

Marcel Tromp

Results



Introduction to Results

The Local Government Act 2002 requires Council to report our performance compared to targets published in our Long Term Council Community Plan. We report against both financial and non-financial measures.

Council reporting is in two key forms:

Service Performance reporting – this focuses on the groups of activities which Council delivers. Information is provided backgrounding the focus of the groups of activities themselves – Council's strategic themes – then each of the activities in turn. Information is provided in regard to 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 – this information includes the Statement of Financial Performance, the Statement of Financial Position and associated accounting policies and notes. This information must be prepared in compliance with generally accepted accounting practice. This also includes the cost of service statements for each strategic theme shown under Service Performance. These statements show the expenditure on each activity, the revenue directly attributable to those activities and the mechanisms for the funding of any net cost.



Statement of Compliance

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 2005 fairly reflect the financial position and operations of Taupo District Council.

C T A Stent
MAYOR
25 October 2005

S F Rowbotham
CHIEF EXECUTIVE OFFICER
25 October 2005

P J Cleaver
FINANCE MANAGER
25 October 2005



Audit New Zealand

AUDIT REPORT

TO THE READERS OF TAUPO DISTRICT COUNCIL AND GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2005

The Auditor-General is the auditor of Taupo District Council (the District Council) and group. The Auditor-General has appointed me, M G Taris, using the staff and resources of Audit New Zealand to carry out an audit on his behalf. The audit covers the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group for the year ended 30 June 2005, including the financial statements.

Unqualified opinion

In our opinion:

- ▲ The financial statements of the District Council and group on pages 93 to 120:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council and group's financial position as at 30 June 2005; and
 - the results of operations and cash flows for the year ended on that date.
- ▲ The service provision information of the District Council and group on pages 30 to 88 and pages 121 to 124 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- ▲ The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements"), including the provisions of Clause 15(f) of Schedule 10 relating to the significant acquisitions or replacements of assets

The audit was completed on 25 October 2005, 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 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 and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

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

Audit procedures generally include:

- ▲ determining whether significant financial and management 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 data;
- ▲ reviewing significant estimates and judgements made by the Council;
- ▲ confirming year-end balances;
- ▲ determining whether accounting policies are appropriate and consistently applied; and
- ▲ determining whether all required disclosures are adequate.

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

We evaluated the overall adequacy of the presentation of information in the financial statements 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 in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2005. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for preparing the information in the other requirements. The Council's responsibilities arise from Schedule 10 of the Local Government Act 2002.

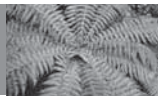
We are responsible for expressing an independent opinion on the financial statements and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

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

Other than the audit, we have no relationship with or interests in the District Council or any of its subsidiaries.

M G Paris
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand



Service Performance

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Introduction to this Section

This section of the Annual Report focuses on the groups of activities which Council delivers. It reports the information required by Clause 15 of Schedule 10 of the Local Government Act 2002.

Council's groups of activities, as presented in the Long Term Council Community Plan, are based on strategic themes. The table below details the reporting requirements of Clause 15, and the means by which this information is presented for each strategic theme:

Information Required by Clause 15	How this is presented
Identification of the activities within the group.	A list of the activities in each theme is presented in the introduction to the theme under the heading: "Key Activities".
Identification of the community outcomes to which the group of activities primarily contributes.	For each activity there is a disclosure under the heading of: "How we contribute to community outcomes".
Reporting of the results of any measurement undertaken of progress towards the achievement of the outcomes.	This is reported in the service performance results presented for each activity.
Description of any identified effects that an activity has had on the social, economic, environmental or cultural well-being of the community.	Where relevant, any significant identified effects, are reported in the activity story boxes.
Comparison between the actual levels of service provision and the intended levels, together with reasons for any significant variance.	This information is provided in the service performance results, the activity story boxes, and the cost of service statements.
Description of any significant acquisitions or replacements of assets and the reasons for the acquisition / replacement. Explanation of the reasons for any significant variation between projected acquisitions and replacement of assets and actual acquisitions and replacements.	This information is provided in the capital expenditure tables reported for each strategic theme.



Service Performance Results

This year's measures were established in the 2004-14 LTCCP and are a significantly different set of measures than those reported on in previous years. A key factor in the measurement of the performance results this year is the Taupo District Council Satisfaction Survey which the National Research Bureau (NRB) have conducted previously in 1993, 1995 and now again in April/May 2005.

A key benefit to undertaking the NRB survey is the opportunity for Council to compare our performance with that of local authorities across all New Zealand, and with a peer grouping of comparable local authorities. Overall, the survey has indicated that satisfaction with Council's performance for the delivery of services and facilities compares favourably with its peers. Satisfaction in Taupo was higher than Council's peer group for roads, water supply, wastewater, landfills and transfer stations, swimming pools (AC Baths) and public toilets. Satisfaction was on a par with the peer group for rubbish collection, recycling, district halls, sports grounds and libraries. Satisfaction was slightly below the peer group average, for stormwater, reserves and street gardens, and parks.

This is a very positive result for Council. It should be noted however, that the use of this survey for a large number of our reported service performance results, together with a high standard being set as a target for these survey measures as well as other new LTCCP measures, reflects in the reported results. For some of the measures while the result achieved is commendable and often close to target we have not reached the targeted achievement (often set at 75% satisfaction), and therefore the measure has been reported as "not achieved". For some of the survey measures it is apparent that factors outside of Council's control have impacted on the results. Examples are in roading where it is clear that some survey respondents have made their assessment based on perceptions associated with the state highways in the district – the state highways are the responsibility of Transit New Zealand not Taupo District Council. For eight of the reported measures we have either not been able to set up systems to formally measure the results, or the measure is not applicable at this stage and again this is apparent in the reported results.



National Research Bureau (NRB) Council Satisfaction Survey

The survey utilises 400 telephone interviews, consisting of 300 residents and 100 non-resident ratepayers. All interviews were conducted between 29 April and 8 May 2005 with calls being made between 4:30pm and 8:30pm on weekdays and 9:30am and 8:30pm on weekends.

The white pages of the telephone directory were used as the sample source for the residents survey, but with quota and ward stratification applied to ensure an even balance between male and female respondents and to ensure a sufficient number of respondents from each ward. The non-resident ratepayers were selected using a systemised, randomised method, from a list of all non-resident ratepayers. Respondent selection within the household was also randomised to the man or woman, normally resident, aged 18 years or over, who had the last birthday.

The margins of error applicable to this survey, at the 95 per cent level of confidence are:

Sample Size	50/50 split on issue	80/20 split on issue
n = 400	+/- 4.9%	+/- 3.9%

Achievement Definitions

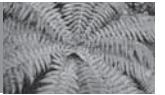
Our achievement of each performance target is assessed consistently using the following definitions:

Achieved: All aspects of the performance target were achieved (including time, cost, quality, quantity and location - as relevant).

Substantially achieved: The activity identified in the performance target was carried out but there were minor slippages in time and/or costs were slightly higher than budgeted, but no more than five percent.

Achieved in part: The planned activity was carried out but the time components of the performance target were not met and/or expenditure was more than five percent over budget.

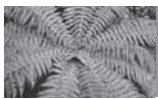
Not achieved: The activity was not significantly progressed or the work undertaken did not meet the requirements of the target (e.g. where the target stipulates a customer satisfaction rating of 80 percent and a rating of 78 percent was achieved then the target would be rated as not achieved).



Not formally measured: Performance could not be conclusively reported on (eg. the necessary systems were not put in place to measure performance).

Not applicable: Due to events beyond Council's control, the activity was no longer relevant and the work was not carried out.





Managing Growth

Recently, the district has faced an increasing demand for land for residential development, and to a lesser degree, commercial and industrial development. Unmanaged growth has the potential to undermine the sustainability of the community. It can result in damage to sensitive environments, conflicts between competing land uses and inefficient or inadequate infrastructure.

Projected increases in tourism and the associated growth in accommodation and tourism based services also have the potential to place pressure on the district. Not only will the expected growth affect the tourism industry, it is also likely to stimulate both the commercial and the residential sectors as people come here to work.

We need to provide for growth in a planned, structured way within the constraints of the natural environment, land availability, cost effective infrastructure provision and socio-economic issues. A significant effort will be required both in planning for the changes and implementing the tools we have available to manage growth.

Managing growth will help to ensure a sustainable quality of life for residents. An integrated approach will also ensure that our long term plans for service provision are consistent with growth options and solutions.

Key Activities

- Development Planning
- Urban Land Development



Development Planning

What we do

Development planning covers the work Council does to:

- Develop strategies and plans to provide direction for managing growth (e.g. structure plans).
- Develop asset management plans to aid future planning and ensure assets are maintained to the required level of service.
- Develop strategies for open space, recreation and leisure (e.g. Recreation strategy).

How we will contribute to Community Outcomes

Development planning enables Council to look ahead and plan for the growth of the district in a way that cares for the natural and urban environments and ensures the optimal provision and operation of assets.

During the 2004/05 year we achieved completion of:

- The Kinloch Community Structure Plan
- The Taupo Town Centre Parking Study
- The Large Format Retail Discussion Document.

We had also intended to achieve the following:

- The Taupo West Rural Structure Plan – Although this structure plan progressed through to the deliberations phase of the project, Council decided to place the plan on hold pending the development of a district wide growth management strategy
- The Commercial/Industrial Structure Plan – Council decided that work on this structure plan should not begin until the district wide growth management strategy was completed in June 2006

Historically, Taupo District Council has used structure plans as a tool for strategic land use planning. These structure plans work in conjunction with the proposed District Plan to help provide direction for future urban growth. While useful within their specific geographic locations the structure plans prepared to date lacked strong linkages between different growth nodes. To overcome this issue Council has undertaken a project to develop a district wide growth management strategy. This strategy will provide a comprehensive view of the issues affecting growth management within the district as a whole. It will specifically look out 20 years and more broadly out to 50 years in terms of the planning horizon.

No further structure planning has been undertaken while the growth management strategy is being prepared because any future structure planning should be informed by the broader direction provided by the growth management strategy.



Our impact on community well-being:

The structure planning completed this year has had a significant positive impact on the social, economic, and environmental well-being of the community. It has enabled Council to look ahead and plan for the growth of the district in a way that cares for the natural and urban environments and ensures the optimal provision and operation of assets.

The Taupo Town Centre Parking Study completed this year has had a significant positive impact on the economic and environmental well-being of the community through a more comprehensive approach to the management of the parking resource that currently exists within the Taupo Town Centre. The accurate identification of future parking needs in this community will assist in the timely and efficient provision of appropriate infrastructure.

The completion of the Large Format Retail Discussion Document this year has had a positive impact on the economic and environmental well-being of the community through the generation of debate regarding the impacts of large format retailing within the Taupo urban area. It has also assisted with the clarification of the key issues that will need to be addressed as part of any future development.

Service Performance Results:

Target	Planning processes comply with the requirements of the Local Government Act 2002 or other appropriate legislation (e.g. Reserves Act 1977).
Achieved	All requirements met

Target	Annual survey shows at least 75% of respondents are satisfied with the reserves and open space provided for their use and enjoyment and for the protection of natural features.
Achieved	The NRB survey indicated that 90% of respondents were satisfied with Council Parks, 93% were satisfied with reserves and street gardens and 77% satisfied with sports grounds



Urban Land Development

What we do

Council has previously purchased land with the intention of undertaking urban subdivision to allow for growth in a controlled manner and for income maximisation.

How we contribute to Community Outcomes

The development of land supports a growing and sustainable economy and provides net economic returns to the community.

During the 2004/05 year we achieved:

- Commencement of construction and section sales of 'Arrowsmith Stage 1' (Botanical Heights) residential subdivision.

We had also intended to achieve the following:

- Completion of the Botanical Heights and 'Victoria Stage 1' subdivisions. Lengthy construction delays on Botanical Heights with final completion early in the 2005/06 year have affected the marketing of the development and section sales which are also carried into the next financial year. As a result of the delay with Botanical Heights, the 'Victoria Stage 1' subdivision has been deferred till the 2005/06 year.

Our impact on community well-being:

The Urban Land Development activity has had a significant positive impact on the economic well-being of the community through support of a growing and sustainable economy and providing net economic returns for community benefit.



Service Performance Results:

Target	'Arrowsmith' Stage 1 completed and all lots sold by 30 June 2005.
Achieved in Part	<p>The development work at 'Arrowsmith' Stage 1, now known as 'Botanical Heights', fell behind schedule during the year resulting in flow-on delays in marketing. This meant that the target was not achieved. The completion of the main subdivision works is now expected by 31 August 2005, work on the reserve is due to be complete by 30 September 2005, and the Council's section 224 completion certificate is anticipated by 31 October 2005.</p> <p>By 30 June 2005, 34% of the sections were sold subject to title issue. This percentage had increased to 45% by 9 August 2005. A new marketing plan includes allowance for builder's terms for selected sections. Other sections remain available for normal purchase.</p>

Target	Subsequent subdivisions physically developed and marketed as resolved by Council.
Not Achieved	<p>With a lot of the focus this year on Botanical Heights, none of the subsequent subdivisions were significantly advanced by 30 June 2005. Tentative targets are as follows:</p> <p>Rakaunui Road industrial subdivision – this is now programmed for completion in February 2006. No sections were sold by 30 June 2005, however, as at 10 August 2005, eight of the nine sections were pre-sold subject to title issue. The last section is expected to be sold by completion date.</p> <p>Tod Place, Turangi – this is now programmed for completion in December 2005. All sections have been pre-sold. Construction process underway.</p> <p>Victoria Street subdivision - Council has yet to decide whether to develop the subdivision itself, or to sell to another party to subdivide. Accordingly any sale or completion dates are also yet to be confirmed.</p>





Managing Growth

Cost of Service Statement:

	2005 Actual \$000	2005 Budget \$000	2004 Actual \$000
Operating Income			
Other Income	621	7,594	885
	621	7,594	885
Operating Expenditure			
Development Planning	1,005	755	843
Urban Land Development	0	0	0
	1,005	755	843
Net Cost (surplus) of operation	384	(6,839)	(42)
Funded By:			
General Rates	475	466	412
Funding to Reserves	(1,752)	(7,305)	0
General Funds	1,661	0	(454)
	384	(6,839)	(42)
Capital Expenditure	19	0	0
Funded by:			
Transfers from Reserves	13	0	0
General Funds	6	0	0
	19	0	0

Note – The budget figures stated above have been restated to correct the accounting treatment associated with the Botanical Heights subdivision development. The LTCCP budget included \$13.577m of Botanical Heights section sales revenue and \$6.272m of subdivision development expenditure as operational items. This treatment did not comply with generally accepted accounting practice which would require the development expenditure to be treated as capital expenditure, and only the profit on sale of the sections (not the total realised prices) to be treated as revenue. The actuals have been prepared correctly, and the budgets restated by reducing both the revenue and expenditure items by \$6.272m to ensure correct treatment of these items and presentation in a manner that is comparable.

Managing Growth

Capital Expenditure:

Description of Project	Reason for Acquisition	Project Status	Actual	LTCCP Budget	Notes
			\$000's	\$000's	
Various (less than \$70,000 budgeted)			19	0	
			19	0	



Strong Communities

Community strength depends upon many factors - education, health, community networks and associations, financial and personal security, rights, freedoms and levels of equity. Organisations and institutions like councils, hospitals, schools and government agencies are all part of the fabric of communities. Services delivered by these organisations and the way they work together can have far reaching effects on community wellbeing.

A key component of Council's role in building strong communities is providing effective and efficient infrastructure and services such as roads, recreation facilities and water supplies. These services must respond to identified needs and be provided at levels that are acceptable to the community (i.e. cost, quality, frequency).

Strong communities are not just about bricks and mortar – they are about people and helping communities to help themselves. Council has a role in supporting community initiatives, encouraging creativity and honouring community heritage.

All communities have agreements about how they will live together. Council has a role in monitoring and enforcing agreed rules and policies to ensure that community values and individual rights are respected.

Key Activities

- Emergency Management
- Roding
- Water Supply
- Regulatory Services
- Community Support
- Community Facilities
- Recreation and Leisure Services



Emergency Management

What we do

Council develops, implements and monitors district wide emergency management plans and promotes community preparedness for emergencies. Under the Civil Defence Emergency Management Act 2002, Council must work cooperatively with other authorities to plan for and respond to hazards, risks and emergencies.

Taupo District is part of the Waikato Civil Defence Emergency Management Group. Within this Group we are combining with South Waikato District to form a Southern Emergency Operating Area (Southern EOA).

Council also has the responsibility to plan for and suppress rural fires. Council has appointed a Principal Rural Fire Officer who prepares the Fire Plan. This Plan is approved annually and audited every three years against the requirements of the Rural Fire Management Code of Practice.

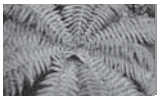
Council has a separate contract with the New Zealand Fire Service for rural fire suppression.

How we contribute to Community Outcomes

Preparing residents for emergencies helps reduce the impact on people, the economy and the environment.

During the 2004/05 year we achieved:

- Southern Emergency Operating Area (EOA) Civil Defence Plan completed
- Southern EOA established and evolving operationally over time. Joint Committee meeting held in December
- External volunteer base numbers maintained
- Two Headquarters exercises completed successfully
- Taupo's USAR Team was called on by the Minister for CDEM to assist in the flooding in Whakatane
- Funding applications to external agencies successful (totalling \$45,000)
- General emergency management training, for example CIMS, Welfare as well as Headquarters was also undertaken during the year.
- Planning was also undertaken during the year for potential, specific threats such as the Ruapehu Crater Lake Lahar and Waihi Landslide.



We had also intended to achieve the following:

- A review of Civil Defence for southern Lake Taupo flooding, especially river flooding is awaiting input from Environment Waikato and as a consequence has not been completed. However, within Taupo District Council all contact databases for such events have been updated and our level of preparedness therefore improved
- It was also intended to undertake a regional exercise in conjunction with other external agencies but this has not occurred and it is hoped to reschedule this in the future

Our impact on community well-being:

The role of emergency management has had a significant impact on the social well-being of the community through increasing its awareness by local means to compliment national awareness programmes, and as a consequence there is an increased level of preparedness in times of emergency and natural disaster.





Service Performance Results:

Target	All key agencies satisfied with progress of emergency planning in Taupo District ¹ .
Not formally measured	<p>Planning for emergencies in the District is ongoing, and appears to be working well. There will be some ongoing alterations as the Southern Emergency Operating Area settles in. In the last six months a number of community groups have come on board and increased the District's ability to respond.</p> <p>No formal survey was conducted this year as required by the measure. It is intended that a formal survey will be carried out in future on a yearly basis, in the form of a questionnaire. There have been a number of key agencies involved with the ongoing development of the Southern Emergency plan. Police, Ambulance, Health and Fire all meet with us on a bi-monthly basis. We are confident that these agencies are satisfied with the state of our planning.</p>
Target	At least 75% of Taupo District residents are aware of Council's Civil Defence preparedness promotional campaign.
Not Achieved	The NRB survey indicates that 63% of residents are aware of the campaign. Initial target of 75% set prior to benchmark data being available. Emergency Management will be looking toward yearly incremental increases to reach this target.
Target	Rural Fire Plan is approved annually and passes triennial audit.
Achieved	The Rural Fire Plan was approved by Regional Headquarters and is held by the Principal Rural Fire Officer. No audit was required this year.

¹Key agencies will be surveyed annually to assess progress.



Roading

What we do

Council owns and maintains 608 kilometres of sealed and 118 kilometres of unsealed roads in the district. This network is funded partly by Transfund New Zealand, a Central Government agency, and partly from rates. At present, Transfund meets 43 percent of maintenance expenditure and 53 percent of qualifying new works. Maintenance is contracted out.

To ensure works are carried out to required standards, Council's engineers regularly monitor the quality of roading work undertaken.

A random audit of five percent of all works is completed to check that the ongoing maintenance is effective.

As well as providing and maintaining roads, this activity also includes associated work such as providing footpaths, berm maintenance and road safety. Approximately three kilometres of footpath is constructed per year. Rural berm mowing is also carried out across the district.

How we contribute to Community Outcomes

An effective, efficient and safe roading network allows people to move around easily and it is essential for the economic functioning of the community.

During the 2004/05 year we achieved:

- East Taupo Arterial design and consenting commenced
- Planning process for Second Taupo Town River Crossing commenced
- Planning process for Mapara Collector commenced
- Planning process for Wakeman Road extension commenced
- Seal extension in the rural area completed
- Footpath extension in the urban areas completed
- Speed Limit Bylaw adopted
- Heu Heu Parade and Rawhira St upgraded
- Trial Public Bus Service in Taupo commenced

We had also intended to achieve the following:

- Downers Point (Walkerer Point) safety widening (carried forward into the 2005/06 year)
- Poihipi Road seal widening for cyclists (deferred pending possible realignment)



Our impact on community well-being:

The strategic roading work has had, or will have, a significant positive impact on the well-being of the community through:

- Social – increasing connectivity, safety and raising amenity values along the Lakefront and Acacia Bay where highly trafficked roads are presently having an adverse affect on amenity
- Economic – reducing congestion, travel times, and vehicle operational costs, particularly in the Control Gates Bridge area at peak traffic times
- Environmental – reducing threat of spills in sensitive areas, and reducing air pollution in densely populated areas.
- Cultural – highlighting and protecting Cultural aspects of areas traversed by strategic roading.

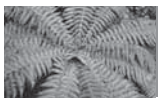
Service Performance Results:

Target	Annual survey shows at least 75% of customers are satisfied with access onto and within the land transportation network.
Not Achieved	The NRB survey indicates that overall 67% were satisfied with access to the transportation network. Reasons for not being satisfied include: congestion, the need for the bypass, the need for a second bridge crossing, and some of the dissatisfaction related to the State Highway network.

Target	Annual survey shows at least 75% of customers are satisfied with the quality of the land transportation network.
Achieved	A total of 83% were satisfied with the quality of the network.

Target	Annual survey shows at least 75% of customers are satisfied that the land transportation network is designed and managed for safe use.
Not Achieved	72% overall were satisfied. Reasons for not being satisfied include: the need for the bypass, roads being too narrow, lack of provision for cyclists. It should be noted that a number of the comments related to state highways for which Council is not responsible. Those comments have been forwarded to Transit New Zealand.

Target	Percentage of the network with rutting greater than or equal to 30mm is less than or equal to 20% of the inspection length and less than 2% of the network.
Achieved	Condition rated in August 2004. There was rutting in 2.2% of the inspection length which represents 0.12% of the total network. Condition rating is completed on a two yearly cycle. It is not expected that there has been significant deterioration since the last survey.



Target	Average roughness on all sealed roads no greater than 90 NAASRA ² and less than 20% of sealed roads over 130 NAASRA.
Achieved	Measured in June 2004. The survey showed an average roughness 84 NAASRA with 10% over 130 NAASRA. Condition rating is completed on a two yearly cycle and it is not expected that there has been significant deterioration since the last survey.

Target	Crash severity and trends (fatal and serious) reduced by 5% over the 2003 results over the next five years (2003 - fatal 15, serious 24, and minor 78) in partnership with other roading bodies.
Achieved	Crash data is reported on a calendar year basis. The 2004 results are fatal 9, serious 14 and minor 56. These results are very encouraging with this being a five year measure.

Statement for Transfund (NZ) 2004/05

Council is required, under Section 31 of the Transit New Zealand Amendment Act 1995, to report on in-house business units that perform work and charge against Transfund New Zealand financially assisted roading programmes.

The Engineering Service business unit financial information as required for 2004/05 is as follows:

Cost of Service Statement

	Actual 2004/05 (\$,000)	Budget 2004/05 (\$,000)
Operating Income		
Professional services for Transfund NZ assisted roading	309	390
Other income	231	70
	540	460
Operating Expenditure	401	471
Net Cost (Surplus) of Operations	(139)	11

²National Association of Australian State Road Authorities



Water Supply

What we do

Council provides treated, reticulated water supplies in the main urban centres of Taupo, Turangi and Mangakino as well as many of the lakeside settlements.

How we contribute to Community Outcomes

The provision of potable water within reticulated areas helps ensure public health.

During the 2004/05 year we achieved:

- Completion of an extensive pipe renewal programme
- Continued upgrading in terms of capacity and security in tandem with development, particularly at Kinloch and Taupo
- Completed Water and Sanitary Services Assessments in compliance with the Local Government Act 2002
- The commencement of strategic planning for the Drinking Water Treatment Project for the Tapuaeharuru Bay area.

We had also intended to achieve the following:

- Construction of the Cherry Lane Reservoir (80% complete at 30 June 2005)

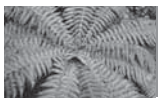
Our impact on community well-being:

Our Water Supply work has had a significant impact on the well-being of the community through:

- Social – increased security and capacity contributes significantly to positive outcomes in respect of strong communities, whilst drinking water quality must meet standards to avoid significant negative outcomes.
- Economic – appropriate drinking water quality is essential to maintain the health of the community, but also to support tourism, events, and marketing initiatives.

Service Performance Results:

Target	Ninety percent of district consumers upgraded to NZDWS grade B or better by 2011.
Achieved in Part	Planning work is progressing on this very significant project. The eventual achievement of this targeted outcome is dependent on the water treatment capital expenditure programme, due to commence in 2005/06.



Target	Annual survey shows at least 75% of customers are satisfied with the water pressure delivered into their property.
Achieved	78% of the total NRB survey respondents were satisfied with their water supply, a measure which also implies their satisfaction with the water pressure. Of those that were not satisfied the issues mentioned were chlorine/fluoride, low pressure, taste and quality.

Target	Water tested to ensure it complies with the relevant drinking water standards.
Substantially Achieved	Maximum Days exceeded on three occasions over 168 quarterly periods, an achievement rate of 98.2%; the E Coli count failed on three occasions, an achievement rate of 99.75%; exceeded sample requirement by 462, failing once in 1263 samples, a 99.9% achievement.

Target	Normal duration of service disruption no longer than three hours (Urban) and 24 hours (Rural) except in Centennial Drive (Six hours).
Substantially Achieved	Five recorded disruptions exceeding three hours. Four in Taupo [two repairs to damaged main, one replaced gate valve, one planned shutdown to upgrade line to supply Woolworths], and one in Acacia Bay [blown main at Brunette Drive].





Regulatory Services

What we do

Regulatory services involve implementing rules and regulations that come from either Government legislation or Council bylaws. There are two main areas of activity:

- Public protection (includes building control, environmental health, liquor licensing, gaming and TAB venue consenting, animal nuisance control, bylaw enforcement and hazardous substances).
- Resource management (includes consent application, processing, monitoring and enforcement).

How we contribute to Community Outcomes

- Sustainable natural and built environments for people to enjoy both now and in the future.
- Protection of public health and safety.
- Unfavourable environmental effects of industrial and urban development are avoided, remedied or mitigated.

During the 2004/05 year we achieved:

Animal Control

- A new Dog Control Policy was completed and the associated bylaw adopted in accordance with the Dog Control Act 1996.

Building Control

- General Bylaws were reviewed and updated in accordance with the requirements of the Local Government Act 2002. After public consultation and formal hearings they were adopted by Council.
- The Building Act 2004 and changes to the New Zealand Building Code were implemented, including changes to operational procedures and structures and the development of quality assurance processes.
- In conjunction with seven neighbouring councils MWH were commissioned to investigate shared service options for service delivery under the Building Act 2004. Discussions are continuing and the sharing of staff is being investigated.

We had also intended to achieve the following:

- Hazardous Substances and New Organisms Act. Responsibility for dealing with hazardous substances in the work place was to be moved from TDC to Occupational Safety and Health (OSH). However, Council continues to provide support to emergency services for accidents and spills involving hazardous substances.

Our impact on community well-being:

Council's regulatory activities have had a significant positive impact in terms of creating a sustainable natural and built environment, protecting public health and safety, and avoiding, remedying or mitigating unfavourable environmental effects of industrial and urban developments.



Service Performance Results:

Target	One hundred percent compliance with statutory timeframes for processing notified and non-notified resource consents and building consents throughout the year.
Not Achieved	<p>Resource Consents – 65% of the 498 non notified resource consent applications (from 1 July 2004 to 30 June 2005) were processed within the statutory time frame of 20 working days. 17% of the 24 notified resource consent applications were within the statutory timeframe of 70 working days. 9% of the 11 limited notified resource consent applications were within the statutory timeframe of 50 working days. We have not been able to comply with the statutory time frames due to a combination of large numbers of resource consent applications, an increasing number of complex applications, staffing levels, and delays in both the receipt of information and in the scheduling of hearings. Considerable effort is being focussed at present on addressing these issues to enable improved compliance with the required timeframes in future.</p> <p>Building Consents – For the period 1 July 2004 to 30 June 2005 1,485 building consents were issued with a total value of \$122,260,077 (this includes 266 new dwellings, 47 relocated dwellings and 368 additions and alterations). Only 60% of the consents were processed within the statutory timeframes. This is due to changes in the building industry and legislation, and the inability to recruit persons with the necessary skills and experience. We have now recruited new staff and expect to achieve performance requirements in the next financial year. While the total number of consents issued is less than the 1,511 issued last year, there were 6,690 inspections completed, compared to 6,157 inspections in the previous year.</p>

Target	All known private swimming pools inspected over a three year period.
Achieved	One third of the 350 known private pools in the district have been inspected for compliance with the requirements of the Fencing of Swimming Pools Act.

Target	The number of unregistered ³ dogs as a percentage of the number of registered dogs not to exceed 5%.
Achieved	Known dog numbers at 30 June 2005 were 6,066 with only 199 (3.3%) of these dogs unregistered.

³Includes dogs not re-registered and dogs discovered that have never been registered



Target	All food premises registered.
Achieved	Other than a very small number of premises which are currently undergoing physical construction work, all known food premises that have applied for registration have been registered as required by the Food Hygiene Regulations 1974.

Target	All food premises comply with the Food Hygiene Regulations 1974 ⁴ .
Not Achieved	There have been Food Hygiene Regulations 1974 non-compliance issues with some of the food premises in our district. Environmental Health Officers have visited every registered food premise at least once in the year, however only 46% of the originally targeted visits (which includes multiple visits to many) have been able to be achieved. Although fewer food premises inspections have been undertaken, higher risk premises continue to receive close attention.

Target	All dangerous goods premises licensed ⁵ .
Not Applicable	Licensing ceased on 31 March 2004. All relevant information was forwarded to the Environmental Risk Management Authority. Council has assumed the responsibilities ascribed to it under the Hazardous Substances and New Organisms Act 1996, Section 97[h], and when appropriate may carry out enforcement under subsections [a] to [g] when enforcing the Resource Management Act.

Target	All buildings requiring warrants of fitness holding current warrants of fitness.
Achieved in Part	The 100% target will never be fully met, as there will always be timing lags between expiry and renewal of the warrants of fitness. At present 94% of all required buildings are holding current warrants of fitness. The remaining 6% are in process. Compliance schedules will now be issued under the Building Act 2004, and in most cases concurrent with the issue of Code Compliance Certificates. Warrant of fitness returns to Council are now subject to some additional requirements and these procedures will be progressively introduced.

Target	All licensed premises comply with liquor licence requirements.
Achieved	

⁴Annual spot check food outlets - three times each for high-risk premises and once for low risk premises

⁵Subject to the determination of local authority responsibilities in the HSNO Regulations.



Community Support

What we do

Council seeks to support communities by:

- Facilitating and co-ordinating community groups.
- Running community events (e.g. ANZAC services).
- Making grants and establishing service contracts.
- Co-ordinating and encouraging arts and other cultural events.
- Helping communities to be safe.

The new Local Government Act 2002, enables Council to take a wider role in community wellbeing. Over the next three years, we will be assessing how best to facilitate the community's social outcomes and will be developing policy to help focus the provision of services.

Council is also aware of the shortage of affordable rental housing and over the next year will be considering options and possible roles it could take in conjunction with other agencies to develop appropriate strategies and policies.

How we contribute to Community Outcomes

- Programmes developed to improve health and wellbeing.
- Grants and service contracts help groups achieve Community Outcomes.
- Community agencies and groups are strengthened.

During the 2004/05 year we achieved:

- Submission of a proposal, detailing a number of local crime prevention projects, to the Ministry of Justices' Crime Prevention Unit. This proposal was well received and a number of local projects will be funded through a contract with the Ministry.

We had also intended to achieve the following:

- A rental housing policy for the district because of increasing concerns in the community over the availability of affordable rental housing. This issue also relates to affordability problems in the housing market generally. Council have decided to produce a housing strategy for the district and will take a wider view of its possible roles in line with other agencies. It is planned to complete the Council's housing strategy during the 2005/06 financial year.

Our impact on community well-being:

Growing affordability problems in the districts housing has had an increasingly negative impact on the social and economic well-being of the community through:

Economic

- Residents spend too much of their income on housing costs so less disposable income.
- High ownership and rental costs where people want to rent or buy can create a less stable work force.



- Housing that is too expensive for average wage earners makes it difficult to retain and attract qualified workers.
- Labour shortages can mean increased construction costs.
- High housing costs may deter relocating business
- The local economy is highly reliant on tourism where pay rates are often low, making staff more difficult to find if housing is costly.

Social

- The impact on health related to overcrowding, violence, and threat to children.
- The known problems of truancy, the resulting crime from that age group and the loss to society of these people.

Housing stress" – caused by over working, security of tenure and poverty.

Service Performance Results:

Target	Audit of grant recipients shows that stated objectives were achieved ⁶ .
Not Formally Measured	No formal audit of outcomes was undertaken as required by the footnote to this measure. Therefore no result can be reported. Council has received signed declarations from the recipients of most of the 2004 grants, and in the main this confirms that the grants are being spent on the appropriate purpose and in an appropriate timeframe.

Target	At least 75% of residents feel safe from crime at all times of the day and night ⁷ .
Achieved	The NRB survey indicated that 77% of respondents feel safe at all times of the day and night.

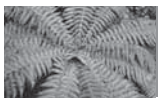
Target	Increase by 5% from the 2003/04 levels the number of Council partnerships that support community events and projects.
Achieved	Involvement in partnerships with community groups for events and projects has increased. Six significant partnerships were in place at 30 June 2004. By 30 June 2005 this number had increased to eleven, an increase of 83%.

Target	At least 75% of residents have visited the Great Lake Centre, Taupo Museum or an arts event during the year ⁸ .
Not Achieved	The NRB survey indicated that of the respondents surveyed 73% had visited the Great Lake Centre, while only 27% of respondents had visited the Taupo Museum, in the last 12 months.

⁶An audit of outcomes will be undertaken of 25 percent (randomly selected) of all grant recipients.

⁷By annual survey.

⁸By annual survey.



Community Facilities

What we do

Council provides facilities for community use including libraries, community halls, housing for the elderly, public toilets and cemeteries.

Council maintains:

- Libraries in Taupo, Mangakino and Turangi
- 49 public toilets at various locations throughout the district
- Cemeteries in Taupo, Turangi and Mangakino
- 57 pensioner houses in Taupo, Mangakino and Turangi.

The 12 community halls in the district are run by local committees. Council is responsible for the maintenance and equipment in the halls and the surrounds.

Taupo's Museum and Art Gallery is run by an incorporated society - Taupo District Museum of Art and History. Council has a contract with the Trust and funds a portion of its operational costs.

How we contribute to Community Outcomes

- Facilities provide spaces for activities that support peoples' physical, mental and spiritual health.
- An appreciation of the culture and history of the people of the district gives the community a sense of identity and pride.
- Housing for elderly provides affordable housing for older people on a low income.
- Libraries are centres for life-long learning and leisure.

During the 2004/05 year we achieved:

- A district wide review of library services. Community feedback and a review of national trends have helped in setting a five year development plan for the service. A key strand of the plan is build the linkages between the Taupo, Turangi and Mangakino libraries.

We had also intended to achieve the following:

- A sanitary assessment of the District's cemeteries. This work now forms part of a wider update of cemetery policy, which will be publicly consulted on during the 2005/06 financial year. The cemetery policy sets out future development requirements, operating procedures and the fees that are charged for internments.



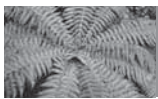
Service Performance Results:

Target	Annual survey shows that at least 75% of residents are satisfied with the quality and range of library resources.
Achieved	The NRB survey indicated that 75% of respondents were satisfied with the District's library resources.

Target	Annual survey shows that at least 75% of residents are satisfied with the range and location of halls provided in their community.
Not Achieved	The NRB survey indicated that 58% of residents were satisfied with the District's community halls. It is important to note that 36% of residents were unable to comment.

Target	Average occupancy rate for housing for the elderly of 96% per annum.
Achieved	Occupancy target has been maintained with at least four people on the waiting list. In the majority of cases there has been a quick turn-around between people vacating and people moving in. A 98.7% level of occupancy was achieved for the 2004/05 year.

Target	Annual survey shows that at least 75% of residents are satisfied with the provision and cleanliness of public toilets.
Not Achieved	The NRB survey indicated that 71% of respondents were satisfied with the District's public toilets.



Recreation and Leisure Services

What we do

Recreation and leisure is an important part of the lifestyle of residents and visitors to the district. Taupo District Council places enormous emphasis on activities that support this lifestyle.

We provide:

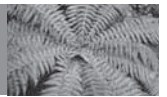
- Parks, street gardens and reserves.
- Sports grounds and recreation venues including Owen Delany Park, AC Baths, Taupo Events Centre and the Turangi Turtle Pool.
- A theatre and convention centre (i.e. the Great Lake Centre).

How we contribute to Community Outcomes

- Recreation, fitness and cultural activities positively affect peoples' lives.
- Attractive, quality recreation services and facilities make an important contribution to the economy of our district.

During the 2004/05 year we achieved completion of:

- The reserve management plan for the Nukuhau Boat area. This plan details a number of improvements to assist with the launching, storing and maintaining of boats and other general reserve improvements.
- A feasibility study on the sports house concept. As a result of this work a number of individuals involved in sport and recreation have been accommodated within a single venue to help reduce costs and build recreation partnerships.
- A medium term business strategy for the Taupo Venues (AC Baths, Events Centre, Great Lake Centre and Owen Delany Park).
- An innovative new recreation programme, the Exercise on Prescription Scheme (EOP), launched in February 2005. EOP is a 10-week, structured programme of one-on-one motivation and support which aims to change participants attitude to regular physical activity and to help improve a range of mild to chronic physical conditions, such as diabetes. This project is a successful partnership between the Council, Sport and Recreation New Zealand (SPARC) and Sport Waikato.



Service Performance Results:

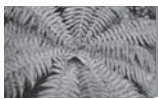
Target	Annual survey shows that at least 75% of residents are satisfied with the quality and range of recreation and sporting facilities.
Achieved	The NRB survey indicated that 88% of respondents were satisfied with the Districts recreation and sporting facilities.

Target	Increase number of visits to the AC Baths by 5% per annum between July 2004 and June 2007.
Achieved	Patronage at the AC Baths increased by nearly 23% on the prior year.

Target	Increase number of events held at the Great Lake Centre by 5% per annum between July 2004 and June 2007.
Achieved	The target to increase occupancy by 5% per annum has been achieved. Great Lake Centre theatre occupancy increased by 3% and the hall by 16%.

Target	Increase number of events held at the Taupo Events Centre by 5% per annum between July 2004 and June 2007.
Achieved	The number of events (overall - large and small) for the year increased by 9 to 50. This equates to an 18% increase.



**Strong Communities****Cost of Service Statement:**

	2005 Actual \$000	2005 Budget \$000	2004 Actual \$000
Operating Income			
Targeted Rates	3,772	3,541	3,474
Development Contributions	2,200	9,344	0
Other Income	7,372	6,949	6,363
	13,344	19,834	9,837
Operating Expenditure			
Emergency Management	447	438	428
Roading	7,890	6,670	7,430
Water Supply	3,497	3,441	3,394
Regulatory Services	2,546	2,771	2,254
Community Support	805	979	1,499
Community Facilities	2,370	2,398	2,235
Recreation and Leisure Services	7,488	6,795	6,499
	25,043	23,492	23,739
Net Cost (surplus) of operations	11,699	3,658	13,902
Funded By:			
General Rates	14,317	14,029	12,098
Depreciation not Funded	0	40	0
Funding to Reserves	(5,276)	(9,911)	(1,661)
General Funds	2,658	0	3,465
Opening Balance	0	(500)	0
	11,699	3,658	13,902
Capital Expenditure			
Parks & Reserves funded by DC's	0	7,113	0
Other Capex	6,520	18,219	3,523
	6,520	25,332	3,523
Funded by:			
Loans Raised	1,478	8,019	2,213
Transfers from Reserves	3,378	17,915	1,970
Loans Repaid	0	(602)	(660)
Contributions	108	0	0
General Funds	1,556	0	0
	6,520	25,332	3,523



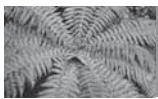
Strong Communities

Capital Expenditure:

Description of Project	Reason for Acquisition	Project Status (refer key)	Actual \$000's	LTCCP Budget \$000's	Notes
P&R TKMP Growth Residential	Manage growth	x	0	6606	1
Taupo Water Treat-North	Drinking Water Standards 2005	s	257	4000	2
Kinloch Water Reticulation	Manage growth	s	124	2874	3
Urban Eastern Taupo Arterial	Bypass - reduce heavy vehicle traffic in CBD	s	232	1300	4
Rural Renewal - from AMP	Level of Service	✓	911	1066	5
Acacia Bay Cherry Lane Reservoir	Manage growth / Secure supply	✓	1144	1000	6
P&R TT Growth Residential	Manage growth	x	0	508	1
Urban Renewal - from AMP	Level of Service	✓	516	455	
Rural Seal extension	Capacity requirement / reduce dust nuisance	✓	267	450	
Taupo Water Renewals	Renewals	✓	37	417	
Taupo Lake Tce 300mm Upgrade	Secure supply	✓	247	360	
Other Taupo Water Renewals	Renewals	✓	417	353	
Centennial Drive Water Supply Extension	Supply new race track and future growth	s	0	315	7
Urban Acacia Bay to Mapara	Capacity requirement	s	148	300	8
P&R Nukuhau boat ramp area	Enhancement of Lake Taupo boating facilities/access to lake	s	0	300	9
Mangakino Renewals	Renewals	s	42	290	10
Urban Downers Point	Pedestrian & vehicle safety and drainage	s	12	215	11
Whakamaru Renewals	Renewals	s	4	207	12
Great Lake Centre Aircon	Level of Service	✓	8	160	
Rural Minor safety works	Pedestrian & vehicle safety	✓	0	156	
Taupo Taupo Sth-Plant Pipe	Drinking Water Standards 2005	s	0	142	13
Taupo Library Books	Level of Service	✓	150	141	
Urban Minor safety works	Pedestrian & vehicle safety	✓	0	116	
Sportsgrounds Vehicle/Plant	Renewal	✓	0	107	
Urban Footpath Berm reinstatement	Improved pedestrian access	✓	111	100	
Urban Second Bridge Crossing	Ease congestion over existing control gate bridge	s	19	100	14
P&R Vehicle/Plant replacement	Renewal	✓	53	99	
Rural Renewal - from AMP	Renewal	s	6	90	15
Housing for Elderly Refurbishment	Renewal	✓	100	90	
Rural Pokuru Road Upgrade	Improve width & strength for proposed Inghams farms	✓	61	85	
Taupo Library Software	Level of Service	✓	82	83	
Turangi Town Centre Toilet replacement	Renewal	s	0	80	16
Taupo Events Centre Stadium	Level of Service / Office space requirement	✓	0	79	
MP Operations Swimming Pool	Provide swimming pool for public access	✓	38	75	
Various (less than \$70,000 budgeted)			1534	2613	
			6520	25332	

Key

- ✓ Complete
- x Not achieved
- s Slippage into future years



Capital Expenditure – Variances between Actual and LTCCP Budget

1. P&R Growth Residential – These are reserve purchases to be funded from development contribution income. As development contribution income is significantly less than what was anticipated at the time of preparing the LTCCP these purchases will not go ahead this year.
2. Taupo Water Treatment, North - Two year project but serious practical issues with the site have emerged. Alternatives are being investigated. New Drinking water standards were finalised in August 2005. A strategy for furthering this project is underway.
3. Kinloch Water Reticulation - Necessarily linked with progress of developers.
4. Urban Eastern Taupo Arterial - Opus continuing with design. Anticipated to be complete May 2006.
5. Rural Renewal – Reseal pricing lower than anticipated resulting in significant cost savings.
6. Acacia Bay Cherry Lane Reservoir – Minor reinstatement work to complete.
7. Centennial Drive Water Supply Extension – Linked to Race Track project. Deferred till 2005/06.
8. Urban Acacia Bay to Mapara Rd - Necessarily linked with progress of developers.
9. Nukuhau Boat Ramp - On hold pending outcomes of Nukuhau Boat Ramp Area Reserves Management Plan.
10. Mangakino Water Renewals – Refinement of AMP's have concluded that renewals are not required at this time.
11. Urban Downers Point – Progressing as per programme.
12. Whakamaru Water Renewals – Renewals not required at this time. A review of AMP effective life assessments is being carried out.
13. Taupo South Plant Pipes - Design being revised – expenditure in conjunction with Treatment upgrade, see note 2 above.
14. Urban Second Bridge Crossing - Consultation taking longer than expected. Designation will now be next financial year.
15. Rural Renewal - Renewals not required at this time. A review of AMP effective life assessments will be carried out.
16. Turangi Town Centre Toilets replacement - Deferred to coincide with the Turangi library upgrade.



Sustainable Environment

A sustainable environment - natural and built - is essential for the economic, social and cultural wellbeing of the Taupo District. Currently we are faced with significant pressures that threaten the quality of the environment we and our visitors enjoy. These threats include:

- Impacts of urban development
- Declining Lake Taupo water quality
- Degraded Lake Taupo foreshores and eroded river margins
- Geothermal subsidence and its effects on the built environment

Council has various roles to play in relation to the environment.

- Under different Acts we make policies and rules for managing land and mitigating the effects of human activities on the environment.
- We provide infrastructure and services to manage waste.
- As a community leader we have a role as advocate.

However, Council is not alone in managing these issues. Environment Waikato, government agencies such as the Department of Conservation and the Ministry for the Environment, Ngati Tuwharetoa and the community all have responsibility in caring for the Taupo District environment. We recognise that by working together we can develop better, integrated solutions.

Key Activities

- Environmental planning
- Protecting Lake Taupo
- Wastewater
- Stormwater
- Solid waste



Environmental Planning

What we do

Through its environmental planning activities, Council prepares and reviews the district Plan, relevant bylaws and other environmental policies and plans for the sustainable development of the district. We also monitor and report on the state of the district's environment and monitor the District Plan to identify whether our policies are being effective.

How we contribute to Community Outcomes

- The development of environmental policies and rules that reflect community views will encourage sustainable development.
- Council will have information on the state of the environment and the effectiveness of its policies which will provide for better decision making.

During the 2004/05 year we achieved:

- Notification of Variation 8, dealing with the Rural Environment. The original submissions and a number of further submissions were processed, and hearings scheduled
- Notification of a number of smaller variations to deal with Height Restricted Areas
- Resolution of 95% of the appeals to the District Plan

We had also intended to achieve the following:

- Notification of the following Variations to the District Plan
- Natural Values
- Landscape Values
- Historic Values
- Cultural Values

These Variations were not notified as the Environment Court required that all appeals to the District Plan were to be resolved in a much shorter timeframe than originally anticipated. This had a significant impact on the resources available to progress other variations. However, all four 'Values' variations were substantially progressed to the point where the consultation process was ready to commence in the 2005/06 financial year. The Variations have been programmed for notification in the 2005/06 year.

- It had been hoped that a state of the environment monitoring regime could be in place within the 2004/05 year. Preliminary research and monitoring was completed, but progress was delayed due to staff shortages. A significant proportion of this information will now be presented as part of the 'Base Case Report' in the district wide growth management strategy.



Our impact on community well-being:

The resolution of the majority of appeals to the District Plan will enable the Plan to become operative sooner than anticipated, thereby giving greater certainty to the community. It will also provide clear guidelines to enable the sustainable management of the Taupo District's environment whilst allowing for appropriate development to occur.

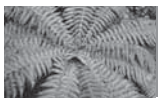
The notified Variations to the District Plan will have a positive impact on the community in general by clarifying guidelines and baseline requirements which will ultimately contribute to greater environmental sustainability for the Taupo District.

Service Performance Results:

Target	Statutory processes outlined in the First Schedule of the Resource Management Act 1991 adhered to.
Achieved	All appeals have met statutory timeframes set by the Environment Court.

Target	Variations and Plan Changes are completed within statutory timeframes as outlined in the First Schedule of the Resource Management Act 1991.
Achieved	Statutory timeframes have been adhered to, although notification of some variations have slipped as a result of the hastened requirement by the Environment Court to resolve Proposed District Plan Appeals. The 'Values' suite of variations has been postponed and is now linked with the new District Wide Growth Management Strategy. They are now scheduled for notification in the 2005/06 financial year.

Target	Consultation with key stakeholders is undertaken within the scope of both the Local Government Act 2002 and the Resource Management Act 1991.
Achieved	



Protecting Lake Taupo

What we do

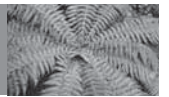
Lake Taupo is one of New Zealand's national treasures. However, scientific evidence shows that its health is declining due to the amount of nitrogen reaching the Lake from rural land, sewerage and septic tank seepage. We are working in partnership with Central Government, Environment Waikato and Tuwharetoa to protect Lake Taupo. Some of the specific responsibilities that TDC has in regards to the protection of the Lake are the collection of rates for the Lake Taupo Protection Trust, and the maintenance and upgrade of public wastewater and storm water systems.

During the 2004/05 year we:

- Collected the first year of the targeted rate for Protecting Lake Taupo
- Determined that the preferred structure for administering the public fund for protecting Lake Taupo was a council controlled organisation in the form of a charitable trust
- Consulted the community, as required under the Local Government Act 2002, on the preferred structure and both Environment Waikato and Council formally adopted the structure in June 2005.

Our impact on community well-being:

The Lake Taupo Protection Trust will have a significant positive impact on the environmental well-being of the community through funding land purchases and other activities that will reduce nitrogen entering the Lake by 20 percent. This Trust will also have a positive impact on the community's social and economic well-being by easing the burden of change from existing land uses to activities that produce less nitrogen.



Wastewater

What we do

Council provides wastewater systems in all urban settlements (except Waihi, Hatepe, Tauranga-Taupo) to collect and treat household and commercial effluent in a way that meets public health and environmental standards.

How we contribute to Community Outcomes

The removal and treatment of wastewater ensures public health and minimises environmental impact.

During the 2004/05 year we achieved:

- Construction (75%) of a new 'state of the art' wastewater treatment plant for Turangi which will lower nutrient inputs to the receiving environment dramatically
- Reconsenting (interim) to allow for growth at Kinloch
- Advancement of the consenting process for Waitahanui
- Completed Water and Sanitary Services Assessments in compliance with the Local Government Act 2002

We had also intended to achieve the following:

- Advancement of scheme planning for Waihi/Braxmere (subject to Government subsidy). Unfortunately the subsidy was not forthcoming.

Our impact on community well-being:

Our Wastewater work has had a significant positive impact on the well-being of the community through:

- Environmental – reduction of nitrogen to the Lake Taupo catchment is the highest priority in terms of Lake Taupo water protection
- Cultural – Appropriate treatment and disposal of wastewater from urban areas is very important to tangata whenua.

Service Performance Results:

Target	Annual survey shows at least 75% of the community are satisfied with the disposal of wastewater in their community.
Achieved	77% of NRB respondents were satisfied with the service provided.



Target	Environment Waikato's Resource Consent conditions meet at least 95% of treated effluent quality tests.
Not Achieved	80.4% of the required tests met the appropriate consent requirements. The introduction of Turangi testing before new upgraded operations commenced has impacted negatively on this result. The test failures at Turangi have occurred over a limited interim period while treatment facility construction work takes place, and have created no significant adverse environmental effects.





Stormwater

What we do

Council provides a stormwater drainage system to manage surface water run-off from the district's urban catchments in a way that seeks to achieve an optimum balance between the level of protection and the cost to the community. Some flood and erosion protection work is undertaken in partnership with Environment Waikato and others as previously agreed in historical or Project Watershed arrangements.

How we contribute to Community Outcomes

- Control and disposal of stormwater protects the environment and helps ensure public safety.
- Maintenance of Lake shore and river margins erosion control systems protects property and public safety via Project Watershed.

During the 2004/05 year we achieved:

- Taupo Industrial Area improvements (Stage 1)
- Completion of the Norman Smith Street catchment pipe upgrade
- Continuing foreshore protection work
- Advancement of gully detention systems

We had also intended to achieve the following:

- Comprehensive district-wide Stormwater resource consents (these are now to be notified in 2005/06 year)
- The first stages of treatment programme underway (awaits resource consent finalisation)

Our impact on community well-being:

Our stormwater work has a significant impact on the well-being of the community through:

- Social – increasing safety and raising amenity values of near shore properties
- Economic – Protecting surface water quality and thereby enhancing tourism opportunities
- Environmental – reducing potential environmental damage from peak flows from storm events, and from polluted stormwater
- Cultural – Protecting Taonga

Service Performance Results:

Target	Annual survey shows at least 75% of customers are satisfied that the stormwater discharges are of an appropriate quality.
Achieved	NRB survey shows that 78% of the community are satisfied with the disposal of stormwater in their community.

Target	Compliance with stormwater discharge resource consent conditions 100% of the time.
Achieved	New stormwater discharge consents are pending. Environment Waikato recently announced that these consents will be advertised shortly. We have had no non-compliance with stormwater discharges.



Solid Waste

What we do

Through its Solid Waste Management Plan Council promotes sustainable waste management practices based on the waste management hierarchy – reduce, reuse, recycle, recover, treat, dispose.

While the collection of the district's refuse and recycling is contracted out, Council owns and operates a landfill to provide for the disposal of residual waste. An annual waste minimisation programme is run to promote the concepts of 'reduce, reuse and recycle' to businesses and residents.

How we contribute to Community Outcomes

The provision of a safe, efficient and sustainable refuse collection service within urban areas coupled with a district wide refuse disposal service promotes waste minimisation and environmental sustainability.

During the 2004/05 year we achieved:

- Continuation of waste minimisation initiatives
- Expectations in regard to Litter Control

Our impact on community well-being:

The Solid Waste work has a significant positive impact on the well-being of the community through:-

- Social – increasing awareness and public health gains.
- Economic – reducing costs in terms of the hierarchy reduce/reuse/recycle
- Environmental – reducing threat of inappropriate disposal, and managing the waste stream to achieve the best possible environmental outcomes.

Service Performance Results:

Target	Annual survey shows at least 75% of customers are satisfied with the effectiveness of the kerbside refuse and recycling collection service.
Not Achieved	<p>The NRB survey identified that 72% of customers were satisfied with the refuse collection. Some reasons for not being satisfied were that 6% of customers thought that the collection was too late in the day and 4% of customers were not satisfied with the cost involved for collection.</p> <p>The NRB survey also identified that 71% of customers were satisfied with recycling services. Some reasons for not being satisfied were that 11% were concerned that recycling of plastics was too limited, and 2% of customers were concerned that the collectors were inconsistent when collecting recyclable items.</p>



Target	Annual survey shows at least 75% of customers are satisfied with the efficiency of the landfill and transfer stations.
Not Achieved	The NRB survey identified that 74% of customers were satisfied. The main reasons for customers not being satisfied were that 3% of customers were concerned about the cost, 3% identified the restricted hours and 2% identified the landfill filling too fast.

Target	Annual survey shows that at least 50% of customers are aware of at least five actions they can take to reduce waste.
Achieved	The NRB survey identified that 85% of customers knew of ways to reduce waste, 90% knew of ways of re-using materials, 97% knew of ways to recycle, 63% knew of ways to recovering waste and 71% knew of what was involved with residual waste management.

Sustainable Environment

Cost of Service Statement:

	2005 Actual \$000	2005 Budget \$000	2004 Actual \$000
Operating Income			
Targeted Rates	5,368	5,280	4,397
Development Contributions	256	1,117	0
Other Income	3,271	2,737	1,998
	8,895	9,134	6,395
Operating Expenditure			
Environmental Planning	1,680	1,279	1,289
Protecting Lake Taupo	0	650	0
Wastewater	4,193	4,370	4,320
Stormwater	758	784	733
Solid Waste	2,804	2,372	3,232
	9,435	9,455	9,574
Net Cost (surplus) of operations	540	321	3,179
Funded By:			
General Rates	2,154	2,111	1,248
Depreciation not Funded	0	51	0
Funding to Reserves	(3,325)	(1,841)	0
General Funds	1,711	0	1,931
	540	321	3,179
Capital Expenditure	1,314	3,556	1,701
Funded by:			
Loans Raised / (Repaid)	129	(59)	859
Transfers from Reserves	986	3,615	418
General Funds	199	0	424
	1,314	3,556	1,701

Sustainable Environment

Capital Expenditure:

Description of Project	Reason for Acquisition	Project Status	Actual	LTCCP Budget	Notes
		(refer key)	\$000's	\$000's	
Taupo Renewals	Renewals	✓	402	551	1
Kinloch Land Treatment	Growth and resource consent conditions	✓	219	524	2
Stormwater Taupo Ind area	Improve stormwater drainage in Taupo Industrial Area	s	82	250	3
SX Omori Renewals	Renewals	×	20	244	4
TT Plant Replacement	Renewals	s	0	221	5
Kinloch Plant Capacity	Manage growth	s	77	200	6
SS Waihi Sewerage Scheme	Capacity requirement	s	1	200	7
Litter Control Vehicle	Renewal	✓	182	126	
Acacia Bay 2nd Sludge Hol	Manage growth	s	6	100	8
Stormwater treatment	Improve quality of stormwater flowing into lake and waterways	s	0	100	9
Stormwater SW Gully Disposal	Enhance gully disposal through retention ponds	s	0	100	10
Lake & River Control Taupo	Protect lakeshore reserves and assets. Provide continued access	s	69	100	
Lake & River Control Lake	Protect lakeshore reserves and assets. Provide continued access	s	14	100	
Stormwater Norman Smith Street	Upgrade system to handle flows	s	58	85	
Various (less than \$70,000 budgeted)			184	655	
			1314	3556	

Key

- ✓ Complete
- ×
- s Not achieved
- s Slippage into future years



Capital Expenditure – Variances between Actual and LTCCP Budget

1. Taupo renewals - Budget based on effective lives as detailed in the Asset Management Plans. These are currently being refined.
2. Kinloch land treatment – Land purchase agreement recently concluded at a price considerably less than budgeted.
3. Stormwater Taupo Industrial area - Budget based on philosophy of taking catchment north to Tauhara Road. This proved impractical and formalisation system in Crown Park has delayed progress. Slippage into future years.
4. Wastewater Omori Renewals - Based on effective lives as detailed in the existing Asset Management Plan's.
5. TT Plant replacement – Project incorrectly doubled-up in LTCCP.
6. Kinloch Plant capacity - Inextricably linked to progress of developer. Council has no control over timing.
7. Waihi Sewerage Scheme - No progress. Investigation and consultation issues, and deferred until Turangi Wastewater treatment plant is substantially completed and staff resources to progress this project become available.
8. Acacia Bay 2nd Sludge Holding Tank - Deferring capital expenditure until next year – combining with Motuoapa upgrade work to achieve economies of scale.
9. Stormwater treatment - It is appropriate to delay this work until Resource Consent conditions are finalised and treatment methodology can be established.
10. Stormwater Gully Disposal – Arrowsmith detention areas complete, Titoki Reserve area to be completed by end of October.