

# SUMMARY

# ANNUAL REPORT

For the year ending 30 June 2005



**Hauraki District Council**

William Street,

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Paeroa

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## Message from Mayor and Chief Executive

Thank you for taking the time to read the Summary of the Hauraki District Council 2004/05 Annual Report. This is the first summary Annual Report required under the Local Government Act, 2002 and is required to report against the Long Term Council Community Plan.

During the year, a number of key projects were progressed. The most significant achievement was the successful consultation with the Hauraki District community surrounding the identification of Community Outcomes. These outcomes will be presented in the next Hauraki Community Plan which is programmed for release in March 2006. A number of policy objectives have also been initiated. This includes the District Plan Review, due for completion in 2007.

The new Building Act that came into force on 31st March 2005, was a key legislative direction Council was required to implement. Council is now working towards the Accreditation as required by the Act. While there have been a few implementation issues we are pleased with the cooperation that has been received from key stakeholders.

Other highlights have been:

- 2.29km of seal extension on local roads was progressed;
- Completion of the upgraded wastewater treatment plants at Waitakaruru and Waihi;
- Construction and opening of the new Turua Jetty;
- Significant work was undertaken on the Asset Management Plans for all key Council assets, which has considerably increased the recorded knowledge of our assets;
- Signing of a Memorandum of Partnership with Te Runanga O Ngati Maru;
- Undertaking a significant assessment on the water and sanitary services within the District;
- A number of new policy developments have been completed after public consultation including a Speed Limit Bylaw, Dog Control Policy and Dog Control Bylaw;
- Gilmour Lake development has begun with Stage 1, the main entranceway/car park upgrade and installation of a new toilet block being completed;
- Record number of new house consents and subdivision consents being issued during the year, signalling that economic growth continues to rise in the District.
- Successful announcement from Transpower that the proposed upgrade of the High Tension Transmission Lines between Whakamaru and Otahuhu would not pass through the Hauraki District.



*John Tregidga*  
Mayor

Once again, we thank you for taking the time to read our Summary Annual Report. If you would like a copy of the complete Annual Report, please contact Hauraki District Council on 07 862 8609.

*John Tregidga*  
Mayor

Mr Langley Cavers  
Chief Executive

This document is a summary of the 2004/05 Annual Report.

It does not provide a complete understanding of the full annual report.

This complete report is available from the Hauraki District Council offices in Ngatea, Paeroa or Waihi, or on [www.hauraki-dc.govt.nz](http://www.hauraki-dc.govt.nz)



## Community Outcomes

As stated in the Long Term Council Community Plan, Council would be undertaking an intense consultation process to identify community outcomes for the 2006-16 Long Term Council Community Plan. In the 2004-14 Long Term Council Community Plan a set of interim outcomes were developed, sourced from comments provided by the community in a district wide telephone survey.

Formal mechanisms to monitor these outcomes were not instigated. These outcomes had the key purpose of giving Council interim direction while a full community consultation process to identify community outcomes was undertaken. This consultation helped consider actions and activities in a precursory phase to the formal identification of community outcomes for the 2006-16 Long Term Council Community Plan.

By 30 June 2005, Council was well on the way to identifying the community outcomes.

## Community Consultation

Significant projects involving public consultation during the year were undertaken. These included consultation on the Assessment of Water and Sanitary Services, the Dog Control Policy; Speed Limit Bylaw; and the Annual Plan including amendments to the Hauraki Community Plan 2004-14. A survey of 500 people was also undertaken by phone in November 2004.

## Maori Consultation

In the 2004/05 year, Council continued to progress relationships with Maori. Council now has four Memorandum of Partnerships with Hauraki Iwi with the signing of the Memorandum of Partnership with Ngati Maru on 30<sup>th</sup> September 2004.

Council continued the successful monthly meetings of the Water and Wastewater Consultative Committee of which 5 Iwi have representative on. This Committee meets to consult with special interest groups to discuss the Districts water and waste issues.

## Non Financial Performance Measures

Council had 72 non financial performance targets listed in its Long Term Council Community Plan for 2004/05.

- 39 (54%) were achieved
- 33 (46%) were not achieved. 4% of these were not required to be undertaken until the 2005/06 year.

A full list of these measures is detailed in the full Annual Report for 2004/05.

## Significant Activities

Council manages and operates five groups of activities. These include Leadership, Network Services, Community Services, Regulatory and Community Development.



## Leadership

The purpose of local government as defined in the Local Government Act 2002 is:

- To enable democratic local decision-making and action by, and on behalf of, communities; and
- To promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

The Leadership Group is comprised of the Democracy, Iwi Liaison and Policy Development activities.

## The Community Outcomes Leadership contributes to?

- Sustained economic growth
- Safe and healthy environment
- Safe and accessible Land Transport system
- Affordable services and facilities

## Key Non-Financial Performance Measures

Activity	Target	Measure	Achievement
Democracy	To prepare and adopt Annual Plans	Adopt Plans by 30 <sup>th</sup> June in each year where a LTCCP is not required.	Achieved ☺ Annual Plan 2005/06 was adopted 30th June 2005.
Iwi Liaison	To further develop Council's relationships with tangata whenua.	Adoption of further Memoranda of Partnerships with tangata whenua groups.	Achieved ☺ A Memorandum of Partnership was signed between Hauraki District Council and Ngati Maru.  Council now holds Memoranda of Partnership with: <ul style="list-style-type: none"> <li>• Ngati Tamatera dated 06/02/99</li> <li>• Ngati Paoa dated 18/02/00</li> <li>• Ngati Hako dated 26/06/03</li> <li>• Ngati Maru dated 30/12/04</li> </ul>

## What is the operating cost of the Leadership activity?

Actual 2003-04 \$000's		Actual 2004-05 \$000's	Budget 2004-05 \$000's
<b>OPERATING EXPENDITURE</b>			
947	Democracy	1,093	1,155
378	Policy Development	419	446
26	Iwi Liaison	30	30
<b>1,351</b>		<b>1,542</b>	<b>1,631</b>



## Network Services

Network services are also often referred to as infrastructural assets and have generally been seen to be Council's core activities. The activities that comprise the Network Services Group are Roading, Water, Wastewater, Land Drainage, Stormwater and Solid Waste.

### What Community Outcomes Network Services contributes to?

- Safe and healthy environment
- Safe and accessible Land Transport System
- Affordable services and facilities

### Key Non-Financial Performance Measures

Activity	Target	Measure	Achievement																																																		
Roading	Reduce the length of unsealed roads	To extend seal on unsealed roads at an average of 2km per year.	Achieved ☺ A total seal extension length of 2.29km was achieved.																																																		
Water Supply	Compliance with the Public Health Grading system set by the Ministry of Health for drinking water supply.	Routine tests taken at the Water Treatment Plants are to meet the following parameters: <table border="1" style="width: 100%;"> <tr> <td>E.coli</td> <td>Not detected for 99% of tests</td> </tr> <tr> <td>Regular Chlorine</td> <td>Test 0.3-5.0 mg/l for 95% of tests</td> </tr> <tr> <td>Regular pH</td> <td>Tests {7.0-8.5} for 90% of tests</td> </tr> </table>	E.coli	Not detected for 99% of tests	Regular Chlorine	Test 0.3-5.0 mg/l for 95% of tests	Regular pH	Tests {7.0-8.5} for 90% of tests	Not Achieved ☹ <table border="1" style="width: 100%;"> <thead> <tr> <th>Location</th> <th>E.coli</th> <th>FAC</th> <th>pH</th> </tr> </thead> <tbody> <tr> <td>Waitakaruru</td> <td>98%</td> <td>100%</td> <td>95%</td> </tr> <tr> <td>Kerepehi</td> <td>100%</td> <td>100%</td> <td>99%</td> </tr> <tr> <td>Huirau Rd</td> <td>76%</td> <td>79%</td> <td>NA</td> </tr> <tr> <td>Kaimanawa</td> <td>97%</td> <td>93%</td> <td>NA</td> </tr> <tr> <td>Paeroa</td> <td>100%</td> <td>98%</td> <td>100%</td> </tr> <tr> <td>Ohinemuri</td> <td>91%</td> <td>99%</td> <td>NA</td> </tr> <tr> <td>Mackaytown</td> <td>78%</td> <td>90%</td> <td>NA</td> </tr> <tr> <td>Karangahake</td> <td>100%</td> <td>95%</td> <td>94%</td> </tr> <tr> <td>Waikino</td> <td>89%</td> <td>99%</td> <td>NA</td> </tr> <tr> <td>Waihi</td> <td>100%</td> <td>99%</td> <td>96%</td> </tr> </tbody> </table>	Location	E.coli	FAC	pH	Waitakaruru	98%	100%	95%	Kerepehi	100%	100%	99%	Huirau Rd	76%	79%	NA	Kaimanawa	97%	93%	NA	Paeroa	100%	98%	100%	Ohinemuri	91%	99%	NA	Mackaytown	78%	90%	NA	Karangahake	100%	95%	94%	Waikino	89%	99%	NA	Waihi	100%	99%	96%
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	Assessment of water and sanitary services undertaken as required by the Local Government Act 2002.	Assessment completed by 30 <sup>th</sup> June 2005	Achieved ☺ Assessment completed and adopted on 30 <sup>th</sup> June 2005.																																																		
Waste Water	To operate the wastewater treatment systems so as to comply with resource consent discharge requirements.	To obtain a "High Level of Compliance" grading from Environment Waikato through the annual monitoring report on Resource Consent compliance for each treatment plant site.	Not Achieved ☹ "Partial Compliance" gradings were achieved for Waihi, Kerepehi, Ngatea, Turua and Whiritoa. "Significant Non-compliance" gradings were noted for Paeroa and Waitakaruru. The partial compliance gradings and the significant non-compliance grading for Paeroa result from deficient reporting which is being addressed. The significant non-compliance grading for Waitakaruru will be addressed by commissioning the new plant and by addressing reporting deficiencies.																																																		



# Summary Annual Report

# 2004/2005

Activity	Target	Measure	Achievement
Land Drainage	To maintain the network of drains at operational capacity through an annual maintenance programme.	To spray weeds on an average not less than 650kms of drain per year.	Achieved ☺ Sprayed 716 kms of drain for the year.
Stormwater	Develop Catchment Management Plans for Paeroa, Waihi and Plains.	Plans to be developed by June 2005 for Paeroa and Waihi and by June 2006 for the Plains.	Not achieved ☹ Catchment Management Plans under development. Stage 1 - Draft Catchment Management Plans for Paeroa and Waihi will be finalised in 2005/06 year. Stage 2 - The Draft Plains Catchment Management Plans will be progressed in the 2005/06 year.
Solid Waste	To take part in education initiatives in relation to solid waste.	To participate in a regional partnerships waste education programmes.	Achieved ☺ Council is presently in partnership with the Waikato Regional Council on a waste education programme targeting at businesses, called the Waikato Regional Waste Advisory Service (WWAS). Council also co-sponsors the Waikato Waste Exchange.

## What is the operating cost of the Network Services activity?

Actual 2003-04 \$000's		Actual 2004-05 \$000's	Budget 2004-05 \$000's
<b>OPERATING EXPENDITURE</b>			
5,542	Roading	5,907	5,504
2,757	Water	2,853	2,872
1,856	Wastewater	2,112	2,052
1,117	Land Drainage	1,064	1,122
309	Stormwater	355	384
730	Solid Waste	1,059	1,199
<b>12,311</b>		<b>13,350</b>	<b>13,133</b>



## Community Services

Community Services provide for the community's need for recreational, social, cultural and amenity activities. The activities that comprise the Community Services Group are Parks and Reserves, Libraries, and Community Facilities which include Halls, Pensioner Housing, Public Toilets, Cemeteries and Swimming pools.

### How do Community Services contribute to Community Outcomes?

- Sustained economic growth
- Safe and healthy environment
- Affordable services and facilities

### Key Non-Financial Performance Measures

Activity	Target	Measure	Achievement
Parks and Reserves	Operate all Parks and Reserves in accordance with the needs of the community	A triennial survey shows at least 90% of surveyed residents are satisfied with the Parks and Reserves provided.	Not achieved ☹ 78% of surveyed residents are satisfied with Parks and Reserves provided.
Libraries	Increase total issues from libraries	Increase issues to 103,000 by 30 <sup>th</sup> June 2005 Increase issues to 104,000 by 30 <sup>th</sup> June 2006 Increase issues to 105,000 by 30 <sup>th</sup> June 2007	Achieved ☺ Issues for the year District wide was 107,237.
Swimming Pools	Swimming pool water quality treated in accordance with N.Z. Standard 5826:2000.	85% of tests show compliance with N.Z. Standard 5826:2000	Achieved ☺ Paeroa Pool 94% & 97.7% compliance.  Ngatea Pool 95.6% & 98.2% compliance (pH and Free Chlorine)

### What is the operating cost of the Community Services activity?

Actual 2003-04 \$000's		Actual 2004-05 \$000's	Budget 2004-05 \$000's
<b>OPERATING EXPENDITURE</b>			
958	Parks and Reserves	1,002	949
410	Libraries	414	481
937	Community Facilities	1,033	915
<b>2,305</b>		<b>2,449</b>	<b>2,345</b>



## Community Development

Community Development encompasses a wide range of activities that encourage the Council and community to be involved in initiatives to improve social, cultural, economic and environmental aspects of everyday life. The activities that comprise the Community Development Group are Community Growth and Community Initiatives

### The Community Outcomes Community Development contributes to?

- Sustained economic growth
- Affordable services and facilities

### Key Non-Financial Performance Measure

Activity	Target	Measure	Achievement
Community Growth	Provide the community with quarterly updates on economic activities	Quarterly reports published in the local newspaper.	Achieved ☺ 7 items have been presented in local papers, one item in the national paper, and two sister group newsletters have been developed.

### What is the operating cost of the Community Development activity?

Actual 2003-04 \$000's		Actual 2004-05 \$000's	Budget 2004-05 \$000's
<b>OPERATING EXPENDITURE</b>			
481	Community Growth	575	570
589	Community Initiatives	536	311
<b>1,070</b>		<b>1,111</b>	<b>881</b>



## Regulatory Services

Regulatory Services are a group of responsibilities placed on Council by Central Government to ensure community compliance with national standards and guidelines.

The activities that comprise the Regulatory Services Group are Resource Management Implementation, Building Control, Animal Control and Community Protection

### The Community Outcomes Regulatory Services contributes to?

- Safe and healthy environment
- Affordable services and facilities

### Non-Financial Performance Measures

Activity	Target	Measure	Achievement
Resource Management Implementation	All non-notified resource consent applications are decided and issued within statutory timeframes.	All non-notified consent decisions, not requiring a hearing, are issued within 20 working days.	Not achieved ☹ 72.7% of non-notified consent decisions, not requiring a hearing were issued within 20 working days for the financial year.
Building Services	Issue building consents within statutory timeframes.	100% of all building consents are issued within statutory timeframes: <ul style="list-style-type: none"> <li>• 10 working days or less for consents with a value of &lt;\$500,000,</li> <li>• 20 working days for consents with a value of \$500,000 or more.</li> </ul>	Not achieved ☹ 62% of building consents (<\$500,000) were issued within statutory timeframes. 100% of building consents (>\$500,000) were issued within statutory timeframes.
Community Protection	All public food premises inspected annually and medium risk premises inspected twice annually.	100% of premises inspected according to their risk category.	Achieved ☺ 100% (32/32) Food Low Risk licences were inspected annually. 100% (85/85) Food Medium Risk inspected twice annually.
Animal Control	Customer complaints on dogs.	All reported complaints on dogs are responded to within 24 hours of the complaint being received.	Achieved ☺ 100% (104/104) of customer complaints on dogs are responded to within 24 hours of complaint being received.

### What is the operating cost of the Regulatory activity?

Actual 2003-04 \$000's		Actual 2004-05 \$000's	Budget 2004-05 \$000's
<b>OPERATING EXPENDITURE</b>			
477	RMA Implementation	544	526
376	Building Services	467	462
521	Community Protection	443	486
244	Animal Control	289	284
<b>1,618</b>		<b>1,743</b>	<b>1,758</b>



## Replacement or acquisition of assets

As part of the Hauraki Community Plan 2004-14, Council programmed to carry out a number of Capital Works over the 2004/05 period.

These included:

Activity	New Project / Proposed	How did we do in 2004/05?	The reason this work was programmed was to:
Roading	2km of seal extension of unsealed roads District wide at a cost of \$750,000	Completed 2.29km of seal extension at a cost of \$884,000.	Increase the level of service.
Wastewater	Waihi Wastewater Treatment Plant Extension at a cost of \$2.8million	Construction was completed by opening day on 6 <sup>th</sup> September 2005 at a cost of \$2,029,000. The Commissioning period is to be undertaken in 2005/06 at a cost of \$772,000.	Increase the level of service
	Replacement of Waitakaruru Wastewater Scheme at a cost of \$300,000	Stage 1 complete and operational. Stage 2 reticulation extension delayed due to bridge collapse. Decision to increase budget to \$800,000 resolved by Council in early 2005.	Meet the level of service demanded from the community.
Water	Mains upgrade at a cost of \$937,000	Wharepoa Road upgrade (\$620,000) deferred to 2005/06. Total mains upgrade expenditure was \$250,000.	Meet the level of service demanded from the community.
Land Drainage	Piping of open drains in Ngatea Town at a cost of \$100,000	\$152,000 (1.3km) worth of drains were piped in Ngatea township. This programme extension was undertaken to ensure efficiencies.	Increase the level of service
	To increase drainage capacity on Southern Stage of Pouarua-Maukoro Drainage Scheme at a cost of \$1.5 million	Stage 1 completed. Stage 2 has been deferred due to Environment Waikato taking responsibility of the pump under the Piako River Scheme and consequently the design work was not programmed in the 2004/05 year.	Increase the level of service
	Renewal and Upgrade of Paeroa town centre stormwater at a cost of \$450,000	Project underway and to be continued in the 2005/06 year.	Increase the level of service
Public Toilets	New town centre toilets for Paeroa at a cost of \$150,000	Deferred to 2005/06	Increase the level of service
Parks and Reserves	Beautification and improvement of Gilmour Reserve Development at a cost of \$600,000	Stage 1 with, the main entranceway/car park upgrade and installation of a new toilet block has been completed in the 2004/05 at a cost of \$139,000. Stage 2 will begin in 2005/06. Stage 3 and 4 will begin in 2006/07 and 2007/08.	Increase the level of service



## Summary of Accounting Policies

### Reporting Entity

Hauraki District Council is a territorial local authority governed by the Local Government Act 2002. These Financial Statements have been prepared in accordance with the provisions of the Local Government Act 2002.

### Measurement Base

The measurement base adopted is historical cost, modified by the revaluation of certain assets.

### Changes in Accounting Policies

There have been no significant changes in the accounting policies. All policies have been applied on a consistent basis with previous years.

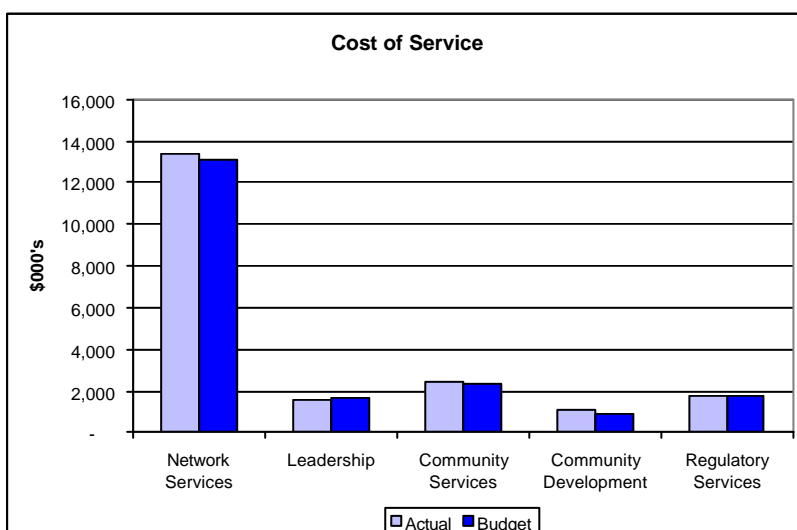
## Contingent Liabilities and Commitments

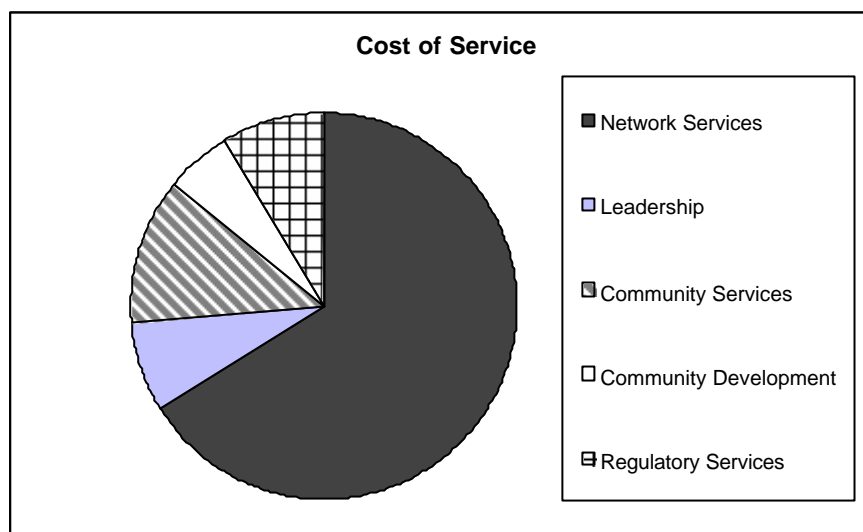
### Contingent liabilities

- a) Loans guaranteed by Council \$200,000 (2004 \$200,000)
- b) Three claims have been lodged with the Weathertight Homes Resolution Service for buildings located within Hauraki District. Council has been notified of two of these claims and has been named as a party in one claim. Council believes it has no liability under any of these claims. In any case Council's maximum exposure would be the insurer's excess which is estimated at \$30,000 in total.
- c) Council also has various small legal or insurance claims outstanding. The current estimate for outstanding claims is \$16,000 (2004 \$10,000).

### Commitments

- a) Capital Commitments Contracted \$1,350,000 (2004 \$627,000)
- b) Other Non-Cancellable Contracts \$3,332,000 (2004 \$3,746,000)
- c) Operating Leases \$8,000 (2004 \$23,000)





## Financial Statements

Actual 2003-04 \$000's		Actual 2004-05 \$000's	Budget 2004-05 \$000's
<b>FINANCIAL PERFORMANCE</b>			
23,503	Total Income	24,708	22,018
22,877	Less Total Expenditure	21,595	20,714
<b>626</b>	<b>Net Surplus/(Deficit)</b>	<b>3,113</b>	<b>1,304</b>
<b>MOVEMENTS IN EQUITY</b>			
348,267	Public Equity at start of the year	351,631	345,778
626	Net Surplus/(Deficit)	3,113	1,304
2,738	Increase in Revaluation Reserves	31,705	-
<b>351,631</b>	<b>Net Surplus/(Deficit)</b>	<b>386,449</b>	<b>347,082</b>
<b>FINANCIAL POSITION</b>			
16,101	Current Assets	14,406	3,603
<b>343,259</b>	Non Current Assets	<b>380,024</b>	<b>348,022</b>
359,360	Total Assets	394,430	351,625
5,461	Current Liabilities	5,669	2,993
2,268	Non Current Liabilities	2,312	1,550
7,729	Total Liabilities	7,981	4,543
<b>351,631</b>	<b>Equity / Net Assets</b>	<b>386,449</b>	<b>347,082</b>
<b>CASH FLOWS</b>			
5,647	Net from Operating Activities	8,715	6,080
(2,327)	Net from Investing Activities	(9,393)	(10,646)
(5)	Net from Financing Activities	(91)	1,550
3,315	Net Change in Cash Holdings	(769)	(3,016)
4,982	Opening Cash Balance	8,297	3,000
<b>8,297</b>	<b>Closing Cash Balance</b>	<b>7,528</b>	<b>(16)</b>



## Auditor Report



Audit New Zealand

### AUDIT REPORT

TO THE READERS OF HAURAKI DISTRICT COUNCIL'S

SUMMARY ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2005

We have audited the summary annual report.

#### Unqualified opinion

In our opinion:

- ▲ the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- ▲ the information reported in the summary financial statements complies with FRS-39: Summary Financial Reports and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 27 October 2005, on:

- ▲ the full financial statements; and
- ▲ the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

#### Basis of opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which include New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Hauraki District Council.

#### Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on that report. These responsibilities arise from the Local Government Act 2002.

B H Halford  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand  
27 October 2005