



Taupō District Council

Annual Report Summary 2010/11

About this summary

This document provides an overview of Taupō District Council's operational and financial performance for the 2010/11 financial year. It is prepared in accordance with section 98(4) of the Local Government Act 2002, and in line with section 98(5) of that same Act, it represents fairly and consistently the information regarding the major matters dealt with in the Annual Report.

The specific disclosures included in this summary report have been extracted from the full Annual Report, which was adopted by Council with an unqualified audit opinion dated 27 September 2011. This summary has been examined by the auditor for consistency with the full Annual Report, and audited by Audit New Zealand on behalf of the Auditor-General. This summary was authorised by the Chief Executive Officer and the Group Manager Corporate and Infrastructure on 7 October 2011.

This summary report cannot be expected to provide as complete an understanding of Council's financial and service performance, financial position and cashflows as the full Annual Report. The full Annual Report is our key accountability document, and is available on request from Council offices or online at www.taupo.govt.nz.

From the Mayor



Mayor Rick Cooper

Taupō District has had another great year of significant success but has also seen its fair share of challenges. This year saw a difficult time for all New Zealanders in and around Christchurch. Our response to the February earthquakes demonstrated our true Kiwi spirit.

Our Taupō Civil Defence Emergency Response Team (NZ-RT6), which celebrated its 25th anniversary this year, was activated to respond to the Christchurch earthquake on 22 February, and spent ten days helping in the red zone. Our community welcomed approximately 30 Christchurch earthquake evacuees into our area. We were honoured to open our community in support of the evacuees by offering assistance by way of Community Link, Taupō's WINZ office and the Red Cross.

To maintain our reputation as a welcoming community, we continue to position the District as a world-class tourism destination. To bolster the District's position as a visitor draw card, Council aimed to enhance the way that we support destination marketing and management. Earlier this year we successfully launched Destination Great Lake Taupō (DGLT) a council-controlled organisation that operates as a stand-alone legal entity. DGLT is responsible for destination marketing for the Taupō District and its experienced board provides governance and support to management.

We've had some significant visitor milestones, including being selected to host three teams for Rugby World Cup: South Africa, Ireland and Wales. I am impressed with the amount of work Council has put in to make sure that our

teams, visitors and media feel welcome. They have done an outstanding job to showcase the Taupō District.

In another big win we received the International Festivals and Events Association's World Festival and Event City Award in the 'population under 100,000' category.

As part of our future planning, Council is focused on sustainable growth through investment in infrastructure. We saw the completion of the East Taupō Arterial (ETA), which was built to reduce the bottlenecks at the Control Gates bridge and remove heavy traffic from Lake Terrace. The ETA was a massive undertaking and is a vital section of road for the District.

We have begun upgrades to the Mangakino, Turangi and Taupō water schemes to meet Government requirements and improve those water treatment plants.

We have met challenges that the recent global financial crisis and recession have brought in the form of slowed economic growth and property sales. We have an excellent new team of elected Council members who are working hard and focusing efforts to find solutions that will enable us to maintain a balance while continuing to invest in community facilities and services.

I would like to thank the new Council members and the staff, all of whom have put in tremendous hours and work hard to ensure that we sustain our vibrant community.

Rick Cooper
Mayor of Taupō District

From the CEO



CEO Rob Williams

Two key themes sum up this past year for me. One is holding the line on our core strategies and the other is the way we have demonstrated the depth within our organisation and the fortitude and commitment staff have shown in dealing with the big issues that Council has had to face.

Council has had to be nimble in our response to the persistent global economic crisis and lower growth and that is reflected in this Annual Report. And despite it being a tough year, we have had some real successes.

Before I go on to talk about the year that was, I want to take this opportunity to say a big thank you to our staff. Changes in the District as a consequence of our economy have meant that we needed to bite the bullet and restructure the organisation. I commend the staff both present and past for the professionalism shown throughout this process. You are a credit to the District.

Council has three broad strategies that guide its activities.

Growth and Economic Development

This Council has recognised that it has an important role to play in supporting the economic base of the District and facilitating and managing growth. While all of our activities in some way underpin economic development, the specific strategies we have applied are:

- working with Enterprise Great Lake Taupō (EGLT), Destination Great Lake Taupō and other organisations to facilitate a good business environment, and market this District
- planning for and managing urban growth
- creating vibrancy in our towns using urban design, public art and events
- investing the income we generate wisely to ensure that rates remain affordable.

This Annual Report shows that we are taking solid steps to ensure that we achieve our goal of sustainable economic development. Overall, we have made good progress in the activities we had planned and, up until now, our District has been less affected by the recession, partly because of major infrastructure spending including construction of the ETA and investments in electricity generation such as the Nga Awa Purua station.

However in some areas work has slowed, particularly in structure and district planning work reflecting the changes in the property market. Council has strengthened its partnership with the economic development agency EGLT to ensure its work, which is focused on well-maintained infrastructure, investment in the District and attracting skilled workers to the District, continues. EGLT supports local businesses, provides advice to potential investors and implements projects to support the District's economy. It is an advocate for District services with other organisations to support the District's economic goals.

We continue to punch above our weight in attracting national and international events and were successful again in our bid to host the Ironman event until 2016. This event attracts sportspeople and their families to the

District where they support local businesses and bring an estimated \$3 million to the community annually.

One of the tactics Council uses to manage and plan for growth and its effects is through the use of structure plans. Earlier this year Council completed the Taupō Urban Commercial and Industrial Structure Plan (TUCISP) and began drafting the associated changes to the District Plan. With its focus on revitalising Taupō town's urban, commercial and industrial centres, the TUCISP has been an important piece of work for Council.

We recognise the importance of Turangi as a secondary urban centre for the District and earlier this year we began discussions to develop the area through a combined structure plan. The Turangi and Southern Lakeshore Settlements Structure Plan includes the south-western settlements of Whareroa, Omori and Kuratau and the south-eastern settlement of Motuoapa. While good progress has been made, a review is underway to determine the scale, detail and timing of the work required.

Our strategies, with respect to our investments, remain largely on track. Notwithstanding the global financial crisis and the subsequent recession, Council has been able to manage its assets to deliver the required level of income for the year without eroding asset values such as the TEL Fund. We have continued to seek expressions of interest for land surplus to our requirements, both leasing and sale opportunities, and have made progress in this regard. The completion of the Taupō Town Centre, Residential and Industrial plan changes will open up further investment opportunities.

Strong, Safe and Healthy Communities

Our role in building strong, safe and healthy communities is to provide services that respond to identified needs and at levels that are acceptable to the community. Looking at our achievements, the 2010/11 year could in many ways be described as a watershed year for Council.

Farsighted members of our community have long recognised that for Taupō to progress, the bottlenecks at the Control Gates bridge that meant cars were backed up for miles in our peak visitor seasons and the removal of heavy traffic from Lake Terrace needed to be addressed. With the completion of the ETA this vision has finally been achieved. Completed ahead of schedule, the ETA has received a number of engineering awards.

The ETA paves the way for other projects that enable the revitalising of Taupō town and reconnecting with the lake. This year, we embarked on a wayfinding campaign to help visitors navigate the central business district. We have also worked with the Public Sculpture Trust and others to create points of difference through the medium of public art. These projects are practical examples of Council supporting community initiatives, encouraging creativity and honouring local heritage.

Upgrades of the Mangakino, Turangi and Taupō water schemes are currently underway to meet Government requirements and improve those water treatment plants. This is expensive work, and while we have some subsidy from the Ministry of Health for the Mangakino and Turangi ultra-violet treatment, building the Taupō plant will cost nearly \$26 million by the time of completion. Since the water is treated to a very high standard, the

operating costs are projected to rise by about 50 per cent from 2013 when the new plant comes on stream.

Our venues and sportsgrounds are prepared, our planning is done and we are ready to host the South African, Welsh and Irish teams for the 2011 Ruby World Cup. For a district of our size we have superb facilities and our team and our community partners have worked hard this past year to ensure we can showcase Taupō District to all of our visitors.

Sustainable Environment

People living in Taupō District have always been aware of the importance of looking after this very special part of the world. For that reason a sustainable environment is one of the underlying principles behind the work that we undertake.

A key strategy for us continues to be protecting Lake Taupō and it is very pleasing to be able to report that the Lake Taupō Protection Trust is currently ahead of its projections for removing manageable nitrogen. To date, the Trust has managed to remove an estimated 90 of the required 153 tonnes.

Additionally, we commenced Stage 1 of the Taupō Wastewater Project to improve the way we move wastewater away from homes and commercial and industrial premises and to treat and dispose of it in ways that do not harm our environment.

Challenges

Our desire to ensure that our District remains affordable has meant that our rates income has not grown as fast as our expenses. Limited income had an impact on our revenue and we saw an increase in our debt and the debt bills continue to rise.

The 'hidden' expenses for many ratepayers are interest and depreciation. Every time we build or upgrade a new asset (ETA, water treatment plant, AC Baths) we have to increase the money we put aside for depreciation. We also have to fund the interest on the loan. Council uses loans (debt funding) for its major capital works because that is the fairest way of ensuring that future ratepayers also pay their share of the costs of the assets that they get to use and enjoy.

In summary

Threaded through all of Council's strategies in the work that it undertakes is the concept of working together. Wherever possible, we look for opportunities to work alongside our community partners. Today, as we position ourselves for long-term planning and goal-setting for the next ten years, we will continue to work with you to determine the steps to keep building bright futures for our families, our industries and our economy. I am confident that we will be successful and look forward to working with all the enthusiastic and committed people who make this a great place to live, work and play.

Rob Williams
Chief Executive Officer

Our organisation at a glance

Taupō District Council has a mayor, 10 councillors and 291 full-time equivalent staff (as at 30 June 2011). We have \$1.328 billion in assets, including land, infrastructure and buildings.

Taupō District Council provides:

- Taupō Airport (in conjunction with the Crown)
- 760 km of road, 289 km of footpaths, 3,808 street lights, 23 bridges, 32 km of culverts, 38 km of cycleways and 97,000m² of parking
- 462 km of pipes and 39 pump stations to supply drinking water
- 350 km of wastewater pipes, 104 pump stations and 12 wastewater treatment plants
- 259 km of pipes for stormwater
- Over 400 reserves including 11 District reserves and 8 sportsgrounds, 3 cemeteries and approximately 20,000m² landscaped gardens, as well as playgrounds, recreational paths, park furniture, landscaping and public toilets
- Three swimming pools, three recreation centres, the Great Lake Centre, the Taupō Museum and three libraries
- 57 pensioner accommodation units and 12 community halls.

Council also provides services including emergency management, economic development, events and destination management, and statutory and regulatory functions including issuing 841 building consents and 243 resource consents in 2010/11.



Owen Delany Park

WORKING TOGETHER

What we do

We want to understand the needs of our communities and make decisions that benefit them. To do this, we build relationships and networks with communities and provide opportunities for communities to engage with us.

Advocacy, relationship building and connecting with the youth of our community are part of this work. We are also working to be the best we can with our staff and systems, and to deliver the services we plan.

We engage with central and regional government agencies for the benefit and well-being of our communities, giving voice to the needs and concerns of our District both regionally and nationally. Council advocates on a wide range of issues including land, water and air quality, healthy communities and regional tourism.

Council will continue to develop our international relationships for the District's benefit.

Council activities that helped achieve the goals were:

- Leadership, Governance and Advocacy
- Community Engagement
- Planning for the Future



Our Neighbourhood event – Wharewaka Reserve, Taupō



Elected Members, Chief Executive Officer and Deputy Chief Executive Officer

Our Neighbourhoods

The popular Our Neighbourhood series of events encouraged locals to come along and get to know their neighbours. The series once again saw over a thousand people take to their neighbourhood reserve in the name of food, fun and music.

The series involved Taupō District Council teaming up with the community partners to pull together a variety of activities and entertainment for young and old with a focus on good old fashioned fun. With food, live music and plenty of fun on hand it was a good afternoon. Sport Waikato got physical with sack races, musical chairs and the much anticipated egg throwing competition. Also on hand with information and resources were Life Education Trust, Tūwharetoa Health, Neighbourhood Support and Café For Youth Health.

Service Performance Overview

Here's a summary of our performance for each activity:

Activity	How we did
Leadership, Governance and Advocacy	We responded to information requests on time and all our significant decisions complied with legislation. Organisational development projects were reprioritised because of the need for an organisational restructure.
Community Engagement	We achieved positive results with our partnerships.
Planning for the Future	We got an unqualified audit opinion for the LTCCP amendments.
Performance Measures	We achieved 6 out of 7 of our performance targets.

What we planned and delivered

- Completed the triennial election 2010
- Reviewed the Code of Conduct
- Published the Annual Report 2009/10
- Adopted the Annual Plan 2011/12
- Maintained World Health Organisation Safe Communities Accreditation
- Continued the implementation of actions, targeting key neighbourhoods
- Implemented the Community Engagement Strategy

What we planned, but did not complete

- Top 20 Scorecard Report – instead we published the detailed Community Outcome Report on Measures 2010



Our Neighbourhood event – Brice Street Reserve, Taupō

Overall, Council worked with other agencies to improve governance co-ordination and planning functions. Council achieved the targets set in the LTCCP.

GROWTH AND ECONOMIC DEVELOPMENT

What we do

Developing a robust and diverse economy is one of the most important long term areas of focus for Council, for the well-being of our communities. A flourishing District needs a broad range of business and employment opportunities, skilled and educated people and openness to innovation.

The traditional economic anchors for the District are forestry, farming and tourism and these will continue to be important. Building relationships and connections across the different industries (for example forestry, energy and tourism) may offer synergies that enable the District to offer a richer range of opportunities for all of these sectors.

We are working to strengthen the District's position through our investment in economic development, including funding for Enterprise Great Lake Taupō (EGLT), destination marketing and management, attracting events to the District, and the work we do helping to develop our communities.

Council activities that helped achieve our goals were:

- Economic Development
- Liveable Places
- Taupō District Investments
- Destination Marketing and Management
- Events



'Clip' on Ferry Road

What we planned and delivered

Economic Development

- Reviewed the Economic Development Action Plan and implemented Council actions
- Supported EGLT's operations.

Liveable Places

- Initiated the development of the Turangi and Southern Lakeshore Settlements Structure Plan
- Commenced the design guidelines for development in the rural environment
- Initiated the Taupō Urban Commercial and Industrial Structure Plan Change, and commenced implementation of the structure plan
- Continued to deliver improvements to our town centre laneways
- Developed signage and wayfinding for Taupō town.

Taupō District Investments

- Completed housing development for stage 2 Victoria
- Redeveloped Mangakino service centre and library
- Progressed consent for Broadlands Road service centre beside East Taupō Arterial.

Destination Marketing and Management

- Rebranded the visitor destination
- Increased domestic tourism marketing.

Events

- Co-ordinated local event organisers to encourage best practice
- Protected and enhanced the District's reputation for hosting high quality events.

What we planned, but did not complete

Liveable Places

- Wayfinding and gateway project delayed due to the required design work and consultation
- The planned review of TD2050 Growth Management Strategy has not been started due to the Census being cancelled because of the Canterbury earthquakes.

Taupō District Investments

- Due to Council making a policy decision not to be a property developer alongside the residential property market in Taupō being very flat and there already being a larger number of sections on the market, it has not been timely to continue the residential developments to the level previously planned. The following projects have been deferred:
 - Construct and complete stage 2 Botanical Heights
 - Commence the Stables residential development planning
 - Commence the East Urban Lands Educational Campus and commercial development

Destination Marketing and Management

- Sustainable Tourism Charter was not implemented as it has yet to be completed.

Service Performance Overview

Here's a summary of our performance for each activity:

Activity	How we did
Economic Development	Due to the recession, Council's goals for this activity were not fully achieved.
Liveable Places	Plan changes were processed within statutory time frames and structure plans were developed in accordance with legislative requirements. The percentage of community who feel they have enough say in what Council does increased but did not achieve the target.
Taupō District Investments	Investment strategy targets were achieved.
Destination Marketing and Management	Domestic visitor nights were static. The private sector contributed to marketing campaigns and revenue increased from advertising sales and visitor information centre. Stakeholder survey showed 64% of the Tourism industry were satisfied with Destination Great Lake Taupō's performance.
Events	More than 20 major events were held and all events received positive media coverage.
Performance Measures	10 achieved, 1 substantially achieved, 1 achieved in part, 3 not achieved.

"One of the Best"

Taupō District won the International Festivals and Events Association's (IFEA) World Festival and Event City Award (population under 100,000 category). An outstanding achievement for a District of Taupō's size.



The Lake Taupō Cycle Challenge

STRONG, SAFE AND HEALTHY COMMUNITIES

What we do

Effective and efficient infrastructure and services such as roads, recreation facilities and water supplies are essential to Council's role in building strong communities. Infrastructure and services must meet identified needs and be provided at levels that are acceptable to the community.

Strong communities help themselves and Council has a role in supporting community initiatives, encouraging creativity and honouring community heritage. Council also has a role in monitoring and enforcing agreed rules and policies to ensure that community values and individual rights are respected.

Council activities that helped achieve our goals were:

- Community Facilities
- Venues
- Heritage, Culture and Public Art
- Parks and Reserves
- Emergency Management
- Regulatory Services
- Transportation
- Water Supply

What we planned and delivered

Community Facilities

- Upgraded the Acacia Bay toilets and changing rooms

Venues

- Designed stage 1 of the AC Baths refurbishment
- Carried out improvements to Owen Delany Park for Rugby World Cup 2011.

Heritage and Public Art

- Catalogued artefacts and photos

Parks and Reserves

- Developed lakeshore reserves in Taupō
- Completed walkway from Whakamaru Village to junction shops
- Continued redevelopment of Tongariro Domain
- Completed the development of Nukuhau Boat Reserve parking area
- Carried out landscape development of Mangakino Reserves
- Developed and provided play equipment for Omori, Pukawa and Kuratau parks.

Emergency Management

- Completed training programmes
- Maintained Taupō Civil Defence Emergency Response Team (NZ-RT6)
- Adopted Rural Fire plan.

Regulatory Services

- Carried out day-to-day functions relating to building and resource consents, registering of dogs, parking control, liquor licensing and health licensing.

Transportation

- Completed the construction of the East Taupō Arterial and shared path beside ETA
- Designed Mangakino street upgrade
- Completed stage 1 footpath and lighting on SH5 from Lake Terrace to Kiddle Drive.

Water Supply

- Completed design and commenced construction of Taupō water treatment facilities.

What we planned, but did not complete

Community Facilities

- Review of cemetery policy and bylaw – this will be completed in the 2011/12 year.
- Upgrade of existing Five Mile Bay toilets – on hold pending further investigation. The cost of reticulation to these toilets is prohibitive and therefore other non reticulated systems are being investigated.
- Commence replacement of existing Secombe Park toilet facilities and changing rooms. Due to reduced growth pressure this upgrade has been downsized and will be completed in the 2011/12 year.



Taupō Civil Defence Emergency Response Team (NZ-RT6) operating in Christchurch

Venues

- The development of new land at Owen Delany Park was put on hold indefinitely due to lack of growth.

Heritage, Culture and Public Art

- Interactive project in Tuwharetoa Gallery – discontinued part way through the year for repairs to be made to the touch screen.

Emergency Management

- Section 15 Agreement with NZ Fire Service is currently under review in conjunction with New Zealand Fire Service and this process has not yet been completed.

Transportation

- We are waiting funding from NZTA before we can complete the projects below.
 - Development of a transportation strategy
 - Crash reduction study
- Investigation options were completed for the Nukuhau to Tongariro Domain pedestrian bridge however the estimated cost meant it was not possible to construct within existing budgets.
- The second stage of the footpath on SH5 has been put on hold pending funding from private sources.

Canterbury Earthquake Response

The Taupō Civil Defence Emergency Response Team (NZ-RT6) were deployed to Christchurch during the Canterbury earthquake emergencies. The response team included 12 people and they were in Canterbury for ten days. Based in the CBD the team were involved with rescue, building searches and assisting with the safety of engineers. They were also deployed in the suburbs for one day to assist with community welfare.

Three building inspectors were in Christchurch for five days assisting with building inspections. A welfare officer was also deployed for five days. She was based in the emergency operating centre and was responsible for setting up recovery advisory centres.

Service Performance Overview

Here's a summary of our performance for each activity:

Activity	How we did
Community facilities	Council inspected community halls and pensioner housing were occupied. Although customer satisfaction with libraries was high, the target for the number of items checked out was not met. Cemetery services were provided.
Venues	In general our venues were open, warranted and complaints were responded to quickly with the exception of the Genesis Energy Turangi Aquatic Centre which was closed one month for maintenance. People who used venues were more satisfied with these facilities than the community overall.
Heritage Culture and Public Art	Exhibitions, lectures and workshops were held at the Taupō Museum. The Ora Garden retained "Garden of national significance" status.
Parks and reserves	Taupō District has a lot of open space, safe playground equipment and a good level of satisfaction with parks, reserves and gardens.
Emergency Management	Council completed two exercises as well as partially activating Council's emergency operation centre in a support role during the Canterbury earthquakes. USAR accreditation is now under Fire Service control.
Regulatory Services	Council implemented laws and regulations as required including animal control, building consent, licensing, parking, resource consents and compliance. A small number of building and resource consents were not processed within statutory timeframes. Most food and noise complaints were responded to within timeframes.
Transportation	Bus passengers increased and the community was satisfied with roading, footpaths and cycle ways. Serious and fatal crash numbers decreased from 2006/07 year. Rural road sealing provided an additional 3km.
Water supply	We complied with pressure requirements for urban fire fighting. Council is on track for complying with the New Zealand Drinking Water Standards. There were 3 water supplies where water abstraction exceeded consent limits. There were 3 unplanned water outages in urban and 5 in rural areas where repairs took longer than specified.
Performance Measures	41 achieved, 3 substantially achieved, 8 not achieved

Overall, Council achieved most of its performance targets and provided core infrastructure and services to the district including water and transportation.

SUSTAINABLE ENVIRONMENT

What we do

Council activities reflect our responsibility to look after the environment for those who come after us. We provide basic infrastructure services like wastewater, stormwater and solid waste disposal, and these services and the way they are delivered are vital to the long-term sustainability of our environment.

We know how much the community values Lake Taupō and the rivers, streams and wetlands of the Lake Taupō catchment. Over recent years, a lot of work has gone into helping to protect the water quality of the Lake. This work will remain a high priority for Council to ensure we don't lose the gains we have made so far. However, Council is not alone in managing these issues. Waikato Regional Council, government agencies such as the Department of Conservation and the Ministry for the Environment, Ngati Tuwharetoa and all our communities have a responsibility to care for the environment in our District. By working together we can develop better, integrated solutions.

Council activities that helped achieve our goals were:

- Lakes and Rivers
- Solid Waste
- Stormwater
- Wastewater



What we planned and delivered

Lakes and Rivers

- Reviewed Protecting Lake Taupō project
- Implemented actions from the Lake Taupō Flood and Erosion Strategy.

Solid Waste

- Designed cell 2D Broadlands Road landfill
- Implemented waste minimisation initiatives utilising the waste minimisation levy.

Stormwater

- Continued to implement gully planting programme.

Wastewater

- Commenced stage 1 of the Taupō wastewater treatment plant
- Implemented the preferred option for biosolids processing and disposal
- Continue investigating options with Waikato Regional Council to achieve nitrogen reductions in lakeshore settlements.

Service Performance Overview

Taupō Wastewater Treatment Plant Upgrade

The Taupō Wastewater Treatment Plant is undergoing a \$5m makeover. The makeover began in April 2011 and will be completed by March 2012. It is needed to address a backlog of works that have been deferred over the last few years and will bring the operations of plant up to date.

The works are:

- Building a new trickling filter – Currently the plant has two trickling filters, but the operating efficiency and performance of these two units has now reached a point where a third filter is required. The introduction of a third trickling filter will significantly reduce the potential for odour problems.
- Construction of a third digester – The trickling filters process the 'liquid waste' stream, the digesters handle the solid waste stream. A third digester is required to accommodate the volume of solid waste.
- Increase in onsite storage pond capacity – The 2 storage ponds currently on the site have the ability to hold approximately 12 hours of liquid treated waste. This waste is pumped from the wastewater treatment plant to the 2 'Land Disposal Sites' at Rakaunui and View roads. The onsite pond storage capacity is being increased to approximately 24 hours.
- Also along with these major upgrades to sections of the plant various other supporting works are being undertaken, including, the construction of pump stations, motor controls, plant rooms and modifications to the main inlet section of the plant.

Here's a summary of our performance for each activity:

Activity	How we did
Lakes and Rivers	Council continued to implement the 2020 Taupō-nui-a-Tia Action Plan. Nitrogen discharge levels from wastewater treatment plants meet the nitrogen reduction targets set by Variation Five of the Waikato Regional Plan
Solid Waste	Resource consent conditions were complied with. Most complaints about litter and overflowing rubbish bins are responded to quickly. Council aimed to reduce waste to landfill by 40% and has achieved 32% reduction since 1999/00.
Stormwater	Council complied with resource consent conditions and there was no flooding of residential dwellings from our assets.
Wastewater	We complied with most of our wastewater consent conditions and Council received no abatement notices. All callouts were responded to within target timeframes. Council had 50 wastewater overflows, 2 of which were to the Lake. We are on track for reducing the annual volume of wastewater per HEU, although there are a few schemes where volume is increasing.
Performance Measures	7 achieved, 2 substantially achieved, 3 not achieved, 1 achieved in part, 2 on track.

Overall Council provided key infrastructure services like wastewater, stormwater and solid waste disposal. Key achievements included the nitrogen reductions achieved by the Lake Taupō Protection Trust and the installation of enviropods to improve the water quality in Lake Taupō. Users of services were generally satisfied.



Love NZ recycle bin launch

Public Recycling

The Honourable Dr Nick Smith, Minister for the Environment, came to Taupō for the re-launch of the Love NZ recycling bin project, which saw an additional 30 glass and plastic recycling bins placed in public spaces around the Taupō District.

Taupō District Council acquired funding of \$66,000 from the Glass Packaging Forum through the Waste Minimisation Levy, an initiative of the Ministry for the Environment. The funding paid for the supply and installation of Love NZ glass and plastic recycling bins in Taupō, Turangi and Mangakino.

Dr Smith commended Taupō District Council's proactive approach to recycling. "Taupō makes an outstanding contribution to recycling, and was one of the first places in New Zealand to adopt the home recycling [green] bins too. I can't think of a better spot to have launched these bins." Dr Smith said the Love NZ project is a good example of where central Government, local government and industry coming together for a common good. "New Zealand puts itself out there as 100% pure, so we must work together to protect our brand."

SUMMARY FINANCIAL STATEMENTS

Overview

An operating surplus of \$5.3 million was achieved this year. This compares with a budgeted surplus of \$8.9 million, and last year's \$33.5 million.

Income

This year much of the surplus related to the recognition of Land Transport NZ subsidy (\$13.3m additional over budget), for costs incurred on the East Taupō Arterial and also gains on valuations and sales of assets (\$2.7m). Offsetting this item are development contributions and regulatory income (\$4.5m), property sales (\$0.5m), vested assets (\$4.3m), all being under budget.

Expenses

Council's costs were \$8.9m in excess of budget however the majority of this was of a non-cash nature, unrealised loss on financial derivatives \$4.1m and depreciation \$3.3m; a \$1m increase in employee costs was due to the restructure of Council and \$0.6m related to increased interest costs.

Equity

Council's Statement of Financial Position presents a healthy picture, reflecting a growing district investing in its infrastructure. It shows ratepayer equity in excess of \$1.1 billion. This position is lower than estimated due to land, building and roading asset revaluations being lower in the last two years than anticipated.

Assets

Cash and investments are \$7.7m lower than budgeted; receivables \$2m lower; non-current assets held for sale \$24m higher than budgeted with changes in the timing of Council's subdivision programme impacting on this as well as a Council resolution to defer its role as a property developer and actively promote the sale of its non-committed land assets. Property, plant and equipment have increased by \$45m over last year but are down against budget (\$151.5m) due to the reduced land and buildings revaluation in 2009/10 (\$109.7m), the reclassification of non-current assets held for sale (\$24m) and timings of Council's capital expenditure programme.

Liabilities

Trade and other payables are \$5.9m lower than budget due to timing of Taupō water treatment plant upgrade project; derivative financial instrument liabilities are \$8.0m higher than budget and borrowings are \$6.4m less than anticipated.

These financial statements are extracted from the full Annual Report. That report was prepared in accordance with generally accepted accounting practice in New Zealand and complies with New Zealand International Financial Reporting Standards (NZ IFRS). The information in this summary financial report has been prepared in accordance with FRS-43: Summary Financial Statements. Taupō District Council is a public benefit entity as defined in NZ IFRS. The financial statements are presented in New Zealand dollars and values are rounded to the nearest thousand dollars. The functional currency of Taupō District Council is New Zealand dollars.

'Group' in the table below is Council plus Council Controlled Organisations.

Statement of Comprehensive Income

For the year ended 30 June 2011	Council Actual 2011 \$000	Council Estimate 2011 \$000	Council Actual 2010 \$000	Group Actual 2011 \$000	Group Actual 2010 \$000
Income	85,889	80,294	113,337	86,529	113,720
Expenditure other than finance costs	71,246	62,967	72,214	72,018	72,964
Finance costs	8,987	8,393	6,505	8,987	6,505
Operating surplus	5,656	8,934	34,618	5,524	34,251
Share of associate surplus/(deficit)	(313)	-	(1,118)	(313)	(1,118)
Net Surplus before tax	5,343	8,934	33,500	5,211	33,133
Tax (expense)/credit	-	-	-	34	85
Net Surplus after tax	5,343	8,934	33,500	5,245	33,218
Attributable to:					
Taupō District Council	5,343	8,934	33,500	5,309	33,359
Non-controlling interest	-	-	-	(64)	(141)
Net surplus for the year	5,343	8,934	33,500	5,245	33,218
Property, plant & equipment revaluations	21,189	38,673	(55,775)	21,952	(55,580)
Financial assets at fair value through other comprehensive income	(134)	-	2	(134)	2
Plus tax on equity items	-	-	-	(212)	44
Total other Comprehensive Income	21,055	38,673	(55,773)	21,606	(55,534)
Total Comprehensive Income	26,398	47,607	(22,273)	26,851	(22,316)

Statement of Changes in Equity

For the year ended 30 June 2011	Council Actual 2011 \$000	Council Estimate 2011 \$000	Council Actual 2010 \$000	Group Actual 2011 \$000	Group Actual 2010 \$000
Equity at start of the year	1,130,097	1,241,524	1,152,370	1,136,558	1,158,788
Capital introduced	-	-	-	103	86
Adjustment due to prior period errors	30	-	-	30	-
Other comprehensive income	21,055	38,673	(55,773)	21,606	(55,534)
Surplus (deficit) for the year	5,343	8,934	33,500	5,245	33,218
Total recognised income & expenses	26,428	47,607	(22,273)	26,984	(22,230)
Attributable to:					
Taupō District Council	26,428	47,607	(22,273)	26,670	(22,194)
Minority Interest	-	-	-	314	(36)
Total recognised income & expenses	26,428	47,607	(22,273)	26,984	(22,230)
Equity at end of the year	1,156,525	1,289,131	1,130,097	1,163,542	1,136,558

Statement of Financial Position

As at 30 June 2011	Council Actual 2011 \$000	Council Estimate 2011 \$000	Council Actual 2010 \$000	Group Actual 2011 \$000	Group Actual 2010 \$000
Current Assets	62,178	43,608	70,419	62,668	70,704
Non-current Assets	1,266,284	1,422,377	1,221,050	1,273,854	1,228,080
Total Assets	1,328,462	1,465,985	1,291,469	1,336,522	1,298,784
Current Liabilities	51,779	30,988	57,264	51,839	57,316
Non-current Liabilities	120,158	145,866	104,108	121,141	104,910
Total Liabilities	171,937	176,854	161,372	172,980	162,226
Accumulated Funds	879,965	878,143	875,658	881,792	877,519
Council Created Reserves	97,046	103,193	95,481	97,046	95,481
Revaluation Reserves	179,514	307,795	158,958	181,473	160,641
Non-controlling interest	-	-	-	3,231	2,917
Total Equity	1,156,525	1,289,131	1,130,097	1,163,542	1,136,558

Cashflow Statement

For the year ended 30 June 2011	Council Actual 2011 \$000	Council Estimate 2011 \$000	Council Actual 2010 \$000	Group Actual 2011 \$000	Group Actual 2010 \$000
Net cash from operating activities	9,024	9,649	7,790	9,279	7,748
Net cash from investing activities	(28,663)	(27,679)	(21,361)	(28,642)	(21,449)
Net cash from financing activities	12,837	18,030	32,760	12,940	32,846
Net increase (decrease) in cash held	(6,802)	-	19,189	(6,423)	19,145



Additional Disclosures as at 30 June 2011

Related Party Transactions

Taupō District Council has a number of group and associated entities. During 2010/11 the following related party transactions occurred:

Taupō Airport Authority

The Airport paid the Council administration and management fees of \$11,667 (2010: \$12,500).

The Airport has accounts payable to Council as at 30 June 2011 of \$9,908 (2010: \$16,105).

The Council has accounts payable to the Airport as at 30 June 2011 of \$0 (2010: \$33,713).

The Council injected \$102,678 of equity into the Airport to contribute toward taxiway and apron upgrades (2010 \$0).

Destination Lake Taupō Trust

The Trust paid the Council administration and management fees of \$305,561 and rental of \$41,473 (2010 \$0).

The Trust has accounts payable to the Council of \$338,816 (2010 \$0).

The Council paid the Trust a grant of \$742,566 (2010: \$0).

The Council has accounts payable to the Trust as at 30 June 2011 of \$416,156 (2010: \$0).

Bay of Plenty Local Authority Shared Services Ltd (BoP LASS Ltd)

Council paid BoP LASS Ltd \$72,064 (2010 \$9,636) for contributions to various projects being undertaken by the organisation, of this \$2,403 was owing to BoP LASS Ltd at 30/06/11 (2010 \$0).

Local Authority Shared Services Ltd (LASS Ltd)

Council paid LASS Ltd \$2,519 (2010 \$2,023) for contributions to various projects being undertaken by the organisation, of this \$1,329 was owing to LASS Ltd at 30/6/11 (2010 \$0).

Lake Taupō Protection Trust

Council paid the Lake Taupō Protection Trust \$1,126,000 during the 2010/11 year, this amount fully meeting Council's responsibilities for targeted rate contributions for the 2010/11 year under the agreed funding arrangements (2010 \$1,126,000). Council received \$0 (2010 \$221) from the Trust for expenses.

Elected Members Related Party Transactions

Wings and Wheels

Council paid Wings and Wheels, of which Mayor Rick Cooper was a director until 30/11/10, \$6,189 in the five months to 30/11/10, for servicing of vehicles for which that company is an agent (2010 \$14,573).

Senjo Securities

Council paid Senjo Securities, of which Councillor Downard is a director, \$23,961 during the 2010/11 year for security services (2010 \$28,299).

For the complete list of party transactions for council members and key management personnel, please refer to note 22 of the full Annual Report.

Key Management Personnel Compensation

	Actual 2011 \$000	Actual 2010 \$000
Salaries and other short term employee benefits	1,698	1,618
Other long term benefits	-	3
Termination benefits	194	-

It should be noted that the definition of key management personnel for this disclosure includes the Mayor, Councillors, the Chief Executive, members of the Senior Leadership Group, the Area Manager Turangi (until 5/03/11), and the Community Manager (until 3/04/11). Details of remuneration paid to Councillors and Community Board members is provided in Note 24 of the full Annual Report.

Commitments

	Council Actual 2011 \$000	Council Actual 2010 \$000	Group Actual 2011 \$000	Group Actual 2010 \$000
Major contracts	25,532	27,638	25,532	27,638
Non-cancellable operating leases	231	452	237	459
Total Commitments	25,763	28,090	25,769	28,097

Contingencies

	Amount of original guarantee 2011 \$000	Current level of guarantee outstanding 2011 \$000	Amount of original guarantee 2010 \$000	Current level of guarantee outstanding 2010 \$000
Sporting Club Loan Guarantees	50	0	50	3

Other Contingencies

Taupō District Council

Council may be subject to claims relating to weathertightness building defects. As at the date of this report the Weathertight Home Resolution Service (WHRS) is investigating 4 claims affecting 5 properties in the Taupō District. These may or may not result in formal claims against Council. No weathertightness claims have been lodged directly with Council. The quantum of these claims cannot be accurately calculated at present, although any liability under this claim will be met by our insurers, subject to our usual excess requirements (2010: Three WHRS claims).

All councils with responsibilities under the Building Act have, to varying extents, been impacted by the leaky building issue. Unfortunately, as the issue has evolved, other parties to the claims have disappeared and councils and Riskpool (our insurer) are often the only party responding to the claims. This has meant that judgments against councils are increasing. Riskpool's funds are exhibiting deficits and this means that calls will be made upon member councils to contribute to the fund. Council has received a call of \$99,374 for the 2012 financial year and has been advised by Riskpool that a further call on 1 July 2012 may also be made. The amount of this call is undetermined at this time.


In addition to the weathertightness building defect claims, there are a further 2 unresolved potential legal claims against Council as at 30 June 2011 (2010: 8 claims). All seek compensation related to resource consents, property damage, contractual disputes, or other aspects of Council's operations which the claimants believe have caused them loss. It is not possible for Council to quantify a maximum financial exposure for these claims. Council will vigorously defend all claims and expects its actual liability to be minimal, if indeed there is any liability at all.

A weathertightness issue arose at the AC Baths in the 2008/09 year, Council has now put in place a capital budget to upgrade the AC Baths which will also address this issue.

Council has also disclosed contingent liabilities in relation to land subsidence, erosion and flooding please refer to note 26 of the full Annual Report for details.

Events after balance date

There were no significant events after balance date that require reporting.



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

**To the readers of
Taupo District Council and group's
summary of the annual report
for the year ended 30 June 2011**

We have audited the summary of the annual report (the summary) as set out on pages 1 to 8 which was derived from the audited statements in the annual report of Taupo District Council (the District Council) and group for the year ended 30 June 2011 on which we expressed an unmodified audit opinion in our report dated 27 September 2011.

The summary comprises:

- the summary statement of financial position as at 30 June 2011, and summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the District Council and group's service performance information and summaries of other information contained in its annual report.

Opinion

In our opinion, the information reported in the summary complies with FRS-43: Summary Financial Statements and represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

Basis of opinion

The audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand).

The summary and the audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 27 September 2011 on the audited statements.

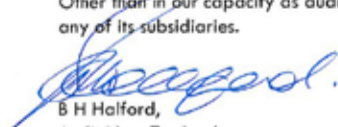
The summary does not contain all the disclosures required for audited statements under generally accepted accounting practice in New Zealand. Reading the summary, therefore, is not a substitute for reading the audited statements in the annual report of the District Council and group.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary in accordance with FRS-43: Summary Financial Statements. We are responsible for expressing an opinion on the summary, based on the procedures required by the Auditor-General's auditing standards and the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

In addition to the audit we have carried out an audit of an amendment to the Long Term Council Community Plan, which is compatible with those independence requirements.

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council or any of its subsidiaries.



B H Halford,
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand
7 October 2011

Taupō District Council

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