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# OVERVIEW



# Here's how your rates

It cost the average ratepayer \$1,339 to op

**TAUPO AIRPORT**  
\$5

**ENVIRONMENTAL  
MANAGEMENT**  
\$109

**ECONOMIC  
DEVELOPMENT  
& MARKETING**  
\$60

**CORPORATE  
& STRATEGIC  
INVESTMENTS**  
\$106

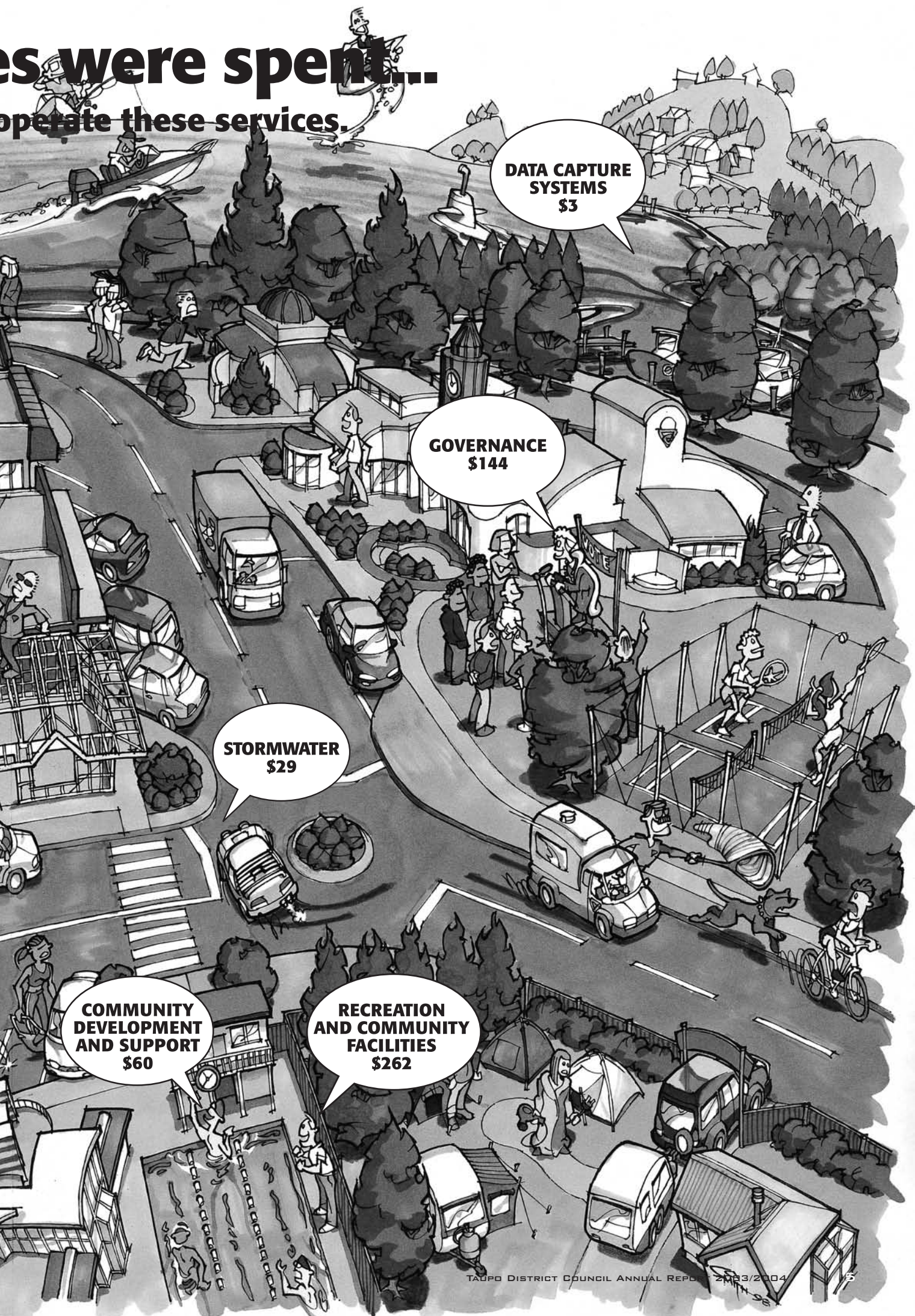
**ROADING  
NETWORK**  
\$207

**SOLID WASTE  
MANAGEMENT**  
\$94

**WASTEWATER**  
\$139

**WATER  
SUPPLY**  
\$121

# es were spent... operate these services.



**DATA CAPTURE  
SYSTEMS  
\$3**

**GOVERNANCE  
\$144**

**STORMWATER  
\$29**

**COMMUNITY  
DEVELOPMENT  
AND SUPPORT  
\$60**

**RECREATION  
AND COMMUNITY  
FACILITIES  
\$262**

## MAYOR & CHIEF EXECUTIVE OFFICER'S REPORT

Council has made excellent progress this year on a number of issues of huge importance to the future wellbeing of our district. While this has meant a heavy workload for both Councillors and staff, we can be proud of what has been achieved.

Just some of the issues and activities that were addressed and progressed included:

- Agreement with both Regional and Central Government on the funding for protecting Lake Taupo
- Development of structure plans (that help to establish how settlements in the district will grow), as part of an overall strategy for managing growth
- Agreement with Transit New Zealand on a funding strategy to enable council to proceed with design and resource consenting of the entire route for the proposed East Taupo Arterial
- Freeing up of more land for residential development within Taupo town
- Development of the district's first Long Term Council Community Plan (LTCCP).

### Protecting Lake Taupo

The agreement between Central Government, Environment Waikato and ourselves to create a fund of \$81.5 million over the next 15 years to reduce nitrogen inputs into the lake, was a hallmark agreement-not only for the district, but for the nation. Central Government's contribution to the fund of \$37 million signalled its commitment to finding sustainable solutions for concerns of local and national importance in partnership with local stakeholders. We congratulate them on their willingness to be a part of the solution.

Establishment of a body to manage use of the funds to achieve the required 20% reduction in nitrogen emissions has begun with decisions on such matters as structure and responsibilities expected to be made in the forthcoming year.

Reducing the nitrogen inputs into Lake Taupo is part of a wider programme of actions for protecting the special values associated with Lake Taupo. Over the past three years, Council has been working with the Tuwharetoa Maori Trust Board, Environment Waikato, the Departments of Conservation and Internal Affairs, and the Lakes and Waterways Action Group on an integrated sustainable development strategy for the Lake Taupo catchment. Known as 2020 Taupo-nui-aTia, this project culminated this year in the development of a joint Action Plan for the catchment. The purpose of that action plan was to understand what the community and Iwi value about Lake Taupo, identify what threatens those values in order of priority and determine actions which individual agencies should be taking in the years ahead to address those threats. The Plan was formally launched by the Minister of the Environment in July 2004 and provides the ideal platform for measuring future action by this Council and others as one means of matching sentiment with specific action.

### Growth

The recent district-wide surge in demand for residential land, and within Taupo town- for industrial land has been of significant concern to Council. We needed to ensure that growth occurred in a way which took into account wide-spread community concerns, including the desire to protect Lake Taupo's water quality. Proposed subdivision of large tracts of rural lands between Acacia Bay, through to and including the Kinloch area, was a reflection of that demand, prompting Council to seek general agreement with developers to forestall immediate subdivision while a structure plan for the area was prepared. While not part of the original work programme, Council moved quickly to develop the Taupo West Rural Structure Plan –The Plan involved extensive consultation with a range of stakeholders including developers and landowners and is due to be finalised before Christmas 2004. The landowner's cooperation on this initiative was much appreciated by both Council staff and elected members.

Other 'managing growth' related plans either completed or commenced during the year included the

- Taupo Urban Structure Plan
- Taupo Town Centre Structure Plan
- Kinloch Community Structure Plan
- Large Format Retail Study for Taupo Township

Managing growth throughout the district has assumed a very high level of importance within Council and the work carried out during the year has given us a solid platform from which to move forward. Council is also aware of a lack of industrial land and is developing strategies to ensure that business development opportunities are not lost as a result.

Property prices have increased significantly and Council is aware that it is becoming increasingly difficult for first homeowners to buy in parts of the district. Council is concerned that these issues may directly impact on socio-economic outcomes as well as our ability to attract and retain an appropriate workforce. Council is working with central Government and others to see what can be done to help. In the 2004/05 year we are looking at the affordability of rental housing in the district in some detail as well as taking part in Wairiki Institute of Technology's industry training needs analysis.

### **Botanical Heights Subdivision**

Agreement with Contact Energy over lifting of encumbrances on council owned land to the east of the township enabled a start on long awaited subdivision development of land behind Richmond Heights and continued forward planning for the proposed East Taupo Arterial. Tenders for physical works for a 62 lot subdivision near Arrowsmith Avenue were called toward the end of the financial year and work was underway in August 2004. A total of up to 870 new sections are planned for release over a 15 year period.

### **Development Contributions**

How to cater and pay for the demands placed on water, wastewater, roading and other infrastructural services is one of the key issues facing the district. Under the new

Local Government Act Council must adopt a policy on development contributions or financial contributions. After careful analysis we decided that development contributions would allow us to fund the infrastructure necessary to support current and expected growth. The philosophy underpinning development contributions is that development which increases the need for and use of infrastructural assets should be paid for by that development. Council's new policy came into effect from 1 July 2004.

The prospect of the new policy encouraged a flurry of resource consent applications with developers bringing forward their plans to ensure that their proposals were assessed under the provisions in the Proposed District Plan. Processing the consents in time was an enormous task.

### **East Taupo Arterial**

The construction of an East Taupo Arterial route to take heavy traffic away from the main lakefront has long been a priority for Council and residents. Efforts made over recent years to advance the ETA project on Transit NZ's 10 year capital works programme saw the roading authority agreeing to a funding arrangement that would enable Council to commence work on the design and consenting of the whole project immediately. The challenge in the coming year is to see whether Transit will commit funds earlier than planned, for construction of Stage 4 of the route – including a bridge over the Waikato River. Council would like to get the construction programme underway as soon as design work has been completed, toward the end of 2005/early 2006.

### **Subsidence**

Council continued to advocate on behalf of ratepayers regarding the subsidence issue in the Crown Road area that is linked to geothermal extraction. Council has been challenging Environment Waikato and Contact Energy for some time in relation to this matter. Submissions by Council on Contact Energy's application to renew its Wairakei Power Station resource consents reflected information provided to Council by geothermal consultants SKM early in 2004 that indicated the subsidence bowl in the Crown Road area was expanding. The outcome

of appeals regarding the Wairakei re-consenting hearing and appeals to proposed amendments to the regional plan and policy statements will determine what other actions council undertakes in future to ensure the Taupo area is protected from the effects of subsidence caused by deep geothermal extraction.

### **Lake Shore Erosion**

A record wet February across the country saw the Tongariro River overtop stop banks at Turangi and further north of the town, causing major flood damage to a number of homes and resulting in very high Lake levels. Strong westerlies during that month and in other months when Lake levels were high, resulted in shore erosion drawing into question the issue of Lake level controls. These issues and others have been discussed at length by Council and with Mighty River Power Specific work on these issues is to be undertaken in 2004/05.

### **Mangakino**

The building of a new Community Hall in Mangakino was put on hold to allow a partnership approach to be taken with the local Mangakino Area School. Indications are that agreement is likely, and should that eventuate, then the combined project, which includes the construction of a gymnasium and a community swimming pool on the school site, will commence in the coming year. The free-holding of the Mangakino township lands through the action of the Wairarapa Moana Trust sale of township lands to a private buyer appears to have released development and growth potential which was otherwise difficult to foster. Already, it is evident that there is a demand to purchase freehold title by people from both within and outside the town. Work on stage 1 of a 2 stage upgrade project for the Mangakino town centre was completed during the year and this should help to build a reputation for Mangakino as a sought after place to live.

### **Turangi**

Planning continued throughout the year for a multi million dollar upgrade of the Turangi wastewater treatment plant. This included meeting rigorous environmental standards to satisfy the Regional Council's resource consents conditions and the preparation of documents prior to Christmas 2004 in readiness for letting of the construction

contract. Increased subdivision at lake shore settlements around Omori and Whareroa is expected to continue into the future injecting some urgency for Council to consider growth planning ahead of development. That matter is part of Council's overall thinking as it develops various structure plans and continues to refine its District Plan.

### **The Long Term Council Community Plan ( LTCCP)**

Council's first LTCCP covering the 10 years from 2004/05 to 2013/14 was adopted prior to 30 June 2004-as required by the Local Government Act 2002. The LTCCP built on work started by the 'VAST' project in earlier years and other strategies such as 2020 Taupo-nui-a-Tia and the Taupo District Economic Development Strategy.

In line with provisions under the Act, our plan ensures that council activities take into account the wishes of the community-defined as 'community outcomes'. Council is already gearing up to work in partnership with other agencies and groups and the wider community to review these 'community outcomes' for the 2006 LTCCP. The challenge for the community as a whole is to grasp the opportunity that this new local and central government approach offers and to develop common sense partnerships when seeking to achieve specific community outcomes.

### **Public Transport**

Investigations were made in conjunction with Environment Waikato into the feasibility of a public transport system for the district – resulting in the introduction of a bus service within Taupo town on a trial basis.

### **Taupo Airport**

Council made a decision to appoint a Board of Directors who would have the industry and commercial expertise required to take the airport forward. Four Directors were appointed and assumed their new responsibilities on 1<sup>st</sup> April 2004. A well run airport is critical to the well being of the district. It is hoped that appointment of these directors will help to ensure an early resolution of a number of significant issues including new user charges, establishing appropriate leases for the general aviation industry, implementing appropriate flight information facilities, and forward planning development and maintenance at the airport.

### **Financial**

A net surplus before other adjustments for the year of \$6.5 million compared with a budgeted surplus of \$6.0 million. Major financial variances occurred in the following areas. Revenue from Council activities was down on budget by \$1 million-the majority of which related to the AC Baths and the Events Centre. Expenditure, which was over budget by \$1.2 Million, related mainly to professional fees incurred on the Wairakei re-consenting and subsidence issues. International equities increased in value by \$3.2 million, which was a welcome turnaround in fortunes compared to prior years when share values had reduced substantially. When considering the huge workload undertaken by Council, especially given that much of it was unforeseen-such as the development of a Taupo West Rural Structure Plan, and much of the subsidence related investigations - the financial result is commendable.

### **Harvest and Marketing of Rangitaiki Forest**

Harvest and marketing of Radiata logs from Council's Rangitaiki forest began in September 2002 and was completed by 30 June 2004. Net cash proceeds of \$4.3 million were received by Council after repayment of a Forest Encouragement Loan and the setting aside of \$1.1 million for replanting and treatment. The result reflects well on those County Councillors of past years who had the foresight to enter into a forest-growing scheme proposed by prior governments as a means to promote economic development and employment.

160 hectares of Douglas fir at Rangitaiki, and 270 hectares of Radiata at Council's Tirohanga forest remain to be logged-both from about year 2013 onwards.

### **Rates Postponement**

Although the rates in our district compare favourably with rates in other areas, some property owners, and specifically those on special benefits or on a pension, struggle to make their payments. In some cases this is made more difficult where their household property has a high value such as those which are near the shores of the Lake.

During the rates-setting process for 2004/05 Council sought to find a way which would enable those people

to have the comfort of remaining in their homes for the remainder of their lifetime, and yet honouring the obligation to pay rates on their property like all other landowners. The 'Rates Postponement' policy was developed as a result. It fixes the rates for the same amount every year until such time as the house is vacated by the owner. The postponed rates are then paid from the proceeds of sale, or from some other source, should family members seek to retain ownership of the property. Council was pleased to be able to offer this scheme to the elderly in particular and is hopeful that people will not feel afraid to find out more about the scheme from the likes of 'Aged Concern' or from Council direct.

We owe a special thanks to Councillors and staff who gave so much through such a busy year. To the public of the district, we trust that the services we have delivered have been well received, and we look forward to another year of achievement in this vibrant and growing district.



Clayton Stent  
MAYOR



Simon Rowbotham  
CHIEF EXECUTIVE OFFICER