

Annual Plan 2017/18





ANNUAL PLAN 2017/18

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A message from your Mayor

Welcome to our Annual Plan for the 2017/18 year.

This plan sets out what projects we will do, the services we will deliver and how we will deliver them over the next 12 months. It largely reflects year three of our 2015-2025 Long-term Plan, which we consider to be our contract with the community, and our key deliverables.

A change in legislation now only requires councils to consult on significant variances from what was planned in the Long-term Plan. This year the plan is largely business as usual with two exceptions that we consulted with the community on: a proposal for a new council building to replace the Lake Terrace office and an increase in funding for Turangi-based economic development agency Go Tongariro.

The health and safety issues with the Lake Terrace are significant. Friable asbestos is present, earthquake strengthening is required, there is obsolete cabling in the roof which is identified as a fire risk and the roof needs replacing. Combining these factors meant we as a council, had to give serious consideration to replacing the building in its entirety to provide a safe working environment for the 130 staff who work within those four walls. 249 submitters commented on whether Council should construct a new building with 74 per cent in support of this proposal. We will need to do some more work on where that should be built, and how it will be funded.

During the consultation process, we also sought people's views on increasing funding for Go Tongariro. In the Long-term Plan we had allowed funding on a declining scale. The trust received council funding of \$20,000 in 2015/16 and the intent was for their grant to gradually reduce to \$14,000 in 2016/17 and then \$7000 in 2017/18. However, Go Tongariro requested an amendment to the amount of funding Council intended to provide in the 2017/18 year and we agreed to maintain funding at \$20,000 for the next 12 months. This will be tagged to the co-ordinator role as we are mindful an economic development strategy commissioned for Turangi is nearing completion and we expect Go Tongariro, as an independent economic development trust, will be heavily involved in its implementation.

When we did our Long-term Plan we were expecting a rates increase of 2.54 per cent for the 2016/17 financial year. However, due to a number of factors including some savings made, this has been reduced to a 2.4 per cent average rates increase. We are also proposing to start the year with \$8 million less debt than forecast for the same year in the Long-term Plan.

From an economic development perspective, our district has been on a roll for the past 12 months and we are hopeful that will continue. We have seen a steady increase in growth across our communities and our visitor numbers remain high as do the number of events we host all-year round.

Looking forward, it is going to be a busy year. We will forge ahead with investigations into both the existing Lake Terrace site and some alternatives in the Taupo CBD for the new council building. We are mindful that the decisions we make will shape the future of our organisation for the next 50 years and it is a journey our community needs to be with us on, for us to ensure the best outcome for the future. We will also begin planning for our next Long-term Plan all the while maintaining the same level of service across the vast array of services we deliver to our communities.

We look forward to working with our key stakeholders over the next 12 months as this Annual Plan comes to fruition and our new Long-term Plan is developed. Together, we will ensure the Taupō District remains a great place to live.

Statement of compliance

The Council and management of Taupō District Council confirm that all the relevant statutory requirements of part 6 of the Local Government Act 2002 have been complied with.

The Council and management of Taupō District Council accept responsibility for the preparation of the Annual Plan and the prospective financial statements presented, including the assumptions underlying the prospective financial statements.

The Annual Plan commences on 1 July 2017. The Council and management do not intend to update these prospective financial statements subsequent to adoption on 27 June 2017.

D Trewavas

Mayor

27 June 2017

G Green

Chief Executive Officer

27 June 2017

AJ Menhennet

Group Manager – Finance and Strategy

27 June 2017

B Fox

Group Manager – Corporate and Community

27 June 2017

J Ridd

Group Manager – Business and Technology

27 June 2017

K Strongman

Group Manager – Operations

27 June 2017

Our Long-Term District Strategy

This Annual Plan continues the implementation of the district strategy set out in the Long-term Plan. The key threads of our strategy are:

- Ensuring that the Taupō District remains a great place to live
- Promoting economic development
- Protecting our water resources and use them wisely
- Maintaining the quality infrastructure that we have
- Keeping rates and debt affordable

The complete strategy including our financial and infrastructure strategy can be found in the Long-term Plan 2015-25 (LTP).

When preparing this Annual Plan we assessed the financial information and budgets against year 3 of the LTP. This assessment identified a number of differences as follows:

- The proposed rates increase for 2017/18 is 2.4%. This is lower than forecast in the LTP of 2.54%.
- The gross debt forecast for 2017/18 is \$144 million. This is a reduction of \$8 million from the \$152 million forecast in the LTP.
- There has been a reduction in Council's investment income (TEL fund and other investments). This is due to market conditions that are resulting in lower than forecast returns.
- There has been a reduction in other operating expenses that includes lower maintenance costs, electricity costs, advertising, lease costs, consultant fees and vehicle running costs.

Timing changes to several capital projects have resulted in lower than forecast debt, interest costs and depreciation. There has also been an increase in the forecast subsidy revenue due to the timing of the Waitahanui water treatment project and the LED streetlight project.

These changes are considered to be consistent with the financial strategy and do not result in a material or significant change in the philosophy contained within the funding impact statements.

The two differences, which were considered material or significant, were a proposal to construct a new civic administration building and an increase in funding to Go Tongariro. Council consulted on these two proposals in the Consultation Document for the Annual Plan 2017/18. Following consideration of the submissions, hearings and deliberations Council agreed to build a new Council building and increase the funding to Go Tongariro.

A new Taupo District Council building

Following consultation, Council has decided to build a new civic administration building to replace the existing Lake Terrace office but a decision is still to be made regarding its location. 249 submitters commented on whether Council should construct a new building with 74 per cent in support of this proposal. A number of those also supported a move from the current site to a location in the Taupo CBD. As such, we are investigating the suitability of the Heuheu Street carpark, the Tuwharetoa St carpark near McDonald's, and land where the Great Lake Centre and Taupo Library sit. We will also investigate the site of the current council building at 72 Lake Terrace. In addition, we are seeking expressions of interest from parties who may be interested in leasing a building to the council, selling land for the council to buy, or a combination of both. Council will then be able to evaluate the various options and decide where a future building should be constructed. Funding in the next Long-Term Plan will be determined based on the ownership model and the detailed design work.

Annual plan disclosure statement

Annual plan disclosure statement for year ending 30 June 2018

Benchmark		Planned	Met
Rates affordability benchmark			Yes
■ income	Total rates revenue must not exceed 80% of operating revenues	71.9%	
■ increases	LGCI + 1% which equals 2.9%	2.4%	
Debt affordability benchmark	Gross external borrowing may not be more than 200% of annual operating income	162.1%	Yes
Balanced budget benchmark	100%	103.3%	Yes
Essential services benchmark	100%	115.0%	Yes
Debt servicing benchmark	10%	10.3%	No

Whole of Council - Funding Impact Statement

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	38,081	38,588	39,692
Targeted rates	22,617	25,043	22,773
Subsidies and grants for operating purposes	1,960	2,033	1,952
Fees and charges	9,215	9,608	9,706
Interest and dividends from investments	2,937	4,891	3,130
Local authorities fuel tax, fines, infringement fees, and other receipts	1,017	1,087	990
Total operating funding (A)	75,827	81,250	78,243
Applications of operating funding			
Payments to staff and suppliers	48,615	50,940	51,174
Finance costs	8,755	10,019	8,642
Other operating funding applications	-	-	-
Total applications of operating funding (B)	57,370	60,959	59,816
Surplus (deficit) of operating funding (A - B)	18,457	20,291	18,427
Sources of capital funding			
Subsidies and grants for capital expenditure	2,366	1,531	4,572
Development and financial contributions	953	1,171	1,274
Increase (decrease) in debt	(5,103)	(2,225)	(2,541)
Gross proceeds from sale of assets	2,147	3,187	2,023
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	363	3,664	5,328
Application of capital funding			
Capital expenditure			
• to meet additional demand	1,567	1,333	3,206
• to improve the level of service	6,091	8,697	10,017
• to replace existing assets	11,042	9,792	10,112
Increase (decrease) in reserves	120	4,133	420
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	18,820	23,955	23,755
Surplus (deficit) of capital funding (C - D)	(18,457)	(20,291)	(18,427)
Funding balance ((A - B) + (C - D))	-	-	-

Groups of activities

We deliver a range of services on behalf of the community which are reflected in the ten groups of activities:

- Community Services
- Water
- Transport
- Community Facilities
- Wastewater
- Solid waste
- Storm water
- Democracy and Planning
- Investments
- Economic Development

These groups of activities reflect the core services that Council must undertake as required by the Local Government Act 2002. It also reflects the local public services that the community has signalled support for Council to provide.

Council's community outcomes

Community outcomes outline the outcomes the Council wants for the District. Our community outcomes were reviewed in 2011 and are:

- **Economy** – our communities prosper in a thriving local economy with a diverse range of rewarding employment opportunities
- **Environment** – a shared responsibility for places we are proud of
- **Engagement** – Council is connected with its communities, advocating for their social and cultural well-being

Community services

What we do

The activities in this group are Community Engagement, Regulatory Services and Emergency Management, which contribute to the engagement and environment community outcomes.

We work with community groups, organisations and central government agencies to promote co-operation, collaboration and the development of our district neighbourhoods. We also work alongside Māori to inform them about council issues and engage them in our decision-making processes. Community grants are a part of the Council's overall support function within the community. We fund this activity through the general rate.

Regulatory services are provided to ensure rules and regulations are adhered to for things such as food safety, animal management and building. We fund these activities through a mixture of fees and charges, the uniform annual general charge and the general rate.

We provide emergency management for community wellbeing and safety. We fund these activities through the uniform annual general charge and the general rate.

Changes to Rural Fire

The merger of urban and rural fire services into one takes place from 1 July 2017 and the new organisation will be known as Fire and Emergency New Zealand (FENZ). Currently Council, like a number of local authorities, is involved in the operational delivery of voluntary rural fire activities to a number of rural communities. However, from July 2017 we will no longer be involved in or be responsible for the operational delivery of this service, this will now be the responsibility of FENZ. We will be working closely to ensure that the transition of this service to FENZ maintains the continuity of service to communities.

This merger of over 40 individual organisations into one is a significant and complex change from a national perspective. The government is committed to building a 21st century fire service that supports its career and volunteer workforce, that supports rural and urban communities and that keeps strong links to civil defence and other emergency services. Indicative funding of \$303 million over four years has been allocated to support this amalgamation by Government, a significant proportion of which is set aside for community needs.

See the Long-term Plan 2015 – 25 for more information about this group of activities including the levels of service, performance measures and targets.

Community Services Funding Impact Statement

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	4,397	4,657	4,452
Targeted rates	-	-	-
Subsidies and grants for operating purposes	23	16	-
Fees and charges	2,064	1,985	1,994
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	448	497	423
Total operating funding (A)	6,932	7,155	6,869
Applications of operating funding			
Payments to staff and suppliers	6,700	6,851	6,649
Finance costs	63	89	58
Internal charges and overheads applied	2	2	1
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,765	6,942	6,708
Surplus (deficit) of operating funding (A-B)	167	213	161
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(98)	(101)	(83)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(98)	(101)	(83)
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	-	-	-
• to improve the level of service	-	16	15
• to replace existing assets	112	105	103
Increase (decrease) in reserves	(43)	(9)	(40)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	69	112	78
Surplus (deficit) of capital funding (C-D)	(167)	(213)	(161)
Funding balance ((A-B) + (C-D))	-	-	-

Community Services Schedule of Capital Expenditure

Activity/Scheme	Project Name	LTP 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Safer Communities	CCTV fibre optic cable - Great Lake Centre to Police	-	16	15
Community Services - District	Renewals	112	105	103
Total Capital Expenditure		112	120	118

Water

What we do

Council treats, stores and distributes water for residential, commercial and industrial properties in Taupō, Turangi, Mangakino and 16 other settlements in the district. That water is supplied continuously, and we have strict requirements for our water contractors to fix any breaks quickly and cost-effectively. We also supply water for firefighting in urban areas. This group of activities contributes to the environment and economy community outcomes.

For water schemes that do not yet meet the Drinking-water Standards for New Zealand, Council investment is focused on ensuring security of supply so that communities can be confident that the supply of potable water is maintained.

We are proposing a programme of staged compliance, with the upgrades to Taupō, Turangi and Mangakino already completed. Waitahanui, Acacia Bay, Kinloch, Omori, Hatepe, Motuoapa, Whareroa, Atiamuri, and River Road would meet full compliance in 10 years.

Residential water schemes are funded by fixed targeted rates specific to that particular scheme. Rural water schemes are funded by a targeted rate based on land value; the Rakaunui Road water scheme is also funded by a land value based targeted rate. All properties other than residential are assessed for water rates on a metered basis. Units of water are provided at no charge up to the threshold at which the level of water usage multiplied by the rate per cubic metre matches the targeted rate. When the threshold is exceeded each cubic metre of water used is charged for at the tariff relevant to that scheme.

See the Long-term Plan 2015 – 25 for more information about this group of activities including the levels of service, performance measures and targets.

2017/18 key projects

- Continue investigations for the renewal of the Acacia Bay Water Treatment Plant upgrade to meet Drinking Water Standards NZ
- Continue security of supply upgrade for the Kinloch water supply (upgrade reservoir)
- Upgrade the Titoki falling main
- Complete the connection of the Waitahanui water supply to the Taupo town water supply

Water Funding Impact Statement

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	8,845	10,047	9,132
Subsidies and grants for operating purposes	-	-	-
Fees and charges	78	84	78
Internal charges and overheads recovered	367	403	330
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	9,290	10,534	9,540
Applications of operating funding			
Payments to staff and suppliers	4,140	4,552	4,111
Finance costs	1,834	2,185	1,905
Internal charges and overheads applied	53	55	55
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,027	6,792	6,071
Surplus (deficit) of operating funding (AB)	3,263	3,742	3,469
Sources of capital funding			
Subsidies and grants for capital expenditure	971	-	971
Development and financial contributions	256	293	506
Increase (decrease) in debt	(44)	3,582	895
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	1,183	3,875	2,372
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	410	997	1,000
• to improve the level of service	1,698	4,318	2,308
• to replace existing assets	1,963	1,843	1,896
Increase (decrease) in reserves	375	459	637
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	4,446	7,617	5,841
Surplus (deficit) of capital funding (CD)	(3,263)	(3,742)	(3,469)
Funding balance ((A-B) + (C- D))	-	-	-

Water Schedule of Capital Expenditure

Activity / Scheme	Project Name	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Water				
Water Supply Acacia Bay	WTP upgrade to meet DWSNZ	150	1,770	100
Water Supply Acacia Bay	Bulk flow meter	35	-	-
Water Supply Kinloch	Security of supply	410	2,905	1,000
Water Supply Motuoapa	Bulk flow meter	-	27	-
Water Supply Omori	Bulk flow meter	25	-	-
Water Supply Taupo	Titoki falling main upgrade	-	538	650
Water Supply Waitahanui	WTP upgrade to meet DWSNZ	1,488	-	1,488
Water - District	Portable generator	-	75	70
Water - District	Renewals	1,963	1,843	1,899
Total Water		4,071	7,158	5,207



Transport

What we do

Our transport network provides for the efficient movement of people and goods which is essential for the economic and social wellbeing of the community. Our road and traffic assets have a replacement value of approximately \$312 million (as valued at June 2015). This group of activities is funded through the general rate.

We encourage and support people to use footpaths, cycle ways and passenger transport. In particular, we work with Waikato Regional Council and the New Zealand Transport Agency (NZTA), and advocate for district projects, especially those that focus on road safety, or economic development. The district has a disproportionately high number of road traffic crashes that result in death or serious injury, mostly on state highways, which are managed by NZTA.

See the Long-term Plan 2015 – 25 for more information about this group of activities including the levels of service, performance measures and targets.



2017/18 key projects

- Installation of a bus bay on Waikato Street, Taupo
- Continue widening of Poihipi Road
- Seal extension
- Complete construction of Huka Falls footpath
- Continuation of the concrete footpath on Mapara Road
- Construct a stock truck effluent facility
- Undertake minor safety improvements
- Investigate options for the northern outlet and Taupo CBD
- Replace streetlights throughout the district with LED lights



Investigation of options for the northern outlet and Taupo CBD

We have brought forward our investigations into traffic movements through the northern part of Taupō's CBD and Norman Smith Street. The Annual Plan includes \$100,000 to explore options to remedy traffic congestion and will consider community feedback received to date. When the options have been identified, Council will consider the funding to be included in the next Long-term Plan.

Transport Funding Impact Statement

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	6,167	7,057	6,434
Targeted rates	-	-	-
Subsidies and grants for operating purposes	1,720	1,790	1,726
Fees and charges	80	83	115
Internal charges and overheads recovered	500	519	500
Local authorities fuel tax, fines, infringement fees, and other receipts	370	384	370
Total operating funding (A)	8,837	9,833	9,145
Applications of operating funding			
Payments to staff and suppliers	4,490	4,734	4,705
Finance costs	1,281	1,533	1,278
Internal charges and overheads applied	500	519	500
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,271	6,786	6,483
Surplus (deficit) of operating funding (A-B)	2,566	3,047	2,662
Sources of capital funding			
Subsidies and grants for capital expenditure	1,395	1,531	3,601
Development and financial contributions	208	232	252
Increase (decrease) in debt	(1,398)	(1,464)	(1,143)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	205	299	2,710
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	300	24	284
• to improve the level of service	822	1,353	3,719
• to replace existing assets	2,511	2,355	2,221
Increase (decrease) in reserves	(862)	(386)	(852)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	2,771	3,346	5,372
Surplus (deficit) of capital funding (C-D)	(2,566)	(3,047)	(2,662)
Funding balance ((A- B) + (C- D))	-	-	-

Transport Schedule of Capital Expenditure

Activity / Scheme	Project Name	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Transport				
Transport	Accelerated renewal - road lighting LED conversion	-	-	2,500
Transport	Bus bay on Waikato Street	-	-	75
Transport	Bus infrastructure	3	9	9
Transport	Cycle strategy implementation	35	31	30
Transport	Huka Falls Road footpath	100	104	100
Transport	Mangakino streets - upgrade program	40	5	5
Transport	Mapara Road footpath	-	52	50
Transport	New footpaths	25	26	25
Transport	New signs & road marking	25	26	25
Transport	Norman Smith Street intersection investigation	-	-	100
Transport	On-going safety improvements	169	175	169
Transport	On street parking	25	26	25
Transport	Poihipi Road seal widening	200	243	234
Transport	Rural school bus shelters	-	6	6
Transport	Seal extension	400	415	400
Transport	Shared path Wharewaka to Rainbow Point	100	-	-
Transport	Stock truck effluent facility	-	259	250
Transport	Renewals	2,511	2,355	2,221
Total Transport		3,633	3,732	6,224

Community facilities

What we do

Our district offers a wide range of leisure and recreation opportunities and we encourage our residents and visitors to use them. Our strategy is to maintain our community facilities so that we can continue to enjoy them. This group of activities contributes to the engagement, environment and economy community outcomes.

The facilities we operate are:

- Libraries in Taupō, Turangi and Mangakino
- Taupō Museum and Art Gallery
- Great Lake Centre, Taupō Event Centre and community halls
- Parks, reserves, playgrounds and gardens
- Sports grounds
- AC Baths, Turangi Aquatic Centre, Mangakino Community Pool
- Community gyms
- Housing for the Elderly
- Public toilets including the Superloo
- Cemeteries



We fund these activities through a combination of fees and charges and the general rate. The proportion of fees and charges recognises the contribution these activities make toward meeting the recreational, social and cultural needs of current and future generations. A small portion of the funding for cemeteries comes from the uniform annual general charge with the majority coming from fees and charges.

See the Long-term Plan 2015 – 25 for more information about this group of activities including the levels of service, performance measures and targets.

2017/18 Key projects

- Turangi playground renewals and upgrades
- Improvements to the Kinloch reserve
- Otumuheke Hot Stream cultural and ecological enhancement

Community Facilities Funding Impact Statement

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	15,883	16,318	16,500
Targeted rates	-	-	-
Subsidies and grants for operating purposes	103	106	111
Fees and charges	2,661	2,845	2,785
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	17	18	17
Total operating funding (A)	18,664	19,287	19,413
Applications of operating funding			
Payments to staff and suppliers	12,692	13,002	13,241
Finance costs	1,546	1,643	1,491
Internal charges and overheads applied	451	433	457
Other operating funding applications	-	-	-
Total applications of operating funding (B)	14,689	15,078	15,189
Surplus (deficit) of operating funding (-AB)	3,975	4,209	4,224
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	112	283	63
Increase (decrease) in debt	(781)	(772)	(753)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(669)	(489)	(690)
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	257	258	245
• to improve the level of service	843	818	917
• to replace existing assets	2,136	2,047	2,417
Increase (decrease) in reserves	70	597	(45)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	3,306	3,720	3,534
Surplus (deficit) of capital funding (C-D)	(3,975)	(4,209)	(4,224)
Funding balance ((A-B) + (C- D))	-	-	-

Community Facilities Schedule of Capital Expenditure

Activity / Scheme	Project Name	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Community Facilities				
Cemeteries - District	Taupo - Burial / cremation berms	7	7	7
GLC / Events Logistics Management	External access to kitchen	50	-	-
GLC / Events Logistics Management	Great Lake Centre investigation	-	-	50
Libraries - District	Library books	310	326	310
Parks & Reserves - District	Fencing contributions (Fencing Act requirement)	20	21	20
Parks & Reserves - District	Integration of old bowling green into Tongariro Domain	20	84	-
Parks & Reserves - District	Tongariro Domain - irrigation upgrade	79	-	-
Parks & Reserves - District	Kinloch lakefront reserve	-	-	100
Parks & Reserves - District	Landscape lower Otumuheke Stream banks at bathing area	50	42	40
Parks & Reserves - District	Taupo - CBD Laneway lighting	-	-	70
Parks & Reserves - District	New playground & parks assets	12	-	-
Parks & Reserves - District	Public Art	25	25	25
Parks & Reserves - District	Spa Thermal Park - seal parking area adjacent to pump track	40	-	-
Parks & Reserves - District	Spa Thermal Park - new path construction	-	58	55
Parks & Reserves - District	Spa Thermal Park - gravel path upgrade	45	-	-
Parks & Reserves - District	Rationalisation & upgrade of Turangi playgrounds	-	126	120
Parks & Reserves - District	Redevelopment of Te Kapua Park	-	11	-
Parks Development Contribution	New neighbourhood reserves	245	258	245
Project Watershed	Erosion control assets	100	105	100
Public Conveniences - District	Dry vault toilet near Otumuheke Stream	40	-	-
Public Conveniences - District	Install water tank - Spa Thermal Park toilets	15	-	-
Sportsgrounds - District	Owen Delany Park - PA system & scoreboard upgrade (No.1 field)	35	-	-
Taupo Events Centre	Additional stage units	-	12	20
Community Facilities	Renewals	2,143	2,047	2,417
Total Community Facilities		3,236	3,122	3,579

Wastewater

What we do

Council collects, treats and disposes of wastewater from residential, commercial and industrial properties within designated drainage areas of the district, safeguarding the environment and protecting public health. We provide sufficient capacity to serve communities within current designated drainage areas of the district, on a continuous basis. Our wastewater services support our environment outcome.

Council treats and disposes of wastewater in an environmentally responsible way, meeting Waikato Regional Council consent conditions, including odour control at our treatment facilities. We are also responsible for reducing nitrogen discharge from our wastewater treatment plants into the Lake Taupō catchment by at least 20 per cent of 2005 levels by 2020, as part of the Lake Taupō Protection project.



We have a proactive approach to maintenance and condition assessment in place and we are also moving to enforce the trade waste bylaw more stringently to reduce the likelihood of blockages in the sewer network or mechanical equipment failure.

The wastewater service is funded by a district wide targeted rate. This rate applies to every rating unit connected or available to be connected to a council scheme on the basis of one charge per pan or urinal (with the exception of the residence of a single household which is only levied one charge).

See the Long-term Plan 2015 – 25 for more information about this group of activities including the levels of service, performance measures and targets.

2017/18 key projects

- Undertake works for treatment and screen optimisation at the Turangi Wastewater Treatment Plant
- Undertake work to improve the Pukawa wastewater pump station and pipeline
- Upgrade the Whakamaru Wastewater Treatment Plant to meet likely consent renewal conditions
- Upgrade the Kinloch Wastewater Treatment Plant and install a disposal field

Wastewater Funding Impact Statement

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	12,471	13,374	12,356
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,150	1,560	1,091
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	13,621	14,934	13,447
Applications of operating funding			
Payments to staff and suppliers	6,363	6,759	6,545
Finance costs	2,587	2,869	2,463
Internal charges and overheads applied	134	163	128
Other operating funding applications	-	-	-
Total applications of operating funding (B)	9,084	9,791	9,136
Surplus (deficit) of operating funding (A – B)	4,537	5,143	4,311
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	377	362	453
Increase (decrease) in debt	(2,157)	(2,066)	(484)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(1,780)	(1,704)	(31)
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	600	54	1,677
• to improve the level of service	420	1,496	1,170
• to replace existing assets	2,562	2,378	2,275
Increase (decrease) in reserves	(825)	(489)	(842)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	2,757	3,439	4,280
Surplus (deficit) of capital funding (C – D)	(4,537)	(5,143)	(4,311)
Funding balance ((A – B) + (C – D))	-	-	-

Wastewater Schedule of Capital Expenditure

Activity / Scheme	Project Name	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Wastewater				
Wastewater Acacia Bay	Treatment Plant Upgrade	-	-	220
Wastewater Kinloch	Monitoring bore / Land Disposal System	120	-	1,627
Wastewater Mangakino	Monitoring bore	-	43	40
Wastewater Motutere	Monitoring bore	25	-	-
Wastewater Omori	Pukawa pond improvement / remediation	250	-	400
Wastewater Taupo	Eastern truck sewer extension investigation	-	54	50
Wastewater Taupo	Storm flow diversion	-	54	50
Wastewater Turangi	Turangi WWTP treatment / screen optimisation	600	753	60
Wastewater Turangi	Unused pond remediation	-	215	-
Wastewater Whakamaru	WWTP upgrade / optimisation	25	430	400
Wastewater - District	Renewals	2,562	2,378	2,275
Total Wastewater		3,582	3,928	5,122

Solid waste

What we do

We provide a solid waste system for refuse and recyclables. Waste services include a landfill and resource recovery centre at Broadlands Road, five transfer stations, and litter and recycling bins. We manage solid waste to reduce the likelihood of harm to people and the environment, and to retain the districts' attractive appearance for residents and visitors. Solid waste services contribute to the environment and economic community outcomes.

Council is continuing to implement the Waste Minimisation and Management Plan 2012, with a focus on reducing the volume of waste going into the district landfill by three per cent by 2018/19. Refuse collection is funded through fees and charges, while disposal is funded through a combination of fees and charges and a targeted rate applied to those areas where the service is available. Litter control is funded through the general rate.

See the Long-term Plan 2015 – 25 for more information about this group of activities including the levels of service, performance measures and targets.



Solid waste Funding Impact Statement

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	739	828	750
Targeted rates	1,057	1,365	1,042
Subsidies and grants for operating purposes	115	121	115
Fees and charges	2,332	2,290	2,716
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	4,243	4,604	4,623
Applications of operating funding			
Payments to staff and suppliers	3,671	3,900	3,963
Finance costs	190	254	223
Internal charges and overheads applied	9	10	9
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,870	4,164	4,195
Surplus (deficit) of operating funding (A – B)	373	440	428
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	714	(344)	(318)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	714	(344)	(318)
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	-	-	-
• to improve the level of service	1,010	11	10
• to replace existing assets	87	37	60
Increase (decrease) in reserves	(10)	48	40
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,087	96	110
Surplus (deficit) of capital funding (C – D)	(373)	(440)	(428)
Funding balance ((A–B) + (C – D))	-	-	-

Solid Waste Schedule of Capital Expenditure

Activity / Scheme	Project Name	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Solid Waste				
Litter control Taupo	Street recycling bins	10	11	10
Taupo Solid Waste Disposal	Broadlands Landfill cell 2D	1,000	-	-
Solid Waste Disposal - District Renewals		87	37	60
Total Solid Waste		1,097	47	70

Stormwater

What we do

Council provides a stormwater system to manage the surface water runoff from the district's urban catchments. Waikato Regional Council increasingly require us to improve the quality of the stormwater particularly where it goes into lakes and rivers (as it does in the Taupō district) to reduce the adverse effects on the environment.

Council owns and maintains a number of gullies that transport stormwater to the lake, which need to be maintained to avoid sedimentation and enable stormwater quality to improve as it passes through the gullies. We monitor stormwater quality, testing for pollution for a range of contaminants, because we are committed to improving the quality of stormwater going into Lake Taupō. We also seek to minimise erosion damage from stormwater to roads, reserves, gullies and outfalls. The discharge quality of stormwater is governed by the framework set down in the conditions of our comprehensive stormwater discharge consent.

We fund this activity through the general rate. This group of activities primarily contributes to the environment community outcome.

See the Long-term Plan 2015 – 25 for more information about this group of activities including the levels of service, performance measures and targets.

2017/18 key projects

- Installation of Enviropods
- Install quality improvement device at Ruapehu Street



Storm water Funding Impact Statement

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,667	1,815	1,697
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,667	1,815	1,697
Applications of operating funding			
Payments to staff and suppliers	709	713	718
Finance costs	45	94	55
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	754	807	773
Surplus (deficit) of operating funding (A – B)	913	1,008	924
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	108	81	269
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	108	81	269
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	-	-	-
• to improve the level of service	155	156	325
• to replace existing assets	127	119	111
Increase (decrease) in reserves	739	814	757
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,021	1,089	1,193
Surplus (deficit) of capital funding (C – D)	(913)	(1,008)	(924)
Funding balance ((A – B) + (C – D))	-	-	-

Storm water Schedule of Capital Expenditure

Activity / Scheme	Project Name	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Stormwater				
Stormwater	Enviropod protection	5	5	5
Stormwater	Overland flow path remediation	20	22	20
Stormwater	Quality improvement device	130	129	300
Stormwater	Renewals	127	119	111
Total Stormwater		282	275	436

Democracy and planning

What we do

Council provides democratic local decision-making and action by, and on behalf of our district's many communities. We are focused on meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Advocacy and leadership are essential for Council to ensure that the special qualities and particular needs of our district are considered when national and regional plans are being developed. We contribute to regional planning and coordination, and work with a wide range of community partners to advocate for our communities.

Council works collaboratively with a wide range of other governing bodies, including central government, other local government (such as Waikato Regional Council), iwi authorities (such as the Tūwharetoa Māori Trust Board) and local hapu, district health boards, and many others. Building on these relationships is an important focus for Council.

A major role for Council is planning for the district's future to meet the needs of our communities. Council uses a wide range of strategic and spatial planning tools to achieve these goals and meet its various obligations under the legislation such as the Local Government Act and the Resource Management Act.

In addition to planning for the future, we also control a wide range of activities such as how reserves are used and when and how people can connect to Council services. Through this variety of policies, plans and bylaws we help to guide the day to day management of many activities to provide a safe and enjoyable environment.

We fund the democracy activity through the uniform annual general charge. The funding for the Turangi-Tongariro Community Board is primarily through a targeted rate from the Turangi –Tongariro Ward with some funding from the general rate. The planning activity is funded through the general rate. This group of activities contributes to the environment, economic and engagement community outcomes.

See the Long-term Plan 2015 – 25 for more information about this group of activities including the levels of service, performance measures and targets.

2017/18 key projects

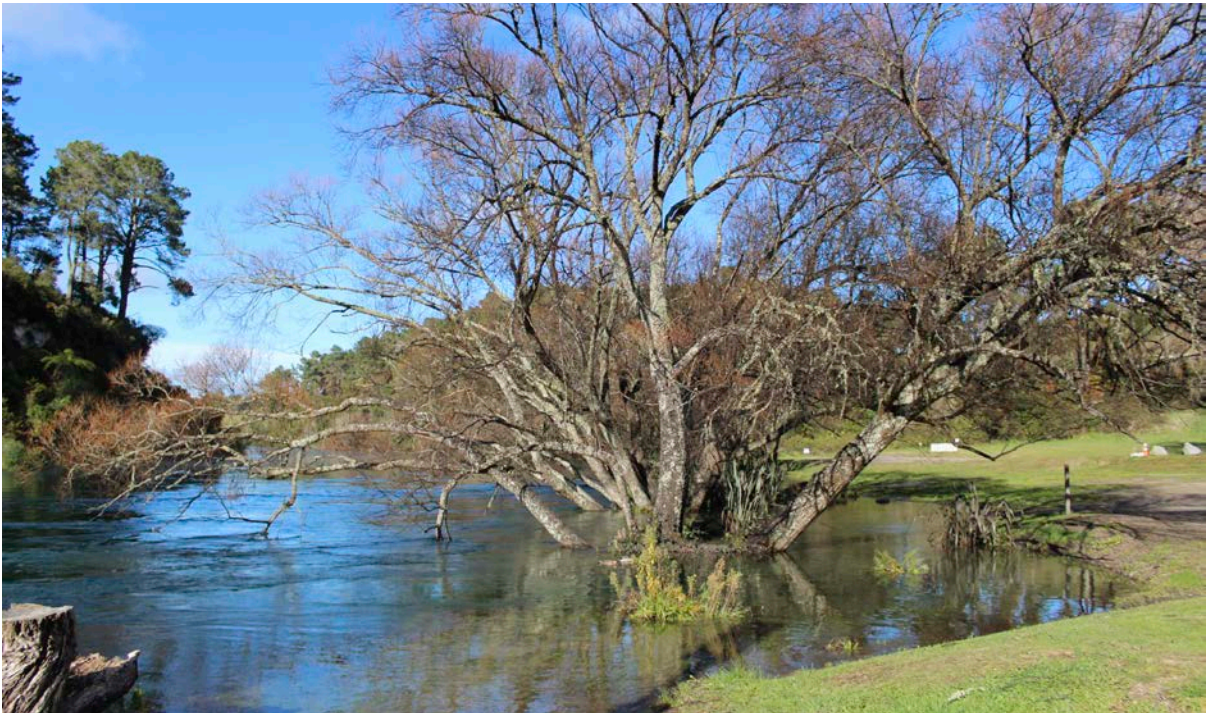
- Continue the District Plan review
- Complete the Long-term Plan 2018 – 28
- Continue the Flood Hazard Plan Change
- Gaming Policy review
- Representation review (which includes a review of Māori representation).
- Continue the development of the Turangi Reserve Management Plan
- Development of the Taupō Catchment Document with Ngāti Tūwharetoa and the Waikato Regional Council, following on from the Tūwharetoa Treaty settlement process.

Democracy and Planning Funding Impact Statement

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	6,350	6,951	7,182
Targeted rates	80	84	80
Subsidies and grants for operating purposes	-	-	-
Fees and charges	76	1	1
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	6,506	7,036	7,263
Applications of operating funding			
Payments to staff and suppliers	6,490	7,026	7,253
Finance costs	-	-	-
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,490	7,026	7,253
Surplus (deficit) of operating funding (A – B)	16	10	10
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	-	-	-
• to improve the level of service	-	-	-
• to replace existing assets	50	-	-
Increase (decrease) in reserves	(34)	10	10
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	16	10	10
Surplus (deficit) of capital funding (C – D)	(16)	(10)	(10)
Funding balance ((A – B) + (C – D))	-	-	-

Democracy and Planning Schedule of Capital Expenditure

Activity / Scheme	Project Name	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Democracy and Planning				
Council Services - District	Mayoral vehicle renewal	50	-	-
Total Economic Development		50	-	-



investments

What we do

Council generates income through investments and development of a range of assets that it owns. Income generated from assets is an important income stream for Council as it off-sets some of the costs of providing services. Income is also used to pay off debt due to the East Taupō Arterial and the construction of other community infrastructure.

We aim to maximise return from residential and commercial land development, property, the TEL fund, forestry and our general reserve funds. Most of the costs associated with the property component of this activity (including motor camps, residential and commercial land and property) are covered by those who use the properties and are recovered through fees and charges. Where there are costs to maintain these properties we use the general rate. This group of activities contributes to the economic community outcome.



Taupō District Council and the Crown represented by the Ministry of Transport, own the Taupō Airport Authority (TAA) equally. The Taupō Airport Authority is a council-controlled organisation as defined by the Local Government Act 2002. Taupō District Council, under agreement with the Crown, manages the Taupō Airport Authority. The governance of the airport operations is provided by a Committee of Council. The committee consists of Council and business representatives.



See the Long-term Plan 2015 – 25 for more information about this group of activities including the levels of service, performance measures and targets.

Investments Funding Impact Statement

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	(561)	(2,668)	(845)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	774	760	927
Internal charges and overheads recovered	601	627	604
Local authorities fuel tax, fines, infringement fees, and other receipts	3,118	5,079	3,310
Total operating funding (A)	3,932	3,798	3,996
Applications of operating funding			
Payments to staff and suppliers	(224)	(344)	320
Finance costs	1,206	1,314	1,167
Internal charges and overheads applied	318	366	284
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,300	1,336	1,771
Surplus (deficit) of operating funding (A – B)	2,632	2,462	2,225
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(1,394)	(1,086)	(871)
Gross proceeds from sale of assets	2,147	3,187	2,023
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	753	2,101	1,152
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	-	-	-
• to improve the level of service	1,140	526	1,550
• to replace existing assets	1,493	865	986
Increase (decrease) in reserves	752	3,172	841
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	3,385	4,563	3,377
Surplus (deficit) of capital funding (C – D)	(2,632)	(2,462)	(2,225)
Funding balance ((A – B) + (C – D))	-	-	-

Investments Schedule of Capital Expenditure

Activity / Scheme	Project Name	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Investments				
Property - Commercial	Gutter guard installation	5	-	-
Property - Commercial	Turangi i-Site investigation	-	-	50
Property - Commercial	TDC Civic Building project	-	-	1,000
Property - Land	Commercial and residential land development	825	210	200
Support Services	Software, network development & equipment renewals	1,802	1,181	1,282
Total Investments		2,632	1,392	2,532

Economic Development

What we do

The economic base of the Taupō District is intrinsically linked with the unique characteristics of Lake Taupō and its surrounding geography. Tourism, forestry, energy generation (hydro and geothermal) and agriculture largely drive the Taupō economy. There is significant potential for investment to gain added value from these industries.

We invest in economic development within our district so that we can focus on meeting the current and future needs of the community. A growing district can provide services more cost-effectively than a declining one – and without a growing economy there is a risk that our industries will shrink, our businesses will struggle, and people will move out of the district due to a lack of employment opportunities. We fund these activities through the general rate.

We invest in economic development in the following ways:

- An in-house events function that supports event organisers to run both commercial and community events. Council also provides infrastructure, services and regulatory functions to enable events.
- Promoting Taupō as a holiday and visitor destination through a Council-controlled organisation, Destination Great Lake Taupō (DGLT), and i-SITEs in Taupō, Turangi and an information desk in Mangakino.
- Contracting Enterprise Great Lake Taupō (EGLT), an independent trust, to provide business development services throughout the district.
- Providing funding to Go Tongariro, an independent economic development trust based in Turangi.
- Supporting the activities of Town Centre Taupō - a member based organisation focused on enhancing and developing the social and economic wellbeing of the Taupō Central Business District.

See the Long-term Plan 2015 – 25 for more information about this group of activities including the levels of service, performance measures and targets.

Funding to promote Central North Island Ski & Winter holidays into Australia

Ruapehu Alpine Lifts (RAL) is planning \$100 million of investment at Whakapapa and Turoa ski fields over the next few years, with a plan that will transform the visitor experience on the mountain. We are partnering with RAL, Ruapehu District Council, Tourism New Zealand & key wholesalers to promote Central North Island ski and winter holidays into Australia. The potential economic benefit for the district is significant, with estimated increases in bed nights, food and beverage sales and retail spending. Our contribution of \$100,000 is consistent with the Long-term Plan and specifically with our long-term district strategy of promoting economic development and ensuring that the Taupo District remains a great place to live.

Turangi iSITE & visitor hub

Council has included \$50,000 in the Annual Plan to develop conceptual designs for a new gateway building in Turangi. This building may include the iSITE as well as other community and visitor facilities.

Funding for Go Tongariro

Council has included a \$20,000 grant to Go Tongariro for the 2017/18 year to help fund the co-ordinator role. The trust received council funding of \$20,000 in 2015/16 and the intent was for their grant to gradually reduce to \$14,000 in 2016/17 and then \$7000 in 2017/18. However, Go Tongariro requested an amendment to the amount of funding Council intended to provide in the 2017/18 year. The Council consulted on the proposed increase with the majority of submissions on this matter in support.

Economic Development Funding Impact Statement

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	3,438	3,630	3,521
Targeted rates	164	173	163
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	3,602	3,803	3,684
Applications of operating funding			
Payments to staff and suppliers	3,585	3,746	3,665
Finance costs	3	37	3
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,588	3,783	3,668
Surplus (deficit) of operating funding (A-B)	14	20	16
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(53)	(55)	(53)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(53)	(55)	(53)
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	-	-	-
• to improve the level of service	4	4	4
• to replace existing assets	-	43	43
Increase (decrease) in reserves	(43)	(82)	(84)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(39)	(35)	(37)
Surplus (deficit) of capital funding (C-D)	(14)	(20)	(16)
Funding balance ((A-B) + (C- D))	-	-	-

Economic Development Schedule of Capital Expenditure

Activity / Scheme	Project Name	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Economic Development				
Events Management	Event equipment & renewals	4	47	47
Total Economic Development		4	47	47



Prospective Schedule of Rates

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Total District			
General rates	39,207	39,657	40,746
Targeted rates	22,983	25,446	23,103
Total rates	62,190	65,103	63,849
Less internal rates	968	1,029	934
Less rates remission	900	842	850
Add rates penalties	375	400	400
Rates revenue per statement of comprehensive revenue and expense	60,697	63,632	62,465
% Change total rates	1.19%	3.00%	2.67%
% Change general rates	2.91%	2.45%	3.93%
% Change targeted rates	-1.60%	3.87%	0.52%
Number of properties	22,208	22,343	22,204
Growth in property numbers	63	100	126
Number of properties to be rated	22,271	22,443	22,330
Costs to be recovered (GST excl)	62,190	65,103	63,849
All rateable properties included			
Average rates per property	2,792	2,901	2,859
Average property % increase	1.10%	2.54%	2.40%
Average property increase GST excl	30	72	67
Average property increase GST incl	35	83	77

Ratings base information

The projected number of rating units within the district for 30 June 2017 is 22,330.

The projected total capital value of rating units within the district for 30 June 2017 is \$15.188 billion.

The projected total land value of rating units within the district for 30 June 2017 is \$7.454 billion.

Prospective Statement of Comprehensive Revenue and Expense

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Revenue			
Rates	60,698	63,631	62,465
Subsidies and grants	4,326	3,563	6,524
Development and financial contributions	953	1,171	1,274
Fees and charges	9,215	9,608	9,706
Finance revenue	2,937	4,891	3,130
Other revenue	3,632	3,362	3,439
Total revenue	81,761	86,226	86,538
Expenses			
Personnel costs	20,372	20,705	21,293
Depreciation and amortisation expense	19,818	21,301	21,257
Finance costs	8,755	10,019	8,642
Other expenses	28,243	30,343	29,881
Total operating expenses	77,188	82,368	81,073
Surplus/(deficit) before tax	4,573	3,858	5,465
Income tax (expense)/credit	-	-	-
Surplus/(deficit) after tax	4,573	3,858	5,465
Other comprehensive revenue and expense			
Property, plant & equipment revaluations	19,047	25,517	12,673
Total other comprehensive revenue and expense	19,047	25,517	12,673
Total comprehensive revenue and expense	23,620	29,375	18,138
Reconciliation to Summary Funding Impact Statement			
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	38,081	38,588	39,692
Targeted rates	22,617	25,043	22,773
Total rates revenue	60,698	63,631	62,465
Subsidies and grants for operating purposes	1,960	2,033	1,952
Fees and charges	9,215	9,608	9,706
Interest and dividends from investments	2,937	4,891	3,130
Local authorities fuel tax, fines, infringement fees, and other receipts	1,017	1,086	990
Total operating funding	75,827	81,249	78,243
Add asset development and other gains / (losses)			
Subsidies and grants for capital expenditure	2,366	1,531	4,572
Development and financial contributions	953	1,171	1,274
Add vested and first time recognition of assets	900	961	900
Add gain on sale	686	121	904
Add unrealised gains/(losses)	1,029	1,193	645
Total asset development and other gains / (losses)	5,934	4,977	8,295
Total revenue	81,761	86,226	86,538
Applications of operating funding			
Payments to staff and suppliers	48,615	50,939	51,174
Finance costs	8,755	10,019	8,642
Total applications of operating funding (B)	57,370	60,958	59,816
Add depreciation expense	19,818	21,301	21,257
Less loss on sale of asset	-	109	-
Total operating expenses	77,188	82,368	81,073
Surplus/(deficit) after tax	4,573	3,858	5,465
Add other comprehensive revenue and expenses	19,047	25,517	12,673
Total comprehensive revenue and expense	23,620	29,375	18,138

Prospective Statement of Changes in Net Assets/Equity

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Net assets/equity at beginning of year	1,035,033	1,011,294	1,062,046
Net surplus/(deficits) for the year	4,573	3,859	5,465
Other comprehensive revenue and expenses	19,047	25,516	12,673
Total recognised revenues and expenses for the year	23,620	29,375	18,138
Total equity at end of year	1,058,653	1,040,669	1,080,184
Components of Equity			
Accumulated funds at beginning of year	782,832	780,661	788,730
Net surplus/(deficits) for the year	4,452	(469)	4,674
Accumulated funds at end of year	787,284	780,192	793,404
Council created reserves at beginning of year	91,053	95,746	100,249
Transfers to/(from) reserves	120	4,327	791
Council created reserves at end of year	91,173	100,073	101,040
Revaluation reserves at beginning of year	161,149	134,887	173,067
Revaluation surplus/(deficits) for the year	19,047	25,517	12,673
Revaluations reserves at end of year	180,196	160,404	185,740
Total equity at end of year	1,058,653	1,040,669	1,080,184

Prospective Statement of Financial Position

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
ASSETS			
Current assets			
Cash and cash equivalents	5,041	3,855	5,961
Other financial assets	55,628	41,042	41,048
Trade and other receivables	5,181	6,587	4,922
Inventories	509	624	766
Prepayments	408	-	879
Non current assets held for sale	2,353	2,889	2,228
Total current assets	69,120	54,997	55,804
Non-current assets			
Other financial assets	25,127	47,639	47,322
Investment in CCO and other similar entities	3,217	3,202	3,237
Intangible assets	593	657	885
Investment properties	23,325	23,507	29,994
Investments in associates	-	3,141	-
Biological assets - forestry	5,656	3,587	5,003
Property plant and equipment	1,108,745	1,078,292	1,114,910
Total non-current assets	1,166,663	1,160,025	1,201,351
Total assets	1,235,783	1,215,022	1,257,155
LIABILITIES			
Current liabilities			
Trade and other payables	8,923	8,203	8,676
Employee benefit liabilities	2,753	2,642	2,098
Borrowings	49,310	78,550	49,985
Total current liabilities	60,986	89,395	60,759
Non-current liabilities			
Provisions	64	58	68
Derivative financial instruments	19,399	11,119	21,780
Borrowings	96,409	73,480	94,015
Employee benefit liabilities	272	301	349
Total non-current liabilities	116,144	84,958	116,212
Total liabilities	177,130	174,353	176,971
Net assets (assets minus liabilities)	1,058,653	1,040,669	1,080,184
EQUITY			
Accumulated funds	787,284	780,192	793,404
Council created reserves	91,173	100,073	101,040
Revaluation reserves	180,196	160,404	185,740
Total equity	1,058,653	1,040,669	1,080,184

Prospective Statement of Cashflows

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Cash flows from operating activities			
Rates	60,698	63,631	62,465
Subsidies	1,960	2,033	1,952
Interest revenue	2,937	4,891	3,130
Fees and charges	9,215	9,608	9,707
Other revenue	1,015	1,087	989
Payments to suppliers	(28,243)	(30,235)	(29,555)
Payments to employees	(20,372)	(20,705)	(21,293)
Interest on public debt	(8,750)	(10,019)	(8,642)
Net cash flow (outflow) from operating activities	18,460	20,291	18,753
Cash flows from investing activities			
Proceeds from sale of property, plant, equipment & biological assets	2,147	3,187	2,023
Development/financial contributions	953	1,171	1,274
Capital subsidies	2,366	1,531	4,572
Net decrease in investments	-	-	4,079
Purchase & development of property, plant & equipment	(18,700)	(19,822)	(23,335)
Net increase in investments	(2,800)	(4,175)	-
Net cash flow from investing activities	(16,034)	(18,108)	(11,387)
Cash flows from financing activities			
Loans raised	6,466	9,524	9,264
Repayment of public debt	(11,569)	(11,749)	(11,805)
Net cash flow from financing activities	(5,103)	(2,225)	(2,541)
Net increase (decrease) in cash held	(2,675)	(42)	4,824
Add cash at start of year	7,716	3,897	1,137
Cash and cash equivalents at end of year	5,041	3,855	5,961

Prospective Statement of Borrowings

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Debt Balances			
Opening debt	148,089	154,254	146,000
New borrowing requirements	6,466	9,524	9,264
Borrowing requirements for prior year capital expenditure brought forward	2,733	-	541
Debt repayments	(11,569)	(11,749)	(11,805)
Closing external debt	145,719	152,029	144,000
Debt Servicing Costs			
Interest	8,755	10,019	8,642
Debt repayments	11,569	11,749	11,805
Total external debt servicing costs	20,324	21,768	20,447

Prospective Schedule of Capital Expenditure

Activity / Scheme	Project Name	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Water				
Water Supply Acacia Bay	WTP upgrade to meet DWSNZ	150	1,770	100
Water Supply Acacia Bay	Bulk flow meter	35	-	-
Water Supply Kinloch	Security of supply	410	2,905	1,000
Water Supply Motuoapa	Bulk flow meter	-	27	-
Water Supply Omori	Bulk flow meter	25	-	-
Water Supply Taupo	Titoki falling main upgrade	-	538	650
Water Supply Waitahanui	WTP upgrade to meet DWSNZ	1,488	-	1,488
Water - District	Portable generator	-	75	70
Water - District	Renewals	1,963	1,843	1,899
Total Water		4,071	7,158	5,207
Community Services				
Safer Communities	CCTV fibre optic cable - Great Lake Centre to Police	-	16	15
Community Services - District	Renewals	112	105	103
Total Community Services		112	120	118
Solid Waste				
Litter control Taupo	Street recycling bins	10	11	10
Taupo Solid Waste Disposal	Broadlands Landfill cell 2D	1,000	-	-
Solid Waste Disposal - District	Renewals	87	37	60
Total Solid Waste		1,097	47	70
Stormwater				
Stormwater	Enviropod protection	5	5	5
Stormwater	Overland flow path remediation	20	22	20
Stormwater	Quality improvement device	130	129	300
Stormwater	Renewals	127	119	111
Total Stormwater		282	275	436
Wastewater				
Wastewater Acacia Bay	Treatment Plant Upgrade	-	-	220
Wastewater Kinloch	Monitoring bore / Land Disposal System	120	-	1,627
Wastewater Mangakino	Monitoring bore	-	43	40
Wastewater Motutere	Monitoring bore	25	-	-
Wastewater Omori	Pukawa pond improvement / remediation	250	-	400
Wastewater Taupo	Eastern truck sewer extension investigation	-	54	50
Wastewater Taupo	Storm flow diversion	-	54	50
Wastewater Turangi	Turangi WWTP treatment / screen optimisation	600	753	60
Wastewater Turangi	Unused pond remediation	-	215	-
Wastewater Whakamaru	WWTP upgrade / optimisation	25	430	400
Wastewater - District	Renewals	2,562	2,378	2,275
Total Wastewater		3,582	3,928	5,122
Economic Development				
Events Management	Event equipment & renewals	4	47	47
Total Economic Development		4	47	47
Democracy and Planning				
Council Services - District	Mayoral vehicle renewal	50	-	-
Total Democracy and Planning		50	-	-
Investments				
Property - Commercial	Gutter guard installation	5	-	-
Property - Commercial	Turangi i-Site investigation	-	-	50
Property - Commercial	TDC Civic Building project	-	-	1,000
Property - Land	Commercial and residential land development	825	210	200
Support Services	Software, network development & equipment renewals	1,802	1,181	1,282
Total Investments		2,632	1,392	2,532

Prospective Schedule of Capital Expenditure (continued)

Activity / Scheme	Project Name	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Transport				
Transport	Accelerated renewal - road lighting LED conversion	-	-	2,500
Transport	Bus bay on Waikato Street	-	-	75
Transport	Bus infrastructure	3	9	9
Transport	Cycle strategy implementation	35	31	30
Transport	Huka Falls Road footpath	100	104	100
Transport	Mangakino streets - upgrade program	40	5	5
Transport	Mapara Road footpath	-	52	50
Transport	New footpaths	25	26	25
Transport	New signs & road marking	25	26	25
Transport	Norman Smith Street intersection investigation	-	-	100
Transport	On-going safety improvements	169	175	169
Transport	On street parking	25	26	25
Transport	Poihipi Road seal widening	200	243	234
Transport	Rural school bus shelters	-	6	6
Transport	Seal extension	400	415	400
Transport	Shared path Wharewaka to Rainbow Point	100	-	-
Transport	Stock truck effluent facility	-	259	250
Transport	Renewals	2,511	2,355	2,221
Total Transport		3,633	3,732	6,224
Community Facilities				
Cemeteries - District	Taupo - Burial / cremation berms	7	7	7
GLC / Events Logistics Management	External access to kitchen	50	-	-
GLC / Events Logistics Management	Great Lake Centre investigation	-	-	50
Libraries - District	Library books	310	326	310
Parks & Reserves - District	Fencing contributions (Fencing Act requirement)	20	21	20
Parks & Reserves - District	Integration of old bowling green into Tongariro Domain	20	84	-
Parks & Reserves - District	Tongariro Domain - irrigation upgrade	79	-	-
Parks & Reserves - District	Kinloch lakefront reserve	-	-	100
Parks & Reserves - District	Landscape lower Otumuheke Stream banks at bathing area	50	42	40
Parks & Reserves - District	Taupo - CBD Laneway lighting	-	-	70
Parks & Reserves - District	New playground & parks assets	12	-	-
Parks & Reserves - District	Public Art	25	25	25
Parks & Reserves - District	Spa Thermal Park - seal parking area adjacent to pump track	40	-	-
Parks & Reserves - District	Spa Thermal Park - new path construction	-	58	55
Parks & Reserves - District	Spa Thermal Park - gravel path upgrade	45	-	-
Parks & Reserves - District	Rationalisation & upgrade of Turangi playgrounds	-	126	120
Parks & Reserves - District	Redevelopment of Te Kapua Park	-	11	-
Parks Development Contribution	New neighbourhood reserves	245	258	245
Project Watershed	Erosion control assets	100	105	100
Public Conveniences - District	Dry vault toilet near Otumuheke Stream	40	-	-
Public Conveniences - District	Install water tank - Spa Thermal Park toilets	15	-	-
Sportsgrounds - District	Owen Delany Park - PA system & scoreboard upgrade (No.1 field)	35	-	-
Taupo Events Centre	Additional stage units	-	12	20
Community Facilities	Renewals	2,143	2,047	2,417
Total Community Facilities		3,236	3,122	3,579
Total Capital Expenditure		18,700	19,822	23,335

Prospective Schedule of Reserve Funds

Reserve Name	Projected Opening Balance 01/07/17 (\$'000)	Expected Deposits 01/07/17-30/06/18 (\$'000)	Expected Withdrawals 01/07/17-30/06/18 (\$'000)	Expected Balance @ 30/06/18 (\$'000)	Purpose of the Fund	Activities to which the fund relate
Development Contribution Reserves						
Community Infrastructure - District	861	-	(3)	858	District Community Infrastructure	Community Facilities
District Wide Parks	56	33	-	88	District Wide Parks	Community Facilities
Parks & Reserves Land (Residential)	2,568	30	-	2,598	Residential Parks Reserve Land	Community Facilities
Transport & Stormwater - District	711	252	(1,000)	(37)	District Wide Transport	Transport
Wastewater - Atiamuri	2	-	-	2	Atiamuri Wastewater	Wastewater
Wastewater - Kinloch	(9)	-	-	(9)	Kinloch Wastewater	Wastewater
Wastewater - Mangakino	-	-	-	-	Mangakino Wastewater	Wastewater
Wastewater - Omori	-	-	-	-	Omori Wastewater	Wastewater
Wastewater - Taupo	779	453	(697)	536	Taupo Wastewater	Wastewater
Wastewater - Turangi/Tongariro	29	-	-	29	Turangi/Tongariro Wastewater	Wastewater
Wastewater-Whareroa	-	-	-	-	Whareroa Wastewater	Wastewater
Water - Acacia Bay	-	-	-	-	Acacia Bay Water	Water
Water - Atiamuri	0	-	-	0	Atiamuri Water	Water
Water - Kinloch	25	216	-	241	Kinloch Water	Water
Water - Mapara Road	31	46	-	77	Mapara Road Water	Water
Water - Motuoaapa	-	-	-	-	Motuoaapa Water	Water
Water - Omori/Pukawa/Kuratau	29	-	-	29	Omori/Pukawa/Kuratau Water	Water
Water - River Road	5	-	-	5	River Road Water	Water
Water - Taupo	309	245	(4)	550	Taupo Water	Water
Water - Turangi/Tongariro	14	-	-	14	Turangi/Tokaanu Water	Water
Water - Whareroa	-	-	-	-	Whareroa Water	Water
Depreciation Reserves						
Buildings - District	4,198	3,859	(3,039)	5,018	Buildings - District	Community Facilities, Community Services, Water, Wastewater, Solid Waste, Investments, Economic Development
Land Subdivision - District	1,327	-	(77)	1,250	Land Subdivision - District	Community Facilities
Operational assets - District	4,210	2,772	(3,258)	3,724	Operational assets - District	All activities with the exception of Democracy and Planning
Solid Waste - District	992	371	(256)	1,107	Solid Waste - District	Solid Waste
Transport & Stormwater - District	4,774	10,207	(9,114)	5,867	Transport & Stormwater - District	Transport
Wastewater - District	4,997	4,522	(5,321)	4,199	Wastewater - District	Wastewater
Water - Acacia Bay	(43)	101	(173)	(16)	Water - Acacia Bay	Water
Water - Atiamuri	63	22	(3)	81	Water - Atiamuri	Water
Water - Bonshaw Park	9	27	(33)	3	Water - Bonshaw Park	Water
Water - Centennial Drive	33	133	(75)	92	Water - Centennial Drive	Water

Reserve Name	Projected Opening Balance 01/07/17 (\$'000)	Expected Deposits 01/07/17-30/06/18 (\$'000)	Expected Withdrawals 01/07/17-30/06/18 (\$'000)	Expected Balance @ 30/06/18 (\$'000)	Purpose of the Fund	Activities to which the fund relate
Water - Hatepe	59	26	(14)	72	Water - Hatepe	Water
Water - Kinloch	1,587	107	(187)	1,508	Water - Kinloch	Water
Water - Mangakino	192	129	(131)	190	Water - Mangakino	Water
Water - Mapara	378	45	(25)	398	Water - Mapara	Water
Water - Motuoapa	(51)	53	(70)	(68)	Water - Motuoapa	Water
Water - Omori	933	105	(8)	1,030	Water - Omori	Water
Water - River Road	107	23	(15)	115	Water - River Road	Water
Water - Taupo	553	1,957	(2,057)	452	Water - Taupo	Water
Water - Tirohanga	573	82	(120)	535	Water - Tirohanga	Water
Water - Turangi	1,525	267	(373)	1,419	Water - Turangi	Water
Water - Waihaha	475	52	(10)	517	Water - Waihaha	Water
Water - Waitahanui	(143)	32	(2)	(113)	Water - Waitahanui	Water
Water - Whakamaru	(245)	30	(27)	(241)	Water - Whakamaru	Water
Water - Whakamoenga	3	18	(6)	14	Water - Whakamoenga	Water
Water - Whakarua	233	41	(26)	248	Water - Whakarua	Water
Water - Whareroa	(5)	23	(2)	16	Water - Whareroa	Water
Other Reserves					To provide:	
Disaster Recovery Fund	1,725	100	(6)	1,819	\$100,000 to fund CARFF insurance scheme annually for disaster coverage	All activities
District Airport Reserve	67	-	-	67	For heavy periodic maintenance charges on assets such as buildings, roads etc and for future capital works of this nature	Taupo Airport (CCTO)
Parking	69	-	-	69	For the purchase or development of parking	Community Services
Forestry	4,035	1,063	(436)	4,662	For the establishment, maintenance & operation of Councils forestry blocks	Investment
Strategic Property Purchase - District	5,134	961	(2,278)	3,816	For specific strategically based property purchases & associated projects - District	Investment
TEL	57,071	1,235	-	58,306	For funds as per Treasury Management Policy	Investment
Total Reserves	100,249	29,636	(28,844)	101,040		

Accounting policies

1. Reporting entity

Taupō District Council (the Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to the users. The main purpose of prospective financial statements in the Annual Plan is to provide users with information about core services that the Council intends to provide ratepayers, the expected cost of those services and, as a consequence, how much Taupō District Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries, except to the extent that Taupō District Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements presented. The primary objective of Taupō District Council is to provide goods and services to the community for social benefit, rather than for making a financial return. Accordingly, the Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

2. Summary of significant accounting policies

2.1 Basis of preparation

Statement of compliance and basis of preparation

The prospective financial statements of Taupō District Council have been prepared in accordance with the requirements of the Local Government Act 2002 that includes the requirement to comply with New Zealand generally accepted accounting practice (NZGAAP). The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards. The statements comply with PBE FRS 42 Prospective Financial Statements and other applicable Financial Reporting Standards as appropriate for public benefit entities. The prospective financial statements use projected opening balances for the period ending 30/06/2016; estimates have been restated accordingly if required. The prospective financial statements are prepared using the historical cost basis, except for assets and liabilities, which are recorded at fair value. These are detailed in the specific policies below.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements. The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the Council is New Zealand dollars.

Changes in accounting policies

There have been no changes to accounting policies.

Standards and interpretations issued and not yet adopted

There are no standards, interpretations, and amendments issued but not yet effective and not yet adopted.

2.2 Foreign currency translation

The functional and presentation currency is New Zealand dollars. Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction. Foreign currency monetary assets and liabilities at the balance date are translated to NZ dollars at the rate ruling at that date. Foreign exchange differences arising on translation are recognised in the surplus or deficit.

2.3 Derivative financial instruments

Taupō District Council uses derivative financial instruments to manage its exposure to interest rate risk arising from operational, financing and investment activities. In accordance with its treasury policies, Taupō District Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives (or swaps) are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at fair value at each balance date. Gains or losses in fair value and those resulting from remeasuring are recognised in the surplus or deficit.

The fair value of interest rate swaps is the estimated amount that the Council would receive or pay to terminate the swap at balance date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at balance date, being the present value of the quoted forward price.

2.4 GST

The financial statements have been prepared exclusive of GST with the exception of receivables and payables that have been shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

Commitments and contingencies are disclosed exclusive of GST.

2.5 Revenue recognition

Rates revenue

General rates, targeted rates (excluding water by meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

Rates arising from late payment penalties are recognised as revenue when the rates become overdue.

Revenue from water by meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remissions policy.

Rates collected on behalf of Bay of Plenty Regional Council are not recognised in the financial statements, as the Council is acting as their agent.

New Zealand Transport Agency roading subsidies

New Zealand Transport Agency roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other subsidies and grants

Other subsidies and grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Building and resource consent revenue

Revenue from any services rendered is recognised in proportion to the stage of completion of the transaction at the balance date. The stage of completion is assessed by reference to surveys of work performed.

Entrance fees

Entrance fees are fees charged to users of Council's local facilities, such as pools, museum, and Superloo. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees

Fees for disposing waste at the Council's landfill and transfer stations are recognised as waste is disposed by users.

Rental revenue

Rental revenue from investment property is recognised on a straightline basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental revenue.

Development and financial contributions

Development contributions and financial contributions are recognised as revenue when Council invoices the customer.

Interest and dividends

Dividend revenue shall be recognised when the shareholder's right to receive payment is established.

Interest revenue is recognised as it accrues, using the effective interest method.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2.6 Leases

(i) Finance Leases

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the Statement of Financial Position at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term, so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, foreign exchange losses, and losses on derivative instruments are recognised in the surplus or deficit. The interest expense component of finance lease payments is recognised in the surplus or deficit using the effective interest rate method.

(ii) Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Payments made under operating leases are recognised in the surplus or deficit on a straightline basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease expense.

2.7 Equity

Equity is the community's interest in the Council as measured by the value of total assets less total liabilities. Public Equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses Council makes of its accumulated surpluses. The public equity of Council is made up of the following components:

- Accumulated funds
- Council Created Reserves
- Restricted Reserves
- Revaluation Reserves

Reserves are a component of equity and represent a particular use to which parts of equity have been assigned. Reserves may be legally restricted or created by the Council. Council Created Reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Restricted Reserves are those reserves subject to specific conditions accepted as binding by the Council, and which Council may not revise without reference to a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Asset Revaluation Reserves arise from certain asset classes being revalued, with these classes including land, buildings, infrastructural assets, restricted assets and investments. The treatment of revaluation movements is detailed in item 2.13 of the policies.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of Taupō District Council cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows, and in current liabilities on the Statement of Financial Position.

2.9 Financial assets

Taupō District Council classifies its investments in the following categories:

(i) Financial assets at fair value through surplus or deficit

This category has two subcategories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance date. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

Council's equity investments fall into this category. Fair value is determined as current market value based on the 30 June closing sale price recorded in the relevant stock exchange. The value of the foreignlisted managed equities is converted to New Zealand dollars at the 30 June closing rate of exchange.

(ii) Loans and receivables

Loans and receivables are nonderivative financial assets with fixed or determinable payments, which are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance date, which are included in noncurrent. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Revenue and Expense.

Loans to community organisations made at nil or belowmarket interest rates are initially recognised at the present value of their expected future cashflows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cashflows of the loan is recognised in the surplus or deficit.

(iii) Heldtomaturity investments

Heldtomaturity investments are nonderivative financial assets with fixed or determinable payments and fixed maturities, that management has the positive intention and ability to hold to maturity. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Revenue

and Expense. Council does not use this category presently.

(iv) Available-for-sale

Financial assets available-for-sale are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in noncurrent assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council includes in this category:

- investments that it intends to hold longterm but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expenses, except for impairment losses which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expenses is reclassified from equity to the surplus or deficit.

Council's shareholding in Civic Assurance is classified as available for sale. This investment is stated at fair value with the resultant gain or loss recognised through other comprehensive revenue and expenses. Fair value is determined using the asset backing per share calculated at Civic Assurance's balance date of 31 December adjusted for any material impairment

Council's holdings of Government and corporate bonds are currently classified as available for sale.

2.10 Trade and other receivables

Trade and other receivables are initially measured at face value, less impairment losses (see accounting policy 2.17). A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of the estimated recovery of the debt.

2.11 Inventory

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis, are measured at the lower of cost, adjusted when applicable, for any loss of service potential. The cost of inventories is based on the firstin, firstout principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

The amount of any writedown for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the writedown.

2.12 Noncurrent assets held for sale

Non current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. An impairment loss is recognised for any initial or subsequent

write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non current asset (or disposal group) is recognised at the date of derecognition.

Non current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non current assets classified as held for sale and the assets of a disposal group classified as held for sale, are presented separately from other assets in the Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

2.13 Property, plant and equipment

Property, plant and equipment consist of:

Operational assets – These include land, buildings, improvements, library books, plant and equipment, and motor vehicles.

Restricted assets – Restricted assets are parks and reserves owned by the Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – Infrastructure assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function, for example, wastewater reticulation includes reticulation piping and pump stations.

Heritage assets and works of art are shown at cost or valuation and are not depreciated.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Valuation methodologies

Those asset classes that are revalued are revalued on a three yearly valuation cycle. All other asset classes are carried at depreciated historical cost. The carrying values of all assets not revalued in any year are reviewed at each balance date to ensure that those values are not materially different to fair value.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amounts arising on revaluation of an asset class are credited to revaluation reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in the surplus or deficit, the increase is first recognised in the surplus or deficit. Decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the surplus or deficit.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the surplus or deficit

during the financial period in which they are incurred.

Borrowing costs are not capitalised as part of the cost of an asset. They are recognised as an expense in the period in which they are incurred.

Additions

Additions between valuations are shown at cost, except vested assets. Certain infrastructural assets and land have been vested in Council as part of the subdivisional consent process. Vested land reserves are initially recognised at the most recent appropriately certified Government valuation. Vested infrastructural assets are valued based on the actual quantities of infrastructure components vested, and the current “in the ground” cost of providing identical services.

The cost of an item of property, plant or equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the surplus or deficit. When revalued assets are sold, the amounts included in other reserves in respect of those assets are transferred to retained earnings.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using either the straight line or the diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. The useful lives and associated depreciation rates of assets to be depreciated have been estimated as follows:

CLASS OF ASSET DEPRECIATED	ESTIMATED USEFUL LIFE	DEPRECIATION RATES
Operational assets:		
Land	not depreciated	Nil
Buildings	40-75 yrs	1.3%-2.5% SL
Site Value	13 yrs	7.69% SL
Structure	20-80 yrs	1.3%-5% SL
Roof	20-40 yrs	2.5%-5% SL
Services	20-45 yrs	2.5%-5% SL
Internal fit out	15-35 yrs	2.9%-6.7% SL
Plant	20-30 yrs	3.3%-5% SL
Machinery	2-20 yrs	5% 50% SL
Computer equipment	4 yrs	25% SL
Office equipment	4-10 yrs	13.33%-25% SL
Furniture and fittings	2-10 yrs	10%-50% SL
Park furniture	2-25 yrs	4%-50% SL
Vehicles	4-10 yrs	10%-25% SL
Library books	6.5 yrs	15.5% SL
Infrastructural assets:		
Roads		
Top surface	3 -20 yrs	5%-33% SL
Pavement	45-65 yrs	1.5%-2.2% SL
Formation	not depreciated	Nil
Culverts	55-80 yrs	1.3%-1.8% SL
Footpaths	50-80 yrs	1.3%-2% SL
Kerbs	60 yrs	1.7% SL
Signs	15 yrs	6.7% SL
Street lights	25-60 yrs	1.7-4% SL
Bridges	90-100 yrs	1%-1.1% SL
Land under roads	not depreciated	Nil
Water reticulation		
Pipes	45-80 yrs	1.25%-2.2% SL
Valves, hydrants	40 yrs	2.5% SL
Pump stations	10-60 yrs	1.7%-10% SL
Tanks	25-80 yrs	1.3%-4% SL
Sewerage reticulation		
Pipes	15-80 yrs	1.3%-6.7% SL
Manholes	80 yrs	1.3% SL
Treatment plant	5-80 yrs	1.3%-20% SL
Storm water systems		
Pipes	70-100 yrs	1%-1.4% SL
Manholes, cesspits	75-100 yrs	1%-1.3% SL
Flood control systems	50-100 yrs	1%-2% SL
Restricted assets:		
Land	not depreciated	Nil
Other	2-40 yrs	2.5%-50% SL

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Assets under construction/work in progress

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated. The current carrying amount of items under construction is separately disclosed by asset class.

2.14 Intangible assets

Development expenditure

Development costs are capitalised where future benefits are expected to exceed those costs, otherwise such costs are recognised in the surplus or deficit in the period in which they are incurred. Unamortised costs are reviewed at each balance date to determine the amount (if any) that is no longer recoverable, and any amount so identified is written off.

Software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These are valued at cost, and are amortised over the expected useful life of the license. The useful lives and associated amortisation rates of assets to be amortised have been estimated as follows:

Class of intangible asset	Estimated useful life	Amortisation rates
Software	4 years	25%

Costs associated with maintaining computer software are recognised as an expense when incurred.

2.15 Forestry assets

Forest assets are predominantly standing trees which are managed on a sustainable yield basis. These are shown in the Statement of Financial Position at fair value less estimated point of sale costs at harvest. The costs to establish and maintain the forest assets are included in the surplus or deficit, together with the change in fair value for each accounting period. The valuation of Taupō District Council forests is based on discounted cash flow models where the fair value is calculated using cash flows from continued operations; that are, based on sustainable forest management plans taking into account growth potential. The yearly harvest from tree forecast tree growth is multiplied by expected wood prices and the costs associated with forest management, harvesting and distribution are then deducted to derive annual cash flows. The fair value of the forest assets is measured as the present value of cash flows from one growth cycle based on the productive forest land, taking into consideration environmental, operational and market restrictions. Forest assets are valued separately from the underlying freehold land.

2.16 Investment property

Properties leased to third parties under operating leases and properties held for capital appreciation are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

2.17 Impairment

The carrying amounts of Taupō District Council assets, other than investment property (see accounting policy 2.16) and inventories (see accounting policy 2.11), are reviewed at each balance date to determine whether there is any indication of impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential. The value in use for cash-generating assets is the present value of expected future cash flows. If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

2.18 Financial Liabilities

Short term creditors and other payables are recorded at their face value.

2.19 Employee entitlements

Provision is made in respect of Taupō District Council liability for salaries and wages accrued up to balance date, annual leave, days in lieu, sick leave, long service leave, and gratuities.

Retiring gratuities and long service leave where there is already actual entitlement is accrued at actual entitlement using current rates of pay. In addition, there is an actuarial assessment of value for which entitlement has not yet been reached. This assessment uses current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value.

Liabilities for annual leave and days in lieu are accrued on an actual entitlement basis, using current rates of pay.

Liabilities for accumulating short-term compensated absences (for example, sick leave) are measured as the amount of unused entitlement accumulated at balance date that the Council anticipates employees will use in future periods in excess of the days that they will be entitled to in each of those periods.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit when incurred.

2.20 Provisions

A provision is recognised in the Statement of Financial Position when the Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Landfill postclosure costs

The Council, as operator of the District landfill, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for postclosure costs is recognised as a liability when the obligation for postclosure arises. The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill postclosure. Amounts provided for landfill postclosure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives. The discount rate used is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

2.21 Interest bearing borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council have an unconditional right to defer settlement of the liability for at least 12 months after the yearend date.

2.22 Cost allocation

Taupō District Council has derived the net cost of service for each significant activity of the Council using the following cost allocation system:

Direct costs (costs directly attributable to an activity) are charged directly to activities.

Indirect costs (those costs which cannot be identified in an economically feasible manner, with a specific significant activity) are charged to activities based on cost drivers and related activity/usage information.

2.23 Third party transfer payment agencies

Taupō District Council collects monies for many organisations. Where collections are processed through Taupō District Council books, any monies held are shown as trade payables in the Statement of Financial Position.

Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

3. Critical accounting estimates and judgements

In preparing the prospective financial statements the Council made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates, judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have been included below.

Infrastructural Assets

There are a number of assumptions and estimates used when performing the depreciated replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example, the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which provides Council with further assurance over its useful life estimates. Experienced independent valuers perform the Council's infrastructural asset revaluations.

Classification of Property

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. Receipt of marketbased rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's social housing policy. These properties are accounted for as property, plant and equipment.

4. Prospective financial information

The financial information contained within this document is prospective financial information in terms of accounting standard PBE FRS42. The purpose for which it has been prepared is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cash flow of Taupō District Council. The actual results achieved for any particular financial year, are also likely to vary from the information presented and may vary materially depending on the circumstances that arise during the period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Funding Impact Statement

1. Introduction

This Funding Impact Statement details the Rating Policy and the rates funding requirements for 2017/18.

2. Ward Boundaries and Rating Areas

Council has one rating area for the whole district. Where services benefit the whole community, these services will be paid from general rates. Where services benefit individuals or identifiable groups in the community, user charges or targeted rates may be levied. The rating system used by Council is capital value, and the property valuations produced by Landmass Technology; effective 1 July 2016 are used for the 2017/18 rating year. It should be noted that some targeted rates for water supply are calculated using the land value of that rating unit.

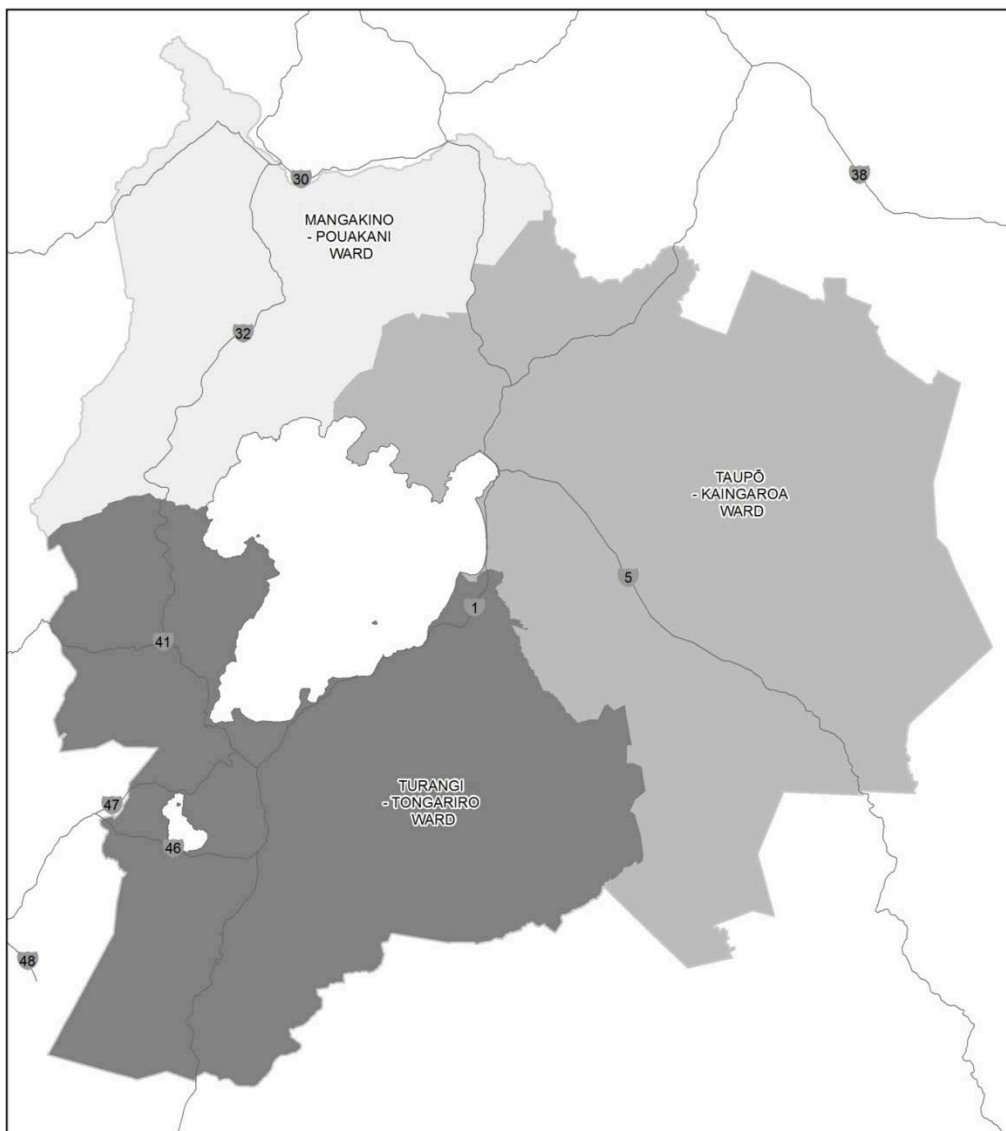


Figure 1 Taupō District and Wards

3. Categories of rateable land

The Council will adopt the following as its definitions for categories of rateable land for the 2017/18 financial year. These categories will be used as described elsewhere in this policy, and as required, for setting some of the targeted rates. The categories are:

- Residential – all residential rating units.
- Rural – all rating units that are used predominantly for farming or horticulture.
- Utilities assets and utility networks – all utility service rating units.
- Electricity Generators – all rating units used to generate electricity for commercial purposes.
- Industrial/Commercial – all rating units used for commercial, industrial or retail purposes. Administrative and operational rating units of Central and Local Government, including State Owned Enterprises are also categorised Industrial/ Commercial.
- Accommodation – all accommodation establishments for the travelling public, including motels, hotels, timeshares, camping grounds and backpacker lodges.
- Other – All other rating units not defined within the other differential categories.

3.1 It should be noted that:

- (a) Vacant land – the differential classification will be determined by the underlying zone classification or size (area) of the rating unit.
- (b) Separately used or inhabited part – this refers to the ability to use a part or parts of the rating unit as an independent residence; or in the case of a rating unit used for commercial or industrial business, the ability to use part or parts of the rating unit for independent trading operations. In a residential situation a separately used or inhabited part will only be classified if all of the following apply - separate kitchen including a bench top and sink, separate living facilities, separate toilet and bathroom facilities and separate access (including access through a common area such as a lobby, stairwell, hallway or foyer etc.). In a business situation a separately used or inhabited part will be classified where the property has been set up to accommodate, or is accommodating, separate lessees, tenants, or the like, operating separate businesses from the same rating unit. It should be noted that, a rating unit with one use or part is one separately used or inhabited part.
- (c) Rating units with a partial remission – where part of a property qualifies for a rates remission, a rating division will be created to accurately levy rates and apply the remission.
- (d) Rates payments will be allocated to the oldest debt outstanding first.

3.2 Targeted Rates Based on Land Use

Council will target rates based on land use to assess:

- District Refuse Disposal Rate (1 and 2 below)

The following categories will apply:

- (1) All industrial, commercial, accommodation, utility assets/networks, and electricity generator rating units.
- (2) All residential, rural and other rating units.

3.3 Targeted Rates Based on Location

Council will use targeted rates based on location to assess rates for:

- Turangi-Tongariro Community Board Rate (see 1 below).
- Town Centre Taupō Management Rate (2 below).
- Whareroa Refuse Rate (3 below).

The following categories will apply:

- (1) Turangi/Tongariro Ward – (assessed on each separately used or inhabited part of a rating unit) see figure 1 of this document
- (2) Industrial/Commercial rating units within the defined central business district of Taupō town. (assessed on each separately used or inhabited part of a rating unit) See figure 5 in this document.
- (3) All rating units on the Whareroa valuation roll. (see figure 4 in this document)

3.4 Targeted Rates Based on Availability of Service

Council will use targeted rates based on availability of service to assess rates for:

- Water supply and sewage disposal (1, 2, 3, 4 and 5 below).
- Water and sewer loans to fund capital costs (6 below).
- Whakamaru Fire Protection Charge (7 below).

The following categories will apply:

- (1) connected – each separately used or inhabited part of a rating unit that is connected to a Council operated water scheme or is connected to a public sewerage drain.
- (2) serviceable (available to be connected) – any separately used or inhabited part of a rating unit that is not connected to an accessible sewerage drain but is within 30 metres of such a drain; or any separately used or inhabited part of a rating unit that is not connected to an accessible Council operated water scheme but is within 100 metres of any part of the waterworks
- (3) sewer multi connections – rating units with more than one pan or urinal.
- (4) water multi connections – rating units with more than one separately used or inhabited part.
- (5) metered water supply – rating units with a water meter.
- (6) rating units where no election was made to pay by lump sum contribution.
- (7) defined rating units within the Whakamaru village.

4. General and Targeted Rates

The Council intends to set the following rates under the Local Government (Rating) Act 2002, on rating units in the district for the financial year commencing on 1 July 2017 and ending on 30 June 2018.

4.1 General Rate

A General Rate, set under section 13 of the Local Government (Rating) Act 2002 on every rating unit in the district and calculated on the capital value of each rating unit.

The General Rate is used to fund activities and services including: community engagement, community grants, building compliance and development, district plan compliance, health and liquor, parking, transport, parks, reserves and sports grounds, swimming pools (AC Baths, Turtle Pools, Mangakino Pool), Taupō Events Centre, Great Lake Centre, Libraries, Taupō Museum and Art Gallery, community halls, public toilets (including the Superloo), housing for the elderly, litter control, stormwater, planning for the future, Turangi Tongariro Community Board, investments, Council property, destination marketing and economic development.

Valuation basis for general rates

Council uses capital value as the basis for general rates.

Rating Unit	2016/17 (GST incl)	2017/18 (GST incl)
Residential	0.0028010/\$	0.0025776/\$
Rural	0.0028010/\$	0.0025776/\$
Utility Assets and Networks	0.0028010/\$	0.0025776/\$
Electricity generators	0.0028010/\$	0.0025776/\$
Industrial/Commercial	0.0050418/\$	0.0046397/\$
Accommodation	0.0050418/\$	0.0046397/\$
Other	0.0028010/\$	0.0025776/\$

4.2 Differentials

Council uses a 1.8 differential for Industrial/Commercial, and Accommodation property categories. All other sectors or categories of ratepayer will pay the standard rate (differential = 1).

Property Categories	Differential Factors
Residential	1.000
Rural	1.000
Utility Assets and Networks	1.000
Electricity Generators	1.000
Industrial/Commercial	1.800
Accommodation	1.800
Other	1.000

4.3 Uniform Annual General Charge

A Uniform Annual General Charge set under section 15 of the Local Government (Rating) Act 2002 on every separately used or inhabited part of a rating unit in the district (as defined in section 3.1.b of this document). For the avoidance of doubt, where a rating unit is divided into separate parts for rating purposes, each separate part is treated as if it were a separate rating unit for the application of this Uniform Annual General Charge. The Uniform Annual General Charge will be used to fund such things as leadership, governance, advocacy, emergency management, animal control and cemeteries.

	2016/17 (GST incl)	2017/18 (GST incl)
Uniform Annual General Charge	\$250.00	\$250.00

4.4 Sewage Disposal

A targeted rate to fund sewage disposal, as outlined in the Groups of Activities – Wastewater section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on every rating unit connected or available to be connected to a accessible Council scheme on the basis of one charge per pan or urinal (with the exception of the residence of a single household – which shall be assessed only one charge). For the avoidance of doubt the words ‘a single household’ do not restrict the charge to one pan/urinal in the situation where a rating unit has separately used or inhabited parts (as defined in section 3.1.b of this document). In such a situation each separately used or inhabited part is regarded as a separate household, and a charge applied, at the sliding scale, for each separately used or inhabited part of the rating unit (those within 30 metres of a sewage drain)

The sewer schemes are: Taupō Township, Acacia Bay, Kinloch, Waitahanui/Five Mile Bay, Whakamaru, Mangakino, Atiamuri, Turangi Township/Tokaanu, Omori/Kuratau/Pukawa, Motutere, Whareroa and Motuoapa.

Targeted Sewer Disposal charges are:

Category	2016/17 (GST incl)	2017/18 (GST incl)
Connected (1st pan/urinals)	\$695.68	\$681.76
Connected (2 – 10 pans/urinals)	\$521.76	\$511.32
Connected (10 + pans/urinals)	\$347.84	\$340.88
Connected (schools 10 + pans/urinals)	\$173.92	\$170.44
Serviceable (available to be connected)	\$347.84	\$340.88

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4.5 Sewer Loan Servicing

A targeted rate to fund for sewer scheme loans, as outlined in the Groups of Activities – Wastewater section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on every rating unit within a sewer loan servicing scheme where no election was made to pay by way of lump sum contribution.

Targeted Sewer Scheme Loan Charges are:

Sewer Loan	2016/17 (GST incl)	2017/18 (GST incl)
Waitahanui/Five Mile May	\$274.99	\$298.90



■ Waitahanui / Five Mile Bay Sewer Loan Servicing Rate

Figure 2 Waitahanui/Five Mile Bay Sewer Loan Servicing Rate

4.6 Water Supply

Water Schemes with fixed charge targeted rates.

A targeted rate to fund water supply, as outlined in the Groups of Activities – Water section of this document, set under section 16 of the Local Government (Rating) Act, assessed on the basis of a targeted rate on any separately used or inhabited part (as defined in section 3.1.b of this document) of a rating unit that can be occupied, and being a rating unit which is connected, or is available to be connected, to a accessible Council scheme. A full charge will be made for each connected separately used or inhabited part of the rating unit and a half charge for serviceable separately used or inhabited parts of a rating unit (those within 100 metres of any part of the water scheme).

The water schemes and targeted water charges on any separate part of a rating unit described above are:

Water Scheme	2016/17 (GST incl)	2016/17 (GST incl)	2017/18 (GST incl)	2017/18 (GST incl)
Taupō Township/Wairakei Village	\$228.19	\$456.38	\$223.73	\$447.46
Acacia Bay	\$273.09	\$546.18	\$272.84	\$545.68
Kinloch	\$172.99	\$345.98	\$199.73	\$399.46
Waitahanui	\$254.33	\$508.66	\$258.69	\$517.38
River Road	\$347.89	\$695.78	\$342.77	\$685.54
Mangakino Township	\$230.13	\$460.25	\$231.12	\$462.24
Atiamuri	\$411.85	\$823.70	\$435.74	\$871.48
Whakamaru	\$435.90	\$871.80	\$503.14	\$1,006.28
Turangi Township/Tokaanu	\$148.25	\$296.49	\$148.25	\$296.50
Motuoapa	\$209.57	\$419.13	\$247.27	\$494.54
Omori/Kuratau/Pukawa	\$136.28	\$272.55	\$138.51	\$277.02
Hatepe	\$351.87	\$703.73	\$378.61	\$757.22
Whareroa	\$213.36	\$426.71	\$211.32	\$422.64

Water schemes with charges based on land value.

All rating units within the water supply areas defined herewith (whether connected or not) are assessed on the basis of land value without differentials. These are targeted rates, set under section 16 of the Local Government (Rating) Act 2002.

The water schemes and targeted water rates are:

Water Scheme	2016/17 (GST incl)	2017/18 (GST incl)
Whakaroa	0.0019738/\$	0.0016243/\$
Rakaunui Road	0.0023641/\$	0.0025235/\$
Centennial Drive (untreated)	0.0050030/\$	0.0049223/\$
Mapara Road	0.0005164/\$	0.0009004/\$
Bonshaw Park	0.0048805/\$	0.0045694/\$
Whakamoenga Point	0.0010400/\$	0.0014503/\$
Waihaha	0.0038261/\$	0.0031049/\$
Tirohanga	0.0011492/\$	0.0007640/\$

Note: Water meter charges will be invoiced separately from rate invoices at various times throughout the year (depending on the water scheme).

4.7 Metered Water Supply

Targeted rates for metered water supply, set under section 19 of the Local Government (Rating) Act 2002, and assessed on the volume of water supplied to every rating unit with a water meter. In applying these metered water charges, the ratepayer will be provided with units of water at no charge up to the threshold at which the level of water usage multiplied by the rate per cubic metre matches the targeted rate contribution under the provisions of section 4.6 of this policy. It is only when this threshold is exceeded that water meter charges at the rates set below will be applied.

The targeted water meter rates are:

Water Supply	2016/17 (GST incl)	2017/18 (GST incl)
	Cents/m ³	Cents/m ³
Taupō Township/ Wairakei	227	227
Waitahanui	410	410
Acacia Bay	200	200
Kinloch	144	144
Whakaroa	229	229
Mapara Road	160	160
Bonshaw Park	291	291
Whakamoenga Point	161	161
River Road	162	162
Mangakino Township	178	178
Tirohanga	93	93
Turangi Township	69	69
Motuoapa	110	110
Tokaanu	131	131
Hatepe	259	259
Omori/Kuratau/ Pukawa	148	148
Whakamaru	152	152
Atiamuri	178	178
Rakaunui Road	63	63
Centennial Drive (untreated)	51	51

4.8 District Refuse Disposal Charge

A targeted rate to fund district refuse disposal, solid waste operations and waste minimization initiatives, as outlined in the Groups of Activities – Solid waste section of this document, set under section 16 of the Local Government (Rating) Act 2002 and assessed on each separately used or inhabited part (SUIP - as defined in section 3.1.b of this document) of each rateable rating unit in the district on the basis that properties categorised as residential, rural or other shall be assessed with one charge per SUIP, and industrial/commercial, accommodation, electricity generator and utility asset and network rating units shall be assessed with twice the charge per SUIP. For the avoidance of doubt, where a rating unit is divided into separate parts for rating purposes, each separate part is treated as if it were a separate rating unit for the application of this District Refuse Disposal Charge.

The targeted District Refuse Disposal Charge is:

	2016/17 (GST incl)	2016/17 (GST incl)	2017/18 (GST incl)	2017/18 (GST incl)
	Accommodation, Commercial, Generators, Utility Networks	Industrial/ Electricity Assets & Rural or Other	Accommodation, Commercial, Generators, Utility Networks	Industrial/ Electricity Residential, Rural or Other
District Refuse Disposal Charge	\$93.34	\$46.67	\$90.88	\$45.44

4.9 Whakamaru Fire Protection Rate

A targeted Whakamaru Fire Protection Rate, as outlined in the Groups of Activities – Water section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on specified rating units within the Whakamaru Village as a fixed amount per rating unit.

The targeted Whakamaru Fire Protection Rate is:

	2016/17 (GST incl)	2017/18 (GST incl)
Whakamaru Fire Protection	\$167.71	\$167.71

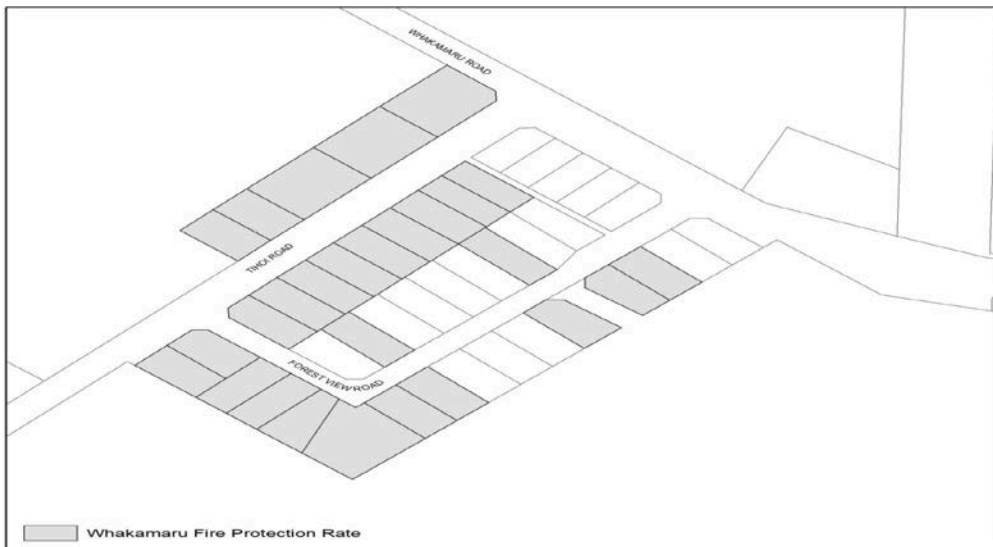


Figure 3 Whakamaru Fire Protection area

4.10 Whareroa Refuse Rate

A targeted Whareroa Refuse Rate, to fund the 24 hr turnstile access to the Whareroa refuse station, as outlined in the Groups of Activities – Solid waste section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on all rating units in the Whareroa rating area as a fixed amount per rating unit.

The targeted Whareroa Refuse Rate is:

	2016/17 (GST incl)	2017/18 (GST incl)
Whareroa Refuse Rate	\$90.45	\$90.90



Figure 4 Whareroa Refuse area

4.11 Town Centre Taupō Management Rate

A targeted Town Centre Taupō Management Rate, to fund services to enhance and develop the social and economic wellbeing of the Taupō central business district, as outlined in the Groups of Activities – Economic Development section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on each separately used or inhabited part (as defined in section 3.1.b of this document) of industrial/commercial rating units within the defined central business district of Taupō town (see Figure 5 below).

The targeted Town Centre Taupō Management Rate is:

	2016/17 (GST incl)	2017/18 (GST incl)
Town Centre Taupō Management	\$356.84	\$353.44



Figure 5 Taupō Town Centre

4.12 Turangi Tongariro Community Board Rate

A targeted Turangi Tongariro Community Board Rate, as outlined in the Groups of Activities – Democracy and planning section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on each separately used or inhabited part (as defined in section 3.1.b of this document) of all rating units within the Turangi-Tongariro ward (as highlighted in figure 1 of this document)

	2016/17 (GST incl)	2017/18 (GST incl)
Turangi Tongariro Community Board Rate	\$16.72	\$16.71

5. Examples of rates per type of property

Residential properties - Taupo

	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Rating Valuation	\$259,000	\$284,000	\$369,000	\$453,000	\$500,000	\$565,000	\$745,000	\$810,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	1,199	1,175	1,199	1,175	1,199	1,175	1,199	1,175
General Rates	975	982	1,284	1,418	1,651	1,706	2,337	2,338
Total Rates	2,174	2,157	2,482	2,592	2,849	2,881	3,535	3,513
\$ change per week		-0.34		2.12		0.61		-0.44
% change		-1%		4%		1%		-1%

Residential properties - Turangi

	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Rating Valuation	\$150,000	\$162,000	\$170,000	\$186,000	\$190,000	\$208,000	\$451,000	\$466,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	1,056	1,040	1,056	1,040	1,056	1,043	1,056	1,040
General Rates	670	668	726	729	782	788	1,513	1,451
Total Rates	1,726	1,708	1,782	1,770	1,838	1,831	2,569	2,492
\$ change per week		-0.34		-0.23		-0.12		-1.49
% change		-1%		-1%		0%		-3%

Residential properties - Mangakino

	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Rating Valuation	\$105,000	\$111,000	\$125,000	\$157,000	\$180,000	\$218,000	\$302,000	\$320,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	1,203	1,189	1,203	1,189	1,203	1,189	1,203	1,189
General Rates	544	536	600	655	754	812	1,096	1,075
Total Rates	1,747	1,726	1,803	1,844	1,957	2,001	2,299	2,264
\$ change per week		-0.41		0.80		0.86		-0.66
% change		-1%		2%		2%		-1%

Industrial Commercial properties

	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Rating Valuation	\$480,000	\$485,000	\$765,000	\$800,000	\$1,030,000	\$1,100,000	\$2,295,000	\$2,800,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	1,245	1,220	1,602	1,574	2,646	2,596	2,124	2,085
General Rates	2,670	2,500	4,107	3,962	5,443	6,073	11,821	13,241
Total Rates	3,915	3,720	5,709	5,535	8,089	8,669	13,945	15,326
\$ change per week		-3.75		-3.34		11.16		26.56
% change		-5%		-3%		7%		10%

Rural properties

	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Rating Valuation	\$555,000	\$615,000	\$965,000	\$1,050,000	\$4,490,000	\$6,115,000	\$9,647,000	\$10,072,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	47	45	47	46	47	45	596	91
General Rates	1,805	1,835	2,953	2,967	12,826	16,012	27,521	26,462
Total Rates	1,851	1,881	3,000	3,013	12,873	16,057	28,117	26,552
\$ change per week		0.57		0.25		61.24		-30.08
% change		2%		0%		25%		-6%

Schedule to the Funding Impact Statement

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Revenue			
General rate	31,803	31,990	32,955
Targeted rates			
Uniform annual general charge	5,903	6,198	6,337
Lake protection	-	-	-
Water	8,841	10,043	9,129
Sewage disposal	12,465	13,369	12,350
Refuse disposal	1,042	1,350	1,026
Whareroa refuse collection rate	16	16	16
Turangi Tongariro Community Board rate	80	84	80
Taupo Town Centre management rate	164	173	163
Waitahanui sewer loan	6	5	6
Whakamaru fire protection	4	4	4
Rates penalties	375	400	400
Fees and charges	9,215	9,717	9,706
Other revenue	1,016	1,084	989
Operating subsidies	1,960	2,033	1,952
Interest	2,937	4,891	3,130
Capital contributions			
Development contributions	953	1,171	1,274
Other gains & losses	1,715	1,206	1,549
Vested assets	900	961	900
Capital subsidy	2,366	1,531	4,572
Total operating revenue	81,761	86,226	86,538
Operating expenditure			
Operating expenses	48,615	51,047	51,174
Interest expense	8,755	10,019	8,642
Depreciation	19,818	21,301	21,257
Total operating expenses	77,188	82,367	81,073
Operating surplus/(deficit) before asset development and other gains/(losses) and tax	4,573	3,859	5,465
Other expenses			
Capital expenditure	18,700	19,822	23,335
Debt repayments	11,569	11,749	11,805
Transfers to special reserves	6,186	5,467	8,102
Recognition of vested assets	900	961	900
Depreciation not funded	(2,514)	(2,569)	(3,537)
Total net cost	30,268	31,571	35,140
Funded by:			
General rates	-	-	-
Loans raised	6,466	9,524	9,264
Development, financial & other contributions	-	-	-
NZTA and other subsidies	2,366	1,531	4,572
Transfers from reserves	21,436	20,516	21,304
Total net funding	30,268	31,571	35,140