

## **Matters Relating to the Electronic Presentation of the Audited Financial Statements, Performance Information and the Other Requirements**

This audit report relates to the financial statements, performance information and the other requirements of Taupo District Council and group for the year ended 30 June 2010 included on Taupo District Council and group's website. The Taupo District Council and group's Council is responsible for the maintenance and integrity of Taupo District Council and group's website. We have not been engaged to report on the integrity of Taupo District Council and group's website. We accept no responsibility for any changes that may have occurred to the financial statements, performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, performance information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, performance information and the other requirements as well as the related audit report dated 28 September 2010 to confirm the information included in the audited summary annual presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

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## BANKER AND FUNDING

Bank of New Zealand – Taupo  
(transactional/funding)

ANZ Bank – Hamilton (funding)

## AUDITOR

Audit New Zealand on behalf of  
The Auditor General

## INSURANCE BROKER

Aon New Zealand Limited

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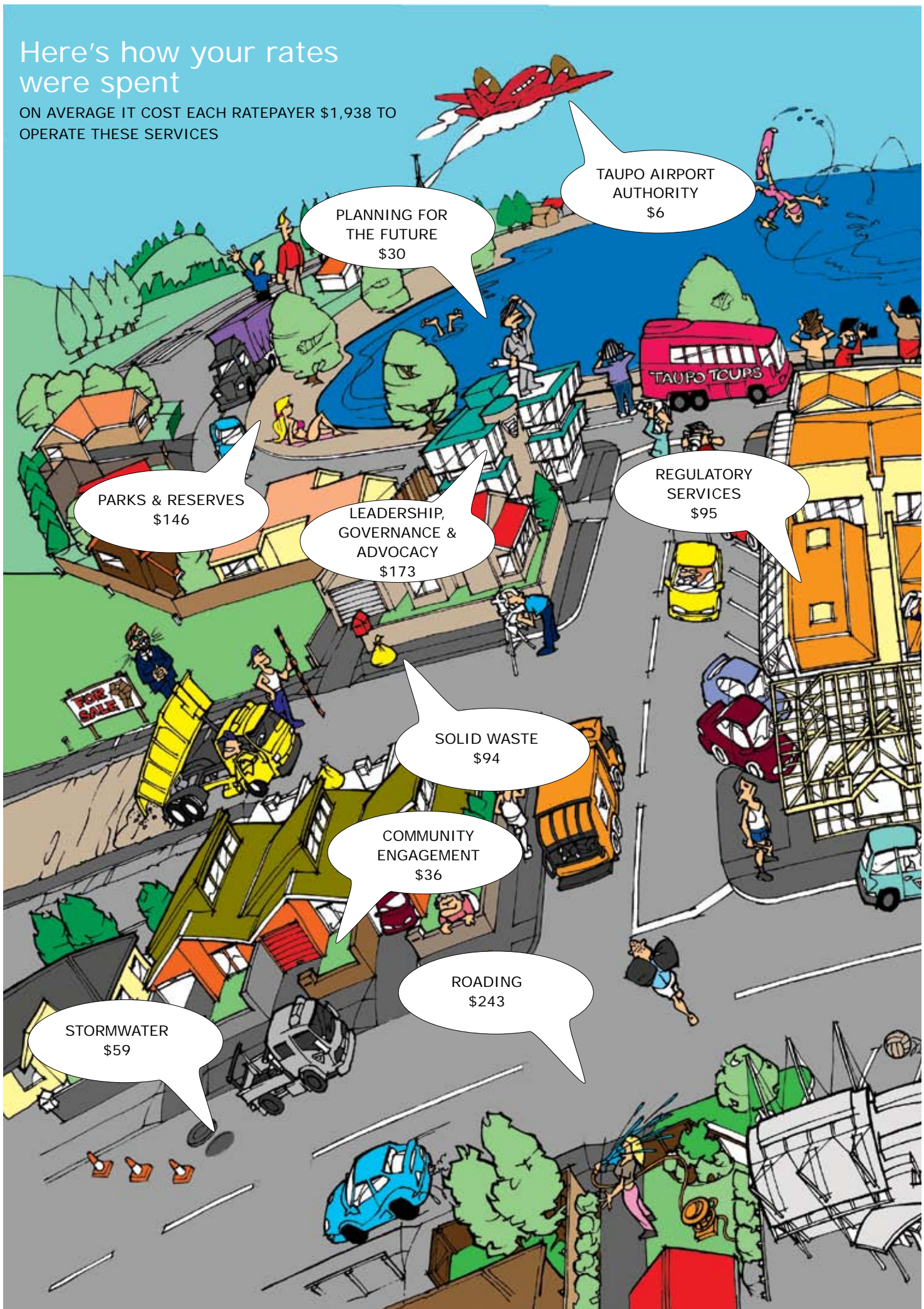
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# Here's how your rates were spent

ON AVERAGE IT COST EACH RATEPAYER \$1,938 TO OPERATE THESE SERVICES





DESTINATION  
MARKETING &  
MANAGEMENT  
\$73

LAKES & RIVERS  
\$57

COMMUNITY  
FACILITIES  
\$129

WATER SUPPLY  
\$181

LIVEABLE PLACES  
\$56

HERITAGE, CULTURE  
& PUBLIC ART  
\$28

EVENTS  
\$12

ECONOMIC  
DEVELOPMENT  
\$10

EMERGENCY  
MANAGEMENT  
\$25

VENUES  
\$174

WASTE WATER  
\$311

# Mayor's Report

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Council's job is to listen to the diverse needs of our community and respond to them with visions, decisions and actions which reflect those requirements. This report is about that process. Whether it is through the installation of CCTV cameras to improve safety in our public areas, or planning for the future needs of water supply throughout the district, our actions should reflect community demand.

In May 2010, our district received the prestigious "International Safe Community" accreditation from the World Health Organisation. This award comes as a result of combined effort from Council and many organisations within our community. It recognises our district as a safe place to live, work and play — and acknowledges our community's ongoing commitment to strengthening this.

We received an enormous amount of feedback and input from the wider community on the Taupō Urban Commercial and Industrial Structure Plan. The purpose of the draft plan was to formulate a way forward in creating a vibrant and appealing heart for Taupō. Principles of the structure plan were developed based on findings from community workshops and were based on refreshing Taupō's town centre and identity. The Council received approximately 440 submissions, many of which were expanded on during hearings in May. Other projects aimed at keeping Taupō's CBD alive and buzzing have also proved effective and successful — these include the addition of 110 new in-berm car parking spaces, plus the installation of Metereye — an innovative new electronic monitoring system to ensure free parking can be enjoyed by all.

We were fortunate to be selected as hosts for the South African, Irish and Welsh teams during Rugby World Cup 2011 which will reach a global audience of an estimated four billion people. The Taupō2011 Committee was formed in April — consisting of representatives from Council, the rugby sector and various stakeholder groups — to ensure our region is showcased to the highest possible level during the six-week tournament. The committee is collaborating with a working group of Council officers to make sure our district is ready for this rare and exciting opportunity.

Our population of 32,500 continuously proves they are passionate and diverse — and, perhaps most interestingly — many have come from elsewhere to make our district their home. I believe this conscious decision reflects the quality of life on offer here in our District. Whether people come for our world renowned "outdoor playground" or for the strong community support that may not exist in larger centres, our residents and ratepayers all seem extremely proud and happy of their choice. This report records Council spending and activities to meet the evolving needs of our communities, which reflect our positive and progressive district.

A handwritten signature in black ink, appearing to read "Rick Cooper". The signature is fluid and cursive, with a long horizontal stroke at the end.

**Mayor Rick Cooper**  
Taupō District

# Chief Executive Officer's Report

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In the year to June 2010, New Zealand as a whole and Taupō District continued to experience the side-effects of a global economic slowdown that has continued for more than two years now. For many people and the businesses of the district, these have been challenging times.

Council too has had to adapt to the ongoing challenges of lower growth, and our response is reflected in this Annual Report. The annual planning process sets a budget to fund Council's activities each year, and I am pleased that, despite the difficult environment, we have been able to deliver our promised levels of service within the approved financial budget. Although some revenue streams were not as substantial as forecast (for example, the recession has hit property development and construction especially hard which had a flow-on effect for development contributions),

our treasury management largely overcame the downside of lower growth over the past year. We will need to continue to be mindful of our expenditure into the future.

Because the recession has been global, it has also had an impact on our tourism and visitor numbers, both domestically and internationally. As the Ministry of Tourism no longer collects vital information on international spending, we cannot report on which areas have been most affected. We do know, however, that revenue from our i-Sites is down, due to the combined effects of the recession and the increasing use of internet bookings for activities. In order to adapt to changing visitor industry needs, last year we developed a new approach to visitor marketing within the District, proposing that Destination Lake Taupō become a stand-alone business, and we expect to see this bear fruit in the current year. Already the new visitor branding has been launched with great excitement, particularly from our local visitor industry players.

Council activities to encourage economic development within the District have been subject to extensive scrutiny and debate over the past year as the ETA nears completion, and we complete the planning foundations for the next stages of development within our major townships.

The early completion of the ETA has meant we've had to borrow some money sooner than we had planned. The upside of early completion is that this summer, for the first time ever, heavy trucks won't lumber through our beautiful town, and residents and holidaymakers won't have long queues at Control Gates Bridge. After much dialogue with us, the New Zealand Transport Authority (NZTA) decided to fund construction of a connector road between Crown Road and SH5, which was a particularly important milestone for businesses in the Crown Road area. The ETA, including the rebuild of the roundabouts in order to future proof this road of national significance, has been achieved ahead of schedule and within the original budget.

The Commercial and Industrial Structure Plan, which has generated a lot of debate, has begun to address the post-ETA implications for the Taupō township: what new opportunities for enjoying the town's amenities does the ETA enable? Aside from the more controversial issue of whether to put a new Council building and community facility on the Tongariro Domain, largely submissions supported the idea of refreshing and revitalising Taupō's urban, commercial and industrial centres. The plan is not yet finalised, but whatever Council adopts, we can be confident that it will reflect our continued commitment to stronger economic development.

As the events capital of New Zealand, the district continues to attract international events such as Ironman despite competing bids from other, much larger centres. No Council can build an events industry on its own — in our district, it has taken the collective pride, passion and commitment of the whole community.

Last year Council adopted a strategy for managing our venues to further open up the entire District to events. Vibrant and diverse communities of people who love where they live, and who participate in a broad range of events (whether international or local) are attractive to holiday-makers and other visitors. In this way we connect our economic and community development goals, so that the District can thrive and prosper.

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Having been awarded host city status for three of the world's most recognized international teams — South Africa, Ireland, Wales — for Rugby World Cup 2011, we have begun our preparations, and these too will draw on the commitment and passion of many residents and ratepayers.

Council works collaboratively with a wide range of stakeholders, including all the people who participate in Our Neighbourhood events, including CAFE for Youth Health. We also work with three iwi in our district, Ngati Tuwharetoa, Ngati Raukawa and Te Arawa, especially as plans have been developed for the new Waikato River Authority which will act as guardians of the Waikato River.

Given Lake Taupō's cultural, environmental and geographic importance, we have continued to protect the Lake, especially from nitrogen flows that damage its delicate ecological balance — nobody wants a lake prone to algal blooms in the height of summer. The Lake Taupō Protection Trust, which we co-fund, purchased four farms in Tihoi and is selling them with a restriction on nitrogen flows, which will make them more suitable for forestry than farming. Through the actions of the Trust, farms can now profit from converting to forestry by selling their carbon offsets to businesses such as energy generators.

We have adopted the Lake Taupō Erosion and Flood Strategy with Environment Waikato to monitor and mitigate erosion and flood risks. With lake and river levels affected not only by the weather, but also by hydro-energy demands, we need to ensure we protect the future of the waterways and the land around them where we live, holiday, work and play.

Council ensures that the water it supplies is safe to drink by treating it in accordance with NZ Drinking Water Standards. Council has adopted a water supply strategy that outlines how we will develop, improve and maintain the district's water supply schemes over the next three decades. In implementing the strategy, we will deliver better quality, safe and affordable drinking and household water that complies with legislation imposing new, stricter, water quality standards without putting an unacceptable burden on ratepayers. We have also developed a water demand management plan, which includes public education. That way, everyone can learn about the financial and environmental consequences water use — as the signs say, there's no point watering the footpath when you water the garden. We're also working to reduce losses from the system with an upgraded network reticulation maintenance programme.

The first stage in upgrading the Taupō wastewater treatment plant and the Ashwood septage facility were major works this year. These projects ensure that wastewater is moved efficiently away from homes and commercial and industrial premises and that it is disposed of in environmentally acceptable ways. The plant in Motutahae Street was built in 1972, and struggled to cope with peak summer demand. The Ashwood plant screens waste from domestic septic tanks and restaurant grease traps before it is piped to the Taupō plant, which also means we don't have to accept waste from septic tanks at the Broadlands Road landfill — which extends its life too.

We wanted to make more progress with managing and minimising solid waste, but this has been held up while the Ministry for the Environment develops national targets and guidelines.

Council has continued to develop the district's community facilities — libraries, swimming pools, parks, public toilets, and much more. The 2009 Residents Satisfaction Survey showed that the people who use our community facilities have very high levels of satisfaction, and we are working to keep it that way. We have a strong development programme for our parks and reserves, addressing everything from irrigation at Owen Delany Park to the children's playground equipment we installed at parks in Motuoapa, Pukawa and Omori.

In April we were awarded Safe Communities Accreditation from the World Health Organisation. Road safety is an area we are continuing to address because of the district's high road crash rate. We hope that the opening of the ETA will reduce accidents, injuries and deaths by separating through traffic from local traffic. Council also uses road engineering and traffic enforcement to improve road safety. Around our schools, we are especially keen to see traffic slowed, so that our children are safe coming and going to school. Our community road safety programme includes education on factors contributing to crashes and injury such as seat belts, speed, alcohol, keeping left and intersections.

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The recent large earthquake and the many aftershocks in Canterbury have highlighted the need for every one of us to consider our emergency preparations. Our warmest thoughts and best wishes go out to everyone in that region who has been affected. It is clear that the resilience of individuals, families and households is partly determined by their emergency preparedness: food, shelter and hygiene are real challenges when the water supply and wastewater systems are broken, and there's no electricity either. The region's infrastructure has been massively disrupted, and the cost of fixing it is still unknown. While we can be grateful that it was not our District that suffered, each of us should be mindful of what we can do now, so we can survive a major earth-shaking event in good health and good heart. We also need to be sure that, into the future, the significant demands and set-up costs of the newly-created Auckland supercity and the Canterbury re-build do not overshadow the constant need for central government to pay for its share of the costs that legislative requirements impose on all local authorities.

As part of its long term planning Council has established four strategic directions: growth and economic development, a sustainable environment, strong safe and healthy communities, and a commitment to working together with all our residents, partners and stakeholders. This annual report shows that we are making very good progress towards ensuring that we nurture and sustain our environment, that our communities are stronger and safer, and that we actively seek to collaborate with all the people who have a role to play in developing our district. While the economic downturn has slowed growth, careful management and the impact of spending on major infrastructure (especially the ETA and some of the big energy projects) mean that our District has survived in much better shape than it would have otherwise.

As a large enterprise with around 350 full-time equivalent staff, we must continue to examine the performance and culture of our organisation. "The Way We Work" is a long-term programme began in 2007, that encourages every person, team, and department employed by Council to build a community of trust by being the best we can. We are now seeing tangible results, and we have a number of notable achievements and awards for our work. These range from a national award recognising our collaborative planning practices with the historic (and national first) joint management agreement with Ngati Tuwharetoa, to the inaugural New Zealand Water Safety Awareness Award won by AC Baths' aquatic programmes team. I would like to express my sincere gratitude to our staff for their part in making the past year a success. You can read more about our achievements on the next page.



Rob Williams  
Chief Executive, Taupō District Council

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## Achievements and Awards for operations, staff and the organisation

### Customer service and information

- Connect rates newsletter, winner 'Best Council Newsletter', Local Government Communication Forum.
- Taupō District Council website [www.Taupō.govt.nz](http://www.Taupō.govt.nz) (Adopt-a-Dog campaign), winner 'Best New Feature', ALGIM Web Awards.
- More than two-thirds of Taupō district residents and ratepayers say they receive good value from Council, National Research Bureau three-yearly survey.

### Stakeholder relations

- Joint Management Agreement with Ngati Tuwharetoa, Nancy Northcroft Supreme Planning Award, New Zealand Planning Institute.
- Joint Management Agreement with Ngati Tuwharetoa, winner Crown/Maori Partnerships, Institute of Public Administration New Zealand.
- Community engagement (LTCCP consultation), third place Grass Roots Engagement, NZ Local Government Communication Forum.

### Strong, safe and healthy communities

- AC Baths, Qualmark Enviro-bronze award, Qualmark New Zealand Ltd.
- AC Baths, 'Best Supporting Organisation' regional and national winner, The OSCAR Foundation.
- AC Baths, 'Youth Award' regional winner Catherine Hayter, The OSCAR Foundation.
- AC Baths Aquatic Programmes Team, New Zealand Water Safety Awareness award, NZ Water Safety.
- Swim for Life, winner 'What does Taupō need?' grant, Contact Energy.
- Great Lake Centre, four-star rating in the venue category, Qualmark.
- Taupō Superloo, one of only four public toilets in New Zealand to receive a five-star rating — and also celebrates its four millionth visitor, NZ Herald National Competition.

### Staff

- Records Management, Trish Hall awarded 'Records Manager of the Year', ALGIM.
- Records Management, Keith Stuart awarded 'Archivist of the Year', ALGIM.
- Manager of Event Marketing Warwick Hall, invited to serve on the Global Roundtable Council, International Festival and Events Association.
- Great Lake Centre Manager Jo Lynskey, winner of The Edge Scholarship, Event Venues Association.

# Taupo District

The current Taupo District Council area was established on 1 December 1989. Located in the Central North Island of New Zealand, the District includes the large catchment area of Lake Taupo, the hydroelectric dams on the Tongariro and upper Waikato rivers, and substantial geothermal resources.

The District contains expansive areas of exotic pine forests and farmlands — the predominant land uses - and includes native forests and parts of Tongariro National Park, the Kaimanawa Range, Pureora Forest Park and the Central Plateau mountains.

Taupo, Turangi and Mangakino are the three main urban areas in the District. There are many lakeside settlements around the shores of Lake Taupo and the Waikato River.

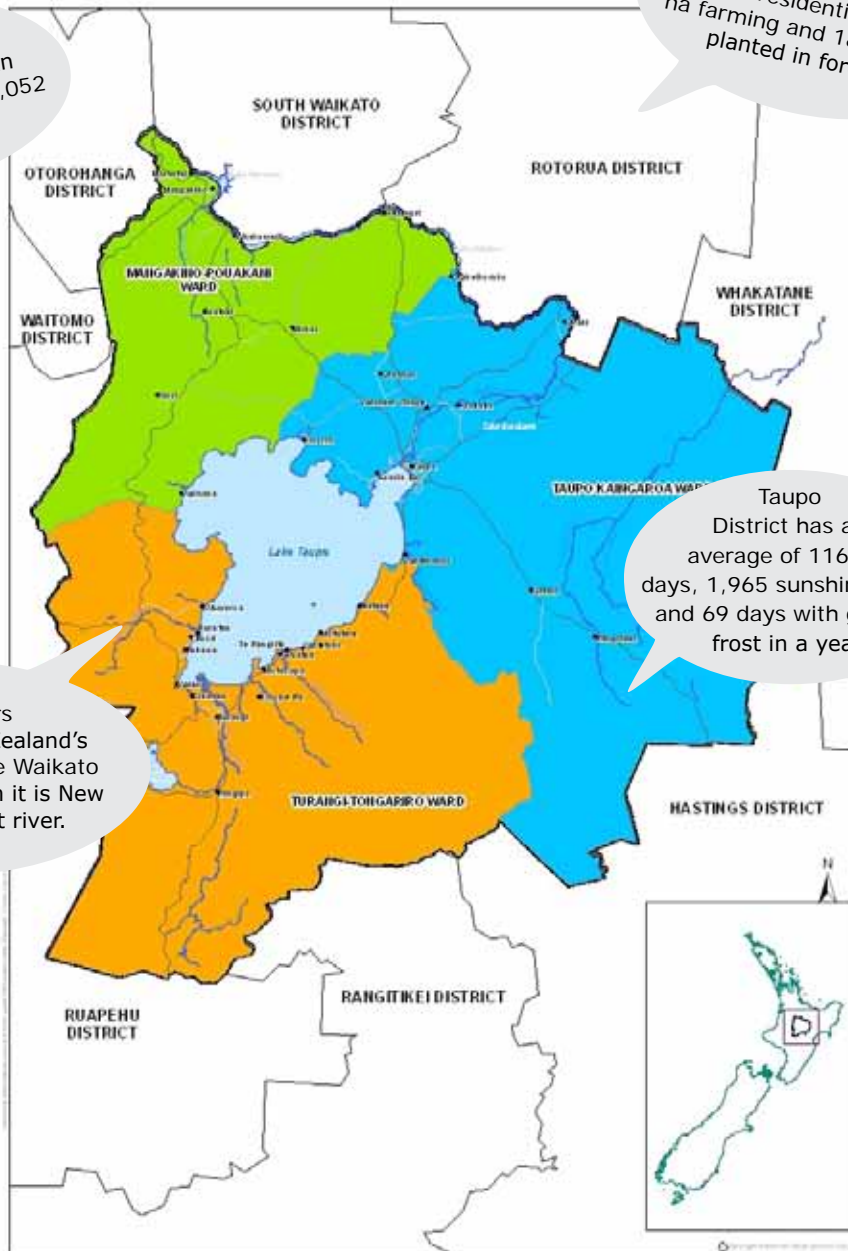
## Did you know?

The usually resident population is 32,400. In April 2010 there were 22,052 rateable properties.

The District land area is 635,400 ha, with about 1,720 ha residential, 187,861 ha farming and 189,000 ha planted in forests.

Lake Taupo covers 600km<sup>2</sup>. It's New Zealand's largest lake, and the Waikato River that flows from it is New Zealand's longest river.

Taupo District has an average of 116 wet days, 1,965 sunshine hours and 69 days with ground frost in a year.



# Our Organisation at a Glance

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Taupo District Council has a mayor, 10 councillors and more than 350 full-time equivalent staff.

We have \$1.291 billion in assets, including land, infrastructure and buildings.

Taupo District Council provides...

- Taupo Airport (in conjunction with the Crown)
- 762 km of road, 281 Km of footpaths, 3 675 street lights, 24 bridges, 31 km of culverts, 38 km of cycleways and 97,000m<sup>2</sup> of parking.
- 570 km of pipes and 35 pump stations to reticulate drinking water
- 350 km of wastewater pipes, 101 pump stations and 12 wastewater treatment plants
- 2059 km of pipes for stormwater.
- Ten sports grounds, 62 parks, nearly 300 reserves, 3 cemeteries and 20,000m<sup>2</sup> 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 Taupo 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 1062 building consents and 234 resource consents in 2009/10.

# Governance Report

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## Taupo District Council's Role

Council provides an essential governance role for the Taupo District. It has overall responsibility and accountability for the direction and control of the District's activities. This responsibility includes:

- formulating the District's strategic direction
- managing principal risks facing the District
- administering various regulations and legislation
- ensuring the integrity of management control systems
- safeguarding the public interest
- ensuring effective succession of elected members
- reporting to ratepayers.

## Council Operations

Elected councillors appoint a chief executive to manage the operations of Council under the provisions of s42 of the Local Government Act 2002. The chief executive then appoints managers to manage Council's activities.

### Council Committees/Community Boards

Council has several standing committees, sub-committees and a community board to monitor and assist with the effective discharging of its responsibilities. These include:

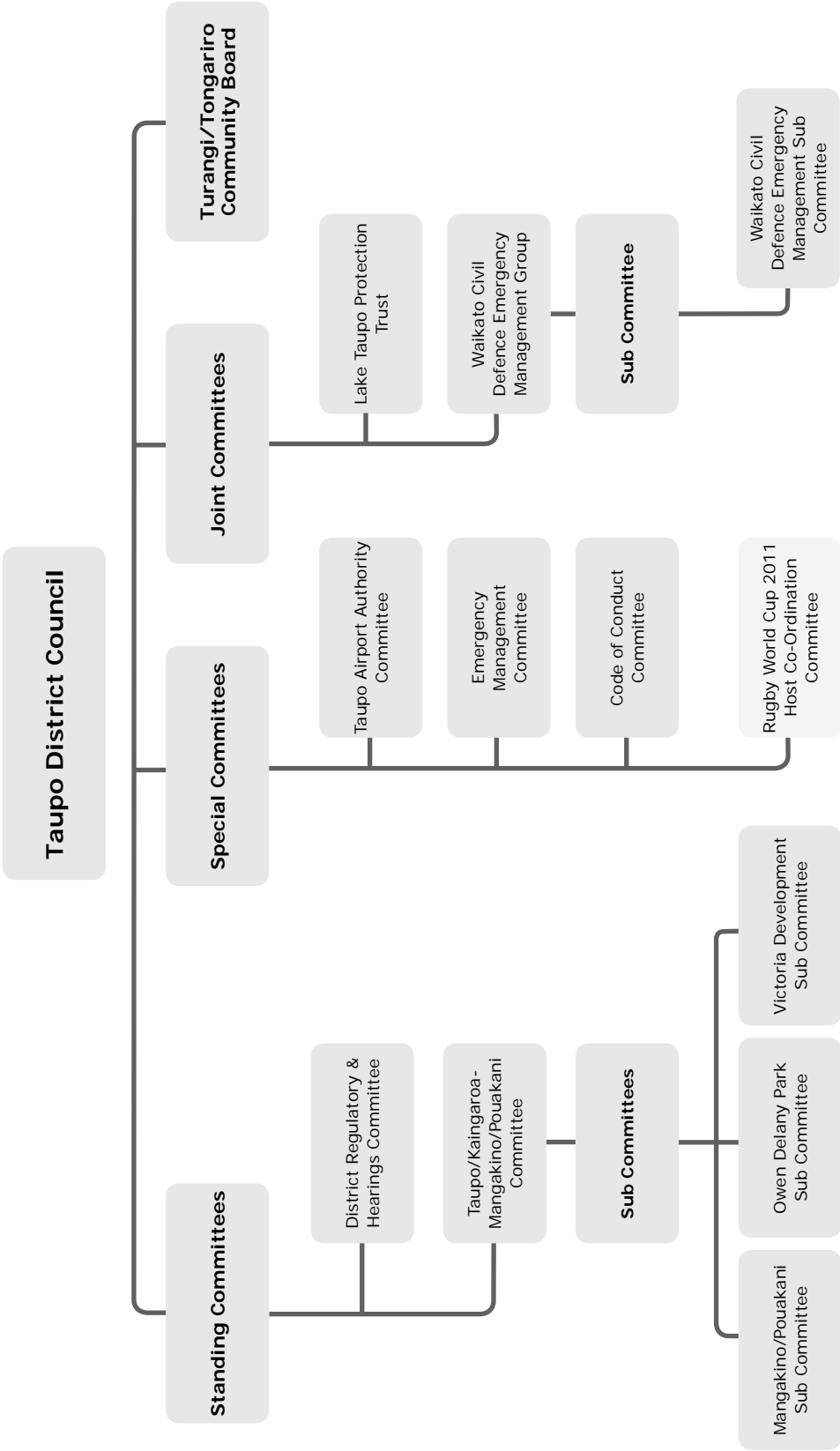
- District Regulatory and Hearings Committee
- Taupo/Kaingaroa-Mangakino/Pouakani (TKMP) Committee
- Turangi/Tongariro (TT) Community Board.

The TKMP Committee (incorporating the Taupo/Kaingaroa and Mangakino/Pouakani wards) and the Turangi/Tongariro Community Board and the areas they represent are consistent with Council's policy of having two rating areas for general rates. Generally, rating revenue from each area will be spent within that area. The Turangi/Tongariro Community Board, in addition to its function of being politically responsible for representing its community has advisory responsibilities.

Although not a constituted 'community', the Taupo/Kaingaroa-Mangakino/Pouakani Committee has a role and delegated authority similar to the Turangi/Tongariro Community Board, dealing with most matters pertaining to its ward areas.

Council also has special committees for things like the airport, emergency management, and the Rugby World Cup 2011, as well as joint committees for Lake Taupo Protection and Waikato Civil Defence Emergency Management.

# Council Committee Structure



# Community Outcomes – State Of The District

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The Taupo District Council promotes the environmental, social, economic and cultural well-being of residents and ratepayers, using a set of Community Outcomes, clustered under five themes:

Lakes, Rivers, Landscapes — places we are proud of

- Healthy People, Healthy Communities
- Safe and Secure
- Thriving and Prosperous
- Vibrant and Diverse

Council developed its State of the District Report 2010 drawing on more than 100 measures of community well-being under these headings. Some highlights and major findings are given below.

Lakes, Rivers, Landscapes — places we are proud of

In its 2009 progress report, the 2020 Taupo-nui-ā-Tia Joint Management Group assessed that good progress is being made towards:

- clear water and high quality inflowing water
- diverse plants and animals in lakes and rivers
- foreshore reserves and recreational opportunities
- safe swimming
- wilderness areas, outstanding scenery and geological features

## Healthy People, Healthy Communities

Socioeconomic position is a major determinant of health. There are pockets of privilege in the Taupo urban area and immediate surrounds where deprivation is low and socioeconomic status is high. However, there are significant disparities between living standards in these areas, and living standards in areas of high deprivation.

On many measures, the district population does not have good health, and these affect Maori to a much greater extent than the rest of the population: Maori within the district have 10 years less life expectancy than the average life expectancy for all others (and 7 years less compared to total district life expectancy).

Poor air quality contributes to respiratory illness and asthma, with consequent social and economic impacts. Woodburners are the main cause of poor air quality in the Taupo district, and 50-60% of households are estimated to use woodburners for home heating. Environment Waikato monitors Taupo and Turangi urban areas for air quality in line with national standards. From 2001 to 2008, air quality in Taupo urban area improved by 22%. However, Environment Waikato estimates that Taupo needs a 38% further improvement in overall air quality to meet the national environmental standard by 1 September 2013.

## Safe and Secure

In April 2010 the Taupo district received Safe Communities Accreditation from the World Health Organisation (WHO), which was a goal of the Taupo Safe District strategy. The strategy is based on principles of collective action, collaboration, coordination and proactive responsiveness, because the whole district has a role to play in injury prevention and safety promotion.

The road traffic crash rate in the district has declined since 2007, but is still one third higher than the national average. Council will monitor whether the East Taupo Arterial leads to a reduction in the crash rate, by separating heavy trucks from sightseers, and moving through traffic away from the Taupo township.

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## Thriving and Prosperous

Over the past two years, the district has been less affected by the recession than many other areas, partly because of infrastructure spending on three major projects. However, the recession has had a substantial impact on housing investment, both locally and nationally. Consents for new residential dwellings fell 47% from 2007 to 2009 in the district (47% nationally).

The district has developed its reputation as the “Events Capital of New Zealand”, with several major international events being hosted here, such as Ironman, the Lake Taupo Cycle Challenge, and Oxfam Trailwalker. An economic impact report on the 2009 Lake Taupo Cycle Challenge found that the event brought 27,400 visitors to the district. The report estimated that the event also led to \$4.64 million flowing into the local economy<sup>1</sup>.

## Vibrant and Diverse

The district is increasingly embracing its rich Maori cultural heritage, strengthening connections between the district’s earliest settlers and more recent arrivals. The Ngatoroirangi Toa Matarau Gateway at the Taupo War Memorial was unveiled in late 2009, featuring a waharoa carved with a symbolic and spiritual story about the arrival of geothermal energy to the Taupo region. The site was selected by Ngāti Tūwharetoa because of its special associations for the whole community.

The Tūwharetoa Schools Kapa Haka Festival in September 2009 attracted almost 2000 performers and 5500 spectators, including Paramount Chief Sir Tumu Te Heuheu. The festival celebrated Maori performing arts for schools and early childhood providers within the Ngati Tūwharetoa boundaries. The festival provided a platform for the entire community, both Maori and non-Maori, to participate in traditional Maori performing arts.

From 2006 to 2009, library visitor numbers rose by 7% and museum visitors increased 9% from 2007 to 2009. More than 30% of residents and ratepayers have used these facilities, reporting very high levels of satisfaction.

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<sup>1</sup> New Zealand Tourism Research Institute (2010) AUT. [www.nztri.org](http://www.nztri.org). The report, prepared for [www.eventscapital.co.nz](http://www.eventscapital.co.nz), presents the findings from the 2009 Lake Taupo Cycle Challenge participant and business surveys.

# Strategic Directions

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## Council response to the Community Outcomes

The LTCCP 2009-19 set out Council's plans for the next ten years, including activities that were planned to respond to the community's desired outcomes. The activities were grouped into four strategic directions to help Council play its part in achieving them. The strategic directions were developed using a wide range of information, including feedback from community consultation about what is important. These directions highlight the connections between what the district's communities want and how Council planned to help meet those outcomes.

The strategic directions and groups of activities within them are:



# Opportunities for Māori contribution to decision making process

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Council has an extensive range of processes to provide opportunities for Māori to contribute to decision making.

## Relationships

Council's senior management and the Secretary of the Tūwharetoa Māori Trust Board meet regularly to exchange information and to seek advice from one another, in line with a 2005 Management Protocol. Council also has a Memorandum of Understanding with the Raukawa Māori Trust Board that enables them to meet and exchange information and views.

The Tūwharetoa Māori Trust Board developed an Iwi Management Plan in 2003 and this document continues to be used by Council staff, including for the development of structure plans. Tangata whenua have been involved in developing the Taupō Commercial and Industrial Structure Plan, and development of the Turangi and Lakeshore Settlements Structure plan has includes iwi and hapū engagement.

The strategic relationships team supports management to engage the district's communities, and they work closely with the three local Iwi: Ngāti Tūwharetoa, Ngāti Tahu (Te Arawa) and Ngāti Raukawa on many issues including destination marketing, Rugby World Cup 2011 preparations and economic development.

The team also has regular engagement with hapū on Resource Management Act matters. For example, a joint pilot project with the Rauhoto Land Rights Committee continues to protect sites identified within their ancestral lands. Protection processes across the district will continue to be developed with Iwi and hapū.

## Joint decision-making

Council's Joint Management Agreement with Tūwharetoa Māori Trust Board in 2008 granted Ngāti Tūwharetoa decision-making powers in resource consent decisions to further fulfil their traditional kaitiakitanga role. This was the first time a local government body had formally shared environmental resource decision-making powers with an iwi. The agreement has received national acclaim, including the New Zealand Planning Institute's Nancy Northcroft Planning Excellence Award and more recently the IPANZ Gen-I Public Sector excellence award. Council continues to refine its processes for implementing the agreement. Treaty settlements for the Waikato river require all adjoining local authorities to formulate joint management agreements with local river iwi. It is expected that these functions be added to the existing agreement with Ngāti Tūwharetoa.

## Treaty of Waitangi settlements

Council monitors Treaty settlements to ensure that its policies meet the demands of settlement legislation. Central North Island forests, Rangitaiki River and the Waikato river are currently under negotiation.

Waikato river settlements have progressively developed the concept of protection for the river. Taupō District Council like the local river iwi (Tūwharetoa, Te Arawa, Raukawa) believes that this is vital, and is committed to protecting the health and wellbeing of the Waikato river for future generations. Council has made submissions on a number of settlement Bills addressing settlement from the rock of Tia to Karapiro, settlement beyond Karapiro, and the vision and strategy document prepared by the Waikato River Guardian's Establishment Committee. Council supports cleaning up the river but wants to ensure that costs associated with settlements do not fall on Taupō district ratepayers.

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## Cultural advice

The Ngāti Tūwharetoa Gallery Governance Group provides considerable assistance to Council to ensure that the gallery and exhibitions are culturally appropriate for the District. This process has also helped to educate museum staff on cultural matters.

## Māori Land Rating

Council's Māori Land Rating Officer provides information and education on Māori land rating issues and ensures that Council's rates remission policy is applied where relevant.

## Staff Training

Staff have attended a number of sessions this year to assist them in their engagement of Iwi and hapū groupings throughout the District. The courses range from the Treaty of Waitangi, marae protocol and Iwi and district history and run annually. Through Council's Equal Employment Opportunities policy, Māori language courses are also made available to staff.

# Statement of Compliance

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The Council and management of Taupo District Council confirm that all the statutory requirements of Part 6 of the Local Government Act 2002 have been complied with.

The Council and management of Taupo District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Council and management of Taupo District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Taupo District Council, the annual financial statements for the year ended 30 June 2010 fairly reflect the financial position and operations of Taupo District Council.



R Cooper  
MAYOR  
28 September 2010



R T Williams  
CHIEF EXECUTIVE OFFICER  
28 September 2010



A J Menhennet  
GROUP MANAGER — FINANCE AND CORPORATE SERVICES  
28 September 2010

# Report of the Auditor General

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**Audit Report  
To the readers of  
Taupo District Council and group's  
financial statements and service performance information  
for the year ended 30 June 2010**

The Auditor-General is the auditor of Taupo District Council (the District Council) and group. The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements, the service performance information, that comprises the groups of activity statements and contextual information included in the Chief Executive's report, and the District Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are included in the annual report of the District Council and group for the year ended 30 June 2010.

## **Unqualified opinion**

In our opinion:

- The financial statements of the District Council and group on pages 111 to 163:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council and group's financial position as at 30 June 2010; and
    - the results of operations and cash flows for the year ended on that date.
- The service performance information of the District Council on pages 7 to 9 and 24 to 107:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the District Council's levels of service performance for the year ended 30 June 2010, including:
    - the levels of service provision as measured against the intended levels of service provision adopted in the long-term council community plan; and
    - the reasons for any significant variances between the actual service provision and the expected service provision.
- The District Council and group have complied with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report, and that are included in the District Council and group's financial statements and service performance information.

The audit was completed on 28 September 2010, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

## **Basis of opinion**

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, the service performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, the service performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

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The audit involved performing procedures to test the information presented in the financial statements, the service performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether the significant management and system controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported financial and service provision data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied;
- determining the appropriateness of the reported service performance information within the Council's framework for reporting performance; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, the service performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, the service performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

#### **Responsibilities of the Council and the Auditor**

The Council is responsible for preparing financial statements and service performance information in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2010. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The service performance information must fairly reflect the District Council's levels of service provision for the year ended 30 June 2010.

The Council is also responsible for meeting the other requirements of Schedule 10 of the Local Government Act 2002 and including that information in the annual report. The Council's responsibilities arise from section 98 and Schedule 10 of the Local Government Act 2002. We are responsible for expressing an independent opinion on the financial statements, the service performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

#### **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit and in carrying out the audit of long-term council community plan, we have no relationship with or interests in the District Council or any of its subsidiaries.



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

# Purpose of the Annual Report

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The Annual Report focuses on service and financial elements of Council performance for twenty activities, clustered under four strategic themes. It is required under the Local Government Act 2002, and compares the Council's actual operational and financial performance for the year against the Annual Plan.

Council reports on performance at service delivery, and on financial performance.

**Service performance reporting** focuses on the groups of activities which Council delivers. Activities are grouped into strategic themes. Information details what each activity involves and how it is designed to contribute to Community Outcomes. This is followed by more detailed information on the targets and actual achievements, both financial and non-financial.

**Financial performance reporting** includes the income statement, the balance sheet and associated accounting policies and notes. Information must be prepared in compliance with approved accounting standards. It also includes the cost of service statements for each strategic theme, which show the expenditure on each activity, the revenue directly attributable to those activities, and the mechanisms for funding any net cost and capital expenditure.

For 2009/10, the Annual Plan was given as the first year of the 2009-19 Long-Term Council Community Plan (LTCCP). It set the annual budget and specific performance targets for the year.

The Long-Term Council Community Plan is a key planning document, prepared three-yearly and setting the agenda with a ten-year focus. It contains and refers to many of Council's other planning documents and policies. Council is accountable for the direction, actions and budgets set in the Long-Term Council Community Plan.

A copy of the 2009–19 LTCCP (which includes the Annual Plan for 2009/10) can be obtained from Council. All of our policies, plans and reports can be viewed online at [www.taupo.govt.nz](http://www.taupo.govt.nz).

# Service Performance Reporting

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This section of the report has Council's statements of service performance for each activity including:

- What we do
- What we planned and delivered
- What else we did
- What we planned, but did not complete
- How we know we're on track
- What it cost

## Surveys

Council uses a range of surveys to monitor performance

### Satisfaction Survey

Once every three years, Council contracts NRB to conduct a telephone survey of 300 residents, and 100 non-resident ratepayers on their perceptions, and interpretations of Council services and Council representation. In 2009 the survey addressed satisfaction with Council services, information and communication, civil defence, personal safety, waste minimization, Lake Taupo protection, Council's long-term direction, and performance of elected members

### Community Outcomes

Every three years, Taupo District joins a syndicate of Waikato-based councils in a telephone survey of Waikato Community Outcomes. The survey was conducted in June/July 2010, and results will be available in late 2010. The survey examined quality of life, health, safety, employment opportunities, participation in sport and active leisure, Council decision-making, pride in the District, and respect for the cultures of people who live here.

### Other surveys

Council conducts one-off online surveys as part of its customer service evaluation. Destination Lake Taupo conducted a face-to-face survey with visitors in April 2010.

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## Achievement Definitions

<b>Achieved</b>	All aspects of the performance target were achieved, including time, cost, quality and location, as relevant.
<b>Substantially achieved</b>	The activity identified in the performance target was carried out, but there were minor slippages in time and/or costs. These slippages were slightly higher than budgeted, but no more than 5%.
<b>Achieved in Part</b>	The planned activity was carried out, but the time components of the performance target were not met and/or expenditure was more than 5% over budget.
<b>On track</b>	The measure has a target set outside the reporting period, or covering multiple reporting periods. As a result, no conclusive assessment of actual achievement can be made, but the activity is tracking appropriately at present.
<b>Not achieved</b>	The activity was not significantly progressed or the work undertaken did not meet the requirements of the target.
<b>Not formally measured</b>	Performance could not be conclusively reported on (for example, the necessary systems were not in place to measure performance or the data collected was not statistically reliable).
<b>Not applicable</b>	Due to events beyond the Council's control, the activity was no longer relevant and the work was not carried out.

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