actual and reasonable costs exceed the fixed monitoring charge. See the scales of charges for staff time, consultants, plant and laboratory analyses set out in Schedules 1, 3 and 4. All collection costs incurred in the recovery of a debt will be added to the amount due. All charges exclude GST. Effective from 1 July 2015.

## SCHEDULE 6: FIXED MINIMUM CHARGES FOR MONITORING WHERE NO TAILORED COMPLIANCE MONITORING PROGRAMME EXISTS

The fixed charge for the annual farm dairy discharge compliance monitoring inspection and sampling are set out below:

Discharge to land consent: \$286

Discharge to water, no sampling: \$286

Discharge to water consent, including sampling discharge and receiving environment: \$854

Discharge to land and water consent, including sampling discharge and receiving environment: \$918

Discharge to land and water consent, no sampling: \$329.

Where non-compliance is detected the following additional monitoring re-inspection and sampling fixed charge may apply:

	Minor Non- compliance	Significant Non- compliance
Discharge to land or water consent, no sampling	\$711	\$1,313
Discharge to water consent, including sampling and reinspection	\$1,132	\$1,734

**EXPLANATION**

The above fixed minimum charges for the annual farm dairy discharge compliance monitoring inspection and re-inspection, both including sampling, are based on actual and reasonable charges for staff time (Level 4- Professional Staff, Schedule 1) and laboratory analyses (Schedule 4). The above fixed minimum charges for monitoring, re-inspection and sampling after non-compliance with resource consent conditions or the *Resource Management Act 1991*, whether this arises from the annual inspection or not, are based on actual and reasonable charges for staff time (Level 4- Professional Staff, Schedule 1) and laboratory analyses (Schedule 4). Each farm dairy discharge non-compliance will be assessed in the context of the consent granted and compliance history of the consent. Significant non-compliance activities are non-compliances that will have actual or potential effects on the environment. Examples of a minor non-compliance are deficient baffles between ponds, minor failure to contain shed/race effluent and washings where these discharge to land, and stormwater diversion system deficient. Examples of significant non-compliance are ponding of effluent on the soil surface (unauthorised by resource consent), breach of discharge standards required in the resource consent, inadequate effluent storage and land area, significant increase in stock numbers beyond those allowed in the consent, and an inadequate effluent system. The above are examples and it should be noted they do not represent a complete list of non-compliances.

Additional charges may be levied under section 36(3) of the *Resource Management Act 1991* where the Council's actual and reasonable costs exceed the fixed monitoring and non-compliance charges. An example is a significant non-compliance for a discharge to land farm dairy discharge consent where sampling costs of the discharge and receiving water may be required. See the scales of charges for staff time, consultants, plant and laboratory analyses set out in Schedules 1, 3 and 4. All collection costs incurred in the recovery of a debt will be added to the amount due. All charges exclude GST. Effective from 1 July 2015.

### **SCHEDULE 7: FIXED MINIMUM CHARGES FOR MONITORING WHERE NO TAILORED COMPLIANCE MONITORING PROGRAMME EXISTS**

The fixed charge for a compliance monitoring inspection that is not addressed in Schedule 5 or 6 is \$286 per inspection plus any additional plant or laboratory analyses costs as set out in Schedules 3 and 4.

The fixed charge for a compliance monitoring re-inspection arising from non-compliance detected in an inspection that is not addressed in Schedule 5 or 6 is \$319 per inspection plus any additional plant or laboratory analyses costs as set out in Schedules 3 and 4.

**EXPLANATION**

The above fixed charges for compliance monitoring inspections and re-inspections are based on staff time for a Level 4- Professional Staff (Schedule 1). Additional charges may be levied under section 36(3) of the *Resource Management Act 1991* where the Council's actual and reasonable costs exceed the fixed monitoring charge. See scales of charges for

staff time, consultants, plant and laboratory analyses set out in Schedules 1,3 and 4. All collection costs incurred in the recovery of a debt will be added to the amount due. All charges exclude GST. Effective from 1 July 2015.

### **SCHEDULE 8: CHARGES FOR THOSE REQUESTING HEARING COMMISSIONERS**

An applicant or submitter(s) making a request, under section 100A of the *Resource Management Act 1991*, shall be required to pay the additional costs as reasonably determined by the Council using costs set out in Schedules 1 and 2, with a \$10,000 minimum payment to be made at the time of the request.

**EXPLANATION**

For a notified resource consent application an applicant or a submitter may request that the Council delegate its functions, powers and duties required to hear and decide the application to one or more independent hearing commissioners. Sections 36(1)(aa) and 36(1)(ab) of the *Resource Management Act 1991* allow the Council to estimate the additional costs as if the request had not been made and recover these costs from the requestor(s). The requirement to pay an initial minimum payment arises under sections 100A(2) and 36 of the *Resource Management Act 1991*. Where more than one submitter makes a request the costs may be shared equally. If payment is not made then the request will not be implemented. If the additional cost of independent hearing commissioners is less than the minimum payment then a refund will be made. Schedule 1 sets out the Council's scale of charges for staff time and schedule 2 sets out the fixed minimum cost of processing resource consent applications and includes hearing costs. All collection costs incurred in the recovery of a debt will be added to the amount due. All charges exclude GST. Effective from 1 July 2015.

## Appendix 2: Building Act Charging Policy

### SCHEDULE OF CHARGES PURSUANT TO THE *BUILDING ACT 2004*

#### DAM COMPLIANCE AND SAFETY

Function	Deposit	Additional hourly charge
Project information audit memorandum	Large Dam (above \$100,000 value) \$989 Medium Dam (\$20,000 to \$100,000 Value) \$764 Small Dam (\$0 to \$20,000 value) \$547	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time.
Lodge building warrant of fitness	\$101	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time. Actual and reasonable for expert advice.
Amendment to compliance schedule	\$101	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time. Actual and reasonable for expert advice.
Certificate of Acceptance	Large Dam (above \$100,000 value) \$3,925 Medium Dam (\$20,000 to \$100,000 value) \$1,963 Small Dam (\$0 to \$20,000 value) \$505	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time. Actual and reasonable for expert advice.
Lodge dam classification (potential impact category)	\$101	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time. Actual and reasonable for expert advice.
Lodge annual dam safety compliance certificate	\$101	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time. Actual and reasonable for expert advice.
Lodge dam safety assurance programme	\$101	Actual and reasonable costs based on Appendix 1, Schedule 1—Scale of charges for staff time. Actual and reasonable for expert advice.

#### EXPLANATION

The charges are for the Council's actual and reasonable costs when carrying out functions under the *Building Act 2004* in relation to dams. The charge (in most cases) will be made up of a deposit and where required an additional charge, when the cost of performing the function exceeds the deposit by more than \$20. If the cost of performing the function is less than the deposit paid by more than \$20, a refund will be given. The *Building Act* does not specify a particular procedure for the

Council to follow when setting *Building Act* fees and charges. Charges under the *Building Act 2004* for performing any other function under the Act will be based on the staff charge our rates in Schedule 1. The Council has decided, for completeness and ease of reference, to include these charges in this *Plan*. All collection costs incurred in the recovery of a debt will be added to the amount due. All charges are GST exclusive. Effective from 1 July 2015.



## Appendix 3: Local Government Act Charging Policy

### SCHEDULE OF CHARGES PURSUANT TO THE *LOCAL GOVERNMENT ACT 2002*

#### INSPECTIONS AND INCIDENTS COST RECOVERY

Pursuant to section 150 of the *Local Government Act 2002*, the Taranaki Regional Council gives notice that it has adopted the following schedules of charges for the recovery of the costs of inspection, including but not limited to routine and additional inspections, and inspections following any incidents, discharges, spillages or non-containment of substances that cause, or have the potential to cause, adverse environmental effects, where these costs are not covered by a more specific charge elsewhere.

The cost recovery schedule for staff time is set out in Schedule 1; plant is set out in Schedule 3; and laboratory analysis costs are set out in Schedule 4, with all schedules in Appendix 1.

#### EXPLANATION

The scale of charges set out above may apply for the recovery of reasonable costs incurred of staff time and analyses associated with inspections and following incidents, discharges, spillages, non-containment of substances or breaches of permitted activity standards that cause, or have the potential to cause, adverse environmental effects. Inspections of permitted activities may be undertaken to assess compliance with permitted activity standards. Inspections may involve actions such as taking and analysing samples to determine environmental effects. All collection costs incurred in the recovery of a debt will be added to the amount due. All charges are GST exclusive. Effective from 1 July 2015.

## Appendix 4: Local Government Official Information and Meetings Act Charging Policy

### SCHEDULE OF CHARGES PURSUANT TO THE *LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987*

#### REQUESTS FOR SUPPLY OF INFORMATION UNDER THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

Pursuant to section 13(1A) of the *Local Government Local Government Official Information and Meetings Act 1987* (LGOIMA), the Taranaki Regional Council may charge for the supply of information.

The cost recovery schedule for staff time is set out in Schedule 1.

The first 15 minutes of time spent actioning a request for information on each or any occasion relating to the same general matter shall be provided free of charge. The Council reserves its rights to charge for the provision of information above 15 minutes.

The Council requires payment in advance.

The first 20 pages of black and white photocopying on standard A4 or A3 paper shall be provided free of charge. Where the total number of pages of photocopying is in excess of 20 then each sheet of paper will be charged at 10 cents per sheet.

Upon receipt of a request for information, the Council will advise of the decision to charge, the estimated amount of the charge, how the charge has been calculated, the requirement to pay in advance and the right to seek a review by an Ombudsman of the estimated charge.

#### EXPLANATION

The scale of charges set out above may apply for the recovery of staff time and reasonable costs incurred with the collection and supply of information under LGOIMA. All collection costs incurred in the recovery of a debt will be added to the amount due. All charges are GST exclusive. Effective from 1 July 2015.

## Appendix 5: Funding and Financial Policies

### COMMUNITY PROJECT FUNDING POLICY

#### PURPOSE

To present the Council's policy for considering requests for funding for community projects.

#### POLICY

Having considered the purpose of local government and the role of the Council in achieving this purpose, the Taranaki Regional Council considers that its primary or core role is one of:

- promoting the sustainable use, development and protection of Taranaki's natural and physical resources
- safeguarding Taranaki's people and resources from natural and other hazards
- promoting and providing for Taranaki's regionally significant services, amenities and infrastructure
- representing Taranaki's interests and contributions to the regional, national and international community.

The Council will generally decline applications for funding for activities outside its core activities or where funds are available from district councils or funding trusts. In this respect the Council is not a general funder or grant provider.

However, the Council recognises that there will be exceptions when it may wish to or may be called upon to play a broader role in promoting the well-being of the Taranaki community. This may include support for policies, programmes, activities or individual projects in areas of social, economic, environmental or cultural well-being. The Council will only consider involvement in areas outside of its primary or core roles where:

- there is strong and widespread community support for such involvement
- there is support from the district councils in the region
- the proposal is of regional rather than local significance and "funding justice" requires regional intervention or assistance
- the proposal does not conflict with or reduce the Council's ability to carry out its primary role
- the proposal does not conflict with other policies of the Council including the *Revenue and Financing Policy*, the *Investment Policy* and the *Liability Management Policy*
- the proposal does not represent a shifting on to the Council of a duty or responsibility that is properly that of another agency. On this matter however, the Council may consider fair and equitable partnership arrangements where such arrangements promote the interests of the regional community and meet the Council's other statutory obligations.

### LIABILITY MANAGEMENT POLICY

#### PURPOSE

To present the Council's policies for managing potential debt liabilities. The Council currently has no long-term debt. The policies in relation to borrowing are established to enable the Council to utilise borrowing facilities should the need arise from unforeseen circumstances.

#### INTRODUCTION

The Council borrows as it considers appropriate and exercises its flexible and diversified funding powers pursuant to the *Local Government Act 2002*. The Council approves, by resolution, the borrowing requirement for each financial year during the annual planning process. The arrangement of precise terms and conditions of borrowing is delegated to the Chief Executive. The Council has no requirement or plans to raise debt during the life of this *Plan*.

#### BORROWING LIMITS

Total interest expense on net external public debt will not exceed 40% of total annual rates and levies. Net external public debt per capita will not exceed \$500. These limits may be exceeded if the Council is required to meet the obligations of Port Taranaki Ltd under a guarantee in respect of any proposed expansion.

#### BORROWING MECHANISMS

The Council will be able to borrow through a variety of market mechanisms including issuing stock and debentures, direct bank borrowing or accessing the short and long-term capital markets directly.

#### LIQUIDITY RISK MANAGEMENT

The Council minimises its liquidity risk by:

- matching expenditure closely to its revenue streams and managing cash flow timing differences to its favour
- avoiding concentration of debt maturity dates
- maintaining a mixture of committed and uncommitted credit lines with its identified registered banks.

#### INTEREST RATE RISK MANAGEMENT

Generally, given the Council's desire to have predictable, certain interest costs, the need to avoid large adverse impacts on annual rates arising from interest rate related rises, and the long-term nature of the Council's assets and intergenerational factors, the Council tends to have a high percentage of fixed rate or hedged borrowing.

#### SECURITY

The Council does not offer assets other than targeted rates as security for general borrowing programmes. In unusual circumstances security may be offered over specific assets, only with prior Council approval.

## REPAYMENT

Rates, surplus funds and proceeds from the sale of investments and assets may be used to repay borrowing unless the Council determines otherwise.

## CREDIT RISK MANAGEMENT

While the Council will only borrow from reputable financial institutions, there is no minimum credit rating requirements imposed by the Council on its lenders. Also, there is no limit on the level of borrowing to which the Council may commit from any one lender.

## OTHER POTENTIAL LIABILITIES

During the life of this *Plan* the Council may decide to guarantee the obligations of Port Taranaki Ltd in respect of financing any proposed expansion of the port. The Council will only do so on terms and conditions which enable it to closely monitor Port Taranaki's performance of its obligations, and otherwise protect the Council's position. In the event that such a guarantee was ever called upon, the Council would finance the liability through borrowing and rates.

## INVESTMENT POLICY

### PURPOSE

To present the Council's policies in respect of investments, including:

- the mix of investments
- the acquisition of new investments
- an outline of the procedures by which investments are managed and reported on to the Council
- an outline of how risks associated with investments are assessed and managed.

### INTRODUCTION

The Council has a significant portfolio of investments comprising:

- equity investments
- treasury investments
- property investments.

As at 30 June 2014, these investments were valued at:		
Equity	\$26,799,118	45%
Treasury	\$17,858,051	30%
Property	\$14,901,500	25%
<b>Total</b>	<b>\$59,558,669</b>	<b>100%</b>

The Council's investment activity is a risk management function. The Council's approach is to manage investments to optimise returns in the long-term while balancing risk and return considerations. The Council recognises that as a responsible public authority any investments that it holds should be prudently managed. It also recognises that lower risk generally means lower returns. The Council also seeks to optimise investment returns, ensure investments are liquid and manage potential losses due to interest rate movements if investments need to be liquidated before maturity.

## OBJECTIVES

The Council's objectives in relation to its investments are as follows:

- to optimise returns in the long-term
- to balance the minimisation of risk and the maximisation of returns
- to utilise investments to produce a revenue stream that reduces the Council's reliance on general rates revenue
- to maintain revenue streams rather than growing the value of investments
- to hold certain investments for the strategic rather than financial benefits of the region.

## EQUITY INVESTMENTS

### PORT TARANAKI LIMITED

The Council owns 100% of Port Taranaki Ltd (Port Taranaki). Port Taranaki is a port operator established under the *Port Companies Act 1988*. The shares are recorded in the Council's *Statement of Financial Position* at their par value of \$26 million.

The Council will continue to maintain the current risk management procedures and exercise ongoing governance through the constitution, statement of corporate intent, half-year report, annual report and the appointment of the Board of Directors. The Council will continue reviewing ownership options while maintaining control and minimising risk. During the life of this *Plan*, the Council may assist Port Taranaki Ltd by providing a guarantee of its obligations, on appropriate terms and conditions, in respect of any proposed expansion.

### REGIONAL SOFTWARE HOLDINGS LTD

The Council owns 15.5% of Regional Software Holdings Ltd. Regional Software Holdings Ltd is a regional council specific provider of shared software resources. It is a company established under the *Companies Act 1993*. The shares are recorded in the Council's *Statement of Financial Position* at 30 June 2014 at \$798,000.

The Council will continue to maintain the current risk management procedures and exercise ongoing governance through the constitution, statement of corporate intent, half-year report, annual report and the appointment of the Board of Directors. Whilst the Council will continue reviewing ownership options, its intention is to be a long-term investor in Regional Software Holdings Ltd.

### CIVIC ASSURANCE

The Council owns 1,000 shares in Civic Assurance and they are recorded in the Council's *Statement of Financial Position* at their par value of \$1,000. The shares in Civic Assurance were acquired by virtue of the Council being a local authority. The purpose of the company, in which most local authorities are shareholders, is to ensure that adequate insurance arrangements are available to local authorities at the lowest possible cost.

The shares in Civic Assurance continue to be held, as the shares are not readily transferable. The amount involved is immaterial relative to the Council's total investment holdings.

Annual reports are received and reviewed by the Council. The election of Directors takes place at the annual general meeting

held at the time of the Local Government New Zealand annual conference. The Council votes by proxy or by delegated authority to the Chairperson.

## TREASURY INVESTMENTS

The Council maintains daily, monthly and annual cash flow projections that form the basis of its cash management activity. The Council manages its working capital balances by matching expenditure closely to its revenue streams, and managing cash flow timing differences to its favour. The Council minimises its credit exposure by:

- ensuring all investment, cash management, interest rate risk management and any foreign exchange transactions are undertaken with entities that have a strong credit rating
- limiting total exposure to prescribed amounts and set percentages of total cash investments
- monitoring compliance against set limits.

The Council ensures that all investment, interest rate risk management as well as any foreign exchange activity is undertaken with institutions that are of high quality credit rating to ensure amounts owing to the Council are paid fully on the due date.

The following table summarises credit requirements and limits:

Institution	Total Exposure Limits \$ Value	% of Total Cash Investments
Government stock and treasury bills	Unlimited	Unlimited
Registered banks and local authority and corporation stocks	\$6 million	40%

If any of these organisation's credit rating falls below an "BBB+" rating as defined by Standard and Poors, then all practical steps will be taken to eliminate the Council's exposure to that registered bank as soon as possible. A "BBB+" rating is defined as a "strong capacity to pay".

## PROPERTY INVESTMENTS

The Council owns endowment properties in New Plymouth. These transferred to the Council at the time it assumed the role of the previous Taranaki Harbours Board in 1989. Properties are leased on long-term basis to external parties (perpetually renewable ground leases). As at 30 June 2014, these properties were valued at \$14,901,500.

The Council's policy to the management of these leases is:

- for residential properties, if the leaseholder wishes to purchase the property then it will be offered for sale at market valuation. If the leaseholder does not wish to purchase the property then the Council will retain the property unless there is a conflict of interest between the Council's role as a regulator and its role as a landlord
- for commercial and industrial properties the Council will review the ownership and management of these properties with Port Taranaki Ltd. If there is strategic value to Port Taranaki Ltd in holding and/or managing these

properties then the Council will either sell the properties or transfer management of the leases to Port Taranaki Ltd at market valuation. Following this process the Council may offer the properties for sale to the current leaseholder at market valuation. Other than one of these two scenarios, the Council will retain ownership of the properties unless there is a conflict of interest between the Council's role as a regulator and its role as a landlord.

There are legal obligations and restrictions on the Council in undertaking any endowment property disposal. The Council will follow these procedures. The proceeds from the disposal of any endowment property can only be used for the purposes of the original endowment. The Council does not have specific plans for the use of the proceeds of any endowment property disposal. Accordingly the proceeds from any disposal will be transferred to a separate reserve and used for the original endowment purposes.

The Council will continue to maximise returns from its properties.

## ACQUISITION OF NEW INVESTMENTS

The Council will not seek to acquire any new equity or property investments unless they are identified in its *Long-Term Plan*. Treasury investments are acquired and disposed off as they reach maturity or surplus funds are available for investment.

## MONITORING INVESTMENTS

Investments are monitored and reported on in the *Monthly Financial Reports*.

## POLICY ON DEVELOPMENT CONTRIBUTIONS AND FINANCIAL CONTRIBUTIONS

### PURPOSE

To present the Council's policy for development and financial contributions.

### POLICY

The Council is required to have a policy in relation to the purposes for which development contributions or financial contributions may be required. Only territorial authorities have the statutory ability to charge development contributions. Accordingly, the Taranaki Regional Council cannot charge development contributions. However, the Council is able to charge for financial contributions pursuant to the *Resource Management Act 1991*. The following policy outlines the Council's specific policies in relation to financial contributions.

Where the Council grants a resource consent under the rules in one of its regional plans, it may impose a condition requiring that a financial contribution be made for the purposes specified in the *Plan*. The Council has four regional plans namely:

- *Regional Coastal Plan for Taranaki 1997*
- *Regional Fresh Water Plan for Taranaki 2001*
- *Regional Soil Plan for Taranaki 2001*
- *Regional Air Quality Plan for Taranaki 2011*.

The term “financial contribution” is defined in section 108(9) of the *Resource Management Act 1991* to mean:

“...a contribution of:

- a) money; or
- b) land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Māori land within the meaning of the *Māori Land Act 1993* unless that Act provides otherwise; or
- c) a combination of money and land”.

Further matters relating to financial contributions are contained in section 108(10) of the Act. Under this section of the Act, a consent authority must not include a condition in a resource consent requiring a financial contribution unless:

- d) the condition is imposed in accordance with the purpose specified in the Plan or Proposed Plan (including the purpose of ensuring positive effects on the environment to offset any adverse effect); and
- e) the level of contribution is determined in the manner described in the Plan or Proposed Plan.

Financial contributions may be required for various purposes, including for the purposes of ensuring positive effects on the environment to offset any adverse effects and to mitigate adverse effects on the environment of use and development (environmental compensation).

Financial contributions will only be taken where other mechanisms will not adequately address community concerns or where circumstances of an individual case point clearly to a financial contribution as being the most appropriate option. The requirement for and amount of a financial contribution are generally determined during pre-hearing consultation on an application for a resource consent. Thus the use and appropriateness of financial contributions in any given circumstance is determined through consultation involving the Council, the applicant for a resource consent and any submitters to the application.

All monies collected under the financial contributions regime of the Plan are collected by the Council for use in such a manner as the Council deems fit in order to avoid, remedy or mitigate, or offset, the adverse effects on the environment of the activity that the financial contribution is levied on. When deciding how those contributions should be levied or allocated, consideration will be given to matters contained in public submissions on a resource consent application.

The provisions, which reflect the requirements of the Act, are set out in each regional plan. The provisions include:

- the circumstances when such contributions may be imposed
- the purposes for which such contributions may be required and used
- the manner in which the amount of the contribution will be determined
- matters which the Taranaki Regional Council will have particular regard to when deciding whether to impose a financial contribution, the type or types of contribution, and the amount of any contribution.

Copies of the Regional Plans are available by contacting the Council or by reference to the Council’s website [www.trc.govt.nz](http://www.trc.govt.nz).

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## SIGNIFICANCE AND ENGAGEMENT POLICY

### BACKGROUND

The Taranaki Regional Council is committed to engagement with its community based on strong underpinning principles. In addition, the Council has a legal obligation to have a Significance and Engagement Policy that complies with Part 6 of the *Local Government Act 2002* (the Act).

Section 10 of the Act defines the purpose of local government as:

- enabling democratic local decision-making and action by, and on behalf of, communities
- meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Whenever the Council makes a decision on any matter it must determine the significance of the decision to be made and, where appropriate, engage with its community.

Under legislation there are clearly defined principles for making decisions, determining significance and engaging with communities. These include:

- identification and assessment of options
- quantification of benefits and costs
- the amount of detail
- evidence of compliance with the significance and engagement policy
- providing processes to encourage and engage with Māori.

The purpose of this policy is to:

- enable the Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities
- provide clarity about how and when communities can expect to be engaged in decisions made by the Council
- inform the Council from the beginning of a decision-making process about the extent, form and type of engagement required.

### SIGNIFICANCE POLICY

#### PURPOSE

To present the Council's general approach to determining the significance of proposals and decisions in relation to issues, assets, and other matters; and any criteria or procedures that are to be used by the Council in assessing the extent to which issues, proposals, assets, decisions, or activities are significant or may have significant consequences. The Council's assessment of the significance of a decision is important for the following reasons:

- degree of compliance—the assessment of significance will determine the nature, extent and degree of compliance necessary with the decision making process set out in Part 6 of the Act. In essence, the more significant the issue the higher the standard of compliance required
- separate consultation—the degree of significance will assist in determining whether, in the Council's opinion, it is necessary to embark on the special consultative procedure with the persons likely to be affected or interested in the decision or matter, or whether to undertake some other form of consultation or whether it is sufficient to rely on information already gathered and held by the Council
- disclosure—the degree of significance will assist in determining the extent and detail of information to be disclosed by the Council when reporting to the region, or the amount of information included in consultation papers
- inclusion in long-term plan—the degree of significance may also determine whether a decision on a matter must be explicitly included in the long-term plan, and in a statement of proposal which has been considered under a special consultative procedure, before the decision can be made.

#### DEFINITIONS

As set out in the Act, significance means:

**Significance**, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:

- (a) the district or region
- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

#### GENERAL APPROACH TO DETERMINING WHICH PROPOSALS AND DECISIONS ARE SIGNIFICANT

When determining the question of the significance of proposals and decisions in relation to issues, assets or other matters the Council will determine the extent to which:

- the consequences or impacts of the issue, assets, or other matters, affect a large number of residents and ratepayers to a moderate extent
- the consequences or impacts of the issue, assets, or other matters, affect a small number of residents and ratepayers to a large extent
- the issue, asset, or other matters have a history of generating wide public interest within the Taranaki region or New Zealand generally.

## CRITERIA AND PROCESSES FOR DETERMINING WHICH PROPOSALS AND DECISIONS ARE SIGNIFICANT

When undertaking a process to determine the extent to which issues, proposals, decisions or other matters are significant, the Council will use the following criteria and procedures.

### CRITERIA

- Whether the asset is a strategic asset within the meaning of the Act or listed in this policy
- The extent to which there is, or is likely to be a change in the level of service in carrying out any significant activity
- The extent to which there is, or is likely to be a change in the way in which any significant activity is carried out
- The extent to which there is, or is likely to be a change in the capacity of the Council to provide any significant service or carry out any significant activity
- Issues, assets or other matters that incur more than \$3,000,000 of budgeted and \$1,000,000 of unbudgeted expenditure
- Any transfer of ownership or control, or the construction, replacement or abandonment of a strategic asset as defined by the Act or listed in this policy
- The sale of the Council's shareholding in any council controlled trading organisation, or council controlled organisation
- A decision that will significantly affect the capacity of the Council to carry out any activity identified in the operative long-term plan.

### PROCEDURES

- Decisions on significance will be made by and in a Meeting of the Council in light of the recommendation of the Chief Executive
- The Council has delegated powers to the Chairperson and Chief Executive to act in emergency situations. Nothing in this policy will affect those delegations.

### GENERAL APPROACH TO ENGAGEMENT

The Council is committed to engaging with its communities and to applying the assessment criteria outlined below. The Council acknowledges that "communities" may be communities of place or communities of interest and will use appropriate tools and techniques to make meaningful and timely connections that elicit feedback.

Section 14 of the Act sets out the **principles** relating to local authorities, including:

- conducting its business in an open, transparent and democratically accountable manner
- making itself aware of, and having regard to, the views of all of its communities
- when making a decision, taking account of: the diversity of the community and the community's interests within its district or region; the interests of future as well as current communities; and the likely impact of any decision on the interests
- providing opportunities for Māori to contribute to its decision-making processes.

**Consultation** must be carried out in accordance with principles set out in section 82 which in summary are: persons who will be affected by, or have an interest in, the decision or matter should:

- be provided with reasonable access to relevant information in a manner and format that suits their needs
- encouraged to present their views
- given clear information concerning the purpose of the consultation and the scope of the decisions to be taken'
- given an opportunity to present their views to the local authority in a manner and format that suits them
- views presented to a council must be received with an open mind and be given due consideration before any decision is made
- persons who present views should have access to relevant decisions made by the Council.

Councils must also ensure that they have in place processes for consulting with Māori.

### ENGAGEMENT ASSESSMENT CRITERIA

The level to which the Council will engage will align with the significance of the decision. The greater the significance of the decision, the greater will be the level of engagement with the community. Engagement will be at one or more of the levels shown below. The actual level of engagement will be made on a case-by-case basis having considered section 14 and 82 of the Act. In some cases the Council expects that more than one approach will be adopted.

This decision will guide the selection of appropriate engagement tools and techniques to be used. Examples of the different types of engagement tools are:

- Fact sheets
- Web sites
- News media
- Submissions on working papers, technical reports, discussion papers, issues and options documents, community flyers etc
- General surveys
- Public opinion surveys
- Open days
- Online tools
- Workshops
- Focus groups
- Stakeholder meetings
- Public meetings
- Joint advisory committees
- Hui
- Non-binding referenda
- Council initiated polls

<b>When:</b>				
<b>Inform</b>	<b>Consult</b>	<b>Involve</b>	<b>Collaborate</b>	<b>Empower</b>
To provide the public and/or stakeholders with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.	To obtain public and/or stakeholders feedback on analysis, alternatives and/or decisions.	To work directly with the public and/or stakeholders throughout the process to ensure that public and/or stakeholders concerns and aspirations are consistently understood and considered.	To partner with the public and/or stakeholders in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision development in the hands of the public and/or stakeholders.
<b>How:</b>				
The Council will keep you informed.	The Council will keep you informed, listen to and acknowledge concerns and provide feed-back on how public and/or stakeholders input influenced the decision.	The Council will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feed-back on how public input influenced the decision.	The Council will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	The Council will confirm your recommended decision and implement what you decide.

The Council will select the methods it considers appropriate having regard to such things as:

- the significance of the matter, both to the Council and those who are or may be interested in or affected by the issue
- the target audience i.e., who is affected by, interested in, or likely to have a view on the issue
- what information already exists on community views on the proposal or decision and the circumstances in which that information was gathered
- the circumstances in which the decision is taken, or the issue arose
- the community's preferences for engagement.

In some circumstances the Council is required to use the special consultative procedure, set out in section 83 of the Act. In other circumstances, the Council is required to adopt separate public consultative procedures pursuant to other legislative obligations. For instance, adopting regional plans under the Resource Management Act 1991 requires different consultative procedures.

## STRATEGIC ASSETS

The *Significance and Engagement Policy* must list those Council-owned assets, considered by the Council to be strategic assets (section 76AA).

The Act defines strategic assets as:

*An asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes:*

- Any asset or group of assets listed in accordance with section 76AA by the local authority
- Any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy
- Any equity securities held by the local authority in:
  - A port company within the meaning of the Port Companies Act 1988
  - An airport company within the meaning of the Airport Authorities Act 1966.

The assets and groups of assets the Council deems to be significant are:

- Flood and river control assets on the Waitara and Waiwhakaiho Rivers
- Tupare, Pukeiti and Hollard Gardens
- Port Taranaki Ltd (100% shareholder)
- Taranaki Stadium Trust and Yarrow Stadium (Trust is 100% controlled by the Council).

## REVIEW OF THIS POLICY

This Policy will be reviewed at least once every three years usually as part of the preparation and adoption of each Long-Term Plan. The review process may involve community engagement.



## RATES REMISSION AND POSTPONEMENT POLICY

The rates postponement and remission policy of the Taranaki Regional Council is that of the region’s three district councils who collect the rates on the Council’s behalf. Whilst these policies differ from council to council, it would be administratively inefficient to adopt uniform policies across the region, and then to require each district council to apply two sets of policies. Accordingly, the rates postponement and

remission policies that will be applied are as follows for each of the Taranaki Regional Council’s constituencies. Specific details in relation to each remission and postponement policy can be obtained by reference to the respective district council. That is, in the New Plymouth and North Taranaki constituencies by reference to the New Plymouth District Council, in the Stratford constituency by reference to the Stratford District Council and in the South Taranaki constituency by reference to the South Taranaki District Council.

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
Rate remission policy	<p>The Taranaki Regional Council has decided to remit all or part of the rates owed by the ratepayer in respect of rating units covered by this Rates Remission Policy provided that the conditions within this policy have been met. Rates remissions will be provided for the following categories of rating units and under the following circumstances:</p> <ul style="list-style-type: none"> <li>• remission for community and sporting clubs and organisations</li> <li>• remission for penalties</li> <li>• remission of rates for financial hardship</li> <li>• remission for land voluntarily/mandatorily protected for natural, historic or cultural purposes</li> <li>• remission for rates relief in miscellaneous circumstances</li> <li>• remission of uniform annual general charges on rating units which are used for residential purposes and which include a separately inhabited part occupied by a dependent member of the family of the owner of the rating unit</li> <li>• remission of uniform annual refuse charge.</li> </ul>	<p>The Stratford District Council has decided to postpone all or part of the rates owed by the ratepayer in the following categories of rating units and under the following circumstances:</p> <ul style="list-style-type: none"> <li>• Extreme financial Hardship</li> <li>• Farmland affected by natural disasters.</li> </ul> <p>Where a rating unit for which the Stratford District Council has granted a rates postponement is sold, leased, or otherwise disposed of, the rates postponement shall be terminated at the time of disposal. If the new ratepayer qualifies for a rates postponement under this policy, it should be up to that ratepayer to apply for a rates postponement. The application for rates postponement must be made to the Stratford District Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated. No postponement will be granted on targeted rates for water supply, wastewater system or waste management collection. Where a rates postponement percentage applies, it is calculated on the rates that would be assessed before any application of non-rateable adjustments. (For example, if a property is 50% non-rateable, and receives a 50% postponement, then no rates are due).</p> <p>Rates remissions will be provided for the following categories of rating units and under the following circumstances:</p> <ul style="list-style-type: none"> <li>• For community, sporting and other organisations</li> <li>• On land subject to an open space covenant</li> </ul>	<p>The South Taranaki District Council has decided to remit all or part of the rates of rating units covered by the Rates Remission Policy provided that the conditions with this policy have been met. Rates remissions will be provided for the following categories of rating units or under the following circumstances:</p> <ul style="list-style-type: none"> <li>• Remission of rates for community halls</li> <li>• Remission of rates for sporting, games, branches of the arts, community care and volunteer organisations</li> <li>• Remission of rates on land protected for natural, historical or cultural conservation purposes</li> <li>• Remission of penalties</li> <li>• Remission of Uniform Annual General Charges on non-contiguous units owned by the same owner</li> <li>• Remission of Uniform Annual General Charges on contiguous rating units in a subdivision owned by the same ratepayer</li> <li>• Remission of rates for Earthquake Prone Buildings – economic development purposes.</li> </ul> <p>The following percentages will apply:</p> <ul style="list-style-type: none"> <li>• 100% of the total rates levied in respect of public halls</li> <li>• 50% of targeted rates only, levied in respect of properties used for games or sports except galloping races, harness races, or greyhound races and who do not hold club licenses under the <i>Sale of Liquor Act 1989</i></li> <li>• 50% of total rates levied in respect of properties used for games or sports except galloping races, harness races, or greyhound races and who hold club licenses under</li> </ul>

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
		<ul style="list-style-type: none"> <li>On land with a heritage structure on it</li> <li>For biodiversity (indigenous vegetation, significant habitats or indigenous fauna and wetlands)</li> <li>On penalties</li> <li>On Stratford District Council owned and occupied properties</li> <li>On wastewater (sewerage) systems rates for educational establishments</li> <li>On Maori freehold land</li> <li>For promotion - business development.</li> <li>UAGC on Low Value Properties.</li> <li>Excess Water Consumption due to a Leak.</li> <li>Water Targeted Rate as compensation for water main Easement.</li> </ul> <p>Where a rating unit for which the Stratford District Council has granted a rates remission is sold, leased, or otherwise disposed of, the rates remission shall be terminated at the time of disposal. If the new ratepayer qualifies for a rates remission under this policy, it should be up to that ratepayer to apply for a rates remission. The application for rates remission must be made to the Stratford District Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated. No remission will be granted on targeted rates for water supply, wastewater system or waste management collection. Where a rates remission percentage applies, it is calculated on the rates that would be assessed before any application of non-rateable adjustments. (For example, if a property is 50% non-rateable, and receives a 50% remission, then no rates are due).</p>	<p>the <i>Sale of Liquor Act 1989</i></p> <ul style="list-style-type: none"> <li>50% of targeted rates only, levied in respect of properties used by any branch of the arts</li> <li>50% of total rates levied in respect of properties qualifying under the categories of community care type or volunteer organisations</li> <li>100% of general rates and UAGC levied in respect of properties qualifying under the category of natural, historical or cultural conservation properties.</li> </ul>
Remission of rates for community, sporting and other organisations	<p>Section 85 of the <i>Local Government (Rating) Act 2002</i>.</p> <p>Objectives of the policy The Council reaffirms its commitment to assist, where practicable, community clubs and organisations in recognition of the valuable 'Public Good' contribution made by such organisations to the character and well-being of the district.</p> <p>Conditions and criteria 1. The Council may remit all rates on any rating unit that is owned or occupied by a charitable organisation,</p>	<p>The Stratford District Council will provide rates remission of 100% to all ratepayers who meet the objectives, conditions and criteria of this policy, excluding land in respect of which a club licence under the <i>Sale of Liquor Act 1989</i> is for the time being in force, which shall receive a 50% remission if the objectives, conditions and criteria are met.</p> <p>Objective To facilitate the ongoing provision of non-commercial community services, and non-commercial recreational opportunities for the residents of</p>	<p>Objective The remission of rates for community, sporting and other organisations is to facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities for the residents of South Taranaki.</p> <p>The purpose of granting rates remissions to an organisation is to:</p> <ul style="list-style-type: none"> <li>Recognise the public good contribution made by such organisations</li> <li>Assist the organisation's survival.</li> </ul>

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
	<p>and is used exclusively or principally for sporting, recreation, or community purposes.</p> <p>2. The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.</p> <p>3. All applications must be received in writing using New Plymouth District Council 'Application for Remission' form.</p> <p>4. Any applications received during a rating year will be applicable from the commencement of the following rating year. No applications will be backdated.</p> <p>5. Organisations making application should include the following documents in support of their application:</p> <ol style="list-style-type: none"> <li>Statement of objectives.</li> <li>Full financial accounts.</li> <li>Information on activities and programmes.</li> <li>Details of membership or clients.</li> </ol> <p>6. The policy shall apply to such organisations as approved by the Manager Financial Services and the Manager Revenue and Expenditure as meeting the relevant criteria and the extent of any remission will be determined by those officers.</p> <p>7. No remission will be granted in respect of those rates referred to in sections 16 and 19 of the Local Government (Rating) Act 2002, i.e. targeted rates.</p> <p>8. Any appeals against the decisions of the Manager Financial Services and Manager Revenue and Expenditure will be referred to the Monitoring Committee for final determination.</p> <p>9. A summary of remissions must be supplied to the Council on an annual basis.</p>	<p>Stratford District. The purpose of granting rates remission to an organisation is to:</p> <ul style="list-style-type: none"> <li>Recognise the public good contribution made by such an organisation</li> <li>Assist the organisation's survival</li> <li>Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.</li> </ul> <p>Conditions and Criteria This part of the policy will apply to land:</p> <ul style="list-style-type: none"> <li>owned by the Stratford District Council</li> <li>owned or occupied by a registered charitable organisation that is responsible for the rates</li> <li>owned or occupied by a registered non-profit organisation that is responsible for the rates</li> <li>which is used exclusively or principally for sporting, recreation, or community purposes by that organisation</li> <li>the land is not used for galloping races, harness races or greyhound races.</li> </ul> <p>Note that Council requires documentary evidence of charitable or non-profit organisational status. This policy does not apply to organisations operated for private pecuniary profit. This policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.</p> <p>Organisations making application should include the following documents in support of their application:</p> <ul style="list-style-type: none"> <li>statement of objectives</li> <li>evidence of charitable/non profit status</li> <li>financial accounts</li> <li>information on activities and programmes</li> <li>details on membership or clients.</li> </ul>	<ul style="list-style-type: none"> <li>Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.</li> </ul> <p>Conditions and criteria The remission of rates will apply to land which is used exclusively or principally for sporting, recreation, or community purposes. The Policy does not apply to organisations operated for pecuniary profit. The Policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.</p> <p>Organisations making application should include the following documents in support of their application:</p> <ul style="list-style-type: none"> <li>Statement of objectives</li> <li>Financial assets</li> <li>Information on activities and programmes</li> <li>Details of membership or clients.</li> </ul>
Remission of rates on land protected for conservation	<p>Section 85 of the <i>Local Government (Rating) Act 2002</i>.</p> <p>Objectives of the policy</p>	<p>The Stratford District Council will provide rates remission of 100% to all ratepayers who meet the objectives, conditions and criteria of this policy.</p>	<p>Objective Rates remission is provided to preserve and promote natural resources and heritage by encouraging the protection</p>

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
purposes	<p>The objective of this policy is to encourage the protection of significant natural areas by providing rates relief for privately owned land that contains special features voluntarily protected for natural, historic, cultural or conservation purposes.</p> <p><b>Basis of remission</b> The remission will be based on the proportion the area protected bears to the total area of the property. Where the protected area is covenanted, the remission will be 100 per cent of the general rate pro-rata as per this proportion; where the protected area is protected by virtue of inclusion in the District Plan but not covenanted, the remission will be 50 per cent of the general rate pro-rata as per this proportion. Note. Remissions granted under this policy do not include targeted rates.</p> <p><b>Conditions and criteria</b></p> <ol style="list-style-type: none"> <li>1. The area of land containing the special features is readily identified and able to be measured.</li> <li>2. The special features are significant in terms of the loss of use or value of the property sustained in retaining the feature.</li> <li>3. The area of land containing the feature is protected to the extent that economic utilisation is at least restricted or the value of the property is significantly affected by the existence of the feature being protected.</li> <li>4. A heritage building is protected by a legal instrument or agreement.</li> <li>5. The application will be determined by the Manager Financial Services and the Manager Revenue and Expenditure.</li> <li>6. Any appeals against the decision will be referred to the Monitoring Committee for final determination.</li> <li>7. Remissions granted under this policy will be reported to the Council on an annual basis.</li> </ol>	<p><b>Objective</b> To preserve and promote natural resources and to encourage the protection of land for natural purposes. This policy will support the provisions of the Stratford District Council District Plan.</p> <p><b>Conditions and Criteria</b> This part of the policy will apply to ratepayers who:</p> <ul style="list-style-type: none"> <li>• own rating units subject to an open space covenant registered on the land title</li> <li>• own rating units subject to Clause B2.9 Esplanade Strips, Covenanted Wetlands and Access Strips of the Stratford District Plan.</li> </ul> <p>The remission will apply to the area of land included in the protected conservation area.</p> <p>Applications should be supported by documentary evidence of the protected status of the rating unit, for example, a copy of the covenant or other legal mechanism.</p> <p>In granting remissions under this policy, Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and pay any remitted rates if the conditions are violated.</p>	<p>of land for natural, historic or cultural purposes.</p> <p><b>Conditions and criteria</b> Ratepayers who own rating units, which have some feature of cultural, natural or historic heritage, and which is voluntarily protected, may qualify for remission of rates under this Policy. Land that is non-rateable under Section 8 of the <i>Local Government (Rating) Act 2002</i> and is liable only for rates for water supply, wastewater disposal and waste collection will not qualify for remission under this part of the Policy. Applications should be supported by documented evidence of the protected status of the rating unit, for example, a copy of the covenant or other legal mechanism.</p> <p>In considering any application for remission of rates under this part of the Policy, the Council will consider the following criteria:</p> <ul style="list-style-type: none"> <li>• The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit</li> <li>• The degree to which feature of natural, cultural and historic heritage are present on the land</li> <li>• The degree to which features of natural, cultural and historic heritage inhibit the economic utilisation of the land</li> <li>• The extent to which the preservation of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit</li> <li>• The degree to which features of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit</li> <li>• The degree to which features of natural, cultural and historic heritage are present on the land</li> <li>• The degree to which features of natural, cultural and historic heritage inhibits the economic utilisation of the land.</li> </ul>
Remission of rates on land with a heritage structure on it	No provision for the remission of rates.	<p>The Stratford District Council will provide rates remission of up to 100% of the rates on land with a heritage structure on it to all ratepayers who meet the objectives, conditions and criteria of this policy.</p> <p><b>Objective</b> To preserve and promote heritage structures and to encourage the maintenance, enhancement and</p>	No provision for the remission of rates.

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
		<p>protection of heritage sites. This policy will support the provisions of the Stratford District Council District Plan.</p> <p>Conditions and Criteria This part of the policy will apply to ratepayers who:</p> <ul style="list-style-type: none"> <li>• Own rating units that have a site listed in Appendix 6: <i>Known Heritage Resources of Significance Identified for Protection</i> in the Stratford District Plan</li> <li>• Protect and maintain these heritage sites and features according to conditions that applied on resource consents where applicable.</li> </ul> <p>This policy does not apply to land that is non-rateable under section 8 of the <i>Local Government (Rating) Act 2002</i> and is liable only for rates for water supply or wastewater (sewerage) system.</p> <p>The application for rates remission must be made to Council prior to the commencement of the rating year. Applications approved during a rating year will be applicable from the commencement of the following rating year.</p> <p>In granting remissions under this policy, Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated. In considering any application for remission of rates under this part of the policy Council will consider the following criteria:</p> <ul style="list-style-type: none"> <li>• The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit</li> <li>• The degree to which features of natural, cultural or historic heritage are present on the land</li> <li>• The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.</li> </ul>	
Remission of rates or postponement of rates for financial hardship	<p>Sections 85 and 87 of the <i>Local Government (Rating) Act 2002</i>.</p> <p>Objectives of the policy The objective of this policy is to assist ratepayers experiencing extreme financial hardship which affect their ability to pay rates.</p> <p>A. Postponement – Owner/Ratepayer <i>Conditions and criteria</i> 1. Only rating units used solely for</p>	<p>The Stratford District Council will provide rates postponement up to 100% to all ratepayers who meet the objectives, conditions and criteria of this policy. A Postponement for Extreme Financial Hardship Committee, comprising the Mayor, the Deputy Mayor and the Chief Executive, has delegated power under Schedule 7, Section 32 of the <i>Local Government Act 2002</i> to assess a ratepayer's application for rates postponement.</p>	No provision for the remission of rates.

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
	<p>residential purposes (as defined by the Council) will be eligible for consideration for rates postponement for extreme financial hardship.</p> <p>2. Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial hardship on the rating unit which is the subject of the application. The person entered on the council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the district or in another district).</p> <p>3. The Council will consider, on a case by case basis, all applications received that meet the criteria described in the two paragraphs above.</p> <p>4. When considering whether extreme financial hardship exists, all of the ratepayer's personal circumstances will be relevant including, but not limited to, the following factors: age, physical or mental disability, injury, illness and family circumstances.</p> <p>5. Before approving an application the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his or her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.</p> <p>6. The ratepayer must make application to the Council on the prescribed form.</p> <p>7. The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.</p> <p>8. The Council may add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the Council's administration and financial costs.</p> <p>9. The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.</p> <p>10. The postponement will continue to apply until:</p> <ul style="list-style-type: none"> <li>• The ratepayer ceases to be the owner or occupier of the rating unit; or</li> <li>• The ratepayer ceases to use the</li> </ul>	<p>Objective The objective of this postponement policy is to assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates.</p> <p>Conditions and Criteria Council will consider, on a case by case basis, all applications received that meet its criteria. Only rating units used solely for residential purposes as defined by Council will be eligible for consideration for rates postponement for extreme financial circumstances. Formal application must be made by the ratepayer or the ratepayer's authorised agent to Council, providing full information as required by Council.</p> <p>When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors:</p> <ul style="list-style-type: none"> <li>• age</li> <li>• physical or mental disability</li> <li>• injury</li> <li>• illness</li> <li>• family circumstances.</li> </ul> <p>Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care and proper provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day to day living expenses.</p> <p>Any postponed rates will be postponed until:</p> <ul style="list-style-type: none"> <li>• the death of the ratepayer; or</li> <li>• until the ratepayer ceases to be the owner or occupier of the rating unit; or</li> <li>• until the ratepayer ceases to use the property as his/her residence; or</li> <li>• until a date specified by the Council.</li> </ul> <p>The application for a postponement under this policy will be assessed by the Postponement for Extreme Financial Hardship Committee independently from the Government Rates Rebate Scheme.</p>	

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
	<p>property as their residence; or</p> <ul style="list-style-type: none"> <li>• A date specified by the Council; whichever is the sooner.</li> </ul> <p>11. The postponed rates will remain a charge against the property and must be paid either at the end of the postponement term or when the property is sold. Postponed rates may include rate arrears owing from a previous financial year.</p> <p>12. A rating charge will be registered on the certificate of title and will be removed when the postponed amount has been repaid.</p> <p>B. Remission - Near Ownership Situations <i>Conditions and criteria</i></p> <p>1. Licence to Occupy in a Retirement Village • The amount of the remission will be equal to the Council's Uniform Annual General Charge.</p> <ul style="list-style-type: none"> <li>• The licensee must be the registered occupier and occupy the unit from 1st July of that rating year.</li> <li>• The licensee's sole income is from a Central Government benefit.</li> <li>• The licensee may have savings up to a maximum of \$10,000 for the purpose of funeral expenses.</li> <li>• The licensee to provide proof of benefit.</li> <li>• The licensee to provide proof of rates payable to the Operator.</li> <li>• The licensee to provide explanation and proof of hardship.</li> <li>• The Council will annually advise the Operator of those residents that have had the remission approved and the amount of the rates remission.</li> <li>• The Operator will credit without deduction the amount of the remission attributable to each such Resident against any amount payable by the Resident to the Operator.</li> <li>• The Operator will provide proof to the Council that the remissions have been applied to those Residents.</li> </ul> <p>2. Property Held in Trust</p> <ul style="list-style-type: none"> <li>• The amount of the remission will be equal to the Council's Uniform Annual General Charge.</li> <li>• The applicants sole income is from a Central Government benefit.</li> <li>• The applicant may have savings up to a maximum of \$10,000 for the purpose of funeral expenses.</li> <li>• The applicant must be the ratepayer and supply proof from the Trust Deed.</li> <li>• The applicant must not be a financial beneficiary of the Trust.</li> <li>• The applicant must not be eligible for a rates rebate.</li> <li>• The applicant must provide an explanation and proof of hardship.</li> <li>• The Rating Unit must be rated as</li> </ul>		

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
	<p>Residential.</p> <ul style="list-style-type: none"> <li>• The applicant must reside at the property.</li> </ul> <p>3. Habitat for Humanity</p> <ul style="list-style-type: none"> <li>• The amount of the remission will be equal to the Council's Uniform Annual General Charge.</li> <li>• The applicant must provide proof of the long term sale and purchase agreement for the property with Habitat for Humanity.</li> <li>• The applicant's sole income is from a Central Government benefit or their income is at or below the Central Government equivalent benefit and proof of income is supplied.</li> <li>• The property must not be eligible for a rates rebate.</li> <li>• The applicant must provide an explanation and proof of hardship.</li> <li>• The Rating Unit must be rated as Residential.</li> <li>• The applicant must reside at the property.</li> </ul> <p>The application will be determined by the Manager Financial Services and the Manager Revenue and Expenditure. Any appeals against the decision will be referred to the Monitoring Committee for final determination.</p>		
Remission of rates or postponement of rates for farmland affected by natural disasters	No provision for the remission of rates.	<p>The Stratford District Council will provide rates postponement up to 100% for two years to all ratepayers who meet the objectives, conditions and criteria of this policy. A Postponement for Natural Disaster Hardship Committee, comprising the Mayor, the Deputy Mayor, the Chief Executive, and a non voting representative from Taranaki Federated Farmers will be delegated the authority to assess a ratepayer's application for rates postponement.</p> <p>Objective The objective of this postponement policy is to assist farming ratepayers experiencing extreme financial hardship as a result of a natural disaster. A natural disaster is considered as including, but not necessarily limited to, flooding, earthquake damage or a storm.</p> <p>Conditions and Criteria Council will consider, on a case by case basis, all applications received that meet its criteria. Only rating units used solely for farming purposes as defined by Council will be eligible for consideration for rates postponement for extreme financial circumstances. Formal application must be made by the ratepayer or the ratepayer's authorised agent, providing full information as required by the</p>	No provision for the remission of rates.



	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
		<p>Postponement for Natural Disaster Hardship Committee. When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors:</p> <ul style="list-style-type: none"> <li>• Nature of the natural disaster</li> <li>• Financial position of the farm</li> <li>• Business Plan for recovery of the farm</li> </ul> <p>Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, as well as making provision for normal day to day living expenses.</p>	
Remission of rates on Council owned and occupied properties	No provision for the remission of rates.	<p>Council will provide rates remission of 100% on rating units owned and occupied by the Stratford District Council which meet the objectives, conditions and criteria of this policy.</p> <p>Objective The objective of this part of the remission policy is to enable Council to be cost-neutral in regard to other ratepayers whilst being administratively efficient.</p> <p>Conditions and Criteria This part of the policy applies to rating units owned and occupied by the Stratford District Council.</p> <p>This part of the policy does not apply to rating units that are owned by Council but are leased to a third party and the terms of the lease provide for rates to be paid by the lessee.</p>	No provision for the remission of rates.
Remission of penalties	<p>Section 85 of the <i>Local Government (Rating) Act 2002</i>.</p> <p>Objectives of the policy The objective of this policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control; or In order to ensure the settlement of outstanding rates and the ratepayer has made an arrangement to pay over an extended period.</p> <p>Conditions and criteria 1. Automatic remission of the penalties will apply to those ratepayers that have an automatic payment or direct debit in place as approved by the Manager Revenue and Expenditure. 2. Automatic remission of the penalties will apply to those ratepayers that pay</p>	<p>The Stratford District Council will provide rates remission on penalties to all ratepayers who meet the objectives, conditions and criteria of this policy.</p> <p>Objective The objective of this part of the remission policy is to enable the Stratford District Council to act fairly and reasonably in its consideration of rates which have not been received by Council by the penalty date, due to circumstances outside the ratepayer's control.</p> <p>Conditions and Criteria On application by the ratepayer, a remission of an instalment penalty imposed under Section 58(1)(a) of the <i>Local Government (Rating) Act 2002</i> shall be granted if this is the first instance of late payment by the ratepayer within the previous three rating years.</p>	<p>The South Taranaki District Council will provide rate remissions of penalties to all ratepayers who meet the objectives, conditions and criteria of this Policy.</p> <p>Objective The remission of penalties is to allow the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayers' control.</p> <p>Conditions and criteria Remission of the penalty will be granted if the ratepayer, by written explanation, satisfies the Council that the late payment was due to circumstances outside the ratepayer's control. Each application will be considered on its merit and will be granted where it is considered fair and equitable to do so.</p>

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
	<p>their rates in full by the second instalment due date.</p> <p>3. Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.</p> <p>4. Application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.</p> <p>5. Application for a penalty remission is required in writing however under some circumstances approved by either the Manager Financial Services or Manager Revenue and Expenditure, verbal applications will be accepted.</p> <p>6. The Council may remit small balances due to cash rounding.</p> <p>7. The Manager Financial Services and the Manager Revenue and Expenditure have delegated authority to grant or refuse remissions under this policy.</p> <p>8. Any appeals against the decision will be referred to the Monitoring Committee for final determination.</p> <p>9. If an arrangement to pay rates and/or clear outstandings is not adhered to, the Council may reinstate future penalty charges.</p>	<p>Where a ratepayer enters into a payment arrangement for the payment of the current year rates and any rate arrears, further penalties will be granted a remission. However, any default in the arrangement will cause the remission to be cancelled. It should be noted that any penalties applied up to the date of commencement of the arrangement will remain. Council will delegate decisions on arrangement remissions as follows:</p> <ul style="list-style-type: none"> <li>• Full amount owed is paid by 30 June next Rates Officer</li> <li>• Full amount owed is paid by 30 June the following year Director – Finance</li> <li>• Arrangements beyond 30 June the following year Chief Executive.</li> </ul>	<p>In cases where ratepayers are in arrears with their rates, but have made acceptable arrangements for the payment of the current year's rates, together with reduction in the level of arrears, further penalties being incurred will be remitted under this Policy.</p>
Remission of rates on wastewater system rates for educational establishments	No provision for the remission of rates.	<p>Council will provide rates remission to educational establishments so that they pay the lesser of the standard wastewater system rate or an amount calculated as if the <i>Rating Powers (Special Provision for Certain Rates on Educational Establishments) Amendment Act 2001</i> was still current.</p> <p>Objective The objective of this part of the remission policy is to enable the continuation of the special provisions that were enacted in 2001 for calculating wastewater system rates for educational establishments pending the Ministerial Review provided for in sections 25 and 26 of the <i>Local Government (Rating) Act 2002</i>.</p> <p>Conditions and Criteria On application from an Educational Establishment that qualified within the <i>Rating Powers (Special Provision for Certain Rates on Educational Establishments) Amendment Act 2001</i>, and the provision of the required figures as at 1 March of the same year as the beginning of the financial year to which the remission applies, a</p>	No provision for the remission of rates.

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
		remission will be granted so that the lesser of the calculated amounts shall be charged.	
Remission of uniform annual charges on non-contiguous rating units owned by the same ratepayer	<p>Section 85 of the <i>Local Government (Rating) Act 2002</i>.</p> <p>Objectives of the policy The policy is to provide for the possibility of rates remission where more than one uniform annual general charge is assessed on a rating unit because that rating unit comprises more than one separately used or inhabited part and where the rating unit is used for residential purposes and includes a separately inhabited part occupied by a dependent member of the family of the owner of the rating unit.</p> <p>Conditions and criteria The Council may remit the specified rates where the application meets the following criteria:</p> <ol style="list-style-type: none"> <li>1. The rating units above must be used as the owner's residence but also contain a minor flat or other residential accommodation unit which is inhabited by a member of the owner's family who is dependent on the owner or financial support and occupies the accommodation on a non paying basis (e.g. granny flat).</li> <li>2. The owner(s) of the rating unit must complete and provide to the council a statutory declaration. Such a declaration will be effective for three years or until the conditions cease to be met, whichever is earlier. A fresh declaration must be completed and provided in order to qualify for consideration for remission beyond the first three year period.</li> <li>3. The Manager Financial Services and Manager Revenue and Expenditure have delegated authority to grant or refuse remissions under this policy.</li> <li>4. Any appeals against the decision will be referred to the Monitoring Committee for final determination.</li> </ol>	<p>This remission provides for low value residential properties to not be penalised by the UAGC being in excess of 5% annually of the capital value of the property.</p> <p>Objective The objective of this remission policy is to assist residential ratepayers whereby the UAGC being imposed on properties with a Capital Value of \$10,000 or less represents an excessive burden in any one financial year.</p> <p>Conditions and Criteria Council will remit the UAGC on any rating unit used solely for residential purposes as defined by Council where the capital value of that rating unit does not exceed \$10,000.</p>	<p>Remission of uniform annual general charges on non-contiguous rating units owned by the same ratepayer</p> <p>The Council will provide rates remissions of Uniform Annual General Charges (UAGC's) to all rural ratepayers who meet the objectives, conditions and criteria of this Policy.</p> <p>Objective The remission of UAGC's is to provide relief for rural land, which is non-contiguous, but farmed as a single entity and owned by the same ratepayer.</p> <p>Conditions and criteria Ratepayers who occupy two or more separate rating units (and who do not qualify to be treated as one rating unit, pursuant to Section 20 of the <i>Local Government (Rating) Act 2002</i>), are entitled to have uniform annual general charges reduced for qualifying properties. All ratepayers will pay at least one full uniform annual general charge and then half charges for additional qualifying properties.</p> <p>Remission Any applicant must be paying at least one full UAGC on one of the rating units involved in the farming operation.</p> <p>Remission of UAGC's on contiguous rating units in a subdivision owned by the same ratepayer</p> <p>The Council will provide rates remission of UAGC's to all ratepayers who meet the objectives, conditions and criteria of this Policy.</p> <p>The remission of all but one UAGC is to provide relief for urban or rural residential land which is newly developed and still owned by the developer/ratepayer.</p> <p>Conditions and Criteria Ratepayers who own and occupy two or more separate rating units (and who do not qualify to be treated as one rating unit pursuant to Section 20 of the <i>Local Government (Rating) Act 2002</i>), who apply in writing, are entitled to have UAGC's reduced for qualifying properties. All ratepayers will pay at least one full UAGC.</p> <p>Remission The applicant/owner must be paying at least one full UAGC of the rating units</p>

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
Remission of rates in miscellaneous circumstances.	<p>Section 85 of the <i>Local Government (Rating) Act 2002</i>.</p> <p>Objectives of the policy It is recognised that not all situations in which the Council may wish to remit rates will necessarily be known about in advance and provided for in the Council's specific policies.</p> <p>Conditions and criteria 1. The Council may remit all rates on a rating unit where it considers it just and equitable to do so because: a) Extraordinary circumstances have arisen by virtue of the transition from the Rating Powers Act 1988 to the Local Government (Rating) Act 2002 that meant it would be fair and equitable to grant relief. b) The application does not meet the circumstances provided for in any of the Council's other remission policies.</p> <p>2. The application will be determined by the Manager Financial Services and the Manager Revenue and Expenditure.</p> <p>3. Any appeals against the decision will be referred to the Monitoring Committee for final determination.</p>	No provision for the remission of rates.	included in the subdivision. The remainder of the uniform charges will be remitted under this Policy.  No provision for the remission of rates.
Remission of rates for economic development	No provision for the remission of rates.	<p>This provides for rates relief for new development or redevelopment of land by way of constructing, erecting or altering buildings, fixed plant and machinery or other works intended to be used solely or principally for industrial, commercial or administrative purposes where the cost of such development is more than \$500,000 (excluding GST) as assessed under the Building Act.</p> <p>Council will be prepared to consider any application for building development which can demonstrate that it will be to the economic advantage of the Stratford District. Economic advantage will be deemed to occur if the development will result in:</p> <ul style="list-style-type: none"> <li>• significant employment growth or employment retention in Stratford District; and/or</li> <li>• significant downstream new business for other Stratford District manufacturers or suppliers of goods and services.</li> </ul> <p>Developments for industrial, commercial or administrative purposes which the Council wishes to foster are in the following sectors:</p>	No provision for the remission of rates.

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
		<ul style="list-style-type: none"> <li>• Primary production and processing</li> <li>• Tourism, including recreational, cultural and conference facilities</li> <li>• Manufacturing, especially those which have high potential for employment related to the total cost factor.</li> <li>• Health services</li> <li>• Retailing</li> <li>• Hotels, motels and other transient accommodation</li> <li>• Administrative services, including those provided by Government and private sector agencies</li> </ul> <p>In the event of any developer, to whom rates relief has been granted, selling the property within which the eligible investment was made, rates relief ceases from the date of the sale.</p> <p>Forms of Rates Relief Council may remit or postpone (or a combination of these) part or all of the general rates otherwise payable on the subject property for the period of the development and up to three rating years thereafter.</p> <p>Council may impose conditions on the remission or postponement of rates and may cancel any remission or postponement in the event of non compliance by the applicant with those conditions. In those circumstances, Council may require payment of full rates in respect of any year in which rates have been remitted.</p> <p>Factors to be Considered Council will have regard to the following matters when considering applications for rates relief:</p> <ul style="list-style-type: none"> <li>• Whether and to what extent, the development will, when completed, be to the economic advantage of the Stratford District including the creation of significant employment opportunities. The creation of jobs will be a strong factor in favour of granting rates relief, but the retention of existing jobs and the potential for job creation will also be positive factors</li> <li>• Whether and to what extent the granting of relief will be of material benefit to the development</li> <li>• Whether the investment limit and economic benefits criteria are met jointly in the case of a Lessor/Lessee arrangement</li> <li>• Whether and to what extent the development can be served by the existing basic Council services</li> </ul>	

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
		<p>infrastructure</p> <ul style="list-style-type: none"> <li>The level of financial contributions and development levies collected under provisions of the District Plan</li> <li>Such other matters as Council may, from time to time, consider relevant.</li> </ul>	
Remissions for biodiversity (indigenous vegetation, significant habitats of indigenous fauna and wetlands)	No provision for the remission of rates.	<p>The Stratford District Council will provide rates remission of up to 100% of the rates on land with biodiversity vegetation (indigenous vegetation, significant habitats of indigenous fauna and wetlands) on it to all ratepayers who meet the objectives, conditions and criteria of this policy.</p> <p><b>Objectives</b> To preserve and promote the protection of an area of indigenous vegetation or a significant habitat of indigenous fauna. This policy will support the provisions of the Stratford District Council District Plan.</p> <p><b>Conditions and Criteria</b> This part of the policy will apply to ratepayers who:</p> <ul style="list-style-type: none"> <li>own rating units that have a site listed in Appendix 9: Wetlands, Areas of Significant Indigenous Vegetation and Significant Habitats of Indigenous Fauna in the Stratford District Plan</li> <li>voluntarily protect and maintain these areas that are within the boundary of the wetlands identified in Appendix 9.</li> </ul> <p>The remission will apply to the area of land included in the protected area. The application for rates remission must be made to Council prior to the commencement of the rating year. Applications approved during a rating year will be applicable from the commencement of the following rating year. In granting remissions under this policy, Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.</p> <p>In considering any application for remission of rates under this part of the policy Council will consider the following criteria:</p> <ul style="list-style-type: none"> <li>the extent to which the preservation of biodiversity vegetation will be promoted by granting remission of rates on the rating unit</li> <li>the degree to which features of biodiversity vegetation are present on the land</li> </ul>	No provision for the remission of rates.

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
Remission for excess water consumption due to a leak	No provision for the remission of rates.	<ul style="list-style-type: none"> <li>the degree to which features of biodiversity vegetation inhibit the economic utilisation of the land.</li> </ul> <p>Council may provide relief to a ratepayer that has incurred an excessive water invoice as a result of a leak where that leak has been remedied in a timely manner once the leak was detected.</p> <p>Objective The objective of this part of the remission policy is to enable Council to not penalise a water consumer for a leak that resulted in excess water consumption that was out of their control.</p> <p>Conditions and Criteria In order to provide relief to people in situations where water usage is high due to a water leak, Council may remit water consumption rates where all of the following apply:</p> <ul style="list-style-type: none"> <li>A remission application has been received</li> <li>Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter</li> <li>The leak has been repaired within one calendar month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period)</li> <li>Proof of the leak being repaired has been provided to Council promptly after repair of the leak.</li> </ul> <p>The amount of the remission will be the difference between the average consumption of the property and the consumption over and above that average.</p> <p>Remission for any particular property will generally be granted only once every year. However where a remission for a water leak has been granted to a property under this policy within the last year, the remission decision is to be made by the Director – Assets.</p> <p>Any remission over 2,000 cubic meters is to be referred to the Council Monitoring Committee for decision.</p>	No provision for the remission of rates.
Remission of water targeted rate as compensation for water easement	No provision for the remission of rates.	<p>Council has water mains installed on private properties with, in some cases, an associated easement for access and maintenance.</p> <p>Objective The objective of this part of the remission policy is to provide</p>	No provision for the remission of rates.

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
		<p>compensation for the ratepayers that have a water main across their property and associated easement agreement that provides for such remissions. This remission may be granted in future easement agreements as part of a compensation agreement if appropriate. The remission is for the Targeted Water Rate only and the water-by-meter charges remain subject to the Revenue and Financing Policy.</p> <p>Conditions and Criteria In order to provide a Water Targeted Rate remission the following must apply:</p> <ul style="list-style-type: none"> <li>• Compensation agreements must be in writing and formal easements recording them registered against the relevant land title.</li> </ul>	
Remission of uniform annual refuse charge	<p>Section 85 of the <i>Local Government (Rating) Act 2002</i>.</p> <p>Objectives of the policy To recognise that some multi-unit complexes may have commercial arrangements for collection and disposal of refuse.</p> <p>Conditions and criteria</p> <ol style="list-style-type: none"> <li>1. The uniform targeted rate for refuse collection and disposal may be waived where an apartment house or other group of residential units has a private arrangement for the collection and disposal of refuse to the satisfaction of the Council's Solid Waste Officer, and where the owner(s) of the residential unit(s) have confirmed, in writing, that they have accepted total responsibility for the removal and disposal of refuse from their property.</li> <li>2. The Manager Financial Services has the delegated authority to waive refuse collection charges as detailed in this policy.</li> <li>3. The imposition of charges on newly occupied residences and any waiving of charges under this policy may apply from the month that the service is provided, or ceased respectively.</li> <li>4. Any appeals against the decision will be referred to the Monitoring Committee for final determination.</li> </ol>	No provision for the remission of rates.	No provision for the remission of rates.
Remission of rates for Earthquake Prone Buildings – Council Assistance Package Policy	No provision for the remission of rates.	No provision for the remission of rates.	<p>Objective The remission of rates for earthquake prone commercial or heritage building owners is to provide relief to the owners in the replacement or redevelopment of their buildings.</p> <p>Conditions and criteria This remission could be made available</p>



	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
			<p>to Commercial and/or Heritage building owners for buildings located in the town centres of the District. The criteria and qualification for the remission is contained in the Council Assistance Package Policy – Earthquake Prone Buildings.</p> <p>Remission The remission is for a maximum of \$3,000 over 3 years.</p>
Remission of rates on Māori freehold land	<p>The Council has a policy in place to remit the rates assessed on rating units, which are Māori freehold land in multiple ownership, subject to certain conditions. This policy aims to ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Māori owned lands have particular conditions, features, ownership structures, or other circumstances which make it appropriate to provide relief from rates.</p> <p>Māori freehold land is defined in the <i>Local Government (Rating) Act 2002</i> as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is subject of such an order may qualify for remission under this policy.</p> <p>Objectives. The objectives of this policy are:</p> <ul style="list-style-type: none"> <li>to recognise situations where there is no owner, occupier or person gaining an economic or financial benefit from the land.</li> <li>to set aside land that is better set aside for non-use because of its natural features (whenua rahui).</li> <li>to recognise matters related to the physical accessibility of the land.</li> <li>to recognise and take account of the presence of wāhi tapu that may affect the use of the land for other purposes.</li> <li>where part only of a block is occupied, to grant remission for the portion of land not occupied.</li> <li>to facilitate development or use of the land where the Council considers rates based on actual rateable value makes the actual use of the land uneconomic.</li> <li>to recognise and take account of the importance of land in providing economic and infrastructure support for marae and associated papakainga housing.</li> <li>to recognise use of the land by the owners for traditional purposes.</li> <li>to recognise occasions where granting remission will avoid further alienation of Māori freehold land.</li> <li>to recognise occasions where the Taranaki Regional Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non collectible.</li> </ul> <p>Conditions and Criteria. The Council will maintain a register titled the <i>Māori Land Rates Relief Register</i> (the register) for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy. The register will comprise two category lists, these being:</p> <ul style="list-style-type: none"> <li>the Māori Land General Remissions List.</li> <li>the Māori Land Economic Adjustment Remissions List.</li> </ul> <p>Owners or trustees making application should include the following information in their applications:</p> <ul style="list-style-type: none"> <li>details of the property.</li> <li>the objectives that will be achieved by providing a remission.</li> <li>documentation that proves the land, which is the subject of the application, is Māori freehold land.</li> </ul> <p>The Council may, at its own discretion, add properties to the lists. Relief and the extent thereof, are at the sole discretion of the Council and may be cancelled and reduced at any time.</p> <p>The Council will review the register annually and may:</p> <ul style="list-style-type: none"> <li>add properties that comply.</li> <li>remove properties where the circumstances have changed and they no longer comply.</li> </ul> <p>No remission will be granted on targeted rates for water supply, sewage disposal or refuse collection.</p>		
Postponement of rates on Māori freehold land	<p>The Council has a policy in place to remit the rates assessed on rating units, which are Māori freehold land in multiple ownership, subject to certain conditions. The objective of this policy is to recognise situations where there is no occupier or person gaining an economic or financial benefit from the land and no practical means of enforcing the rates assessed.</p>		

	New Plymouth and North Taranaki constituencies	Stratford constituency	South Taranaki constituency
	<p>Māori freehold land is defined in the <i>Local Government (Rating) Act 2002</i> as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is subject of such an order may qualify for remission under this policy.</p> <p>Objective. The postponement on rates on Māori freehold land is to facilitate the development and use of the land for economic use where the Council considers utilisation would be uneconomic if full rates were required during the years of development and establishment.</p> <p>Conditions and Criteria. The Council will consider postponement of rates where previously unoccupied land is subject to clearing, development and commercial use where the Council considers utilisation would be uneconomic if full rates were required during the years of development and establishment.</p> <p>Application should be made prior to commencement of the development. Applications made after the commencement of the development may be accepted at the discretion of the Council.</p> <p>Owners or trustees making application should include the following information in their applications: details of the property.</p> <ul style="list-style-type: none"> <li>• the objectives that will be achieved by providing postponement.</li> <li>• details of the proposed development.</li> </ul> <p>The Council may also, at its discretion, partially remit rates that are otherwise subject to postponement. No postponement will be granted on targeted rates for water supply, sewage disposal or refuse collection.</p>		
Payment due dates and penalties	<p>All rates will be payable in four instalments due on:</p> <p>Instalment 1: 26 August 2015  Instalment 2: 25 November 2015  Instalment 3: 24 February 2016  Instalment 4: 25 May 2016.</p> <p>Pursuant to Section 57 and 58 of the <i>Local Government (Rating) Act 2002</i> the following penalties on unpaid rates will be applied:</p> <ul style="list-style-type: none"> <li>• a charge of 10 percent on so much of any instalment that has been assessed after 1 July 2015 and which remains unpaid after the due date for that instalment.</li> <li>• a charge of 10 percent on so much of any rates levied before 1 July 2012 which remain unpaid on 10 July 2012 or such later date as required under section 58(1)(b)(ii) (New Plymouth, North Taranaki and Stratford constituencies only).</li> <li>• a continuing additional penalty of 10 percent on so much of any rates levied before 1 July 2012 that remain unpaid six months after the previous penalty was added (New Plymouth, North Taranaki and Stratford constituencies only).</li> </ul>		
Discount for early payment	<p>The Council will allow a discount of 3% where a ratepayer pays the year's rates in full on or before the due date of the first instalment for the year. This will be 26 August 2015. South Taranaki constituency only.</p>		
Payment locations	<p>The Council's rates and charges will become due and payable at the principal offices and service centres of the region's district councils. The rates and charges can also be paid at the principal office of the Taranaki Regional Council.</p>		