
Annual Plan 2016/17





ANNUAL PLAN 2016/17

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A message from your Mayor and Councillors

Welcome to our Annual Plan for the 2016/17 year.

This plan reflects year two of our Long-term Plan which is our contract with the community on what projects we will do, the services we deliver and how we will deliver them. We undertook a robust consultation process with the community when developing that plan so proposed little change this year.

With new legislation only requiring councils to consult on significant changes, the only project we sought additional feedback on was extending the Taupō water supply to Waitahanui. We were successful in applying for a \$1.942 million subsidy from the Ministry of Health for the project, and were looking to make up the \$1.033 million shortfall by sharing the cost across the rest of the Taupō scheme.

After considering 17 submissions on the proposal, we confirmed our proposal to supply water to all 243 properties in that community. This will not only allow us to fulfil our obligation under the New Zealand Drinking-water Standards but also ensure we secure a quality water supply for future generations. Thank you to everyone who took the time to make a submission this year. The feedback you provided was valuable in terms of our decision making.

When we did our Long-term Plan we were expecting a rates increase of 2.42 per cent for the 2016/17 financial year. However due to a number of factors, including lower costs than expected, this has been reduced to a 1.1 per cent average rates increase. We are also proposing to start the year with \$10 million less debt than originally forecast in the Long-term Plan.

Keeping rates and debt affordable is a key thread of our long-term financial strategy and it is great to see our vision coming to fruition. This Annual Plan consolidates some of the gains we have made in recent years while maintaining the same level of service across the vast array of services we deliver to our communities.

As we look to the future we can take great heart in the conservative approach we have taken to 'steady the ship' and put it on the right course to ensure that both now and into the future the Taupō District is a great place to live.

Statement of compliance

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

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

The Annual Plan commences on 1 July 2016. The Council and management do not intend to update these prospective financial statements subsequent to adoption on 28 June 2016.

D Trewavas

Mayor
28 June 2016

G Green

Acting Chief Executive Officer
28 June 2016

AJ Menhennet

Group Manager - Finance, Regulatory and Infrastructure
28 June 2016

B Fox

Group Manager - Community Risk Relations & Support
28 June 2016

J Ridd

Acting Group Manager - Policy & Operations
28 June 2016

C Walker

Acting Group Manager - Business Development & Improvements
28 June 2016

Our Long-Term District Strategy

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

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

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

When preparing this Annual Plan we assessed the financial information and budgets against year 2 of the LTP. This assessment identified some differences, none of which are considered material or significant with the exception of the Waitahanui water treatment upgrade. We included this project in our consultation document and received 17 submissions. Council made a decision to include the project in this Annual Plan.

The other differences identified are:

- The rates increase for 16/17 is 1.1%. This is lower than forecast in the LTP of 2.42%.
- The gross closing debt forecast for 16/17 is just under \$146 million. This is a reduction of over \$8 million from the \$154 million forecast in the LTP.
- There has been a reduction in Council's investment income (TEL fund and other investments). This is due to market conditions which are resulting in lower than forecast returns.
- There has been a reduction in other operating expenses including lower ACC levies, insurance premiums, reduced electricity costs and consultant fees.
- Timing changes to several capital projects have resulted in lower than forecast debt, interest costs and depreciation. This has in turn led to lower than forecast targeted rates for water and wastewater. There has also been an increase in the forecast subsidy revenue due to the timing of the Waitahanui water treatment project.

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

Annual plan disclosure statement for year ending 30 June 2017

What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark		Planned	Met
Rates affordability benchmark			Yes
■ income	Total rates revenue must not exceed 80% of operating revenues	76.1%	
■ increases	LGCI + 1% which equals 2.9%	1.1%	
Debt affordability benchmark	Gross external borrowing may not be more than 200% of annual operating income	178.2%	Yes
Balanced budget benchmark	100%	102.2%	Yes
Essential services benchmark	100%	82.3%	No
Debt servicing benchmark	10%	11.1%	No

Whole of Council - Funding impact Statement

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	37,106	37,676	38,081
Targeted rates	22,976	24,107	22,617
Subsidies and grants for operating purposes	1,840	1,982	1,960
Fees and charges	9,150	9,410	9,215
Interest and dividends from investments	4,583	4,695	2,937
Local authorities fuel tax, fines, infringement fees, and other receipts	1,039	1,060	1,017
Total operating funding (A)	76,694	78,930	75,827
Applications of operating funding			
Payments to staff and suppliers	49,037	49,530	48,615
Finance costs	10,389	10,308	8,755
Other operating funding applications	-	-	-
Total applications of operating funding (B)	59,426	59,838	57,370
Surplus (deficit) of operating funding (A - B)	17,268	19,092	18,457
Sources of capital funding			
Subsidies and grants for capital expenditure	3,130	1,415	2,366
Development and financial contributions	1,084	1,116	953
Increase (decrease) in debt	(3,101)	(4,548)	(5,103)
Gross proceeds from sale of assets	3,180	2,735	2,147
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	4,293	718	363
Application of capital funding			
Capital expenditure			
• to meet additional demand	1,149	604	1,567
• to improve the level of service	9,625	6,669	6,091
• to replace existing assets	10,158	10,452	11,042
Increase (decrease) in reserves	629	2,085	120
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	21,561	19,810	18,820
Surplus (deficit) of capital funding (C - D)	(17,268)	(19,092)	(18,457)
Funding balance ((A - B) + (C - D))	-	-	-

Groups of activities

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

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

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

Council's community outcomes

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

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

Community services

What we do

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

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

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

We provide emergency management for community wellbeing and safety, including development and support for volunteer rural fires crews in Taupō and the south-western lake settlements. We fund these activities through the uniform annual general charge and the general rate.

Changes to Rural Fire

The Minister of Internal Affairs has recently announced the merger of urban and rural fire services into one organisation. This merger is likely to take place from mid 2017 and the new organisation will be known as Fire and Emergency New Zealand.

Currently Council, like a number of local authorities, is involved in the operational delivery of voluntary rural fire activities to a number of rural communities. Given current indicative dates announced by the Minister, from 1 July 2017, Council would no longer be involved in or be responsible for the operational delivery of this service. This would be the responsibility of the new merged entity. However, Council along with a range of other affected stakeholders will be working closely to ensure that the transition of this service to the new entity maintains the continuity of service to communities.

This merger of over 40 individual organisations into one is a significant and complex change from a national perspective. The Minister has reiterated the governments commitment to building a 21st century fire service that supports its career and volunteer workforce, that supports rural and urban communities and that keeps strong links to civil defence and other emergency services. Funding of \$303 million over five years has been allocated for this, a significant proportion of which is set aside for community needs.

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

Community Services Funding Impact Statement

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	4,446	4,596	4,397
Targeted rates	-	-	-
Subsidies and grants for operating purposes	15	15	23
Fees and charges	1,865	1,913	2,064
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	472	484	448
Total operating funding (A)	6,798	7,008	6,932
Applications of operating funding			
Payments to staff and suppliers	6,495	6,702	6,700
Finance costs	101	97	63
Internal charges and overheads applied	2	2	2
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,598	6,801	6,765
Surplus (deficit) of operating funding (A – B)	200	207	167
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(63)	(117)	(98)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(63)	(117)	(98)
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	-	-	-
• to improve the level of service	50	-	-
• to replace existing assets	176	102	112
Increase (decrease) in reserves	(89)	(12)	(43)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	137	90	69
Surplus (deficit) of capital funding (C – D)	(200)	(207)	(167)
Funding balance ((A – B) + (C – D))	-	-	-

Community Services Schedule of Capital Expenditure

Activity/Scheme	Project Name	LTP	LTP	Annual Plan
		2015/16 (\$000)	2016/17 (\$000)	2016/17 (\$000)
Safer Communities	Upgrade CBD CCTV - Mangakino	25	-	-
Safer Communities	Upgrade CBD CCTV - Turangi	25	-	-
Community Services - District	Renewals	176	102	112
Total Capital Expenditure		226	102	112

Water

What we do

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

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

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

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

Water Supply Strategy

We had intended to complete a review of the Water Supply Strategy in 2016/17. However we have undertaken this review in 2015/16 and found that the new Infrastructure Strategy, Water Safety Plans and Water Demand Management Plan cover all the elements contained within the current strategy. As such no further review is required at this point in time.

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

2016/17 key projects

- Begin construction of the extension of the Taupō water supply to Waitahanui
- Design for Acacia Bay Water Treatment Plant upgrade to meet Drinking Water Standards NZ
- Begin security of supply upgrade for the Kinloch water supply (upgrade reservoir)

Water Funding Impact Statement

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	8,764	9,409	8,845
Subsidies and grants for operating purposes	-	-	-
Fees and charges	78	82	78
Internal charges and overheads recovered	381	391	367
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	9,223	9,882	9,290
Applications of operating funding			
Payments to staff and suppliers	4,236	4,448	4,140
Finance costs	2,076	2,113	1,834
Internal charges and overheads applied	51	54	53
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,363	6,615	6,027
Surplus (deficit) of operating funding (A - B)	2,860	3,267	3,263
Sources of capital funding			
Subsidies and grants for capital expenditure	2,125	-	971
Development and financial contributions	317	256	256
Increase (decrease) in debt	1,056	(964)	(44)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	3,498	(708)	1,183
Application of capital funding			
Capital expenditure			
• to meet additional demand	321	147	410
• to improve the level of service	4,480	604	1,698
• to replace existing assets	1,808	1,823	1,963
Increase (decrease) in reserves	(251)	(15)	375
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	6,358	2,559	4,446
Surplus (deficit) of capital funding (C - D)	(2,860)	(3,267)	(3,263)
Funding balance ((A - B) + (C - D))	-	-	-

Water Schedule of Capital Expenditure

Activity/Scheme	Project Name	LTP	LTP	Annual Plan
		2015/16 (\$000)	2016/17 (\$000)	2016/17 (\$000)
Water Supply Acacia Bay	WTP upgrade to meet DWSNZ	50	156	150
Water Supply Acacia Bay	Bulk flow meter	-	36	35
Water Supply Centennial Drive	Extension of CD river water supply to AC Baths & Hickling Park	166	-	-
Water Supply Hatepe	Security of supply	250	104	-
Water Supply Kinloch	Security of supply	-	427	410
Water Supply Mapara	Relocation of pump station & reticulation connection	800	-	-
Water Supply Motuoapa	Security of supply	375	-	-
Water Supply Omori	Bulk flow meter	-	26	25
Water Supply Taupo	Bulk flow meter	625	-	-
Water Supply Turangi	WTP upgrade to meet DWSNZ	35	-	-
Water Supply Waitahanui	WTP upgrade to meet DWSNZ	2,500	-	1,488
Water - District	Renewals	1,808	1,823	1,963
Total Capital Expenditure		6,609	2,574	4,071

Transport

What we do

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

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

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

2016/17 key projects

- Continue widening of Poihipi Road
- Seal extension
- Continue construction of Huka Falls Footpath
- Complete construction of the shared path from Wharewaka to Rainbow Pt
- Undertake minor safety improvements



Transport Funding Impact Statement

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	6,901	7,000	6,167
Targeted rates	-	-	-
Subsidies and grants for operating purposes	1,605	1,744	1,720
Fees and charges	155	81	80
Internal charges and overheads recovered	500	507	500
Local authorities fuel tax, fines, infringement fees, and other receipts	370	375	370
Total operating funding (A)	9,531	9,707	8,837
Applications of operating funding			
Payments to staff and suppliers	4,387	4,608	4,490
Finance costs	1,703	1,638	1,281
Internal charges and overheads applied	500	507	500
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,590	6,753	6,271
Surplus (deficit) of operating funding (A – B)	2,941	2,954	2,566
Sources of capital funding			
Subsidies and grants for capital expenditure	1,005	1,415	1,395
Development and financial contributions	211	208	208
Increase (decrease) in debt	(1,424)	(1,411)	(1,398)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(208)	212	205
Application of capital funding			
Capital expenditure			
• to meet additional demand	33	36	300
• to improve the level of service	1,067	1,102	822
• to replace existing assets	1,931	2,546	2,511
Increase (decrease) in reserves	(298)	(518)	(862)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	2,733	3,166	2,771
Surplus (deficit) of capital funding (C – D)	(2,941)	(2,954)	(2,566)
Funding balance ((A – B) + (C – D))	-	-	-

Transport Schedule of Capital Expenditure

Activity/Scheme	Project Name	LTP	LTP	Annual Plan
		2015/16 (\$000)	2016/17 (\$000)	2016/17 (\$000)
Transport	Bus infrastructure	9	3	3
Transport	Cycle strategy implementation	42	35	35
Transport	New footpaths	25	25	25
Transport	Huka Falls Road footpath	100	101	100
Transport	Mangakino streets - upgrade program	5	41	40
Transport	New signs & road marking	25	25	25
Transport	On-street parking	25	25	25
Transport	Poihipi Road seal widening	233	203	200
Transport	Rural school bus shelters	6	-	-
Transport	Seal extension	400	406	400
Transport	Shared path Wharewaka to Rainbow Point	70	101	100
Transport	On-going safety improvements	160	171	169
Transport	District-wide renewals	1,931	2,546	2,511
Total Capital Expenditure		3,031	3,684	3,633

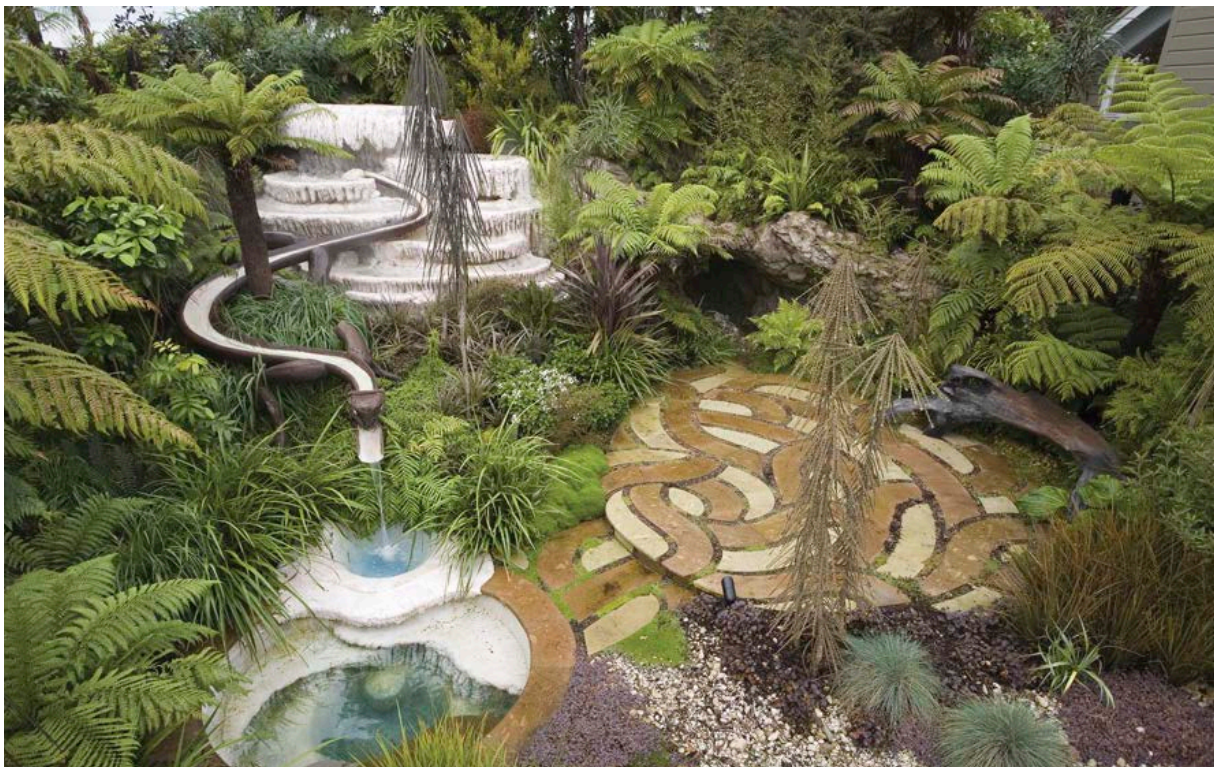
Community facilities

What we do

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

The facilities we operate are:

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



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

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

2016/17 Key projects

- New toilet at Otumuheke Stream in Spa Thermal Park



Community Facilities Funding Impact Statement

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	15,629	16,032	15,883
Targeted rates	-	-	-
Subsidies and grants for operating purposes	105	105	103
Fees and charges	2,705	2,779	2,661
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	17	17	17
Total operating funding (A)	18,456	18,933	18,664
Applications of operating funding			
Payments to staff and suppliers	12,322	12,703	12,692
Finance costs	1,711	1,704	1,546
Internal charges and overheads applied	412	422	451
Other operating funding applications	-	-	-
Total applications of operating funding (B)	14,445	14,829	14,689
Surplus (deficit) of operating funding (A – B)	4,011	4,104	3,975
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	268	275	112
Increase (decrease) in debt	(345)	(727)	(781)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(77)	(452)	(669)
Application of capital funding			
Capital expenditure			
• to meet additional demand	285	257	257
• to improve the level of service	1,313	862	843
• to replace existing assets	3,079	2,060	2,136
Increase (decrease) in reserves	(743)	473	70
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	3,934	3,652	3,306
Surplus (deficit) of capital funding (C – D)	(4,011)	(4,104)	(3,975)
Funding balance ((A – B) + (C – D))	-	-	-

Community Facilities Schedule of Capital Expenditure

Activity/Scheme	Project Name	LTP	LTP	Annual Plan
		2015/16 (\$000)	2016/17 (\$000)	2016/17 (\$000)
Genesis Energy Aquatic Centre	Main 25m Pool Cover & auto winder	31	-	-
Genesis Energy Aquatic Centre	Replace chlorine gas with chlorine generation system	10	-	-
Great Lake Centre	External access to kitchen	-	51	50
Great Lake Centre	Supply gas to kitchen for hot water	5	-	-
Libraries - District	Install access control to library doors to link to Council contr	3	-	-
Libraries - District	Install GoGo PC management system	5	-	-
Libraries - District	Library books	310	318	310
Mangakino Cemetery	Lay new burial & cremation berms	5	-	-
Museum - Taupo	Insulation in Tuwharetoa Gallery	25	-	-
Parks & Reserves - Mangakino/Pouakani	Mangakino Town Centre upgrade	162	-	-
Parks & Reserves - Taupo	Concrete footpath from Ferry Road to water treatment plant	100	-	-
Parks & Reserves - Taupo	Fencing contributions (Fencing Act requirement)	20	21	20
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	Integration of old bowling green into Tongariro Domain	-	21	20
Parks & Reserves - Taupo	Irrigation upgrade - Tongariro North Domain	20	81	79
Parks & Reserves - Taupo	Landscape lower Otumuheke Stream banks at bathing area	10	51	50
Parks & Reserves - Taupo	New playground & parks assets	-	12	12
Parks & Reserves - Taupo	New playground at Besley Park	80	-	-
Parks & Reserves - Taupo	New Smokefree signage to be installed at playgrounds	10	-	-
Parks & Reserves - Taupo	Public Art	25	25	25
Parks & Reserves - Taupo	Seal parking area adjacent to pump track	-	41	40
Parks & Reserves - Taupo	Spa Thermal Park gravel path upgrade	-	46	45
Parks & Reserves - Taupo	Wharewaka Point Great Lake Walkway completion	80	-	-
Parks & Reserves - Turangi/Tongariro	New playground & park assets	8	-	-
Parks Development Contribution	New neighbourhood reserves	245	251	245
Project Watershed	Erosion control assets	150	103	100
Public Conveniences - Mangakino	New toilet at Mangakino	144	-	-
Public Conveniences - Taupo	Dry vault toilet near Otumuheke Stream	-	41	40
Public Conveniences - Taupo	Install water tank - Spa Thermal Park toilets	-	15	15
Sportsground Owen Delany Park	PA system & scoreboard upgrade (No.1 field)	-	36	35
Sportsgrounds - Taupo	Additional water tanks for Crown Park irrigation	10	-	-
Taupo Cemetery	Burial/cremation berms	7	7	7
Taupo Events Centre - Stadium	Ramp from carpark for disabled access	40	-	-
Turangi Cemetery	Lay new burial & cremation berms	5	-	-
Community Facilities	Renewals	3,079	2,060	2,143
Total Capital Expenditure		4,676	3,179	3,236

Wastewater

What we do

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

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

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

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

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

2016/17 key projects

- Install monitoring bore for the Kinloch Wastewater Treatment Plant
- Investigations for the upgrade of the Whakamaru Wastewater Treatment Plant to meet likely consent renewal conditions
- Undertake works for the improvement and remediation of the Pukawa wastewater pond
- Screen optimisation at the Turangi wastewater treatment plant

Wastewater Funding Impact Statement

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	12,757	13,138	12,471
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,450	1,511	1,150
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	14,207	14,649	13,621
Applications of operating funding			
Payments to staff and suppliers	6,217	6,444	6,363
Finance costs	3,070	3,010	2,587
Internal charges and overheads applied	152	157	134
Other operating funding applications	-	-	-
Total applications of operating funding (B)	9,439	9,611	9,084
Surplus (deficit) of operating funding (A – B)	4,768	5,038	4,537
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	288	377	377
Increase (decrease) in debt	(1,736)	(1,647)	(2,157)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(1,448)	(1,270)	(1,780)
Application of capital funding			
Capital expenditure			
• to meet additional demand	510	164	600
• to improve the level of service	1,247	1,732	420
• to replace existing assets	2,001	2,374	2,562
Increase (decrease) in reserves	(438)	(502)	(825)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	3,320	3,768	2,757
Surplus (deficit) of capital funding (C – D)	(4,768)	(5,038)	(4,537)
Funding balance ((A – B) + (C – D))	-	-	-

Wastewater Schedule of Capital Expenditure

Activity/Scheme	Project Name	LTP	LTP	Annual Plan
		2015/16 (\$000)	2016/17 (\$000)	2016/17 (\$000)
Wastewater Acacia Bay	WWTP upgrade / optimisation	650	1,094	-
Wastewater Kinloch	Monitoring bore	-	125	120
Wastewater Kinloch	WWTP upgrade / optimisation	720	-	-
Wastewater Motutere	Monitoring bore	-	26	25
Wastewater Omori	Pukawa Pond improvement / remediation	25	625	250
Wastewater Taupo	Lowell Place & Kowhai generator upgrade	200	-	-
Wastewater Turangi	Turangi WWTP treatment / screen optimisation	-	-	600
Wastewater Whakamaru	WWTP upgrade / optimisation	-	26	25
Wastewater Whareroa	Disposal field upgrade / monitoring bore	162	-	-
Wastewater - District	Renewals	2,001	2,374	2,562
Total Capital Expenditure		3,759	4,270	3,582

Solid waste

What we do

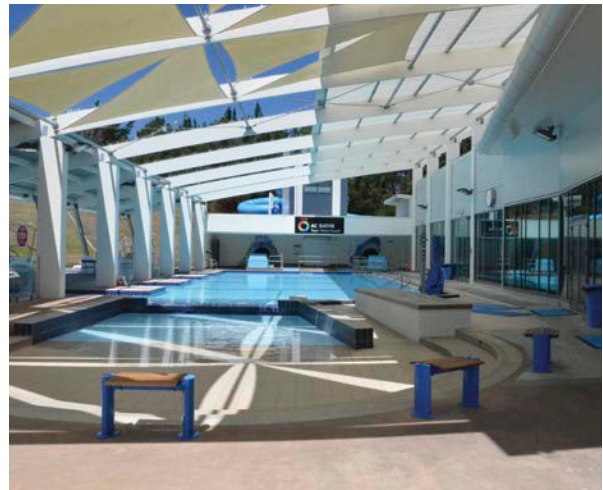
We provide a solid waste system for refuse and recyclables. Waste services include a landfill and resource recovery centre at Broadlands Road, five transfer stations, and litter and recycling bins. We manage solid waste to reduce the likelihood of harm to people and the environment, and to retain the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

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

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

2016/17 key projects

- Construct new cell at the Broadlands Road Landfill



Solid waste Funding Impact Statement

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	786	806	739
Targeted rates	1,211	1,310	1,057
Subsidies and grants for operating purposes	115	118	115
Fees and charges	2,175	2,231	2,332
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	4,287	4,465	4,243
Applications of operating funding			
Payments to staff and suppliers	3,708	3,820	3,671
Finance costs	225	243	190
Internal charges and overheads applied	9	10	9
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,942	4,073	3,870
Surplus (deficit) of operating funding (A – B)	345	392	373
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(273)	733	714
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(273)	733	714
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	90	1,036	1,010
• to replace existing assets	114	89	87
Increase (decrease) in reserves	(132)	-	(10)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	72	1,125	1,087
Surplus (deficit) of capital funding (C – D)	(345)	(392)	(373)
Funding balance ((A – B) + (C – D))	-	-	-

Solid Waste Schedule of Capital Expenditure

Activity/Scheme	Project Name	LTP	LTP	Annual Plan
		2015/16 (\$000)	2016/17 (\$000)	2016/17 (\$000)
Litter control Taupo	New street recycling bins	10	10	10
Taupo Solid Waste Disposal	Broadlands Landfill cell 2D	-	1,026	1,000
Taupo Solid Waste Disposal	Broadlands Road sewer pipe & pump works	70	-	-
Taupo Solid Waste Disposal	Broadlands Road weighbridge sump & pump	10	-	-
Solid Waste Disposal - District	Renewals	114	89	87
Total Capital Expenditure		204	1,126	1,097

Stormwater

What we do

Council provides a storm water 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 storm water 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 storm water to the lake, which need to be maintained to avoid sedimentation and enable storm water quality to improve as it passes through the gullies. We monitor storm water 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 storm water is governed by the framework set down in the conditions of our comprehensive stormwater discharge consent.

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

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

2016/17 key projects

- Installation of enviropods
- Install quality improvement device at the end of Ruapehu Street, Taupō

Storm water Funding Impact Statement

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,677	1,751	1,667
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)	1,677	1,751	1,667
Applications of operating funding			
Payments to staff and suppliers	670	691	709
Finance costs	81	89	45
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	751	780	754
Surplus (deficit) of operating funding (A – B)	926	971	913
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	115	94	108
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	115	94	108
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	175	162	155
• to replace existing assets	125	132	127
Increase (decrease) in reserves	741	771	739
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,041	1,065	1,021
Surplus (deficit) of capital funding (C – D)	(926)	(971)	(913)
Funding balance ((A – B) + (C – D))	-	-	-

Storm water Schedule of Capital Expenditure

Activity/Scheme	Project Name	LTP	LTP	Annual Plan
		2015/16 (\$000)	2016/17 (\$000)	2016/17 (\$000)
Stormwater	Enviropod protection	5	5	5
Stormwater	Hole in one lakefront improvement device	-	135	130
Stormwater	Overland flow path remediation	20	21	20
Stormwater	Ruaapehu Street quality improvement device	140	-	-
Stormwater	Tauhara Pump Station telemetry	10	-	-
Stormwater - District	Renewals	125	132	127
Total Capital Expenditure		300	294	282



Democracy and planning

What we do

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

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

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

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

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

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

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

2016/17 key projects

- Continue the Flood Hazard Plan Change
- Continue the District Plan review (rolling review process over the life of the Long-term Plan)
- Complete Taupō District 2050 review
- Cycling and Walking Strategy review
- Prepare Annual Plan 2017/18
- Turangi-Tongariro Community Board develop a Community Plan post 2016 elections (by June 2017)
- Begin preparation of Long-term Plan 2018 – 28
- Develop a Freedom Camping Bylaw
- Review Reid’s Farm Reserve Management Plan
- Advocate on the Healthy Rivers Plan Change
- Development of the Turangi Reserve Management Plan in conjunction with Ngati Turangitukua
- Review the Speed Bylaw and make amendments to parts of the Traffic and Solid Waste Bylaws

Freedom Camping

Visitor numbers have been increasing and with that the issues with freedom camping. Freedom camping has received some negative national media attention and concerns have been raised locally about whether we are adequately dealing with the issue. At the end of May 2016 Council decided to investigate the potential for a freedom camping bylaw under the Freedom Camping Act 2011 and review the Reid’s Farm Reserve Management Plan under the Reserves Act 1977. The Long-term Plan 2015-25 did not provide for either project, however the growing pressure means it is timely for Council to proactively plan for managing freedom camping.



Democracy and Planning Funding Impact Statement

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	6,488	6,598	6,350
Targeted rates	80	82	80
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1	73	76
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	6,569	6,753	6,506
Applications of operating funding			
Payments to staff and suppliers	6,559	6,743	6,490
Finance costs	-	-	-
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,559	6,743	6,490
Surplus (deficit) of operating funding (A – B)	10	10	16
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	50
Increase (decrease) in reserves	10	(41)	(34)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	10	10	16
Surplus (deficit) of capital funding (C – D)	(10)	(10)	(16)
Funding balance ((A – B) + (C – D))	-	-	-

Democracy and Planning Schedule of Capital Expenditure

Activity/Scheme	Project Name	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Council Services - District	Mayoral vehicle renewal	-	51	50
Total Capital Expenditure		-	51	50

investments

What we do

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

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

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

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



Investments Funding Impact Statement

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	(2,272)	(2,648)	(561)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	722	740	774
Internal charges and overheads recovered	593	610	601
Local authorities fuel tax, fines, infringement fees, and other receipts	4,762	4,879	3,118
Total operating funding (A)	3,805	3,581	3,932
Applications of operating funding			
Payments to staff and suppliers	(114)	(279)	(223)
Finance costs	1,379	1,374	1,206
Internal charges and overheads applied	347	356	318
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,612	1,451	1,301
Surplus (deficit) of operating funding (A – B)	2,193	2,130	2,631
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(407)	(454)	(1,394)
Gross proceeds from sale of assets	3,180	2,735	2,147
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	2,773	2,281	753
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	1,170	1,167	1,140
• to replace existing assets	924	1,275	1,492
Increase (decrease) in reserves	2,872	1,969	752
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	4,966	4,411	3,384
Surplus (deficit) of capital funding (C – D)	(2,193)	(2,130)	(2,631)
Funding balance ((A – B) + (C – D))	-	-	-

Investments Schedule of Capital Expenditure

Activity/Scheme	Project Name	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Property - Land	Commercial and residential land development	200	846	825
Property	Gutter guard installation	14	3	5
Property - Residential Housing	Demolish Mangakino house & shed	41	-	-
Support Services	Software, network development & equipment renewals	1,839	1,592	1,802
Total Capital Expenditure		2,094	2,440	2,632

Economic Development

What we do

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

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

We invest in economic development in the following ways:

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

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



Economic Development Funding Impact Statement

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	3,451	3,541	3,438
Targeted rates	164	168	164
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)	3,615	3,709	3,602
Applications of operating funding			
Payments to staff and suppliers	3,555	3,649	3,585
Finance costs	43	41	3
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,598	3,690	3,588
Surplus (deficit) of operating funding (A – B)	17	19	14
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(24)	(55)	(53)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(24)	(55)	(53)
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	33	4	4
• to replace existing assets	-	-	-
Increase (decrease) in reserves	(40)	(40)	(43)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(7)	(36)	(39)
Surplus (deficit) of capital funding (C – D)	(17)	(19)	(14)
Funding balance ((A – B) + (C – D))	-	-	-

Economic Development Schedule of Capital Expenditure

Activity/Scheme	Project Name	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Events Management	Event equipment	33	4	4
Total Capital Expenditure		33	4	4

Finances

Prospective Schedule of Rates

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Total District			
General rates	38,099	38,707	39,207
Targeted rates	23,357	24,498	22,984
Total rates	61,456	63,205	62,191
Less internal rates	975	1,002	968
Less rates remission	800	821	900
Add rates penalties	400	400	375
Rates revenue per statement of comprehensive revenue and expense	60,082	61,782	60,698
% Change total rates	2.63%	2.84%	1.19%
% Change general rates	5.20%	1.60%	2.91%
% Change targeted rates	-1.31%	4.88%	-1.60%
Number of properties	22,160	22,251	22,208
Growth in property numbers	91	92	63
Number of properties to be rated	22,251	22,343	22,271
Costs to be recovered (GST excl)	61,456	63,205	62,191
All rateable properties included			
Average rates per property	2,762	2,829	2,792
Average property % increase	2.21%	2.42%	1.10%
Average property increase GST excl	60	67	30
Average property increase GST incl	69	77	35

Ratings base information

The projected number of rating units within the district for 30 June 2016 is 22,271.

The projected total capital value of rating units within the district for 30 June 2016 is \$13.363 billion.

The projected total land value of rating units within the district for 30 June 2016 is \$6.716 billion.

Prospective Statement of Comprehensive Revenue and Expense

	LTP 2015/16 (\$'000)	LTP 2016/17 (\$'000)	Annual Plan 2016/17 (\$'000)
Revenue			
Rates	60,082	61,782	60,698
Subsidies and grants	4,969	3,397	4,326
Development and financial contributions	1,085	1,116	953
Fees and charges	9,150	9,411	9,215
Finance revenue	4,583	4,695	2,937
Other revenue	4,212	3,455	3,632
Total revenue	84,081	83,856	81,761
Expenses			
Personnel costs	19,650	20,168	20,372
Depreciation and amortisation expense	19,555	20,462	19,818
Finance costs	10,389	10,308	8,755
Other expenses	29,389	29,362	28,243
Total operating expenses	78,983	80,300	77,188
Surplus/(deficit) before tax	5,098	3,556	4,573
Income tax (expense)/credit	-	-	-
Surplus/(deficit) after tax	5,098	3,556	4,573
Other comprehensive revenue and expense			
Property, plant & equipment revaluations	28,669	9,522	19,047
Total other comprehensive revenue and expense	28,669	9,522	19,047
Total comprehensive revenue and expense	33,767	13,078	23,620
Reconciliation to Summary Funding Impact Statement			
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	37,106	37,676	38,081
Targeted rates	22,976	24,106	22,617
Total rates revenue	60,082	61,782	60,698
Subsidies and grants for operating purposes	1,839	1,982	1,960
Fees and charges	9,150	9,411	9,215
Interest and dividends from investments	4,583	4,695	2,937
Local authorities fuel tax, fines, infringement fees, and other receipts	1,038	1,060	1,017
Total operating funding	76,692	78,930	75,827
Add asset development and other gains / (losses)			
Subsidies and grants for capital expenditure	3,130	1,415	2,366
Development and financial contributions	1,085	1,116	953
Add vested and first time recognition of assets	900	932	900
Add gain on sale	607	264	686
Add unrealised gains/(losses)	1,666	1,199	1,029
Total asset development and other gains / (losses)	7,388	4,926	5,934
Total revenue	84,080	83,856	81,761
Applications of operating funding			
Payments to staff and suppliers	49,039	49,530	48,615
Finance costs	10,389	10,308	8,755
Total applications of operating funding (B)	59,428	59,838	57,370
Add depreciation expense	19,555	20,462	19,818
Total operating expenses	78,983	80,300	77,188
Surplus/(deficit) after tax	5,097	3,556	4,573
Add other comprehensive revenue and expenses	28,669	9,522	19,047
Total comprehensive revenue and expense	33,766	13,078	23,620

Prospective Statement of Changes in Net Assets/Equity

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Net assets/equity at beginning of year	964,449	998,216	1,035,033
Net surplus/(deficits) for the year	5,098	3,556	4,573
Other comprehensive revenue and expenses	28,669	9,522	19,047
Total recognised revenues and expenses for the year	33,767	13,078	23,620
Total equity at end of year	998,216	1,011,294	1,058,653
Components of Equity			
Accumulated funds at beginning of year	775,091	779,378	782,832
Net surplus/(deficits) for the year	4,286	1,283	4,452
Accumulated funds at end of year	779,377	780,661	787,284
Council created reserves at beginning of year	92,661	93,473	91,053
Transfers to/(from) reserves	812	2,272	120
Council created reserves at end of year	93,473	95,745	91,173
Revaluation reserves at beginning of year	96,697	125,366	161,149
Revaluation surplus/(deficits) for the year	28,669	9,522	19,047
Revaluations reserves at end of year	125,366	134,888	180,196
Total equity at end of year	998,216	1,011,294	1,058,653

Prospective Statement of Financial Position

	LTP 2015/16 (\$'000)	LTP 2016/17 (\$'000)	Annual Plan 2016/17 (\$'000)
ASSETS			
Current assets			
Cash and cash equivalents	3,937	3,897	5,041
Other financial assets	38,829	39,479	55,628
Trade and other receivables	6,255	6,418	5,181
Inventories	593	608	509
Prepayments	-	-	408
Non current assets held for sale	4,309	5,013	2,353
Total current assets	53,923	55,415	69,120
Non-current assets			
Other financial assets	43,384	44,942	25,127
Investment in CCO and other similar entities	3,202	3,202	3,217
Intangible assets	624	640	593
Investment properties	23,501	23,467	23,325
Investments in associates	3,141	3,141	-
Biological assets - forestry	4,370	3,274	5,656
Property plant and equipment	1,046,633	1,053,503	1,108,745
Total non-current assets	1,124,855	1,132,169	1,166,663
Total assets	1,178,778	1,187,584	1,235,783
LIABILITIES			
Current liabilities			
Trade and other payables	7,791	7,993	8,923
Employee benefit liabilities	2,509	2,574	2,753
Borrowings	51,318	74,719	49,310
Total current liabilities	61,618	85,286	60,986
Non-current liabilities			
Provisions	55	56	64
Derivative financial instruments	11,119	11,119	19,399
Borrowings	107,484	79,536	96,409
Employee benefit liabilities	286	293	272
Total non-current liabilities	118,944	91,004	116,144
Total liabilities	180,562	176,290	177,130
Net assets (assets minus liabilities)	998,216	1,011,294	1,058,653
EQUITY			
Accumulated funds	779,377	780,660	787,284
Council created reserves	93,473	95,746	91,173
Revaluation reserves	125,366	134,888	180,196
Total equity	998,216	1,011,294	1,058,653

Prospective Statement of Cashflows

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Cash flows from operating activities			
Rates	60,082	61,782	60,698
Subsidies	1,839	1,982	1,960
Interest revenue	4,583	4,695	2,937
Fees and charges	9,152	9,411	9,215
Other revenue	1,038	1,060	1,017
Payments to suppliers	(29,390)	(29,362)	(28,243)
Payments to employees	(19,650)	(20,168)	(20,372)
Interest on public debt	(10,389)	(10,308)	(8,750)
Net cash flow (outflow) from operating activities	17,265	19,092	18,462
Cash flows from investing activities			
Proceeds from sale of property, plant, equipment & biological assets	3,180	2,735	2,147
Development/financial contributions	1,085	1,116	953
Capital subsidies	3,130	1,415	2,366
Purchase & development of property, plant & equipment	(20,931)	(17,725)	(18,700)
Net increase in investments	(8,734)	(2,125)	(2,800)
Net cash flow from investing activities	(22,270)	(14,584)	(16,034)
Cash flows from financing activities			
Loans raised	8,414	7,048	6,466
Repayment of public debt	(11,515)	(11,596)	(11,569)
Net cash flow from financing activities	(3,101)	(4,548)	(5,103)
Net increase (decrease) in cash held	(8,106)	(40)	(2,675)
Add cash at start of year	12,043	3,937	7,716
Cash and cash equivalents at end of year	3,937	3,897	5,041

Prospective Statement of Borrowings

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Debt Balances			
Opening debt	161,903	158,802	148,089
New borrowing requirements	8,414	7,048	6,466
Borrowing requirements for prior year capital expenditure brought forward	-	-	2,733
Debt repayments	(11,515)	(11,596)	(11,569)
Closing external debt	158,802	154,254	145,719
Debt Servicing Costs			
Interest	10,389	10,308	8,755
Debt repayments	11,515	11,596	11,569
Total external debt servicing costs	21,904	21,904	20,324

Prospective Schedule of Capital Expenditure

Activity/Scheme	Project Name	LTP	LTP	Annual Plan
		2015/16 (\$000)	2016/17 (\$000)	2016/17 (\$000)
Community Services				
Safer Communities	Upgrade CBD CCTV - Mangakino	25	-	-
Safer Communities	Upgrade CBD CCTV - Turangi	25	-	-
Community Services - District	Renewals	176	102	112
Total Community Services		226	102	112
Water				
Water Supply Acacia Bay	WTP upgrade to meet DWSNZ	50	156	150
Water Supply Acacia Bay	Bulk flow meter	-	36	35
Water Supply Centennial Drive	Extension of CD river water supply to AC Baths & Hickling P	166	-	-
Water Supply Hatepe	Security of supply	250	104	-
Water Supply Kinloch	Security of supply	-	427	410
Water Supply Mapara	Relocation of pump station & reticulation connection	800	-	-
Water Supply Motuoapa	Security of supply	375	-	-
Water Supply Omori	Bulk flow meter	-	26	25
Water Supply Taupo	Bulk flow meter	625	-	-
Water Supply Turangi	WTP upgrade to meet DWSNZ	35	-	-
Water Supply Waitahanui	WTP upgrade to meet DWSNZ	2,500	-	1,488
Water - District	Renewals	1,808	1,823	1,963
Total Water		6,609	2,574	4,071
Transport				
Transport	Bus infrastructure	9	3	3
Transport	Cycle strategy implementation	42	35	35
Transport	New footpaths	25	25	25
Transport	Huka Falls Road footpath	100	101	100
Transport	Mangakino streets - upgrade program	5	41	40
Transport	New signs & road marking	25	25	25
Transport	On-street parking	25	25	25
Transport	Poihipi Road seal widening	233	203	200
Transport	Rural school bus shelters	6	-	-
Transport	Seal extension	400	406	400
Transport	Shared path Wharewaka to Rainbow Point	70	101	100
Transport	On-going safety improvements	160	171	169
Transport	District-wide renewals	1,931	2,546	2,511
Total Transport		3,031	3,684	3,633
Community Facilities				
Genesis Energy Aquatic Centre	Main 25m Pool Cover & auto winder	31	-	-
Genesis Energy Aquatic Centre	Replace chlorine gas with chlorine generation system	10	-	-
Great Lake Centre	External access to kitchen	-	51	50
Great Lake Centre	Supply gas to kitchen for hot water	5	-	-
Libraries - District	Install access control to library doors to link to Council contr	3	-	-
Libraries - District	Install GoGo PC management system	5	-	-
Libraries - District	Library books	310	318	310
Mangakino Cemetery	Lay new burial & cremation berms	5	-	-
Museum - Taupo	Insulation in Tuwharetoa Gallery	25	-	-
Parks & Reserves - Mangakino/Pouakani	Mangakino Town Centre upgrade	162	-	-
Parks & Reserves - Taupo	Concrete footpath from Ferry Road to water treatment plant	100	-	-

Activity/Scheme	Project Name	LTP	LTP	Annual Plan
		2015/16 (\$000)	2016/17 (\$000)	2016/17 (\$000)
Parks & Reserves - Taupo	Fencing contributions (Fencing Act requirement)	20	21	20
Parks & Reserves - Taupo	Install new drainage system in Tongariro North Domain	40	-	-
Parks & Reserves - Taupo	Install new lighting poles & luminaires in Tongariro South Dc	48	-	-
Parks & Reserves - Taupo	Integration of old bowling green into Tongariro Domain	-	21	20
Parks & Reserves - Taupo	Irrigation upgrade - Tongariro North Domain	20	81	79
Parks & Reserves - Taupo	Landscape lower Otumuheke Stream banks at bathing area	10	51	50
Parks & Reserves - Taupo	New playground & parks assets	-	12	12
Parks & Reserves - Taupo	New playground at Besley Park	80	-	-
Parks & Reserves - Taupo	New Smokefree signage to be installed at playgrounds	10	-	-
Parks & Reserves - Taupo	Public Art	25	25	25
Parks & Reserves - Taupo	Seal parking area adjacent to pump track	-	41	40
Parks & Reserves - Taupo	Spa Thermal Park gravel path upgrade	-	46	45
Parks & Reserves - Taupo	Wharewaka Point Great Lake Walkway completion	80	-	-
Parks & Reserves - Turanqi/Tongariro	New playground & park assets	8	-	-
Parks Development Contribution	New neighbourhood reserves	245	251	245
Project Watershed	Erosion control assets	150	103	100
Public Conveniences - Mangakino	New toilet at Mangakino	144	-	-
Public Conveniences - Taupo	Dry vault toilet near Otumuheke Stream	-	41	40
Public Conveniences - Taupo	Install water tank - Spa Thermal Park toilets	-	15	15
Sportsground Owen Delany Park	PA system & scoreboard upgrade (No.1 field)	-	36	35
Sportsgrounds - Taupo	Additional water tanks for Crown Park irrigation	10	-	-
Taupo Cemetery	Burial/cremation berms	7	7	7
Taupo Events Centre - Stadium	Ramp from carpark for disabled access	40	-	-
Turangi Cemetery	Lay new burial & cremation berms	5	-	-
Community Facilities	Renewals	3,079	2,060	2,143
Total Community Facilities		4,676	3,179	3,236
Wastewater				
Wastewater Acacia Bay	WWTP upgrade / optimisation	650	1,094	-
Wastewater Kinloch	Monitoring bore	-	125	120
Wastewater Kinloch	WWTP upgrade / optimisation	720	-	-
Wastewater Motutere	Monitoring bore	-	26	25
Wastewater Omori	Pukawa Pond improvement / remediation	25	625	250
Wastewater Taupo	Lowell Place & Kowhai generator upgrade	200	-	-
Wastewater Turangi	Turangi WWTP treatment / screen optimisation	-	-	600
Wastewater Whakamaru	WWTP upgrade / optimisation	-	26	25
Wastewater Whareroa	Disposal field upgrade / monitoring bore	162	-	-
Wastewater - District	Renewals	2,001	2,374	2,562
Total Wastewater		3,759	4,270	3,582
Solid Waste				
Litter control Taupo	New street recycling bins	10	10	10
Taupo Solid Waste Disposal	Broadlands Landfill cell 2D	-	1,026	1,000
Taupo Solid Waste Disposal	Broadlands Road sewer pipe & pump works	70	-	-
Taupo Solid Waste Disposal	Broadlands Road weighbridge sump & pump	10	-	-
Solid Waste Disposal - District	Renewals	114	89	87
Total Solid Waste		204	1,126	1,097

Activity/Scheme	Project Name	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Stormwater				
Stormwater	Enviropod protection	5	5	5
Stormwater	Hole in one lakefront improvement device	-	135	130
Stormwater	Overland flow path remediation	20	21	20
Stormwater	Ruapehu Street quality improvement device	140	-	-
Stormwater	Tauhara Pump Station telemetry	10	-	-
Stormwater - District	Renewals	125	132	127
Total Stormwater		300	294	282
Democracy & Planning				
Council Services - District	Mayoral vehicle renewal	-	51	50
Total Democracy & Planning		-	51	50
Investments				
Property - Land	Commercial and residential land development	200	846	825
Property	Gutter guard installation	14	3	5
Property - Residential Housing	Demolish Mangakino house & shed	41	-	-
Support Services	Software, network development & equipment renewals	1,839	1,592	1,802
Total Investments		2,094	2,440	2,632
Economic Development				
Events Management	Event equipment	33	4	4
Total Economic Development		33	4	4
Total Capital Expenditure		20,931	17,725	18,700

Prospective Schedule of Reserve Funds

Reserve Name	Projected Opening Balance 01/07/16 (\$'000)	Expected Deposits 01/07/16-30/06/17 (\$'000)	Expected Withdrawals 01/07/16-30/06/17 (\$'000)	Expected Balance @ 30/06/17 (\$'000)	Purpose of the Fund	Activities to which the fund relate
Development Contribution Reserves						
To fund for Development Contribution capital expenditure, loan repayments & interest for:						
Community Infrastructure - District	867	-	(3)	864	District Community Infrastructure	Community Facilities
District Wide Parks	57	12	-	69	District Wide Parks	Community Facilities
Parks & Reserves Land (Residential)	3,548	100	-	3,648	Residential Parks Reserve Land	Community Facilities
Transport & Stormwater - District	434	208	(4)	638	District Wide Transport	Transport
Wastewater - Aitiamuri	2	-	(205)	(203)	Aitiamuri Wastewater	Wastewater
Wastewater - Kinloch	(55)	-	(7)	(63)	Kinloch Wastewater	Wastewater
Wastewater - Mangakino	-	-	-	-	Mangakino Wastewater	Wastewater
Wastewater - Omori	-	-	-	-	Omori Wastewater	Wastewater
Wastewater - Taupo	529	377	(4)	902	Taupo Wastewater	Wastewater
Wastewater - Turangi/Tongariro	29	-	-	29	Turangi/Tongariro Wastewater	Wastewater
Wastewater Whareora	-	-	-	-	Whareora Wastewater	Wastewater
Water - Acacia Bay	-	-	-	-	Acacia Bay Water	Water
Water - Aitiamuri	0	-	-	0	Aitiamuri Water	Water
Water - Kinloch	7	-	-	7	Kinloch Water	Water
Water - Mapara Road	21	41	-	62	Mapara Road Water	Water
Water - Motuoaapa	-	-	-	-	Motuoaapa Water	Water
Water - Omori/Pukawa/Kuratau	29	-	-	29	Omori/Pukawa/Kuratau Water	Water
Water - River Road	5	-	-	5	River Road Water	Water
Water - Taupo	150	215	(4)	361	Taupo Water	Water
Water - Turangi/Tongariro	14	-	-	14	Turangi/Tongaunu Water	Water
Water - Whareora	-	-	-	-	Whareora Water	Water
Total Development Contribution Reserves	5,638	953	(227)	6,364		
Depreciation Reserves						
To fund for renewals, capital expenditure & loan repayments for:						
Buildings - District	3,996	2,920	(2,710)	4,206	Buildings - District	Community Facilities, Community Services, Water, Wastewater, Solid Waste, Investments, Economic Development
Land Subdivision - District	1,444	0	(71)	1,373	Land Subdivision - District	Community Facilities
Operational assets - District	4,005	2,888	(3,183)	3,710	Operational assets - District	All activities with the exception of Democracy and Planning
Solid Waste - District	537	293	(251)	579	Solid Waste - District	Solid Waste
Transport & Stormwater - District	4,033	5,969	(5,862)	4,140	Transport & Stormwater - District	Transport
Wastewater - District	5,334	4,637	(5,842)	4,129	Wastewater - District	Wastewater
Water - Acacia Bay	127	100	(208)	18	Water - Acacia Bay	Water
Water - Aitiamuri	125	22	(5)	142	Water - Aitiamuri	Water
Water - Bonshaw Park	29	31	(14)	46	Water - Bonshaw Park	Water
Water - Centennial Drive	26	134	(80)	79	Water - Centennial Drive	Water
Water - Hatepe	86	27	(57)	56	Water - Hatepe	Water
Water - Kinloch	1,583	102	(276)	1,410	Water - Kinloch	Water
Water - Mangakino	216	127	(204)	139	Water - Mangakino	Water
Water - Mapara	392	42	(3)	431	Water - Mapara	Water
Water - Motuoaapa	161	47	(50)	158	Water - Motuoaapa	Water

Reserve Name	Projected Opening Balance 01/07/16 (\$'000)	Expected Deposits 01/07/16-30/06/17 (\$'000)	Expected Withdrawals 01/07/16-30/06/17 (\$'000)	Expected Balance @ 30/06/17 (\$'000)	Purpose of the Fund	Activities to which the fund relate
Water - Omori	888	105	(5)	988	Water - Omori	Water
Water - River Road	118	23	(14)	126	Water - River Road	Water
Water - Taupo	226	1,966	(1,608)	584	Water - Taupo	Water
Water - Tirohanga	567	81	(39)	610	Water - Tirohanga	Water
Water - Turangi	1,272	257	(48)	1,048	Water - Turangi	Water
Water - Waihaia	468	52	(47)	473	Water - Waihaia	Water
Water - Waitahanui	(13)	25	(1)	11	Water - Waitahanui	Water
Water - Whakamaru	(240)	30	(8)	(217)	Water - Whakamaru	Water
Water - Whakamoenga	41	17	(14)	44	Water - Whakamoenga	Water
Water - Whakarua	248	42	(41)	248	Water - Whakarua	Water
Water - Whareroa	8	23	(1)	30	Water - Whareroa	Water
Total Depreciation Reserves	25,676	19,963	(21,076)	24,563		
Other Reserves					To provide:	
Disaster Recovery Fund	1,600	100	(6)	1,694	\$100,000 to fund CARFF insurance scheme annually for disaster	All activities
District Airport Reserve	69	-	-	69	For heavy periodic maintenance charges on assets such as buildings, roads etc and for future capital works of this nature	Taupo Airport (CCTO)
Parking	75	-	-	75	For the purchase or development of parking	Community Services
Forestry	3,008	-	(562)	2,446	For the establishment, maintenance & operation of Councils forestry	Investment
Strategic Property Purchase - District	1,942	2,147	(2,407)	1,683	For specific strategically based property purchases & associated projects - District	Investment
TEL	53,044	1,235	-	54,279	For funds as per Treasury Management Policy	Investment
Total Other Reserves	59,738	3,482	(2,975)	60,245		
Total Reserves	91,053	24,398	(24,278)	91,173		

Accounting policies

1. Reporting entity

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

2. Summary of significant accounting policies

2.1 Basis of preparation

Statement of compliance and basis of preparation

The prospective financial statements of Taupō District Council have been prepared in accordance with the requirements of the Local Government Act 2002 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 projected opening balances for the period ending 30/06/2016; estimates have been restated accordingly if required. The prospective financial statements are prepared using the historical cost basis, except for assets and liabilities, which are recorded at fair value. These are detailed in the specific policies below.

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

Changes in accounting policies

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the notforprofit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Council has applied these updated standards in preparing the prospective financial statements. There was no change with the application of these updated accounting standards.

Standards and interpretations issued and not yet adopted

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

2.2 Foreign currency translation

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

2.3 Derivative financial instruments

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

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

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

2.4 GST

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

Commitments and contingencies are disclosed exclusive of GST.

2.5 Revenue recognition

Rates revenue

- General rates, targeted rates (excluding water by meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when the rates become overdue.
- Revenue from water by meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remissions policy.
- Rates collected on behalf of Bay of Plenty Regional Council are not recognised in the financial statements, as the Council is acting as their agent.

New Zealand Transport Agency roading subsidies

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

Other subsidies and grants

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

Vested assets

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

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

(i) Finance Leases

- Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the Statement of Financial Position at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.
- Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term, so as to produce a constant periodic rate of interest on the remaining balance of the liability.
- Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, foreign exchange losses, and losses on derivative instruments are recognised in the surplus or deficit. The interest expense component of finance lease payments is recognised in the surplus or deficit using the effective interest rate method.

(ii) Operating leases

- An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.
- Payments made under operating leases are recognised in the surplus or deficit on a straightline basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease expense.

2.7 Equity

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

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

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

Restricted Reserves are those reserves subject to specific conditions accepted as binding by the Council, and which Council may not revise without reference to a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Asset Revaluation Reserves arise from certain asset classes being revalued, with these classes including land, buildings, infrastructural assets, restricted assets and investments. The treatment of revaluation movements is detailed in item 2.13 of the policies.

2.8 Cash and cash equivalents

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

2.9 Financial assets

Taupō District Council classifies its investments in the following categories:

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

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative 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 non-current. 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 below market 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 non-derivative financial assets with fixed or determinable payments and fixed maturities, that management has the positive intention and ability to hold to maturity. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Revenue and Expense. Council does not use this category presently.

(iv) Available-for-sale

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

The Council includes in this category:

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

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

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

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

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

2.10 Trade and other receivables

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

2.11 Inventory

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

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

2.12 Non-current assets held for sale

Non current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non current asset (or disposal group) is recognised at the date of derecognition.

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

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

2.13 Property, plant and equipment

Property, plant and equipment consist of:

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

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

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

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

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

Valuation methodologies

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

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

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

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

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

Additions

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

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

Disposals

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

Depreciation

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

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

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

Assets under construction/work in progress

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

2.14 Intangible assets

Development expenditure

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

Software

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

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

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

2.15 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.

2.17 Impairment

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

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

2.18 Financial Liabilities

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

2.19 Employee entitlements

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

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

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

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

Superannuation schemes

Defined contribution schemes

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

2.20 Provisions

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

Landfill postclosure costs

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

2.21 Interest bearing borrowings

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

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

2.22 Cost allocation

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

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

2.23 Third party transfer payment agencies

Taupō District Council collects monies for many organisations. Where collections are processed through Taupō District Council books, any monies held are shown as trade payables in the Statement of Financial Position. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

3. Critical accounting estimates and judgements

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

Infrastructural Assets

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

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

Classification of Property

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

4. Prospective financial information

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

Funding impact statement

1. Introduction

This Funding Impact Statement details the Rating Policy and the rates funding requirements for 2016/17.

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 2016/17 rating year. It should be noted that some targeted rates for water supply are calculated using the land value of that rating unit.

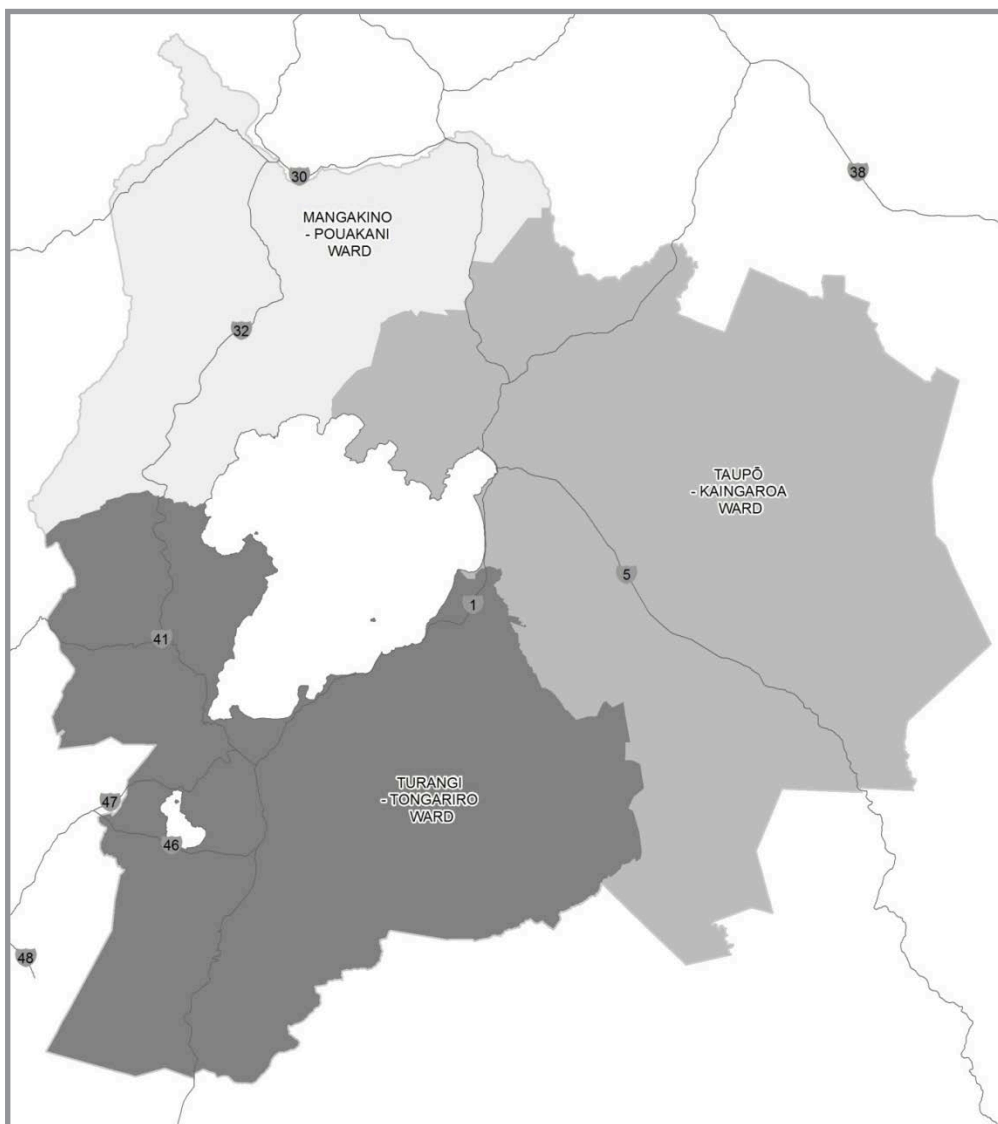


Figure 1 Taupō District and Wards

3. Categories of rateable land

The Council will adopt the following as its definitions for categories of rateable land for the 2016/17 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.

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.

Targeted Rates Based on Location

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

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

The following categories will apply:

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

Targeted Rates Based on Availability of Service

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

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

The following categories will apply:

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

4. General and targeted rates

The Council intends to set the following rates under the Local Government (Rating) Act 2002, on rating units in the district for the financial year commencing on 1 July 2016 and ending on 30 June 2017.

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	2015/16 (GST incl)	2016/17 (GST incl)
Residential	0.0027618/\$	0.0028010/\$
Rural	0.0027618/\$	0.0028010/\$
Utility Assets and Networks	0.0027618/\$	0.0028010/\$
Electricity generators	0.0027618/\$	0.0028010/\$
Industrial/Commercial	0.0049712/\$	0.0050418/\$
Accommodation	0.0049712/\$	0.0050418/\$
Other	0.0027618/\$	0.0028010/\$

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.

	2015/16 (GST incl)	2016/17 (GST incl)
Uniform Annual General Charge	\$250.00	\$250.00

4.4 Sewage Disposal

A targeted rate to fund sewage disposal, as outlined in the Groups of Activities – Wastewater section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on every rating unit connected or available to be connected to a accessible Council scheme on the basis of one charge per pan or urinal (with the exception of the residence of a single household – which shall be 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 (those within 30 metres of a sewage drain)

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

Targeted Sewer Disposal charges are:

Category	2015/16 (GST incl)	2016/17 (GST incl)
Connected (1st pan/urinals)	\$720.20	\$695.68
Connected (2 – 10 pans/urinals)	\$540.15	\$521.76
Connected (10 + pans/urinals)	\$360.10	\$347.84
Connected (schools 10 + pans/urinals)	\$180.05	\$173.92
Serviceable (available to be connected)	\$360.10	\$347.84

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	2015/16 (GST incl)	2016/17 (GST incl)
Waitahanui/Five Mile May	\$233.24	\$274.99

Figure 2 Waitahanui/Five Mile Bay Sewer Loan Servicing Rate



4.6 Water Supply

Water Schemes with fixed charge targeted rates.

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

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

Water Scheme	2015/16 (GST incl)	2016/17 (GST incl)
Taupō Township/Wairakei Village	\$470.43	\$456.38
Acacia Bay	\$531.67	\$546.18
Kinloch	\$349.81	\$345.98
Waitahanui	\$510.36	\$508.66
River Road	\$691.40	\$695.78
Mangakino Township	\$456.08	\$460.25
Atiamuri	\$802.80	\$823.70
Whakamaru	\$767.86	\$871.80
Turangi Township/Tokaanu	\$282.67	\$296.49
Motuoapa	\$396.16	\$419.13
Omori/Kuratau/Pukawa	\$254.80	\$272.55
Hatepe	\$730.48	\$703.73
Whareroa	\$420.70	\$426.71

Water schemes with charges based on land value.

All rating units within the water supply areas defined herewith (whether connected or not) are assessed on the basis of land value without differentials. 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	2015/16 (GST incl)	2016/17 (GST incl)
Whakaroa	0.0019734/\$	0.0019738/\$
Rakaunui Road	0.0023345/\$	0.0023641/\$
Centennial Drive (untreated)	0.0049264/\$	0.0050030/\$
Mapara Road	0.0005217/\$	0.0005164/\$
Bonshaw Park	0.0045723/\$	0.0048805/\$
Whakamoenga Point	0.0010289/\$	0.0010400/\$
Waihaha	0.0037748/\$	0.0038261/\$
Tirohanga	0.0011367/\$	0.0011492/\$

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	2015/16 (GST incl)	2016/17 (GST incl)
	Cents/m ³	Cents/m ³
Taupō Township/ Wairakei	227	227
Waitahanui	410	410
Acacia Bay	200	200
Kinloch	144	144
Whakaroa	229	229
Mapara Road	160	160
Bonshaw Park	291	291
Whakamoenga Point	161	161
River Road	162	162
Mangakino Township	178	178
Tirohanga	93	93
Turangi Township	69	69
Motuoapa	110	110
Tokaanu	131	131
Hatepe	259	259
Omori/Kuratau/ Pukawa	148	148
Whakamaru	152	152
Atiamuri	178	178
Rakaunui Road	63	63
Centennial Drive (untreated)	51	51

4.7 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:

	2015/16 (GST incl)	2016/17 (GST incl)
District Refuse Disposal Charge	\$53.94	\$46.67

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:

	2015/16 (GST incl)	2016/17 (GST incl)
Whakamaru Fire Protection	\$154.81	\$161.71



Figure 3 Whakamaru Fire Protection area

4.10 Whareroa Refuse Rate

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

The targeted Whareroa Refuse Rate is:

	2015/16 (GST incl)	2016/17 (GST incl)
Whareroa Refuse Rate	\$90.00	\$90.45



Figure 4 Whareroa Refuse area

4.11 Town Centre Taupō Management Rate

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

The targeted Town Centre Taupō Management Rate is:

	2015/16 (GST incl)	2016/17 (GST incl)
Town Centre Taupō Management	\$360.25	\$356.84



Figure 5 Taupō Town Centre

4.12 Turangi Tongariro Community Board Rate

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

	2015/16 (GST incl)	2016/17 (GST incl)
Turangi Tongariro Community Board Rate	\$16.79	\$16.72

5. Examples of rates per type of property

Residential properties - Taupo

	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
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	1,245	1,199	1,245	1,199	1,245	1,199	1,245	1,199
General Rates	965	975	1,269	1,284	1,631	1,651	2,308	2,337
Total Rates	2,210	2,174	2,514	2,482	2,875	2,849	3,552	3,535
\$ change per week		-0.69		-0.60		-0.50		-0.32
% change		-2%		-1%		-1%		0%

Residential properties - Turangi

	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
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	1,074	1,056	1,074	1,056	1,074	1,056	1,074	1,056
General Rates	664	670	720	726	802	810	1,496	1,513
Total Rates	1,738	1,726	1,793	1,782	1,876	1,866	2,569	2,569
\$ change per week		-0.23		-0.22		-0.20		-0.01
% change		-1%		-1%		-1%		0%

Residential properties - Mangakino

	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
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	1,230	1,203	1,230	1,203	1,230	1,203	1,230	1,203
General Rates	540	544	595	600	747	754	1,084	1,096
Total Rates	1,770	1,747	1,825	1,803	1,977	1,957	2,314	2,299
\$ change per week		-0.45		-0.44		-0.40		-0.30
% change		-1%		-1%		-1%		-1%

Industrial Commercial properties

	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
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	1,299	1,245	1,659	1,602	3,099	2,646	2,199	2,124
General Rates	2,636	2,670	4,053	4,107	5,370	5,443	11,659	11,821
Total Rates	3,935	3,915	5,712	5,709	8,470	8,089	13,858	13,945
\$ change per week		-0.37		-0.05		-7.32		1.68
% change		0%		0%		-4%		1%

Rural properties

	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
Rating Valuation	\$555,000	\$555,000	\$1,100,000	\$1,100,000	\$4,490,000	\$4,490,000	\$9,647,000	\$9,647,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	54	47	54	47	54	47	605	596
General Rates	1,783	1,805	3,288	3,331	12,650	12,826	27,143	27,521
Total Rates	1,837	1,851	3,342	3,378	12,704	12,873	27,748	28,117
\$ change per week		0.28		0.69		3.25		7.10
% change		1%		1%		1%		1%

Schedule to the Funding Impact Statement

	LTP 2015/16 (\$000)	LTP 2016/17 (\$000)	Annual Plan 2016/17 (\$000)
Revenue			
General rate	30,891	31,110	31,803
Targeted rates			
Uniform annual general charge	5,815	6,166	5,903
Lake protection	-	-	-
Water	8,761	9,405	8,841
Sewage disposal	12,752	13,132	12,465
Refuse disposal	1,195	1,294	1,042
Whareroa refuse collection rate	16	16	16
Turangi Tongariro Community Board rate	80	82	80
Taupo Town Centre management rate	164	168	164
Waitahanui sewer loan	5	5	6
Whakamaru fire protection	4	4	4
Rates penalties	400	400	375
Fees and charges	9,150	9,411	9,215
Other revenue	1,038	1,060	1,016
Operating subsidies	1,839	1,982	1,960
Interest	4,583	4,695	2,937
Capital contributions			
Development contributions	1,085	1,116	953
Other gains & losses	2,274	1,463	1,715
Vested assets	900	932	900
Capital subsidy	3,130	1,415	2,366
Total operating revenue	84,082	83,856	81,761
Operating expenditure			
Operating expenses	49,040	49,530	48,615
Interest expense	10,389	10,308	8,755
Depreciation	19,555	20,462	19,818
Total operating expenses	78,984	80,300	77,188
Operating surplus/(deficit) before asset development and other gains/(losses) and tax	5,098	3,556	4,573
Other expenses			
Capital expenditure	20,931	17,725	18,700
Debt repayments	11,515	11,596	11,569
Transfers to special reserves	6,653	5,173	6,186
Recognition of vested assets	900	932	900
Depreciation not funded	(2,455)	(2,549)	(2,514)
Total net cost	32,446	29,321	30,268
Funded by:			
General rates	-	-	-
Loans raised	8,414	7,048	6,466
Development, financial & other contributions	-	-	-
NZTA and other subsidies	3,130	1,415	2,366
Transfers from reserves	20,902	20,858	21,436
Total net funding	32,446	29,321	30,268

