

CONTENTS

Taupo District	2
Mission Statement	2
Mayor's Message	3
Chief Executive's Message	4
Reader's Guide	5
Highlights	6

ACTIVITIES 9

Strategic Themes and Council Activities	10
Managing Growth	12
Development Planning	13
Urban Land Development	15
Strong Communities	18
Emergency Management	19
Rooding	20
Water Supply	22
Regulatory Services	23
Community Support	25
Community Facilities	26
Recreation and Leisure Services	27
Sustainable Environment	32
Environmental Planning	33
2020 Taupo-nui-a-Tia	34
Protecting Lake Taupo	35
Lakes and River Systems	36
Stormwater and Land Drainage	37
Waste Water	38
Solid Waste	39
Economic Development	43
Destination Marketing and Management	44
Visitor Centres	45
Economic Development Strategy and Implementation	46
Economic Development Projects	47
Good Governance and Strategic Alliances	50
Governance, Advocacy and Leadership	51
Community Planning and Partnerships	52
Strategic Planning	53
Continuous Improvement	56

FINANCES 59

Cost of Service Statement - Summary	60
Forecast Statement of Financial Performance	62
Forecast Schedule of Rates	63
Forecast Statement of Movements in Equity	64
Forecast Schedule of Borrowings	64
Projected Statement of Financial Position	65
Forecast Statement of Cashflows	66
Forecast Schedule of Capital Expenditure	67
Accounting Policies	70
Funding Impact Statement	79

FEES AND CHARGES 89

APPENDICES 99

Land Transport Management Programme	100
Submissions on the Draft Annual Plan	103

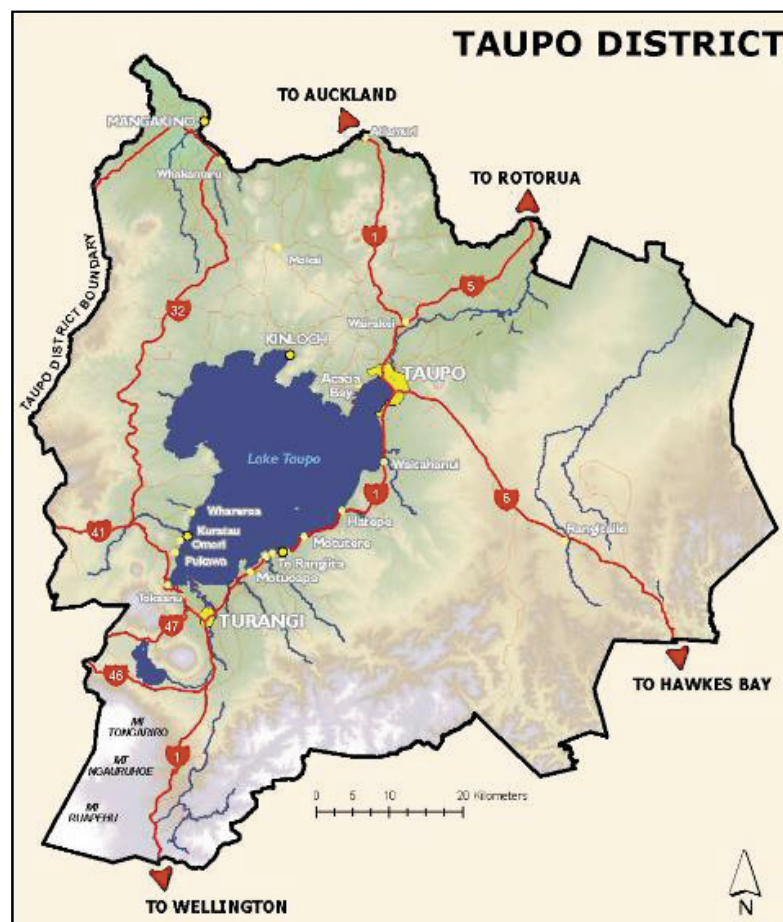
TAUPO DISTRICT

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

The District contains expansive areas of exotic pine forests and farmlands as the predominant land uses, and includes native forests, parts of the Tongariro National Park and Kaimanawa Ranges and the Central Plateau mountains.

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

The District's major resources are forestry, agriculture, hydroelectric and geothermal energy, tourism and scenic and recreational attractions.



MISSION STATEMENT

He Kaunihera kei te whai whakaaro i nga hiahia o nga tangata katoa.
He mea arataki, hei tautoko, hei koi ake i a ratou

A Council in tune with the needs of the community providing direction, leadership and support.

MAYOR'S MESSAGE

What a remarkable year for the District. The previous 12 months have flown by and the gains we have made are exceptional. The Annual Plan process is the time that Council reviews what has been set down in its ten year plan - and adjusts as required. A major consideration for ratepayers is the level of rates. Our average District rate is 8.06%, up slightly from the 7.79% predicted in the LTCCP.

Council is working hard to ensure the District continues to grow and prosper in tune with the needs of the community providing direction, leadership and support. The 2007/08 Annual Plan marks the beginning of an intense period of growth, development and capital expenditure in the Taupo District. Looking forward, we intend to pick up the pace and really focus on achieving the objectives set down in the LTCCP – Council's ten year plan.

We are also exploring other avenues of funding such as sponsorship opportunities. Our District is reasonably young and has a strong community ethic – this is obvious, notably in our network of volunteers and events sponsorship. The next step is to investigate mechanisms to allow our many community and corporate supporters to make a financial contribution toward community assets and services.

We already have a number of success stories under our belts. The Mangakino Swimming Pool and Community Centre is a case of Council working with community groups to achieve a common goal that will add real value. The return of the Christmas lights on Tongariro Street would not have happened without sponsorship and the success of the Ora Garden is a sterling example of what can be achieved when a whole community gets in behind a project. The Turangi Health Centre, which will have significant benefit to community well being, is progressing due largely to the 'can do' attitude of the community and corporate sectors. Taupo-nui-a-Tia Rotary Club have made a significant commitment to contribute to the development of Riverside Park and again reflect a forward thinking community.

Council and officers are scrutinising organisational costs, resources and skill sets so the organisation is in a position to achieve Council's stated objectives and goals and ensure our District continues to flourish. One of the challenges we now face is preparing to compete on a national level for the funding and resources we need to undertake these exciting projects and services.

These pressures have caused us to have another look at our priorities and we have modified some of our project timeframes to reflect more realistic outcomes. We have put non-essential projects on hold until we get the essential ones up and running. However we have also reaffirmed our desire to 'get on with it' – and get on with it we will.

Your elected members and Council officers will continue to serve the District that we live in and believe in, to the best of our ability. Remember we are also ratepayers and are as committed and passionate about our District and our future as you are. Finally I would make some observations. First, your Council has for the past five years worked very hard at planning and creating a vision for our District. Many of the milestones have been acknowledged along the way but now the Council focus must shift to one of implementation and delivery - an exciting shift.

Secondly, I extend a warm welcome to our new CEO, Rob Williams and his family, and look forward to his contribution to the District in the years ahead.

Thirdly, I would also like to acknowledge the significant contribution our former CEO, Simon Rowbotham made to our District during his tenure. He was certainly the man for the time and his forward thinking strategic vision for the District has provided a solid platform from which the new CEO can advance. He was always up to the pressures his position presented and can be very proud of his many achievements. Thank you Simon - my very best wishes to you and your family for the future.

And finally, our District is often commented on by those visiting or living elsewhere as being progressive, vibrant, upbeat and attractive. While we have issues they are very manageable and the future bodes well for us all – so long as we continue to work together and remain positive.



Clayton Stent
Mayor

CHIEF EXECUTIVE'S MESSAGE

I am thrilled to take up my position of CEO at Taupo District Council and look forward to getting to know the District - and the people in it - better. I will be going out of my way to make a personal connection not only with the many community and corporate clusters in the District – but also with individuals so the links between Council and the community are strengthened.

My thanks to everyone who participated in the consultation phase for the draft Annual Plan. Public participation is a democratic right that is often underrated and it is my goal to get even more people involved in future. The other incredibly important process that is often underutilised is voting in Local Body elections. Elections are coming up this October and I strongly encourage you to get involved and above all, use your democratic right and vote.

My brief when I accepted this role was to 'get on with things' and I look forward to doing just that.

Taupo District Council have completed a period of intense planning and are now well positioned to progress key projects, which have been on the drawing board for some time.

A flurry of activity has greeted me with works under way on the upgrades to both the Taupo and Turangi Libraries. It is all action at Riverside Park with earthworks in full swing, bringing the planning for the amphitheatre, promenade and other plans for the area, closer to reality. We will continue to work with Heritage New Zealand and the Rotary Club to make this area one that the whole town is proud of. Positive progress is also clearly happening in both the Turangi-Tongariro and the Mangakino-Pouakani areas. The Turtle Pool, Community Health Centre and even the new supermarket are just a few of the major initiatives happening in Turangi, while Mangakino looks forward to the continuing upgrade of its own shopping centre. The development of a motocross park at Whakamaru and the beautification of the lake and riverside all help to create a buzz in this area.

The ETA is one of the most important and high profile projects ever undertaken by this Council. Resource consent applications have been lodged and design and investigation will continue. Construction is likely to commence during the 2008 calendar year. Another significant roading project which has been targeted as a priority for Council is the West Kinloch Arterial route (WeKA) which will service growth to the west of the Taupo township. A structure plan for the Mapara Valley will provide the next level of detail to allow the community to see how growth can be managed to the west.

Managing waste water is a major priority for Council and a programme is underway in Taupo to increase capacity for disposal of waste water. We also plan to develop the Kinloch Wastewater Treatment Plant and upgrade the Mangakino Wastewater Treatment Plant.

Council has an extensive programme of capital works. As part of the Annual Plan process we took another look at the priorities for the District. This has led to some adjustments in the timing of these projects, based on available resources - both internal and external, the ability of our communities to participate in the consultation process and the ability of some of our partners to commit to funding and work schedules.

There are some delays to work we had proposed in the 2006–2016 LTCCP. Construction of the Taupo Bay Drinking Water Treatment Station has been delayed to allow further investigation and consultation on the best site for Taupo's long term requirements.

Further investigative work on stormwater catchment implications are needed for the Acacia Bay/Mapara Collector Road. The Taupo Town Second River Bridge has been delayed to allow further consultation. As mentioned earlier the WeKA is seen as a priority to service growth in the west and Council is proposing to include the WeKA project in the 2009-2019 LTCCP.

Other changes include a significant increase in the contract costs for kerbside refuse collection and recycling. This has led to an increase in the bag charges but there are also some benefits such as the ability to recycle all 1 and 2 plastics. The Turtle Pool upgrade is a project which is dear to the heart of the Turangi community and this project will progress, despite the hurdles faced along the way.

Looking forward, I am truly excited at the huge potential I see in the Taupo District and I feel fortunate indeed to be able to play a role in the journey ahead. It is a privilege and responsibility I take very seriously.



Rob Williams
Chief Executive Officer

READER'S GUIDE

SECTION	GUIDE
Taupo District Messages	A brief introduction to Taupo District. An introduction to the Annual Plan from the Mayor and Chief Executive Officer.
Highlights Activities	A snapshot of key issues and activities for the next year. Detailed information about what Council intends to do over the coming year.
Finances Accounting Policies	How the activities will be paid for. Sets out the method Council uses to record its financial transactions.
Funding Impact Statement	Details what Council rates are.
Fees and Charges	Council's fees and charges for 2007/08.
Appendices	Taupo District's Land Transport Programme, and a summary of changes made to the Draft Annual Plan as a result of submissions.

2006-2016 LTCCP

This Annual Plan has been prepared based on the 2006-2016 LTCCP. The LTCCP should be referred to in order to provide background and context to the Annual Plan.



HIGHLIGHTS

Major areas of work for next year and significant changes from the work programme for the year from what is shown in the 2006-2016 LTCCP are highlighted in this section.

VICTORIA SUBDIVISION LOT 60

Lot 60 is a 1.9 hectare medium density housing site within Council's Victoria Street subdivision. An Urban Design Competition is underway to attract innovative design solutions and a variety of housing types catering to varying local housing needs. Stage 1 attracted 19 entries with two finalists being short listed for Stage 2 of the competition scheduled for completion in August 2007.

The winning design will be carried through to apply for resource and building consents and consideration will be given to how the development will be sold.

KERBSIDE REFUSE AND RECYCLING COLLECTION

Central and local government policy on solid waste is currently geared toward reduction, recycling and reuse to minimise waste, however the cost of recycling is increasing. Council has a new contract for kerbside refuse and recycling. The new contract price is higher than originally estimated. In order to maintain the kerbside refuse and recycling collection services at the present levels there has been an increase in the District Refuse Disposal Rate from \$63.11 to \$72.03 per year and an increase in the per bag charge for refuse collection from \$1 to \$1.50 per bag.

TRANSFER STATION FEES

A new weighbridge will be installed at the Broadlands Road resource recovery centre. The weighbridge will allow measurement of the amount of refuse taken to the station and will allow charging based on weight. At other transfer stations around the District the fees will continue to be determined based on the size of the load as they have in the past.

At Broadlands Road, refuse will be charged at \$67.50 per tonne. At other transfer stations the cost for loads greater than 400kg has increased from \$60 to \$67.50 per tonne.

CAPITAL PROJECTS

Council has an extensive capital works programme planned for the District for the next ten years. Much of the work involved is dependant on external funding and working collaboratively with other agencies. It has become clear that external impacts and competition for skills and services along with the scope of many of our significant projects has made implementation difficult within the stated timeframes. This has required the timing of a number of projects to be reviewed and adjusted in line with current priorities and available resource. The most significant changes to the capital works programme for 2007/08 are the following¹:

Roading

- Work on the Second Taupo Town River Crossing has been delayed to allow further consultation
- One of the important steps in implementing Taupo District 2050 (TD2050) is the designation for the West Kinloch Arterial route. TD2050 identified this new route linking Taupo, Kinloch and the new growth area in the Mapara Valley as a key piece of infrastructure. Council has moved with urgency to lodge the appropriate applications to secure the designation for the route. That process will continue into the 2007/08 year with a decision on the designation likely to be made prior to December 2007
- More detail on stormwater catchment implications is required for the Acacia Bay/ Mapara Collector Road investigations
- This year Council should receive the consents necessary for construction of the ETA and will be tendering for the actual construction contracts.

¹ Refer to Capital Works Schedule on page 67 for a full list of changes.

Waste water

- The planned capacity upgrade of the Taupo Land Disposal System is a high priority. It is planned to purchase land late in the financial year. Design work is now underway. This includes modification of the existing Rakaunui Road site and the Pollution Control Plant
- The Waste Water Treatment Plant at Mangakino will be upgraded during the year
- Council is progressing the development of the Kinloch Waste water Treatment Plant including a proposed land disposal system option on the existing Kinloch Public Golf Course. The land will be purchased early in the financial year and design work is underway for the new plant.

Water supply

- Council is continuing its programme to upgrade 80% of Taupo District Council water supply schemes to comply with the New Zealand Drinking Water Standard by 2012/13
- Additional preliminary work, including further consultation, on the Taupo Bay Drinking Water Treatment Plant is being undertaken this year. Some construction work had been scheduled for 2007/08 but has been delayed until 2010/11 because of other high priority projects – ETA and Taupo wastewater treatment system – and uncertainty associated with the work due to Environment Waikato's Water Allocation Regional Plan Variation.

WORKS REVIEW

Following the completion of the LTCCP last year Council began planning for the implementation of its extensive capital works programme. As part of this process we looked at improving our capacity to plan, construct and operate Council's key infrastructure and have refocused our resources to address each of these three areas separately. This will ensure that both our operational and capital planning will better address Council's needs and that our infrastructure development will be sensibly programmed.

KURATAU FORESHORE PROTECTION

Erosion of the Kuratau shoreline is known to be occurring, particularly adjacent to the mouth of the Kuratau River. The apparent increase in erosion has reduced the available reserve buffer strip in some locations. Council wishes to develop an effective erosion mitigation solution for the settlement and implement the works as soon as possible.

Further consultation will be undertaken with the community regarding the potential options and associated costs for addressing the erosion issues. Following the identification of a preferred option there will be further approval processes involving the Project Watershed Taupo Sub-committee, the Tuwharetoa Maori Trust Board and Environment Waikato before we will seek resource consents.

LIBRARY EXTENSIONS

The Taupo and Turangi Libraries are being extended and upgraded to provide more space, an improved children's area and better equipment.

COMMUNITY AND RECREATION STRATEGIES

Council is in the process of developing a number of strategies including a Community Development Strategy, a Taupo Urban Area Housing Strategy and a Community Facilities Strategy. The Community Development Strategy will support the Taupo District Community Outcomes, with a focus on social well-being.

The Taupo Urban Area Housing Strategy will address the issues of housing accessibility in Taupo Township. For example, access to affordable, healthy and fit-for-purpose housing.

Taupo District boasts excellent community facilities which are widely used by the local community and visitors alike. In order to keep pace with growth and to predict the future needs of the community, a long term strategy for community facilities will be developed

IMPLEMENTATION OF TAUPO DISTRICT 2050

Taupo District 2050 (TD2050) was adopted by Council in June 2006. A key step in implementing TD2050 is anchoring the strategy in the District Plan. Council have prepared

a suite of variations to the District Plan to carry through the philosophy of TD2050 and better manage urban growth. Those variations were publicly notified in January 2007. Following notification there is a significant public consultation process which will continue well into 2007/08.

We are also preparing structure plans for future growth areas. Council has been working with a number of interested developers to establish how to carry out the structure planning and associated changes to the District Plan. Council's role will be ongoing through 2007/08.

LAKE TAUPO FORESHORE RISK MANAGEMENT STRATEGY

This strategy will identify flooding and foreshore erosion hazards around Lake Taupo. Once completed it will provide Environment Waikato and Taupo District Council with direction for capital expenditure on flood and erosion protection works, the development of planning controls over how land is used and how the costs are shared.

The Strategy is due for completion in 2007/08 and will be taken through a formal consultation process by Environment Waikato and Taupo District Council.

TURANGI TURTLE POOL UPGRADE

The Turangi Turtle Pool swimming complex has been a focal point for Turangi youth since the six lane, 25m pool was first opened in 1973. It has seen various additions since then such as a toddlers' pool and the building enclosure. The upgrade will heat the pools to make them available all year, add an additional learners' pool for basic swimming teaching, provide a deeper activity pool and modernise the whole complex into a flexible use facility.

Following the high level of support from the community last year during the LTCCP consultation, Council is proposing to spend an additional \$2.0 million together with the \$1.2 million in the LTCCP. This will enable a more comprehensive upgrade to be undertaken. To ease the burden on ratepayers, Council is seeking alternative sources of funding to cover some or all of the increased capital and operating costs for the redevelopment of the pool.

RIVERSIDE PARK

In December 2005, a new Reserve Management Plan was adopted for the Tongariro Domain. The plan proposed the development of a Riverside Park between Redoubt Street and SH1/Waikato River and the provision of additional pedestrian pathways through the South Domain. Riverside Park will include an amphitheatre and event area, shared riverside walkway, café and car parking areas. Council is also investigating the potential for expanding art and cultural activities in the vicinity of the Taupo Arts Society building.

The Riverside 'Promenade' and pedestrian pathways between the South Domain's Garden of Regional Significance, the Taupo Bowling Club, Taupo Museum, Rose Garden and the Great Lake Centre will also be developed.

RATES

The average rate increase across all properties in 2007/08 is:

District	8.06%
Taupo-Kaingaroa/Mangakino-Pouakani	7.97%
Turangi-Tongariro	8.53%

The district rate rise of 8.06% is slightly higher than projected in the LTCCP (7.79%). The rate increase in the Taupo-Kaingaroa/Mangakino-Pouakani rating area is actually below that in the LTCCP (8.35%) while the rate increase for the Turangi-Tongariro rating area is higher due mainly to the cost of servicing the additional capital expenditure proposed for the Turtle Pool upgrade.

Like all averages, there will be properties that have higher increases and properties that will have lower.