



GREAT LAKE TAUPŌ
Taupō District Council

Taupō District

Long-Term Plan 2015-25





Ensure the Taupō District remains a great place to live



Promote economic development



Protect our water resources and use them wisely



Maintain the quality infrastructure that we have



Keep rates and debt affordable

Long-Term Plan 2015-25

Incorporating Annual Plan 2015-16

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Adopted by Council on 23 June 2015



A message from your Mayor and Councillors

Welcome to our Long-term Plan for 2015-25.

As our guiding document for the next 10 years, this plan outlines the services, key projects and initiatives we are planning to undertake. It has a strong focus on maintaining what we have as well as consolidating some gains made by those before us, and conservatively building on what it is that makes our district special.

One thing we all agree on is that we live in a great place. No matter where we are in the district, we hear people talk about their love for the place they call home. We have a strong foundation to build upon over the next decade and we look forward to playing a leading role in helping our district evolve.

We were fortunate to have received some valuable guidance from our community in the preparatory stages of drafting the plan and received 464 submissions on our consultation document. This information helped us to finalise our decisions, particularly in the case of the rock climbing wall where there was strong community support for it to be retained. We listened and reacted accordingly. To all who took the time to have your say on our plans, we thank you.

One consistent message we received was to limit rates increases and reduce our debt. Striking a balance between limiting the impact on rates and ensuring our district retains its vibrancy and appeal and encourages growth is not easy. In the 18 months we spent developing the plan, we have had many robust debates and sometimes we did not always agree. However, we do believe we have taken a conservative approach to our planning to help keep rates and debt at a reasonable level. Making us more resilient to future changes is a key goal in our long term strategy.

This plan:

- Retains the current levels of service across the district
- Allows for strategic growth
- Incorporates inflation adjustments and still manages to limit rates increases to between two and three per cent each year for the next 10 years
- Sees our gross debt reduce from \$162 million to \$103 million by 2025
- Sees our investments increase from \$84 million to \$143 million, largely due to our strategy for the TEL fund over the next 10 years.

We know we will have some issues and challenges to confront over the next three years, which are outlined in detail in our long term and financial strategies. However, we believe the decisions we have made in formulating this plan put us in good stead to battle any issues and ensure that the Taupō District is, and will remain, a great place to live.



Your Council



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 Long-term Plan and the prospective financial statements presented, including the assumptions underlying the prospective financial statements.

In the opinion of Council and management of Taupō District Council, the Long-term Plan for the ten years commencing on 1 July 2015 provides a reasonable basis for long term integrated decision-making, co-ordination of the Taupō District Council's resources and provides a basis for accountability to the community about the activities of the Taupō District Council.



D Trewavas
Mayor
23 June 2015



R Williams
Chief Executive
23 June 2015



AJ Menhennet
Group Manager, Finance, Regulatory and Infrastructure
23 June 2015



G Green
Group Manager, Policy and Operations
23 June 2015

Our Long Term District Strategy

This Long-term Plan builds on the strong foundation we have created and moves us closer to our goals to:

- Ensure that the Taupō District remains a great place to live
- Promote economic development
- Protect our water resources and use them wisely
- Maintain the quality infrastructure that we have
- Keep rates and debt affordable

The Taupō District is a great place to live and as your Council we want to keep it that way. We have an outstanding natural environment that helps make us who we are. Sitting at the heart of our district is the lake surrounded by mountains, forests, rivers and national parks, providing places for us to spend quality time with friends and family. These natural assets also underpin much of our economy, drawing visitors and supporting businesses.

Complementing our natural environment are the vibrant and diverse communities that make up our urban places. They provide opportunities to meet and enjoy a coffee, share a meal or go shopping. Making sure that we maintain the quality of our urban places is an important part of our role and a key focus for Council.

We made significant changes during the past three years including investing in economic development, selling some investment assets, deferring some infrastructure development, and implementing a new funding model to improve fairness, sustainability and efficiency. This plan highlights the next phase of our strategy which is about consolidating the gains we have made.

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 will continue to invest in economic development within our district so that we can focus on meeting the current and future needs of the community. This includes promoting the Taupō District as a holiday and visitor destination, supporting event organisers to run both commercial and community events, contracting Enterprise Great Lake Taupō to provide business development services throughout the district, funding Go Tongariro and supporting the activities of Towncentre Taupō.

Ensuring our water resources are protected and used wisely continues to be a strategic focus for Council. Providing clean, safe, drinking water for our communities is one of our core services – and one of the most expensive. Working towards meeting drinking water standards set by the Government, and ensuring security of supply, means that by 2025 we estimate

collecting targeted rates of \$11 million to deliver water and a proposed spend of \$45 million on water infrastructure projects.

Over the coming years we need to consider how we fund the provision of water. For example, we could move away from the current targeted rate per scheme approach to a district-wide funding of residential water supply (similar to how wastewater is currently funded).

We also need to consider whether smaller water schemes are managed by Council, and to what level drinking water standards are complied with. Higher environmental standards set through consent conditions and increased maintenance costs for smaller schemes will also result in higher infrastructure costs. People on fixed incomes and those who live in smaller settlements, where water infrastructure costs are shared between a smaller number of users of the scheme will find this the most challenging.

Much of the water supplying our schemes comes from Lake Taupō and is allocated by Waikato Regional Council. All of the available water from Lake Taupō and the upper Waikato River has been allocated to a range of users including industry, other municipal suppliers and farming activities. Consequently it will be increasingly difficult for us to get consents for increased water takes to meet demand for new industries and households. Although not an immediate issue for the coming 10 years, we have recognised this longer term challenge in our Infrastructure Strategy.

Our existing infrastructure network is in good condition and has enough capacity to cater for the expected changes in population and land use. Our proposed capital programme reflects this, and the fact that we have already invested in upgrading some of our larger facilities such as the AC Baths, the Lake Terrace Water Treatment Plant, the Taupō Wastewater Treatment Plant and several other wastewater and water plants around the district.

Our operating and renewal programmes are based on maintaining what we have while delivering the current level of service. We will also be assessing our underground assets to help ensure we are spending money on the right things at the right time.

It is always a balancing act between meeting the wants and needs of our communities while keeping rates affordable and sustainable. This Long-term Plan has been prepared with this in mind and has resulted in a projected increase of rates revenue of between 2 per cent and 3 per cent each year.

We currently have relatively high gross debt compared to some other councils. In practice, this is offset by significant financial investments, including the TEL Fund, which leaves a net debt position that is prudent and sustainable for the size of the district and the assets that we own. Our plan is to significantly reduce the debt by 2025¹. We also want to ensure intergenerational equity, which means the cost of significant projects is shared over the expected life of the assets so that those who benefit in the future pay a fair share.

We are also building capacity within our balance sheet to accommodate any unforeseen circumstances, providing us with flexibility and the ability to react quickly. A key

part of achieving this financial resilience is through future proofing the TEL Fund, which was established following the sale of Taupō Electricity Limited (TEL) and Taupō Generation Limited (TGL). We want to change the way that we use the fund, from subsidising the amount of money collected from the general rate to a community fund. Over time, the capital of the fund will be inflation-proofed and the income could then be used for community services and projects.

We know there are challenges on the horizon. An aging population, a higher portion of working age people leaving the district to seek employment or education opportunities, decreasing household size, slow population growth and low growth in the number of rateable properties will all have implications. They will impact on what will be affordable and what we focus on in the future. We have recognised these challenges in our Infrastructure and Financial Strategies and will continue to identify what we can do to manage and adapt to these changes.

¹ See the Prospective Statement of Borrowings



Financial Strategy

Where we were

Over previous years, Council's revenue from sources other than rates was lower than projected. This was partially a consequence of the global financial crisis which resulted in a slow down in the creation of new subdivisions and building activity. In addition development and sales of council land did not proceed as planned.

Council recognised these challenges in the Long-term Plan 2012-22, and implemented a package of interconnected measures to ensure we had a prudent and sustainable financial strategy for the future. These measures included:

- Economic development investment for the district, so that we can attract new industries and create new jobs.
- Selling some investment assets – we sold some investment assets such as land and forestry to fund interest payments.
- Reviewed infrastructure spending, operating costs and levels of service – we maintained operational levels of service, so that residents and ratepayers continued to enjoy the facilities we already have. We also deferred some infrastructure development, because growth, and therefore demand was lower, or because of the very high costs on small communities.
- A new funding model was introduced to improve fairness, sustainability and efficiency.

Looking to the future

The tough decisions that were made as part of the Long-term Plan 2012-22 have resulted in the sound financial position we are in today. There have been a few key principles that we have kept at the front of our minds while we have been deciding what should be in Long-term Plan. These principles will help shape our future and help keep the Taupō District as a great place to live! These principles are the fundamental strands of our Financial Strategy:

- **Looking after the assets we have while maintaining levels of service**
- **Keeping rates affordable and sustainable**
- **Prudent management of our investments and borrowings**

Our district is still relatively young, this means that many of our infrastructure assets are in good condition and will not need renewing or upgrading for many years. In addition, we have recently upgraded or built some big community and infrastructure assets such as the refurbishment of the AC Baths, Lake Terrace water treatment plant, East Taupō Arterial road, Taupō wastewater treatment plant and several other wastewater and water plant upgrades around the district. We are also investing in a significant

programme of condition assessment works for our underground assets to help us plan better for their replacement on a just in time basis to ensure that we get the maximum value from our assets whilst still delivering the desired levels of service.

We must all pay our fair share of the use of these assets each year (this is done by rating for depreciation and holding this cash as reserves until needed for future renewals programmes) to ensure intergenerational equity is achieved, and that we don't create a burden for current or future generations. Due to the relatively young age of our assets this has resulted in a projected large build up of cash reserves by 2025. These cash reserves will be needed in future years to fund the renewal of those assets. When the results of the condition assessment programmes are known we will have a more accurate picture of exactly when these cash reserves will be required to be spent.

We have relatively high gross debt compared to some other councils. This is offset by significant financial investments, including the TEL Fund, which leaves a net debt position that is prudent and sustainable for the size of the district and the assets that we own. Council will continue to have a strong focus on reducing debt.

It is always a balancing act between meeting the wants and needs of our communities whilst keeping rates affordable and sustainable. This Long-term Plan has been prepared with this at the forefront of our thinking and has resulted in projected rates increases of between 2 and 3 per cent (after adjusting for growth in rateable properties) over the 10 years of the plan.

Council's main source of operating revenue (79 per cent) is from rates, both general and targeted. In addition to this council receives revenue from fees and charges for a wide variety of the services that we deliver. Finance revenue is received from investments assets which includes the TEL fund. Council has an on-going land disposal programme of assets which are no longer required for strategic or operational purposes with the net profit to be used to reduce debt. We will harvest Council owned forests as they reach maturity with the net profit to be applied to reducing debt.

We are also building capacity within our balance sheet to accommodate any unforeseen financial circumstances, providing us with flexibility and the ability to react quickly. We want to further develop financial resilience for our community by future proofing the TEL Fund, meaning that over time the capital of the fund will be inflation proofed and the revenue from the fund may be used for community projects rather than providing an offset against the general rate.

In early 2014 the Government created the Financial Reporting and Prudence Regulations 2014. These regulations have been developed to provide local authorities and the community with a tool to assist in the assessment of prudence. We have included these mandatory graphs within this financial strategy.



There are a number of factors that we have considered when developing the Financial Strategy for the next 10 years. These include changes in our population; low anticipated rateable property growth, land use change, increasing costs and keeping rates affordable. Other factors include national and regional environmental and public health standards which we have identified and discussed in our Infrastructure Strategy. We recognise that there may be challenges in responding to the changes but we do not believe that there is a significant impact over the next 10 years.

Under the medium population projections by the National Institute of Demographic and Economic Analysis (NIDEA), the usual resident population for the district will grow slowly to a peak of 37,046 in 2035 before declining to 31,274 in 2063. Despite these projections for the whole of the district we know that some areas will continue to grow while others are already declining and will continue to do so. It is anticipated that census area units like Kinloch and Taupō town will continue to grow and other census area units like Turangi and Mangakino will continue to experience decline in population.

While an aging population is a worldwide phenomenon, it is anticipated that this will be highly pronounced in the Taupō District over the next 30 years. It is projected that over 65 year olds (currently 17.3 per cent of the population) will account for 29.8 per cent of the population in 2033 and 41.3 per cent in 2063. At the same time the district is continuing to see a significant drop in the 20-35 age group which indicates that a higher portion of working age people leave the district to seek employment or education opportunities elsewhere.

The long term trend, for the past 50 years, has been for a decrease in the number of people living per dwelling. Household size is projected to decrease from 2.6 people per household to 2.1 by 2021 with a resulting increase in household formation. Overall household numbers for the district are projected to peak in 2040, but by 2063 there is still expected to be 1515 households more than in 2013.

Over the 10 years of this plan we anticipate a total of 788 new residential rateable properties.

We do not anticipate significant changes in land use around the district. We expect that there will be ongoing change in the rural sector between forestry and dairy. Despite the projected increase in the district population, until 2035 there is adequate capacity for residential land and industrial/commercial land in the current zoning for the next 30 years.

Council is a landowner of significant residential, industrial and commercial zoned land. This allows us to respond quickly to any changes that may occur in the market including increased economic activity.

The rural sector of the district focuses mainly on forestry, hydro-power generation along the Waikato and Tongariro Rivers, sheep and beef cattle farming and more recently a reduction in forestry and an increase in conversions to dairy farming. A number of power stations, using the geothermal fields, add significantly to the local economy.

One of the major contributors to the local economy is tourism and events. For the year ending June 2014² nearly one million guest nights were recorded in the district with 306,813 of these being international guest nights. Taupō is also known as the events capital of New Zealand for all the sporting, arts and community events that the district attracts. Events like the Lake Taupō Cycle Challenge, Taupō Summer Concert and IRONMAN are well known as being held in our district and attract large numbers of visitors each year.

It is estimated Taupō's usual resident population can increase by 70 per cent at peak holiday times such as Christmas/New Year, Easter, school holidays and around events like Ironman or the Cycle Challenge. During these times, holiday homes and commercial accommodation in the district is full and this puts increased load on our existing infrastructure.

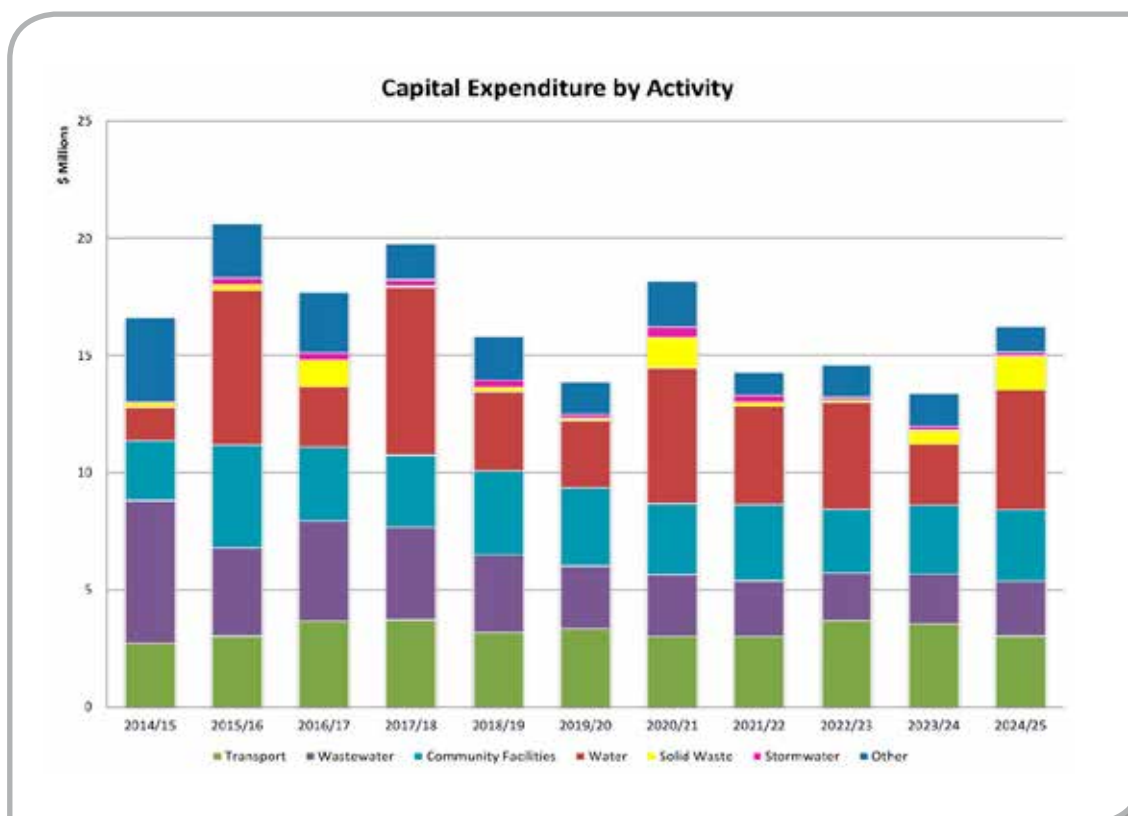
² Commercial Accommodation Monitor, Ministry of Business, Innovation and Employment.

Looking after the assets we have whilst maintaining levels of service

One of the main components of creating a strong financial foundation is ensuring that we maintain our infrastructure to meet the current and future needs of the community. We need to look after what we already have. Infrastructure is also important for economic development. Building and maintaining quality infrastructure is one of the critical parts of the foundation required for a resilient and growing economy.

Asset renewal planning is at various stages of maturity across the infrastructure asset groups, from renewal based on detailed asset condition information to renewal based on life expectancy. Much of the underground assets fall in the latter category. Focus over the first three years of the strategy will be the collection of condition data for these assets that will enable more accurate modelling of renewal profiles.

In order to balance wants and needs with affordable and sustainable rates, and reduce our debt, our new capital programme across the 10 years has been limited. Therefore we have prioritised our capital spend on compliance with national and regional environmental and public health standards. These require us to upgrade our water and wastewater infrastructure to comply with the drinking water standards and consent requirements for wastewater. Our proposed capital programme reflects the existing capacity within our infrastructure network and is considered sufficient to cater for the expected changes in population and land use and maintain our current levels of service. The graph below illustrates our proposed capital and renewal expenditure for each group of activities over the 10 years of the plan.



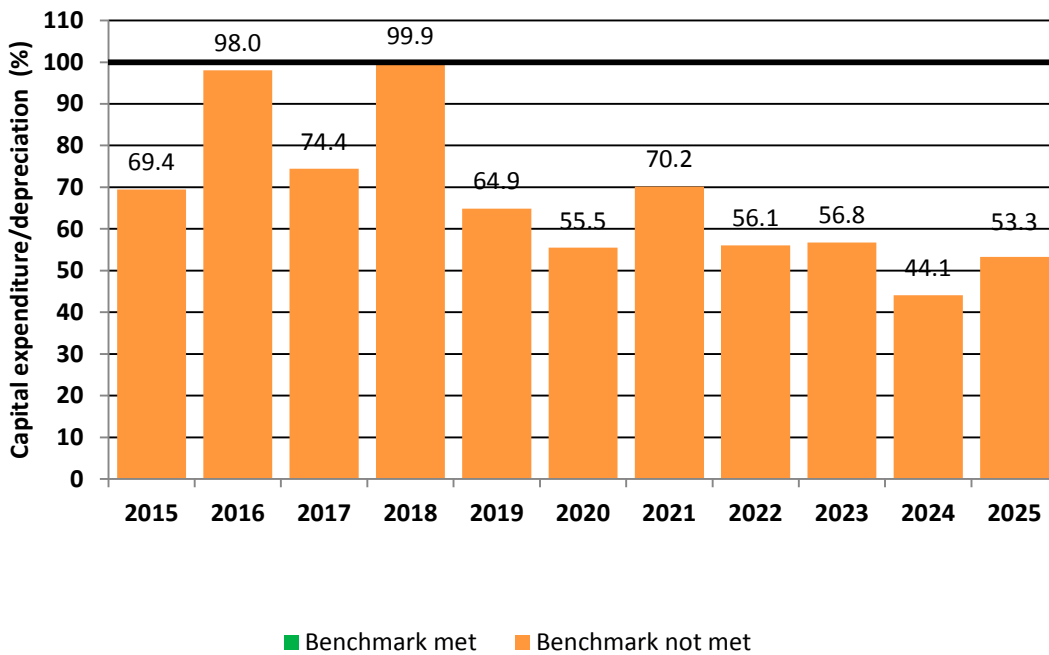
Note – Other includes the groups of activities Economic Development, Community Services, Investments and Democracy and Planning.

Essential services benchmark

The following graph displays the Council’s planned capital expenditure on network services as a proportion of expected depreciation on network services. The essential services benchmark is met if planned capital expenditure on network services equals, or is greater than, expected depreciation on network services.

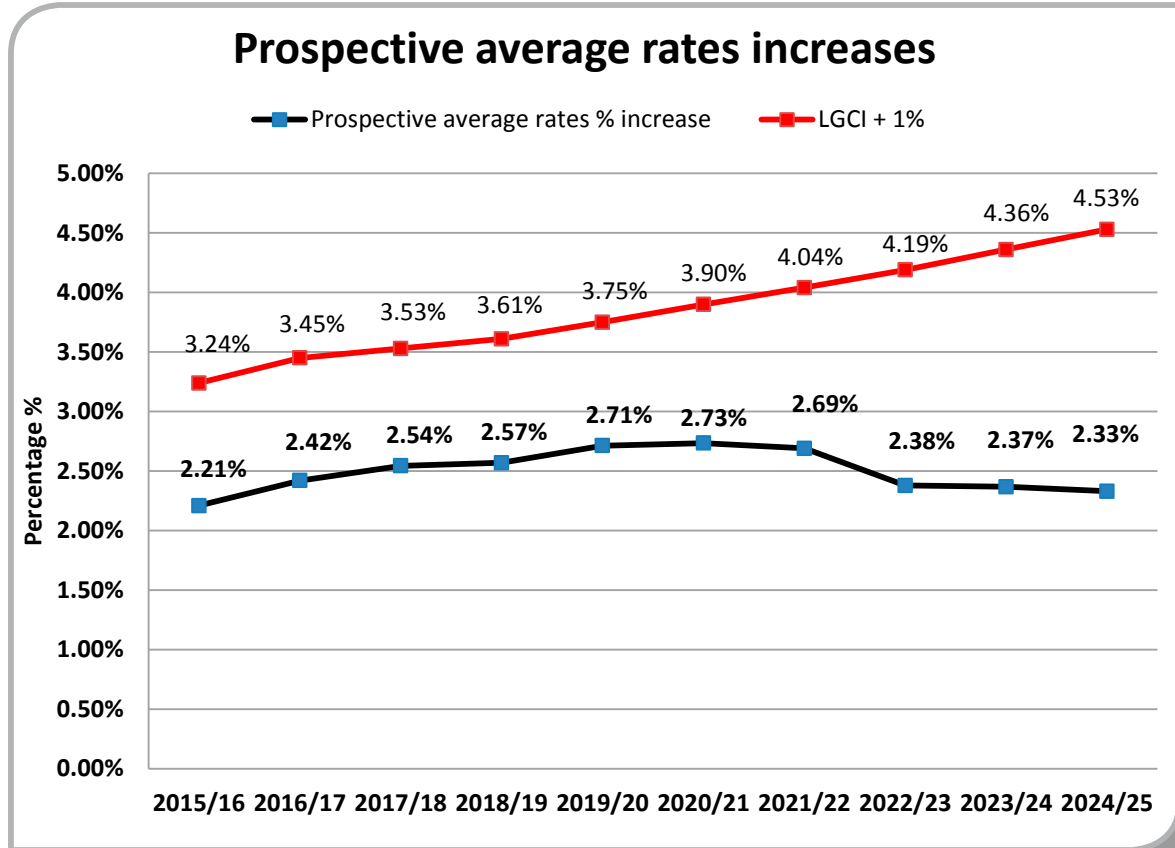
The Council does not meet this benchmark in any of the years in the Long-term Plan because our network services assets are relatively young and we have recently upgraded core water and wastewater assets. This means that our renewals in the Long-term Plan are significantly lower than the depreciation expense, resulting in a build up of cash reserves. These cash reserves will be required in the future to fund renewals on network services. This approach is consistent with the principle of intergenerational equity ensuring that the ratepayers of today, and the future, are paying their fair share of the use of these assets.

Essential services benchmark



Keeping rates affordable and sustainable

It is always a balancing act between meeting the wants and needs of our communities while keeping rates affordable and sustainable. This Long-term Plan has been prepared with this in mind and has resulted in a projected increase of rates revenue of between 2 per cent and 3 percent each year.



To help achieve what we think is a good balance we have set the following limits on rates:

- **Total rates revenue must not exceed 80% of operating revenues**
- **Rate increases may not exceed the forecast Local Government Cost Index (LGCI) +1%**

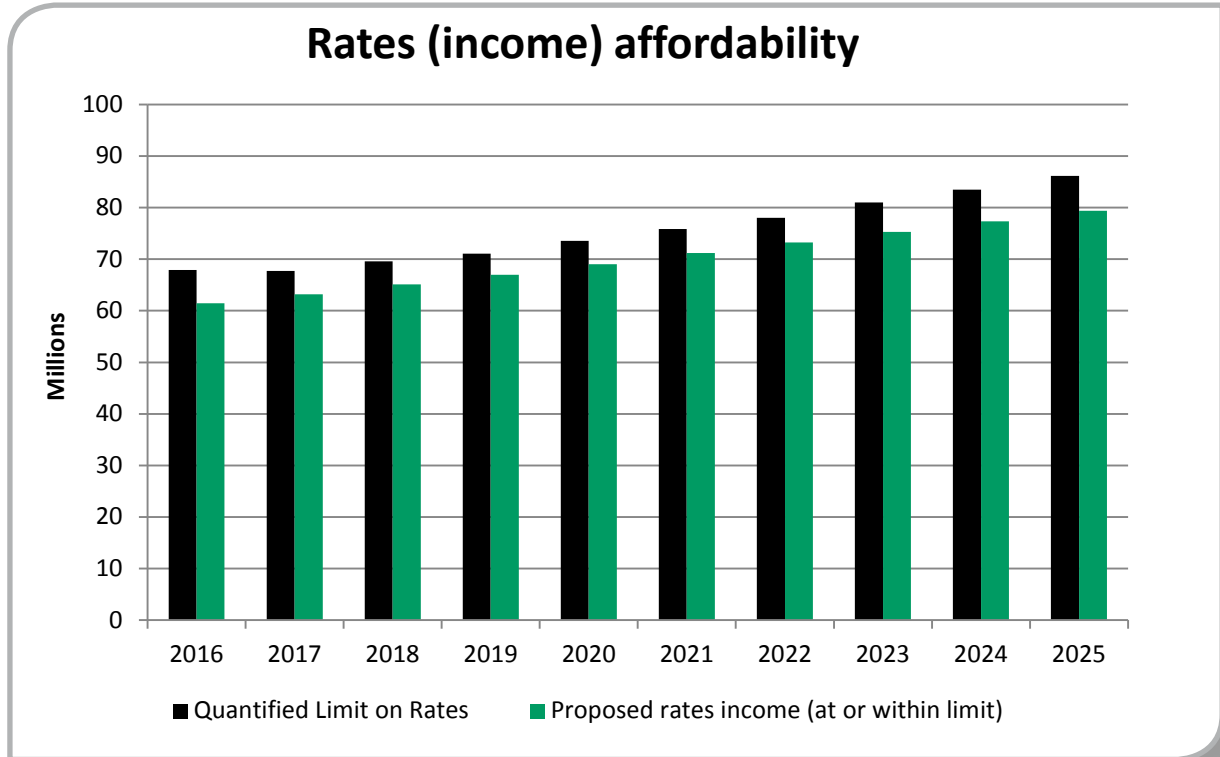
Local government infrastructure costs, as measured by the Local Government Cost Index (LGCI) increase at a higher rate than the Consumer Price Index (CPI). We have built this higher cost into the Long-term Plan to make sure that we can afford to do the things we say we will and to maintain our current levels our service.

We believe that the limits that we have set for rates and borrowings (see below) still allow us to provide for and maintain existing levels of service and to meet any additional demand for services.

Rates (income) affordability

The following graph compares the council's planned rates with a quantified limit on rates. The quantified limit is that total rates revenue must not exceed 80 per cent of operating revenues.

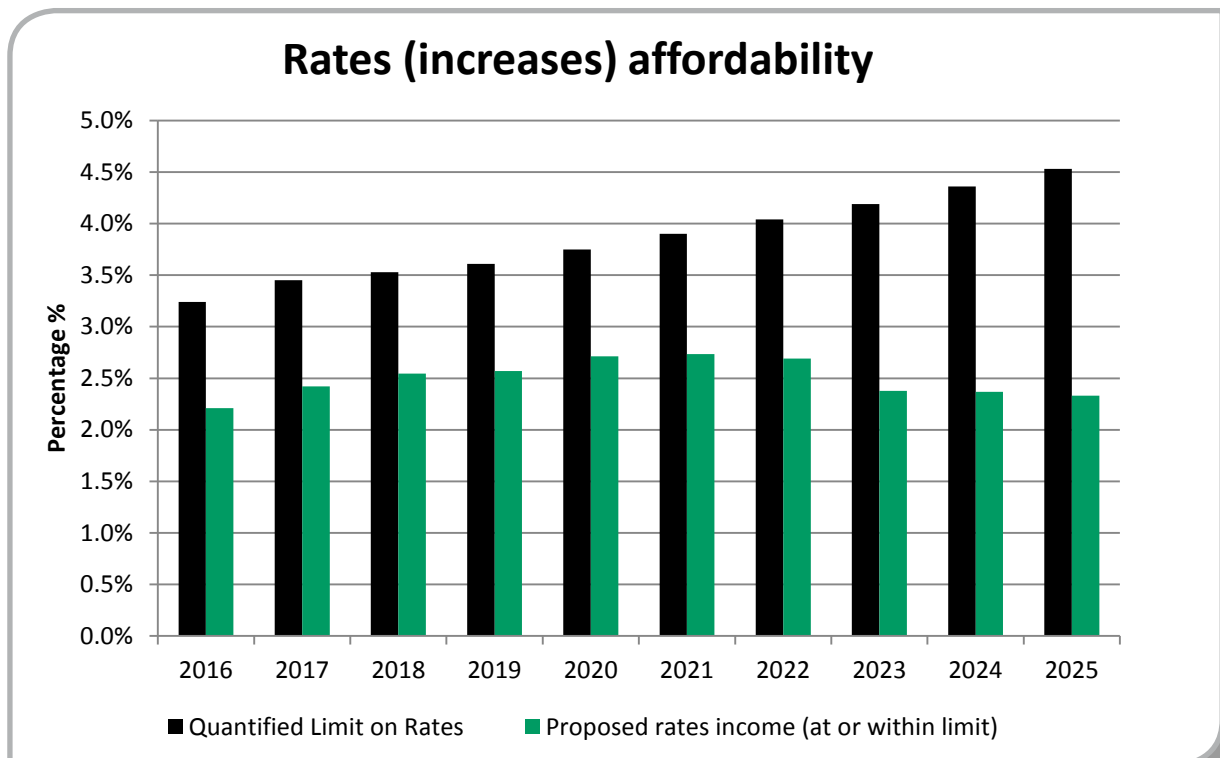
Council meets this benchmark for the 10 years of the plan.



Rates (increases) affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases. The quantified limit is LGCI + 1 per cent.

Council meets this benchmark for the 10 years of the plan.

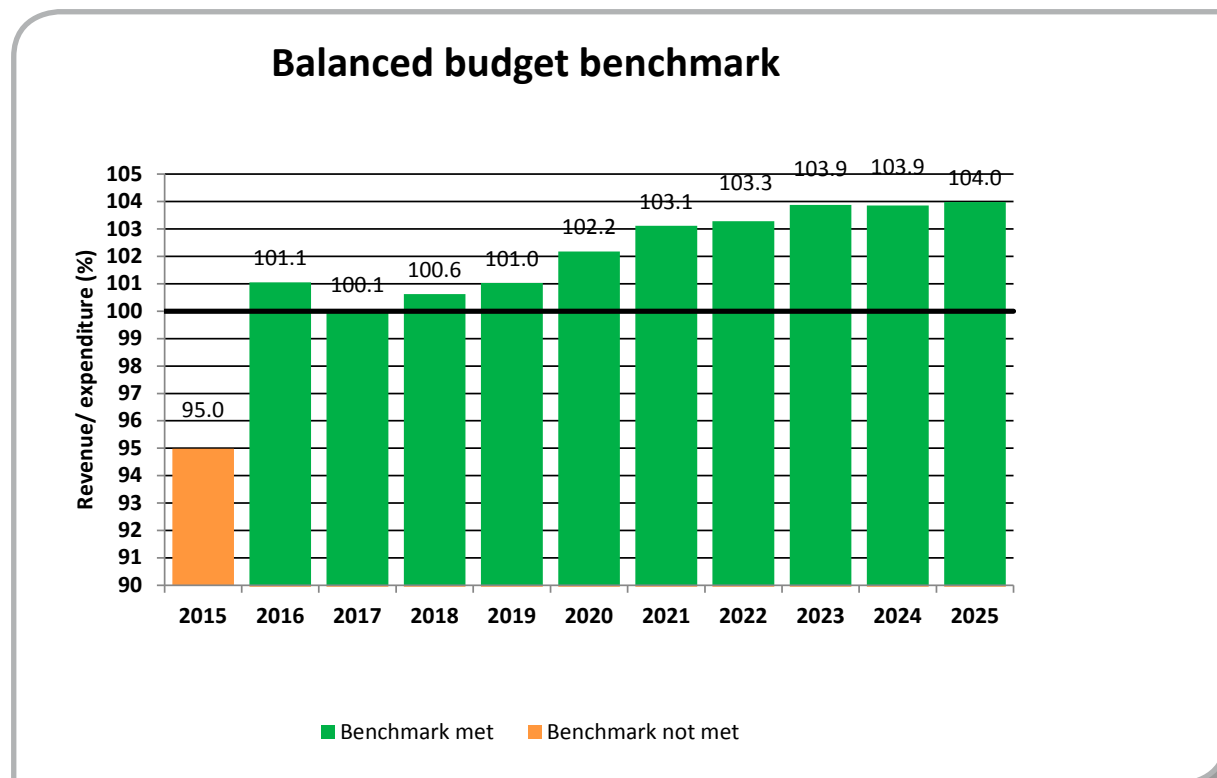


Balanced budget benchmark

The following graph displays the council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

Council meets this benchmark for the 10 years of the plan.



Prudent management of our investments and borrowing

Council is taking a prudent and conservative approach to the management of its investments and borrowing. The key objectives of our investment policy are:

- Prudently manage Council’s investment assets in the interests of the district and its inhabitants and ratepayers, only for lawful purposes and so as to safeguard against loss.
- Manage investments in accordance with the Local Government Act 2002 and the Trustee Act 1956; administer, manage and account for its funds and exercise the care, diligence, and skill that a prudent person of business would exercise in the managing the affairs of others.
- Maximise investment income within a prudent level of investment risk. Council recognises that as a responsible public authority any investments that it does hold should be of relatively low risk. It also recognises that lower risk generally means lower returns.
- Invest only in approved securities and asset classes as permitted by this policy. Accordingly, only creditworthy counterparties are acceptable.
- Ensure investments are maintained at an appropriate level of liquidity to enable the provision of cash flow when required.
- Minimise potential risk due to adverse interest rate movements.
- Regularly review the performance and credit worthiness of all investments.
- Maintain operational controls and procedures to best protect Council against financial loss, opportunity cost and other inefficiencies.

Council holds equities for the following primary reasons:

- Invest (TEL) investment portfolio.
- Diversify the TEL Investment portfolio to enable the objective return to be achieved over the long term.

The targets for investment returns are to:

- General funds/special reserves:
Actual investment returns must be benchmarked to a market interest rate. The market interest rate is the mid-point Policy benchmark rate based on 0-12 months where there are enforced minimum percentages. The benchmark is constructed as follows:
50.0% 6-month BKBM mid-rate (average of reporting month)
50.0% 6-month BKBM mid-rate, 6 months ago (average of month)

TEL Fund

The TEL fund was established after Taupō Electricity Limited (TEL) and Taupō Generation Limited (TGL) were sold in 1995 for \$61.3m. In early years the income funded specific projects like the Great Lake walkway. More recently, the income of approximately \$3 million per year has been used as another revenue source and applied to operational expenditure to reduce the amount of rates collected in any given year (often referred to as a rates subsidy). Both of these approaches are consistent with Council's intergenerational equity principle. In 2013, \$10 million was used to reduce Council's debt. The current value of the fund is \$54.1 million.

Having the TEL fund has additional benefits to our community. Council's Standard and Poor's (S&P) credit rating is enhanced by the high level of liquidity that the fund offers. In the event of a natural disaster Government funds 60 per cent of underground assets with Council being required to fund the rest. Having the TEL fund means that Council can fund its share without having to pay a significant insurance premium.

Council has decided to use the income from the TEL fund to create a community fund that can be used for community services and projects. Over the next six years we will steadily reduce the amount of income currently applied to rates (approximately \$3 million per year). This means that in 2021 the TEL fund would be inflation proofed with a projected value of approximately \$68 million, and the income from the fund (projected to be \$3.6 million in 2021) could be dedicated to community services and projects. Council will develop a guiding philosophy for this community fund between 2015-18.

Limits on borrowing

When funding Council assets that will service ratepayers, both today and into the future, we use borrowings. This is commonly referred to as providing intergenerational equity. However, we must be careful not to overburden future generations by living beyond our means today. In order to find an appropriate balance and provide safeguards we need to set some limits on borrowings. Council has set the limit that net external borrowing may not be more than 200 per cent of annual operating income.



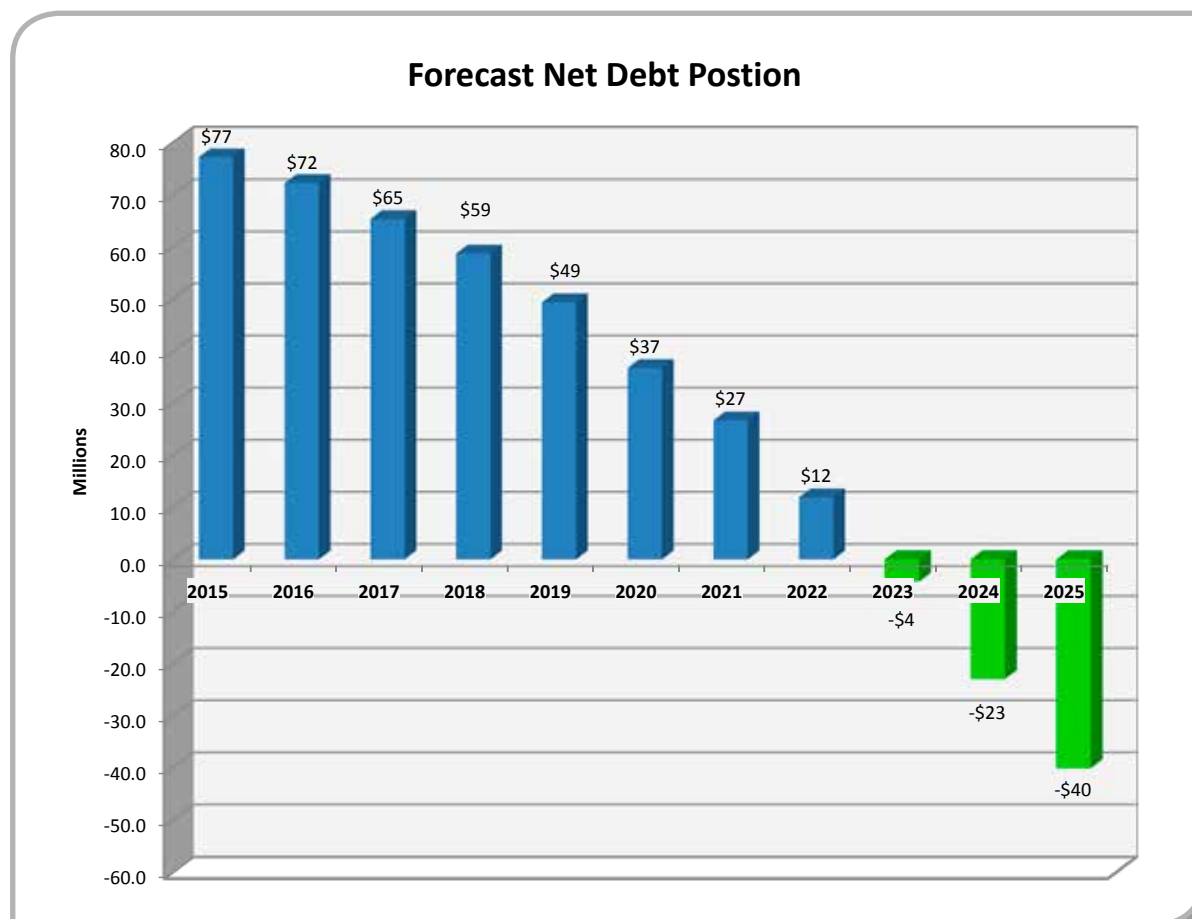


Managing our Net Debt position

We are building capacity within our balance sheet through the management of our investments and borrowings to accommodate any unforeseen financial circumstances in the future.

Taupō District Council currently has relatively high gross debt compared to some other councils. However this is offset by significant financial investments, including the TEL Fund, which leaves a net debt position that is prudent and sustainable for the size of the district and the assets that we own.

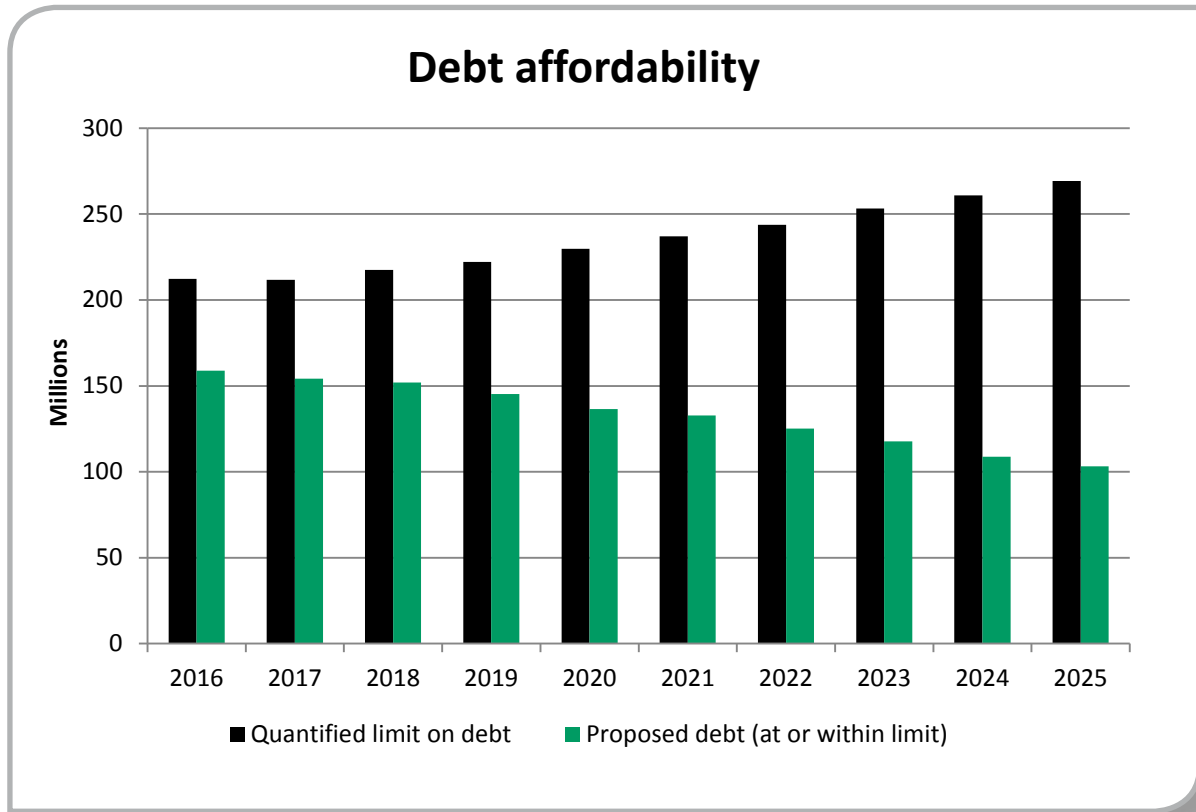
We have recently upgraded a number of significant community and infrastructure assets such as the refurbishment of the AC Baths, Lake Terrace water treatment plant, East Taupō Arterial road, Taupō wastewater treatment plant and several other wastewater and water plants around the district. Due to these upgrades and the relatively young age of some of underground assets, this has resulted in a projected large build up of cash reserves by 2025. These cash reserves will be needed in future years to fund the renewal of those assets as they become due for replacement. The build-up of these cash reserves, and our ongoing debt reduction programme both contribute to the positive net cash position in 2025 of \$40 million as shown in the graph below:



Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the council's planned debt with a quantified limit on borrowing. The quantified limit is that net external borrowing may not be more than 200 per cent of annual operating income.

Council meets this benchmark for the 10 years of the plan.

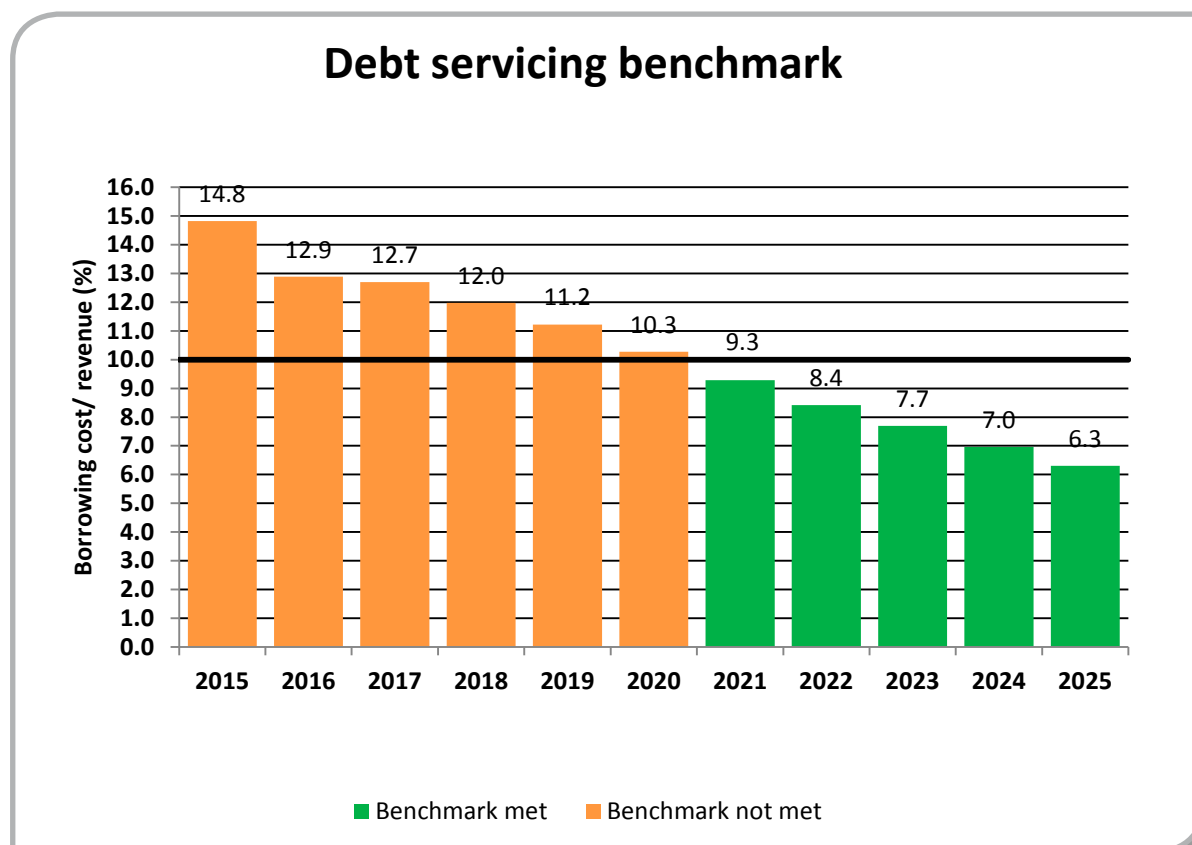


Debt servicing benchmark

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Because Statistics New Zealand projects the district's population will grow more slowly than the national population's projected growth, it meets the debt servicing if its planned borrowing costs equal or are less than 10 per cent of its planned revenue.

Council does not meet this benchmark in years 2015-20, but meets the benchmark from years 2021-25. This debt servicing benchmark does not take into account revenue from council's significant investment funds, including the TEL fund. If the benchmark was based on net interest expense as opposed to gross interest expense the benchmark would be met in all 10 years of the plan.



Security for our borrowing

Our borrowing is secured by a charge over rates revenue by way of a debenture trust deed. Utilising rates revenue as a security lowers the risk involved for lenders and therefore will lower the cost of borrowing. Generally assets are not offered as security for any loan or performance of any obligations under other arrangements.

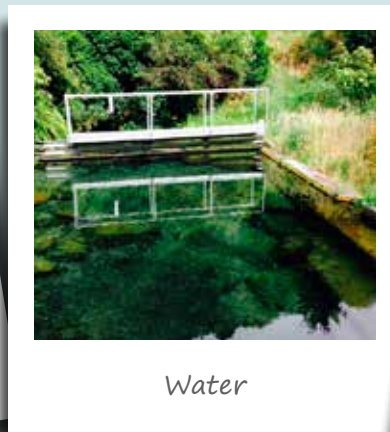
Whole of Council – Funding Impact Statement

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	35,643	37,906	38,497	39,430	40,379	42,267	43,893	45,231	46,240	47,518	48,519
Targeted rates	22,593	22,976	24,107	25,043	25,960	26,043	26,572	27,267	28,255	28,947	29,933
Subsidies and grants for operating purposes	1,705	1,840	1,982	2,033	2,240	2,273	2,391	2,470	2,589	2,694	2,823
Fees and charges	10,081	9,150	9,410	9,608	9,898	10,268	10,522	10,866	11,340	11,655	12,106
Interest and dividends from investments	4,123	4,583	4,695	4,891	5,140	5,370	5,680	6,078	6,575	7,129	7,819
Local authorities fuel tax, fines, infringement fees, and other receipts	863	1,039	1,060	1,087	1,116	1,147	1,180	1,218	1,259	1,301	1,347
Total operating funding (A)	75,008	77,494	79,751	82,092	84,733	87,368	90,238	93,130	96,258	99,244	102,547
Applications of operating funding											
Payments to staff and suppliers	48,916	49,837	50,350	51,781	53,247	54,980	56,585	58,652	60,805	63,113	65,353
Finance costs	11,229	10,389	10,309	10,018	9,630	9,114	8,486	7,933	7,503	6,998	6,548
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	60,145	60,226	60,659	61,799	62,877	64,094	65,071	66,585	68,308	70,111	71,901
Surplus (deficit) of operating funding (A – B)	14,863	17,268	19,092	20,293	21,856	23,274	25,167	26,545	27,950	29,133	30,646
Sources of capital funding											
Subsidies and grants for capital expenditure	748	3,130	1,415	1,531	1,070	1,290	1,131	1,060	1,317	1,281	1,382
Development and financial contributions	801	1,084	1,116	1,170	880	906	1,102	761	1,052	1,000	839
Increase (decrease) in debt	(2,532)	(3,101)	(4,548)	(2,224)	(6,686)	(8,746)	(3,897)	(7,544)	(7,490)	(8,853)	(5,673)
Gross proceeds from sale of assets	-	3,180	2,735	3,187	1,136	774	563	574	383	574	383
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(983)	4,293	718	3,664	(3,600)	(5,776)	(1,081)	(5,149)	(4,738)	(5,998)	(3,069)
Application of capital funding											
Capital expenditure	-	1,149	604	1,333	357	591	1,501	323	299	312	1,902
• to meet additional demand	-	1,149	604	1,333	357	591	1,501	323	299	312	1,902
• to improve the level of service	8,554	9,625	6,669	8,698	5,251	3,177	7,036	4,608	4,925	3,579	5,173
• to replace existing assets	8,067	10,158	10,452	9,792	10,202	10,139	9,688	9,365	9,409	9,517	9,185
Increase (decrease) in reserves	(2,741)	629	2,085	4,134	2,446	3,591	5,861	7,100	8,579	9,727	11,317
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	13,880	21,561	19,810	23,957	18,256	17,498	24,086	21,396	23,212	23,135	27,577
Surplus (deficit) of capital funding (C – D)	(14,863)	(17,268)	(19,092)	(20,293)	(21,856)	(23,274)	(25,167)	(26,545)	(27,950)	(29,133)	(30,646)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

groups of activities



Community Services



Water



Transport



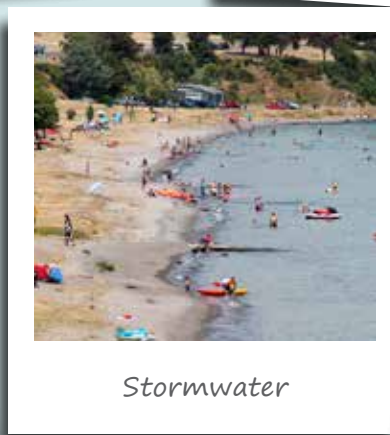
Community Facilities



Wastewater



Solid Waste



Stormwater



Democracy and Planning



Investments



Economic Development

Groups of Activities

We deliver a range of services on behalf of the community. This section explains what Council does and why, key projects over the next three years, how we will measure our performance, how the activity will be funded and the cost of the service.

Council has 10 groups of activities:

- Community Services
- Water
- Transport
- Community Facilities
- Wastewater
- Solid waste
- Stormwater
- 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.

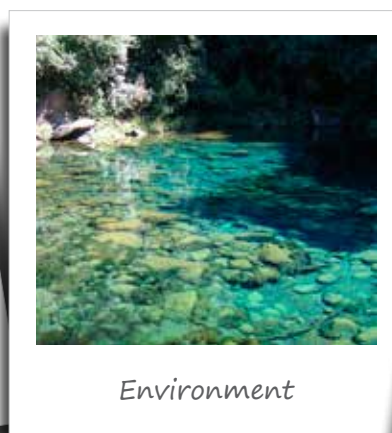
Over the 10 years of this plan, Council intends to provide the same level of service as is currently provided. This is reflected in the performance measures where the targets are the same for all 10 years.

Council undertakes a Residents and Ratepayers Satisfaction Survey every three years. The last survey was undertaken in November 2014 with the next one planned for 2017.

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.

Community Engagement

We work to develop district neighbourhoods and communities by working directly with and alongside them. We work with community groups, organisations and central government agencies to promote co-operation and collaboration. Council's "Our Neighbourhood, Our Future" programme focuses on regenerating the social and physical aspects of our communities and their neighbourhoods. We will continue this programme, focusing on the contribution of young people as emerging leaders for local decision-making.

We work alongside Māori to inform them about council issues and engage them in our decision making processes. We also encourage our staff to improve their knowledge of tikanga where needed.

Community grants are a part of the Council's overall support function within the community. The total amount of annual funding for community grants is decided upon through the Long-term Plan. It is then distributed on our behalf by the groups identified in Council's Community Grants Policy. There are also a number of service

agreements with organisations such as Waiora House, Sports Advisory Council, Bike Taupō, and Waikato River Trails.

We are a World Health Organisation (WHO) accredited safe community which means that we work with our community partners on four key issues – reducing alcohol related harm, intentional and unintentional injury, road safety and crime prevention.

We are an Age Friendly District which means we work alongside a community steering group who have adopted Age Friendly concepts. We support youth through various programmes including our Youth Leadership programme (Leader in You), the Youth Awards, and Youth Week.

We engage with groups from our community on a range of issues. This partnership approach is in support of our community outcome Engagement – Council is connected with its communities, advocating for their social and cultural wellbeing. The groups we work with include education and health providers.

We fund this activity through the general rate.



Community Grants

These grants are made on the basis that the activities of groups and organisations benefit the wider community. The support shown for community grants during pre-consultation with the community in September 2014 reaffirmed that this was a service that they would like to continue. Council has a Community Grants Policy which sets out how grants will be allocated and distributed. We intend to review this policy during 2015/16, with any changes to be implemented from 1 July 2016.

Council has agreed to a total grants pool of \$538,649 for each year from 2015/16 – 2017/18, with \$275,000 being distributed on behalf of Council. Who distributes the fund will be considered as part of the review of the Community Grants Policy. In 2015/16 the distribution will be undertaken as follows:

- \$100,000 for social services by Waiora House
- \$50,000 for recreation by Lake Taupō District Sports Advisory Council
- \$20,000 for culture and arts by Creative Taupō (this funding is matched by funding from Creative NZ)
- \$80,000 by the Turangi-Tongariro Community Board
- \$25,000 by the Mangakino-Pouakani Representative Group.

The following service agreements will be in place from 2015/16 – 2017/18:

Enviroschools	\$8,000
Rangitaiki Community Hall	\$7,000
Sports Advisory Council	\$25,000
Waiora House	\$50,000
Bike Taupō	\$30,000
Waikato River Trail	\$20,000
Tongariro Trout Hatchery	\$15,000
Taupō School of Music	\$15,000
Lakes and Waterways Action Group	\$6,000
Opus Orchestra	\$1,000
Greening Taupō	\$20,000
Sport Waikato	\$66,649

We support groups and organisations every year through the provision of community grants.

Regulatory Services

Regulatory services are provided to ensure rules and regulations are adhered to for things such as food safety, animal management and building. This includes:

- Registering, enforcing and ensuring compliance with regulatory functions relating to food premises, liquor outlets, electronic gaming machines, animal control and other bylaws and statutes
- Enforcing limited time parking spaces in the Taupō CBD
- Processing resource consent applications and ensuring compliance with the District Plan and consent conditions
- Processing building consent applications, inspecting buildings, and monitoring and enforcing the Building Act 2004.

We fund these activities through a mixture of fees and charges, the uniform annual general charge and the general rate.





Council Youth Leadership (Leader in You)

This is a year long programme for year 12 students selected from all secondary schools in the Taupō District. The programme includes attending practical leadership workshops on local decision making processes, alongside councillors and staff. It is also a mechanism for young people to participate in Council planning and activities such as the Long-term Plan, policies, and meetings on issues which directly affect young people and the wider community.

Young people from Te Kura o Hirangi, Tauhara College and Taupō Nui ā Tia college use our weekly news page Connect and the Long-term Plan as resources for learning about council.



Emergency Management

We provide emergency management for community wellbeing and safety, including development and support for volunteer rural fires crews in Taupō and the south-western lake settlements. This includes:

- Maintaining district-wide emergency management plans and promoting community preparedness for emergencies
- Maintaining an Emergency Operating Centre and providing a Civil Defence capability. This includes Civil Defence staff training and the development and on-going review of Civil Defence plans and operating procedures. Council also has the ability to set up welfare centres in Taupō, Mangakino and Turangi in the event of an emergency; and
- Issuing fire permits, responding to and managing fire callouts in rural areas.

We fund these activities through the uniform annual general charge and the general rate.

Closed circuit TV (CCTV) in Turangi and Mangakino

The CCTV in the Turangi Mall is getting old and needs to be replaced to remain effective. Police have also suggested installing CCTV within the Mangakino town centre to assist them in their role and help address anti-social behaviour.

Council has set aside funding for CCTV in the Turangi and Mangakino town centres which will provide for 50 percent of the cost of the systems. The intention is that the other 50 percent is funded through community partnerships.

Levels of service, performance measures and targets

Level of service	Performance measures and targets
We continue to support the development of community identity, connections and relationships among and within our communities.	Facilitate a series of neighbourhood events throughout the district. In 2013/14 we facilitated over 30 events. Promote community-led principles with at least three events being community-led (new measure).
We ensure that community grants are shared fairly and used effectively.	Distributing agencies will report at least annually to Council on the distribution of funds and costs of service for the distribution. In 2013/14 all of the distributing agencies supplied annual reports on their activities.
We process resource consents consistently, efficiently and to a high standard, ensuring that property developments are in line with District Plan policy goals.	Resource consents are processed within statutory timeframes as specified under the Resource Management Act 1991. In 2013/14 we achieved this target. Resource consents are monitored to ensure they comply with the conditions of consent. In 2013/14 we achieved this target.
We provide an efficient and reliable building consent and inspection service.	All applications are processed within 20 working days as specified under the Building Act 2004 Section 48(1). In 2013/14 we processed 99.4% of applications within this timeframe. 20% of Building Warrants of Fitness are audited yearly to ensure the information is correct. In 2013/14 we achieved this target.
We register and enforce regulatory functions for animal control.	99% of known dogs are registered each year (new measure)
We inspect premises regularly.	Noise complaints are responded to within two hours. In 2013/14 we responded to 93.8% of these complaints within the timeframe.
We respond efficiently to requests for service.	Requests for service are responded to: Food safety – initial response within 48 hours Dog Control – initial response within 1 working day All health (funeral homes, camping grounds, hairdressers) premises are registered and inspected annually to ensure they meet minimum legislative standards. In 2013/14 we inspected all health premises. All food premises are registered and inspected annually to ensure they meet minimum legislative standards. In 2013/14 we inspected all health premises. All liquor premises are registered and inspected annually to ensure they meet the legislative minimum standards. In 2013/14 we inspected all liquor premises.
We enforce parking times to ensure as many people as possible can access parking spaces, and that the roading network is free of obstructions. We also provide car parks which have no time limit.	Parking spaces are monitored and time limits are enforced. We use our Smart Parking data to measure our enforcement rates vs time and parking demand.
We educate our communities on preparing for emergencies.	The Waikato Region has adopted the Waikato Region Civil Defence Group Emergency Management Plan. A detailed work plan is being worked on for the region and Council will develop a detailed work programme and performance targets that reflect this. For example, a target might be the number of groups with Emergency Plans within the district. In 2013/14 we achieved this measure.
We recruit, train and support a rural fire response service.	Council maintains sufficient volunteer capacity (in line with the National Rural Fire Authority standards for crew numbers), where there is community support to provide rural fire response crews in Taupō and the southern settlements. In 2013/14 we achieved this measure.

Community Services Funding Impact Statement

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	5,273	5,246	5,417	5,499	5,695	5,792	5,988	6,155	6,381	6,566	6,882
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	81	15	15	16	16	17	17	18	18	19	20
Fees and charges	1,801	1,865	1,913	1,985	2,041	2,102	2,166	2,237	2,313	2,396	2,484
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	397	472	484	497	511	526	542	560	579	600	622
Total operating funding (A)	7,552	7,598	7,829	7,997	8,263	8,437	8,713	8,970	9,291	9,681	10,008
Applications of operating funding											
Payments to staff and suppliers	7,291	7,295	7,523	7,693	7,962	8,136	8,414	8,670	8,988	9,274	9,697
Finance costs	80	101	97	89	81	74	66	60	55	51	46
Internal charges and overheads applied	2	2	2	2	3	3	3	3	3	3	3
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	7,373	7,398	7,622	7,784	8,046	8,213	8,483	8,733	9,046	9,328	9,746
Surplus (deficit) of operating funding (A – B)	179	200	207	213	217	224	230	237	245	253	262
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(95)	(63)	(117)	(101)	(117)	(117)	(74)	(74)	(74)	(74)	(74)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(95)	(63)	(117)	(101)	(117)	(117)	(74)	(74)	(74)	(74)	(74)
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand	-	50	-	16	-	-	-	-	-	-	-
• to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	100	176	102	105	157	105	134	147	122	130	189
Increase (decrease) in reserves	(16)	(89)	(12)	(9)	(57)	2	22	16	49	49	(1)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	84	137	90	112	100	107	156	163	171	179	188
Surplus (deficit) of capital funding (C – D)	(179)	(200)	(207)	(213)	(217)	(224)	(230)	(237)	(245)	(253)	(262)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

Community Services Schedule of Capital Expenditure

Activity/Scheme	Project	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Safer Communities	CCTV fibre optic cable from Great Lake Centre to Police				16							
Safer Communities	Upgrade CBD CCTV - Mangakino	25										
Safer Communities	Upgrade CBD CCTV - Turangi	25										
Community Services - District	Renewals	100	176	102	105	157	105	134	147	122	130	189
Total Capital Expenditure		100	226	102	120	157	105	134	147	122	130	189



Water

What we do

Water is essential for life, health, recreation and the environment. In our district water is also essential for economic development – if industry cannot get access to water, they will not develop or start up here. This group of activities contributes to the environment and economy community outcomes.

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.

The Waikato Regional Council allocates water from our lakes and rivers for household, commercial and industrial uses. Council currently has 20 resource consents to take water from lakes, rivers, bores and other sources in the district.

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.

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.

In general providing safe drinking water to the community has both public health and environmental benefits. There is however negative effects in providing this service, these include; the risk of contamination; the sustainability of water source; risk of water abstraction volumes getting reduced and difficulty in managing the implementation of demand management plan; cost of providing the service on rate payers, especially smaller communities and the cost of keeping up with drinking water standards requiring significant capital investment.

Variation between territorial authority's long-term plan and assessment of water and sanitary services and waste management plan

Water service proposals in this plan are generally consistent with those contained in the Water and Sanitary Services Assessment (2008). Any variations relate to changes in growth predictions and the consequent timing of capital expenditure, because Council's growth model has been revised to reflect the economic environment and the impact on predicted future land uptake. In addition, capital projects for water have different timing because of the need to ensure projects are only started when necessary, and taking community affordability into account.



Proposed projects to comply with the Drinking-water Standards for New Zealand

We need to undertake more work to consider whether the current scheme based approach to funding the provision of water is economically sustainable, or whether to move to an alternative like a district-wide funding of residential water supply (similar to how wastewater is currently funded). We also need to consider whether smaller water schemes are managed by Council, and to what level drinking water standards are complied with.

Higher environmental standards required through consent conditions and increased maintenance costs for smaller schemes will also result in higher infrastructure costs. People on fixed incomes and those who live in smaller settlements where water infrastructure costs are shared between a smaller number of users of the water scheme, will find this the most challenging.

The drinking water standards have two main components. The first is the maximum concentrations of particular contaminants that can be present in drinking-water without presenting a public health risk. The second is the sampling frequencies and testing procedures to demonstrate confidence that the water complies with the standards.

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.

Our preference is for a staged approach that allows the capital and operational expenditure for drinking water upgrades to be spread across a number of years. The programme of works proposes capital expenditure of \$16m over 10 years. This would mean an increase in the total targeted rates from \$7.6m to \$11.3m over 10 years and an overall increase in debt of \$3m. The difference between the \$16m and \$3m is the increase in rates to cover debt repayments and the spread of debt over the life of the assets.

Before we begin any upgrades we want to talk to each of these communities to discuss options and costs to ensure that each community understands the implications. The proposed upgrades are likely to result in significant increases to the cost of supplying water to these communities. How these upgrades are funded will be an integral part of the discussion as outlined above. We don't expect any further central government subsidies to be available for these upgrades.

If communities believe the proposed options are unaffordable, decisions will need to be made about the level of compliance and how that will be paid for.

Investigations for compliance upgrades beyond 2025 will include small and rural water supply schemes such as Whakamoenga, Whakamaru, Tirohanga, Bonshaw Park, Centennial Drive (Rakaunui Road), Waihaha and the Motutere campground.

Working towards meeting drinking water standards set by the Government, and ensuring security of supply, means that we will undertake significant expenditure over the coming 10 years on water infrastructure.

Another challenge on the horizon – Raw water availability



Much of the water supplying our schemes comes from Lake Taupō and is allocated by Waikato Regional Council. All of the available water from Lake Taupō and the upper Waikato River catchment has been allocated, consequently it will be increasingly difficult for Council to get consents for increased water takes to meet demand for new industries and households. Although not an immediate issue in the coming 10 years, we have recognised this challenge in our Infrastructure Strategy.

Water demand management will become increasingly important to ensure we stay within our allocation limits. As a community we need to keep working on reducing the amount of water we use, by implementing conservation methods, particularly as a majority of our water use is the irrigation of lawns and gardens with highly treated, potable water. The less we use, the less we have to treat before it comes out of your tap and the less it costs.

We will encourage households to use treated water efficiently and consider the collection and use of rainwater for other uses such as washing cars and watering gardens. Reducing the demand for water will reduce treatment costs and it will mean that Council can delay spending to increase water treatment plant capacity.

Fluoride in the Taupō Town and Turangi water supply

Council has decided to continue with the current arrangement but intends to undertake further research and consultation in preparation for the Long-term Plan 2018–28.

Council's current practice of adding fluoride to the Taupō town and Turangi water supply was not specifically included in the consultation document for the Long-term Plan.

Council received 37 submissions on this issue. Of those, 35 were in opposition to fluoride being added to the water, with the main issue raised being around personal choice.

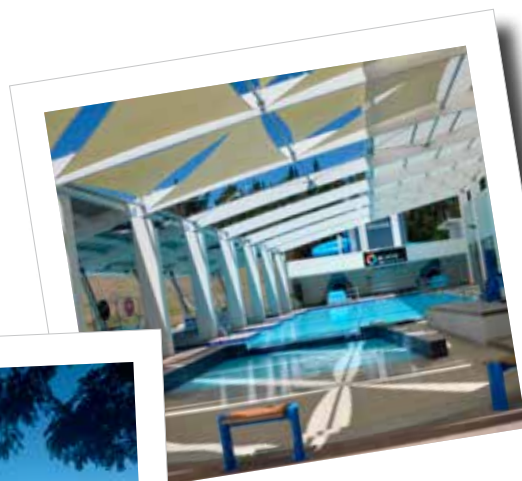


Deed of Arrangement with Wharewaka East Limited

In the Long-term Plan 2012-22, funding was provided in 2013/14 and 2014/15 years for a reservoir and pumping station to service the Wharewaka East subdivision under a Deed of Arrangement with the developer. The timing of this infrastructure is linked to the development of that subdivision, and has been deferred. As the timing is currently uncertain, the project has been removed from the Schedule of Capital Expenditure. Council understands that there is a contingent liability and will respond as necessary.

Key projects over the next three years

Year	Projects
2015/16	<p>Investigation for Acacia Bay Water Treatment Plant upgrade to meet the Drinking-water Standards for New Zealand</p> <p>Waitahanui Water Treatment Plant upgrade to meet the Drinking-water Standards for New Zealand</p> <p>Extension of Taupō water supply to Five Mile Bay in conjunction with Waitahanui water project</p> <p>Extension of Centennial Drive river water supply to AC Baths and Hickling Park</p> <p>Relocation of the Mapara Road pump station and reticulation connection</p> <p>Begin security of supply upgrade for the Hatepe water supply (replace existing intake)</p> <p>Security of supply upgrade for the Motuoapa water supply (replace reservoir)</p> <p>Begin review of the Water Supply Strategy</p>
2016/17	<p>Design for Acacia Bay Water Treatment Plant upgrade to meet the Drinking-water Standards for New Zealand</p> <p>Complete security of supply upgrade for the Hatepe water supply</p> <p>Begin security of supply upgrade for the Kinloch water supply (upgrade reservoir)</p> <p>Complete review of the Water Supply Strategy</p>
2017/18	<p>Begin construction of the Acacia Bay Water Treatment Plant upgrade to meet the Drinking-water Standards for New Zealand</p> <p>Complete security of supply upgrade for the Kinloch water supply (upgrade reservoir)</p> <p>Upgrade the Titoki falling main</p>



Levels of service, performance measures and targets

Level of service	Performance measures and targets
<p>Safety of drinking-water</p>	<p>The extent to which the Council's drinking-water supply complies with:</p> <p>Part 4 of the Drinking-water Standards for New Zealand (Bacteria and compliance criteria)</p> <p>Part 5 of the Drinking-water Standards for New Zealand (Protozoal compliance criteria)</p> <p>Part 7 of the Drinking-water Standards for New Zealand (chemical compliance criteria)</p> <p>Our water supplies comply with, parts 4, 5 and 7 of the Drinking-water Standards for New Zealand (Bacteria, protozoa and chemical compliance criteria) for the following schemes:</p> <ul style="list-style-type: none"> • Taupō – 2015 • Waitahanui – 2016 • Acacia Bay – 2019 • Kinloch – 2021 • Omori – 2022 • Motuoapa – 2023 <p>Bacteria and protozoal compliance criteria of the Drinking-water Standards for New Zealand (part 4 and 5) for the following schemes:</p> <ul style="list-style-type: none"> • Turangi – 2015 • Mangakino – 2015 • Hatepe – 2024 • Whareroa – 2025 • Atiamuri – 2025 • River Road – 2025 • Whakamoenga – 2026 • Whakamaru – 2026 <p>Only investigation for upgrades are planned to occur beyond 2025 for following small and rural water supplies:</p> <ul style="list-style-type: none"> • Bonshaw Park • Tirohanga • Centennial (Rakaunui Road) • Waihaha • Motutere camp
<p>Maintenance of the reticulation network</p>	<p>The percentage of real water loss from the Council's networks reticulation system – water losses are not more than 26%. Methodology in line with Water NZ "Water Loss guidelines"³.</p>

³ Lambert, A., & Taylor, R., Water New Zealand, "Water Loss Guidelines", February 2010, https://www.waternz.org.nz/Folder?Action=View%20File&Folder_id=101&File=100503_waterloss_guidelines.pdf

Level of service	Performance measures and targets
<p>Fault response times to a fault or unplanned interruption to the network reticulation system for urgent and non-urgent call outs</p>	<p>Percentage of faults or unplanned interruption to the network reticulation system responded within the specified time:</p> <ul style="list-style-type: none"> • Median response time for responding to urgent call outs⁴ from Council receiving notification of the fault or unplanned interruption to the time that service personnel reach the site – ≤1hr • Median response time for responding to urgent call outs from Council receiving notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or unplanned interruption – ≤ 4hr
	<p>Median response time for responding to non urgent call outs⁵ from Council receiving notification of the fault or unplanned interruption to the time that service personnel reach the site – within 6 days.</p> <p>Median response time for responding to non-urgent call outs from Council receiving notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or unplanned interruption – within 7 days.</p>
<p>Customer satisfaction</p>	<p>The number of complaints received by the Council on</p> <ul style="list-style-type: none"> (a) Drinking water clarity (b) Drinking water taste (c) Drinking water odour (d) Drinking water pressure or flow (e) Continuity of supply (f) Council response to these issues <p>(expressed per 1000 connections to the Council sewerage system.) Target number of complaints per 1000 connections ≤ 8</p>
<p>Sustainable use of potable water</p>	<p>Average consumption per day per urban resident within district. Based on estimated population supplied by treated water network at the time of reporting. 1 HEU = 2.5 person Average urban daily household water consumption less than or equal to 1.25m³/day/HEU.</p> <p>This relates to average urban daily household water consumption of less than or equal to 0.5m³ per person per day.</p>
<p>Adequate water for fire fighting in urban areas</p>	<p>Water pressure in urban areas meets FW2 fire fighting code of practice standards. In 2013/14 we did not achieve this measure. 107 hydrants were tested and six required further investigation. We worked with the NZ Fire Service to rectify the identified issues.</p>

The majority of these performance measures and targets are new and are as required under the Non-Financial Performance Measures Rules 2013. Baselines will therefore be available in the Long-term Plan 2018-28.

4 An urgent call out is one that leads to a complete loss of supply of drinking water.

5 A non urgent call out is one where there is still a supply of drinking water.

Water Funding Impact Statement

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	7,394	8,764	9,409	10,047	10,688	10,859	11,123	11,507	12,172	12,549	12,979
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	852	78	82	84	87	90	94	97	102	106	111
Internal charges and overheads recovered	301	381	391	403	415	428	442	457	473	491	510
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	8,547	9,223	9,882	10,534	11,190	11,377	11,659	12,061	12,747	13,146	13,600
Applications of operating funding											
Payments to staff and suppliers	4,060	4,236	4,448	4,552	4,711	4,794	4,926	5,145	5,344	5,544	5,792
Finance costs	2,006	2,076	2,113	2,185	2,261	2,200	2,159	2,158	2,178	2,144	2,122
Internal charges and overheads applied	25	51	54	55	57	59	62	64	67	69	73
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	6,091	6,363	6,615	6,792	7,029	7,063	7,147	7,367	7,589	7,757	7,987
Surplus (deficit) of operating funding (A – B)	2,456	2,860	3,267	3,742	4,161	4,324	4,512	4,694	5,158	5,389	5,613
Sources of capital funding											
Subsidies and grants for capital expenditure	-	2,125	-	-	-	-	-	-	-	-	-
Development and financial contributions	24	317	256	293	178	239	234	145	213	207	147
Increase (decrease) in debt	(1,071)	1,056	(964)	3,582	(564)	(1,188)	1,646	(21)	366	(1,476)	762
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(1,047)	3,488	(708)	3,875	(386)	(949)	1,880	124	579	(1,269)	909
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand	-	321	147	997	-	265	1,183	-	-	-	1,237
• to improve the level of service	100	4,480	604	4,318	1,342	507	2,442	2,056	2,466	690	1,710
• to replace existing assets	1,341	1,808	1,823	1,843	2,034	2,102	2,176	2,144	2,101	1,918	2,174
Increase (decrease) in reserves	(32)	(251)	(15)	459	399	501	591	618	1,170	1,512	1,401
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,409	6,358	2,559	7,617	3,775	3,375	6,392	4,818	5,737	4,120	6,522
Surplus (deficit) of capital funding (C – D)	(2,456)	(2,860)	(3,267)	(3,742)	(4,161)	(4,324)	(4,512)	(4,694)	(5,158)	(5,389)	(5,613)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

Water Schedule of Capital Expenditure

Activity/Scheme	Project	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Water Supply Acacia Bay	Acacia Bay bulk flow meter		36									
Water Supply Acacia Bay	Acacia Bay WTP upgrade to meet DWSNZ		50	156	1,770	1,342					54	156
Water Supply Atiamuri	WTP upgrade (UV system only)											
Water Supply Bonshaw Park	Security of supply - storage	100										
Water Supply Centennial Drive	Extension of CD river water supply to AC Baths & Hickling Park		166		75							
Water Supply District	Portable generator common to all schemes(except Lake Terrace & Turangi)		250	104								
Water Supply Hatepe	Security of supply								65			
Water Supply Hatepe	WTP upgrade - investigation											
Water Supply Kinloch	Security of supply		427	2,905								
Water Supply Kinloch	WTP upgrade to meet DWSNZ					772	3,445					
Water Supply Mapara	Relocation of pump station & reticulation connection		800									
Water Supply Motuoapa	Bulk flow meter				27							
Water Supply Motuoapa	Security of supply		375					187	2,401			
Water Supply Motuoapa	Motuoapa WTP upgrade to meet DWSNZ			26				180	1,869			127
Water Supply Omori	Bulk flow meter											
Water Supply Omori	WTP upgrade to meet DWSNZ											
Water Supply River Road	WTP upgrade (UV system only)										14	127
Water Supply Taupo	Extension of Taupo water supply - Five Mile Bay		625									
Water Supply Taupo	Taupo Brentwood Reservoir, Pump Station & associated costs											2,473
Water Supply Taupo	Tiitoki falling main upgrade				538							
Water Supply Tirohanga	WTP upgrade - investigation											14
Water Supply Turangi	Bulk flow meter		35									
Water Supply Waitahanui	WTP upgrade to meet DWSNZ		2,500									
Water Supply Whakamaru	WTP upgrade (UV system only)											21
Water Supply Whakamoenga Point	WTP upgrade (UV system only)											14
Water Supply Whareroa	WTP upgrade (UV system only)										14	141
Water - District	Renewals	1,341	1,808	1,823	1,843	2,034	2,102	2,176	2,144	2,101	1,918	2,174
Total Capital Expenditure		1,441	6,609	2,574	7,158	3,377	2,874	5,800	4,200	4,567	2,608	5,121

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 \$389 million (as valued at August 2014). This group of activities is funded through the general rate.

We encourage and support people to use footpaths, cycleways 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.

The subsidy from NZTA will increase from a 43 per cent base subsidy to 50 per cent across all activities in 2015 and increase a further 1 per cent to 51 per cent for year two and the subsequent years. These subsidy rates will remain at this level until the Funding Assistance Rate is

reviewed. Also, we will receive a 100 per cent subsidy for the next three years for Huka Falls Road (a special purpose road) which will reduce to 51 percent after 2018.

The aging population of Taupō will mean an increase in the use of alternative modes especially the number of mobility scooters. These will require wider footpaths and appropriate crossing points.

Passenger transport including the Total Mobility Scheme within the district is funded by NZTA and Council and administered by Waikato Regional Council. We currently fund two bus services, one which covers Wharewaka to Wairakei Village and the Mangakino service. Patronage is now steady each month; however there was a decrease in August last year when the bus route was changed and fares increased in January. The main users of the service are students and Supergold card users.

In general, providing a safe road and footpath network has both positive and negative benefits/effects. Negative aspects include the environmental effects from vehicles include air emissions, potential runoff and transport related waste from roads, noise of heavy vehicles and traffic crashes which may result in death and injury. Council has a number of mitigation measures in place to address these negative effects.



Rural seal extension

Council has set aside \$400,000 per annum over the first four years to continue our current programme of rural seal extension, which means we will seal approximately 2.5kms per year.



Safety for road cyclists

We are improving safety for road cyclists through physical works and education. Widening the seal on parts of Poihipi Road and Broadlands Road is part of a programme of projects to improve safety on key cycle and heavy traffic routes. We have allocated about \$160,000 each year for addressing minor safety issues for all road users, including cyclists which are administered on a priority basis. In partnership with key stakeholders and advocacy groups we will continue to develop education programmes over the next ten years to educate road users.

Key projects over the next three years

Year	Projects
2015/16	Continue widening of Poihipi Road Seal extension for Taharua Road Begin construction of Huka Falls footpath Undertake minor safety improvements Begin construction of the shared path from Wharewaka to Rainbow Point
2016/17	Continue widening of Poihipi Road Seal extension Continue construction of Huka Falls footpath Complete construction of the shared path from Wharewaka to Rainbow Point Undertake minor safety improvements
2017/18	Continue widening of Poihipi Road Seal extension Complete construction of Huka Falls footpath Continuation of the concrete footpath on Mapara Road Construct stock truck effluent facility Undertake minor safety improvements

Levels of service, performance measures and targets

Level of service	Performance measures and targets
The number of serious and fatal crashes on district roads is falling.	5% reduction from the previous financial year in the number of fatalities and serious injury crashes on the local road network (expressed as a number).
That our roading network is maintained and in good condition.	The average quality of ride on a sealed road network, measured by smooth travel exposure. The target level of smooth travel exposure is 90%. Methodology in line with NZTA "Smooth Travel Exposure (STE) Index for sealed roads". 3% of the sealed local road network is resurfaced (measured in m ²).
Footpaths are maintained and in good condition.	80% of footpaths in the district fall within the level of service standard for the condition of footpaths that is set out in the TLA's AMP (maintenance intervention when displacement greater than 10mm for Taupō CBD, Taupō urban areas and Turangi and other urban areas).
Fix problems on the network promptly, or tell you why there are delays	90% of customer service requests relating to roads and footpaths are responded to within five working days.

These performance measures and targets are new and are as required under the Non-Financial Performance Measures Rules 2013. Baselines will therefore be available in the Long-term Plan 2018-28.



Transport Funding Impact Statement

	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	8,075	6,901	7,000	7,057	7,249	7,288	7,390	7,474	7,631	7,789	7,979
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	1,437	1,605	1,744	1,790	1,990	2,015	2,126	2,195	2,307	2,401	2,519
Fees and charges	70	155	81	83	85	87	90	92	95	98	101
Internal charges and overheads recovered	540	500	507	519	531	545	560	576	593	612	632
Local authorities fuel tax, fines, infringement fees, and other receipts	370	370	375	384	393	403	414	426	439	453	468
Total operating funding (A)	10,492	9,531	9,707	9,833	10,248	10,338	10,580	10,763	11,065	11,353	11,699
Applications of operating funding											
Payments to staff and suppliers	4,249	4,387	4,608	4,734	5,148	5,226	5,483	5,667	5,928	6,161	6,461
Finance costs	2,040	1,703	1,638	1,533	1,422	1,317	1,178	1,042	939	835	719
Internal charges and overheads applied	540	500	507	519	531	545	560	576	593	612	632
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	6,829	6,590	6,753	6,786	7,101	7,088	7,221	7,285	7,460	7,608	7,812
Surplus (deficit) of operating funding (A - B)	3,663	2,941	2,954	3,047	3,147	3,250	3,359	3,478	3,605	3,745	3,887
Sources of capital funding											
Subsidies and grants for capital expenditure	748	1,005	1,415	1,531	1,070	1,290	1,131	1,060	1,317	1,281	1,382
Development and financial contributions	239	211	208	232	174	157	223	127	214	173	164
Increase (decrease) in debt	(3,356)	(1,424)	(1,411)	(1,464)	(1,498)	(1,664)	(1,688)	(1,827)	(1,679)	(1,664)	(2,088)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(2,369)	(208)	212	299	(254)	(217)	(334)	(640)	(148)	(210)	(542)
Application of capital funding											
Capital expenditure	-	33	36	24	22	22	19	-	-	3	20
• to meet additional demand	-	1,067	1,102	1,353	1,089	998	992	808	1,112	1,193	831
• to improve the level of service	1,957	1,931	2,546	2,355	2,071	2,342	2,009	2,215	2,602	2,345	2,180
• to replace existing assets	(1,412)	(298)	(518)	(386)	(289)	(329)	5	(185)	(257)	(6)	314
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,294	2,733	3,166	3,346	2,893	3,033	3,025	2,838	3,457	3,535	3,345
Surplus (deficit) of capital funding (C - D)	(3,663)	(2,941)	(2,954)	(3,047)	(3,147)	(3,250)	(3,359)	(3,478)	(3,605)	(3,745)	(3,887)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Transport Schedule of Capital Expenditure

Activity/Scheme	Project	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Transport	Broadlands Road curve easing (23.3-23.5)									12	12	19
Transport	Broadlands Road curve easing (5.2-5.4)									12	18	190
Transport	Broadlands Road widening								58	297	306	
Transport	Bus infrastructure		9	3	9	3	10	3	10	4	11	4
Transport	Cycle Strategy implementation	26	42	35	31	32	33	34	23	24	24	25
Transport	Footpath construction - new paths		25	25	26	27	27	28	29	30	31	32
Transport	Huka Falls lookout upgrade	64										
Transport	Huka Falls Road footpath		100	101	104	53						
Transport	Mangakino upgrade		5	41	5	42	5	45	6	47	6	51
Transport	Māpara Road footpath				52	53						
Transport	Minor safety works	174										
Transport	Motuopa footpath extension	3										
Transport	New road marking & signs	27	25	25	26	42	27	28	29	30	49	32
Transport	On-street parking	54	25	25	26	27	27					
Transport	Poihipi Road seal widening		233	203	243	212	278	246			37	253
Transport	Rural school bus shelters		6		6	7			7		7	
Transport	Seal extension	402	400	406	415	425	408	420	432	445	459	
Transport	Shared path Wharewaka to Rainbow Point		70	101								
Transport	Stock truck effluent facility				259							
Transport	On-going safety improvements		160	171	175	194	197	208	215	225	235	246
Transport	District-wide renewals	1,957	1,931	2,546	2,355	2,071	2,342	2,009	2,215	2,602	2,345	2,180
Total Capital Expenditure		2,707	3,031	3,684	3,732	3,182	3,362	3,020	3,023	3,715	3,541	3,031



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.

We manage and service parks, reserves, playgrounds, open spaces, multi-purpose sports, entertainment and event venues, as well as pools, gyms and sports grounds throughout the district. This ensures there are sporting, aquatic and recreational opportunities for the community, as well as exercise facilities for the physical and mental well-being of everyone who spends time in the district, including visiting children and their families. We also support the learn-to-swim lessons sponsored by Contact Energy at all our pools. This is an annual agreement which we will continue to seek for this service.

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.



Variation between territorial authority’s long-term plan and assessment of water and sanitary services and waste management plan

The sanitary services (cemeteries and public toilets) proposals in this Long-term Plan are generally consistent with those contained within the Water and Sanitary Services Assessment October 2008. Any variations relate to changes in growth predictions and the consequent timing of capital expenditure, because Council’s growth model has been revised to reflect the economic environment and the impact on predicted future land uptake. In addition, capital projects for cemeteries and public toilets have different timing because of the need to ensure projects are only started when necessary.

Future investment in the Great Lake Centre and Taupō Events Centre

We have decided to undertake detailed investigations of these venues, the needs of our communities and the opportunities for events now and into the future. We will develop options for discussion with the community so that any future investment in these venues will be money well spent.

Verandas in the Turangi Mall

We want to work with the Turangi-Tongariro Community Board and property owners to investigate the best way to replace the verandas in the Turangi Mall. There are a number of issues that need to be resolved including meeting earthquake standards and how this work could be funded.



Lakeshore erosion projects

The shoreline of Lake Taupō is a dynamic environment, and can be subject to erosion from wave action. Taupō District Council has responsibilities under the Lake Taupō Erosion and Flood Strategy 2009 for undertaking physical works and maintenance of erosion control structures where required on Council reserves. Capital works priorities for the next three years are likely to focus on repair of erosion damage to the Taupō Lakefront Reserve and Riverside Park. In addition to these capital works, beach nourishment may be required at Kuratau during this period.



Housing for the Elderly

Council has decided to continue providing Housing for the Elderly for 2015-18 or until a suitable alternative provider is found.

Key projects over the next three years

Year	Projects
2015/16	<p>Owen Delany Park Stadium floodlighting renewal</p> <p>Installation of floodlighting on the second senior field at Crown Park, Taupō</p> <p>Upgrade pathway between Taupō Water Treatment Plant and the Taupō Yacht Club with a wider concrete pathway.</p> <p>Install picnic tables at Kowhai Flats, Whareroa</p> <p>Installation of signage at playgrounds to promote as Smokefree areas.</p> <p>Development of Turangi Reserve Management Plan</p> <p>Construct a new playground at Besley Park, Acacia Bay</p> <p>Completion of the Great Lake Walkway at Wharewaka Point</p> <p>Complete the upgrade of the Mangakino Town Centre</p> <p>Install a new public toilet at the Mangakino lakefront</p>
2016/17	New toilet at Otumuheke Stream in Spa Thermal Park
2017/18	Turangi playground renewals and upgrades

Levels of service, performance measures and targets

Level of service	Performance measures and targets
Library	
The library is accessible and offers a range of services for the community.	<p>Increasing number of members using their library card. We will report on the number of people using their cards annually and expect to see an increase each year. From 1 July 2013 – 30 June 2014, 9,532 library members used their library card.</p> <p>89% of the users/visitors are satisfied with the range and variety of the collection. In 2014/15, the result for this measure was 59%.</p> <p>72% of the district is satisfied with the library services. In 2014/15, the result for this measure was 60%.</p>
Great Lake Centre and community halls	
Our halls are well used and people who use them are satisfied with them	<p>Great Lake Centre is used 75% of the year. In 2013/14, we achieved 71%.</p> <p>Community halls are used 20% of the year. In 2013/14, we achieved this target (21%).</p> <p>75% of the district is satisfied with the Great Lake Centre. In 2014/15, we achieved this target (80%).</p> <p>75% of users and visitors are satisfied with our community halls. In 2014/15, we achieved this target (75%).</p> <p>The Great Lake Centre retains its Qualmark NZ four star rating (new measure).</p>
Taupō Events Centre	
Our venue is accessible and provides the community with a range of services	<p>The Taupō Events Centre will be open 364 days of the year (new measure).</p> <p>85% of the users/visitors are satisfied with the Taupō Events Centre. In 2014/15, 92% of the users were satisfied. The satisfaction of visitors will be assessed in the next survey.</p>

Museum and Art Gallery																	
Increasing numbers of residents and visitors come to our museum and are pleased with the exhibitions.	<p>55% of the visitors to the museum are satisfied. In 2014/15, 94% of the visitors were satisfied.</p> <p>An increase in annual visits to the museum. We will report the number of residents and the overall total number of visitors to the museum annually and expect to see an increase each year. In 2013/14, 25,005 visitors and 12,110 residents visited the museum.</p>																
Parks, reserves, playgrounds and gardens																	
Our parks, playgrounds and gardens are safe and pleasant.	<p>We retain Garden of Significance status for the South Domain gardens in Taupō. We achieved this measure in 2013/14.</p> <p>90% of park users are satisfied with the quality of parks and reserves. In 2014/15, 91% of users were satisfied.</p> <p>90% of playground users are satisfied with Council's playgrounds. In 2014/15, 90% of playground users were satisfied.</p>																
Sportsgrounds																	
Our sportsgrounds are fit for purpose and satisfactory for the district.	<p>90% of sportsgrounds users are satisfied with Council's sportsgrounds. In 2014/15, 90% of sportsgrounds users were satisfied.</p> <p>At least 50 sporting and community events are held on sportsgrounds in the Taupō District each year (new measure).</p>																
Swimming pools																	
Our pools are safe, well-maintained, and attractive for residents and visitors.	<p>We maintain Pool Safe accreditation at AC Baths and Turangi Aquatic Centre (TAC).</p> <p>Days open</p> <table border="1"> <thead> <tr> <th></th> <th>AC Baths</th> <th>TAC</th> <th>Mangakino</th> </tr> </thead> <tbody> <tr> <td>Every year</td> <td>364</td> <td>364</td> <td>Every day in summer except Christmas Day</td> </tr> </tbody> </table> <p>In 2013/14 we achieved these targets.</p> <p>Satisfaction targets</p> <table border="1"> <thead> <tr> <th></th> <th>AC Baths</th> <th>TAC</th> <th>Mangakino</th> </tr> </thead> <tbody> <tr> <td>2015-2025</td> <td>75% district</td> <td>70% users</td> <td>80% users</td> </tr> </tbody> </table> <p>In 2014/15 69% of the district were satisfied with the AC Baths, 98% of the users of the Turangi Aquatic Centre were satisfied and 82% of the users of the Mangakino Pool were satisfied.</p>		AC Baths	TAC	Mangakino	Every year	364	364	Every day in summer except Christmas Day		AC Baths	TAC	Mangakino	2015-2025	75% district	70% users	80% users
	AC Baths	TAC	Mangakino														
Every year	364	364	Every day in summer except Christmas Day														
	AC Baths	TAC	Mangakino														
2015-2025	75% district	70% users	80% users														
Fitness Studio (Taupō Events Centre)																	
We provide fitness services to support community health and well-being.	80% of users of the Fitness Studio are satisfied (new measure, survey to be undertaken by the Fitness Studio).																
Public toilets																	
We provide clean and attractive public toilets for the comfort of visitors and residents.	80% of users are satisfied with our public toilets. In 2014/15, 86% of users were satisfied.																

Community Facilities Funding Impact Statement

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	14,860	15,629	16,032	16,318	16,700	17,060	17,481	17,982	18,509	19,066	19,759
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	72	105	105	106	109	113	116	120	123	128	132
Fees and charges	2,580	2,705	2,779	2,845	2,931	3,007	3,105	3,194	3,308	3,410	3,541
Internal charges and overheads recovered	23	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	21	17	17	18	18	19	19	20	21	21	22
Total operating funding (A)	17,556	18,456	18,933	19,287	19,758	20,199	20,721	21,316	21,961	22,625	23,454
Applications of operating funding											
Payments to staff and suppliers	11,844	12,322	12,703	13,002	13,420	13,769	14,214	14,661	15,128	15,652	16,280
Finance costs	1,886	1,711	1,704	1,643	1,573	1,525	1,450	1,382	1,351	1,301	1,251
Internal charges and overheads applied	384	412	422	433	445	458	472	486	502	519	538
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	14,114	14,445	14,829	15,078	15,438	15,752	16,136	16,529	16,981	17,472	18,069
Surplus (deficit) of operating funding (A – B)	3,442	4,011	4,104	4,209	4,320	4,447	4,585	4,787	4,980	5,153	5,385
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	146	268	275	283	284	288	305	302	322	327	337
Increase (decrease) in debt	(2,167)	(345)	(727)	(772)	(888)	(921)	(933)	(945)	(962)	(974)	(983)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(2,021)	(77)	(452)	(489)	(604)	(633)	(628)	(643)	(640)	(647)	(656)
Application of capital funding											
Capital expenditure	-	285	257	258	265	304	299	323	299	309	320
• to meet additional demand	-	285	257	258	265	304	299	323	299	309	320
• to improve the level of service	741	1,313	862	818	713	1,043	830	967	712	580	633
• to replace existing assets	1,706	3,079	2,060	2,047	2,564	2,006	1,941	1,992	1,708	2,080	2,089
Increase (decrease) in reserves	(1,026)	(743)	473	597	174	861	1,187	1,362	1,821	1,637	1,947
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,421	3,934	3,652	3,720	3,716	4,214	4,257	4,644	4,540	4,606	4,989
Surplus (deficit) of capital funding (C – D)	(3,442)	(4,011)	(4,104)	(4,209)	(4,320)	(4,447)	(4,585)	(4,787)	(4,980)	(5,153)	(5,385)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

Community Facilities Schedule of Capital Expenditure

Activity/Scheme	Project	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
AC Baths - Pools	Auto DE filter start-up systems - Vacuum	26										
AC Baths - Pools	Outdoor 25m Pool convert to lined pool						446					
Genesis Energy Aquatic Centre	Main 25m Pool Cover & auto winder	6	31									
Genesis Energy Aquatic Centre	Pool cover - Learn to swim											
Genesis Energy Aquatic Centre	Replace chlorine gas with chlorine generation system		10									
GLC / Events Logistics Management	External access to kitchen			51								
GLC / Events Logistics Management	Supply gas to kitchen for hot water		5									
GLC / Events Logistics Management	Upgrade entrance & grounds							321				33
Libraries - District	Change entrance to Turangi Library											
Libraries - District	Install access control to library doors to link to Council controller system		3									
Libraries - District	Install GoGo PC management system		5									
Libraries - District	Library books		310	318	326	336	346	356	368	380	394	409
Libraries - District	Second entrance to Taupo Library		5			5						
Mangakino Cemetery	Lay new burial & cremation berms					156						
Museum - Taupo	Install sprinkler system in the Tuwharetoa Gallery & the Wharenui		25									
Museum - Taupo	Insulation in Tuwharetoa Gallery		162									
Parks & Reserves - Mangakino/Pouakani	Mangakino Town Centre upgrade				27							
Parks & Reserves - Taupo	Brice Street basketball half court	106										
Parks & Reserves - Taupo	CBD upgrade & improvements		100									
Parks & Reserves - Taupo	Concrete footpath from Ferry Road to water treatment plant		20	21	21	22	22	23	24	25	25	26
Parks & Reserves - Taupo	Fencing contributions (Fencing Act requirement)						89	92	95			
Parks & Reserves - Taupo	Increase width of Great Lake Walkway		20	81								
Parks & Reserves - Taupo	Install new irrigation system in Tongariro North Domain			21	84							
Parks & Reserves - Taupo	Integration of old bowling green into Tongariro South Domain			12			28		30			
Parks & Reserves - Taupo	New playground & parks assets		10									
Parks & Reserves - Taupo	New Smokefree signage to be installed at playgrounds											
Parks & Reserves - Taupo	Pharanga Reserve upgrade	80										
Parks & Reserves - Taupo	Public Art	25	25	25	25	25	25	25	25	25	25	25
Parks & Reserves - Taupo	Riverside Park gravel path upgrade					22						
Parks & Reserves - Taupo	Seal parking area adjacent to pump track			41								
Parks & Reserves - Taupo	Spa Thermal Park gravel path upgrade			46								
Parks & Reserves - Taupo	Spa Thermal Park new path construction				58							
Parks & Reserves - Taupo	Wharewaka Point Great Lake Walkway completion		80									
Parks & Reserves - Taupo	Install new drainage system in Tongariro North Domain		40									
Parks & Reserves - Taupo	Install new lighting poles & luminaires in Tongariro South Domain		48									
Parks & Reserves - Taupo	Landscape lower Otumuheke Stream banks at bathing area		10	51	42							
Parks & Reserves - Taupo	New playground at Besley Park		80									
Parks & Reserves - Turangi/Tongariro	New playground & park assets		8									
Parks & Reserves - Turangi/Tongariro	Rationalisation & upgrade of Turangi playgrounds				126							
Parks & Reserves - Turangi/Tongariro	Slump bay UV water purification at public toilet	4										
Parks & Reserves - Turangi/Tongariro	Turangi Town Centre improvements	438										
Parks & Reserves - Turangi/Tongariro	Redevelopment of Te Kapua Park				11							
Parks & Reserves - Turangi/Tongariro	New neighbourhood reserves		245	251	258	265	272	281	289	299	309	320
Project Watershed	Erosion protection		150	103	105	108	112	115	119	123	127	132
Public Conveniences - Mangakino	New toilet at Mangakino		144									
Public Conveniences - Taupo	New dry vault toilet near the Otumuheke Stream			41								
Public Conveniences - Taupo	Install lighting & water tank at Spa Thermal Park toilets			15								
Sportsground Owen Delany Park	Upgrade PA system & scoreboard (No.1 field)			36								
Sportsground Owen Delany Park	Extension of level two							230				
Sportsgrounds - Taupo	Kaimanawa Reserve upgrade	35										
Sportsgrounds - Taupo	Additional water tanks for Crown Park Irrigation		10									
Taupo Cemetery	Lay new burial & cremation berms		7	7	7	7	7	7	8	8	8	9
Taupo Events Centre - Stadium	Additional stage units											
Taupo Events Centre - Stadium	Ramp from carpark for disabled access		40									
Turangi Cemetery	Lay new burial & cremation berms		5			5						
Community Facilities	Renewals	1,706	3,079	2,060	2,047	2,564	2,006	1,941	1,992	1,708	2,080	2,089
Total Capital Expenditure		2,446	4,876	3,179	3,122	3,542	3,353	3,070	3,282	2,719	2,969	3,042

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.

Fats, oils and grease (FOG) from commercial kitchens can cause sewer blockages and when they are discharged into the sewer they reduce the performance of the treatment plant. In 2010, Council introduced a trade waste bylaw to control this discharge and we will be reviewing this bylaw in 2015.

We have a proactive approach to maintenance and condition assessment in place. This requires an increase in operational expenditure to collect data which will enable accurate forecasting of renewal requirements. It is anticipated that this will result in a reduction of blockages in the wastewater network and reduce overflows into Lake Taupō or waterways. 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).

In general, providing wastewater services to the community has both public health and environmental benefits. There is however negative effects in providing this service including the risk of overflows due to the concentration of the wastewater within the reticulation system and illegal connections and discharges.



Variation between territorial authority’s Long-term Plan and assessment of water and sanitary services and waste management plan.

The wastewater service proposals in this Long-term Plan are generally consistent with those contained within the Water and Sanitary Services Assessment October 2008. Any variations relate to changes in growth predictions and the consequent timing of capital expenditure, because

Council's growth model has been revised to reflect the economic environment and the impact on predicted future land uptake. In addition, capital projects for wastewater have different timing because of the need to ensure projects are only started when necessary, and taking community affordability into account.

Increasing Environmental standards

The project to protect the lake has involved changes to the Waikato Regional Plan to restrict the discharge of nitrogen and phosphorus, and at the same time a public fund was created to help farmers transition to low nitrogen land uses like forestry.

As part of our contribution, Council was required to reduce nitrogen discharges from our wastewater treatment plants into the Lake catchment. We achieved this as a result of upgrading the Turangi wastewater treatment plant in 2006, however it is important that these gains are maintained. The 10 year programme is based on plant upgrades to meet anticipated or existing consent requirements.

A similar project looking at water quality has been initiated for the Waikato and Waipa Rivers. Waikato Regional Council and river iwi are working with a wide range of stakeholders to assess what changes to the Waikato Regional Plan might be required to better protect the health of the rivers. Those changes are likely to be introduced in 2017 (Plan Change 1 – Healthy Rivers) and include new objectives and limits for water users and those who discharge. These changes may raise the standards for our discharge consents from the Taupō wastewater treatment plant and may lead to further expenditure. This expenditure would be considered in the development of future long-term plans.

We will continue to monitor nitrogen discharges from the wastewater treatment plants into Lake Taupō to ensure the nitrogen limits are not exceeded. We will also continue to be involved in the formulation of Plan Change 1 – Healthy Rivers especially with regard to the renewal of our consents for our emergency discharge and treatment to land consents.

Taupō District Council, Waikato Regional Council and the Government have committed to working together to improve the water quality of Lake Taupō.

Treatment of biosolids at View Road site

Currently biosolids are collected from our treatment plants, stored at View Road and used by a farmer for soil conditioning.

Consents for the soil conditioning expire in 2015. As a backup Council is seeking consent to undertake soil conditioning on its View Road irrigation farm.

If neither of those options succeeds then capital expenditure of \$2.1 million will be required to treat the biosolids.



Key projects over the next three years

Year	Projects
2015/16	<p>Upgrade Acacia Bay Wastewater Treatment Plant to meet likely consent renewal conditions</p> <p>Upgrade the Kinloch Wastewater Treatment Plant</p> <p>Investigations for the improvement and remediation of the Pukawa wastewater pond</p> <p>Upgrade the pump station and generator at Lowell Place, Taupō</p> <p>Upgrade disposal field for the Whareroa Wastewater Treatment Plant</p>
2016/17	<p>Install monitoring bore for the Kinloch Wastewater Treatment Plant</p> <p>Complete upgrade of the Acacia Bay Wastewater Treatment Plant to meet likely consent renewal conditions</p> <p>Investigations for the upgrade of the Whakamaru Wastewater Treatment Plant to meet likely consent renewal conditions</p> <p>Undertake works for the improvement and remediation of the Pukawa wastewater pond</p>
2017/18	<p>Undertake works for the remediation of the unused wastewater ponds at the Turangi Wastewater Treatment Plant</p> <p>Screen optimisation at Turangi Wastewater Treatment Plant</p> <p>Upgrade the Whakamaru Wastewater Treatment Plant to meet likely consent renewal conditions</p>



Levels of service, performance measures and targets

Level of service	Performance measures and targets
Compliance with resource consents for discharge from the sewerage systems	<p>No successful prosecutions of Council or its staff for the quality of our discharge</p> <p>Number of abatement notices ≤ 1</p> <p>Number of infringement notices = 0</p> <p>Number of enforcement orders = 0</p> <p>Number of successful prosecutions = 0</p>
Reduction in nitrogen discharged from wastewater treatment plants into Lake Taupō	<p>Reduction in the total nitrogen discharged from wastewater treatment plants within the lake catchment. Reduce the total nitrogen discharged from wastewater treatment plants within the lake catchment by at least 20% of the benchmark average (10,310 kg/year) by 2020. From 2020 onwards maintain this reduction.</p>
Compliance with resource consent for discharge from sewerage system	<p>Number of dry weather sewerage overflows⁶ across the district that escapes sewerage system – ≤ 3 per thousand connections</p>
Fault response times	<p>Percentage of sewerage overflows resulting from a blockage or other fault in the Council's sewerage system responded within the specified time.</p> <p>Median response time from Council receiving notification of the sewerage overflow to the time that service personnel reach the site – ≤ 1hr.</p> <p>Median time from Council receiving notification of the sewerage overflow to the time that service personnel confirm resolution of the blockage or other fault – within 4 hrs.</p>
Customer satisfaction	<p>The number of complaints received by the Council on:</p> <ul style="list-style-type: none"> a) Sewage odour b) Sewerage system faults c) Sewerage system blockages d) The Council's response to issues with the sewerage system, (expressed per 1000 connections to the Council sewerage system.) Target number of complaints per 1000 connections ≤ 8

These performance measures and targets are new and are as required under the Non-Financial Performance Measures Rules 2013. Baselines will therefore be available in the Long-term Plan 2018-28.

⁶ Dry weather sewerage overflow means sewerage that escapes a Council sewerage system and enters the environment during a day when less than 1mm of rain has fallen during a continuous 24 hour period.

Wastewater Funding Impact Statement

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	12,294	12,757	13,138	13,374	13,578	13,674	13,789	13,945	14,210	14,508	14,841
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,436	1,450	1,511	1,560	1,616	1,674	1,737	1,807	1,882	1,962	2,051
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	13,730	14,207	14,649	14,934	15,194	15,348	15,526	15,752	16,092	16,470	16,892
Applications of operating funding											
Payments to staff and suppliers	5,967	6,217	6,444	6,759	6,709	6,830	7,053	7,313	7,603	7,939	8,297
Finance costs	3,242	3,070	3,010	2,869	2,677	2,456	2,161	1,883	1,663	1,435	1,217
Internal charges and overheads applied	141	152	157	163	168	174	181	188	196	205	214
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	9,350	9,439	9,611	9,791	9,554	9,460	9,395	9,384	9,462	9,579	9,728
Surplus (deficit) of operating funding (A - B)	4,380	4,768	5,038	5,143	5,640	5,888	6,131	6,368	6,630	6,891	7,164
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	392	288	377	362	244	222	340	187	303	293	191
Increase (decrease) in debt	2,483	(1,736)	(1,647)	(2,066)	(2,979)	(3,695)	(3,695)	(3,695)	(3,695)	(3,673)	(3,369)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	2,875	(1,448)	(1,270)	(1,704)	(2,735)	(3,473)	(3,355)	(3,508)	(3,392)	(3,380)	(3,178)
Application of capital funding											
Capital expenditure	-	510	164	54	70	-	-	-	-	-	325
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	4,216	1,247	1,732	1,496	621	-	-	-	-	20	-
• to replace existing assets	1,880	2,001	2,374	2,378	2,647	2,649	2,624	2,375	2,022	2,121	2,035
Increase (decrease) in reserves	1,159	(438)	(502)	(489)	(433)	(234)	152	485	1,216	1,370	1,626
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	7,255	3,320	3,768	3,439	2,905	2,415	2,776	2,860	3,238	3,511	3,986
Surplus (deficit) of capital funding (C - D)	(4,380)	(4,768)	(5,038)	(5,143)	(5,640)	(5,888)	(6,131)	(6,368)	(6,630)	(6,891)	(7,164)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Wastewater Schedule of Capital Expenditure

Activity/Scheme	Project	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Wastewater Acacia Bay	Optimisation	150										
Wastewater Acacia Bay	WWTP upgrade / optimisation		650	1,094								
Wastewater Atiamuri	WWTP upgrade / optimisation investigation										20	
Wastewater Kinloch	Effluent disposal field - Stage 2					189						
Wastewater Kinloch	Monitoring bore			125								
Wastewater Kinloch	WWTP upgrade											325
Wastewater Kinloch	WWTP upgrade / optimisation		720									
Wastewater Mangakino	Monitoring bore				43							
Wastewater Motuopapa	Optimisation	700										
Wastewater Motutere	Monitoring bore			26								
Wastewater Omori	Pukawa pond improvement / remediation		25	625								
Wastewater Taupo	Districtwide control system	250										
Wastewater Taupo	Eastern Trunk Sewer extension investigation				54							
Wastewater Taupo	Fats, oils & greases reception facility	200										
Wastewater Taupo	Lowell Place & Kowhai generator upgrade	200										
Wastewater Taupo	Odour removal system	200										
Wastewater Taupo	Storm flow diversion				54	501						
Wastewater Taupo	View Road expansion	54										
Wastewater Turangi	Remediation of unused ponds				215							
Wastewater Turangi	Treatment plant / screen optimisation	1,000										
Wastewater Turangi	WWTP Optimisation				753							
Wastewater Waitahanui	Network connection to Taupo	1,500										
Wastewater Whakamaru	WWTP upgrade / optimisation			26	430							
Wastewater Whareroa	Disposal field upgrade / monitoring bore		162									
Wastewater Whareroa	Monitoring bore installation	162										
Wastewater - District	Renewals	1,880	2,001	2,374	2,378	2,647	2,649	2,624	2,375	2,022	2,121	2,035
Total Capital Expenditure		6,096	3,759	4,270	3,928	3,338	2,649	2,624	2,375	2,022	2,141	2,360

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.

Council's waste minimisation plan includes:

- Collecting plastics 3-7 in kerbside recycling
- Extending the Taupō CBD and lakeshore recycling service to Turangi and Mangakino
- Removing 240 litre wheelie bins from domestic refuse collection by 1 July 2015, although they will still be permitted for commercial and multi-dwelling properties

- Encouraging home composting
- Advocating for product stewardship/ producer responsibility for the recovery and recycling of products

At the Broadlands Road landfill, we are exploring re-configuration options for the recycling centre and other facilities, to maximise the capacity of the landfill. The landfill is operated with individual "cells", each with its own liner and reticulation system for leachate. When a cell is full, it is capped with soil so that decomposition does not cause adverse environmental effects (bad smells, methane, uncontrolled toxic leachate, etc.).

We also manage three closed landfill sites at Taupō, Mangakino and Turangi. Closed landfills have closure consents which requires Council to monitor them to ensure there are no adverse environmental effects from these sites.

New technology for residual waste such as waste to energy may impact the cost per tonne of final disposal creating increased competition in the waste market resulting in lower disposal costs. Any reduction in waste disposal costs undermines the viability of waste minimisation programmes. Changes in recovered material markets are always going to be an ongoing issue and affect the revenue return on materials recovered at kerbside and at our facilities.



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.

Variation between territorial authority’s Long-term Plan and assessment of water and sanitary services and waste management plan

The solid waste service proposals in this Long-term Plan are generally consistent with Council’s current Waste

Management and Minimisation Plan. Any variations relate to changes in growth predictions and the consequent timing of capital expenditure, because Council’s growth model has been revised to reflect the economic environment and the impact on predicted future land uptake. In addition, capital projects for solid waste have different timing because of the need to ensure projects are only started when necessary, and taking community affordability into account.

Key projects over the next three years

Year	Projects
2015/16	Upgrade Broadlands Road sewer pipe and pump
2016/17	Construct new cell at the Broadlands Road Landfill



Emissions Trading Scheme

The Emissions Trading Scheme legislation places a cost per tonne on the landfill operation and there is some uncertainty as to where these costs might go in the medium term.

Currently the costs of landfill emissions are low (\$3.50-\$5) but this is not guaranteed and costs are subject to fluctuations in the market. Any significant increase could see the viability of flaring landfill gas at the site become viable.

Central Government Review of Waste Minimisation Levy

Central Government is currently reviewing the waste minimisation levy, where these costs are recovered and potentially how funds are returned to local government and industry.

This review may have implications on the amount of waste minimisation funds that are paid to Council which we use to fund a number of waste minimisation initiatives.

Levels of service, performance measures and targets

Level of service	Performance measures and targets
The volume of waste to landfill declines by 3% by 2018/19.	Total waste to landfill is reducing to: 2016/17 21,189 tonnes 2017/18 21,107 tonnes In 2013/14 we achieved a 17% reduction from the 2010 baseline.
The district has a high level of satisfaction with their waste and recycling services.	We comply with all resource consent conditions for our landfills. In 2013/14, we achieved this target. 85% of service users are satisfied with our recycling and refuse services. In 2014/15, 89% of users were satisfied. 80% of the district is satisfied with our recycling and refuse services. In 2014/15, 80% of the district was satisfied.

Solid waste Funding Impact Statement

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	802	786	806	828	854	880	907	937	968	1,002	1,040
Targeted rates	1,281	1,211	1,310	1,365	1,430	1,238	1,380	1,526	1,574	1,580	1,792
Subsidies and grants for operating purposes	115	115	118	121	125	128	132	137	141	146	152
Fees and charges	2,159	2,175	2,231	2,290	2,355	2,425	2,499	2,581	2,668	2,764	2,866
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	4,357	4,287	4,465	4,604	4,764	4,671	4,918	5,181	5,351	5,492	5,850
Applications of operating funding											
Payments to staff and suppliers	3,793	3,708	3,820	3,900	4,073	4,130	4,256	4,402	4,580	4,707	4,889
Finance costs	236	225	243	254	232	213	223	230	206	195	226
Internal charges and overheads applied	8	9	10	10	10	11	11	11	12	12	13
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	4,037	3,942	4,073	4,164	4,315	4,354	4,490	4,643	4,798	4,914	5,128
Surplus (deficit) of operating funding (A - B)	320	345	392	440	449	317	428	538	553	578	722
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(291)	(273)	733	(344)	(269)	(313)	815	(413)	(396)	42	961
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(291)	(273)	733	(344)	(269)	(313)	815	(413)	(396)	42	961
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	78	90	1,036	11	87	39	1,160	12	12	451	1,331
• to replace existing assets	75	114	89	37	97	90	123	132	69	103	112
Increase (decrease) in reserves	(124)	(132)	-	48	(4)	(125)	(40)	(19)	76	66	240
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	29	72	1,125	96	180	4	1,243	125	157	620	1,683
Surplus (deficit) of capital funding (C - D)	(320)	(345)	(392)	(440)	(449)	(317)	(428)	(538)	(553)	(578)	(722)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Solid Waste Schedule of Capital Expenditure

Activity/Scheme	Project	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Litter Control - Taupo	Street recycling bins		10	10	11	11	11	11	12	12	13	13
Taupo Solid Waste Disposal	Broadlands Road Landfill - Cell 2E					28	1,149					
Taupo Solid Waste Disposal	Broadlands Road Landfill - Cell 2F										32	1,318
Taupo Solid Waste Disposal	Broadlands Road sewer pipe upgrade										318	
Taupo Solid Waste Disposal	Broadlands Road Landfill - Capping					76					89	
Taupo Solid Waste Disposal	Broadlands Road weighbridge sump & pump		10									
Taupo Solid Waste Disposal	Broadlands Road Landfill - Capping											
Taupo Solid Waste Disposal	Broadlands Road Landfill - Cell 2E design		70									
Taupo Solid Waste Disposal	Broadlands Road sewer pipe & pump works			1,026								
Taupo Solid Waste Disposal	Broadlands Road Landfill - Cell 2D		114	89	37	97	90	123	132	69	103	112
District Solid Waste Disposal	Renewals	75	204	1,126	47	184	129	1,283	144	81	554	1,443
Total Capital Expenditure		153	204	1,126	47	184	129	1,283	144	81	554	1,443



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.

Maintenance programmes are mainly reactive in nature although additional planting is planned to further protect gully walls from erosion. Other proactive measures include the removal of silt around lake outfalls which occurs with high lake levels.

A coordinated CCTV programme will assess at least 10 per cent of the underground network per year. This will enable us to match age with condition and to develop an accurate forecast of the renewal required for the underground network. This programme of work complements the programme of work we are proposing for overland flow paths and improving the quality of stormwater discharges.

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

In general providing stormwater services to the community has public health and environmental benefits. There is however negative effects in providing this service; the cost of providing the service on ratepayers, especially smaller communities; the cost of keeping up with ever increasing environmental standards requiring significant capital investment and the long term renewal cost of aging infrastructure.



Variation between territorial authority’s long-term plan and assessment of water and sanitary services and waste management plan.

The stormwater service proposals in this plan are generally consistent with the Water and Sanitary Services Assessment (2008). Any variations relate to changes in growth predictions and the consequent timing of capital

expenditure, because Council’s growth model has been revised to reflect the economic environment and the impact on predicted future land uptake. In addition, capital projects for stormwater have different timing because of the need to ensure projects are only started when necessary, and taking community affordability into account.

Improving the quality of stormwater discharges

Lake Taupō is one of the key reasons the Taupō District is such a great place to live. Improving the quality of stormwater discharges to the Lake is important to mitigate any adverse effects on the environments where it falls and flows (especially outfalls to waterways).

A programme for the installation of Enviropods, which remove litter and debris, started in Taupō and Turangi central business districts in 2010. Since 2012 five Enviropods a year have been installed and we intend to continue this programme over the next 10 years at a cost of \$5000 per year. By 2023, we also plan to install five improvement devices to take out further debris and some heavy metal not already removed by Enviropods.

We also test stormwater for a range of pollutants. In future, when renewing discharge consents, conditions are likely to require a further improvement of quality of stormwater prior to disposal into waterways. Council will need to monitor improvements in technology to enable improvement in the quality of the urban storm water discharge.

Stormwater is discharged, untreated into our lakes, rivers and streams so we need to keep it as clean as possible.

What goes down the grate ends up in the lake

For a long time now we have been educating our communities with this message. It is still as important as ever as there are still huge amounts of rubbish that our Enviropods stop going into the lake. We will continue this programme of education.



Overland flow paths

Council is undertaking an overland flow path study in Taupō township to identify where overland flow paths will be during a 1-in-100-year flood event. The study will identify where flooding of habitable buildings will occur from overflowing stormwater systems and the likely depth and velocity of the water. The study is expected to be completed in 2016/17 and will cost approximately \$30,000 to complete. The Council will then need to decide what action needs to be taken.

Key projects over the next three years

Year	Projects
2015/16	Installation of Enviropods Install quality improvement device at Ruapehu Street, Taupō
2016/17	Installation of Enviropods Install quality improvement device at Lake Terrace, Taupō (Hole in One)
2017/18	Installation of Enviropods Install quality improvement device at Kohineheke Reserve (previously known as Crescent Reserve)

Levels of service, performance measures and targets

Level of service	Performance measures and targets
We manage the stormwater network to protect public health and property without compromising the environment	<p>Less than five properties each year are affected by flooding inside the habitable dwelling (one habitable floor) as a result of stormwater originating from public land such as parks, roads and reserves (this measure excludes properties in designated flood hazard zones).</p> <p>In 2013/14 one property was affected by flooding from stormwater. This was due to a new development where earthworks were been undertaken.</p> <p>The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site shall be ≤1hr (91% of time) (new measure).</p> <p>The Non-Financial Performance Measures Rules 2013 require the Council to report on the following measure:</p> <ul style="list-style-type: none"> The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system. <p>There will be no reporting on this performance measure. Council's stormwater network drains the roading network. For industrial/commercial and residential areas Council's Code of Practice for the Development of Land requires the primary stormwater drainage system (on-site) to be designed to manage stormwater with minimal nuisance effects to adequately cater for rainfall events of 10% annual exceedance probability (AEP) (10 year) rainfall event.</p>
Compliance with our Resource Consent	<p>Number of abatement notices ≤ 1</p> <p>Number of infringement notices = 0</p> <p>Number of enforcement orders = 0</p> <p>Number of convictions = 0</p> <p>New measures – baseline data will be available in the Long-term Plan 2018-28.</p>

Stormwater Funding Impact Statement

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	1,545	1,677	1,751	1,815	1,892	1,956	2,034	2,126	2,206	2,286	2,381
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)	1,545	1,677	1,751	1,815	1,892	1,956	2,034	2,126	2,206	2,286	2,381
Applications of operating funding											
Payments to staff and suppliers	536	670	691	713	744	765	794	830	860	893	938
Finance costs	98	81	89	94	99	100	103	109	108	102	96
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	634	751	780	807	843	865	897	939	968	995	1,034
Surplus (deficit) of operating funding (A - B)	911	926	971	1,008	1,049	1,091	1,137	1,187	1,238	1,291	1,347
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(14)	115	94	81	97	(60)	227	65	(103)	(100)	(90)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(14)	115	94	81	97	(60)	227	65	(103)	(100)	(90)
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	49	175	162	156	178	29	317	168	6	7	7
• to replace existing assets	14	125	132	119	124	128	133	138	144	177	157
Increase (decrease) in reserves	834	741	771	814	844	874	914	946	985	1,007	1,093
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	897	1,041	1,065	1,089	1,146	1,031	1,364	1,252	1,135	1,191	1,257
Surplus (deficit) of capital funding (C - D)	(911)	(926)	(971)	(1,008)	(1,049)	(1,091)	(1,137)	(1,187)	(1,238)	(1,291)	(1,347)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Stormwater Schedule of Capital Expenditure

Activity/Scheme	Project	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Stormwater	Brentwood Gully culvert					17	12	180				
Stormwater	Crescent Reserve quality improvement device			129								
Stormwater	Enviropod protection		5	5	5	6	6	6	6	6	7	7
Stormwater	Enviropod protection extension - Lakefront Road	5										
Stormwater	Gully planting	22			135							
Stormwater	Hole in One lakefront quality improvement device											
Stormwater	Mangakino pond & reticulation upgrade							132				
Stormwater	Overland flow path remediation	22	20	21	22	11	12					
Stormwater	Ruapehu Street quality improvement device		140									
Stormwater	Taharapa Road quality improvement device					145						
Stormwater	Tauhara Pump Station telemetry		10									
Stormwater	Two Mile Bay quality improvement device								162			
Stormwater	Renewals	14	125	132	119	124	128	133	138	144	177	157
Total Capital Expenditure		63	300	294	275	302	157	450	307	151	184	164



Democracy and Planning

What we do

Democracy

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.

Council acts as the district's advocate with regional and national governments to ensure that the needs of our communities are considered when policies and plans are being developed. We have a major programme of engagement with residents and ratepayers that includes a wide range of committee work and a communications programme.

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

Council is particularly mindful of the growing relationships it has with iwi within the district, as highlighted by the Joint Management Agreement with Raukawa. We will continue to focus our energy on growing these relationships to achieve stronger collaboration on projects of mutual interest such as the Turangi reserve management plan.

Council meetings are webcast, with Council agendas available prior to meetings, to promote transparency and accountability of decision-making.

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.

Planning

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.

We plan for and manage the effects of population change, economic trends and land use change through long term planning, and spatial planning (structure plans, district planning), and policy work for all the other services of Council. We use two major planning processes to establish and advocate for the long term wellbeing of the district: this Long-term Plan, and the District Plan.

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.

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.

This activity is funded through the general rate. This group of activities contributes to the environment, economic and engagement community outcomes.



Our relationships with local Iwi and taura here or Māori from other areas are important to Council.

Opportunities for Māori to contribute to decision-making processes

Within the Local Government context, Te Tiriti o Waitangi/the Treaty of Waitangi provides a useful guide to council's approach in fostering more positive and productive relationships with tangata whenua.

The Crown is the primary Treaty partner however the Local Government Act 2002 places responsibilities on Council's to recognise and respect the Crown's responsibility and to take into account the Treaty principles. The act establishes baseline principles on how Council should maintain and improve opportunities for Māori to contribute to local government decision-making.

Over a number of years we have entered into forums and agreements to make decisions on a range of issues that affect the district. These decision making forums have come about through Treaty or Land Court settlements, specific legislation or negotiated agreements between iwi and Council.

Agreements in development

The Ngāti Tūwharetoa and Te Arawa River Iwi Waikato River Act requires Council to form joint management committees with river iwi within the Taupō District and enter into agreements for the co-management of the Waikato River. A joint committee was formed with Te Arawa River Iwi Trust and work was undertaken to draft the Joint Management Agreement required by the legislation. Council is awaiting the outcome of discussions between Te Arawa and Ngāti Tūwharetoa over the nature of the draft agreement. Council are also waiting to hear from Ngāti Tūwharetoa about how they wish to proceed with the development of a similar joint management agreement.

Ngāti Turangitukua Reserves Management Plan

This plan is a work in progress and will affect many of the reserves in Turangi township. Currently Ngāti Turangitukua own many of the reserve lands and Council maintains them. The intention is to develop the management plan collaboratively at both an officer and governance level.

Current agreements and decision making forums

Management Protocol with the Tūwharetoa Māori Trust Board

Signed in 2004/05, the protocol enables the two chief executives to meet regularly to share information and seek advice from each another. The relationship is particularly important for discussing how the board or specific hapu can participate in Council activities. Council is always interested in maintaining relationships with Tuwharetoa Trust Board leadership.

Lake Taupō Protection Trust Joint Committee

Council works in partnership with central government, Ngāti Tūwharetoa and Waikato Regional Council on the Lake Taupō Protection Project, and the Tūwharetoa Māori Trust Board is represented on the project's joint Taupō District/Waikato Regional Council Committee. The committee oversees the trust that allocates a public fund to reduce the amount of manageable nitrogen from pastoral land by 20 per cent going into Lake Taupō.

Cultural Sites of Significance Study

This is a joint project between Council and Rauhoto Land Rights Committee, a hapu representative group. This project mapped and recorded cultural sites from Rangatira Point to Aratiatia. The objective of the work is the protection of these sites. It is currently on hold waiting to be progressed to a functional phase.

Joint Management Agreement with Ngāti Tūwharetoa

This agreement relates to Māori multiply-owned Māori freehold land within the district. It allows for the transfer of some of Council's decision-making powers under the Resource Management Act. Councillors and appropriately qualified persons on behalf of Ngāti Tūwharetoa can hear resource consents and private plan changes. When signed in 2009, the agreement was the first of its kind and has received a number of awards. Council will review this agreement, if required, with Ngāti Tūwharetoa to ensure it is operating as intended in 2016/17.

Joint Management Agreement with Raukawa

Council and Raukawa Settlement Trust have completed an agreement on the joint management arrangements in promoting restoration and protection of the Waikato River. The agreement is a requirement of section 43 of the Ngāti Tūwharetoa, Raukawa and Te Arawa River Iwi Waikato River Act 2010. The trustees of the Raukawa Charitable Trust and four elected members from Council signed the agreement on 5 September 2013. The agreement marked a new and important stage in the relationship between Council and Raukawa.

Waipāhihi C75 Māori Reservation Trust

The C75 Trust has representatives of local hapū and Council, to oversee the foreshore area from north of the Two Mile Bay sailing centre to the former Sea Scouts den. The area has areas of significance for the hapū including the Taharepa Baths adjacent to the northern boundary and the Ōnekeneke Stream.

Tutemohuta Reservation Trust

The trust is responsible for decision-making for the Tutemohuta hall and reserve at Waitahanui. Trustees are appointed by the Māori Land Court and includes; two representatives of Council, three Māori land owners and one community representative.



Engagement Opportunities

Full Council meetings are held outside Taupō twice a year. Once in the Mangakino-Pouakani Ward and once in the Turangi-Tongariro Ward. Council is privileged to have been invited to hold these meetings at marae within those wards. This is an indication of the tangata whenua commitment to relationships and provides a platform for mutual understanding.

Waitangi Day Commemorations

'Taupō Moana Waitangi Festival' is strongly supported by Council. This demonstrates a commitment to the spirit of working together as one community and a district. It is evident that our national day is very important to our communities as the event attracts 4000+ people.

Long-term Plan

Going out to marae and engaging with tangata whenua has proven a valuable way of breaking down barriers and gaining meaningful contribution. It will become apparent that much more can be achieved through active participation at early stages of a plan process.

Rolling review of the Taupō District Plan

The Resource Management Act requires us to review our District Plan provisions at least every 10 years. We plan to undertake a "rolling review" process progressively assessing parts of the plan, as opposed to undertaking a comprehensive review all at once. This approach is preferred as the financial costs are spread over the life of the Long-term Plan, and it allows us to respond to likely changes to the Resource Management Act. This approach is consistent with the review of sections of the plan that has been ongoing since the District Plan became operative in 2007.



Lake Taupō Protection Project

In February 2007, Waikato Regional Council, Taupō District Council and the Crown agreed to jointly fund the Lake Taupō Protection Project and establish a charitable trust, the Lake Taupō Protection Trust. The trust uses public funds to achieve a 20 per cent reduction in nitrogen from the catchment. The final agreement with Ngāti Tūwharetoa was signed in 2015 enabling the trust to achieve the targeted reduction in nitrogen levels. As a result, the project will now move into a new phase focused on monitoring the agreements in place to ensure that the gains that have been made are not lost.



Biodiversity Strategy

The recent review of the Waikato Regional Policy Statement has identified the need for local indigenous biodiversity strategies to be developed. We acknowledge the importance of this work and the direction that it will provide for the future review of the significant natural area provisions in the District Plan. We anticipate preparing this strategy in the 2018/19 year with the financial and technical support of Waikato Regional Council.

The Waikato Plan – Waikato: he reo kotahi

Councils across the Waikato are developing a Waikato Plan called Waikato: he reo kotahi (Waikato: one voice).

The Waikato Plan will include:

- An evidence-base for good decision-making on matters such as future housing and settlement patterns; social, sporting and cultural developments; and the best places to build new facilities and infrastructure.
- Streamlined regulations, planning and funding programmes to create savings (there are currently over 600 strategies, polices, plans and bylaws in the combined councils of the Waikato), and;
- Make it possible for there to be a 'one Waikato' approach to central government when we are seeking their support for our issues.

A joint committee has been established to manage the development of the plan. It is anticipated that the draft vision and strategic objectives developed by the joint committee will be tested through public consultation across the region. Similarly, the draft plan is expected to be consulted on during the 2015/16 year.

If you would like more information and to review progress please go to www.waikatoplan.co.nz



Key projects over the next three years

Year	Projects
2015/16	<p>Turangi Reserve Management Plan</p> <p>Earthquake Prone Buildings policy</p> <p>Trade Waste Bylaw review</p> <p>Begin District Plan review (rolling review process over the life of the Long-term Plan)</p> <p>Minor review of the Taupō Sportsground Reserve Management Plan in 2015/16 to investigate the extension of leases on Hickling Park</p> <p>Prepare JMA with Ngāti Tūwharetoa</p> <p>Taupō District 2050 review</p> <p>Flood Hazard Plan Change</p> <p>Prepare Annual Plan 2016/17</p> <p>Review of the Community Grants Policy</p>
2016/17	<p>Flood Hazard Plan Change</p> <p>District Plan review (rolling review process over the life of the Long-term Plan)</p> <p>Complete Taupō District 2050 review</p> <p>General Bylaw review</p> <p>Cycling and Walking Strategy review</p> <p>Prepare Annual Plan 2017/18</p> <p>Development of the Taupō Catchment Document with Ngāti Tūwharetoa and the Waikato Regional Council, following on from the Tūwharetoa Treaty settlement process</p> <p>Turangi Tongariro Community Board develop Community Plan post 2016 elections (by June 2017)</p> <p>Begin preparation of Long-term Plan 2018-28</p>
2017/18	<p>District Plan review (rolling review process over the life of the Long-term Plan)</p> <p>Complete Long-term Plan 2018-28</p> <p>Flood Hazard Plan Change</p> <p>Gaming Policy review</p> <p>Representation review (with a specific review of Māori representation)</p> <p>Development of the Taupō Catchment Document, with Ngāti Tūwharetoa and the Waikato Regional Council, following on from the Tūwharetoa Treaty settlement process</p>



Levels of service, performance measures and targets

Level of service	Performance measures and targets
Council performance is rated as very or fairly good	<p>55% of the district rates the performance of the Mayor and Councillors as very good or fairly good. The result for this measure in 2014/15 was 54%.</p> <p>55% of Turangi-Tongariro ward respondents rate the performance of the Community Board members as very good or fairly good. The result for this measure in 2014/15 was 40%.</p> <p>69% of residents and non-resident ratepayers rate the performance of Council staff as very good or fairly good. The result for this measure in 2014/15 was 68%.</p>
Council is on the right track	<p>49% of the district feel informed about Council's long term direction for the district. The result for this measure in 2014/15 was 52%.</p> <p>56% of ratepayers feel they are getting value from Council. The result for this measure in 2014/15 was 57%.</p>
Council consults widely with district communities, including Māori before making decisions	<p>55% of the district is satisfied with the way Council involves the public in its decision-making. The result for this measure in 2014/15 was 44%.</p> <p>51% of Māori residents who are satisfied with their involvement in Council's decision-making. The result for this measure in 2013/14 was 51%.</p> <p>Council advocates (to regional and central governments) for water and land use rules that meet our communities' needs. We will report on these advocacy issues, efforts, and outcomes. In 2013/14 we achieved this measure.</p>
Council operates an open and honest decision-making process that generates confidence and trust in the democratic system	<p>80% of residents and non-resident ratepayers say they know how and where to find information on Council activities and services. The result for this measure in 2014/15 was 84%.</p> <p>75% of residents and non-resident ratepayers are satisfied with the way Council provides information on Council services and facilities. The result for this measure in 2014/15 was 88%.</p> <p>100% of requests for official information are responded to within 20 working days. In 2013/14, 61 of the 63 requests were responded to within the timeframe.</p>
Council engages with the community	<p>55% of ratepayers are satisfied with the way the public is involved in the decisions that Council makes. The result for this measure in 2014/15 was 44%.</p>
Council's policy meets legislative requirements	<p>District plan changes and notices of requirement are processed within statutory timeframes (new measure).</p> <p>Bylaws prepared and reviewed within statutory time frames (new measure).</p>
Council engages with the community in the development of policies, plans and bylaws	<p>Council meets legal requirements for consultation for the preparation of plans, policies and bylaws (new measure).</p>

Democracy and Planning Funding Impact Statement

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	5,880	6,488	6,598	6,951	6,861	7,368	7,342	7,705	7,871	8,359	8,335
Targeted rates	80	80	82	84	87	89	92	95	98	102	105
Subsidies and grants for operating purposes	1	1	73	1	1	79	1	1	87	1	1
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	5,961	6,569	6,753	7,036	6,949	7,536	7,435	7,801	8,056	8,462	8,441
Applications of operating funding											
Payments to staff and suppliers	5,960	6,559	6,743	7,026	6,939	7,525	7,424	7,790	8,045	8,450	8,428
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	5,960	6,559	6,743	7,026	6,939	7,525	7,424	7,790	8,045	8,450	8,428
Surplus (deficit) of operating funding (A - B)	1	10	10	10	10	11	11	11	11	12	13
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	-	-	51	-	-	56	-	-	61	-	-
Increase (decrease) in reserves	1	10	(41)	10	10	(45)	11	11	(50)	12	13
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1	10	10	10	10	11	11	11	11	12	13
Surplus (deficit) of capital funding (C - D)	(1)	(10)	(10)	(10)	(10)	(11)	(11)	(11)	(11)	(12)	(13)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Democracy and Planning Schedule of Capital Expenditure

Activity/Scheme	Project	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Council Services - District	Mayoral vehicle renewal			51			56			61		
Total Capital Expenditure				51			56			61		



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 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.

Levels of service, performance measures and targets

Level of service	Performance measures and targets
We manage investment assets in accordance with the Treasury Management Policy	<p>The value of our financial assets is maintained. In 2013/14, this measure was achieved.</p> <p>We achieve revenue streams that meet our forecast targets. In 2013/14, this measure was achieved.</p>



Investments Funding Impact Statement

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	(4,333)	(2,272)	(2,648)	(2,668)	(2,602)	(1,911)	(1,195)	(1,220)	(1,531)	(1,902)	(2,369)
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,182	721	740	760	782	804	830	857	885	918	951
Internal charges and overheads recovered	573	593	610	627	645	664	685	708	733	759	788
Local authorities fuel tax, fines, infringement fees, and other receipts	4,198	4,763	4,879	5,079	5,334	5,569	5,885	6,290	6,795	7,356	8,054
Total operating funding (A)	1,620	3,805	3,581	3,798	4,159	5,126	6,205	6,635	6,882	7,131	7,424
Applications of operating funding											
Payments to staff and suppliers	426	(114)	(279)	(342)	(312)	(161)	(64)	(46)	(33)	(26)	(119)
Finance costs	1,633	1,379	1,374	1,314	1,252	1,200	1,121	1,048	985	921	860
Internal charges and overheads applied	338	347	356	365	376	387	398	413	426	442	458
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,397	1,612	1,451	1,337	1,316	1,426	1,455	1,415	1,378	1,337	1,199
Surplus (deficit) of operating funding (A – B)	(777)	2,193	2,130	2,461	2,843	3,700	4,750	5,220	5,504	5,794	6,225
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,924	(407)	(454)	(1,085)	(413)	(1,132)	(439)	(1,078)	(1,091)	(978)	(988)
Gross proceeds from sale of assets	-	3,180	2,735	3,187	1,136	774	583	574	383	574	383
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,924	2,773	2,281	2,102	723	(358)	144	(504)	(708)	(404)	(605)
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	2,512	1,170	1,167	526	1,217	557	1,290	592	612	633	656
• to replace existing assets	951	924	1,275	865	508	661	505	222	580	600	249
Increase (decrease) in reserves	(2,316)	2,872	1,969	3,172	1,841	2,124	3,099	3,902	3,604	4,157	4,715
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,147	4,966	4,411	4,563	3,566	3,342	4,894	4,716	4,796	5,390	5,620
Surplus (deficit) of capital funding (C – D)	777	(2,193)	(2,130)	(2,461)	(2,843)	(3,700)	(4,750)	(5,220)	(5,504)	(5,794)	(6,225)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

Investments Schedule of Capital Expenditure

Activity/Scheme	Project	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Property - Commercial			14	3								
Property - Land	Install Gutter Guard	2,138	200	846	210	892	222	945	236	244	252	261
Property - Residential Housing	Commercial & residential land development											
Support Services	Demolish Mangakino house & shed	1,325	1,839	1,592	1,181	832	995	849	578	949	981	645
	Software, network development & equipment renewals	3,463	2,094	2,440	1,392	1,724	1,218	1,794	814	1,193	1,233	906
Total Capital Expenditure												



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 therefore largely drive the Taupō economy. There is significant potential for investment to gain added value from these industries.

Council has signalled that economic development is to be a key focus for the district so that we can continue to live in a thriving and vibrant place where others want to live, invest, work, live and play. The community signalled during pre-consultation in September 2014 that economic development was important, and supported the continuation of funding for the different components of this group of activities.

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.

As a Council we undertake leadership (including partnership and facilitation), spatial planning and infrastructure, quality regulation, services (including three waters), business and industry development and social and community services. Specifically:

- An in-house events function that supports event organisers to run both commercial and community events. This support includes advice, relationship management, promotion, equipment, venues, hosting, funding and monitoring. Council also provides infrastructure, services and regulatory functions to enable events. Supporting events provides economic impact, gives the district a positive profile, creates vibrancy and diversity, delivers social benefits and provides opportunities for business.
- 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. Tourism is estimated to be worth over \$400 million to our economy annually and accounts for a significant proportion of employment within the district. DGLT's key activities are destination management, destination consumer marketing, business events marketing, trade marketing, special interest marketing and destination sales from the i-SITES.



- Contracting Enterprise Great Lake Taupō (EGLT), an independent trust, to provide business development services throughout the district. Their mandate is to enrich our community through the creation of wealth and jobs for our region and their services include district wide business growth support; entrepreneur and youth development; and new business attraction.
- Providing funding to Go Tongariro – a newly formed independent economic development trust based in Turangi. This trust provides business growth and events support as well as retail and tourism promotion.
- Supporting the activities of Towncentre Taupō – a member based organisation focused on enhancing and developing the social and economic wellbeing of the Taupō Central Business District by developing a vibrant, well managed and innovative town centre. We provide funding of \$20,000 per annum (funded through the general rate) to assist Towncentre Taupō as they now provide services on our behalf. Council collects a targeted rate from the members of Towncentre Taupō, on their behalf.

Future of IRONMAN

We are proud to have been the home of IRONMAN New Zealand events since 1999. The five year contract we have with IRONMAN New Zealand to host the flagship event will expire in 2016.

We have allowed the current level of funding in the Long-term Plan to allow negotiations for a new contract to take place. This may need to be amended or removed depending on the outcome of those negotiations.

Go Tongariro

Go Tongariro currently receive a \$20,000 Council grant, \$20,000 from Enterprise Great Lake Taupō and \$15,000 from Destination Great Lake Taupō. Over the next three years the intention is to gradually reduce the Council grant to \$14,000 in 2016/17 and then to \$7,000 in 2017/18. The expectation would be for the \$20,000 to come voluntarily from Tongariro businesses in 2018/19.

Levels of service, performance measures and targets

Level of service	Performance measures and targets
Growth in the local economy is consistent with national economic growth	<p>Change in annual:</p> <ul style="list-style-type: none"> GDP GDP per capita Median labour earnings Employment – Household Labour force Survey Unemployment Number of Bed nights Average length of stay Tourism spending Retail spending <p>Compared to rest of NZ and commentary against specific regions as appropriate. Baseline data for these measures will be provided in the Long-term Plan 2018-28.</p>
We attract, support and encourage sporting, cultural and other events around the District	<p>The district's overall events portfolio continues to grow with at least three events in Turangi and Mangakino each year.</p> <p>Reporting will consist of narrative on actual events including location and economic impact figures. This is a new measure with the exception of the number of events to be held in Turangi and Mangakino. In 2013/14 we achieved the target of at least three events in both of these areas.</p> <p>The economic impact of top tier events is increasing better than inflation per annum (new measure).</p>

Economic Development Funding Impact Statement

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	3,432	3,451	3,541	3,630	3,730	3,834	3,946	4,072	4,205	4,352	4,512
Targeted rates	138	164	168	173	177	183	188	194	201	208	216
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)	3,570	3,615	3,709	3,803	3,907	4,017	4,134	4,266	4,406	4,560	4,728
Applications of operating funding											
Payments to staff and suppliers	3,564	3,555	3,649	3,746	3,854	3,966	4,085	4,220	4,362	4,519	4,689
Finance costs	1	43	41	37	33	29	25	21	18	14	11
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,565	3,598	3,690	3,783	3,887	3,995	4,110	4,241	4,380	4,533	4,700
Surplus (deficit) of operating funding (A – B)	5	17	19	20	20	22	24	25	26	27	28
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	2	(24)	(55)	(55)	(55)	(56)	(56)	(56)	(56)	(56)	(54)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	2	(24)	(55)	(55)	(55)	(56)	(56)	(56)	(56)	(56)	(54)
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand	-	33	4	4	4	4	5	5	5	5	5
• to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	43	(40)	(40)	(82)	(39)	(38)	(43)	(36)	(35)	(77)	(43)
Increase (decrease) in reserves	(39)	(40)	(40)	(82)	(39)	(38)	(43)	(36)	(35)	(77)	(43)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	7	(7)	(36)	(35)	(35)	(34)	(32)	(31)	(30)	(29)	(26)
Surplus (deficit) of capital funding (C – D)	(5)	(17)	(19)	(20)	(20)	(22)	(24)	(25)	(26)	(27)	(28)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

Economic Development Schedule of Capital Expenditure

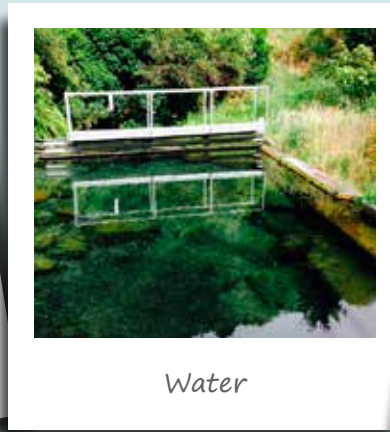
Activity/Scheme	Project	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Events Management	Event equipment & renewals	46	33	4	47	4	4	47	5	5	48	5
Total Capital Expenditure		46	33	4	47	4	4	47	5	5	48	5



Finances



Community Services



Water



Transport



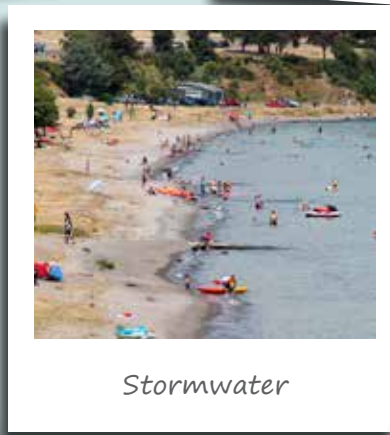
Community Facilities



Wastewater



Solid Waste



Stormwater



Democracy and Planning



Investments



Economic Development

Prospective Schedule of Rates

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Total District											
General rates	36,216	38,099	38,707	39,657	40,622	42,530	44,179	45,539	46,571	47,878	48,907
Targeted rates	23,667	23,357	24,498	25,446	26,375	26,471	27,013	27,724	28,728	29,438	30,443
Total Rates	59,883	61,456	63,205	65,103	66,997	69,001	71,192	73,263	75,299	77,316	79,350
% Change total rates	7.51%	2.63%	2.84%	3.00%	2.91%	2.99%	3.18%	2.91%	2.78%	2.68%	2.63%
Number of properties	22,120	22,160	22,251	22,343	22,443	22,517	22,578	22,675	22,723	22,812	22,881
Growth in property numbers	40	91	92	100	74	61	97	48	89	69	67
Number of properties to be rated	22,160	22,251	22,343	22,443	22,517	22,578	22,675	22,723	22,812	22,881	22,948
Costs to be recovered (GST excl)	59,883	61,456	63,205	65,103	66,997	69,001	71,192	73,263	75,299	77,316	79,350
All Rateable Properties Included											
2014/15 (\$000)											
Average rates per property	2,702	2,762	2,829	2,901	2,975	3,056	3,140	3,224	3,301	3,379	3,458
Average property % increase	7.31%	2.21%	2.42%	2.54%	2.57%	2.71%	2.73%	2.69%	2.38%	2.37%	2.33%
Average property increase GST excl	184	60	67	72	75	81	84	84	77	78	79
Average property increase GST Incl	212	69	77	83	86	93	96	97	88	90	91

Note – the shaded column provides the 2014/15 Annual Plan for comparative purposes. This is consistent throughout the Long-term Plan.

Prospective Statement of Comprehensive Revenue and Expense

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Revenue											
Rates	58,236	60,082	61,782	63,631	65,470	67,417	69,546	71,548	73,512	75,449	77,398
Subsidies and grants	2,453	4,969	3,397	3,563	3,310	3,563	3,522	3,529	3,907	3,975	4,204
Development and financial contributions	800	1,085	1,116	1,171	880	907	1,102	780	1,052	999	840
Fees and charges	10,944	10,188	10,471	10,695	11,014	11,416	11,701	12,086	12,599	12,956	13,454
Interest revenue	4,123	4,583	4,695	4,891	5,140	5,370	5,680	6,078	6,575	7,129	7,819
Other revenue	1,362	3,174	2,395	2,275	2,168	2,338	2,368	2,543	2,633	2,806	2,892
Total Revenue	77,918	84,081	83,856	86,226	87,982	91,011	93,919	96,544	100,278	103,314	106,607
Expenditure											
Personnel costs	18,915	19,650	20,168	20,705	21,296	21,926	22,597	23,341	24,132	24,990	25,914
Depreciation and amortisation expense	19,612	19,555	20,462	21,301	22,058	22,672	23,539	24,610	25,629	26,685	28,049
Finance costs	11,229	10,389	10,308	10,019	9,632	9,113	8,485	7,933	7,504	6,999	6,550
Other expenses	30,002	29,389	29,362	30,342	31,076	32,165	33,070	34,362	35,687	37,101	38,382
Total expenditure	79,758	78,983	80,300	82,367	84,062	85,876	87,691	90,246	92,962	95,775	98,895
Surplus/(deficit) before tax	(1,840)	5,098	3,556	3,859	3,920	5,135	6,228	6,298	7,326	7,539	7,712
Less taxation expense	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after tax	(1,840)	5,098	3,556	3,859	3,920	5,135	6,228	6,298	7,326	7,539	7,712
Other comprehensive revenue and expense											
Gain on property revaluations	6,933	28,669	9,522	25,517	38,220	23,556	23,783	47,933	30,392	30,327	59,665
Gain on property revaluations	6,933	28,669	9,522	25,517	38,220	23,556	23,783	47,933	30,392	30,327	59,665
Reconciliation to Summary Funding Impact Statement											
Sources of Operational Funding											
General rates, uniform annual general charges, rates penalties	35,643	37,906	38,497	39,430	40,379	42,267	43,893	45,231	46,240	47,518	48,519
Targeted rates (other than a targeted rate for water supply)	22,593	22,976	24,107	25,043	25,960	26,043	26,572	27,267	28,255	28,947	29,933
Total Rates Revenue	58,236	60,881	62,603	64,472	66,338	68,309	70,464	72,497	74,494	76,464	78,451
Subsidies and grants for operating purposes	1,705	1,840	1,982	2,033	2,240	2,273	2,391	2,470	2,589	2,694	2,823
Fees, charges, and targeted rates for water supply	10,081	9,150	9,411	9,608	9,897	10,269	10,522	10,868	11,341	11,657	12,107
Interest and dividends from investments	4,123	4,583	4,695	4,891	5,140	5,370	5,680	6,078	6,575	7,129	7,819
Local authorities fuel tax, fines, infringement fees, and other receipts	863	1,039	1,060	1,087	1,116	1,147	1,180	1,218	1,259	1,301	1,347
Total operating funding	75,008	77,493	79,751	82,091	84,731	87,368	90,237	93,131	96,258	99,245	102,547

Prospective Statement of Comprehensive Revenue and Expense continued

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Add asset development and other gains / (losses)											
Subsidies and grants for capital expenditure	748	3,130	1,415	1,531	1,070	1,290	1,131	1,060	1,317	1,281	1,382
Development and financial contributions	800	1,085	1,116	1,171	880	907	1,102	760	1,052	999	840
Add vested and first time recognition of assets	650	900	932	961	992	1,026	1,062	1,102	1,146	1,192	1,243
Add gain on sale	424	607	264	121	84	209	133	209	134	209	134
Add unrealised gains/losses	288	1,666	1,199	1,193	1,091	1,103	1,173	1,232	1,353	1,405	1,515
Add internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total asset development and other gains / (losses)	2,910	7,388	4,926	4,977	4,117	4,535	4,601	4,363	5,002	5,086	5,114
Total Revenue	77,918	84,881	84,677	87,068	88,848	91,903	94,838	97,494	101,260	104,331	107,661
Add Other Comprehensive Revenue and Expenses	6,933	28,669	9,522	25,517	38,220	23,556	23,783	47,933	30,392	30,327	59,665
Total Comprehensive Revenue and Expense	84,851	113,550	94,199	112,585	127,068	115,459	118,621	145,427	131,652	134,658	167,326

Prospective Statement of Changes in Net Assets/Equity

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Equity at Beginning of Year	1,102,748	964,449	998,216	1,011,294	1,040,669	1,082,808	1,111,500	1,141,511	1,195,742	1,233,460	1,271,326
Net surplus/(deficits) for the year	(1,840)	5,098	3,556	3,859	3,920	5,135	6,228	6,298	7,326	7,539	7,712
Other Comprehensive Revenue and Expenses	6,933	28,669	9,522	25,516	38,219	23,557	23,783	47,933	30,392	30,327	59,665
Total Recognised Revenues and Expenses for the Year	5,093	33,767	13,078	29,375	42,139	28,692	30,011	54,231	37,718	37,866	67,377
Total Equity at End of Year	1,107,841	998,216	1,011,294	1,040,669	1,082,808	1,111,500	1,141,511	1,195,742	1,233,460	1,271,326	1,338,703
Components of Equity											
Accumulated Funds at Beginning of Year	842,406	775,091	779,378	780,660	780,191	781,466	782,805	782,963	782,161	780,907	778,717
Net surplus/(deficits) for the year	(2,432)	4,286	1,283	(469)	1,275	1,339	158	(802)	(1,253)	(2,190)	(3,605)
Accumulated Funds at End of Year	839,974	779,377	780,661	780,191	781,466	782,805	782,963	782,161	780,908	778,717	775,112
Council Created Reserves at Beginning of Year	99,054	92,661	93,473	95,746	100,073	102,719	106,514	112,584	119,684	128,264	137,993
Transfers to/(from) reserves	593	812	2,272	4,327	2,645	3,796	6,071	7,100	8,579	9,729	11,317
Council Created Reserves at End of Year	99,647	93,473	95,745	100,073	102,718	106,515	112,585	119,684	128,263	137,993	149,310
Restricted Reserves at Beginning of Year	-	-	-	-	-	-	-	-	-	-	-
Movements for the year	-	-	-	-	-	-	-	-	-	-	-
Restricted Reserves at End of Year	-	-	-	-	-	-	-	-	-	-	-
Revaluation Reserves at Beginning of Year	161,287	96,697	125,366	134,888	160,404	198,624	222,180	245,964	293,897	324,289	354,616
Revaluation surplus/(deficits) for the year	6,933	28,669	9,522	25,517	38,220	23,556	23,783	47,933	30,392	30,327	59,665
Revaluations Reserves at End of Year	168,220	125,366	134,888	160,405	198,624	222,180	245,963	293,897	324,289	354,616	414,281
Total Equity at End of Year	1,107,841	998,216	1,011,294	1,040,669	1,082,808	1,111,500	1,141,511	1,195,742	1,233,460	1,271,326	1,338,703

Prospective Statement of Financial Position

	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)
ASSETS											
Current assets											
Cash and cash equivalents	4,399	3,937	3,897	3,855	3,868	3,842	3,820	4,027	4,243	4,481	4,734
Other financial assets	42,628	38,829	39,479	41,042	41,562	42,194	43,419	45,050	47,300	50,007	53,367
Trade and Other receivables	4,415	6,255	6,418	6,587	6,774	6,974	7,187	7,425	7,675	7,950	8,244
Inventories	504	593	608	624	642	661	681	704	728	754	782
Non current assets held for sale	9,168	4,309	5,013	2,889	2,403	2,288	2,203	2,086	2,203	2,086	2,203
Total current assets	61,114	53,923	55,415	54,997	55,249	55,959	57,310	59,292	62,149	65,278	69,330
Non-current assets											
Other financial assets	37,276	43,384	44,942	47,639	49,649	52,735	57,501	62,884	69,123	76,049	83,901
Investment in COO and other similar entities	3,207	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202
Intangible Assets	840	624	640	657	676	696	717	741	766	793	822
Investment Properties	23,113	23,501	23,467	23,507	24,413	24,802	26,037	26,702	27,300	28,045	28,702
Investments in Associates	3,141	3,141	3,141	3,141	3,141	3,141	3,141	3,141	3,141	3,141	3,141
Biological Assets - Forestry	3,596	4,370	3,274	3,587	4,100	4,587	5,104	5,658	6,292	6,956	7,710
Property Plant and Equipment	1,161,199	1,046,633	1,053,503	1,078,292	1,110,365	1,125,959	1,144,545	1,183,030	1,203,330	1,221,320	1,270,180
Total non current assets	1,232,372	1,124,855	1,132,169	1,160,025	1,195,546	1,215,122	1,240,247	1,285,358	1,313,154	1,339,506	1,397,658
Total assets	1,293,486	1,178,778	1,187,584	1,215,022	1,250,795	1,271,081	1,297,557	1,344,650	1,375,303	1,404,784	1,466,988
LIABILITIES											
Current liabilities											
Trade and other payables	10,043	7,791	7,993	8,203	8,439	8,687	8,951	9,249	9,559	9,902	10,269
Employee Benefit Liabilities	2,863	2,509	2,574	2,642	2,717	2,798	2,883	2,978	3,079	3,189	3,307
Borrowings	81,507	51,318	74,719	78,550	65,257	52,663	61,364	78,311	56,161	62,290	54,412
Total current liabilities	94,413	61,618	85,286	89,395	76,413	64,148	73,198	90,538	68,799	75,381	67,988
Non-current liabilities											
Provisions	54	55	56	58	60	61	63	65	67	70	72
Derivative Financial Instruments	11,057	11,119	11,119	11,119	11,119	11,119	11,119	11,119	11,119	11,119	11,119
Borrowings	80,006	107,484	79,536	73,480	80,085	83,934	71,337	46,847	61,507	46,524	48,729
Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-	-	-
Employee Benefit Liabilities	115	286	293	301	310	319	329	339	351	364	377
Total non current liabilities	91,232	118,944	91,004	84,958	91,574	95,433	82,848	58,370	73,044	58,077	60,297
Total liabilities	185,645	180,562	176,290	174,353	167,987	159,581	156,046	148,908	141,843	133,458	128,285
Net assets	1,107,841	998,216	1,011,294	1,040,669	1,082,808	1,111,500	1,141,511	1,195,742	1,233,460	1,271,326	1,338,703
EQUITY											
Accumulated Funds	839,974	779,377	780,660	780,192	781,465	782,806	782,963	782,161	780,907	778,717	775,112
Council Created Reserves	99,647	93,473	95,746	100,073	102,719	106,514	112,584	119,684	128,264	137,993	149,310
Revaluation Reserves	168,220	125,366	134,888	160,404	198,624	222,180	245,964	293,897	324,289	354,616	414,281
Total equity	1,107,841	998,216	1,011,294	1,040,669	1,082,808	1,111,500	1,141,511	1,195,742	1,233,460	1,271,326	1,338,703

Prospective Statement of Cashflows

	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)
Cash flows from operating activities											
Cash was provided from:											
Rates	58,236	60,482	62,203	64,074	65,937	67,909	70,066	72,098	74,094	76,066	78,052
Subsidies	1,705	1,839	1,982	2,033	2,240	2,272	2,391	2,469	2,590	2,694	2,822
Interest income	4,123	4,583	4,695	4,891	5,140	5,370	5,680	6,078	6,575	7,129	7,819
Fees, charges & other income	10,944	10,588	10,871	11,095	11,414	11,816	12,101	12,486	12,999	13,356	13,854
	75,008	77,492	79,751	82,093	84,731	87,367	90,238	93,131	96,258	99,245	102,547
Cash was applied to:											
Payments to suppliers & employees	48,916	49,838	50,351	51,783	53,239	54,982	56,587	58,653	60,802	63,109	65,351
Taxes paid	-	-	-	-	-	-	-	-	-	-	-
Interest on public debt	11,229	10,389	10,308	10,019	9,632	9,113	8,485	7,933	7,504	6,999	6,550
	60,145	60,227	60,659	61,802	62,871	64,095	65,072	66,586	68,306	70,108	71,901
Net cash inflow (outflow) from operating activities	14,863	17,265	19,092	20,291	21,860	23,272	25,166	26,545	27,952	29,137	30,646
Cash flows from investing activities											
Cash was provided from:											
Proceeds from sale of property, plant, equipment & biological assets	2,142	3,180	2,735	3,187	1,136	774	583	574	383	574	383
Development/financial contributions	800	1,085	1,116	1,171	880	907	1,102	760	1,052	999	840
Capital subsidies	748	3,130	1,415	1,531	1,070	1,290	1,131	1,060	1,317	1,281	1,382
Net decrease in investments	-	-	-	-	-	-	-	-	-	-	-
	3,690	7,395	5,266	5,889	3,086	2,971	2,816	2,394	2,752	2,854	2,605
Cash was applied to:											
Purchase & development of property, plant & equipment	16,622	20,931	17,725	19,822	15,811	13,906	18,224	14,296	14,635	13,408	16,262
Net increase in investments	-	8,734	2,125	4,175	2,434	3,618	5,883	6,893	8,363	9,492	11,064
	16,622	29,665	19,850	23,997	18,245	17,524	24,107	21,189	22,998	22,900	27,326
Net cash inflow/(outflow) from investing activities	(12,932)	(22,270)	(14,584)	(18,108)	(15,159)	(14,553)	(21,291)	(18,795)	(20,246)	(20,046)	(24,721)
Cash flows from financing activities											
Cash was provided from:											
Loans raised	8,414	8,414	7,048	9,524	5,369	3,490	8,272	4,760	4,924	3,554	6,694
	8,414	8,414	7,048	9,524	5,369	3,490	8,272	4,760	4,924	3,554	6,694
Cash was applied to:											
Repayment of public debt	10,946	11,515	11,596	11,749	12,057	12,235	12,169	12,303	12,414	12,407	12,366
	10,946	11,515	11,596	11,749	12,057	12,235	12,169	12,303	12,414	12,407	12,366
Net cash inflow/(outflow) from financing activities	(2,532)	(3,101)	(4,548)	(2,225)	(6,688)	(8,745)	(3,897)	(7,543)	(7,490)	(8,853)	(5,672)
Net increase/(decrease) in cash and cash equivalents	(601)	(8,106)	(40)	(42)	13	(26)	(22)	207	216	238	253
Add: Cash and cash equivalents at start of year	5,000	12,043	3,937	3,897	3,855	3,868	3,842	3,820	4,027	4,243	4,481
Cash and cash equivalents at end of year	4,399	3,937	3,897	3,855	3,868	3,842	3,820	4,027	4,243	4,481	4,734

Prospective Statement of Borrowings

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Debt Balances											
Opening debt	164,044	161,903	158,802	154,254	152,030	145,342	136,597	132,701	125,158	117,668	108,814
New borrowing requirements	8,415	8,414	7,048	9,524	5,369	3,490	8,272	4,760	4,924	3,554	6,694
Debt repayments	(10,946)	(11,515)	(11,596)	(11,749)	(12,057)	(12,235)	(12,169)	(12,303)	(12,414)	(12,407)	(12,366)
Closing External Debt	161,513	158,802	154,254	152,029	145,342	136,597	132,700	125,188	117,668	108,815	103,142
Debt Servicing Costs											
Interest	11,229	10,389	10,308	10,019	9,632	9,113	8,485	7,933	7,504	6,999	6,550
Debt repayments	10,946	11,515	11,596	11,749	12,057	12,235	12,169	12,303	12,414	12,407	12,366
Total External Debt Servicing Costs	22,175	21,904	21,904	21,768	21,689	21,348	20,654	20,236	19,918	19,406	18,916

Prospective Schedule of Capital Expenditure

Activity/Scheme	Project	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Water Supply												
Water Supply Acacia Bay	Acacia Bay bulk flow meter		36									
Water Supply Acacia Bay	Acacia Bay WTP upgrade to meet DWSNZ		50	156	1,770	1,342					54	156
Water Supply Atiamuri	WTP upgrade (UV system only)											
Water Supply Bonshaw Park	Security of supply - storage	100										
Water Supply Centennial Drive	Extension of CD river water supply to AC Baths & Hickling Park		166		75							
Water Supply District	Portable generator common to all schemes(except Lake Terrace & Turangi)		250	104								
Water Supply Hatepe	Security of supply								65	609		
Water Supply Hatepe	WTP upgrade - investigation			427	2,905							
Water Supply Kinloch	Security of supply											
Water Supply Kinloch	WTP upgrade to meet DWSNZ					772	3,445					
Water Supply Mapara	Relocation of pump station & reticulation connection		800									
Water Supply Motuoaapa	Bulk flow meter				27							
Water Supply Motuoaapa	Security of supply		375						187	2,401		
Water Supply Motuoaapa	Motuoaapa WTP upgrade to meet DWSNZ			26								
Water Supply Omori	Bulk flow meter											
Water Supply Omori	WTP upgrade to meet DWSNZ						180	1,869				
Water Supply Rauaro	WTP upgrade (UV system only)										14	127
Water Supply Taupo	Extension of Taupo water supply - Five Mile Bay		625									
Water Supply Taupo	Taupo Brentwood Reservoir, Pump Station & associated costs											2,473
Water Supply Taupo	Tioko falling main upgrade				538							
Water Supply Tirohanga	WTP upgrade - investigation											14
Water Supply Turangi	Bulk flow meter		35									
Water Supply Waitahanui	WTP upgrade to meet DWSNZ		2,500									
Water Supply Whakamaru	WTP upgrade (UV system only)											21
Water Supply Whakamaru Point	WTP upgrade (UV system only)											14
Water Supply Whareora	WTP upgrade (UV system only)										14	141
Water - District	Renewals	1,341	1,808	1,823	1,843	2,034	2,102	2,176	2,144	2,101	1,918	2,174
Total Water Supply		1,441	6,609	2,574	7,158	3,377	2,874	5,800	4,200	4,567	2,608	5,121
Community Services												
Safer Communities	CCTV fibre optic cable from Great Lake Centre to Police											16
Safer Communities	Upgrade CBD CCTV - Mangakino		25									
Safer Communities	Upgrade CBD CCTV - Turangi		25									
Community Services - District	Renewals	100	176	102	105	157	105	134	147	122	130	189
Total Community Services		100	226	102	120	157	105	134	147	122	130	189
Solid Waste												
Litter Control - Taupo	Street recycling bins		10	10	11	11	11	11	12	12	13	13
Taupo Solid Waste Disposal	Broadlands Road Landfill - Cell 2E						28	1,149				
Taupo Solid Waste Disposal	Broadlands Road Landfill - Cell 2F										32	1,318
Taupo Solid Waste Disposal	Broadlands Road sewer pipe upgrade										318	
Taupo Solid Waste Disposal	Broadlands Road Landfill - Capping					76					89	
Taupo Solid Waste Disposal	Broadlands Road weighbridge sump & pump		10									
Taupo Solid Waste Disposal	Broadlands Road Landfill - Capping											
Taupo Solid Waste Disposal	Broadlands Road Landfill - Cell 2E design	57										
Taupo Solid Waste Disposal	Broadlands Road sewer pipe & pump works	21	70									
Taupo Solid Waste Disposal	Broadlands Road Landfill - Cell 2D			1,026								
District Solid Waste Disposal	Renewals	75	114	89	37	97	90	123	132	69	103	112
Total Solid Waste		153	204	1,126	47	184	129	1,283	144	81	554	1,443

Activity/Scheme	Project	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Stormwater												
Stormwater	Brentwood Gully culvert					17	12	180				
Stormwater	Crescent Reserve quality improvement device				129							
Stormwater	Enviropod protection		5	5	6	6	6	6	6	6	7	7
Stormwater	Enviropod protection extension - Lakefront Road											
Stormwater	Gully planting	22										
Stormwater	Hole in One lakefront quality improvement device		135									
Stormwater	Mangakino pond & reticulation upgrade											132
Stormwater	Overland flow path remediation	22	20	21	22	11	12					
Stormwater	Ruapehu Street quality improvement device		140									
Stormwater	Taharapa Road quality improvement device		10			145						
Stormwater	Tauhara Pump Station telemetry								162			
Stormwater	Two Mile Bay quality improvement device	14	125	132	119	124	128	133	138	144	177	157
Total Stormwater		63	300	294	275	302	157	450	307	151	184	164
Wastewater												
Wastewater Acacia Bay	Optimisation	150										
Wastewater Acacia Bay	WWTP upgrade / optimisation		650	1,094								
Wastewater Atiamuri	WWTP upgrade / optimisation investigation										20	
Wastewater Kinloch	Effluent disposal field - Stage 2					189						
Wastewater Kinloch	Monitoring bore			125								
Wastewater Kinloch	WWTP upgrade											325
Wastewater Kinloch	WWTP upgrade / optimisation		720									
Wastewater Mangakino	Monitoring bore				43							
Wastewater Motuopa	Optimisation	700										
Wastewater Motutere	Monitoring bore			26								
Wastewater Omori	Pukawa pond improvement / remediation		25	625								
Wastewater Taupo	Districtwide control system	250										
Wastewater Taupo	Eastern Trunk Sewer extension investigation				54							
Wastewater Taupo	Fats, oils & greases reception facility	200										
Wastewater Taupo	Lowell Place & Kowhai generator upgrade	200										
Wastewater Taupo	Odour removal system	200										
Wastewater Taupo	Storm flow diversion				54	501						
Wastewater Taupo	Vfiew Road expansion	54										
Wastewater Turangi	Remediation of unused ponds											
Wastewater Turangi	Treatment plant / screen optimisation	1,000			215							
Wastewater Waitahanui	WWTP Optimisation	1,500			753							
Wastewater Whakamanu	Network connection to Taupo											
Wastewater Whareora	WWTP upgrade / optimisation											
Wastewater Whareora	Disposal field upgrade / monitoring bore		162									
Wastewater Whareora	Monitoring bore installation	162										
Wastewater - District	Renewals	1,880	2,001	2,374	2,378	2,647	2,649	2,624	2,375	2,022	2,121	2,035
Total Wastewater		6,096	3,759	4,270	3,928	3,338	2,649	2,624	2,375	2,022	2,141	2,360
Economic Development												
Events Management	Event equipment & renewals	46	33	4	47	4	4	47	5	5	48	5
Total Economic Development		46	33	4	47	4	4	47	5	5	48	5

Activity/Scheme	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)
Democracy and Planning											
Council Services - District			51			56			61		
Total Democracy and Planning			51			56			61		
Investments											
Property - Commercial		14	3								
Property - Land	2,138	200	846	210	892	222	945	236	244	252	261
Property - Residential Housing		41									
Demolish Mangakino house & shed	1,325	1,839	1,592	1,181	832	995	849	578	949	981	645
Software, network development & equipment renewals	3,463	2,094	2,440	1,392	1,724	1,218	1,794	814	1,193	1,233	906
Total Investments											
Transport											
Broadlands Road curve easing (23.3-23.5)											12
Broadlands Road curve easing (5.2-5.4)											18
Broadlands Road widening								58	297	306	
Bus infrastructure		9	3	9	3	10	3	10	4	11	4
Cycle Strategy implementation	26	42	35	31	32	33	34	23	24	24	25
Footpath construction - new paths		25	25	26	27	27	28	29	30	31	32
Huka Falls lookout upgrade	64										
Huka Falls Road footpath		100	101	104	53						
Mangakino upgrade		5	41	5	42	5	45	6	47	6	51
Mapara Road footpath				52	53						
Minor safety works	174										
Motuopa footpath extension	3										
New road marking & signs	27	25	25	26	42	27	28	29	30	49	32
On-street parking	54	25	25	26	27	27					
Poihiji Road seal widening		233	203	243	212	278	246			37	253
Rural school bus shelters		6		6		7		7			7
Seal extension	402	400	406	415	425	408	420	432	445	459	
Shared path Wharewaka to Rainbow Point								259			
Stock truck effluent facility											
On-going safety improvements		160	171	175	194	197	208	215	225	235	246
District-wide renewals	1,957	1,931	2,546	2,355	2,071	2,342	2,009	2,215	2,602	2,345	2,180
Total Transport	2,707	3,031	3,684	3,732	3,182	3,362	3,020	3,023	3,715	3,541	3,031
Community Facilities											
AC Baths - Pools											
Auto DE filter start-up systems - Vacuum	26										
Outdoor 25m Pool convert to lined pool						446					
Genesis Energy Aquatic Centre											
Main 25m Pool Cover & auto winder		31									
Genesis Energy Aquatic Centre	6										
Pool cover - Learn to swim											
Genesis Energy Aquatic Centre		10									
Replace chlorine gas with chlorine generation system											
GLC / Events Logistics Management											
External access to kitchen		5	51								
Supply gas to kitchen for hot water											
GLC / Events Logistics Management											
Upgrade entrance & grounds									321		
Libraries - District											33
Change entrance to Turangi Library											
Libraries - District		3									
Install access control to library doors to link to Council controller system											
Libraries - District		5									
Install GoGo PC management system											
Libraries - District		310	318	326	336	346	356	368	380	394	409
Library books											
Second entrance to Taupo Library											151
Mangakino Cemetery		5			5			6			
Lay new burial & cremation berms											

Activity/Scheme	Project	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Museum - Taupo	Install sprinkler system in the Tuwharetoa Gallery & the Wharenui					156						
Museum - Taupo	Insulation in Tuwharetoa Gallery		25									
Parks & Reserves - Mangakino/Pouakani	Mangakino Town Centre upgrade		162									
Parks & Reserves - Taupo	Brice Street basketball half court					27						
Parks & Reserves - Taupo	CBD upgrade & improvements	106										
Parks & Reserves - Taupo	Concrete footpath from Ferry Road to water treatment plant	100										
Parks & Reserves - Taupo	Fencing contributions (Fencing Act requirement)	21	20	21	21	22	22	23	24	25	25	26
Parks & Reserves - Taupo	Increase width of Great Lake Walkway		20	81			89	92	95			
Parks & Reserves - Taupo	Install new irrigation system in Tongariro North Domain		20	21	84							
Parks & Reserves - Taupo	Integration of old bowling green into Tongariro South Domain			12		28						
Parks & Reserves - Taupo	New playground & parks assets		10									
Parks & Reserves - Taupo	New Smokefree signage to be installed at playgrounds											
Parks & Reserves - Taupo	Pihanga Reserve upgrade	80										
Parks & Reserves - Taupo	Public Art	25	25	25	25	25	25	25	25	25	25	25
Parks & Reserves - Taupo	Riverside Park gravel path upgrade					22						
Parks & Reserves - Taupo	Seal parking area adjacent to pump track			41								
Parks & Reserves - Taupo	Spa Thermal Park gravel path upgrade			46								
Parks & Reserves - Taupo	Spa Thermal Park new path construction				58							
Parks & Reserves - Taupo	Spa Thermal Park new path construction	80										
Parks & Reserves - Taupo	Wharewaka Point Great Lake Walkway completion		80									
Parks & Reserves - Taupo	Install new drainage system in Tongariro North Domain	40										
Parks & Reserves - Taupo	Install new lighting poles & luminaires in Tongariro South Domain	48										
Parks & Reserves - Taupo	Landscaping lower Otumuheke Stream banks at bathing area	10	51	42								
Parks & Reserves - Taupo	New playground at Besley Park	80										
Parks & Reserves - Turangi/Tongariro	New playground & park assets	8										
Parks & Reserves - Turangi/Tongariro	Rationalisation & upgrade of Turangi playgrounds				126							
Parks & Reserves - Turangi/Tongariro	Stump bay UV water purification at public toilet	4										
Parks & Reserves - Turangi/Tongariro	Turangi Town Centre Improvements	438										
Parks & Reserves - Turangi/Tongariro	Redevelopment of Te Kapua Park		245	251	258	265	272	281	289	299	309	320
Parks Development Contribution	New neighbourhood reserves		150	103	105	108	112	115	119	123	127	132
Project Watershed	Erosion protection		144									
Public Conveniences - Mangakino	New toilet at Mangakino											
Public Conveniences - Taupo	New dry vault toilet near the Otumuheke Stream			41								
Public Conveniences - Taupo	Install lighting & water tank at Spa Thermal Park toilets			15								
Sportsground Owen Delany Park	Upgrade PA system & scoreboard (No.1 field)			36								
Sportsground Owen Delany Park	Extension of level two							230				
Sportsgrounds - Taupo	Kaimanawa Reserve upgrade	35										
Sportsgrounds - Taupo	Additional water tanks for Crown Park irrigation		10									
Taupo Cemetery	Lay new burial & cremation berms		7	7	7	7	7	7	8	8	8	9
Taupo Events Centre - Stadium	Additional stage units				12							
Taupo Events Centre - Stadium	Ramp from carpark for disabled access		40									
Taupo Events Centre - Stadium	Lay new burial & cremation berms		5			5						
Community Facilities	Renewals	1,706	3,079	2,060	2,047	2,564	2,006	1,941	1,992	1,708	2,080	2,089
Total Community Facilities		2,446	4,676	3,179	3,122	3,542	3,353	3,070	3,282	2,719	2,969	3,042
Total Capital Expenditure		16,516	20,931	17,725	19,822	15,811	13,906	18,224	14,296	14,635	13,408	16,262

Prospective Schedule of Reserve Funds

Reserve Name	Projected Opening Balance 01/07/15 (\$'000)	Expected Deposits 01/07/15-30/06/26 (\$'000)	Expected Withdrawals 01/07/15-30/06/26 (\$'000)	Expected Balance @ 30/06/26 (\$'000)	Purpose of the Fund
Development Contribution Reserves					
Community Infrastructure - District	674	-	-	674	To fund for District Development Contribution capital expenditure, loan repayments & interest, for Commercial Infrastructure
District Wide Parks	72	201	-	273	To fund for District Wide Parks Development Contribution capital expenditure, loan repayments & interest
Parks & Reserves Land (Residential)	3,554	2,789	-	6,343	To fund for Residential Parks Reserve Land Development Contribution capital expenditure, loan repayments & interest
Transport & Stormwater - District	(17)	1,883	(37)	1,829	To fund for District Wide Transport Development Contribution capital expenditure, loan repayments & interest
Wastewater - Atiamuri	2	-	-	2	To fund for Atiamuri Wastewater Development Contribution capital expenditure, loan repayments & interest
Wastewater - Kinloch	(55)	107	(71)	(19)	To fund for Kinloch Wastewater Development Contribution capital expenditure, loan repayments & interest
Wastewater - Mangakino	-	-	-	-	To fund for Mangakino Wastewater Development Contribution capital expenditure, loan repayments & interest
Wastewater - Omori	-	-	-	-	To fund for Omori Wastewater Development Contribution capital expenditure, loan repayments & interest
Wastewater - Taupo	645	2,702	(41)	3,306	To fund for Taupo Wastewater Development Contribution capital expenditure, loan repayments & interest
Wastewater - Turangi/Tongariro	27	-	-	27	To fund for Turangi/Tongariro Development Contribution capital expenditure, loan repayments & interest
Wastewater Whareroa	-	-	-	-	To fund for Whareroa Wastewater Development Contribution capital expenditure, loan repayments & interest
Water - Acacia Bay	-	-	-	-	To fund for Acacia Bay Water Development Contribution capital expenditure, loan repayments & interest
Water - Atiamuri	0	-	-	0	To fund for Atiamuri Water Development Contribution capital expenditure, loan repayments & interest
Water - Kinloch	-	296	-	296	To fund for Kinloch Water Development Contribution capital expenditure, loan repayments & interest
Water - Mapara Road	1	413	-	414	To fund for Mapara Road Water Development Contribution capital expenditure, loan repayments & interest
Water - Motuoaapa	-	-	-	-	To fund for Motuoaapa Water Development Contribution capital expenditure, loan repayments & interest
Water - Omoriri/Pukawa/Kuratau	29	-	-	29	To fund for Omoriri/Pukawa/Kuratau Water Development Contribution capital expenditure, loan repayments & interest
Water - River Road	5	-	-	5	To fund for River Road Water Development Contribution capital expenditure, loan repayments & interest
Water - Taupo	(0)	1,522	(0)	1,522	To fund for Taupo Water Development Contribution capital expenditure, loan repayments & interest
Water - Turangi/Tongariro	14	-	-	14	To fund for Turangi/Tongariro Water Development Contribution capital expenditure, loan repayments & interest
Water - Whareroa	-	-	-	-	To fund for Whareroa Water Development Contribution capital expenditure, loan repayments & interest
Depreciation Reserves					
Buildings - District	3,913	34,879	(24,325)	14,467	To fund for renewals, capital expenditure & loan repayments for Buildings - District
Land Subdivision - District	1,513	-	(600)	913	To fund for renewals, capital expenditure & loan repayments for Land Subdivision - District
Operational assets - District	4,088	36,317	(29,435)	10,970	To fund for renewals, capital expenditure & loan repayments for Operational assets - District
Solid Waste - District	729	3,903	(3,284)	1,348	To fund for renewals, capital expenditure & loan repayments for District Solid Waste
Transport & Stormwater - District	8,011	72,360	(67,980)	12,391	To fund for renewals, capital expenditure & loan repayments for Transport & Stormwater - District
Wastewater - District	2,888	58,584	(62,110)	(638)	To fund for renewals, capital expenditure & loan repayments for Wastewater - District
Water - Acacia Bay	317	1,909	(2,644)	(418)	To fund for renewals, capital expenditure & loan repayments for Water - Acacia Bay
Water - Atiamuri	27	269	(339)	(42)	To fund for renewals, capital expenditure & loan repayments for Water - Atiamuri
Water - Bonshaw Park	8	328	(256)	80	To fund for renewals, capital expenditure & loan repayments for Water - Bonshaw Park
Water - Centennial Drive	(136)	1,489	(841)	412	To fund for renewals, capital expenditure & loan repayments for Water - Centennial Drive
Water - Kinloch	40	466	(459)	46	To fund for renewals, capital expenditure & loan repayments for Water - Kinloch
Water - Hatepe	1,581	2,001	(3,504)	(78)	To fund for renewals, capital expenditure & loan repayments for Water - Hatepe
Water - Mangakino	(43)	1,380	(1,602)	(266)	To fund for renewals, capital expenditure & loan repayments for Water - Mangakino
Water - Mapara	311	521	(207)	625	To fund for renewals, capital expenditure & loan repayments for Water - Mapara
Water - Motuoaapa	129	601	(321)	409	To fund for renewals, capital expenditure & loan repayments for Water - Motuoaapa
Water - Omori	789	1,275	(507)	1,558	To fund for renewals, capital expenditure & loan repayments for Water - Omori
Water - River Road	100	267	(115)	253	To fund for renewals, capital expenditure & loan repayments for Water - River Road
Water - Taupo	149	21,305	(21,854)	(400)	To fund for renewals, capital expenditure & loan repayments for Water - Taupo
Water - Tirohanga	496	986	(367)	1,116	To fund for renewals, capital expenditure & loan repayments for Water - Tirohanga
Water - Turangi	1,804	2,900	(4,777)	(73)	To fund for renewals, capital expenditure & loan repayments for Water - Turangi
Water - Waitaha	410	655	(188)	877	To fund for renewals, capital expenditure & loan repayments for Water - Waitaha
Water - Waitahanui	(43)	775	(356)	376	To fund for renewals, capital expenditure & loan repayments for Water - Waitahanui
Water - Whakamatu	(19)	246	(209)	18	To fund for renewals, capital expenditure & loan repayments for Water - Whakamatu
Water - Whakamoenga	36	195	(130)	101	To fund for renewals, capital expenditure & loan repayments for Water - Whakamoenga
Water - Whakarua	104	462	(198)	368	To fund for renewals, capital expenditure & loan repayments for Water - Whakarua
Water - Whareroa	(5)	261	(152)	103	To fund for renewals, capital expenditure & loan repayments for Water - Whareroa
Other Reserves					
Disaster Recovery Fund	1,821	700	-	2,521	To provide \$70,000 to fund CARFF insurance scheme annually for disaster coverage
District Airport Reserve	69	-	-	69	To provide for heavy periodic maintenance charges on assets such as buildings, roads etc & for future capital works of this nature
Lake Taupo Protection Rate	1,003	-	(1,003)	-	For the protection of Lake Taupo's water quality
Parking	75	-	-	75	For the purchase or development of parking
Forestry	1,786	4,295	(2,777)	3,304	To be used in the establishment, maintenance & operation of Councils forestry blocks
Strategic Property Purchase - District	572	2,632	(2,657)	547	To fund specific strategically based property purchases & associated projects - District
TEL	55,187	23,221	-	83,408	As per Treasury Management Policy
Total Reserves	92,661	290,095	(233,446)	149,310	

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 Long Term 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 which 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 opening balances from the period ending 30/06/2014; 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

A new Accounting Standards Framework (incorporating a

Tier Strategy) developed by the External Reporting Board (XRB) has been adopted by Council and effective from the 1/7/2014. Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and is required to apply full Public Benefit Entity Accounting Standards (PBE IPSAS). These standards have been developed by the XRB based on current International Public Sector Accounting Standards. With the exception of some disclosure requirements on the face of the accounts the Council believes the impact on the presentation of the prospective financial statements will be minimal. The financial statements presented are Council's first set of prospective statements presented in accordance with PBE IPSAS.

The following accounting policies have been changed to reflect the new accounting standards:

2.5 Revenue Recognition – change to treatment of grant and bequest revenue to reflect the differentiation of conditions and restrictions, also no differentiation of treatment of Government grants and non-government grants

General terminology has been changed throughout the policies to reflect terminology in PBE IPSAS 1 Presentation of Financial Statements, for example "Statement of Comprehensive Income" is now "Statement of Comprehensive Revenue and Expense".

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.

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

The following policies for rates have been applied:

- 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

Other 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.

Sales 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

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.

Operating lease payments

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.

Finance lease payments

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.

Financing costs

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.

2.7 Ratepayers' 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 Public 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 remeasurement are recognised in the surplus or deficit.

Council's managed 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) Held-to-maturity investments

Held-to-maturity 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 derecognition, 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 at current market value based on the 30 June closing stock exchange sale price.

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 fair value and subsequently valued at their amortised cost using the effective interest method, 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 Inventories

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 first-in, first-out 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	Nil	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	
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	
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%
Stormwater 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%
Restricted assets:		
Land	Nil	Nil
Other	0 - 40 yrs	0 - 2.5% 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.

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 Forest 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.

The valuation of Council's investment property was performed by Quotable Value New Zealand, an independent valuer, based on open market evidence.

2.17 Impairment

The carrying amounts of Taupō District Council assets, other than investment property (see accounting policy 2.16), 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 assets 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 cashgenerating 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. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount (other than goodwill) 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, 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 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.

Revenue and Financing Policy

This policy sets out who pays for the activities that Council undertakes on behalf of the community and how these activities will be funded. When deciding how to fund an activity Council must consider the requirements as set out in the LGA s101(3) and s103.

Council has prepared a s101(3) document which sets out the rationale for how and why each activity will be funded in a particular way and should be read in conjunction with this Revenue and Financing Policy. A copy of this document can be found at www.taupo.govt.nz

Council's funding policy

Council's funding policies are determined having consideration of the requirements of s101 (3) including consideration of who benefits, intergenerational equity, who contributes to the need for the activity, distinct funding and the overall impact of the method of funding.

Where we have been able to clearly identify a direct relationship between users and the service provided by Council and it is efficient and effective to do so, Council has applied either a targeted rate or fees and charges. Where the level of service provides a benefit to the community as a whole; is of a uniform nature; or where we are not able to identify the direct relationship between users and the service we use general rates. In a number of instances we use a mix of the general rate and fees and charges whilst also recognising the overall impact on the community and ability to pay. This philosophy also extends to the use of capital value as the basis for the general rate. The combination of capital value and a low uniform annual charge supports our long term strategic direction of balancing wants and needs with affordable and sustainable rates.

We also believe that individuals, groups and communities should pay for the services they receive at the time that they are using them (intergenerational equity). This is particularly important when we build significant infrastructure with an expected long life. Council seeks to match the term of borrowings with the average life of assets when practical, with a maximum loan term of 25 years. This enables Council to best match charges placed on the community against the period of benefits from capital expenditure.

Where possible other sources of revenue are collected including subsidies and grants. Good examples of this include the grants that we have successfully obtained from central government for water treatment in Turangi, Mangakino and Waitahanui. Development contributions are collected where possible for developments which create the need for additional infrastructure or place an additional demand on our existing infrastructure.

Operating expenditure

Council funds operating expenditure from the general rate, targeted rates, fees and charges, interest and dividends from investments, grants and subsidies and other operating revenue. Council may choose to fund operating expenditure by other sources than those listed if it becomes available over the life of the Long-term Plan.

The LGA 2002 requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered by the Long-term Plan. The Funding Impact Statement shows how Council intends to implement the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

General Rate

General rates are used to fund activities where Council believes there is a public benefit to the community as a whole or to a portion of the community. Some individuals may or may not use or access the service however there is no practical or cost effective method for charging individual users. Having a strong general rate funded system creates a simpler structure making it easier for ratepayers to understand how they are being rated and it is a more efficient and effective rating system to administer. Council uses a capital valuation system for the general rate.

Differentials

Differentials are only applied to the general rate. Council applies differentials to some categories of rateable land to recognise that there are differences in the level of service and therefore the benefits each differential rating category derives from the various services provided by Council. In some cases costs to provide some services are higher for some rating categories and this is considered when setting differentials and applying them to rating categories.

To achieve an outcome where the general rates revenue requirement for each differential rating category aligns comparatively with their percentage share of the capital value of the district, differentials are applied to some categories.

Uniform Annual General Charge (UAGC)

A Uniform Annual General Charge set under section 15 of the Local Government (Rating) Act 2002 is assessed on every separately used or inhabited part of a rating unit in the district (as defined below). 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.

Targeted rates

A targeted rate means a rate to be used exclusively to pay

for that operating expense where it can be targeted based on service provision or location. Targeted rates are used to target ratepayers who benefit exclusively from a service, or when Council believes that the benefits from the service are such that the principles of general rating (noted above) are not sufficient.

The activities or services where a targeted rate is applied are:

- Water supply – fixed targeted rate specific to residential schemes, a targeted rate based on land value for rural or fully commercial schemes and metered water supplies for commercial and rural users.
- Whakamaru fire protection – assessed on specified rating units within the Whakamaru Village
- District Refuse Disposal Charge – assessed on each separately used or inhabited part with the application of a differential to certain categories of rateable land.
- Whareroa Refuse rate – assessed on all rating units in the Whareroa rating area.
- Wastewater – assessed on 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 shall be levied only one charge).
- Sewer loan servicing rate – assessed on every rating unit within a sewer loan servicing scheme where no election was made to pay by way of lump sum contribution.
- Turangi Tongariro Community Board – assessed on each separately used or inhabited part of all rating units within the Turangi-Tongariro ward.
- Towncentre Taupō Management rate – this targeted rate is collected on behalf of Towncentre Taupō. The amount of the targeted rate and who this rate is to be collected from is determined by Towncentre Taupō.
- Council's Funding Impact Statement contains more details on rates.

Fees and charges

Fees and charges are used where there is a direct benefit to an individual. The fee or charge is determined by considering the efficiency of imposing the fee or charge, considering the value that the service provides to the community (particularly in regards to community facilities) and the overall cost of providing the service. The activities where we have fees and charges and the proportion to be collected for a particular activity are illustrated in the table below. The actual fees can be found in the Fees and Charges Schedule on our website www.taupo.govt.nz

Interest and dividends from investments

The interest and dividends from the general and special fund investments are used as an offset against general rates. The management of these investments is governed by the Treasury Management Policy. Interest and

dividends from the TEL Fund is primarily used as an offset against general rates. However an element of our Financial Strategy for the ten years is to gradually reduce the amount used as an offset against the general rate with the balance being applied to back to the capital of the fund which will inflation proof and grow the fund.

Grants and subsidies and other operating revenue

Where possible Council applies for grants for specific projects, which helps to reduce the cost to the community. NZTA subsidies are received for maintenance of the local road network including passenger transport and community programmes. Other operating revenue includes but is not limited to rental income from property and petrol tax.

Capital expenditure

Council funds capital expenditure from borrowing, development and financial contributions, operating surpluses, sale of assets, subsidies, depreciation reserves and other financial reserves. Council may choose to fund capital expenditure by other sources than those listed if it becomes available over the life of the Long-term Plan.

Borrowing

Council adopts a prudent approach to debt and its capital programme. Borrowing is managed within the framework specified in the Treasury Management Policy. While seeking to minimise interest costs and financial risks associated with borrowing, access to funding is of primary importance. Council seeks to match the term of borrowings with the average life of assets when practical, with a maximum loan term of 25 years. This enables Council to best match charges placed on the community against the period of benefits from capital expenditure.

Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure including the sources outlined below. The Forecast Financial Statements included in the Long-term Plan contain a Prospective Statement of Borrowings. This Statement provides a summary of forecast borrowing levels, identifying the impact of capital expenditure and the various other capital funding sources listed above.

Development and financial contributions

The charges under the Development Contributions Policy are used to fund the portion of capital expenditure which relates to growth. In reaching the requirement for contribution any increase in level of service or renewal of asset is identified and funded from other funding mechanisms. Where growth related infrastructure is funded by development contributions, debt servicing costs on that infrastructure may also be recovered through development contributions.

Sale of assets

We have an on-going land disposal process with the net

profit to be used to reduce debt. Assets which are no longer required for strategic or operational purposes may be sold with the net profit to be used to reduce debt. We will harvest Council owned forests as they reach maturity with the net profit to be applied to debt reduction.

Depreciation reserves and other financial reserves

These reserves are used to fund the asset renewal programme, capital expenditure and loan repayments.

Subsidies

Council receives NZTA subsidies for renewals and new capital expenditure for the District's transportation network. Where subsidies are available from central government for activities that Council undertakes we will apply for these and if successful this will reduce the amount of loan funding required. An example of this type of subsidy is the Ministry of Health subsidy for compliance with the Drinking-water Standards for New Zealand.

Summary of funding for Council's activities

Note: these are indicative targets and are subject to a number of variables that may occur over any given financial year.

Group of Activities	Activity	Uniform charge	General rate	Targeted rate	Fees and charges
Community services	Community Engagement		100%		
	Community grants		100%		
	Animal control	50%			50%
	Building compliance and development		60%		40%
	District Plan compliance		50%		50%
	Health and Liquor		40%		60%
	Parking		100%		
	Emergency Management	100%			
	Rural Fire		100%		
Water	Water supply (by scheme)			100%	
	Whakamaru Fire Protection			100%	
Transport	Transport		100%		
Community facilities	Parks and reserves		95%		5%
	Sportsgrounds		95%		5%
	AC Baths		70%		30%
	Turangi Aquatic Centre and Mangakino Pool		95%		5%
	Great Lake Centre		67%		33%
	Taupō Events Centre		67%		33%
	Libraries		95%		5%
	Taupō Museum and Art Gallery		85%		15%
	Community Halls		85%		15%
	Public Toilets		100%		
	Superloo		50%		50%
	Cemeteries	10%			90%
	Housing for the Elderly		45%		55%
Wastewater	Wastewater			100%	
Solid waste	Refuse collection				100%
	Solid waste disposal and minimisation			51%	49%
	Litter control		100%		
Stormwater	Stormwater		100%		
Leadership and future planning	Leadership, governance and advocacy	100%			
	Planning for the future		100%		
	Turangi Tongariro Community Board		20%	80%	
Investments	Investments		100%		
	Property		20%		80%
Economic development	Destination marketing		100%		
	Economic development		100%		

Funding Impact Statement

1. INTRODUCTION

This Funding Impact Statement details the Rating Policy and the rates funding requirements for 2015/16.

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 2013 are used for the 2015/16 rating year. It should be noted that some targeted rates for water supply are calculated using the land value of that rating unit.

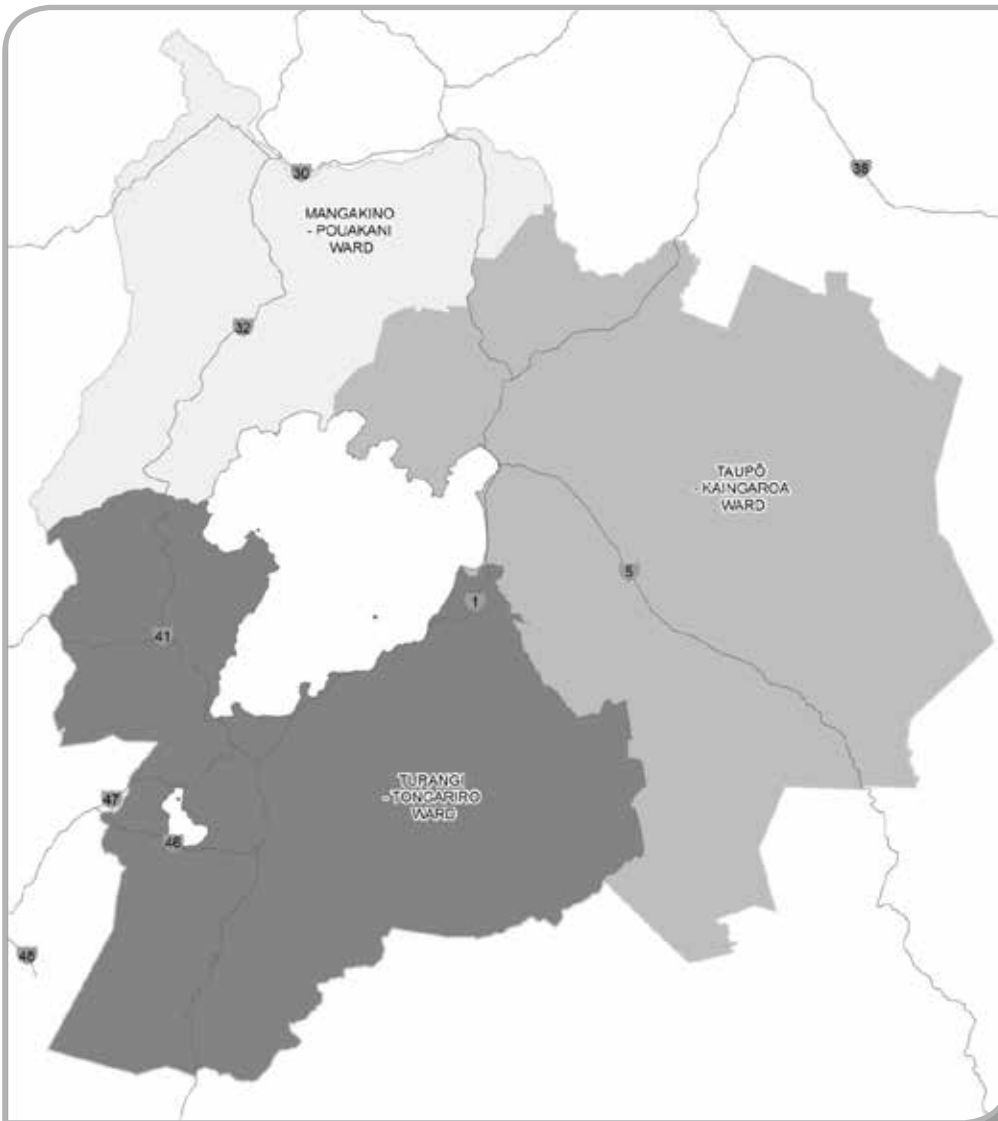


Figure 1 Taupō District and Wards

3. CATEGORIES OF RATEABLE LAND

The Council will adopt the following as its definitions for categories of rateable land for the 2015/16 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 on rating units for:

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

The following categories will apply:

1. Turangi/Tongariro Rating Area – all rating units.
2. Commercial/Industrial rating units within the defined central business district of Taupō town (see map at end of policy).
3. All rating units on the Whareroa valuation roll.

3.4 Targeted Rates Based on Availability of Service

Council will use targeted rates based on availability of service to assess rates on rating units 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 – any rating unit that is connected to a Council operated water scheme or is connected to a public sewerage drain.
2. serviceable – any rateable rating unit that is not connected to a sewage drain but is within 30 metres of such a drain; or a Council operated water scheme that is not connected, but: for certain defined water schemes is within 100 metres of any part of the waterworks or for other certain defined water schemes within the scheme area.
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 2015 and ending on 30 June 2016.

4.1 General Rate

A General Rate, set under section 13 of the Local Government (Rating) Act 2002 made 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, rural fire, transport, lakes and rivers systems, parks, reserves and sports grounds, swimming pools (AC Baths, Genesis Aquatic Centre, 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, Council property, destination marketing and economic development.

Valuation basis for general rates

Council uses capital value as the basis for general rates.

Rating Unit	2014/15 GST incl	2015/16 GST incl
Residential	0.0026831/\$	0.0027618/\$
Rural	0.0026831/\$	0.0027618/\$
Utility Assets and Networks	0.0026831/\$	0.0027618/\$
Electricity generators	0.0026831/\$	0.0027618/\$
Industrial/Commercial	0.0048296/\$	0.0049712/\$
Accommodation	0.0048296/\$	0.0049712/\$
Other	0.0026831/\$	0.0027618/\$

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 is assessed 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.

	2014/15 GST incl	2015/16 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 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 levied 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.

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	2014/15 GST incl	2015/16 GST incl
Connected (1st pan/urinals)	\$696.34	\$720.20
Connected (2 – 10 pans/urinals)	\$522.25	\$540.15
Connected (10 + pans/urinals)	\$348.17	\$360.10
Connected (schools 10 + pans/urinals)	\$174.08	\$180.05
Serviceable (available to be connected)	\$348.17	\$360.10

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	2014/15 GST incl	2015/16 GST incl
Waitahanui/Five Mile May	\$233.24	\$233.24



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 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 waterworks).

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

Water Scheme	2014/15 GST incl	2015/16 GST incl
Taupō Township/Wairakei Village	\$448.21	\$470.43
Acacia Bay	\$501.86	\$531.67
Kinloch	\$317.19	\$349.81
Waitahanui	\$453.28	\$510.36
River Road	\$673.22	\$691.40
Mangakino Township	\$455.79	\$456.08
Atiamuri	\$734.70	\$802.80
Whakamaru	\$569.47	\$767.86
Turangi Township/Tokaanu	\$282.20	\$282.67
Motuoapa	\$369.88	\$396.16
Omori/Kuratau/Pukawa	\$237.31	\$254.80
Hatepe	\$656.78	\$730.48
Whareroa	\$403.75	\$420.70

Water schemes with charges based on land value.

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

The water schemes and targeted water rates are:

Water Scheme	2014/15 GST incl	2015/16 GST incl
Whakaroa	0.0018934/\$	0.0019734/\$
Centennial Drive	0.0023224/\$	
Rakaunui Road		0.0023345/\$
Centennial Drive (untreated)		0.0049264/\$
Mapara Road	0.0003678/\$	0.0005217/\$
Bonshaw Park	0.0042338/\$	0.0045723/\$
Whakamoenga Point	0.0009760/\$	0.0010289/\$
Waihaha	0.0036065/\$	0.0037748/\$
Tirohanga	0.0011756/\$	0.0011367/\$

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

The targeted water meter rates are:

Water Supply	2014/15 GST incl		2015/16 GST incl
	Ordinary cents/m ³	Extraordinary cents/m ³	cents/m ³
Taupō Township/ Wairakei	227	324	227
Waitahanui	410	617	410
Acacia Bay	200	287	200
Kinloch	144	221	144
Whakaroa	229	334	229
Centennial Drive	78	149	
Mapara Road	160	239	160
Bonshaw Park	291	432	291
Whakamoenga Point	161	161	161
River Road	162	246	162
Mangakino Township	178	261	178
Tirohanga	93	212	93
Turangi Township	69	128	69
Motuoapa	110	163	110
Tokaanu	131	131	131
Hatepe	259	388	259
Omori/Kuratau/ Pukawa	148	148	148
Whakamaru	152	228	152
Atiamuri	178	261	178
Rakaunui Road			63
Centennial Drive (untreated)			51

4.7 Metered Water Supply

A targeted rate 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 above will be applied.

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/ 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:

	2014/15 GST incl	2015/16 GST incl
District Refuse Disposal Charge	\$57.34	\$53.94

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.

The targeted Whakamaru Fire Protection Rate is:

	2014/15 GST incl	2015/16 GST incl
Whakamaru Fire Protection	\$149.07	\$154.81



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.

The targeted Whareroa Refuse Rate is:

	2014/15 GST incl	2015/16 GST incl
Whareroa Refuse Rate	\$90.00	\$90.00



Figure 4 Whareroa Refuse area

4.11 Towncentre Taupō Management Rate

A targeted Towncentre 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 Towncentre Taupō Management Rate is:

	2014/15 GST incl	2015/16 GST incl
Towncentre Taupō Management	\$312.50	\$360.25



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 shown in section 3 – figure 1 of this document).

	2014/15 GST incl	2015/16 GST incl
Turangi Tongariro Community Board Rate	\$16.78	\$16.79

5. Examples of rates per type of property

Residential properties - Taupo

	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Rating Valuation	\$259,000	\$259,000	\$369,000	\$369,000	\$500,000	\$500,000	\$745,000	\$745,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	1,271	1,245	1,271	1,245	1,271	1,245	1,271	1,245
General Rates	945	965	1,240	1,269	1,592	1,631	2,249	2,308
Total Rates	2,216	2,210	2,511	2,514	2,862	2,875	3,520	3,552
\$ change per week		-0.11		0.05		0.25		0.62
% change		0%		0%		0%		1%

Residential properties - Turangi

	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Rating Valuation	\$150,000	\$150,000	\$170,000	\$170,000	\$200,000	\$200,000	\$451,000	\$451,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	1,122	1,074	1,122	1,074	1,122	1,074	1,122	1,074
General Rates	652	664	706	720	787	802	1,460	1,496
Total Rates	1,774	1,738	1,828	1,793	1,908	1,876	2,582	2,569
\$ change per week		-0.70		-0.67		-0.62		-0.24
% change		-2%		-2%		-2%		0%

Residential properties - Mangakino

	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Rating Valuation	\$105,000	\$105,000	\$125,000	\$125,000	\$180,000	\$180,000	\$302,000	\$302,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	1,238	1,230	1,238	1,230	1,238	1,230	1,238	1,230
General Rates	532	540	585	595	733	747	1,060	1,084
Total Rates	1,770	1,770	1,824	1,825	1,971	1,977	2,299	2,314
\$ change per week		0.01		0.04		0.12		0.30
% change		0%		0%		0%		1%

Industrial Commercial properties

	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Rating Valuation	\$480,000	\$480,000	\$765,000	\$765,000	\$1,030,000	\$1,030,000	\$2,295,000	\$2,295,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	1,328	1,299	1,641	1,659	2,685	3,099	2,163	2,199
General Rates	2,568	2,636	3,945	4,053	5,537	5,370	11,334	11,659
Total Rates	3,896	3,935	5,585	5,712	8,222	8,470	13,497	13,858
\$ change per week		0.74		2.43		4.76		6.94
% change		1%		2%		3%		3%

Rural properties

	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Rating Valuation	\$555,000	\$555,000	\$1,100,000	\$1,100,000	\$4,490,000	\$4,490,000	\$9,840,000	\$9,840,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	86	54	86	54	86	54	86	54
General Rates	1,739	1,783	3,201	3,288	12,297	12,650	26,652	27,426
Total Rates	1,825	1,837	3,288	3,342	12,383	12,704	26,738	27,480
\$ change per week		0.22		1.05		6.18		14.27
% change		1%		2%		3%		3%

Schedule to the Funding Impact Statement

	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Revenue											
General Rate	30,314	31,691	31,931	32,832	33,591	35,207	36,773	37,896	38,539	39,712	40,405
Targeted Rates											
Uniform annual general charge	5,329	5,815	6,166	6,198	6,386	6,659	6,721	6,935	7,300	7,408	7,714
Lake protection	1,406	-	-	-	-	-	-	-	-	-	-
Water	7,390	9,142	9,796	10,446	11,098	11,283	11,560	11,959	12,641	13,035	13,483
Sewage disposal	12,289	12,752	13,132	13,369	13,573	13,669	13,789	13,945	14,210	14,508	14,841
Refuse disposal	1,265	1,195	1,294	1,350	1,414	1,222	1,364	1,510	1,558	1,565	1,776
Whareroa refuse collection rate	16	16	16	16	16	16	16	16	16	16	16
Turangi Tongariro Community Board rate	80	80	82	84	87	89	92	95	98	102	105
Taupo Town Centre management rate	138	164	168	173	177	183	188	194	201	208	216
Waikamau Sewer Loan	5	5	5	5	5	5	5	-	-	-	-
Waikamau fire protection	4	4	4	4	4	4	4	4	5	5	5
Fees and Charges	10,944	10,207	10,480	10,801	10,999	11,389	11,660	12,029	12,526	12,866	13,345
Operating Subsidies	1,705	1,839	1,982	2,033	2,240	2,272	2,391	2,469	2,590	2,694	2,822
Interest	4,123	4,583	4,695	4,891	5,140	5,370	5,680	6,078	6,575	7,129	7,819
Capital Contributions											
Development contributions	800	1,085	1,116	1,171	880	907	1,102	760	1,052	999	840
Other gains & losses	712	2,274	1,463	1,206	1,176	1,312	1,305	1,441	1,487	1,614	1,649
Vested assets	650	900	932	961	992	1,026	1,062	1,102	1,146	1,192	1,243
Capital subsidy	748	3,130	1,415	1,531	1,070	1,290	1,131	1,060	1,317	1,281	1,382
Total Operating Revenue	77,918	84,882	84,677	87,071	88,848	91,903	94,838	97,493	101,261	104,334	107,661
Operating Expenditure											
Operating expenditure	48,917	49,840	50,351	51,892	53,238	54,983	56,586	58,652	60,802	63,111	65,350
Interest expense	11,229	10,389	10,308	10,019	9,632	9,113	8,485	7,933	7,504	6,999	6,550
Depreciation	19,612	19,555	20,462	21,301	22,058	22,672	23,539	24,610	25,629	26,685	28,049
Total Operating Expenditure	79,758	79,784	81,121	83,212	84,928	86,768	88,610	91,195	93,935	96,795	99,949
Operating surplus/(deficit) before asset development and other gains/(losses), tax and share of associates surplus/(deficit)	(1,840)	5,098	3,556	3,859	3,920	5,135	6,228	6,298	7,326	7,539	7,712
OTHER EXPENDITURE											
Capital expenditure	16,622	20,931	17,725	19,622	15,811	13,906	18,224	14,296	14,635	13,408	16,262
Debt repayments	10,946	11,515	11,596	11,749	12,057	12,235	12,169	12,303	12,414	12,407	12,366
Transfers to special reserves	70	6,653	5,173	5,467	5,573	6,835	7,979	8,100	9,184	9,463	9,701
Recognition of vested assets	650	900	932	961	992	1,026	1,062	1,102	1,146	1,192	1,243
Depreciation not funded	(2,560)	(2,455)	(2,549)	(2,569)	(2,646)	(2,725)	(2,813)	(2,904)	(3,004)	(3,115)	(3,232)
Total Net Cost	27,568	32,446	29,321	31,571	27,867	26,142	30,393	26,599	27,049	25,816	28,628
Funded by:											
General rates	-	-	-	-	-	-	-	-	-	-	-
Loans raised	8,414	8,414	7,048	9,524	5,369	3,490	8,272	4,760	4,924	3,554	6,694
Development, financial & other contributions	-	-	-	-	-	-	-	-	-	-	-
NZTA and other subsidies	849	3,130	1,415	1,531	1,070	1,290	1,131	1,060	1,317	1,281	1,381
Transfers from reserves	18,305	20,902	20,858	20,516	21,428	21,362	20,990	20,779	20,808	20,981	20,553
Total Net Funding	27,568	32,446	29,321	31,571	27,867	26,142	30,393	26,599	27,049	25,816	28,628

Infrastructure Strategy

The Local Government Act requires the Council to provide network infrastructure as a core service for its communities. This includes roads and other transport, water, wastewater, and storm water collection and management.

Section 101B of the Local Government Act 2002 requires the Council to, “as part of its long-term plan, prepare and adopt an infrastructure strategy for a period of at least 30 consecutive financial years.”

Infrastructure is essential to all aspects of modern living. We use it on daily basis, and the business community relies on it to create and deliver goods and services to customers. While essential, infrastructure is expensive to build and maintain. The Council and its communities need to plan carefully to ensure it is maintained and managed appropriately for future communities and scenarios.

This infrastructure strategy will provide a strategic direction for Taupō District Council to manage its key infrastructure going forward. As the strategy has a 30-year life it needs to address current and future issues, like:

- Population growth/decline and demographics,
- Resilience for natural hazards,
- Levels of service issues like environmental standards (e.g. drinking water standards),
- Water availability and affordability of the community (both district wide and individual communities),
- Aging infrastructure, and;
- Cultural issues.

As this is the Council’s first infrastructure strategy, it will be refined over time as our understanding of our assets increases through improved performance and condition information. This will enable improved accuracy of asset renewal profiles.

PURPOSE

This strategy outlines how Taupō District Council will manage its infrastructure assets over the next 30 years. Infrastructure accounted for about 58 per cent of operational expenditure between 2010/11 and 2012/13 and 64 per cent of capital expenditure between 2010/11 and 2013/14 so it is an important component of Council’s overall business.

The infrastructure assets covered by this strategy are:

- Water supply
- Sewage treatment and disposal
- Storm water drainage
- Roads and footpaths

Community facilities like the AC Baths, the Taupō Events Centre or the Great Lake Centre have not been included

in this strategy due to the short preparation time. These assets will be included in later versions. We will also consider including those assets within Council’s investment portfolio, such as forestry and property, in later versions.

The Local Government Act outlines the purpose of the infrastructure strategy as to identify:

- Significant infrastructure issues for the Council over 30 years
- The principal options for managing those issues and the implications of those options
- The cost and service delivery implications for residents and businesses of those options, and;
- The Council’s current preferred scenario for infrastructure provision.

It must also show how Taupō District Council will manage its infrastructure assets taking into account the need to:

- (a) Renew or replace existing assets; (what assets or significant components of assets will need renewing or replacing)
- (b) Respond to growth or decline in the demand for services reliant on those assets; (what is the impact of population growth and decline, and changes in the other factors that drive demand for each of these activities)
- (c) Allow for planned increases or decreases in levels of service provided through those assets, and;
- (d) Maintain or improve public health and environmental outcomes or mitigate adverse effects on them, and;
- (e) Identify what natural hazards exist in the district (e.g. seismic, volcanic, climate related) and what measures the council has in place to deal with these issues.

The infrastructure strategy must:

- Outline the most likely scenario for the management of the infrastructure assets over 30 years, and;
- Must show the projected capital and operating expenditure associated with the management of those assets, and,
- Identify the significant decisions about capital expenditure the Council expects it will be required to make;
- Include the assumptions on which the scenario is based and if the assumptions involve a high level of uncertainty the nature of that uncertainty; and the potential effects of that uncertainty.

The strategy will help the Council and community to make informed choices about major decisions and investments that will occur in the next 10 to 30 years.

ASSUMPTIONS

The following assumptions have been made in preparing this infrastructure strategy:

Natural Environment

- Our district is at risk of a range of natural hazards such as earthquakes, flooding, tsunami, debris flows, slips, tornado, fire and volcanic activity.
- Our district is susceptible to many environmental processes, such as erosion.
- Climate change impacts will not be significant between 2015 and 2025 but we will review data on an ongoing basis to see if this needs to change for 2025-2050.

Service Delivery

- When renewing resource consents, the majority of consent conditions will get more restrictive.
- Infrastructure needed for growth related development will be paid for by development contributions.
- The levels of service agreed are maintained.

Economy

- The wider economy remains stable.
- There will be economic influences that will impact on Council's business that are out of its control.

Legislation

- No new unfunded mandates from central government.
- Central government's water allocation strategy is consistent with current policy.
- Legislative change is anticipated over the next 10 years. Where direction has been provided by Central Government this has been taken into consideration. If unknown the status quo has provided the baseline for decisions.
- There will be a continued focus on environmental quality and therefore an increase in environmental standards.
- There is no reorganisation of local government which affects the Taupō District Council in the first three years of the Long-term Plan.

Population

- Population growth across our district is expected to reflect the population projections provided by the National Institute of Demographic and Economic Analysis (NIDEA) at The University of Waikato.
- Limited structural change to population for years 1-3, increased aging structure by year 10 and until year 30. An aging population will put added pressures on specific services.

Land use

- The level of growth for the district occurs as forecast in the 2014 Growth Model.
- Capacity for residential land and industrial/commercial land which is already zoned will be more than sufficient for the next 30 years.

Knowledge of state of infrastructure (especially below ground)

- Current knowledge about the condition of underground infrastructure is not good but will get better as more investigation is done for years 1-3.

Funding

- Funding levels agreed within the Long-term Plan are maintained across the first 10 years of the strategy.
- Inflation is consistent with BERL LGCI predictions.
- All financial figures in this document are inflation adjusted.
- NZTA indicative subsidy rates (50 per cent for year one then 51 per cent from year two onwards) has been confirmed and will remain at this level for the period of the strategy.

UNCERTAINTIES

Uncertainties	Potential effects
Growth	Could have growth and not be able to provide infrastructure for that growth (both timing and location). Ensure we keep monitoring growth and adjust timing of projects accordingly.
Decline	Could have decline and provide surplus infrastructure capacity for the area which could result in in affordability issues. Ensure that we keep monitoring and adjust timing of projects and whether needed at all.
Demographic change	Could have change in requirements for infrastructure due to demographic change and not have programmed or allocated funding for this. So this infrastructure will not be provided when required. Ensure that we keep monitoring to enable us to know what is needed when and where and that projects are programmed and funding allocated.
Peak population	Could result in a greater volume for current infrastructure to cope with. Gather information on timing, quantum and location of peak population and keep monitoring and adjust timing of projects accordingly.
Condition of assets	Currently we don't have condition information for underground assets so levels of service may be compromised and costs for renewals on failure will be higher than they would be if we had this information. Once we have this information we can predict the timing of replacement and forecast finances.
Future funding	May not be able to do projects that are planned in the capital schedule as future funding is not certain. So we will prioritise projects, decide not to do projects or change timing of them.
Natural hazard	Do not know timing or quantum or if natural hazards will happen at all. Could result in loss of some or all services. Recovery from an event may be delayed and more expensive
Legislative changes	Do not know the timing or content of legislation changes so the impacts could be far reaching. We do know that environmental standards are increasing. This will result in increasing compliance costs to meet these new standards which could result in affordability issues.
Level of service	Do not know what changes in levels of service the ratepayer will request over the 30 years. With an aging population they are likely to be things such as wider footpaths and demand for services to those that do not currently have them. Higher costs and affordability issues.

RELATIONSHIP WITH OTHER PLANS

This infrastructure strategy does not operate in isolation. It needs to relate to the national direction outlined through the National Infrastructure Plan, and the Council's strategic direction. The strategy provides direction for management of Taupō District's infrastructure over the next 30 years. Therefore the asset management plans and the capital and operational infrastructure works programme for the next 30 years will implement the strategic direction identified in the infrastructure strategy. The relevant parts of these documents are outlined below.

National Infrastructure Plan

In 2011, the government released its second National Infrastructure Plan (NIP). It was developed following consultation with the National Infrastructure Advisory Board and a series of regional infrastructure workshops facilitated by the National Infrastructure Unit. The purpose of the National Infrastructure Plan is to reduce uncertainty for businesses by outlining the Government's intentions for infrastructure development over a 20-year timeframe. It is directional rather than directive and so provides a framework for infrastructure development rather than a detailed list of projects.

The NIP sets out a vision that, by 2030, New Zealand's infrastructure is resilient, co-ordinated and contributes to economic growth and increased quality of life. It supports this through promotion of better use of existing assets and better allocation of new investment. The NIPs overall message is that New Zealand's infrastructure is performing well, but there are areas where improved performance would accelerate economic performance.

The National Infrastructure Plan sets out two key goals:

- Better use of existing infrastructure – looking at how assets are used, identifying opportunities for improved management, finding better ways of managing demand and ensuring users' expectations are understood, and;
- Better allocation of new investment – smarter infrastructure investment prioritised for economic growth and underpinned by robust analysis through a well understood process. Investment in new infrastructure, as with the management of existing assets, must focus on delivering services and outcomes rather than just building assets.

The NIP sets out six guiding principles to respond to infrastructure challenges. It also outlines infrastructure issues in five key sectors (transport, telecommunications, energy, water and social infrastructure), and includes a programme of action to drive change in advance of the next edition in 2015.

The relevant guiding principles are:

Investment Analysis

Investment is well analysed and takes sufficient account of potential changes in demand.

Resilience

National infrastructure networks are able to deal with significant disruption and changing circumstances.

Funding Mechanisms

Maintain a consistent and long term commitment to infrastructure funding and utilise a broad range of funding tools.

Accountability and Performance

It is clear who is making decisions, and on what basis, and what outcomes are being sought.

Regulation

Regulation enables investment in infrastructure that is consistent with other principles, and reduces lead times and uncertainty.

Coordination

Infrastructure decisions are well coordinated across different providers and are integrated with decisions about land use.

These principles are very relevant to this infrastructure strategy. Its purpose is to ensure that a strategic approach is taken to the maintenance and provision of infrastructure, it is planned in accordance with changing circumstances, and it is adequately funded.

Draft Regional Land Transport Plan

In November 2014, the Waikato Regional Transport Committee released the draft Regional Land Transport Plan 2015-2045 for consultation. The Plan sets out the strategic direction for land transport in the Waikato region over the next 30 years.

The plan builds off the long-standing strategic approach adopted for the last two regional land transport strategies, focusing investment and effort on three core components including:

- *Strategic corridors and wider network connectivity improvements* – recognising the Waikato region's strategic transport importance to the upper North Island, New Zealand's primary growth area.
- *Road safety* – recognising the need to continue to improve road safety outcomes for our region.
- *Managing demand and transport choices* – recognising the need to manage transport demand in our main urban areas to assist in meeting the transport objectives identified in the plan. Also recognising the need to provide appropriate transport choices across the region to enable people and communities to meet their economic, social and cultural needs.

There are four projects included in the Regional Programme of Transport Activities in the Taupō District. They are:

- SH1 (Upper Atiamuri to Wairakei),
- SH1 (Hatepe Hill to Turangi),
- SH1 (Puketarata to Manawatu Boundary),
- SH1 (East Taupō Arterial),

All these projects contribute to the 'road safety' objective with the SH1 (Upper Atiamuri to Wairakei project also contributing to the 'facilitating economic growth and development' objective. They all involve work on State highways so are not the responsibility of Taupō District Council but contribute to the overall road safety objectives for the district.

LONG-TERM DISTRICT STRATEGY 2015-25

The Taupō District is a great place to live and we want to keep it that way. The Long-term District Strategy outlines the ways that Council will reach this vision for the district for 2025. This Long Term District Strategy is outlined in the Long-term Plan.

Its key strategic guidelines are:

Ensuring the Taupō District remains a great place to live

We have an outstanding natural environment that sets us apart from other districts and underpins much of our economy, drawing visitors and supporting businesses. We aim to support our vibrant and diverse communities by helping connect people and providing quality public places.

Promote economic development

We will continue to invest in economic development within our district so that we can focus on meeting the current and future needs of the community. This includes promoting the Taupō District as a visitor destination and supporting activities to raise the district's profile as a great place to invest and do business.

Protect our water resources and use them wisely

Providing clean, safe, drinking water for our communities is one of our core services. By 2025 we estimate collecting targeted rates of \$11 million to deliver water and a proposed spend of \$45 million on water infrastructure projects to meet drinking water standards and securing supply. Over the coming years we will need to consider how we fund this activity.

Maintain the quality infrastructure that we have

Our existing infrastructure network is in good condition and has enough capacity to cater for the expected changes in population and land use. Our operating and renewal programmes are based on maintaining what we have while delivering the current level of service. We will also be assessing our underground assets to help ensure we are spending money on the right things at the right time.

Keep rates and debt at a reasonable level while making us more resilient to future changes

It is always a balancing act between meeting the wants and needs of our communities while keeping rates affordable and sustainable. This draft 10-Year Plan has been prepared with this in mind and has resulted in a projected increase of rates revenue of between 2 per cent and 3 percent each year. A key part of achieving this financial resilience is through future proofing the TEL Fund. We want to change the way that we use the fund,

from subsidising the amount of money collected from the general rate to a community fund.

To read the full Long Term District Strategy go to www.taupo.govt.nz.

WHERE WE WANT TO BE IN 30 YEARS

Our existing infrastructure network is in good condition and has enough capacity to cater for the expected changes in population and land use. Our operating and renewal programmes are based on maintaining what we have while delivering the current level of service. We will also be assessing our underground assets to help ensure we are spending money on the right things at the right time.

In particular we want to:

- Have good quality drinking water
- Protect the environment
- Know the condition of underground assets so we can accurately forecast renewals to maintain assets at the required level of service.
- Recognise and respond to the potential increase/decrease in demand on infrastructure from growth/decline for the district and parts of the district.
- Recognise and respond to changing demographics for district and parts of the district.
- Recognising the differences between Taupō District and other parts of the country. We need to understand and respond to our high non resident population and peak holiday population.

All of the components of the Long Term District Strategy are relevant for this infrastructure strategy.

One of the components of creating a strong financial foundation is ensuring that we maintain our infrastructure to meet the current and future needs of the community. We need to look after what we already have. Infrastructure is also important for economic development. Building and maintaining quality infrastructure is one of the critical parts of the foundation required for a resilient and growing economy.

Along with the basic water and transport infrastructure, Council provides a range of community infrastructure. Facilities like libraries and parks are provided to enhance the social environment and encourage a closer knit and well functioning community. These facilities also provide an important economic benefit, creating a community environment that is attractive for people to live and work.

Taupō district needs people to fill jobs, invest and start businesses. This is one of Taupō district's points of difference and Council has built on this over the last few years, through ongoing investment in the Taupō Water Treatment Plant, facilities like the AC Baths and the ongoing revitalisation of the Turangi town centre.

There is a fine line balancing wants and needs with affordability and sustainability. So we can't spend a lot of money on new capital projects. Therefore we need to

prioritise our capital spend on the need for infrastructural upgrades for drinking water and wastewater to meet legislation and consent requirements.

Looking after our environment especially our water has implications for this infrastructure strategy. Our water takes, use of water and treatment and disposal of wastewater, construction and maintenance of roads can all have impacts on our environment.

Council is required to prepare a financial strategy as part of its Long-term Plan. The purpose of the financial strategy is to facilitate prudent financial management by the local authority.

OUR FINANCIAL STRATEGY FOR THE FIRST 10 YEARS

The tough decisions that were made as part of the Long-term Plan 2012-22 have got us to the sound financial position we are in today. There have been a few key principles that we have kept at the front of our minds while we have been deciding what should be in the draft Long-term Plan. These principles will help shape our future and help keep the Taupō District as a great place to live! These principles are the fundamental strands of our Financial Strategy:

- **Looking after the assets we have while maintaining levels of service**
- **Keeping rates affordable and sustainable**
- **Prudent management of our investments and borrowings**

Our district is still relatively young, this means that many of our infrastructure assets are in good condition and will not need renewing or upgrading for many years. In addition we have recently upgraded or built some big community and infrastructure assets such as the refurbishment of the AC Baths, Lake Terrace water treatment plant, East Taupō Arterial road, Taupō wastewater treatment plant and several other wastewater and water plant upgrades around the district. We are also investing in a significant programme of condition assessment works for our underground assets to help us plan better for their replacement on a just in time basis to ensure that we get the maximum value from our assets whilst still delivering the desired levels of service.

We must all pay our fair share of the use of these assets each year (this is done by rating for depreciation and holding this cash as reserves until needed for future renewals programmes) to ensure intergenerational equity is achieved, and that we don't create a burden for current or future generations. Due to the relatively young age of our assets this has resulted in a projected large build up of cash reserves by year 10. These cash reserves will be needed in future years to fund the renewal of those assets. When the results of the condition assessment programmes are known we will have a more accurate picture of exactly when these cash reserves will be required to be spent.

We have relatively high gross debt compared to some other Councils. This is offset by significant financial

investments, including the TEL Fund, which leaves a net debt position that is prudent and sustainable for the size of the district and the assets that we own. Council will continue to have a strong focus on reducing debt.

It is always a balancing act between meeting the wants and needs of our communities whilst keeping rates affordable and sustainable. This ten year plan has been prepared with this at the forefront of our thinking and has resulted in projected rates increases of between 2 per cent and 3 per cent (after adjusting for growth in rateable properties) over the 10 years of the plan.

Council's main source of operating revenue (79 per cent) is from rates, both general and targeted. In addition to this council receives revenue from fees and charges for a wide variety of the services that we deliver. Finance revenue is received from council's investments assets which includes the TEL fund. Council has an on-going land disposal programme of assets which are no longer required for strategic or operational purposes with the net profit to be used to reduce debt. We will harvest Council owned forests as they reach maturity with the net profit to be applied to reducing debt.

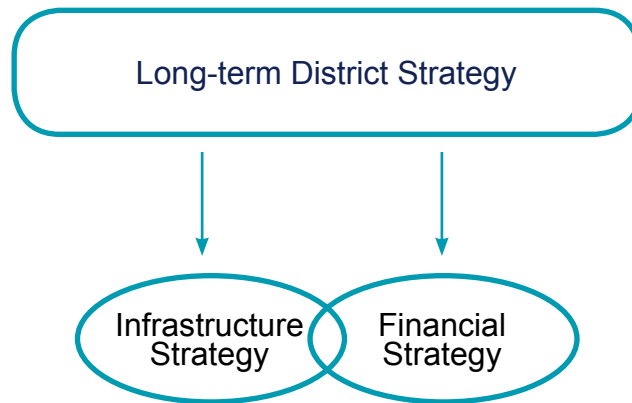
We are also building capacity within our balance sheet to accommodate any unforeseen financial circumstances, providing us with flexibility and the ability to react quickly. We want to further develop financial resilience for our community by future proofing the TEL Fund, meaning that over time the capital of the fund will be inflation proofed and the revenue from the fund may be used for community projects rather than providing an offset against the general rate.

In early 2014 the Government created the Financial Reporting and Prudence Regulations 2014. These regulations have been developed to provide local authorities and the community with a tool to assist in the assessment of prudence. We have included these mandatory graphs within this financial strategy.

There are a number of factors that we have considered when developing the Financial Strategy for the next ten years. These include changes in our population; low anticipated rateable property growth, land use change, increasing costs and keeping rates affordable. Other factors include national and regional environmental and public health standards which we have identified and discussed in our Infrastructure Strategy. We recognise that there may be challenges in responding to the changes but we do not believe that there is a significant impact over the next 10 years.

Section 9 of this report outlines the funding required, to fund the most likely scenario infrastructure projects. Legislation requires the financial strategy to include the expected capital expenditure on network infrastructure that is required to maintain existing levels of service currently provided by the Council. This demonstrates the clear links between the Infrastructure Strategy and the Financial Strategy.

The following diagram shows the links between the Infrastructure Strategy, the Financial Strategy and the Long-term District Strategy.



CONTEXT

Geographic

The Taupō District is located at the centre of the North Island and has a total area of 6,970km². This is made up of 6,354km² of land area and the remainder in waterbodies. The district makes up a significant part of the Taupō Volcanic Zone and straddles the Taupō Fault Zone. Lake Taupō was formed in the crater of a volcanic caldera. Its geomorphology means that at times it experiences earthquakes and volcanic activity.

There is an estimated usually resident district population of 32,907 people (Census 2013).

Settlement is characterised by the two principal towns of Taupō and Turangi that provide functions and services typical of provincial New Zealand towns. Taupō, the largest town, has a population of about 20,850 and is located on the northern shores of Lake Taupō. Turangi is situated on the southern shores of the lake. Mangakino is on the shores of Lake Maraetai at the northern end of the district and is the third largest settlement. A number of smaller settlements have evolved from either Māori settlements, recreational use of waterbodies (such as fishing batches) or are a legacy of hydro-electric power schemes. Today these settlements are made up of both permanent residences and holiday accommodation. In more recent years, there has been an increase in the number of rural lifestyle blocks close to Taupō town.

Lake Taupō is one of the district's most distinguishing features and is a resource of national significance. The lake is the largest body of fresh water in New Zealand and is an integral part of major power generating schemes. It offers some of the best trout fishing in the world, and provides for a wide range of other active and passive recreational activities. The two main rivers connecting to the lake are the Waikato River to the north, and the Tongariro River to the south. These rivers contribute significantly to the natural value, recreation, tourism and the economy

The Tongariro National Park is another outstanding

natural landscape feature of World Heritage Status. The Kaimanawa Ranges mark the boundary to the south and southwest. Geothermal resources significantly characterise the district, with features including mud pools, hot mineral springs, steam and sulphur and various geothermal fields such as Mokai, Ohaaki, Rotokawa, Tauhara, Tokaanu and Wairakei. A number of power stations, supported by these fields, add significantly to the local economy. In the Taupō Volcanic Zone, there are elevated levels of arsenic in soils and waters as a result of geothermal activity. Some lakes and rivers have arsenic concentrations above the World Health Organisation's limit for arsenic in drinking water (0.01 mg/L).

There has been significant growth since the 1950s, largely as a consequence of natural resources and improved communication and transport links. Afforestation has taken place extensively particularly to the east, and continues to develop with further planting and milling of mature trees. Plantation forestry has been established for many years and makes a significant contribution to the economic, cultural, social and environmental wellbeing. Hydro-power operations along the Waikato and Tongariro Rivers have also played a significant role in the development pattern, expanding employment opportunities and increasing access to remote areas. Discovery of a cobalt mineral deficiency in the volcanic soils around Lake Taupō and the subsequent remedy of this opened up land in the north and west for sheep and beef cattle farming. In more recent years, there has been a reduction in forestry and an increase in conversions to dairy farming.

The recreational and scenic appeal of the natural surroundings coupled with improved road and air links, help create a strong economic base in tourism. Nearly one million guest nights of which 306,813 were international guest nights were recorded for the year ending June 2014⁷. This strong emphasis on tourism is reflected in the relatively large numbers of motels and holiday accommodation and the vast selection of both passive and active recreational pursuits and business operations.

⁷ Commercial Accommodation Monitor, Ministry of Business, Innovation and Employment.

Constraints for development include the presence of steep hill country and mountains, thermal areas, the Waikato River (in terms of crossings) and large areas of Crown and Māori owned land. The greatest development pressure is around Taupō town, with growth of the town forecast to continue at a steady rate.

Demographic

Growth Model

A Taupō District Growth Model has been in place since 1 July 2004 and was initially developed with the projected growth identified in Taupō District 2050 District Growth Management Strategy, June 2006. The Taupō District Growth Model⁸ was updated in August 2014 to reflect changes in the economy and the timing of key infrastructure. The model identifies the number of lots and building consents for dwellings for each part of the district for each year from 2015 to 2050. It identifies the number of Household Unit Equivalents (HUEs) for commercial accommodation, and gross floor area for commercial/ industrial/retail growth. The growth model also estimates and predicts lots and building consents for dwellings that are likely to be created and issued for the catchments for each water and wastewater scheme and transportation across the district every year until 2050. These tables are in Appendix 1 to this document.

Population projection trends

The Census 2013 states that there Taupō District had a usually resident population of 32,907 in March 2013. Under the medium population projections by the National Institute of Demographic and Economic Analysis (NIDEA) the usually resident district population will grow slowly to a peak of 37,046 in 2035 before declining to 31,274 in 2063. It is important Council provides for growth of infrastructure that is required by growth in the population. Council also needs to think about how it will respond, in terms of its management of infrastructure, to the projected decline in population.

⁸ Growth Model for Taupō District 2014

Areas of the district likely to grow and decline

The population projections for Census area units have not yet been released by Statistics New Zealand. Comparisons between the 2006 and 2013 Census for the population of area units provides information on parts of the district that have grown and declined in population between those years. Overall the district usually resident population grew by 2 per cent between 2006 and 2013 with some census area units, like Kinloch growing by about 50 per cent, and other census area units like Turangi (-9 per cent) and Mangakino (-27 per cent) experiencing a population decline over this period.

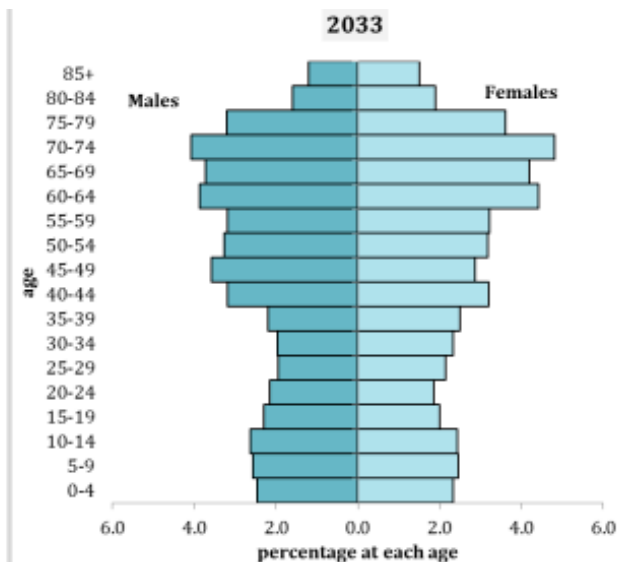
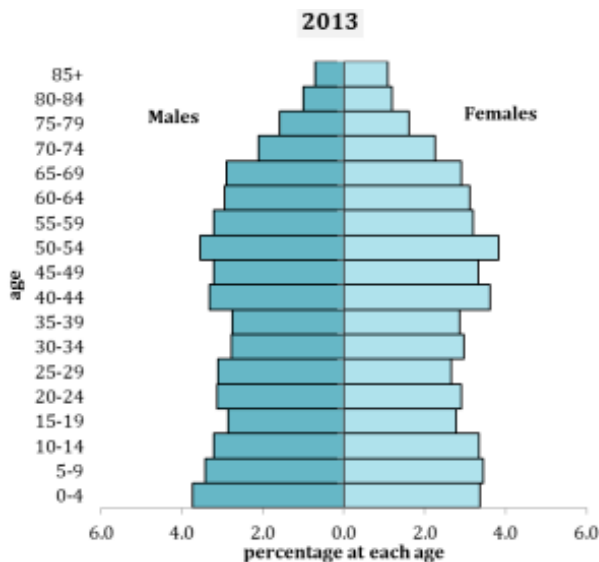
Census area unit population projections by Stata NZ or NIDEA are useful to build up a whole of district population projection. However, they are of limited value for projecting the future population of individual census area units as they can not pick up on very local issues like the availability of land in a specific area to provide for growth. Instead the past growth in population of Census areas units between 2006 and 2013 has been taken into account, along with local availability of land and already consented subdivisions when creating the Taupō District Growth Model 2014.

The impact of this will be the need to plan for the growth of infrastructure where needed and consider whether it is necessary, and appropriate, to downsize existing infrastructure or transition to other ways of providing infrastructure in areas of declining populations.

Age structure

The current age profile of the Taupō District compared to New Zealand's shows a larger portion of people over 65 and under 15. Taupō is also continuing to see a significant drop in the 20-35 age group which indicates that a higher portion of working age people leave to seek employment or education opportunities elsewhere.

While an aging population is a worldwide phenomena, it is anticipated that this will be highly pronounced in the Taupō District over the next 30 years. Currently 17.3 per



cent of the population is aged 65 years and over but this is projected to increase to 29.8 per cent in 2033 and 41.3 per cent in 2063.

Age-sex structure for Taupō District, 2013 and 2033 (medium projection)

This will have an impact on the level and sort of services that are required by the community. For example, the provision of playgrounds in neighbourhood reserves will have a lower priority than they currently do. Instead, we may see an increased need for wider and flatter shared footpaths that allow better access for those with reduced mobility. Also, there is likely to be an increased demand for community facilities and cycle ways for the more active retired population.

An aging population relies more on a fixed income so affordability will become more of an issue for rates increases relating to management of infrastructure.

Household growth trends

The long term trend, for the past 50 years, has been for a decrease in the number of people living per dwelling. This is true across all ages but particularly with an increasing aging population. As retirees disinvest from larger family, to smaller homes suitable for one or two residents, the reduction in average occupancy per household will result in an increase in household formation. Household projections undertaken by NIDEA indicate that the numbers of two parent households will decline steadily throughout the next 50 years, while one parent, couple only and one person households will peak respectively in 2029, 2043 and 2048, and, and then decline. Overall household numbers peak in 2040 but by 2063 there are still 1515 households more than in 2013.

Census data shows the HUE is currently about 2.6 people per household. Statistics New Zealand projects this will decrease to 2.1 by 2021 due to an aging population and changes in family structures. The growth model outlines that population growth dictates we need an additional 80 dwellings per year, but household growth projections by NIDEA show an additional 160 per year. However, the following factors explain that household growth in the Taupō District can occur without the need for a substantial increase in lot creation.

Firstly more than 40 per cent of ratepayers do not live within the district. These include holiday home owners, rental property owners and commercial/business property owners. Many of these dwellings, an estimated 30 per cent of residential properties, are used as holiday homes and contribute to our large peak holiday population. It is anticipated much of the expected migration to the Taupō District will be from older residents who already have a dwelling in the district (a holiday home). Also a percentage of these dwellings may come on the market, as the population ages and need additional capital, so will look at selling their assets (holiday homes). This will provide an additional supply of dwellings for additional future households.

Secondly, the Taupō District currently has a large supply

of vacant residential lots. Over time, these lots will be developed with new dwellings, suppressing some of the need for the creation of new lots needed for future household growth.

Therefore, while the NIDEA household projections indicate a requirement to provide an average of 160 new dwellings per year, the growth model anticipates an average of 79 new lots per year will be adequate to cater for growth over the 10 years (2015-25). This is based on the current supply of vacant lots and a portion of vacant holiday homes being used to supplement required growth.

For the purposes of projecting future demand for network infrastructure, household formation is a better indicator of the requirement for capital investment than population growth. The provision of network infrastructure to a residential property is standardised regardless of the number of people living within the house. Hence, the number of pipes in the ground and connections required is influenced by the rate of household formation rather than just population growth.

Peak population

Another factor to consider for future infrastructure management is the peak population. The district attracts many visitors as a holiday destination and major centre for events.

It is estimated that Taupō's usually resident population can increase by up to 70 per cent at peak holiday times such as Christmas/New Year, Easter and the main school holidays and around events like Ironman or the Cycle Challenge.

More than 40 per cent of ratepayers do not live in the district. Although it is difficult to identify, we estimate that about 30 per cent of the district's dwellings are holiday homes. When these holiday homes and the existing commercial accommodation are full they create additional demand on Council infrastructure such as water and wastewater.

These holiday homes and commercial accommodation are already connected to infrastructure, such as water and wastewater systems. However when they are fully occupied it places additional load on the water and wastewater schemes, hence infrastructure such as water, wastewater and roading needs to be able to cope with increased inflows as a result of peak population.

Holiday homes are located across the district but in higher concentrations in the southern Lake settlements like Omori, Kinloch, Hatepe/Motutere and Tauranga-Taupō. In some of these areas a very high percentage of properties are owned by out of town ratepayers indicating relatively high predominance of holiday homes e.g. Pukawa/Omori/Kuratau 92 per cent; Hatepe/Motutere 90 per cent; Whareroa 88 per cent and Kinloch 69 per cent. The impact of growth will be more pronounced in the smaller settlements as there is limited ability to support continual upgrades to Council infrastructure in communities with a small number of ratepayers. In order to keep rates

affordable, Council will need to be careful of how it manages infrastructure in these areas so peak usage and populations need to be considered when projecting demand for infrastructure.

Peak holiday population is difficult to calculate as no reliable data is available from Statistics New Zealand. Council has recognised the importance of having some robust methodology to estimate peak populations to ensure infrastructure can cope at those times. Wastewater flows have been used to estimate past peak populations which usually occur in December/January, Easter and the main school holidays. These estimates will need to be projected forward and continually monitored and updated. They then can be considered when the growth model is updated to ensure that there is adequate capacity.

Environmental

The district makes up a significant part of the Taupō Volcanic zone and straddles the Taupō Fault Zone. Lake Taupō was formed in the crater of a volcanic caldera. The geomorphology of the district means that at times it experiences earthquakes and volcanic activity.

An eruption from the Taupō Volcanic Zone (which includes the volcanoes Ruapehu, Ngauruhoe and Tongariro), is a major threat (but of low probability) to the economy and population of the Taupō District.

Land instability in the form of landslides (Waihi area), and sub-surface erosion (tomos) in areas where there are permeable soils are a threat to infrastructure along with flooding and erosion of rivers and lakes with the district.

Naturally occurring levels of arsenic occur within the Taupō Volcanic zone within water, surface and sub-surface. Some lakes and rivers in the Taupō District have arsenic concentrations above the World Health Organisation’s limit for arsenic in drinking water (0.01 mg/L) which provides specific challenges when treating for potable water.

Funding

Council funds the management of infrastructure assets through targeted rates, the general rate and subsidies from Central Government, like New Zealand Transport Agency and Ministry of Health.

Under Section 101(3) of the Local Government Act the Council is required to outline how each group of activities that Council undertakes are funded and the reasons why. The infrastructure groups of activities are funded the following ways for the following reasons:

Water supply	100% targeted rate (by users of the scheme)
Reason	Individual property owners connected to or accessing Council’s water supply benefit and are identifiable so a targeted rate for each scheme is considered the most effective way to charge for this activity. Metered water supplies (rural and commercial) are also charged.

Transport	100% general rate
Reason	A strong and safe transport network benefits the community as a whole and is a key component of the district’s social and economic development. Users of the roads receive a direct benefit through an integrated road network. The general rate is the most effective way of funding this activity. Subsidies from central government (which include the District’s share of petrol taxes) and development contributions are the most efficient way of targeting contributors.
Stormwater	100% general rate
Reason	The service is provided primarily for its environmental benefits to mitigate pollution and erosion effects on waterways. Storm water services are also provided, to a lesser degree, for public safety (flooding risk from storm water).
Wastewater	100% targeted rate (charged on a sliding scale)
Reason	Direct users of the wastewater system clearly receive the benefit. There is also a high public benefit in relation to the promotion of public health. A targeted general rate is applied to ratepayers that are connected to a wastewater scheme. This is considered the most efficient method of funding as the benefit users receive is the same regardless of volume. It is also not considered practical to measure and make specific household charges.

When considering the funding of infrastructure assets, Council must consider the period over which the benefits of infrastructure assets occur to ensure the costs are shared fairly between today’s beneficiaries and future beneficiaries. This is referred to as intergenerational equity. Infrastructure assets are made up of parts such as pipes, pump stations, manholes, tanks and buildings. All these components have a different estimated life, which are outlined in the Accounting Policies, ranging from three to 100 years. The capital costs for these projects need to be shared by the beneficiaries over the lifetime of the assets. For operating costs, the period of benefit for the rates share is generally ongoing as Council regularly provides the service. The capital costs are shared over the generations that will benefit from the asset.

Asset Management Plans

The Council manages \$1.2 billion worth of infrastructure and other assets such as our water networks and community facilities. Council uses the asset management approach to ensure assets are managed in an affordable, efficient, sustainable and effective manner to minimise the

financial impact on Taupō District ratepayers and residents.

Asset Management Plans (AMPs) have been developed for water, wastewater, storm water, transportation, solid waste and parks and reserves. Asset management plans set out a 30-year programme for the management of specific groups of assets. They are tactical plans for achieving strategies resulting from the strategic planning process. AMPs are a key component of the council planning process linking with the infrastructure strategy, the Long-term Plan and the Annual Plan.

They combine management, financial, engineering and technical practices to ensure that the level of service required by customers is provided at the lowest long term cost to the community. They demonstrate that Council is managing the assets responsibly. The main benefits derived from Asset Management planning are:

- Improved understanding of service level options and standards.
- Minimum lifecycle (long term) costs are identified for an agreed level of service.
- Better understanding and forecasting of asset related management options and costs.
- Managed risk of asset failure.
- Improved decision making based on costs and benefits of alternatives.
- Clear justification of forward works programmes and funding requirements.
- Improved accountability over the use of public resources.
- Improved customer satisfaction and organisational image.

Assumptions on the life cycle of key assets can be found within the Accounting Policies.

Asset Renewal/Replacement

Asset renewal planning is at various stages of maturity across the asset groups, from renewal based on detailed condition information to that based on life expectancy. Generally renewals are programmed in the Asset Management Plans based on life expectancy. However for the underground assets we are using condition information for programming renewals. As we don't know the condition of some of our underground assets over the first 10 years of the strategy, we focus on the collection of condition data to enable accurate modelling of renewal profiles.

A conscious decision has been made to only defer storm water renewals until we get this condition information, which will be by 2019. This is because the storm water renewals programme, based on life expectancy, resulted in large expenditure in the first few years. We are not convinced that the allocated age for renewal is appropriate. This could result in renewing the assets too soon, and unnecessary spending. Once we have this condition information renewal programmes will be implemented based on this information. We want to ensure that we get the maximum value from our assets. Having condition based information will enable us to undertake a more

appropriate and cost effective renewals programme.

Transport renewals are programmed based on asset condition.

Growth/Decline/Demographics

As discussed earlier, the Taupō District Growth Model has been in place since 1 July 2004 and is proposed to be regularly updated. The Taupō District Growth Model was updated in August 2014 to reflect changes in the economy and the timing of key infrastructure. These tables are in Appendix 1. The Asset Management Plans are based on the growth outlined in the model and that is reflected in the new projects identified and when they are programmed.

There are a number of uncertainties around the timing, amount and location of growth, decline and demographics. The NIDEA projections indicate that the usually resident district population will peak in 2035 before declining. However in some parts of the district (for example Mangakino) we have seen an increase in holiday homes. Until we understand what might happen in the future to the number of holiday homes in parts of the district, it is very difficult to know if we need to plan for decline in some locations (like Mangakino). Affordability isn't usually such an issue for holiday homeowners as it is for people on fixed incomes.

Levels of Service

Our target levels of service are derived from the following principles:

- **Community Outcomes:** Provide guidelines for the scope of current and future services offered and manner of service delivery, and define general levels of service which the community wishes to receive.
- **Customer Expectations:** Information gained from customers on expected quality and price of services.
- **Statutory Requirements:** Legislation, regulations, environmental standards and Council bylaws that impact on the way assets are managed (i.e. resource consents, building regulations, health and safety legislation). These requirements set the minimum level of service to be provided.
- **Strategic and Corporate Goals:** Provide guidelines for the scope of current and future services offered and manner of service delivery, and define specific levels of service which the organisation wishes to achieve.

There are no changes proposed for the level of service for the first 10 years of this strategy. The levels of service for each type of asset are identified in the asset management plans. However in the latter years of this strategy it will be necessary to review the investment in infrastructure to maintain services at current levels. Council will need to consider the services, the level at which they are provided and what the district can afford. This is needs to be monitored in subsequent reviews of the infrastructure strategy.

Public Health and Environmental Outcomes

Water has been a key strand in the Council's long term district strategy for over a decade. There has been a very strong focus on the quality of drinking water. Over the next 10 years the upgrade of drinking water supplies will continue around the district. There will be challenges and issues in ensuring the upgrades are fit for purpose and if our smaller communities can afford them.

Waikato Regional Council rules will make it challenging not only to maintain current water take consents but also to cater for increased demands from new industry and households. This is further complicated by the over allocation of water permitted to be taken from the Waikato River. Reducing water demand through education, zone metering and loss management programmes will be necessary to ensure future demand can be met.

Council is working in partnership with central government, Waikato Regional Council and Ngāti Tūwharetoa to protect the beauty and clarity of Lake Taupō. Because of concern about Lake Taupō's water clarity and quality, Council is committed to remove its 20 per cent share of manageable nitrogen from urban sources through the implementation, management and operation of its waste water treatment plants.

In addition, Council invests in storm water quality improvements devices, overland flow paths and monitoring to mitigate the adverse effects of storm water from our urban catchments.

Risk and Resilience

Risk management is an important element in the development and management of assets. For asset management planning to be robust and sustainable, it must be integrated with other corporate risk management processes. It must also encompass strategies for Council's most critical assets, provide for the effects of asset failure, and be integrated with disaster recovery plans and business continuity plans. The main elements of the risk management process used reflects current AS/NZS standards.

Currently asset management planning is listed as a top 50 risk in the Council Risk Register.

Resilience in our infrastructure underpins economic, environmental and social resilience of the community. Council has a responsibility to manage its assets in a way that provides resilience and protection for the community. As we improve our level of understanding of our assets and their condition we can more effectively manage and plan for events and influences that may affect our assets. A project is underway to map the location of the critical assets that have been identified.

The district is particularly exposed to the risk of natural disasters. The Asset Management Plans identification of high risks includes earthquakes, flooding, high winds and tomo formation. Other high risk areas include contractual obligations not being fulfilled, excessive costs to maintain, renew or create assets. Although volcanic activity could have a significant effect on our assets, the likelihood

of this occurring is considered unlikely. The impacts of climate change will be felt largely through increased high intensity storms. They can all have a significant impact on our infrastructure assets and how they are managed and delivered.

Council looks to provide funding for disaster recovery through a separate reserve for immediate funding needs. It appropriates funding each year to this Disaster Recovery Fund reserve to enable access to ready cash in the event of a natural disaster. This is intended to assist reinstatement and to finance any short term needs in the time between any disaster and the recommencement of services. As at 30 June 2014, the reserve fund had a balance of approximately \$1.7 million. Council has made the decision not to insure it's below ground assets given the position of its reserves.

Secondly the TEL Fund was established in September 1995 when the Council sold its investments in Taupō Electricity Ltd and Taupō Generation Ltd. The use of that sale capital and subsequent investment income generated each year are included in Council's Treasury Management Policy. One requirement of that policy is that the portfolio and funds are managed in a manner that reflects their potential utilisation as a disaster recovery fund in the event of a natural disaster within the Taupō district. The value of the fund as at 30 June 2014 is approximately \$55.2 million.

With these two funding mechanisms in place, Council considers it is prudently and effectively managing the short and long term risk, with respect to potential natural disaster and subsequent recovery operations in the district.

INFRASTRUCTURE

WATER

Council has 19 water schemes across the district. Each scheme has its own consent to take water from lakes, rivers, streams and bores within the district. Peak water demand across the district is high, mainly because of irrigation (gardens, golf courses, other recreation), and leaks from the system. Council has developed a water demand management plan to reduce the demand for water.

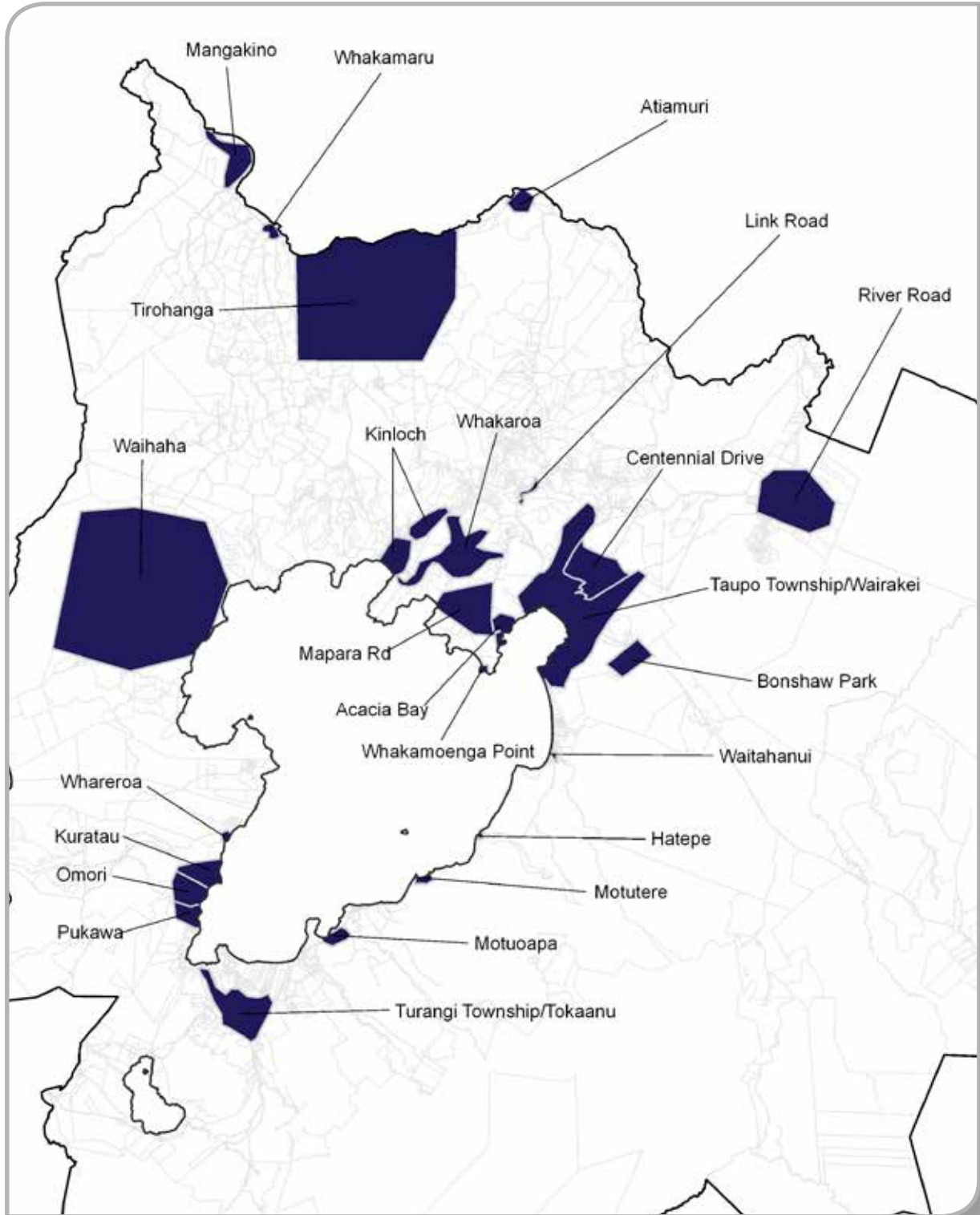


Figure 6 Taupō District Council water schemes

Taupō District Council water schemes

Asset Water	Quantity
Asset Value	\$77,500,000 (30 June 2014)
Water take consents	20
Bores	14
Intake structures at lakes, springs, streams, rivers	20
Reservoirs	62
Chlorine contact tanks	20
Pump stations and buildings	35
Pipes (km)	582.70
Water meters	1622
Valves	4758
Flow meters	39
Backflow preventers	754
Fire hydrants	1930

Water Assets and Value

The overall confidence rating for the water asset information is B-.

Water supply is a discrete service that directly benefits the households supplied so each water scheme is funded by a 100 per cent targeted rate on the users of that scheme.

Council has upgraded Taupō, Turangi and Mangakino treatment plants to meet required drinking water standards, with Waitahanui planned for 2014 – 2016. Council's other smaller water supply systems will also need to be upgraded, at considerable cost to those communities.

Council's water reticulation network is relatively new as much of the district's growth has occurred within the last 30 years. Although the pipe networks within Turangi and Mangakino (both hydro construction towns) are nearing the end of their predicted life.

WASTEWATER

Taupō District Council provides wastewater services for 12 towns and communities in the district. Council has 15 consents from Waikato Regional Council to dispose of treated water and control odour. In addition Council is responsible for reducing its nitrogen discharge into the Lake Taupō catchment by at least 20 per cent of 2005 levels by 2020, as part of the Lake Taupō Protection project.

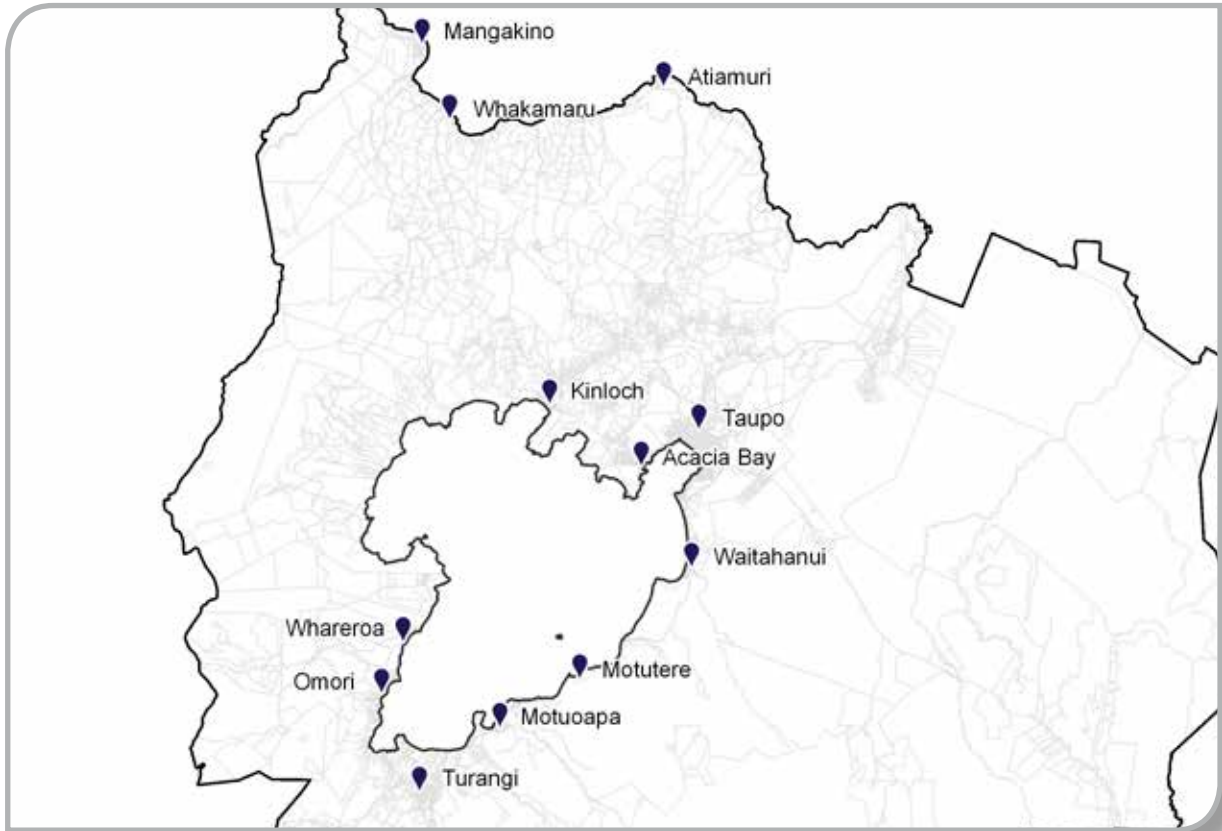


Figure 7 Taupō District Council waste water schemes

Taupō District Council waste water schemes

Asset – Wastewater	Quantity
Asset Value	\$101,352,000 (30 June 2014)
Pipes	350 km
Manholes and Lampholes	6,712
Treatment plants	12
Pumping stations	104

Waste water Assets and Value

The overall confidence rating for the wastewater asset information is **B-**

Ratepayers connected to a council wastewater scheme pay a district-wide targeted rate. This is because users of the wastewater system clearly receive a benefit but there is also a high public benefit in relation to the promotion of public health and benefit to the environment, especially lake water quality of treating effluent.

In the past 10 years, Council has upgraded the Turangi, Taupō and Mangakino plants to meet capacity and consent requirements. As consents for other discharges are renewed plant upgrades are planned to meet the new consent requirements.

Council’s waste water reticulation network is relatively new as much of the district’s growth has occurred within the last 30 years. Although the pipe networks within Turangi and Mangakino (both hydro construction towns) are nearing the end of their predicted life.

STORMWATER

Taupō District Council provides storm water services for 20 towns and communities in the district. Council has three comprehensive discharge consents from Waikato Regional Council to discharge untreated storm water into lakes, rivers and streams across the district.

Storm water Asset	Quantity
Asset Value	\$47,268,000 (30 June 2014)
Pipes	262 km
Catchpits	4305
Manholes	3091
Inlets	119
Debris risers	13
Channels	0.3 km
Soak hole pump	2
Attenuation ponds	3
CDS units	1
Silt traps	3
Stilling chamber	2
Gully planting	9
Enviropods	160
Outlets	365
Soak holes	74
Discharge basins	1
PWR dissipaters	1

Stormwater Assets and Value

The overall confidence rating for the storm water asset information is **B-**.

The key issues for storm water management are flooding, degradation in the functioning of overland flow paths, degradation of Lake Taupō, the Waikato River system and other aquatic environments in terms of local effects on water quality and public health and safety.

Climate change is predicted to increase the severity of weather events, so that there will be more intense flows, more often.

Council's storm water reticulation network is a combined network of pipes and overland flow paths which are relatively new as much of the district's growth has occurred within the last 30 years. Although the pipe networks within Turangi and Mangakino (both hydro construction towns) are nearing the end of their predicted life.

TRANSPORT

Taupō District Council provides a transport network of 760km of roads and 290km of footpaths to allow goods and people to move around the district safely and efficiently by any transport mode including cycling, walking or passenger transport. State highways represent a significant amount of the roading within the district, including State Highway 1 which is the main north-south route for the North Island.

Transport Asset	Quantity
Asset – Transport	Value (incl land under roading) \$627,397,000 (30 June 2014)
Roads – sealed	687km
Roads – unsealed	74km
Footpaths	289km
Street lighting	3,999 lanterns 2,798 poles
Traffic services	27,787 signs and markings
Bridges	19 road bridges (2 with shared ownership) 4 foot bridges
Culverts	589 large culverts (diameter greater than 2m) 36,511 small culverts (diameter less than 2m)
Drainage	401 km
Cycle ways	38 km
Parking	97,661m ²
Structures	6 Taupō urban bus shelters

Transport Assets and Value

The overall confidence rating for Transportation asset information is **B+**.

Approximately 50 per cent of transport funding comes from the New Zealand Transport Authority.

Council's transport network is relatively young and as the Taupō district has free draining soils roads generally last longer than in other parts of the country.

STRATEGIC ISSUES AND RESPONSE

ALL INFRASTRUCTURE ASSETS

GROWTH/DECLINE AND DEMOGRAPHICS

Issues

- District population increase from 32,907 in March 2013 to a peak of 37,046 in 2035 before declining to 31,274 in 2063.
- Population growth in some areas of the district and decline in others.
- Aging population. The aging population will be highly pronounced in the Taupō District over the next 30 years with the population aged 65 years and over projected to grow from 17.3 per cent to 29.8 per cent in 2033 and 41.3 per cent in 2063.
- As a result of both domestic and international tourism the peak population of the district is estimated to be about a 20 per cent increase of the district's usually resident population. This is more pronounced in smaller settlements like Pukawa/Omori/Kuratau where 92 per cent of the ratepayers live outside the district, indicating a high percentage of holiday homes.
- There will be a change in the type of infrastructure required as a result of change in population and demographics, in particular an aging population. For example wider footpaths and appropriate crossing points for mobility scooters, more demand for bus transport and additional areas for cycling and walking. (See Section 5 of this report for more explanation of these population/demographic issues).

High Level Options

1. Do nothing
2. Regularly update the Growth Model and AMPs based on information from Statistics New Zealand and NIDEA and ensure these are used to inform decisions made on infrastructure.
3. Contract demographers to regularly update population and demographic projections for the district for the next 30 years and ensure these are used to inform decisions made on infrastructure.

Implications

Option	Implications
1	New development may not be able to connect to infrastructure. Infrastructure level of service may not be appropriate for the community nor affordable
2	Projects relating to growth will be programmed based on best information.
3	Decisions on LOS and project timing will be informed by the information provided

Strategic response

- Annual updating of the Growth Model and regular updating of the asset management plans to reflect updated data. This will result in projects being identified and scheduled in the Asset Management Plans to address this population and household growth/decline.
- Participation in the Waikato and Bay of Plenty Spatial Plan projects to gather detailed data on population, economic household and job growth projections and a region-wide response for the provision of infrastructure in declining populations.
- In the future, Council will need to make strategic decisions on how to manage infrastructure provision in declining areas.
- As the demographics of the district change, Council will need to be ready to respond to changes in demand for the type of infrastructure especially for transportation assets. For example wider footpaths and appropriate crossing points for mobility scooters, more demand for bus transport and additional areas for cycling and walking

NATURAL HAZARDS

Issues

Taupō lies in an area subject to a number of different natural hazards and there are specific areas of the district which are particularly vulnerable to the effects of natural hazards. They are:

- land instability
- flooding (Lake Taupō and tributaries)
- erosion (Lake Taupō foreshore)
- thermal areas
- earthquakes
- volcanic hazards

There are two issues for infrastructure regarding natural hazards:

- the need to consider the effect of natural hazards on infrastructure
- the provision of additional infrastructure to provide as back up or replacement if infrastructure fails during a natural hazard event.

High Level Options

1. Do nothing
2. Ensure infrastructure is resilient to most natural hazards and back up or replacement infrastructure is available for most natural hazards (i.e. do not provide for this resilience for a catastrophic natural hazard event).
3. Ensure infrastructure is resilient to all natural hazards and back up or replacement infrastructure is available if infrastructure fails during any natural hazard event.

Implications

Option	Implications
1	Possibility of loss of service (some or all) during a natural hazard event. Recovery from an event may be delayed and more expensive
2	Options have not been costed, but for most natural hazards costs are expected to be high.
3	Options have not been costed, but for all natural hazards costs are expected to be very high and may be unaffordable for the community.

Strategic response

- Consider the effects of natural hazards when locating and building, or renewing infrastructure assets and ensure major infrastructure assets are resilient.
- Minimise the potential need for future infrastructure in flood risk zones by identifying and managing development in flood risk zones through the District Plan.
- Consideration of provision of back up or replacement if infrastructure fails during a natural hazard event. For example the key infrastructure assets that use electricity have generators to maintain supply during power outages.

CULTURAL ISSUES

Issue

Ngāti Tūwharetoa iwi and its hapu are the kaitiaki of most of the Taupō District encompassing Lake Taupō, the Waikato River, and the mountains of the central North Island. The Crown and Ngāti Tūwharetoa are in the process of settling historical grievances.

Also the Council has a Joint Management Agreement with Raukawa and a number of other draft agreements in the process with iwi and hapu across the district. The management of infrastructure assets must recognise and provide for the cultural and spiritual values of tangata whenua. This may result in increased environmental standards for the management of our infrastructure assets, e.g. higher standards of treatment for wastewater and a preference for discharges to land rather than to fresh water.

High Level Options

1. Do nothing
1. Provide adequate funding and time for infrastructure projects to allow for early consultation and processes, and increased environmental requirements, outlined in the management agreements with iwi and hapu.

Implications

Option	Implications
1	Unlikely to obtain resource consents required to operate infrastructure. Damage to relationship with iwi and hapu.
2	Costs are dependent upon the particular project.

Strategic response

- Continue a watching brief on the settlement process between Ngāti Tūwharetoa and the Crown so Council can ensure it complies with the structures and processes that are established by this settlement when managing its infrastructure.
- Ensure early consultation with iwi and hapu, in accordance with agreements, regarding infrastructure projects.
- Ensure adequate funding is allocated to fund processes outlined in management agreements and increased environmental requirements, particularly for wastewater projects.

WATER, WASTEWATER AND STORMWATER

Condition of underground infrastructure

Issue

Asset renewal planning is at various stages of maturity across the asset groups, from renewal based on detailed asset condition information to renewal based on life expectancy. The pipe networks for water, wastewater and storm water within Turangi and Mangakino (both hydro construction towns) are nearing the end of their predicted life. The renewal programme for much of the underground assets is based on life expectancy rather than detailed knowledge of condition. Unless we know the condition of these underground assets we are reliant on their life expectancy for programming renewal. These assets can fail before their renewal under life expectancy assessments. For example the AC water main in Rifle Range Road that burst in November 2014 was due for renewal, based on its life expectancy, in 2015/16. This type of failure will result in additional unbudgeted funding required to fix these assets.

High Level Options

1. Do nothing
2. Provide for investigation of the condition of underground infrastructure over the 10 years

Implications

Option	Implications
1	Levels of service will be compromised, costs for renewals due to an expected failure are likely to be higher and forecasting will be problematic.
2	Cost will be \$100,000 per year for 10 years.

Strategic response

- Council's current response is to investigate asset condition over the 10 year period. This will give us better asset condition data to more accurately model forecast renewals. As our knowledge of the condition of these assets improves we will need to rely less on less accurate age based renewal programmes.
- Once this condition data is obtained it needs to be considered through Asset Management Plans to produce an updated renewals programme for these underground assets.

WATER

Drinking-water standards

Issue

Under the 2007 amendments to the Health Act 1956 Council has to ensure water from its supplies is safe to drink. The legislation requires the Council, for schemes that serve 25 or more people to:

- Take all practicable steps to comply with the Drinking-water Standards for New Zealand (Drinking-water Standards 2005 (revised 2008))
- Develop and implement water safety plans for the water supply (if serving more than 500 people). A Water Safety Plan guides the safe management of the supply and is an action plan which shows how any risks to public health, will be minimised.

The Drinking-water Standards for New Zealand have two main components:

- Public health standards for drinking-water quality
These list the maximum concentrations of contaminants that can be present in drinking-water without presenting a public health risk. The types of contaminants are classified as, bacterial, protozoa, cyanobacterial, chemical, radiological, viral.
- Compliance criteria for community water supplies
These specify the sampling frequencies and testing procedures needed to demonstrate with 95 percent confidence that the water complies with the Drinking-water Standards for New Zealand for at least 95 percent of the time, and provide for lesser confidence levels for smaller supplies.

Each of the contaminants is given different priority status. Priority 1 and 2 contaminants -bacteriological, protozoa and chemical (arsenic) – require treatment to improve the quality to meet the maximum allowable values, and extensive monitoring requirements. Priority 3 and 4 – cyanobacterial and radiological – contaminants require no immediate treatment and are monitored only.

High Level Options

1. Do nothing
2. Provide for a staged compliance with the Drinking-water Standards for New Zealand to ensure the capital and operational expenditure for drinking water upgrades are spread across a number of years as follows:
 - The upgrades for Taupō, Turangi and Mangakino are already completed.
 - Full compliance by 2025 for the following schemes:
 - Waitahanui – 2016
 - Acacia Bay – 2019
 - Kinloch – 2021
 - Omori – 2022

- Motuoapa – 2023
- Hatepe – 2024
- Whareroa – 2025
- Atiamuri – 2025
- River Road – 2025
- Investigation for upgrades for compliance with the NZDWS beyond 2025 for the following small and rural water supply schemes:
 - Whakamoenga
 - Whakamaru
 - Bonshaw Park
 - Tirohanga/Waipamu Station
 - Centennial Drive (Rakaunui Road)
 - Waihaha
 - Motutere campground

Implications

Option	Implications
1	No further costs. Potential non-compliance with the Health Act and Drinking-water Standards for New Zealand.
2	Staged compliance over 13 years, with the smaller schemes towards the end of the period.

Strategic response

- The upgrades for Taupō, Turangi and Mangakino are already completed.
- A project is underway to investigate piping water from the Taupō water treatment plant to Waitahanui.
- For the other 15 water treatment schemes a staged approach to compliance with the Drinking-water Standards for New Zealand has been adopted by Council. The investigation phases of each project includes consultation with the relevant community. If that community considers the options for compliance with the standards are not affordable (see affordability issue below) Council will not undertake the project. If this happens, Council will need to revisit its decision that all 19 water treatment schemes will comply with all the Drinking-water Standards for New Zealand. It is noted that the Department of Health has advised that affordability by the relevant community is not an adequate reason for not complying with the standards.
- The Asset Management Plans, the Infrastructure Strategy and the Long-term Plan identify all the projects, and their timing, to ensure compliance with the Drinking-water Standards for New Zealand.

Raw water availability

Issue

Much of the water supplying water schemes comes from Lake Taupō. Water is allocated through consents from Waikato Regional Council. All of the available water from Lake Taupō has been allocated, much of it to the Waikato River hydro-energy schemes. This means it will be increasingly difficult for Council to get consents for increased water takes to meet demand for new industries and households. Although this is not an immediate issue, any significant growth of residential and/or industrial development will need to be met within the current overall allocation. Water demand management will become increasingly important to manage the water allocation. As the number of households are forecast to increase over the next 30 years, the availability of additional raw water will need to be addressed. This can be addressed in two ways:

- Secure additional raw water either from consents to increase the water take from Lake Taupō or secure more raw water from other sources (e.g. bores) or;
- Reduce the current use of treated water by ensuring everyone is using treated water wisely.

High Level Options

1. Do nothing
2. Undertake education projects now to encourage households to use treated water efficiently and encourage the collection and use of rainwater and grey water for other uses such as washing cars and watering gardens.
3. Impose controls now on the use of water (such as water metering) to ensure that additional households created within the next 30 years, will have adequate access to treated drinking water, within our current consented raw water allocation.

- Secure additional raw water allocation now to ensure households created within the next 30 years, based on current household usage, will have adequate access to treated drinking water.

Implications

Option	Implications
1	Possibility of not being able to supply new development with water, and reduced availability of water to existing users.
2	As this option uses education, there is no guarantee that it will change the behavior of all residents and ratepayers and significantly reduce our use of treated water.
3	Cost to implement this option and manage likely to be significant. As this option uses regulation and charging, it is likely to change the behavior of many residents and ratepayers and significantly reduce our use of treated water. It is likely to be an unpopular decision and impact on those on fixed incomes.
4	Unlikely to obtain resource consent as unlikely to be able to justify the need for additional raw water when current allocation is not being used efficiently.

Strategic response

- Council is currently addressing this issue by encouraging households to use water efficiently and reduce their water use. Reducing the demand for water will reduce the cost of treating water and, in future, it will mean that Council can delay spending to increase the capacity of our water treatment plants.
- During the next 30 years, Council will need to make a decision to either secure additional raw water or further reduce the use of treated water by looking at demand management methods such as water metering. A combination of these two approaches is also an option.
- Council needs to carefully monitor the demand for treated water so it can consider and implement a strategic response before the availability of raw water, under current consents runs out and new dwellings or business cannot connect to the network. As specific resource consents for takes from Lake Taupō and Waikato River come up for renewal this needs to be considered.

Affordability

Issue

Managing and looking after infrastructure is expensive and puts a substantial burden on the ratepayer. Compliance with Drinking-water Standards for New Zealand, and increased consent conditions and maintenance costs for smaller schemes, will result in increasing infrastructure costs over the 30 years. These costs will place an extra financial burden on our ratepayers. In particular this will impact ratepayers on a fixed income, the number of which is likely to grow due to an aging population. It will also impact on those in smaller settlements where the burden of water infrastructure costs are shared between the more limited users of the water scheme. The Department of Health has advised that affordability by the relevant community is not adequate reason for Council not to comply with the Drinking-water Standards for New Zealand for its water schemes.

High Level Options

- Do nothing
- Consider the issue of water affordability now by considering options such as changing the way water schemes are funded and whether Council should exit from some of the smaller water schemes.

Implications

Option	Implications
1	Targeted water rates will become unaffordable for some and they will default on their rates. Costs to try to collect these arrears.
2	Costs unknown until options are identified.

Strategic response

- Council will need to consider the issue of water affordability on a district-wide scale sometime during the next 30 years. There are a number of options to consider including whether consideration should be given to exiting from some of the smaller water schemes or whether to consider funding water schemes differently than the current targeted rate per scheme approach, such as district-wide funding of residential water supply (similar to how wastewater is currently funded).

WASTEWATER

Increasing environmental standards

Issue

There has been an increase in regional council controls over discharges (both direct and point source) of nitrogen and phosphorous into Lake Taupō and a similar approach is anticipated for the Waikato River. These impact on the management of wastewater infrastructure. Taupō District Council, Waikato Regional Council and the Government have committed to working together to improve the water quality of Lake Taupō. The project to protect the Lake has involved changes to the Waikato Regional Plan to restrict the discharge of nitrogen and phosphorus, and at the same time a public fund was created to help farmers transition to low nitrogen land uses like forestry.

As part of our contribution, Council was required to reduce nitrogen discharges from our wastewater treatment plants into the Lake catchment. We achieved this as a result of upgrading the Turangi wastewater treatment plant in 2006. However it is important that these gains are maintained. The 10 year programme is based on plant upgrades to meet anticipated or existing consent renewal.

A similar project looking at water quality has been initiated for the Waikato and Waipa Rivers. Waikato Regional Council and river iwi are working with a wide range of stakeholders to assess what changes to the Waikato Regional Plan might be required to better protect the health of the rivers. Those changes are likely to be introduced in 2017 (Plan Change 1 – Healthy Rivers) and include new objectives and limits for water users and those who discharge. These changes may raise the standards for our discharge consents from the Taupō wastewater treatment plant.

High Level Options

1. Do nothing
2. Monitor nitrogen discharges from the wastewater treatment plants into Lake Taupō to ensure the nitrogen limits and concentrations are not exceeded. We will continue to be involved in the formulation of Plan Change 1 – Healthy Rivers especially with regard to the renewal of consents for our emergency discharge and treatment to land consents.
3. Continue to be involved in the formulation of Plan Change 1 – Healthy Rivers especially with regard to the renewal of consents for our emergency discharge and treatment to land consents.

Implications

Option	Implications
1	Legal action by Waikato Regional Council under the RMA if limits in resource consents are not met.
2	Minor staff costs associated with monitoring and involvement in plan changes.
3	Low cost –just staff time. Legal and expert witness costs if Council lodges or joins an appeal on the plan change to the Environment Court.

Strategic response

- As a result of upgrading the Turangi wastewater treatment plant in 2006, the Council has already reduced the amount of nitrogen discharged into the lake from its wastewater treatment plants to below the level required for 2020.
- Council will continue to be involved in the formulation of Plan change 1 – Healthy Rivers especially with regard to the renewal of consents for our emergency discharge and treatment to land consents.
- Council will continue to monitor nitrogen discharges from the wastewater treatment plants into Lake Taupō to ensure the nitrogen limits and concentrations are not exceeded.
- As the number of households increase until 2035, it is important Council is able to maintain the level of nitrogen discharged below the 2020 requirements as imposed by Variation 5. The Council will need to determine what upgrades to each wastewater treatment plant will be required, and when, to ensure that the discharges from the wastewater treatment plants do not exceed the nitrogen cap for Lake Taupō as the number of households increases.

STORMWATER

Overland flow paths

Issue

The 2009 Taupō District Council Stormwater Strategy provides clear direction around making sure people and property are not affected by flooding. Currently Council is undertaking an overland flow path study in the Taupō township to

identify where these paths will be during a one in 100 year flood event. The study will identify where flooding of habitable buildings will occur from overflowing storm water systems and the likely depth and velocity of the water. The study is expected to be completed in 2016/17. The Council will then need to decide what action needs to be taken.

High Level Options

1. Do nothing
2. Development of a programme to provide solutions to reduce flooding of habitable buildings. Once the study is complete, specific projects will be identified to mitigate flooding effects to habitable buildings from storm water.

Implications

Option	Implications
1	Flooding may occur of habitable buildings as a result of storm water flows. Costs to individual building owners
2	Scope and quantum of projects will be unknown until the study is completed. Although the cost of this programme is unknown it will spread the expenditure over a 10 year time period

Strategic response

- Council will need to decide, once the study is complete, how this information is provided to landowners and what work is required to mitigate flooding effects. This will have financial implications.
- The development of a programme to provide solutions to reduce flooding of habitable buildings. Although the cost of this programme is unknown this is preferred as it spreads the expenditure over a longer time period.

Improving the quality of storm water discharges

Issue

Council is under increasing pressure from Waikato Regional Council to improve the quality of storm water discharges. This is to ensure that storm water does not have adverse effects on the environments where it falls and flows (especially outfalls to waterways). Storm water is discharged, untreated into our lakes, rivers and streams so we need to keep it as clean as possible.

The Crown, Waikato Regional Council and Taupō District Council commit resources each year to improving water quality to Lake Taupō. A programme for the installation Enviropods started in Taupō and Turangi CBD in 2010. Since 2012, five Enviropods a year have been installed. These Enviropods remove litter and debris. We also test storm water for pollution from sewerage, heavy metals and other contaminants. In future, when renewing discharge consents, conditions are likely to require a further improvement of quality of storm water prior to disposal into waterways.

High Level Options

1. Do nothing
2. Staged programme to install five new Enviropods per annum and five improvement devices to treat storm water discharged through outfalls into waterways.
3. Monitor, purchase and install improvements in technology to enable improvement in the quality of the urban storm water discharge.

Implications

Option	Implications
1	Deteriorating of lake water quality from storm water flows is possible.
2	Costs for Enviropods over 30 years is \$266,000. Costs for quality improvement devices is \$706,000 for the first 10 years.
3	Dependent on the improvements in technology. Too soon to cost individual options.

Strategic response

- Council has programmed the installation of five Enviropods per annum and five improvement devices between 2015/16 and 2022/23 in the 10-Year plan to further treat Taupō town and Turangi town stormwater. These improvement devices will take out further debris and some heavy metals from the stormwater, which has not already been removed by Enviropods.
- Council will need to monitor improvements in technology to enable improvement in the quality of the urban storm water discharge in the future, especially as the comprehensive stormwater discharge consents expire in 2027.

TRANSPORT

Safety

Issue

The district has a disproportionately high number of serious and fatal road traffic crashes, mostly on state highways. The increase in recreational road cycling, across the district, has resulted in increased safety issues between cycles and heavy vehicles.

High Level Options

1. Do nothing
2. Programme education and physical works projects over the next 30 years to address the worst road safety issues and areas of the district.
3. Programme extensive projects over the next 10years to undertake education and physical works to address all the safety issues on our roads.

Implications

Option	Implications
1	Costs associated with loss of life and injury through continued increasing numbers of road traffic crashes
2	Costs associated with road crashes will reduce and costs incurred will be over a longer time period.
3	Costs associated with road crashes will occur in a shorter timeframe, however costs of implementation will also be incurred in a shorter timeframe which maybe unaffordable.

Strategic response

- Four projects to improve the safety of SH1 as it traverses the Taupō District have been included, under the National Safer Roads and Roadsides Programme, in the Regional Programme of Transport Activities in the draft Regional Land Transport Plan 2015-2045. Council will be submitting in support of these projects.
- Council is currently addressing the safety issue for road cyclists by physical works and education. A programme of projects to widen key cycle routes also used by heavy traffic has been included in the transportation asset management plan and in the Long-term Plan e.g. Poihipi Road seal widening and Broadlands Road widening. A programme of minor improvements for about \$160,000 per annum has also been included in the Long-term Plan for addressing minor safety issues. Advocacy and education programmes undertaken with key stakeholders to educate drivers and cyclists are also programmed with the next 10 years.
- As these physical road improvement projects are expensive Council needs to ensure that, over the 30 years, there is adequate funding available for further projects to address safety issues on our roads.

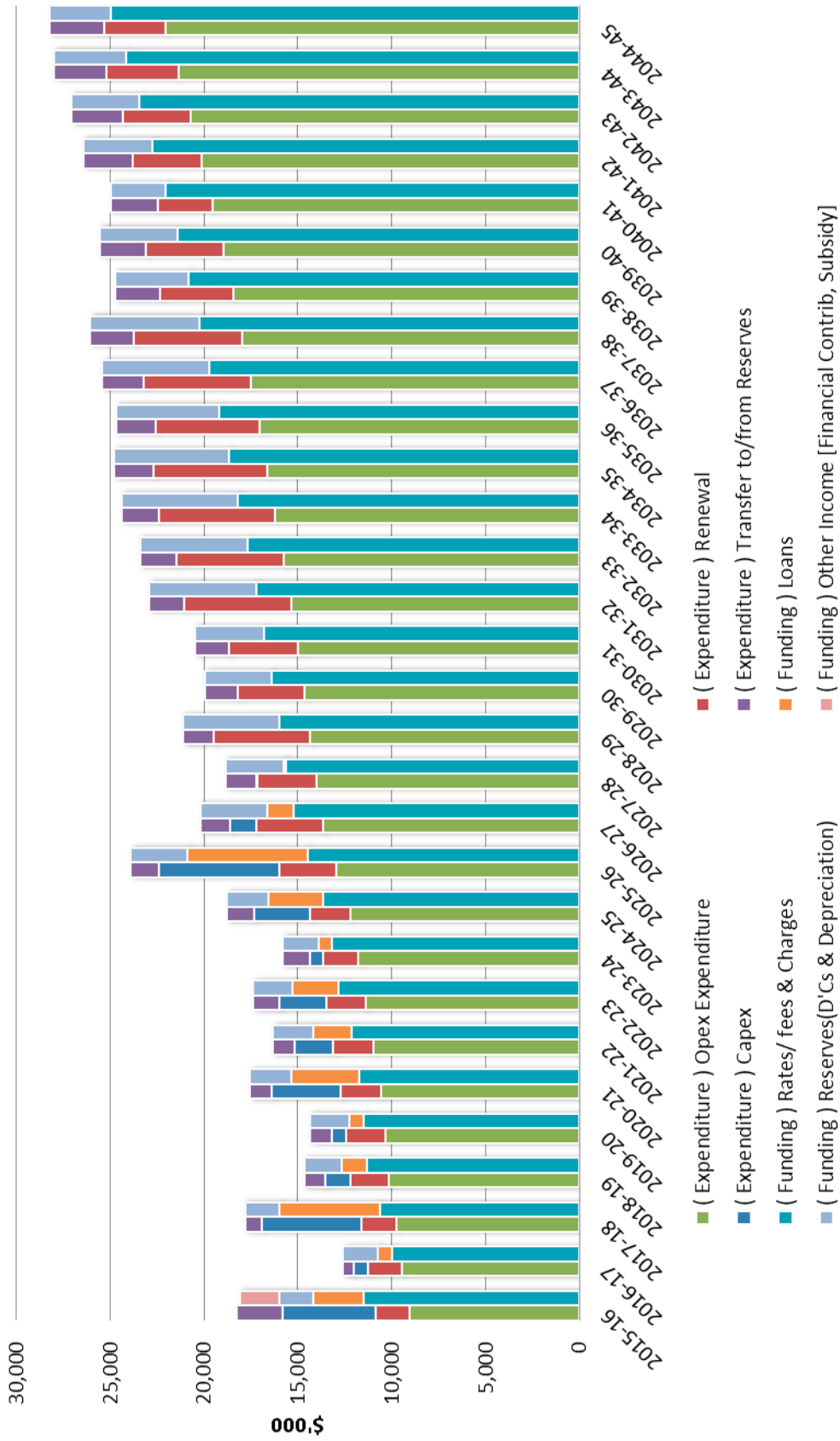
FINANCIAL PROJECTIONS (MOST LIKELY SCENARIO)

This section outlines the financial implications of the Council's response to the issues which are outlined earlier in this strategy. The financial projections (most likely scenario) contained in the graph below for capital, renewal and operational expenditure are based on the following influences:

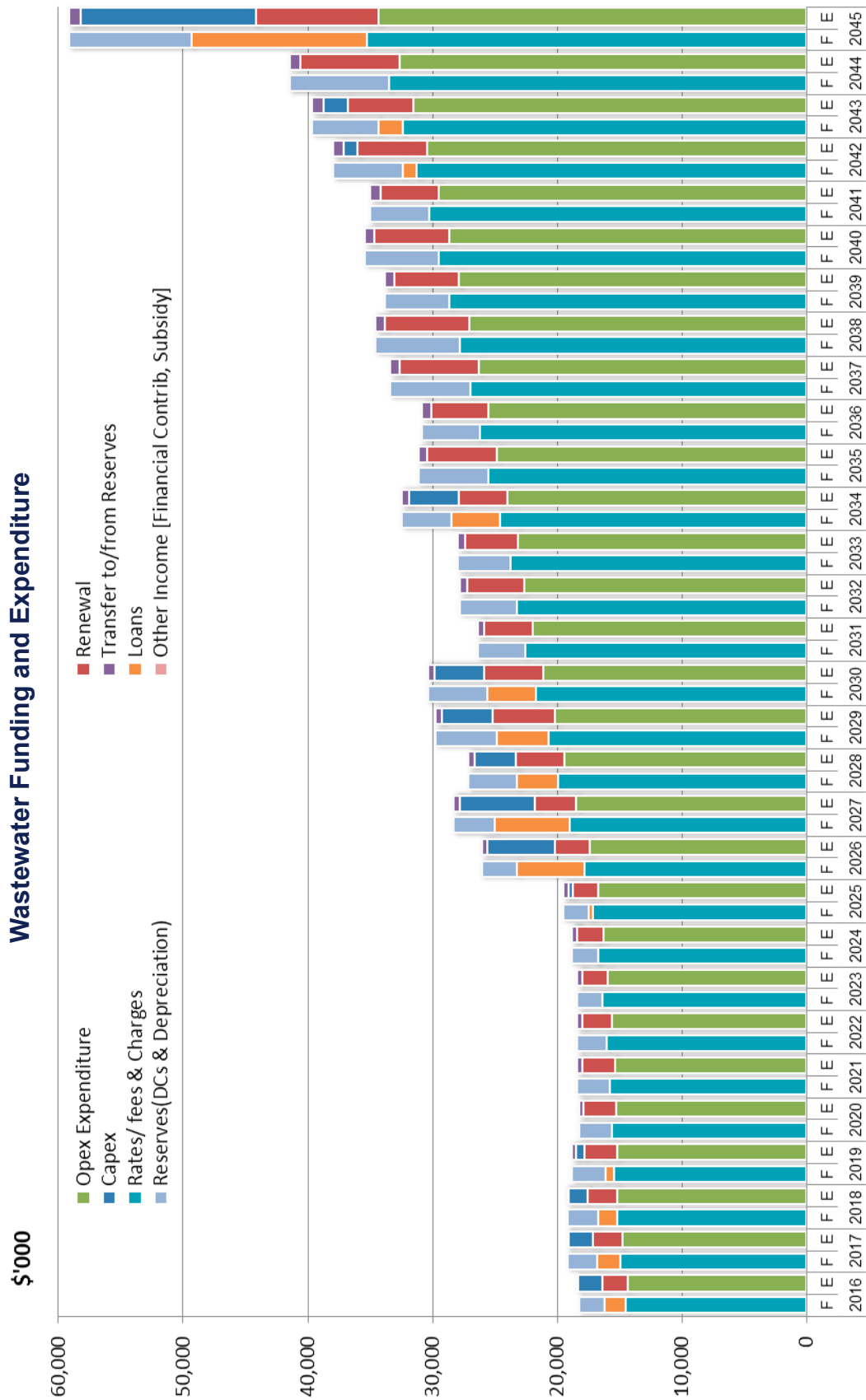
- Levels of service are largely maintained at current levels
- The need to increase standards for wastewater treatment as resource consents expire
- The need to increase standards for water treatment to meet the requirements of the Drinking-water Standards for New Zealand
- Modest growth is likely until around 2035 when population will decline, with increasing population of older residents
- More reliable forecasts of renewal profiles for underground assets will commence over the next three years as asset condition data is acquired
- Tables and graphs below allow for inflation projections that are in line with those forecast by BERL for LGCI over the 30 years
- Funding gap in transportation is unfunded depreciation representing the NZTA subsidy on renewals

The financial projections are shown in each of the first 10 years then in subsequent five year periods. The total projected spend over the next 30 years for water, wastewater, stormwater and transportation are outlined in the following graphs.

Water Funding and Expenditure

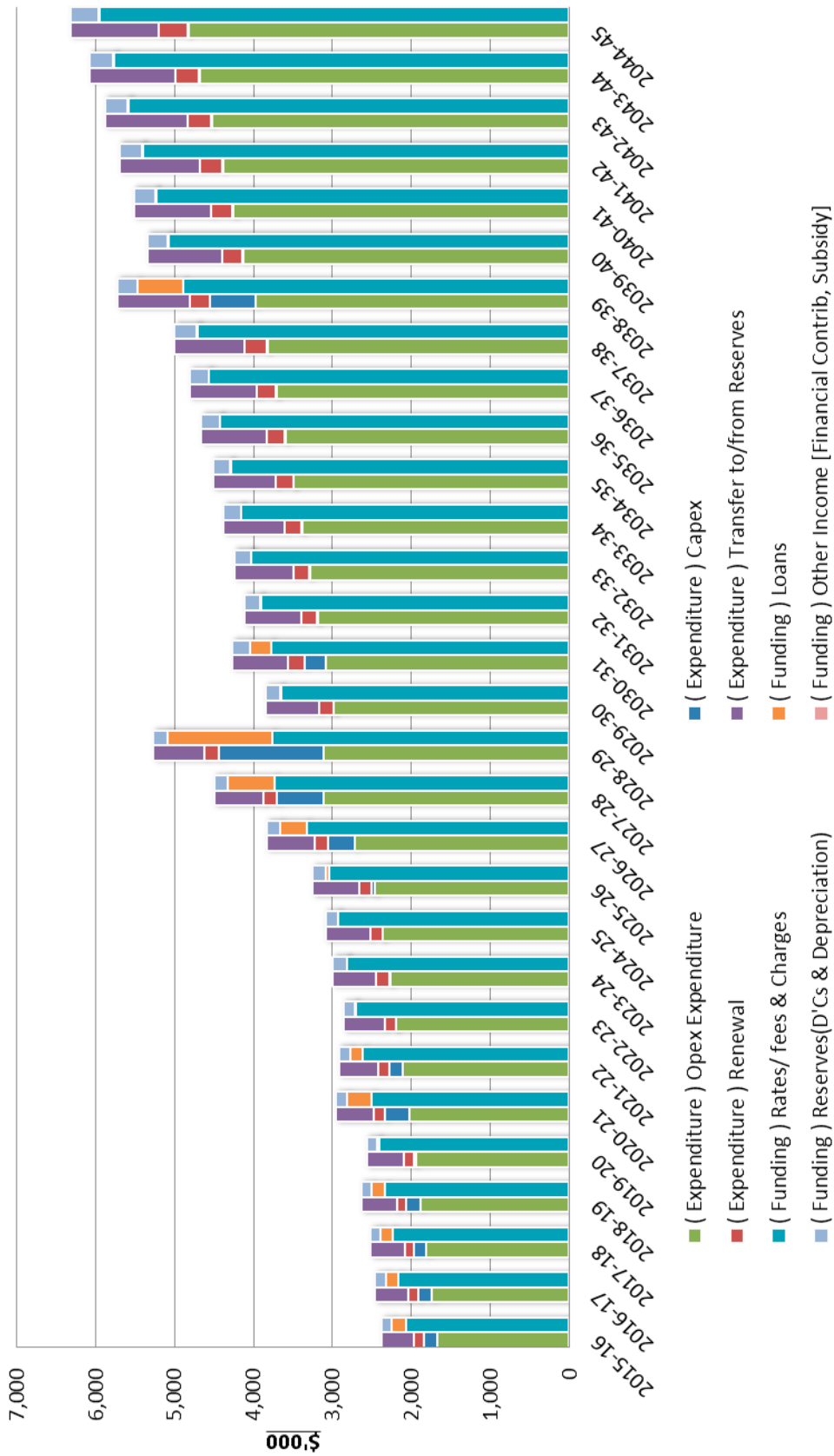


Proposed budget for Water expenditure 2015-45



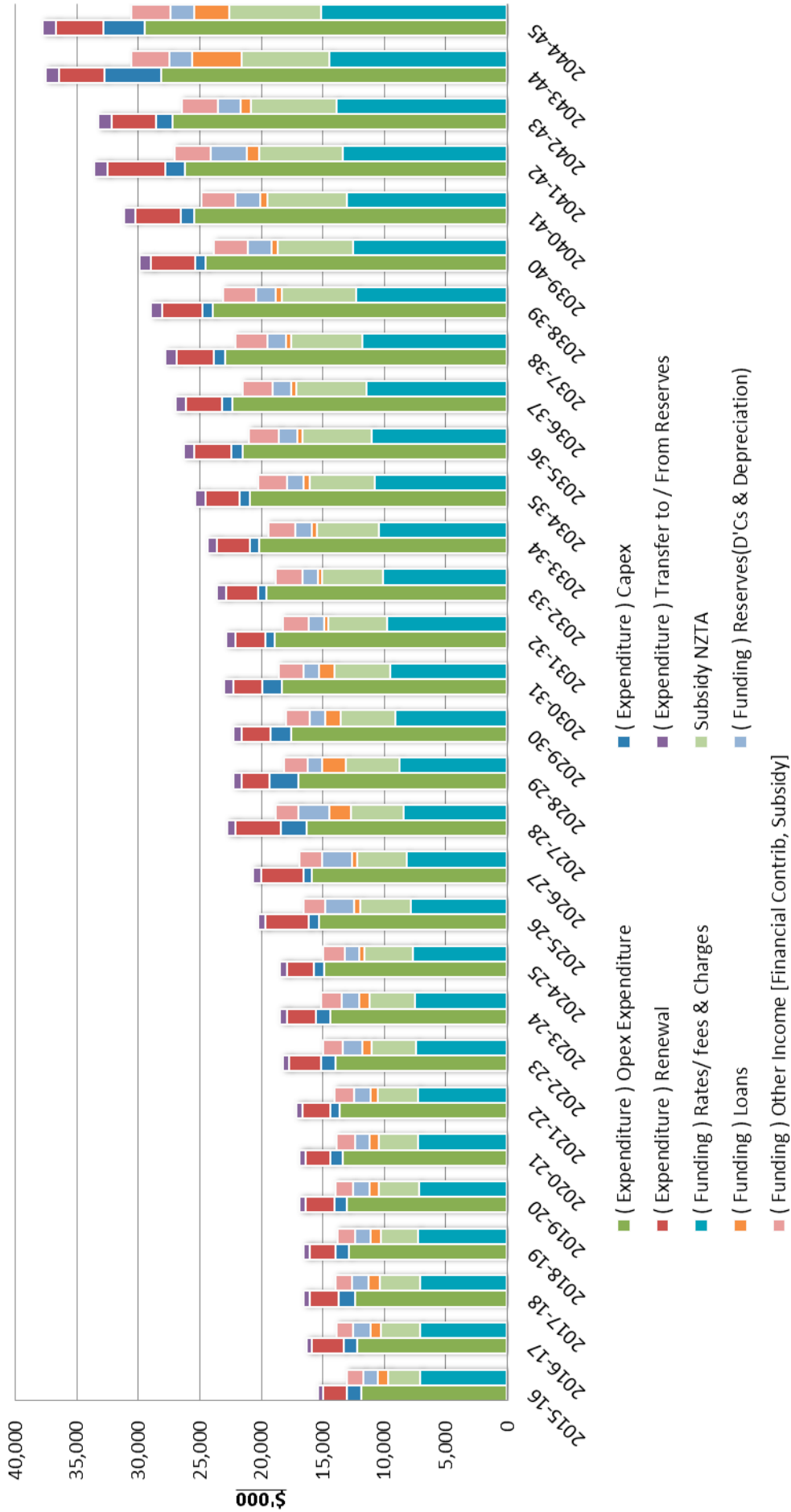
Proposed budget for Wastewater expenditure 2015- 2045

Stormwater Funding and Expenditure



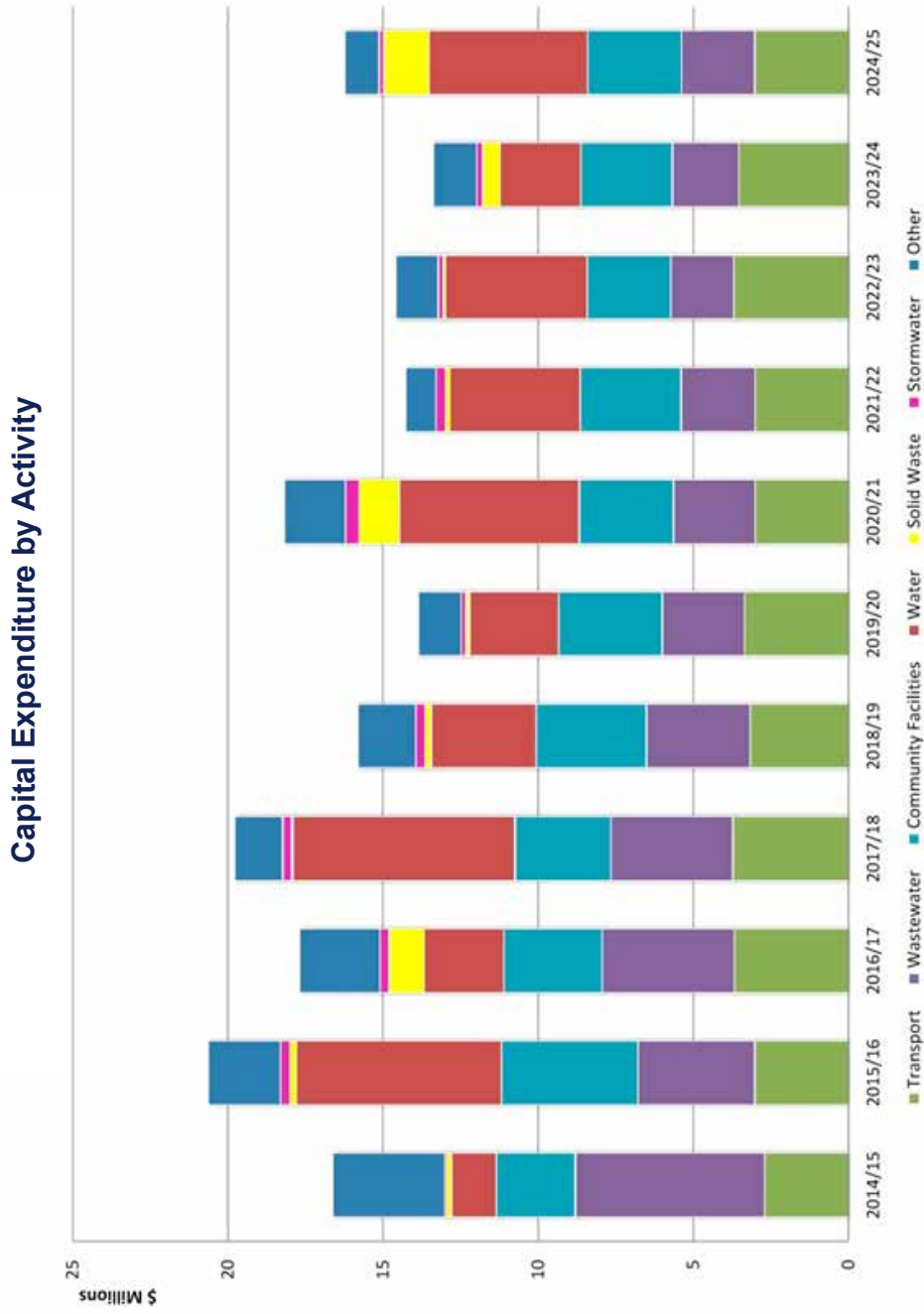
Proposed budget for Stormwater expenditure 2015 – 2045

Transportation Funding and Expenditure



Proposed budget for Transport expenditure 2015 – 2045

The graph below illustrates the proposed capital and renewal expenditure for each group of activities over the first 10 years of the plan



Note – Other includes the groups of activities Economic Development, Community Services, Investments and Democracy and Planning

PROPOSED PROJECTS

The tables on the following pages outline all the projects, their capital costs (inflated consistent with BERL LGC1 predictions), proposed timing, and when and how decisions about this expenditure will be made. These address the issues outlined in section 8 of this strategy.

Four core infrastructure services are outlined in the table – water, wastewater, storm water and roading (including footpaths). The table is also categorised into those issues.

Where projects relate totally to growth it has been included in the respective asset table for growth. Where a project includes a growth component it has been identified in the general section of the table by asset class.

Significant Capital Expenditure

Project	Preferred option	Capital cost and timing	When and how decision made on this project
Water			
<i>Resilience and Level of Service</i>	<i>Principal Options for Response</i>	<i>Implications</i>	
Acacia Bay WTP Upgrade	Meet DWSNZ Protozoa and Arsenic compliance	\$3,318,000 in 2015-18/19	LTP 2015-25
Aiamuri WTP Upgrade	Meet DWSNZ Protozoa compliance	\$209,000 in 2023-24/25	LTP 2021-31 and LTP2024-34
Bonshaw Park WTP Upgrade	Meet DWSNZ Protozoa compliance	\$1,060,000 in 2026-27	LTP 2024-34
Centennial WTP Upgrade	Meet DWSNZ Protozoa compliance	\$174,000 in 2025-26/27	LTP 2024-2034
Hatepe Security of Supply	New Intake to replace existing in shallow water on lake bed, inflows are contaminated by sediment and organic matter from the Hinemaiaia Stream, or stirred by the prevailing southwest winds resulting high turbidity	\$354,000 in 2015-16/17	LTP 2015-2025
Hatepe WTP Upgrade	Meet DWSNZ Protozoa and Arsenic compliance	\$674,000 in 2022-23/24	LTP 2021-2031
Kinloch WTP Upgrade (Includes growth component of \$743,751 (uninflated))	Security of supply by increasing reservoir capacity	\$3,332,000 in 2016-2017/18	LTP 2015-2025
Kinloch WTP Upgrade	Meet DWSNZ Protozoa and Arsenic compliance	\$4,220,000 in 2019-20/21	LTP 2018-2028
Mapara Road Pump Station (Includes growth component of \$295,321(uninflated))	Relocate pump station and associated GI reticulation both are overdue for renewal. The Mapara Road pump station is only slightly below the Cherry Lane reservoir resulting in the pump station being starved in high water demand in Acacia Bay or if the Cherry Lane reservoir is not near full. Relocating the pump station to the Cherry Lane reservoir will mean that the pump station is independent of the Acacia Bay reticulation network and can operate when Cherry Lane reservoir is only part full, therefore avoiding the low suction pressure problems currently experienced.	\$800,000 in 2015-16	LTP 2015-2025
Motuopa Security of supply	Replace reservoir due to condition	\$375,000 in 2015-16	LTP 2015-2025
Motuopa WTP Upgrade	Meet DWSNZ Protozoa and Arsenic compliance	\$2,588,000 in 2021-22/23	LTP 2021-2031
Motutere WTP Upgrade	Meet DWSNZ Protozoa only	\$117,000 in 2026-27/28	LTP 2024-2034 and LTP 2027-2037
Omori WTP Upgrade	Meet DWSNZ Protozoa and Arsenic compliance	\$2,049,000 in 2020-21/22	LTP 2018-2028, LTP2021-2031
River Road WTP Upgrade	Meet DWSNZ Protozoa only	\$141,000 in 2023-24/25	LTP 2021-2031 and LTP2024-2034
Tirohanga WTP Upgrade	Meet DWSNZ Protozoa only	\$160,000 in 2024-25/26	LTP 2024-2034

Project	Preferred option	Capital cost and timing	When and how decision made on this project
Waihaha WTP Upgrade	Meet DWSNZ Protozoa only	\$181,000 in 2025-26/27	LTP2024-2034
Waitahanui Upgrade	Connection to Taupō scheme to meet DWSNZ Protozoa and Arsenic compliance \$1,942,000 CAP funding from MOH	\$2,500,000 in 2015-16(Total project cost incl CAP funding of \$1.9m)	LTP2015-205
Five Mile Bay Extension	Connect Five Mile Bay assuming Waitahanui project proceeds	\$625,000 in 2015-16	LTP 2015-2025
Whakamaru WTP Upgrade	Meet DWSNZ Protozoa only	\$197,000 in 2024-25/26	LTP 2024-2034
Whakamoenga WTP Upgrade	Meet DWSNZ Protozoa only	\$139,000 in 2024-25/26	LTP 2024-2034
Whareroa WTP Upgrade	Meet DWSNZ Protozoa only	\$155,000 in 2023-24/25	LTP 2021-2031 and LTP2024-2034
Taupō falling Main Upgrade	Upgrade Te Toki falling Main to maintain LOS	\$538,000 in 2017-18	LTP2015-2025
Taupō Brentwood reservoir (Includes growth component of \$2,364,357 (uninflated))	New reservoir and pump station for 24 hr storage	\$8,402,000 in 2024-25/26	LTP 2024-2034
Centennial Drive Extension	Extend raw water supply to AC Baths and Hickling Park for pools and irrigation	\$166,000 in 2015-16	LTP 2015-25
District Wide Water Renewals	Renewal provision for treatment plants, piped network, pump stations and consents	\$108,351,000 over the 30 year life of the strategy (approx. \$2,063,000pa un inflated)	All LTP
Growth	Principal Options for Response	Implications	
Taupō reservoir WEL Deed	New reservoir and reticulation for WEL servicing DOA. Dependent on development of WEL sub division	\$4,000,000 timing dependent on WEL sub division proceeding (Within LTP text but not included within LTP capex schedule)	
Waste Water	Principal Options for Response	Implications	
Resilience and Level of Service Issues			
Wastewater Kinloch WWTP upgrade / optimization	Construct buffer tank to even out diurnal and seasonal flows and stage 1 on disposal field	\$720,000 in 2015-16	LTP 2015-25
Wastewater Kinloch Monitoring Bore	Installation of monitoring bore to prove impacts of disposal field.	\$125,000 in 2016-17	LTP 2015-25
Wastewater Kinloch Disposal Field Stage 2	Construct additional disposal field to meet projected waste water volumes	\$189,000 in 2018-19	LTP 2018-2028
Wastewater Acacia Bay WWTP upgrade to meet likely consent conditions	Option to connect to Taupō considered but deferred at this time due to poor benefit cost	\$1,744,000 in 2015-17	LTP 2015-25

Project	Preferred option	Capital cost and timing	When and how decision made on this project
Wastewater Whakamaru WWTP upgrade to meet likely consent conditions	In response to likely consent conditions to include secondary treatment to mitigate impact on adjoining waterways	\$456,000 in 2016-17/18	LTP 2015-25
Wastewater Taupō Storm water diversion	Divert peak inflows to pond to smooth out plant inflows during high rain fall events.	\$555,000 in 2017-18/19	LTP 2015-25, LTP 2018-2028
Wastewater Taupō Biosolids Drying plant	This option will only be constructed if one or some of the following options do not proceed. 1) Consent renewed by current receiver of biosolids. 2) Consent obtained for land disposal at View Road site. 3) Consent obtained by other parties to take biosolids	\$2,100,000 Timing to be determined depending on the outcome of the options identified(Within LTP text but not included within LTP capex schedule)	
Wastewater Turangi WWTP Optimisation and pond remediation	\$215k to remediate disused ponds condition of consent. \$753k for construction of a new RAS (return activated sludge) screening system, if the current membrane renewal programme is not successful in dealing with fouling issues	\$968,000 in 2017-18	LTP 2015-25
Wastewater Pukawa Pond improvement/remediation	Remove effluent pond with wall stability issues and ingress of storm water.	\$650,000 in 2015-17	LTP 2015-25
Wastewater Atiamuri WWTP upgrade	Upgrade plant to meet anticipated consent renewal conditions	\$533,000 in 2023-25/26	LTP 2021-2031, LTP 2024-2034
Wastewater Taupō generator upgrade at Lowell Place pump station	Upgrade generator at pump station to provide sufficient current to drive pumps in pump station with 50m of Lake Taupō	\$200,000 in 2015-16	LTP 2015-25
Wastewater Taupō Eastern Trunk Sewer extension (investigation and renewal)	Renew Eastern Trunk sewer due to condition, age and wastewater flows. Actual timing to be confirmed based on accurate asset performance/condition data investigate 2017	\$54,000 in 2017-18 \$12,280,000 in 2025/26-28/29	LTP 2015-2025, LTP 2024-2034, LTP 2027-2037
Wastewater Whareroa	Installation of monitoring bore at disposal fields to monitor groundwater	\$162,000 in 2015-16	LTP 2015-25
District Wide Wastewater Renewals	Renewal provision for treatment plants, piped network, pump stations and consents	\$127,504,000 over the 30 years of the strategy at (Approx \$2,365,000pa un inflated)	All LTP
Growth	Principal Options for Response	Implications	
Wastewater Acacia Bay Sewer pipe upgrade Little Acacia Bay Pump station	Upgrade sewer main to cater for projected wastewater flows	\$1,117,000 in 2041-42	LTP 2039-2049
Wastewater Acacia Bay pipe to Taupō	In response to likely consent renewal project growth would see this a viable option rather than further upgrade to the treatment plant	\$3,963,000 in 2029-30	LTP 2027-2037

Project	Preferred option	Capital cost and timing	When and how decision made on this project
Wastewater Kinloch WWTP Upgrade	Upgrade of plant due to projected wastewater volumes	\$3,984,000 in 2024-25/26	LTP 2024-2034
Wastewater Taupō Primary Clarifier 3 construction	Construct new clarifier to cater for projected wastewater flows	\$2,340,000 in 2025-26/27	LTP 2024-2034
Wastewater Taupō Trickling Filter Tower 4 construction	Construct new trickling filter to cater for projected wastewater flows	\$3,854,000 in 2033-34	LTP 2033-2043
Wastewater Taupō secondary clarifier, Thickner & digester 4	Construct secondary clarifier, Thickner and digester 4 to cater for projected wastewater flows	\$16,038,000 in 2042-44/45	LTP 2042-2052
Storm Water			
<i>Resilience and Level of Service Issues</i>	<i>Principal Options for Response</i>	<i>Implications</i>	
Enviropod protection	Enviropod protection 5 new enviropods per yr. as required by section 30 of consent	\$266,000 over the 30years of the strategy at (\$5kuninflated pa)	Every LTP
Overland flow path remediation	Minor works to remediate over land flow paths	\$85,000 in first 5 years of 30 year strategy	LTP 2015-2025, LTP 2018-2028
Mangakino pond and Reticulation upgrade	Network above Golf Club undersized and floods project provides a detention/ balancing pond and pipe capacity increase.	\$132,000 in 2018-19	LTP 2018-2028
Ruapehu Quality Improvement device	Install device to remove gross pollutants	\$140,000 in 2015-16	LTP 2015-25
Brentwood gully culvert	Installation of road culvert for Brentwood Gully. Timing is linked to development of land downstream of culvert	\$209,000 in 2018-20/21	LTP 2018-2028
Kohineheke Reserve Improvement device	Install device to remove gross pollutants	\$129,000 in 2017-18	LTP 2015-25
Kimberly Reserve pond and House remove	House at bottom of Reserve is inundated during extreme events, project allows to remove house from flow path and further detention on the reserve	\$950,000 in 2025-27/28	LTP 2024-2034, LTP 2027-2037
Hole in one lakefront improvement device	Install device to remove gross pollutants	\$130,000 in 2016-17	LTP 2015-25
Taharepa Rd Quality improvement device	Install device to remove gross pollutants	\$145,000 in 2018-19	LTP 2018-2028
Two Mile Bay Quality device	Install device to remove gross pollutants	\$162,000 in 2021-22	LTP 2021-2031
Koha Rd flood prevention	Provide for detention area on Tamatea reserve	\$1,314,000 in 2028-29	LTP 2027-2037
Pukawa flow path	Divert overland flow from private property	\$261,000 in 2030-31	LTP 2030-2040
Rangatira Drive upgrade	Increase pipe capacity along Rangatira drive as currently only sized for a 2yr return	\$572,000 in 2038-39	LTP 2036-2046

Project	Preferred option	Capital cost and timing	When and how decision made on this project
District Wide renewals	Renewal provision for network assets	\$6,073,000 over the 30 years of the strategy. Asset condition assessments to be undertaken over first 3yrs to develop accurate renewal profile for inclusion in the next review of the 30 year strategy in 2017	Every LTP
Transport			
<i>Resilience and Level of Service Issues</i>	<i>Principal Options for Response</i>	<i>Implications</i>	
Stock effluent facility		Funded by Waikato Regional Council and NZTA. 2017/18	In WRC LTP 2015-2025
Poihipi Road Widening (Includes growth component of \$423,032 (uninflated))	to provide additional width for cyclists to improve safety of high volume cyclist/heavy vehicle route	\$1,415,000 in the first 6 yrs, \$550,000 in 2023- 25/26, \$665,000 in 2029- 31/32, \$803,000 in 2035- 37/38, \$970,000 in 2041- 43/44	LTP2015-2025, LTP 2018-2028, LTP 2021-2031, LTP 2024-2034, LTP 2027-2037, LTP 2030-2040, LTP 2033-2043, LTP 2036-2046, LTP 2039-2049LTP 2042-2052.
Broadlands Road widening	to provide additional width for cyclists to improve safety of high volume cyclist/heavy vehicle route	\$660,000 in 2021-23/24, \$798,000 in 2027-29/30, \$964,000 in 2033-35/36 and \$1,164,000 in 2039-41/42	LTP 2021-2031, LTP 2027-2037, LTP 2033-2043, LTP 2039-2049.
Waipapa Road Widening	to provide additional width for cyclists to improve safety of high volume cyclist/heavy vehicle route	\$449,000 in 2025-27/28, \$543,000 in 2031-33/34, \$656,000 in 2037-39/40, \$425,000 in 2043-44/45	LTP 2024-2034, LTP 2027-2037, LTP2030-2040, LTP 2033-2043, LTP 2036-2046, LTP2039-2049, LTP 2042-2052.
Broadlands Road Curve Improvement RP5.2	Ease out of context curve alignment to improve safety	\$220,000 in 2022-24/25	LTP 2021-2031 and LTP2024-2034.
Broadlands Road Curve Improvement RP23.3	Ease out of context curve alignment to improve safety	\$240,000 in 2023-25/26	LTP2021-2031 and LTP 2024-2034.

Project	Preferred option	Capital cost and timing	When and how decision made on this project
Broadlands Road Curve Improvement RP11.5	Ease out of context curve alignment to improve safety	\$283,000 in 2025-27/28	LTP 2024-2034 and LTP2027-2037
Wharewhaka to Rainbow Pt Shared Path	Improve pedestrian and cycle access from Rainbow Point to Wharewhaka	\$171,000 in 2015-16/17	LTP2015-2025
Huka Falls Footpath	Provide pedestrian access to Huka Falls	\$358,000 in 2015-18/19	LTP2015-2025 and LTP 2018-2028
Mapara Road Footpath	Extend footpath along Mapara Road to Acacia Heights Drive	\$105,000 in 2017-18/19	LTP2015-2025 and LTP 2018-2028
District Wide Seal Extension	Extend seal on unsealed roads	\$3,810,000 in 2015-23/24 at \$400k un inflated pa	LTP 2015-2025, LTP 2018-2028 and LTP 2021-2031
Mangakino Improvements	New kerb and channel to improve drainage and pavement renewal	\$253,000 in 2015-24/25	LTP 2015-2025, LTP 2018-2028,LTP 2021-2031 and LTP 2024-2034
District Wide Minor improvements	District wide isolated minor improvements to achieve safety benefits	\$9,162,000 over the 30 years of the strategy at (Approx \$200k pa un inflated)	Every LTP
District Wide renewals	District wide renewal of top surface, pavements, signs and streetlights	\$86,206,000 over the 30 years of the strategy at (Approx \$1,600,000pa un inflated)	Every LTP
Growth	Principal Options for Response	Implications	
Spa/Tauhara	Roundabout construction to provide safety and capacity at “Y” intersection	\$1,804,000 in 2029-30/31	LTP 2027-2037
Tongariro St Improvements	Improve pedestrian linkages to the Tongariro Domain and beyond per Commercial Industrial structure Plan	\$2,962,000 in 2026-28/29	LTP 2024-2034 and LTP 2027-2037
Spa Road 4 Lining	Widen Spa Road to four lanes to provide capacity. Timing dependent on actual traffic growth.	\$6,373,000 in 2041-44/45	LTP 2039-2049 and LTP 2042-2052

CONCLUSIONS

This strategy outlines the context for infrastructure assets within the Taupō District and outlines the strategic issues for the next 30 years and Council's response to them, including the most likely infrastructure projects.

The strategy is written based on the information that is available at this point in time. However there are a number of things that will change over the next few years such as further information being available about the condition of our underground assets, capacity issues on our roads, population and demographic changes, and potential legislation changes. It will be important to regularly review this strategy to take this additional information into account. The first review needs to take place in year two (2016/17) of the 10-Year Plan to ensure the strategy is updated in time for the review of the asset management plans for the next long term plan 2018-28.

There are a number of issues that have been identified in this document that will need further work and consideration by Council in the next 30 years. It is important that these issues are discussed and Council formulates a strategic response in time for the issues to be addressed. They are the starting point for any review of this strategy and are as follows:

Council needs to:

- Regularly update the Taupō District Growth Model and ensure this information flows into the Infrastructure Strategy and Asset Management Plans.
- Respond to changes in demand for the type of infrastructure especially for transportation assets as the population and demographics of the district change.
- Ensure the results of the settlement process between Ngāti Tūwharetoa and the Crown and joint management agreements are upheld by adjusting Council infrastructure project detail, timing and costs.
- Ensure that the Asset Management Plans are updated to reflect a revised renewals programme for underground assets once condition data for these is obtained.
- Make a decision about securing additional raw water and/or further reducing the use of treated water by looking at demand management methods.
- Review its decision for all Council water treatment schemes to comply with the Drinking-water Standards for New Zealand if an affected community considers the options for compliance with the standards are not affordable.
- Consider water affordability on a district-wide scale including whether it wishes to consider exiting from some of the smaller water schemes where populations are declining, or whether to consider funding water schemes differently than the current targeted rate per scheme approach.
- Monitor nitrogen discharges from wastewater treatment plants to ensure the nitrogen limits and concentrations are not exceeded.
- Decide how information from the overland flow path study is provided to landowners and what work is required for storm water infrastructure to mitigate flooding effects of habitable buildings.
- Monitor new technology for improving the quality of storm water discharges.
- Ensure that, there is adequate funding is available for further projects to address safety issues on our roads.

APPENDIX 1: TAUPŌ DISTRICT GROWTH MODEL 2014

All Growth	2009/14 actuals	Taupo District Growth Model 2015 - 2050																							
		2010/2011	2011/2012	2013/2014	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32		
Financial Year Starting	209/2010	2010/2011	2011/2012	2013/2014	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32		
Total Residential properties per year	205	88	76	37	77	129	91	92	100	74	61	97	48	89	69	67	66	66	66	66	66	66	66		
Running Total for LTP							91	183	283	357	418	515	563	652	721	788	854	919	984	1048	1110	1170	1228		
Building Consents	192	142	133	119	136	148	131	128	128	132	128	134	128	130	116	128	89	111	111	111	111	111	111		
Cumulative		88	164	201	278	407	498	590	690	764	825	922	970	1059	1128	1195	1261	1326	1390	1452	1513	1573	1631		
RESIDENTIAL AREA						2012-2022 LTP Period						2015-2025 LTP													
Taupo South	5	0	0	20	35	20	0	12	33	0	12	21	12	0	33	0	20	35	20	0	12	33	0		
Nukuhau/Brentwood	2	6	6	6	56	56	22	39	10	24	0	22	0	35	0	13	0	20	35	20	0	12	33	0	
Poihipi/Huka Falls																									
Taupo Town	12	5	5	5	5	5	17	17	17	17	17	17	17	17	17	17	20	17	17	17	20	17	17		
Taupo Total Lots Created	82	57	34	25	59	81	39	68	60	41	29	60	29	52	50	30	40	40	40	40	40	40	40	40	
Taupo Building Consents Issued	74	69	55	54	60	60	55	55	55	55	55	55	55	55	55	55	50	55	55	55	50	55	55	55	
Acacia Bay (including lower Mapara Rd)																									
Total Lots Created	0	0	2	0	1	4	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
Building Consents Issued	10	3	4	2	2	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	
Kinloch Area																									
Total Lots Created	8	3	0	2	0	25	20	0	8	0	13	0	0	0	0	0	10	0	0	0	10	0	0	0	
Building Consents Issued	34	22	31	26	30	40	28	25	25	25	25	25	25	20	20	20	10	10	10	10	10	10	10	10	
Mapara/Blue Ridge Area																									
Total Lots Created	3	3	15	3	7	7	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	
Building Consents Issued	16	9	8	5	6	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	
Five Mile Bay/Waitahanui																									
Total Lots Created		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Building Consents Issued		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Turangi																									
Total Lots Created	1	2	6	1	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
Building Consents Issued	7	3	3	2	8	2	2	2	2	2	2	2	2	2	2	2	3	3	3	3	3	3	3	3	
Hatepe																									
Total Lots Created	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Motuopa																									
Total Lots Created	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Building Consents Issued	8	7	5	5	6	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	
Pukawa/Omori Kuratau																									
Total Lots Created	42	0	0	1	1	0	13	0	13	9	0	13	0	13	0	13	0	13	0	13	0	13	0	13	
Building Consents Issued	8	8	9	2	4	8	8	8	8	12	8	14	8	14	0	12	0	12	0	12	0	12	0	12	
Whareroa																									
Total Lots Created	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Building Consents Issued		0	0	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
Rural Other																									
Total Lots Created	69	23	19	5	8	10	10	15	10	15	10	15	10	15	10	15	10	15	10	15	10	15	10	15	
Building Consents Issued	35	21	18	23	18	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	
Commercial Accommodation HEU																									
TKMP		4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	
TT		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Industrial/ Retail / Commercial (Gross Floor Area - m²)																									
Taupo																									
Industrial		233	233	405	1,052	836	1,354	966	1,492	1,052	1,638	1,267	1,362	1,716	1,629	1,319	3,302								
Commercial		41	41	72	187	149	241	172	265	187	292	226	242	305	290	235	588								
Retail		60	60	104	269	214	347	247	382	269	420	325	349	439	417	338	846								
Kinloch																									
Commercial		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20								
Retail		-	-	-	-	-	-	-	-	-	20	14	22	17	18	23	22	18							
Mapara Valley																									
Commercial		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Turangi																									
Industrial		5	5	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15							
Commercial		6	6	10	10	10	10	10	10	10	10	10	10	10	10	10	10	78							
Retail		6	6	10	10	10	10	10	10	10	10	10	10	10	10	10	10	78							

Summary of Significance and Engagement Policy

Council makes many decisions on a wide range of issues. Most of these are made by the elected members, but some day to day operational issues are decided upon by officers. There are provisions in the Local Government Act (2002) to guide how Council makes these decisions.

Council has a Significance and Engagement Policy to assist in these decision making processes. The policy enables Council and the community to identify the degree of importance attached to particular issues or decisions, and it provides clarity around how and when communities can expect to be engaged in decisions made by Council.

The policy identifies that there are multiple opportunities for Council and communities to engage on issues. Sometimes it is important to involve people at the start of a process to help identify the scope of an issue, while other times we are more focused on getting feedback on a range of potential solutions. Council's decisions on when and how to engage are informed by a series of criteria in the policy. Importantly, there may also be times when Council chooses not to engage on matters, for example there may be issues of confidentiality or the matter may have already been addressed through existing policies and plans.

Every issue and decision is different with its own characteristics, so the policy sets out a range of matters to help determine the degree of importance of an issue or a decision. These include aspects like the financial implications, how many people might be affected and the degree of community interest.

The Significance and Engagement Policy can be found on our website www.taupo.govt.nz

Council Controlled Organisations

Taupō District Council has a controlling interest in two council-controlled organisations (CCOs). These are the Taupō Airport Authority (TAA) and Destination (Great) Lake Taupō Trust (DGLT).

Taupō District Council also has an interest in four other council-controlled organisations:

- The Lake Taupō Protection Trust – the settlors of this trust are Taupō District Council, Waikato Regional Council and the Ministry for the Environment
- Local Authority Shared Services Limited (Local Authority Shared Services Ltd) – Council has a shareholding interest in this company together with other local authorities in the Waikato Region
- Bay of Plenty Local Authority Shared Services Ltd (BoP Local Authority Shared Services Ltd) – Council has a shareholding interest in this company together with other local authorities in the Bay of Plenty Region.
- New Zealand Local Government Funding Agency (NZLGFA) – Council has a shareholding interest in this company together with other local authorities in New Zealand.

Taupō District Council also has a controlling interest in two organisations exempted under section 7 of the Local Government Act 2002 from the definition of 'council-controlled organisation'. These are Data Capture Systems Limited and Destination Lake Taupō Limited.

Please note that the following information has been taken from the draft 2015/16 Statements of Intent. The final Statement of Intents will be adopted by Council in July 2015 and can be found on our website www.taupo.govt.nz

Destination (Great) Lake Taupō Trust (DGLT)

The role of DGLT is to ensure that the Great Lake Taupō region is marketed as a visitor destination to maximise the long term benefits to the Taupō regional economy and to increase visitor numbers to the region. The Trust has chosen to align itself with the Great Lake Taupō brand and operates under the brand name Destination Great Lake Taupō (DGLT).

DGLT has no subsidiaries

Significant policies and objectives in relation to ownership and control

To deliver on DGLT's mission of a destination that is relevant for all visitors that reflects the strength of the region's people and natural environment DGLT has the following key objectives:

Build a thriving tourism economy for the Great Lake Taupō Region

The primary focus of a Regional Tourism Organisation (RTO) is to deliver more visitors to the region and to increase length of stay and expenditure (as reflected against past performance), taking into account global, national and regional influences on the visitor industry. This will be undertaken through a number of initiatives outlined in the nature and scope of activities.

Deliver effective stakeholder engagement and participation

On-going effective industry and stakeholder communication and consultation in the region is vital to ensuring that the region operates as a coherent whole. DGLT will continue to actively engage with operators and stakeholders throughout the strategy development and marketing planning processes and their subsequent implementation.

Be fiscally responsible in the way we do business

DGLT will focus on responsible business practice, cost efficiencies and developing revenue streams in conjunction with marketing programmes. We will generate revenue streams across the organisation's key areas of strength (i.e. i-SITES, web and online, signage, advertising).

Nature and scope of activities

In line with Taupō District Council's Long Term Plan, DGLT's core activities will be delivered on an independent basis under the direction of the DGLT Board. The aim being to improve the range, quality and value of distinctive visitor experiences and activities in the Great Lake Taupō region.

Destination Great Lake Taupō's mandate is to attract more holiday visitors however this is more effective for a region of our size if we work together. A strong collaborative working relationship with District Events, Go Tongariro, the business community in Mangakino and Towncentre Taupō particularly, along with Enterprise Great Lake Taupō, Taupō Chamber of Commerce and Industry ensures DGLT actively participates with local agencies and fosters potential areas to cross pollinate resource and skill.

The major activities DGLT anticipate undertaking through 2015-18 include:

INVESTING IN PEOPLE

- Build 'people capability' to ensure the industry remains sustainable both internally and externally
- Work to continually improve the visitor information delivery service levels in the region
- Work to engage suppliers that share the vision and values of the regional brand

COLLABORATION AND JOINT VENTURE

- Join forces to leverage opportunities through campaign partnerships with both local operators and others.
- Continue work with Department of Conservation on destination management and initiatives that deal with the preservation of the natural resources they manage
- Continue work with Ngāti Tūwharetoa to keep key contacts informed of DGLT activity to ensure the destination continues to benefit present and future generations of Ngāti Tūwharetoa
- Continue work with Lake Taupō Airport Authority on air connectivity and data capture
- Continue to work with Events Capital, Towncentre Taupō, Go Tongariro and the business community in Mangakino to ensure the region maintains yield and quality

CONTINUE TO IMPROVE MARKETING AND DISTRIBUTION

- Deliver timely marketing programmes to both domestic and international visitors
- Continue to focus on delivery of marketing campaigns that best reflect – Great Lake Taupō as Nature's Ultimate Playground
- Continue to focus on international trade and business event marketing
- Continue to invest in content marketing and the digital environment

DEVELOP REGIONAL ATTRACTORS

- Alongside the traditional areas of investment continue to develop the special interest marketing plans as follows:
 - WINTER – Focus on short breaks
 - SUMMER – Focus on extending length of stay
 - BIKE – Best multi-purpose
 - HIKING – National Parks, Tongariro Crossing
 - PREMIUM – Including Golf, Fishing and premium product
 - YOUTH – Backpack and cost effective travellers

NB: The selection of these priorities is not meant to exclude other areas of interest, but to focus the resources and attention of DGLT to ensure positive outcomes. It is the intention of DGLT to consider additional focus areas in all future work. These priorities will be reviewed by the DGLT Board and management quarterly.

TELL OUR STORY

- Continue to develop the Great Lake Taupō brand being Nature's Ultimate Playground. Include this in everything that we do.

INFRASTRUCTURE

- Actively take part in the long term infrastructure planning and deliberations for the region including air capacity and large infrastructure projects.

METRICS AND ANALYSIS

- Continue to develop better ways to measure the impact that visitors have on our economy.

DGLT operates in a dynamic environment which is subject to both change and challenge. With this in mind there may be times where the organisation needs to respond to market conditions with little notice or redirect strategies to meet changing customer needs and demands. In order to meet strategic goals a redirection of funds may be appropriate. If any changes to this statement of intent are required a submission will be provided to council for approval.

Key performance targets and other measures

Currently, there are limited measures available to track the economic impacts of tourism on the region. RTOs nationwide are reliant on the Commercial Accommodation Monitor (CAM)⁹ data primarily for the measurement of trends and visitor stay information. Regional Tourism Indicators are being developed by the Ministry of Business Innovation and Employment (MBIE) along with RTE's (Regional Tourism Estimates). These data sets are still in development so cannot be used as benchmarking measures. The intention is to develop a robust set of Great Lake Taupō measures covering a range of indicators which over time will assist DGLT, partners and stakeholders with their strategic and tactical planning. This will provide a fuller picture of the total economic benefits derived from visitors to our region and the impacts moving into the future.

DGLT will use a combination of qualitative and quantitative methods to measure success.

Performance against the principal objectives shall be assessed using the following success measures.

Measures of Success – (Performance targets – estimated for 3-yr period)	YE 2015/16	YE 2016/17	YE 2017/18
Objective 1 – Build a thriving tourism economy	Deliverable		
Continue to market the Great Lake Taupō region as a holiday destination both domestically and internationally			
<i>As measured by the CAM (commercial accommodation monitor) statistics produced by MBIE. CAM only captures a portion of the overall guest night picture. With a 42% non-resident ratepayer base and holiday homes being a popular choice of accommodation it is estimated that in excess of another 500,000 guest nights are currently un-captured.</i>	Increase commercial visitor nights by 3% to 978,500+	Increase commercial visitor nights by 3% to 1,007,855+	Increase commercial visitor nights by 3% to 1,038,090+
<i>Long term trends consistently report an average length of stay at 1.7. The length of stay target has been set in line with predicted economic recovery and a 3% growth goal has been set as an aspirational target for the upcoming three years.</i>	Increase average length of stay between 1.7-1.75	Increase average length of stay between 1.75-1.8	Increase average length of stay between 1.8 – 2
<i>Domestic marketing programmes delivered and achieve campaign goals.</i>	High-level report delivered	High-level report delivered	High-level report delivered
<i>Long-haul international marketing will only be undertaken in partnership to fully leverage any spend.</i>	Attend all ECNI, TNZ, RTONZ forums and planning sessions	Attend all ECNI, TNZ, RTONZ forums and planning sessions	Attend all ECNI, TNZ, RTONZ forums and planning sessions
Ensure the destination is delivering value and a quality visitor experience			
<i>Maintaining consistency and retaining high quality visitor experiences to be measured by an annual visitor survey scheduled in August each year).</i>	80% via annual visitor survey	80% via annual visitor survey	80% via annual visitor survey
Ensure the destination is responding to changing visitor expectations and executes marketing through most relevant channels			
<i>With increased online marketing activity responding to customer demand targets have been set to grow YOY. Over the upcoming years increased KPIs built around website engagement will be developed. Annual visits to www.greatlaketaupo.com as measured by Google Analytics.</i>	Increase annual visits to greatlaketaupo.com by 20% to 672,000+	Increase annual visits to greatlaketaupo.com by 20% to 806,400+	Increase annual visits to greatlaketaupo.com by 20% to 967,680+

⁹ CAM refers to a national data-set, monitoring commercial accommodation trends in New Zealand prepared by MBIE

<p><i>Special Interest marketing research reveals customers travelling for a specific purpose i.e. biking, hiking, skiing are targeted more easily and often return a higher value. Venturing into the special interest approach is a developing and changed approach for DGLT. Market size information and insights will make up the upcoming years and assessment will continue to gauge relevance and appropriate return</i></p>	<p>Establish further insights and market size information for the – Bike Special Interest Portfolio.</p> <p>Measured by track counters and participation</p>	<p>Establish insights and market size information for the Backpack Special Interest Portfolio</p> <p>Measured by specific bed nights and developing measures</p>	<p>Establish further insights and market size information for the – Backpack Special Interest Portfolio</p>
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Objective 2 – Commitment to effective stakeholder engagement and participation
 Continue to communicate with the industry, show leadership and collaborate effectively

<p><i>Measured by key stakeholder investment in marketing promotions activity. The contribution variation reflects the changes to some significant project work and membership structured initiatives being dis-established and bi-annual project income)</i></p>	<p>Industry contribution to the value of \$150,000 cash and in-kind for key industry initiatives/ marketing programmes</p>	<p>\$130,500</p>	<p>\$150,000</p>
<p><i>Industry Stakeholders are satisfied with DGLT performance as measured by Annual Visitor Industry Survey</i></p> <p><i>Maintaining consistency is set as the primary performance target</i></p>	<p>80-85% Industry satisfaction score</p>	<p>80-85% industry satisfaction score</p>	<p>80-85% industry satisfaction score</p>
<p><i>In demonstration of the commitment to regular engagement with the wider industry a schedule of engagement is set and measured by interactions and forums. The forums are 2 x marketing campaign launches, 1 x annual overview and forecast, 1x social interaction in partnership with Tourism Lake Taupō (The Lake Taupō Tourism Industry Membership Association)</i></p>	<p>50 separate stakeholder interactions per month and</p> <p>4 x industry forums per annum</p>	<p>50 separate stakeholder interactions per month and</p> <p>4 x industry forums per annum</p>	<p>50 separate stakeholder interactions per month and</p> <p>4 x industry forums per annum</p>

Objective 3 – Fiscal responsibility in the way we do business

<p><i>As measured by annual growth for commissions, advertising and retail profit margin, plus online sales contribution</i></p> <p><i>The development of a specific policies and procedures document including relevant custom procedures called – ‘The way we work’ This is also to include the development of Human Resource Plan to ensure continued team capability building</i></p>	<p>2.5% annual growth for commissions, advertising and retail profit plus online sales</p> <p>DGLT Policies and Procedures Manual – published and reviewed</p>	<p>2.5% annual growth for commissions, advertising and retail profit plus online sales</p> <p>DGLT Policies and Procedures Manual – reviewed annually</p>	<p>2.5% annual growth for commissions, advertising and retail profit plus online sales</p> <p>DGLT Policies and Procedures Manual – reviewed annually</p>
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Taupō Airport Authority (TAA)

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.

Significant policies and objectives in relation to ownership and control

The objective of the Taupō Airport Authority is to operate a successful commercially viable business providing land and infrastructure for the safe, appropriate and efficient air transport needs of the Taupō District.

Nature and scope of activities

The Taupō Airport Authority provides airport infrastructure to meet the needs of the Taupō District, together with leasehold land for airport-related development. TAA is engaged in a number of activities which contribute towards the air transport needs of the District.

Key performance targets and other measures

- To maintain facilities so as to avoid any diversion or cancellation of scheduled flights other than for weather or airline problems
- The airport will be operated in such a way as to continue to hold CAA Part 139 certification
- That TAA will be self funding in terms of its own cash flow
- That TAA will have positive financial return on equity

The Lake Taupō Protection Trust (LTPT)

The Lake Taupō Protection Trust (the Trust) was established on 9 February 2007 to administer public funds to achieve an improvement in the water quality of Lake Taupō. The Taupō District Council (TDC), Waikato Regional Council (WRC), and the Crown (together called the 'Funding Bodies') have agreed to provide funding on an annual incremental basis to the Trust for this work to be undertaken.

Significant policies and objectives in relation to ownership and control

The purpose of the Trust (as set out in the Trust Deed) is the maintenance of water quality in Lake Taupō by reducing manageable nitrogen levels produced in the Lake Taupō catchment area by 20 percent through permanent changes in the use and management of land. The Trust has been previously operating towards a target of 153,000kgs being the estimated 20 percent of the total nitrogen. Following completion of the nitrogen benchmarking exercise the funders of the project have now agreed to amend the target to 170,000kgs.

Nature and scope of activities

The nature and scope of activities for the year 01 July 2015 to 30 June 2016 are as detailed:

Fund Management:

Review the Trust's Treasury Policy, Delegation and Sensitive Expenditure Policies by July 2015 and implement their requirements throughout the ensuing year.

Future Direction:

- All policies and operations will be reviewed to match the different and ongoing responsibilities of the Trust.
- Continue with research funding which complements completion of the project and supports positive economic outcomes for the catchment landowners.
- Maintain relationships with all contracted parties and with major partners to ensure any issue of contention is proactively settled.
- Work with the Waikato Regional Council to consider ways that monitoring can be carried out effectively and efficiently and support the delivery of the Nitrogen Monitoring Plan and in particular undertake a trial of how quality management processes could assist a no surprises approach to enforcement and monitoring.
- Where necessary take legal action to remedy any contractual failure by any party to reduce Nitrogen.

Key performance targets and other measures

The following high line governance performance objectives are:

Actions	Performance Measures
Oversee the financial position of the Trust to meet and maintain a positive projected Cash Flow Budget until 2018.	Cash Flow Projection in place and being operated to achieve a positive outcome in 2018.
Ensure that all LTPT nitrogen reduction contracts are being complied with to achieve the overall Nitrogen reduction target of 170,000 kgs.	Nitrogen reduction contracts are being met and any contractual failure is addressed to achieve repatriation of any loss of nitrogen reduction.
Monitor/track that compliance monitoring results are received on an ongoing basis for LTPT N reduction deals.	Monitoring compliance results received in accordance with monitoring plan timelines; Audit NZ notified.
Report on compliance monitoring results for LTPT N reduction purchases.	Trust Board up to date with compliance monitoring results.
Participation in the development of the Monitoring Plan.	The requirements of the Monitoring Deed are satisfied.
Carry out Trust responsibilities identified in the Monitoring Plan and provide support in the operation of the plan with other joint parties.	Trust actions completed and monitoring plan supported on an ongoing basis.
Manage Trust funded research projects that have been previously approved by the Trust.	Research outcomes reported on.
Participation and assistance in the interim and annual audit of the Trust.	Positive audit result.

Local Authority Shared Services Limited

Local Authority Shared Services (LASS) provides Councils in the Waikato region with a vehicle to procure shared services. It provides a mechanism for the development of new services which are available to be joined by any shareholder that so chooses. It also provides those Councils that wish to develop new services with a company structure under which they can develop and promote services to other local authorities. The LASS has twelve Directors with each Director representing a shareholder Council. The twelve Councils are Waikato District Council, Rotorua District Council, Waitomo District Council, Waikato Regional Council, Hauraki District Council, Hamilton City Council, Thames-Coromandel District Council, Waipa District Council, Matamata-Piako District Council, Taupō District Council, South Waikato District Council, and Otorohanga District Council.

The LASS has no subsidiaries.

Significant policies and objectives in relation to ownership and control

During the early 2000s, the relationship between the local authorities within the Waikato Region continued to strengthen. As a result of this, it was considered desirable to set up a structure under which shared services could operate to provide strategic or other advantages to the local authorities involved. Of the structures considered, the Local Authority Shared Services Limited (LASS) was chosen, as it was considered the most appropriate mechanism to provide the Councils in the Waikato Region with a vehicle to operate shared services.

LASS provides a mechanism to develop and procure services which are available to be joined by any shareholder that chooses to do so. It also provides a company structure for any Council that wishes to develop new services, under which they can develop and promote services to other local authorities and external parties.

As part of providing a mechanism for supporting shared services and collaborative opportunities within the region, LASS also provides support to the Waikato Mayoral Forum and the working parties established by.

Nature and Scope of Activities

There are currently four major initiatives operating under the LASS umbrella, plus a support role for the collaborative work streams of the Waikato Mayoral Forum.

1. **Shared Valuation Data Service (SVDS).** This operational system is providing timely and accurate valuation data to member Councils and shareholders. The SVDS has become the accepted valuation database for the region. The revenue shown in the financial statements is based on the assumption that there will continue to be external commercial sales of the SVDS data. However, central government or council decisions on open data provision could reduce or eliminate the commercial sale of SVDS data in the future.
2. **Waikato Regional Transportation Model (WRTM).** This model became fully operational in February 2010. This model provides accurate information to Councils and external users (for a charge) for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region, and is jointly funded by the NZ Transport Agency.
3. **Joint Procurement Initiatives.** LASS is a party to a number of joint procurement contracts between the company, shareholding Councils and suppliers. Some contracts (e.g. insurance brokerage services; various collective insurance policies; courier and postal services; historic aerial photography) involve all of the shareholding councils. Other joint procurement contracts have been negotiated, involving only some of the shareholding councils (e.g. the Professional Services Panel; computer-generated print, mail house and e-services). Further procurement opportunities are continually being identified and a number are currently under active investigation (e.g. asset valuation services; pipe procurement).
4. **The Waikato Regional Aerial Photography Service (WRAPS).** WRAPS was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. So far, there have been three WRAPS contracts – 2002, 2007 and 2012. In 2012, the WRAPS members were the councils of the Waikato Region, plus the Department of Conservation and Waikato University. The next contract is due in 2016/17. Discussions are currently being held with other parties to assess their willingness to join the syndicate. Both Land Information New Zealand (LINZ) and the NZ Transport Agency (NZTA) have indicated potential interest, which would reduce the cost to the participating councils. WRAPS became a LASS-managed project in December 2014.

The establishment of the **Waikato Mayoral Forum** in 2012 resulted in the creation of five working parties to investigate collaborative opportunities in the areas of governance, spatial planning, two waters, roading, and economic development. An additional work stream for bylaws and policies was created in 2013. (Note: The governance workstream is currently in abeyance, and the two waters project is now being run by a consortium comprising Hamilton City, Waikato and Waipa District Councils.) Each working party is led by a Council CEO in conjunction with a group of Mayors/Chairperson from the Waikato Mayoral Forum. LASS provides administrative and financial support to both the Forum and the working

parties. The LASS CEO is a member of the roading governance group (RATA).

Over the period that the company has been operating benefits have been delivered in the form of:

- Improved level and quality of service
- Co-ordinated approach to the provision of services
- Reductions in the cost of services
- Development of new initiatives
- Opportunities for all Councils (irrespective of their location or size) to benefit from joint initiatives
- Leverage provided from economy of scales resulting from a single entity representing all Councils and leveraging procurement opportunities.

Based on feedback from the shareholding Councils and the CEO Forum, the LASS Directors will continue to discuss their role in the development of business cases for shared services at Board meetings. The Directors are mindful of the political environment, and see the investigation of possible future shared services as a key focus of their role.

Key performance targets and other measures

To ensure that the Company continues to operate effectively and efficiently, the performance targets for 2015/16 are as follows:

TARGET	METHOD	MEASURE
<p>Procurement</p> <p>Joint procurement initiatives for goods and services for LASS councils will be investigated and implemented.</p>	<p>Procurement is from sources offering best value, service, continuity of supply, and/or opportunities for integration.</p>	<p>A minimum of three new procurement initiatives investigated per annum and business cases developed if considered appropriate.</p> <p>Initiatives which are implemented shall provide financial savings and/or improved service levels to the participating councils.</p> <p>New suppliers are awarded contracts according to the LASS Financial Delegations Policy.</p>
<p>Collaborative Projects</p> <p>Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.</p>	<p>The focus is on shared services which will benefit all councils.</p>	<p>A minimum of three priority projects for collaboration are identified per annum.</p> <p>If considered of value, business cases are developed for approval by the Board, and the projects are implemented.</p>
<p>Existing LASS Contracts</p> <p>Existing contracts are managed and renegotiated as required.</p>	<p>Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders.</p>	<p>The LASS Contracts Register is maintained and managed.</p> <p>Contracts which are due for renewal are tested for competitiveness and either renegotiated or tendered through a competitive process.</p>
<p>Cashflow</p> <p>The company shall maintain a positive cashflow position.</p>	<p>The Financial Accountant reviews cashflow monthly.</p> <p>The LASS Board reviews the financial statements quarterly.</p>	<p>Monthly financial statements show a positive cashflow position.</p>
<p>Cost Control</p> <p>Administration expenditure shall be managed and monitored.</p>	<p>The Financial Accountant and Chief Executive review expenditure monthly.</p> <p>The LASS Board reviews financial statements quarterly.</p>	<p>Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.</p>

<p>Reporting</p> <p>Six monthly reports provided to Shareholders.</p>	<p>The Chief Executive prepares a written report for the LASS Board every meeting.</p> <p>One 6-monthly and one Annual Report are prepared for shareholders.</p>	<p>The Board shall provide a written report on the business operations and financial position of the LASS to the Shareholders every six months.</p> <p>Note that every second report shall be the Annual Report, which includes a report that all of the statutory requirements of the LASS are being adhered to.</p>
<p>Waikato Mayoral Forum</p> <p>The company shall provide administrative support and updates on Mayoral Forum workstreams to the Mayoral Forum.</p>	<p>Mayoral Forum projects shall be managed financially through the LASS.</p> <p>Updates on Mayoral Forum projects shall be co-ordinated by the LASS Chief Executive.</p> <p>Note: The current approved workstreams are:</p> <ul style="list-style-type: none"> • Rooding (RATA) • Economic Development • Regulatory Bylaws and Policies • Waters • Waikato Spatial Plan 	<p>The Mayoral Forum is regularly updated on the progress of each approved workstream.</p> <p>Approved invoices for Mayoral Forum projects are paid by the 20th of the month following their receipt.</p>
<p>Shared Valuation Data Services (SVDS)</p> <p>The SVDS is reliable, well maintained and available to all users.</p>	<p>A Contract Manager is appointed for SVDS.</p> <p>Contract Manager monitors performance of contractor and reports quarterly to the SVDS Advisory Group.</p>	<p>The SVDS is available to users at least 99% of normal working hours.</p> <p>All capital enhancement work is supported by a business case and approved by the SVDS Advisory Group.</p> <p>The SVDS Advisory Group meets at least 6-monthly.</p>
<p>Waikato Regional Transport Model (WRTM)</p> <p>The WRTM is reliable, well maintained and available to all users.</p>	<p>A Contract Manager is appointed for WRTM.</p> <p>Contract Manager monitors performance of the model supplier (currently Traffic Design Group) and reports quarterly to the WRTM Project Advisory Group.</p>	<p>All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget.</p> <p>A report by the Contract Manager on any new developments and on the status of the model is provided to the LASS Board at least every six months.</p> <p>The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual), and is independently peer reviewed each time the model is updated.</p>
<p>Shareholder Survey</p> <p>Shareholders are satisfied with the performance of LASS.</p>	<p>An annual survey of shareholders is undertaken to assess satisfaction levels with LASS.</p>	<p>A survey of shareholders is undertaken each year, and the results are reported to all shareholders.</p>
<p>Review of Benefits</p> <p>Shareholders are informed of the benefits being provided to shareholding councils by LASS.</p>	<p>The benefits of LASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders.</p>	<p>Information on the financial and non-financial benefits being achieved by LASS are included in the 6-monthly and Annual Report to shareholders.</p>

Bay of Plenty Local Authority Shared Services Limited (BoP LASS)

The councils that operate within the Bay of Plenty and Gisborne Regions have formed a CCO to investigate, develop and deliver Shared Services, Joint Procurement and communications where and when that can be done more effectively for any combination of some or all of the councils.

The expected benefits that can be achieved through Shared Services are:

- improved levels and quality of service;
- a co-ordinated and consistent approach to the provision of services;
- reductions in the cost of support and administrative services;
- opportunities to develop new initiatives;
- economies of scale resulting from a single entity representing many councils in procurement;

These benefits and opportunities can apply to all councils irrespective of location or size.

Significant policies and objectives in relation to ownership and control

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

Joint Procurement

Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

Shared Services

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

Nature and scope of activities

The principle nature and scope of the activities of BOPLASS Ltd is to:

- Establish the underlying technology, framework, platform and policies to enable and support the delivery of Shared Services.
- Use Joint Procurement to add value to goods and services sourced for its constituent councils.
- Facilitate Shared Services that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Actively monitor and engage with Shared Service developments across the public sector to identify opportunities for further development and establishing best practice.
- Represent the collective views of its Shareholders in matters with which it is associated.

Key performance targets and other measures

To ensure the Company continues to operate effectively in both governance and management terms over the next three years the targets are to:

Target	How	Measure
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. (Current identified projects are listed in Appendix A.)	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings and/ or improved service levels to the participating councils.
Provide support to BOPLASS councils that are managing or investigating Shared Services projects.	BOPLASS to provide 0.25 FTE resource and expertise to assist councils in shared services developments and projects.	Quarterly satisfaction reviews with participating councils. Resource assignment measured from project job tracking.
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.	Provide access to the Collaboration Portal for councils outside of BOPLASS and utilise technologies to provide secure access. Proactively market the benefits to councils.	All NZ councils are made aware of the Collaboration Portal and its benefits. Portal is operational outside of the BOPLASS group with a minimum of five additional councils having utilised the portal.
Ensure appointed vendors remain competitive and continued best value is returned to shareholders.	Manage and/or renegotiate existing contracts.	Contracts due for renewal are tested for competitiveness in the marketplace. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors.
Review governance performance and structure to ensure it supports BOPLASS' strategic direction.	Perform self-assessment reviews of governance.	Affirmative feedback received from shareholding councils at least annually.
Communicate with each shareholding council at appropriate levels.	Meeting with each Executive Leadership Team.	At least one meeting per year.
Ensure current funding model is appropriate.	Review BOPLASS expenditure and income and review council contributions and other sources of funding	Performance against budgets reviewed quarterly. Company remains financially viable.

New Zealand Local Government Funding Agency (LGFA)

The LGFA is a significant initiative by the Local Government sector to provide the sector with long term access to debt funding at attractive and stable margins. The LGFA is enabled under the Local Government Borrowing Act 2011 and is a council controlled organisation for the purposes of the Local Government Act 2002. On the 30 August 2011 Council resolved to participate in the LGFA as a Principal Shareholding Local Authority.

Significant policies and objectives in relation to ownership and control

Principal Objectives

In accordance with the Local Government Act 2002, in carrying on its business, the principal objectives of LGFA will be to:

- achieve the objectives and performance targets of the shareholders (Shareholders) in LGFA (both commercial and non-commercial) as specified in this SOI;
- be a good employer;
- exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- conduct its affairs in accordance with sound business practice.

Primary objective

LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:

- Providing savings in annual interest costs for all Participating Local Authorities;
- Making longer-term borrowings available to Participating Local Authorities;
- Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and
- Offering more flexible lending terms to Participating Local Authorities.

LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes:

- LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and visit each Participating Local Authority on an annual basis;
- LGFA will commence work on analysing finances at the Council group level. Previously the analysis was undertaken at the Council parent level; and
- LGFA will work closely with the Department of Internal Affairs (DIA), Office of the Auditor General (OAG) and Local Government New Zealand (LGNZ) on sector and individual council issues.

Additional objectives

LGFA has a number of additional objectives which complement the primary objective. These objectives will be measurable and achievable and the performance of the company in achieving its objectives will be reported annually. These additional objectives are to:

- Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy set out in section 6;
- Provide at least 50% of aggregate long-term debt funding for Participating Local Authorities;
- Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses set out in section 4;
- Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency;
- Achieve the Financial Forecasts set out in section 4;
- Meet or exceed the Performance Targets outlined in section 5; and
- Comply with its Treasury Policy, as approved by the Board.

Nature and Scope of Activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities, and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (Participating Local Authorities) and comply with the LGFA's lending policies.

Key performance targets and other measures

LGFA's average cost of funds on debt issued relative to the average cost of funds for New Zealand Government Securities for the 12 month period to:

- 30 June 2016 will be less than 0.50% higher.
- 30 June 2017 will be less than 0.50% higher.
- 30 June 2018 will be less than 0.50% higher.

The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period to:

- 30 June 2016 will be no more than 0.10%.
- 30 June 2017 will be no more than 0.10%.
- 30 June 2018 will be no more than 0.10%.

In relation to the 2015/16 financial year, the 5 bps reduction (to 10 bps) in base margin on long dated borrowing is in line with the projected reduction outlined in the previous 2014/15 SOI.

Although issuance and operating expenses are forecast to rise, LGFA's financial position is expected to be sufficiently strong to enable a reduction in the base margin per the targets above, subject to shareholder consultation on future options for capital structure and the liquidity facility.

LGFA's annual issuance and operating expenses for the period to:

- 30 June 2016 will be less than \$5.65 million.
- 30 June 2017 will be less than \$6.58 million.
- 30 June 2018 will be less than \$7.06 million.

Total lending to Participating Local Authorities at:

- 30 June 2016 will be at least \$5,760 million.
- 30 June 2017 will be at least \$6,970 million.
- 30 June 2018 will be at least \$7,610 million.

Savings on borrowing costs for council borrowers:

- LGFA will demonstrate the savings to council borrowers achieved in the relevant financial year and compared to previous financial years.

Data Capture Systems Limited (DCSL)

Taupō District Council is the 100 per cent owner of Data Capture Systems Limited (DCSL).

Data Capture Systems Limited was a council-controlled organisation (CCO) as defined by the Local Government Act 2002. In February 2006 the directors of Data Capture Systems Limited resolved that it would cease operations. In June 2006, resolutions were passed to wind down the company during the course of the 2006/07 year. The company is now exempt, under section 7 of the Local Government Act 2002, from definition as a council-controlled organisation.

Destination Lake Taupō Limited (DLTL)

Taupō District Council is the 100 per cent owner of Destination Lake Taupō Limited (DLTL).

Destination Lake Taupō Limited is a non-trading company that is held only for name-protection purposes. It has no revenue or expenditure, assets or liabilities. Council has passed a resolution, under section 7 of the Local Government Act 2002, making Destination Lake Taupō Limited exempt from definition as a council-controlled organisation.

Forecasting Assumptions

All assumptions have medium or low uncertainty unless otherwise specified. The significant lives of assets can be found in the Accounting policies on page 90 and the sources of funding for future expenditure can be found in the Revenue and Financing Policy on page 98.

Assumptions are also included in the Infrastructure Strategy and Development Contributions Policy. Although the assumptions in these documents are specific to that document they are consistent with the forecasting assumptions used as the basis for the Long-term Plan.

Our assumptions are:

- Population growth across our District is expected to reflect the population projections provided by the National Institute of Demographic and Economic Analysis (NIDEA), The University of Waikato.
- Limited structural change to population for years 1-3, increased aging structure by 2025 and until 2045. An aging population will put added pressures on specific services.
- 40-45% of the District's properties will be owned by non-resident ratepayers (mainly holiday home owners, but also others). As at Dec 2014 43% of the District's properties are owned by non-resident ratepayers.
- Our expectation is that the wider economy will remain stable. There will be economic influences that will impact on Council's business that are out of Council's control.
- The subsidy from New Zealand Transport Agency will move from 43% to a base subsidy of 50% across all activities and be increased by 1% to 51% for year two and the subsequent years. These subsidy rates will remain at this level until the Funding Assistance Rate is reviewed.
- Growth in the number of rateable properties is defined in Council's Growth model 2015. (For expected growth numbers see the *Prospective Schedule of Rates*, page 78).
- Long term inflation is consistent with BERL's Local Government Cost Index (LGCI) forecasts (updated in October 2014).
- Climate change impacts will not be significant between 2015-25. As part of our Infrastructure Strategy we have noted that we will review data on an ongoing basis to see what changes may need to be incorporated for the period 2025-2050.
- Waikato Regional Council will continue to push for higher wastewater quality via consent conditions, with consequential impacts on infrastructure capital and operating costs.
- There are no substantial natural disasters within the District. Council has not made financial provision to remedy the consequences of a significant natural disaster. The level of certainty for this assumption is unknown. A major natural disaster will be expensive.
- That no re-organisation of local government which affects the Taupō District Council in the first three years of the Long-term Plan.
- Legislative change is anticipated over the next ten years. Where direction has been provided by Central Government this has been taken into consideration. If unknown the status quo has provided the baseline for decisions.

Finance

The main financial assumptions that underpin this long term plan relate to:

- Asset revaluations
- Financial ratios
- Income from the sale of Council owned land
- Income from the harvest of Council's forests
- Development contributions income
- Investment returns
- Interest rates on borrowings
- Expenditure and timing of capital projects
- Timing and amounts of loans raised
- Inflation adjustments

Should any of these assumptions prove substantially incorrect there is likely to be an impact on the Long-term Plan. The methodology used to determine possible effects is:

- Identify the area of interest i.e. income from sale of Council property
- Identify the key variables i.e. the sale price achieved
- Determine how each key variable could change and the possible effect or effects of a change upon the Long-term Plan i.e. some capital expenditure projects may be deferred.

The degree of impact to the Long-term Plan is outlined below.

1. Asset revaluations

Critical variable = Inflation rate

The asset revaluation amounts are based on the cumulative inflation tables provided by BERL (page 173). The effect of a change in the actual rate of inflation will mean a higher/lower asset value and a higher/lower depreciation charge.

Asset revaluation cycles will in practice differ for each class of asset. The projections of this Long-term Plan assume a three yearly staggered revaluation cycle of asset classes.

2. Financial ratios

The financial ratios set by Council in accordance with the *Treasury Management Policy* allow for the following projected borrowing requirements:

Ratio	Limit
% Net external debt / Total revenue	Must not exceed 200%
% Net interest expense / Total revenue	Must not exceed 20%
% Net interest expense / Annual rates revenue	Must not exceed 25%
% Liquidity / Total external debt	Must be greater than 110%

3. Income from the sale of Council property

Critical variable = Net sale proceeds and infrastructure costs

Year	15/16 \$,000	16/17 \$,000	17/18 \$,000	18/19 \$,000	19/20 \$,000	20/21 \$,000	21/22 \$,000	22/23 \$,000	23/24 \$,000	24/25 \$,000
Forecast Net Property Sales	2,100	585	852	396	359	253	299	194	299	194

If estimated net sales proceeds are not achieved, or infrastructure costs are incurred at a higher level than planned, then the net cash flow will be reduced. Failure to achieve the projected number of property sales per year will also impact negatively on projected cash flows.

The consequences of changes as noted above could be the deferral of some capital expenditure projects so that expenditure would be reduced to match the reduced levels of income or an increase in borrowing where it is important that significant projects proceed.

4. Income from the harvest of Council’s forests

Critical variable = Net sale proceeds

Year	15/16 \$,000	16/17 \$,000	17/18 \$,000	18/19 \$,000	19/20 \$,000	20/21 \$,000	21/22 \$,000	22/23 \$,000	23/24 \$,000	24/25 \$,000
Forecast Net Forestry Sales	565	1,639	1,757	333	0	0	0	0	0	0

If the estimated net sales proceeds are not achieved then the net cash flow will be reduced. The above estimates are subject to market risk with regard to log prices and are influenced by foreign exchange fluctuations and worldwide demand for logs, particularly from China. Consequences of changes as noted above could be the deferral of some capital expenditure projects so that expenditure would be reduced to match the reduced levels of income or an increase in borrowing where it is important that significant projects proceed.

5. Development contributions income

Critical variable = the assumed rate of growth

It is probable that the demand for new sections in Taupō District will continue over time. Internationally there is demand for properties with coastal and water access, although how this will be affected by aging populations is not yet clear.

If growth is less than projected Council will still need to increase its borrowing, extend the period for interest payments and introduce depreciation on the assets without the corresponding increase in the rating base to help meet the additional costs. A corresponding rate increase may then be required to meet the funding shortfall.

6. Investment returns

Critical variable = the return on investments

The Long-term Plan assumes that income will be generated from all Council investment assets. Council seeks to achieve growth in parts of its investment portfolio e.g. TEL fund, but such growth is dependent upon Council funding requirements. Other investments, such as forestry deliver returns in lump sums at time of harvest. The assumed interest rate on cash investments ranges from 4.0% to 7.55% over the 10 years.

The consequence of a reduction in investment income could mean that less income is available to offset rates, or to repay borrowings. This may mean that some capital projects are deferred or borrowing increased where it is important that significant projects proceed.

7. Interest rate on borrowings

Critical variable = the interest rate on borrowed funds is assumed to be between 6.15% and 6.59% per annum.

Currently Council's borrowing is sourced from a combination of bank financing and debenture issuance with the majority of this overlaid by fixed interest rate swaps. These swaps extend out to maturities ranging between 2017 and 2024. The relevant interest rates fixed under the swaps range from 5.62% to 6.37%. The weighted average cost of Council's borrowing at 30 June 2014 was 6.09%.

An increase in the borrowing rate above the planned rates could result in a delay in the start up date of some projects in order to keep overall costs contained within the annual budgets.

8. Expenditure on capital projects and debt levels

The Long-term Plan capital expenditure budgets have been set bearing in mind the financial covenants of Council's *Treasury Management* policy. In setting the final programme of capital expenditure, asset maintenance and asset renewal projects were given the highest level of priority so that Council can continue to maintain its existing levels of service. Projects in response to statutory requirements have been given the next highest level of priority. Other projects have been either delayed or deferred where possible.

9. Asset management plans – timing of expenditure

The assumptions in Council's Asset Management Plans are the basis for the timing of asset-related expenditure, mainly for infrastructure. This includes any amendments following consultation on the Long-term Plan. Asset Management Plans and their assumptions are available separately at www.taupo.govt.nz.

10. Inflation adjustment

The figures in all the financial reports have been adjusted to include inflation-adjustment expectations for the relevant year of the Long-term Plan. These inflation adjusters have been provided by BERL and have been endorsed for use by the Society of Local Government Managers. The table below details the inflation adjusters for each category of cost.

Forecast of Price Level Change Adjusters – Cumulative Inflation Table (%)

Year to	Roading/Transport	Property/Reserves and Parks	Water	Other
Jun-16	0	0	0	0
Jun-17	1.4	2.5	4.2	2.6
Jun-18	3.7	5.2	7.6	5.3
Jun-19	6.2	8.1	11.4	8.3
Jun-20	8.9	11.2	15.4	11.5
Jun-21	11.9	14.5	19.8	14.9
Jun-22	15.1	18.1	24.6	18.7
Jun-23	18.6	22.0	29.8	22.7
Jun-24	22.4	26.1	35.3	27.1
Jun-25	26.4	30.6	41.4	31.8

Report from Council's Auditor

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the reader

Independent auditor's report on Taupō District Council's 2015/25 LongTerm Plan

I am the AuditorGeneral's appointed auditor for Taupō District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's LongTerm Plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 23 June 2015.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
longterm, integrated decisionmaking and coordination of the Council's resources; and
accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 10 to 17 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the District Council's audited information.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

Basis of Opinion

We carried out our work in accordance with the AuditorGeneral's Auditing Standards, relevant international standards and the ethical requirements in those standards.¹

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;

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The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and The International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

We have followed the independence requirements of the AuditorGeneral, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Clarence Susan, Audit New Zealand

On behalf of the AuditorGeneral, Tauranga, New Zealand