



# OVERVIEW

# MAYOR AND CHIEF EXECUTIVE OFFICERS' REPORT

Politics, both local and national have featured heavily over the past year with Taupo experiencing its share of ups and downs. Many of the major issues we have faced have been echoed throughout the country as debate centred around provision of services by local government, the cost and funding of infrastructure – in particular roading and water, and a national debate about the rating structure in New Zealand. The continuing impact of additional legislation continues to be a bone of contention between councils and central government.

Some of our major achievements this year are the completion of the Turangi Waste Water Treatment Plant which is state-of-the-art; the reinstatement of timing for the East Taupo Arterial in the face of fierce competition; the completion of our growth management strategy – Taupo District 2050; and the support or impetus that we have provided for parts of our communities to realise some of their objectives.

One such example is the securing of the 100% Pure NZ Ora Garden by Taupo Museum achieved with phenomenal support by the Friends of the Museum, local business and the community at large. This project would have struggled to get off the ground without the initial support and funding provided by Council.

The fact that not one, but two applications for Major Regional Initiatives, the MIT Taupo Race Track and the Clean Energy Centre were approved, (the latter subject to conditions), for our district speaks volumes about the ambition and competitiveness of Taupo which has since surpassed itself by securing the world class A1 Grand Prix which has placed Taupo in an enviable position in the international racing circuit and on the world stage.

The character of Taupo is always to be a leader. We do not shy away from the big challenges and often we are able to accomplish what others, often larger or better resourced, only dream of attempting. Part of Council's role is to support the district's direction and development not just in financial terms, but also in terms of providing a voice of reason, caution and balance.

## OUR ROADING

*A bumpy but ultimately rewarding trip*

Early in the year, Taupo was very much at the forefront of the roading debate with the East Taupo Arterial (ETA) under threat from escalating costs and the move by Transit New Zealand to remove allocated funding from their ten year forecast. This sparked a furious response nationwide which resulted in a major cash injection from the government and re-instatement of high priority projects, including Taupo's ETA. We are now in a strong position and are able to progress not only our ETA, but a number of other significant roading projects secure in the knowledge that funding priorities are now guaranteed for the next three years.

Some other roading initiatives included investigation and designation of the second Taupo town river crossing, continuation of planning process for the Mapara collector, commencement of the land purchase process for the Wakeman Road extension, completion of Downers Point (Waikereru Point) safety widening work and commencement of Poihipi Road seal widening work (cyclists).

## OUR PLANNING

*Our future will profit from our current investment in planning*

A major piece of work that has consumed local authorities throughout the country is the Long Term Council Community Plan (LTCCP). This is a mammoth undertaking and a major achievement for Council.

Another complex and valuable body of work is our growth management strategy - Taupo District 2050 - which was also completed this year. It outlines where Council wants future growth to occur and the nature and scale of such growth. The fact that we have such a robust planning document has gained recognition at a national level. The updating of Councils Asset Management Plans also provides the finer details - or the 'nuts and bolts' needed to carry out our plans.

The formulation of these strategies and plans set our district on a firm path into the future.

Some other key policies and strategies completed were the Reserve Management Plan for the Tongariro Domain, the Recreation Strategy, the Cycling, Walking and Horse Riding Strategy and the completion of the Reserve Management Plan for the Taupo Lakefront.

## OUR COMMUNITIES

*We have strong links with our communities*

The range of facilities in the district ensures our communities are well served with increased use experienced at the Great Lake Centre, the AC Baths and other venues. The AC Baths have gone from strength to strength with usage levels increasing from approximately 240,000 per annum in 2003/04 to approximately 302,000 per annum in 2005/06.

The successful transition of Taupo Museum to Council ownership provided the museum with the necessary support to bring the 100% Pure New Zealand Ora the Garden of Wellbeing to Taupo.

Feasibility study and concept plans for the Turangi and Taupo libraries extensions have been finalised. A planned Community Health Centre for Turangi is fully supported with funding pledged to secure the land which enables the Trust to gather momentum, sponsorship and resource to progress this community project.

Other community initiatives are the preparation for the Riverside Park, commencement of a trial public bus service between Mangakino and Tokoroa, and expansion of the Exercise on Prescription services in Taupo and Turangi.

## OUR ENVIRONMENT

*We take our environmental responsibilities seriously*

We continue our advocacy role with regard to geothermal issues and work continues on improving lake water quality, stormwater disposal and land-use policies. A comprehensive strategy, the Lake Taupo Foreshore Protection and Risk Management Strategy, is being developed to identify and look at measures to deal with erosion and flood hazards around Lake Taupo.

The Motuoapa and Atiamuri wastewater treatment plants were upgraded and the completion of a state-of-the-art waste water treatment plant at Turangi clearly signals how serious we are about our environmental responsibilities. This plant is one of the most sophisticated in the country and ensures we attain the highest standard of treatment available.

Taupo's Pollution Control Plant has also gained international accreditation for drinking water testing - the second smallest laboratory in the country to do so.

## OUR ECONOMY

*Council is entwined in the economic wellbeing of the district*

Tourism is a key economic driver and our marketing arm, Destination Lake Taupo, drive and protect the district's prominent tourism and events profile. The economic benefit of tourism is spread widely through the community, not just to businesses directly associated with the industry.

Council also supports indirectly, other ventures which bring economic benefit to the district. One of the success stories this year is the securing of the A1GP motor race for 2007 by MIT Development Limited who lease the land from Council.

Construction and issue of titles for the Botanical Heights residential subdivision was achieved and the Victoria Street subdivision is underway with completion targeted for mid-way through the 2006/07 year with Stage 1 completely pre-sold. The Tod Place subdivision in Turangi has also been completed with all lots sold.

## OUR RULES AND REGULATIONS

*We ensure quality standards are enforced*

Another core function of Council is to provide consent application processing, licensing, monitoring and enforcement activities. These services have been impacted on by legislative requirements such as the Building Act Accreditation and the micro-chipping of dogs.

A review of systems, procedures and recruitment resulted in 100% compliance with statutory timeframes for issuing resource consents in March, April, May and June 2006, an outstanding achievement.

The total number of resource consent applications processed is 431; Council also issued 1,508 building consents (valued at \$140,821,294). All but one outstanding appeal to the District Plan were resolved and a number of variations were notified and an earthquake-prone, dangerous and unsanitary building policy was completed and adopted.

## OUR FINANCES

*Council remains in a sound financial position*

Our equity has grown with an operating surplus of \$16.6 million in the 2005/06 year. This compares to a budgeted surplus of \$7.3 million, and last year's \$11.8 million surplus. It must be remembered that much of Council's surplus comes from non-cash revenue items such as the infrastructure vested by developers (\$4.3m), the increases in value of our international equities portfolio (\$3.7m) and the recognition of various assets that have not been previously recognised (\$4.4m). A further significant contributing factor to this year's surplus was the recognition of a \$7.1 million gain on the sale of sections in Council's Botanical Heights subdivision.

Council's statement of financial position reflects a growing district investing in its infrastructure with new capital development resulting in property, plant and equipment increasing in value, together with the public debt which provides a significant means of financing such investment. Revaluations of certain asset classes during the year added a further \$5 million to the balance sheet.

## IN SUMMARY

Throughout the country, finances have proved challenging for local authorities and in some areas have required dire decision making. The Taupo District is not one of those and Council has managed the many financial demands in a responsible and realistic manner. Affordability continues to occupy Council discussion as a significant topic, as does the maintenance of existing service levels.

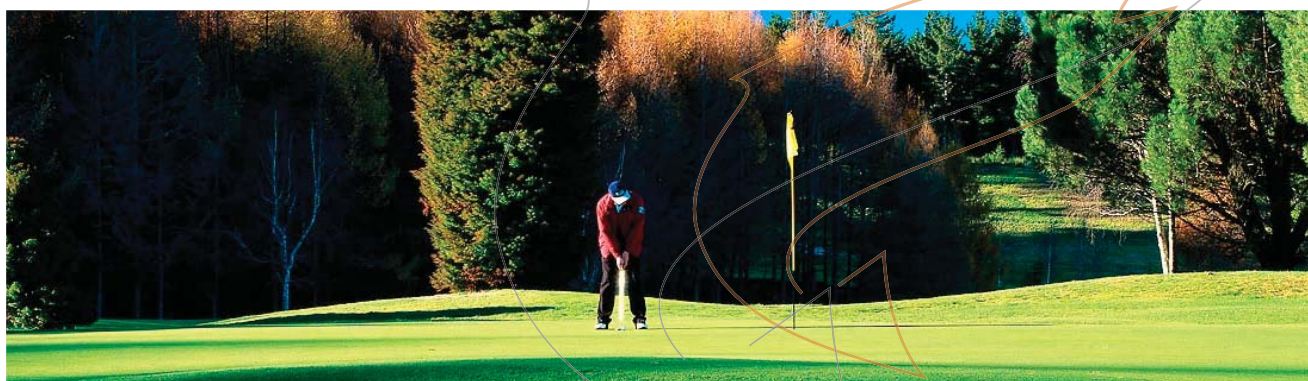
2005/06 has been a year of change and growth for Council, with positive steps in the right direction. We would like to extend our thanks to the Council and the staff for achieving this result.



**Clayton Stent**  
Mayor



**Simon Rowbotham**  
Chief Executive Officer



# THE DISTRICT



Land Area	6,354 km <sup>2</sup>
Lakes Area	616 km <sup>2</sup>
Land Value	\$6,923m
Capital Value	\$11,136m
Rateable Properties	19,381
Population	33,900
Rates Revenue	\$31.2m

(Rating valuation and property figures as at 1 July 2005, population figures are 2005 estimates, rates revenue for 2005/06 year)

The Taupo district is located in the Central North Island of New Zealand. It includes the vast catchment area for the whole of Lake Taupo, the hydroelectric dams on the Tongariro and Upper Waikato rivers and substantial geothermal resources. The district contains expansive areas of exotic pine forests and farmlands as the predominant land use, and includes native forests, parts of the Tongariro National Park and Kaimanawa Ranges and the Central Plateau mountains.

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

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



# ROLE OF THIS ANNUAL REPORT

## PURPOSE OF THIS ANNUAL REPORT

The Annual Report is a key accountability document which compares the Council's actual performance for the year against that which was forecast in the Annual Plan.

This Annual Report is prepared under section 98 of the Local Government Act 2002, and conforms to the specific reporting requirements set out in Part 3 of Schedule 10 of the Act. Much of the reporting is centred on the financial and service elements of performance for Council's defined "groups of activities" – these groups of activities being the strategic themes that Taupo District Council identified in its 2004-14 Long Term Council Community Plan.

## RELATIONSHIP TO THE LONG TERM COUNCIL COMMUNITY PLAN AND ANNUAL PLANS

The Long Term Council Community Plan (LTCCP) is a key planning document, normally prepared three-yearly and setting the agenda with a ten year focus. It brings together many of Council's other planning documents and policies. Council is accountable for the direction, actions and budgets set in the LTCCP. For every year other than the first to which an LTCCP applies, an Annual Plan is prepared. The Annual Plan while expected to be consistent with the LTCCP, sets the annual budget and specific performance targets for an individual year.

The Annual Report is the forum for reporting back on our achievements against the Annual Plan and LTCCP.

Copies of the 2004-14 Long Term Council Community Plan and/or the 2005/06 Annual Plan can be obtained from Council.



# GOVERNANCE REPORT



## ROLE OF THE TAUPO DISTRICT COUNCIL

Council provides an essential governance role for the Taupo District.

The Council has overall responsibility and accountability for the direction and control of the district's activities. This responsibility includes:

- Formulating the district's strategic direction
- Managing principal risks facing the district
- Administering various regulations and upholding the law
- Ensuring the integrity of management control systems
- Safeguarding the public interest
- Ensuring effective succession of elected members
- Reporting to ratepayers

## COUNCIL OPERATIONS

Council (elected members) appoints a Chief Executive to manage the operations of Council under the provisions of s42 of the Local Government Act 2002. The Chief Executive then appoints divisional managers to manage Council's activities.

## COUNCIL COMMITTEES / COMMUNITY BOARDS

Council has several standing committees and a community board to monitor and assist in the effective discharging of Council's responsibilities. These include:

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

A number of sub-committees deal with specific functions and activities. These sub-committees report directly to the relevant standing committee.

The Taupo/Kaingaroa-Mangakino/Pouakani Committee (incorporating the Taupo, Kaingaroa and Mangakino/Pouakani wards) and the Turangi/Tongariro Community Board and the areas they each represent are consistent with Council's policy of having two rating areas for general rates whereby, generally, rating revenue from each area will be spent within that area.

The Turangi/Tongariro Community Board has high levels of advisory responsibility and delegated authority from Council in addition to its function of being politically responsible for representing its community.

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

# OPPORTUNITIES FOR MAORI CONTRIBUTION TO DECISION MAKING PROCESSES

Activities Taupo District Council has undertaken during the year to establish and maintain processes to provide opportunities for Maori to contribute to decision making are as follows:

## RELATIONSHIP BUILDING

Council and the Tuwharetoa Maori Trust Board have a Management Protocol in place. The Protocol provides for senior staff from both organisations to meet on a regular basis to exchange information and seek advice from one another. Council also has a Memorandum of Understanding with the Raukawa Maori Trust Board.

Council employs a Strategic Communications Officer who has iwi liaison duties. The Officer plays a key role in maintaining and enhancing relationships between tangata whenua and Council. Council also employs a Maori Land Rating Officer. The Officer's role is principally to provide information and education on rating issues relating to Maori land, and to ensure that Council's rates remission policy is applied where relevant.

## POLICY DEVELOPMENT

Council has continued to work on the joint pilot project with the Rauhoto Land Rights Committee to identify and protect sites of significance to tangata whenua. (Note: To date this work is only being undertaken in one area of the District.)

Council has been seeking to engage and consult with tangata whenua at the iwi and hapu level on key policy documents such as the Growth Management Strategy and the following variations to the District Plan - Natural Values, Cultural Values, Landscape Values and Historic Values. This work will continue into the 2006/07 year. A range of projects have also been worked on which are location specific and only involve the hapu with mana whenua status for the area in which the project is located (eg. the Second Taupo Town River Bridge crossing).

The Tuwharetoa Maori Trust Board developed an Iwi Management Plan in 2003 and this document continues to be used by Council staff.

## STAFF TRAINING

Training courses on the Treaty of Waitangi are run annually and Maori Language courses are also made available to staff.

A tool kit on Marae protocol and Tikanga Maori is currently being developed. This tool kit will assist Council staff in their dealings with tangata whenua on a day to day basis.