

ANNUAL REPORT SUMMARY

HAURAKI DISTRICT COUNCIL

For the year ending 30 June 2006



Message from Mayor and Chief Executive

Thank you for taking the time to read the Summary of the Hauraki District Council 2005/06 Annual Report.

The Annual Report is an important mechanism for not only showing how Hauraki District is performing, but it is the key document produced that accounts for the money provided to the Council by the Hauraki District community's ratepayers.

This year the Annual Report identifies the first progress towards achieving the Community Outcomes identified by the Council in 2004. Council has made some good progress towards these strategic community goals including:

- Initiating the development of an apprenticeship scheme to help the youth of the District find employment in the area
- Finalising and adopting a sub-regional physical activity plan
- Working collaboratively with neighbouring authorities in many aspects of planning and implementation
- Progressing Councils involvement in the Waihi mining projects in a sustainable manner

Other key highlights have been:

- Significant work on enhancing Paeroa's main street through the upgrading of infrastructure, particularly the footpaths and stormwater systems
- Installation of the new wastewater treatment facility in Waitakaruru connecting the majority of residential properties in the town to the new & improved sanitary system. 40 houses have been connected with the few remaining connections to be made following winter

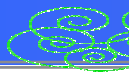
- The Turua Maturation Pond was successfully completed in May with significant improvements to the effluent quality discharging into the Waihou River
- Paeroa War Memorial Hall upgrade including a new roof, kitchen, toilet cubicles, heating & ventilation, sound system & improved landscaping & driveway to the Hall
- Completion of the Kerepehi Water Main upgrade first stage from the Kerepehi Treatment Plant along Wharepoa & Hamilton Roads
- The adoption of the some key policies including that of the Earthquake Prone and Dangerous and Insanitary Buildings policy and the Wharves and Jetties Bylaw
- Further progression of providing electronic access of Council information
- Continuation of work towards ensuring Council becomes accredited and registered as a Building Consent Authority as required by the Building Act, 2004.

Once again, we thank you for taking the time to read our Summary Annual Report.



John Tregidga
Mayor

Langley Covers
Chief Executive



Community Outcomes

Council undertook an intense consultation process to identify Community Outcomes in 2005/06. These Community Outcomes were adopted by Council on the 29th June 2006, as part of the Hauraki Community Plan 2006-16.

Hauraki Community Outcomes for 2006-16

- Maintain and protect the vibrancy of rural communities;
- Vibrant and sustainable businesses and business economies in our District;
- Cultural values of tangata whenua throughout the District be respected and supported through further development of consultation, participation and partnership;
- We encourage increased opportunities to participate in recreational, sporting and cultural activities;
- Integrated provision of quality health and social services throughout our District.
- Management of our natural and physical environment in a sustainable manner;
- Our Hauraki youth be provided with greater opportunities to participate in the decision-making processes pertaining to the development of our communities;
- Hauraki District residents be given the opportunity to participate in the educational and training programmes.
- Long term planning, ensures that our future infrastructure requirements meet the growth and development opportunities of our District.

Council considers the process of the identification of the Community Outcomes to have been a very successful process and has already started to see some members of the Community begin working towards the achievement of these Outcomes.

Community Consultation

Significant projects involving public consultation were undertaken. These included consultation on the Earthquake Prone and Dangerous and Insanitary Buildings Policy; the Long Term Council Community Plan 2006-16; the Drainage Amalgamation; and the Wharves and Jetties Bylaw. The Community Outcomes for 2006-16 were adopted by Council on the 29th June 2006.

Maori Consultation

In the 2005/06 year, Council continued to progress relationship with Maori. Council now has four Memorandum of Partnerships with Hauraki Iwi.

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

Non Financial Performance Measures

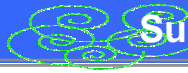
Council had 58 non financial performance targets listed in its Annual Plan for 2005/06.

- 31 (53%) were achieved
- 27 (47%) were not achieved.

A full list of these measures is detailed in the full Annual Report for 2005/06.

Triennial Survey

A survey is taken every three years with Hauraki residents and ratepayers. The survey is to assess levels of satisfaction with Council services and facilities as well as gauging community opinion on social, economic, environmental and cultural well-beings and possible future community outcomes directions. The next survey is due in 2007/08.



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?

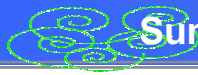
- Sustained economic growth
- Safe and healthy environment
- Safe and accessible Land Transport system
- Affordable services and facilities

Key Non-Financial Performance Measures

Activity	Target	Measure	Achievement
Democracy	To prepare and adopt a Long Term Council Community Plan	Adopt Plan by 30th June 2006, 2009 and 2912.	Achieved ☺ Long Term Council Community Plan 2006-16 was audited and final adoption took place on 29 th June 2006.
Iwi Liaison	To further develop Council's relationships with tangata whenua.	Adoption of further Memoranda of Understanding with tangata whenua groups	Not Achieved: ☹ Council has been progressing dialogue with Ngati Tara Tokanui Iwi and marae members regarding the adoption of a Memorandum of Understanding. Council met with and resigned Memorandum of Partnerships with both the Ngati Tamatera and Ngati Hako on 20 July 2005 and 17 March 2006 respectively.

What is the operating cost of the Leadership activity?

Actual 2004-05 \$000's		Actual 2005-06 \$000's	Budget 2005-06 \$000's
OPERATING EXPENDITURE			
1,093	Democracy	1,163	1,169
419	Policy Development	564	593
30	Iwi Liaison	30	30
1,542		1,757	1,792



Network Services

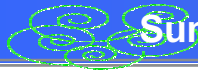
Network services are also often referred to as infrastructural assets and have generally been seen to be Council's core activities. The activities that comprise the Network Services Group are Roading, Water, Wastewater, Land Drainage, Stormwater and Solid Waste.

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

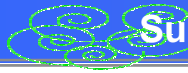
Activity	Target	Measure	Achievement																																																
Roading	Reduce the length of unsealed roads	To extend seal on unsealed roads at an average of 2km per year.	Achieved: ☺ All programmed seal extensions, totalling 2.59km, were completed by the end of December. Sites completed included Kent Crescent, King, Lambert and Mueller Street service lane and Parakiwai Quarry, South and Taiari Roads.																																																
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:	Not Achieved: ☹ Routine tests did not confirm the target percentages for the following: <u>E.coli</u> Waitakaruru and Paeroa <u>FAC</u> Kaimanawa and Karangahake <u>pH</u> Karangahake																																																
		<table border="1"> <tbody> <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> </tbody> </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	<table border="1"> <thead> <tr> <th>Location</th> <th>E.coli</th> <th>FAC</th> <th>pH</th> </tr> </thead> <tbody> <tr> <td>Waitakaruru</td> <td>96%</td> <td>99%</td> <td>93%</td> </tr> <tr> <td>Kerepehi</td> <td>100%</td> <td>100%</td> <td>97%</td> </tr> <tr> <td>Huirau Road</td> <td>100%</td> <td>95%</td> <td>NA</td> </tr> <tr> <td>Kaimanawa</td> <td>100%</td> <td>88%</td> <td>NA</td> </tr> <tr> <td>Paeroa</td> <td>98%</td> <td>97%</td> <td>99%</td> </tr> <tr> <td>Ohinemuri</td> <td>100%</td> <td>97%</td> <td>NA</td> </tr> <tr> <td>Mackaytown</td> <td>100%</td> <td>95%</td> <td>NA</td> </tr> <tr> <td>Karangahake</td> <td>100%</td> <td>94%</td> <td>87%</td> </tr> <tr> <td>Waikino</td> <td>100%</td> <td>100%</td> <td>NA</td> </tr> <tr> <td>Waihi</td> <td>100%</td> <td>99%</td> <td>99%</td> </tr> </tbody> </table> <p>The reason that some supplies are NA (Not Applicable) is that there are no pH correction facilities at these plants. Handheld monitoring will be carried out from this point forward and measurements recorded on the daily record sheets.</p>	Location	E.coli	FAC	pH	Waitakaruru	96%	99%	93%	Kerepehi	100%	100%	97%	Huirau Road	100%	95%	NA	Kaimanawa	100%	88%	NA	Paeroa	98%	97%	99%	Ohinemuri	100%	97%	NA	Mackaytown	100%	95%	NA	Karangahake	100%	94%	87%	Waikino	100%	100%	NA	Waihi	100%
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	Maintain water mains to agreed level of service.	Have no more than 400 breaks in water mains and services, district-wide per annum.	Achieved: ☺ A total of 370 breaks were reported for the year 2005/06. The majority of these breaks have been recorded in the Plains. Investigations are underway to identify causes underlying the high incidence of breaks.																																																



Activity	Target	Measure	Achievement
Waste Water	To manage the wastewater activity in accordance with the levels of service as agreed through the Asset Management Plan process.	To have no more than a total of 30 dry weather sewer overflows as a result of blockages or failure of the public wastewater scheme each year.	Achieved: ☺ A total of 12 dry weather sewer overflows were recorded for the 2005/06 year.
	Reduce discernable sewage odour or mechanical noise at pump station or treatment facility boundaries.	Less than 5 written complaints relating to odours from wastewater pump stations or treatment facilities.	Achieved: ☺ No written complaints were received. A total of 4 telephone service requests relating to odours from facilities were recorded for the 2005/06 year.
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 732 kms of drain for the year. A significant length of drain was re-sprayed in June due to late seasonal growth.
Stormwater	Develop Catchment Management Plans for Paeroa, Waihi and Plains.	Plans to be developed for the Plains by June 2006.	Not Achieved: ☹ Plains plans deferred to 2006/07. Draft plans for Waihi and Paeroa considered higher priority have been delivered and finalisation is targeted for December 2006.
Solid Waste	To take part in education initiatives in relation to solid waste.	To participate in a regional partnerships waste education programmes.	Achieved ☺ Participating with Waikato Waste Advisory Services in a regional partnership and have suggested various businesses that might be assisted with waste audits.

What is the operating cost of the Network Services activity?

Actual 2004-05 \$000's		Actual 2005-06 \$000's	Budget 2005-06 \$000's
OPERATING EXPENDITURE			
5,868	Roading	6,072	5,201
2,853	Water	3,408	2,873
2,112	Wastewater	2,879	2,416
1,064	Land Drainage	1,193	1,146
355	Stormwater	454	386
1,059	Solid Waste	1,268	1,140
13,311		15,274	13,162



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?

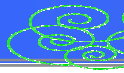
- Sustained economic growth
- Safe and healthy environment
- Affordable services and facilities

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: ☹ 2004 survey showed 78% of the public were satisfied with Parks and Reserves provided. No further surveys have since been undertaken.
Libraries	Increase total issues from libraries	Increase issues to 104,000 by 30th June 2006.	Achieved: ☺ The total issues for the 2005/06 year was 108,774 books issued. This is an increase of 1,537 issues from 2004/05.
Swimming Pools	Swimming pool water quality treated in accordance with NZ Standard 5826:2000.	85% of tests show compliance with NZ Standard 5826:2000.	Achieved: ☺ Paeroa Pool achieved 93.5% pH compliance and 97.3% chlorine compliance. Ngatea Pool achieved 97% pH compliance and 94% chlorine compliance.

What is the operating cost of the Community Services activity?

Actual 2004-05 \$000's		Actual 2005-06 \$000's	Budget 2005-06 \$000's
OPERATING EXPENDITURE			
952	Parks and Reserves	989	937
414	Libraries	487	479
1,122	Community Facilities	1,144	1,083
2,488		2,620	2,499



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?

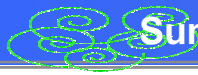
- Sustained economic growth
- Affordable services and facilities

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.	Not Achieved: ☹ Quarterly reports were published in 3 of the 4 quarters.

What is the operating cost of the Community Development activity?

Actual 2004-05 \$000's		Actual 2005-06 \$000's	Budget 2005-06 \$000's
	OPERATING EXPENDITURE		
575	Community Growth	582	582
536	Community Initiatives	553	359
1,111		1,135	941



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?

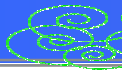
- Safe and healthy environment
- Affordable services and facilities

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 ☹ 166/217 (77%) were issued within 20 working days. Of those issued outside 20 working days – 33 (15%) were issued within 30 working days 18 (8%) were issued greater than 30 working days.
Building Services	Issue building consents within statutory timeframes.	100% of all building consents are issued within statutory timeframes of 20 working days or less for consents.	Not achieved ☹ 581 of 647 building consents (90%) were issued within 20 working days or less. 55 (8%) building consents were issued within 30 working days or less. 11 (2%) building consents took longer than 30 working days to be issued.
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 ☺ Food Low Risk = 26 licences (26/26 inspections performed) Food Medium Risk = 88 Licences (175/175 inspections performed)
Animal Control	Customer complaints on dogs.	All reported complaints on dogs are responded to within 24 hours of the complaint being received.	Achieved ☺ 100% (101/101) of customer complaints on dogs were responded to within 24 hours of complaint being received.

What is the operating cost of the Regulatory activity?

Actual 2004-05 \$000's		Actual 2005-06 \$000's	Budget 2005-06 \$000's
OPERATING EXPENDITURE			
544	RMA Implementation	587	585
467	Building Services	569	557
444	Community Protection	451	521
289	Animal Control	318	299
1,744		1,925	1,962



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 changes in the accounting policies. All policies have been applied on a consistent basis with previous years.

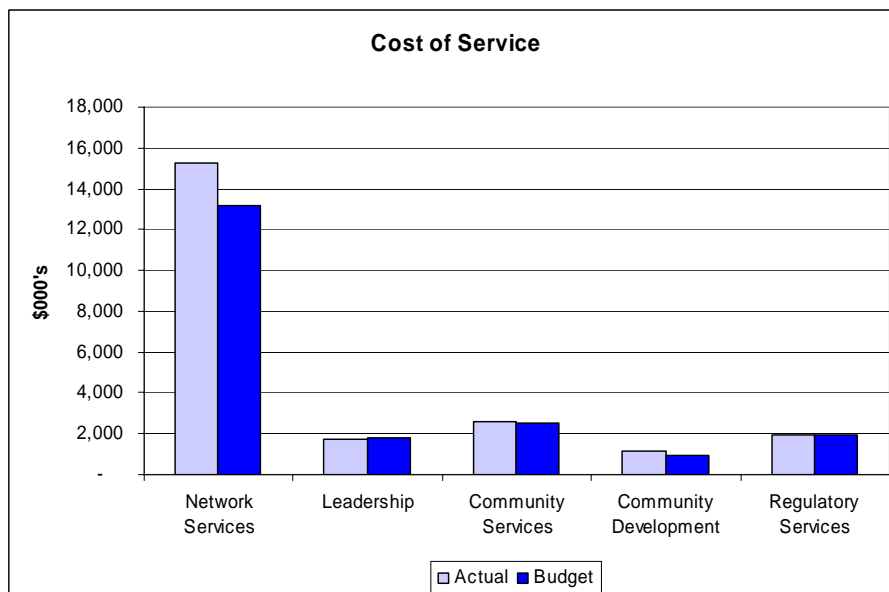
Contingent Liabilities and Commitments

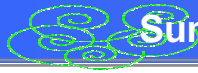
Contingent liabilities

- a) Loans guaranteed by Council \$95,000 (2005 \$200,000)
- b) There are two active claims lodged with the Weathertight Homes Resolution Service for buildings located within Hauraki District. Council has not been notified of these claims and has not been named as a party. Council believes it has no liability under these claims. In any case Council's maximum exposure would be the insurer's excess which is estimated at \$20,000 in total.
- c) Council also has various small legal or insurance claims outstanding. The current estimate for outstanding claims is \$15,000 (2005 \$16,000).

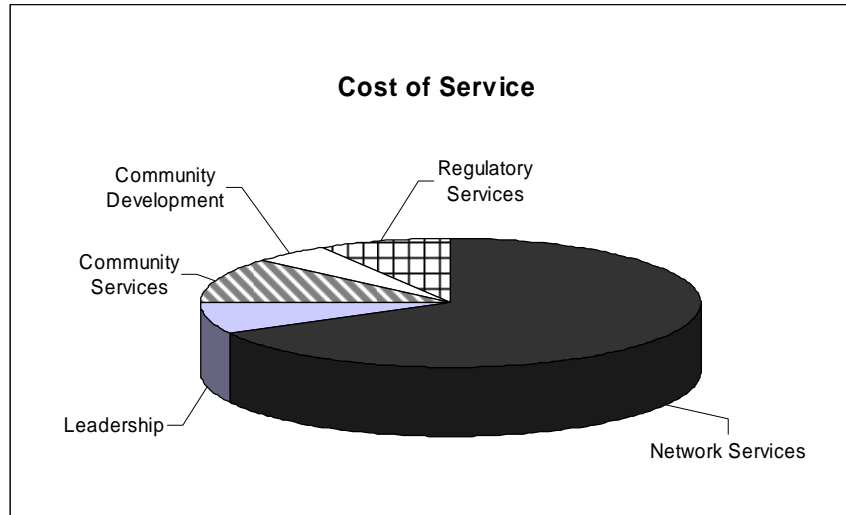
Commitments

- a) Capital Commitments Contracted \$557,000 (2005 \$1,350,000)
- b) Other Non-Cancellable Contracts \$534,000 (2005 \$3,332,000)
- c) Operating Leases \$12,000 (2005 \$8,000)

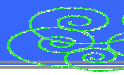




Financial Statements



Actual 2004-05 \$000's		Actual 2005-06 \$000's	Budget 2005-06 \$000's
FINANCIAL PERFORMANCE			
24,708	Total Income	26,298	22,580
21,595	Less Total Expenditure	25,640	21,247
3,113	Net Surplus/(Deficit)	658	1,333
MOVEMENTS IN EQUITY			
351,631	Public Equity at start of the year	386,449	349,098
3,113	Net Surplus/(Deficit)	658	1,333
31,705	Increase in Revaluation Reserves	(926)	-
386,449	Net Surplus/(Deficit)	386,181	350,431
FINANCIAL POSITION			
14,406	Current Assets	11,308	3,558
<u>380,024</u>	Non Current Assets	<u>386,012</u>	<u>353,350</u>
394,430	Total Assets	397,320	356,908
5,669	Current Liabilities	8,775	2,977
<u>2,312</u>	Non Current Liabilities	<u>2,364</u>	<u>3,500</u>
7,981	Total Liabilities	11,139	6,477
386,449	Equity / Net Assets	386,181	350,431
CASH FLOWS			
8,715	Net from Operating Activities	6,421	6,212
(9,393)	Net from Investing Activities	(12,065)	(10,903)
(91)	Net from Financing Activities	(48)	3,500
<u>(769)</u>	Net Change in Cash Holdings	<u>(5,692)</u>	<u>(1,191)</u>
8,297	Opening Cash Balance	7,528	1,201
7,528	Closing Cash Balance	1,836	10



Auditor Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

AUDIT REPORT
TO THE READERS OF
HAURAKI DISTRICT COUNCIL'S SUMMARY ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006

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 26 October 2006, 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.

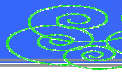
Basis of opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which include New Zealand Auditing Standards. Other than the audit and in conducting the audit of Long Term Council Community Plan, we have no relationship with or interests in the 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
26 October 2006



Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of Hauraki District Council for the year ended 30 June 2006 included on Hauraki District Council's website. The Hauraki District Council is responsible for the maintenance and integrity of the Hauraki District Council's website. We have not been engaged to report on the integrity of the Hauraki District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 26 October 2006 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.