



GREAT LAKE TAUPŌ
Taupō District Council

LONG TERM PLAN 2012-22



To Taupō with Love

The 'Heartland Sculpture' represents Taupō's position as the heart of the North Island and was handed over to the Taupō District Council on Sunday 25 September 2011 by the Friends of the Lake Taupō Museum and Art Gallery Inc.

The piece, which sits proudly on the Tongariro South Domain, was constructed by local artist Brett Taylor, who took inspiration from the early settlers of Taupō. The heart is made of stone and is covered with 10mm of high-tech colour and clear resins.

The massive stained Matai logs that create the main structure around the heart were hauled out of the Waipohotu Forest near Mangakino. Brett says the heavy structure, fastened with bronze straps, represents the infrastructure and hard work of early New Zealand settlers. The bronze stars at the top of the wooden structure represent those used by settlers to navigate to New Zealand.

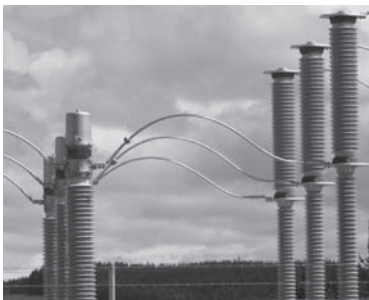
// To see more of Brett's work visit www.brettaylor.co.nz



The heart of Taupō

our people, our places, our future

as in water face reflects face, so a man's heart



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Home is where the heart is...

Message from our Mayor and Councillors

It is true that home is where the heart is.

It's that sense of belonging to a place and a community that gives comfort and instills a sense of purpose. We are fortunate to live in such a stunning place and, like generations before us who raised families and dedicated their lives to making this place what it is today, we continue that tradition of stewardship.

The significant feedback received on the draft Long Term Plan (LTP) 2012-22 underscored how deeply we all cherish our District. Some of the community feedback said that Council should cut our coat according to our cloth. We have listened to our communities and we have now made fundamental changes to the business and what Council plans to do.

We are in this together. As elected representatives for our community, this Council has a shared commitment and a strong sense of responsibility to continue to nurture and sensibly grow this District for future generations.

A journey from the heart

This Long Term Plan outlines what we aim to achieve for the District, the challenges we face and the recommended strategies and policies for a way forward that is best for our community's future.

The process of developing this LTP was emotional and challenging for the community and for your Council, but we accept that in challenging times, great communities require exceptional inner strength to make tough decisions. During

the last 10 years, Council has faced tough decision-making and persevered reasonably well, while working to sustain the levels of service to the community.

We are not alone in our challenges. Throughout New Zealand, local governments are grappling with the effects of the global financial crisis which intensified in September 2008. The crisis, coupled with the subsequent recession, has meant slowed economic growth and an impact on our financial position.

In 2008, when Council developed the 2009-2019 Long Term Council Community Plan, long-term projections showed a significant increase in growth and therefore in rateable properties for the District. However, because more people in the District would have meant a greater strain on our facilities (like water, wastewater, roads and parks and reserves), Council was required to and sensibly prepared for that growth through funding infrastructure projects.

That growth has been much slower than projected, but because major infrastructure investments are funded by way of borrowing, the debt bills continue to increase. Slower growth and development has meant less income to pay debt. Over the last seven years, increases in Council's operating costs have been largely driven by increases to fund depreciation and interest payments.

At the heart of the matter

Over the past eighteen months, Council worked on the vision for the next 10 years

for our District. This LTP is the strategic planning document for the intended activities, services and priority projects to be delivered by Council from 1 July 2012 to 30 June 2022 and how we intend to fund them.

During the planning, Council evaluated its funding and service options; and reviewed its assets, revenue and operating costs. Council examined the core services we provide and the service delivery priorities and looked for areas where expenditure could be reduced without significantly impacting the community.

Council has “rolled up its sleeves” and is taking the debt seriously

Council’s key challenge was to significantly reduce the debt level while maintaining our levels of service to ensure social and cultural well-being; working to strengthen our economy through a new financial model that is sustainable; working hard to manage rates increases by managing the degree of change to ratepayers; investing in economic development as a way to revive and grow the economy to help generate income and bring in skilled jobs and taking responsibility to protect our natural resources which have sustained our people over time.

Council proposes a strong financial foundation that consists of three interwoven pathways that will lead to one future for our District. These outcomes include: managing our water supply, creating a strong basis for prudent and balanced financial management and implementing a strategy to bolster economic development that will stimulate investment, industry and jobs.

The new financial model embraces a more simplified rating system which:

- includes the 2011 move to a single rating area (across the District) in the general rates,
- abolishes a separate market development rate (MDR), because the MDR benefits the entire community and should be included in the general rates,
- incorporates a realistic increase in rates to help reduce the debt that has accumulated,
- changes from a system that calculated rates based on the value of the land to one that calculates rates based on capital value, (used by more than 60 per cent of New Zealand councils) and,
- introduces differentials for the commercial, industrial and accommodation and,
- introduces a transition plan to phase in the change over a three-year period.

Council also reviewed the way it uses the TEL Fund. For many years the TEL fund (Council’s investment fund) has provided about four million dollars annually in subsidies on total rates. Although Council would like to reduce the community’s reliance on this subsidy, we recognise that the global financial crisis, recession and slowed growth are affecting us all very personally. Our communities still require the subsidy, so we will retain it. The new financial model also focuses on strategic economic development so that our communities can prosper and be self-sustaining, and we can continue to live in a thriving and vibrant place that is appealing to investors.

This direction to maintain our service levels, drive our economy and cherish our environment serves to ensure that our communities today and into the future remain healthy and vibrant. Our success will be measured against our thoughtful planning.

Your District, your say

The significant community feedback Council received on the LTP is testament to how deeply we all cherish our District. We read the submissions, listened carefully to those who asked to have their say and others in the community and we deliberated.

In this challenging economy the only constant is change. This Council worked hard to manage the change while still delivering the fundamentals to keeps our community vibrant and prospering. With each tough decision Council made we had the best interest of ratepayers and residents alike. We have made tremendous effort to arrive at the best decisions possible for our entire District.

Taupō District is an extraordinary place to live, work and raise a family. We are the custodians of this land and, like those before us who dedicated their lives to making this District what it is today, we are all responsible for steering the way forward for future generations.

Rick Cooper // MAYOR
 Mike Downard // DEPUTY MAYOR
 Keith Crate // COUNCILLOR
 Rob Henderson // COUNCILLOR
 Barry Hickling // COUNCILLOR
 Chris Johnston // COUNCILLOR
 Gary Keepa // COUNCILLOR
 Anna Kirk // COUNCILLOR
 Rex Mincher // COUNCILLOR
 Kirsty Trueman // COUNCILLOR
 Nicola Williams // COUNCILLOR

Statement of compliance

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.

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

In the opinion of Council and management of Taupō District Council, the Long Term Plan for the ten years commencing 1 July 2012 provides a reasonable basis for long term integrated decision-making and for participation in decision making by the public and subsequent accountability to the community about the activities of Taupō District Council.

R Cooper
Mayor
26 June 2012



R T Williams
Chief Executive Officer
26 June 2012



A M McLeod
Deputy Chief Executive
26 June 2012



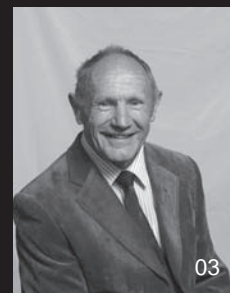
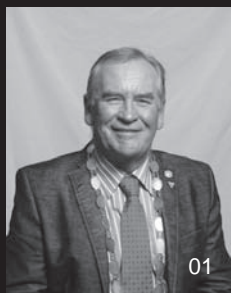
A J Menhennet
Group Manager,
Corporate and Infrastructure
26 June 2012



G Green
Group Manager,
Operational Services
26 June 2012



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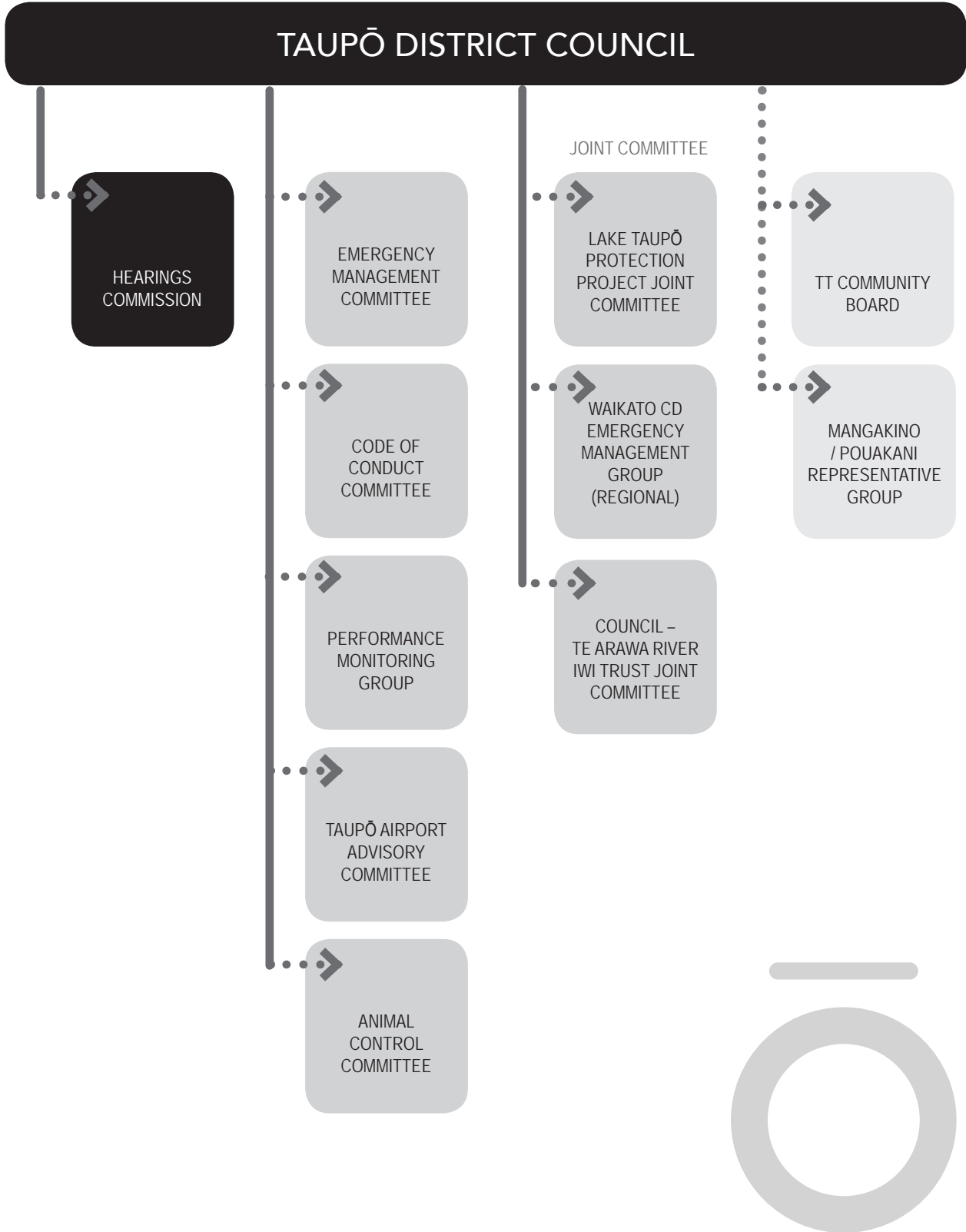
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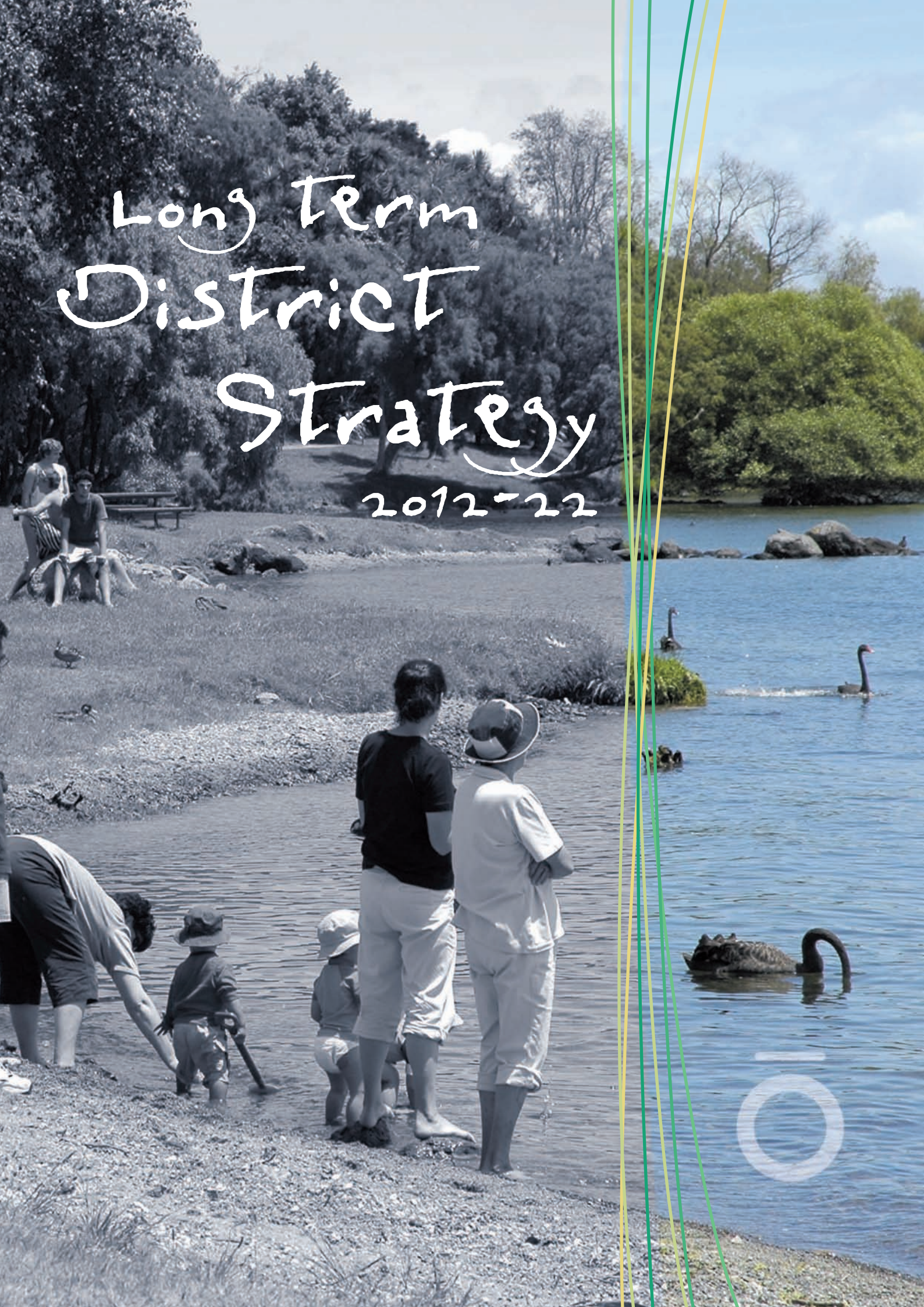
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Long Term District Strategy 2012-22



What a wonderful District we live in. We have lakes and rivers for swimming, fishing, boating, water-skiing, kayaking and lazing about. We have farms and forests that produce some of New Zealand's finest food (anyone for milk or cheese? Roast lamb?). We have geothermal wonders and the technology to turn it into power for the rest of New Zealand.

We have town centres with good coffee, sports facilities for when we're energetic, and libraries and the museum for when we're in a more reflective mood. We have mountains, desert and bush, where we get away from it all, tramping, mountain-biking, hunting and more.

Best of all, we have our communities, the people who live and work and study and raise families, and holiday here, in all the towns and settlements around the District. Wherever your special part of the District is, it will have its own beauty and its own special way of making your heart sing.

In developing this strategy we want to build on the wonderful physical and community assets we already have here.

LTP Consultation

Council has consulted on its draft Long term Plan, receiving more than 1800 submissions and several petitions, including one with more than 6,000 signatures. There was strong opposition to major rates increases, and the new rating system, although the thousands of ratepayers whose rates would fall were largely silent. After two full weeks of hearings and deliberations, Council made many difficult decisions, which are explained in this final version of the Long Term Plan.

Community outcomes

Community outcomes are the outcomes that Council aims to achieve in order to promote the social, economic, environmental and cultural well-being of its district in the present and for the future.

Council first developed community outcomes in 2004/05 with a review in 2011 and then sought feedback on the draft outcomes in August 2011 as part of the Options discussion. These are the outcomes Council wants for our District:

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.

Blueprint for the District

Council's long term strategy has three interwoven pathways:

- 1. Develop our economy** to bring new industry and new jobs, so this continues to be a fantastic place to live, work and raise a family.
- 2. Manage our water** supplies and the demand for water
- 3. Create a strong foundation** for the District's financial future, by changing the financial model we use.

In August 2011, Council asked residents and ratepayers about the two big sets of issues confronting the District: water and the impact of the global financial crisis on revenue, services and the need to be fair. These continue to be the two big sets of issues, and Council has taken heed of the community feedback, and already begun to address them – which is reflected in this plan.

To reach our vision of 2022, Council has developed a financial strategy. The strategy is based on principles that include:

- treating all ratepayers fairly within the District (horizontal equity)
- treating future ratepayers fairly (intergenerational equity)
- being realistic about our growth prospects
- being rigorous about the timing of essential capital expenditure.

Our strategy balances the competing demands of:

- the on-going effects of the global recession
- the need to keep investing in our District so that Taupō continues to be an attractive place for families and all our holiday home owners, who are mainly here in summertime.
- residents and ratepayers who are proud to live here, and don't want unnecessary rates increases
- projected rates of local government inflation. The Local Government Cost Index (LGCI) is higher than consumer price inflation because Councils buy a different basket of goods than households do, with a much higher proportion of things influenced by the price of oil, such as roading, and heavy plant and equipment, and costs imposed by central government.

1. Develop our economy

Our vision for the District in ten years time is for a happy, thriving and prosperous place to live. Our rivers, lakes and mountains, the natural environment at the heart of this District will be protected from harm so that we are nourished, spiritually and socially. Our towns and our rural areas will use new waste disposal methods so that the pristine beauty of our world is maintained for future generations. We will have a wider range of industries to support employment and to strengthen the resilience of our communities and our families. We will continue to encourage neighbourhoods to develop their identity, based on communities that support their families to raise children. Our towns will have stronger connections with the Tongariro National Park, building on our reputation for adventure. We'll have a focused tourism sector that has increased Taupō's ranking among the most-visited places in New Zealand, and we will continue to attract world class events that take advantage of our beautiful surroundings and our excellent facilities. Our interest and confidence in the culture, heritage and the arts will grow, creating a truly local vision of excellence and achievement in visual and performing arts.

To remain attractive to residents and visitors, we need to keep pace with the changing world and the increasing demand for destinations that are ahead of the game. We cannot, as a District, withdraw into a bunker and refuse to

do any new work. If we did that, the people with energy and vision would abandon the District, selling up to move somewhere more energised, with more opportunities. If that happened, work opportunities would fall, families would leave, and in time, the District would have only the remnants of a once vibrant place.

Council has an active and enthusiastic program for economic development in the District. We will:

- continue to fund Destination Great Lake Taupō (\$1.8 million per year)
- increase our contracts with Enterprise Great Lake Taupō for economic development services
- continue to promote the District as the perfect place for a wide range of events – both the sweaty Ironman-kind, and a growing range of arts events too
- seek to attract major new industries to our District, building on the strengths we have in primary industries and energy, to create real new jobs
- abolish the Marketing Development Rate because of the equity issues it raised, and fund economic development from General rates.

Our goal is for the District to have a wider range of industries to support employment and to strengthen the resilience of our communities and our families.





Left / Lakefront, Taupō

Right / Waikato River Trail, Mangakino

2. Manage our water

Managing our access to and use of fresh water is one of the big strategic issues for the District. It's hard to believe we face future water shortages when we have vast rivers and lakes in our midst, but hydro-electricity generators have dibs on most of it and the rules for using what's left are pretty tight. In addition, the demand for water for households and for industry is growing. Right now, all the towns and settlements with a Council water supply use an average of 2.2 cubic metres (m³) per household. Over the next ten years, each of us needs to reduce our consumption to something closer to 1.42 m³ per household. A great deal of that is watered over our gardens, and because of our porous soils, it drains away within minutes, so we can make some gains by changing the ways we garden.

We need new industries to strengthen the range of investment and employment opportunities in the District, and many industries (especially those based on primary production and processing) need water.

Because of the costs of upgrading our three main water supply systems we need to look at how we manage the use of drinking water, so it's not wasted. We don't want to expand the water supply system while we're still paying for the last one.

Council has 19 schemes providing drinking water for households. Mangakino and Turangi have new treatment plants to meet new drinking water standards. We will upgrade the Waitahanui plant in 2012/13 with Ministry of Health subsidy, and Taupō's new plant is scheduled to begin operating in July 2013.

The new plants cost nearly 30% more to operate (including finance costs), on top of the construction costs, because the government has imposed these standards on Council. For example, the new plant in Taupō will add about \$100 to each residential ratepayers bill. Ratepayers are acutely aware of the costs of those upgrades and the increased operational costs of new treatment plants.

For the remaining small communities, the cost of a new water treatment plant will be challenging, so Council has decided to defer all further upgrades for ten years until stronger economic development make the upgrades more economical for those communities. Even as we spend millions to demonstrate that our drinking water is safe, the bigger issue looming for the District is water supply: getting access to water will become increasingly difficult as our District grows, and without water, industry will struggle, and it will be harder to create jobs locally. Water in our District is mainly allocated by Waikato Regional Council which has to balance the competing needs of the water sources themselves, (to keep our lakes and rivers healthy), industry (including electricity generators, farming, timber processing and more) and town supplies for households.

We also need to keep doing our part to protect the Lake at the heart of our District. Central government changes and Environment Court decisions have caused some muddles for how the Lake Taupō Protection project is funded, and we detail this further in the section on **Lakes, Rivers and Mountains** on page 49.



Our population is projected to be 35,400 in 2021. This level of population growth (3%) is less than the projected growth rates for the Waikato (8%) and the Bay of Plenty (9%). If the District is to thrive, we need our population growth to be higher – and we want it to be higher because young people can live and work here, raising families that have access to some of the best natural recreation facilities in the country: our population will grow because this is a wonderful place to live. To help that growth, Council has notified District Plan Changes 28-33 which seek to zone new commercial and industrial land. We have budgeted \$2 million for infrastructure to service this land in the Investments activity. Hearings for those Plan Changes are now over and we hope to have an outcome later this year.

3. Create a strong financial foundation

There are some challenges we need to address if we are to get to our bright and beautiful future. Over the past three years, economic growth has not occurred as projected, and everyone has had to adapt to the new situation. When we began developing this plan, Council's finances were not as healthy as anyone would want, because of a lack of growth due to the global financial crisis.

Council recognised the problem in 2010 and decided to stop being a property developer. The financial model that Council had used until then capitalised interest on the ETA and property debt, with the expectation that the housing boom would enable Council to repay the debt from sales. When the market slowed suddenly and severely, we still had to pay the interest on the loan, even if we delayed paying off the capital. The global financial crisis cut growth in our

local property market, which meant Council had fewer ratepayers than expected. The demand for holiday and permanent housing is now far below the projections that the District used in 2009, which means there are fewer ratepayers than expected to help pay for the essential infrastructure the District has been investing in.

Over the past couple of years, Council's operating income from sources other than rates has been lower than projected, and we haven't had the expected benefit of income from property sales. But the District still needs its services, and we need to pay the interest on the various infrastructure loans.

So we need to continue to develop, and make sure that the costs of development are shared fairly across generations. We can't lumber our children with debt for roads and water treatment plants we bought but didn't pay our share of, and we can't expect today's communities to pay the full price of things that future generations will benefit from. It's a balancing act; best addressed using a funding mechanism that spreads costs over many years. You may call it debt – we call it fair. There's nothing wrong with debt provided you can service it – ask anyone who got a mortgage to buy a home to raise a family in.

In this LTP, Council has developed a new financial model for the District that is prudent and sustainable. We have substantially scaled back our growth projections, to get a better fit between what we plan for, and what actually happens. There's always some guesswork about 10-year forecasts, but you can see the assumptions that the projections are based on at page 186.

With this new approach, Council is proposing a package of interconnected measures to support

Top left / Kawakawa Bay
 Top right / Fishing on Lake Taupō
 Bottom right / Turangi



Left / Water main replacement, Rifle Range Road, Taupō

Right / Lake Maraetai, Mangakino

a thriving District. The package comprises:

- **economic development investment** for the District, so that we can attract new industries and create new jobs, as described above
- **selling some investment assets** – we will sell some investment assets such as land and forestry to fund interest repayments
- reviewed **infrastructure spending, operating costs and levels of service** – we will maintain most operational levels of service, so that residents and ratepayers can continue to enjoy the facilities we already have. We will also defer some infrastructure development, because growth, and therefore demand is lower, or because of the very high costs on small communities.
- a **new funding model**, to improve fairness, sustainability and efficiency.

Selling some investment assets

We all know that how much debt any of us can afford depends on our income and our asset base – how wealthy we are. This Council is rich in assets including our extensive land holdings, our forestry, and the TEL fund. On top of that we have \$1.2 billion in infrastructure and other assets such as our water networks and community facilities.

Council uses debt to fund new capital projects to ensure intergenerational equity, while interest costs on the debt are largely funded from rates. Part of the way Council proposes to manage its debt over the next 10 years is with a judicious program of selling and leasing property. We'll use lease options to ensure we get the right businesses on strategic pieces of land, and we'll manage our land sales program to ensure the proceeds are used to pay off the infrastructure loans.

Council plans to run operating deficits in the first three years of this plan as a way of reducing the financial impact on current ratepayers. To help balance the books and fund historic debt, rates would need to be even higher than they are in this LTP, but because we plan to use property and forestry sales to subsidise rates in the first three years, we are keeping them as low as we can.

Trees to subsidise rates – Council owns Douglas Fir in Rangitaiki and pine trees in Tirohanga that will be ready for harvest over the next few years. Council plans to use the proceeds over the next two years as a rates subsidy, of \$1.5 million in 2012/13 and \$1.65 million in 2013/14.

Property sales to subsidise rates – Council has a portfolio of property assets (including land that Landcorp required us to purchase as part of the ETA project). Council now has a programme to sell this surplus land to subsidise rates and reduce debt. In the first three years, Council will apply \$8 million to subsidise rates.

Infrastructure, operating costs and levels of service

While operational levels of service will mainly stay the same, there will be some reductions because we have cut \$11 million from the renewals budget. Last year management dealt with the consequences of reduced income from the slowdown in development, by putting the operating costs through a line-by-line review. Council was restructured in 2011, shedding jobs to cut expenditure. That was difficult for the staff who were affected, but it leaves Council leaner and more focused on delivering services for our communities.

We need to keep our facilities in good order to attract visitors. It can be helpful to realise



that more than 30% of our ratepayers are our summertime visitors. They have holiday homes here, and they bring the buzz of summer holidays that make even more people want to come here – but the infrastructure to support them needs to be available all year round.

We have made substantial cuts to budgets over the next ten years – for example we have:

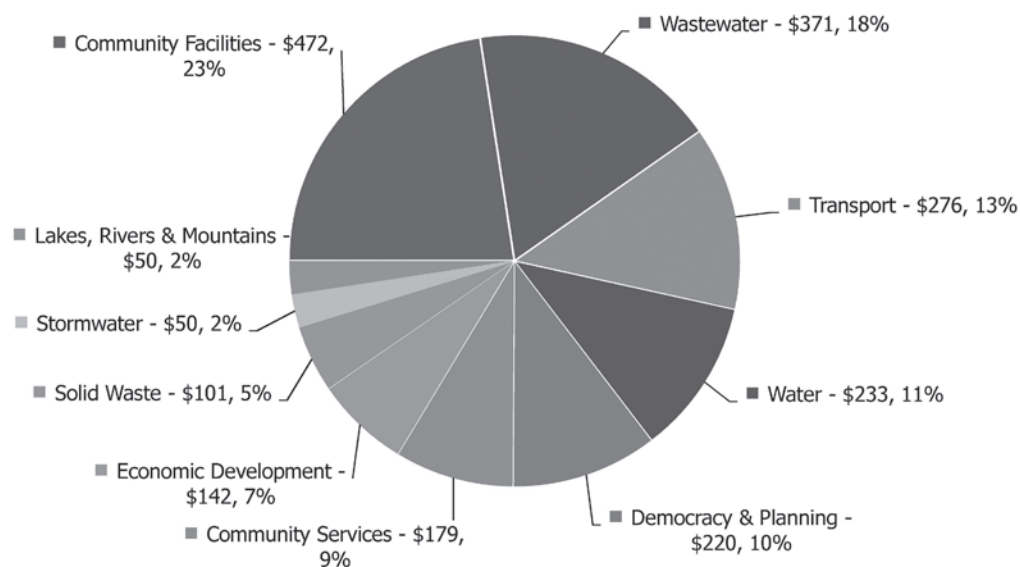
- cut \$3.4million of capital expenditure from the AC Baths program
- cut \$20 million from the Water supply and treatment program, deferring all water treatment upgrades for small communities until after 2022
- cut \$13.8 million from our Community Facilities budgets (parks, reserves, toilets, sportsgrounds, libraries, pools, Great Lake Centre, community halls, Taupō Events Centre, gymnasiums, housing for the elderly,

etc),and

- cut \$18 million from the Transport budget.
- The District’s rural seal extension will be reduced from \$600,000 per year to \$375,000 per year, which will now seal about 3.5km each year.

We still plan to provide increased levels of service for:

- Wastewater – to upgrade wastewater plants in the District (\$19.5 million)
- Economic development, with Council staffing focused on development (including events), and an additional \$200,000 annually for service contracts.
- Infrastructure to facilitate land sales and development (\$2m per year)



RATES: WHERE DO THEY GO?

On average, it costs each residential ratepayer \$2,094 (\$5.74 per day) to operate these services



Major Capital Projects for the next 10 years >

Activity/Scheme	Project	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
AC Baths - Pools	Complex Upgrade Project	2,000	3,167	2,338	-	-	-	-	-	-	-	-
Parks Development Contribution	Growth projects	-	-	822	139	325	3,904	768	1,044	393	3,596	1,213
Parks & Reserves - Turangi/Tongariro	Turangi Town Centre improvements	-	250	412	638	-	-	-	-	-	-	-
Transport	Seal extension	637	375	387	402	416	429	444	461	479	-	-
Water Taupo	Plant upgrade to meet Drinking Water Standards	8,481	10,500	1,042	-	-	-	-	-	-	-	-
Water Taupo	Wharewaka East Reservoir/Pump Station build	-	-	2,084	2,164	-	-	-	-	-	-	-
Wastewater Taupo	Eastern Trunk sewer extension	-	-	-	-	-	-	-	664	2,582	2,111	2,519
Wastewater Taupo	View Road expansion	-	-	-	54	2,025	-	-	-	-	-	-
Taupo Solid Waste Disposal	Broadlands Road Landfill - New Cells	1,125	65	57	21	941	80	-	31	1,273	92	-
Property - Land	TDC investment land infrastructure	2,000	2,600	2,068	2,138	2,214	2,294	2,376	2,460	2,546	2,640	2,738
Total		14,243	16,957	9,211	5,556	5,921	6,707	3,588	4,660	7,273	8,440	6,469

A new funding model – fair and realistic

In August 2011, Council indicated that rates need to rise significantly over three years to address debt financing and create a sound foundation for the future. Our interest and depreciation costs are the main cost drivers of rates increases. After crunching the numbers in more detail, we know that the average rates rise needs to be 7.58% for three years to meet that goal. You can see the 10-year average rates projections on page 20.

Rating changes

Last year Council began to modernise the rating system, creating one single rating area for general rates for the entire District. Council intends to continue this modernisation, so that rates are based on reliable information (valuation basis), that they are allocated based on the benefits different groups receive, and that they better reflect people's ability to pay.

Council abolishes three rates

Council is abolishing three rates:

The Project Pounamu rate and the Mainstreet rates that were applied to Turangi. We will fund these services on the same basis as the rest of the District.

Marketing Development Rate, which has wider benefits for our communities, and is better funded from general rates.

Capital value

Council has decided to adopt capital value as the basis for general rates, with differentials for the commercial, industrial and accommodation sectors so that they continue to pay the same share of total rates as they did last. The Shand report into Local Government funding (*Funding Local Government, 2007*) examined all the rating systems different local authorities use and concluded that capital value was the most reliable and equitable. In addition, the legislation to create the new Auckland Council imposed capital value on the City. Capital value is easily understood as most property owners have an idea of its total worth.

Until 30 June 2012, four large electricity generators had a special agreement with Council (but other smaller generators were covered by commercial rates). The agreement was first signed in 2005, but did not enable

Council to charge more than the average rates rise, even if they expanded their plants, or built new ones. Utility companies (electricity lines, telecommunications) paid a much smaller share of rates too. Under capital value, generators and utilities will pay rates on the same basis as everyone else.

Change to differentials

Council has adopted a 1.8 differential for commercial, industrial and accommodation sectors, which means they will pay the same share of total rates as they did under the previous system. All other sectors or categories of ratepayer will pay the standard rate (differential = 1). Council has made this decision in response to submissions.

Uniform Annual General Charge reduced

Council has decided to reduce the range of services funded from the Uniform Annual General Charge (UAGC), which means it can reduce the charge paid by every ratepayer from \$470 to \$250.

Transition Policy

While the new system will be more efficient and more equitable overall, it will have widely varying impacts on ratepayers. Council has developed a transition policy for ratepayers that are severely affected. The details are in the Transition remissions policy on Council's website or you can contact Council to get a copy.

User charges reviewed

User charges have being reviewed to make sure that we have the right balance between community and individual funding for activities. Where individuals mainly benefit from a service, we will use targeted rates and user charges to a greater extent. Where the benefits are widely distributed, or are difficult to quantify, we will continue to use general rates. Income from fees and charges is projected to remain a constant 13% of total operating revenue over the ten years. A review of the fees and charges found that in several areas Council was not recovering the actual cost of the service. As a result there are some significant increases to the fess and charges for the coming year. You can see the revenue and expenditure details for each activity or service in the Activities section of the plan (pages 24 to 100), and the Fees and Charges (page 139).



The TEL Fund

For years now, the TEL Fund has provided about \$4 million each year to subsidise rates. Council considered using the TEL Fund for community projects, and concluded that we will continue to use the TEL Fund to subsidise rates. We project this at \$10.6 million to 2015, (partly due to lower interest rates). The TEL Fund will be used for the entire District because last year Council adopted a One Rating Area policy, and these changes are another element in Council's financial modernisation programme.

robust and resilient local economy.

We have developed this plan to respond to a world affected by the global financial crisis. We believe this plan will move the District to a place of sustainable management, and enable Council to make flexible and nimble responses to any future changes. Council will have robust financial foundations to enable communities to weather the storms of economic cycles, and fairness will continue to be important, so that we share the burden of development with the generations who gain the benefits.

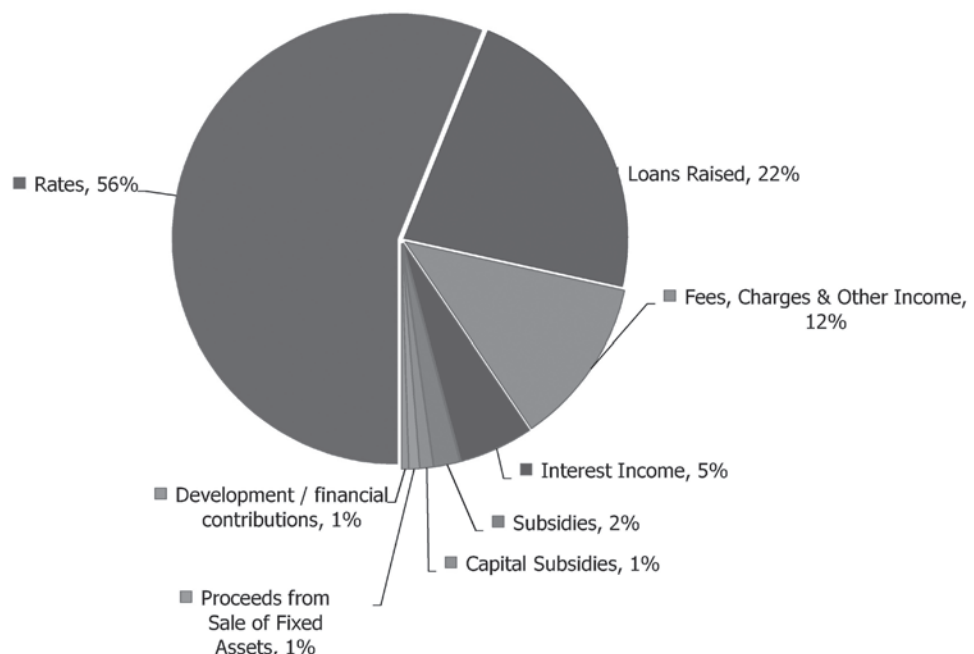
Build a bright future

Overall, Council believes this plan provides a sound, prudent and sustainable financial foundation to ensure our communities and our District flourish in the long term, with a more

The plan also enables Council to continue to work with its communities to achieve our common goals. In 2022, the Council will have wide and strong community connections, serving the needs of all our towns and settlements to achieve their goals.

HOW DOES THE COUNCIL PAY FOR THE THINGS IT IS PLANNING TO DO?

The graph right shows how Council will pay for the services and projects it delivers to the community in 2012/13. Sources other than rates account for 44% of our funding.





Financial strategy - technical details

Revenue projections over ten years

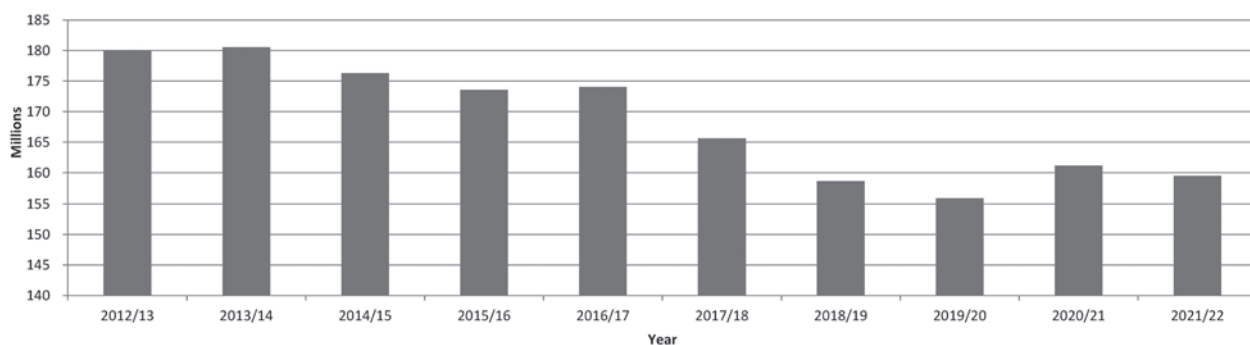
Rates income	\$675 m
Fees & charges	\$129 m
Development contributions	\$24 m
Investment income and asset sales	\$84 m
(including projected property sales	\$24 m)
(and forestry sales	\$6 m)

In the ten years from 2012-22, Council debt is projected to rise to a maximum of \$160 million, which will be spent on new and existing infrastructure.

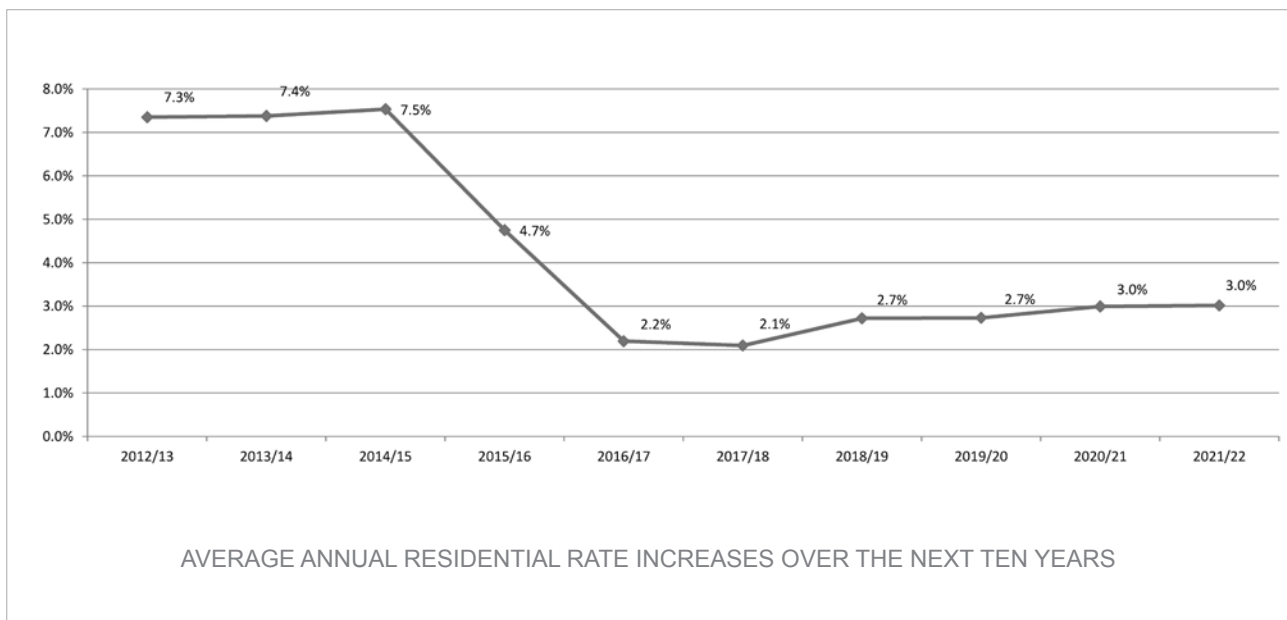
Renewals programme for infrastructure

Council will spend almost \$98 million over the ten years on renewing capital assets. Infrastructure renewals are the largest component being:

Water	\$15,590,000
Wastewater	\$25,550,000
Stormwater	\$223,000
Solid Waste	\$826,000
Transport	\$25,000,000



TAUPŌ DISTRICT COUNCIL PROJECTED BORROWINGS



Investment objectives and targets

Council investment policy objectives are detailed in the Investment policy. The main points are to:

- Manage investment prudently, for lawful purposes and to safeguard against loss
- Maximise income with a prudent level of risk
- Maintain an appropriate level of liquidity to support cash flows.

The targets for investment returns are to:

- Exceed the combined average of the 90-day bill rate and the 3-year investor swap rate over the last two years
- Exceed the current market yield with our average yield, by maturity.

Investment policy changes

We have a new Treasury Management Policy (which includes our Investment Policy) to reflect the new funding model. The two big changes are consequences of the move to a single rating area last year – because Taupō District is one District:

TEL Fund returns may be used to reduce the rating requirement in the District. Formerly the policy only applied the returns to TKMP.

Forestry returns will be allocated to District reserves. The policy used to allocate returns by ward, to Taupō-Kaingaroa (56%), Turangi-Tongariro (24%) and Mangakino-Pouakani (20%).



Policy on borrowings

Council requires all loans to be secured with security or debenture stock certificates under Council's Debenture Trust Deed.

Limits on rates and debt

In order to meet all of these goals, Council proposes that:

- Total rates revenue must not exceed 80% of operating revenues
- Rates increases may not exceed forecast LGCI + 4.5% for the first three years and then LGCI + 2.0% thereafter
- Gross external borrowing may not be more than 250% of annual operating income.

It will take three years for the District to live within the rate increase limit as we transition to this new prudent and sustainable financial model.



Top left / Volunteer Rural Fire team

Top right / Lake Taupō from Botanical Gardens

Second right / Turangi Airport

Third right / Mountain biking in Kinloch

Bottom right / Our Neighbourhood event

Summary – cost of service statement >

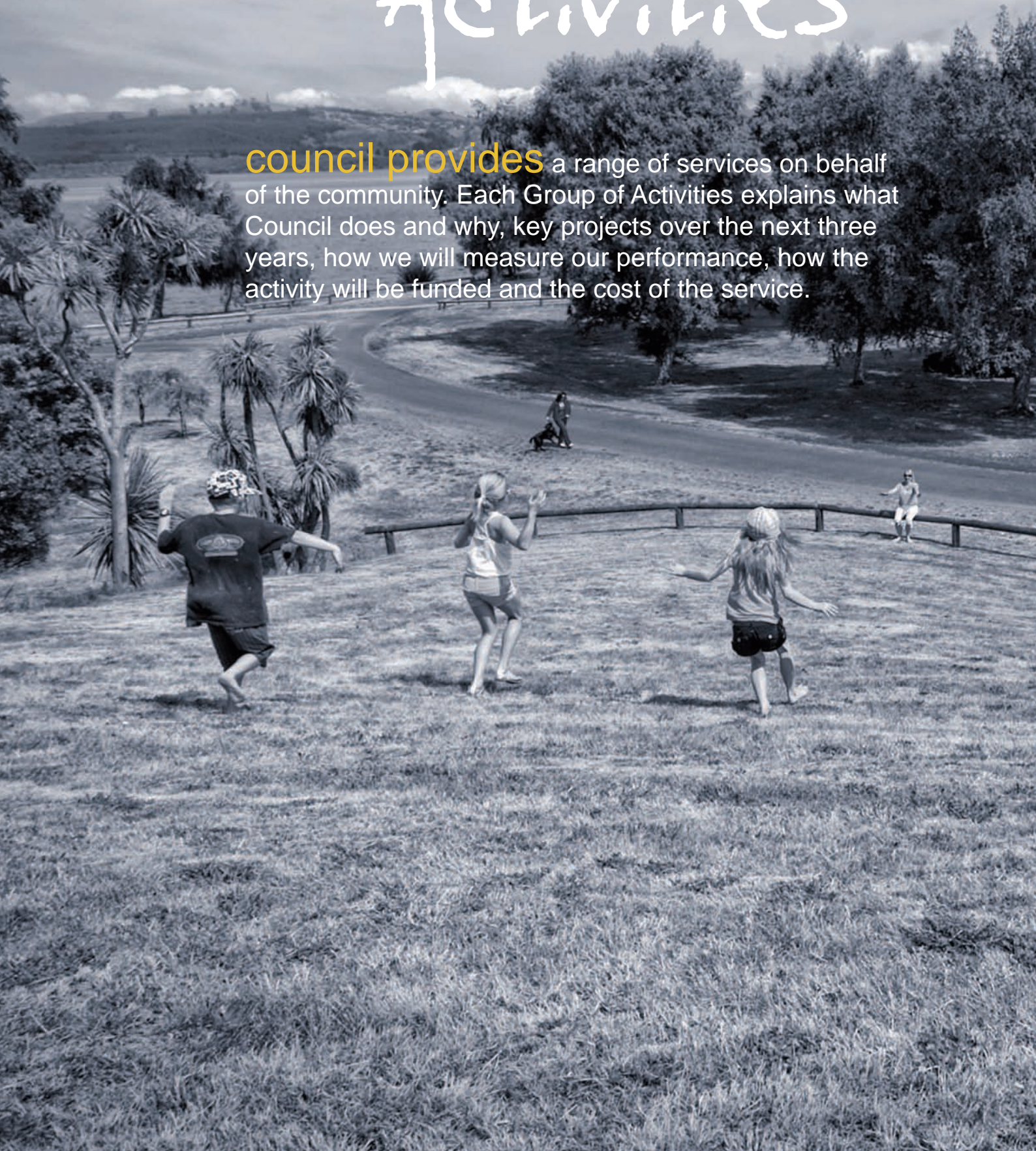
	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Operating Funding Requirements											
Operating Income											
Targeted rates	19,437	21,086	23,689	24,488	25,133	25,957	25,578	25,339	25,881	27,134	28,121
Development and/or financial contributions	850	474	1,310	1,544	2,284	2,404	3,138	2,859	3,360	3,127	3,303
Property sales	1,500	725	138	831	792	820	850	880	911	944	979
Vested assets	600	900	936	974	1,015	1,059	1,104	1,155	1,214	1,281	1,353
Other income	20,307	18,253	18,843	19,196	20,943	21,463	21,998	22,576	23,577	24,140	25,083
Total Income	42,694	41,438	44,916	47,033	50,167	51,703	52,668	52,809	54,943	56,626	58,839
Operating Expenditure											
Operating expenditure	47,956	50,488	52,564	54,059	56,427	59,004	60,218	61,541	64,125	66,899	69,928
Depreciation and amortisation	17,367	18,349	18,811	19,254	19,468	20,100	20,657	20,933	21,722	22,252	22,899
Finance costs	9,665	10,964	11,711	11,640	11,424	11,371	11,246	10,677	10,357	10,348	10,529
Total Operating Expenditure	74,988	79,801	83,086	84,953	87,319	90,475	92,121	93,151	96,204	99,499	103,356
Net Deficit (Surplus) of Operations	32,294	38,363	38,170	37,920	37,152	38,772	39,453	40,342	41,261	42,873	44,517
Funded by:											
General rates	29,900	32,009	33,637	37,428	40,185	41,126	43,434	45,932	47,943	49,391	51,252
Operating deficit (surplus) to/from reserves	(1,576)	4,040	2,837	(1,257)	(4,821)	(4,177)	(5,836)	(7,468)	(8,563)	(8,436)	(8,674)
Recognition of vested assets	(600)	(900)	(936)	(974)	(1,015)	(1,059)	(1,104)	(1,155)	(1,214)	(1,281)	(1,353)
Depreciation not funded	4,570	3,214	2,632	2,723	2,803	2,882	2,959	3,033	3,115	3,199	3,292
Total Funding Applied	32,294	38,363	38,170	37,920	37,152	38,772	39,453	40,342	41,261	42,873	44,517

Summary – cost of service statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Capital and Reserves Funding Requirements											
Capital Expenditure											
Renewals	7,244	7,531	7,269	8,808	9,166	9,115	11,550	11,357	10,181	13,569	9,228
Growth (excludes ETA)	14,888	10,840	4,186	2,303	1,698	7,525	1,406	1,831	3,230	5,707	4,676
Growth - ETA	1,381	-	-	-	-	-	-	-	-	-	-
Increase in level of service	9,590	10,166	7,203	5,884	7,185	5,339	6,166	4,101	6,197	3,821	3,931
Total Capital Expenditure	33,103	28,537	18,658	16,995	18,049	21,979	19,122	17,289	19,608	23,097	17,835
Loan repayments	5,611	11,928	11,036	12,644	12,299	12,638	16,330	13,263	12,420	9,068	11,352
Total Cost	38,714	40,465	29,694	29,639	30,348	34,617	35,452	30,552	32,028	32,165	29,187
Funded by:											
General rates	-	-	-	-	-	-	-	-	-	-	-
Loans raised	26,064	21,121	11,507	8,391	9,558	13,115	7,895	6,299	9,689	14,331	9,650
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
NZTA and other subsidies	1,945	920	927	851	1,034	977	1,038	1,124	1,241	1,148	1,198
Transfer from Reserve(s)	10,705	18,424	17,260	20,397	19,756	20,525	26,519	23,129	21,098	16,686	18,339
Total Funding Applied	38,714	40,465	29,694	29,639	30,348	34,617	35,452	30,552	32,028	32,165	29,187
Split of Capital Expenditure											
Renewals	7,244	7,531	7,269	8,808	9,166	9,115	11,550	11,357	10,181	13,569	9,228
Growth (excludes ETA)	14,888	10,840	4,186	2,303	1,698	7,525	1,406	1,831	3,230	5,707	4,676
Growth - ETA	1,381	-	-	-	-	-	-	-	-	-	-
Increase in level of service	9,590	10,166	7,203	5,884	7,185	5,339	6,166	4,101	6,197	3,821	3,931
Total Cost	33,103	28,537	18,658	16,995	18,049	21,979	19,122	17,289	19,608	23,097	17,835

Groups of Activities

council provides a range of services on behalf of the community. Each Group of Activities explains what Council does and why, key projects over the next three years, how we will measure our performance, how the activity will be funded and the cost of the service.







Community services

Council supports our community in a number of ways through the provision of community grants, working with communities to make changes in their neighbourhoods, and developing working relationships with community organisations to promote co-operation and collaboration. Council provides regulatory services to make sure rules and regulations are adhered to for things such as food safety, animal management and building. We also provide emergency services including a rural fire service and civil defence. The activities in this group are Community Engagement, Regulatory Services and Emergency Services.

Council's neighbourhood programme, 'Our neighbourhood, our future' focuses on regenerating the social and physical attributes of our communities' neighbourhoods. We will continue this programme, focusing on the contribution of young people as emerging leaders for local decision-making; families and their collective contribution to the District and its identity, and residents and the information circle that enables the community.

The many organisations that contribute to the well-being of Taupō District communities are crucial as partners with Council. Their ability to target resources from their specialised field ensures relevance in responding to the community's needs. This method of working together coupled with Council's role as a representative and an advocate for the District will build a foundation from which communities can begin to recognise their ambitions and their potential.

Council provides regulatory services to ensure that residents and visitors can safely enjoy all that is available here. Over the next three years we will look at shared service options with other local authorities to create efficiencies in our service provision. Based on the forecast growth and current economic conditions we expect the current demand on regulatory services to remain at the levels experienced over the last two years.

We provide emergency management for community wellbeing and safety, including development and support for volunteer rural fire crews in Taupō and the southwestern lake settlements.

Community Grants

Council supports groups and organisations every year through the provision of community grants. These grants are made on the basis that the groups and organisations activities are of benefit to the wider community. Council has a Community Grants policy which sets out how grants will be allocated and distributed. For example Council has a social services grant pool which is distributed on its behalf by Waiora House. Some of the grant funding is for service contracts that Council has in place with various groups. For example Council provides funding to Bike Taupō for services undertaken on our behalf. Council has agreed to a total grants pool of \$481,000 for 2012/13.

Working with our communities and developing relationships creates positive and negative effects. Potential positive effects include reducing truancy and vandalism and creating strong relationships that enable neighbourhood projects to progress smoothly. Potential negative effects include the risk of alienating groups. We will manage relationships very carefully to ensure that this does not happen.

This group of activities contributes to the Engagement and Environment community outcomes.

Community engagement

- Work with community groups, organisations and central government agencies to address issues affecting the community's well-being
- Support the community through grants and the facilitation and co-ordination of community groups
- Encourage safer communities with the work we do to maintain our WHO Safe Communities Accreditation
- Working alongside Māori to help ensure their needs are met and help empower them to engage with Council. The role also involves building capacity of other Council staff to engage with Māori.

Regulatory services

- Register, enforce and/or ensure compliance with regulatory functions relating to food premises, liquor outlets, gaming, animal control and other bylaws and statutes.
- Enforce limited time parking spaces in the Taupō CBD
- Process resource consent applications and ensure compliance with the District Plan and consent conditions
- Process building consent applications, inspect buildings, and monitor and enforce the Building Act 2004.

Emergency services

- Maintain District-wide emergency management plans and promote community preparedness for emergencies
- Maintain an Emergency Operating Centre and ensure civil defence capability from this headquarters. This includes civil defence staff training and the development and on-going review of civil defence plans and operating procedures. Council also has the ability to set up welfare centres in Taupō, Mangakino and Turangi in the event of an emergency.
- Issue fire permits, respond and manage fire callouts in rural areas

Projects over the next three years

- Continue to regenerate the social and physical attributes of our communities and their neighbourhoods. The goal is to develop the social networks in order to address social issues that affect communities, and strengthen their sense of pride in their neighbourhoods in the District.
- Install an integrated emergency management information system as part of the national implementation programme, to enhance community emergency response capability and to improve integration at local, regional and national levels.
- Prepare community response plans, in collaboration with interested communities for activation at a local level at times of emergency.
- Continue with the Waihi Hill thermal monitoring programme and imaging project in conjunction with WRC and other interested stakeholders.

PERFORMANCE MEASURES

What we want to know	Performance measures and targets
Community engagement and development	
We continue to support the development of community identity, connections and relationships among and within our communities.	Council will facilitate a series of neighbourhood events throughout the District. We will use these to provide informal opportunities for local residents to engage with Council and provide feedback on topical issues for monitoring purposes.
We ensure that community grants are shared fairly and used effectively.	<p>Community grants are annually allocated among:</p> <ul style="list-style-type: none"> • Welfare/social services • Sports • Arts and culture • Mangakino/ Pouakani community grants • Turangi/Tongariro community grants <p>The distributing agencies will report annually to Council on:</p> <ul style="list-style-type: none"> • the distribution of funds • the cost of service for the distribution • the expected benefits of the funding
Regulatory services	
We process resource consents consistently, efficiently and to a high standard, ensuring that property developments are in line with District Plan policy goals.	<p>100% of resource consents are processed within statutory timeframes.</p> <p>100% of resource consents will be monitored to ensure compliance with consent conditions.</p>
We provide an efficient and reliable building consent and inspection service.	<p>100% of building consents are processed within 20 working days</p> <p>100% of Code of Compliance Certificates are issued within 20 working days.</p> <p>20% of buildings on the WOF register are audited annually.</p> <p>We retain our Building Consent Authority accreditation every year.</p>
We work with building owners to develop a reliable risk assessment programme for earthquake risks.	In 2012/13 we will develop an earthquake risk assessment programme for buildings in the District, with performance measures and targets.
We inspect premises regularly	<p>Liquor outlets – 100% of premises are inspected annually</p> <p>Food premises – 100% of premises are inspected annually</p>
We respond efficiently to requests for service	<p>Response rate to service requests:</p> <p>Food safety – Initial response within 48 hours</p> <p>Dog control – Initial response within 24 hours</p> <p>Excessive noise – Initial response within 2 hours</p>
We enforce parking times to ensure as many people as possible can access parking spaces, and that the roading network is free of obstructions.	We enforce parking time limits Monday to Saturday
Emergency Management	
We educate our communities on preparing for emergencies.	The Waikato Region has recently adopted the Waikato Region Civil Defence Emergency Management Plan. Council will develop a detailed work programme and performance targets. (For example, a target might be the number of groups with Emergency Plans within the District.)
We recruit, train and support a rural fire response service.	Council maintains sufficient volunteer capacity to provide rural fire response crews in Taupō and the southern settlements.



HOW WE FUND COMMUNITY SERVICES

	Public/Community Benefit		Private Benefit	
	Uniform charge	General Rate	Targeted Rate	Fees & Charges
Community engagement		100%		
Community grants		100%		
Animal control	50%			50%
Building compliance and development		60%		40%
District Plan compliance		50%		50%
Food and environmental safety; liquor licensing		40%		60%
Parking		100%		
Emergency Management	100%			
Rural fire service		100%		
Whakamaru fire protection			100%	

Above / Taupō voluntary
Emergency Response
Team in training

Community Services – cost of service statement >

Operating Funding Requirements	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Operating Income											
Targeted rates	41	-	-	-	-	-	-	-	-	-	-
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Property sales	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Other income	2,519	2,556	2,643	2,735	2,839	2,953	3,074	3,203	3,341	3,498	3,669
Total Income	2,560	2,556	2,643	2,735	2,839	2,953	3,074	3,203	3,341	3,498	3,669
Operating Expenditure											
Operating expenditure	6,786	7,380	7,512	7,742	7,885	8,182	8,422	8,687	8,944	9,332	9,666
Depreciation and amortisation	248	284	228	150	100	95	93	95	76	44	43
Finance costs	99	78	81	75	69	64	58	53	47	42	39
Total Operating Expenditure	7,133	7,742	7,821	7,967	8,054	8,341	8,573	8,835	9,067	9,418	9,748
Net Deficit (Surplus) of Operations	4,573	5,186	5,178	5,232	5,215	5,388	5,499	5,632	5,726	5,920	6,079
Funded by:											
General rates	4,573	5,186	5,178	5,232	5,215	5,388	5,499	5,632	5,726	5,920	6,079
Operating deficit (surplus) from/to reserves	-	-	-	-	-	-	-	-	-	-	-
Recognition of vested assets	-	-	-	-	-	-	-	-	-	-	-
Depreciation not funded	-	-	-	-	-	-	-	-	-	-	-
Total Funding Applied	4,573	5,186	5,178	5,232	5,215	5,388	5,499	5,632	5,726	5,920	6,079

Community Services – cost of service statement >

Capital and Reserves Funding Requirements	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Capital Expenditure											
Renewals	173	94	73	105	109	47	78	116	116	48	122
Growth	-	-	-	-	-	-	-	-	-	-	-
Increase in level of service	-	150	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	173	244	73	105	109	47	78	116	116	48	122
Loan repayments	122	83	90	90	89	89	89	89	89	50	50
Total Cost	295	327	163	195	198	136	167	205	205	98	172
Funded by:											
Loans raised	-	150	-	-	-	-	-	-	-	-	-
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve(s)	295	177	163	195	198	136	167	205	205	98	172
Total Funding Applied	295	327	163	195	198	136	167	205	205	98	172
Split of Capital Expenditure											
Renewals	173	94	73	105	109	47	78	116	116	48	122
Growth	-	-	-	-	-	-	-	-	-	-	-
Increase in level of service	-	150	-	-	-	-	-	-	-	-	-
Total Cost	173	244	73	105	109	47	78	116	116	48	122

Community Services – Schedule of Capital Expenditure >

Schedule of Capital Expenditure	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Activity/Scheme											
Project											
Civil Defence - District	17	154	-	-	8	-	-	4	-	-	39
Regulatory Services	156	85	67	86	61	40	71	104	108	40	75
Rural Fire - District	-	-	-	13	33	-	-	-	-	-	-
Safer Communities	-	6	6	6	7	7	7	7	8	8	8
Total Capital Expenditure	173	244	73	105	109	47	78	116	116	48	122



Water

Water is essential for life, health, and recreation, and the environment. In our District water is also essential for economic development – if new industries cannot get access to water, they will not come here.

Access to water

Waikato Regional Council allocates water from our lakes and rivers for household, commercial and industrial uses. Council currently has 20 resource consents to take water from lakes, rivers, bores and other sources in the District. We intend to seek a single consolidated consent for our water takes from Lake Taupō so we can reduce the costs of acquiring and monitoring our water consents.

However, almost all of the available water from Lake Taupō is allocated to the Waikato river hydro-energy schemes, and it is becoming increasingly difficult for Council to get consents for water to meet growing demand for new industries and households. New industries will find it difficult to get access to water, which inhibits the growth of investment, jobs and economic growth in our District.

We have very high peak demand for water in our District, for three main reasons:

- Demand increases over summer to meet the needs of our summer holiday population, and visitors.
- Demand increases over summer to meet irrigation needs, for example, for golf courses and gardens. This is particularly because much of the District has pumice soils which are very porous and does not hold water very well in dry periods.
- Our pipe network has leaks on private land, and on Council and government land. We fix any leaks we identify on our land, and landowners are responsible for leaks on their own properties.

Households in the District have relatively high water use compared to other parts of the country, which will become an increasing problem over the next ten years. Council aims to reduce average water use from 2.20 cubic metres to 1.42 cubic metres per household (or equivalent) by 2022. Reducing the demand for water will reduce the cost of treating water and, in future, it will mean Council can delay spending to increase the capacity of our water treatment plants as the District grows. Council will be continuing the water reduction campaign through print and radio media to educate the community as to ways to reduce water usage, especially that outside the home.

Water supply

Council treats, stores and distributes water for residential, commercial and industrial properties in Taupō, Turangi and Mangakino and 18 other settlements in the District. For areas with Council water schemes, the water is safe to drink, and is supplied continuously, unless there are system breaks. Council imposes strict requirements on our water contractors to fix breaks quickly and cost-effectively. We also supply water for fire fighting in urban areas.

Council's water reticulation network is relatively new compared to many others around the country, because much of the District's growth has occurred within the last 20 years. The number of breaks in the water supply has been fairly stable which indicates that the network is reasonably reliable. We replace asbestos cement pipes when they collapse, but it's difficult to predict when it will happen.

Five District communities do not have a Council water supply: Waitetoko, Te Rangi-ita, Orutaua, Motutere (except the camping ground), and Mission Bay, and some rural households also have their own supplies. Council does not plan to expand the network to these communities.

Water quality

Council has upgraded the water treatment plants in Turangi and Mangakino, with some Ministry of Health subsidy. We are currently upgrading the treatment plant for Taupō Township, which is projected to cost \$27 million in total. We will also be upgrading the Waitahanui water treatment plant in 2012/13, with the assistance of a Ministry of Health subsidy.

The capital and increased operating costs for each upgrade will be paid by the community each scheme serves. The operating costs for providing water where the water treatment upgrade has been undertaken are projected to rise by 30% from increased use of electricity, chemicals, and finance costs.

Council has decided to defer the water treatment upgrades in the other water schemes we operate around the District. The cost of these upgrades is considered unaffordable in the current economic climate and Council will instead focus on security of supply. Council is mindful of the legislative requirements associated with drinking water

standards but must balance needs with costs.

Council will revisit the upgrade of the remaining water treatment plants when it develops the Long Term Plan 2015-25. Council has also deferred the Brentwood Reservoir and pump station proposal outside of the ten year plan timeframe.

This project has been deferred to reduce the overall capital expenditure programme.

This group of activities contributes to the Environment and Economy community outcomes.

Figure 1 Taupō District water supply schemes

Scheme/ Zone	No. of rateable properties	Peak demand (m ³ /day)	Average demand per property (m ³ /day)
Taupō township and Wairakei	9,792	14,496	2.43
Turangi	2,375	4,610	1.94
Omorī/ Kuratau/ Pukawa	1,266	2,073	1.64
Kinloch/ Whakaroa	1,181	2,257	1.91
Acacia Bay / Mapara	1,131	2,100	1.86
Mangakino	770	864	1.12
Motuoapa	457	832	1.82
Whareroa	205	252	1.23
Motutere campground	200	97	0.49
Hatepe	102	205	2.01
Tirohanga/Serenity Cove (rural, incl. irrigation)	95	1,326	13.96
Atiamuri	78	169	2.17
Whakamaru	72	160	2.22
River Road	70	236	3.37
Bonshaw Park (rural supply)	67	215	3.21
Centennial (irrigation)	55	2,102	38.22
Whakamoenga	53	273	5.15
Waitahanui	45	97	2.16
Waihaha rural supply incl. irrigation)	37	855	23.11

Projects over the next three years

- Complete the Taupō treatment plant upgrade
- Complete the Waitahanui treatment plant upgrade in 2012/13 with Ministry of Health subsidy.

PERFORMANCE MEASURES

What we want to know	Performance measures and targets						
We provide a continuous supply of water that will over time meet New Zealand's drinking water standards.	<p>Our main water supplies meet NZ drinking water standards:</p> <p>Mangakino and Turangi supplies will remain fully compliant</p> <p>Target year to achieve compliance Waitahanui 2012/13 Taupō 2013/14</p> <p>Omori, Kinloch, Motuoapa, Acacia Bay and Whareroa to be reviewed in LTP 2015-2025</p> <p>We respond to service requests regarding loss of service within one hour and restore service within 4 hours.</p> <p>80% of people who receive the service are satisfied with the water supply as measured by 3 yearly surveys.</p>						
We encourage more sustainable use of potable water, and we aim to achieve 1 cubic metre (m ³) by 2035.	<p>Average daily household water consumption targets in summer:</p> <table border="1"> <tbody> <tr> <td>2012-15</td> <td>1.65 m³</td> </tr> <tr> <td>2016-19</td> <td>1.53 m³</td> </tr> <tr> <td>2020-22</td> <td>1.42 m³</td> </tr> </tbody> </table>	2012-15	1.65 m ³	2016-19	1.53 m ³	2020-22	1.42 m ³
2012-15	1.65 m ³						
2016-19	1.53 m ³						
2020-22	1.42 m ³						
We provide adequate water for fire fighting	Our water pressure in urban areas meets FW2 fire fighting code of practice standards						

HOW WE FUND WATER SERVICES

	Public/Community Benefit		Private Benefit	
	Uniform charge	General Rate	Targeted Rate	Fees & Charges
Water supply (by scheme)			100%	

Variation between the LTP and assessment of water, sanitary services and waste management plan

Water service proposals in this plan are generally consistent with those contained in the Water and Sanitary Services Assessment (2008). Any variations relate to changes in growth predictions and the consequent timing of capital expenditure, because Council's growth model has been

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

Water – cost of service statement >

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Operating Funding Requirements											
Operating Income											
Targeted rates	5,236	6,769	8,383	8,893	9,178	9,496	9,737	9,960	10,169	10,618	11,067
Development and/or financial contributions	150	25	77	94	129	132	179	173	218	211	240
Property sales	-	-	-	-	-	-	-	-	-	-	-
Vested assets	100	150	156	163	170	178	185	194	204	216	228
Other income	27	25	26	27	28	29	31	32	34	35	39
Total Income	5,513	6,969	8,642	9,177	9,505	9,835	10,132	10,359	10,625	11,080	11,574
Operating Expenditure											
Operating expenditure	2,740	3,453	3,982	4,009	4,171	4,339	4,524	4,749	4,957	5,273	5,543
Depreciation and amortisation	1,860	2,110	2,339	2,601	2,711	2,813	2,917	3,013	3,112	3,219	3,331
Finance costs	1,285	1,842	2,295	2,404	2,458	2,505	2,504	2,426	2,345	2,399	2,456
Total Operating Expenditure	5,885	7,405	8,616	9,014	9,340	9,657	9,945	10,188	10,414	10,891	11,330
Net Deficit (Surplus) of Operations	372	436	(26)	(163)	(165)	(178)	(187)	(171)	(211)	(189)	(244)
Funded by:											
General rates	-	-	-	-	1	1	1	1	-	-	1
Operating deficit (surplus) from/to reserves	86	586	130	-	4	(1)	(3)	22	(7)	27	(17)
Recognition of vested assets	(100)	(150)	(156)	(163)	(170)	(178)	(185)	(194)	(204)	(216)	(228)
Depreciation not funded	386	-	-	-	-	-	-	-	-	-	-
Total Funding Applied	372	436	(26)	(163)	(165)	(178)	(187)	(171)	(211)	(189)	(244)

Water – cost of service statement >

Capital and Reserves Funding Requirements	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Capital Expenditure											
Renewals	669	595	854	1,260	1,351	1,609	957	1,134	1,300	5,369	1,161
Growth	8,921	10,660	3,178	2,164	1,204	1,617	274	-	-	-	-
Increase in level of service	-	-	188	460	146	938	-	38	197	-	-
Total Capital Expenditure	9,590	11,255	4,220	3,884	2,701	4,164	1,231	1,172	1,497	5,369	1,161
Loan repayments	756	995	1,251	1,341	1,418	1,469	1,540	1,552	1,561	1,573	1,754
Total Cost	10,346	12,250	5,471	5,225	4,119	5,633	2,771	2,724	3,058	6,942	2,915
Funded by:											
Loans raised	9,218	10,660	3,366	2,624	1,778	2,555	358	206	327	4,527	760
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve(s)	1,128	1,590	2,105	2,601	2,341	3,079	2,413	2,517	2,732	2,415	2,155
Total Funding Applied	10,346	12,250	5,471	5,225	4,119	5,634	2,771	2,723	3,059	6,942	2,915
Split of Capital Expenditure											
Renewals	669	595	854	1,260	1,351	1,609	957	1,134	1,300	5,369	1,161
Growth	8,921	10,660	3,178	2,164	1,204	1,617	274	-	-	-	-
Increase in level of service	-	-	188	460	146	938	-	38	197	-	-
Total Cost	9,590	11,255	4,220	3,884	2,701	4,164	1,231	1,172	1,497	5,369	1,161



Water – Schedule of Capital Expenditure >

Activity/Scheme	Project	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Water Bonshaw Park	Security of supply plant upgrade	-	-	52	460	-	-	-	-	-	-	-
Water Hatepe	Security of supply plant upgrade	-	-	-	-	-	-	-	38	197	-	-
Water Kinloch	Security of supply plant upgrade	-	50	-	-	1,204	1,617	-	-	-	-	-
Water Motuocapa	Security of supply plant upgrade	-	-	52	-	-	-	274	-	-	-	-
Water Taupo	Plant upgrade to meet Drinking Water Standards	8,481	10,500	1,042	-	-	-	-	-	-	-	-
Water Whakamaru	Security of supply plant upgrade	-	-	31	-	-	-	-	-	-	-	-
Water Centennial Drive Bores	Bore decommission	-	-	-	-	146	-	-	-	-	-	-
Water Kinloch	Bulk Flow Meter installation	-	45	-	-	-	-	-	-	-	-	-
Water Kinloch	Whakarua high Pump Station upgrade	-	65	-	-	-	-	-	-	-	-	-
Water Mangakino	Treatment Plant upgrade & seismic controller	170	-	-	-	-	-	-	-	-	-	-
Water Mapara	Pump Station & reticulation connection relocation	-	-	-	-	-	938	-	-	-	-	-
Water Taupo	Wharewaka East Reservoir/Pump Station build	-	-	2,084	2,164	-	-	-	-	-	-	-
Water Taupo	Investigation - Rainbow Point Pump Station boosting	-	-	104	-	-	-	-	-	-	-	-
Water Turangi	Treatment Plant upgrade & seismic controller	270	-	-	-	-	-	-	-	-	-	-
Water - District	Vehicle & equipment renewals - All schemes	669	595	854	1,260	1,351	1,609	957	1,134	1,300	5,369	1,161
Total Capital Expenditure		9,590	11,255	4,220	3,884	2,701	4,164	1,231	1,172	1,497	5,369	1,161







Transport

Council provides a transport network for the efficient movement of people and goods which is essential for the economic and social wellbeing of the community. We also encourage and support people to use alternative modes by providing footpaths, cycleways and passenger transport infrastructure: Council strongly supports and encourages walking and cycling networks throughout the District and is working towards the outcomes in its Cycling and Walking Strategy.

Increasingly central government is recognising the economic importance of an efficient freight network, which includes both road and rail. Currently the New Zealand Transport Agency (NZTA) funds up to 43% of most maintenance and 53% of most capital roading projects, but if this changes it would affect the cost of some of the projects we plan to undertake. Funding for passenger transport and walking and cycling have already been capped or reduced in central government's draft policy statement. Council is also mindful that rising energy prices mean that the costs of providing the road network, including footpaths and cycleways, will increase.

Now that NZTA's funding priorities for the next three years are known, Council has cut projects that are unlikely to be subsidised by central government. This includes proposed projects such as traffic calming and realignment on Lake Terrace and Tongariro St, and widening Broadlands Road.

Overall Council has cut \$18 million from the proposed Transport budget, which includes cuts to budgets for:

- intersection improvements and realignments
- footpath construction
- retaining walls
- onstreet parking
- widening rural road berms
- creating four lanes on Spa Rd
- bus shelters.

We work with the Waikato Regional Council and NZTA, and advocate for District projects, especially those that focus on road safety, or economic development.

rural unsealed roads – reduce capital expenditure

Over the past three years Council has sealed almost 11km of rural roads spending about \$600,000 each year (primarily due to the topography of the road to be sealed). This leaves approximately 41km of unsealed roads. Council intends to spend \$375,000 each year for the next ten years to seal gravel roads.

Our District has a disproportionately high number of road traffic crashes that result in death or serious injury, and they mostly occur on the state highway network (managed by NZTA).

The road transport network in our District enables people to move around the District easily, and it supports the transport of goods. Negative effects include air emissions, potential runoff and transport related waste; and the impact that new roads can have on the amenity of an environment.

This group of activities contributes to the Economy community outcome.

Projects over the next three years

- Complete the Heuheu St upgrade
- Seal unsealed rural roads (about 3.5 km per year)
- Widen a small section of Poihipi Road for safety and for cyclists.



PERFORMANCE MEASURES

What we want to know	Performance measures and targets						
Transport							
We provide a transport network for the safe movement of people and goods.	Target: 7% reduction by 2021/22 from 2007 numbers (38 crashes)						
The number of serious and fatal crashes on District roads is falling.	<table border="1"> <tr> <td>2012/13</td> <td>37</td> </tr> <tr> <td>2017/18</td> <td>36</td> </tr> <tr> <td>2021/22</td> <td>35</td> </tr> </table>	2012/13	37	2017/18	36	2021/22	35
2012/13	37						
2017/18	36						
2021/22	35						
	88% of residents and ratepayers are satisfied with roads in the District						
	75% of residents and ratepayers are satisfied with footpaths in the District						
	70% of users are satisfied with cycleways in the District						
	The number of passenger bus rides within the District is increasing.						

HOW WE FUND TRANSPORT SERVICES

	Public/Community Benefit		Private Benefit	
	Uniform charge	General Rate	Targeted Rate	Fees & Charges
Transport		100%		

NZTA subsidies help to fund our transport activity, and Council's share comes from general rates.

Transport – cost of service statement >

	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Operating Funding Requirements											
Targeted rates	200	92	224	254	365	375	483	463	582	573	619
Development and/or financial contributions											
Property sales	400	200	207	215	223	230	240	250	262	274	288
Vested assets	4,291	3,369	3,406	3,378	4,055	4,173	4,408	4,652	5,025	5,117	5,411
Other income (includes NZTA subsidy)											
Total Income	4,891	3,661	3,837	3,847	4,643	4,778	5,131	5,365	5,869	5,964	6,318
Operating Expenditure											
Operating expenditure	5,627	5,184	5,330	5,343	6,304	6,591	7,025	7,197	7,778	8,023	8,593
Depreciation and amortisation	6,513	6,574	6,831	7,112	7,339	7,596	7,887	8,205	8,553	8,883	9,204
Finance costs	2,469	2,580	2,372	2,136	1,923	1,669	1,385	1,101	822	535	522
Total Operating Expenditure	14,609	14,338	14,533	14,591	15,566	15,856	16,297	16,503	17,153	17,441	18,319
Net Deficit (Surplus) of Operations	9,718	10,677	10,696	10,744	10,923	11,078	11,166	11,138	11,284	11,477	12,001
Funded by:											
General rates	6,865	7,999	9,152	9,040	9,382	9,412	9,661	9,704	10,088	10,177	10,734
Operating deficit (surplus) from/to reserves	(161)	(336)	(881)	(804)	(1,039)	(986)	(1,214)	(1,349)	(1,657)	(1,625)	(1,737)
Recognition of vested assets	(400)	(200)	(207)	(215)	(223)	(230)	(240)	(250)	(262)	(274)	(288)
Depreciation not funded	3,414	3,214	2,632	2,723	2,803	2,882	2,959	3,033	3,115	3,199	3,292
Total Funding Applied	9,718	10,677	10,696	10,744	10,923	11,078	11,166	11,138	11,284	11,477	12,001

Transport – cost of service statement >

Capital and Reserves Funding Requirements	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Capital Expenditure											
Renewals	1,891	1,948	1,830	2,295	2,670	2,182	2,291	2,359	3,171	2,856	3,398
Growth (excludes ETA)	1,412	150	155	-	-	-	36	123	255	-	-
Growth - ETA	-	-	-	-	-	-	-	-	-	-	-
Increase in level of service	2,183	1,216	831	962	733	755	785	771	790	323	339
Total Capital Expenditure	5,486	3,314	2,816	3,257	3,403	2,937	3,112	3,253	4,216	3,179	3,737
Loan repayments	511	6,063	4,618	4,153	4,694	5,224	5,223	5,256	5,162	420	407
Total Cost	5,997	9,377	7,434	7,410	8,097	8,161	8,335	8,509	9,378	3,599	4,144
Funded by:											
Loans raised	1,524	1,201	815	869	624	638	679	702	774	182	191
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
NZTA Subsidies (from reserves)	1,945	875	881	803	1,034	977	1,038	1,124	1,241	1,148	1,198
Transfer from reserve(s)	2,528	7,301	5,738	5,738	6,439	6,546	6,618	6,683	7,363	2,269	2,755
Total Funding Applied	5,997	9,377	7,434	7,410	8,097	8,161	8,335	8,509	9,378	3,599	4,144
Split of Capital Expenditure											
Renewals	1,891	1,948	1,830	2,295	2,670	2,182	2,291	2,359	3,171	2,856	3,398
Growth (excludes ETA)	1,412	150	155	-	-	-	36	123	255	-	-
Growth - ETA	-	-	-	-	-	-	-	-	-	-	-
Increase in level of service	2,183	1,216	831	962	733	755	785	771	790	323	339
Total Cost	5,486	3,314	2,816	3,257	3,403	2,937	3,112	3,253	4,216	3,179	3,737


NZTA Subsidy for renewals and new capital works are initially recognised as other income. That portion of the NZTA subsidy is then transferred to reserves and is used to partially fund the renewal and new capital expenditure for which the subsidy was granted.

Transport – Schedule of Capital Expenditure >

Activity/Scheme	Project	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Transport	Bus infrastructure	42	-	6	-	-	-	-	-	-	-	-
Transport	Cycle Strategy implementation	19	20	23	26	29	21	21	22	23	24	25
Transport	Footpath construction	106	-	-	-	-	-	-	-	-	-	-
Transport	Minor safety works	266	161	166	174	205	219	231	240	256	266	280
Transport	New road marking & signs	27	25	41	27	28	29	30	49	32	33	34
Transport	On-street parking	106	50	52	54	55	57	59	-	-	-	-
Transport	Retaining walls	21	-	-	-	-	-	-	-	-	-	-
Transport	Rural road berm widening	32	-	-	-	-	-	-	-	-	-	-
Transport	Seal extension	637	375	387	402	416	429	444	461	479	-	-
Transport	Four laning of Spa Road	119	-	-	-	-	-	-	-	-	-	-
Transport	East Taupo Arterial (ETA)	1,381	-	-	-	-	-	-	-	-	-	-
Transport	Heuheu Street upgrade	550	500	-	-	-	-	-	-	-	-	-
Transport	Huka Falls lookout upgrade	-	-	-	64	-	-	-	-	-	-	-
Transport	Intersection improvements & realignment	19	-	-	-	-	-	-	-	-	-	-
Transport	Lake Terrace traffic calming & realignment	89	50	155	215	-	-	-	-	-	-	-
Transport	Mangakino streets - upgrade program	3	35	-	-	-	-	-	-	-	-	-
Transport	Poihipi Road realign/straightening/widening	32	150	155	-	-	-	36	123	255	-	-
Transport	Tongariro Street traffic calming	30	-	-	-	-	-	-	-	-	-	-
Transport	Districtwide renewals	2,007	1,948	1,830	2,295	2,670	2,182	2,291	2,359	3,171	2,856	3,398
Total Capital Expenditure		5,486	3,314	2,815	3,257	3,403	2,937	3,112	3,253	4,216	3,179	3,737







Lakes, rivers and mountains

Lake Taupō lies at the heart of the District, and is internationally recognised for the clarity of its water, and the beauty of its setting. Protecting the lake for future generations is an important focus of Council's work in the District. We work in partnership with central government, the Waikato regional Council and Tūwharetoa to protect the lake, and we are increasingly involved in managing the lakes and river systems in our District from farming, urban impacts and flooding impacts.

We are a member of the committee that oversees the Lake Taupō Protection Trust, providing technical support, advocating for our communities on lake water quality issues, and encouraging integrated planning for lake water quality among all the interested agencies.

Because of concern about Lake Taupō water clarity and quality, we are working to reduce nitrogen levels. As part of the Lake Taupō Protection project, our District contributes to a public fund of \$81.5 million to reduce nitrogen levels in the lake by 20% by 2080. The fund is being collected over 15 years with the cost shared among Taupō District ratepayers (22%), other Waikato regional ratepayers (33%) and all taxpayers via central government (45%). Because most of the manageable nitrogen going into our waterways comes from farming run-off, the fund is used to convert pastoral farmland to low-nitrogen land uses, such as forestry.

Council operates a very high quality wastewater plant in Turangi which is helping to remove Council's 20% share of the manageable nitrogen entering Lake Taupō from urban sources, by 2020 (which equates to a reduction of 183 Tonnes). We also plan to remove all Council-owned long drop toilets on lakeshore reserves over the next 10 years, to prevent nitrogen and other products leaching into the Lake.

Council's other commitments under the 2020 Taupō-nui-a-Tia strategy address stormwater, recreation and erosion. The Lake

Taupō Erosion and Flood Strategy, is a joint project with WRC for addressing erosion impacts around the Lake. Council has agreed funding for some projects because of erosion impacts on our lakeshore reserves.

Waikato River

The recent Waikato River Treaty of Waikato settlement enables the Crown and river iwi to jointly govern, protect and restore the Waikato River and its tributaries, because the mauri and mana of the river are indivisible from the mauri and mana of the people. The settlement terms require Council to develop joint management agreements for sections of the river and its tributaries with the relevant hapu, and we have begun this process with Te Arawa River Iwi

Trust. We are also talking with Ngati Raukawa and Tūwharetoa about how we can take further action together to protect the river.

This group of activities contributes to the Environment community outcome.

Projects over the next three years

- Continue our commitment to Protecting Lake Taupō
- Repairing existing erosion infrastructure around the northern shores of Lake Taupō
- Develop joint management agreements with Waikato River Iwi and hapu
- Ensure the Turangi wastewater plant operates optimally to remove nitrogen from flows into the Lake.

PERFORMANCE MEASURES

What we want to know	Performance measures and targets	
Lakes, rivers and mountains		
The manageable nitrogen load within the Lake Taupō catchment from pastoral land use activities is reducing by 20% by 2018 from the benchmark average (2001-2004).	Period	Cumulative total
	2012/13 2013/14 2014/15 2016 to 18	92 Tonne reduction 110 Tonne reduction 128 Tonne reduction 183 Tonne reduction
	The 2016-2018 target is subject to the Crown, Waikato Regional Council and Taupo District Council reaching agreement to fund the removal of an additional 30 tonnes of nitrogen raising the total amount of nitrogen to be removed from 153 to 183 tonnes.	
Council reduces the nitrogen discharge from its wastewater treatment plants within the Lake Taupō catchment by 20% of the benchmark average (10,337kg/year), by 2018.	Period	Cumulative total
	2012/13 2013/14 2014/15 2016 to 18	9,300 kg discharge 9,097 kg discharge 8,890 kg discharge 8,270 kg discharge

HOW WE FUND COMMUNITY SERVICES

Activities	Public/Community Benefit		Private Benefit	
	Uniform charge	General Rate	Targeted Rate	Fees & Charges
Lakes and River Systems		100%		
Protecting Lake Taupō	75%		25% (LV)	

Protecting Lake Taupō

– project changes

In February 2007, Waikato Regional Council, Taupō District Council and the Crown agreed to jointly fund the Lake Taupō Protection Project and established a charitable trust, the Lake Taupō Protection Trust. There is a requirement to review the project every five years to assess progress and determine whether there is sufficient funding to do the job.

The first review was completed in February 2012. The review concluded that, overall, the project is working very well and meeting its targets. However, the reduction target for manageable nitrogen leaching from pastoral land needs to be increased from 153 to 183 tonnes per annum, owing to the Environment Court changing the rules in Waikato Regional Council's Regional Plan (Variation 5). Effectively, the cap on nitrogen leaching from pastoral and undeveloped land was slightly raised, meaning the Lake Taupō Protection Trust has to remove more nitrogen from the catchment than originally estimated, in order to achieve a 20 per cent reduction.

Based on the new tonnage, the current funding allocation will not be enough and the review concluded that "the achievement of the project objective is now seriously at risk".

Under the current project agreement, a total of \$72.4 million (GST exclusive) is available for purchasing nitrogen. The Crown funds 45 per cent and local government (Waikato Regional Council and Taupō District Council) funds 55 per cent. This money is paid to the Lake Taupō Protection Trust in instalments with the last payment due by 30 June 2018.

The Lake Taupō Protection Trust estimates that to remove the additional 30 tonnes for the project, a further \$12 million (GST exclusive) is required – \$5.4 million Crown and \$6.6 million local government.

Our Councils need to ensure we send a message to central government about the importance of Lake Taupō as a national icon, and that their involvement is imperative. This is an important project for the nation and all parties are keen to ensure that it is completed. Waikato Regional Council and Taupō District Council have reserve funds available (detailed below) to meet the local government share of the additional tonnage without having to increase rates. Both the Councils are working with Government to secure the Crown's share of the funding in keeping with the agreed funding splits. Local and regional funding will be released for the Project once the agreement is successfully concluded.

How did the reserve funds come about?

In 2004/05 when negotiations on the creation of the public fund were taking place, there was an acknowledged miscommunication between the Ministry for the Environment and Treasury. This resulted in the Government committing to \$72.4 million, a lower level of funding than the \$98 million originally proposed by Waikato Regional Council, Taupō District Council and the Ministry for the Environment.

Due to the timing of the miscommunication, Waikato Regional Council and Taupō District Council have collected rates based on funding 55 per cent of the originally proposed figure of \$98 million. Over time this has resulted in both councils creating a reserve of money collected specifically for protecting the lake.

Lakes, Rivers and Mountains – cost of service statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Operating Funding Requirements											
Operating Income											
Targeted rates	1,400	1,406	1,441	1,478	1,519	1,465	704	-	-	-	-
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Property sales	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Other income	130	100	100	100	100	100	100	-	-	-	-
Total Income	1,530	1,506	1,541	1,578	1,619	1,565	804	-	-	-	-
Operating Expenditure											
Operating expenditure	1,132	1,149	1,185	1,221	1,264	1,310	621	27	28	29	31
Depreciation and amortisation	-	7	12	18	20	20	20	20	20	20	20
Finance costs	5	11	14	17	17	16	15	13	12	11	10
Total Operating Expenditure	1,137	1,167	1,211	1,256	1,301	1,346	656	60	60	60	61
Net Deficit (Surplus) of Operations	(393)	(339)	(330)	(322)	(318)	(219)	(148)	60	60	60	61
Funded by:											
General rates	11	35	44	52	56	55	54	60	60	60	61
Operating deficit (surplus) from/to reserves	(404)	(374)	(374)	(374)	(374)	(274)	(202)	-	-	-	-
Recognition of vested assets	-	-	-	-	-	-	-	-	-	-	-
Depreciation not funded	-	-	-	-	-	-	-	-	-	-	-
Total Funding Applied	(393)	(339)	(330)	(322)	(318)	(219)	(148)	60	60	60	61

Lakes, Rivers and Mountains – cost of service statement >

Capital and Reserves Funding Requirements	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Capital Expenditure											
Renewals	-	-	-	-	-	-	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-	-
Increase in level of service	-	100	103	106	-	-	-	-	-	-	-
Total Capital Expenditure	-	100	103	106	-	-	-	-	-	-	-
Loan repayments	-	14	16	19	22	22	22	22	14	14	13
Total Cost	-	114	119	125	22	22	22	22	14	14	13
Funded by:											
Loans raised	-	55	57	58	-	-	-	-	-	-	-
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Other capital subsidies	-	45	46	48	-	-	-	-	-	-	-
Transfer from reserve(s)	-	14	16	19	22	22	22	22	14	14	13
Total Funding Applied	-	114	119	125	22	22	22	22	14	14	13
Split of Capital Expenditure											
Renewals	-	-	-	-	-	-	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-	-
Increase in level of service	-	100	103	106	-	-	-	-	-	-	-
Total Cost	-	100	103	106	-	-	-	-	-	-	-

Lakes, Rivers and Mountains – Schedule of Capital Expenditure >

Schedule of Capital Expenditure Activity/Scheme	Project	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Project Watershed	Erosion protection	-	100	103	106	-	-	-	-	-	-	-
Total Capital Expenditure		-	100	103	106	-	-	-	-	-	-	-



Community facilities

Council provides a wide range of community facilities to support a vibrant District for our communities and our visitors.

Our District offers a wide range of leisure and recreation opportunities, and we encourage our communities and visitors to use them. Our strategy is to maintain our community facilities so that we can continue to enjoy them, although we will reduce our investment in renewing some older assets.

We manage and service parks, reserves, playgrounds, open spaces, multi-purpose sports, entertainment and event venues (Taupō Events Centre, and the Great Lake Centre), and pools, gyms and sportsgrounds throughout the District to ensure there are sporting, aquatic and recreational opportunities, and exercise facilities for the physical and mental well-being of everyone who spends time in the District, including visiting children and their families. We also support Learn to Swim lessons sponsored by Contact Energy, at all our pools.

Our work includes amenity and conservation planting, sportsgrounds maintenance. The South Domain gardens in Taupō are significant regional gardens, and we maintain this with an annual evaluation.

We provide more than 50 free public toilets for people's comfort and to protect the environment, and the Superloo in Taupō with paid toilets and showers.

We provide a District-wide library service with three libraries and a mobile library bus. Library services include access to information and resources (hard copy and digital), collection management, an archive for important local material, and a place for people to meet, research and study.

A museum housing historical and cultural artefacts of the District, and includes exhibition and display space for cultural and artistic expression, as a stimulating learning environment for the community. The museum is a visitor attraction, especially the Tūwharetoa Gallery and the Ora Garden, and is open to the public seven days a week.

We maintain and operate a range of community halls to support local activities, clubs and events. Where local control works best, some halls are managed in conjunction with their communities.

Council provides social housing that is mainly



1 or 2 bedroom units in Taupō (40 units), Turangi (6 units), and Mangakino (11 units), mainly for the elderly.

We also provide three park-like public cemeteries and two burial areas of historical significance which we conserve.

Above / Taupō District children learning swimming skills at the AC Baths

Taupō Museum and Art Gallery – Review governance structure

The Taupō Museum and Art Gallery provides a space for the history of the District to be showcased and for the creative talent within our District to be exhibited. Council believes that the current governance structure does not provide the necessary flexibility or access to other sources of funding which would enhance this community facility. We will investigate governance options including a charitable trust, an incorporated society, a council controlled organisation and the existing governance structure. Following these investigations we will present these options to the community for further discussion prior to any changes being made.

Turangi Town – Revitalisation

Over the next three years significant improvements will be made to the Turangi CBD. Over 2012/13 plans and designs will be completed with construction taking place over the following two years. Capital expenditure of \$1.3 million over three years has been set aside for this revitalisation. Council will work in conjunction with the Turangi Tongariro Community Board and community representatives on this project.

Turangi Town – Review community facilities

Council will review the range and condition of community facilities such as sport and recreation halls over the next three years in consultation with the community. The purpose is to ensure that future improvements and renovations of any facilities meet current and future needs of the communities.

The AC Baths

Council approved funds in the last LTP to begin to address health and safety issues at the AC Baths (hydroslide stability, leaky building etc.). By June this year, Council is projected to have spent \$2.16 million for the slide tower, new bores to ensure water supply, and design and investigations for building renovations and facility improvements.

Council has decided to limit further improvements at the Baths to basic repair, which includes:

- Repairing the buildings for the indoor 25m pool and the indoor leisure pool, including new roofing, install new vapour barrier, repair internal and external walls, to address the building fabric and internal environment problems.
- Minor repair work to the arrival areas (upper level and pool), existing private spas, outdoor pool areas to improve the visitor experience, and to improve public circulation.
- Upgrading the Building Management System to optimise system performance by improving operational monitoring of pool water systems, and the heating and ventilation systems.
- Improving access for people with disabilities.



Council has cut \$13.8 million capital expenditure from this budget over the next ten years, to reduce costs. The main cuts are to budgets for:

- building renewals (community halls, Turangi gymnasium, housing for the elderly, Taupō Museum, public toilets)
- parks and reserves improvements
- sportsground extensions, upgrades and improvements, and
- Taupō Events Centre and the Great Lake Centre (building, equipment, vehicle and plant renewals)

This group of activities contributes to the Engagement, Environment and Economy community outcomes.

Above / Turangi town centre and Library

Projects over the next three years

- Complete the AC Baths basic repair
- Revitalise Turangi town centre
- Review community facilities in Turangi (demand, purpose, location, condition)
- Investigate options for expanding community use of the Turangi service centre
- Upgrade the playgrounds on the Tamatea and Parkdale neighbourhood reserves
- Investigate options for a public toilet at Whakamaru
- Investigate options for the River Road community hall
- Review the Museum governance structure and decide if Council will stop being owner/operator
- Remove some long drops from lakefront reserves (see also Lakes, rivers and mountains on page 49)
- Upgrade the Kaimanawa Reserve toilet and changing rooms.



PERFORMANCE MEASURES

What we want to know	Performance measures and targets		
Library			
The number of members who have used their card in the last year is increasing each year.	This is a new measure following the introduction of a District-wide library management system. We will report the actual numbers for the first three years of this LTP.		
District satisfaction	89% of the District are satisfied with the range and variety of the collection 72% of the District are satisfied with the library services		
Great Lake Centre and community halls			
Our halls are well used and people who use them are satisfied with them	GLC	used 75% of the year	
	Community halls	used 20% of the year	
	75% of the District is satisfied with the Great Lake Centre		
	75% of users and visitors are satisfied with our community halls		
Museum and Art Gallery			
Increasing numbers of residents and visitors come to our museum and are pleased with the exhibitions.	Visitor Targets	Residents	All visitors
	2012	6,880	27,405
	2015	7,080	28,220
	2018	7,280	29,035
	2021	7,480	29,850
	District satisfaction targets		
	2012	55%	
	2015	55%	
	2018	60%	
	2021	60%	
	District satisfaction in 2009 was 50%; our peer group Council's averaged 67%.		
Parks, reserves, playgrounds and gardens			
Our parks, playgrounds and gardens are safe and pleasant.	75% of playgrounds meet national standards		
	We retain regional garden significance status for the South Domain gardens in Taupō		
	80% of the District is satisfied with the quality of parks and reserves		
	75% of the District is satisfied with the quality and range of recreation and sporting facilities in the District		
	90% of the District is satisfied with Council's playgrounds		

Above / Mangakino lakefront reserve – Our Neighbourhood event



PERFORMANCE MEASURES

Sportsgrounds

Our sportsgrounds are fit for purpose and satisfactory for the District.

In 2012/13, Council will identify relevant standards for quality of sportsgrounds and develop related performance measures and targets

65% of the District is satisfied with the sports grounds

Swimming pools

Our pools are safe, well-maintained, and attractive for residents and visitors.

AC Baths will be closed for renovation and refurbishing in 2013/14 which will affect visitor numbers.

Number of people who use facility (swimmers, spectators etc.)

	AC BATHS	GETAC	MANGAKINO
2012/13	240,000	14,000	1,600
2013/14	120,000	14,000	1,600
2014/15	320,000	14,000	1,600
2015-18	320,000	14,000	1,600
2019 -21	320,000	14,000	1,600

Days open	AC BATHS	GETAC	MANGAKINO
Every year	364	364	every day in summer (except Christmas Day)

We maintain Pool Safe accreditation at AC Baths and GETAC

SATISFACTION	AC BATHS	GETAC	MANGAKINO
2012/13-15	64% District	70% users	80% users
2015/16-18	75% District	75% users	80% users
2018/19-21	75 % District	80% users	80% users

Gyms

We provide fitness services to support community health and well-being.

ATTENDANCE	TAUPŌ *	TURANGI**	MANGAKINO
2012/13	60,000	500	1,200
2013/14	50,000	500	1,200
2014/15	60,000	500	1,200
2015/16 -17/18	60,000	500	1,200
2018/19 -20/21	60,000	500	1,200

*Taupō figure includes fitness studio and Les Mills

**Turangi does not measure attendance, only hours used so this is the basis for the above

Public toilets

We provide clean and attractive public toilets for the comfort of visitors and residents.

75% of our public toilets meet the required cleaning and maintenance performance standards

70% of the District is satisfied with our public toilets

Superloo target 165,000 visits per year

Above left / Taupō Library laptop bench and WiFi area

Above right / Southern lake playground



HOW WE FUND COMMUNITY FACILITIES

Activities	Public/Community Benefit		Private Benefit	
	Uniform charge	General Rate	Targeted Rate	Fees & Charges
Parks and Reserves		95%		5%
Sportsgrounds		95%		5%
AC Baths		30%		70%
Genesis Energy Aquatic Centre		95%		5%
Mangakino Pool		95%		5%
Taupō Events Centre		67%		33%
Great Lake Centre		67%		33%
Libraries		95%		5%
Taupō Museum and Art Gallery		85%		15%
Community Halls		85%		15%
Public Toilets		100%		
Superloo		50%		50%
Cemeteries	10%			90%
Housing for the Elderly		45%		55%

Variation between the LTP and assessment of water, sanitary services and waste management plan

The sanitary services (cemeteries and public toilets) proposals in this long term plan are generally consistent with those contained within the Water and Sanitary Services Assessment October 2008. Any variations relate to changes in growth predictions and the consequent timing of capital expenditure,

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

Above left / Mangakino playground

Above right / Council staff pruning roses

Community Facilities – cost of service statement >

Operating Funding Requirements	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Operating Income											
Targeted rates	164	-	-	-	-	-	-	-	-	-	-
Development and/or financial contributions	250	216	635	745	1,115	1,164	1,518	1,277	1,402	1,297	1,298
Property sales	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Other income	2,784	2,636	2,632	3,121	3,265	3,359	3,500	3,593	3,762	3,892	4,071
Total Income	3,198	2,852	3,267	3,866	4,380	4,523	5,018	4,870	5,164	5,189	5,369
Operating Expenditure											
Operating expenditure	10,758	11,493	11,872	12,350	12,721	13,248	13,603	14,052	14,561	15,138	15,662
Depreciation and amortisation	3,190	3,285	3,242	3,075	2,740	2,669	2,591	2,404	2,378	2,246	2,246
Finance costs	1,432	1,580	1,818	1,866	1,764	1,800	1,850	1,585	1,490	1,522	1,503
Total Operating Expenditure	15,380	16,358	16,932	17,291	17,225	17,717	18,044	18,041	18,429	18,906	19,411
Net Deficit (Surplus) of Operations	12,182	13,506	13,665	13,425	12,845	13,194	13,026	13,171	13,265	13,717	14,042
Funded by:											
General rates	12,428	13,702	14,221	14,051	13,878	14,153	14,738	14,846	15,064	15,293	15,551
Operating deficit (surplus) from/to reserves	(246)	(196)	(556)	(626)	(1,033)	(959)	(1,712)	(1,675)	(1,799)	(1,576)	(1,509)
Recognition of vested assets	-	-	-	-	-	-	-	-	-	-	-
Depreciation not funded	-	-	-	-	-	-	-	-	-	-	-
Total Funding Applied	12,182	13,506	13,665	13,425	12,845	13,194	13,026	13,171	13,265	13,717	14,042

Community Facilities – cost of service statement >

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Capital and Reserves Funding Requirements											
Capital Expenditure											
Renewals	2,294	2,825	1,886	1,796	2,355	2,074	2,316	2,732	2,161	1,929	2,149
Growth	467	30	853	139	325	3,904	768	1,044	393	3,596	1,213
Increase in level of service	2,469	4,020	3,147	954	201	229	597	158	199	115	78
Total Capital Expenditure	5,230	6,875	5,886	2,889	2,881	6,207	3,681	3,934	2,753	5,640	3,440
Loan repayments	1,497	1,748	1,931	2,864	2,120	2,335	5,935	2,815	2,137	3,222	5,469
Total Cost	6,727	8,623	7,817	5,753	5,001	8,542	9,616	6,749	4,890	8,862	8,909
Funded by:											
General rates	3,831	4,375	4,335	1,438	882	4,501	1,745	1,593	995	4,128	1,722
Loans raised	-	-	-	-	-	-	-	-	-	-	-
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve(s)	2,896	4,248	3,482	4,315	4,117	4,041	7,872	5,156	3,895	4,734	7,187
Total Funding Applied	6,727	8,623	7,817	5,753	4,999	8,542	9,617	6,749	4,890	8,862	8,909
Split of Capital Expenditure											
Renewals	2,294	2,825	1,886	1,796	2,355	2,074	2,316	2,732	2,161	1,929	2,149
Growth	467	30	853	139	325	3,904	768	1,044	393	3,596	1,213
Increase in level of service	2,469	4,020	3,147	954	201	229	597	158	199	115	78
Total Cost	5,230	6,875	5,886	2,889	2,881	6,207	3,681	3,934	2,753	5,640	3,440

Community Facilities – Schedule of Capital Expenditure >

Activity/Scheme	Project	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
AC Baths - Pools	Complex upgrade, building, equipment & plant renewals	2,079	3,514	2,440	174	29	19	463	59	129	22	36
Genesis Energy Aquatic Centre	Building, equipment & plant renewals	20	-	-	49	83	-	58	96	19	207	92
Mangakino Pool	Building, equipment & plant renewals	-	5	-	-	11	1	4	21	5	-	13
Community Halls - District	Building renewals	64	65	43	32	47	67	20	50	61	74	42
Turangi Gymnasium	Building renewals	23	41	12	29	-	28	-	14	10	-	19
Libraries - District	Building, equipment & book renewals	388	346	335	345	413	369	428	423	440	444	481
Great Lake Centre	Building, equipment, vehicle & plant renewals	173	153	86	68	229	70	126	225	64	71	133
Housing for the Elderly - District	Building renewals	262	84	63	50	73	72	83	48	119	129	66
Museum - Taupo	Public Art	106	25	25	25	25	25	25	25	25	25	25
Museum - Taupo	Building renewals, displays & exhibitions	49	12	57	14	35	26	62	25	49	25	63
Parks & Reserves - District	Asset renewals & improvements	1,132	650	878	752	880	912	1,065	1,189	1,041	745	932
Parks Development Contribution	Growth projects	-	-	822	139	325	3,904	768	1,044	393	3,596	1,213
Parks & Reserves - Taupo	CBD upgrade & improvements	-	100	103	106	110	113	117	-	-	-	-
Parks & Reserves - Taupo	Lakeshore reserve development	318	-	-	-	-	-	-	-	-	-	-
Parks & Reserves - Taupo	Spa Park upgrade - Spa Park Master Plan	27	30	31	-	-	-	-	-	-	-	-
Parks & Reserves - Turangi/Tongariro	Turangi Town Centre improvements	-	250	412	638	-	-	-	-	-	-	-
Parks & Reserves - Mangakino/Pouaka	Mangakino Lakeshore/Town Centre development	-	100	103	-	-	-	-	-	-	-	-
Sportsgrounds - District	Building, equipment, vehicle & plant renewals	120	225	206	167	308	303	329	414	232	112	207
Sportsgrounds - District	Extension, upgrades & improvements	69	-	-	85	-	-	-	-	-	-	-
Public Conveniences	Kaimanawa toilet & changing rooms upgrade	-	165	-	-	-	-	-	-	-	-	-
Public Conveniences	Secombe Park toilet	149	-	-	-	-	-	-	-	-	-	-
Public Conveniences - District	Building renewals	143	104	116	82	119	108	42	26	81	72	89
Taupo Cemetery	Huka Lawn upgrade	11	12	-	-	-	-	-	-	-	-	-
Taupo Events Centre	Building, equipment, vehicle & plant renewals	99	995	153	133	193	191	91	276	83	118	29
Total Community Facilities		5,230	6,875	5,886	2,889	2,881	6,207	3,681	3,934	2,753	5,640	3,440





Wastewater

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, and we treat and dispose of wastewater in an environmentally responsible way, meeting WRC consent conditions, including odour control at our treatment facilities.

Wastewater seeping into Lake Taupō whether from farms or old septic tanks, carries nitrogen which is harmful to the aquatic environment. Waikato Regional Council's Variation 5 to its regional plan addresses this issue with more stringent resource consent conditions on farmers, households and Council with nearshore septic tanks or wastewater systems. We have 15 resource consents from Waikato Regional Council to allow the disposal of treated water and to control odour. To ensure compliance with our resource consent conditions we undertake regular monitoring of the quality of wastewater discharges. When we renew our various wastewater discharge consents Council is likely to face more stringent requirements for testing, treatment and odour control.

Council is obliged to reduce the manageable nitrogen entering Lake Taupō from its wastewater system by 2018. So far we have achieved our goal mainly by using the Turangi plant, which has an advanced membrane treatment technology and is capable of high levels of nitrogen removal. We are also continuing to seek improvement in other facilities.

In 2011 we began to upgrade the capacity of Taupō's treatment plant with a new trickling filter a, new digester and other related work. We will only do further upgrades when growth in the District increases demand beyond our current capacity.

Left / Taupō Wastewater Treatment Plant

Connect Hirangi Road to the wastewater network

Following a submission from whānau at the Hirangi Rd papakainga, Council has budgeted \$500,000 to investigate and begin works on connecting the residents to Council's wastewater system. Because the site is lower than the current network, the residents will likely require permanent pumps.

Consent required for wastewater systems in the nearshore zone

Variation No. 5 of Waikato Regional Council's regional plan requires all existing on-site wastewater systems within the near shore zone to gain consent for continued operation.

Wastewater discharges seeping into Lake Taupō from old septic tanks are a source of nitrogen. In this District the issue primarily relates to small communities such as Waitetoko, Hatepe and Waihi. Council has investigated putting a wastewater scheme in these places but it would be very expensive and in some cases cost prohibitive. Council is continuing to investigate wastewater alternatives to further reduce nitrogen going into Lake Taupō, because of public health and the environmental concerns. We are also helping Waikato Regional Council to communicate with landowners in this zone to advise them of their responsibilities.

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

The sewerage network has public health and environmental benefits. In heavy rain, there is a risk of stormwater getting into the wastewater network and overloading it, causing untreated sewerage to overflow into waterways. Council is managing this risk by upgrading the wastewater reticulation network over the next ten years to improve capacity and reduce stormwater infiltration, and overflow risks. We are moving to enforce the trade waste bylaw more stringently to reduce the likelihood of blockages in the sewer network or mechanical equipment failure.

Our services support our Environment outcome – a shared responsibility for places we are proud of.

Projects over the next three years

- Develop a new facility for fats, oils and grease from grease traps in the Taupō CBD. The current FOG disposal consent at Broadlands Rd will expire in 2016, and we are unlikely to be able to get that consent renewed. (The Ashwood park facility cannot take large quantities of these contaminants.)
- Investigate options for connecting Hirangi Rd residents to the wastewater network
- Identify the volume of stormwater infiltration to the Mangakino sewerage system.
- Investigate and implement process improvements to the Turangi wastewater treatment plant to improve treatment efficiency while maintaining or improving effluent quality.
- Renew our emergency discharge consent.

PERFORMANCE MEASURES

What we want to know

We provide safe, efficient wastewater services that protect public health and property without compromising our waterways, to the satisfaction of service users.

Performance measures and targets

Our wastewater does not overflow to lakes, rivers or streams

We comply with all our resource consent conditions

We respond to service requests where there is a loss of service within one hour and restore service within 4 hours within Taupō, Turangi or Mangakino or 5 hours for other service areas.

We respond to all other faults within 24 hours. (Response time includes initial investigation and prioritisation)

90% of wastewater users are satisfied with our wastewater service

80% of the District is satisfied with our wastewater service

HOW WE FUND WASTEWATER

	Public/Community Benefit		Private Benefit	
	Uniform charge	General Rate	Targeted Rate	Fees & Charges
Wastewater			100%	

There are substantial increases in fees for trade waste and septic tank disposal at the Ashwood and Turangi facilities because Council has identified that the previous charges did not meet the actual costs of service. See page 145.

The targeted rate for wastewater applies only to properties that are connected to Council's wastewater service. The targeted rate is the same across the District, because Council uses a "polluter pays" principle for this rate, regardless of where we treat the wastewater.

Variation between the LTP and assessment of water, sanitary services and waste management plan

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

Wastewater – cost of service statement >

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Operating Funding Requirements											
Operating Income											
Targeted rates	9,498	10,758	11,738	11,909	12,156	12,455	12,650	13,045	13,313	13,979	14,561
Development and/or financial contributions	250	141	374	451	675	733	958	946	1,158	1,046	1,146
Property sales	-	-	-	-	-	-	-	-	-	-	-
Vested assets	100	150	156	163	170	178	185	194	204	216	228
Other income	980	1,012	1,098	1,141	1,190	1,246	1,302	1,361	1,432	1,514	1,605
Total Income	10,828	12,061	13,366	13,664	14,191	14,612	15,095	15,546	16,107	16,755	17,540
Operating Expenditure											
Operating expenditure	4,980	5,689	5,615	5,854	6,167	6,311	6,550	6,858	6,934	7,322	7,963
Depreciation and amortisation	3,920	4,308	4,542	4,686	4,897	5,135	5,340	5,541	5,767	5,981	6,261
Finance costs	2,936	3,227	3,301	3,214	3,194	3,224	3,233	3,184	3,164	3,188	3,226
Total Operating Expenditure	11,836	13,224	13,458	13,754	14,258	14,670	15,123	15,583	15,865	16,491	17,450
Net Deficit (Surplus) of Operations	1,008	1,163	92	90	67	58	28	37	(242)	(264)	(90)
Funded by:											
General rates	-	-	-	-	-	1	-	-	-	-	1
Operating deficit (surplus) from/to reserves	509	1,313	248	253	237	235	213	231	(38)	(48)	137
Recognition of vested assets	(100)	(150)	(156)	(163)	(170)	(178)	(185)	(194)	(204)	(216)	(228)
Depreciation not funded	599	-	-	-	-	-	-	-	-	-	-
Total Funding Applied	1,008	1,163	92	90	67	58	28	37	(242)	(264)	(90)

Wastewater – cost of service statement >

Capital and Reserves Funding Requirements	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Capital Expenditure											
Renewals	1,265	1,578	1,900	2,475	2,035	2,267	4,959	4,476	2,262	1,985	1,610
Growth	6,129	-	-	-	169	2,004	328	664	2,582	2,111	3,463
Increase in level of service	180	1,540	380	817	2,374	495	1,775	-	578	-	286
Total Capital Expenditure	7,574	3,118	2,280	3,292	4,578	4,766	7,062	5,140	5,422	4,096	5,359
Loan repayments	1,721	1,922	1,996	2,001	2,039	2,154	2,168	2,238	2,259	2,330	2,381
Total Cost	9,295	5,040	4,276	5,293	6,617	6,920	9,230	7,378	7,681	6,426	7,740
Funded by:											
Loans raised	7,308	1,540	380	817	2,543	2,499	2,104	664	3,160	2,111	3,749
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve(s)	1,987	3,500	3,896	4,476	4,074	4,421	7,126	6,714	4,521	4,315	3,991
Total Funding Applied	9,295	5,040	4,276	5,293	6,617	6,920	9,230	7,378	7,681	6,426	7,740
Split of Capital Expenditure											
Renewals	1,265	1,578	1,900	2,475	2,035	2,267	4,959	4,476	2,262	1,985	1,610
Growth	6,129	-	-	-	169	2,004	328	664	2,582	2,111	3,463
Increase in level of service	180	1,540	380	817	2,374	495	1,775	-	578	-	286
Total Cost	7,574	3,118	2,280	3,292	4,578	4,766	7,062	5,140	5,422	4,096	5,359

Wastewater – Schedule of Capital Expenditure >

Activity/Scheme	Project	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Wastewater Acacia Bay	New sewer main	-	-	-	-	-	70	328	-	-	-	-
Wastewater Acacia Bay	Treatment plant upgrade	-	-	78	-	-	-	-	-	-	-	-
Wastewater Acacia Bay	Pump Station upgrade	-	-	-	-	-	-	-	-	578	-	-
Wastewater Mangakino	Community Garden	10	-	-	-	-	-	-	-	-	-	-
Wastewater Mangakino	Monitoring Bore installation	-	-	-	-	-	-	36	-	-	-	-
Wastewater Mangakino	Research Stormwater infiltration to sewerage system	5	10	-	-	-	-	-	-	-	-	-
Wastewater Mangakino	Treatment improvement	15	-	47	-	-	-	-	-	-	-	-
Wastewater Motuopapa	Treatment plant upgrade	-	-	89	-	-	-	-	-	-	-	-
Wastewater Taupo	Eastern Trunk sewer extension	-	-	-	-	-	-	-	664	2,582	2,111	2,519
Wastewater Taupo	Fats oils & greases reception facility	-	15	151	584	-	-	-	-	-	-	-
Wastewater Taupo	Office building alterations	-	100	-	-	-	-	-	-	-	-	-
Wastewater Taupo	Control Gate Bridge siphon	-	-	-	-	-	-	-	-	-	-	944
Wastewater Taupo	View Road expansion	-	-	-	54	2,025	-	-	-	-	-	-
Wastewater Taupo	Primary settling tank & biofilter extension	-	-	-	-	169	1,934	-	-	-	-	-
Wastewater Taupo	Storm flow diversion Pump Stations & pipework	-	-	-	-	-	495	1,739	-	-	-	-
Wastewater Taupo	Ashwood Park extension	-	-	-	-	-	-	-	-	-	-	286
Wastewater Taupo	Wastewater Treatment Plant upgrade	5,459	-	-	-	-	-	-	-	-	-	-
Wastewater Turangi	Screen optimisation	670	830	-	-	-	-	-	-	-	-	-
Wastewater Turangi	Hirangi Road	-	500	-	-	-	-	-	-	-	-	-
Wastewater Whareroa	Monitoring Bore installation (WRC requirement)	-	-	-	162	-	-	-	-	-	-	-
Wastewater Operations - District	Instrumentation upgrades	150	85	16	16	349	-	-	-	-	-	-
Wastewater Operations - District	Vehicle & equipment renewals	1,265	1,578	1,900	2,475	2,035	2,267	4,959	4,476	2,262	1,985	1,610
Total Capital Expenditure		7,574	3,118	2,280	3,292	4,578	4,766	7,062	5,140	5,422	4,096	5,359





Solid waste

Council provides a solid waste system for refuse and recyclables. Waste services include a landfill and resource recovery centre at Broadlands Road, five transfer stations, as well as 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.

We provide a weekly collection service in urban areas for the approximately 6,000 tonnes of non-recycled rubbish produced in the District each year, and we transport it to Council's landfill at Broadlands Road, Taupō. In 2010 we also collected 5,225 tonnes of recycling from the kerbside. We provide a weekly recycling collection for paper, glass, plastic and aluminium, and rubbish and recycling bins in our parks and town centres. In the Taupō CBD we provide these services twice a week, as well as daily litter collection.

The Emissions Trading Scheme (ETS) is predicted to increase the cost of waste to landfill by \$25-\$27 per tonne, and the government requires Council to reduce the volume of waste going into our landfill. Our aim is to reduce the total waste going into our landfill by 3%, by 2018. Council will continue to monitor the ETS costs and will consider the provision of a gas flare at the Broadlands Road landfill if sustainable.

We promote and advocate reuse, recovery and recycling of waste materials, and we shred green waste to reduce greenhouse gases. We ensure waste is disposed of safely and that effects on the environment are minimised, and we continue to monitor closed landfills in the District.

Council adopted a revised Waste Minimisation Plan in May 2012. The plan outlines the ways that Council proposes to minimise waste, including a reduction in solid waste to reduce the financial costs associated with the ETS. Some of the new initiatives include extending the plastic container recycling service to include numbers 3 – 7, e-waste service provision and subsidising home composting.

Our solid waste services contribute to the Environment and Economic community outcomes.

Projects over the next three years

- At the Broadlands Road landfill, we will:
 - provide a shed for storing paper and cardboard so that bulk loads may be removed for reducing operational costs
 - cap the landfill when needed, to meet our resource consent
 - design a new cell to enable the on-going disposal of waste from the District.
- Continue to advocate for waste minimisation.

PERFORMANCE MEASURES

What we want to know

The volume of waste to landfill declines by 3% by 2018/19.

The District has a high level of satisfaction with their waste and recycling services.

Performance measures and targets

Total waste to landfill

2012/13	21,515 Tonnes
2013/14	21,434 Tonnes
2014/15	21,352 Tonnes
2016 to 18	21,107 Tonnes

We comply with all resource consent conditions for our landfills

85% of service users are satisfied with our recycling and refuse services

80% of the District is satisfied with our recycling and refuse services



HOW WE FUND SOLID WASTE

Activities	Public/Community Benefit		Private Benefit	
	Uniform charge	General Rate	Targeted Rate	Fees & Charges
Refuse collection				100%
Recycling collection			100%	
Disposal			51%	49%
Litter control		100%		

Variation between the LTP and assessment of water, sanitary services and waste management plan

The solid waste service proposals in this long term plan are generally consistent with Council’s current Waste Management and Minimisation Plan. Any variations relate to changes in growth predictions and the consequent timing of capital expenditure, because Council’s growth model has been revised to reflect the economic

environment and the impact on predicted future land uptake. In addition, capital projects for wastewater have different timing because of the need to ensure projects are only started when necessary, and taking community affordability into account.

Above / Broadlands Road Landfill

Solid Waste – cost of service statement >

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Operating Funding Requirements											
Operating Income											
Targeted rates	1,721	1,935	1,904	1,979	2,045	2,299	2,238	2,077	2,133	2,261	2,207
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Property sales	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Other income	1,947	2,100	2,342	2,424	2,642	2,748	2,861	2,981	3,109	3,255	3,415
Total Income	3,668	4,035	4,246	4,403	4,687	5,047	5,099	5,058	5,242	5,516	5,622
Operating Expenditure											
Operating expenditure	3,797	4,074	4,514	4,716	4,926	5,214	5,329	5,528	5,754	6,018	6,298
Depreciation and amortisation	445	537	334	312	387	473	469	270	396	431	337
Finance costs	239	266	256	232	236	241	206	170	179	196	159
Total Operating Expenditure	4,481	4,877	5,104	5,260	5,549	5,928	6,004	5,968	6,329	6,645	6,794
Net Deficit (Surplus) of Operations	813	842	858	857	862	881	905	910	1,087	1,129	1,172
Funded by:											
General rates	958	987	1,003	1,002	1,007	1,026	1,050	1,055	1,087	1,129	1,172
Operating deficit (surplus) from/to reserves	(145)	(145)	(145)	(145)	(145)	(145)	(145)	(145)	-	-	-
Recognition of vested assets	-	-	-	-	-	-	-	-	-	-	-
Depreciation not funded	-	-	-	-	-	-	-	-	-	-	-
Total Funding Applied	813	842	858	857	862	881	905	910	1,087	1,129	1,172



Solid Waste – cost of service statement >

Capital and Reserves Funding Requirements	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Capital Expenditure											
Renewals	122	79	43	75	111	17	63	12	90	190	146
Growth	-	-	-	-	-	-	-	-	-	-	-
Increase in level of service	1,132	115	57	21	941	80	-	31	1,273	92	-
Total Capital Expenditure	1,254	194	100	96	1,052	97	63	43	1,363	282	146
Loan repayments	267	421	423	425	421	604	596	510	404	644	444
Total Cost	1,521	615	523	521	1,473	701	659	553	1,767	926	590
Funded by:											
Loans raised	1,125	115	57	21	941	80	-	31	1,273	92	-
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve(s)	396	500	466	500	532	621	659	522	494	834	590
Total Funding Applied	1,521	615	523	521	1,473	701	659	553	1,767	926	590
Split of Capital Expenditure											
Renewals	122	79	43	75	111	17	63	12	90	190	146
Growth	-	-	-	-	-	-	-	-	-	-	-
Increase in level of service	1,132	115	57	21	941	80	-	31	1,273	92	-
Total Cost	1,254	194	100	96	1,052	97	63	43	1,363	282	146

Solid Waste – Schedule of Capital Expenditure >

Schedule of Capital Expenditure	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Activity/Scheme											
Project											
Litter Control - Taupo	65	22	5	45	59	14	59	9	51	55	73
Mangakino Solid Waste Disposal	7	-	-	-	-	-	-	-	-	-	-
Taupo Solid Waste Disposal	1,125	65	57	21	941	80	-	31	1,273	92	-
Taupo Solid Waste Disposal - District	-	50	-	-	-	-	-	-	-	-	-
Solid Waste Disposal - District	57	57	38	30	52	3	4	4	39	135	74
Total Capital Expenditure	1,254	194	100	96	1,052	97	63	43	1,363	282	146





Stormwater

Council provides a stormwater system to manage surface water run-off from the District's urban catchments.

Waikato Regional Council increasingly requires the District to improve the quality of stormwater, especially if it goes into lakes and rivers, to reduce adverse effects on the environment. In future, disposing of stormwater directly to waterways without first improving its quality will be the exception rather than the norm. New property developments must now meet higher stormwater capacity standards to meet climate change impacts, and provide sufficient capacity for increased flows.

In our District we manage most stormwater with soak holes, cess pits, detention ponds, gullies and reserves, and we have a piped stormwater network in the Taupō CBD. Stormwater is discharged mostly untreated into our lakes, rivers and streams, and by the time it reaches our lakes and rivers, stormwater in the District often carries toxic runoff from roads and a wide range of other waste and litter. Council owns and maintains a number of gullies that transport stormwater to the lake, and these need to be maintained to avoid sedimentation and enable stormwater quality to improve as it passes through each gully. We monitor stormwater quality, testing for pollution from sewerage, heavy metals and other contaminants because we are committed to improving the quality of stormwater going into Lake Taupō. We remove some pollutants using enviropods to catch litter in roadside cesspits, and we also improve stormwater quality by channelling the water through specially planted gullies that help remove pollutants before the water flows into lakes and rivers.

Left / Council staff undertaking environmental monitoring



Enviropods trap thousands of cigarette butts

Council uses 124 enviropods in the Taupō CBD to trap waste before it flows into Lake Taupō with stormwater.

Litter and rubbish discarded on streets in the CBD can get caught up in stormwater flows and we have found the enviropods are an excellent technology for keeping rubbish away from our waterways.

Council plans to install five enviropods per year for the next ten years along Lake Terrace and along to Two Mile Bay so that even more rubbish can be caught.

We also provide a number of rubbish and recycling bins along the lakefront for convenient disposal of waste (see Solid Waste, page 72).

Council monitors and maintains the stormwater network to manage risks to life and health, and to prevent flooding and related damage to property. We are progressively installing grates over stormwater manholes to reduce the likelihood of children falling into the stormwater system.

Climate change is already increasing the frequency of severe storms, and there will be more intense stormwater flows, more often – which increases risks for people, for communities and for the environment. Council's Stormwater Strategy (2009) takes account of climate change in addressing flooding risks to public health and safety, impacts on overland flow paths, and stormwater risks to our lakes and rivers, particularly Lake Taupō. We seek to minimise erosion damage from stormwater to roads, reserves, gullies, and outfalls.

This group of activities contributes to the Environment community outcome.

Projects over the next three years

- Install five enviropods per year to improve stormwater quality along Lake Terrace, Taupō.
- Continue our gully planting programme
- Upgrade the Mangakino detention pond and reticulation.

PERFORMANCE MEASURES

What we want to know	Performance measures and targets
Stormwater	
<p>We manage the stormwater network to protect public health and property without compromising the environment.</p> <p>We mitigate adverse effects of stormwater discharge on the environment, and minimise erosion caused by the stormwater network.</p>	<p>Less than 5 properties each year are affected by flooding inside the dwelling as a result of stormwater originating from public land such as parks, roads and reserves. (This measure excludes properties in designated flood hazard areas).</p> <p>There are less than 10 complaints of erosion caused by the stormwater network (measured by service requests).</p> <p>We comply with all our resource consent conditions.</p> <p>We respond to service requests where there is a loss of service within one hour and restore service within 4 hours.</p> <p>75% of the District is satisfied with the stormwater network in protecting their property from floods.</p>

HOW WE FUND STORMWATER

	Public/Community Benefit		Private Benefit	
	Uniform charge	General Rate	Targeted Rate	Fees & Charges
Stormwater		100%		

Variation between the LTP and water and sanitary services assessment

The stormwater service proposals in this plan are generally consistent with the Water and Sanitary Services Assessment (2008). Any variations relate to changes in growth predictions and the consequent timing of capital expenditure, because Council's growth model has been

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

Stormwater – cost of service statement >

	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Operating Funding Requirements											
Operating Income											
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Property sales	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	400	417	433	452	473	494	517	544	575	609
Other income	-	-	-	-	-	-	-	-	-	-	-
Total Income	-	400	417	433	452	473	494	517	544	575	609
Operating Expenditure											
Operating expenditure	621	594	593	609	632	725	677	793	749	793	839
Depreciation and amortisation	784	798	833	866	902	941	977	1,015	1,059	1,107	1,155
Finance costs	58	57	59	59	62	66	70	78	84	89	89
Total Operating Expenditure	1,463	1,449	1,485	1,534	1,596	1,732	1,724	1,886	1,892	1,989	2,083
Net Deficit (Surplus) of Operations	1,463	1,049	1,068	1,101	1,144	1,259	1,230	1,369	1,348	1,414	1,474
Funded by:											
General rates	1,286	1,449	1,485	1,534	1,596	1,732	1,724	1,886	1,892	1,989	2,083
Operating deficit (surplus) from/to reserves	6	-	-	-	-	-	-	-	-	-	-
Recognition of vested assets	-	(400)	(417)	(433)	(452)	(473)	(494)	(517)	(544)	(575)	(609)
Depreciation not funded	171	-	-	-	-	-	-	-	-	-	-
Total Funding Applied	1,463	1,049	1,068	1,101	1,144	1,259	1,230	1,369	1,348	1,414	1,474



Democracy and planning

A major role of Council is to plan for the District's future to meet the needs of our communities.

Council has a formal program of workshops and monthly meetings that are open to the public, as well as a wide range of community engagements. Councillors are appointed to many committees and community trusts within the District and across the region on issues such as health, sports, environment, Māori land, arts, and more, to maintain contact with the full range of communities within the District. Because decisions of Council affect the wellbeing of our many communities we need to ensure those decisions are based on robust information and community consultation.

In order to service our communities openly and transparently, Council meetings are webcast, and we publish meeting records and official information on our website, and also provide it on request. We keep residents informed through a wide variety of media, provide information and receive service complaints through our contact centre.

Some parts of the District are projected to grow over the next ten years, and some parts are projected to decline and we need to meet the demand for infrastructure and services of our current and future communities. We do this with long term planning, and spatial planning (structure plans, District planning), and policy work for all the other services of Council. Council uses two major planning processes to establish and advocate for the long term wellbeing of the District: this long term plan, and the District Plan. Both these processes generate extensive consultation with our communities, and many take a lively interest in Council's proposals for the towns and settlements where they live and holiday.

Last year Council notified District Plan Changes 28-33 which sought to zone new commercial and industrial land in the District, and we have made provision for infrastructure to service this land in the Investments activity. Council appointed a panel of independent Commissioners to conduct the Hearings, which are now completed. Subject to appeals, we will implement the decisions once they are adopted.

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.

The Turangi-Tongariro Community Board supports community participation in decision-making and advocates for its community to Council. Council also has a special sub-committee for ensuring we maintain strong community contact with Mangakino-Pouakani. In the representation review we will consider whether to establish a Community board for the Mangakino-Pouakani ward.

Increasingly we are focusing on the economic development potential of our sister city relationships, which are with Suzhou, China; Hakone, Japan, and Noumea, New Caledonia and we are a friendship city with Xian, China. The Turangi/Tongariro Community Board has a sister city friendship with the village of Kitashiobara in Japan.

This group of activities contributes to the Environment, Economic and Engagement community outcomes.

Projects over the next three years

- Complete the Representation Review (2012)
- Complete Commercial and Industrial District Plan changes 28-33
- Finalise the Southern Settlements Structure Plan
- Prepare and notify the Hazards District plan changes
- Publish a State of the District report (2012/13)
- Prepare the Long Term Plan 2015-25, and publish Annual Plans and Annual Reports.

Opportunities for Māori to contribute to the decision-making processes

Our relationships with local iwi and *taura here* or *Māori from other areas* are important to Council and hopefully we show this in the ways we involve Māori in our work. Over a number of years we have entered into forums and agreements to make decisions on a range of issues that affect the District. These decision making forums have come about through Treaty or Land Court settlements, specific legislation or negotiated agreements between iwi and Council.

Current agreements/decision making forums

- **Management Protocol with the Tūwharetoa Māori Trust Board:** Signed in 2004/05, the protocol enables the two chief executives to meet regularly to share information and seek advice from each another. The relationship is particularly important for discussing how the Board or specific hapu can participate in Council activities. Following changes on the Trust Board, Council is keen to meet with the new leaders and strengthen the breadth and depth of this important relationship.
- **Lake Taupō Protection Trust Joint Committee:** Council works in partnership with central government, Ngāti Tūwharetoa and WRC on the Protecting Lake Taupō Project, and the Tūwharetoa Māori Trust Board is represented on the project's joint Taupō District// Waikato Region Council Committee. The Committee oversees the Trust that allocates a public fund to reduce by 20% the amount of manageable nitrogen from pastoral land going into Lake Taupō.
- **Joint Management Agreement with Ngāti Tūwharetoa:** This agreement relates to Māori multiply-owned Māori freehold land within the District. Councillors and appropriately qualified persons on behalf of Ngāti Tūwharetoa can hear resource consents and private plan changes. When signed in 2009, the agreement was the first of its kind and has received a number of awards. Council will review this agreement with Ngāti Tūwharetoa to ensure it is operating as intended, in 2012/13.
- **Waipāhihi C75 Māori Reservation Trust:** The C75 Trust has representatives of local hapū and Council, to oversee the foreshore area from north of the Two Mile Bay sailing centre to the former Scouts den. The area has areas of significance for the hapū including the Taharepa Bath adjacent to the northern boundary and the Ōnekeneke Stream.
- **Tutemohuta Reserve Trust:** The Trust is responsible for decision-making for the Tutemohuta Reserve at Waitahanui. Trustees are appointed by the Māori Land Court and include representatives of Council, hapū/ Tauhara Middle 14 and the community. Council has allocated \$20,000 over the next two years for improvements on the reserve.

Agreements in development

- The Ngāti Tūwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act requires Council to form joint management committees with River Iwi within the Taupō District and enter into agreements for the co-management of the Waikato River. A joint committee has recently been formed with Te Arawa River Iwi Trust and work has begun on the Memorandum of Understanding required by the legislation. We have begun discussions with Raukawa and Council are waiting to hear from Ngāti Tūwharetoa whether it wishes to enter into a formal relationship.

In addition to these positions a number of staff have vital roles in working alongside the numerous hapū and their respective whānau groupings.

PERFORMANCE MEASURES

What we want to know	Performance measures and targets
Council performance is highly rated	<p>54% of the District rates the performance of the Mayor and Councillors as very good or fairly good.</p> <p>45% of Turangi-Tongariro ward respondents rate the performance of the Community Board members as very good or fairly good</p> <p>69% of residents and non-resident ratepayers rate the performance of Council staff as very good or fairly good.</p>
Council is on the right track	<p>49% of the District feel informed about Council's long term direction for the District.</p> <p>56% of ratepayers feel they are getting value from Council.</p>
Council consults widely with District communities, including Māori before making decisions.	<p>55% of the District is satisfied with the way Council involves the public in its decision-making</p> <p>51% of Māori residents who are satisfied with their involvement in Council's decision-making (new measure)</p> <p>Council advocates (to regional and central governments) for water and land use rules that meet our communities' needs. We will report on these advocacy issues, efforts, and outcomes.</p>
Council operates an open and honest decision-making process that generates confidence and trust in the democratic system.	<p>80% of residents and non-resident ratepayers say they know how and where to find information on Council activities and services</p> <p>75% of residents and non-resident ratepayers are satisfied with the way Council provides information on Council services and facilities. This is a new measure.</p> <p>100% of requests for official information are responded to within 20 working days.</p>
Long term planning	
We plan and develop policies to encourage economic development, while preserving the District's special character.	<p>60% of residents and non-resident ratepayers agree the District is developing in a way that takes into account its unique character and natural environment (new measure)</p> <p>Number of District Plan Changes that are mediated (settled) before reaching the Environment Court. (No target as we will use this for monitoring).</p>

HOW WE FUND DEMOCRACY AND PLANNING SERVICES

	Public/Community Benefit		Private Benefit	
	Uniform charge	General Rate	Targeted Rate	Fees & Charges
Leadership, governance and advocacy	100%			
Long term planning		100%		
Turangi Tongariro Community Board		20%	80%	

Democracy and Planning – cost of service statement >

Operating Funding Requirements	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Operating Income											
Targeted rates	80	80	80	80	80	80	80	80	80	80	80
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Property sales	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Other income	-	8	75	9	9	84	10	10	95	11	12
Total Income	80	88	155	89	89	164	90	90	175	91	92
Operating Expenditure											
Operating expenditure	6,097	6,359	6,745	6,823	6,793	7,308	7,456	7,446	7,960	8,205	8,293
Depreciation and amortisation	24	23	23	11	1	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenditure	6,121	6,382	6,768	6,834	6,794	7,308	7,456	7,446	7,960	8,205	8,293
Net Deficit (Surplus) of Operations	6,041	6,294	6,613	6,745	6,705	7,144	7,366	7,356	7,785	8,114	8,201
Funded by:											
General rates	6,041	6,294	6,613	6,745	6,705	7,144	7,366	7,356	7,785	8,114	8,201
Operating deficit (surplus) from/to reserves	-	-	-	-	-	-	-	-	-	-	-
Recognition of vested assets	-	-	-	-	-	-	-	-	-	-	-
Depreciation not funded	-	-	-	-	-	-	-	-	-	-	-
Opening balances	-	-	-	-	-	-	-	-	-	-	-
Total Funding Applied	6,041	6,294	6,613	6,745	6,705	7,144	7,366	7,356	7,785	8,114	8,201

Democracy and Planning – cost of service statement >

Capital and Reserves Funding Requirements	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Capital Expenditure											
Renewals	-	-	62	-	-	69	-	-	76	-	-
Growth	-	-	-	-	-	-	-	-	-	-	-
Increase in level of service	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	-	62	-	-	69	-	-	76	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-	-
Total Cost	-	-	62	-	-	69	-	-	76	-	-
Funded by:											
Loans raised	-	-	-	-	-	-	-	-	-	-	-
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve(s)	-	-	62	-	-	69	-	-	76	-	-
Total Funding Applied	-	-	62	-	-	69	-	-	76	-	-
Split of Capital Expenditure											
Renewals	-	-	62	-	-	69	-	-	76	-	-
Growth	-	-	-	-	-	-	-	-	-	-	-
Increase in level of service	-	-	-	-	-	-	-	-	-	-	-
Total Cost	-	-	62	-	-	69	-	-	76	-	-
Schedule of Capital Expenditure											
Activity/Scheme	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Council Services - District	-	-	62	-	-	69	-	-	76	-	-
Total Capital Expenditure	-	-	62	-	-	69	-	-	76	-	-

Democracy and Planning – Schedule of Capital Expenditure >

Schedule of Capital Expenditure	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Activity/Scheme											
Council Services - District	-	-	62	-	-	69	-	-	76	-	-
Total Capital Expenditure	-	-	62	-	-	69	-	-	76	-	-





Investments

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

We aim to maximise return from commercial land development, property, the TEL fund, forestry and our general reserve funds. Council will also be looking at public/private partnership opportunities to generate income to subsidise rates.

Council intends to use a mixture of lease and sales of its commercial land, to provide the best long term outcome for ratepayers. In 2010 Council decided to stop being a residential developer, due to the economic climate. We will now sell residential sections on a case by case basis, and focus on enabling development on industrial land owned by Council, to provide income from leases or to reduce debt using land sales.

Council has 1,000 hectares in forestry spread over two major forests (Rangitaiki and Tirohanga) and four minor plantations. The TEL fund currently subsidises rates. Into the future Council intends to unwind that subsidy so that the funds may be used for community assets and community projects.

Council is mindful of the uncertain global economic situation. To ensure that Council is kept abreast of the relevant financial information Council works with specialists in this field. Council's Treasury Management Policy also assists with the decision making for this group of activities. A copy of this policy can be found at www.taupo.govt.nz

Left / Taupō Airport

This group of activities contributes to the Economic community outcome.

Trees to subsidise rates

Council's Douglas fir in Rangitaiki and pine forest in Tirohanga will be ready for harvest over the next four years. Council plans to use the proceeds over the next two years as a rates subsidy, of \$1.5 million in 2012/13 and \$1.65 million in 2013/14.

Property sales to subsidise rates

Council has a portfolio of property assets (including land that Landcorp required us to purchase as part of the ETA project). Council now has a programme to sell this surplus land to subsidise rates and reduce debt. In the first three years, Council will apply \$8 million to subsidise rates.

Invest the TEL Fund in community projects

For years now, the TEL Fund has provided about \$4 million each year to subsidise rates. Council has considered using the TEL Fund for community projects, and concluded that we will continue to use the TEL Fund to subsidise rates. We project this at \$10.6 million to 2015, (partly due to lower interest rates).

The TEL Fund will be used for the entire District because last year Council adopted a One Rating Area policy and this is another element in Council's financial modernisation programme.

Projects over the next three years

- Continue our programme of land sales and related infrastructure development
- Harvest the mature Douglas fir in the Rangitaiki forest
- Harvest pine blocks in Tirohanga forest as they reach maturity



Above / Fly fishing sculpture in Taupō township

PERFORMANCE MEASURES

What we want to know	Performance measures and targets
Investments	
We manage investment assets in accordance with the Treasury Management Policy.	The value of our financial assets is maintained. We achieve revenue streams that meet our forecast targets

HOW WE FUND INVESTMENT SERVICES

	Public/Community Benefit		Private Benefit	
	Uniform charge	General Rate	Targeted Rate	Fees & Charges
Property (residential/ commercial, incl motor camps)				100% (lease)
Council property		100%		

Investments – cost of service statement >

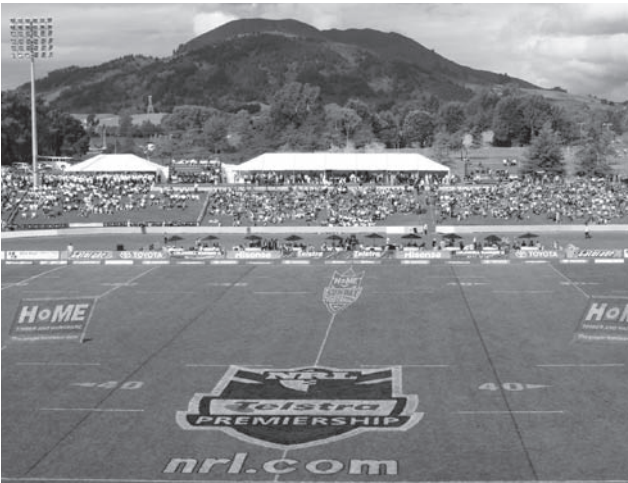
	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Operating Funding Requirements											
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Property sales	1,500	725	138	831	792	820	850	880	911	944	979
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Other income	6,898	6,414	6,487	6,226	6,778	6,733	6,672	6,703	6,736	6,773	6,814
Total Income	8,398	7,139	6,625	7,057	7,570	7,553	7,522	7,583	7,647	7,717	7,793
Operating Expenditure											
Operating expenditure	1,740	1,209	1,177	1,202	1,241	1,278	1,322	1,365	1,416	1,479	1,536
Depreciation and amortisation	229	266	274	283	247	241	246	254	258	218	223
Finance costs	1,048	1,228	1,421	1,549	1,619	1,710	1,855	2,002	2,155	2,313	2,478
Total Operating Expenditure	3,017	2,703	2,872	3,034	3,107	3,229	3,423	3,621	3,829	4,010	4,237
Net Deficit (Surplus) of Operations	(5,381)	(4,436)	(3,753)	(4,023)	(4,463)	(4,324)	(4,099)	(3,962)	(3,818)	(3,707)	(3,556)
Funded by:											
General rates	(4,119)	(7,628)	(8,168)	(4,462)	(1,992)	(2,277)	(1,326)	590	1,264	1,507	1,992
Operating deficit (surplus) from/to reserves	(1,262)	3,192	4,415	439	(2,471)	(2,047)	(2,773)	(4,552)	(5,082)	(5,214)	(5,548)
Recognition of vested assets	-	-	-	-	-	-	-	-	-	-	-
Depreciation not funded	-	-	-	-	-	-	-	-	-	-	-
Total Funding Applied	(5,381)	(4,436)	(3,753)	(4,023)	(4,463)	(4,324)	(4,099)	(3,962)	(3,818)	(3,707)	(3,556)

Investments – cost of service statement >

Capital and Reserves Funding Requirements	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Capital Expenditure											
Renewals	755	354	515	691	505	703	764	502	889	1,031	604
Growth	10	-	-	-	-	-	-	-	-	-	-
Increase in level of service	2,584	2,950	2,430	2,512	2,601	2,775	2,792	2,891	2,992	3,102	3,217
Total Capital Expenditure	3,349	3,304	2,945	3,203	3,106	3,478	3,556	3,393	3,881	4,133	3,821
Loan repayments	600	526	552	1,589	1,331	567	584	598	603	618	630
Total Cost	3,949	3,830	3,497	4,792	4,437	4,045	4,140	3,991	4,484	4,751	4,451
Funded by:											
Loans raised	2,709	2,950	2,430	2,512	2,601	2,775	2,792	2,891	2,992	3,102	3,217
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve(s)	1,240	881	1,067	2,280	1,836	1,270	1,347	1,100	1,492	1,648	1,233
Total Funding Applied	3,949	3,831	3,497	4,792	4,437	4,045	4,139	3,991	4,484	4,750	4,450
Split of Capital Expenditure											
Renewals	755	354	515	691	505	703	764	502	889	1,031	604
Growth	10	-	-	-	-	-	-	-	-	-	-
Increase in level of service	2,584	2,950	2,430	2,512	2,601	2,775	2,792	2,891	2,992	3,102	3,217
Total Cost	3,349	3,304	2,945	3,203	3,106	3,478	3,556	3,393	3,881	4,133	3,821

Investments – Schedule of Capital Expenditure >

Schedule of Capital Expenditure Activity/Scheme	Project	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Forestry	Afforestation	29	27	28	29	30	31	32	33	34	36	37
Property - Commercial	Waioira House Extension	265	-	-	-	-	-	-	-	-	-	-
Property - Land	TDC investment land infrastructure	2,000	2,600	2,068	2,138	2,214	2,294	2,376	2,460	2,546	2,640	2,738
Property Management - District	Council property renewals	303	182	144	188	252	387	267	265	385	438	289
Support Services - District	Software, network development, vehicle & equipment renewals	752	496	705	848	610	767	881	635	915	1,018	757
Total Capital Expenditure		3,349	3,304	2,945	3,203	3,106	3,478	3,556	3,393	3,881	4,133	3,821



Economic Development

Taupō District has a wealth of natural resources including geothermal heat, land and water. Council have signalled that economic development is to be a key focus for the District so that we can continue to live in a thriving and vibrant place where others want to live, invest, work and play.

Events are recognised as being an important part of the identity, economy and energy of the Taupō region. Taupō is known as the 'events capital of NZ' and that is a reputation we wish to keep. Urban design supports the revitalisation of the District and helps to create and develop our unique identity.

We have a responsibility to ensure that our District is economically viable because this affects everything in the community including social, environmental and cultural outcomes. Without a growing economy we face limited new investment, industries shrinking, struggling businesses, a stagnant population, and above all, a decline in the standard of living and quality of life.

We cluster our economic development, events (including arts events) and urban design under this heading as they all contribute to a vibrant and thriving District.

Our goals are to facilitate commercial and industrial growth and a related increase in employment opportunities. We will increase funding for economic development by \$200,000 per year through our contract with Enterprise Great Lake Taupō (EGLT) to provide specific economic development services in the District. The effectiveness of this additional funding will be monitored with a review in three years. We will continue to provide Council resources and work in partnership with EGLT, to support industry and business development in the District. Economic development work that relates to community assets (such as town centre upgrades and revitalisation) is listed under Community Facilities.

We will also strengthen and develop our District's

arts events and continue to provide dollar-for-dollar matching support for new sculpture in public places. In response to submissions on the draft LTP Council has reduced the funding for public art from \$100,000 per year to \$25,000 per year.

Council supports the visitor industry by providing financial support to Destination Great Lake Taupō (DGLT), a Council Controlled Organisation. For more information on the work that DGLT undertakes on behalf of Council and the community please see page 155.

We will continue to foster and develop more iconic and major events to strengthen Taupō's reputation as an event capital of New Zealand. Our support and facilitation of events increases the number of visitors and direct employment in the District, and we manage events to minimise pressure on infrastructure (traffic, water, waste etc). We want to increase the economic benefit from events with more events, and more sustainable events with high value outcomes for the District such as event participants staying longer and more event income staying in the region.

In the draft LTP Council suggested that a targeted rate could be developed for the Turangi Towncentre, to operate in a similar manner to the Towncentre Taupō rate. This is a rate that is set by Towncentre Taupō but collected on their behalf by Council. At this point in time Council will not be progressing this suggestion as further work is required by the Turangi business community in regards to an overall approach to economic development.

This group of activities contributes to the Economy community outcome.

Top / Taupō Harbour and township

Middle left / Turangi

Middle right/ Mangakino area

Bottom / Owen Delany Park

PERFORMANCE MEASURES

What we want to know	Performance measures and targets
Economic Development	
Growth in the local economy including employment is consistent with national economic growth, and local business confidence is consistent with NZ confidence.	<p>Change in annual retail and tourism spending compared to rest of NZ.</p> <p>Total filled jobs in Taupō District ratio of total filled jobs for NZ.</p> <p>Annual change in total filled jobs, in Taupō and NZ</p> <p>Business confidence in the District matches business confidence for all NZ in the Quarterly Survey of Business Opinion.</p>
Events	
We attract, support and encourage sporting, cultural and other events around the District (with at least 3 events in Turangi and Mangakino each year).	<p>The District retains Ironman and Cycle Challenge, and seeks to attract new world class events.</p> <p>(Reporting will consist of narrative on actual events including location and participation figures)</p> <p>The number of participants in events is increasing by 2% per annum. We are currently determining the 2010/11 baseline number of participants. This will be available in time for first quarter reporting.</p>

HOW WE FUND ECONOMIC DEVELOPMENT SERVICES

	Public/Community Benefit		Private Benefit	
	Uniform charge	General Rate	Targeted Rate	Fees & Charges
Destination marketing		100%		
Economic development		100%		

Economic Development – cost of service statement >

	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Operating Funding Requirements											
Operating Income											
Targeted rates	1,297	138	143	149	155	162	169	177	186	196	206
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Property sales	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Other income	731	33	34	35	37	38	40	41	43	45	47
Total Income	2,028	171	177	184	192	200	209	218	229	241	253
Operating Expenditure											
Operating expenditure	3,665	3,904	4,039	4,190	4,323	4,498	4,689	4,839	5,044	5,287	5,504
Depreciation and amortisation	165	157	153	140	124	117	117	116	103	103	79
Finance costs	94	95	94	88	82	76	70	65	59	53	47
Total Operating Expenditure	3,924	4,156	4,286	4,418	4,529	4,691	4,876	5,020	5,206	5,443	5,630
Net Deficit (Surplus) of Operations	1,896	3,985	4,109	4,234	4,337	4,491	4,667	4,802	4,977	5,202	5,377
Funded by:											
General rates	1,896	3,985	4,109	4,234	4,337	4,491	4,667	4,802	4,977	5,202	5,377
Operating deficit (surplus) from/to reserves	-	-	-	-	-	-	-	-	-	-	-
Recognition of vested assets	-	-	-	-	-	-	-	-	-	-	-
Depreciation not funded	-	-	-	-	-	-	-	-	-	-	-
Total Funding Applied	1,896	3,985	4,109	4,234	4,337	4,491	4,667	4,802	4,977	5,202	5,377

Economic Development – cost of service statement >

Capital and Reserves Funding Requirements	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Capital Expenditure											
Renewals	42	14	92	97	15	97	106	10	99	143	19
Growth	-	-	-	-	-	-	-	-	-	-	-
Increase in level of service	350	3	3	3	3	3	4	4	4	4	4
Total Capital Expenditure	392	17	95	100	18	100	110	14	103	147	23
Loan repayments	80	96	96	96	96	97	97	97	98	99	99
Total Cost	472	113	191	196	114	197	207	111	201	246	122
Funded by:											
Loans raised	350	3	3	3	3	3	4	4	4	4	4
Development and/or financial contributions	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve(s)	122	110	188	193	111	194	203	107	197	242	118
Total Funding Applied	472	113	191	196	114	197	207	111	201	246	122
Split of Capital Expenditure											
Renewals	42	14	92	97	15	97	106	10	99	143	19
Growth	-	-	-	-	-	-	-	-	-	-	-
Increase in level of service	350	3	3	3	3	3	4	4	4	4	4
Total Cost	392	17	95	100	18	100	110	14	103	147	23

Economic Development – cost of service statement >

Schedule of Capital Expenditure	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Activity/Scheme											
Project											
Economic Development - District	42	-	65	83	-	72	93	-	80	103	-
Events Management	-	3	3	3	3	3	4	4	4	4	4
i-Sites - District	-	14	27	14	15	25	13	10	19	40	19
Urban Design - District	-	-	-	-	-	-	-	-	-	-	-
Wayfinding	350	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	392	17	95	100	18	101	110	14	102	147	23

Finances



Prospective Schedule of Rates >

For the year ended 30 June	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Total District											
Targeted rates	19,437	21,085	23,689	24,487	25,132	25,957	25,578	25,339	25,881	27,133	28,121
General rates	29,900	32,010	33,640	37,429	40,182	41,124	43,433	45,930	47,946	49,390	51,249
Total Rates	49,337	53,095	57,328	61,917	65,314	67,081	69,011	71,270	73,826	76,523	79,370
% Change total rates	6.39%	7.62%	7.97%	8.00%	5.49%	2.71%	2.88%	3.27%	3.59%	3.65%	3.72%
% Change general rates	4.65%	7.06%	5.09%	11.26%	7.36%	2.34%	5.62%	5.75%	4.39%	3.01%	3.76%
% Change targeted rates	9.17%	8.48%	12.35%	3.37%	2.63%	3.28%	-1.46%	-0.93%	2.14%	4.84%	3.64%
Number of properties	21,921	21,966	22,013	22,135	22,232	22,389	22,501	22,674	22,796	22,986	23,133
Growth in property numbers	37	47	122	97	157	112	173	122	190	147	158
Number of properties to be rated	21,958	22,013	22,135	22,232	22,389	22,501	22,674	22,796	22,986	23,133	23,291
Costs to be recovered (GST excl)	49,337	53,095	57,328	61,917	65,314	67,081	69,011	71,270	73,826	76,523	79,370
All Rateable Properties Included	2011/12 (\$)	2012/13 (\$)	2013/14 (\$)	2014/15 (\$)	2015/16 (\$)	2016/17 (\$)	2017/18 (\$)	2018/19 (\$)	2019/20 (\$)	2020/21 (\$)	2021/22 (\$)
Average rates per property	2,247	2,412	2,590	2,785	2,917	2,981	3,044	3,126	3,212	3,308	3,408
Average property % increase	6.11%	7.35%	7.38%	7.53%	4.75%	2.19%	2.09%	2.72%	2.73%	2.99%	3.02%
Average property increase GST excl	129	165	178	195	132	64	62	83	85	96	100
Average property increase GST incl	149	190	205	224	152	74	72	95	98	111	115

Prospective Statement of Comprehensive Income >

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Income											
Rates revenue	48,052	51,580	55,449	59,925	63,263	64,957	66,832	69,041	71,547	74,148	76,895
Profit on sale of property assets	1,500	725	138	831	792	820	850	880	911	944	979
Development and Financial Contributions	850	474	1,310	1,544	2,284	2,404	3,138	2,859	3,360	3,127	3,303
Subsidies and Grants	3,468	2,502	2,510	2,446	3,090	3,174	3,369	3,566	3,886	3,923	4,160
Other revenue from significant activities	19,293	18,166	19,146	19,715	20,923	21,474	21,913	22,395	23,182	23,875	24,754
Total Income	73,163	73,447	78,553	84,461	90,352	92,829	96,102	98,741	102,886	106,017	110,091
Operating Expenditure											
Employee benefit expenses	19,016	18,715	19,183	19,787	20,341	20,951	21,517	22,120	22,805	23,581	24,406
Depreciation & amortisation	17,367	19,410	19,839	20,195	20,269	20,942	21,556	21,585	22,393	22,894	23,552
Finance costs	9,665	11,163	11,912	11,835	11,612	11,553	11,422	10,847	10,521	10,506	10,682
Other expenses	28,940	30,513	32,152	33,136	35,097	37,029	37,626	38,599	40,485	42,518	44,716
Total Operating Expenditure	74,988	79,801	83,086	84,953	87,319	90,475	92,121	93,151	96,204	99,499	103,356
Operating surplus/(deficit) before taxation	(1,825)	(6,354)	(4,533)	(492)	3,033	2,354	3,981	5,590	6,682	6,518	6,735
Less taxation expense	-	-	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit) after Taxation	(1,825)	(6,354)	(4,533)	(492)	3,033	2,354	3,981	5,590	6,682	6,518	6,735
Other Comprehensive Income											
Property, plant & equipment revaluations	16,654	46,924	47,346	28,203	57,596	52,201	36,342	68,388	66,943	47,687	89,976
Total Other Comprehensive Income	16,654	46,924	47,346	28,203	57,596	52,201	36,342	68,388	66,943	47,687	89,976
Total Comprehensive Income	14,829	40,570	42,813	27,711	60,629	54,555	40,323	73,978	75,625	54,205	96,711
Reconciliation of Total Comprehensive Income to Cost of Service Statements											
Targeted rates	18,152	19,571	21,812	22,497	23,078	23,831	23,398	23,109	23,604	24,757	25,643
General rates	29,900	32,009	33,637	37,428	40,185	41,126	43,434	45,932	47,943	49,391	51,252
Rates revenue	48,052	51,580	55,449	59,925	63,263	64,957	66,832	69,041	71,547	74,148	76,895
Targeted Water Rates	1,285	1,515	1,877	1,991	2,055	2,126	2,180	2,230	2,277	2,377	2,478
Development &/or financial contributions	850	474	1,310	1,544	2,284	2,404	3,138	2,859	3,360	3,127	3,303
Property sales	1,500	725	138	831	792	820	850	880	911	944	979
Vested assets	600	900	936	974	1,015	1,059	1,104	1,155	1,214	1,281	1,353
Other income (includes NZTA subsidies)	20,876	18,253	18,843	19,196	20,943	21,463	21,998	22,576	23,577	24,140	25,083
Total income plus general rates per Summary Cost of Service Statement	73,163	73,447	78,553	84,461	90,352	92,829	96,102	98,741	102,886	106,017	110,091
Add Other Comprehensive Income	16,654	46,924	47,346	28,203	57,596	52,201	36,342	68,388	66,943	47,687	89,976
Total Comprehensive Income	89,817	120,371	125,899	112,664	147,948	145,030	132,444	167,129	171,829	153,704	200,067

Prospective Statement of Changes in Equity >

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Equity at Beginning of Year	1,289,131	1,171,354	1,211,924	1,254,737	1,282,448	1,343,077	1,397,632	1,437,955	1,511,933	1,587,558	1,641,763
Net surplus/(deficits) for the year	(1,825)	(6,354)	(4,533)	(492)	3,033	2,354	3,981	5,590	6,682	6,518	6,735
Other Comprehensive Income	16,654	46,924	47,346	28,203	57,596	52,201	36,342	68,388	68,943	47,687	89,976
Total Recognised Revenues and Expenses for the Year	14,829	40,570	42,813	27,711	60,629	54,555	40,323	73,978	75,625	54,205	96,711
Total Equity at End of Year	1,303,960	1,211,924	1,254,737	1,282,448	1,343,077	1,397,632	1,437,955	1,511,933	1,587,558	1,641,763	1,738,474
Components of Equity											
Accumulated Funds at Beginning of Year	878,143	872,848	871,394	870,542	870,755	872,430	873,257	880,200	882,922	882,939	877,921
Net surplus/(deficits) for the year	(7,117)	(1,454)	(852)	213	1,675	827	6,943	2,722	17	(5,018)	(3,961)
Accumulated Funds at End of Year	871,026	871,394	870,542	870,755	872,430	873,257	880,200	882,922	882,939	877,921	873,960
Council Created Reserves at Beginning of Year	103,193	101,769	98,790	97,167	97,150	99,423	100,950	98,620	101,488	108,153	119,689
Transfers to/(from) reserves	4,723	(2,979)	(1,623)	(17)	2,273	1,527	(2,330)	2,868	6,665	11,536	10,695
Council Created Reserves at End of Year	107,916	98,790	97,167	97,150	99,423	100,950	98,620	101,488	108,153	119,689	130,384
Restricted Reserves at Beginning of Year	-	-	-	-	-	-	-	-	-	-	-
Movements for the year	-	-	-	-	-	-	-	-	-	-	-
Restricted Reserves at End of Year	-	-	-	-	-	-	-	-	-	-	-
Revaluation Reserves at Beginning of Year	307,795	196,737	241,740	287,028	314,543	371,224	423,425	459,135	527,523	596,466	644,153
Revaluation surplus/(deficits) for the year	17,223	45,003	45,288	27,515	56,681	52,201	35,710	68,388	68,943	47,687	89,977
Revaluations Reserves at End of Year	325,018	241,740	287,028	314,543	371,224	423,425	459,135	527,523	596,466	644,153	734,130
Total Equity at End of Year	1,303,960	1,211,924	1,254,737	1,282,448	1,343,077	1,397,632	1,437,955	1,511,933	1,587,558	1,641,763	1,738,474

Prospective Statement of Financial Position >

	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Equity											
Accumulated funds	871,026	871,394	870,542	870,755	872,429	873,257	880,200	882,922	882,939	877,921	873,961
Council created reserves	107,916	98,790	97,167	97,150	99,423	100,950	98,620	101,488	108,153	119,689	130,384
Restricted reserves	-	-	-	-	-	-	-	-	-	-	-
Revaluation reserves	325,018	241,740	287,028	314,543	371,225	423,425	459,135	527,523	596,466	644,153	734,129
Total Equity	1,303,960	1,211,924	1,254,737	1,282,448	1,343,077	1,397,632	1,437,955	1,511,933	1,587,558	1,641,763	1,738,474
Current Assets											
Cash and cash equivalents	7,930	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
Other financial assets	25,712	21,909	22,063	22,061	23,136	24,538	21,448	21,907	27,397	38,158	47,868
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	8,593	6,540	6,754	7,004	7,271	7,564	7,876	8,209	8,564	8,970	9,408
Inventories	586	545	564	583	605	630	655	683	712	746	782
Non current assets held for sale	966	4,168	2,625	1,018	132	793	191	221	255	289	218
Total Current Assets	43,787	39,412	38,256	36,916	37,394	39,775	36,420	37,270	43,178	54,413	64,526
Non-Current Assets											
Other financial assets	59,559	55,329	55,329	55,329	56,829	56,329	57,079	58,829	59,329	59,429	59,729
Investment in Council Controlled Organisations	2,963	2,963	2,963	2,963	2,963	2,963	2,963	2,963	2,963	2,963	2,963
Derivative financial instruments	-	530	530	530	530	530	530	530	530	530	530
Intangible assets	967	888	918	950	986	1,026	1,068	1,113	1,161	1,215	1,275
Investment properties	2,883	3,280	3,382	3,490	3,609	3,742	3,866	4,001	4,153	4,331	4,522
Investments in associates	3,379	1,948	1,948	1,948	1,948	1,948	1,948	1,948	1,948	1,948	1,948
Biological assets	6,137	3,125	2,801	2,174	2,349	1,891	2,013	2,135	2,257	2,379	2,501
Property, plant and equipment	1,382,166	1,306,606	1,351,660	1,377,396	1,433,480	1,487,467	1,522,259	1,586,998	1,653,830	1,702,370	1,787,423
Total Non-Current Assets	1,458,054	1,374,669	1,419,531	1,444,780	1,502,694	1,555,896	1,591,726	1,658,517	1,726,171	1,775,165	1,860,891
Total Assets	1,501,841	1,414,081	1,457,787	1,481,696	1,540,088	1,595,671	1,628,146	1,695,787	1,769,349	1,829,578	1,925,417
Current Liabilities											
Trade and other payables	15,281	9,382	9,701	10,041	10,422	10,839	11,283	11,757	12,263	12,839	13,468
Employee benefit liabilities	3,206	2,686	2,777	2,875	2,984	3,103	3,230	3,366	3,511	3,676	3,856
Derivative financial instruments	470	-	-	-	-	-	-	-	-	-	-
Borrowings	13,766	11,036	12,644	12,299	12,638	16,330	13,263	12,420	9,068	11,352	13,576
Total Current Liabilities	32,723	23,104	25,122	25,215	26,044	30,272	27,776	27,543	24,842	27,867	30,900
Non-Current Liabilities											
Provisions	38	47	50	53	56	59	62	65	68	71	74
Derivative financial instruments	1,223	9,661	9,661	9,661	9,661	9,661	9,661	9,661	9,661	9,661	9,661
Borrowings	163,504	169,074	167,937	164,029	160,949	157,734	152,366	146,245	146,866	149,845	145,919
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-
Employee benefit liabilities	393	271	280	290	301	313	326	340	354	371	389
Total Non-Current Liabilities	165,158	179,053	177,928	174,033	170,967	167,767	162,415	156,311	156,949	159,948	156,043
Total Liabilities	197,881	202,157	203,050	199,248	197,011	198,039	190,191	183,854	181,791	187,815	186,943
Total Net Assets	1,303,960	1,211,924	1,254,737	1,282,448	1,343,077	1,397,632	1,437,955	1,511,933	1,587,558	1,641,763	1,738,474

Prospective Statement of Cashflows >

	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Cash Flows from Operating Activities											
Cash was provided from:											
Rates	49,337	53,095	57,326	61,916	65,318	67,083	69,012	71,271	73,824	76,525	79,373
Subsidies	1,575	1,534	1,533	1,543	1,950	2,084	2,208	2,306	2,492	2,608	2,772
Interest income	5,634	5,065	4,933	5,018	5,658	5,586	5,549	5,549	5,549	5,549	5,549
Fees, charges & other income	10,884	10,461	10,934	11,533	12,030	12,517	12,879	13,244	13,906	14,386	15,067
	67,430	70,155	74,726	80,010	84,956	87,270	89,648	92,370	95,771	99,068	102,761
Cash was applied to:											
Payments to suppliers & employees	47,382	50,488	52,145	53,611	55,926	58,456	59,634	60,917	63,460	66,141	69,101
Taxes paid	-	-	-	-	-	-	-	-	-	-	-
Interest on public debt	9,665	10,964	11,711	11,640	11,424	11,371	11,246	10,677	10,357	10,348	10,529
	57,047	61,452	63,856	65,251	67,350	69,827	70,880	71,594	73,817	76,489	79,630
Net Cash Inflow/(Outflow) from Operating Activities	10,383	8,703	10,870	14,759	17,606	17,443	18,768	20,776	21,954	22,579	23,131
Cash Flows from Investing Activities											
Cash was provided from:											
1 Proceeds from sale of property, plant, equipment & biological assets	3,000	7,191	5,280	4,130	2,492	1,634	2,325	1,753	1,814	1,881	1,951
Development/financial contributions	850	474	1,310	1,544	2,284	2,404	3,138	2,859	3,360	3,127	3,303
Capital subsidies	1,796	920	927	852	1,038	983	1,050	1,144	1,275	1,191	1,257
Net decrease in investments	-	2,056	-	2	-	-	2,340	-	-	-	-
	5,646	10,641	7,517	6,528	5,814	5,021	8,853	5,756	6,449	6,199	6,511
Cash was applied to:											
Purchase & development of property, plant & equipment	33,150	28,537	18,704	17,034	18,104	22,039	19,186	17,359	19,682	23,180	17,930
Net increase in investments	3,332	-	154	-	2,575	902	-	2,209	5,990	10,861	10,010
	36,482	28,537	18,858	17,034	20,679	22,941	19,186	19,568	25,672	34,041	27,940
Net Cash Inflow/(Outflow) from Investing Activities	(30,836)	(17,896)	(11,341)	(10,506)	(14,865)	(17,920)	(10,333)	(13,812)	(19,223)	(27,842)	(21,429)
Cash Flows from Financing Activities											
Cash was provided from:											
Loans raised	26,064	21,121	11,507	8,391	9,558	13,115	7,895	6,299	9,689	14,331	9,650
	26,064	21,121	11,507	8,391	9,558	13,115	7,895	6,299	9,689	14,331	9,650
Cash was applied to:											
Repayment of public debt	5,611	11,928	11,036	12,644	12,299	12,638	16,330	13,263	12,420	9,068	11,352
	5,611	11,928	11,036	12,644	12,299	12,638	16,330	13,263	12,420	9,068	11,352
Net Cash Inflow/(Outflow) from Financing Activities	20,453	9,193	471	(4,253)	(2,741)	477	(8,435)	(6,964)	(2,731)	5,263	(1,702)
Net Increase/(Decrease) in Cash and Cash Equivalents	-	-	(0)	(0)	(0)	-	(0)	(0)	0	0	(0)
Add: Cash and Cash Equivalents at Start of Year	7,930	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
Cash and Cash Equivalents at End of Year	7,930	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250

Notes:

1. Proceeds from property sales and forestry harvests.
2. Proceeds from property sales and forestry harvests have been applied as additional loan repayments.

Prospective Statement of Borrowings >

For the year ended 30 June	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Debt Balances											
Opening debt	150,464	170,917	180,110	180,581	176,328	173,587	174,064	165,629	158,665	155,934	161,197
New borrowing requirements	26,064	21,121	11,507	8,391	9,558	13,115	7,895	6,299	9,689	14,331	9,650
Debt repayments	(5,611)	(11,928)	(11,036)	(12,644)	(12,299)	(12,638)	(16,330)	(13,263)	(12,420)	(9,068)	(11,352)
Closing External Debt	170,917	180,110	180,581	176,328	173,587	174,064	165,629	158,665	155,934	161,197	159,495
Debt Servicing Costs											
Interest	9,665	11,163	11,912	11,835	11,612	11,553	11,422	10,847	10,521	10,506	10,682
Debt repayments	5,611	11,928	11,036	12,644	12,299	12,638	16,330	13,263	12,420	9,068	11,352
Total External Debt Servicing Costs	15,276	23,091	22,948	24,479	23,911	24,191	27,752	24,110	22,941	19,574	22,034
Borrowing Limits											
In managing its borrowings, Council determines appropriate control limits based on the following covenants:											
% gross interest expense/annual operating income	14.25%	15.49%	15.61%	14.44%	13.34%	12.93%	12.43%	11.45%	10.70%	10.34%	10.13%
% gross external debt/equity	13.11%	14.86%	14.39%	13.75%	12.92%	12.45%	11.52%	10.49%	9.82%	9.82%	9.17%
Net operating cashflows/total interest expense	2.07	1.76	1.90	2.23	2.50	2.49	2.63	2.90	3.07	3.13	3.15
% gross external debt/annual operating income	233.61%	249.90%	236.65%	215.18%	199.40%	194.78%	180.31%	167.50%	158.61%	158.64%	151.27%

Prospective Schedule of Capital Expenditure >

Activity/Scheme	Project	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Community Facilities												
AC Baths - Pools	Complex upgrade, building, equipment & plant renewals	2,079	3,514	2,440	174	29	19	463	59	129	22	36
Genesis Energy Aquatic Centre	Building, equipment & plant renewals	20	-	-	49	83	-	58	96	19	207	92
Mangakino Pool	Building, equipment & plant renewals	-	5	-	-	11	1	4	21	5	-	13
Community Halls - District	Building renewals	64	65	43	32	47	67	20	50	61	74	42
Turangi Gymnasium	Building renewals	23	41	12	29	-	28	-	14	10	-	19
Libraries - District	Building, equipment & book renewals	388	346	335	345	413	369	428	423	440	444	481
Great Lake Centre	Building, equipment, vehicle & plant renewals	173	153	86	68	229	70	126	225	64	71	133
Housing for the Elderly - District	Building renewals	262	84	63	50	73	72	83	48	119	129	66
Museum - Taupo	Public Art	106	25	25	25	25	25	25	25	25	25	25
Museum - Taupo	Building renewals, displays & exhibitions	49	12	57	14	35	26	62	25	49	25	63
Parks & Reserves - District	Asset renewals & improvements	1,132	650	878	752	880	912	1,065	1,189	1,041	745	932
Parks Development Contribution	Growth projects	-	-	822	139	325	3,904	768	1,044	393	3,596	1,213
Parks & Reserves - Taupo	CBD upgrade & improvements	-	100	103	106	110	113	117	-	-	-	-
Parks & Reserves - Taupo	Lakeshore reserve development	318	-	-	-	-	-	-	-	-	-	-
Parks & Reserves - Taupo	Spa Park upgrade - Spa Park Master Plan	27	30	31	-	-	-	-	-	-	-	-
Parks & Reserves - Turangi/Tongairiro	Turangi Town Centre improvements	-	250	412	638	-	-	-	-	-	-	-
Parks & Reserves - Mangakino/Pouakani	Mangakino Lakeshore/Town Centre development	-	100	103	-	-	-	-	-	-	-	-
Sportsgrounds - District	Building, equipment, vehicle & plant renewals	120	225	206	167	308	303	329	414	232	112	207
Sportsgrounds - District	Extension, upgrades & improvements	69	-	-	85	-	-	-	-	-	-	-
Public Conveniences	Kaimanawa toilet & changing rooms upgrade	-	165	-	-	-	-	-	-	-	-	-
Public Conveniences	Secombe Park toilet	149	-	-	-	-	-	-	-	-	-	-
Public Conveniences - District	Building renewals	143	104	116	82	119	108	42	26	81	72	89
Taupo Cemetery	Huka Lawn upgrade	11	12	-	-	-	-	-	-	-	-	-
Taupo Events Centre	Building, equipment, vehicle & plant renewals	99	995	153	133	193	191	91	276	83	118	29
Total Community Facilities		5,230	6,875	5,885	2,890	2,880	6,207	3,661	3,934	2,753	5,640	3,440
Lakes, Rivers and Mountains												
Project Watershed	Erosion protection	-	100	103	106	-	-	-	-	-	-	-
Total Lakes, Rivers and Mountains		-	100	103	106	-	-	-	-	-	-	-
Community Services												
Civil Defence - District	Welfare Centre generators & equipment renewals	17	154	-	-	8	-	-	4	-	-	39
Regulatory Services	Building, vehicle & equipment renewals	156	85	67	86	61	40	71	104	108	40	75
Rural Fire - District	Vehicle & equipment renewals	-	-	-	13	33	-	-	-	-	-	-
Safer Communities	CCTV Camera renewals	-	6	6	6	7	7	7	7	8	8	8
Total Community Services		173	244	73	105	109	47	78	116	116	48	122
Transport												
Transport	Bus infrastructure	42	-	6	-	-	-	-	-	-	-	-
Transport	Cycle Strategy implementation	19	20	23	26	29	21	21	22	23	24	25
Transport	Footpath construction	106	-	-	-	-	-	-	-	-	-	-
Transport	Minor safety works	266	161	166	174	205	219	231	240	256	266	280
Transport	New road marking & signs	27	25	41	27	28	29	30	49	32	33	34
Transport	On-street parking	106	50	52	54	55	57	59	-	-	-	-
Transport	Retaining walls	21	-	-	-	-	-	-	-	-	-	-
Transport	Rural road berm widening	32	-	-	-	-	-	-	-	-	-	-

Prospective Schedule of Capital Expenditure >

Activity/Scheme	Project	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Transport	Seal extension	637	375	387	402	416	429	444	461	479	-	-
Transport	Four laning of Spa Road	119	-	-	-	-	-	-	-	-	-	-
Transport	East Taupo Arterial (ETA)	1,381	-	-	-	-	-	-	-	-	-	-
Transport	Heuheu Street upgrade	550	500	-	-	-	-	-	-	-	-	-
Transport	Huka Falls lookout upgrade	-	-	-	64	-	-	-	-	-	-	-
Transport	Intersection improvements & realignment	19	-	-	-	-	-	-	-	-	-	-
Transport	Lake Terrace traffic calming & realignment	89	50	155	215	-	-	-	-	-	-	-
Transport	Mangakino streets - upgrade program	3	35	-	-	-	-	-	-	-	-	-
Transport	Poihipi Road realign/straightening/widening	32	150	155	-	-	-	36	123	255	-	-
Transport	Tongariro Street traffic calming	30	-	-	-	-	-	-	-	-	-	-
Transport	Districtwide renewals	2,007	1,948	1,830	2,295	2,670	2,182	2,291	2,359	3,171	2,856	3,398
Total Transport		5,486	3,314	2,815	3,257	3,403	2,936	3,112	3,253	4,216	3,179	3,738
Water												
Water	Bonshaw Park	-	-	52	460	-	-	-	-	-	-	-
Water	Hatepe	-	-	-	-	-	-	-	38	197	-	-
Water	Kinloch	-	50	-	-	1,204	1,617	-	-	-	-	-
Water	Motuoa	-	-	52	-	-	-	274	-	-	-	-
Water	Taupo	8,481	10,500	1,042	-	-	-	-	-	-	-	-
Water	Whakamaru	-	-	31	-	-	-	-	-	-	-	-
Water	Centennial Drive Bore	-	-	-	-	146	-	-	-	-	-	-
Water	Kinloch	-	45	-	-	-	-	-	-	-	-	-
Water	Kinloch	-	65	-	-	-	-	-	-	-	-	-
Water	Mangakino	170	-	-	-	-	-	-	-	-	-	-
Water	Mapara	-	-	-	-	-	938	-	-	-	-	-
Water	Taupo	-	-	2,084	2,164	-	-	-	-	-	-	-
Water	Taupo	-	-	104	-	-	-	-	-	-	-	-
Water	Turangi	270	-	-	-	-	-	-	-	-	-	-
Water	District	669	595	854	1,260	1,351	1,609	957	1,134	1,300	5,369	1,161
Total Water		9,590	11,255	4,220	3,884	2,701	4,164	1,231	1,172	1,498	5,369	1,161
Stormwater												
Stormwater	District Stormwater upgrades, improvements & renewals	53	116	78	63	201	114	229	224	181	203	26
Total Stormwater		53	116	78	63	201	114	229	224	181	203	26
Wastewater												
Wastewater	Acacia Bay	-	-	-	-	-	70	328	-	-	-	-
Wastewater	Acacia Bay	-	-	78	-	-	-	-	-	-	-	-
Wastewater	Acacia Bay	-	-	-	-	-	-	-	-	578	-	-
Wastewater	Mangakino	10	-	-	-	-	-	-	-	-	-	-
Wastewater	Mangakino	-	-	-	-	-	-	36	-	-	-	-
Wastewater	Mangakino	5	10	-	-	-	-	-	-	-	-	-
Wastewater	Mangakino	15	-	47	-	-	-	-	-	-	-	-
Wastewater	Motuoa	-	-	89	-	-	-	-	-	-	-	-
Wastewater	Taupo	-	-	-	-	-	-	-	-	-	-	-
Wastewater	Taupo	-	15	151	584	-	-	-	664	2,582	2,111	2,519
Wastewater	Taupo	-	100	-	-	-	-	-	-	-	-	-





Prospective Schedule of Capital Expenditure >

Activity/Scheme	Project	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Wastewater Taupo	Control Gate Bridge siphon	-	-	-	-	-	-	-	-	-	-	944
Wastewater Taupo	View Road expansion	-	-	-	54	2,025	-	-	-	-	-	-
Wastewater Taupo	Primary settling tank & biofilter extension	-	-	-	-	169	1,934	-	-	-	-	-
Wastewater Taupo	Storm flow diversion Pump Stations & pipework	-	-	-	-	-	495	1,739	-	-	-	-
Wastewater Taupo	Ashwood Park extension	-	-	-	-	-	-	-	-	-	-	286
Wastewater Taupo	Wastewater Treatment Plant upgrade	5,459	-	-	-	-	-	-	-	-	-	-
Wastewater Turangi	Screen optimisation	670	830	-	-	-	-	-	-	-	-	-
Wastewater Turangi	Hirangi Road	-	500	-	-	-	-	-	-	-	-	-
Wastewater Whareroa	Monitoring Bore installation (WRC requirement)	-	-	-	162	-	-	-	-	-	-	-
Wastewater Operations - District	Instrumentation upgrades	150	85	16	16	349	-	-	-	-	-	-
Wastewater Operations - District	Vehicle & equipment renewals	1,265	1,578	1,900	2,475	2,035	2,267	4,959	4,476	2,262	1,965	1,610
Total Wastewater		7,574	3,118	2,280	3,292	4,577	4,766	7,062	5,140	5,422	4,096	5,359
Solid Waste												
Litter Control - Taupo	Litter Control Plant & Vehicle Renewals	65	22	5	45	59	14	59	9	51	55	73
Mangakino Solid Waste Disposal	Mangakino Refuse Transfer Station	7	-	-	-	-	-	-	-	-	-	-
Taupo Solid Waste Disposal	Broadlands Road Landfill - New Cells	1,125	65	57	21	941	80	-	31	1,273	92	-
Taupo Solid Waste Disposal	Broadlands Road Landfill Gas Flare/Pipe Extension/Testing	-	50	-	-	-	-	-	-	-	-	-
Solid Waste Disposal - District	Renewals	57	57	38	30	52	3	4	4	39	135	74
Total Solid Waste		1,254	194	100	96	1,052	97	63	43	1,363	282	146
Investments												
Forestry	Afforestation	29	27	28	29	30	31	32	33	34	36	37
Property - Commercial	Waioira House Extension	265	-	-	-	-	-	-	-	-	-	-
Property - Land	TDC investment land infrastructure	2,000	2,600	2,068	2,138	2,214	2,294	2,376	2,460	2,546	2,640	2,738
Property Management - District	Council property renewals	303	182	144	188	252	387	267	265	385	438	289
Support Services - District	Software, network development, vehicle & equipment renewals	752	496	705	848	610	767	881	635	915	1,018	757
Total Investments		3,349	3,305	2,945	3,203	3,106	3,479	3,556	3,393	3,881	4,132	3,821
Economic Development												
Economic Development - District	Vehicle renewals	42	-	65	83	-	72	93	-	80	103	-
Events Management	Event equipment	-	3	3	3	3	3	4	4	4	4	4
i-Sites - District	Building, equipment & vehicle renewals	-	14	27	14	15	25	13	10	19	40	19
Urban Design - District	Wayfinding	350	-	-	-	-	-	-	-	-	-	-
Total Economic Development		392	17	95	100	18	101	110	14	102	147	23
Democracy and Planning												
Council Services - District	Vehicle renewal	-	-	62	-	-	69	-	-	76	-	-
Total Democracy and Planning		-	-	62	-	-	69	-	-	76	-	-
Total Capital Expenditure		33,102	28,538	18,657	16,996	18,046	21,981	19,122	17,289	19,609	23,098	17,837

Accounting Policies

1. REPORTING ENTITY

Taupō District Council (TDC) is a Local Authority under Schedule 2, Part 2 of the Local Government Act 2002. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to the users. The main purpose of prospective financial statements in the Long Term Plan is to provide users with information about core services that the Council intends to provide ratepayers, the expected cost of those services and, as a consequence, how much Taupō District Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries, except to the extent that Taupō District Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements presented. The primary objective of Taupō District Council is to provide goods and services to the community for social benefit, rather than for making a financial return. Accordingly the Council has designated itself and the group as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements of Taupō District Council have been prepared in accordance with the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZGAAP). The statements comply with FRS 42 Prospective Financial Statements and other applicable Financial Reporting Standards as appropriate for public benefit entities. The financial statements use opening balances from

the period ending 30/06/2011; estimates have been restated accordingly if required. The 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 financial statements. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of TDC is New Zealand dollars.

Standards and interpretations issued and not yet adopted

Standards, interpretations, and amendments issued but not yet effective that have not been early adopted, and which are relevant to Taupō District Council include:

- NZ IAS 23 Borrowing Costs (revised 2007) replaces NZ IAS 23 Borrowing Costs (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. In October 2008, mandatory adoption of NZ IAS 23 (revised 2007) by public sector entities was deferred pending the completion of the Financial Reporting Standards Board's research project into the application of NZ IAS 23 (revised 2007) by public benefit entities. Taupō District Council has elected not to adopt the revised NZ IAS 23 for the prospective financial statements. Accordingly, all borrowing costs are recognised as an expense in the period in which they are incurred.
- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition

and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. Taupō District Council has not yet assessed the effect of the new standard and has not adopted it for these prospective financial statements.

3. ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of results and financial position have been applied:

3.1 Foreign currency transactions

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

Statement of Comprehensive Income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

3.2 Derivative financial instruments

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

Derivatives 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 re-measuring are recognised in the Statement of Financial Performance.

The fair value of interest rate swaps is the estimated amount that the Taupo District 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.

3.3 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.

3.4 Revenue

Rates revenue is recognised when invoiced. Water billing revenue is recognised on an

accrual basis. Unbilled sales, as a result of unread meters at year end, are accrued on an average usage basis. Government grants, including non-monetary grants at fair value, shall not be recognised by Taupō District Council until there is reasonable assurance that:

- (a) the entity will comply with the conditions accounting to them; and
- (b) the grants will be received.

Government grants, other than grants related to assets, shall be recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

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

Other grants and bequests, and assets vested in the Council – with or without conditions – are recognised as revenue when control over the assets is obtained. Grants and bequests are recognised at their fair value where there is a reasonable assurance that the grant or bequest will be received and that Council as the recipient will comply with all attached conditions.

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

Revenue from any services rendered (except as described above) is recognised in the Statement of Comprehensive Income 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.

Rental income from investment

property is recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

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

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

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Taupō District Council are recognised as revenue when control over the asset is obtained.

General rates are not allocated to significant activities and are included as general rate revenue in the Statement of Comprehensive Income.

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

3.5 Expenses

Leases

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

under a finance lease are depreciated as if the assets are owned.

Operating lease payments

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income as an integral part of the total lease expense.

Finance lease payments

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

Financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, foreign exchange losses, and losses on hedging instruments that are recognised in the Statement of Comprehensive Income. The interest expense component of finance lease payments is recognised in the Statement of Comprehensive Income using the effective interest rate method.

3.6 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

3.7 Reserves

Reserves are a component of Public Equity and represent a particular use to which parts of equity have been assigned. Reserves may be legally restricted or created by the Council. Council Created Reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council. Restricted Reserves are those reserves subject to specific conditions accepted as binding by the Council, and which Council may not revise without reference to a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Asset Revaluation Reserves arise from certain asset classes being revalued, with these classes including land, buildings, infrastructural assets, restricted assets and investments. The treatment of revaluation movements is detailed in item 3.14.1 of the policies

3.8 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's 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 Performance.

3.9 Financial assets

Taupō District Council classifies its investments in the following categories:

Financial assets or financial liabilities at fair value through profit or loss

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. Derivatives are also categorised as held for trading unless they are designated as hedges. 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 measurement are recognised in the Statement of Comprehensive Income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not quoted in an active market. 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 Income.

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 Income.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either

designated in this category, or not classified in any of the other categories.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition, and re-evaluates this designation at every reporting date. After initial recognition these investments are measured at their fair value. Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the Statement of Comprehensive Income. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the Statement of Comprehensive Income even though the asset has not been derecognised. On derecognition the cumulative gain or loss previously recognised in equity is recognised in the Statement of Comprehensive Income.

Council investment in subsidiaries

For the purposes of the Council's financial statements, Taupo District Council's equity investments in its subsidiary entities are stated at cost, less impairment losses (see impairment policy).

Investments in debt and equity securities

Financial instruments held for trading are classified as financial assets at fair value through profit and loss and are stated at fair value, with any resultant gain or loss recognised in the Statement of Comprehensive Income. Council's managed equity investments fall into this category. Fair value is determined as current market value based on the 30 June closing sale price recorded in the relevant stock exchange. The value of the foreign-listed managed equities is converted to New Zealand dollars at the 30 June closing rate of

exchange.

Council's shareholding in King Country Energy Limited is classified as available for sale. This investment is stated at fair value with the resultant gain or loss recognised through equity. Fair value is determined at current market value based on the 30 June closing stock exchange sale price.

Where Taupō District Council has the positive intent and ability to hold Government bonds to maturity, they are classified as held-to-maturity investments, measured at initial recognition at fair value, and subsequently carried at amortised cost less impairment losses (see accounting policy).

3.10 Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently valued at their amortised cost using the effective interest method, less impairment losses (see accounting policy 3.18). 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.

3.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis, are measured at the lower of cost, adjusted when applicable, for any loss of service potential. The cost

of inventories is based on the first in, first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

3.12 Non-current assets (or disposal groups) 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 de-recognition. 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 the 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.

3.13 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.

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

3.14.1 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. Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

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 Statement of Comprehensive Income, the increase is first recognised in the Statement of Comprehensive Income. 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 Statement of Comprehensive Income.

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.

3.14.2 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 sub-divisional consent process. The vested land reserve has been 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.

3.14.3 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:



Asset	Period	Depreciation	Basis
Operational assets			
Land	Nil	Nil	
Buildings	40-75 yrs	1.3%-2.5%	SL
Site Value	13 yrs	7.69%	SL
Structure	20-80 yrs	1.3%-5%	SL
Roof	20-40 yrs	2.5%-5%	SL
Services	20-45 yrs	2.5%-5%	SL
Internal fit out	15-35 yrs	2.9%-6.7%	SL
Plant	20-30 yrs	3.3%-5%	SL
Machinery	2-20 yrs	5-50%	SL
Computer Eqpmt	4 yrs	25%	SL
Office Eqpmt	4-10 yrs	13.33-25%	SL
Furn & Fittings	2-10 yrs	10-50%	SL
Park Furniture	2-25 yrs	4%-50%	SL
Vehicles	4-10yrs	10-25%	SL
Library Books	6.5 yrs	15.5%	SL
Infrastructural assets			
Roads			
top surface	3-20 yrs	5%-33%	SL
pavement	45-65 yrs	1.5%-2.2%	SL
formation	not depreciated		
culverts	55-80 yrs	1.3%-1.8%	SL
footpaths	50-80 yrs	1.3%-2%	SL
kerbs	60 yrs	1.7%	SL
signs	15 yrs	6.7%	SL
street lights	25-60 yrs	1.7%-4%	SL
Bridges	90-100 yrs	1%-1.1%	SL
Land under roads	not depreciated		
Water Reticulation			
pipes	45-80 yrs	1.25%-2.2%	SL
valves, hydrants	40 yrs	2.5%	SL
pump stations	10-60 yrs	1.7%-10%	SL
tanks	25-80 yrs	1.3%-4%	SL
Sewerage Reticulation			
pipes	15-80 yrs	1.3%-6.7%	SL
manholes	80 yrs	1.3%	SL
treatment plant	5-80 yrs	1.3%-20%	SL
Stormwater Systems			
pipes	70-100 yrs	1%-1.4%	SL
manholes, cesspits	75-100 yrs	1%-1.3%	SL
flood control systems	50-100 yrs	1%-2%	SL
Restricted Assets			
Land	Nil	Nil	
Other	0-40 yrs	0-2.5%	SL

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

Assets under construction

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.

3.14.4 Disposal

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

3.15 Intangible assets**Development expenditure**

Development costs are capitalised where future benefits are expected to exceed those costs, otherwise such costs are recognised in the Statement of Comprehensive Income 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: Software 4 years 25% Costs associated with maintaining computer software are recognised as an expense when incurred.

3.16 Biological assets and agricultural produce

A biological asset is a living

animal or plant. Biological assets that are the subject of agricultural activity (i.e., the management of the biological transformation of biological assets for sale, into agricultural produce, or into additional biological assets) are stated at fair value less estimated point-of-sale costs, determined on the basis of an annual revaluation, with any resultant gain or loss recognised in the Statement of Comprehensive Income. Point-of-sale costs include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to market. All other biological assets are measured at the lower of cost and net realisable value. Agricultural produce is the harvested product of the entity's biological assets. Agricultural produce is measured at fair value less estimated point of sale costs at the point of harvest.

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 Statement of Comprehensive Income, together with the change in fair value for each accounting period. The valuation of Taupō District Councils 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 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.

3.17 Investment property

Properties leased to third parties under operating leases 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 Statement of Comprehensive Income.

3.18 Impairment

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

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential. The value in use for 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. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Comprehensive Income. For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive Income.

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

3.19 Financial liabilities

Financial liabilities (creditors, loans, bonds and deposits) are initially recognised at fair value. These are subsequently recognised at amortised cost.

3.20 Employee entitlements

Provision is made in respect of Taupō District Council's liability for annual leave, sick leave, long service leave, and gratuities.

Retiring gratuities 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.

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

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

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

3.21 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 pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Landfill post-closure costs

The Council, as operator of the District landfill, has a legal obligation under the resource consent to provide on-going maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure 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 post-closure. Amounts provided for landfill post-closure 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 pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

3.22 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.

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

3.24 Third party transfer payment agencies

Taupō District Council collects monies for many organisations. Where collections are processed through Taupō District Council's 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.

3.25 Critical accounting estimates and assumptions

In preparing these financial statements, Council has 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 or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed 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 financial performance. 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 market-based 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

3.26 Prospective financial information

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



Revenue and Financing Policy

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

Council has prepared a Revenue and Financing Policy s101(3) document which sets out the rationale for how each activity will be funded including statements regarding the funding of capital and operational expenditure. A copy of this document can be found at www.taupo.govt.nz

Council has adopted capital value as the basis for general rates, with differentials and a UAGC of \$250.00. We use Land value for Lake Taupo Protection rates and rural water supply schemes.

Operating expenditure

Council funds operating expenditure from the following sources:

- general rates
- targeted rates
- fees & charges
- interest and dividends from investments
- grants and subsidies
- other operating revenue

Council may choose to not fully fund operating expenditure in any particular year (s100(2)) if council resolves that it is financially prudent to do so. An operating deficit will only be budgeted when it would be beneficial to avoid significant fluctuations in rates, fees or charges.

Council may choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year. It will only budget for such an operating surplus if necessary to fund an operating deficit in the immediately preceding or following years, or to repay debt. When ascertaining whether it is prudent to budget for an operating surplus for debt repayment Council will have

regard to forecast future debt levels.

Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges.

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

Capital expenditure

Council funds capital expenditure from:

- Subsidies
- Borrowing
- Development and financial contributions
- Operating surpluses
- Sale of assets
- Depreciation reserves
- Other financial reserves

When funded by debt, Council spreads the repayment of that borrowing over several years. This enables Council to best match charges placed on the community against the period of benefits from capital expenditure.

Borrowing is managed within the framework specified in the Treasury Management Policy. While seeking to minimise interest costs and financial risks associated with borrowing, access to funding is of primary importance. Council seeks to match the term of borrowings with the average life of assets when practical. Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds

include:

- Council reserves, including reserves comprising Financial Contributions under the Resource Management Act 1991 and Development Contributions under the LGA 2002
- Contributions toward capital expenditure from other parties such as NZTA in relation to certain roading projects.
- Revenue collected to cover depreciation charges
- Proceeds from the sale of assets
- Operating surpluses.

The Forecast Financial Statements included in the long-term plan contain a Prospective Statement of Borrowings. This Statement provides a summary of forecast borrowing levels, identifying the impact of capital expenditure and the various other capital funding sources listed above.

Funding of Debt Servicing Costs associated with growth related infrastructure

Where growth related infrastructure is funded by development contributions, debt servicing costs on that infrastructure may also be recovered through development contributions. This conclusion is drawn for the following reasons:

Clause 1(a) of Schedule 13 of the LGA allows "the total cost of the capital expenditure that a territorial authority expects to incur..." to be included in the calculation of development contributions. As opposed to the narrower wording of "capital expenditure", the "total cost of capital expenditure" is not just the value of the capital works alone but also the cost of funding these works which would include interest on debt in circumstances where these works are debt funded.

There is no case law, either specific to development

contributions or in a broader context that would suggest that debt servicing costs incurred after a development contribution funded asset becomes operational should not be considered capital expenditure. Case law supports the proposition that interest on borrowings to fund infrastructure is of a capital nature.

Although debt servicing costs associated with growth-related infrastructure may be funded through development contributions, a decision on whether

they should be funded through development contributions is subject to determination pursuant to the considerations set out in section 101(3) of the LGA. This exercise should be undertaken by all local authorities who wish to use development contributions to fund these debt servicing costs. In addition to this, a decision to fund debt servicing costs through development contributions needs to be consistent with, and provided for in, a local authority's Revenue & Financing Policy.

Summary of funding splits for activities

GROUP OF ACTIVITIES	ACTIVITY	Public (community) benefit		Private benefit	
		UNIFORM CHARGE	GENERAL RATE	TARGETED RATE	FEES & CHARGES
Community services	Community Engagement		100%		
	Community grants		100%		
	Animal control	50%			50%
	Building compliance and development		60%		40%
	District Plan compliance		50%		50%
	Health and Liquor		40%		60%
	Parking		100%		
	Emergency Management	100%			
	Rural Fire		100%		
	Whakamaru Fire Protection			100%	
Water	Water supply (by scheme)			100%	
Transport	Transport		100%		
Lakes, Rivers and Mountains	Lakes and River Systems		100%		
	Protecting Lake Taupo	75%		25% (LV)	
Community facilities	Parks, reserves and sportsgrounds		95%		5%
	AC Baths		30%		70%
	Genesis Energy Aquatic Centre		95%		5%
	Mangakino Pool		95%		5%
	Great Lake Centre		67%		33%
	Taupo Events Centre		67%		33%
	Libraries		95%		5%
	Taupo Museum and Art Gallery		85%		15%
	Community Halls		85%		15%
	Public Toilets		100%		
	Superloo		50%		50%
	Cemeteries	10%			90%
	Housing for the Elderly		45%		55%
Wastewater	Wastewater			100%	
Solid waste	Refuse collection				100%
	Recycling collection			100%	
	Disposal			51%	49%
	Litter control		100%		
Stormwater	Stormwater		100%		
Leadership and future planning	Leadership, governance and advocacy	100%			
	Planning for the future		100%		
	Turangi Tongariro Community Board		20%	80%	
Investments	Council property		100%		
	Property (residential, commercial, incl motor camps)				100% (lease)
Economic development	Destination marketing		100%		
	Economic development		100%		

How we fund activities and services

The words community benefit or 'private benefit' in the table reflect who benefits from the services Council provides. When the word 'community' is used it means that the public at large will receive benefits and generally it is more efficient to charge for these through a rate. When the word 'private' is used, it means that either an individual or an identifiable group of individuals will receive benefits and generally this group can be charged either directly through user charges because it is efficient to do so or by using a targeted rate.

- General rate
- Uniform charge
- Targeted rate
- Fees & charges

General rates are used to fund those services where Council believes there is a public benefit even though it may not be to the whole community. It typically funds "public goods" where there is no practical method for charging individual users because the benefits are spread widely rather than among identifiable users of the service. Our analysis of benefits indicates that there is no difference in incidence between multiple targeted rates and a differentiated general rate. General rates fund a range of services that are used by individual ratepayers to varying extents. Council uses the general rate rather than a number of targeted rates in order to achieve a simpler rating structure. That simpler structure makes it easier for ratepayers to understand how they are being rated and it is also simpler and cheaper to administer. Rates are a tax to fund the collective community benefit rather than be any form of proxy for use of a service. The **Funding Impact Statement** contains more details on rates.

Targeted rates are also used to fund community benefits and wider public goods. A targeted

rate means a rate to be used exclusively to pay for that operating expense where it can be targeted based on service provision or location. Targeted rates are used to target rates to the ratepayers who benefit from a service, or when Council believes that the benefits from the service are such that the principles of general rating (noted above) are not sufficient. Council also uses targeted rates when the level of charge is largely outside Council's control and the extent of the burden imposed should be clear to the community.

Fees and charges are used where there is a benefit to an individual. The fee or charge is determined by considering the efficiency of imposing the fee or charge, considering the value that the service provides the community (particularly in regards to community facilities) and the overall cost of providing the service.

Funding for capital expenditure

Rates in all forms will be used to fund an on-going replacement programme and may be used to fund a portion of capital acquisition work. This will be balanced against the affordability for the current ratepayers and the extent to which a capital replacement or acquisitions programme is even over the period of the plan. Over the period of the plan Council will get to the point where asset renewals are being met from operating revenue, and also a contribution is being made to levels of service and growth capital.

Borrowing will be applied to capital works subject to the preceding statement on the use of rates. Council views debt as a smoothing mechanism and a means of achieving equity between time periods. However Council does not have an unlimited capacity to borrow and the community does not have unlimited capacity to service those loans into the future.

Therefore, Council adopts a prudent approach to debt and its capital programme to ensure that the burden of debt and the interest cost does not place an impossible burden on the community. In doing so, Council is conscious of its peak debt and its on-going funding stream for debt servicing and work programme. In the early years of the plan Council is borrowing to fund asset renewals to achieve a balance between the level of rates rises and the sustainability of service levels. In the later years of the plan Council achieves sustainable funding and borrows for part of the level of service and capital works required for growth. This is outlined in the Prospective Funding Impact Statement.

Proceeds from asset sales may be used to fund capital works or repay debt. The preferred option will be for debt repayment with any new works funded from new debt draw down. This method is favoured due to its transparency and the neutral effect it has on rating. There is no major planned asset sales programme over the period of this plan, but assets which are no longer required for strategic or operational purposes may be sold.

Development and financial contributions - the District population is projected to grow at a rate of 1.9% each year. That growth drives a significant portion of our capital work requirement to maintain levels of service to a growing community. Because the cost of growth is driven by development Council considers that it is equitable that a development should make a contribution to the costs that are being imposed. The charges under the Development Contributions Policy are used to fund the portion of capital expenditure which relates to growth. In reaching the requirement for contribution any increase in level of service or renewal of asset is identified and funded from other funding mechanisms.

Valuation basis for general rates

Council has decided to adopt capital value as the basis for general rates.

Transition policy

While the new system will be more efficient and more equitable overall, it will have widely varying impacts on ratepayers. Council has developed a transitional remission policy for ratepayers to moderate the effects of changing from a land value rating system to a capital value rating system. The details are in the Transitional remissions policy on Council's website or you can contact Council to get a copy.

Invest the TEL Fund in community projects

For years now, the TEL Fund has provided about \$4 million each year to subsidise rates. Council considered using the fund for community projects, but has concluded that it will continue to use the TEL Fund to subsidise rates. We project this at \$10.6 million to 2015, (partly due to lower interest rates).

The TEL Fund will be used for the entire District because last year Council adopted a One Rating Area policy, and these changes are another element in Council's financial modernisation programme.



Funding Impact Statement

RATING POLICY

1. INTRODUCTION

This Funding Impact Statement details the Rating Policy and the rates funding requirements for 2012/13.

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 Land Mass Technologies effective 1 July 2010 are used for the 2012/13 rating year.

It should be noted that the rate in the dollar detailed in this policy used to calculate general rates is a rate in the dollar using the capital value of that rating unit and the rate in the dollar detailed in this policy used to calculate the Lake Protection rate and some targeted rates for water supply is the rate in the dollar using the land value of that rating unit.

3. CATEGORIES OF RATEABLE LAND

The Council will adopt the following as its definitions for categories of rateable land for the 2012/13 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.

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, sink or cooking facilities, separate living facilities, separate toilet and bathroom facilities and a separate external entrance. 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.

- 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.

3.2 Targeted Rates Based on Land Use

Council will target rates based on land use to assess:

- District Refuse Disposal Rate (1 and 2 below)
- Lake Protection Rate (3 below).

The following categories will apply:

1. All commercial, industrial, and accommodation rating units
2. All residential, rural, utility assets, electricity generators and other properties
3. All rural rating units over 2 hectares within the defined Lake Taupō catchment area excluding commercial/industrial and forestry.

3.3 Targeted Rates Based on Location

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

- Turangi-Tongariro Community Board Rate (see 1 below)
- Lake Protection Rate (2 and 3 below)
- Town Centre Taupō Management Rate (4 below)
- Whareroa Refuse Rate (5 below)

The following categories will apply:

1. Turangi/Tongariro Rating Area – all rating units
2. Inside Lake Taupō catchment Area – all rating units excluding rural units over 2 hectares
3. Outside Lake Taupō catchment area – all rating units



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 2012 and ending on 30 June 2013.

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 will be used to fund such things as community services, community grants, building compliance and development, district plan compliance and development, health and liquor licensing, parking, rural fire, roading, controls over lakes, rivers and mountains, community facilities, sports grounds, , swimming pools (AC Baths, Genesis Aquatic Centre, Mangakino pool) Taupo Events Centre, Great Lake Centre, Libraries, Taupo Museum and Art Gallery, community halls, public toilets (including the Superloo) housing for the elderly, litter control, stormwater and economic development.

Valuation basis for general rates

Council has decided to adopt capital value as the basis for general rates.

Until 30 June 2012, four large electricity generators had a special agreement with Council, while other smaller generators were categorised Industrial/Commercial rates. Council will use the same rating basis for all generators from now on.

Rating Unit	Land Value 2011/12 GST incl	Capital Value 2012/13 GST incl
Residential	0.0029092/\$	0.0025914/\$
Residential-Multi (categorised as Residential from 2012/13)	0.0058184/\$	
Rural	0.0029092/\$	0.0025914/\$
Utility Assets and Networks	0.0058184/\$	0.0025914/\$
Electricity generators		0.0025914/\$
Electricity generators – Geothermal TKMP	0.0594934/\$	
Electricity generators – Hydro TKMP	0.0343287/\$	
Electricity generators – Geothermal TT	0.0594934/\$	
Electricity generators – Hydro TT	0.0573115/\$	
Industrial/Commercial	0.0058184/\$	0.0046645/\$
Accommodation	0.0058184/\$	0.0046645/\$
Timeshare (categorised as Accommodation from 2012/13)	0.0029092/\$	
Other	0.0058184/\$	0.0025914/\$

4.2 Differentials

Council has adopted a 1.8 differential for Industrial/Commercial, and Accommodation property categories, because this means they will pay the same share of total rates as they did under the previous land value system with a differential of 2. All other sectors or categories of ratepayer will pay the standard rate (differential = 1). Council has made this decision in response to submissions on the LTP.

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 3b 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, cemeteries and street and park amenities.

Council has decided to reduce the range of services funded from the Uniform Annual General Charge (UAGC), which means it can reduce the charge paid by every ratepayer from \$470 to \$250. The UAGC will continue to fund services such as civil defence, leadership governance and advocacy, cemeteries and animal control.

	2011/12 GST incl	2012/13 GST incl
Uniform Annual General Charge	\$470.00	\$250.00

4.4 Sewage Disposal

A targeted rate for sewage disposal, set under section 16 of the Local Government (Rating) Act 2002, assessed on every rating unit connected or available to be connected to a Council scheme on the basis of one charge per pan or urinal (with the exception of the residence of a single household – which shall be levied only one charge). For the avoidance of doubt the words 'a single household' do not restrict the charge to one pan/urinal in the situation where a rating unit has separately usable and habitable portions. In such a situation each separately used or inhabited portion is regarded as a separate household, and a charge applied, at the sliding scale, for each separately used or inhabited portion of the rating unit (as defined in section 3b of this document).

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.





The targeted Sewer Disposal Charges are as follows:

Category	2011/12 GST incl	2012/13 GST incl
Connected (1st pan/urinals)	\$533.95	\$613.62
Connected (2 – 10 pans/urinals)	\$400.46	\$460.21
Connected (10 + pans/urinals)	\$266.97	\$306.81
Connected (schools 10 + pans/urinals)	\$133.49	\$153.40
Serviceable (available to be connected)	\$266.98	\$306.81

4.5 Sewer Loan Servicing

A targeted rate for sewer scheme loans, 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.

The targeted Sewer Scheme Loan Charges are as follows:

Sewer Loan	2011/12 GST incl	2012/13 GST incl
Waitahanui/Five Mile Bay	\$233.24	\$233.24

4.6 Water Supply

Water Schemes with fixed charge targeted rates.

A targeted rate for water supply, set under section 16 of the Local Government (Rating) Act, assessed on the basis of a targeted rate on any separately used or inhabited portion (as defined in section 3b of this document) of a rating unit that can be occupied, and being a rating unit which is connected, or is available to be connected, to a Council scheme. A full charge will be made for each connected separately used or inhabited part of the rating unit and a half charge for serviceable separately used or inhabited parts of a rating unit (those within 100 metres of any part of the waterworks).

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

Water Scheme	2011/12 GST incl	2012/13 GST incl
Taupō Township/Wairakei Village	\$226.44	\$294.18
Acacia Bay	\$474.42	\$507.34
Kinloch	\$190.17	\$267.39
Waitahanui	\$549.74	\$633.99
River Road	\$310.47	\$335.59
Mangakino Township	\$217.97	\$334.35
Atiamuri	\$449.00	\$536.14
Whakamaru	\$348.05	\$508.70
Turangi Township/Tokaanu	\$175.92	\$266.87
Motuoapa	\$195.72	\$264.34
Omori/Kuratau/Pukawa	\$172.38	\$239.91
Hatepe	\$243.07	\$340.04
Whareroa	\$240.65	\$327.33



Figure 2 Waitahanui/Five Mile Bay Sewer Loan Servicing area

Water schemes with charges based on land value.

All rating units within the water supply areas defined herewith (whether connected or not) are levied on the basis of land value. 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 as follows:

Water Scheme	2011/12 GST incl	2012/13 GST incl
Whakaroa	0.0008130/\$	0.0011374/\$
Centennial Drive	0.0013743/\$	0.0017208/\$
Mapara Road	0.0004174/\$	0.0005343/\$
Bonshaw Park	0.0018965/\$	0.0026039/\$
Whakamoenga Point	0.0007111/\$	0.0009951/\$
Waihaha	0.0019391/\$	0.0026252/\$
Tirohanga	0.0005525/\$	0.0008251/\$

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 4.5 of this policy. It is only when this threshold is exceeded that water meter charges at the rates set below will be applied.

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 as follows:

Water Supply	2011/12 GST incl		2012/13 GST incl	
	Ordinary cents/m ³	Extraordinary cents/m ³	Ordinary cents/m ³	Extraordinary cents/m ³
Taupō Township/Wairakei	110.6	158.4	147.1	210.7
Waitahanui	509.4	766.5	585.8	881.5
Acacia Bay	188.1	268.9	199.4	285.0
Kinloch	88.3	136	123.6	190.4
Whakaroa	121.2	176.5	166.0	241.8
Centennial Drive	41.5	79.8	50.6	97.4
Mapara Road	119.1	177.5	148.9	221.9
Bonshaw Park	155.3	230.7	208.1	309.1
Whakamoenga Point	111.6	111.6	156.2	156.2
River Road	76.5	115.9	81.9	124.0
Mangakino Township	86.1	126.5	131.7	193.5
Tirohanga	42.5	96.7	63.3	144.1
Turangi Township	42.5	78.6	64.6	119.5
Motuoapa	58.4	86.1	78.8	116.2
Tokaanu	80.8	80.8	122.8	122.8
Hatepe	95.7	143.5	134.0	200.9
Omori/Kuratau/Pukawa	106.3	106.3	148.8	148.8

4.8 District Refuse Disposal Charge

A targeted rate for district refuse disposal, solid waste operations and waste minimization initiatives, 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 3b of this document of each rateable rating unit in the district on the basis that residential and rural properties shall be assessed with one charge per SUIP, and all other 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 as follows:

	2011/12 GST incl	2012/13 GST incl
District Refuse Disposal Charge	\$82.71	\$86.78

4.9 Whakamaru Fire Protection Rate

A targeted Whakamaru Fire Protection Rate, 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 as follows:

	2011/12 GST incl	2012/13 GST incl
Whakamaru Fire Protection	\$118.38	\$108.78

Figure 3 Whakamaru Fire Protection area



4.10 Whareroa Refuse Rate

A targeted Whareroa Refuse Rate, 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 as follows:

	2011/12 GST incl	2012/13 GST incl
Whareroa Refuse Rate	\$69.00	\$90.00



Figure 4 Whareroa Refuse area



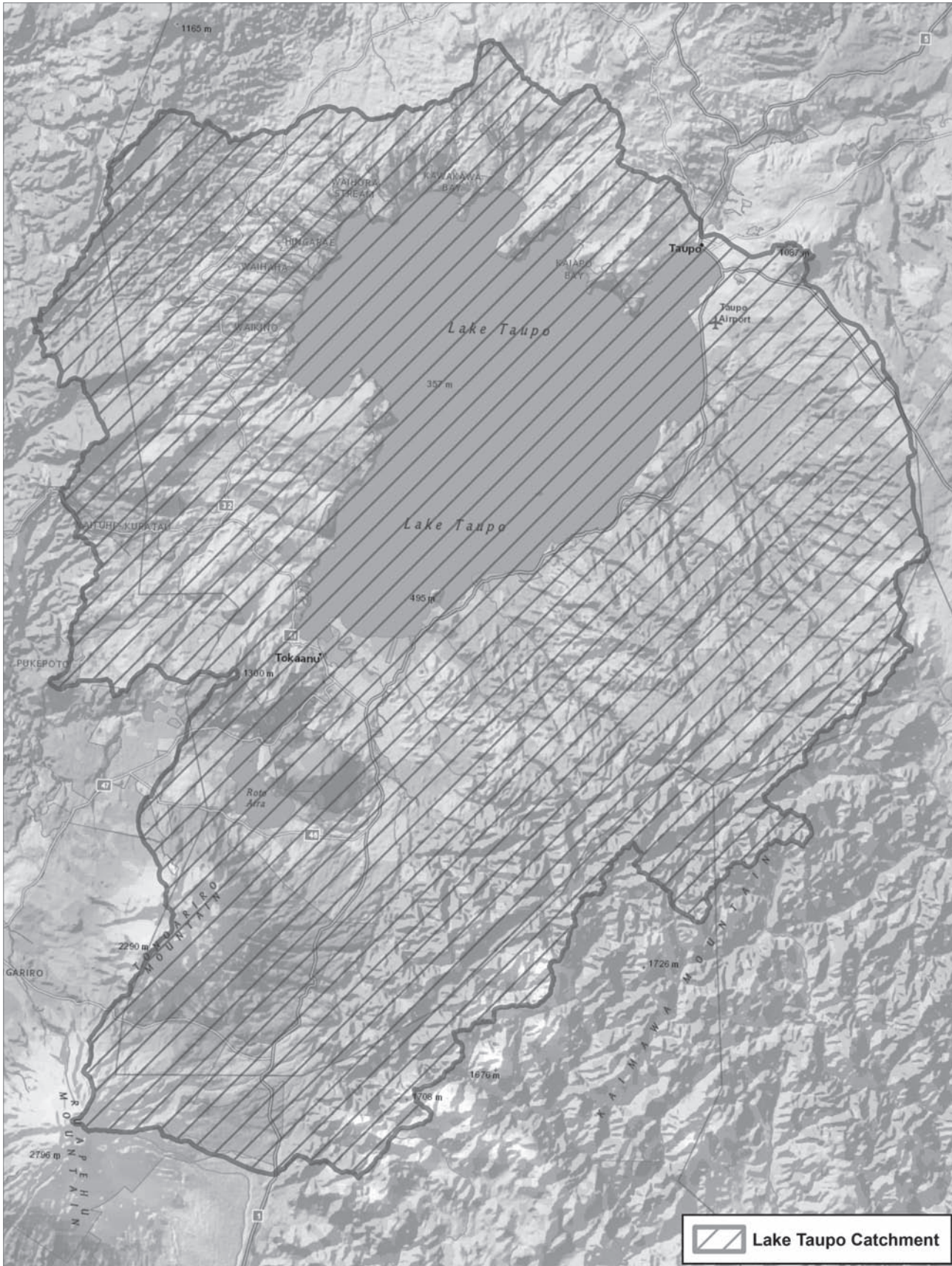
4.11 Lake Protection Rate

A targeted Lake Protection Rate, set under section 16 of the Local Government (Rating) Act 2002, assessed on each rating unit within specified areas around the Lake Taupō District. Being a fixed targeted rate for Lake Protection 1 and 2 and a land value based rate for Lake Protection 3. Where properties straddle the boundary of the lake catchment area a portion of the applicable rate will be levied.

The targeted Lake Protection Rate is as follows:

Name	Scope	2011/12 GST incl	2012/13 GST incl
Lake Protection 1	All Taupō and Turangi township ratepayers. Lakeshore settlements, rural properties including forestry interests within the Lake Catchment	\$69.00	\$69.00
Lake Protection 2	Taupō District ratepayers outside the Lake catchment including Mangakino and River Road	\$28.74	\$28.75
Lake Protection 3	Rural properties 2 hectares and over within catchment but excluding industrial/commercial properties, and forestry interests.	0.0004480/\$	0.0004249/\$

Figure 5 Protecting Lake Taupō Management Zone



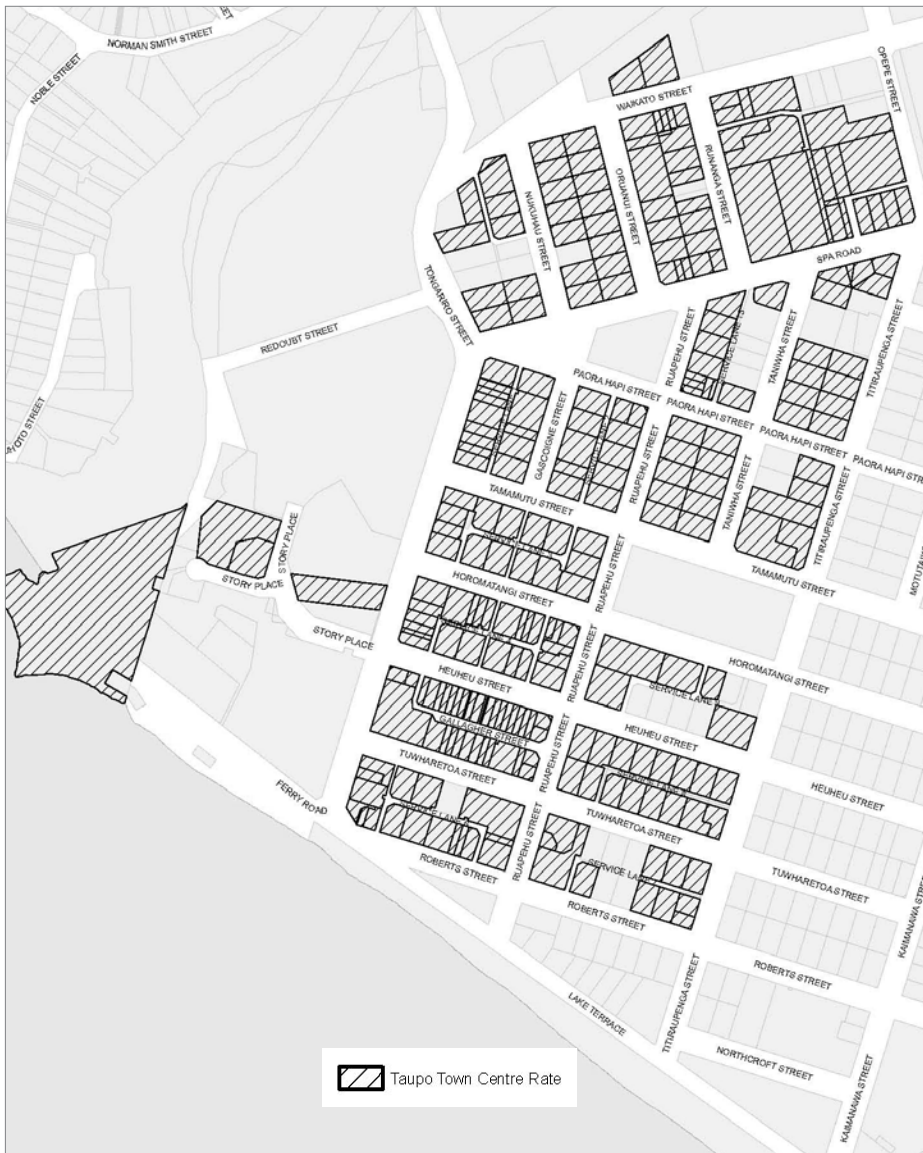
4.12 Town Centre Taupō Management Rate

A targeted Town Centre Taupō Management Rate, set under section 16 of the Local Government (Rating) Act 2002, assessed on each separately used or inhabited portion (as defined in section 3b of this document) of commercial/industrial rating units within the defined central business district of Taupō town (see Figure 6 below).

The targeted Town Centre Taupō Management Rate is as follows:

	2011/12 GST incl	2012/13 GST incl
Town Centre Taupō Management	\$292.82	\$307.64

Figure 6 Taupō Town Centre



4.13 Turangi Tongariro Community Board Rate

A targeted Turangi Tongariro Community Board Rate, set under section 16 of the Local Government (Rating) Act 2002, assessed on each separately usable of inhabited part (as defined in section 3 of the LTCCP 2009-19) of all rating units within the Turangi-Tongariro ward.

	2011/12 GST incl	2012/13 GST incl
Turangi Tongariro Community Board Rate	\$16.62	\$16.69

5. EXAMPLES OF RATES PER TYPE OF PROPERTY

Residential properties

	2011/12		2012/13		2011/12		2012/13		2011/12		2012/13	
Rating Valuation	\$269,000		\$419,000		\$705,000							
	LV \$	CV \$	LV \$	CV \$	LV \$	CV \$	LV \$	CV \$	LV \$	CV \$	LV \$	CV \$
Fixed Targeted Rates	892	699	1,630	1,573	1,518	1,457						
General Rates	433	697	655	1,086	1,396	1,785						
Remission				-74								
Total Rates	1,325	1,396	2,285	2,585	2,914	3,242						
\$ change per week		1.37		5.78		6.32						
% change		5%		13%		11%						

Industrial Commercial properties

	2011/12		2012/13		2011/12		2012/13		2011/12		2012/13	
Rating Valuation	\$465,000		\$1,220,000		\$2,195,000							
	LV \$	CV \$	LV \$	CV \$	LV \$	CV \$	LV \$	CV \$	LV \$	CV \$	LV \$	CV \$
Fixed Targeted Rates	4,297	4,358	2,159	2,666	11,745	12,991						
Land Value Rates	339		904		2,713							
General Rates	873	2,169	2,327	5,691	6,982	10,239						
Remission				-609								
Total Rates	5,509	6,527	5,390	7,748	21,440	23,229						
\$ change per week		19.58		45.34		34.41						
% change		18%		44%		8%						

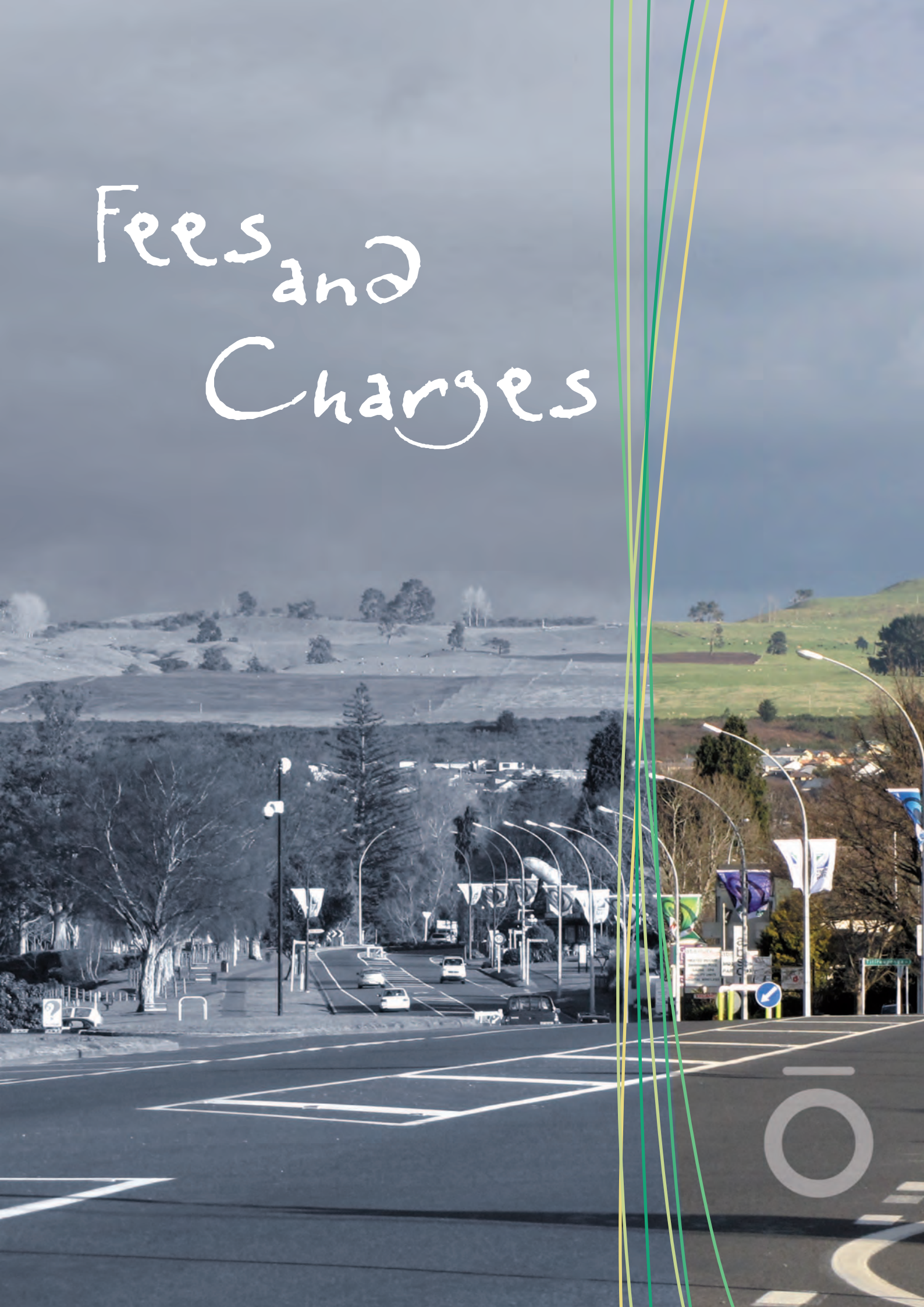
Rural properties

	2011/12		2012/13		2011/12		2012/13		2011/12		2012/13	
Rating Valuation	\$610,000		\$3,285,000		\$4,940,000							
	LV \$	CV \$	LV \$	CV \$	LV \$	CV \$	LV \$	CV \$	LV \$	CV \$	LV \$	CV \$
Fixed Targeted Rates	581	634	1,680	1,179	2,461	1,424						
General Rates	771	1,581	6,982	8,513	10,066	12,802						
Remission		-304										
Total Rates	1,352	1,911	8,662	9,692	12,527	14,226						
\$ change per week		10.75		19.81		32.67						
% change		41%		12%		14%						

Schedule to Funding Impact Statement >

	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
INCOME											
General Rate	20,316	26,522	27,931	31,686	34,374	34,967	37,182	39,595	41,274	42,551	44,212
Targeted Rates											
Uniform annual general charge	9,584	5,487	5,706	5,742	5,811	6,159	6,252	6,337	6,669	6,840	7,040
Lake protection	1,400	1,406	1,441	1,478	1,519	1,465	704	-	-	-	-
Water	5,231	6,765	8,379	8,889	9,174	9,492	9,734	9,956	10,164	10,614	11,063
Sewage disposal	9,498	10,758	11,738	11,909	12,156	12,459	12,649	13,045	13,314	13,978	14,561
Refuse disposal	1,709	1,919	1,888	1,963	2,029	2,283	2,222	2,061	2,117	2,246	2,191
Whareroa refuse collection rate	12	16	16	16	16	16	16	16	16	16	16
Marketing development rate	1,160	-	-	-	-	-	-	-	-	-	-
Mainstreet development - Project Pounamu rate	164	-	-	-	-	-	-	-	-	-	-
Mainstreet security rate	41	-	-	-	-	-	-	-	-	-	-
Turangiri Tongariro Community Board rate	80	80	80	80	80	80	80	80	80	80	80
Taupo Town Centre management rate	138	138	143	149	155	162	169	177	186	196	206
Whakamaru fire protection	4	4	4	4	4	4	4	4	4	4	4
Fees and Charges	11,302	10,686	11,400	11,731	12,195	12,704	13,080	13,462	14,142	14,668	15,374
Operating Subsidies	1,575	1,627	1,629	1,643	2,052	2,190	2,421	2,421	2,611	2,732	2,903
Interest	5,634	5,065	4,933	5,018	5,658	5,586	5,549	5,549	5,549	5,549	5,549
Capital Contributions											
Development contributions	850	474	1,310	1,544	2,284	2,404	3,138	2,859	3,360	3,127	3,303
Asset sales	1,500	725	138	831	792	820	850	880	911	944	979
Vested assets	600	900	936	974	1,015	1,059	1,104	1,155	1,214	1,281	1,353
Capital subsidy	1,796	875	881	804	1,038	983	1,050	1,144	1,275	1,191	1,257
Total Operating Revenue	72,594	73,447	78,553	84,461	90,352	92,829	96,102	98,741	102,866	106,017	110,091
OPERATING EXPENDITURE											
Operating expenditure	47,956	49,228	51,335	52,923	55,438	57,980	59,143	60,719	63,290	66,099	69,122
Interest expense	9,665	11,163	11,912	11,835	11,612	11,553	11,422	10,847	10,521	10,506	10,682
Depreciation	17,367	19,410	19,839	20,195	20,269	20,942	21,556	21,585	22,393	22,894	23,552
Total Operating Expenditure	74,988	79,801	83,086	84,953	87,319	90,475	92,121	93,151	96,204	99,499	103,356
Operating (Surplus)/Deficit	2,394	6,354	4,533	492	(3,033)	(2,354)	(3,981)	(5,590)	(6,682)	(6,518)	(6,735)
OTHER EXPENDITURE											
Capital expenditure	33,103	28,537	18,658	16,995	18,049	21,979	19,122	17,289	19,608	23,097	17,835
Debt repayments	5,611	11,928	11,036	12,644	12,299	12,638	16,330	13,263	12,420	9,068	11,352
Transfers to special reserves	1,576	(4,040)	(2,837)	1,257	4,821	4,177	5,836	7,468	8,583	8,436	8,674
Recognition of vested assets	600	900	936	974	1,015	1,059	1,104	1,155	1,214	1,281	1,353
Depreciation not funded	(4,570)	(3,214)	(2,632)	(2,723)	(2,803)	(2,882)	(2,959)	(3,033)	(3,115)	(3,199)	(3,292)
Total Net Cost	38,714	40,465	29,694	29,639	30,348	34,617	35,452	30,552	32,028	32,165	29,187
Funded by:											
General rates	-	-	-	-	-	-	-	-	-	-	-
Loans raised	26,064	21,121	11,507	8,391	9,558	13,115	7,895	6,299	9,689	14,331	9,650
Development, financial & other contributions	-	-	-	-	-	-	-	-	-	-	-
NZTA and other subsidies	1,945	920	927	851	1,034	977	1,038	1,124	1,241	1,148	1,198
Transfers from reserves	10,705	18,424	17,260	20,397	19,756	20,525	26,519	23,129	21,098	16,686	18,339
Total Net Funding	38,714	40,465	29,694	29,639	30,348	34,617	35,452	30,552	32,028	32,165	29,187

Fees and Charges



Council sets fees and charges annually for the various activities and services it provides. Previously all fees and charges have been made available in the LTP or Annual Plan and subject to the Special Consultative Procedure (SCP). However Council is only required to use the SCP to set some of the fees in its fees and charges schedule.

Section 150 of the Local Government Act sets out that a local authority may prescribe fees or charges payable for a certificate, authority, approval, permit, or consent from, or inspection by, the local authority in respect of a matter provided for either in a bylaw or under any other enactment (so long as that Act does not authorise Council to charge a fee or stipulates that a particular matter must be provided free of charge). There are various statutes that require or allow Council to set fees, such as the Building Act 2004, RMA 1991 and the Dog Control Act 1996. These fees must be set using the special consultative procedure.

Fees to be set using the special consultative procedure are:

- Regulatory services (animal control, building services, planning services, inspection services)
- Trade waste
- Water supply
- Parks and reserves
- Solid waste

In addition s150 requires that the fees prescribed (in bylaws or under another enactment) must not provide for the local authority to recover more than the reasonable costs incurred by the local authority for the matter for which the fee is charged. This does not apply to charges for goods, services, or amenities provided by the local authority in reliance on the general power under section 12.

All other fees and charges are set at Council's discretion taking into account the Revenue and Financing Policy and the cost of the activity e.g. Library, AC Baths. These fees can be found on Council's website www.taupo.govt.nz

All fees and charges include GST.



Regulatory Services

Animal Control

Dog fees

Fee	2012/2013
Working Dogs (fee payable for each of the first five dogs, any additional dogs, nil fee)	NA
Rural dog – working	\$20.00
Rural dog – other	\$20.00
All other dogs	NA
Urban dogs	\$85.00
Special Owners Policy Dogs	NA
Urban 'special' dogs	\$45.00
Hunting dogs	NA
All other dogs	NA
Guide dogs/ hearing ear dogs	Nil
Dangerous dog (before penalties are applied)	\$127.50
Replacement tag fee	\$5.00
Application fee for Special Owner Policy dog	NA
Application for urban "special" dog classification	\$20.00

Impounding fees

Fee	2012/2013
1 st impounding in any 12 months	\$60.00
2 nd or more impounding in any 12 months. May also be issued an Infringement Fee (\$300.00 fine)	\$130.00
Out of hours impounding fee (4.30pm to 7.00am)	\$130.00
Additional fee for impounded dog that is unregistered	\$50.00
Sustenance fee (per dog per day in pound)	\$15.00
Microchip fee per dog	\$20.00
Sale of dog (including microchipping)	\$50.00
Surrender fee – single	\$50.00
Surrender fee – multiple	\$70.00
Surrender fee – Court ordered	\$100.00
Permit Fee	\$50.00
Recovery of cost charges	\$60 minimum
Recovery of cost charge	\$120 per hr
Impounding Fees – other animals	\$60.00
Sustenance fee (per animal per day)	\$10.00

Call out fees (minimum fees)

Fee	2012/2013
7.00am to 4.30pm	\$40.00
4.30pm to 10.00pm	\$60.00
10.00pm to 7.00am plus holidays and weekends	\$80.00

Trespass fees

Fee	2012/2013
Trespass – on any paddock of grass or stubble	\$20.00
Trespass on any land bearing any crop or from which the crop has not been removed, or in any reserve, cemetery or burial ground	\$40.00

Building fees

These are minimum non-refundable application fees (deposit). Processing of applications will be charged at an hourly rate, any cost incurred above the deposit fee will be recovered from the applicant.

Council has combined the processing, administration and inspection deposits into one fee with each component largely remaining at the same value. The fee structure is considered to accurately reflect the likely total cost for the customer when they are considering a building project, rather than in an invoice at the end of the process.

Building consents

Fee	2012/2013
Freestanding Fireplace (includes one inspection)	\$140.00
Demolition Application (includes one inspection)	\$190.00
Temporary Building Application	\$250.00
Residential (under \$5,000.00)	\$300.00
Residential (\$5000.00 – \$10,000 value)	\$500.00
Residential (over \$10,000 value)	\$900.00
Rural/ farm buildings (under \$30,000)	\$450.00
Rural/ farm buildings (over \$30,000)	\$650.00
Commercial/Industrial/Educational (under \$200,000)	\$900.00
Commercial/Industrial/Educational (over \$200,000)	\$1200.00
Recovery of building staff time per hour: Building Management Officer (hourly rate)	\$150.00
Technical Support Officers (hourly rate)	\$100.00
Application for exemption from Building Consent	\$150.00

Site inspections

The actual type and number of inspections required will be assessed during the processing of the building consent and payment for these inspections will be made when uplifting the building consent. This is an estimate only, and the cost of additional inspections will be recovered from the applicant before a Code Compliance Certificate is issued.

These are minimum non-refundable application fees (deposit). Processing of applications will be charged at an hourly rate, any cost incurred above the deposit fee will be recovered from the applicant.

Fee	2012/2013
Small building/minor works	\$65.00
Medium building/standard works	\$100.00
Large building/complex works	\$130.00
Inspection Fee (30mins)	\$110.00

Inspections outside of normal working hours shall be charged twice the normal fee. All cancellations made within 12 hours of booked inspection and works not ready for inspections shall be charged at \$70.00 each.

Other charges

During the building consent process the Council is required to collect Government levies, which are forwarded on to the respective Government when the total estimated value of work is \$20,000 or greater. Levies are calculated on the total estimated value of work.

Fee	2012/2013
Miscellaneous certificates	\$250.00
Certificates of Title	\$25.00
Solar hot water conversions	Free of charge
Project Information Memorandum (minimum charge)	\$130.00
Council Information Memorandum (minimum charge)	\$130.00
Registration of certificates issued under s73 of the Building Act 2004 – plus disbursements	\$130.00 + disbursements
Certificate issued under s77 of the Building Act 2004	\$100.00 + disbursements
Notice to fix issued under section 164 of the Building Act 2004	\$100.00
New Zealand Fire Service commission notification as required by Section 46 of the Building Act 2004	\$65.00
Building Code Certificates for the creation /renewal of an ON/Club licence or OFF Licence issued pursuant sections 9, 31 or 55 of the Sale of Liquor Act 1989.	\$130.00
Preparation and Issue of Compliance Schedules (additional charge is per system payable at time of uplifting a consent or issue of a PIM.)	\$100.00 plus \$25.00
Amendments to Compliance Schedules (additional charge is per amended system.)	\$65.00 plus \$10.00
Building Warrant of Fitness charge – annual (for the first system)	\$65.00
Building Warrant of Fitness – Audit inspections (per inspection)	\$100.00
Producer Statements/Engineers' Designs/Specialist Services – Peer reviews external specialist charges	At Cost
Certificates of Acceptance provided for in Sections 96-99 of the Building Act 2004	\$1,000.00
Notification of Existing Building Work/Existing Fire Appliance (per notification)	\$380.00
Certificates for Public Use provided for in section 363A of the Building Act 2004	\$190.00
Industry Levies* – Building Research Association of New Zealand (BRANZ)	\$1.00 per \$1,000
Industry Levies – Dept of Building and Housing Industry (DBH)	\$2.01 per \$1000

Planning fees

Resource consents (land use) (M=minimum charge, F=fixed fee)

Fee	2012/2013
Notified Applications (M)	\$10,000.00
Notified Applications (limited) (M)	\$4000.00
Non-Notified Applications (controlled activities) (M)	\$500.00
Non-Notified Applications (M) – restricted discretionary activities	\$750.00
Non-Notified Applications (M) – other activities	\$900.00
Requirement for Designations and Heritage Protection Orders (M)	\$10,000.00
Plan changes (M)	\$20,000.00
Outline Plan Applications (M)	\$500.00
Waiver for a requirement for an outline plan (F)	\$150.00
Extension of time (non-notified) (M)	\$500.00
Cancellation or variation of conditions (non notified) (M)	\$750.00
Certificate of compliance (M)	\$500.00
Existing Use Right Certificate (M)	\$500.00
Compliance Certificates – Sale of Liquor Act (new or renewal) (F)	\$200.00
Certificate of Compliance – National Environmental Standard (M)	\$500.00
Removal of Building Line restrictions (F)	\$500.00

Resource consents (subdivision) (M=minimum charge, F=fixed fee)

Fee	2012/2013
Notified Applications (M)	\$10,000.00
Notified Applications (limited) (M)	\$4,000.00
Non-Notified Applications (controlled activity) (M)	\$1,000.00
Non-Notified Applications (other activities) (M)	\$1,400.00
Unit title approval for second and subsequent stages (M)	\$500.00
ROW Application & Section 348 signing (F)	\$150.00
Section 226 certificate (F)	\$500.00
Cancellation or variation of conditions (non notified) (M)	\$900.00
Cancellation or Variation of Consent Notice (M)	\$900.00
Plan approval certificates (e.g. Sections 221, 223, 224, 232, 240, 241, 243, 5(1) g, 321,).	\$150.00
Signing of miscellaneous documents – deposit per certificate (M)	N/A

Monitoring/Recovery Rates

Fee	2012/2013
Fee payable on each consent with conditions (on approval), further inspections/actions at cost (D)	\$150.00
Recovery of Planning Staff Time per hour (where flat fee does not apply): Consents and Regulatory Manager and Team Leader (hourly rate)	\$180.00
Environmental Planners, Development Planner, Compliance Officer (hourly rate)	\$150.00
Technical support officers (hourly rate)	\$100.00

Other Applications and Certificate Approvals

Fee	2012/2013
Requests for Information (Hourly rate)	See hourly rates above in the Monitoring fees table
Annual subscription for Resource Consent notified mailing list (F)	\$200.00
Copy of Certificate of Title or Consent Notice	\$25.00

Fees for requests for information under the Local Government Official Information and Meetings Act are found in the Corporate Services section.

Engineering Services

Recovery of Engineering staff time per hour (where flat fee does not apply)

Fee	2012/2013
Development Engineering, Deeds of Arrangement management	\$170.00
Other staff involved with development engineering and development contributions	\$150.00

Inspection services**District Liquor Licensing Fees (set by Sale of Liquor Amendment Act)**

Fee	2012/2013
Licence Holders	\$793.24
Special Licence	\$64.40
Manager's Licence	\$134.93
Temporary Authority	\$134.93
Building Code Certificates for the creation /renewal of an ON/Club licence or OFF Licence issued pursuant sections 9, 31 or 55 of the Sale of Liquor Act 1989	\$130.00
Compliance Certificates – Sale of Liquor Act (new or renewal)	\$200.00

Environmental Health fees

Fee	2012/2013
Certificates of Registrations (food premises, hairdressers, camping grounds, undertakers & offensive trades)	
New Certificate of Registration (includes pre opening inspection)	\$300.00
Renewal of Existing Certificate of Registration (Includes annual inspection)	\$200.00
Renewal of Existing Certificate of Registration (Clubs, non-profit organisations and hairdressers; includes annual inspection)	\$100.00
Transfer of Existing Certificate of Registration (plus inspection costs if applicable)	\$140.00
Inspection fee (rate per hour)	\$160.00
Food Control Plans	
New application (includes annual audit)	\$300.00
Audit Fee (rate per hour)	\$160.00
Annual Renewal Fee/Transfer from a Certificate of Registration to a Food Control Plan (includes Annual Audit fee)	\$180.00
Mobile Shops Licence	
New mobile shop Application (includes pre-opening inspection)	\$300.00
Renewal Mobile Shop Application (includes Annual inspection)	\$300.00
Mobile Shop Annual Licence	\$200.00
Mobile Shop Seasonal Licence (Summer: 1 October - 31 March; Winter 1 April - 30 September)	\$100.00
Mobile shop week licence	\$20.00
Mobile Shop Site Rental (Taupō Venture Centre, Turangi Ohuanga Rd, Mangakino, Rangatira Drive)	
Annual fee Venture site	\$1,942.00
1-6 months (per week)	\$46.00
Casual (per day)	\$14.00
No permit penalty	\$20.00
Markets	
New/Renewal Market Application (includes Annual Inspection)	\$350.00
Event Application (1-3 days only) (includes Inspection)	\$150.00
Occasional Stalls (fundraisers & charity only)	No charge
Miscellaneous Fees	
Fencing of Swimming Pool Inspection	\$100.00
Application for exemption from Fencing of Swimming Pools Act 1987 – application fee	\$500.00
Sign recovery fee	\$60.00
Gaming and TAB Venue Application Fee (deposit)	\$500.00
Hourly rate for processing of Gaming and TAB Venue Application	\$150.00

Trade waste

There are substantial increases in fees for trade waste and septic tank disposal at the Ashwood and Turangi facilities because Council has identified that the previous charges did not meet the actual costs of service.

Fee	2012/2013
Compliance monitoring	Actual Costs
Annual trade waste consent charge – controlled	\$205.00
Annual trade waste consent charge – conditional	\$410.00
Reinspection	\$256.00
Temporary discharge	\$613.00 + associated flow or load-based charges
Non-compliance inspection – per visit	\$256.00
Trade Waste Bylaw breach	Actual Costs

Investigation costs per Trade Waste Bylaw Breach	\$102.00 hour
Ashwood Park septage facility	\$32.38 per m ³
Turangi WWTP septic tank disposal	\$32.38 per m ³

Trade Waste Charges for Conveyance, Treatment and Disposal of Conditional Trade Waste Customers

All activities that require a Conditional trade waste consent under the Council's Trade Waste Bylaw will be liable to pay trade waste charges. If a Conditional trade waste consent is given in an area outside of those listed, the Taupō Trade Waste rates will apply. Trade waste charges incorporate three components:

- Volume: the amount of waste disposed through the sewer – measured in cubic metres (m³)
- COD: Chemical Oxygen demand, a measure of the level of organic matter in the waste – measured in kilograms (kg)
- Suspended solids: the content of solid material in the trade waste disposed – measured in kilograms (kg)

Fee	2012/2013	
	Taupō	Turangi
Flow and load based charge (For wastewater not of domestic nature)		
Flow (\$/m ³)	\$1.39	\$2.52
COD (\$/kg)	\$0.81	\$2.48
TSS (\$/kg)	\$1.33	\$5.04

Water

Water connections to main – urban areas

Fee	2012/2013
Connection Size	
15mm - 20 mm Unmetered	\$735.00
15mm - 20 mm Metered (using doublecheck valve)	\$1,220.00
15mm - 20 mm Metered (RPZ)	\$1,557.00
25 mm Metered (using double check valve)	\$1,735.00
25 mm Metered (using RPZ)	\$2,044.00
32 mm Metered (using double check valve)	\$2,392.00
32 mm Metered (using RPZ)	\$2,768.00
40 mm Metered (using double check valve)	\$3,120.00
40 mm Metered (using RPZ)	\$3,417.00
50 mm Metered (using double check valve)	\$4,653.00
50 mm Metered (using RPZ)	\$4,946.00

Water connections to main – rural areas

Fee	2012/2013
20mm Rural Metered Connection (using double check valve restrictors)	\$1,740.00

Convert unmetered to metered connections

Fee	2012/2013
20mm metered	\$787.00

Other Works

Fee	2012/2013
Toby Turn on Fee	\$140.00
Disconnection Fee	\$210.00
Toby Location	\$140.00
Final meter reading	\$140.00
Approved alteration to restrictor	\$229.00
Meter Checking Application Fee (refunded if in error)	\$210.00
Hydrant Permit Fee	\$95.00

Parks and reserves

Fee	2012/2013
Tongariro Domain	
Hire (commercial event)	
Set up (per day)	minimum charge \$165.00
Operational (per day)	minimum charge \$330.00
Bond	\$500 to \$1000
Rose Garden Booking Fee	\$25.00
Riverside Park	
Hireage (Community)	
0 to 1000 pax	\$230.00
1000 to 5000 pax	\$305.00
5000 to 10,000 pax	\$385.00
10,000 to 15,000 pax	\$510.00
15,000 to 20,000 pax	\$615.00
Hireage (Commercial)	
0 to 1000 pax	Price on enquiry
1000 to 5000 pax	Price on enquiry
5000 to 10,000 pax	Price on enquiry
10,000 to 15,000 pax	Price on enquiry
15,000 to 20,000 pax	Price on enquiry
Commercial concert – one off	Price on enquiry
Owen Delany Park	
Ground hire (commercial event)	
Set up (per day)	minimum charge \$165.00
Operational (per day)	minimum charge \$330.00
Bond	\$500 to \$1000
Sporting use	See charges below
Corporate Lounge 1	
Hourly rate for community groups only	\$18.00
Full day	\$130.00
Corporate Lounge 2	
Hourly rate for community groups only	\$18.00
Full day	\$130.00
Downstairs Lounge	
Hourly rate for community groups only	\$18.00

Full day	\$130.00
Upstairs and Downstairs – full day	\$260.00
General reserves and sportsgrounds (including Turangi and Mangakino)	
Hire (commercial event)	
Set up (per day)	minimum charge \$150.00
Operational (per day)	minimum charge \$300.00
Bond	\$500 to \$1000
Rugby (per field per season)	\$350.00
Rugby (casual use per day)	\$70.00
Rugby league (per field per season)	\$350.00
Rugby league (casual use per day)	\$70.00
Senior soccer (per field per season)	\$350.00
Senior soccer (casual use per day)	\$70.00
Touch (per field per season)	\$200.00
Touch (casual use per day)	\$40.00
Cricket (turf wicket per season)	\$500.00
Cricket (turf wicket casual use per day)	\$250.00
Cricket (artificial wicket per season)	\$100.00
Cricket (artificial wicket casual use per day)	\$20.00
Kaimanawa cricket pavilion (per day)	\$30.00
Other sporting use and services	Price on enquiry
Nukuhau boat trailer park	
Bays 1-6, 8-13 and 15-19 (11m)	Adjusted by CPI
Bays 7, 14 and 20-49 (9.5m) (per annum)	Adjusted by CPI
Reserve Applications	
Bond for processing commercial use of reserve (per hour)	\$90.00
Leases and licences	
Ground rental for sporting and community leases (Taupō)	\$2.29 per m ²
Ground rental for sporting and community leases (Turangi)	\$2.08 per m ²

Solid Waste

A weighbridge at the Broadlands Road Resource Recovery and Transfer Station enables charging based on weight. At other transfer stations around the District the fees will continue to be determined based on the size of the load as they have in the past.

Fee	2012/2013
Broadlands Road Landfill	
Residential refuse collection (per bag up to 60L)	\$1.50
Refuse (per tonne) (\$10.00 minimum charge)	\$100.00
Green waste (per tonne) (\$5 minimum charge)	\$50.00
Clean fill (per tonne)	\$11.00
Tyre disposal charges	\$2.30 - \$11.80
Concrete disposal (per tonne)	\$11.00
Crushed concrete sale (per tonne)	\$12.00
Special waste – immediate burial (per tonne)	\$122.00
Septage disposal	\$35.00
District Transfer Stations	
Small loads (<100kg) (e.g. cars) (per load) – minimum charge	\$10.00

Medium loads (<250kg) (e.g. small vans, utilities, trailers) (per load)	\$25.00
Large loads (<400kg) (e.g. large vans, utilities, trailers) (per load)	\$40.00
All loads (>400kg) per tonne	\$100.00
Tyre disposal charges	\$2.30 - \$11.80
Concrete Disposal (per tonne)	\$11.00
Green waste loads less than 100kg nett (e.g. cars) (per load) minimum charge	\$5.00
Green waste loads less than 250kg nett (e.g. small vans, utilities, trailers) (per load)	\$12.00
Green waste loads less than 400kg nett (e.g. large vans, utilities, trailers) (per load)	\$19.00
Green waste rate for loads over 400kg nett, per tonne	\$50.00





Appendices

1. Policy to determine significance

Effective from 1 July 2012

1. Legislative requirement

Council is required to have a policy on significance under section 90 of the Local Government Act 2002 (the Act).

2. Purpose

The Act establishes a process for decision making within local government. This process requires that local authorities make judgments on the importance of any decision they make. In particular, they are required to identify those decisions that are significant.

For all decisions made by a local authority, the Act requires that consideration be given to the range and depth of information needed during the decision making process. Where decisions relate to matters that have been determined to be significant, the Act implies that a greater range and depth of information must be considered.

Information to be considered includes outcomes, options, costs and benefits, affected and interested parties, community opinion, impacts on community well-being and on Council.

The purpose of this policy is to establish a procedure for identifying issues, proposals, decisions and other matters that are deemed to be significant.

3. Strategic assets

The Act requires that the policy on significance identifies all assets Council considers to be strategic assets.

Council owns a number of assets and assets managed 'as a whole' that it considers to be strategic, however not all trading decisions made regarding these assets are regarded as significant nor do they affect the asset's strategic nature. For example, the roading network is strategic, but small parcels of land that make it up may not be, and the purchase or sale of such parcels of land is unlikely to amount to a significant decision.

The Strategic Assets Register is not an exhaustive list of all Council

assets. It includes only those assets that are considered to be important in maintaining Council's capacity to achieve or promote any outcome that the local authority determines to be important for the current or future well-being of the community. Council's shareholding in the Taupō Airport Company Ltd is included in the register.

4. Consultation

The significance of a matter also guides Council's decisions concerning the extent and nature of the consultation to be undertaken with affected or interested persons. The more significant a matter from the perspective of the persons who may be affected by the decision, the more likely it is that Council will need to consult with them on their views.

5. Implementation

5.1 General approach

In considering whether any issue, proposal, decision or other matter is of significance under this policy Council will be guided by the following matters:

- the likely impact/consequences of the issue, proposal, decision or other matter, on the current and future social, economic, environmental, and cultural well-being of the community
- the parties who are likely to be particularly affected by or interested in the issue, proposal, decision or other matter
- the likely impact/consequences of the issue, proposal, decision or other matter from the perspective of those parties
- the financial and non-financial costs and implications of the issue, proposal, decision or other matter having regard to Council's capacity to perform its role. The more significant or material the impact or consequences of the issue, proposal, decision or other matter, the higher the standard of compliance required with Part 6 of the Act.

5.2 Policy application

Council will assess significance using the following two-step process.

Officers will assess particular issues, proposals, decisions or other matters against the thresholds set out in this policy under section 5.3. If the issue being considered does not result in a clear determination of significance the issue will be referred to Council for assessment.

Council will decide on the significance of an issue, proposal, decision or other matter based upon the criteria in section 5.4. This step is used when the issue being considered does not conform to the threshold tests because either specific dollar amounts are not involved or because the issue is likely to be significant for other reasons.

In determining the application of this policy Council will have regard to the definitions of 'significance', 'significant', and 'strategic asset' in the Act.

5.3 Thresholds

The thresholds in this section are quantifiable either by value, a specific action or some other method that allows a predetermination of the outcome. Therefore a threshold test on significance can be applied by officers without further reference to Council.

When determining whether an issue, proposal, decision or other matter is significant, Council will recognise that it is significant within the meaning of the Act, if it:

- will incur operational expenditure exceeding 7.5% of the annual Council budget for that year; or
- will incur capital expenditure exceeding 2.5% of the total value of Councils assets, or where spent on a strategic asset in the Strategic Assets Register of this policy, exceeds 25% of that asset's value; or
- requires the transfer of ownership or control or the disposal or abandonment of a strategic asset as a whole as defined by the Act or listed in Appendix 2 this policy; or
- requires the sale of Council's shareholding in any council controlled trading organisation, or council controlled organisation;

or

- will, directly or indirectly, severely affect the capacity (including financial capacity) of Council to carry out any activity identified in the long-term plan; or
- concerns the entry into any partnerships to carry out a significant activity.

5.4 Criteria

Implementing criteria based assessment of the significance of an issue, proposal, decision or other matter is a matter of judgment and as such requires consideration by Council. In considering whether any issue, proposal, decision or other matter is significant and it is not significant using one of the threshold tests in section 5.3.1 above, then Council will apply the following criteria:

- the issue, proposal, decision or other matter affects all or a large portion of the community in a way that is not inconsequential; or
- the impact or consequences of the issue, proposal, decision or other matter on the affected persons will be substantial; or
- the issue, proposal, decision or other matter has a history of wide public interest in the Taupō District or is likely to generate considerable public controversy.

The matter will be considered significant if at least one of these criteria apply.

5.5 Procedures

As set out in Section 2 above, the purpose of this policy is to establish the decision making process that is appropriate for the significance of the decision to be made.

Therefore once a decision has been determined to be significant, the report to Council will include a statement addressing the appropriate observance of sections 76, 77, 78, 79, 80, 81 and 82 of the Act as applicable. Where the report is requesting a decision on significance under the criteria set out in section 5.4 above then, to save Council time, the report to Council may also contain the decision-making procedures appropriate to a significant decision.

Definitions

Section 5(1) of the Act defines 'significant' and 'significance' and 'strategic asset' as:

significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for :

- the current and future social, economic, environmental, or cultural well-being of the district or region
- any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter
- the capacity of the local authority to perform its role, and the financial and other costs of doing so.

Significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.

Strategic asset, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes :

- any asset or group of assets listed in accordance with section 90(2) by the local authority; and
- any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- any equity securities held by the local authority in:
 - a port company within the meaning of the Port Companies Act 1988:
 - an airport company within the meaning of the Airport Authorities Act 1966.

Register of strategic assets

- Taupō District Libraries (including books and collections)
- Taupō Museum (including heritage assets)
- Great Lake Centre
- Taupō Events Centre
- AC Baths complex
- Genesis Energy Turangi Aquatic Centre
- Council's ownership interest in the Taupō Airport Authority
- Pensioner housing as a whole
- Council buildings and depots as a whole
- Amenity areas, reserves, sports fields and facilities under the Reserves Act 1977
- Cemeteries
- Public toilets as a whole including Superloo
- Taupō landfill
- Refuse transfer stations
- Stormwater network as a whole
- Rooding system as a whole (includes footpaths, cycle paths, culverts, stock underpasses, off-street parking and bridges).
- Reservoirs, water treatment plant and water reticulation system as a whole (including the land, buildings, treatment plant, tanks and structures for all networks within the district
- Wastewater network and treatment plant as a whole (including all land, buildings and plant for all wastewater networks and treatment plants within the district).

2. Council Controlled Organisations

In order to achieve its objectives for Taupō district, Council has established several companies, trusts and organisations. A Council controlled organisation (CCO) is a company or organisation in which a Council or Councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. A Council controlled trading organisation (CCTO) is similar, but its main focus is trading.

The organisations manage Council facilities or deliver significant services and undertake significant activities on behalf of the district's communities. Where necessary, Council funds the organisation.

COUNCIL CONTROLLED ORGANISATIONS

Lake Taupō Protection Trust
 Destination Lake Taupō Trust
 New Zealand Local Government Funding Agency Limited
 Bay of Plenty Local Authority Shared Services Limited
 Local Authority Shared Services Limited

COUNCIL CONTROLLED TRADING ORGANISATIONS

Taupō Airport Authority

EXEMPT COMPANIES

Data Capture Systems Limited
 Destination Lake Taupō Limited

Please note that the following information has been taken from the 2012/13 Statements of Intent.

Lake Taupō Protection Trust

Research has shown that the quality of Lake Taupō has begun to decline due to increasing nitrogen levels. In 2007 the Lake Taupō Protection Trust (LTPT) was established to administer public funds to protect the Lake by reducing manageable nitrogen levels from pastoral land by 20 percent by 2080.

Subsidiaries: none

Trustees

Clayton Stent, Chairman, Taupō; Sue Yerex, Deputy Chairman, Turangi; John Kneebone, Cambridge; Jerry Rickman; Hamilton; Gerald Fitzgerald, Wellington; Colin Horton, Hamilton; John Hura, Turangi; Mike Burton, Turangi.

Significant policies and objectives in regard to ownership and control

The Trust is governed by a Joint Committee which meets regularly and receives reports on financial and operational matters on the Trust's activities. The Joint Committee is comprised of two representatives from Waikato Regional Council, Taupō district Council, the Crown, and representatives of Ngāti Tūwharetoa as kaitiaki of the Lake.

The immediate governance of the Trust is through the appointment of eight trustees who are responsible for implementing the project in terms of the Trust Deed governing the Trust. The Trust Deed requires a rotation of up to half of the number of trustees every three years.

Nature and scope of activities

The LTPT will encourage and assist land use change to permanently reduce nitrogen flowing into Lake Taupō by at least 153 tonnes. This reduction will be achieved by the Trust through:

- Directly purchasing land or nitrogen
- Funding research and undertaking other initiatives that will assist land owners to reduce the nitrogen impacts of their activities on Lake Taupō.
- Fund Management – Ongoing implementation and compliance with the Trust's Treasury Policy and the Delegation and Sensitive Expenditure Policies.
- Future Direction – Complete a revised Strategic Plan Stakeholder engagement to identify potential partnership opportunities and collaborative ventures. Maximise opportunities to transfer pastoral land to forestry and carbon trading under the Emission Trading Legislation. Seek opportunities to participate in the Waikato Regional Carbon Strategy. Seek opportunities to purchase nitrogen reductions from existing owners rather than buying land. Further develop engagement and relationship with Ngāti Tūwharetoa. Investigate the potential to undertake an "Eco Tender" to identify potential nitrogen
- Advocacy Education – Work with Waikato Regional Council and Taupō District Council to help landowners understand, develop, and apply management techniques and other tools and methods to help them achieve reduced nitrogen emissions.
- Administration – Report six monthly to the Joint Committee on progress, both financial and qualitative.

Key performance targets and other measures of performance

The following targets have been taken from LTPT's Statement of Intent (2012/13). Detailed operational performance targets are set out in the strategic plan.

Actions	Performance Measures
Continue discussion/engagement exercise with stakeholders both inside and outside the catchment.	Engagement process completed by 28 February 2013; and Outcomes used to construct a new strategic plan by March 2013.
Trust objectives achieved by ensuring that all Nitrogen Reduction Agreements entered into require Nitrogen reductions over a 999-year period and have current resource consents.	All Nitrogen Agreements entered into ensure reductions for 999-years and have Resource Consents in place.
Continue to enter into Nitrogen reduction agreements to achieve the target reduction of 183,000kgs by December 2013 or to have provided the Joint Committee with a revised process and structure to achieve the target amount.	Subject to the availability of Nitrogen, an overall amount of 153,000 kgs of nitrogen reduced by 30 June 2013.
Maintain and achieve a projected Cash Flow Budget until 2018 indicating the potential agreements and potential funding commitments	Cash Flow Projection in place and current and available to Trustees and Joint Committee members on request.

Destination Lake Taupō Trust

Destination Lake Taupō Trust trading as Destination Great Lake Taupō (DGLT) was established in August 2010, governed by a Board appointed by Council under a Trust Deed establishing the CCO. The Board has a major role in promoting strategy on behalf of the Taupō visitor industry, the identification and addressing of strategic issues and, and providing destination marketing and tourism product advice to Council and the tourism sector.

Membership

Up to six members are appointed by Council on the basis of their skills, experience and attributes. Skills and experience are based on: governance experience, visitor industry and business experience, marketing experience, destination management experience, and local government understanding and experience. Selection of the Board takes into account the balance between external and internal District and/or industry representatives, and any potential conflict of interest issues. The Board may co-opt additional non-voting members at its discretion. (Co-opted members will not be eligible for meeting fees or expenses).

Appointments have been made for a three-year period, but take into account the importance of continuity in terms of existing members. For the initial appointments, two appointees will retire at the end of 2011/12 and be eligible for reappointment. Similarly two further appointees will retire at the end of 2012/13 and the final two at the end of 2013/14. The Council has the ability to remove one or more Board members at any time should there be clear evidence of non-performance.

Trustees

Paul Winter, chairperson, Michelle Caldwell, deputy chairperson, Ray Salter, Paul Fallon, Clinton Farley and David Wilks.

Significant policies and objectives in regard to ownership and control

DGLT is a CCO for the purposes of the Local Government Act 2002. It is a charitable trust responsible for carrying out destination management and marketing for Taupō District. Underlying the establishment of the Trust is an Inception Agreement with Council. This agreement sets out the relationship between the Board and council and its accountability requirements.

Objective

DGLT has three main objectives:

- build a stronger tourism economy for the Taupō District
- increase key stakeholder engagement and participation
- build a more effective I-site network for the Taupō District

Nature and scope of activities

- Core activities as a Regional Tourism Organisation that can be successfully delivered on a relatively independent basis.
- Voluntary and cooperative visitor industry activities.
- Longer-term investments by private and public sector (community) players to improve the range, quality and value of distinctive visitor experiences and activities in the Great Lake Taupō district.

Key performance targets and other measures of performance

Objectives	Measures of Success
Stronger tourism economy	955,000 commercial guest nights as measured by CAM – [estimated to be 950,000 YE June 2012] Average Length of Stay as measured by CAM 1.71 – (1.70 YE Dec 2012) 25,000 unique visitors per month to the website 50% brand recognition (annual visitor survey) 80% willingness to recommend Taupō region (annual visitor survey)
Increase key stakeholder engagement and participation	Stakeholder Focus Group meetings held in 2012/13 are well attended and supported by industry participants and sectors – monitor key industry sectors represented \$150,000 contributed from key visitor industry participants for DGLT campaigns, \$125,000 domestic and \$25,000 international (\$103,000 contributed for 2011/12 domestic campaigns) 8/10 Industry Stakeholders are satisfied with DGLT performance as measured by Annual Visitor Industry Survey
More effective i-Site network	Increase net revenue – 2.5% annual growth in net revenue (for commissions, advertising and retail profit margin)

No subsidiaries

New Zealand Local Government Funding Agency Limited

LGFA is enabled under the Local Government Borrowing Act 2011 and is a Council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities, and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business. The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (Participating Local Authorities) and comply with the LGFA's lending policies.

Objectives

PRINCIPAL OBJECTIVES

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

- achieve the objectives of the shareholders (Shareholders) in LGFA (both commercial and non-commercial) as specified in

its SOI;

- be a good employer;
- exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- conduct its affairs in accordance with sound business practice.

PRIMARY OBJECTIVE

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

- Providing debt to participating local authorities at the lowest possible interest rates commensurate with the relevant maturity
- Making longer-term borrowings available to participating local authorities
- Enhancing the certainty of access to debt markets for participating local authorities, subject always to operating in accordance with sound business practice

ADDITIONAL OBJECTIVES

LGFA has a number of additional objectives which complement the

primary objective. These objectives will be measurable and achievable and the performance of the company in achieving its objectives will be reported annually. These additional objectives are to:

- Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy set out in section 6
- Become the primary source of debt funding for participating local authorities
- Operate in a manner to ensure LGFA is successful and sustainable in the long-term
- Educate and inform all local authorities (both participating and non-participating) on matters within the scope of LGFA's operations
- Become a leading participant in the New Zealand capital markets
- Provide excellent service to participating local authorities
- Ensure excellent communication exists and be professional in its dealings with all its stakeholders
- Ensure its products and services are delivered in a cost-effective manner
- Consult with shareholders regarding the potential requirement for LGFA borrowers to obtain comprehensive insurance cover

- Review the appropriateness of LGFA's broker business model
- Maintain LGFA's credit rating equal to the New Zealand government sovereign rating where both entities are rated by the same Rating Agency
- Achieve the Financial Forecasts set out in section 4
- Meet or exceed the Performance Targets outlined in section 5
- Achieve the Dividend Policy set out in section 6

Performance targets

LGFA's average cost of funds relative to the average cost of funds for New Zealand Government Securities for the period to:

- 30 June 2013 will be less than 0.50% higher
- 30 June 2014 will be less than 0.40% higher
- 30 June 2015 will be less than 0.40% higher
- The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities will be no more than 0.40%
- LGFA's annualised operating overheads will be less than \$3.2 million

Total lending to Participating Local Authorities at:

- 30 June 2013 will be at least \$900 million
- 30 June 2014 will be at least \$1,400 million
- 30 June 2015 will be at least \$2,000 million
- The total number of Participating Local Authorities Shareholders in the LGFA at 30 September 2012 will be at least 30
- The total number of Participating Local Authorities (ie Shareholders and eligible Borrowers) in the LGFA at 30 September 2012 will be at least 40

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

The Councils that operate within the Bay of Plenty and Gisborne Regions have formed a CCO being a company called BoP LASS (Bay

of Plenty Local Authority Shared Services) to investigate, develop and deliver shared services, joint procurement and communications where and when that can be done more effectively for any combinations of some or all of the councils. The expected benefits that can be achieved through shared services are:

- improved levels and quality of service;
- a co-ordinated and consistent approach to the provision of services;
- reductions in the cost of support and administrative services;
- opportunities to develop new initiatives;
- economies of scale resulting from a single entity representing many councils in procurement;
- these benefits and opportunities can apply to all councils irrespective of location or size.

Membership

BoP LASS Limited is jointly owned by the nine local authorities of the Bay of Plenty region being Bay of Plenty Regional Council, Gisborne District Council, Kawerau District Council, Opotiki District Council, Rotorua District Council, Taupō District Council, Tauranga City Council, Western Bay of Plenty District Council and Whakatane District Council.

BoP LASS Limited has nine directors, being the Chief Executives of their respective Councils: Glenn Snelgrove (chair), Western Bay of Plenty District Council; Mary-Anne Macleod, Bay of Plenty Regional Council; Lindsay McKenzie, Gisborne District Council; Russell George, Kawerau District Council; Aileen Lawrie, Opotiki District Council; Peter Guerin, Rotorua District Council; Rob Williams, Taupō District Council; Ken Paterson, Tauranga City Council; Marty Grenfell, Whakatane District Council

Significant policies and objectives in regard to ownership and control

Council does not have any significant policies or objectives about ownership and control of the company. BoP LASS Limited

will conduct itself in accordance with its Constitution, its annual Statement of Intent agreed with shareholders, and the provisions of the Companies Act 1993 and the Local Government Act 2002.

Objective

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

These will be achieved primarily through:

- Joint procurement – the procurement of services or products by two or more Councils from an external provider regardless of whether the service is paid for through BoPLASS or individually by participating Councils.
- Shared services – the participation of two or more Councils in the provision of a common service which may be jointly or severally hosted.

Nature and scope of activities provided

The principle nature and scope of the activity of BoP LASS Limited is to:

- Use joint procurement to add value to goods and services sourced for its constituent Councils.
- Facilitate shared services that benefit Councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, Council contributions, or government funding where available.
- Allow other Councils or organisations to participate in its activities where this will benefit

its constituent Councils directly or indirectly.

- Represent the collective views of its shareholders in matters with which it is associated.

Key performance targets and other measures of performance

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

- Initiate at least one shared service each year and no less than two shared services successfully implemented within three years;
- Implement shared services demonstrating best practice and added value to participating Councils and stakeholders
- Investigate a minimum of four Joint Procurement initiatives per year for goods and services from sources offering best value, service, continuity of supply and or opportunities for integration.
- Communicate with each shareholding Council at appropriate levels with at least one meeting with each Executive Leadership Team per year.
- Ensure sufficient income is available from activities to sustain a viable company.

No subsidiaries

Local Authority Shared Services Limited

Local Authority Shared Services (LASS) has been promulgated to provide the Councils in the Waikato region with a vehicle to procure shared services. It provides a mechanism for the development of new services which are available to be joined by any shareholder that so chooses. It also provides those Councils that wish to develop new services with a company structure under which they can develop and promote services to other local authorities.

In the early to mid 2000's the relationship between local authorities within the Waikato Region continued to strengthen. As a result of this a range of initiatives were considered by Waikato local authorities with the most beneficial being the Local Authority Shared Services (LASS). At the inception

of this initiative the shareholders identified that improvements could be made in back of office activities by implementing shared services, improvements being gained through cost savings, streamlining of work processes and improved services.

Membership

LASS Limited is jointly owned by the 12 local authorities of the region: Waikato Regional Council, Hamilton City Council, Hauraki District Council, Matamata-Piako District Council, Otorohanga District Council, Rotorua District Council, South Waikato District Council, Taupō District Council, Thames-Coromandel District Council, Waikato District Council, Waipa District Council and Waitomo District Council.

Directors: Gavin Ion (Chair), CE Waikato District Council; Langleigh Cavers, CE Hauraki District Council; Peter Guerin, CE Rotorua District Council; Chris Ryan, CE Waitomo District Council; Bob Laing, CE Waikato Regional Council; Barry Harris, CE Hamilton City Council; Rob Williams, CE Taupō District Council; Dave Clibbery, CE Otorohanga District Council; Gary Dyet, CE Waipa District Council; Don McLeod, CE Matamata-Piako District Council; David Hall, CE South Waikato District Council. David Hammond, CE Thames-Coromandel District Council.

Significant policies and objectives in regard to ownership and control

The policies and objectives for LASS are not significant in terms of Council's policy on significance. LASS Limited will conduct itself in accordance with its constitution, its annual Statement of Intent agreed with shareholders, and provisions of the Local Government Act 2002.

Objective

The objective of the company is to provide local authorities of the Waikato Region with a vehicle to procure shared services.

LASS has two major activities.

Firstly, the Shared Valuation Data Service (SVDS). This operational system is providing both timely and accurate valuation data to member Councils and shareholders. The SVDS has become the accepted

valuation database in the region.

Secondly, the Waikato Regional Transportation Model (WRTM). This model became fully operational in February 2010. This Model, built within its budgeted cost, provides accurate information to Councils for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region.

A range of shared service opportunities are being considered at the present time. For example, some opportunities in the area of procurement have been identified and the shareholders are looking to progress these opportunities.

Further work is also under way to consider how human resource initiatives can be advanced collectively under LASS.

Based on feedback from shareholder Councils and the CEO Forum, the LASS Directors will continue to discuss their role in the development of business cases for shared services at its future meetings. These investigations will include reporting to shareholders and the Waikato Triennial Forum on the alternative mechanisms to develop shared services.

Directors are mindful of the current political environment, and see these investigations of possible shared services as a key focus of their role.

The Company is currently in the process of identifying resource requirements to accelerate efforts to advance collaboration across the shareholder Councils.

Key performance targets and other measures of performance

Performance targets relate to the level of services that are current or under development. It is envisaged that these targets will expand as new services are developed.

1. Shareholder Survey: The company will carry out an annual survey of shareholders to assist the Directors in developing improvements on behalf of the shareholders, and to receive a majority of shareholder approval on the service provided.
2. Costs Control: Administration expenditure shall not exceed that budgeted by more than 5%

unless prior approval is obtained from the Directors.

3. Cashflow: The company maintains an overall positive cashflow position.
4. Reporting: The Board will provide a written report on the business operations and financial position of the LASS on a six monthly basis.
5. Statutory Adherence: There will be an annual report to directors that all statutory requirements of the LASS are being adhered to.
6. SVDS Availability: That SVDS is available to users at least 99% of normal working hours.
7. SVDS Sales Data Delivery: That at least 98% of agreed timelines are met for sale and property files that have been delivered to the FTP server for access to customers.
8. SVDS Major Enhancement Development Hours: All Capital enhancement development work is supported by a business case approved by the Advisory Group.
9. WRTM: That all required modelling reports are actioned within the required timeframe.
10. WRTM: That a full report on progress of the model be provided to the LASS Board twice each year.
11. Advice to the Regional Governance Group: In response to requests from shareholders, the Company will provide regular reports and updates to the Regional Governance group regarding progress with shared service initiatives.

No subsidiaries

Taupō Airport Authority

The operations of the airport are pivotal to the well-being of the district's economy, especially the tourism industry.

The Taupō District Council and the Crown – represented by the Ministry of Transport, own the Taupō Airport Authority (TAA) equally. TAA is managed, under agreement with the Crown, by the Taupō District Council. Management is represented by the Chief Executive Officer of the Airport, who reports to the Chief Executive Officer of the Taupō District Council

Significant policies and objectives in regard to ownership and control

TAA is a CCTO for the purposes of the Local Government Act 2002 and of the other legislation under which the TAA operates.

Significant policies in place for accountability

As well as setting a Statement of Intent each year, and providing half yearly and annual reporting, the TAA Committee interacts with its owners through providing, as manager of TAA, copies of all meeting agendas and minutes of those meetings to the Taupō District Council and arranging special briefings with the Taupō District Council, and separately with the Crown, on an as required basis.

Objectives

The TAA provides airport infrastructure which enables scheduled and chartered air services to be provided for the Taupō district and also provides for local general aviation usage. The TAA is required to operate a successful commercially viable business providing land and infrastructure for the safe, appropriate and efficient air transport needs of the Taupō District.

Nature and scope of activities provided

TAA is engaged in a number of activities, which contribute toward the air transport needs of the district. It provides airport infrastructure consisting of: two runways: (one sealed, one grass), terminal and handling facilities for scheduled commercial flights. TAA maintains buildings, plant and infrastructure appropriate to their use, and makes appropriate financial provision for long term major maintenance and replacement. TAA also provides and develops land for lease to current and prospective aviation businesses. Land that is unsuitable for aviation related businesses may also be developed and leased to non aviation activities provided it does not interfere with the operations of the airport.

Key performance targets and other measures of performance

The sealed runway will be open for

air traffic 365 days of the year unless prevented by adverse weather or unexpected events.

The grass runway will be open for air traffic 365 days of the year unless prevented by adverse weather or unexpected events, or when the sealed runway is in use.

The airport will be Part 139 certified.

A positive financial return on equity to be achieved annually.

The TAA be self funding in terms of its own cash flow requirements as soon as possible.

No subsidiaries

Data Capture Systems Limited

Subsidiaries: none

Data Capture Systems Limited (DCSL) is a company established under the Companies Act 1993. It is a wholly-owned subsidiary of the Taupō District Council.

DCSL is governed by one director.

The previous Board of Directors resolved in February 2006 that Data Capture Systems Limited would cease operations by 30 June 2006, and it became a non-trading company from the 2006/07 year.

Significant policies and objectives in regard to ownership and control

As the company no longer undertakes any activities, Council has exempted the company under section 7 of the Local Government Act 2002 from the definition of a CCO.

Destination Lake Taupō Limited

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

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

3. Groups of Activities Funding Impact Statements >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	29,378	31,417	33,025	36,795	39,527	40,442	42,724	45,193	47,174	48,586	50,407
Targeted rates (other than a targeted rate for water supply)	18,148	19,571	21,812	22,497	23,078	23,831	23,398	23,109	23,604	24,757	25,643
Subsidies and grants for operating purposes	1,672	1,627	1,629	1,643	2,052	2,190	2,319	2,421	2,611	2,732	2,903
Fees, charges, and targeted rates for water supply	10,756	10,413	11,421	12,180	12,776	13,306	13,734	14,208	14,864	15,420	16,146
Interest and dividends from investments	5,634	5,065	4,933	5,018	5,658	5,586	5,549	5,549	5,549	5,549	5,549
Local authorities fuel tax, fines, infringement fees, and other receipts	446	367	379	394	409	423	440	360	383	405	430
Total Operating Funding	66,034	68,459	73,200	78,526	83,500	85,779	88,164	90,840	94,185	97,449	101,078
Applications of Operating Funding											
Payments to staff and suppliers	46,660	49,113	51,131	52,565	54,876	57,397	58,545	59,800	62,307	64,994	67,929
Finance costs	9,664	10,962	11,711	11,640	11,425	11,370	11,245	10,677	10,357	10,349	10,530
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding	56,324	60,075	62,842	64,205	66,301	68,767	69,791	70,477	72,664	75,343	78,459
Surplus/(Deficit) of Operating Funding	9,710	8,384	10,358	14,321	17,199	17,012	18,374	20,364	21,521	22,106	22,619
Sources of Capital Funding											
Subsidies and grants for capital expenditure	1,796	875	881	804	1,038	983	1,050	1,144	1,275	1,191	1,257
Development and financial contributions	850	474	1,310	1,544	2,284	2,404	3,138	2,859	3,360	3,127	3,303
Increase (decrease) in debt	20,458	9,193	471	(4,253)	(2,741)	477	(8,435)	(6,964)	(2,731)	5,263	(1,702)
Gross proceeds from sale of assets	1,500	725	138	831	792	820	850	880	911	944	979
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	24,604	11,267	2,800	(1,074)	1,373	4,684	(3,397)	(2,081)	2,815	10,525	3,837
Applications of Capital Funding											
Capital expenditure	16,939	10,840	4,186	2,303	1,698	7,525	1,406	1,831	3,230	5,707	4,676
- to meet additional demand	8,920	10,166	7,203	5,884	7,185	5,339	6,166	4,101	6,197	3,821	3,931
- to improve the level of service	7,242	7,531	7,269	8,808	9,166	9,115	11,550	11,357	10,181	13,569	9,228
- to replace existing assets	1,213	(8,886)	(5,500)	(3,748)	523	(283)	(4,145)	994	4,728	9,534	8,621
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	34,314	19,651	13,158	13,247	18,572	21,696	14,977	18,283	24,336	32,631	26,456
Surplus/(Deficit) of Capital Funding	(9,710)	(8,384)	(10,358)	(14,321)	(17,199)	(17,012)	(18,374)	(20,364)	(21,521)	(22,106)	(22,619)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Funding Impact Statement Reconciliation to Cost of Service Statement >

	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
REVENUE											
Cost of service statement											
Total activity revenue	23,257	20,352	21,227	22,545	25,034	25,746	27,090	27,470	29,062	29,492	30,718
Rates requirement for operations	49,378	53,095	57,326	61,916	65,318	67,083	69,012	71,271	73,824	76,525	79,373
Rates requirement for capital	-	-	-	-	-	-	-	-	-	-	-
Total revenue per COSS	72,635	73,447	78,553	84,461	90,352	92,829	96,102	98,741	102,886	106,017	110,091
Funding impact statement											
Sources of operating funding											
Total operating funding	66,033	68,459	73,201	78,525	83,498	85,779	88,166	90,840	94,186	97,448	101,080
Add sources of capital funding											
Subsidies and grants for capital expenditure	1,796	875	881	804	1,038	983	1,050	1,144	1,275	1,191	1,257
Development and financial contributions	850	474	1,310	1,544	2,284	2,404	3,138	2,859	3,360	3,127	3,303
Proceeds from sale of fixed assets	1,500	725	138	831	792	820	850	880	911	944	979
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total income	70,179	70,533	75,530	81,704	87,612	89,986	93,204	95,723	99,731	102,710	106,619
Add vested assets	600	900	936	974	1,015	1,059	1,104	1,155	1,214	1,281	1,353
Add unrealised gain on forestry	569	636	655	288	175	175	122	122	122	122	122
Add internal charges and overheads recovered	1,287	1,378	1,432	1,495	1,550	1,609	1,672	1,741	1,819	1,904	1,997
Total revenue	72,635	73,447	78,553	84,461	90,352	92,829	96,102	98,741	102,886	106,017	110,091
EXPENDITURE											
Cost of service statement											
Total activity expenditure	74,988	79,801	83,086	84,953	87,319	90,475	92,121	93,151	96,204	99,499	103,356
Funding impact statement											
Applications of operating funding											
Total applications of operating funding	56,323	60,074	62,843	64,204	66,301	68,766	69,792	70,477	72,663	75,343	78,460
Add depreciation expense	17,378	18,349	18,811	19,254	19,468	20,100	20,657	20,933	21,722	22,252	22,899
Add Internal charges and overheads applied	1,287	1,378	1,432	1,495	1,550	1,609	1,672	1,741	1,819	1,904	1,997
Total expenditure	74,988	79,801	83,086	84,953	87,319	90,475	92,121	93,151	96,204	99,499	103,356



Community Services – Funding Impact Statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	4,573	5,186	5,178	5,232	5,215	5,388	5,499	5,632	5,726	5,920	6,079
Targeted rates (other than a targeted rate for water supply)	41	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	44	40	41	43	44	46	48	50	52	55	57
Fees, charges, and targeted rates for water supply	2,436	2,466	2,550	2,639	2,739	2,849	2,966	3,090	3,223	3,375	3,540
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	40	50	52	54	56	58	60	63	65	68	72
Total Operating Funding	7,133	7,742	7,821	7,967	8,054	8,341	8,573	8,835	9,067	9,418	9,748
Applications of Operating Funding											
Payments to staff and suppliers	6,752	7,376	7,508	7,738	7,881	8,178	8,417	8,662	8,939	9,326	9,660
Finance costs	99	78	81	75	69	64	58	53	47	42	39
Internal charges and overheads applied	34	4	4	4	4	5	5	5	5	5	6
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding	6,885	7,458	7,593	7,817	7,954	8,246	8,480	8,740	8,991	9,374	9,705
Surplus/(Deficit) of Operating Funding	248	284	228	150	100	95	93	95	76	44	43
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(122)	67	(90)	(90)	(89)	(89)	(89)	(89)	(89)	(50)	(50)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	(122)	67	(90)	(90)	(89)	(89)	(89)	(89)	(89)	(50)	(50)
Applications of Capital Funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	150	-	-	-	-	-	-	-	-	-
- to improve the level of service	173	94	73	105	109	47	78	116	116	48	122
- to replace existing assets	(47)	107	65	(45)	(98)	(41)	(74)	(110)	(129)	(54)	(129)
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	126	351	138	60	11	6	4	6	(13)	(6)	(7)
Surplus/(Deficit) of Capital Funding	(248)	(284)	(228)	(150)	(100)	(95)	(93)	(95)	(76)	(44)	(43)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Community Services – Funding Impact Statement Reconciliation to Cost of Service Statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
REVENUE											
Cost of service statement											
Total activity revenue	2,519	2,556	2,643	2,735	2,839	2,953	3,074	3,203	3,341	3,498	3,669
Rates requirement for operations	4,614	5,186	5,178	5,232	5,215	5,388	5,499	5,632	5,726	5,920	6,079
Rates requirement for capital	-	-	-	-	-	-	-	-	-	-	-
Total revenue per COSS	7,133	7,742	7,821	7,967	8,054	8,341	8,573	8,835	9,067	9,418	9,748
Funding impact statement											
Sources of operating funding											
Total operating funding	7,133	7,742	7,821	7,967	8,054	8,341	8,573	8,835	9,067	9,418	9,748
Add sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total income per FIS	7,133	7,742	7,821	7,967	8,054	8,341	8,573	8,835	9,067	9,418	9,748
Add vested assets	-	-	-	-	-	-	-	-	-	-	-
Total revenue	7,133	7,742	7,821	7,967	8,054	8,341	8,573	8,835	9,067	9,418	9,748
EXPENDITURE											
Cost of service statement											
Total activity expenditure	0	0	0	0	0	0	0	0	0	0	0
Total expenditure	7,133	7,742	7,821	7,967	8,054	8,341	8,573	8,835	9,067	9,418	9,748
Funding impact statement											
Applications of operating funding											
Total applications of operating funding	6,885	7,458	7,593	7,817	7,954	8,246	8,480	8,740	8,991	9,374	9,705
Add depreciation expense	248	284	228	150	100	95	93	95	76	44	43
Total expenditure	7,133	7,742	7,821	7,967	8,054	8,341	8,573	8,835	9,067	9,418	9,748

Water – Funding Impact Statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	3,947	5,254	6,506	6,902	7,123	7,370	7,557	7,730	7,892	8,241	8,589
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	1,126	1,346	1,696	1,799	1,856	1,919	1,965	2,006	2,044	2,133	2,221
Internal charges and overheads recovered	190	194	207	219	228	237	246	256	267	280	294
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	5,263	6,794	8,409	8,920	9,206	9,526	9,768	9,992	10,203	10,654	11,105
Applications of Operating Funding											
Payments to staff and suppliers	2,722	3,436	3,963	3,989	4,150	4,318	4,500	4,724	4,933	5,248	5,515
Finance costs	1,265	1,841	2,295	2,404	2,458	2,505	2,504	2,426	2,345	2,399	2,456
Internal charges and overheads applied	18	18	19	20	20	21	22	23	25	26	28
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding	4,025	5,295	6,277	6,413	6,628	6,845	7,027	7,173	7,303	7,673	7,999
Surplus/(Deficit) of Operating Funding	1,238	1,499	2,132	2,507	2,578	2,681	2,741	2,819	2,900	2,981	3,106
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	150	25	77	94	129	132	179	173	218	211	240
Increase (decrease) in debt	8,462	9,665	2,115	1,283	360	1,086	(1,182)	(1,346)	(1,234)	2,954	(994)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	8,612	9,690	2,192	1,377	489	1,218	(1,003)	(1,173)	(1,016)	3,165	(754)
Applications of Capital Funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	8,921	10,660	3,178	2,164	1,204	1,617	274	-	-	-	-
- to improve the level of service	-	-	188	460	146	938	-	38	197	-	-
- to replace existing assets	669	595	854	1,260	1,351	1,609	967	1,134	1,300	5,369	1,161
Increase (decrease) in reserves	260	(66)	104	-	366	(265)	507	474	387	777	1,191
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	9,850	11,189	4,324	3,884	3,067	3,899	1,738	1,646	1,884	6,146	2,352
Surplus/(Deficit) of Capital Funding	(1,238)	(1,499)	(2,132)	(2,507)	(2,578)	(2,681)	(2,741)	(2,819)	(2,900)	(2,981)	(3,106)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Water – Funding Impact Statement Reconciliation to Cost of Service Statement >

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
REVENUE											
Cost of service statement											
Total activity revenue	277	200	259	284	327	339	395	399	456	462	507
Rates requirement for operations	5,236	6,769	8,383	8,893	9,178	9,496	9,737	9,960	10,169	10,618	11,067
Rates requirement for capital	-	-	-	-	-	-	-	-	-	-	-
Total revenue per COSS	5,513	6,969	8,642	9,177	9,505	9,835	10,132	10,359	10,625	11,080	11,574
Funding impact statement											
Sources of operating funding											
Total operating funding	5,263	6,794	8,409	8,920	9,206	9,525	9,768	9,992	10,203	10,653	11,106
Add sources of capital funding	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	150	25	77	94	129	132	179	173	218	211	240
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total income per FIS	5,413	6,819	8,486	9,014	9,335	9,657	9,947	10,165	10,421	10,864	11,346
Add vested assets	100	150	156	163	170	178	185	194	204	216	228
Total revenue	5,513	6,969	8,642	9,177	9,505	9,835	10,132	10,359	10,625	11,080	11,574
EXPENDITURE											
Cost of service statement											
Total activity expenditure	5,885	7,405	8,616	9,014	9,340	9,657	9,945	10,188	10,414	10,891	11,330
Funding impact statement											
Applications of operating funding											
Total applications of operating funding	4,025	5,295	6,277	6,413	6,629	6,844	7,028	7,175	7,302	7,672	7,999
Add depreciation expense	1,860	2,110	2,339	2,601	2,711	2,813	2,917	3,013	3,112	3,219	3,331
Total expenditure	5,885	7,405	8,616	9,014	9,340	9,657	9,945	10,188	10,414	10,891	11,330

Transport – Funding Impact Statement >

	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	6,865	7,999	9,152	9,040	9,382	9,412	9,661	9,704	10,088	10,177	10,784
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	1,575	1,534	1,533	1,543	1,950	2,084	2,208	2,306	2,492	2,608	2,772
Fees, charges, and targeted rates for water supply	60	50	52	54	56	58	60	63	66	69	72
Internal charges and overheads recovered	490	540	558	580	601	622	647	675	708	741	777
Local authorities fuel tax, fines, infringement fees, and other receipts	370	370	382	397	412	426	443	463	485	508	533
Total Operating Funding	9,360	10,493	11,677	11,615	12,400	12,601	13,019	13,211	13,838	14,102	14,888
Applications of Operating Funding											
Payments to staff and suppliers	5,137	4,644	4,772	4,763	5,704	5,969	6,379	6,521	7,070	7,281	7,816
Finance costs	2,469	2,580	2,372	2,136	1,923	1,669	1,385	1,101	822	535	522
Internal charges and overheads applied	490	540	558	580	601	622	647	675	708	741	777
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding	8,096	7,764	7,702	7,480	8,228	8,260	8,411	8,298	8,600	8,557	9,115
Surplus/(Deficit) of Operating Funding	1,264	2,729	3,975	4,135	4,172	4,342	4,609	4,914	5,238	5,545	5,773
Sources of Capital Funding											
Subsidies and grants for capital expenditure	1,796	875	881	804	1,038	983	1,050	1,144	1,275	1,191	1,257
Development and financial contributions	200	92	224	254	365	375	483	463	582	573	619
Increase (decrease) in debt	1,013	(4,862)	(3,803)	(3,284)	(4,070)	(4,586)	(4,544)	(4,554)	(4,388)	(238)	(216)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	3,009	(3,895)	(2,698)	(2,226)	(2,667)	(3,228)	(3,011)	(2,947)	(2,531)	1,526	1,660
Applications of Capital Funding											
Capital expenditure	1,412	150	155	-	-	-	36	123	255	-	-
- to meet additional demand	2,183	1,216	831	962	733	755	785	771	790	323	339
- to improve the level of service	1,891	1,948	1,830	2,295	2,670	2,182	2,291	2,359	3,171	2,856	3,398
- to replace existing assets	(1,213)	(4,480)	(1,538)	(1,348)	(1,898)	(1,823)	(1,514)	(1,286)	(1,509)	3,892	3,696
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	4,273	(1,166)	1,277	1,909	1,505	1,114	1,598	1,967	2,707	7,071	7,433
Surplus/(Deficit) of Capital Funding	(1,264)	(2,729)	(3,975)	(4,135)	(4,172)	(4,342)	(4,609)	(4,914)	(5,238)	(5,545)	(5,773)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Transport – Funding Impact Statement Reconciliation to Cost of Service Statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
REVENUE											
Cost of service statement											
Total activity revenue	4,891	3,661	3,837	3,847	4,643	4,778	5,131	5,365	5,869	5,964	6,318
Rates requirement for operations	6,865	7,999	9,152	9,040	9,382	9,412	9,661	9,704	10,088	10,177	10,734
Rates requirement for capital	-	-	-	-	-	-	-	-	-	-	-
Total revenue per COSS	11,756	11,660	12,989	12,887	14,025	14,190	14,792	15,069	15,957	16,141	17,052
Funding impact statement											
Sources of operating funding											
Total operating funding	9,360	10,493	11,677	11,614	12,399	12,602	13,019	13,212	13,838	14,103	14,888
Add sources of capital funding											
Subsidies and grants for capital expenditure	1,796	875	881	804	1,038	983	1,050	1,144	1,275	1,191	1,257
Development and financial contributions	200	92	224	254	365	375	483	463	582	573	619
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total income per FIS	11,356	11,460	12,782	12,672	13,802	13,960	14,552	14,819	15,695	15,867	16,764
Add vested assets	400	200	207	215	223	230	240	250	262	274	288
Total revenue	11,756	11,660	12,989	12,887	14,025	14,190	14,792	15,069	15,957	16,141	17,052
EXPENDITURE											
Cost of service statement											
Total activity expenditure	14,609	14,338	14,533	14,591	15,566	15,856	16,297	16,503	17,153	17,441	18,319
Funding impact statement											
Applications of operating funding											
Total applications of operating funding	8,096	7,764	7,702	7,479	8,227	8,260	8,410	8,298	8,600	8,558	9,115
Add depreciation expense	6,513	6,574	6,831	7,112	7,339	7,596	7,887	8,205	8,553	8,883	9,204
Total expenditure	14,609	14,338	14,533	14,591	15,566	15,856	16,297	16,503	17,153	17,441	18,319

Lakes, Rivers and Mountains – Funding Impact Statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	11	35	44	52	56	55	54	60	60	60	61
Targeted rates (other than a targeted rate for water supply)	1,400	1,406	1,441	1,478	1,519	1,465	704	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	130	100	100	100	100	100	100	-	-	-	-
Total Operating Funding	1,541	1,541	1,585	1,630	1,675	1,620	858	60	60	60	61
Applications of Operating Funding											
Payments to staff and suppliers	1,132	1,149	1,185	1,221	1,264	1,310	621	27	28	29	31
Finance costs	5	11	14	17	17	16	15	13	12	11	10
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding	1,137	1,160	1,199	1,238	1,281	1,326	636	40	40	40	41
Surplus/(Deficit) of Operating Funding	404	381	386	392	394	294	222	20	20	20	20
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	41	41	39	(22)	(22)	(22)	(22)	(14)	(14)	(13)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	-	41	41	39	(22)	(22)	(22)	(22)	(14)	(14)	(13)
Applications of Capital Funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	100	103	106	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	404	322	324	325	372	272	200	(2)	6	6	7
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	404	422	427	431	372	272	200	(2)	6	6	7
Surplus/(Deficit) of Capital Funding	(404)	(381)	(386)	(392)	(394)	(294)	(222)	(20)	(20)	(20)	(20)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Lakes, Rivers and Mountains – Reconciliation to Cost of Service Statement >

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
REVENUE											
Cost of service statement											
Total activity revenue	130	100	100	100	100	100	100	-	-	-	-
Rates requirement for operations	1,411	1,441	1,485	1,530	1,575	1,520	758	60	60	60	61
Rates requirement for capital	-	-	-	-	-	-	-	-	-	-	-
Total revenue per COSS	1,541	1,541	1,585	1,630	1,675	1,620	858	60	60	60	61
Funding impact statement											
Sources of operating funding											
Total operating funding	1,541	1,541	1,585	1,630	1,675	1,620	858	60	60	60	61
Add sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total income per FIS	1,541	1,541	1,585	1,630	1,675	1,620	858	60	60	60	61
Add vested assets	-	-	-	-	-	-	-	-	-	-	-
Total revenue	1,541	1,541	1,585	1,630	1,675	1,620	858	60	60	60	61
EXPENDITURE											
Cost of service statement											
Total activity expenditure	1,137	1,167	1,211	1,256	1,301	1,346	656	60	60	60	61
Funding impact statement											
Applications of operating funding											
Total applications of operating funding	1,137	1,160	1,199	1,238	1,281	1,326	636	40	40	40	41
Add depreciation expense	-	7	12	18	20	20	20	20	20	20	20
Total expenditure	1,137	1,167	1,211	1,256	1,301	1,346	656	60	60	60	61

Community Facilities – Funding Impact Statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	12,428	13,702	14,221	14,051	13,878	14,153	14,738	14,846	15,064	15,293	15,551
Targeted rates (other than a targeted rate for water supply)	164	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	53	53	55	56	58	61	63	65	67	70	73
Fees, charges, and targeted rates for water supply	2,647	2,524	2,513	2,993	3,134	3,223	3,358	3,447	3,610	3,734	3,905
Internal charges and overheads recovered	44	51	56	63	65	67	70	72	75	78	81
Local authorities fuel tax, fines, infringement fees, and other receipts	40	8	8	8	9	9	9	9	10	10	11
Total Operating Funding	15,376	16,338	16,853	17,172	17,143	17,512	18,238	18,439	18,826	19,185	19,622
Applications of Operating Funding											
Payments to staff and suppliers	10,491	11,179	11,540	11,997	12,355	12,870	13,213	13,648	14,141	14,701	15,205
Finance costs	1,432	1,580	1,818	1,866	1,764	1,800	1,850	1,585	1,490	1,522	1,503
Internal charges and overheads applied	267	314	332	353	365	378	391	404	419	437	457
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding	12,190	13,073	13,690	14,216	14,483	15,048	15,454	15,637	16,051	16,660	17,165
Surplus/(Deficit) of Operating Funding	3,186	3,265	3,163	2,956	2,660	2,464	2,784	2,802	2,775	2,525	2,457
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	250	216	635	745	1,115	1,164	1,518	1,277	1,402	1,297	1,298
Increase (decrease) in debt	2,334	2,627	2,404	(1,426)	(1,236)	2,166	(4,190)	(1,222)	(1,142)	906	(3,747)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	2,584	2,843	3,039	(681)	(123)	3,330	(2,672)	55	260	2,203	(2,449)
Applications of Capital Funding											
Capital expenditure											
- to meet additional demand	467	30	853	139	325	3,904	768	1,044	393	3,596	1,213
- to improve the level of service	2,489	4,020	3,147	954	201	229	597	158	199	115	78
- to replace existing assets	2,294	2,825	1,886	1,796	2,355	2,074	2,316	2,732	2,161	1,929	2,149
Increase (decrease) in reserves	540	(767)	316	(614)	(344)	(413)	(3,569)	(1,077)	282	(912)	(3,432)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	5,770	6,108	6,202	2,275	2,537	5,794	112	2,857	3,035	4,728	8
Surplus/(Deficit) of Capital Funding	(3,186)	(3,265)	(3,163)	(2,956)	(2,660)	(2,464)	(2,784)	(2,802)	(2,775)	(2,525)	(2,457)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Community Facilities – Funding Impact Statement Reconciliation to Cost of Service Statement >

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
REVENUE											
Cost of service statement											
Total activity revenue	3,034	2,852	3,267	3,866	4,380	4,523	5,018	4,870	5,164	5,189	5,369
Rates requirement for operations	12,592	13,702	14,221	14,051	13,878	14,153	14,738	14,846	15,064	15,293	15,551
Rates requirement for capital	-	-	-	-	-	-	-	-	-	-	-
Total revenue per COSS	15,626	16,554	17,488	17,917	18,258	18,676	19,756	19,716	20,228	20,482	20,920
Funding impact statement											
Sources of operating funding											
Total operating funding	15,376	16,338	16,853	17,172	17,143	17,512	18,238	18,439	18,826	19,185	19,622
Add sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	250	216	635	745	1,115	1,164	1,518	1,277	1,402	1,297	1,298
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total income per FIS	15,626	16,554	17,488	17,917	18,258	18,676	19,756	19,716	20,228	20,482	20,920
Add vested assets	-	-	-	-	-	-	-	-	-	-	-
Total revenue	15,626	16,554	17,488	17,917	18,258	18,676	19,756	19,716	20,228	20,482	20,920
EXPENDITURE											
Cost of service statement											
Total activity expenditure	15,380	16,358	16,932	17,291	17,225	17,717	18,044	18,041	18,429	18,906	19,411
Funding impact statement											
Applications of operating funding											
Total applications of operating funding	12,190	13,073	13,690	14,216	14,485	15,048	15,453	15,637	16,051	16,660	17,165
Add depreciation expense	3,190	3,285	3,242	3,075	2,740	2,669	2,591	2,404	2,378	2,246	2,246
Total expenditure	15,380	16,358	16,932	17,291	17,225	17,717	18,044	18,041	18,429	18,906	19,411

Wastewater – Funding Impact Statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	1	-	-	-	-	1
Targeted rates (other than a targeted rate for water supply)	9,498	10,758	11,738	11,909	12,156	12,455	12,650	13,045	13,313	13,979	14,561
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	980	1,012	1,098	1,142	1,191	1,247	1,302	1,362	1,432	1,514	1,605
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	10,478	11,770	12,836	13,051	13,347	13,703	13,952	14,407	14,745	15,493	16,167
Applications of Operating Funding											
Payments to staff and suppliers	4,878	5,585	5,506	5,742	6,050	6,189	6,421	6,724	6,793	7,172	7,804
Finance costs	2,936	3,227	3,301	3,214	3,194	3,224	3,233	3,184	3,164	3,188	3,226
Internal charges and overheads applied	102	104	108	113	118	123	129	135	142	150	159
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding	7,916	8,916	8,916	9,069	9,362	9,536	9,783	10,043	10,098	10,510	11,189
Surplus/(Deficit) of Operating Funding	2,562	2,854	3,920	3,982	3,985	4,167	4,169	4,364	4,647	4,983	4,978
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	250	141	374	451	675	733	958	946	1,158	1,046	1,146
Increase (decrease) in debt	5,587	(382)	(1,616)	(1,184)	504	345	(64)	(1,574)	901	(219)	1,368
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	5,837	(241)	(1,242)	(733)	1,179	1,078	894	(628)	2,059	827	2,514
Applications of Capital Funding											
Capital expenditure											
- to meet additional demand	6,129	-	-	-	169	2,004	328	664	2,582	2,111	3,463
- to improve the level of service	180	1,540	380	817	2,374	495	1,775	-	578	-	286
- to replace existing assets	1,265	1,578	1,900	2,475	2,035	2,267	4,959	4,476	2,262	1,985	1,610
Increase (decrease) in reserves	825	(505)	398	(43)	586	479	(1,999)	(1,404)	1,284	1,714	2,133
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	8,399	2,613	2,678	3,249	5,164	5,245	5,063	3,736	6,706	5,810	7,492
Surplus/(Deficit) of Capital Funding	(2,562)	(2,854)	(3,920)	(3,982)	(3,985)	(4,167)	(4,169)	(4,364)	(4,647)	(4,983)	(4,978)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Wastewater – Funding Impact Statement Reconciliation to Cost of Service Statement >

REVENUE											
Cost of service statement											
Total activity revenue	1,330	1,303	1,628	1,755	2,035	2,157	2,445	2,501	2,794	2,776	2,979
Rates requirement for operations	9,498	10,758	11,738	11,909	12,156	12,456	12,650	13,045	13,313	13,979	14,562
Rates requirement for capital	-	-	-	-	-	-	-	-	-	-	-
Total revenue per COSS	10,828	12,061	13,366	13,664	14,191	14,613	15,095	15,546	16,107	16,755	17,541
Funding impact statement											
Sources of operating funding											
Total operating funding	10,478	11,770	12,836	13,050	13,346	13,702	13,952	14,406	14,745	15,493	16,167
Add sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	250	141	374	451	675	733	958	946	1,158	1,046	1,146
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total income per FIS	10,728	11,911	13,210	13,501	14,021	14,435	14,910	15,352	15,903	16,539	17,313
Add vested assets	100	150	156	163	170	178	185	194	204	216	228
Total revenue	10,828	12,061	13,366	13,664	14,191	14,613	15,095	15,546	16,107	16,755	17,541
EXPENDITURE											
Cost of service statement											
Total activity expenditure	11,836	13,224	13,458	13,754	14,258	14,670	15,123	15,583	15,865	16,491	17,450
Funding impact statement											
Applications of operating funding											
Total applications of operating funding	7,916	8,916	8,916	9,068	9,361	9,535	9,783	10,042	10,098	10,510	11,189
Add depreciation expense	3,920	4,308	4,542	4,686	4,897	5,135	5,340	5,541	5,767	5,981	6,261
Total expenditure	11,836	13,224	13,458	13,754	14,258	14,670	15,123	15,583	15,865	16,491	17,450

Solid Waste – Funding Impact Statement >

	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	958	987	1,003	1,002	1,007	1,026	1,050	1,055	1,087	1,129	1,172
Targeted rates (other than a targeted rate for water supply)	1,721	1,935	1,904	1,979	2,045	2,299	2,238	2,077	2,133	2,261	2,207
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	1,947	2,100	2,342	2,424	2,642	2,748	2,861	2,981	3,109	3,255	3,415
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	4,626	5,022	5,249	5,405	5,694	6,073	6,149	6,113	6,329	6,645	6,794
Applications of Operating Funding											
Payments to staff and suppliers	3,786	4,062	4,502	4,704	4,914	5,201	5,315	5,514	5,740	6,003	6,282
Finance costs	239	266	256	232	236	241	206	170	179	196	159
Internal charges and overheads applied	10	11	12	12	12	13	13	14	15	15	16
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding	4,036	4,340	4,770	4,948	5,162	5,455	5,535	5,698	5,933	6,214	6,457
Surplus/(Deficit) of Operating Funding	590	682	479	457	532	618	614	415	396	431	337
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	858	(306)	(366)	(404)	520	(524)	(596)	(479)	869	(552)	(444)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	858	(306)	(366)	(404)	520	(524)	(596)	(479)	869	(552)	(444)
Applications of Capital Funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	1,132	115	57	21	941	80	-	31	1,273	92	-
- to replace existing assets	122	79	43	75	111	17	63	12	90	190	146
Increase (decrease) in reserves	194	182	13	(43)	-	(3)	(45)	(107)	(98)	(403)	(253)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	1,448	376	113	53	1,052	94	18	(64)	1,265	(121)	(107)
Surplus/(Deficit) of Capital Funding	(590)	(682)	(479)	(457)	(532)	(618)	(614)	(415)	(396)	(431)	(337)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Solid Waste – Funding Impact Statement Reconciliation to Cost of Service Statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
REVENUE											
Cost of service statement											
Total activity revenue	1,947	2,100	2,342	2,424	2,642	2,748	2,861	2,981	3,109	3,255	3,415
Rates requirement for operations	2,679	2,922	2,907	2,981	3,052	3,325	3,288	3,132	3,220	3,390	3,379
Rates requirement for capital	-	-	-	-	-	-	-	-	-	-	-
Total revenue per COSS	4,626	5,022	5,249	5,405	5,694	6,073	6,149	6,113	6,329	6,645	6,794
Funding impact statement											
Sources of operating funding											
Total operating funding	4,626	5,022	5,249	5,405	5,694	6,073	6,149	6,113	6,329	6,645	6,794
Add sources of capital funding	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total income per FIS	4,626	5,022	5,249	5,405	5,694	6,073	6,149	6,113	6,329	6,645	6,794
Add vested assets	-	-	-	-	-	-	-	-	-	-	-
Total revenue	4,626	5,022	5,249	5,405	5,694	6,073	6,149	6,113	6,329	6,645	6,794
EXPENDITURE											
Cost of service statement											
Total activity expenditure	4,481	4,877	5,104	5,260	5,549	5,928	6,004	5,968	6,329	6,645	6,794
Funding impact statement											
Applications of operating funding											
Total applications of operating funding	4,036	4,340	4,770	4,948	5,162	5,455	5,535	5,698	5,933	6,214	6,457
Add depreciation expense	445	537	334	312	387	473	469	270	396	431	337
Total expenditure	4,481	4,877	5,104	5,260	5,549	5,928	6,004	5,968	6,329	6,645	6,794

Stormwater – Funding Impact Statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,286	1,449	1,485	1,534	1,596	1,732	1,724	1,886	1,892	1,989	2,083
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	1,286	1,449	1,485	1,534	1,596	1,732	1,724	1,886	1,892	1,989	2,083
Applications of Operating Funding											
Payments to staff and suppliers	620	594	593	609	632	725	677	793	749	793	839
Finance costs	58	57	59	59	62	66	70	78	84	89	89
Internal charges and overheads applied	0	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding	679	651	652	668	694	791	747	871	833	882	928
Surplus/(Deficit) of Operating Funding	607	798	833	866	902	941	977	1,015	1,059	1,107	1,155
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(53)	12	1	(17)	117	(13)	137	122	71	87	(98)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	(53)	12	1	(17)	117	(13)	137	122	71	87	(98)
Applications of Capital Funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	22	72	64	49	186	64	213	208	164	185	7
- to replace existing assets	31	44	14	14	15	50	16	16	17	18	19
Increase (decrease) in reserves	501	694	756	786	818	814	885	913	949	991	1,031
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	554	810	834	849	1,019	928	1,114	1,137	1,130	1,194	1,057
Surplus/(Deficit) of Capital Funding	(607)	(796)	(833)	(866)	(902)	(941)	(977)	(1,015)	(1,059)	(1,107)	(1,155)
Funding Balance											

Stormwater – Funding Impact Statement Reconciliation to Cost of Service Statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
REVENUE											
Cost of service statement											
Total activity revenue	-	400	417	433	452	473	494	517	544	575	609
Rates requirement for operations	1,286	1,449	1,485	1,534	1,596	1,732	1,724	1,886	1,892	1,989	2,083
Rates requirement for capital	-	-	-	-	-	-	-	-	-	-	-
Total revenue per COSS	1,286	1,849	1,902	1,967	2,048	2,205	2,218	2,403	2,436	2,564	2,692
Funding impact statement											
Sources of operating funding											
Total operating funding	1,286	1,449	1,485	1,534	1,596	1,732	1,724	1,886	1,892	1,989	2,083
Add sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total income per FIS	1,286	1,449	1,485	1,534	1,596	1,732	1,724	1,886	1,892	1,989	2,083
Add vested assets	-	400	417	433	452	473	494	517	544	575	609
Total revenue	1,286	1,849	1,902	1,967	2,048	2,205	2,218	2,403	2,436	2,564	2,692
EXPENDITURE											
Cost of service statement											
Total activity expenditure	1,463	1,449	1,485	1,534	1,596	1,732	1,724	1,886	1,892	1,989	2,083
Funding impact statement											
Applications of operating funding											
Total applications of operating funding	679	651	652	668	694	791	747	871	833	882	928
Add depreciation expense	784	798	833	866	902	941	977	1,015	1,059	1,107	1,155
Total expenditure	1,463	1,449	1,485	1,534	1,596	1,732	1,724	1,886	1,892	1,989	2,083

Democracy and Planning – Funding Impact Statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	6,041	6,294	6,613	6,745	6,705	7,144	7,366	7,356	7,785	8,114	8,201
Targeted rates (other than a targeted rate for water supply)	80	80	80	80	80	80	80	80	80	80	80
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	8	75	9	9	84	10	10	95	11	12
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding	6,121	6,382	6,768	6,834	6,794	7,308	7,456	7,446	7,960	8,205	8,293
Applications of Operating Funding											
Payments to staff and suppliers	6,097	6,359	6,745	6,823	6,793	7,308	7,456	7,446	7,960	8,205	8,293
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding	6,097	6,359	6,745	6,823	6,793	7,308	7,456	7,446	7,960	8,205	8,293
Surplus/(Deficit) of Operating Funding	24	23	23	11	1	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-	-	-	-	-	-
Applications of Capital Funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	62	(39)	11	1	69	-	-	76	-	-
Increase (decrease) in reserves	24	23	(39)	11	1	(69)	-	-	(76)	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	24	23	23	11	1	-	-	-	-	-	-
Surplus/(Deficit) of Capital Funding	(24)	(23)	(23)	(11)	(1)	-	-	-	-	-	-
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Democracy and Planning – Funding Impact Statement Reconciliation to Cost of Service Statement >

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
REVENUE											
Cost of service statement											
Total activity revenue	-	8	75	9	9	84	10	10	95	11	12
Rates requirement for operations	6,121	6,374	6,693	6,825	6,785	7,224	7,446	7,436	7,865	8,194	8,281
Rates requirement for capital	-	-	-	-	-	-	-	-	-	-	-
Total revenue per COSS	6,121	6,382	6,768	6,834	6,794	7,308	7,456	7,446	7,960	8,205	8,293
Funding impact statement											
Sources of operating funding											
Total operating funding	6,121	6,382	6,768	6,834	6,794	7,308	7,456	7,446	7,960	8,205	8,293
Add sources of capital funding	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total income per FIS	6,121	6,382	6,768	6,834	6,794	7,308	7,456	7,446	7,960	8,205	8,293
Add vested assets	-	-	-	-	-	-	-	-	-	-	-
Total revenue	6,121	6,382	6,768	6,834	6,794	7,308	7,456	7,446	7,960	8,205	8,293
EXPENDITURE											
Cost of service statement											
Total activity expenditure	6,121	6,382	6,768	6,834	6,794	7,308	7,456	7,446	7,960	8,205	8,293
Funding impact statement											
Applications of operating funding											
Total applications of operating funding	6,097	6,359	6,745	6,823	6,793	7,308	7,456	7,446	7,960	8,205	8,293
Add depreciation expense	24	23	23	11	1	-	-	-	-	-	-
Total expenditure	6,121	6,382	6,768	6,834	6,794	7,308	7,456	7,446	7,960	8,205	8,293

Investments – Funding Impact Statement >

	2011/12 (\$'000)	2012/13 (\$'000)	2013/14 (\$'000)	2014/15 (\$'000)	2015/16 (\$'000)	2016/17 (\$'000)	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	(4,682)	(8,220)	(8,780)	(5,095)	(2,649)	(2,960)	(2,035)	(148)	495	702	1,148
Targeted rates (other than a targeted rate for water supply)	(0)	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	829	884	1,072	1,096	1,123	1,153	1,185	1,219	1,256	1,297	1,342
Internal charges and overheads recovered	563	592	612	633	657	683	709	738	769	805	844
Local authorities fuel tax, fines, infringement fees, and other receipts	5,500	4,894	4,760	4,842	5,480	5,405	5,365	5,362	5,358	5,354	5,350
Total Operating Funding	2,210	(1,850)	(2,336)	1,476	4,611	4,281	5,224	7,171	7,878	8,158	8,684
Applications of Operating Funding											
Payments to staff and suppliers	1,377	824	777	788	812	831	856	881	911	949	980
Finance costs	1,047	1,228	1,421	1,549	1,619	1,710	1,855	2,002	2,155	2,313	2,478
Internal charges and overheads applied	365	386	400	414	429	447	465	484	505	529	555
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding	2,788	2,438	2,598	2,751	2,860	2,988	3,176	3,367	3,571	3,791	4,013
Surplus/(Deficit) of Operating Funding	(578)	(4,288)	(4,934)	(1,275)	1,751	1,293	2,048	3,804	4,307	4,367	4,671
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	2,109	2,424	1,878	923	1,270	2,208	2,208	2,293	2,389	2,484	2,587
Gross proceeds from sale of assets	1,500	725	138	831	792	820	850	880	911	944	979
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	3,609	3,149	2,016	1,754	2,062	3,028	3,058	3,173	3,300	3,428	3,566
Applications of Capital Funding											
Capital expenditure	10	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	2,584	2,950	2,430	2,512	2,601	2,775	2,792	2,891	2,992	3,102	3,217
- to replace existing assets	755	354	515	691	505	703	764	502	889	1,031	604
Increase (decrease) in reserves	(318)	(4,443)	(5,863)	(2,724)	707	843	1,550	3,584	3,726	3,662	4,416
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	3,031	(1,139)	(2,918)	479	3,813	4,321	5,106	6,977	7,607	7,795	8,237
Surplus/(Deficit) of Capital Funding	578	4,288	4,934	1,275	(1,751)	(1,293)	(2,048)	(3,804)	(4,307)	(4,367)	(4,671)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Investments – Funding Impact Statement Reconciliation to Cost of Service Statement >

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
REVENUE											
Cost of service statement											
Total activity revenue	8,398	7,139	6,625	7,057	7,570	7,553	7,522	7,583	7,647	7,717	7,793
Rates requirement for operations	(4,119)	(7,628)	(8,168)	(4,462)	(1,992)	(2,277)	(1,326)	590	1,264	1,507	1,992
Rates requirement for capital	-	-	-	-	-	-	-	-	-	-	-
Total revenue per COSS	4,279	(489)	(1,543)	2,595	5,578	5,276	6,196	8,173	8,911	9,224	9,785
Funding impact statement											
Sources of operating funding											
Total operating funding	2,210	(1,850)	(2,336)	1,476	4,611	4,281	5,224	7,171	7,878	8,158	8,684
Add sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	1,500	725	138	831	792	820	850	880	911	944	979
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total income per FIS	3,710	(1,125)	(2,198)	2,307	5,403	5,101	6,074	8,051	8,789	9,102	9,663
Add vested assets	-	-	-	-	-	-	-	-	-	-	-
Add Unrealised gain on Forestry	569	636	655	288	175	175	122	122	122	122	122
Total revenue	4,279	(489)	(1,543)	2,595	5,578	5,276	6,196	8,173	8,911	9,224	9,785
EXPENDITURE											
Cost of service statement											
Total activity expenditure	3,017	2,703	2,872	3,034	3,107	3,229	3,423	3,621	3,829	4,010	4,237
Funding impact statement											
Applications of operating funding											
Total applications of operating funding	2,788	2,437	2,598	2,751	2,860	2,988	3,177	3,367	3,571	3,792	4,014
Add depreciation expense	229	266	274	283	247	241	246	254	258	218	223
Total expenditure	3,017	2,703	2,872	3,034	3,107	3,229	3,423	3,621	3,829	4,010	4,237

Economic Development – Funding Impact Statement >

	2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,896	3,985	4,109	4,234	4,337	4,491	4,667	4,802	4,977	5,202	5,377
Targeted rates (other than a targeted rate for water supply)	1,297	138	143	149	155	162	169	177	186	196	206
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	731	23	24	25	26	27	28	29	30	31	33
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	10	10	11	11	12	12	13	13	14	14
Total Operating Funding	3,924	4,156	4,286	4,418	4,529	4,691	4,876	5,020	5,206	5,443	5,630
Applications of Operating Funding											
Payments to staff and suppliers	3,665	3,904	4,039	4,190	4,323	4,498	4,689	4,839	5,044	5,287	5,504
Finance costs	94	95	94	88	82	76	70	65	59	53	47
Internal charges and overheads applied	1	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding	3,759	3,999	4,133	4,278	4,405	4,574	4,759	4,904	5,103	5,340	5,551
Surplus/(Deficit) of Operating Funding	165	157	153	140	124	117	117	116	103	103	79
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	270	(93)	(93)	(93)	(93)	(94)	(93)	(93)	(94)	(95)	(95)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding	270	(93)	(93)	(93)	(93)	(94)	(93)	(93)	(94)	(95)	(95)
Applications of Capital Funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	350	3	3	3	3	3	4	4	4	4	4
- to replace existing assets	42	14	92	97	15	97	106	10	99	143	19
Increase (decrease) in reserves	43	47	(35)	(53)	13	(77)	(86)	9	(94)	(139)	(39)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding	435	64	60	47	31	23	24	23	9	8	(16)
Surplus/(Deficit) of Capital Funding	(165)	(157)	(153)	(140)	(124)	(117)	(117)	(116)	(103)	(103)	(79)
Funding Balance	-	-	-	-	-	-	-	-	-	-	-

Economic Development – Funding Impact Statement Reconciliation to Cost of Service Statement >

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
REVENUE											
Cost of service statement											
Total activity revenue	731	33	34	35	37	38	40	41	43	45	47
Rates requirement for operations	3,193	4,123	4,252	4,383	4,492	4,653	4,836	4,979	5,163	5,398	5,583
Rates requirement for capital	-	-	-	-	-	-	-	-	-	-	-
Total revenue per COSS	3,924	4,156	4,286	4,418	4,529	4,691	4,876	5,020	5,206	5,443	5,630
Funding impact statement											
Sources of operating funding											
Total operating funding	3,924	4,156	4,286	4,418	4,529	4,691	4,876	5,020	5,206	5,443	5,630
Add sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total income per FIS	3,924	4,156	4,286	4,418	4,529	4,691	4,876	5,020	5,206	5,443	5,630
Add vested assets	-	-	-	-	-	-	-	-	-	-	-
Total revenue	3,924	4,156	4,286	4,418	4,529	4,691	4,876	5,020	5,206	5,443	5,630
EXPENDITURE											
Cost of service statement											
Total activity expenditure	3,924	4,156	4,286	4,418	4,529	4,691	4,876	5,020	5,206	5,443	5,630
Funding impact statement											
Applications of operating funding											
Total applications of operating funding	3,759	3,999	4,133	4,278	4,405	4,574	4,759	4,904	5,103	5,340	5,551
Add depreciation expense	165	157	153	140	124	117	117	116	103	103	79
Total expenditure	3,924	4,156	4,286	4,418	4,529	4,691	4,876	5,020	5,206	5,443	5,630



4. TAFM Reserve Disclosure >

Reserve Name	Opening Balance 01/07/2011 (\$000)	Expected Deposits 01/07/11-30/06/22 (\$000)	Expected Withdrawals 01/07/11-30/06/22 (\$000)	Expected Balance @ 30/06/22 (\$000)	Purpose of the Fund
Development Contribution Reserves					
Community Infrastructure - District	801	2,029	(53)	2,777	To fund for Development Contribution capital expenditure, loan repayments & interest for Commercial Infrastructure - District
District Wide Parks	158	514	(603)	69	To fund for Development Contribution capital expenditure, loan repayments & interest for District Wide Parks
Parks & Reserves Land (Residential)	4,006	12,795	(12,120)	4,682	To fund for Development Contribution capital expenditure, loan repayments & interest for Residential Parks Reserve Land
Transport District Wide	1,469	4,674	(3,588)	2,555	To fund for Development Contribution capital expenditure, loan repayments & interest for District Wide Transport
Wastewater - Atiamuri	2	2	-	5	To fund for Development Contribution capital expenditure, loan repayments & interest for Wastewater - Atiamuri
Wastewater - Kinloch	(27)	-	(78)	(105)	To fund for Development Contribution capital expenditure, loan repayments & interest for Wastewater - Kinloch
Wastewater - Mangakino	3	0	(1,316)	(1,313)	To fund for Development Contribution capital expenditure, loan repayments & interest for Wastewater - Mangakino
Wastewater - Omori	-	-	(3)	(3)	To fund for Development Contribution capital expenditure, loan repayments & interest for Wastewater - Omori
Wastewater - Taupo	1,610	9,522	(8,989)	2,143	To fund for Development Contribution capital expenditure, loan repayments & interest for Wastewater - Taupo
Wastewater - Turangi/Tongairi	42	321	(204)	159	To fund for Development Contribution capital expenditure, loan repayments & interest for Wastewater - Turangi/Tokaanu
Wastewater Whareroa	-	-	(211)	(211)	To fund for Development Contribution capital expenditure, loan repayments & interest for Wastewater - Whareroa
Water - Acacia Bay	-	-	-	-	To fund for Development Contribution capital expenditure, loan repayments & interest for Water - Acacia Bay
Water - Atiamuri	0	0	-	0	To fund for Development Contribution capital expenditure, loan repayments & interest for Water - Atiamuri
Water - Kinloch	33	62	(475)	(381)	To fund for Development Contribution capital expenditure, loan repayments & interest for Water - Kinloch
Water - Mapara Road	1	1	-	2	To fund for Development Contribution capital expenditure, loan repayments & interest for Water - Mapara Road
Water - Motuopa	-	22	(19)	3	To fund for Development Contribution capital expenditure, loan repayments & interest for Water - Motuopa
Water - Omori/Pukawa/Kuratau	29	26	-	54	To fund for Development Contribution capital expenditure, loan repayments & interest for Water - Omori/Pukawa/Kuratau
Water - River Road	5	5	-	10	To fund for Development Contribution capital expenditure, loan repayments & interest for Water - River Road
Water - Taupo	859	1,975	(7,188)	(4,353)	To fund for Development Contribution capital expenditure, loan repayments & interest for Water - Taupo
Water - Turangi/Tongairi	13	10	(65)	(43)	To fund for Development Contribution capital expenditure, loan repayments & interest for Water - Turangi/Tokaanu
Water - Whareroa	-	-	-	-	To fund for Development Contribution capital expenditure, loan repayments & interest for Water - Whareroa
Depreciation Reserves					
Buildings - District	1,541	26,087	(26,933)	695	To fund for renewals, capital expenditure & loan repayments for Buildings - District
Forestry - District	1,072	6,214	(4,927)	2,360	To fund for renewals, capital expenditure & loan repayments for General Capital expenditure - District
Land Subdivision - District	2,114	-	(1,147)	966	To fund for renewals, capital expenditure & loan repayments for Land Subdivision - District
Operational assets - District	1,265	21,356	(22,565)	57	To fund for renewals, capital expenditure & loan repayments for Operational assets - District
Solid Waste - District	309	1,828	(1,494)	643	To fund for renewals, capital expenditure & loan repayments for District Solid Waste
Transport & Stormwater - District	8,896	64,486	(62,361)	11,020	To fund for renewals, capital expenditure & loan repayments for Transport & Stormwater - District
Wastewater - District	3,847	59,452	(52,468)	10,831	To fund for renewals, capital expenditure & loan repayments for Wastewater - District
Water - Acacia Bay	417	1,124	(1,228)	314	To fund for renewals, capital expenditure & loan repayments for Water - Acacia Bay
Water - Atiamuri	126	263	(342)	47	To fund for renewals, capital expenditure & loan repayments for Water - Atiamuri
Water - Bonshaw Park	33	341	(293)	81	To fund for renewals, capital expenditure & loan repayments for Water - Bonshaw Park

Reserve Name	Opening Balance 01/07/2011 (\$'000)	Expected Deposits 01/07/11- 30/06/22 (\$'000)	Expected Withdrawals 01/07/11- 30/06/22 (\$'000)	Expected Balance @ 30/06/22 (\$'000)	Purpose of the Fund
Water - Centennial Drive	39	1,463	(568)	934	To fund for renewals, capital expenditure & loan repayments for Water - Centennial Drive
Water - Hatepe	61	303	(227)	137	To fund for renewals, capital expenditure & loan repayments for Water - Hatepe
Water - Kinloch	1,374	1,236	(1,651)	959	To fund for renewals, capital expenditure & loan repayments for Water - Kinloch
Water - Mangakino	198	1,377	(1,341)	234	To fund for renewals, capital expenditure & loan repayments for Water - Mangakino
Water - Mapara	270	476	(619)	127	To fund for renewals, capital expenditure & loan repayments for Water - Mapara
Water - Motuopa	188	489	(518)	159	To fund for renewals, capital expenditure & loan repayments for Water - Motuopa
Water - Omori	769	1,059	(131)	1,697	To fund for renewals, capital expenditure & loan repayments for Water - Omori
Water - River Road	118	250	(307)	61	To fund for renewals, capital expenditure & loan repayments for Water - River Road
Water - Taupo	781	15,921	(14,634)	2,069	To fund for renewals, capital expenditure & loan repayments for Water - Taupo
Water - Tirohanga	350	998	(845)	503	To fund for renewals, capital expenditure & loan repayments for Water - Tirohanga
Water - Turangi	1,065	2,944	(1,468)	2,541	To fund for renewals, capital expenditure & loan repayments for Water - Turangi
Water - Waihaha	285	624	(211)	698	To fund for renewals, capital expenditure & loan repayments for Water - Waihaha
Water - Waitahanui	48	293	(187)	154	To fund for renewals, capital expenditure & loan repayments for Water - Waitahanui
Water - Whakamaru	51	261	(112)	200	To fund for renewals, capital expenditure & loan repayments for Water - Whakamaru
Water - Whakamoenga	39	157	(34)	161	To fund for renewals, capital expenditure & loan repayments for Water - Whakamoenga
Water - Whakarua	221	416	(331)	307	To fund for renewals, capital expenditure & loan repayments for Water - Whakarua
Water - Whareroa	16	248	(137)	126	To fund for renewals, capital expenditure & loan repayments for Water - Whareroa
Other Reserves					
Disaster Recovery Fund	1,733	700	-	2,433	To provide \$70,000 to fund CAPFF insurance scheme annually for disaster coverage
District Airport Reserve	69	-	-	69	To provide for heavy periodic maintenance charges on assets such as buildings, roads etc & for future capital works of this nature
Lake Taupo Protection Rate	2,935	2,636	-	5,571	For the protection of Lake Taupo's water quality
Parking	75	-	-	75	For the purchase or development of parking
Forestry Silviculture & Tending	262	-	(894)	(633)	To be used in the establishment, maintenance & operation of Councils forestry blocks
Strategic Property Purchase - District	2,091	24,238	(21,466)	4,863	To fund specific strategically based property purchases & associated projects - District
TEL	53,626	20,250	-	73,876	As per Treasury Management Policy
Total Reserves	95,288	289,450	(254,353)	130,384	

5. Forecasting Assumptions

All assumptions have medium or low uncertainty unless otherwise specified. The significant lives of assets can be found in the accounting policies on page 111 and the sources of funding for future expenditure can be found in the Revenue and Financing policy on page 120.

PEOPLE

1. Population growth based on Stats NZ medium growth projections. (TA SPP-06-31-tables at http://www.stats.govt.nz/browse_for_stats/population/estimates_and_projections/pop-estimates-june.aspx)
2. Population structure continues to age especially in and around Taupō township.
3. High proportions of Māori youth (0-15 years) in Mangakino and Turangi will have increasing demand for education, training and employment.

ECONOMY

4. Council's strategic focus is on economic development.
5. Global financial crisis impacts continue to reverberate causing uncertainty.
6. Inflation consistent with BERL Local Government Cost Index (LGCI) predictions.
7. Limited growth in rateable properties as per Council's revised growth model (for expected growth numbers see Prospective Schedule of Rates on page 102).
8. Central government continues to focus on debt reduction and earthquake recovery.
9. NZTA subsidy rates remain constant (see Transport Activity on page 41).
10. No new unfunded mandates from central government. (High uncertainty due to possible changes in central government policy for local government. Consequences are difficult to assess until we see policy detail).
11. Council will sell assets (property & forestry) to subsidise rates in years 2012 -2015 and thereafter use to repay debt (see Investment Activity on page 91).

ENVIRONMENT

12. Climate will continue to change in line with central government projections. Asset management plans take account of projected climate change impacts (see NIWA projections in Asset Management Plans on Council website www.taupo.govt.nz).
13. All levels of government have a continued focus and commitment to environmental quality.
14. Waikato Regional Council's water allocation strategy continues to limit water takes in the District.
15. There are no substantial natural disasters within the District. Council has not made financial provision to remedy the consequences of a significant natural disaster. The level of certainty for this assumption is unknown. A major natural disaster will be expensive.

FINANCE

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

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

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

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

The degree of impact to the LTP is outlined below.

1. Asset Revaluations

Key variable – Inflation rate

The asset revaluation amounts are based on the cumulative inflation tables provided by BERL (see page 188). The effect of a change in the actual rate of inflation will mean a higher/lower asset value and a higher/lower depreciation charge.

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

2. Financial Ratios

Key variables – the financial ratios set by Council in accordance with the Treasury Management Policy allow for the projected borrowing requirements to be met for this LTP are as follows:

Ratio	Limit
% Gross Interest Expense / Annual Operating Income	Must not exceed 20%
% Gross External Debt / Equity	Must not exceed 15%
Net Operating Cashflows / Total Interest Expense	Must be greater than 2
% Gross External Debt / Annual Operating income	Must not exceed 250%

3. Income from the Sale of Council Property

Key variable – Net sale proceeds and infrastructure costs.

Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Forecast										
Net Sale Proceeds	5,270	3,222	3,443	1,577	1,634	1,693	1,753	1,814	1,881	1,951

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

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

4. Income from the harvest of Council's forests

Key variable – Net sale proceeds

Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Forecast										
Net Forestry Sales	1,921	2,058	688	915	0	632	0	0	0	0

If the estimated net sales proceeds are not achieved then the net cash flow will be reduced. The above estimates are subject to market risk with regard to log prices and are influenced by foreign exchange fluctuations and worldwide demand for logs, particularly from China. Consequences of changes as noted above

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

5. Development Contributions Income

Key Variable – the assumed rate of growth

It is probable that the demand for new sections in Taupō District will continue over time.

Internationally there is demand for coastal and water access properties. This is reflected in the district where we have both international and national purchasers of land. Taupō has continued to provide holiday and lifestyle choice properties with prices sometimes firmer in contrast to national property pricing trends.

In the short term, the growth numbers reflect a downturn in the economy.

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

6. Investment Returns

Key Variable – the return on investments

The LTP assumes that income will be generated from all assets the Council owns for investment to supplement income from rates. Council seeks to achieve growth in parts of its investment portfolio e.g. TEL fund, but such growth is dependent upon Council funding requirements. Other investments, such as forestry deliver returns in lump sums at time of harvest. The assumed interest rate on cash investments ranges from 4.5% to 7.5% over the 10 years.

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

7. Interest Rate on Borrowings

Key variable – the interest rate on borrowed funds is assumed to be between 5.5% and 6.5% per annum.

Currently Council's borrowing is sourced from a combination of bank financing and debenture issuance with the majority of this overlaid by fixed interest rate swaps. These swaps extend out to maturities ranging between 2012 and 2020. The relevant interest rates fixed under the swaps range from 4.29% to 6.37%. The weighted average cost of Councils borrowing at 30 June 2011 was 6.20%.

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

8. Expenditure on Capital Projects and Debt Levels

The LTP capital expenditure budgets have been set bearing in mind the financial covenants of the treasury management policy.

10. Inflation adjustment

The figures in all the financial reports have been adjusted to include inflation-adjustment expectations for the relevant year of the LTP. These inflation adjusters have been provided by BERL (September 2011 Report) and have been endorsed for use by the Society of Local Government Managers. The table below details the inflation adjusters for each category of cost.

In setting the final programme of capital expenditure, asset maintenance and asset renewal projects were given the highest level of priority so that Council can continue to maintain its existing levels of service. Other major projects in response to statutory requirements have been delayed or deferred where possible.

Major projects planned during the ten year period 20012-2022 are:

- AC Baths – Pools rebuild and refurbishment
- Water Supply Taupō
- Wastewater Eastern trunk sewer extension
- Taupō land development.

9. Asset Management Plans – Timing of Expenditure

The assumptions used in the Asset Management Plans form the basis for the timing of asset related expenditure predominantly in respect of infrastructure. These assumptions are set out in the Asset Management Plans that are available separately.

BERL Forecast of Price Level Change Adjusters

Cumulative Inflation Table (%)

Year	Roading/Transport	Property / Reserves & Parks	Water	Other
2012/13	0.0	0.0	0.0	0.0
2013/14	3.3	3.1	4.2	3.4
2014/15	7.3	6.3	8.2	6.9
2015/16	10.9	9.7	12.5	10.7
2016/17	14.4	13.4	17.2	14.7
2017/18	18.4	16.7	21.6	18.8
2018/19	22.8	20.2	26.2	23.0
2019/20	27.6	24.0	31.4	27.3
2020/21	32.3	28.3	37.1	32.0
2021/22	37.2	32.7	43.1	36.9

6. Taupō District Profile

Population (2011)							
Taupō Kaingaroa ward	26,500						
Turangi Tongariro ward	4,820						
Mangakino Pouakani ward	2710						
Total district estimated population	34,030						
Estimated district peak population, including visitors	60,000						
Median age (years) (2006)	37.5 years						
Māori population percentage of total (2006)	28.2%						
Area							
Total area	6970 km ²						
Total land area	6354 km ²						
Lake Taupō area	616 km ²						
Economy							
Average house sale price (April 2012)	\$357,000						
Number of businesses (2011)	4559						
Average weekly income (Waikato region, 2011)	\$678						
Largest industries by employment (2011)	<ol style="list-style-type: none"> 1. Accommodation, cafes & restaurants (15%) 2. Retail (13%) 3. Agriculture, forestry & fishing (12%) 4. Education and training 8% 5. Construction (7%) 						
Largest industry by business numbers (2011)	Rental, hiring and real estate (19%)						
Electoral information (2010)							
Electors	23,296						
Voter turnout for the election	55%						
Number of wards	3						
Number of Councillors (including Mayor)	11						
Property owners who live outside the district (May 2012)	44%						
Altitude (metres above sea level)							
Lake Taupō	357 m						
Mt Ruapehu	2,797 m						
Mt Ngauruhoe	2,290 m						
Mt Tongariro	1,968 m						
Mt Pihanga	1,325 m						
Mt Tauhara	1,088 m						
Climate (mean annual values, 1971-2000)							
Rainfall (mm)	1102 mm						
Wet-days (>=1.0 mm)	116 days						
Sunshine (hours)	1,965						
Temperature (°C)	<table border="1"> <tr> <td>mean</td> <td>11.9°</td> </tr> <tr> <td>highest</td> <td>33.0°</td> </tr> <tr> <td>lowest</td> <td>-6.3°</td> </tr> </table>	mean	11.9°	highest	33.0°	lowest	-6.3°
mean	11.9°						
highest	33.0°						
lowest	-6.3°						
Ground frost	69 days						
Wind (mean speed)	13 km/h						
Gale days (mean speed at least 63 km/h)	2 days						
Relative humidity	81%						
Lake Taupō							
Length	25 nautical miles (46 km)						
Width	18 nautical miles (33 km)						
Perimeter	104 nautical miles (193 km)						
Area (hectares)	60,000 ha						
Volume	59 km ³						
Height above sea level – minimum (chart datum)	355.85 m						
Depth maximum	187 m (102.2 fathoms)						
Depth average	110 m (60.1 fathoms)						
Surface temperature (°C)	<table border="1"> <tr> <td>coldest winter</td> <td>10.6°</td> </tr> <tr> <td>summer average (up to 25° in summer in shallows)</td> <td>18.0°</td> </tr> </table>	coldest winter	10.6°	summer average (up to 25° in summer in shallows)	18.0°		
coldest winter	10.6°						
summer average (up to 25° in summer in shallows)	18.0°						
Council staff							
Full time equivalents as at June 2012	302.5						
Roads (2011)							
Total length	762 km						
urban	227 km						
rural	535 km						
Wastewater (August 2011)							
Public systems (number of treatment plants)	12						
Sewer reticulation length	365 km						
Number of connections	17,689						

Water Supply (August 2011)	
Public schemes (number of intake sources)	21
Water supply zones	25
Water reticulation length	580 km
Number of connections	18,952
Stormwater (August 2011)	
Urban piped drains	259 km
Solid waste (2010)	
Waste delivered to landfill (tonnes pa)	18,230
Recycling collected from kerbside (tonnes pa)	5,753
Recreation and civic amenities (2011)	
Council reserves and parks area (hectares)	875 ha
Public conveniences	58
Council halls and community centres	12
Library books issued (July 2011 to May 2012)	377,213
Swimming pool visits	233,847
Regulatory and consents	
Resource consents issued (July 2011 – May 2012)	191
Building consents issued (July 2011 – May 2012)	715
Registered dogs (May 2012)	6,062
Cemeteries – burials and cremations (July 2011 to May 2012)	61

Report from Council's auditor

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent auditor's report

**To the readers of
Taupo District Council's
Long-term Plan
for the ten years commencing 1 July 2012**

The Auditor-General is the auditor of Taupo District Council (the District Council). The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP), on her behalf. We have audited the District Council's LTP dated 26 June 2012 for the ten years commencing 1 July 2012.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall opinion

In our opinion the District Council's LTP dated 26 June 2012 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on specific matters required by the Act

In our view:

- **the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and**
- **the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 26 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the District Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;

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

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the District Council

The District Council is responsible for preparing a LTP under the Act, by applying the District Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The District Council is also responsible for such internal control as it determines is necessary to enable the preparation of an LTP that is free from material misstatement.

The District Council's responsibilities arise from Section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

Independence

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the District Council nor any of its subsidiaries.



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