

Taranaki Regional Council
Pre-Election Report

For the October 2016 Local Authority Elections



JULY 2016

Issued by BG Chamberlain
Chief Executive
Taranaki Regional Council
July 2016

Working with people | caring for Taranaki



Introduction

This is the Taranaki Regional Council's Pre-Election Report for the October 2016 local authority elections. The purpose of this Pre-election Report is to inform the regional community and to promote public discussion about any financial issues facing the Council.

The preparation and timing of a pre-election report is a mandatory requirement for all councils in New Zealand. This report brings together information previously published in other Council documents – including its *2015/2025 Long-Term Plan*, annual plans and annual reports. As such, the information reflects the policy and service delivery decisions of the current Council. As is required by law, the Pre-Election Report is prepared by the Council's Chief Executive and not the current elected Council members.

This Pre-Election Report provides historic information for the last three years (2013/2014-2015/2016), an overview of the current election year (2016/2017) and the Council's planned performance and financial position for the next three years (2017/2018-2019/2020). It also provides information on the works programme and major projects the Council expects to deliver over the next three years.

The good news is that, by any metric, and as demonstrated in this report, the Council is in a strong operational and financial position and with prudent direction and management, this should continue into the foreseeable future.

There is a wealth of more detailed information available, including all of the above long-term plans, annual plans and annual reports on the Council's website www.trc.govt.nz.

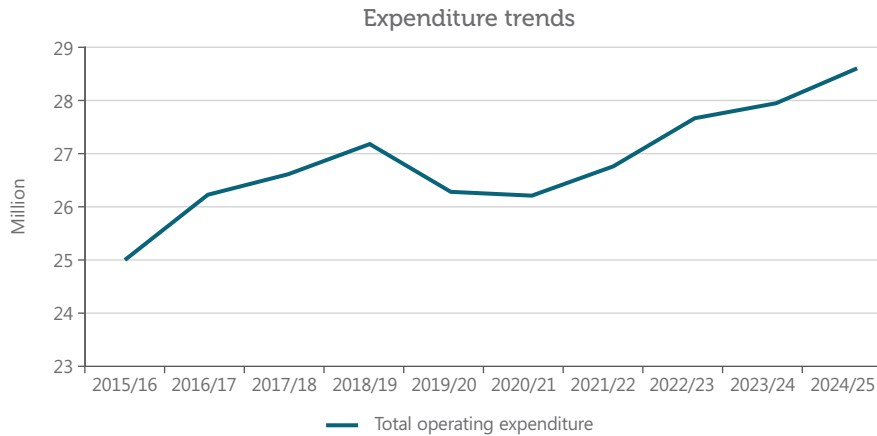
Operational achievements

Over the last three years and more, the Council has successfully progressed its objectives across the full range of its functions and responsibilities. Some of the operational highlights include:

- Progressing the implementation of the Taranaki Riparian Programme, that is improving water quality and transforming the Taranaki landscape. The programme covers around 14,000km of streambank with 12,099km (84%) now fenced, 7,639km (69%) protected with riparian vegetation and includes 99.5% of Taranaki's dairy farmers. Over 4.3m plants have been supplied over the life of the award-winning programme.
- Maintaining and improving freshwater quality across the region. The most recent trends are the best ever measured.
- Maintaining and implementing an effective suite of statutory policies, plans and strategies.
- Processing 100% of resource consent applications within statutory deadlines.
- Monitoring and reporting on compliance with consent conditions for all issued resource consents.
- Responding to, and where necessary undertaking appropriate actions in respect of pollution incidents and non-compliance.
- Reporting on improvements to the overall quality of the Taranaki environment.
- Enabling the protection of Taranaki's biodiversity by preparing, implementing and monitoring biodiversity plans for approximately 100 of the region's key native ecosystems.
- Implementing programmes that minimise the adverse effects on biodiversity, primary production, the regional economy and the environment from animal and plant pests. In particular, implementing the self-help possum control programme on over 240,000 ha.
- Developing and implementing new public passenger transport services in the New Plymouth urban areas and rural Taranaki with over 582,000 passenger trips being undertaken each year.
- Ensuring that Taranaki is ready and capable of responding to civil defence or other emergencies.
- Upgrading the protection offered by the Waiwhakaiho River and Waitara River flood control schemes to 1 in 100 year levels.
- Securing and enhancing the future of three of Taranaki's iconic, nationally and internationally renowned gardens, Pukeiti, Tupare and Hollard Gardens.
- Being a foundation partner at Taranaki's regional library and museum facility: Puke Ariki.
- Securing the long-term maintenance and development of Yarrow Stadium.
- Holding Taranaki's investment in Port Taranaki Ltd on behalf of the regional community noting its strategic value to the Taranaki economy.
- Advocating on behalf of the Taranaki community on matters of regional significance and importance, including progress on infrastructure improvements such as the northern SH3 outlet from New Plymouth (Vickers to City, Bell Block to Waitara, Mt Messenger and Awakino tunnel bypasses) and the Normanby Bridge realignment.

Financial strategy

The content in this section derives from the Council's *Financial Strategy* within the *2015/2025 Long-Term Plan*. The Council encourages the interested reader to read the full *Financial Strategy*. It is available on the Council's website www.trc.govt.nz.



There are numerous strategies and policies that address and direct the financial operations of the Council. The objective of these strategies and policies is to prudently manage the Council's finances in a manner which protects the public's investment and minimises the exposure to significant risk. This acknowledges that at all times the Council is managing assets and finances that belong to the Taranaki community.

The Council aims 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 policies, plans and strategies that the Council has prepared and adopted pursuant to a number of statutes. 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 the *2015/2025 Long-Term Plan*.

The Financial Strategy contains performance parameters around rates levels and debt levels. The Council is in compliance with these parameters and there are no indicators that suggest the Council will breach these parameters at any stage over the life of the *2015/2025 Long-Term Plan*.



The *Financial Strategy* also includes targets on the performance of investments and equity securities. Treasury investments were forecast to return 6% per annum. This was not achieved in 2015/2016 due to the current low interest rate environment. Leasehold land investments were forecast to return \$850,000 in 2015/2016—the preliminary actual results indicate this target will be achieved. Port Taranaki Ltd was forecast to return \$4,477,000 for 2015/2016—the preliminary actual return for 2015/2016 was \$4,477,000.

Rates

The Council has a proud history of modest rates increases. The exception to these modest increases occurred when the Council had to respond to reduced dividends from Port Taranaki Ltd in response to changes in Fonterra's export arrangements and drop-offs in petrochemical trades. The Council also has a history of rates reductions where Port Taranaki Ltd's dividends have substantially increased due to buoyant trading conditions.

In 2015/2016 the Council had a 0.9% general rates increase following on from a 1.4% increase in 2014/2015 and a 1.5% increase in 2013/2014. The increase in general rates for 2016/2017 is 1%. In the current economic and financial climate, rates changes at or below the rate of inflation are pleasing outcomes.

In the *2015/2025 Long-Term Plan*, the Council forecast general rates increases at or below the rate of inflation over the next 10 years. The Council believes that the rates increases over the remaining eight years of the *Long-Term Plan* can continue to be held at or below the rate of inflation. The Council's rates are among the lowest, if not the lowest, for a New Zealand local authority. Again, provided Port Taranaki Ltd's profitability and dividends continue, this position is expected to be retained in the foreseeable future.

The Council has and will, in every likelihood, continue to have, the lowest rates per dwelling in New Zealand.

Public debt

The Council has no external public debt, nor does it plan to have any external public debt.

Future revenue and expenditure

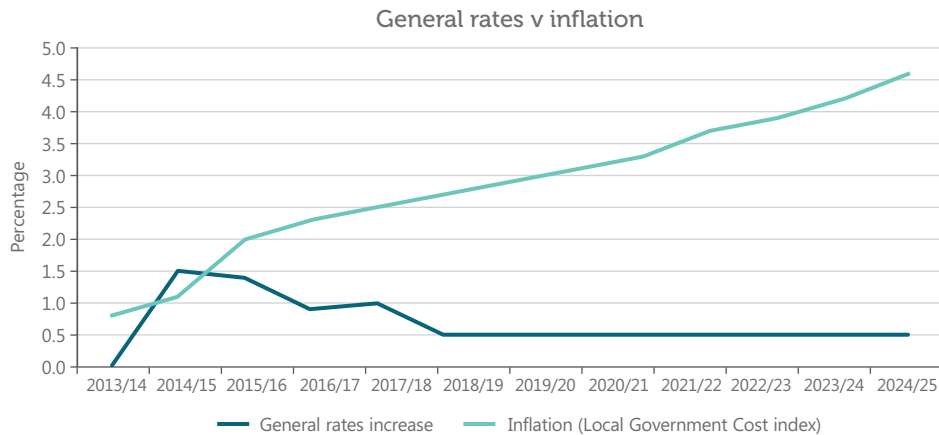
The Council's expenditure forecasts for the next ten years do not include any significant increases that might indicate that the Council is not financially sustainable.

The Council's revenue to fund its expenditure programme comes from a diverse range of sources, namely rates (approximately 36%), direct charges (32%), dividends (18%), other investment sources (7%) and the Government (7%).

The biggest financial risk that the Council faces is the revenue (dividends) it receives from Port Taranaki Ltd (PTL). If PTL does not deliver the forecast dividends, the Council will need to increase general rates. The Council has addressed this problem twice in twenty years (as a result of the drop-off in production from the Maui gas field and as a result of Fonterra's decision to export local products through Auckland and Tauranga). The indicators are that Port Taranaki Ltd will continue to be profitable in the short to medium term.

Most of the Council's activities revolve around the provision of regulatory and other services. Unlike most local authorities, the Council is not a major provider of large scale

infrastructure (eg, roading, water, wastewater and stormwater networks). Accordingly, the Council does not have a significant capital expenditure programme ahead of it. The Council's mission and activities are presented on pages 6 and 7.



Qualification

Every reasonable effort has been made to ensure the accuracy of the information contained in this report. While the Pre-Election Report has not itself been audited, much of the information it contains has been audited by independent auditors. In particular, the first two years' (2013-2015) retrospective financial data have been audited as they have been taken directly from the relevant annual report. The next three years' (2017-2020) prospective financial data from the *2015/2025 Long-Term Plan* have likewise been audited in conjunction with service performance targets and planned projects.

The retrospective financial information from the most recent financial year has not been audited, as the timeframes within which councils are required to prepare this report are insufficient to complete an audit process. Some information, including that of the current year, may have changed since it was audited in the *2015/2025 Long-Term Plan*. All figures for 2015/2016 are based upon the latest financial information as at June 2016. The Council is still in the process of preparing its independently audited *2015/2016 Annual Report*. The final figures published for 2015/2016 in the *2015/2016 Annual Report* will be different from the figures presented in this Pre-Election Report. The difference may be material.

Summary

The Council has been prudently governed and managed to date. As a consequence, the Council is in a strong financial position and is not facing many of the financial pressures of other local authorities. Provided that Port Taranaki Ltd dividends continue at forecast levels (and there are no indicators to suggest that they won't), the Council's strong financial performance and position should continue over the next three-year electoral cycle.

BG Chamberlain
Chief Executive
Stratford – July 2016

Mission

To work for a thriving and prosperous Taranaki by:

- Promoting the sustainable use, development and protection of Taranaki's natural and physical resources;
- Promoting and providing for Taranaki's regionally significant services, amenities and infrastructure; and
- Safeguarding Taranaki's people and resources from natural and other hazards;

GROUPS OF ACTIVITIES

Resource management

Transport

Hazard management

DESCRIPTION

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.

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.

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.

AIMS

- 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

- 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 community passenger 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
- Accurate and timely flood warnings
- Flood protection and drainage schemes that protect life and property

- 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.

Recreation, culture and heritage

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.

- 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 stadium and venue

Biosecurity

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.

- 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

GROUPS OF ACTIVITIES

Regional representation, advocacy and investment management

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

- 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

Financial Statements 2013/2014 to 2015/2016

This section provides an overview of the financial performance and position of the Council for the previous three years. This information has been drawn from Council's audited annual reports for 2013/2014 and 2014/2015 and the latest forecast figures for 2015/2016. If you are interested in more information, the annual reports explain in greater detail what the Council delivered compared to what it planned to do. The 2013/2014 and 2014/2015 Annual Reports are on the Council's website www.trc.govt.nz. The Council is due to adopt the 2015/2016 Annual Report when it meets on 19 September 2016. It will be available on the website at this time.

Funding Impact Statement

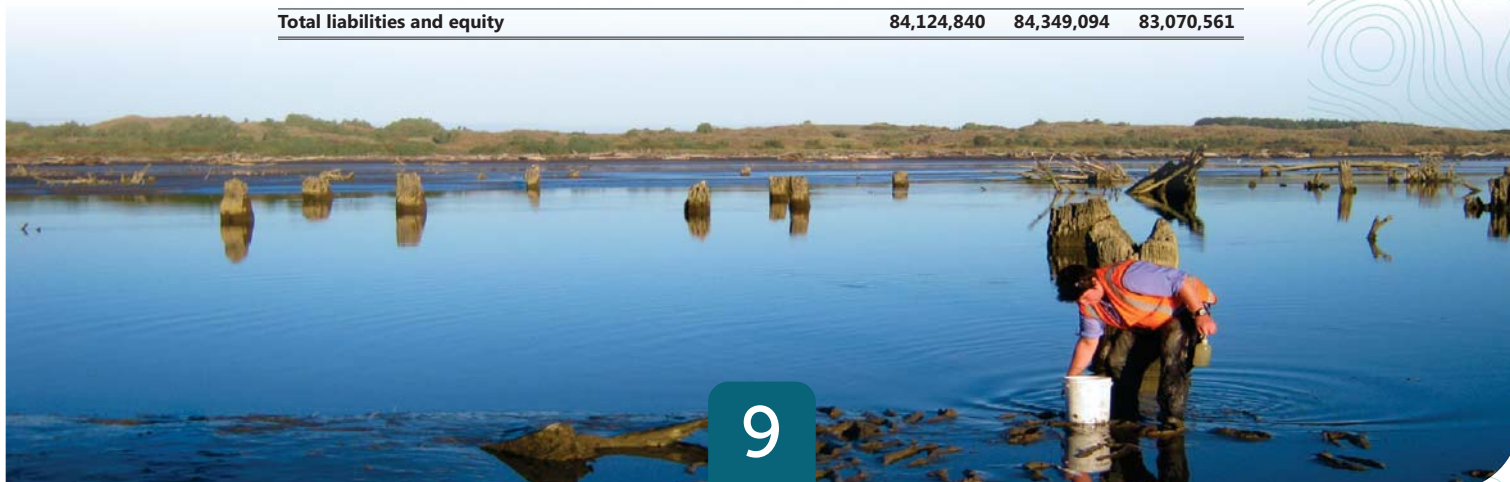
This table presents the actual Whole of Council Funding Impact Statement for the years ended 30 June 2014, 2015, and 2016. The Whole of Council Funding Impact Statement shows how the Council's activities will be funded. It shows where the funding comes from (including income from rates), the amount each source is expected to produce, and how those funds will be applied.

	2015/2016 Forecast \$	2014/2015 Actual \$	2013/2014 Actual \$
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	7,461,874	7,395,317	7,292,392
Targeted rates	1,665,845	1,762,817	1,708,548
Subsidies and grants for operating purposes	1,990,923	1,839,053	1,665,864
Fees and charges	7,060,386	7,412,130	7,218,932
Interest and dividends from investments	6,155,529	6,070,227	6,009,601
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding	24,334,557	24,479,544	23,895,337
Applications of operating funding			
Payments to staff and suppliers	22,999,785	21,982,696	21,636,516
Finance costs	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding	22,999,785	21,982,696	21,636,516
Surplus/(deficit) of operating funding	1,334,772	2,496,847	2,258,822
Sources of capital funding			
Subsidies and grants for capital expenditure	38,744	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	200,000	130,616	115,063
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	238,744	130,616	115,063
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	650,000	1,929,482	791,368
- to replace existing assets	3,601,280	2,643,612	1,709,119
Increase/(decrease) in reserves	(227,895)	641,230	251,566
Increase/(decrease) in investments	(2,449,869)	(2,586,861)	(378,168)
Total applications of capital funding	1,573,516	2,627,463	2,373,885
Surplus/(deficit) of capital funding	(1,334,772)	(2,496,847)	(2,258,822)
Funding balance	0	0	0

Statement of Financial Position

This table presents the actual *Statements of Financial Position* for the years ended 30 June 2014, 2015 and 2016. The *Statement of Financial Position* is also known as the balance sheet. It shows what the Council owns (assets) and what it owes (liabilities) at the end of the financial year. The total sum of assets and liabilities is referred to as 'total public equity' (net assets) – this is the net worth of the Council – providing a 'snapshot' of the Council's financial condition at that particular point in time.

	2015/2016 Forecast \$	2014/2015 Actual \$	2013/2014 Actual \$
Current assets			
Cash and cash equivalents	915,545	2,786,728	987,785
Current portion of investments	5,500,000	7,095,293	9,649,453
Receivables from exchange transactions	800,000	771,758	1,002,638
Receivables from non-exchange transactions	1,800,000	1,993,931	1,234,709
Inventories	200,000	271,080	99,209
Investment properties available for sale	205,000	-	293,000
Prepayments	110,000	109,196	104,689
Work-in-progress	250,000	270,348	404,691
Total current assets	9,780,545	13,298,334	13,776,174
Non current assets			
Treasury investments	7,000,000	6,186,515	7,220,813
Port Taranaki Ltd	26,000,000	26,000,000	26,000,000
Civic Assurance Ltd	1,000	1,000	1,000
Regional Software Holdings Ltd	798,118	798,118	798,118
Taranaki Stadium Trust	-	-	-
Investment properties	14,412,000	14,617,000	14,901,500
Intangible assets	628,071	288,071	440,917
Property, plant and equipment	25,505,106	23,160,056	19,932,039
Total non current assets	74,344,295	71,050,760	69,294,387
Total assets	84,124,840	84,349,094	83,070,561
Current liabilities			
Trade and other payables	2,500,000	2,740,189	2,304,178
Employee entitlements	935,000	931,600	918,305
Work-in-progress	550,000	597,993	619,209
Total current liabilities	3,985,000	4,269,782	3,841,692
Non current liabilities			
Public debt	-	-	-
Employee entitlements	800,000	785,500	696,200
Total non current liabilities	800,000	785,500	696,200
Total liabilities	4,785,000	5,055,282	4,537,892
Public equity			
Retained earnings	63,942,442	63,668,519	63,760,424
Reserves	11,674,166	11,902,061	10,930,831
Asset revaluation reserves	3,723,232	3,723,232	3,841,414
Total public equity	79,339,840	79,293,812	78,532,669
Total liabilities and equity	84,124,840	84,349,094	83,070,561



Financial Strategy

This table presents the Council's actual performance for 2013/2014 and 2014/2015 and forecast performance for 2015/2016, against rates, rates increases, debt and returns on investments as established in the *Financial Strategy* in the *2012/2022 Long-Term Plan* for 2013/2014 and 2014/2015 and the *2015/2025 Long-Term Plan* for 2015/2016.

KEY	2015/2016 Forecast \$	2014/2015 Actual \$	2013/2014 Actual \$
Forecast Achieved Actual Target			
Rates			
Total rates will not exceed 60% of total revenue	37.5%	37.5%	37.5%
Rate increases			
Total rates increases or decreases will not exceed 5% of total expenditure	-0.12%	0.65%	0.67%
Borrowing			
Total interest expense on net external public debt will not exceed 40% of total annual rates and levies	0%	0%	0%
Net external public debt per capita will not exceed \$500	\$0	\$0	\$0
Investment returns			
Cash, cash equivalents and treasury investments - these investments are forecast to produce a 6% per annum return on investment.	4.70%	6.14%	6.28%
Endowment properties	\$850,000 \$850,000	\$866,864 \$830,057	\$839,984 \$830,485
Port Taranaki Ltd.	\$4,477,000 \$4,477,000	\$3,300,000 \$4,070,000	\$3,000,000 \$3,700,000
Civic Assurance Ltd (\$1,000 at 30 June 2011). The Council inherited these shares. They are not expected to return a dividend over the next ten years.			
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.			

Looking ahead

2017/2018 to 2019/2020

This section provides an overview of the financial performance and position of the Council for the next three years.

Every three years the Council prepares a 10-year plan, which outlines the work programme and financial implications for that 10-year period. The Council is then also required to prepare an annual plan, which updates the priorities and budgets for a particular year. The information in this section is drawn from the Council's *2015/2025 Long-Term Plan* and is therefore over a year old. It doesn't take into account any changes made to the work programme and budget in the 2016/2017 Annual Plan. This information will next be refreshed (and reforecast) in its entirety when Council prepares its *2017/2018 Annual Plan* and the *2018/2028 Long-Term Plan*. Given that, the 2016/2017 budget information from both the 2015/2025 Long-Term Plan and the *2016/2017 Annual Plan* have been included for comparative purposes.



Whole of Council Funding Impact Statement

This table presents the forecast *Whole of Council Funding Impact Statements* for the years ended 30 June 2017 to 2020. It shows how the Council's activities will be funded, including where the funding comes from, the amount each source is expected to produce and how those funds will be applied.

This table is presented for compliance with section 99A of the *Local Government Act 2002*. It was prepared pursuant to the *Local Government (Financial Reporting) Regulations 2011* and should not be relied on for any other purpose. In accordance with the regulations, the information presented is incomplete (in particular, it does not include depreciation and internal transactions such as overheads) and it is not prepared in compliance with generally accepted accounting practice.

	2016/2017 Annual Plan \$	2016/2017 Long-Term Plan \$	2017/2018 Long-Term Plan \$	2018/2019 Long-Term Plan \$	2019/2020 Long-Term Plan \$
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	7,536,494	7,536,493	7,574,175	7,612,046	7,650,106
Targeted rates	1,820,603	1,695,935	1,699,487	1,677,211	1,684,839
Subsidies and grants for operating purposes	1,601,930	1,458,530	1,883,854	1,872,443	1,904,502
Fees, charges and targeted rates for water supply	7,407,404	8,438,886	8,728,451	9,068,458	7,542,457
Interest and dividends from investments	6,499,700	6,614,502	7,096,928	7,305,538	7,528,398
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-
Total operating funding	24,866,131	25,744,346	26,982,895	27,535,696	26,310,302
Applications of operating funding					
Payments to staff and suppliers	23,809,900	24,612,257	25,053,608	25,649,013	24,750,028
Finance costs	-	-	-	-	-
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	23,809,900	24,612,257	25,053,608	25,649,013	24,750,028
Surplus/(deficit) of operating funding	1,056,231	1,132,089	1,929,287	1,886,683	1,560,274
Sources of capital funding					
Subsidies and grants for capital expenditure	402,000	402,000	-	-	-
Development and financial contributions	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	235,000	235,000	118,000	200,000	350,500
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	637,000	637,000	118,000	200,000	350,500
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	40,000	-	-	-	-
- to replace existing assets	5,362,400	5,370,000	1,589,450	1,652,453	1,952,550
Increase/(decrease) in reserves	(351,290)	(295,443)	144,051	146,694	(177,505)
Increase/(decrease) in investments	(3,357,879)	(3,305,468)	313,786	287,536	135,729
Total applications of capital funding	1,693,231	1,769,089	2,047,287	2,086,683	1,910,774
Surplus/(deficit) of capital funding	(1,056,231)	(1,132,089)	(1,929,287)	(1,886,683)	(1,560,274)
Funding balance	0	0	0	0	0

Source: The 2015/2025 Long-Term Plan and the 2016/2017 Annual Plan.

Forecast Statement of Financial Position

This table presents the forecast *Statements of Financial Position* for the years ended 30 June 2017, 2018, 2019 and 2020. The *Statement of Financial Position* is also known as the balance sheet. It shows what the Council owns (assets) and what it owes (liabilities) at the end of each financial year. The total sum of assets and liabilities is referred to as 'net assets' (public equity) – this is the net worth of the Council – providing a 'snapshot' of the Council's financial condition at that particular point in time.

	2016/2017 Annual Plan \$	2016/2017 Long-Term Plan \$	2017/2018 Long-Term Plan \$	2018/2019 Long-Term Plan \$	2019/2020 Long-Term Plan \$
Current assets					
Cash and cash equivalents	914,877	1,073,788	1,576,124	2,051,427	2,058,790
Current portion of investments	-	-	-	-	-
Trade and other receivables	960,000	984,000	1,009,584	1,036,843	1,066,911
Inventories	1,040,000	1,066,000	1,093,716	1,123,246	1,155,820
Work-in-progress	100,000	102,500	105,165	108,004	111,136
Prepayments	400,000	410,000	420,660	432,018	444,547
Total current assets	3,414,877	3,636,288	4,205,249	4,751,538	4,837,204
Non current assets					
Treasury investments	9,407,975	9,408,975	9,408,975	9,408,975	9,408,975
Port Taranaki Ltd	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000
Civic Assurance Ltd	1,000	1,000	1,000	1,000	1,000
Regional Software Holdings Ltd	798,118	798,118	798,118	798,118	798,118
Taranaki Stadium Trust	-	-	-	-	-
Investment properties	14,617,000	14,901,500	14,901,500	14,901,500	14,901,500
Intangible assets	1,018,071	800,917	890,917	980,917	1,045,917
Property, plant and equipment	28,714,773	28,465,604	28,285,671	28,134,242	28,151,767
Total non current assets	80,556,937	80,376,114	80,286,181	80,224,752	80,307,277
Total assets	83,971,814	84,012,402	84,491,430	84,976,290	85,144,481
Current liabilities					
Trade and other payables	2,000,000	2,050,000	2,103,300	2,160,089	2,222,732
Employee entitlements	500,000	512,500	525,825	540,022	555,683
Work-in-progress	935,000	943,000	967,518	993,641	1,022,457
Total current liabilities	3,435,000	3,505,500	3,596,643	3,693,752	3,800,872
Non current liabilities					
Employee entitlements	800,000	768,750	788,738	810,034	833,525
Total non current liabilities	800,000	768,750	788,738	810,034	833,525
Total liabilities	4,235,000	4,274,250	4,385,381	4,503,786	4,634,397
Public equity					
Retained earnings	64,781,358	64,860,131	65,083,977	65,303,738	65,518,823
Reserves	11,232,224	11,036,607	11,180,658	11,327,352	11,149,847
Asset revaluation reserves	3,723,232	3,841,414	3,841,414	3,841,414	3,841,414
Total public equity	79,736,814	79,738,152	80,106,049	80,472,504	80,510,084
Total liabilities and equity	83,971,814	84,012,402	84,491,430	84,976,290	85,144,481

Source: The 2015/2025 Long-Term Plan and the 2016/2017 Annual Plan.

Works programme and major projects

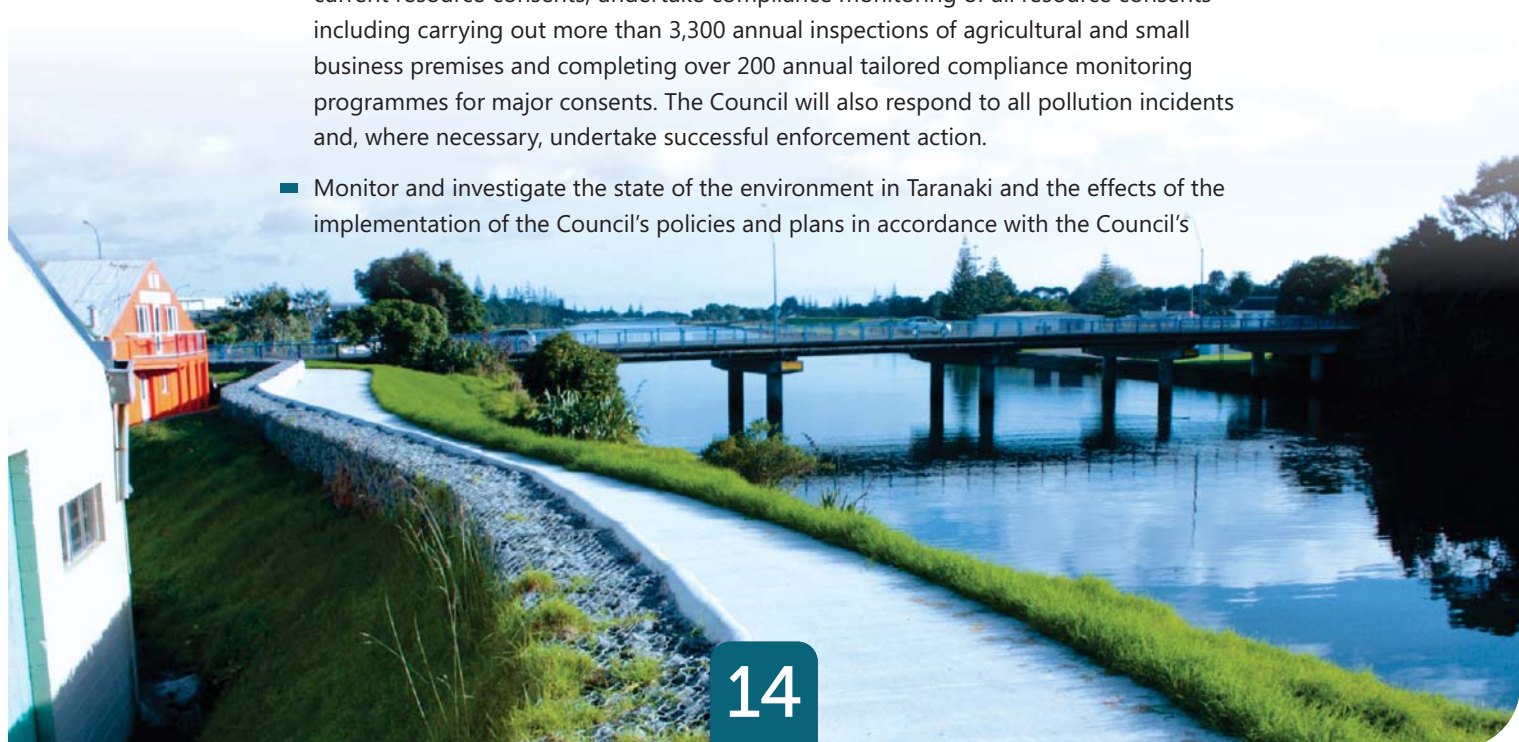
The Council intends to keep strongly focused on its core activities all of which are important for the well-being of the region. They contribute to community outcomes that Taranaki people have identified as being important. These activities include:

- 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 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 three years the Council's work programme and major projects 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 efficient and effective management of the Council's functions and Taranaki's natural and physical resources. The immediate focus is on completing a review of the regional coastal plan and progressing a review of the regional freshwater and soil plan.
- Process approximately 450 applications for resource consents annually; administer all current resource consents; undertake compliance monitoring of all resource consents including carrying out more than 3,300 annual inspections of agricultural and small business premises and completing over 200 annual tailored compliance monitoring programmes for major consents. The Council will also respond to all pollution incidents and, where necessary, undertake successful enforcement action.
- Monitor and investigate the state of the environment in Taranaki and the effects of the implementation of the Council's policies and plans in accordance with the Council's



monitoring procedures and programmes. This will be done by applying recognised and reputable methods of data collection, analysis and reporting.

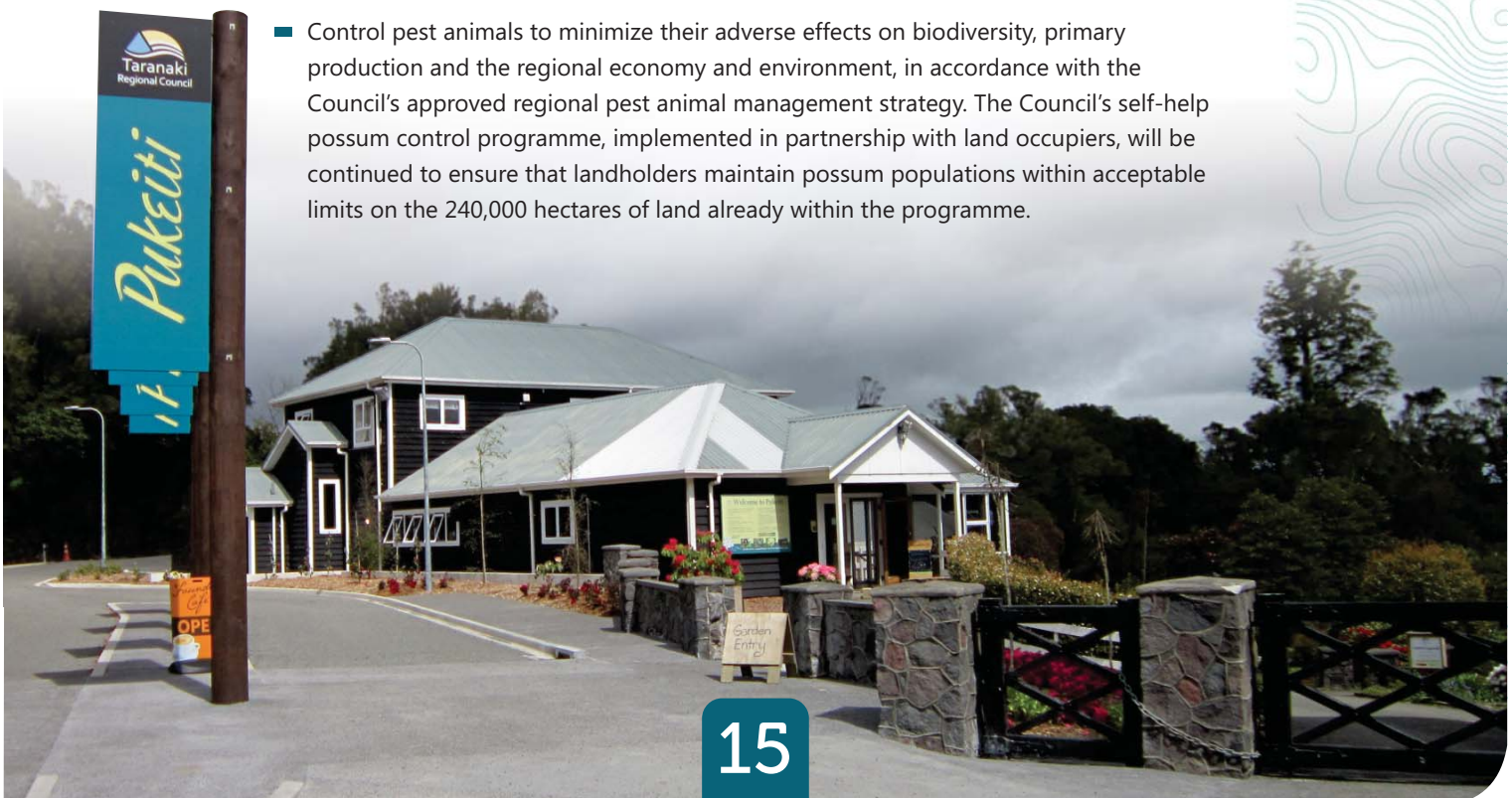
- Provide relevant research information for resource management purposes through a series of resource investigations and projects.
- Encourage and implement waste management and cleaner production initiatives in Taranaki, consistent with the *Regional Waste Strategy for Taranaki*.
- Promote sustainable land management and riparian management by providing property planning services, in conjunction with landowners, that identify actions for land use management on an individual property basis.
- Promote the implementation of the Taranaki Riparian Management Programme. Approximately 450,000 plants will be supplied to plan holders each year for planting.
- Maintain and enhance 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. Annually, 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.

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. The implementation of the asset management plans for Pukeiti will continue.
- 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(s).

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.
- 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 strategy. The Council's self-help possum control programme, implemented in partnership with land occupiers, will be continued to ensure that landholders maintain possum populations within acceptable limits on the 240,000 hectares of land already within the programme.



- Control and/or eradicate pest plants to minimize their adverse effects on biodiversity, primary production and the regional economy and environment in accordance with the Council's approved regional pest plant management strategy. Annually the Council will undertake the direct control and eradication of all known infestations of senegal tea, climbing spindleberry, mignonette vine, giant reed and Darwin's barberry 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.

Hazard management

- Promote and enhance within the Taranaki community, an integrated, comprehensive civil defence emergency management system. Specifically, the Council will implement the *Civil Defence Emergency Management Group Plan for Taranaki* and the *Taranaki Civil Defence Emergency Management Annual Business Plan*.
- Manage and maintain the Waitara and Waiwhakaiho flood protection schemes and manage other minor river control schemes to accepted or agreed design standards to minimize and prevent damage by floods and river erosion.
- Provide accurate and timely flood warnings, flood control advice and undertake minor works and associated actions to minimise and prevent damage by floods and river erosion.

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.
- 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 website.
- Continue its environmental education programme where the Council expects to involve approximately 5,000 school students in class visits and field trips.
- Ensure that public representation by the Council and its Committees is carried out effectively and efficiently in accordance with statutory requirements and advocate on behalf of the Taranaki community on matters of regional interest or concern.

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.
- Operate and improve passenger transport services in New Plymouth urban areas and regional Taranaki and the Total Mobility subsidy assistance programme, subject to funding approval processes.
- Provide harbourmaster and harbour warden services for Port Taranaki to implement relevant harbour bylaws and regulations.



