



GREAT LAKE TAUPŌ
Taupō District Council

LONG-TERM PLAN 2021-31



**SHAPING
OUR FUTURE.**

TAUPŌ DISTRICT LONG-TERM PLAN 2021-2031

 **OUR PLAN.
OUR TAUPŌ DISTRICT.**

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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.

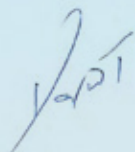
Council and management of Taupō District Council accept responsibility for the preparation of the Long-term Plan and the prospective financial statements presented, including the assumptions underlying the prospective financial statements.

The prospective financial statements contained within this Long-term plan were authorised for issue on the 29 June 2021 by Council.

The opening balances in the prospective statement of financial position is derived from the most recently completed financial statements being 30 June 2020, adjusted according to the 2020/21 Annual Plan movements and/or any other forecast movements that are materially different from the 30 June 2020 closing position.

Future annual plans will be used to update the financial forecasts outlined in this Long-term-plan. The Long-term-plan will be formally reviewed every three years.

In the opinion of Council and management of Taupō District Council, the Long-term Plan for the ten years commencing on 1 July 2021 provides a reasonable basis for long term integrated decision making, co-ordination of the Taupō District Council's resources and provides a basis for accountability to the community about the activities of the Taupō District Council.



David Trewavas
Mayor
29 June 2021



Gareth Green
Chief Executive
29 June 2021



Andrew Peckham
General Manager Corporate
29 June 2021

“
**Whakapūpūtia mai ō
mānuka, kia kore ai e whati.**

**Cluster the branches of the mānuka, so
they will not break. (Together with a shared
vision, we know which direction to go.)**

”

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

Welcome to the Taupō District's Long-term Plan for 2021-2031. This is our guiding document for the next 10 years and outlines our plans and priorities for the district over this period. It covers the services, projects and activities we have planned across the district, alongside the budgets we require to deliver them.

As part of this Plan, we have set new strategic goals that will not only service our community well today, but also for many years to come. These are:

- Growing resilient economies
- Enhancing healthy and sustainable environments, and;
- Enabling connected and safe communities.

We have used these to guide our long-term planning and prioritisation, alongside valuable feedback we received from the community on our draft plans. What the community have told us is that they would like to see us do more across our district.

Of course, it has also been important to balance what we would like to deliver with what is affordable for ratepayers. This Plan balances affordability and deliverability with the aim of maintaining the district's forward momentum and ensuring we are well set up for the future.

This plan has taken into account the feedback from the community and delivers across a range of priorities including:

- Delivering major investment in core infrastructure across the district
- Improving access to safe drinking water for our communities by moving to district wide funding
- Strengthening our response to climate change
- Delivering better outcomes to address housing issues (including affordable, pensioner and papakainga housing)
- Developing a strategic approach to support arts and culture and sports and recreation in our district.
- Building on our investments in line with our strategy for the TEL fund.

We are, of course, delivering services and initiatives that will support our communities directly. While we are one district it is important to understand what is required for specific communities and we have included long term planning to deliver this across our district.

We believe the decisions we have made in finalising this Plan hold us in good stead moving forward and will ensure the Taupō District is, and will remain, a great place to live.



David Trewavas
Mayor



Gareth Green
Chief Executive

YOUR COUNCIL



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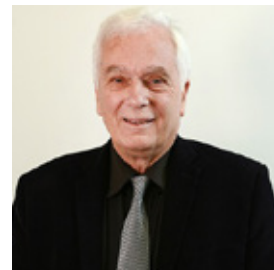
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TE TIRITI O WAITANGI

Kei te hāngai tika atu Te Kaunihera a Rohe o Taupō ki ngā ture o Te Tiriti o Waitangi me te mau mōhio ko te honongatahi te pūtake o Te Tiriti. E ai ki tēnei kia mahi tahi tātou ki runga i te whakaponono me te ngākaunui ki te whakamana i tēnei hononga. Kei te mōhio mātou he rerekē ngā takohanga kei waenganui i te Karauna hei kawenga ma te Kaunihera a Rohe o Taupō.

Ka hāngai tika atu Te Kaunihera a Rohe o Taupō ki ngā mātāpono mo te honotahi (ki te mahi tahi i tenei whakakotahitanga) kia uru tahi (te Māori ki ngā mahi a te Kaunihera), te tiaki (te whakatakoto i ngā tikanga me te tiaki i ngā tāonga o te iwi Māori) ki roto i a mātou whakaritenga mahi, ngā manahau me te whakatakoto kaupapa.

Ka mahitahi Te Kaunihera a Rohe o Taupō ki te iwi, me ngā hapū ki te whakamana i te ture mo ngā whakataunga o Te Tiriti me ētehi atu kaupapa ka puta mai i ēnei mahi.

Kei te mau uara Te Kaunihera a Rohe o Taupō mo to mātou hononga ki te iwi Māori kei roto i to tātou rohe. He roa ake te wā e piritahi pēnei, ka mau pono mātou ki te whakarei me te atawhaitia ki roto i ā mātou mahi me ngā wā ka hui tahi mātou ki ngā hapū, me te iwi Māori.

Ki te mau mārō o tātou honotahi, ka taea te Kaunihera ki te tukutuku ngā hua ki runga ake o ērā ka taea te tuku me ko te Kaunihera anahe.

E rua ngā rēanga e tika ana ki o mātou hononga ki te iwi: ko te rangatira ki te rangatira, me te āpiha ki te āpiha. Ka mau hoki tēnei tikanga ki roto i ngā mahi katoa, kia whakawarea te iwi me ngā hapū i mua i te tīmatatanga o te mahi mo te whakatakoto kaupapa, ehara kei waenganui, kei te mutunga rānei o aua mahi.

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. This requires both parties to treat and work with each other in good faith and show good will to reflect the partnership relationship. We acknowledge these responsibilities are distinct from the Crown's Treaty obligations and lie within a Taupō District Council context.

Taupō District Council will give effect to the principles of partnership (the duty to act in good faith in the nature of a partnership), participation (of Māori in council processes), protection (the duty to actively protect the rights and interests of Māori) in our services, activities and planning work.

Taupō District Council will work in partnership with iwi and hapū to give effect to Treaty Settlement legislation and any provisions that result from these.

Taupō District Council values our relationships with Māori in our district. We have long standing relationships that we commit to enhance and foster in our day to day business; and when we engage hapū, iwi, Māori. Strong strategic partnerships can help the council to deliver outcomes that exceed what it can deliver alone.

Council relationships with our iwi partners operates at two levels: rangatira ki te rangatira (chief-to-chief) and officer-to-officer. This also includes our engagement processes, we will engage iwi partners in the early stages of projects and planning processes, rather than during or near the end of the mahi.

DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO DECISION-MAKING PROCESSES

MĀORI CONTRIBUTING TO LOCAL GOVERNMENT DECISION-MAKING

Taupō District Council has statutory obligations to provide opportunities for Māori to contribute to local government decision-making processes under:

- Local Government Act 2002
- Resource Management Act 1991
- Local Electoral Act 2001

These legislative provisions underpin the wider partnership principles contained in Te Tiriti o Waitangi/Treaty of Waitangi.

The Local Government Act 2002 outlines how councils should engage with Māori as follows:

- The relationship to Māori culture and traditions: The relationship of Māori and their culture and traditions with their land, water, sites, waahi tapu, valued flora and fauna, and other taonga must be taken into account when a council is making an important decision involving land or a body of water (applies to actions outside the RMA requirements on councils). (see section 77 (1)(c)).
- Opportunities to contribute: Councils must provide Māori, and all other members of the public, with opportunities to contribute to council decision-making processes. (see section 14 (1)(d))
- Processes to contribute: Councils must develop and maintain processes and opportunities for Māori to contribute to council decision making process. Councils must also consider ways they can help build Māori capacity to contribute to council decision-making and provide all relevant information to Māori. (see section 81)
- Develop Māori capacity to contribute: The ways in which councils intend to develop Māori capacity to contribute to council decisions, over the ten-year period of the Long Term Plan (LTP), must be detailed in their Long Term Plans.

The Resource Management Act 1991 outlines how Councils must:

- take into account Māori values when processing resource consents and formulating plans
- provide for iwi authorities' input in processing resource consents and formulating plans
- work with iwi authorities to ensure Māori participation in resource management decisions and processes of managing the use, development, and protection of natural and physical resources.

The processes that Council has in place are:

IMPROVING MĀORI PARTICIPATION IN COUNCIL'S DECISION MAKING PROCESSES

Council has committed to co-design a package of actions to enable iwi and Māori to contribute to Council's decision-making processes. This follows on from Council's decision to appoint Māori interest representatives to five of its committees and to establish Māori wards (See below). This is a commitment from Council to meet its statutory obligations

to provide opportunities for Māori to contribute to local government decision-making processes.

MĀORI WARDS

In 2019 and 2020, Council worked with Iwi partners and Māori to look at the best way of representing Māori in the 2022 local government elections. In late 2020, Council resolved to establish Māori wards and reconfirmed this in April 2021.

RELATIONSHIPS WITH IWI PARTNERS, HAPŪ, MĀORI

Within the local Government context, Te Tiriti o Waitangi / the Treaty of Waitangi provides a useful guide to Council's approach in fostering more positive and productive relationships with tangata whenua. Whilst the Crown is the primary Treaty partner it has delegated some responsibilities to local government. The Local Government Act 2002 places responsibilities on Council's to recognise and respect the Crown's responsibility and to take into account the Treaty principles. The act establishes baseline principles on how Council should maintain and improve opportunities for Māori to contribute to local government decision-making.

Taupō District Council values its relationships with Māori in the district. We have long standing relationships that we commit to enhance and foster in our day to day business; and when we engage with hapū, iwi, Māori. Strong strategic partnerships can help the council to deliver outcomes that exceed what it can deliver alone.

IWI AND MĀORI FORUMS AND AGREEMENTS

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 and decision making forums

Management protocol with the Tuwharetoa Maori 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 hapū can participate in Council activities.

TE KŌPU Ā KĀNAPANAPA

Te Kotahitanga o Ngāti Tūwharetoa is the mandated post-settlement entity established as a result of the settlement of the Tūwharetoa Comprehensive Claims. Te Kōpu ā Kānapanapa, a joint committee of Waikato Regional Council and Taupō District Council, with representatives from Te Kotahitanga o Ngāti Tūwharetoa, Waikato Regional Council and Taupō District Council, was established under the Ngāti Tūwharetoa Claims Settlement Act 2018. Its purpose is to restore, protect, and enhance the environmental, cultural, and spiritual health and well-being of the Taupō catchment for the benefit of Ngāti Tūwharetoa and all people in the Taupō Catchment (including future generations).

“

Councils must provide Māori, and all other members of the public, with opportunities to contribute to council decision-making processes.

”

DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO DECISION-MAKING PROCESSES

TE KAUPAPA KAITIAKI

One of Te Kōpu ā Kānapanapa's functions is to prepare Te Kaupapa Kaitiaki. Te Kaupapa Kaitiaki's purpose is to:

- promote the sustainable and integrated management of the Taupō Catchment environment for the benefit of Ngāti Tūwharetoa and all people in the Taupō Catchment (including future generations); and
- provide for the relationship of Ngāti Tūwharetoa and their culture and traditions with their ancestral lands, water, sites, geothermal resources, wāhi tapu, and other taonga; and
- respect Ngāti Tūwharetoa tikanga in the management of the Taupō Catchment

Council has been working with Te Kotahitanga o Ngāti Tūwharetoa and the Waikato Regional Council to develop Te Kaupapa Kaitiaki.

LAKE TAUPŌ PROTECTION TRUST JOINT COMMITTEE

Council works in partnership with central government, Ngāti Tūwharetoa and Waikato Regional Council on the Protecting Lake Taupō Project, and the Tūwharetoa Māori Trust Board is represented on the project's joint Taupō District/ Waikato Regional Council Committee. The Committee oversees the Trust that allocates a public fund to reduce the amount of manageable nitrogen from pastoral land going into Lake Taupō by 20 per cent. The Trust completed the final nitrogen agreement in 2015 to achieve the project's overall target of a 170,300kg reduction in nitrogen levels. The project is now focussed on monitoring agreements which have been put in place to ensure the gains that have been made are not lost.

JOINT MANAGEMENT AGREEMENT WITH NGĀTI TŪWHARETOA

This agreement relates to Māori multiply-owned and 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.

JOINT MANAGEMENT AGREEMENTS WITH RAUKAWA AND TE ARAWA (TE ARAWA RIVER IWI TRUST)

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. Joint committees were formed and agreements were signed with both Raukawa (2013) and Te Arawa (2017). These committees meet at least once a year and processes outlined in the agreements are implemented.

WAIPĀHĪHĪ C75 MĀORI RESERVATION TRUST

The Waipāhīhī Foreshore Māori Reservation Trust consists of delegated representatives from Waipāhīhī Marae for the two hapū of Ngāti Hinerau and Ngāti Hineure, alongside two elected member representatives of the Taupō District Council. The Trust administers and manages the 1.93 hectares

foreshore area from north of the Two Mile Bay sailing centre to the former Sea Scouts den. The area has sites of significance for the hapū including the Taharepa Bath adjacent to the northern boundary and the Ōnekeneke Stream. The reserve is a Māori reservation under s 439 of the Māori Affairs Act and manages the reserve as vested in the trustees. The reserve is set aside for the benefit of the beneficial owners (Ngāti Hinerau, Ngāti Hineure) as well as the general public.

TUTEMOHUTA RESERVATION TRUST

The Trust is responsible for decision-making for the Tutemohuta Hall and Reserve at Waitahanui. Trustees are appointed by the Māori Land Court and include two representatives of Council, three for the Tauhara Middle 14 Trust and one community representative. The land was gifted to the community by Tauhara Middle 14 Trust for use as a reserve and a hall.

NGĀTI TŪRANGITUKUA TREATY OF WAITANGI SETTLEMENT

Ngāti Turangitukua is a hapū of Ngāti Tūwharetoa and resides at the southern end of Lake Taupō.

In 1998 the Ngāti Turangitukua Charitable Trust completed a Treaty of Waitangi Settlement with the Crown. There are several obligations for Council that resulted from this settlement, completed in 1999. Council is currently working with Ngāti Tūrangitukua and the Ngāti Tūrangitukua Charitable Trust to implement what was agreed to at that time. This includes the changes to the street names in Turangi, which have now been completed, and the co-management of Ngāti Tūrangitukua reserves. A joint committee was developing a Turangi Reserves Management Plan, but this has been put on hold while a broader relationship agreement between the Council and Ngāti Turangitukua is negotiated (see below)

RANGITĀIKI RIVER FORUM

The Rangitāiki River Forum was established in May 2012 under the Ngāti Manawa Claims Settlement Act 2012 and the Ngāti Whare Claims Settlement Act 2012. The forum is a joint committee of the Bay of Plenty Regional Council and the Whakatāne District Council, for the protection and enhancement of the environmental, cultural, and spiritual health and wellbeing of the Rangitāiki River and its resources for the benefit of present and future generations. The Taupō district Council has a member on the forum.

RELATIONSHIP AGREEMENTS UNDER NEGOTIATION

Mana Whakahono a Rohe with Ngāti Turangitukua

Council is currently working with Ngāti Turangitukua to negotiate a Mana Whakahono a Rohe and related relationship agreement for their rohe.

JOINT MANAGEMENT AGREEMENT WITH TUWHARETOA MĀORI TRUST BOARD

Council is also working with the Tuwharetoa Māori Trust Board to negotiate a Joint Management agreement under the Ngāti Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010.



KOHINEHEKE SETTLEMENT

Council is involved in the settlement of a claim between the Crown and the original families over the land in the Kohineheke area in Turangi.

REVIEW OF THE TAUPŌ DISTRICT PLAN

The Resource Management Act requires us to review the provisions of our District Plan at least every 10 years. Over the past three years, we have worked with our Iwi Partners to determine the best way to involve iwi in the development of the District Plan. This has resulted in Council contracting a consultant to assist iwi with capacity to input into the development of the District plan and Council staff to better understand iwi issues.

COMMUNITY COMMEMORATIONS

The efforts of our community to commemorate key events like Waitangi Day are important for our district. Waitangi Day celebrations attract big crowds and along with other key kaupapa or events are a priority for our district.

BUILDING STAFF KNOWLEDGE

Local government has obligations to Māori through statute. We recognise that there is a need to build staff knowledge and understanding of matters such as Te Tiriti o Waitangi; te reo Maori, te ao Māori or Maori perspectives, and our obligations to Māori.

Council staff will benefit from having a baseline awareness and understanding of those Treaty based obligations. It will help in their understanding as to how they may give effect to those obligations in their day to day mahi. This will mean different things for staff dependent on their respective roles in the organisation. Tools to support staff includes:

- Providing staff with treaty awareness training will be a valuable tool to equip staff and the organisation to look at what we must do, what we should do and what we can do to contribute to better outcomes for Māori and our natural surroundings.
- Te reo Māori tuition sits alongside and complements treaty awareness training. Te reo Māori tuition will provide an insight to Māori perspectives, protocol, pronunciation and sentence structures.

- Building capability in te reo Māori will instil confidence in staff as we look to build and consolidate relationships with our iwi partners and Māori. A simple thing such as correct pronunciation will go a long way to helping build those relationships. It will be a clear indication that we value our indigenous language and in turn our relationships with iwi partners and Māori.
- Developing an engagement framework will provide advice and direction for staff in relation to engaging Māori depending on project context. The need for the strategy is two-fold: to ensure consistency of engagement practice across the organisation; and secondly to further give effect to our statutory obligations.

Prior to developing this Long-term Plan, Council undertook engagement with iwi partners in late 2020. We received feedback on the following topics:

- Lake Shore Erosion Control
- Wastewater
- Stormwater
- Kaupapa Kaitiaki
- Rates
- Papakāinga
- Showcase, uplift te reo Māori and Māori arts.
- Recycling and Waste Management
- Economic Aspirations
- Te Hunga rawa kore (warm, dry housing.)
- Relationships, Engaging Māori, iwi, hapū
- Resourcing
- Ensure adequate resourcing to enable appropriate iwi, hapū engagement and participation in Council activities as required.
- Ensure appropriate resourcing for mana whakahono a rohe agreement (Turangitukua).
- Taupō District Plan Review
- Civil Defence
- Climate Change
- Transport
- Emergency Management



OUR PLAN.
OUR TAUPŌ DISTRICT.

“Our favourite thing to do in our district is to go tubing down the Tongariro River.”

- JADE ELLIS, MAKAIJA ELLIS AND WHIRI JOHN ELLIS



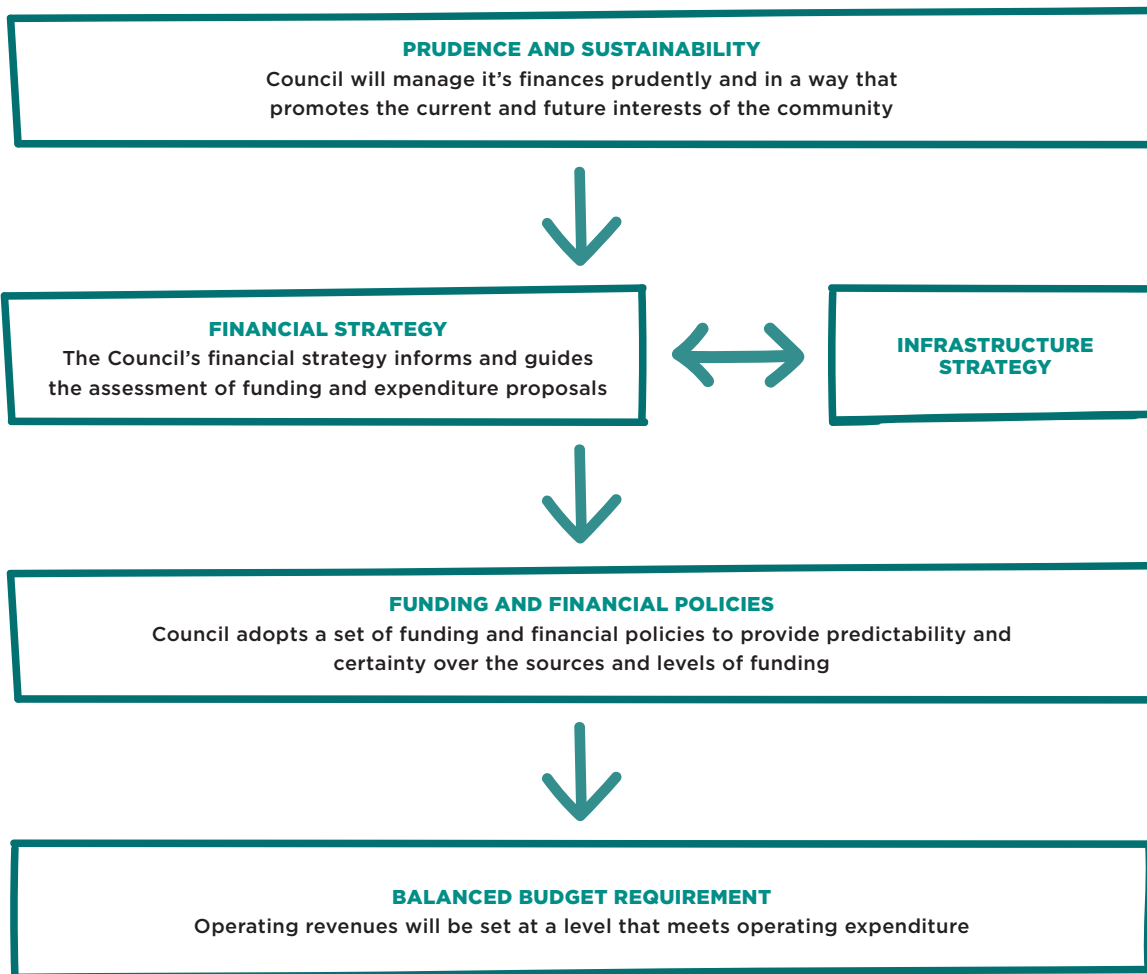
FINANCIAL STRATEGY

INTRODUCTION

This financial strategy continues the focus Council set in previous Long-term Plans on prudently managing our investments and borrowings, keeping rates affordable and sustainable and looking after the assets we have while maintaining levels of service.

This strategy outlines the Council's financial vision for the next 10 years and our approach for achieving the balance between

investing in the assets and services for the Districts progress and ensuring that the impacts on rates, debt, levels of service and investments are acceptable to the community. It will guide the Council's future funding decisions and, along with the Infrastructure Strategy, informs the capital and operational spending for the Long-Term Plan 2021-31. The strategy identifies the challenges that we will face over the next ten years, and how we plan to respond financially.



“The strategy identifies the challenges that we will face over the next ten years, and how we plan to respond financially.”

THE PAST

In previous financial strategies, we identified a number of financial challenges that faced the district and the measures to address them. This strategy supports this approach and illustrates how we are currently tracking against our objectives.

Council made significant investments in infrastructure and community assets from the mid 2000's including the Eastern Arterial Bypass (ETA), the upgrade of the AC Baths, upgrades to water treatment plants in Taupō, Turangi and Mangakino to meet Ministry of Health drinking water standards, and wastewater treatment plant upgrades in Taupō, Mangakino and Turangi.

As these investments provide intergenerational benefit it is appropriate that they were funded by loans to share the cost across today's and tomorrow's ratepayers. This has resulted in Council's current high gross debt level.

Over the period 2009 -2015 Council's revenue from sources other than rates was lower than projected. This was partially a consequence of the global financial crisis that resulted in a slow-down in the creation of new subdivisions and building activity. In addition, development and sales of Council land did not proceed as planned.

The package of interconnected measures Council implemented in 2012 to ensure we had a prudent and sustainable financial strategy for the future included:

- Selling some investment assets – we sold some land and forestry assets to fund previously capitalised interest

payments and reduce debt

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

Council has been successful in implementing previous financial strategies.

Rates have been within the limits set in the financial strategies. Debt has reduced from a peak of \$168m in 2014 to \$147m by 2020 and we have maintained our levels of service.

We have continued with our strategy of selling surplus non-strategic land both as bare land parcels for private sector development and we have successfully completed a few Council subdivisions.

Council harvested its forestry block at Tirohanga from 2017-2020. Net proceeds from these sales has been set aside for debt reduction.

THE PRESENT AND THE FUTURE

From 2015 onwards the District has enjoyed a period of strong growth particularly in the northern regions of the District with multiple new subdivisions and strong housing growth.

As a result of this strong growth and an increasing regulatory framework, particularly around water and wastewater Council has had to invest more in core infrastructure in order to keep pace with this growth and provide for future anticipated growth.

The impact of this can be seen in a significantly increased capital programme (including renewals) to service both this growth but also the increased regulatory framework for water and wastewater services.

To fund this Council will need to borrow more and this is reflected in a growing debt balance in this strategy. Accordingly, Council has revised its debt to revenue limit

from 200% of operating revenues to 225% of operating revenue to accommodate this need. Council still considers debt to be the most appropriate funding tool for long life intergenerational assets. Council is confident that it continues to take a prudent and sustainable approach to its finances in a way that promotes the current and future interests of the community. One of the ways that Council manages this is to ensure that it maintains its AA+ credit rating from Standard and Poors.

Nationwide reform of the three waters (drinking water, wastewater and stormwater) and the Resource Management Act 1991 will impact on Council's finances in the future. As these Government reforms are yet to be finalised we are unable to assess the impact on Council's financial strategy and have developed this strategy on the basis of status quo.

The value of Council's three Waters assets as at 30 June 2020 was \$297m. This accounted for \$79m (53%) of Council's borrowings and \$25.8m (37%) of Council's total rates.



COVID-19

The impact of the Covid-19 pandemic, which first affected both New Zealand and the wider world in early 2020 will have significant ongoing impacts for the Taupō economy which will have resultant social impacts.

As an organisation responsible for undertaking a large number of infrastructure related projects, Council has the ability to help stimulate the economy through undertaking capital projects and renewals. This requires a fine balance between balancing the community’s ability to pay, with providing economic activity through undertaking capital projects.

In the Annual Plan 2020/21, Council adopted a 0% rates increase in recognition of the significant impact that Covid-19 had on some ratepayers. While Council may have adjusted the timeframes for some projects in order to ‘smooth’ the costs over the first couple of years of this strategy, it is acknowledged on the whole that Council is committed to undertaking the required capital projects, upgrades and renewals that are needed to ensure the efficient running of the District. Covid-19 has not resulted in significant deviations from the course of the previous financial strategies.

FUNDING OF WATER

Council operates 18 water schemes throughout the district. Each of these schemes has it’s own treatment plant and network. Previously the schemes were all separately funded ie the ratepayers connected to a scheme funded the capital and operational costs associated with the scheme. Council has a programme of works in place to upgrade the schemes to achieve compliance with the Drinking Water Standards New Zealand.

To date, the Mangakino, Turangi and Taupō schemes have been upgraded, and the upgrade for the Kinloch scheme is underway. The upgrades are expensive, and for the smaller schemes which have a low number of ratepayers connected, this can significantly increase the targeted water

rate that they pay. By 2031, the targeted water rate will be unaffordable some ratepayers.

Central Government have provided the direction that all New Zealanders should have access to safe, affordable drinking water. Council has reviewed how our drinking water schemes are funded and through the Long-term Plan 2021 decided to move to district-wide water funding. This will mean that from 1 July 2021, customers connected to Council’s drinking water scheme will pay the same fixed targeted.

Council believes that this change to how we fund water better aligns with one of the key financial principles of this strategy being “Keeping rates affordable and sustainable”.

DEMOGRAPHICS

GROWTH THEN DECLINE IN POPULATION

The population of the Taupō district has seen steady growth in recent times but projected growth into the future remains modest before peaking in late 2030s. The district population is projected to increase over the next two decades before declining. This will have financial implications as Council will need to provide and fund infrastructure for this growth and then continue to fund it through the decline in the population. However, as discussed in the Infrastructure Strategy, we do not know how the decline in population and therefore the number of houses for sale will impact on the number of holiday homes in the district and how this will impact on the provision of infrastructure.

AGING POPULATION AND AFFORDABILITY

While an aging population is a worldwide phenomenon, it is anticipated that this will be highly pronounced in the Taupō District over the next 30 years. The population aged 65 years and over is projected to make up 28.5 per cent of total population in 2043, which is a significant increase from today. As most of these people will be retired and many on fixed incomes affordability of rates will be an issue for some. With increasing expenditure required for infrastructure in the next

30 years, the desire to reduce Council debt, and the aging of the population affordability of rates will need to be taken into account in future financial strategies.

CHANGES IN NUMBERS OF DWELLINGS

The long-term trend for the past 50 years, has been for a decrease in the number of people living per dwelling. This is true across all ages but particularly with an increasing aging population. As retirees disinvest from larger family, to smaller homes suitable for one or two residents, the reduction in average occupancy per household will result in an increase in household formation. Projections show a growth in households at a rate slightly faster than the population. However, the growth in households also peaks in the 2038. The increase in households potentially enables a greater rate take but as many of these new households will be on fixed incomes, the ability to pay increased rates will be limited.

As these changes are long term trends we need to keep monitoring them in subsequent long-term plans. We do not consider that there will be changes in capital and operating costs in this long-term plan in providing for these trends.



“The population of the Taupō district has seen steady growth in recent times.”

INFRASTRUCTURE ISSUES

The Infrastructure Strategy outlines the main themes and issues that arise from these over the next 30 years. These are:

THEME 1: NATIONWIDE REFORMS AND POPULATION AND DEMOGRAPHIC CHANGE

Issue 1: Nationwide reform of the three waters (drinking water, wastewater and stormwater) and the Resource Management Act 1991 will impact the delivery of Council's infrastructure in the future.

Issue 2: New infrastructure is required to cater for growth, primarily in Taupō town and Kinloch

Issue 3: An aging population may drive a change in demand for the services that we provide

Issue 4: An aging population on fixed incomes facing increasing infrastructure costs may result in rates that are unaffordable for our ratepayers

Issue 5: It is projected that our population will decline but there is uncertainty about what the impact will be on the number of dwellings that need to be serviced by infrastructure

THEME 2: PROTECTING THE HEALTH OF OUR COMMUNITIES

Issue 6: Some of our communities may face a health risk without safe and clean drinking water supplies.

THEME 3: PROTECTING THE HEALTH OF OUR ENVIRONMENT

Issue 7: Protection of the environment will drive increased costs for council's wastewater and stormwater discharges

Issue 8: We need to determine how best to dispose of our solid waste in the future.

THEME 4: MAINTAINING AND RENEWING OUR INFRASTRUCTURE

Issue 9: A range of council's assets may be nearing the end or are already at the end of their useful life and need renewal, however we do not know how many assets this issue potentially affects

Issue 10: Limited guidelines for the minimum standard of reserve land that we accept from developers.

THEME 5: RESILIENT INFRASTRUCTURE

Issue 11: The district is vulnerable to a wide range of events, (including natural hazards), that could cause significant damage and disruption to council's services at any time

Issue 12: The district is vulnerable to climate change, which is likely to have long-term impacts on the provision of our infrastructure.

THEME 6: PROVIDING FOR THE MAORI WORLD VIEW

Issue 13: We will consider fundamental concepts such as Te Mana o Te Wai when making decisions about our infrastructure

Further information on these themes and issues can be found in the Infrastructure Strategy which can be viewed at taupo.govt.nz.

DISPERSED INFRASTRUCTURE DEMANDS

The district has 18 water supply schemes and 12 wastewater treatment plants dispersed around the district, many of them servicing smaller communities. The dispersed nature of these smaller networks can result in higher costs to operate them, from communications to enable automation and remote monitoring to staffing levels to respond to and maintain the networks and plants. There is also increased costs to ensure each of the plants/networks irrespective of size meets the required national standards and consent conditions. All these issues mean that dispersed infrastructure results in higher operating costs than in other districts with less dispersed infrastructure assets.

This has been addressed by the whole of the district contributing to the cost of most infrastructure across the district. For example, water, wastewater, transport and stormwater are rated district wide.

RENEWALS

In the 2015 and 2018 Long-term Plans we identified that we did not have complete information about the condition of our underground infrastructure. As a result, we have invested in condition assessment programmes over the past six years. The results of these investigations have shown us that we need to invest more in the renewal of our infrastructure assets over the next 10 years to ensure that we maintain levels of service. This has been reflected in this 2021-31 Long-term Plan where our ten year renewals programme has increased from 149 million to 192 million.

CAPITAL EXPENDITURE

There have been a number of factors that have resulted in an increase to the capital expenditure programme within this long-term plan. These include the accelerated growth in some areas of the district such as Taupō town and Kinloch, which has required additional projects such as Tauhara ridge reservoir to be included. There are several projects in this long term plan which will increase the level of service provided to the community such as the transportation project for the roundabout at the Kiddle drive / Arrowsmith intersection.. This long-term plan provides for

upgrades to the remaining water schemes required to meet the NZ drinking water standards which will increase the levels of services to those communities.

Due to the success of the financial strategy over the last 5 years this has enabled the council to include some place making projects in this long-term plan. This supports the Council's current vision of being the most prosperous and liveable region in the North Island by 2022.

“

Due to the success of the financial strategy over the last 5 years this has enabled the council to include some place making projects in this long-term plan.

”



OUR APPROACH GOING FORWARD

We have set ourselves a number of financial goals that we intend to achieve by 2031.

These goals support our three key principles of this financial strategy:

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

These goals are intended to assist in addressing the challenges that we have identified.

FINANCIAL PRUDENCE	<ol style="list-style-type: none"> 1. Run a balanced budget in every year of the Long-term Plan. This means that operating income will meet or exceed operating expenditure in each year. 2. Maintain Council's AA+ Standard & Poors (S&P) credit rating
INCOME	<ol style="list-style-type: none"> 3. Annually review fees and charges revenue to ensure that they are set at the appropriate levels. 4. Continue the sale of surplus land assets to reduce debt. 5. Investigate opportunities for growing non-rate revenue to reduce the reliance on rates.
RATES	<ol style="list-style-type: none"> 6. Maintain the limit on rates revenue at 80% of operating revenue. 7. Limit rates increases to LGCI + 2.5% in each year of the long-term plan.
EXPENDITURE	<ol style="list-style-type: none"> 8. Continue to fund 100% of the wearing out of assets over their lifetime (funding of depreciation) in each year of the long term plan. 9. Continue to fund the growth component of capital expenditure projects by development contributions and developer agreements. 10. Improve the delivery performance of the planned capital expenditure programme by implementing a new planning and project management framework. 11. Increase third party funding for new community projects by building closer relationships with other agencies, government departments and community groups. 12. Look after the assets we have by providing sufficient renewal budgets from reserve funds or loans to meet the asset renewal programmes outlined in the asset management plans.
BORROWING	<ol style="list-style-type: none"> 13. Maintain gross external borrowing below 225% of operating revenue. 14. Maintain borrowing costs to below 10% of revenue in each year of the long term plan.
LEVELS OF SERVICE	<ol style="list-style-type: none"> 15. Maintain levels of service as set out in the Long term plan 2021-31.
PLANNING FOR EMERGENCY EVENTS AND CONTINGENCIES	<ol style="list-style-type: none"> 16. Grow the disaster recovery reserve contributions from \$50k per annum to \$550k per annum by 2028. This will grow the disaster recovery reserve to \$6.7m by 2031. Due to the uncertainty of disaster events, no drawdown of the fund has been budgeted. 17. Maintain the capital of the TEL community fund to be available as part of a disaster recovery fund. 18. Maintain appropriate insurance cover, activity budgets and committed borrowing facilities to mitigate costs related to unexpected events.



KEEPING RATES AFFORDABLE AND SUSTAINABLE

It is always a balancing act between meeting the wants and needs of our communities whilst keeping rates affordable and sustainable. This financial strategy has been prepared with this at the forefront of our thinking.

FINANCIAL PRUDENCE

Council will maintain a balanced budget in every year of the long term plan. This means that Council will ensure that operating revenue is set at a level that meets or exceeds operating expenditure. Council aims to provide certainty around affordable rates increases over time and to plans to avoid volatility of large rate increases in some years followed by smaller increases in other years. Council manages this by smoothing the capital works programme where appropriate and in the outer years of this strategy we plan to run some small surpluses. These surpluses will be applied to debt reduction.

Standard & Poors (S&P) upgraded Council's credit rating to AA+ in February 2021 from AA. This is reflective of Council's strong financial management and budgetary performance. Council's strategy is to retain its AA+ credit rating by ensuring that it operates in a financially prudent manner and stays within the limits imposed within this financial strategy.

INCOME

Council's main source of operating revenue is from rates, both general and targeted. In addition to this Council receives revenue from fees and charges for a wide variety of the services that we deliver. Council's Revenue and Financing Policy sets out the funding sources for services that Council delivers. Council will review its fees and charges annually to ensure that they are set at appropriate levels and comply with the funding ranges set in the revenue and financing policy.

Council has identified surplus non-strategic land that it owns (which includes residential, commercial and industrial land), and has been actively marketing this land as market conditions allow. Council has forecast property sales throughout the 10 years of the Long-term Plan. The proceeds will be used for debt reduction. Given the nature of the property market the timing of these sales may vary from what has been forecast. This will have a flow on impact to the timing of debt reduction to what is forecast in the Long-term Plan. Council owns forests at Tirohanga and Rangataiki. These forests will be harvested as they reach maturity with the net proceeds to be applied to reducing debt.

Council will investigate opportunities for growing non-rate revenue to reduce the reliance on rates whilst remaining cognisant that the current rates revenue stream significantly shields Council from cycles in the national and regional economy.



KEEPING RATES AFFORDABLE AND SUSTAINABLE

RATES

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

- Total rates revenue must not exceed 80% of operating revenues.
- Rate increases (calculated on the average rate per property after adjusting for growth in rateable properties) may not exceed the forecast Local Government Cost Index (LGCI) +2.5%.

On current economic projections, this equates to a rate increase limit of between 5.0% - 6.2% (after adjusting for growth in rateable properties) over the 10 years of the Long-term Plan.

Council will slightly breach the rates limit in years 1 & 2 of this LTP, partially as a result of the 0% rates increase in 2020/21 and partial as a result of the large capital programme in years 1 & 2 of this plan.

The average rate per property after adjusting for growth in rateable properties is calculated by dividing the total rates requirement in any given year by the total rateable properties for that year to derive an average rate per property. This

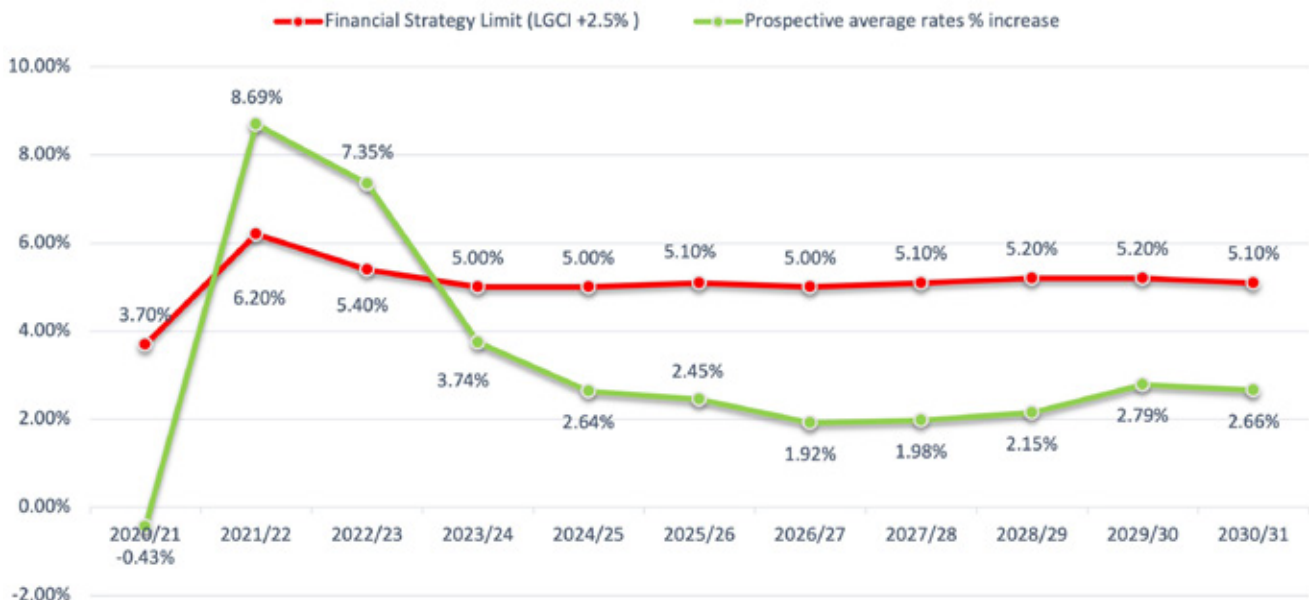
average rate per property is then divided by the prior years average rate per property to determine the average percentage increase for the year. It should be noted that this calculation includes all property types.

Rates for individual properties are not restricted by the rates increases limit of LGCI +2.5% average rates increase limit and will vary depending on a range of factors including property revaluations and whether the property is used for business, residential or farming purposes.

Local government infrastructure costs, as measured by the Local Government Cost Index (LGCI) increase at a higher rate than the Consumer Price Index (CPI). We believe that the limits that we have set for rates still allow us to provide for and maintain existing levels of service and to meet any additional demand for services.

Council currently has a heavy reliance on rates as the main source of operating income. The current limit on rates revenue "that it must not exceed 80% of total operating revenue" will be maintained in this strategy.

Prospective average rates increases





LOOKING AFTER THE ASSETS WE HAVE WHILE MAINTAINING LEVELS OF SERVICE

It is always a balancing act between meeting the wants and needs of our communities whilst keeping rates affordable and sustainable. This financial strategy has been prepared with this at the forefront of our thinking.

EXPENDITURE

Council will continue to fund 100% of depreciation of its assets over the assets lifecycle. This methodology is used to provide intergenerational equity in that each year ratepayers are contributing to the consumption or wearing out of the assets used in that year. This also means that Council is setting aside funding for the eventual replacement of those assets.

Council will continue to use Development Contributions and Developer agreements to fund the growth proportion

of new assets required as a consequence of growth. This methodology ensures an equitable funding split to the cost of new assets.

Council has had a poor record of delivering all of its capital works programme in recent years. As a result we have implemented a new project management framework and have an increased focus on improving the planning and delivery of capital projects. (refer to the infrastructure strategy for more details on how we will deliver our capital and renewal projects)

Council will investigate opportunities to grow its sources of third party funding for new capital projects. Council will achieve this by building closer relationships with other

“A key strand of Councils financial strategy for many years has been to look after the assets that we have whilst maintaining levels of service.”

agencies, government departments and community groups. Recent examples of this are:

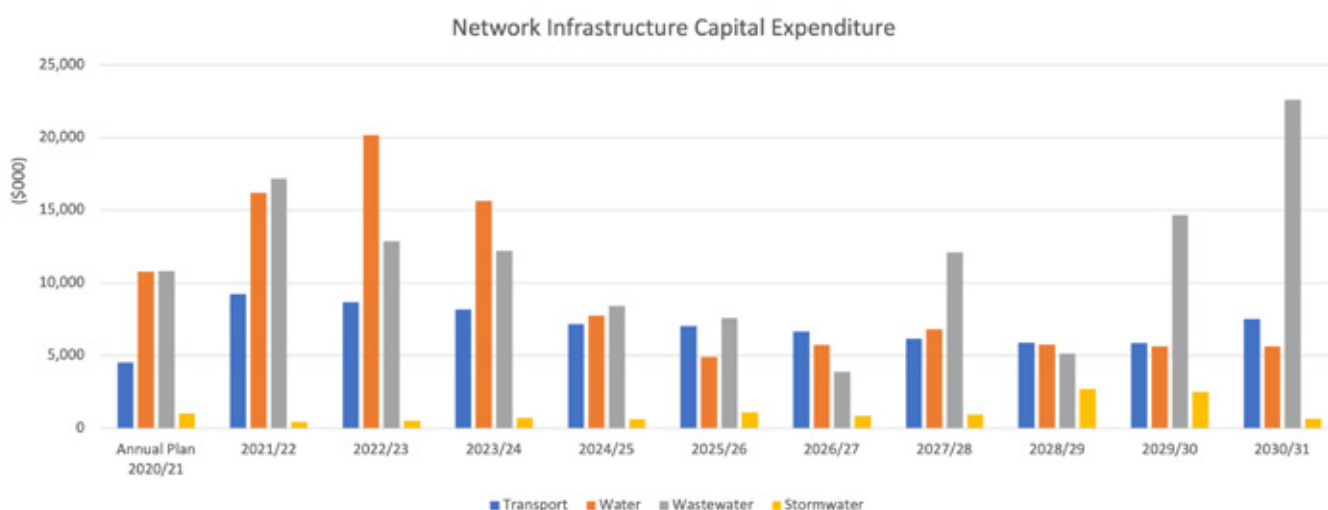
- the Ministry of Health funding on upgrading water schemes and Crown Infrastructure Project funding for Taupō Town Centre upgrades, ETA cycle paths and Turangi town centre upgrades.
- Government funding for three waters upgrades.
- Government funding for new terminal at Taupō Airport.

A key strand of Councils financial strategy for many years has been to look after the assets that we have whilst maintaining levels of service. Council will maintain its existing levels of service. Council will achieve this by continuing its investment in condition assessment programmes for its assets and also by continuing its investment in robust asset management systems that capture the full the information about the assets to enable Council to plan asset renewal programmes and provide for the funding of those renewals as outlined in the asset management plans. Due to the ongoing condition assessment programmes over the last six years we now better

understand the condition of our assets which has resulted in a more accurate and increased renewals programme. The focus on increasing the knowledge of the condition of Council's assets will continue in this strategy along with an increased delivery programme.

Asset renewal planning is at various stages of maturity across the Council's asset groups, from renewals based on detailed asset condition information to renewals based on life expectancy.

Our proposed capital programme reflects the existing capacity within our infrastructure network and is considered sufficient to cater for the expected changes in population and land use and maintain our current levels of service. The graph below illustrates our proposed combined capital and renewal expenditure for each of the network infrastructure activities over the ten years of the plan.



PRUDENT MANAGEMENT OF OUR INVESTMENTS AND BORROWINGS

This strategy maintains Councils current prudent and conservative approach to the management of its investments and borrowings to ensure that today's and future generations of ratepayers share both the benefits and the costs of Council services.

This financial strategy continues to build capacity within our balance sheet through the management of our investments and borrowings to accommodate any unforeseen financial circumstances in the future.

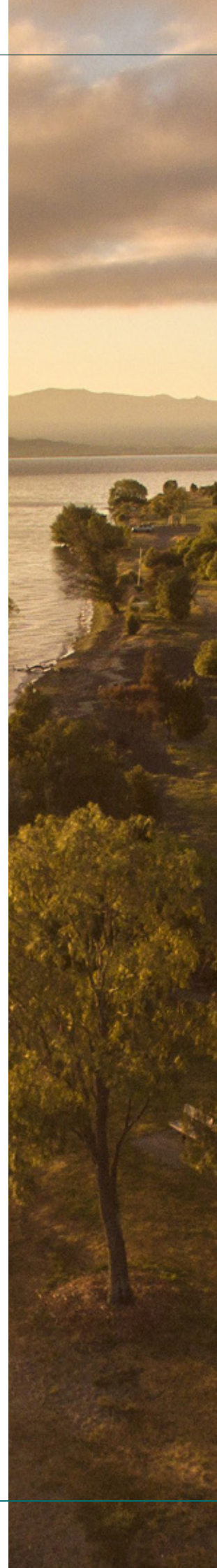
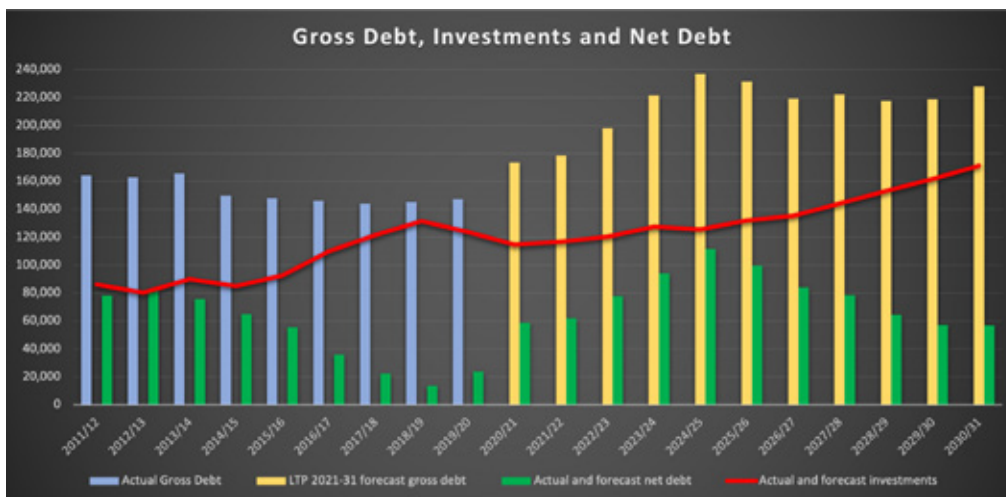
BORROWING

This strategy targets maintaining Councils gross external borrowing below 225% of operating revenue. This will be achieved by a combination of prioritising the timing of new capital expenditure and applying property and forestry sales to debt reduction. This approach needs to be actively managed and monitored by Council to achieve the goal.

Council currently meets the Debt servicing benchmark (borrowing costs to be below 10% of revenue) set by the Governments financial prudence regulations. This strategy will ensure that Council continues to meet this benchmark. This will be achieved by a combination of managing debt levels, borrowing costs and increasing revenue.

INVESTMENTS

Council has significant financial investments, including the TEL Fund, these investments offset a relatively high level of gross debt, which results in a current net debt as at 30 June 2020 of \$24 million. This level of net debt is prudent and sustainable for the size of the district and the assets the Council owns.





“This financial strategy continues to build capacity within our balance sheet through the management of our investments and borrowings.”



PRUDENT MANAGEMENT OF OUR INVESTMENTS AND BORROWINGS

PLANNING FOR EMERGENCY EVENTS AND CONTINGENCIES

Council maintains a disaster recovery reserve as one element of planning for unexpected natural disasters. Currently Council contributes \$200,000 per annum to this reserve. This strategy aims to increase that contribution by \$50,000 per annum in each year of this strategy until the contribution reaches \$550,000 per annum in 2028. Provided no withdrawals are required from this disaster recovery fund over the 10 year life of this strategy the balance available in the fund in 2031 will be \$6.7 million.

POLICY ON GIVING SECURITY FOR BORROWING

The Council normally secures its borrowings against rates income. The Council has a Debenture Trust Deed that provides the mechanism for lenders to have a charge over its rates income.

The Council may provide security over specific assets. This is limited to where:

- There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. project finance).

- Council considers a charge over physical assets to be appropriate.
- Any pledging of physical assets must comply with the terms and conditions contained within the security arrangement.

For further information on Council’s approach to borrowing, refer to the Liability Management Policy (part of the Treasury Management Policy).

FINANCIAL INVESTMENTS AND EQUITY SECURITIES

FINANCIAL INVESTMENTS

In its financial investment activity, Council’s primary objective when investing is the protection of its investment capital and that a prudent approach to risk/ return is always applied. Council will act effectively and appropriately to:

- Protect the Council's investments.
- Ensure the investments benefit the Council’s ratepayers.
- Maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements.

“Council seeks to achieve an acceptable rate of return on all its equity investments consistent with the nature of the investment.”

Council's general and special fund investment returns are benchmarked to a market interest rate. The market interest rate is the mid-point Policy benchmark rate based on 0-12 months where there are enforced minimum percentages. The benchmark is constructed as follows:

- **50.0% 6-month BKBM mid-rate (average of reporting month)**
- **50.0% 6-month BKBM mid-rate, 6 months ago (average of month)**
- **= 100%**

TEL FUND

The TEL fund was established after Taupō Electricity Limited (TEL) and Taupō Generation Limited (TGL) were sold in 1995. Council historically used the TEL revenue to fund Council projects and/or subsidise rates.

Council decided in 2015 to use the assets of the TEL Fund to create a community fund and that the revenue be used to fund community projects. Council has been steadily reducing the amount of income applied as a rates subsidy since 2015. This means that in June 2021 the TEL fund would be inflation proofed with a projected value of approximately \$64 million, and the income from the fund after inflation proofing could be dedicated to community projects.

The TEL fund has additional benefits to our community. Council's Standard and Poor's (S&P) credit rating is enhanced by the high level of liquidity that the fund offers. In the event of a natural disaster Government funds 60 per cent of underground assets with Council being required to fund the

rest. Having the TEL fund means that Council can fund its share without having to pay a significant insurance premium.

Council would like the TEL Fund Portfolio to earn at least a return of between 100 and 200 basis points higher than the 90 day bill rate.

EQUITY SECURITIES

The Council maintains equity investments and other minor shareholdings. Council's equity investments fulfil various strategic, economic development and financial objectives as outlined in the LTP. Equity investments may be held where Council considers there to be strategic community value.

The Council's main equity investments are held in the TEL Fund. The Council also has an equity shareholding in the Taupō Airport Authority, the New Zealand Local Government Funding Agency Limited, and the New Zealand Local Government Insurance Corporation Limited.

The Council seeks to achieve an acceptable rate of return on all its equity investments consistent with the nature of the investment.

Taupō District Council also holds other asset investments. These comprise commercial, industrial and residential land investments, forestry investments, commercial and semi commercial property, including community housing and camping grounds.



LONG TERM PLAN DISCLOSURE STATEMENT FOR PERIOD COMMENCING 1 JULY 2021

WHAT IS THE PURPOSE OF THIS STATEMENT?

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

Council is required to include this statement in its Long-term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.



RATES AFFORDABILITY BENCHMARKS

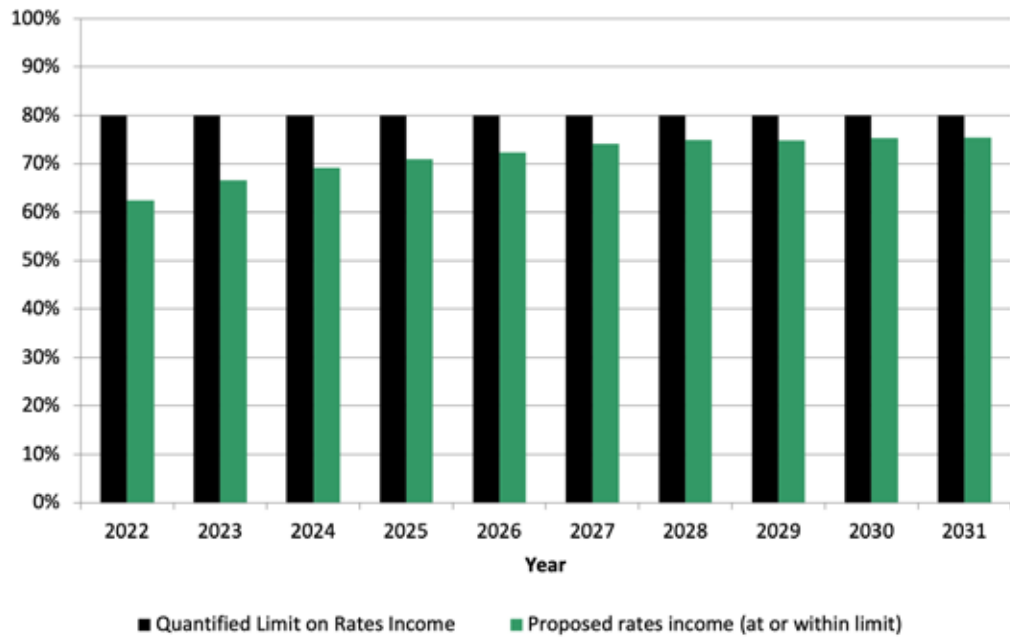
Council meets the rates affordability benchmark if:

- Its planned rates income equals or is less than each quantified limit on rates; and
- Its planned rates increases equal or are less than each quantified limit on rates increases.

RATES (INCOME) AFFORDABILITY

The following graph compares the council’s planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is that total rates revenue must not exceed 80% of operating revenues.

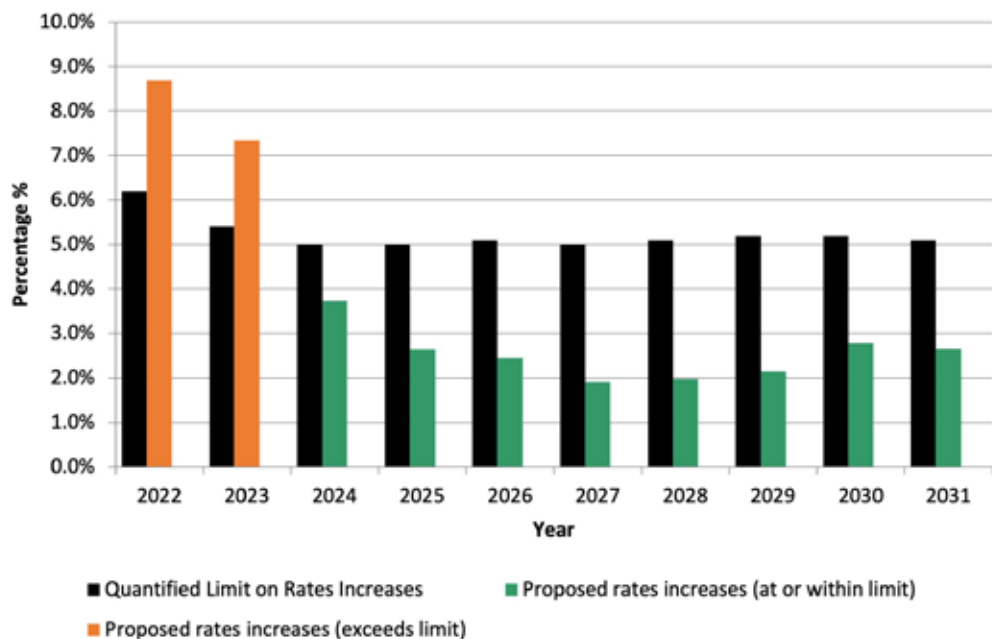
RATES (INCOME) AFFORDABILITY



RATES (INCREASES) AFFORDABILITY

The following graph compares the council’s planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is LGCI + 2.5%. The rates increase is calculated based on the average rates payable factoring in the forecast growth in the number of rateable properties.

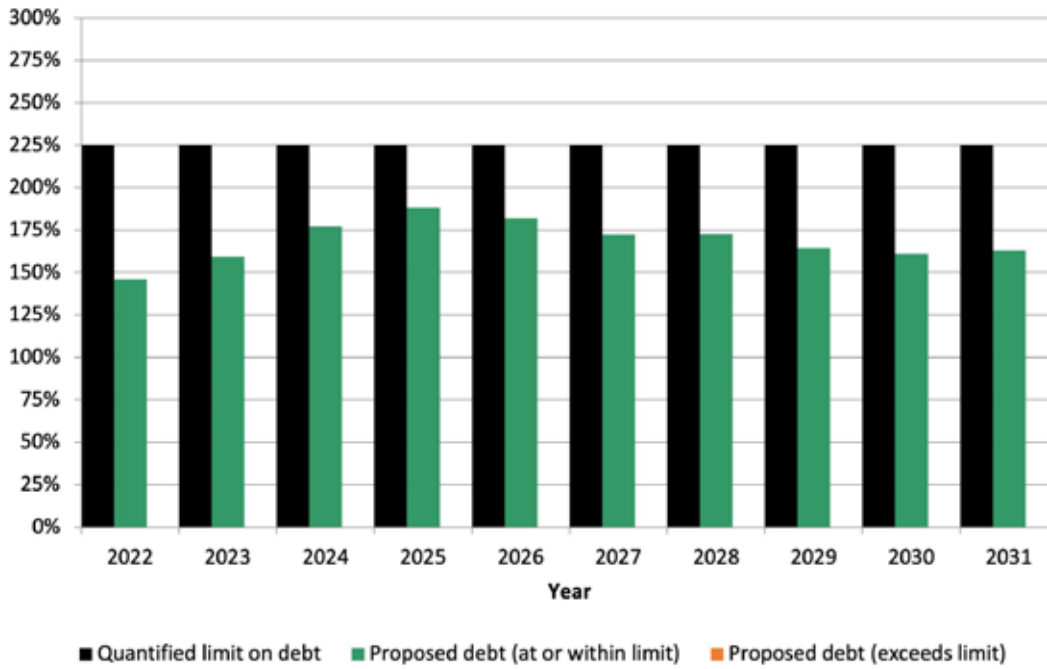
RATES (INCREASES) AFFORDABILITY



DEBT AFFORDABILITY BENCHMARKS

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that gross external borrowing may not be more than 225% of annual operating income.

DEBT AFFORDABILITY

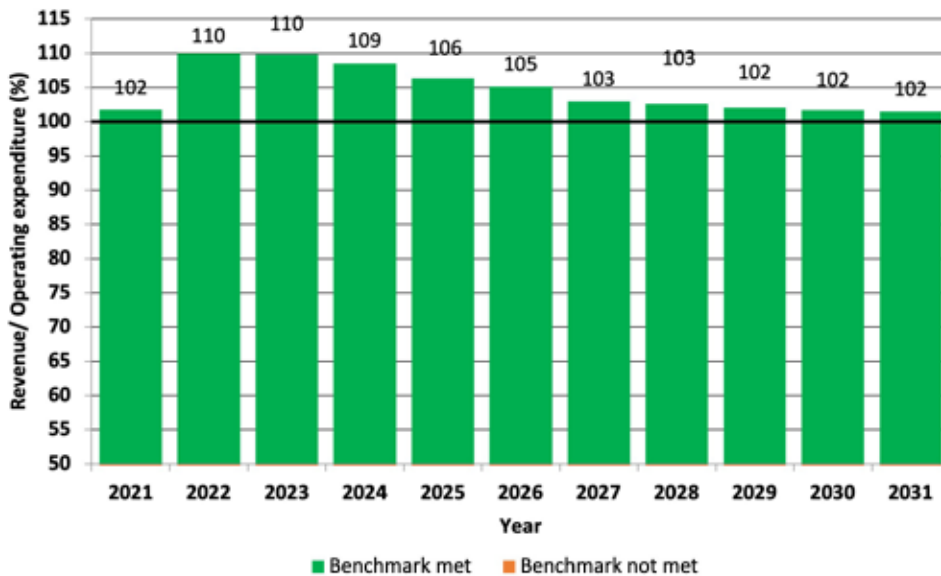


BALANCED BUDGET BENCHMARK

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

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

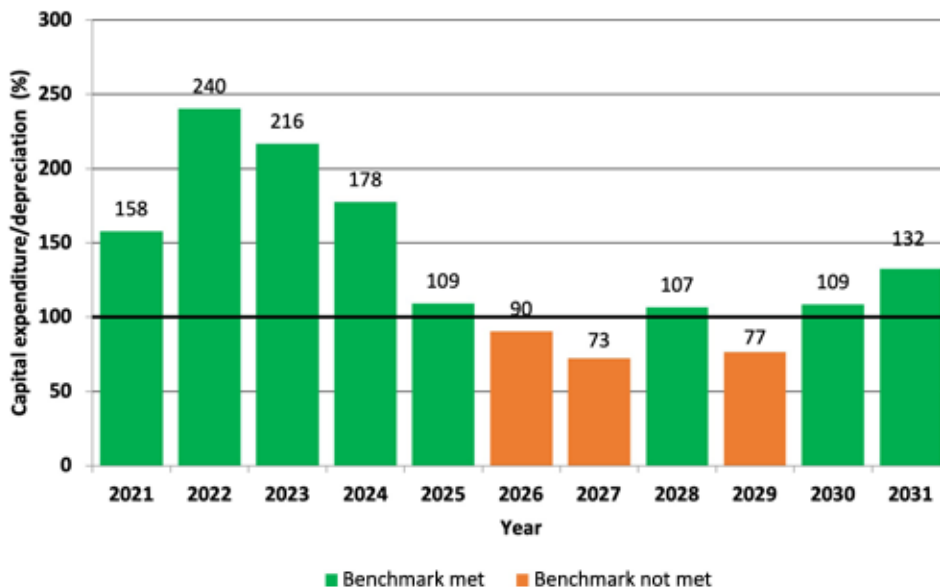
BALANCED BUDGET BENCHMARK



ESSENTIAL SERVICES BENCHMARK

The following graph displays the council’s planned capital expenditure on network services as a proportion of expected depreciation on network services. The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services. In 2026, 2027 and 2029 we do not meet this benchmark as the capital expenditure programme is reduced as many of the major infrastructure projects in water, wastewater and transportation are budgeted in the preceding and/or subsequent years in order to meet project delivery timeframes.

ESSENTIAL SERVICES BENCHMARK

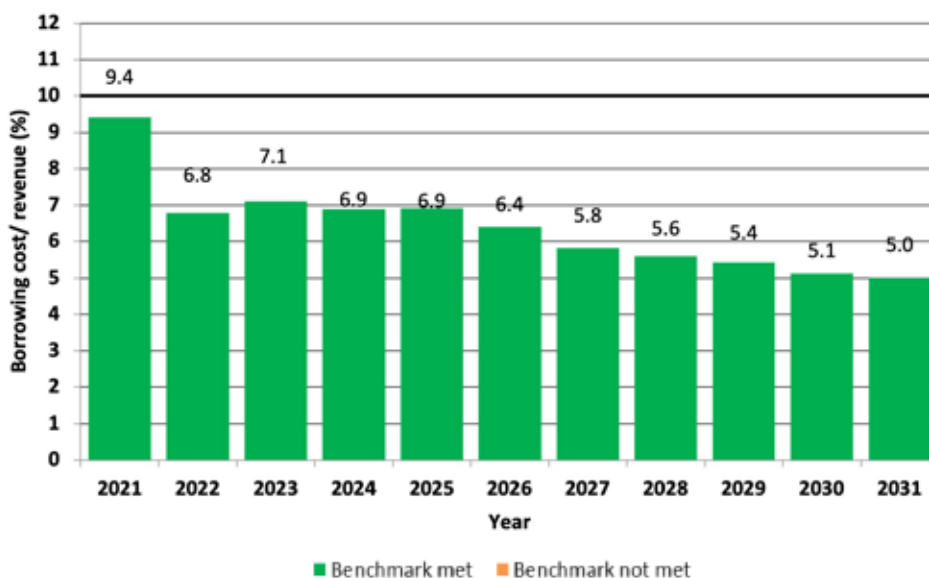


DEBT SERVICING BENCHMARK

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

Because Statistics New Zealand projects the council’s population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

DEBT SERVICING BENCHMARK



WHOLE OF COUNCIL FUNDING IMPACT STATEMENT



GROUPS OF ACTIVITIES

Over the past year Council delivered a range of services on behalf of the community. Council has 10 groups of activities:

Community services

Water

Transport

Community facilities

Wastewater

Solid waste

Stormwater

Democracy and planning

Investments

Economic development

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



COMMUNITY SERVICES

WHAT WE DO AND WHY WE DO IT

There are three activities in community services:

- Community engagement
- Regulatory services
- Emergency management.

COMMUNITY ENGAGEMENT

The community engagement activity involves working with our communities to ensure that they are supported and connected.

Examples of our community engagement work include: building strong local neighbourhoods through the “Our Neighbourhood, Our Future” programme, working alongside Maori to ensure that they are informed and engaged in decision making, providing community grants to help achieve community aspirations and supporting youth through our Youth Leadership programme and Youth awards.

Strong communities can help people to feel safe and engaged, which help to make sure the Taupō district is a great place to live.

REGULATORY SERVICES

The regulatory activity includes:

- Registering, enforcing and ensuring compliance with regulatory functions relating to food premises, liquor outlets, electronic gaming machines
- Undertaking animal control
- Enforcing parking time restrictions
- Processing resource consents and ensuring compliance with the District Plan and resource consent conditions
- Processing building consent applications, inspecting buildings and enforcing the Building Act 2004.

We undertake the regulatory group of activities to ensure that our residents are safe and protected from nuisance.

EMERGENCY MANAGEMENT

Civil Defence Emergency Management (CDEM) is the key component of the emergency management group of activities. The CDEM role includes ensuring that our local communities and businesses are prepared if an emergency

were to happen in our district. This includes undertaking public awareness and educational campaigns, training exercises and local response planning.

COMMUNITY OUTCOMES

The community services groups of activities contribute to following the community outcomes:

- Growing Resilient Economies
- Enhancing Healthy and Sustainable Environments
- Enabling Connected and Safe Communities
- Significant negative effects

If not managed properly, the community services group of activities has the potential to have significant negative effects on the social, economic, environmental, or cultural well-being of the local community. These potential effects could be:

- Social well-being: communities who don't feel supported may result in people feeling isolated.
- Economic well-being: unnecessary regulatory ‘red-tape’ could make it difficult for new and existing businesses to operate.
- Environmental well-being: harmful effects on our residents if regulatory activities are not managed properly.

These risks and significant negative effects are being managed by a proactive community engagement team who work to ensure that our communities feel supported, minimising unnecessary “red-tape” to support economic development and providing appropriate regulation to manage harm to our communities such as dust and noise.

KEY PROJECTS

These are the key projects for the community services group of activities that we have planned over the next ten years.

PROJECT	YEAR/S	COST
DOG POUND REFURBISHMENT	2021/24	\$326,000
PORTABLE WATER TANKER FOR CIVIL DEFENCE	2023/24	\$369,000

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
Support of community initiatives.	The number of community led events, projects and initiatives.	19 community led events	A combination of 13 community led events, projects and initiatives.	A combination of 13 community led events, projects and initiatives.	A combination of 13 community led events, projects and initiatives.	A combination of 13 community led events, projects and initiatives.
Community grants are provided and those who receive a grant are held accountable.	Percentage of distributing agencies that report annually to Council on the distribution of grants and costs of service for the distribution.	100 per cent	100 per cent.	100 per cent.	100 per cent.	100 per cent.
We process resource consents within legislative timeframes which ensures that property developments are in line with District Plan policy goals.	Percentage of resource consents processed within statutory timeframes as specified under the Resource Management Act 1991.	98.11 per cent	100 per cent.	100 per cent.	100 per cent.	100 per cent.
	Percentage of resource consents monitored to ensure they comply with the conditions of consent.	100 per cent of resource consent conditions were monitored to ensure compliance.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
We process building consents within legislative timeframes.	Percentage of all building consents applications processed within 20 working days as specified under the Building Act 2004 Section 48(1).	96 per cent	100 per cent.	100 per cent.	100 per cent.	100 per cent.
	Percentage of Building Warrants of Fitness audited yearly.	50 per cent.	At least 20 per cent.	At least 20 per cent.	At least 20 per cent.	At least 20 per cent.
We maintain a register of dogs in the district.	Percentage of known dogs that are registered each year.	99.19 per cent of known dogs were registered.	At least 99 per cent.	At least 99 per cent.	At least 99 per cent.	At least 99 per cent.

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
We respond promptly to food safety, dogs and noise complaints.	Percentage of noise complaints that are responded to within two hours.	100 per cent.	At least 95 per cent.	At least 95 per cent.	At least 95 per cent.	At least 95 per cent.
	Food safety – Percentage of food complaints responded to within two working days.	100 per cent.	At least 80 per cent.	At least 80 per cent.	At least 80 per cent.	At least 80 per cent.
	Dog control – percentage of initial response within 24 hours for dog control complaints.	97 per cent of complaints were responded to within 24 hours.	95 per cent.	95 per cent.	95 per cent.	95 per cent.
We inspect health, liquor and food premises regularly.	Percentage of health (funeral homes, camping grounds, hairdressers) premises that are registered and inspected annually to ensure they meet minimum legislative standards.	55 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
	Percentage of food premises that are registered and inspected/audited as required to ensure they meet minimum legislative standards.	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
	Percentage of liquor premises that are registered and inspected annually to ensure they meet the legislative minimum standards.	61 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
We educate our communities on preparing for emergencies.	The evaluation of annual exercise as a measure of effectiveness of training delivery.	New Measure	Baseline assessment	Increasing trend	Increasing trend	Greater than 90%

“

Strong communities can help people to feel safe and engaged, which help to make sure the Taupō district is a great place to live.

”



COMMUNITY SERVICES FUNDING IMPACT STATEMENT

	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	4,367	5,459	5,492	5,700	6,286	6,534	6,828	7,055	7,352	7,635	7,949
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	2,404	3,093	2,894	2,968	3,038	3,114	3,190	3,269	3,354	3,441	3,523
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	373	466	479	491	502	515	528	541	555	569	583
Total operating funding (A)	7,144	9,018	8,865	9,159	9,826	10,163	10,546	10,865	11,261	11,645	12,055
Applications of operating funding											
Payments to staff and suppliers	6,953	8,812	8,648	8,930	9,557	9,894	10,277	10,591	10,984	11,367	11,774
Finance costs	43	36	39	44	46	40	35	32	29	25	21
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	6,996	8,848	8,687	8,974	9,603	9,934	10,312	10,623	11,013	11,392	11,795
Surplus (deficit) of operating funding (A - B)	148	170	178	185	223	229	234	242	248	253	260
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(28)	86	78	411	(95)	(98)	(89)	(102)	(106)	(109)	(105)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(28)	86	78	411	(95)	(98)	(89)	(102)	(106)	(109)	(105)
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	34	165	165	501	22	22	31	23	24	24	25
• to replace existing assets	81	250	388	418	252	184	142	259	141	117	207
Increase (decrease) in reserves	5	(159)	(297)	(323)	(146)	(75)	(28)	(142)	(23)	3	(77)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	120	256	256	596	128	131	145	140	142	144	155
Surplus (deficit) of capital funding (C - D)	(148)	(170)	(178)	(185)	(223)	(229)	(234)	(242)	(248)	(253)	(260)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

COMMUNITY SERVICES SCHEDULE OF CAPITAL EXPENDITURE

	ANNUAL PLAN 2020/21 (\$'000)	LTP 2021/22 (\$'000)	LTP 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)	LTP 2026/27 (\$'000)	LTP 2027/28 (\$'000)	LTP 2028/29 (\$'000)	LTP 2029/30 (\$'000)	LTP 2030/31 (\$'000)
Capex											
ILOS											
Additional CCTV Cameras for NZ Police	0	20	21	21	22	22	23	23	24	24	25
Burglar Alarm for Civil Defence Depot at OD Park	9	0	0	0	0	0	0	0	0	0	0
Dog Pound Refurbishment	0	106	144	111	0	0	0	0	0	0	0
Generator inverter	5	0	0	0	0	0	0	0	0	0	0
New cameras to coincide with police 10 year district plan	20	0	0	0	0	0	0	0	0	0	0
Access Steps x 2 Unimog	0	7	0	0	0	0	0	0	0	0	0
Potable Water Tanker	0	0	0	369	0	0	0	0	0	0	0
Mobile Flood Barriers	0	25	0	0	0	0	0	0	0	0	0
Lone Worker Monitoring System	0	7	0	0	0	0	8	0	0	0	0
ILOS Total	34	165	165	501	22	22	31	23	24	24	25
Capex Total	34	165	165	501	22	22	31	23	24	24	25
Renewal	81	250	388	418	252	184	142	259	141	117	207
Grand Total	114	414	553	919	273	206	173	282	165	142	232

WATER

WHAT WE DO AND WHY WE DO IT

We supply treated drinking water to 18 schemes throughout the district. This involves taking water from lakes, rivers and bores and treating it, storing it and then distributing to our customers. The water supply activity involves maintaining water treatment plants, water storage reservoirs, pump stations, hydrants and water pipes.

We also supply untreated water to the industrial businesses connected to the Centennial Road scheme in Taupō.

We are required to ensure that the water that we supply complies with the Drinking Water Standards New Zealand (DWSNZ) to make sure our water supply is safe.

As well as households, there are many businesses who rely on us to provide a safe, reliable water supply. Without it, there may be significant disruptions to our tourist operations and economic development.

DISTRICT WIDE FUNDING OF WATER

One of the consultation topics for this Long-term Plan was seeking feedback from our community on whether they thought that we should move to the district-wide funding of water. In the past, each of the district's 18 water schemes has been separately funded. This meant that only the ratepayers connected to each scheme contributed costs. Some of these communities were facing affordability issues.

Council decided to move to district-wide funding of water, to improve affordability for residential consumers. This means that all ratepayers connected to a Council water scheme will pay Waka Kotahi.

COMMUNITY OUTCOMES

The water group of activities contributes to following the

community outcomes:

- 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.

SIGNIFICANT NEGATIVE EFFECTS

If not managed properly, the water activity has the potential to have significant negative effects on the social, economic, environmental, or cultural well-being of the local community. These potential effects could be:

- Social well-being: people becoming sick if the drinking water is not treated and stored properly.
- Economic well-being: businesses not being able to operate properly if the water supply is unreliable.
- Environmental well-being: harmful effects on the environment if we take too much water.
- Cultural well-being: disregarding of Te Mana o te Wai (the integrated and holistic well-being of the water) could have cultural impacts.

These effects are managed by ensuring that our drinking water is treated to the appropriate standard, and having measures in place to reduce our water consumption.

VARIATION BETWEEN THIS LONG-TERM PLAN AND THE ASSESSMENT OF WATER AND SANITARY SERVICES

Water service proposals in this plan are generally consistent with those contained in the Water and Sanitary Services Assessment. 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.

“The water supply activity involves maintaining water treatment plants, water storage reservoirs, pump stations, hydrants and water pipes.”

KEY PROJECTS

These are the key projects that we have planned for the water activities over the next ten years.

PROJECT	YEAR/S	COST
CONSTRUCTION OF A NEW WATER RESERVOIR IN KINLOCH	2021-24	\$4.8 million
TAUHARA RIDGE RESERVOIR AND AIRPORT CONNECTION	2022-24	\$4.02 million
BONSHAW PARK DRINKING WATER STANDARDS UPGRADE	2021/22	\$2.37 million
CENTENNIAL WATER SCHEME DRINKING WATER STANDARDS NZ UPGRADE	2022-25	\$3.5 million
HATEPE WATER SCHEME DRINKING WATER STANDARDS NZ UPGRADE	2022-24	\$2.85 million
KINLOCH DRINKING WATER STANDARDS NZ UPGRADE	2021-23	\$5.25 million
MOTUOAPA DRINKING WATER STANDARDS NZ UPGRADE	2022-24	\$2.74 million
OMORI DRINKING WATER STANDARDS NZ UPGRADE	2021-23	\$2.8 million
TAUPŌ WATER TREATMENT PLANT UPGRADE TO INSTALL CYANOTOXIN TREATMENT	2026-28	\$1.7 million
PROJECT TO PROVIDE WAIHI VILLAGE WITH RETICULATED DRINKING WATER	2021-22	\$1.2 million
IMPLEMENTATION OF THE WATER LOSS STRATEGY	2021-24	\$1.5 million
WHAKAMOENGA POINT DRINKING WATER STANDARDS NZ UPGRADE	2021-24	\$1.5 million

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
We provide safe drinking water to communities connected to a Council drinking water scheme.	The extent to which Council's drinking water supply complies with: Part 4 of the Drinking water Standards for New Zealand (Bacteria compliance criteria). • All schemes.	12 of 18 supplies, provisional result	All schemes are compliant with Part 4 of the DWSNZ.	All schemes are compliant with Part 4 of the DWSNZ.	All schemes are compliant with Part 4 of the DWSNZ.	All schemes are compliant with Part 4 of the DWSNZ.
The drinking water that Council provides is safe and treated to the appropriate standards.	The extent to which Council's drinking water supply complies with: Part 5 of the Drinking water Standards for New Zealand (Protozoal compliance criteria).	3 out of 18, provisional result	All schemes are compliant with Part 5 of the DWSNZ as per upgrade plan.	All schemes are compliant with Part 5 of the DWSNZ as per upgrade plan.	All schemes are compliant with Part 5 of the DWSNZ as per upgrade plan.	All schemes are compliant with Part 5 of the DWSNZ as per upgrade plan.
	The extent to which Council's drinking water supply complies with: Part 8 of the Drinking-water Standards for New Zealand (chemical compliance criteria).	18 out of 18 schemes, provisional result	All schemes excluding Motutere are compliant with Part 5 of the DWSNZ as per upgrade plan.	All schemes excluding Motutere are compliant with Part 5 of the DWSNZ as per upgrade plan.	All schemes excluding Motutere are compliant with Part 5 of the DWSNZ as per upgrade plan.	All schemes excluding Motutere are compliant with Part 5 of the DWSNZ as per upgrade plan.
Our water reticulation network is efficient.	Percentage of real water loss from Council's networks reticulation system. Methodology in line with Water NZ "Water Loss guidelines".	Taupō: 206 l/connection/day Turangi: 677 l/connection/day Average of Other Urban Networks: 147 l/connection/day Average of Rural Networks: 6.5 m3/km watermain/day	Urban Schemes - Target Current Annual Real Loss = 160 l/connection/day Rural Schemes - Target Current Annual Real Loss = 4.2 m3/km watermain/day	Urban Schemes - Target Current Annual Real Loss = 160 l/connection/day Rural Schemes - Target Current Annual Real Loss = 4.2 m3/km watermain/day	Urban Schemes - Target Current Annual Real Loss = 160 l/connection/day Rural Schemes - Target Current Annual Real Loss = 4.2 m3/km watermain/day	Urban Schemes - Target Current Annual Real Loss = 160 l/connection/day Rural Schemes - Target Current Annual Real Loss = 4.2 m3/km watermain/day

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
We respond to faults with our water reticulation network promptly.	Median time for attendance for urgent call-outs: from the time that Council receives notification to the time that the service personnel reach the site.	0.33 hours	Less than 1 hour.	Less than 1 hour.	Less than 1 hour.	Less than 1 hour.
	Median time for attendance for non-urgent call-outs: from the time that Council receives notification to the time that the service personnel reach the site.	0.96 days	Less than 6 days.	Less than 6 days.	Less than 6 days.	Less than 6 days.
We resolve faults in our water reticulation network promptly.	Median time for resolution of urgent call-outs: from the time that the local authority receives notification to the time that the service personnel confirms resolution of the fault or interruption.	2.88 hours	Less than 4 hours.	Less than 4 hours.	Less than 4 hours.	Less than 4 hours.
	Median time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that the service personnel confirms resolution of the fault or interruption.	1.98 days	Less than 7 days.	Less than 7 days.	Less than 7 days.	Less than 7 days.
Customers are satisfied with the drinking water that they receive.	The number of complaints received by Council on (a) Drinking water clarity. (b) Drinking water taste. (c) Drinking water odour. (d) Drinking water pressure or flow. (e) Continuity of supply. (f) Council response to these issues. This measure is expressed per 1000 connections to Council networked reticulation.	10.5 complaints per 1000 connections.	Less than 8 complaints per 1000 connections.	Less than 8 complaints per 1000 connections.	Less than 8 complaints per 1000 connections.	Less than 8 complaints per 1000 connections.
Potable water is used sustainably.	The average consumption of drinking water per day per resident within the district expressed as m ³ /day/HEU.	1.04m ³ / HEU per day.	Less than or equal to 1.5m ³ /day/HEU.	Less than or equal to 1.5m ³ /day/HEU.	Less than or equal to 1.5m ³ /day/HEU.	Less than or equal to 1.5m ³ /day/HEU.
There is adequate water for firefighting in urban areas.	Percentage of hydrants tested annually to ensure water pressure in urban areas meets FW2 firefighting code of practice standards.	5.2 per cent.	At least 5 per cent.	At least 5 per cent.	At least 5 per cent.	At least 5 per cent.

WATER FUNDING IMPACT STATEMENT

	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)	2028/29 (\$'000)	2029/30 (\$'000)	2030/31 (\$'000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	10,856	11,584	12,796	13,481	14,113	14,343	14,707	14,991	15,441	16,056	16,320
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	111	111	115	118	121	125	128	132	137	141	146
Internal charges and overheads recovered	213	236	242	248	254	261	268	275	283	291	299
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	11,180	11,931	13,153	13,847	14,488	14,729	15,103	15,398	15,861	16,488	16,765
Applications of operating funding											
Payments to staff and suppliers	5,209	5,831	5,888	6,060	6,236	6,413	6,705	6,898	7,154	7,620	7,768
Finance costs	2,148	2,223	2,549	2,683	2,620	2,473	2,335	2,366	2,386	2,345	2,298
Internal charges and overheads applied	53	59	61	62	64	66	68	70	72	75	77
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	7,410	8,113	8,498	8,805	8,920	8,952	9,108	9,334	9,612	10,040	10,143
Surplus (deficit) of operating funding (A - B)	3,770	3,818	4,655	5,042	5,568	5,777	5,995	6,064	6,249	6,448	6,622
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	771	2,146	1,843	1,338	1,165	1,108	971	852	912	826	809
Increase (decrease) in debt	7,420	5,186	11,231	10,210	487	(532)	277	1,368	(46)	(52)	(46)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	8,191	7,332	13,074	11,548	1,652	576	1,248	2,220	866	774	763
Application of capital funding											
Capital expenditure											
• to meet additional demand	500	1,250	1,263	2,761	-	-	-	-	-	-	-
• to improve the level of service	7,140	9,159	12,860	6,828	2,392	-	162	1,501	-	-	-
• to replace existing assets	3,136	5,779	6,059	6,064	5,350	4,900	5,554	5,326	5,750	5,648	5,649
Increase (decrease) in reserves	1,185	(5,038)	(2,453)	937	(522)	1,453	1,527	1,457	1,364	1,575	1,736
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	11,961	11,150	17,729	16,590	7,220	6,353	7,243	8,284	7,115	7,222	7,385
Surplus (deficit) of capital funding (C - D)	(3,770)	(3,818)	(4,655)	(5,042)	(5,568)	(5,777)	(5,995)	(6,064)	(6,249)	(6,448)	(6,622)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

WATER SCHEDULE OF CAPITAL EXPENDITURE

	ANNUAL PLAN 2020/21 (\$'000)	LTP 2021/22 (\$'000)	LTP 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)	LTP 2026/27 (\$'000)	LTP 2027/28 (\$'000)	LTP 2028/29 (\$'000)	LTP 2029/30 (\$'000)	LTP 2030/31 (\$'000)
Capex Growth											
Kinloch Low Zone Reservoir Construction	0	1,200	3,395	212	0	0	0	0	0	0	0
Kinloch Low Zone Reservoir Land Purchase	0	550	0	0	0	0	0	0	0	0	0
Taupō Water - Control Gates Bridge Pipeline Upgrade	0	200	0	0	0	0	0	0	0	0	0
Taupō Water - Wairakei Rising Main Upgrade	0	0	0	902	0	0	0	0	0	0	0
Taupō water Brentwood reservoir - land purchase	500	0	0	0	0	0	0	0	0	0	0
Taupō water reticulation of Five Mile Bay	480	0	0	0	0	0	0	0	0	0	0
Taupō water Tauhara Ridge reservoir - land purchase	0	350	0	0	0	0	0	0	0	0	0
Taupō water Tauhara Ridge Reservoir and Airport Connection	0	0	1,263	2,761	0	0	0	0	0	0	0
Taupō water Tauhara Ridge falling main to Wharewaka East Limited	700	0	0	0	0	0	0	0	0	0	0
Growth Total	1,680	2,300	4,658	3,875	0	0	0	0	0	0	0
ILOS											
Acacia Bay water DWSNZ upgrade	2,100	0	0	0	0	0	0	0	0	0	0
Airport Pump Station Water Safety and Continuity Improvements	35	0	0	0	0	0	0	0	0	0	0
Atiamuri Water DWSNZ Bore Head Upgrade	0	20	0	0	0	0	0	0	0	0	0
Bonshaw Park DWSNZ Project	0	230	2,142	0	0	0	0	0	0	0	0
Centennial Treated Water DWSNZ Upgrade	0	0	104	1,062	2,346	0	0	0	0	0	0
Hatepe water DWSNZ Upgrade	0	0	725	2,124	0	0	0	0	0	0	0
Kinloch water DWSNZ upgrade	3,800	3,700	1,553	0	0	0	0	0	0	0	0
Mangakino Reservoir Stormwater Management	25	0	0	0	0	0	0	0	0	0	0
Mangakino Water Treatment Improvements	0	0	0	80	0	0	0	0	0	0	0
Motuopa water DWSNZ upgrade	0	0	828	1,912	0	0	0	0	0	0	0
Omori water DWSNZ upgrade	0	800	2,070	0	0	0	0	0	0	0	0
Taupō Water - Low Pressure Project	0	900	0	0	0	0	0	0	0	0	0
Taupō Water Decommissioning Programme	0	86	119	80	46	0	0	0	0	0	0
Taupō water Napier Road reservoir - Land purchase	0	50	0	0	0	0	0	0	0	0	0
Taupō water Poihipi reservoir - land purchase	0	50	0	0	0	0	0	0	0	0	0
Taupō WTP Taste Odour and Cyanotoxin Treatment Upgrade	0	0	0	0	0	0	162	1,501	0	0	0
Turangī Water Treatment Improvements	0	0	0	106	0	0	0	0	0	0	0
Waihi Village water supply	0	1,220	0	0	0	0	0	0	0	0	0
Water Loss Strategy Implementation	0	550	569	350	0	0	0	0	0	0	0
Water Reservoir Emergency Storage	0	70	0	0	0	0	0	0	0	0	0
Whakamaru Water DWSNZ Bore Head Upgrade	0	25	0	0	0	0	0	0	0	0	0
Whakamaru Water Network Extension	0	238	0	0	0	0	0	0	0	0	0
Whakamoenga Point DWSNZ Project	0	150	1,314	0	0	0	0	0	0	0	0
Whareroa Water DWSNZ Bore Head Upgrade	0	20	41	0	0	0	0	0	0	0	0
ILOS Total	5,960	8,109	9,465	5,714	2,392	0	162	1,501	0	0	0
Capex Total	7,640	10,409	14,123	9,589	2,392	0	162	1,501	0	0	0
Renewal	3,136	5,779	6,059	6,064	5,350	4,900	5,554	5,326	5,750	5,648	5,649
Grand Total	10,776	16,188	20,182	15,653	7,742	4,900	5,716	6,827	5,750	5,648	5,649



**OUR PLAN.
OUR TAUPŌ DISTRICT.**

A scenic view of a lake with a town in the background and a person's arm in the foreground. The image is a composite of several elements: a person's arm in a dark blue t-shirt on the left, a green grassy bank in the foreground, a blue lake with a white sailboat in the middle ground, and a town on a hillside in the background under a blue sky with white clouds. The text is overlaid on the lake and town area.

**“My vision for the district is
that it continues to develop its
economic strength.”**

- LIANNE



TRANSPORT

WHAT WE DO AND WHY WE DO IT

We provide a comprehensive local transport network which includes local roads, footpaths, street lights, cycle paths, bridges, bus shelters, traffic signals, carparking and signage. We also focus on improving road safety and ensuring people enjoy easy access to different modes of transport, such as walking and cycling.

Public transport in the district is operated by Waikato Regional Transport, however we provide funding towards this service to make it more accessible for our residents.

New Zealand Transport Agency is responsible for managing the state highways within the Taupō district.

Our transport network provides for the efficient movement of people and goods which is essential for the economic and social well-being of the community.

COMMUNITY OUTCOMES

The transport activity contributes to following the community outcomes:

- 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.

SIGNIFICANT NEGATIVE EFFECTS

If not managed properly, the transport activity has the potential to have significant negative effects on the social, economic, environmental, or cultural well-being of the local community. These potential effects could be:

- Social well-being: the social costs associated with crashes on our roading network.
- Economic well-being: businesses not being able to transport goods and services efficiently.
- Environmental well-being: effects on the environment from vehicle emissions and contaminants on our transport network entering the stormwater network.

These effects are managed by measures such as a road safety programme in place, asset management planning and the Transport Strategy.

KEY PROJECTS

The key transport activities that we have planned over the next ten years are:

PROJECT	YEAR/S	COST
WHANGAMATA ROAD IMPROVEMENTS	2021/24	\$2.7 million
POIHIPI ROAD SEAL WIDENING	2021/27	\$2.7 million
KIDDLE DRIVE/ARROWSMITH AVE INTERSECTION IMPROVEMENTS	2021/22	\$2 million
TIROHANGA ROAD IMPROVEMENTS	2022/26	\$1.3 million
MINOR IMPROVEMENTS	2021/31	\$2.8 million
PEDESTRIAN FACILITIES	2021/31	\$2.3 million
SEAL EXTENSION	2021/31	\$6.3 million

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
The number of serious and fatal crashes on Council roads is falling.	Reduction from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	4 deaths, 11 serious crashes on Taupō local roads	Decrease from previous year.	Decrease from previous year.	Decrease from previous year.	Decrease from previous year.
That our roading network is adequately maintained and in good condition.	The average quality of ride on a sealed road network, measured by percentage of smooth travel exposure. Methodology in line with NZTA Smooth Travel Exposure (STE) Index for sealed roads.	91 per cent.	At least 90 per cent.	At least 90 per cent.	At least 90 per cent.	At least 90 per cent.
	The percentage of the sealed local road network that is resurfaced.	263,962m ² m ² (4.4 per cent) of the sealed local road network was resealed.	At least 3 per cent.	At least 3 per cent.	At least 3 per cent.	At least 3 per cent.
Footpaths are adequately maintained and in good condition.	Percentage of footpaths in the district that fall within the level of service or service standard for the condition of footpaths that is set out in the Territorial Local Authorities (TLA's) Asset Management Plans (AMPs) (maintenance intervention when displacement is greater than 10mm for Taupō CBD, Taupō urban areas and Turangi and other urban areas).	91 per cent	80 per cent.	80 per cent.	80 per cent.	80 per cent.
We will respond to customer service requests.	Percentage of customer service requests relating to roads and footpaths to which the territorial authority that are responded to within five working days.	92 per cent	At least 90 per cent.	At least 90 per cent.	At least 90 per cent.	At least 90 per cent.

TRANSPORT FUNDING IMPACT STATEMENT

	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	7,282	6,158	8,192	8,557	9,161	9,725	9,819	10,237	9,864	9,987	10,276
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	2,033	2,336	2,465	2,564	2,762	2,867	2,973	3,055	3,112	3,241	3,320
Fees and charges	142	171	176	181	186	192	197	203	209	215	222
Internal charges and overheads recovered	425	425	526	542	557	574	591	608	626	644	663
Local authorities fuel tax, fines, infringement fees, and other receipts	350	450	464	478	492	506	521	536	552	568	585
Total operating funding (A)	10,232	9,540	11,823	12,322	13,158	13,864	14,101	14,639	14,363	14,655	15,066
Applications of operating funding											
Payments to staff and suppliers	5,256	6,166	6,349	6,609	7,046	7,659	7,588	7,821	8,005	8,336	8,560
Finance costs	1,303	818	776	689	585	483	390	349	340	320	299
Internal charges and overheads applied	425	434	535	551	567	583	601	618	636	655	674
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	6,984	7,418	7,660	7,849	8,198	8,725	8,579	8,788	8,981	9,311	9,533
Surplus (deficit) of operating funding (A - B)	3,248	2,122	4,163	4,473	4,960	5,139	5,522	5,851	5,382	5,344	5,533
Sources of capital funding											
Subsidies and grants for capital expenditure	1,605	3,718	3,587	3,295	2,560	2,739	2,541	2,349	2,522	2,487	2,614
Development and financial contributions	689	1,594	1,328	1,102	1,009	857	843	757	704	637	624
Increase (decrease) in debt	(2,665)	(1,544)	(202)	(12)	(2,354)	(1,832)	(2,467)	(199)	(438)	(474)	(588)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(371)	3,768	4,713	4,385	1,215	1,764	917	2,907	2,788	2,650	2,650
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	1,077	6,068	4,960	4,328	2,442	2,389	1,666	1,484	1,295	1,320	1,738
• to replace existing assets	3,439	3,173	3,700	3,858	4,739	4,635	4,982	4,673	4,580	4,529	5,777
Increase (decrease) in reserves	(1,639)	(3,351)	216	672	(1,006)	(121)	(209)	2,601	2,295	2,145	668
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	2,877	5,890	8,876	8,858	6,175	6,903	6,439	8,758	8,170	7,994	8,183
Surplus (deficit) of capital funding (C - D)	(3,248)	(2,122)	(4,163)	(4,473)	(4,960)	(5,139)	(5,522)	(5,851)	(5,382)	(5,344)	(5,533)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

TRANSPORT SCHEDULE OF CAPITAL EXPENDITURE

	ANNUAL PLAN 2020/21 (\$'000)	LTP 2021/22 (\$'000)	LTP 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)	LTP 2026/27 (\$'000)	LTP 2027/28 (\$'000)	LTP 2028/29 (\$'000)	LTP 2029/30 (\$'000)	LTP 2030/31 (\$'000)
Capex											
Growth											
Whangamata Road improvements	0	100	851	1,726	0	0	0	0	0	0	0
Poihiki Road seal widening	27	440	412	467	437	495	463	0	0	0	0
Growth Total	27	540	1,263	2,193	437	495	463	0	0	0	0
ILOS											
Acacia Bay cycle path	0	600	0	0	0	0	0	0	0	0	0
Anzac Memorial Drive	0	425	284	0	0	0	0	0	0	0	0
Broadlands Road widening	0	50	722	0	0	0	0	0	0	0	0
Bus infrastructure	0	60	5	64	5	23	6	24	6	25	7
Footpath on Lake Terrace	0	50	464	0	0	0	0	0	0	0	0
Kiddle Drive and Arrowsmith Ave	0	1,950	0	0	0	0	0	0	0	0	0
Lake Terrace and Wharewaka Road	0	0	0	0	0	0	0	238	0	0	0
Lighting along footpaths	0	0	170	175	0	0	0	0	0	0	0
Paetiki Suburban Shopping Centre enhancements	50	50	0	0	0	0	0	0	0	0	0
Parking Demand Management	0	0	222	228	0	0	0	0	0	0	0
River Road footpath	0	0	0	0	328	338	0	0	0	0	0
RSA carpark	0	350	0	0	0	0	0	0	0	0	0
School bus shelters	0	0	8	0	9	0	9	0	10	0	10
Second Bridge crossing	0	0	0	0	0	0	0	0	0	0	390
Spa Road and Tauhara Road intersection	0	0	0	0	0	0	0	0	0	0	0
Tirohanga Road improvements	0	50	309	319	328	338	0	0	0	0	0
Two Mile Bay carpark	0	0	0	127	175	0	0	0	0	0	0
Wairakei Drive and Huka Falls Rd (north)	0	250	309	0	0	0	0	0	0	0	0
Wairakei Road and Karetoto Road	0	255	0	0	0	0	0	0	0	0	0
Minor improvements	197	228	240	250	269	279	290	298	303	316	323
On street parking	20	40	41	42	44	45	0	0	0	0	0
New signs & road marking	23	25	26	48	27	28	29	30	55	32	33
Pedestrian facilities	125	200	206	212	219	225	232	238	245	253	260
Mangakino streets - upgrade program	36	5	41	0	0	0	0	0	0	0	0
Seal extension	450	550	567	584	601	619	637	656	675	695	715
Cycle facilities	50	150	82	85	0	0	0	0	0	0	0
Horomatangi Street additional parking	0	200	0	0	0	0	0	0	0	0	0
Ute for cycle skills instructors and bikes	0	40	0	0	0	0	0	0	0	0	0
ILOS Total	950	5,528	3,697	2,135	2,005	1,894	1,202	1,484	1,295	1,320	1,738
Capex Total	977	6,068	4,960	4,328	2,442	2,389	1,666	1,484	1,295	1,320	1,738
Renewal	3,539	3,173	3,700	3,858	4,739	4,635	4,982	4,673	4,580	4,529	5,777
Grand Total	4,516	9,241	8,660	8,186	7,181	7,024	6,647	6,156	5,875	5,849	7,515



COMMUNITY FACILITIES

WHAT WE DO AND WHY WE DO IT

We operate and maintain a number of community facilities for both residents and visitors to the district. These facilities are:

- Libraries in Taupō, Turangi and Mangakino
- The Taupō Museum and Art Gallery
- The Great Lake Centre, Taupō Events Centre and community halls
- Parks, reserves, playgrounds and gaōrdens
- Sportsgrounds
- AC Baths, the Turangi Aquatic Centre and the Mangakino Community Pool
- Community gyms
- Housing for the elderly
- Public toilets, including the Superloo
- Cemeteries

We provide these facilities to ensure that there are sporting, aquatic and recreational opportunities and exercise facilities for the community. These facilities help to provide for the physical and mental well-being of everyone who spends time in the district.

COMMUNITY OUTCOMES

The community facilities activity contributes to the following community outcomes:

- 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.

SIGNIFICANT NEGATIVE EFFECTS

- If not managed properly, the community facilities activity has the potential to have significant negative effects on the social, economic, environmental, or cultural well-being of the local community. These potential effects could be:
- Social well-being: our residents may not be able to provide for their mental and physical well-being if our facilities do not meet the needs of our communities.
- Environmental well-being: there may be harmful effects on our environment if our facilities such as cemeteries aren't managed properly.

These effects are managed by making our community facilities accessible to our community.

VARIATION BETWEEN THIS LONG-TERM PLAN AND THE ASSESSMENT OF WATER AND SANITARY SERVICES AND WASTE MANAGEMENT PLAN

The sanitary services (cemeteries and public toilets) proposals are generally consistent with those contained within the Water and Sanitary Services Assessment generally consistent with those contained in the Water and Sanitary Services Assessment. 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.

KEY PROJECTS

The key community facilities projects that we have planned over the next ten years are:

PROJECT	YEAR/S	COST
NEW NEIGHBOURHOOD RESERVES	2021/31	\$13 million
TURANGI RECREATION AND EVENTS CENTRE	2021/25	\$15.9 million
HOUSING FOR THE ELDERLY ASBESTOS REMOVAL AND INSULATION IMPROVEMENTS	2021/22	\$1.4 million
NEW LIBRARY BOOKS	2021/31	\$3.4 million
OWEN DELANY PARK UPGRADES	2023/24	\$3.5 million
PLAYGROUND IMPROVEMENTS	2021/31	\$2 million

“We operate and maintain a number of community facilities for both residents and visitors to the district.”

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
The library is accessible and offers a range of services for the community.	The total number of items loaned to library members (physical and e-books) is maintained or increased.	227,304 Physical items 30,368 E-books/e-audio	At least 227,303 physical items, and 30,367 e-books/e-audio items loaned.	At least 227,303 physical items, and 30,367 e-books/e-audio items loaned.	At least 227,303 physical items, and 30,367 e-books/e-audio items loaned.	At least 227,303 physical items, and 30,367 e-books/e-audio items loaned.
	The number of active library card users is maintained or increased.	8,286 members used their library card.	At least 8,285 members used their library card.	At least 8,285 members used their library card.	At least 8,285 members used their library card.	At least 8,285 members used their library card.
The Great Lake Centre and Taupō Events Centre are accessible and provide the community with a range of services.	The occupancy rate of the Great Lake Centre and Taupō Events Centre.	New measure	The Great Lake Centre and Taupō Events Centre are occupied at least 84 percent of the time	The Great Lake Centre and Taupō Events Centre are occupied at least 84 percent of the time	The Great Lake Centre and Taupō Events Centre are occupied at least 84 percent of the time	The Great Lake Centre and Taupō Events Centre are occupied at least 84 percent of the time
Residents and visitors are satisfied with the exhibitions at the Taupō Museum and Art Gallery.	Total number of visitors (physical and virtual) to the museum is maintained or increased	18,360 physical visitors to the museum 4,365 Website homepage visits. 6,279 people engaged with facebook page	Visits are maintained or increased.	Visits are maintained or increased.	Visits are maintained or increased.	Visits are maintained or increased.
	Number of exhibitions is maintained or increased	3 x museum/ collaborative (in-house) curations 8 x local/ visitor exhibitions 1 x touring exhibition	Exhibitions are maintained or increased	Exhibitions are maintained or increased	Exhibitions are maintained or increased	Exhibitions are maintained or increased

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
Our open spaces are well cared for.	Percentage of service requests responded to relating to Council-owned parks and open space.	New measure	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.
	Percentage of service requests responded to relating to Council playgrounds.	New measure	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.
	Percentage of service requests responded to relating to sportsgrounds.	New measure	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.
Our pools are safe, well maintained, and attractive for users.	We maintain Pool Safe accreditation at AC Baths and Turtle Pools	Achieved the Pool safe accreditation	Pool safe accreditation maintained.	Pool safe accreditation maintained.	Pool safe accreditation maintained.	Pool safe accreditation maintained.
Public toilet are clean, safe and fit for purpose.	Percentage of service requests responded to relating to public toilets.	New measure	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.

COMMUNITY FACILITIES FUNDING IMPACT STATEMENT

	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	17,055	19,932	20,490	21,004	22,126	23,248	23,828	24,337	25,003	25,794	26,451
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	171	141	149	148	130	155	136	163	143	172	151
Fees and charges	2,569	2,565	2,612	2,676	2,760	2,828	2,897	2,968	3,045	3,124	3,199
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	11	9	9	9	9	9	10	10	10	10	11
Total operating funding (A)	19,806	22,647	23,260	23,837	25,025	26,240	26,871	27,478	28,201	29,100	29,812
Applications of operating funding											
Payments to staff and suppliers	13,486	16,259	16,500	16,835	17,516	18,282	18,913	19,454	20,126	20,938	21,609
Finance costs	1,516	1,214	1,203	1,255	1,429	1,441	1,303	1,240	1,168	1,070	973
Internal charges and overheads applied	371	409	420	431	441	452	463	475	487	500	512
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	15,373	17,882	18,123	18,521	19,386	20,175	20,679	21,169	21,781	22,508	23,094
Surplus (deficit) of operating funding (A - B)	4,433	4,765	5,137	5,316	5,639	6,065	6,192	6,309	6,420	6,592	6,718
Sources of capital funding											
Subsidies and grants for capital expenditure	339	151	100	532	283	290	297	145	149	153	157
Development and financial contributions	326	2,514	2,125	1,591	1,416	1,348	1,118	1,017	1,010	958	956
Increase (decrease) in debt	(1,492)	514	318	9,249	7,420	(1,931)	(1,903)	(2,293)	(2,288)	(2,882)	(2,166)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(827)	3,179	2,543	11,372	9,119	(293)	(488)	(1,131)	(1,129)	(1,771)	(1,053)
Application of capital funding											
Capital expenditure											
• to meet additional demand	935	2,254	1,985	1,547	1,412	1,399	1,209	1,124	1,153	1,135	1,162
• to improve the level of service	3,380	3,840	2,675	12,049	10,086	2,046	1,433	866	933	911	933
• to replace existing assets	2,549	3,992	2,499	2,561	3,089	2,594	2,731	3,084	4,050	2,908	2,754
Increase (decrease) in reserves	(3,258)	(2,142)	521	531	171	(267)	331	104	(845)	(133)	816
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	3,606	7,944	7,680	16,688	14,758	5,772	5,704	5,178	5,291	4,821	5,665
Surplus (deficit) of capital funding (C - D)	(4,433)	(4,765)	(5,137)	(5,316)	(5,639)	(6,065)	(6,192)	(6,309)	(6,420)	(6,592)	(6,718)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-



COMMUNITY FACILITIES SCHEDULE OF CAPITAL EXPENDITURE

	ANNUAL PLAN 2020/21 (\$'000)	LTP 2021/22 (\$'000)	LTP 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)	LTP 2026/27 (\$'000)	LTP 2027/28 (\$'000)	LTP 2028/29 (\$'000)	LTP 2029/30 (\$'000)	LTP 2030/31 (\$'000)
Capex Growth											
Cemeteries - District											
Cemeteries Interment Infrastructure	8	31	44	95	24	25	68	26	71	27	28
Parks & Reserves - District											
Great Lake Walkway Upgrade	690	0	0	0	0	0	0	0	0	0	0
Parks Development Contribution											
New playgrounds on neighbourhood reserves	0	120	123	126	129	133	136	139	143	147	150
New neighbourhood reserves	245	2,134	1,862	1,421	1,283	1,266	1,073	985	1,010	988	1,012
Growth Total	943	2,285	2,029	1,642	1,436	1,424	1,277	1,150	1,224	1,162	1,190
ILOS											
AC Baths - Pools											
Lifeguard Elevated Poolside Chairs	0	17	0	0	0	0	0	0	0	0	0
Mobility Access Hoist	0	17	0	0	0	0	0	0	0	0	0
Connect generator to pool pumps	85	0	0	0	0	0	0	0	0	0	0
Floor scrubbing machine	0	8	0	0	0	0	0	0	0	0	0
Cemeteries - District											
Cemetery Improvements	25	0	0	0	0	0	0	0	0	0	0
Community Halls - District											
Kinloch Hall redevelopment	50	0	0	0	0	0	0	0	0	0	0
Turangī Events Centre	0	250	1,027	6,581	8,085	0	0	0	0	0	0
Housing for the Elderly - District											
HFE Asbestos Removal and Insulation	0	1,432	0	0	0	0	0	0	0	0	0
Libraries - District											
Library books	310	310	318	316	323	332	340	348	357	366	375
TV screens for Meeting Rooms at Taupō and Turangī Libraries	0	0	14	0	0	0	0	0	0	0	0
Digitisation of local history material	0	20	21	21	22	22	23	23	24	24	25
External signage at Taupō Library	0	8	0	0	0	0	0	0	0	0	0
Museum - Taupō											
Shelving for artefacts	0	10	0	0	0	0	0	0	0	0	0
Environmental Monitoring Equipment	0	8	0	0	0	0	0	0	0	0	0
Artwork display	0	25	0	0	0	0	0	0	0	0	0
Owen Delany Park Venue											
Owen Delany Park Upgrades	0	0	0	3,543	0	0	0	0	0	0	0
Install 3 new doors and vent bricks under grandstand	18	0	0	0	0	0	0	0	0	0	0

COMMUNITY FACILITIES SCHEDULE OF CAPITAL EXPENDITURE

	ANNUAL PLAN 2020/21 (\$'000)	LTP 2021/22 (\$'000)	LTP 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)	LTP 2026/27 (\$'000)	LTP 2027/28 (\$'000)	LTP 2028/29 (\$'000)	LTP 2029/30 (\$'000)	LTP 2030/31 (\$'000)
Parks & Reserves - District											
Flag Track system	0	50	0	0	0	0	0	0	0	0	0
Kinloch Eastern Toilet	0	35	0	0	0	0	0	0	0	0	0
Paetiki Suburban Shopping Centre enhancements	50	0	0	0	0	0	0	0	0	0	0
Playground Improvements	50	250	257	263	270	276	283	93	95	98	100
Taupō Skatepark Repairs	0	0	330	0	0	0	0	0	0	0	0
Tongariro Domain Playground Wet Pour upgrade	0	179	0	0	0	0	0	0	0	0	0
Turangi Cemetery Toilet	0	0	51	0	0	0	0	0	0	0	0
Waikato River Erosion Control	0	55	154	0	286	696	0	0	0	0	0
Fencing contributions (Fencing Act requirement)	20	20	21	21	22	22	23	23	24	24	25
Public Art	125	25	26	26	27	28	28	29	30	31	31
Lone Worker Monitoring System	0	7	0	0	0	0	8	0	0	0	0
Hipapatua rack upgrades and beautification	0	0	0	0	43	0	0	0	0	0	0
New Plant & Equipment	0	13	0	0	0	0	0	0	0	0	0
Mangakino Basketball Court	0	100	0	0	0	0	0	0	0	0	0
Improved Playground Softfall Material - bark to rubberised surfaces	20	0	0	0	0	0	0	0	0	0	0
Accessibility Improvements	10	0	0	0	0	0	0	0	0	0	0
Mangakino footpath and road	0	38	0	0	0	0	0	0	0	0	0
Mangakino New Boat Ramp	0	0	0	0	356	0	0	0	0	0	0
Mangakino - Fix Boat Ramp	0	0	125	0	0	0	0	0	0	0	0
Mangakino Recreation Reserve Entrance	0	7	0	0	0	0	0	0	0	0	0
Project Watershed											
Erosion Control - Kuratau Foreshore	315	71	73	75	77	78	80	82	84	87	89
Erosion Control - Taupō Bay including Lake Terrace Cliffs	374	165	46	1,002	445	456	467	125	128	132	135
Lakewide Soft Options	0	100	103	105	108	111	113	116	119	122	125
Public Conveniences - District											
Mangakino Toilet (new vault toilet)	0	350	0	0	0	0	0	0	0	0	0
Sportsgrounds - District											
Mangakino Open Space Upgrades	220	41	0	0	0	0	0	0	0	0	0
Turangi open space upgrades	1,700	0	0	0	0	0	0	0	0	0	0
Turangitukua park fencing	0	140	0	0	0	0	0	0	0	0	0
Taupō Events Centre - Stadium											
Accessibility Ramp	0	15	67	0	0	0	0	0	0	0	0
TEC/ACB External Digital display board	0	20	0	0	0	0	0	0	0	0	0
Turangi Turtle Pools											
Mobility Access Hoist	0	17	0	0	0	0	0	0	0	0	0
Sun Shade Covers	0	6	0	0	0	0	0	0	0	0	0
ILOS Total	3,372	3,809	2,632	11,954	10,062	2,021	1,365	840	861	884	905
Capex Total	4,315	6,094	4,661	13,596	11,498	3,445	2,642	1,990	2,086	2,046	2,094
Renewal	2,549	3,992	2,499	2,561	3,089	2,594	2,731	3,084	4,050	2,908	2,754
Grand Total	6,863	10,086	7,160	16,158	14,587	6,039	5,373	5,074	6,136	4,954	4,848



WASTEWATER

WHAT WE DO AND WHY WE DO IT

We collect and dispose of treated wastewater from residential, commercial and industrial properties located in our urban areas. We operate 12 wastewater schemes across the district and maintain the pipe network and pump stations associated with each network.

The safe treatment and disposal of wastewater is essential to protect the health of our environment and communities. We are required to obtain resource consents from Waikato Regional Council to ensure that we are treating and disposing of the wastewater in a way that protects our environment.

COMMUNITY OUTCOMES

The wastewater activity contributes to following the community outcomes:

- 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.

SIGNIFICANT NEGATIVE EFFECTS

If not managed properly, the wastewater activity has the potential to have significant negative effects on the social,

economic, environmental, or cultural well-being of the local community. These potential effects could be:

- Social well-being: people can become sick if wastewater is not treated and disposed of safely.
- Economic well-being: businesses may not be able to operate if their wastewater is unable to be disposed of.
- Environmental well-being: harmful effects on the environment if we don't dispose of our wastewater appropriately.
- Cultural well-being: disposing of wastewater inappropriately can have significant cultural impacts.

These effects are managed by making sure our wastewater treatment plants comply with the relevant environmental requirements.

VARIATION BETWEEN THIS LONG-TERM PLAN AND THE ASSESSMENT OF WATER AND SANITARY SERVICES

- Wastewater service proposals in this plan are generally consistent with those contained in the Water and Sanitary Services Assessment. 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.

KEY PROJECTS

These are the key projects that we have planned for the wastewater activities over the next ten years.

PROJECT	YEAR/S	COST
MANGAKINO WASTEWATER TREATMENT PLANT UPGRADE	2024/26	\$2.1 million
TAUPŌ WASTEWATER EASTERN TRUNK CAPACITY UPGRADE	2024/27	\$2 million
TAUPŌ WASTEWATER SOUTHERN TRUNK MAIN UPGRADE	2021/24	\$10.2 million
PRIMARY CLARIFIER FOR TAUPŌ WASTEWATER TREATMENT PLANT	2023/25	\$2.2 million
KINLOCH WASTEWATER TREATMENT PLANT BALANCE TANK	2021/22	\$9 million
EXPANSION OF IRRIGATION AREA FOR TAUPŌ WASTEWATER	2027/28 and 2030/31	\$17.5 million
TURANGI WASTEWATER DISPOSAL SYSTEM IMPROVEMENTS	2026/31	\$20.6 million
CONNECTING WAIHI VILLAGE TO THE TURANGI WASTEWATER NETWORK	2021/22	\$1.2 million

“The safe treatment and disposal of wastewater is essential to protect the health of our environment and communities.”

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 – 2030/31
We comply with the resource consents conditions relating to our sewerage systems.	Number of abatement notices received by Council in relation to sewerage system resource consents.	2 abatement notices.	≤ 1 abatement notices	≤ 1 abatement notices	≤ 1 abatement notices	≤ 1 abatement notices
	Number of infringement notices received by Council in relation to sewerage system resource consents.	0 infringements.	0 infringements	0 infringements	0 infringements	0 infringements
	Number of enforcement orders received by Council in relation to sewerage system resource consents.	0 enforcement orders.	0 enforcement orders	0 enforcement orders	0 enforcement orders	0 enforcement orders
	Number of successful convictions received by Council in relation to sewerage system resource consents.	0 successful convictions.	0 successful convictions	0 successful convictions	0 successful convictions	0 successful convictions
We will maintain the reduction in nitrogen discharged from wastewater treatment plants in the Lake Taupō catchment.	Maintain the reduction of total nitrogen discharged from wastewater treatment plants within the Lake Taupō catchment. Reduction of 20 per cent of the benchmark average has been achieved.	21.8 per cent	Maintain the reduction	Maintain the reduction.	Maintain the reduction.	Maintain the reduction.
Our sewerage system is maintained to prevent sewerage overflows.	Number of dry weather sewerage overflows from Council's sewerage system that expressed per 1000 connections.	1.08 dry weather overflows per thousand connections	Less than 3.	Less than 3.	Less than 3.	Less than 3.

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
We respond to faults with our sewerage system promptly.	Median attendance time: from the time that Council receives notification of a sewerage overflow resulting from a blockage or other fault in Council's sewerage system to the time that service personnel reach the site of the overflow or other fault.	Not able to be recorded	Less than 1 hour.	Less than 1 hour.	Less than 1 hour.	Less than 1 hour.
We resolve faults with our sewerage system promptly.	Median resolution time: from the time that Council receives notification of a sewerage overflow resulting from a blockage or other fault in Council's sewerage system, to the time that service personnel confirm resolution of the fault or blockage.	2 hours	Less than 4 hours.	Less than 4 hours.	Less than 4 hours.	Less than 4 hours.
Our customers are satisfied with the sewerage network.	The number of complaints received by Council on: a) Sewerage odour, b) Sewerage system faults, c) Sewerage system blockages; and d) Council's response to issues with its sewerage system. This is expressed per 1000 connections to the sewerage system.	8.3 complaints per 1000 connections to the sewerage system	Less than 8.	Less than 8.	Less than 8.	Less than 8.

WASTEWATER FUNDING IMPACT STATEMENT

	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)	2028/29 (\$'000)	2029/30 (\$'000)	2030/31 (\$'000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	13,515	14,049	15,619	15,943	16,469	16,829	17,221	17,490	18,109	18,821	19,838
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	265	265	275	282	290	298	306	316	326	338	348
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	13,780	14,314	15,894	16,225	16,759	17,127	17,527	17,806	18,435	19,159	20,186
Applications of operating funding											
Payments to staff and suppliers	6,444	7,337	7,426	7,457	7,659	7,887	8,428	8,367	8,620	9,008	9,398
Finance costs	2,225	2,098	2,416	2,337	2,179	2,033	1,808	1,773	1,810	1,827	2,083
Internal charges and overheads applied	157	175	181	186	191	197	202	209	216	223	230
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	8,826	9,610	10,023	9,980	10,029	10,117	10,438	10,349	10,646	11,058	11,711
Surplus (deficit) of operating funding (A – B)	4,954	4,704	5,871	6,245	6,730	7,010	7,089	7,457	7,789	8,101	8,475
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	983	2,591	1,903	1,723	1,386	1,273	1,060	910	910	861	861
Increase (decrease) in debt	3,800	8,466	4,951	4,510	(1,086)	(452)	(6,953)	4,459	(2,102)	5,135	14,250
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	4,783	11,057	6,854	6,233	300	821	(5,893)	5,369	(1,192)	5,996	15,111
Application of capital funding											
Capital expenditure											
• to meet additional demand	850	-	-	-	-	-	-	-	62	1,272	-
• to improve the level of service	6,460	12,100	8,539	7,859	4,309	3,268	623	8,635	1,451	9,540	19,010
• to replace existing assets	3,520	5,063	4,319	4,356	4,105	4,316	3,279	3,461	3,640	3,839	3,593
Increase (decrease) in reserves	(1,093)	(1,402)	(133)	263	(1,384)	247	(2,706)	730	1,444	(554)	983
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	9,737	15,761	12,725	12,478	7,030	7,831	1,196	12,826	6,597	14,097	23,586
Surplus (deficit) of capital funding (C – D)	(4,954)	(4,704)	(5,871)	(6,245)	(6,730)	(7,010)	(7,089)	(7,457)	(7,789)	(8,101)	(8,475)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

WASTEWATER SCHEDULE OF CAPITAL EXPENDITURE

	ANNUAL PLAN 2020/21 (\$'000)	LTP 2021/22 (\$'000)	LTP 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)	LTP 2026/27 (\$'000)	LTP 2027/28 (\$'000)	LTP 2028/29 (\$'000)	LTP 2029/30 (\$'000)	LTP 2030/31 (\$'000)
Capex											
Growth											
Kinloch wastewater MBR upgrade - Second reactor	0	0	0	0	0	0	0	0	62	1,272	0
Mangakino wastewater WWTP Upgrade	0	0	0	0	109	2,021	0	0	0	0	0
Motutere wastewater TP capacity upgrade	0	0	0	106	546	0	0	0	0	0	0
Taupō wastewater - Eastern trunk main capacity upgrade (programme)	0	0	0	0	164	1,247	623	0	0	0	0
Taupō wastewater - WWTP Primary Clarifier 3	0	0	0	212	2,073	0	0	0	0	0	0
Taupō wastewater Control gate bridge siphon	100	750	1,035	0	0	0	0	0	0	0	0
Taupō wastewater Southern trunk main upgrade (stage 1)	750	800	4,658	4,779	0	0	0	0	0	0	0
Whereoa wastewater - WWTP Irrigation expansion	0	0	0	0	0	0	0	0	283	0	0
Growth Total	850	1,550	5,693	5,098	2,891	3,268	623	0	344	1,272	0
ILOS											
Acacia Bay WWTP - Instrument and control system upgrade	0	0	0	0	0	0	0	0	123	0	0
Atiamuri wastewater TP - flow monitoring	30	0	0	0	0	0	0	0	0	0	0
Atiamuri WWTP Upgrade	0	50	362	0	0	0	0	0	0	0	0
Freedom Camping Dump Station	50	0	0	0	0	0	0	0	0	0	0
Kinloch wastewater treatment plant balance tank	4,000	9,000	0	0	0	0	0	0	0	0	0
Motuoapa wastewater instrument and control systems upgrade	0	0	0	0	0	0	0	0	123	0	0
Moturere Point reticulation	0	0	0	0	436	0	0	0	0	0	0
Taupō wastewater - Improved WWTP Resilience (overflow risk reduction)	0	100	0	0	818	0	0	0	0	0	0
Taupō wastewater - Irrigation expansion (new land area)	0	0	0	0	0	0	0	8,337	0	0	9,177
View Road Land Disposal System Expansion	2,380	0	0	0	0	0	0	0	0	0	0
Taupō wastewater Irrigation UV disinfection, effluent filtration and transfer pump station capacity increase	0	200	2,484	2,761	0	0	0	0	0	0	0
Turangi wastewater - Disposal system improvement	0	0	0	0	0	0	0	298	923	9,540	9,833
Turangi wastewater - Waihi Village wastewater contribution	0	1,200	0	0	0	0	0	0	0	0	0
Wastewater reticulation for Botanical heights toilets	0	0	0	0	164	0	0	0	0	0	0
ILOS Total	6,460	10,550	2,846	2,761	1,418	0	0	8,635	1,169	9,540	19,010
Capex Total	7,310	12,100	8,539	7,859	4,309	3,268	623	8,635	1,513	10,812	19,010
Renewal	3,520	5,063	4,319	4,356	4,105	4,316	3,279	3,461	3,640	3,839	3,593
Grand Total	10,830	17,163	12,858	12,215	8,415	7,584	3,902	12,096	5,152	14,651	22,603



SOLID WASTE

WHAT WE DO AND WHY WE DO IT

We provide a comprehensive solid waste management system for refuse and recyclables. This includes operating the landfill and recovery centre at Broadlands Road and five transfer stations throughout the district. We also collect refuse and recyclables from our urban settlements.

We provide the solid waste activity to ensure that our district looks attractive, and prevent harm to our communities and environment from the inappropriate disposal of our waste.

COMMUNITY OUTCOMES

The solid waste activity contributes to the following community outcomes:

- 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.

SIGNIFICANT NEGATIVE EFFECTS

If not managed properly, the solid waste group of activities has the potential to have significant negative effects on the social, economic, environmental, or cultural well-being of the local community. These potential effects could be:

- Social well-being: our residents could be harmed if our waste isn't disposed of properly.
- Economic well-being: local businesses may not be able to operate efficiently if they are unable to dispose of their waste.
- Environmental well-being: the inappropriate disposal of waste can have harmful effects on our environment.
- Cultural well-being: the inappropriate disposal of waste can have negative cultural impacts.

These effects are managed by ensuring that our solid waste disposal complies with the appropriate requirements.

KEY PROJECTS

The key solid waste projects that we have planned over the next ten years are:

PROJECT	YEAR/S	COST
BROADLANDS ROAD LANDFILL GAS FLARE AND LINER COVER	2021/31	\$4 million
BUILD NEW CELLS AT THE BROADLANDS ROAD LANDFILL	2021/23 and 2026/28	\$2.2 million

“We provide the solid waste activity to ensure that our district looks attractive, and prevent harm to our communities and environment from the inappropriate disposal of our waste.”

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
We will divert suitable waste from landfill.	The quantity of material (tonnes) diverted from landfill as a percentage of the total waste stream.	43 per cent.	47.5 per cent	48 per cent	48.5 percent	2024/25 - 49 per cent increasing to 52 per cent by 2030/31
Our residents are satisfied with the waste and recycling services.	Percentage of service requests relating to waste and recycling that are responded to.	New measure.	At least 90 per cent responded to within 2 working days.	At least 90 per cent responded to within 2 working days.	At least 90 per cent responded to within 2 working days.	At least 90 per cent responded to within 2 working days.
We comply with the resource consent conditions for our landfills.	Percentage of resource consent conditions for our landfills that are complied with	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.

SOLID WASTE FUNDING IMPACT STATEMENT

	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	633	762	788	805	830	849	871	896	920	947	968
Targeted rates	1,164	1,512	1,695	2,177	2,286	1,733	1,777	1,857	2,058	2,111	2,195
Subsidies and grants for operating purposes	130	132	144	168	183	188	192	197	202	208	213
Fees and charges	2,873	3,353	3,654	4,095	4,456	4,568	4,680	4,795	4,919	5,048	5,168
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	4,800	5,759	6,281	7,245	7,755	7,338	7,520	7,745	8,099	8,314	8,544
Applications of operating funding											
Payments to staff and suppliers	4,293	5,253	5,726	6,559	7,029	6,475	6,642	6,821	7,001	7,205	7,382
Finance costs	140	105	120	113	136	167	155	168	177	165	152
Internal charges and overheads applied	9	9	10	10	10	10	11	11	11	11	12
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	4,442	5,367	5,856	6,682	7,175	6,652	6,808	7,000	7,189	7,381	7,546
Surplus (deficit) of operating funding (A – B)	358	392	425	563	580	686	712	745	910	933	998
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(350)	81	635	(331)	2,250	25	(178)	973	(339)	(296)	(299)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(350)	81	635	(331)	2,250	25	(178)	973	(339)	(296)	(299)
Application of capital funding											
Capital expenditure											
• to meet additional demand	50	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	10	514	1,080	251	2,641	523	266	1,404	250	256	263
• to replace existing assets	121	200	162	139	184	144	213	233	205	233	203
Increase (decrease) in reserves	(173)	(241)	(182)	(158)	5	44	55	81	116	148	233
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	8	473	1,060	232	2,830	711	534	1,718	571	637	699
Surplus (deficit) of capital funding (C – D)	(358)	(392)	(425)	(563)	(580)	(686)	(712)	(745)	(910)	(933)	(998)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

SOLID WASTE SCHEDULE OF CAPITAL EXPENDITURE

	ANNUAL PLAN 2020/21 (\$'000)	LTP 2021/22 (\$'000)	LTP 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)	LTP 2026/27 (\$'000)	LTP 2027/28 (\$'000)	LTP 2028/29 (\$'000)	LTP 2029/30 (\$'000)	LTP 2030/31 (\$'000)
Capex											
Growth											
Mangakino concrete pad	20	0	0	0	0	0	0	0	0	0	0
Turangi building extension	30	0	0	0	0	0	0	0	0	0	0
Growth Total	50	0	0	0	0	0	0	0	0	0	0
ILOS											
Big Belly, refuse, recycling bins	0	35	17	0	0	0	0	0	0	0	0
Broadlands Rd landfill Capping	0	0	0	0	65	0	0	0	0	0	0
Gas Flare and Liner cover	0	25	26	42	2,533	221	226	232	238	244	250
Infrared camera for fire prevention Broadlands Rd Landfill	0	71	0	0	0	0	0	0	0	0	0
Lined pond provision for fire prevention	0	118	0	0	0	0	0	0	0	0	0
Mangakino site upgrade	0	0	0	0	11	97	0	0	0	0	0
New Landfill Cell Build	0	0	0	0	0	0	28	1,160	0	0	0
New Lined Cell build Broadlands Rd Landfill	0	25	1,027	0	0	0	0	0	0	0	0
New Sewer Pipe Broadlands Rd Landfill	0	0	0	198	0	0	0	0	0	0	0
Omori Refuse Transfer station Upgrade	0	230	0	0	0	0	0	0	0	0	0
Turangi landfill Capping	0	0	0	0	0	33	0	0	0	0	0
Weighbridge installation / Turangi RTS	0	0	0	0	22	160	0	0	0	0	0
New street recycling bins	10	10	10	11	11	11	11	12	12	12	13
ILOS Total	10	514	1,080	251	2,641	523	266	1,404	250	256	263
Capex Total	60	514	1,080	251	2,641	523	266	1,404	250	256	263
Renewal	121	200	162	139	184	144	213	233	205	233	203
Grand Total	181	714	1,243	390	2,825	666	479	1,637	455	490	465



OUR PLAN.
OUR TAUPŌ DISTRICT.

**“We chose to live in Turangi
to give our kids more space
and freedom.”**

- JOHN AND SAMMII



STORMWATER

WHAT WE DO AND WHY WE DO IT

We dispose of the stormwater that is collected as run-off from our transport networks and dispose of the stormwater in lakes and rivers.

We test the contaminants present in our stormwater and have installed 'down stream defenders' in many locations in the district to prevent contaminants from entering our lakes and rivers.

Council disposes of stormwater in order to prevent the run-off from our transport network flooding homes and businesses.

COMMUNITY OUTCOMES

The stormwater activity contributes to following the community outcomes:

- 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.

SIGNIFICANT NEGATIVE EFFECTS

If not managed properly, the stormwater activity has the potential to have significant negative effects on the social, economic, environmental, or cultural well-being of the local community. These potential effects could be:

- Social well-being: an inefficient stormwater network may result in flooding of homes and businesses.
- Economic well-being: An inefficient stormwater network may result in flooding of the transport network, and homes and businesses not being able to dispose of goods efficiently.
- Environmental well-being: contaminants in stormwater could result in harmful effects on our lakes and rivers.
- Cultural well-being: The inappropriate disposal of stormwater could have cultural impacts.

These effects are managed by ensuring that stormwater is managed in accordance with the requirements of our comprehensive stormwater consent.

KEY PROJECTS

The key solid waste projects that we have planned over the next ten years are:

PROJECT	YEAR/S	COST
KIMBERLY RESERVE FLOOD MITIGATION	2025/29	\$2.5 million
TAMATEA FLOOD MITIGATION	2027/30	\$2 million



“We test the contaminants present in our stormwater and have installed ‘down stream defenders’ in many locations in the district to prevent contaminants from entering our lakes and rivers.”



LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
We manage the stormwater network to protect public health and property without compromising the environment.	The number of flooding events that occur in a territorial authority district.	0 flooding events	0 flooding events	0 flooding events	0 flooding events	0 flooding events
	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)	0 properties affected by flooding inside the habitable dwelling	0 properties affected by flooding inside the habitable dwelling	0 properties affected by flooding inside the habitable dwelling	0 properties affected by flooding inside the habitable dwelling	0 properties affected by flooding inside the habitable dwelling
	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	There were no flooding events	≤1hr.	≤1hr.	≤1hr.	≤1hr.
	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.	This measure has not been reported on previously.	Less than 8	Less than 8	Less than 8	Less than 8
<p>*Please note that Council's stormwater network drains the roading network so there are no properties who connect to the stormwater network. For the purposes of this performance measure, we have considered that each property within the district benefits from the stormwater network and is therefore "connected" to our stormwater network.</p>						

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
We will comply with our Resource Consent for discharge from our stormwater system.	Number of abatement notices received by Council in relation to Resource Consents for discharge from our stormwater system.	0 abatement notices	0 abatement notices	0 abatement notices	0 abatement notices	0 abatement notices
	Number of infringement notices received by Council in relation to Resource Consents for discharge from our stormwater system.	0 infringement notices	0 infringement notices	0 infringement notices	0 infringement notices	0 infringement notices
	Number of enforcement orders received by Council in relation to Resource Consents for discharge from our stormwater system.	0 enforcement orders	0 enforcement orders	0 enforcement orders	0 enforcement orders	0 enforcement orders
	Number of convictions received by Council in relation to Resource Consents for discharge from our stormwater system.	0 convictions	0 convictions	0 convictions	0 convictions	0 convictions

STORMWATER FUNDING IMPACT STATEMENT

	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)	2028/29 (\$'000)	2029/30 (\$'000)	2030/31 (\$'000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	1,893	2,105	2,175	2,201	2,269	2,362	2,438	2,551	2,683	2,872	3,008
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	1,893	2,105	2,175	2,201	2,269	2,362	2,438	2,551	2,683	2,872	3,008
Applications of operating funding											
Payments to staff and suppliers	791	944	959	949	960	1,045	1,051	1,031	1,061	1,106	1,143
Finance costs	100	120	113	103	107	119	133	149	192	252	273
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	891	1,064	1,072	1,052	1,067	1,164	1,184	1,180	1,253	1,358	1,416
Surplus (deficit) of operating funding (A - B)	1,002	1,041	1,103	1,149	1,202	1,198	1,254	1,371	1,430	1,514	1,592
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	668	211	(379)	467	335	766	490	537	2,234	1,881	(114)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	668	211	(379)	467	335	766	490	537	2,234	1,881	(114)
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	735	353	405	605	485	923	685	757	2,466	2,226	328
• to replace existing assets	281	88	110	107	134	153	168	198	235	268	323
Increase (decrease) in reserves	654	811	209	904	918	888	891	953	963	901	827
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,670	1,252	724	1,616	1,537	1,964	1,744	1,908	3,664	3,395	1,478
Surplus (deficit) of capital funding (C - D)	(1,002)	(1,041)	(1,103)	(1,149)	(1,202)	(1,198)	(1,254)	(1,371)	(1,430)	(1,514)	(1,592)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

STORMWATER SCHEDULE OF CAPITAL EXPENDITURE

	ANNUAL PLAN 2020/21 (\$'000)	LTP 2021/22 (\$'000)	LTP 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)	LTP 2026/27 (\$'000)	LTP 2027/28 (\$'000)	LTP 2028/29 (\$'000)	LTP 2029/30 (\$'000)	LTP 2030/31 (\$'000)
Capex											
ILOS											
Brentwood gully culvert	263	0	0	0	0	0	0	0	0	0	0
Brentwood Gully Lakeshore erosion control contribution	110	0	0	0	0	0	0	0	0	0	0
Elizabeth Street Gully Flood Mitigation	0	0	0	0	0	0	0	0	0	0	328
Enviropod protection	5	0	0	0	0	0	0	0	0	0	0
Hawai Gully Flood Mitigation	0	0	0	21	33	180	0	0	0	0	0
Hawaii reserve detention pond	10	0	0	0	0	0	0	0	0	0	0
Huia Street stormwater quality Improvement Device	0	0	0	0	0	0	0	0	12	318	0
Kimberly Reserve Gully Flood Mitigation	0	0	0	0	0	47	35	400	2,023	0	0
Kohineke reserve 2nd Stormwater Improvement Device	0	0	0	308	0	0	0	0	0	0	0
Mangakino Stormwater Flood Mitigation	0	25	55	0	0	174	310	0	0	0	0
Mango Golf club pond retic	0	90	0	0	0	0	0	0	0	0	0
Mobil Station stormwater quality Improvement Device	0	0	0	0	0	309	0	0	0	0	0
Norman Smith stormwater quality Improvement Device	0	0	0	0	431	0	0	0	0	0	0
Paenoa Rd Pipe diversion	0	0	52	276	0	0	0	0	0	0	0
Puataata Rd stormwater quality Improvement Device	0	0	0	0	0	0	0	12	308	0	0
Redoubt Street Stormwater Improvement Device	0	0	298	0	0	0	0	0	0	0	0
Spa Rd at Totara street stormwater quality Improvement Device	0	0	0	0	0	0	329	0	0	0	0
Tamatea Flood Mitigation	0	0	0	0	0	0	0	48	123	1,908	0
Tui Street stormwater quality Improvement Device	0	0	0	0	0	0	12	298	0	0	0
Turanga Place improvement device	137	0	0	0	0	0	0	0	0	0	0
Two Mile Bay (Boat Ramp) improvement device	185	0	0	0	0	0	0	0	0	0	0
Two Mile Bay Gully Flood Mitigation	0	0	0	0	22	213	0	0	0	0	0
Waikato street Stormwater Device	0	238	0	0	0	0	0	0	0	0	0
Paenoa Road pipe diversion single barrel to south gully	25	0	0	0	0	0	0	0	0	0	0
ILOS Total	735	353	405	605	485	923	685	757	2,466	2,226	328
Capex Total	735	353	405	605	485	923	685	757	2,466	2,226	328
Renewal	281	88	110	107	134	153	168	198	235	268	323
Grand Total	1,016	441	514	713	620	1,076	854	955	2,701	2,494	650



DEMOCRACY AND PLANNING

WHAT WE DO AND WHY WE DO IT

There are two activities in this groups of activities: democracy and planning.

DEMOCRACY

The democracy activity includes:

- Running local government elections in accordance with the Electoral Act requirements.
- Facilitating Council and committee meeting including the preparation of minutes and agendas for these meetings.
- Processing information requests.
- Acting as the district’s advocate with regional and national governments to ensure that the needs of our communities are considered when policies and plans are being developed.
- Working with a range of other governing bodies, including central government, other councils, such as Waikato Regional Council, our mana whenua iwi and local hapu, district health boards and many others.

We undertake the democracy activity so that the decision making for our local communities is timely, democratic and transparent.

PLANNING

Council plans for the future to ensure that we will be able to meet the needs of our communities.

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

In addition to planning for the future, we also control a wide range of activities such as how reserves are used and when

and how people can connect to Council services. Through this variety of policies, plans and bylaws we help to guide the day-to-day management of many activities to provide a safe and enjoyable environment.

COMMUNITY OUTCOMES

The democracy and planning groups of activities contributes to following the community outcomes:

- 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.

SIGNIFICANT NEGATIVE EFFECTS

If not managed properly, the democracy and planning group of activities has the potential to have significant negative effects on the social, economic, environmental, or cultural well-being of the local community. These potential effects could be:

- Social well-being: incorrect processes may result in decision making which is not transparent or democratic.
- Economic well-being: there may be unnecessary red-tape and efficiencies if our land use planning isn’t efficient.
- Environmental well-being: there may be negative effects on our environment if we don’t undertake appropriate land use planning.
- Cultural well-being: our local iwi and hapu may not be able to achieve their aspirations if Council doesn’t undertake the necessary consultation.

These effects are managed by ensuring that the appropriate requirements are complied with, and ensuring that our community, including Maori have input into our planning processes.

“Council plans for the future to ensure that we will be able to meet the needs of our communities.”

LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
Council operates an open and honest decision-making process that generates confidence and trust in the democratic system.	Percentage of requests for official information that are responded to within 20 working days.	99 per cent	100 per cent.	100 per cent.	100 per cent.	100 per cent.
	Percentage of existing bylaws that are reviewed within legislative timeframes to ensure they remain relevant.	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.

DEMOCRACY AND PLANNING FUNDING IMPACT STATEMENT

	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)	2028/29 (\$'000)	2029/30 (\$'000)	2030/31 (\$'000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	8,551	10,616	10,666	11,424	11,115	11,654	11,980	12,346	12,910	13,294	13,664
Targeted rates	83	83	86	88	90	92	94	97	99	102	104
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1	2	38	2	2	41	2	2	44	2	2
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	8,635	10,701	10,790	11,514	11,207	11,787	12,076	12,445	13,053	13,398	13,770
Applications of operating funding											
Payments to staff and suppliers	8,630	10,699	10,789	11,512	11,205	11,785	12,074	12,443	13,052	13,396	13,768
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	8,630	10,699	10,789	11,512	11,205	11,785	12,074	12,443	13,052	13,396	13,768
Surplus (deficit) of operating funding (A - B)	5	2	1	2	2	2	2	2	1	2	2
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	-	-	-	-	-	-	-	-
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	-	-	56	-	-	61	-	-	65	-	-
Increase (decrease) in reserves	5	2	(55)	2	2	(59)	2	2	(64)	2	2
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	5	2	1	2	2	2	2	2	1	2	2
Surplus (deficit) of capital funding (C - D)	(5)	(2)	(1)	(2)	(2)	(2)	(2)	(2)	(1)	(2)	(2)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

DEMOCRACY AND PLANNING SCHEDULE OF CAPITAL EXPENDITURE

	ANNUAL PLAN 2020/21 (\$000)	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	LTP 2023/24 (\$000)	LTP 2024/25 (\$000)	LTP 2025/26 (\$000)	LTP 2026/27 (\$000)	LTP 2027/28 (\$000)	LTP 2028/29 (\$000)	LTP 2029/30 (\$000)	LTP 2030/31 (\$000)
Renewal											
Renewal											
Mayoral Vehicle Renewal	0	0	56	0	0	61	0	0	65	0	0
Renewal Total	0	0	56	0	0	61	0	0	65	0	0
Renewal Total	0	0	56	0	0	61	0	0	65	0	0
Grand Total	0	0	56	0	0	61	0	0	65	0	0

INVESTMENTS

WHAT WE DO AND WHY WE DO IT

Council holds a number of investments where there is a community, social, physical or economic benefit from holding the investment. The type of investments that we have include property and cash which we invest to generate a return. Many of the investments generate income which can be used on projects and initiatives which benefit our residents without impacting on rates.

COMMUNITY OUTCOMES

The investment activity contributes to following the community outcomes:

- Economy – our communities prosper in a thriving local economy with a diverse range of rewarding employment opportunities.

SIGNIFICANT NEGATIVE EFFECTS

The investment activity does not have any significant negative effects on the social, economic, environmental, or cultural well-being of the local community.

KEY PROJECTS

The key investment projects that we have planned over the next ten years are:

PROJECT	YEAR/S	COST
WAIORA HOUSE REBUILD	2021/23	\$6 million

“Council holds a number of investments where there is a community, social, physical or economic benefit from holding the investment.”



LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
We manage investment assets in accordance with the Treasury Management Policy.	The value of the TEL Fund is maintained relative to inflation.	The TEL Fund value increased from \$60.9m at 1 July 2019 to \$61.3m at 30 June 2020	Actual 2019/20 plus inflation	Actual 2021/22 plus inflation	Actual 2022/23 plus inflation	Actual 2023/24 plus inflation
	The percentage yield on the TEL fund is greater than the minimum target set in the treasury management policy being >1 per cent above the 90 day bill rate.	The yield on the TEL fund for 2019/20 was 1.5% - exceeding the target of 1.495%	Equal to or greater than 1 per cent above the sum of: <ul style="list-style-type: none"> • 50% of the average of the 90-day bill rate each day for the current reporting month of and • 50% of the average of the 90-day bill rate each day for the month three months prior to reporting month • Target is dynamic according to market conditions 	Equal to or greater than 1 per cent above the sum of: <ul style="list-style-type: none"> • 50% of the average of the 90-day bill rate each day for the current reporting month of and • 50% of the average of the 90-day bill rate each day for the month three months prior to reporting month • Target is dynamic according to market conditions 	Equal to or greater than 1 per cent above the sum of: <ul style="list-style-type: none"> • 50% of the average of the 90-day bill rate each day for the current reporting month of and • 50% of the average of the 90-day bill rate each day for the month three months prior to reporting month • Target is dynamic according to market conditions 	Equal to or greater than 1 per cent above the sum of: <ul style="list-style-type: none"> • 50% of the average of the 90-day bill rate each day for the current reporting month of and • 50% of the average of the 90-day bill rate each day for the month three months prior to reporting month • Target is dynamic according to market conditions
	The percentage yield on general and special reserve funds is greater than the minimum target set in the treasury management policy being 50.0 per cent 6-month BKBM mid-rate (average of reporting month) 50.0 per cent 6-month BLBM mid-rate, six months ago (average of month).	The yield on General and Special Reserve Funds for 2019/20 was 2.45% - exceeding the target of 1.22%	The sum of: <ul style="list-style-type: none"> • 50.0 per cent of the 6-month BKBM mid-rate (average of current reporting month), and • 50.0 per cent of the 6-month BKBM mid-rate, six months prior to reporting month ago (average of Month) • Target is dynamic according to market condition 	The sum of: <ul style="list-style-type: none"> • 50.0 per cent of the 6-month BKBM mid-rate (average of current reporting month), and • 50.0 per cent of the 6-month BKBM mid-rate, six months prior to reporting month ago (average of Month) • Target is dynamic according to market condition 	The sum of: <ul style="list-style-type: none"> • 50.0 per cent of the 6-month BKBM mid-rate (average of current reporting month), and • 50.0 per cent of the 6-month BKBM mid-rate, six months prior to reporting month ago (average of Month) • Target is dynamic according to market condition 	The sum of: <ul style="list-style-type: none"> • 50.0 per cent of the 6-month BKBM mid-rate (average of current reporting month), and • 50.0 per cent of the 6-month BKBM mid-rate, six months prior to reporting month ago (average of Month) • Target is dynamic according to market condition

INVESTMENTS FUNDING IMPACT STATEMENT

	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)	2028/29 (\$'000)	2029/30 (\$'000)	2030/31 (\$'000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	(310)	(625)	97	109	(530)	(625)	(738)	(874)	(1,127)	(1,326)	(1,527)
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	625	-	-	-	-	-	-	-	-	-
Fees and charges	626	758	778	703	719	737	756	774	794	815	834
Internal charges and overheads recovered	580	608	625	641	657	674	691	709	729	749	768
Local authorities fuel tax, fines, infringement fees, and other receipts	2,809	1,826	1,953	2,226	2,736	2,971	3,321	3,689	4,124	4,475	4,826
Total operating funding (A)	3,705	3,192	3,453	3,679	3,582	3,757	4,030	4,298	4,520	4,713	4,901
Applications of operating funding											
Payments to staff and suppliers	(13)	(1,300)	(704)	(758)	(2,092)	(2,204)	(2,138)	(2,105)	(2,038)	(1,992)	(1,961)
Finance costs	901	742	782	731	1,014	900	825	778	726	662	598
Internal charges and overheads applied	202	182	186	191	195	200	205	210	215	221	226
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,090	(376)	264	164	(883)	(1,104)	(1,108)	(1,117)	(1,097)	(1,109)	(1,137)
Surplus (deficit) of operating funding (A - B)	2,615	3,568	3,189	3,515	4,465	4,861	5,138	5,415	5,617	5,822	6,038
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	15	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(2,921)	(984)	2,764	(1,010)	(2,910)	(1,002)	(986)	(929)	(1,075)	(1,274)	(1,010)
Gross proceeds from sale of assets	8,000	9,025	4,777	4,000	4,444	2,600	1,500	1,053	1,500	1,500	1,500
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	5,094	8,041	7,541	2,990	1,534	1,598	514	124	425	226	490
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	3,562	4,008	4,239	866	4,480	776	814	814	549	313	403
• to replace existing assets	831	1,483	1,081	1,339	1,375	1,328	1,114	1,557	1,527	870	1,508
Increase (decrease) in reserves	3,316	6,118	5,410	4,300	144	4,355	3,724	3,168	3,966	4,865	4,617
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	7,709	11,609	10,730	6,505	5,999	6,459	5,652	5,539	6,042	6,048	6,528
Surplus (deficit) of capital funding (C - D)	(2,615)	(3,568)	(3,189)	(3,515)	(4,465)	(4,861)	(5,138)	(5,415)	(5,617)	(5,822)	(6,038)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

INVESTMENTS SCHEDULE OF CAPITAL EXPENDITURE

	ANNUAL PLAN 2020/21 (\$'000)	LTP 2021/22 (\$'000)	LTP 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)	LTP 2026/27 (\$'000)	LTP 2027/28 (\$'000)	LTP 2028/29 (\$'000)	LTP 2029/30 (\$'000)	LTP 2030/31 (\$'000)
Capex											
ILOS											
Civic Administration Building - Fitout	0	0	0	0	3,773	0	0	0	0	0	0
Commercial and residential land development	500	0	0	0	0	0	0	0	0	0	0
Customer Experience Improvement programme	0	30	36	0	0	0	0	0	0	0	0
Digitisation of paper record books	0	0	10	11	11	11	11	0	0	0	0
Fire Detection & Gas Suppression System for Archive Building	0	119	0	0	0	0	0	0	0	0	0
Fleet - EBike & EScooter	0	10	0	0	0	0	0	0	0	0	0
Land development	0	304	495	608	600	624	640	655	362	140	231
Lone Worker Monitoring System	0	7	0	0	0	0	8	0	0	0	0
Motutere Campground DWSNZ Upgrade	0	0	308	0	0	0	0	0	0	0	0
New software and technology projects	117	0	0	0	0	0	0	0	0	0	0
Preserving our Information	0	0	257	0	0	0	0	0	0	0	0
Project Quantum Phase 3+	0	155	51	205	54	99	113	116	119	122	125
Tech One ERP Software Implementation	2,108	0	0	0	0	0	0	0	0	0	0
Technology Hardware Refresh Programme (capex)	0	80	103	42	43	41	42	43	68	51	46
Technology One ECM implementation	836	0	0	0	0	0	0	0	0	0	0
Turangi Depot Refurbishment	0	44	258	0	0	0	0	0	0	0	0
Venture Centre Storage	0	9	0	0	0	0	0	0	0	0	0
Waiora House	0	3,250	2,722	0	0	0	0	0	0	0	0
ILOS Total	3,562	4,008	4,239	866	4,480	776	814	814	549	313	403
Capex Total	3,562	4,008	4,239	866	4,480	776	814	814	549	313	403
Renewal	831	1,483	1,081	1,339	1,375	1,328	1,114	1,557	1,527	870	1,508
Grand Total	4,392	5,491	5,320	2,204	5,855	2,104	1,929	2,371	2,076	1,183	1,911

ECONOMIC DEVELOPMENT

WHAT WE DO AND WHY WE DO IT

As part of the economic development activity, Council undertakes a number of services including:

- An in-house events function that supports event organisers to run both community and commercial events.
- Promotion of the Taupō district as a holiday and visitor destination through Destination Great Lake Taupō (a Council controlled organisation), i-Sites in Taupō, Turangi and an information desk at Mangakino.
- Contracting Enterprise Great Lake Taupō, an independent Trust, to provide business development services throughout the district.
- Supporting the activities of Town Centre Taupō – a member based organisation focused on enhancing the social and development wellbeing of the Taupō Central Business District by developing a vibrant, well-managed and innovative town centre.

We undertake the economic development activity to support our local economy. We want to ensure that there are employment opportunities available to our residents, to ensure that they can remain living here.

COMMUNITY OUTCOMES

The economic development groups of activities contributes to following the community outcomes:

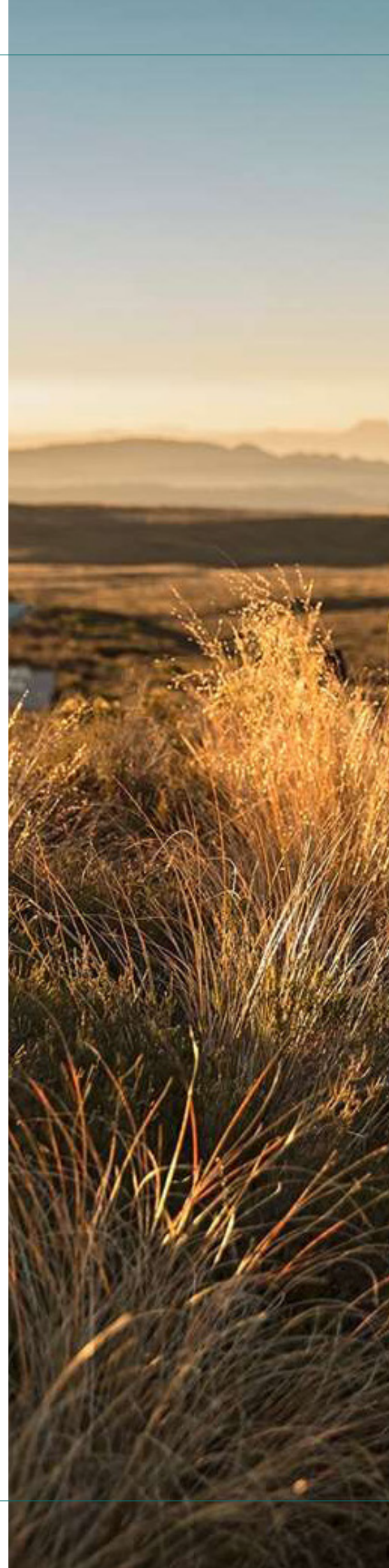
- Economy – our communities prosper in a thriving local economy with a diverse range of rewarding employment opportunities.

SIGNIFICANT NEGATIVE EFFECTS

If not managed properly, the economic development group of activities has the potential to have significant negative effects on the social, economic, environmental, or cultural well-being of the local community. These potential effects could be:

- Social well-being: People may not be able to provide for their families if there aren't enough jobs.
- Economic well-being: reduced economic activity may lead a loss of local businesses and jobs.

These effects are managed by ensuring that economic development is a key focus.



“**We undertake the economic development activity to support our local economy.”**



LEVELS OF SERVICE, PERFORMANCE MEASURES AND TARGETS

LEVEL OF SERVICE	PERFORMANCE MEASURES	LATEST RESULT 2019/20	TARGETS 2021/22	2022/23	2023/24	2024/25 - 2030/31
We facilitate and support economic development in the district.	Enterprise Great Lake Taupō, Destination Great Lake Taupō and Town Centre report at least half-yearly to Taupō District Council on the manner of distribution of the grant as well as performance measures in line with their contracts for service and statements of intent.	100 per cent reported at least yearly	100 per cent report at least half yearly.	100 per cent report at least half yearly.	100 per cent report at least half yearly.	100 per cent report at least half yearly.
We attract, support and encourage sporting, cultural and other events around the district.	The districts will have at least events in Turangi and Mangakino each year. Reporting to Council will consist of narratives on actual events including location and economic impact figures.	8 events Mangakino 6 events Turangi	At least 3 events Mangakino. At least 3 events Turangi.	At least 3 events Mangakino. At least 3 events Turangi.	At least 3 events Mangakino. At least 3 events Turangi.	At least 3 events Mangakino. At least 3 events Turangi.

ECONOMIC DEVELOPMENT FUNDING IMPACT STATEMENT

	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	4,036	4,628	4,538	4,856	4,980	5,126	5,288	5,425	5,585	5,757	5,915
Targeted rates	170	170	175	179	183	188	192	197	202	208	213
Subsidies and grants for operating purposes	495	290	601	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	4,701	5,088	5,314	5,035	5,163	5,314	5,480	5,622	5,787	5,965	6,128
Applications of operating funding											
Payments to staff and suppliers	4,681	5,080	5,307	5,027	5,156	5,307	5,472	5,615	5,780	5,958	6,121
Finance costs	2	1	1	1	-	-	-	-	-	-	-
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	4,683	5,081	5,308	5,028	5,156	5,307	5,472	5,615	5,780	5,958	6,121
Surplus (deficit) of operating funding (A – B)	18	7	6	7	7	7	8	7	7	7	7
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(6)	(5)	(5)	(5)	(4)	(4)	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(6)	(5)	(5)	(5)	(4)	(4)	-	-	-	-	-
Application of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	4	53	12	4	57	4	5	61	5	5	66
Increase (decrease) in reserves	8	(51)	(11)	(2)	(54)	(1)	3	(54)	2	2	(59)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	12	2	1	2	3	3	8	7	7	7	7
Surplus (deficit) of capital funding (C – D)	(18)	(7)	(6)	(7)	(7)	(7)	(8)	(7)	(7)	(7)	(7)
Funding balance ((A – B) + (C – D))	-	-	-	-	-	-	-	-	-	-	-

ECONOMIC DEVELOPMENT SCHEDULE OF CAPITAL EXPENDITURE

	ANNUAL PLAN 2020/21 (\$000)	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	LTP 2023/24 (\$000)	LTP 2024/25 (\$000)	LTP 2025/26 (\$000)	LTP 2026/27 (\$000)	LTP 2027/28 (\$000)	LTP 2028/29 (\$000)	LTP 2029/30 (\$000)	LTP 2030/31 (\$000)
Renewal											
Renewal											
Equipment renewals	4	4	12	4	4	4	5	5	5	5	5
Vehicle Renewals	0	49	0	0	53	0	0	57	0	0	61
Renewal Total	4	53	12	4	57	4	5	61	5	5	66
Renewal Total	4	53	12	4	57	4	5	61	5	5	66
Grand Total	4	53	12	4	57	4	5	61	5	5	66

FINANCES



PROSPECTIVE SCHEDULE OF RATES

	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)	2028/29 (\$'000)	2029/30 (\$'000)	2030/31 (\$'000)
Total District											
General rates	44,823	50,142	53,591	55,851	57,471	60,152	61,636	63,344	64,609	66,431	68,223
Targeted rates	26,002	27,633	30,612	32,116	33,396	33,446	34,259	34,907	36,192	37,589	38,969
Total rates	70,825	77,775	84,203	87,967	90,867	93,598	95,895	98,251	100,801	104,020	107,192
Less internal rates	793	843	867	889	911	935	959	985	1,012	1,041	1,068
Less rates remission	985	1,000	1,027	1,053	1,078	1,105	1,132	1,160	1,190	1,221	1,250
Add rates penalties	250	500	500	500	500	500	500	500	500	500	500
Rates revenue per statement of comprehensive revenue and expense	69,297	76,432	82,809	86,525	89,378	92,058	94,304	96,606	99,099	102,258	105,374
% Change total rates	0.51%	9.81%	8.26%	4.47%	3.30%	3.00%	2.46%	2.46%	2.60%	3.19%	3.05%
% Change general rates	0.01%	11.87%	6.88%	4.22%	2.90%	4.66%	2.47%	2.77%	2.00%	2.82%	2.70%
% Change targeted rates	1.39%	6.28%	10.78%	4.91%	3.98%	0.15%	2.43%	1.89%	3.68%	3.86%	3.67%
Number of properties	22,986	23,204	23,444	23,644	23,810	23,962	24,091	24,218	24,332	24,438	24,534
Growth in property numbers	218	240	200	166	152	129	127	114	106	96	94
Number of properties to be rated	23,204	23,444	23,644	23,810	23,962	24,091	24,218	24,332	24,438	24,534	24,628
Costs to be recovered (GST excl)	70,825	77,776	84,203	87,968	90,867	93,598	95,895	98,251	100,801	104,020	107,192
All rateable properties included											
Average rates per property	3,052	3,318	3,561	3,695	3,792	3,885	3,960	4,038	4,125	4,240	4,352
Average property % increase	-0.43%	8.69%	7.35%	3.74%	2.64%	2.45%	1.92%	1.98%	2.15%	2.79%	2.66%
Average property increase GST excl	(13)	265	244	133	98	93	75	78	87	115	113
Average property increase GST incl	(15)	305	280	153	112	107	86	90	100	132	130

RATINGS BASE INFORMATION

The projected number of rating units within the district for 30 June 2022 is 23,444.
The projected total capital value of rating units within the district for 30 June 2022 is \$18.625 billion.
The projected total land value of rating units within the district for 30 June 2022 is \$9.325 billion.



PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)	2028/29 (\$'000)	2029/30 (\$'000)	2030/31 (\$'000)
Revenue											
Rates	69,297	76,433	82,808	86,525	89,378	92,057	94,304	96,607	99,099	102,258	105,374
Subsidies and grants	4,773	7,393	7,046	6,707	5,918	6,239	6,140	5,910	6,129	6,260	6,454
Development and financial contributions	2,784	8,844	7,199	5,754	4,975	4,585	3,992	3,536	3,536	3,283	3,250
Fees and charges	8,989	10,317	10,542	11,025	11,573	11,903	12,156	12,461	12,829	13,124	13,441
Finance revenue	2,572	1,584	1,705	1,972	2,477	2,706	3,050	3,412	3,841	4,184	4,529
Other revenue	8,342	17,883	15,120	13,173	11,596	9,810	7,530	7,042	6,990	6,727	6,682
Total revenue	96,757	122,454	124,420	125,156	125,917	127,300	127,172	128,968	132,424	135,836	139,730
Expenses											
Personnel costs	22,426	25,942	26,970	27,971	29,233	30,578	31,953	33,390	34,918	36,510	38,076
Depreciation and amortisation expense	23,442	25,455	27,573	29,334	31,932	33,497	34,495	35,557	36,943	38,152	39,553
Finance costs	8,378	7,358	8,000	7,955	8,115	7,656	6,985	6,856	6,829	6,666	6,697
Other expenses	33,304	39,772	40,001	41,207	41,038	41,964	43,058	43,552	44,826	46,431	47,485
Total operating expenses	87,550	98,527	102,544	106,467	110,318	113,695	116,491	119,355	123,516	127,759	131,811
Surplus/(deficit) before tax	9,207	23,927	21,876	18,689	15,599	13,605	10,681	9,613	8,908	8,077	7,919
Income tax (expense)/credit	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after tax	9,207	23,927	21,876	18,689	15,599	13,605	10,681	9,613	8,908	8,077	7,919
Other comprehensive revenue and expense											
Property, plant & equipment revaluations	17,693	29,008	27,044	35,690	49,913	35,769	27,621	52,354	38,554	35,541	57,884
Total other comprehensive revenue and expense	17,693	29,008	27,044	35,690	49,913	35,769	27,621	52,354	38,554	35,541	57,884
Total comprehensive revenue and expense	26,900	52,935	48,920	54,379	65,512	49,374	38,302	61,967	47,462	43,618	65,803
Reconciliation to Summary Funding Impact Statement											
Sources of operational funding											
General rates, uniform annual general charges, rates penalties	43,508	49,035	52,459	54,657	56,236	58,872	60,313	61,975	63,190	64,960	66,705
Targeted rates	25,790	27,398	30,370	31,868	33,142	33,185	33,991	34,632	35,909	37,298	38,670
Total rates revenue	69,298	76,433	82,809	86,525	89,378	92,057	94,304	96,607	99,099	102,258	105,375
Subsidies and grants for operating purposes	2,829	3,523	3,359	2,881	3,075	3,210	3,302	3,415	3,458	3,620	3,683
Fees and charges	8,989	10,317	10,542	11,025	11,573	11,903	12,156	12,461	12,829	13,124	13,441
Interest and dividends from investments	2,572	1,584	1,705	1,972	2,477	2,706	3,050	3,412	3,841	4,184	4,529
Local authorities fuel tax, fines, infringement fees, and other receipts	972	1,167	1,200	1,232	1,263	1,296	1,329	1,364	1,401	1,438	1,475
Total operating funding	84,660	93,024	99,615	103,635	107,766	111,172	114,141	117,259	120,628	124,624	128,503
Add asset development and other gains / (losses)											
Subsidies and grants for capital expenditure	1,943	3,869	3,687	3,827	2,843	3,029	2,838	2,495	2,671	2,640	2,771
Development and financial contributions	2,784	8,844	7,199	5,754	4,975	4,585	3,992	3,536	3,536	3,283	3,250
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Add vested and first time recognition of assets	4,901	5,258	4,529	3,862	3,634	3,174	3,213	2,974	2,853	2,668	2,691
Add gain on sale	1,935	4,549	2,832	2,468	2,250	1,857	344	437	674	674	674
Add unrealised gains/(losses)	535	6,909	6,559	5,612	4,449	3,482	2,644	2,267	2,063	1,947	1,842
Total asset development and other gains / (losses)	12,098	29,429	24,806	21,523	18,151	16,127	13,031	11,709	11,797	11,212	11,228
Total revenue	96,758	122,453	124,421	125,158	125,917	127,299	127,172	128,968	132,425	135,836	139,731

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)
Applications of operating funding											
Payments to staff and suppliers	55,731	65,077	66,883	69,180	70,271	72,541	75,011	76,942	79,745	82,941	85,562
Finance costs	8,378	7,358	8,000	7,955	8,115	7,656	6,985	6,856	6,829	6,666	6,697
Total applications of operating funding (B)	64,109	72,435	74,883	77,135	78,386	80,197	81,996	83,798	86,574	89,607	92,259
Add depreciation expense	23,442	25,455	27,573	29,334	31,932	33,497	34,495	35,557	36,943	38,152	39,553
Less loss on sale of asset	-	636	89	-	-	-	-	-	-	-	-
Total operating expenses	87,551	98,526	102,545	106,469	110,318	113,694	116,491	119,355	123,517	127,759	131,812
Surplus/(deficit) after tax	9,207	23,927	21,876	18,689	15,599	13,605	10,681	9,613	8,908	8,077	7,919
Add other comprehensive revenue and expenses	17,693	29,008	27,044	35,690	49,913	35,769	27,621	52,354	38,554	35,541	57,884
Total comprehensive revenue and expense	26,900	52,935	48,920	54,379	65,512	49,374	38,302	61,967	47,462	43,618	65,803

PROSPECTIVE SCHEDULE OF DEPRECIATION BY ACTIVITY GROUP

	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)
Community Services	148	175	183	190	228	234	240	249	255	260	266
Water	4,048	4,338	4,645	5,033	5,433	5,642	5,797	5,979	6,238	6,438	6,626
Transport	6,994	7,094	7,814	8,283	8,697	9,017	9,349	9,673	10,001	10,338	10,684
Community Facilities	4,518	4,870	5,244	5,423	5,745	6,170	6,297	6,412	6,526	6,697	6,823
Wastewater	5,164	5,444	5,943	6,245	6,607	6,885	7,120	7,382	7,788	8,101	8,606
Solid Waste	373	393	426	563	581	686	712	744	910	934	997
Stormwater	1,002	1,041	1,103	1,150	1,202	1,254	1,312	1,371	1,430	1,514	1,591
Democracy and Planning	5	13	13	14	14	14	14	16	16	16	16
Investments	1,173	2,069	2,186	2,415	3,408	3,577	3,637	3,712	3,761	3,835	3,925
Economic Development	18	18	18	18	18	18	18	18	18	18	19
Total Depreciation	23,443	25,455	27,575	29,334	31,933	33,497	34,496	35,556	36,943	38,152	39,553
Prospective Schedule of Targeted Water Rates											
Targeted Water Rate	9,207	9,651	10,795	11,429	12,004	12,173	12,476	12,690	13,064	13,597	13,786
Water by Meter	1,649	1,933	2,000	2,052	2,109	2,170	2,230	2,302	2,377	2,458	2,534
Total Targeted Water Rates	10,856	11,584	12,795	13,481	14,113	14,343	14,706	14,992	15,441	16,055	16,320

WHOLE OF COUNCIL FUNDING IMPACT STATEMENT

	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)	2028/29 (\$'000)	2029/30 (\$'000)	2030/31 (\$'000)
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	43,508	49,035	52,439	54,657	56,236	58,872	60,313	61,975	63,190	64,960	66,705
Targeted rates	25,790	27,398	30,370	31,868	33,142	33,185	33,991	34,632	35,909	37,298	38,670
Subsidies and grants for operating purposes	2,829	3,523	3,359	2,881	3,075	3,210	3,302	3,415	3,458	3,620	3,683
Fees and charges	8,989	10,317	10,542	11,025	11,573	11,903	12,156	12,461	12,829	13,124	13,441
Interest and dividends from investments	2,572	1,584	1,705	1,972	2,477	2,706	3,050	3,412	3,841	4,184	4,529
Local authorities fuel tax, fines, infringement fees, and other receipts	972	1,167	1,200	1,232	1,263	1,296	1,329	1,364	1,401	1,438	1,475
Total operating funding (A)	84,660	93,024	99,615	103,635	107,766	111,172	114,141	117,259	120,628	124,624	128,503
Applications of operating funding											
Payments to staff and suppliers	55,731	65,075	66,884	69,181	70,272	72,541	75,010	76,943	79,746	82,939	85,562
Finance costs	8,378	7,358	8,000	7,955	8,115	7,656	6,985	6,856	6,829	6,666	6,697
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	64,109	72,433	74,884	77,136	78,387	80,197	81,995	83,799	86,575	89,605	92,259
Surplus (deficit) of operating funding (A - B)	20,551	20,591	24,731	26,499	29,379	30,975	32,146	33,460	34,053	35,019	36,244
Sources of capital funding											
Subsidies and grants for capital expenditure	1,943	3,869	3,687	3,827	2,843	3,029	2,838	2,495	2,671	2,640	2,771
Development and financial contributions	2,784	8,844	7,199	5,754	4,975	4,585	3,992	3,536	3,536	3,283	3,250
Increase (decrease) in debt	4,426	12,009	19,392	23,488	4,044	(5,061)	(11,810)	3,814	(4,160)	1,928	9,921
Gross proceeds from sale of assets	8,000	9,025	4,777	4,000	4,444	2,600	1,500	1,053	1,500	1,500	1,500
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	17,153	33,747	35,055	37,069	16,306	5,153	(3,480)	10,898	3,547	9,351	17,442
Application of capital funding											
Capital expenditure											
• to meet additional demand	2,335	3,504	3,248	4,309	1,412	1,399	1,209	1,124	1,215	2,407	1,162
• to improve the level of service	22,397	36,206	34,924	33,286	26,858	9,946	5,680	15,483	6,967	14,591	22,698
• to replace existing assets	13,960	20,081	18,387	18,847	19,286	18,317	18,188	18,852	20,199	18,418	20,080
Increase (decrease) in reserves	(988)	(5,453)	3,227	7,126	(1,871)	6,466	3,589	8,899	9,219	8,954	9,746
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	37,704	54,338	59,786	63,568	45,685	36,128	28,666	44,358	37,600	44,370	53,686
Surplus (deficit) of capital funding (C - D)	(20,551)	(20,591)	(24,731)	(26,499)	(29,379)	(30,975)	(32,146)	(33,460)	(34,053)	(35,019)	(36,244)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-



PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY

	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)
Net assets/equity at beginning of year	1,233,781	1,281,900	1,334,835	1,383,754	1,438,132	1,503,642	1,553,016	1,591,319	1,653,284	1,700,744	1,744,362
Net surplus/(deficits) for the year	9,207	23,928	21,875	18,688	15,599	13,606	10,681	9,611	8,906	8,077	7,919
Other comprehensive revenue and expenses	17,693	29,007	27,044	35,690	49,912	35,767	27,622	52,353	38,555	35,541	57,883
Total recognised revenues and expenses for the year	26,900	52,935	48,919	54,378	65,511	49,373	38,303	61,964	47,461	43,618	65,802
Total equity at end of year	1,260,681	1,334,835	1,383,754	1,438,132	1,503,643	1,553,015	1,591,319	1,653,283	1,700,745	1,744,362	1,810,165
Components of Equity											
Accumulated funds at beginning of year	810,996	826,517	856,159	874,353	885,730	903,277	910,440	917,884	918,767	918,567	918,162
Net surplus/(deficits) for the year	9,207	23,928	21,875	18,688	15,598	13,605	10,681	9,611	8,906	8,077	7,919
Transfers to/(from) reserves	3,627	5,713	(3,681)	(7,311)	1,949	(6,443)	(3,237)	(8,730)	(9,106)	(8,482)	(9,468)
Accumulated funds at end of year	823,830	856,158	874,353	885,730	903,277	910,439	917,884	918,765	918,567	918,162	916,613
Council created reserves at beginning of year	121,846	118,218	112,505	116,186	123,497	121,547	127,990	131,227	139,956	149,062	157,544
Transfers to/(from) reserves	(3,627)	(5,713)	3,681	7,311	(1,949)	6,442	3,237	8,729	9,106	8,482	9,468
Council created reserves at end of year	118,219	112,505	116,186	123,497	121,548	127,989	131,227	139,956	149,062	157,544	167,012
Revaluation reserves at beginning of year	300,939	337,164	366,171	393,215	428,905	478,818	514,587	542,208	594,562	633,115	668,656
Revaluation surplus/(deficits) for the year	17,693	29,008	27,044	35,690	49,913	35,769	27,621	52,354	38,554	35,541	57,884
Revaluations reserves at end of year	318,632	366,172	393,215	428,905	478,818	514,587	542,208	594,562	633,116	668,656	726,540
Total equity at end of year	1,260,681	1,334,835	1,383,754	1,438,132	1,503,643	1,553,015	1,591,319	1,653,283	1,700,745	1,744,362	1,810,165

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)	2028/29 (\$'000)	2029/30 (\$'000)	2030/31 (\$'000)
ASSETS											
Current Assets											
Cash and cash equivalents	4,568	2,914	2,984	3,182	3,116	4,440	3,556	3,661	4,641	4,993	5,328
Other financial assets	88,912	92,956	96,118	102,275	101,425	104,587	107,750	112,418	116,599	121,785	126,959
Trade and other receivables	5,548	6,677	6,857	7,031	7,198	7,378	7,558	7,745	7,946	8,153	8,346
Inventories	686	403	414	424	434	445	456	467	480	492	504
Prepayments	951	841	841	841	841	841	841	841	841	841	841
Non current assets held for sale	7,495	8,176	8,191	8,384	7,784	7,850	7,443	7,511	7,511	7,511	7,250
Total current assets	108,160	111,967	115,405	122,137	120,798	125,541	127,604	132,643	138,018	143,775	149,228
Non-current assets											
Other financial assets	21,231	21,109	21,609	22,609	21,609	23,609	24,609	28,609	32,609	35,609	39,609
Investment in CCO and other similar entities	5,832	9,827	9,827	9,827	9,827	9,827	9,827	9,827	9,827	9,827	9,827
Intangible assets	1,738	3,519	3,614	3,706	3,793	3,888	3,984	4,082	4,188	4,297	4,399
Investment properties	9,143	11,144	11,144	11,144	11,144	11,144	11,144	11,144	11,144	11,144	11,144
Investments in associates	-	-	-	-	-	-	-	-	-	-	-
Biological assets - forestry	6,705	6,124	6,039	6,636	7,122	7,918	8,648	9,120	10,028	10,959	11,953
Property plant and equipment	1,332,824	1,391,574	1,450,367	1,515,191	1,594,601	1,628,391	1,648,978	1,703,547	1,735,094	1,769,645	1,833,727
Total non-current assets	1,377,473	1,443,297	1,502,600	1,569,113	1,648,096	1,684,777	1,707,190	1,766,329	1,802,890	1,841,481	1,910,659
Total assets	1,485,633	1,555,264	1,618,005	1,691,250	1,768,894	1,810,318	1,834,794	1,898,972	1,940,908	1,985,256	2,059,887
LIABILITIES											
Current liabilities											
Trade and other payables	12,697	12,875	13,220	13,556	13,876	14,225	14,572	14,933	15,319	15,721	16,091
Employee benefit liabilities	2,717	3,563	3,659	3,752	3,841	3,937	4,033	4,133	4,240	4,350	4,454
Derivative Financial Instruments	-	-	-	-	-	-	-	-	-	-	-
Borrowings	42,544	43,675	48,068	51,555	56,111	51,090	39,323	43,183	39,071	41,047	51,016
Total current liabilities	57,958	60,113	64,947	68,863	73,828	69,252	57,928	62,249	58,630	61,118	71,561
Non-current liabilities											
Provisions	114	154	165	177	189	202	216	230	246	262	279
Derivative financial instruments	35,672	25,133	19,109	14,047	10,202	7,368	5,443	3,962	2,726	1,689	840
Borrowings	130,863	135,000	150,000	170,000	181,001	180,449	179,855	179,214	178,526	177,790	177,006
Employee benefit liabilities	345	29	30	31	31	32	33	34	35	35	36
Total non-current liabilities	166,994	160,316	169,304	184,255	191,423	188,051	185,547	183,440	181,533	179,776	178,161
Total liabilities	224,952	220,429	234,251	253,118	265,251	257,303	243,475	245,689	240,163	240,894	249,722
Net assets (assets minus liabilities)	1,260,681	1,334,835	1,383,754	1,438,132	1,503,643	1,553,015	1,591,319	1,653,283	1,700,745	1,744,362	1,810,165
EQUITY											
Accumulated funds	823,831	856,159	874,353	885,730	903,278	910,438	917,884	918,765	918,568	918,162	916,613
Council created reserves	118,218	112,505	116,186	123,497	121,547	127,990	131,227	139,956	149,062	157,544	167,012
Revaluation reserves	318,632	366,171	393,215	428,905	478,818	514,587	542,208	594,562	633,115	668,656	726,540
Total equity	1,260,681	1,334,835	1,383,754	1,438,132	1,503,643	1,553,015	1,591,319	1,653,283	1,700,745	1,744,362	1,810,165

PROSPECTIVE STATEMENT OF CASH FLOWS

	2020/21 (\$'000)	2021/22 (\$'000)	2022/23 (\$'000)	2023/24 (\$'000)	2024/25 (\$'000)	2025/26 (\$'000)	2026/27 (\$'000)	2027/28 (\$'000)	2028/29 (\$'000)	2029/30 (\$'000)	2030/31 (\$'000)
Cash flows from operating activities											
Rates	69,297	76,433	82,808	86,525	89,378	92,057	94,304	96,607	99,099	102,258	105,374
Subsidies	2,829	3,523	3,359	2,881	3,075	3,210	3,302	3,415	3,458	3,620	3,683
Interest revenue	2,572	1,584	1,705	1,972	2,477	2,706	3,050	3,412	3,841	4,184	4,529
Fees and charges	8,990	10,317	10,542	11,025	11,573	11,903	12,156	12,461	12,829	13,124	13,441
Other revenue	971	1,167	1,200	1,232	1,263	1,296	1,329	1,364	1,401	1,438	1,475
Payments to suppliers	(33,303)	(39,134)	(39,914)	(41,209)	(41,039)	(41,963)	(43,057)	(43,554)	(44,828)	(46,430)	(47,486)
Payments to employees	(22,426)	(25,942)	(26,970)	(27,971)	(29,233)	(30,578)	(31,953)	(33,390)	(34,918)	(36,510)	(38,076)
Interest on public debt	(8,371)	(7,351)	(7,993)	(7,948)	(8,107)	(7,647)	(6,975)	(6,845)	(6,818)	(6,654)	(6,684)
Net cash flow (outflow) from operating activities	20,559	20,597	24,737	26,507	29,387	30,984	32,156	33,470	34,064	35,030	36,256
Cash flows from investing activities											
Proceeds from sale of property, plant, equipment & biological assets	8,000	9,275	5,112	4,064	4,714	2,961	1,569	1,344	1,889	1,574	1,813
Development/financial contributions	2,784	8,844	7,199	5,754	4,975	4,585	3,992	3,536	3,536	3,283	3,250
Capital subsidies	1,943	3,869	3,687	3,827	2,843	3,029	2,838	2,495	2,671	2,640	2,771
Net decrease in investments	-	-	-	-	2,000	-	-	-	-	-	-
Purchase & development of property, plant & equipment	(38,692)	(59,790)	(56,558)	(56,442)	(47,556)	(29,663)	(25,077)	(35,460)	(28,380)	(35,415)	(43,939)
Net increase in investments	(500)	(5,625)	(3,500)	(7,000)	-	(5,000)	(4,000)	(8,500)	(8,000)	(8,000)	(9,000)
Net cash flow from investing activities	(26,465)	(43,427)	(44,060)	(49,797)	(33,024)	(24,088)	(20,678)	(36,585)	(28,284)	(35,918)	(45,105)
Cash flows from financing activities											
Loans raised	25,861	38,228	40,584	40,132	30,944	13,720	9,925	20,345	12,055	20,994	27,990
Repayment of public debt	(21,435)	(26,219)	(21,191)	(16,644)	(27,373)	(19,292)	(22,287)	(17,125)	(16,855)	(19,754)	(18,806)
Net cash flow from financing activities	4,426	12,009	19,393	23,488	3,571	(5,572)	(12,362)	3,220	(4,800)	1,240	9,184
Net increase (decrease) in cash held	(1,480)	(10,821)	70	198	(66)	1,324	(884)	105	980	352	335
Add cash at start of year	6,048	13,735	2,914	2,984	3,182	3,116	4,440	3,556	3,661	4,641	4,993
Cash and cash equivalents at end of year	4,568	2,914	2,984	3,182	3,116	4,440	3,556	3,661	4,641	4,993	5,328

PROSPECTIVE STATEMENT OF BORROWINGS

	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)	2028/29 (\$000)	2029/30 (\$000)	2030/31 (\$000)
Debt Balances											
Opening debt	156,014	166,666	178,675	198,068	221,555	237,112	231,539	219,178	222,398	217,597	218,837
New borrowing requirements	25,861	38,228	40,584	40,131	30,944	13,719	9,926	20,344	12,054	20,994	27,991
Lease Liability	-	-	-	-	11,986	-	-	-	-	-	-
Prior year borrowing requirements	12,967	-	-	-	-	-	-	-	-	-	-
Debt repayments	(21,435)	(26,219)	(21,191)	(16,644)	(27,373)	(19,292)	(22,287)	(17,125)	(16,855)	(19,754)	(18,806)
Closing external debt	173,407	178,675	198,068	221,555	237,112	231,539	219,178	222,397	217,597	218,837	228,022
Debt Servicing Costs											
Interest	8,378	7,358	8,000	7,955	8,115	7,656	6,985	6,856	6,829	6,666	6,697
Debt repayments	21,435	26,219	21,191	16,644	27,373	19,292	22,287	17,125	16,855	19,754	18,806
Total external debt servicing costs	29,813	33,577	29,191	24,599	35,488	26,948	29,272	23,981	23,684	26,420	25,503

WHOLE OF COUNCIL SCHEDULE OF CAPITAL EXPENDITURE

	ANNUAL PLAN 2020/21 (\$'000)	LTP 2021/22 (\$'000)	LTP 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)	LTP 2026/27 (\$'000)	LTP 2027/28 (\$'000)	LTP 2028/29 (\$'000)	LTP 2029/30 (\$'000)	LTP 2030/31 (\$'000)
Capex Growth											
Community Facilities	943	2,285	2,029	1,642	1,436	1,424	1,277	1,150	1,224	1,162	1,190
Solid Waste	50	0	0	0	0	0	0	0	0	0	0
Transport	27	540	1,263	2,193	437	495	463	0	0	0	0
Wastewater	850	1,550	5,693	5,098	2,891	3,268	623	0	344	1,272	0
Water	1,680	2,300	4,658	3,875	0	0	0	0	0	0	0
Growth Total	3,550	6,675	13,642	12,808	4,765	5,187	2,363	1,150	1,569	2,434	1,190
ILOS											
Community Facilities	3,372	3,809	2,632	11,954	10,062	2,021	1,365	840	861	884	905
Community Services	34	165	165	501	22	22	31	23	24	24	25
Investments	3,562	4,008	4,239	866	4,480	776	814	814	549	313	403
Solid Waste	10	514	1,080	251	2,641	523	266	1,404	250	256	263
Stormwater	735	353	405	605	485	923	685	757	2,466	2,226	328
Transport	950	5,528	3,697	2,135	2,005	1,894	1,202	1,484	1,295	1,320	1,738
Wastewater	6,460	10,550	2,846	2,761	1,418	0	0	8,635	1,169	9,540	19,010
Water	5,960	8,109	9,465	5,714	2,392	0	162	1,501	0	0	0
ILOS Total	21,083	33,035	24,530	24,787	23,505	6,158	4,526	15,457	6,613	14,563	22,670
Capex Total	24,632	39,710	38,172	37,595	28,270	11,345	6,889	16,607	8,182	16,998	23,859
Renewal Renewal											
Community Facilities	2,549	3,992	2,499	2,561	3,089	2,594	2,731	3,084	4,050	2,908	2,754
Community Services	81	250	388	418	252	184	142	259	141	117	207
Democracy and Planning	0	0	56	0	0	61	0	0	65	0	0
Economic Development	4	53	12	4	57	4	5	61	5	5	66
Investments	831	1,483	1,081	1,339	1,375	1,328	1,114	1,557	1,527	870	1,508
Solid Waste	121	200	162	139	184	144	213	233	205	233	203
Stormwater	281	88	110	107	134	153	168	198	235	268	323
Transport	3,539	3,173	3,700	3,858	4,739	4,635	4,982	4,673	4,580	4,529	5,777
Wastewater	3,520	5,063	4,319	4,356	4,105	4,316	3,279	3,461	3,640	3,839	3,593
Water	3,136	5,779	6,059	6,064	5,350	4,900	5,554	5,326	5,750	5,648	5,649
Renewal Total	14,060	20,081	18,387	18,847	19,286	18,317	18,188	18,852	20,199	18,418	20,080
Renewal	14,060	20,081	18,387	18,847	19,286	18,317	18,188	18,852	20,199	18,418	20,080
Grand Total	38,692	59,790	56,558	56,442	47,556	29,663	25,077	35,460	28,380	35,415	43,939

PROSPECTIVE SCHEDULE OF RESERVE FUNDS

RESERVE NAME	PROJECTED OPENING BALANCE 01/07/21 (\$000)	EXPECTED DEPOSITS 01/07/21- 30/06/31 (\$000)	EXPECTED WITHDRAWALS 01/07/21- 30/06/31 (\$000)	EXPECTED BALANCE @ 30/06/31 (\$000)	PURPOSE OF THE FUND
Development Contribution Reserves					
Community Infrastructure - District	766	829	(1,196)	399	To fund for District Development Contribution capital expenditure, loan repayments & interest for Community Infrastructure
District Wide Parks	549	1,325	-	1,875	To fund for District Wide Parks Development Contribution capital expenditure, loan repayments & interest
Parks & Reserves Land (Residential)	2,823	11,897	(13,035)	1,685	To fund for Residential Parks Reserve Land Development Contribution capital expenditure, loan repayments & interest
Transport & Stormwater - District	1,271	9,455	(7,493)	3,234	To fund for District Wide Transport Development Contribution capital expenditure, loan repayments & interest
Wastewater - Atiamuri	2	-	-	2	To fund for Atiamuri Wastewater Development Contribution capital expenditure, loan repayments & interest
Wastewater - Kinloch	846	4,084	(4,632)	298	To fund for Kinloch Wastewater Development Contribution capital expenditure, loan repayments & interest
Wastewater - Taupō	2,462	9,394	(11,745)	111	To fund for Taupō Wastewater Development Contribution capital expenditure, loan repayments & interest
Water - Kinloch	1,288	2,987	(2,726)	1,549	To fund for Kinloch Water Development Contribution capital expenditure, loan repayments & interest
Water - Mapara Road	25	589	-	614	To fund for Mapara Road Water Development Contribution capital expenditure, loan repayments & interest
Water - Omori/Pukawa/Kuratau	99	105	-	204	To fund for Omori/Pukawa/Kuratau Water Development Contribution capital expenditure, loan repayments & interest
Water - River Road	5	-	-	5	To fund for River Road Water Development Contribution capital expenditure, loan repayments & interest
Water - Taupō	1,457	8,288	(6,100)	3,644	To fund for Taupō Water Development Contribution capital expenditure, loan repayments & interest
Water - Turangi/Tongariro	14	-	-	14	To fund for Turangi/Tokaanu Water Development Contribution capital expenditure, loan repayments & interest
Total Development Contribution Reserves	11,607	48,953	(46,926)	13,634	
Buildings - District	820	47,369	(41,263)	6,927	To fund for renewals, capital expenditure & loan repayments for Buildings - District
Land Subdivision - District	1,640	232	(1,697)	175	To fund for renewals, capital expenditure & loan repayments for Land Subdivision - District
Operational assets - District	3,067	49,149	(50,313)	1,903	To fund for renewals, capital expenditure & loan repayments for Operational assets - District
Solid Waste - District	1,109	6,697	(5,814)	1,991	To fund for renewals, capital expenditure & loan repayments for District Solid Waste
Transport & Stormwater - District	5,755	103,612	(92,814)	16,553	To fund for renewals, capital expenditure & loan repayments for Transport & Stormwater - District
Wastewater - District	5,937	69,714	(70,488)	5,164	To fund for renewals, capital expenditure & loan repayments for Wastewater - District
Water - District	8,634	53,791	(57,616)	4,809	To fund for Taupō Wastewater Development Contribution capital expenditure, loan repayments & interest
Total Depreciation Reserves	18,329	276,774	(262,389)	32,714	
Disaster Recovery Fund	2,256	4,551	(113)	6,694	To provide funds for CAREFF insurance scheme annually for disaster coverage
District Airport Reserve	67	-	-	67	To provide for heavy periodic maintenance charges on assets such as buildings, roads etc & for future capital works of this nature
Parking	69	-	-	69	For the purchase or development of parking
Forestry	7,960	3,099	(1,863)	9,196	To be used in the establishment, maintenance & operation of Councils forestry blocks
Strategic Property Purchase - District	5,604	28,850	(12,991)	21,463	To fund specific strategically based property purchases & associated projects - District
TEL	63,691	14,675	-	78,366	As per Treasury Management Policy
Total Other Reserves	79,648	51,174	(14,968)	115,855	
Total Reserves	118,218	430,693	(381,899)	167,012	

FORECASTING ASSUMPTIONS

LTP 2021-31

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

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

OUR ASSUMPTIONS ARE:

- Limited structural change to population for years 1-3, increased aging structure by 2031 and until 2051. An aging population will put added pressures on specific services.
- 38 – 43 per cent of the District's properties will be owned by non-resident ratepayers (mainly holiday home owners, but also others). As at January 2021 38 per cent of the District's properties are owned by non-resident ratepayers.
- Approximately 30 per cent of the District's properties will be holiday homes.
- There will be economic influences that will impact on Council's business that are out of Council's control.
- There have been delays to the preparation of the Government Policy Statement (GPS) on land transport, the National Land Transport Programme (NLTP), and the Investment Assessment Framework (IAF), which will result in delays to when NZTA funding is finalised. This means that, prior to the Council's adoption of the Long-term Plan 2021 - 31, NZTA will not be confirming the level of funding until late August – mid September 2021. The forecast financial statements are based on the assumption that Council will be able to claim 51 per cent of all maintenance and renewal costs for district roads in line with currently known NZTA work categories and classifications. Should the outcome of the NLTP result in less co-funding being received from NZTA then the work programme for roading could be impacted. Any financial impact to Council will be managed through limiting CAPEX/OPEX work programs to within the Council's affordability of local share.
- Growth in the number of rateable properties is set out in Council's Growth model 2021. (For expected growth numbers see the Prospective Schedule of Rates).
- Long term inflation is consistent with BERL's Local Government Cost Index (LGCI) forecasts (updated in September 2020). If inflation rates were to rise faster than forecast it is expected that Council rate increases would also need to increase to maintain the current levels of service.
- Climate change impacts will not be significant between the 2021 and 2031 infrastructure strategies but we will review data on an ongoing basis to see if this needs to change for infrastructure strategies from 2031. This assumption has a high level of uncertainty. Central government have undertaken modelling to understand the possible impacts but there is always the chance that there might be variations between the impacts and what happens in reality. The implications of this is that the expected changes in climate will be different to what has been modelled.
- Waikato Regional Council will continue to push for higher wastewater quality via consent conditions, with consequential impacts on infrastructure capital and operating costs
- There are no substantial natural disasters within the District. Council has not made financial provision to remedy the consequences of a significant natural disaster. The level of uncertainty for this assumption is high. A major natural disaster will be expensive.
- Legislative change is likely over the next ten years. Where direction has been provided by Central Government this has been taken into consideration. If unknown the status quo has provided the baseline for decisions.
- **Critical variable = COVID 19**
Level of uncertainty = High
Since alert levels were implemented in March 2020, New Zealand has spent about 60% of this time in alert level 1. This reflects the embedding of government's COVID management plans. Government has also entered into agreements to obtain vaccines and the rollout has commenced in the 1st quarter of 2021. It is therefore assumed that the COVID situation in New Zealand is unlikely to significantly worsen. With the rollout of the vaccine expected to be completed by mid-2022, it is anticipated that New Zealand will return to "normal" thereafter. We do not anticipate there will be any future nationwide lockdowns. Our expectation is the wider economy will remain stable. If there was further lockdowns, then the implications may include reduced revenue from council venues, consent revenue, delay of capital projects etc. This has high uncertainty.
- The Council has made use of BERL in determining the inflation rates used in the Long-term Plan. BERL has considered the impact of COVID-19 on the economy and provided three scenarios. The Council has selected the mid scenario for the Opex and Capex inflation rates. Council therefore accept that COVID-19 has been considered within the economic assumptions.
- Council also consider the risks and impacts that material supply from overseas may be disrupted and the supplier market may be unable to cope with the increasing demand. This may impact the capital work programme that Council plans to do in the next three years.
- Three waters reform – nationwide reform of the three waters (drinking water, wastewater, and stormwater) is likely within the next 18 months. As these Government reforms are yet to be finalised we are unable to assess the impact as yet, and Council's financial strategy has been developed on the basis of status quo. The value of Council's three waters assets as at 30 June 2020 was \$297m. This accounted for \$79m (53%) of Councils borrowings and \$25.8m (37%) of Councils total rates.

FORECASTING ASSUMPTIONS

LTP 2021-31

FINANCE

The main financial assumptions that underpin this Long-term Plan relate to:

- Asset revaluations
- Lifecycle of significant assets
- Financial ratios
- Income from the sale of Council property
- Income from the harvest of Council's forests
- Development contributions income
- Investment returns
- Interest rates on borrowings
- Expenditure on capital projects and debt levels
- Asset management plans – timing of expenditure
- Inflation adjustment

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

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

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

1. Asset revaluations

Critical variable = Inflation rate

Level of uncertainty = Medium

The asset revaluation amounts are based on the cumulative inflation tables provided by BERL (see below). The effect of a change in the actual rate of inflation will mean a higher/lower asset value and a higher/lower depreciation charge. If a higher depreciation charge is required this will most likely require rates to increase to ensure we continue to fund 100% of the depreciation charge. It is assumed that the depreciation collected on assets and set aside in Council's depreciation reserves will be sufficient to fund future renewals programmes. Should there be a shortfall in reserve funds in the future then Council will need to raise debt to fund these renewal programmes to ensure that it meets the levels of service agreed with the community.

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. Lifecycle of significant assets

Critical variable = Condition of assets

Level of uncertainty = Medium

Council has a mixture of condition based and age based information to guide its replacement timing for significant assets. We have gained considerable knowledge of the condition of our underground assets over the past 6 years, we still have further condition assessment work to complete. This means that many of our renewal decisions are based on

the actual condition of the asset. There is still a however a risk of asset failure for those assets yet to be assessed, resulting in increased replacement costs. Any increase in unplanned costs may cause other projects to be delayed and/or an increase in debt funding if no reserve funds are available.

3. Sources of funds for the future replacement of significant assets

Critical variable = That sources of funds are not achieved

Level of uncertainty = Low

It is assumed that the sources of funds for operating expenditure is as set out in the Revenue and Financing Policy and for capital expenditure in the relevant financial tables. User charges have been set at previously achieved levels. Depreciation is funded through rates. The Council is able to access borrowings at levels forecast within the LTP.

4. Financial ratios

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

RATIO	LIMIT
NET EXTERNAL DEBT / TOTAL REVENUE	Must not exceed 200%
NET INTEREST ON EXTERNAL DEBT / TOTAL REVENUE	Must not exceed 20%
NET INTEREST ON EXTERNAL DEBT / ANNUAL RATES REVENUE	Must not exceed 25%
LIQUIDITY (EXTERNAL TERM DEBT + COMMITTED BANK FACILITIES + LIQUID INVESTMENTS) / TOTAL EXTERNAL DEBT	Must be greater than 110%

FORECASTING ASSUMPTIONS

LTP 2021-31

5. Income from the sale of Council property

Critical variable = Net sale proceeds and infrastructure costs

Level of uncertainty = Medium

2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
3,488	2,040	2,468	2,106	1,857	344	303	674	674	674

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

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

6. Income from the harvest of Council's forests

Critical variable = Net sale proceeds

Level of uncertainty = Medium

2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
825	1,477	0	344	0	0	453	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.

7. Development contributions income

Critical variable = The assumed rate of growth

Level of uncertainty = Medium

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

Internationally there is demand for properties with coastal and water access, although how this will be affected by aging populations is not yet clear.

If growth is less than forecast Council's revenue from Development contributions (DC) will be reduced. Any shortfall in DC revenue will not be available for DC debt reduction. This shortfall will need to be funded from the existing community.

8. Investment returns

Critical variable = The return on investments

Level of uncertainty = Medium

2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
1.31%	1.43%	1.60%	2.05%	2.27%	2.49%	2.67%	2.81%	2.87%	2.97%

A change of 1% in forecast interest rates on Council's general fund investments would equate to approximately a \$750k movement.

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

FORECASTING ASSUMPTIONS

LTP 2021-31

9. Interest rate on borrowings

Critical variable = The interest rate on borrowed funds

Level of uncertainty = Low

Currently Council's borrowing is sourced from a combination of bank financing, commercial paper issuance and floating rate notes through the Local Government Funding Agency with the majority of this overlaid by fixed interest rate swaps. These swaps extend out to maturities ranging between 2021 and 2033. The relevant interest rates fixed under the swaps range from 3.70% to 6.16%. The weighted average cost of Council's borrowing at 30 June 2020 was 5.58%. Council has over 50% of its interest costs fixed over the entire 10 year plan period. As such, Council has minimal exposure to any fluctuations in interest rates. The assumed interest rate on borrowings over the ten years is shown in the table below:

2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
4.50%	4.28%	3.84%	3.50%	3.31%	3.12%	3.13%	3.12%	3.07%	3.00%

Any increases in the borrowing rate above the planned rates from year 5 onwards could result in a delay in the start date of some projects in order to keep overall costs contained within the annual budgets or alternatively may result in an increase in rates in those years.

10. Expenditure on capital projects and debt levels

Critical variable = Delivering the capital projects on time and on budget

Level of uncertainty = High

The capital expenditure budgets have been set bearing in mind the financial covenants of Council's Treasury Management policy and Council's Financial Strategy. In setting the final programme of capital expenditure, asset maintenance and asset renewal projects were given the highest level of priority so that Council can continue to maintain its existing levels of service. Projects in response to statutory requirements have been given the next highest level of priority. Given the significant increase in the capital programme from the previous LTP and concerns over availability of contractors these two factors may result in delays to the capital programme and borrowings being less than forecast or drawdowns of debt delayed. We have modelled two scenarios (50% and 75% delivery of capital programme) and their potential impacts on borrowings and interest cost are scheduled below:

	LTP 2021/22 (\$000)	LTP 2022/23 (\$000)	LTP 2023/24 (\$000)	LTP 2024/25 (\$000)	LTP 2025/26 (\$000)	LTP 2026/27 (\$000)	LTP 2027/28 (\$000)	LTP 2028/29 (\$000)	LTP 2029/30 (\$000)	LTP 2030/31 (\$000)
50% Delivery										
Debt	161,875	171,680	182,492	183,666	181,049	175,035	176,730	174,414	175,117	179,791
Interest	7,130	7,138	6,800	6,408	6,036	5,555	5,505	5,478	5,365	5,324
75% Delivery										
Debt	165,313	180,020	196,238	197,999	194,074	185,053	187,596	184,121	185,176	192,186
Interest	7,207	7,390	7,224	6,899	6,489	5,914	5,832	5,799	5,669	5,660

11. Asset management plans - timing of expenditure

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

FORECASTING ASSUMPTIONS

LTP 2021-31

12. Inflation adjustment

Critical variable = Inflation rate

Level of uncertainty = Medium

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 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.

If inflation rates were to rise faster than forecast it is expected that Council rate increases would also need to increase to maintain the current levels of service.

YEAR TO	PLANNING AND REGULATION	ROADING	TRANSPORT	COMMUNITY ACTIVITIES	WATER AND ENVIRONMENT
Jun-22	0.0	0.0	0.0	0.0	0.0
Jun-23	2.5	3.1	2.6	2.7	3.5
Jun-24	4.9	6.2	5.1	5.3	6.2
Jun-25	7.2	9.3	7.6	7.8	9.1
Jun-26	9.6	12.5	10.2	10.5	12.3
Jun-27	12.0	15.8	12.8	13.2	15.4
Jun-28	14.5	19.2	15.5	16.0	19.1
Jun-29	17.0	22.7	18.3	19.0	23.0
Jun-30	19.6	26.3	21.1	22.1	27.2
Jun-31	22.2	30.0	24.0	25.0	31.1

13. Population changes

Critical variable = Population

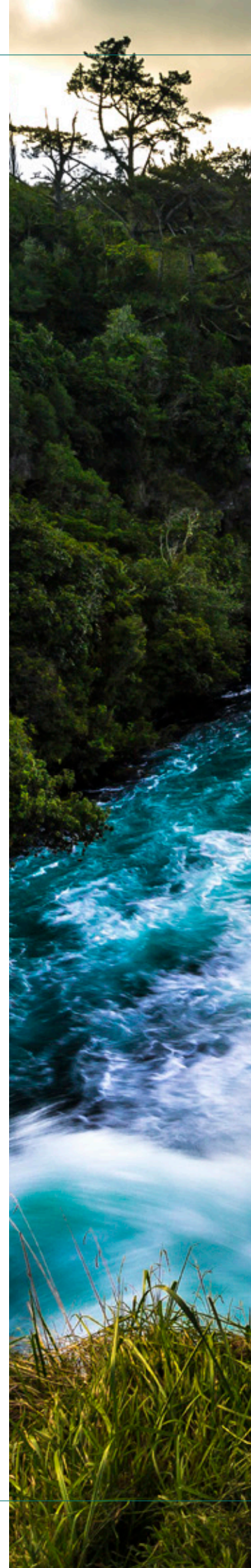
Level of uncertainty = medium

Population growth across our District is expected to reflect the population projections provided by Statistics New Zealand, as formulated from the 2018 growth model. We recognise that these projections are now outdated, and do not reflect recent population growth.

However, actual lot creation has been in line with these outdated projections, and we have no better basis for long-term projections at this point in time. At this time, we believe these are reasonable and the sensitivity is low. Were long-term growth to differ dramatically from the current long-term projections – it would require new growth areas, new infrastructure projects and new development contributions arrangements – although a dramatic difference seems unlikely given our previous growth projections reflected matters such as an ageing population, lower fertility etc and these underlying factors remain unchanged.

Since 2013, Taupō district's population is estimated to have grown by around 5,300 people. Over this same period an additional 1,250 houses have been built.

This suggests that to accommodate this growth in population, either previously empty holiday houses have become usually resident homes, or average household sizes have increased – potentially in response to increased house prices.





ACCOUNTING POLICIES

1. STATEMENT OF ACCOUNTING POLICIES

1.1 REPORTING ENTITY

Taupō District Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

Council has not presented group prospective financial statements because council believes that the parent prospective statements are more relevant to the users. The main purpose of the prospective financial statements in the Long-Term Plan is to provide users with information about core services that Council intends to provide ratepayers, the expected cost of those services and, as a consequence, how much 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 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 and Group 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 financial reporting purposes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The prospective financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZGAAP). The prospective financial statements have also been prepared in accordance with Tier 1 PBE accounting standards. The statements comply with PBE FRS 42 Prospective Financial Statements and other applicable Financial Reporting Standards as appropriate for public benefit entities. The prospective financial statements use opening balances from the period ending 30 June 2020; estimates have been restated accordingly if required. The prospective financial statements are prepared using the historical cost basis, except for assets and liabilities, which are recorded at fair value. These are detailed in the specific policies below.

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

2.2 STANDARDS ISSUED AND ADOPTED

In line with the Financial Statements of Public Benefit Entities, Council has elected to early adopt PBE IPSAS 41 Financial Instruments. PBE IPSAS 41 replaces PBE IPSAS

29 Financial Instruments: Recognition and Measurement. Accounting policies have been updated to comply with PBE IPSAS 41. The main updates are:

- Note 2.16 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 2.18 Financial Assets:
 - Equity investments: This policy has been updated to remove references to impairment losses, as PBE IPSAS no longer requires identification of impairment for equity investments measured at fair value through other comprehensive revenue and expense.
 - Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

2.3 STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY 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:

- In November 2017, the XRB issued a new standard, Service Performance Reporting (PBE FRS 48). There has been no PBE Standard dealing solely with service performance reporting. This Standard establishes new requirements for public benefit entities (PBEs) to select and present service performance information. The new standard is Mandatory for annual periods beginning on or after 1 January 2021, with early application permitted.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard.

- PBE IPSAS 16 Investment Property The amendments mirror IASB and IPSASB changes. These amendments relate to the change in use used to determine whether there has been for a property a transfer to or from an investment property.
- 2018 Omnibus Amendments to PBE standards Applies for annual periods beginning on or after 1 January 2021. The following standards are amended by this document:
 - PBE IPSAS 2 Cash Flow Statements.
 - Disclosure Initiative (Amendments to IAS 7), issued by the IASB in January 2016, amended IAS 7 Statement of Cash Flows to require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial assets. The IPSASB subsequently amended IPSAS 2 Cash Flow Statements in Improvements to IPSAS, 2018 and the NZASB amended PBE IPSAS 2 in 2018 Omnibus Amendments to PBE Standards.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard.

2.4 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and

ACCOUNTING POLICIES

from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

2.5 GOODS AND SERVICES TAX (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.

The net GST recoverable from, or payable to the IRD, is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the cash flow statements. Commitments and contingencies are disclosed exclusive of GST.

2.6 COST ALLOCATION

The cost of service for each significant activity of Council has been derived using the cost allocation system outlined below:

- Direct costs, are costs directly attributable to a significant activity, and are charged directly to that significant activity; and
- Indirect costs, are costs which cannot be identified in an economically feasible manner, with a specific significant activity, and are charged to significant activities using appropriate cost drivers such as staff time, computer devices, staff numbers and floor area.

2.7 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions 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:

- Estimating the fair value of land, buildings and infrastructural assets;
- Estimating the retirement and long service leave obligations; and
- Estimating the landfill aftercare provision.

Critical judgements in applying accounting policies

- 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.

2.8 REVENUE

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below.

Rates revenue

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

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

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

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

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

New Zealand Transport Agency roading subsidies

Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other subsidies and grants

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

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developers, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (for example, land that must be used as a recreation reserve), Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if Council expects that it will need to return or pass the asset to another party.

ACCOUNTING POLICIES

Sales of goods

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

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

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

Landfill fees

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

Rental revenue

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

Development and financial contributions

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

Interest and dividends

Interest revenue is recognised using the effective interest method. Dividends are recognised when the shareholder's right to receive payment is established.

Third party transfer payment agencies

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

2.9 BORROWING COSTS

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

2.10 SUPERANNUATION SCHEMES

Defined contribution schemes Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

2.11 GRANT EXPENDITURE

Council's awarded grants have no substantive conditions attached.

Non-discretionary grants are those grants that are awarded

if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grants has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by Council and the approval has been communicated to the applicant.

2.12 OPERATING LEASES

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as expense reduction of rental expense over the lease term.

2.13 INCOME TAX

Local authorities are only subject to income tax on income derived from any Council controlled organisation and as a port operator.

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, and any adjustment to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit or taxable profit.

Current and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive revenues and expenses or directly in equity.

2.14 EQUITY

Equity is the community's interest in Council as measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components: accumulated funds;

- Council-created reserves;
- asset revaluation reserves; and
- available-for-sale revaluation reserve.

Reserves are a component of equity and represent a particular use to which parts of equity have been assigned. Reserves may be legally restricted or created by Council. Council-

ACCOUNTING POLICIES

created reserves are reserves established by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Asset revaluation reserves arise from certain asset classes being revalued, with these classes including land, buildings, infrastructural assets, and restricted assets. The treatment of revaluation movements is detailed in 2.19 of the policies.

Available-for-sale revaluation reserves arise from available-for-sale investments being revalued to current fair value. The treatment of revaluation movements is detailed in 2.17 of the policies.

2.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the statement of cash flows, and within borrowings in current liabilities on the statement of financial position.

2.16 RECEIVABLES

Short-term receivables are recorded at the amount due, less any provision for un-collectability. The provision is calculated by applying an expected credit loss model.

A receivable is considered uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

2.17 INVENTORY

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value; and
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When sections of land for sale are transferred from non-current assets held for sale, investment property or property,

plant and equipment to inventory, the fair value of the land at the date of transfer is its deemed cost.

2.18 FINANCIAL ASSETS

Financial assets (other than shares in subsidiaries) are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Term deposits and community loans (loans and receivables)

Loans made at nil or below market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument.

After initial recognition, term deposits and community loans are measured at amortised cost using the effective interest method. Where applicable, interest accrued is added to the investment balance.

At year-end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired. A loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

If the assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

Listed bonds (held-to-maturity)

After initial recognition, listed bonds (designated as held-to-maturity) are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the statement of comprehensive revenue and expense.

At year-end, the assets are assessed for indicators of impairment. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment.

Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Council does not use this category presently.

Listed shares (fair value through surplus or deficit)

This category has two sub categories: financial assets held for trading (Council does not use this category), and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance date. After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the surplus or deficit.

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Council's equity investments fall into this category.

Available for sale (fair value through other comprehensive revenue and expense)

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

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

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

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

Council's shareholding in Civic Assurance and the holdings of Government and corporate bonds are currently classified as available for sale.

2.19 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value, less costs to sell.

Any impairment losses for write downs of the asset are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

2.20 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of:

Operational assets – These include land, buildings, office furniture and fittings, library books, heritage assets, plant and equipment, and motor vehicles.

Restricted assets – Restricted assets are parks and reserves owned by 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 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.

Land and land under roads (operational and restricted) are measured at fair value, and buildings (restricted and operational) and infrastructural assets (roads, water, wastewater and stormwater) are measured at fair value less accumulated depreciation.

All other asset classes, excluding heritage assets, are measured at cost less accumulated depreciation and impairment losses.

Heritage assets are measured at cost.

Revaluation

Land, land under roads and buildings (operational and restricted), and infrastructural assets (roads, water, wastewater, and stormwater) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to asset revaluation reserves in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

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

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

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

ACCOUNTING POLICIES

costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

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

Depreciation

Depreciation is provided on a straight-line or diminishing value basis on all property, plant and equipment other than land and heritage assets, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as per the following chart:

CLASS OF ASSET DEPRECIATED	ESTIMATED USEFUL LIFE	DEPRECIATION RATES
Operational assets		
Land Buildings	not depreciated	nil
Site value	13 years	7.69%
Structure	20 - 80 years	1.3% - 5%
Roof	20 - 40 years	2.5% - 5%
Services	20 - 45 years	2.5% - 5%
Internal fit out	15 - 35 years	2.9% - 6.7%
Plant	20 - 30 years	3.3% - 5%
Machinery	2 - 20 years	5% - 50%
Computer equipment	4 years	25%
Office equipment	4 - 10 years	13.33% - 25%
Leased assets	3 - 5 years	20% - 33.3%
Furniture and fittings	2 - 10 years	10% - 50%
Park furniture	2 - 25 years	4% - 50%
Motor vehicles	4 - 10 years	10% - 25%
Library books	6.5 years	15.5%
Infrastructural assets		
Buildings	40 - 75 years	1.3% - 2.5%
Roading network		
Top surface (seal)	3 - 20 years	5% - 33.3%
Pavement (base course)	45 - 65 years	1.5% - 2.2%
Formation	not depreciated	nil
Culverts	50 - 80 years	1.25% - 2%
Footpaths	30 - 80 years	1.3% - 3.3%
Kerbs	60 - 80 years	1.25 - 1.67%
Signs	15 years	6.7%
Streetlights	15 - 30 years	3.3% - 6.7%
Bridges	60 - 100 years	1% - 1.67%
Structures	15 - 50 years	2% - 6.7%
Land under roads	not depreciated	nil
Water system		
Pipes	45 - 100 years	1% - 2.2%
Valves, hydrants	40 years	2.5%
Pump stations	10 - 60 years	1.7% - 10%
Tanks	25 - 80 years	1.3% - 4%
Sewerage system		
Pipes	65 - 100 years	1% - 1.5%
Manholes	80 years	1.3%
Treatment plant	5 - 80 years	1.3% - 20%
Stormwater systems		

REVENUE AND FINANCING POLICY 2021

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

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

COUNCIL'S FUNDING POLICY

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

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

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

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

OPERATING EXPENDITURE

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

the life of the Long-term Plan.

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

GENERAL RATE

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

DIFFERENTIALS

Council applies differential factors greater than 1.0 to some categories of rateable land when assessing the general rate to recognise that there are differences in the level of service and therefore the benefits each differential rating category derives from the various services provided by Council. In some cases, costs to provide some services are higher for some rating categories and this is considered when setting differentials and applying them to rating categories. Rating units are categorised based on land use or the zoning of the land.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

A Uniform Annual General Charge set under section 15 of the Local Government (Rating) Act 2002 is assessed on every separately used or inhabited part of a rating unit in the district. Where separate parts of a rating unit fit within more than one category of rateable land for setting rates or where separate parts of a rating unit qualify for a rates remission a rating division may be created to accurately assess rates and/or apply remission. The Uniform Annual General Charge will be used to fund leadership, governance, advocacy, emergency management, animal control and cemeteries.

TARGETED RATES

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

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

- Sewage disposal – assessed on every rating unit connected or available to be connected (serviceable) to an accessible Council scheme on the basis of one charge per pan or urinal (with the exception of the residence of a single household, which shall be assessed only one charge).

REVENUE AND FINANCING POLICY 2021

- Water supply – fixed targeted rate assessed on each separately used or inhabited part of a rating unit
- Five Mile Bay Water Capital Works Rate – assessed on specified rating units within the Five Mile Bay area as a fixed amount per rating unit
- District Refuse Disposal Charge - assessed on each separately used or inhabited part with the application of a differential to certain categories of rateable land.
- Whakamaru fire protection - assessed on specified rating units within the Whakamaru Village as a fixed amount per rating unit.
- Whareroa Refuse rate - assessed on all rating units in the Whareroa rating area as a fixed amount per rating unit.
- Town Centre Taupō Management rate – assessed on each separately used or inhabited part of industrial/commercial rating units within the defined central business district of Taupō town.
- Turangi Tongariro Community Board - assessed on each separately used or inhabited part of all rating units within the Turangi-Tongariro ward.

Council's Funding Impact Statement contains more details on these rates.

FEES AND CHARGES

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

INTEREST AND DIVIDENDS FROM INVESTMENTS

The interest and dividends from the general and special fund investments are used as an offset against general rates. The management of these investments is governed by the Treasury Management Policy. The interest and dividends from the TEL Fund will first be applied (by an amount equal to inflation proofing the capital of the fund) back to the capital of the fund, and then the balance applied to a TEL Fund distribution reserve to be available for Council to distribute or accumulate in accordance with the TEL Community fund guiding principles.

GRANTS AND SUBSIDIES AND OTHER OPERATING REVENUE

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

CAPITAL EXPENDITURE

Council funds capital expenditure from borrowing, development contributions, operating surpluses, sale of assets, subsidies, depreciation reserves and other financial reserves. Council may choose to fund capital expenditure by other

sources than those listed if it becomes available over the life of the Long-term Plan.

BORROWING

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

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

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

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

SALE OF ASSETS

We have an on-going land disposal process with the net proceeds to be used to reduce debt. Assets which are no longer required for strategic or operational purposes may be sold with the net proceeds to be used to reduce debt. We will harvest Council owned forests as they reach maturity with the net proceeds to be applied to debt reduction.

DEPRECIATION RESERVES AND OTHER FINANCIAL RESERVES

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

SUBSIDIES

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

SUMMARY OF FUNDING FOR COUNCIL'S ACTIVITIES

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

GROUP OF ACTIVITIES	ACTIVITY	UNIFORM ANNUAL CHARGE	GENERAL RATE	TARGETED RATE	FEES & CHARGES
Community services	Community engagement		100%		
	Building compliance and development		20%-40%	60%-80%	
	District Plan compliance		40%-60%	40%-60%	
	Liquor and Health licensing		35%-45%	55%-65%	
	Animal control	50%-70%		30%-50%	
	Parking		100%		
	Emergency management	100%			
	20 - 30 years				
	2 - 20 years	5% - 50%			
4 years	25%				
Water	Water supply			95-100%	0%-5%
	Five Mile Bay Water Capital Works			100%	
	Whakamaru Fire Protection			100%	
Transport	Transport		95%-100%		0%-5%
Community facilities	Parks and reserves		90%-100%		0%-10%
	Sportsgrounds		90%-100%		0%-10%
	AC Baths		55%-65%		35%-45%
	Turangi Turtle Pools		85%-95%		5%-15%
	Mangakino Pools		85%-100%		0 - 15%
	Taupō Events Centre		65%-75%		25%-35%
	Great Lake Centre		75%-85%		15%-25%
	Community Halls		90%-100%		0%-10%
	District Libraries		90%-100%		0%-10%
	Taupō Museum & Art Gallery		85%-95%		5%-15%
	Housing for the Elderly		40%-60%		40%-60%
	Public toilets		100%		
	Superloo		50%-70%		30%-50%
	Cemeteries	0%-20%			80%-100%
Solid Waste	Litter control		100%		
	Refuse collection				100%
	Solid waste disposal and minimisation			45%-55%	45%-55%
Stormwater	Stormwater		100%		
Wastewater	Wastewater			95%-100%	0%-5%
Democracy and planning	Leadership, governance and advocacy	100%			
	Turangi-Tongariro Community board		70%-90%	10%-30%	
	Planning for the future		100%		
Investments	Investments		100%		
	Property		10%-30%		70%-90%
Economic development	Economic development		100%		

FUNDING IMPACT STATEMENT

1. INTRODUCTION

This Funding Impact Statement details the Rating Policy and the rates funding requirements.

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 assessed. The rating system used by Council is capital value, and the property valuations are produced by Opteon Technologies Limited. The effective date of the valuations is 1 July 2019.

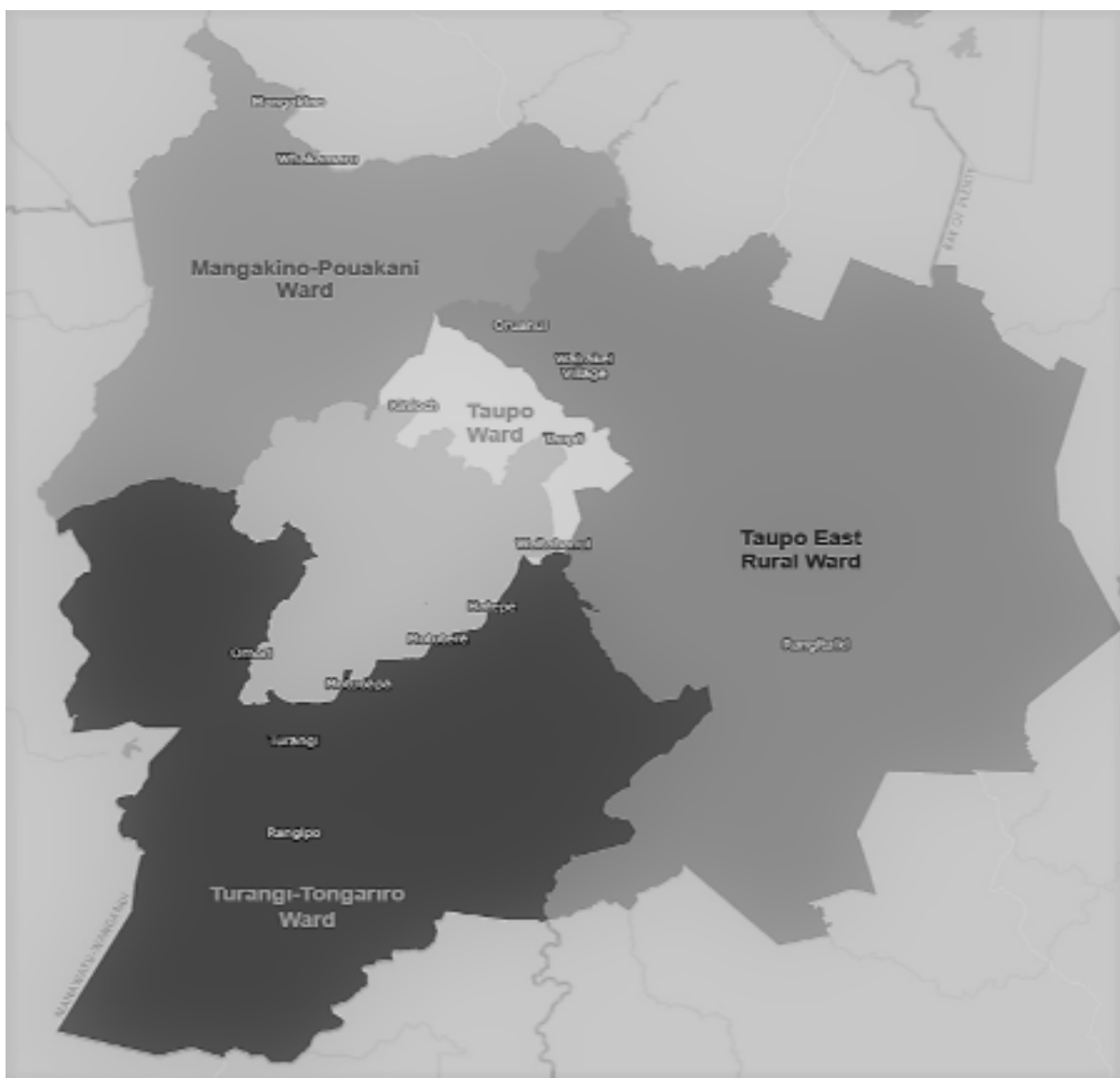


FIGURE 1 TAUPŌ DISTRICT AND WARDS

FUNDING IMPACT STATEMENT

3. CATEGORIES OF RATEABLE LAND

The Council adopts the following as its definitions of categories of rateable land. These categories are used as described elsewhere in this policy, and as required, for setting some of the targeted rates. The categories are defined using the use to which the land is put (clause 1 of schedule 2 of the Local Government (Rating) Act 2002) or the zoning of the land under the Council's Operative District Plan (clause 2 or 3 of schedule 2 of the Local Government (Rating) Act 2002). The categories are:

- Residential – all residential rating units used for one or more household units.
- Rural – all rating units used predominantly for agricultural, horticultural, forestry or farming purposes.
- Utilities assets and utility networks – all utility service rating units.
- Electricity Generators – all rating units used for the purposes of generating electricity
- Industrial/Commercial – all rating units used for industrial, commercial, or retail purposes; all vacant rating units zoned commercial or industrial under the District Plan; all rating units used for office or administrative purposes
- Accommodation – all accommodation complexes including rating units within accommodation complexes used to provide visitor accommodation, including (without limitation) motels, hotels, timeshares, serviced apartments, holiday parks, camping grounds and backpacker lodges.
- Other – All other rating units not falling within the other differential categories.

3.1 IT SHOULD BE NOTED THAT:

(a) Vacant land – the differential classification will be determined by the underlying zone classification of the rating unit.

(b) Targeted rates are a source of funding as outlined in this document. Lump sum contributions are not invited in respect of any of the targeted rates.

(c) Separately used or inhabited part (SUIP) – this refers to separate parts of a rating unit; whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner as an independent residence/household; or in the case of a rating unit used for commercial or industrial business, the availability for use of part or parts of the rating unit for independent trading operations. In a residential situation a separately used or inhabited part will only be classified if all of the following apply - separate kitchen including a bench top and sink, separate living facilities, separate toilet and bathroom facilities and separate access (including access through a common area such as a lobby, stairwell, hallway or foyer etc.). In a business situation a separately used or inhabited part will be classified where the property has been set up to accommodate, or is accommodating separate lessees, tenants or the like for separate premises within the same rating unit. A rating unit with one use or part is one separately used or inhabited part.

(d) Where separate parts of a rating unit fit within more than one category of rateable land (3 above) for setting rates or where separate parts of a rating unit qualify for a rates remission a rating division may be created to accurately assess rates and/or apply remission. It should be noted that a rating division will not be created to allow the avoidance of rates

for rating units that operate in an open-market commercial environment. i.e. pockets of unproductive Māori Freehold land on farming or forestry blocks.

(e) Rates payments will be allocated to the oldest debt outstanding first.

3.2. TARGETED RATES BASED ON LAND USE

Council will target rates based on land use to assess:

- District Refuse Disposal Rate (1 and 2 below)
- Sewage Disposal Rate (3 below)

THE FOLLOWING CATEGORIES WILL APPLY:

1. All industrial, commercial, accommodation, utilities assets and utility networks, and electricity generator rating units (assessed twice the charge per separately used or inhabited part of a rating unit).
2. All residential, rural and other rating units (assessed with one charge per separately used or inhabited part of a rating unit).
3. Schools – per pan or urinal

3.3. TARGETED RATES BASED ON LOCATION

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

- Turangi-Tongariro Community Board Rate (see 1 below).
- Town Centre Taupō Management Rate (2 below).
- Whareroa Refuse Rate (3 below).
- Five Mile Bay Water Capital Works Rate (4 below).

THE FOLLOWING CATEGORIES WILL APPLY:

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

3.4 TARGETED RATES BASED ON AVAILABILITY OF SERVICE

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

- Water supply (1, 4, and 6)
- Sewage disposal (2, 3, and 5)

The following categories will apply:

1. connected – each separately used or inhabited part of a rating unit that is connected to a Council operated water scheme
2. connected – each rating unit or residence/household that is connected to a Council sewerage drain
3. connected per pan or urinal – each rating unit with more than one pan or urinal (with the exception of rating units used as a single residence/household)
4. serviceable (available to be connected) – any separately used or inhabited part of a rating unit that is not connected to an accessible Council operated water scheme but is within 100 metres of any part of the waterworks
5. serviceable (available to be connected) – any rating unit that is not connected to an accessible Council operated sewage scheme but is within 30 metres of such a drain
6. metered water supply – rating units with a water meter

FUNDING IMPACT STATEMENT

3.5 TARGETED RATES BASED ON LOCATION AND AVAILABILITY OF SERVICE

Council will use location and the availability of service to assess rates for:

- Whakamaru fire protection rate

The following category will apply:

Assessed on defined rating units within the Whakamaru Village that are not connected to the Council water supply but have access to Council water hydrants for firefighting purposes (see figure 3 in this document).

4. GENERAL AND TARGETED RATES

The Council adopts the following rates under the Local Government (Rating) Act 2002, on rating units in the district.

4.1 GENERAL RATE

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

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

Valuation basis for general rates

Council uses capital value as the basis for general rates.

RATING UNIT CATEGORY	RATE PER \$ OF CV 2020/21 GST INCL	RATE PER \$ OF CV 2021/22 GST INCL
Residential	0.0022885/\$	0.0025754/\$
Rural	0.0022885/\$	0.0025754/\$
Utility Assets and Networks	0.0022885/\$	0.0025754/\$
Electricity Generators	0.0022885/\$	0.0025754/\$
Industrial/Commercial	0.0041193/\$	0.0046357/\$
Accommodation	0.0041193/\$	0.0046357/\$
Other	0.0022885/\$	0.0025754/\$

4.2 DIFFERENTIALS

Council applies differential factors greater than 1.0 to some categories of rateable land when assessing the general rate to recognise that there are differences in the level of service and therefore the benefits each differential rating category derives from the various services provided by Council. In some cases, costs to provide some services are higher for some rating categories and this is considered when setting differentials and applying them to rating categories. Rating units are categorised based on land use or the zoning of the land.

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

PROPERTY CATEGORIES	DIFFERENTIAL FACTORS
Residential	1.000
Rural	1.000
Utility Assets and Networks	1.000
Electricity Generators	1.000
Industrial/Commercial	1.800
Accommodation	1.800
Other	1.000

FUNDING IMPACT STATEMENT

4.3 UNIFORM ANNUAL GENERAL CHARGE

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

PER SUIP	2020/21 GST INCL	RATE PER \$ OF CV 2021/22 GST INCL
Uniform Annual General Charge	\$250.00	\$250.00

4.4 SEWAGE DISPOSAL

A targeted rate to fund sewage disposal, as outlined in the Groups of Activities – Wastewater section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on every rating unit connected or available to be connected (serviceable) to an accessible Council scheme on the basis of one charge per pan or urinal (with the exception of the residence of a single household – which shall be assessed only one charge) for connected rating units and per rating unit for serviceable rating units. For the avoidance of doubt the words ‘a single household’ do not restrict the charge to one pan/urinal in the situation where a rating unit has separately used or inhabited parts (as defined in section 3.1.b of this document). In such a situation each separately used or inhabited part is regarded as a single residence/household, and the pan charge applied will be at the cumulative per pan rate multiplied by the number of separate households. The sewage disposal rate, including for Schools, is assessed based on the use to which the land is put, including that the number of pans is a proxy for land use. Serviceable – rating units within 30 meters of an accessible sewerage drain.

Targeted Sewer Disposal charges per rating unit are:

RATING UNIT CONNECTED	FACTOR OF LIABILITY	2020/21 GST INCL (PER PAN)	2021/22 GST INCL (PER PAN)
1 pan/urinal	per pan/urinal	\$720.24	\$780.02
2 – 10 pans/urinals	per pan/urinal	\$540.18	
2 pans/urinal	per pan/urinal		\$585.02
10 + pans/urinals	per pan/urinal	\$360.12	
3 or more pan/urinals	per pan/urinal		\$390.01
Schools 10 + pans/urinals	per pan/urinal	\$180.06	
Schools	per pan/urinal		\$195.01
RATING UNIT SERVICEABLE - WITHIN 30 METERS OF AN ACCESSIBLE SEWERAGE DRAIN	FACTOR OF LIABILITY	2020/21 GST INCL	2021/22 GST INCL
Available to be connected	per rating unit	\$360.12	\$390.01

4.5 WATER SUPPLY – DISTRICT WIDE

Note: A new district wide rate will be assessed from 1 July 2021. Any property throughout the district that is connected or able to connect to a Council water scheme will pay the same amount on that basis. Any water supply rates previously assessed on land value will now be assessed at the same fixed targeted rate as the rest of the district. See the table below.

FUNDING IMPACT STATEMENT

WATER SCHEMES WITH FIXED CHARGE TARGETED RATES.

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

The water schemes are: Taupō, Kinloch, Whakaroa, Bonshaw Park, Whakamoenga Point, River Road, Mangakino, Tirohanga, Turangi, Motuoapa, Tokaanu, Hatepe, Omori/Kuratau/Pukawa, Whakamaru, Atiamuri, Rakaunui Road, Waihaha, Whareroa, Centennial Drive.

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

WATER SCHEME	2020/21 GST INCL		2021/22 GST INCL	
	Serviceable	Connected	Serviceable	Connected
Taupō	\$246.55	\$493.10	\$268.23	\$536.46
Kinloch	\$301.23	\$602.46	\$268.23	\$536.46
River Road	\$426.56	\$853.12	\$268.23	\$536.46
Mangakino	\$257.65	\$515.30	\$268.23	\$536.46
Atiamuri	\$553.52	\$1,107.04	\$268.23	\$536.46
Whakamaru	\$635.90	\$1,271.80	\$268.23	\$536.46
Turangi/Tokaanu	\$188.43	\$376.86	\$268.23	\$536.46
Motuoapa	\$313.64	\$627.28	\$268.23	\$536.46
Omori/Kuratau/Pukawa	\$173.47	\$346.94	\$268.23	\$536.46
Hatepe	\$488.88	\$977.76	\$268.23	\$536.46
Whareroa	\$250.04	\$500.08	\$268.23	\$536.46
Note: The water rates shown below were previously assessed on the land value of the rating unit whether connected or not				
Whakaroa		0.0015093/\$	\$268.23	\$536.46
Rakaunui Road		0.0025307/\$	\$268.23	\$536.46
Centennial Drive (untreated)		0.0057409/\$	\$268.23	\$536.46
Bonshaw Park		0.0030696/\$	\$268.23	\$536.46
Whakamoenga Point		0.0015213/\$	\$268.23	\$536.46
Waihaha		0.0030932/\$	\$268.23	\$536.46
Tirohanga		0.0013186/\$	\$268.23	\$536.46

FUNDING IMPACT STATEMENT

4.6 METERED WATER SUPPLY

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

Targeted rates for metered water supply, set under section 19 of the Local Government (Rating) Act 2002, and assessed on the volume of water supplied to every rating unit with a water meter (excluding meters read for monitoring purposes only). These metered water charges apply for supply over and above the equivalent supply allocation provided under the fixed targeted rate, where the equivalent supply allocation is the amount of the fixed targeted rate, divided by the rate per m³ for the relevant water scheme that the property is connected to, as shown below. It is only when this threshold is exceeded that water meter charges at the rates set below will be applied.

Council installs water meters to various properties throughout the District that are used to measure consumption for future planning purposes, to identify any leaks or where excessive water use is suspected; these meters are read for monitoring purposes only.

The rates per cubic metre are:

WATER SUPPLY	2020/21 GST INCL CENTS/ M3	2021/22 GST INCL CENTS/ M3
Taupō/Wairakei	227	227
Kinloch	173	173
Whakaroa	229	229
Bonshaw Park	291	291
Whakamoenga Point	161	161
River Road	194	194
Mangakino	178	178
Tirohanga	93	93
Turangi	69	69
Motuoapa	110	110
Tokaanu	131	131
Hatepe	259	259
Omori/Kuratau/ Pukawa	148	148
Whakamaru	152	152
Atiamuri	178	178
Rakaunui Road	63	63
Centennial Drive (untreated)	51	51
Waihaha		93

FUNDING IMPACT STATEMENT

4.7. FIVE MILE BAY WATER CAPITAL WORKS RATE

A fixed targeted rate assessed on each rating unit to fund 50% of the capital works costs of the infrastructure required to supply water as outlined in the Groups of Activities - Water section of this document (whether connected or not) within the defined Five Mile Bay area (see figure 2 below), set under Section 16 of the Local Government (Rating) Act 2002.

WATER SUPPLY	2020/21 GST INCL	2021/22 GST INCL
Five Mile Bay Water Capital Works Rate		\$112.75

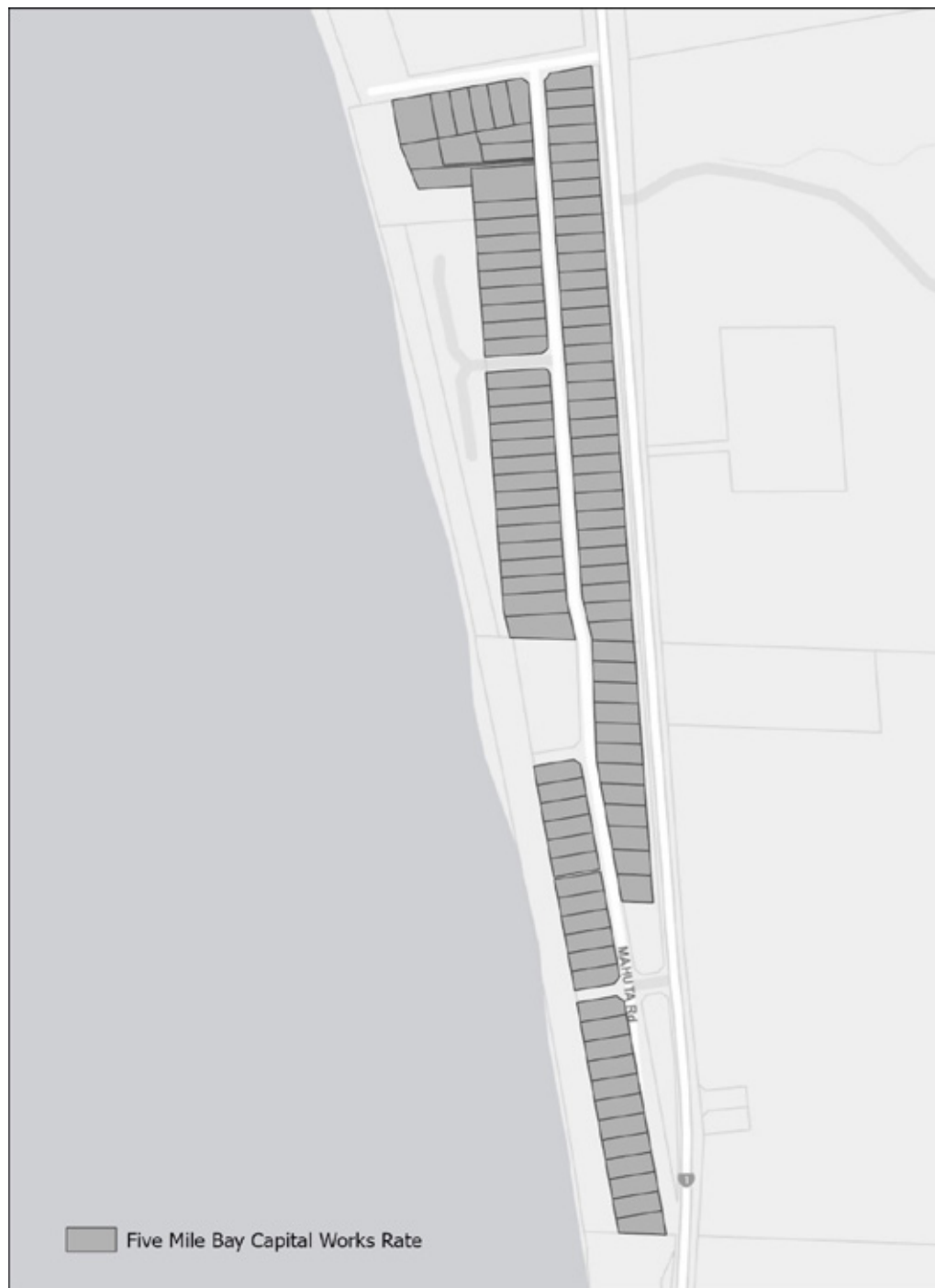


Figure 2 Five Mile Bay Capital Works Rate

FUNDING IMPACT STATEMENT

4.8 DISTRICT REFUSE DISPOSAL CHARGE

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

The targeted District Refuse Disposal Charge is:

	2020/21 GST INCL	2021/22 GST INCL
Accommodation, Industrial/Commercial, Electricity Generators, Utility Assets & Networks	\$98.64	\$128.06
Residential, Rural or Other	\$49.32	\$64.03

4.9 WHAKAMARU FIRE PROTECTION RATE

A targeted Whakamaru Fire Protection Rate, as outlined in the Groups of Activities - Water section of this document, set under section 16 of the Local Government (Rating) Act 2002. Defined rating units within the Whakamaru village that are not connected to the Council water supply but have access to Council water hydrants for firefighting purposes; assessed as a fixed amount per rating unit. (see figure 3 below)

The targeted Whakamaru Fire Protection Rate is:

	2020/21 GST INCL	2021/22 GST INCL
Whakamaru Fire Protection	\$168.40	\$167.71



Figure 3 Whakamaru Fire Protection area

FUNDING IMPACT STATEMENT

14.10 WHAREROA REFUSE RATE

A targeted Whareroa Refuse Rate, to fund the 24 hr turnstile access to the Whareroa refuse station, as outlined in the Groups of Activities – Solid waste section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on all rating units in the Whareroa rating area (see Figure 4 below) as a fixed amount per rating unit.

The targeted Whareroa Refuse Rate is:

	2020/21 GST INCL	2021/22 GST INCL
Whareroa Refuse Rate	\$90.90	\$90.90



Figure 4 Whareroa Refuse area

FUNDING IMPACT STATEMENT

4.11 TOWN CENTRE TAUPŌ MANAGEMENT RATE

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

The targeted Town Centre Taupō Management Rate is:

	2020/21 GST INCL	2021/22 GST INCL
Town Centre Taupō Management	\$350.13	\$366.79



Figure 5 Taupō Town Centre

FUNDING IMPACT STATEMENT

4.12 TURANGI TONGARIRO COMMUNITY BOARD RATE

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

	2020/21 GST INCL	2021/22 GST INCL
Turangi Tongariro Community Board Rate	\$17.24	\$17.83

5. EXAMPLES OF RATES PER TYPE OF PROPERTY

SAMPLE PROPERTIES

CAPITAL VALUE	UAGC	GENERAL RATES	WATER RATES	SEWAGE RATE	REFUSE RATE	TAUPŌ TOWN CENTRE	TURANGI COMMUNITY BOARD	TOTAL PROPOSED RATES 2021/22	TOTAL RATES 2020/21	\$ CHANGE	% CHANGE
Residential properties - Taupō											
410,000	250	1,056	536	780	64	0	0	2,686	2,451	235	8.8%
585,000	250	1,507	536	780	64	0	0	3,137	2,851	286	9.1%
730,000	250	1,880	536	780	64	0	0	3,511	3,183	327	9.3%
1,000,000	250	2,575	536	780	64	0	0	4,206	3,801	405	9.6%
Residential properties - Turangi											
272,000	250	701	536	780	64	0	18	2,349	2,036	313	13.3%
302,000	250	778	536	780	64	0	18	2,426	2,105	321	13.2%
334,000	250	860	536	780	64	0	18	2,509	2,178	331	13.2%
610,000	250	1,571	536	780	64	0	18	3,219	2,810	410	12.7%
Residential properties - Mangakino											
225,000	250	579	536	780	64	0	0	2,210	2,050	160	7.2%
282,000	250	726	536	780	64	0	0	2,357	2,180	177	7.5%
333,000	250	858	536	780	64	0	0	2,488	2,297	191	7.7%
460,000	250	1,185	536	780	64	0	0	2,815	2,588	228	8.1%
Residential properties - Kinloch											
425,000	250	1,095	536	780	64	0	0	2,725	2,595	130	4.8%
655,000	250	1,687	536	780	64	0	0	3,317	3,121	196	5.9%
750,000	250	1,932	536	780	64	0	0	3,562	3,338	224	6.3%
1,010,000	250	2,601	536	780	64	0	0	4,232	3,933	298	7.0%
Industrial Commercial properties											
585,000	250	2,712	536	780	128	0	0	4,406	3,972	435	9.9%
930,000	250	4,311	536	780	128	367	0	6,373	5,758	614	9.6%
1,465,000	250	6,791	536	1,170	128	367	0	9,243	9,043	200	2.2%
3,450,000	250	15,993	536	1,170	128	367	0	18,445	17,219	1,225	6.6%
Rural properties											
835,000	250	2,150	0	0	64	0	0	2,464	2,210	254	10.3%
1,330,000	250	3,425	0	0	64	0	0	3,739	3,343	396	10.6%
5,950,000	250	15,324	0	0	64	0	0	15,638	13,916	1,722	11.0%
9,140,000	1,000	23,539	0	0	256	0	0	24,795	22,114	2,681	10.8%



SCHEDULE TO FUNDING IMPACT STATEMENT

	LTP 2020/21 (\$'000)	LTP 2021/22 (\$'000)	LTP 2022/23 (\$'000)	LTP 2023/24 (\$'000)	LTP 2024/25 (\$'000)	LTP 2025/26 (\$'000)	LTP 2026/27 (\$'000)	LTP 2027/28 (\$'000)	LTP 2028/29 (\$'000)	LTP 2029/30 (\$'000)	LTP 2030/31 (\$'000)
Revenue	35,809	39,550	42,837	44,871	45,769	47,919	49,107	50,426	51,117	52,603	53,991
Targeted rates											
Uniform annual general charge	7,450	8,985	9,101	9,286	9,967	10,453	10,707	11,049	11,574	11,858	12,214
Water	10,853	11,580	12,792	13,478	14,109	14,339	14,702	14,987	15,437	16,051	16,316
Sewage disposal	13,515	14,049	15,619	15,943	16,469	16,829	17,221	17,490	18,109	18,821	19,838
Refuse disposal	1,148	1,496	1,680	2,162	2,271	1,717	1,761	1,841	2,042	2,096	2,179
Whareroa refuse collection rate	16	16	16	16	16	16	16	16	16	16	16
Turangi Tongariro Community Board rate	83	83	86	88	90	92	94	97	99	102	104
Taupō Town Centre management rate	170	170	175	179	183	188	192	197	202	208	213
Waitahanui sewer loan	1	-	-	-	-	-	-	-	-	-	-
Whakamaru fire protection	4	4	4	4	4	4	4	4	4	4	5
Rates penalties	250	500	500	500	500	500	500	500	500	500	500
Fees and charges	8,990	10,317	10,542	11,025	11,573	11,903	12,156	12,461	12,829	13,124	13,441
Other revenue	971	1,167	1,200	1,232	1,263	1,296	1,329	1,364	1,401	1,438	1,475
Operating subsidies	2,829	3,523	3,359	2,881	3,075	3,210	3,302	3,415	3,458	3,620	3,683
Interest	2,572	1,584	1,705	1,972	2,477	2,706	3,050	3,412	3,841	4,184	4,529
Capital contributions											
Development contributions	2,784	8,844	7,199	5,754	4,975	4,585	3,992	3,536	3,536	3,283	3,250
Other gains & losses	2,470	11,458	9,391	8,080	6,699	5,339	2,988	2,704	2,737	2,621	2,516
Vested assets	4,901	5,258	4,529	3,862	3,634	3,174	3,213	2,974	2,853	2,668	2,691
Capital subsidy	1,943	3,869	3,687	3,827	2,843	3,029	2,838	2,495	2,671	2,640	2,771
Other Capital Funding	-	-	-	-	-	-	-	-	-	-	-
Total operating revenue	96,759	122,453	124,419	125,160	125,917	127,299	127,172	128,968	132,426	135,837	139,732
Operating expenditure											
Operating expenses	55,731	65,712	66,972	69,180	70,271	72,541	75,011	76,942	79,745	82,941	85,562
Interest expense	8,378	7,358	8,000	7,955	8,115	7,656	6,985	6,856	6,829	6,666	6,697
Depreciation	23,442	25,455	27,573	29,334	31,932	33,497	34,495	35,557	36,943	38,152	39,553
Total operating expenses	87,551	98,525	102,545	106,469	110,318	113,694	116,491	119,355	123,517	127,759	131,812
Operating surplus/(deficit) before asset development and other gains/(losses) and tax	9,208	23,928	21,874	18,691	15,599	13,605	10,681	9,613	8,909	8,078	7,920
Other expenses											
Capital expenditure	38,692	59,790	56,558	56,442	47,556	29,663	25,077	35,460	28,380	35,415	43,939
Debt repayments	21,435	26,219	21,191	16,644	26,900	18,780	21,735	16,530	16,215	19,066	18,070
Transfers to special reserves	8,158	24,959	21,315	18,961	15,775	14,383	11,226	10,661	11,023	10,755	10,742
Recognition of vested assets	4,901	5,258	4,529	3,862	3,634	3,174	3,213	2,974	2,853	2,668	2,691
Capex Other Funding	-	-	-	-	-	-	-	-	-	-	-
Depreciation not funded	(3,851)	(6,290)	(3,969)	(4,135)	(3,811)	(3,952)	(3,758)	(4,023)	(4,969)	(5,346)	(5,514)
Total net cost	60,127	86,008	77,750	73,083	74,455	48,443	46,812	51,989	44,593	54,480	62,008
Funded by:											
General rates	-	-	-	-	-	-	-	-	-	-	-
Loans raised	25,861	38,228	40,584	40,132	30,944	13,720	9,925	20,345	12,055	20,994	27,990
Development, financial & other contributions	-	-	-	-	-	-	-	-	-	-	-
NZTA and other subsidies	1,605	3,718	3,587	3,295	2,560	2,739	2,541	2,349	2,522	2,487	2,614
Capex Other Funding	357	151	100	532	283	290	297	145	149	153	157
Transfers from reserves	32,304	43,911	33,479	29,124	40,668	31,694	34,049	29,150	29,867	30,846	31,247
Total net funding	60,127	86,008	77,750	73,083	74,455	48,443	46,812	51,989	44,593	54,480	62,008

INFRASTRUCTURE STRATEGY

PURPOSE

The purpose of this Infrastructure Strategy is to identify issues that will face Council's infrastructure over the next 30 years, and to identify the options available for addressing the issues.

INTRODUCTION

Infrastructure is essential to connect people and place. In Aotearoa, the provision of services and facilities that meet the current and future needs of communities falls under the responsibilities of district councils.

Effective infrastructure planning is critical to ensure economic prosperity and to enable populations to access fundamental services and facilities of everyday living. However, building and maintaining infrastructure is expensive and requires careful and considered management to ensure the current and future needs of communities are provided for. Strategic and integrated planning is required to review, anticipate and adapt to changing scenarios.

There are six themes that will influence the decisions we make about maintaining and managing our infrastructure over the next 30 years. These themes are:

- Population and demographic change
- Protecting the health of our communities
- Protecting the health of our environment
- Maintaining and renewing our infrastructure
- The resilience of our infrastructure
- Providing for the Māori world view

By understanding these themes mentioned above, the strategy will identify the issues facing our infrastructure and then discuss the options available for responding to the issues. As part of the discussion, this strategy will:

- Outline the most likely scenario for managing the infrastructure assets within the district over the next 30 years; and
- how the projected capital and operating expenditure associated with managing the district's assets,
- Identify the significant decisions about capital expenditure that Council expects it will have to make; and
- Include the assumptions on which the scenario is based and providing information of the level of certainty or uncertainty associated with the scenario.

This strategy is updated every three years to reflect the changing themes, knowledge of assets and assumptions

and to identify the impacts of changing circumstances. The last Strategy was adopted in 2018. Over time our knowledge will improve through improved performance and condition information. This will enable improved accuracy of asset renewal profiles and better investment decisions. Providing infrastructure is an important part of our role – it is expected that in 2021-22, spending on infrastructure will account for about 89 per cent of capital expenditure.

- The Local Government Act requires Council to include the water supply, disposal of wastewater, stormwater drainage and the provision of roads and footpaths infrastructure assets in the infrastructure strategy. However, to ensure that we are thinking strategically for 'non-mandatory' assets, we have also decided to include the following Council infrastructure assets:
 - Solid waste
 - Community facilities like the AC Baths, the Taupō Events Centre, the Great Lake Centre and community halls.
 - Parks and reserves

We will consider including our property and forestry portfolios in future infrastructure strategies.

THE IMPACT OF THE COVID-19 PANDEMIC

The impact of the Covid-19 pandemic, which first affected both New Zealand and the wider world in early 2020 will have significant ongoing impacts for the Taupō economy which will have resultant social impacts.

As an organisation responsible for undertaking a large number of infrastructure related projects, Council has the ability to help stimulate the economy through undertaking capital projects and renewals. This requires a fine balance between balancing the community's ability to pay, with providing economic activity through undertaking capital projects.

While Council may have adjusted the timeframes for some projects in order to 'smooth' the costs over the first couple of years of this strategy, it is acknowledged on the whole is committed to undertaking the required capital projects, upgrades and renewals that are needed to ensure the efficient running of this strategy. Covid-19 has not resulted in significant deviations from the course of the previous two infrastructure strategies.

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Effective infrastructure planning is critical to ensure economic prosperity and to enable populations to access fundamental services and facilities of everyday living.

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COUNCIL VISION AND LONG-TERM DISTRICT STRATEGY 2021-31

COUNCIL VISION

Our infrastructure contributes significantly to the Council vision, 'To be the most prosperous and liveable district in the North Island'. Infrastructure that is safe, efficient and meets the needs of our community, will assist us in achieving our Council values of 'world class, authentic, resilient, charming, vibrant, quality, value.'

THE LONG-TERM DISTRICT STRATEGY

The Long-term District Strategy outlines the ways that Council will reach our vision. Its key strategic guidelines are:

- Ensuring the Taupō District remains a great place to live
- Promote economic development
- Protect our water resources and use them wisely.
- Maintain the quality infrastructure that we have
- Keep rates and debt at a reasonable level while making us more resilient to future changes

THE LONG-TERM DISTRICT STRATEGY CAN BE ACCESSED HERE.

If we focus on achieving the strategic guidelines above, it will help ensure that the Taupō District is a prosperous and liveable district.

WHERE WE WANT TO BE IN 30 YEARS IN 30 YEARS, WE WANT TO:

- Have infrastructure that is in good condition and meets the levels of service required by the community.
- Be supplying enough safe drinking water to residents connected to Council's reticulated drinking water supplies.
- Have a healthy environment.
- Understand the condition of all assets so renewals are able to be accurately forecasted to maintain assets at the required level of service.
- Recognise and respond to the potential increase/decrease in demand on infrastructure from population growth/decline in the district and parts of the district.
- Recognise the changing demographics (in particular an aging population) across the district and respond to the required changes in the provision of services following fair and equitable decision-making processes for all communities.
- Understand the implications of our high non-resident population and peak holiday population and recognise that this makes us different to other districts and how this impact on the provision of services.
- Have infrastructure that is financially sustainable.

One of the components of creating a strong financial foundation is ensuring that we maintain our infrastructure

to meet the current and future needs of the community.

The key components of this involve continually improving the knowledge that we hold on our infrastructure and understanding the needs of the community. We need to look after what we already have and integrate the lessons learnt from past infrastructure failings, continually improving systems and processes as well as keeping abreast of updated science and research that may have bearing on how we manage our infrastructure assets Well planned, reliable and safe Infrastructure is key for economic development. Building and maintaining quality infrastructure is one of the critical parts of the foundation required for a resilient and growing economy.

Council also provides a range of community infrastructure. Facilities like libraries and parks are provided to enhance the social environment and encourage a closer knit and well-functioning community. These facilities also provide an important economic benefit, creating a community environment that is attractive for people to live and work. We also provide a landfill, transfer stations and rubbish and recycling collections to ensure that waste in the district is disposed of safely.

There is a fine line between balancing wants and needs with affordability and sustainability and working within our financial strategy. Therefore, Council needs to prioritise our capital spend on infrastructure upgrades for drinking water and wastewater to meet legislation and consent requirements along with those place making projects that drive a prosperous community. Given the legal ownership of land by in which some of Council's infrastructure and services are located, there are opportunities to investigate other options for provision of infrastructure, such as private/public partnership with iwi/hapū.

Our water takes, use of water and treatment and disposal of wastewater, construction and maintenance of roads can all have impacts on our environment.

Council is required to prepare a financial strategy as part of its Long-term Plan. The purpose of the financial strategy is to facilitate prudent financial management by the local authority. The financial strategy and infrastructure strategy are interrelated as we cannot achieve our goals for infrastructure if we are not able to adequately fund this work. Conversely, it is difficult to keep rates affordable and sustainable and prudently manage our borrowings when new and upgraded infrastructure is required as a result of changing environmental standards and changes in demographics.

“Council plans for the future to ensure that we will be able to meet the needs of our communities.”

COUNCIL VISION AND LONG-TERM DISTRICT STRATEGY 2021-31

FINANCIAL STRATEGY

The financial strategy continues the focus set out in previous Long-term plans on prudently managing our investments and borrowings, keeping rates affordable and sustainable and looking after the assets we have while maintaining levels of service.

The strategy outlines the Council's financial vision for the next 10 years and the impacts on rates, debt, levels of service and investments. It will guide the Council's future funding decisions and, along with the Infrastructure Strategy, informs the capital and operational spending for the Long-term Plan 2021-31. It identifies the challenges that we want to respond to with our financial goals.

We have set ourselves a number of financial goals that we intend to achieve by 2031. These goals support our three key principles for this financial strategy:

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

These goals are intended to assist in addressing the challenges that we have identified.

FINANCIAL PRUDENCE	<ol style="list-style-type: none"> 1. Run a balanced budget in every year of the Long-term Plan. This means that operating income will meet or exceed operating expenditure in each year. 2. Maintain Council's AA Standard & Poors (S&P) credit rating
INCOME	<ol style="list-style-type: none"> 3. Annually review fees and charges revenue to ensure that they are set at the appropriate levels. 4. Continue the sale of surplus land assets to reduce debt. 5. Investigate opportunities for growing non-rate revenue to reduce the reliance on rates.
RATES	<ol style="list-style-type: none"> 6. Maintain the limit on rates revenue at 80% of operating revenue. 7. Limit rates increases to LGCI + 2.5% in each year of the long term plan
EXPENDITURE	<ol style="list-style-type: none"> 8. Continue to fund 100% of the wearing out of assets over their lifetime (funding of depreciation) in each year of the long term plan. 9. Continue to fund the growth component of capital expenditure projects by development contributions and developer agreements. 10. Improve the delivery performance of the planned capital expenditure programme by implementing a new planning and project management framework. 11. Increase third party funding for new community projects by building closer relationships with other agencies, government departments and community groups. 12. Look after the assets we have by providing sufficient renewal budgets from reserve funds or loans to meet the asset renewal programmes outlined in the asset management plans.
BORROWING	<ol style="list-style-type: none"> 13. Maintain gross external borrowing below 225% of operating revenue. 14. Maintain borrowing costs to below 10% of revenue in each year of the long term plan.
LEVELS OF SERVICE	<ol style="list-style-type: none"> 15. Maintain levels of service as set out in the Long term plan 2021-31
PLANNING FOR EMERGENCY EVENTS AND CONTINGENCIES	<ol style="list-style-type: none"> 16. Grow the disaster recovery reserve contributions from \$50k per annum to \$550k per annum by 2028. This will grow the disaster recovery reserve to \$6.7m by 2031. Due to the uncertainty of disaster events, no drawdown of the fund has been budgeted. 17. Maintain the capital of the TEL community fund to be available as part of a disaster recovery fund. 18. Maintain appropriate insurance cover, activity budgets and committed borrowing facilities to mitigate costs related to unexpected events.

It is always a balancing act between meeting the wants and needs of our communities while keeping rates affordable and sustainable. The financial strategy was prepared with this at the forefront of our thinking.



CONTEXT

GEOGRAPHIC

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

POPULATION AND DEMOGRAPHICS

There is an estimated usual resident district population of 37,203 people (Census 2018).

The four largest settlements are Taupō, Turangi, Mangakino and Kinloch.

During the Census 2018, 29.9 percent of the population identified as being Māori, which is higher than the New Zealand average of 16.5 percent. Some localities have a higher proportion of population who are Māori, such as Turangi where 62.8% identify as Māori.

It is expected that our population will age and that our population will grow until 2035 and then start to decline.

Approximately 30% of homes throughout the district are holiday homes, however in some localities, such as Omori, this is up to 90%.

NATURAL RESOURCES

Lake Taupō is one of the district's most distinguishing features and is a resource of national significance. The lake is the largest body of fresh water in New Zealand and is an integral part of major power generating schemes. It offers some of the best trout fishing in the world and provides for a wide range of other active and passive recreational activities. The district is characterised by pumice, free-draining soils.

Geothermal resources significantly characterise the district, with features including mud pools, hot mineral springs, steam and sulphur and various geothermal fields such as Mokai, Ohaaki, Rotokawa, Tauhara, Tokaanu and Wairakei. A number of power stations, supported by these fields, add significantly to the local economy.

In the Taupō Volcanic Zone, there are elevated levels of arsenic in soils and waters as a result of geothermal activity. Some lakes and rivers have arsenic concentrations above the World Health Organisation's limit for arsenic in drinking water (0.01 mg/L).

ECONOMY

Tourism is a significant contributor to the economy of the District. New Zealanders and overseas tourists love to holiday and visit our district to experience our wonders such as Lake Taupō. Hospitality, accommodation and retail are all key industries servicing the tourism sectors. Other key industries for the district include agriculture, forest and education and training and electricity generation.

TĀUPO DISTRICT IWI/HAPŪ

Council has a strong relationship with local Iwi and recognise and respect the importance of, and connection between, iwi and freshwater (wai Māori).

Council has Joint Management Agreements in place with Ngāti Tūwharetoa, Raukawa and Te Arawa River Iwi Trust. Central to the agreements is how Council and the iwi authorities will work together to promote the restoration and protection of the Waikato River.

Ngāti Tūwharetoa hold mana whenua and kaitiakitanga over the Central North Island including the Lake Taupō Catchment and part of the Waikato River, Upper Waikato, Whanganui, Rangitikei and Rangitaiki Catchments.

Ngāti Tūwharetoa are the descendants of Ngatoroirangi and Tia and other Tūpuna who have occupied the Taupō region since the arrival of the Te Arawa waka. Ngāti Tūwharetoa are linked by whakapapa to the lands and taonga (treasures) in this region. This connection establishes their mana whenua, kaitiakitanga, and rangatiratanga.

Tūwharetoa Māori Trust Board is the legal owners of Taupō waters. The term Taupō Waters refers to property including the lake bed, water column and air space of Lake Taupō and the Waihora, Waihaha, Whanganui, Whareroa, Kuratau, Poutu, Waimarino, Tauranga-Taupō, Tongariro, Waiepehi, Waiotaka, Hinemaiaia and Waitahanui Rivers and the Waikato River, from the outlet of Lake Taupō to a place known as Te Toka a Tia, downstream and inclusive of Huka Falls.

Ngāti Tūwharetoa are in a unique position holding legal ownership of most of the waterways and waterbodies in the district as well as retaining ownership of most of the private land within the associated catchments.

Tūwharetoa Limited is the commercial company established to hold Tūwharetoa Settlement Trust's investment portfolios which includes forestry. Ngāti Tūrangitukua is a Hapū of Ngāti Tūwharetoa and maintains Ahi kā roa - Mana Whenua

in Te Mātāpuna. Ngāti Tūrangitukua claim the Kaitiakitanga and Rangatiratanga (Mana Whakahaere) over all properties and assets within its immediate area of influence and in accordance with its own tikanga and whakapapa.

Ngāti Tūrangitukua also recognises that the Hapū of Ngāti Tūwharetoa are interconnected and the relationship and interest of whānau and Hapū across the Mātāpuna are dynamic, bound by common whakapapa and whanaungatanga - Tūwharetoa ki Kawerau, Tūwharetoa ki Waiariki, Tūwharetoa ki te Tonga.

The Ngāti Tūrangitukua Claims Settlement Act was passed in 1999 and led to the return of ancestral land in the Turangi area to the Ngāti Tūrangitukua hapu. This land was taken by the crown for the construction of the Turangi township under the Public Works Act 1928 and the Turangi Township Act 1964. While most of the reserves in Turangi are owned by Ngāti Tūrangitukua, Council is required to maintain any land categorised as a reserve.

In order for Tūwharetoa land owners to use their land productively and sustainably, adequate infrastructure and services need to be in place in order to effectively support the development of Māori land. Restrictive or lack of access to infrastructure is a significant barrier for iwi/hapū to increase the productivity of Māori land and is a key impediment to unlocking Māori land potential.

Ngāti Tūwharetoa and Ngāti Tūrangitukua continue to express interest in the future infrastructure planning of the Taupō district. The success of effective, progressive and strategic infrastructure and service planning plays a fundamental role in achieving iwi/hapū social, cultural, economic and environmental aspirations. Active participation and engagement with decision making within their area of interest is an expression of kaitiakitanga, and enables Council to give effect to their legislative responsibilities to iwi/hapū.

“Council has a strong relationship with local Iwi and recognise and respect the importance of, and connection between, iwi and freshwater (wai Māori).”



ASSUMPTIONS

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

NATURAL ENVIRONMENT

Our district is at risk of a range of natural hazards such as earthquakes, flooding, debris flows, slips, tornado, fire and volcanic activity.

CLIMATE CHANGE

Climate change impacts will not be significant between years 1-3 but we will review data on an ongoing basis to see if this needs to change for infrastructure strategies from 2031. Source: Taupō District Demographic Snapshot

The impacts of climate change may disproportionately affect Māori communities within the Taupō district.

SERVICE DELIVERY

When we are required to renew the resource consents that we hold for our infrastructure, consent conditions will get more restrictive.

Infrastructure needed for growth related development will be paid for by development contributions.

The agreed levels of service are maintained.

No change to the method used to deliver services, however greater collaboration and joint service delivery could be an outcome of iwi/hapū partnerships

No change to the management of services.

ECONOMY

The wider economy will continue to be affected by the Covid-19 pandemic for the first five years of the strategy.

There will be economic influences that will impact on Council's business that are out of its control.

There will be contractors available to deliver the projects identified.

LEGISLATION

No new unfunded mandates from central government.

Central government's water allocation strategy is consistent with current policy.

Legislative change is anticipated over the next 10 years.

Where direction has been provided by Central Government this has been taken into consideration. If unknown the status quo has provided the baseline for decisions.

Legislation changes beyond 10 years is unknown.

There will be a continued focus on environmental quality and therefore an increase in environmental standards.

There is no reorganisation of local government that affects the Taupō District Council.

POPULATION AND DEMOGRAPHICS

Population growth across our district is expected to reflect the medium population projections provided by Statistics New Zealand and outlined in the Taupō District Demographic Snapshot.

Limited structural change to population for years 1-3, increased aging structure by year 7 and until year 30. An aging population will put added pressures on specific services and may require different services. Source: Taupō District Demographic Snapshot

The percentage of property owners that do not live in the district will remain at approximately 30 percent between years 1 and 3. We need to do more work to understand what this will be beyond year 3. Source: Demographic Snapshot.

LAND USE

The level of growth for the district occurs as forecast in the Demographic Snapshot.

Capacity for residential land which is already zoned will be more than sufficient for the next 30 years. Industrial/commercial land which is already zoned will be sufficient, for at least the next 10 years, as identified in TD2050. Further assessment of and provision of industrial/commercial zoned land will be undertaken as part of the district plan review.

KNOWLEDGE OF STATE OF INFRASTRUCTURE

Current knowledge about the condition of underground infrastructure is not as comprehensive as we would like, but over the previous six years we have undertaken a programme to better understand our underground assets. We have gained a greater understanding of the condition of our assets. More work will be done over years 1 to 6, to further improve this knowledge.

We have undertaken modelling on our roading network to help us determine more appropriate profiles for the renewal of both our road surfaces and pavements. Although there is further work to do the early results suggest that both surfacing and pavement renewal programmes will need to be increased.

Current knowledge about the condition of our facilities is also not as comprehensive as we would like. We have done some work, but this work will be further developed over the first three years of the 2021 LTP.



ASSUMPTIONS

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

FUNDING

Funding levels agreed within the Long-term Plan are maintained across the first 10 years of the strategy.

Inflation is consistent with BERL LGCI predictions.

All financial figures in this document are inflation adjusted.

NZTA financial assistance rates will remain at the current level for the period of the strategy.

The increasing aging population is likely to affect the affordability of rates for a large proportion of the aging population.

TREATY OF WAITANGI OBLIGATIONS

Council will give effect to the Treaty of Waitangi.

Council will uphold and work collaboratively with iwi and hapū to give effect to Treaty Settlement legislation and any arrangements that result from these.

Council will keep on top of changes to obligations under the RMA, LGA and other national level policies and frameworks.

Council will comply with any changes that provide for iwi rights and interests in Freshwater.

CO-GOVERNANCE AND CO-MANAGEMENT WITH IWI

Council will look for opportunities to work with iwi partners in the planning for, and decision making on, the provision of infrastructure.

Mana whakahono agreements under the Resource Management Act between Council and iwi/hapū will be given effect in decision making processes.

Council will give effect to the Joint Management Agreements in place with local iwi/hapū.

DELIVERABILITY OF THE CAPITAL WORKS PROGRAMME

The appropriate resources and contractors are available to tender and complete the projects that have been identified in this strategy.

Covid-19

Critical variable = COVID 19

Since alert levels were implemented in March 2020, New Zealand has spent about 60% of this time in alert level 1. This reflects the embedding of government's COVID management plans. Government has also entered into agreements to obtain vaccines and the rollout has commenced in the 1st quarter of 2021. It is therefore assumed that the COVID situation in New Zealand is unlikely to significantly worsen. With the rollout of the vaccine expected to be completed by mid-2022, it is anticipated that New Zealand will return to "normal" thereafter. We do not anticipate there will be any future nationwide lockdowns. Our expectation is the wider economy will remain stable. If there was further lockdowns, then the implications may include reduced revenue from council venues, consent revenue, delay of capital projects etc. This has high uncertainty.

Council has made use of BERL in determining the inflation rates used in the Long-term Plan. BERL has considered the impact of COVID-19 on the economy and provided three scenarios. The Council has selected the mid scenario for the Opex and Capex inflation rates. Council therefore accept that COVID-19 has been considered within the economic assumptions.

Council also consider the risks and impacts that material supply from overseas may be disrupted and the supplier market may be unable to cope with the increasing demand. This may impact the capital work programme that Council plans to do in the next three years.

UNCERTAINTIES

UNCERTAINTIES	LEVEL OF UNCERTAINTY H/M/L	POTENTIAL EFFECTS
GROWTH	M	We may not be able to provide infrastructure for growth at the appropriate time and location. Council will ensure that we keep monitoring growth and adjust timing of projects accordingly.
DECLINE	L	We may experience population decline in some areas. This may cause surplus infrastructure capacity, resulting in affordability issues. We will keep monitoring and adjust the timing of projects and assess whether the projects are needed at all.
DEMOGRAPHIC CHANGE	L	Demographic changes could result in a change in the demand for the types of infrastructure that we provide and we may not have programmed or allocated funding for this. This may mean that infrastructure will not be provided when required. We need to ensure that we understand the demands of the community to ensure that we know what infrastructure is needed, when and where the infrastructure is needed and that projects are programmed and that funding is allocated accordingly.
PEAK POPULATION	M	The timing and intensity of our peak population (as a result in an influx of visitors) could result in a greater number of people for our current infrastructure to cope with. In the first three years of this LTP, we will undertake a project to gather information on the timing, quantum and location of peak population and keep monitoring and adjust timing of projects accordingly.
NON-RESIDENT POPULATION	H	A change in our resident /non-resident percentages could change the capacity required in our infrastructure at certain times of year. In 2016 42% of our property owners did not reside in the district. Surplus housing stock from declining populations in some parts of the district, could be purchased as holiday homes resulting in a higher non-resident population. We need to understand whether this may happen and what the impacts on infrastructure could be.
CONDITION OF ASSETS	M	Although we have gained some knowledge of the condition of our underground assets over the past 6 years, we still have further condition assessment work to be done This means that some of our renewals decisions are still planned on when we expect the end of life of the asset to occur, rather than making decisions based on the actual condition of the asset. This may compromise levels of service and means that there is an increased risk of an asset failing, resulting in increased replacement costs. Once we have complete information on the condition of all our assets we can then accurately forecast the timing of replacement and forecast finances.

UNCERTAINTIES

UNCERTAINTIES	LEVEL OF UNCERTAINTY H/M/L	POTENTIAL EFFECTS
FUTURE FUNDING	M	We may not be able to do projects that are planned in the capital schedule as future funding is not certain. We will prioritise projects, decide not to do projects or change the timing of them.
NATURAL HAZARD	M	We do not know the timing or quantum of natural hazards or even if they will happen at all. A natural hazard event could result in a loss of some or all services. Climate change is likely to cause an increase in the number of an intensity of weather-related natural hazard events.
LEGISLATIVE CHANGES	M	We do not know the timing or content of legislation changes so the impacts could be far reaching. We do know that environmental standards are increasing however we do not know the extent of these changes. This will result in increasing compliance costs to meet these new standards which could result in affordability issues.
LEVEL OF SERVICE AND TYPES OF SERVICES REQUIRED BY COMMUNITY	M	We do not know what changes in levels of service the ratepayer will request over the 30 years.
TECHNOLOGY	H	Advances in technology such as electric and autonomous vehicles and treatment of wastewater, are all underway. However, we are uncertain how soon they will be available and at what cost and therefore how they will affect the provision of council infrastructure services.
CO-GOVERNANCE AND CO-MANAGEMENT WITH IWI	M	We know that in the future, there will be increased opportunities for co-governance and co-management arrangements with iwi/hapū. While we know the details of some co-governance and co-management arrangements, we are committed to working with iwi/hapū regarding additional opportunities for further partnerships.
DELIVERABILITY OF THE CAPITAL WORKS PROGRAMME	M	If there are not enough contractors available to carry out the capital works programme, this will lead to time delays of projects being completed and cost increases.
COVID-19	H	Future lockdowns may impact the ability for capital projects to be undertaken.

FUNDING

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

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

WATER SUPPLY 100% TARGETED RATE (BY USERS OF THE SCHEME)

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

TRANSPORT 100% GENERAL RATE

Reason: A strong and safe transport network benefits the community as a whole and is a key component of the district's social and economic development. Users of the roads receive a direct benefit through an integrated road network. The general rate is the most effective way of funding this activity. Subsidies from central government (which include the District's share of petrol taxes) and development contributions are the most efficient way of targeting contributors.

STORMWATER 100% GENERAL RATE

Reason: The service is provided primarily for its environmental benefits to mitigate pollution and erosion effects on waterways. Stormwater services are also provided, to a lesser degree, for public safety (flooding risk from stormwater).

WASTEWATER 100% TARGETED RATE (BY USERS OF THE SCHEME)

Reason: Direct users of the wastewater system clearly receive the benefit. There is also a high public benefit in relation to the promotion of public health. A targeted general rate is applied to ratepayers that are connected to a wastewater scheme. This is considered the most efficient method of funding as the benefit users receive is the same regardless of volume. It is also not considered practical to measure and make specific household charges.

SOLID WASTE LITTER CONTROL 100% GENERAL RATE

Reason: Both ratepayers and residents receive a benefit from this service, therefore the most efficient and transparent funding method is the general rate. This activity contributes to the environmental and social considerations for the community as a whole. Refuse collection 100% fees and charges

REFUSE COLLECTION 100% FEES AND CHARGES

Reason: Refuse collection can be fully user funded, which also

provides an incentive for residents and ratepayers to reduce their refuse volumes.

SOLID WASTE DISPOSAL AND MINIMISATION

45%-55% targeted rate (set charge across each ratepayer), 45%-55% fees and charges

Reason: The funding split between a targeted rate and fees and charges is in an attempt to encourage waste minimisation. Individuals do not pay to recycle at the disposal facilities around the District which assists with reducing volumes to landfill.

PARKS AND RESERVES 90%-100% GENERAL RATE, 0%-10% FEES AND CHARGES

Reason: As the majority of parks and reserves in the District are available for the enjoyment of the public at any time the general rate is an effective way of funding this activity. Where Council is able to charge for specific parks and reserves, fees and charges are the most appropriate funding mechanism. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

SPORTSGROUNDS 90%-100% GENERAL RATE, 0%-10% FEES AND CHARGES

Reason: The community benefits from being able to use the facilities for general recreation, while clubs and individuals also benefit from the grounds at other times. There is also an economic benefit through national and regional sports tournaments that bring sports people and their families to the District. These services can be partly funded separately by fees and charges, but there are limits to how much clubs, especially for school sports, can pay. This is reflected in the small fee and charge component. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

FACILITIES

Pools: AC Baths 35%-45% fees and charges, 55%-65% general rate, Mangakino Pool and Turangi Aquatic Centre 0%-15% fees and charges 85%-100% general rate.

Reason: Users are clearly identifiable. However, swimming pools provide a range of benefits to our communities. The Turangi and Mangakino pools recognise a significant public funding component (85%-100%) on the basis of wider social responsibility.

A public funding input (55%-65%) for the AC Baths is based on the economic and social benefits accruing to the wider community from the operation of the pool facility. There is also a wider range of services provided at the AC Baths which accounts for the higher level of fees applied. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

FUNDING

TAUPŌ EVENTS CENTRE: 25%-35% FEES AND CHARGES, 65%-75% GENERAL RATE

Reason: The venue is used by groups and individuals which creates the ability to apply fees and charges. Council supports the use of the venue as it assists in meeting the social needs of current and future generations. This support is recognised in the split between fees and charges and the general rate. Increasing the fees and charges is likely to result in a reduction in community use. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

GREAT LAKE CENTRE: 15%-25% FEES AND CHARGES, 75%-85% GENERAL RATE.

Reason: The venue is used by groups and individuals which creates the ability to apply fees and charges. Council supports the use of the venue as it assists in meeting the social needs of current and future generations. This support is recognised in the split between fees and charges and the general rate. Increasing the fees and charges is likely to result in a reduction in community use. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

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

COMMUNITY HALLS: 0%-10% FEES AND CHARGES, 90%-100% GENERAL RATE

Reason: The primary beneficiaries are those who use the community halls. However, the wider community benefits through enabling communities to be active and connected.

A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

PUBLIC TOILETS: 100% GENERAL RATE

Reason: Given the impracticality of charging individuals and the wider community benefit of providing amenities for residents and visitors to the District the general rate is considered the most appropriate source of funding.

100% general rate is therefore considered the most appropriate and efficient funding source.

SUPERLOO: 30%-50% FEES AND CHARGES, 50%-70% GENERAL RATE

Reason: The District benefits from having visitors and providing public amenities is part of ensuring visitors enjoy their stay. Beyond user charges, the costs are only borne efficiently by the whole community and limited transparency benefits from distinct funding would be less than the transaction costs. The Superloo was built to offer a first class service and a fee reflects the enhanced service applied.

A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

DISTRICT LIBRARIES: 0%-10% FEES AND CHARGES, 90%-100% GENERAL RATE

Reason: The District Libraries provide social and cultural benefits to the individuals that visit. There is also a wider community benefit which includes an ability to encourage education, a social environment and an important source of supplying public information. These community benefits are recognised in the split between fees and charges and the general rate.

A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

TAUPŌ MUSEUM AND ART GALLERY: 5%-15% FEES AND CHARGES, 85%-95% GENERAL RATE

The Museum and Art Gallery provides cultural or recreational benefits to the individuals that visit. There is also a wider community benefit which includes economic, social and cultural benefits of protecting our history. These community benefits are recognised in the split between fees and charges and the general rate. Increasing the fees and charges is likely to result in a reduction in use.

A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

HOUSING FOR THE ELDERLY: 40%-60% FEES AND CHARGES, 40%-60% GENERAL RATE

The beneficiaries are the tenants who receive accommodation at affordable prices. There is a public and social benefit in having housing for the elderly units reflecting a community that cares.

A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

CEMETERIES: 0%-20% UAGC, 80%-100% FEES AND CHARGES

Reason: Interment and maintenance of the district's cemeteries are mainly of private benefit. The users are the deceased and those related to the deceased and as such can be linked to individuals. There is an element of public good in terms of ensuring that public health requirements are maintained.

A split of fees and charges, and a UAGC is therefore considered the most appropriate and efficient funding sources.

ASSET MANAGEMENT PLANS

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

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

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

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

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

LEVELS OF SERVICE

Our target levels of service for each type of asset are identified in the asset management plans. They are derived from the following principles:

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

- **Strategic and Corporate Goals:** Provide guidelines for the scope of current and future services offered and manner of service delivery and define specific levels of service which the organisation wishes to achieve.

Pre-engagement on the Long-term Plan 2021-31, carried out in the middle of 2020 provided an insight to where our community felt that changes to level of service were needed. Both parking and roading in Taupō town received a number of feedback, indicating that people desire a higher increase in level of service. In response, we have increase spending in the transport area, as detailed below. In addition, the town centre upgrade projects in Turangi and Taupō will help to improve levels of service.

In addition, when consulting on the Water Supply Strategy in 2019, Council received feedback indicating that our community feels that it is important than drinking water schemes are upgraded to achieve compliance with the Drinking Water Standards New Zealand. We have continued to schedule these upgrades to ensure that they are completed within the first 10 years of the strategy.

There are several projects included this long-term plan which will increase the level of service. Where relevant, it has been identified where a change in level of service has resulted in improved public health outcomes. The project which will result in a change in an increase in levels of service are:

- Turangi Events Centre
- Asbestos removal and increased insulation at the Housing for the Elderly (improved public health outcomes)
- New cell, gas flare and liner cover at the Broadlands Road Landfill
- Flood mitigation at the Kimberly Reserve and stormwater improvements at Tui Street (improved public health outcomes)
- Installation of a roundabout at Kiddle Street and Arrowsmith Drive
- Seal improvements and roading improvements including Tirohanga Road and Anzac Memorial Drive
- Improved lighting, parking, signage and road marking for our transport network
- Acacia Bay cycle path
- Kinloch wastewater treatment plant balance tank (improved public health outcomes)
- Taupō wastewater irrigation expansion (improved public health outcomes)
- Turangi wastewater disposal system improvements (improved public health outcomes)
- Upgrades to the Kinloch, Bonshaw Park, Centennial Drive, Hatepe, Motuoapa, Omori and Whakamoenga Point drinking water schemes to achieve compliance with the Drinking Water Standards New Zealand (improved public health outcomes)
- Upgrades to the Water Treatment Plant relating to taste, odour and cyanotoxin (improved public health outcomes)
- Implementation of the water loss strategy.

ASSET MANAGEMENT PLANS

In the latter years of this strategy it will be necessary to review the investment in infrastructure to maintain services at current levels. Council will need to consider the services, the level at which they are provided and what the district can afford. This is needs to be monitored in subsequent reviews of the infrastructure strategy.

PUBLIC HEALTH OUTCOMES

If not delivered appropriately, infrastructure can lead to poor public health outcomes. A list of the risks, and how they're being mitigated is listed below:

- Unsafe drinking water can cause people to become sick, and in extreme cases, even cause death. Compliance with the Drinking Water Standards help to ensure that drinking water is safe. For our schemes which have not yet been upgraded to achieve compliance with the drinking water standards, we are managing the risk through Water Safety Plans which have to be approved by the Ministry of Health.
- Not undertaking renewals to our water and wastewater networks on time can result in risks to public health. We manage the risk by prioritising renewals based on risk.
- Not treating and disposing of wastewater and stormwater and solid waste adequately can cause poor health and environmental outcomes. We operate under strict resource consents relating to the treatment of wastewater. If we do not comply with the conditions of our resource consents, then council may be prosecuted.

CRITICAL ASSETS

Our Asset Management Plans (AMPs) define critical assets as "Those assets with a high consequence of failure. They are often found as part of a network, in which, for example, their failure would compromise the performance of the entire network."

Copies of our Asset Management Plans for Water, Wastewater, Stormwater, Transport, Solid Waste, Property Assets and Parks and Recreation Assets can be found at taupo.govt.nz.

We consider our critical assets to include assets such the water and wastewater treatment plants for our larger towns, significant

public buildings and key transport networks, including bridges.

The failure of our critical assets is a key area of risk for council. Our asset management plans contain sections on critical assets. This section identifies the events that may disrupt our assets, and the adequacy of the controls that we have in place.

We have undertaken some work to understand our water and wastewater assets. This work is still in its infancy, but will get more sophisticated over time.

WATER CRITICALITY

Asset criticality work was completed for all water supply assets in 2016. This work provided all major assets including treatment plants, pump stations, reservoirs and reticulation infrastructure a criticality rating.

In 2018, the water reticulation renewals strategy project, improved the criticality analysis for reticulation assets. Because of the Taupō District's high non-resident population, this project used a customised methodology and a customised method developed in conjunction with TDC staff that uses as a combination of pipe diameters and facility importance ratings to determine the pipe criticality. The customised method was taken forward as the preferred methodology and has been used to provide criticalities for all TDCs reticulation assets to enable improved renewals planning to occur.

Assets which are likely to score a high rating as a critical asset are those which would disrupt service to a high number of people if they are unable to operate, such as the Taupō Water Treatment Plant and main water pipes.

The results of the criticality work have mean that we have been able to prioritise watermain renewals in conjunction with condition grade of pipes to determine an order. This was then adjusted based on local knowledge, engineering judgment, other factors (e.g. road sealing), and to ensure appropriate bundling of work for a renewals contract.



ASSET MANAGEMENT PLANS

DELIVERABILITY OF THE CAPITAL WORKS PROGRAMME IN THE INFRASTRUCTURE STRATEGY

Council has committed to a significant capital programme for the duration of this strategy in order to deliver the required infrastructure at the appropriate times and places across the district. There is also a 'back-log' of projects which have been committed to through previous Long-term plans and Annual Plans. Not undertaking projects at the time that they have been committed to increases risk of infrastructure failing. Council manages this risk by prioritising projects which could have environmental, public health or legislative risks or affect critical assets. In order to reduce the 'back-log' and deliver the enhanced capital works programme, since 2018, Council has invested in programmes and training to improve the deliverability of the projects that we deliver. This has included:

- In the 2020/21, undertaking a review of the organisation to ensure resources (including staff) are allocated appropriately.
- Adopted a project methodology (based on Prince2) which includes the use of business cases to ensure the right projects are delivered at the right time and align with both our strategic goals and our LTP cycle. The methodology ensures a phased approach to project delivery create consistent stage gates (initiation, plan, execute, close).
- Invested time at the outset to understand the full scope of our projects to improve our efficiency of execution.
- Prioritised our project portfolio against our strategic objectives to ensure we're delivering the right projects at the right time.
- Created a suite of templates and resources to ensure a simple and consistent methodology for delivering projects.
- Delivering project management training across the organisation to increase our available resource and capability while improving the overall quality of project delivery.
- Appointed a resource to mentor and advise on our project methodology.
- Project timetabling to minimise conflicts between projects and improve efficiency of delivery.
- Resource mapping to understand what is required to deliver our portfolio.
- Set up a Project Governance Group to oversee our project portfolio.
- Continuously improving on our project reporting.
- Reviewing the way that we procure projects. Where appropriate, and in line with our procurement policy, we bundle projects of a similar nature, similar location or similar work type or across a number of years together in one contract. This helps to increase efficiency and reduce costs.
- We have created some panels (a Consultant Panel; a District Plan Panel). These panels perform the Procurement work up front, meaning that our staff can quickly and easily choose the best organisation to perform the required work. This streamlines the initiation and planning phases of a project assisting with delivery. We have also commenced engagement of contractor panels for the delivery of CIP funded works. This will be rolled out for use in delivery of LTP projects where appropriate.

- There is work underway to update our guidelines and have a consistent approach for our procurement selection and our contract selection.
- Creation of various strategies such as the Water Supply and Transport Strategy to speed up delivery timeframes.
- Earlier optioneering through some of the larger project business cases rather than doing this during the delivery of the project.
- Initiating consents and land purchases a lot earlier than we have done previously
- Larger and longer contracts through bundling to minimise repetitive procurement resourcing and reduce the delivery timeframes
- Project Management -Large advancements in the way we define our scopes through scoping workshopping and exercises, increasing our closeout sessions so we have continual learning from project to project.
- Training of over 100 staff and key consultants in our project management methodology.
- Resourcing key dedicated project managers for selected projects.
- Utilising early contractor involvement where appropriate.

We have assumed that we will be able to deliver the capital works programme, however there is a high uncertainty associated with this.

ASSUMPTIONS

Council's investment (as outlined above) in project management methodology and the establishment of a project management office (PMO) will greatly assist in delivering our capital programme.

The consultant and contractor market will gear-up to be able to meet the demands of increased infrastructure spending locally and in the region.

RISKS

Council will not be able to present projects to the market in time for them to be delivered as planned. The mitigation for this is the work Council has undertaken above.

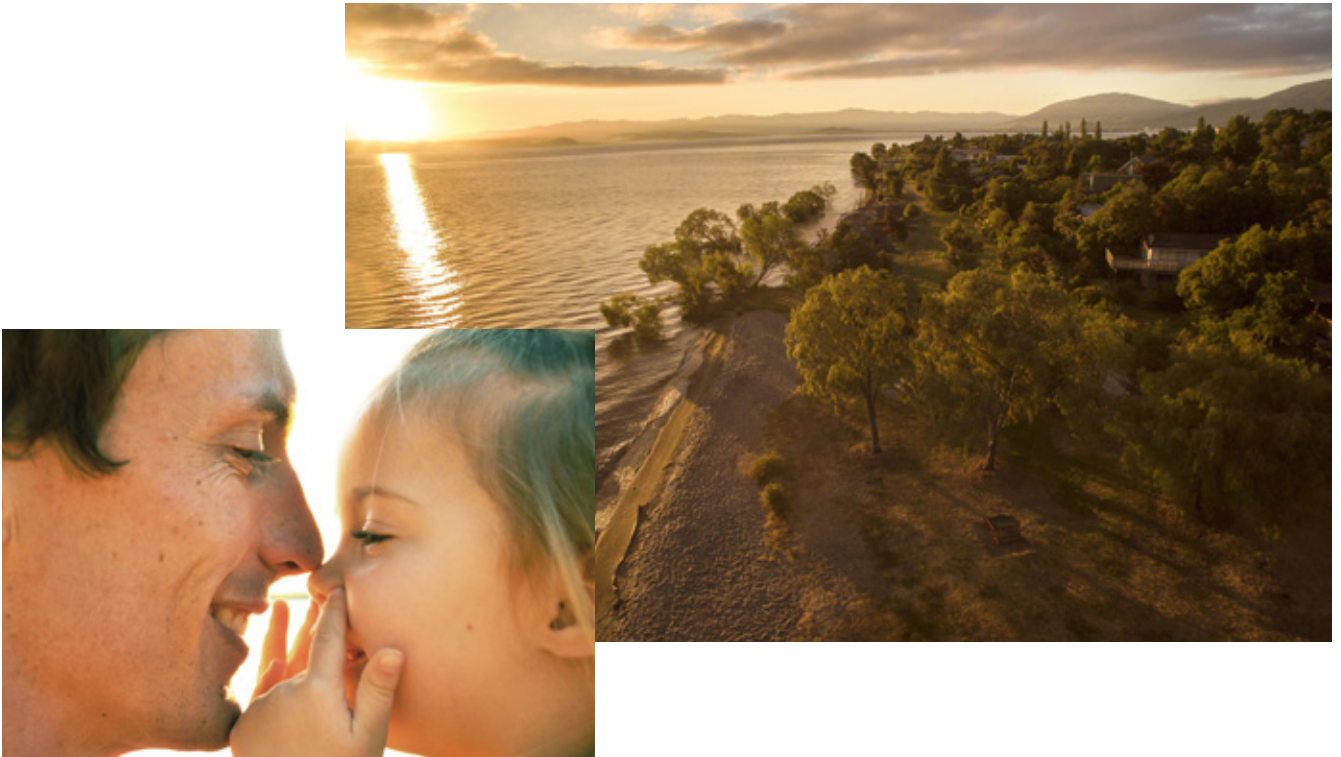
The consultant and contractor market will not be able to deliver on our planned project timelines. Mitigations include early contractor involvement, Supplier panels, bundling of contracts.

FINANCIAL IMPLICATIONS

If projects are delayed loans may not need to be drawn down as planned which will reduce Council's overall debt and reduce interest costs in the short term.

IMPACT ON LEVELS OF SERVICE

There is a risk the community won't get the levels of service we expect to deliver. For example, if a renewals project is affected, it increases the risk that there could be a decline in levels of service along with possible asset failures.



THEMES

Six themes have been identified through the development of the infrastructure strategy and the underlying Asset Management Plans that describe the changing environment within which we will need to plan for, maintain and build infrastructure. These themes often relate to more than one type of infrastructure. As the infrastructure strategy covers 30 years we will need to continually monitor and update these themes to ensure we are working with the most up to date information. The six themes that we have identified are:

1. Theme one: Population and demographic change
2. Theme two: Protecting the health of our communities
3. Theme three: Protecting the health of our environment
4. Theme four: Maintaining and renewing our infrastructure
5. Theme five: Resilient infrastructure
6. Theme six: Providing for the Māori world view

THEME ONE: POPULATION AND DEMOGRAPHIC CHANGE

Council uses population projections from Statistics New Zealand. The population projections that we have used for the preparation of this strategy are based on the results of the 2013 Census because the results from the 2018 Census have not yet been published.

The projections that we have used show that:

- The districts population will continue to grow to 2038 and will then decline.
- The urban areas of Taupō town and Kinloch will continue to grow until 2038 and then start to decline. The population of Taupō town will increase from 24,190 in 2013 until it peaks at 27,260 in 2038 before slowly starting to decline. In Kinloch the population is projected to increase from 520 in 2013 to 780 in 2028 and then remain stable. The towns of Turangi and Mangakino have been experiencing population decline for some time and it is projected that this decline will continue.
- Currently there are an average of 2.4 people in each household. This is expected to decrease to 2.2 people per household in 2038. This trend towards fewer people in one

household is driven by a number of factors but is heavily influenced by our aging population.

- The projected increase in population for Taupō town and Kinloch couple with the declining household size will result in greater growth in the number of households in these areas in the next 20 years. In 2013, there were 10,079 households in Taupō town, which is projected to increase to 11,709 in 2028 and 12,391 in 2038. In Kinloch the 217 households in 2013 are projected to increase to 339 in 2028 and peak at 355 in 2038.
- The aging population is demonstrated by the projected increase in the percentage of the district's population aged over 65 years. It is expected to nearly double from 5,800 in 2013 (17 % of the population) to 11,100 in the next 25 years (28% of the population).
- In 2016 42% of our property owners did not live in the district and in 2013 32% of our dwelling stock was unoccupied. This indicates that about 30% of our housing stock across the district are used as holiday homes. This methodology for calculating the number of holiday homes across the district is rather simplistic and likely to be inaccurate.
- There are large variations in the percentage of holiday homes across the district. For example, we believe that in places such as Taupō approximately 30% of the houses are holiday homes, whereas in settlements such as Kuratau, Whareroa, and Omori, approximately 90% are holiday homes.

These population and demographic projections have important implications for the infrastructure and services that we provide over the next 30 years and beyond. An example of this is that the age of our residents may influence where they want to live, and the types of infrastructure that they require. For example, a higher number of residents aged 65 years or older may increase the demand for smaller, easy care properties close to town so that residents can walk or mobility scooter to town, whereas a more youthful population may demand more recreation facilities, such as skate parks.

ASSET MANAGEMENT PLANS

THEME TWO: PROTECTING THE HEALTH AND SAFETY OF OUR COMMUNITIES

One of the reasons that Council provides infrastructure is so to help keep our communities healthy and safe. Council does this by:

- Providing treated drinking water to the towns and settlements.
- Providing raw (untreated) drinking water to industrial businesses connected to the Centennial Drive water supply.
- Treating and disposing of wastewater from our town and settlements.
- Disposing of stormwater from our roading network.
- Providing a safe local transport network.
- Encouraging our residents to be active through the provision of sportsgrounds, reserves and walking and cycling networks.
- Providing for the collection and disposal of solid waste and recycling

It is important that the infrastructure that Council provides is safe, sufficient and reliable, otherwise the impacts on our community can be significant, such as death or people becoming ill. Examples of this include provision of a reliable transport network and safe drinking water to urban communities because without it, there could be significant harm to the health and safety of our communities. In addition, if the discharges from activities such as wastewater, stormwater and solid waste aren't managed adequately, the discharges can make people sick.

In addition, the provision of services such as reserves and the transport network are important for social connection and the wellbeing of our residents. The transport network allows people to connect with work, education and friends and family. Community facilities and reserves allow people to be active.

THEME THREE: PROTECTING THE HEALTH OF OUR ENVIRONMENT

Council needs to ensure that our use of natural resources and discharges do not adversely affect our environment.

The use of natural resources and discharges to the environment are managed through regional plans. These plans require resource consents for the use of natural resources, such as water, and discharges to the environment such as to water, land and air.

Legislation and regional plans, which regulate natural resource use, are being changed to include more stringent environmental standards for resource use and allocation as a result of:

- Increased environmental and cultural expectations from our community.
- New legislation from central government, such as the National Policy Statement for Freshwater Management
- Legislation resulting from Treaty Settlements.
- Strategic documents aimed at protecting our environment,

such as the Protecting Lake Taupō Strategy.

Changes to legislation and regional plans are described below:

- Recent changes to the National Policy Statement for Freshwater Management (NPSFM) and the introduction of new National Environmental Standard for freshwater were adopted by Central Government in August 2020. The changes will require that regional plans set acceptable environmental limits for the different freshwater management units (of water catchment) in their regions, and a plan to achieve those targets. These changes will see discharges of nitrogen, phosphorous, sediment and e-coli receiving greater scrutiny.
- Central government have announced that they intend on introducing new guidelines for the disposal of wastewater and stormwater. While we don't know the content of these yet, the introduction of these guidelines is likely to introduce tougher environmental limits. Complying with these limits are likely to come with increased costs.
- Variation No. 5 - Lake Taupō Catchment to the Waikato Regional Plan, which became operative in July 2011, sought to protect the health of Lake Taupō by reducing the nitrogen leaching from land uses in the catchment entering the lake. This introduced policy and rules to manage land use in the Lake Taupō catchment by controlled farming practices and placing tighter controls on new urban development in the catchment. This plan change is currently being reviewed by Waikato Regional Council.
- The Ngāti Tūwharetoa Deed of Settlement is the final settlement of all historical Treaty of Waitangi claims of Ngāti Tūwharetoa resulting from acts or omissions by the Crown prior to 21 September 1992 and is made up of a package that includes: an agreed historical account, Crown acknowledgements and apology cultural redress; and financial and commercial redress.
- The Ngāti Tūwharetoa Claims Settlement Act was settled in March 2019. The Act requires the establishment of a joint committee, Te Kōpua Kānapanapa, who are tasked to prepare 'Te Kaupapa Kaitiaki', a plan for the Taupō Catchment. Te Kaupapa Kaitiaki will promote the sustainable and integrated management of the Taupō Catchment environment for the benefit of Ngāti Tūwharetoa and all people in the Taupō Catchment. Council must recognise and provide for the vision, objectives, desired outcomes, and values of Te Kaupapa Kaitiaki when it prepares or reviews its district plan.
- In 2010 legislation was passed covering Ngāti Tūwharetoa, Raukawa and Te Arawa river iwi. The co-management arrangements under this bit of legislation covers the Waikato River from Te Toka a Tia near Taupō through to Karāpiro. This legislation has set up processes to improve the quality of important cultural sites like rivers such as the Rangitaiki River Forum and the Waikato River Authority. A key concern is to consider environmental standards in regional plans to ensure the health and the mauri of the Waikato, Waipā and Rangitaiki rivers are restored. An example is the Healthy Rivers/Wai Ora Proposed Waikato Regional Plan Change 1 which address the issue of declining water quality in the Waipā and Waikato Rivers by introducing regulations.

ASSET MANAGEMENT PLANS

- A Joint Management Agreement between Ngāti Tūwharetoa and Taupō District Council was signed in 2009. The agreement will see a joint committee established in which appropriately qualified iwi appointees will join councillors in resource consent and private plan hearings changes which apply to Māori multiple-owned freehold land. It is estimated that more than 50 per cent of the Taupō District's land area is owned by members of Ngāti Tūwharetoa.

Council is required to obtain resource consents from the regional council for many activities, including water takes for our water supplies, discharges to land from wastewater treatment plants, the discharge of stormwater to water and the discharge of solid waste and leachate to land. The changes to legislation and regional plans are making obtaining these consents more time consuming, more difficult and more expensive. The expiry dates for the different consents vary, depending on when they were granted, and the length of time that they were granted for.

We expect that the trend of increased environmental regulation will continue. This will have positive outcomes for our environment. However, it will also require Council to invest in more sophisticated technology, which will result in greater capital costs for our infrastructure. However, it may offer opportunities to consider other management frameworks such as private/public sector partnerships.

THEME FOUR: MAINTAINING AND RENEWING OUR INFRASTRUCTURE

A key strand of Council's district strategy for many years has been to look after the infrastructure assets that we have whilst maintaining levels of service. Generally, the majority of our infrastructure network is in good condition. It is important that we look after and maintain this infrastructure across all the settlements in the district by undertaking renewals at the appropriate time. This will maximise the investment that we have in our infrastructure and avoid our infrastructure failing, resulting in expensive repairs. It will also ensure that there is no interruption in service to communities.

When components of our infrastructure are due to reach their expected end of life, we replace these components. This is undertaking renewals. If we carry out renewals too early, then this is an unnecessary cost to Council. If we wait too long to carry out renewals, then there is the risk that the asset may fail, resulting in expensive repair costs and possible disruptions to our infrastructure networks.

Asset renewal planning is at various stages across the asset groups, from renewal based on detailed asset condition information to renewal based on life expectancy. It is difficult to assess the useful life of an asset, especially assets which are located underground, such as water and wastewater pipes. Generally, manufacturers will give a minimum expected useful life for an asset, however there are a number of factors that can dictate the ultimate useful life of an asset. These relate to a range of aspects, including construction methods, environmental constraints, topography and soil types.

In the 2015 Long-term Plan we identified gaps in our knowledge about the condition of our underground pipe networks. Because of this, we started a ten-year programme to better understand the condition of our underground networks.

In addition, during the development of the 2018 Long-term Plan, the community told us that wastewater spills into the lake was unacceptable. We have increased the cleaning of our wastewater pipe network and we have also let a contract to complete condition assessments for our wastewater pipes. Assessments of Mangakino and Atiamuri have been completed and we expect to have this programme completed by 2022.

The assessment work we have completed to date has enabled us to develop accurate renewal programmes for the wastewater network for both Mangakino and Atiamuri based on comprehensive condition information. As more information comes available, we will be able to further refine our renewals profile.

STORMWATER

The majority of stormwater assets have an expected age of 100+ years and are approximately halfway through that period.

WATER

The condition assessment completed so far on water mains has identified the need for renewal of some 254.9km of asbestos concrete pipes and 9.5km of galvanised pipes across the district over the next 10 years. There is also a further 35km of AC pipe that needs renewal beyond the 10 years. This has been programmed in the 2021 LTP. Asset Management Plans will be updated to reflect a renewals programme based on this accurate condition assessment as it is obtained.

TRANSPORT

Modelling has recently been completed on our roading network to help us determine more appropriate profiles for the renewal of both our road surfacing and pavements. Although there is further work to do, the early results suggest that both surfacing and pavement renewal programmes will need to be increased. This has been included in the 2018 LTP and will be further refined as data integrity is improved.

PARKS AND RESERVES

Parks and reserves renewals are based on the condition and lifespan of the asset. This work has been undertaken to provide a robust renewals programme for 10 years. However our asset management programmes are not mature enough to provide detailed financial information for parks and reserves for years 11 to 30.

ASSET MANAGEMENT PLANS

COMMUNITY FACILITIES

Community facilities renewals are based on life expectancy. Except for essential services like the server room for our information technology, community facility assets are replaced when they fail.

In the past, we have focused on the cosmetic condition of our facilities. We do not have detailed structural, seismic, asbestos and fire risk information for all of our buildings. We need to gather this condition information and then ensure buildings are bought up to standard where required. We have a plan to undertake condition assessments for all of our community facilities. The assessments will be prioritised depending on the number of people each building can accommodate. We will start with our larger community buildings, then undertake assessments on smaller buildings community buildings, such as community halls.

WHERE ARE WE AT WITH OUR CONDITION ASSESSMENTS?

Due to the condition assessment programmes which started in 2015, we now better understand the condition of our water, wastewater and stormwater underground assets. This has resulted in a more accurate and refined renewals programme over the next 10 years, particularly for our underground water, wastewater and stormwater underground infrastructure assets. This will ensure that we continue to maintain levels of service. Council will continue to undertake condition assessments in order to improve the knowledge that it has on the condition of its assets.

DEPRECIATION

Depreciation is the reduction in the value of an asset over time, due to wear and tear.

Council funds 100% of depreciation of its assets over the asset's lifecycle.

The funding of depreciation is designed to ensure that today's ratepayers pay their "fair share" for the amount of the council's assets that they consume, essentially through wear and tear.

A review of the expected renewal expenditure against the depreciation to be funded across the core infrastructure assets for the 30 year period shows that across all those assets the value of the renewal expenditure varies from 40% - 60% of the value of depreciation collected. Depreciation reserves collected during the period will be required to fund anticipated forward renewal programmes beyond the 30-year time horizon. As asset condition and associated modelling becomes more refined then renewal profiles can be developed with more certainty.

WATER RENEWALS

Water renewals are at the higher end due to the targeting the renewal of AC and galvanised water mains over the next 15 years. These mains represent approximately 40% of the pipe network. The balance of the network is mainly plastic pipe with a life expectancy in the order of 100 years with much of it in the earlier stage of that period.

WASTEWATER RENEWALS

Wastewater renewals tend to be more focussed by geographical area with the current renewal programme focused on the Mangakino township. Based on age the next significant period of renewals is likely to be in the 30 - 50 year time horizon. This profile is being further refined with the conditions assessment programme that commenced in the 2015 LTP.

STORMWATER RENEWALS

The majority of stormwater assets have an expected age of 100+ years and are approximately halfway through that period. Based on recent condition assessment of some of the older assets (35% of assets) it is anticipated that the stormwater asset will meet or exceed their anticipated design lives. That being the case depreciation collected on these assets is unlikely to be required until at least the second or third 30 year period.

TRANSPORT RENEWALS

Transport renewals are primarily renewing the pavement or resurfacing it. There is also a relatively small stock of bridges and larger culverts the majority of which are also in the first half of an expected age in the order of 100 years. Due to this age, renewal of these assets is unlikely until beyond the 30 year time horizon.

Pavement deterioration modelling run in 2017 identified an increase in the pavement renewal or resurfacing programme from \$2.5m to \$4m. There is however further work required to improve the accuracy of the data on which the modelling is based. We expect this work to be completed in early 2020.

With the investment in condition assessment/renewal planning and subsequent renewals it is anticipated that any theoretical backlog based on age will be significantly refined and reduced during this LTP cycle.

PARKS AND RESERVES RENEWALS

We have decided to include both of the parks and reserves asset classes in the infrastructure strategy because we consider it is important to outline the complete picture for Council's infrastructure assets. Previously we have lacked condition information and strategic direction for both parks and reserves and facilities. We have undertaken condition assessments for our playgrounds and developed a programme of renewals for our playgrounds.

FACILITIES RENEWALS

Historically we have not had a comprehensive understanding of the condition of all of our facilities. We have focused on the cosmetic condition of our facilities and have not had detailed structural, seismic, asbestos and fire risk information for all of our buildings. We need to gather this information and then ensure buildings are bought up to standard where required and health and safety requirements are met. This will require some significant expenditure.

We have started undertaking condition assessments of community facilities. Because there are significant costs involved

ASSET MANAGEMENT PLANS

with undertaking the condition assessments, we have prioritised the order of these by risk. Once the rebuild of Waiora House has been completed, the plan is to undertake a programme of condition assessments for the remainder of the buildings that Council owns. The first buildings to have condition assessments undertaken will be the larger buildings that have a high number of visitors such as: the GLC, the Museum and the Taupō Events Centre. We will then work through other public buildings such as community halls. Once all the community buildings have been completed, then the focus will be on the remainder of buildings which do not have members of the public visiting, such as pump houses. We expect to have the condition assessments for our facilities completed by 2024.

We have a legacy of inheriting buildings from sports and community groups who have disbanded. For example, when a sports club or community group that owned club rooms that were located on Council reserve have disbanded there has been an expectation that Council would take over the ownership of these buildings. Often, these buildings are in a poor condition and Council incurs large costs to maintain or remove them. We have no criteria for what buildings we accept nor any process for the acquisition or disposal of buildings. Once we have completed the condition assessment for a building, we will assess whether we want to be in the business of owning that building.

THEME FIVE: RESILIENT INFRASTRUCTURE AND BUILDINGS

Infrastructure is necessary for the health and wellbeing of our community. We need to ensure our infrastructure is resilient and can continue uninterrupted in times of network failure in all but catastrophic natural hazards. Interruptions could include failures in the network, such as a water main bursting, or from natural hazards.

Natural hazards can include events such as storms, flooding, landslip, earthquake and volcanic eruption. Whilst we cannot predict exactly when such natural hazards may occur, we do hold information that provides us with likelihood and severity of events that may occur.

As a result of climate change we know that in the later years of this 30 year strategy, the number of significant weather events will increase, that rainfall events will worsen, droughts will occur more often and seas will rise. Council needs to take into account the other impacts of climate change and other natural hazards, such as flooding and earthquakes, when managing our infrastructure to ensure our communities are resilient to natural hazards.

The continued operation of Council infrastructure and services is important during and after natural hazard events (e.g. a resilient and safe water supply that people can rely on). The Christchurch earthquakes showed how communities can be

significantly impacted and that planning ahead of an event is critical in determining the capacity/ability for communities to cope, respond and recover. In addition, resilience can be developed by ensuring planning is done which leads to new and renewed infrastructure being designed to cope with such events. For example, as we are expecting greater rainfall events then we need to ensure that new and renewed stormwater infrastructure is able to cope with the size and intensity of these rainfall events. (eg. pipe sizing). Key to resilience building is also ensuring the Council understand that impacts across the scope of environmental, social, cultural and economic wellbeing and how communities may be affected. Engaging with iwi/hapū will be key to increasing our understanding the impacts on Māori e.g. impact on whenua, wai, papakainga developments, marae, waahi tapu etc.

THEME SIX: PROVIDING FOR THE MĀORI WORLD VIEW

Te Ao Māori considers all natural, physical and spiritual elements of the world to be intrinsically connected. Whakapapa is the binding concept that describes and connects all living and non-living things as descendants from Ranginui and Papatūānuku. The natural domains of the Taiao (environment) are the realms of their children in which tangata whenua (people of the land) have inherited rights and responsibilities to protect, preserve and maintain the environment through the active and enduring exercise of kaitiakitanga.

Tangata whenua and kaitiaki have responsibilities for the environment and for those that share the environment. Kaitiakitanga is not an obligation which iwi and hapū choose to adopt or to ignore, it is an inherited commitment that links all realms including the physical, spiritual, human and past and future worlds.

Tūwharetoa hold mana whenua and kaitiakitanga over the Central North Island including the Lake Taupō Catchment and part of the Waikato River, Upper Waikati, Whanganui, Rangitikei and Rangitaiki Catchments and are linked by whakapapa to the lands and taonga (treasures) in this region. This connection establishes their mana whenua, kaitiakitanga, and rangatiratanga including rights to establish and maintain a meaningful and sustainable relationships between whanau, hapū, marae and taonga tuku iho.

Expressions of their intrinsic connection to the whenua, wai and wider taiao have been well documented through iwi planning documents, Joint Management Agreement with Taupō District Council as well as reflected at a national level through legislation such as the National Policy Statement for Freshwater – Te Mana o te Wai. These planning documents also express social and economic aspirations and processes for effective engagement and decision making.



**OUR PLAN.
OUR TAUPŌ DISTRICT.**



**“In the future we’d like
to see more wet weather,
family-friendly activities.”**

- BEN AND STACE

Ngāti Tūrangitukua is a Hapū of Ngāti Tūwharetoa and maintains Ahi kā roa - Mana Whenua in TeMātāpuna. Ngāti Tūrangitukua maintains Kaitiakitanga over their rohe and area of interest in accordance with tikanga and further supports the right of whānau to manage and utilise their whenua and resources for their own benefit. Ngāti Tūrangitukua claim the Kaitiakitanga and Rangatiratanga (Mana Whakahaere) over all properties and assets within its immediate area of influence and in accordance with its own tikanga and whakapapa. Ngāti Tūrangitukua also recognises that the Hapū of Ngāti Tūwharetoa are interconnected and the relationship and interest of whānau and Hapū across the Mātāpuna are dynamic, bound by common whakapapa and whanaungatanga - Tūwharetoa ki Kawerau, Tūwharetoa ki Waiariki, Tūwharetoa ki te Tonga.

The relationships between Iwi, taura here (Māori living in the district who may not affiliate to one of the iwi in this area) and the Council are significant. The Local Government Act places responsibilities on councils to recognise and respect the Crown's responsibilities under Te Tiriti o Waitangi. The Act establishes baseline principles on how Council should maintain and improve opportunities for Māori to contribute to local government decision-making. Further, we have joint management agreements that set out specific mechanisms for the relationship between Iwi and Council.

Council has entered into forums, collectives and agreements alongside Iwi and Māori, to assist in Māori Land Court matters, Treaty of Waitangi settlements, specific legislation discussions or negotiated agreements between our district iwi and Council recognising the leadership provided by Te Ariki, Tā Tumu te Heuheu.

There are a number of forums, collectives and agreements where Council collaborates with both Iwi and Māori generally around key instruments like our long-term and annual plans, hosting Council meetings and also special interest matters.

These agreements are important for our infrastructure, because in many instances Council owned infrastructure is located on land owned by Iwi.

Alternatively, there are instances where Council-owned infrastructure has the potential to have an impact on natural resources that are considered to be taonga by local iwi.

TE MANA O TE WAI

Te Mana o Te Wai refers to the integrated and holistic wellbeing of a freshwater body. Te Mana o te Wai ensures that the first right to the water goes to the water. It also ensures that water is able to nurture and provide for people as a koha (gift) to enable sustainable use. Te Mana o te Wai reinforces Iwi positions that 'I

am the water and the water is me'. Protecting Te Mana o te Wai provides for the mauri of the water. This includes providing for te hauora o te taiao (health of the environment) te hauora o te wai (health of the waterbody) and te hauora o te tangata (the health of the people).

All New Zealanders have an obligation to achieve Te Mana o Te Wai whereby the water body has its own mauri and its own mana which must come first to protect the integrity of the river. This will be the basis for community discussions on freshwater values, objectives and limits. The NPS-FM refers to Te Mana o te Wai as a core concept for fresh water management. Iwi have argued that Te Mana o Te Wai should be given priority in any freshwater planning mechanisms.

INFRASTRUCTURE OVERVIEW

Asset condition

For each of the activities covered in this section, we provide a confidence rating about the condition of our assets. For each activity, there is an overall score provided between A and D. A score of A is the high score and indicates that we are reasonably confident about the condition of our assets, where as a score of D indicates that we do not have a very high confidence in the condition of our assets.

In general, we score higher where we have evidence to support the condition of our assets. Typically, we have more evidence to support the condition of our assets where they are newer assets and/or we have completed an indepth investigation, such as assessment of underground water and wastewater assets.

Please note that the confidence rating for all each group of assets is an average and there will be variations between assets within the group. For more detail on the confidence of specific assets, please view the 2021 Asset Management Plan which can be viewed at www.Taupō.govt.nz

We have a backlog of renewals, partly because there are a number of assets which were installed at the same time and have reached the end of their life. For example, there is a backlog of water pipeline renewals associated with ageing asbestos and galvanised steel pipelines installed in the 1950s, 60s and 70s. This has an impact on the condition of our assets. The backlog means that assets aren't being renewed as quickly as they could be. As we work through the backlog of renewals, it will increase and improve the condition of our assets.

WATER

Council has 18 water schemes across the district. Each scheme is consented to take water from lakes, rivers, streams and bores within the district. Peak water demand across the district is high, mainly because of irrigation (gardens, golf courses, other recreation), and leaks from the system. Council adopted a Water Supply Strategy in 2019 which sets goals and targets to reduce our water use.



TAUPŌ DISTRICT COUNCIL WATER SCHEMES

ASSET - WATER	QUANTITY
ASSET VALUE	\$128 million (August 2020)
WATER TREATMENT PLANTS	19
WATER STORAGE UNITS, INCLUDING RESERVOIRS	92
BOOSTER PUMPS	19
PIPES (KM)	645.05km

WATER ASSETS AND VALUE

The overall confidence rating for the water asset information is B-. This is an average and more specific information is included below.

Attribute	Confidence Grade			
	D	C	B	A
Asset data				
Physical properties (length/size/materials)	■	■	■	
Location	■	■		
Age	■	■	■	
Condition	■	■		
Performance	■			
Deterioration rate	■	■		
Financial data				
<u>Opex</u>				
Operation costs	■	■	■	
Maintenance costs	■	■	■	
Asset management costs	■	■		
Interest rates	■	■	■	■
Depreciation	■	■	■	
<u>Renewals</u>				
Unit rates	■	■	■	
Project scope	■	■		
Cost estimates	■	■		
<u>Capital works</u>				
Demand forecast	■	■	■	
Project timing	■	■	■	
Project scope	■	■		
Project costs	■	■		
<u>Project prioritisation</u>	■	■	■	

Over the past six years, Council has operated a programme of work to better understand the condition of our assets, in particular the underground assets. We are halfway through this project. For more information on this project, please read Issue 10 of this Infrastructure Strategy.

Resilience of the water network in the event of a significant event is a significant issue. We are planning on carrying out a programme to construct new reservoirs and earthquake strengthen existing reservoirs to improve resilience.

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

Council has upgraded Taupō, Turangi and Mangakino treatment plants to meet required drinking water standards. The Waitahanui scheme has been decommissioned and Waitahanui has been connected to the Taupō scheme. Council's other

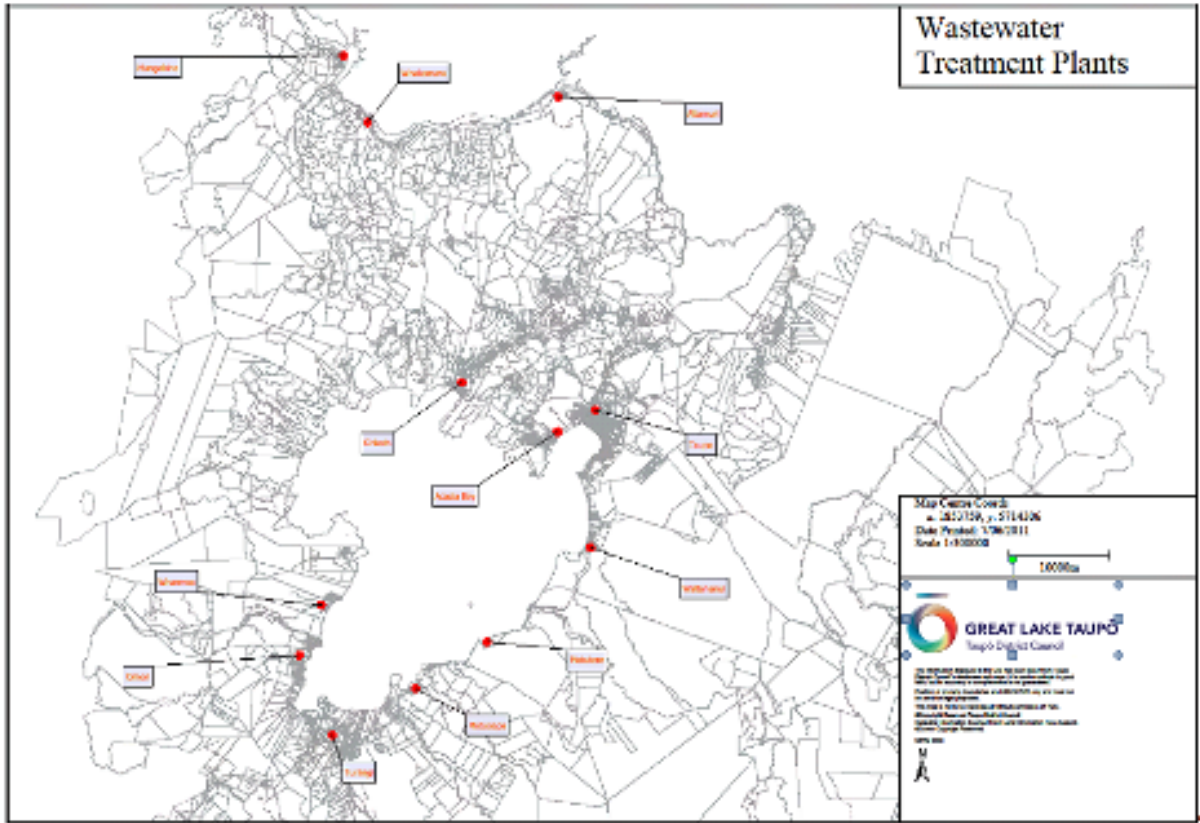
smaller water supply systems will also need to be upgraded, at considerable cost to those communities.

Council's water reticulation network is relatively new as much of the district's growth has occurred within the last 30 years. We have however determined that much of the AC pipe laid in the earlier years is nearing the end of its life. Renewal of the majority of this pipe has been provided for in the first 7 years of the strategy. The pipe networks within Turangi and Mangakino (both hydro construction towns) are nearing the end of their predicted life.

The functions of this activity such as asset management planning and operation of the water network are conducted in-house. Contractors are engaged to carry out construction projects associated with the water network.

WASTEWATER

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



TAUPŌ DISTRICT COUNCIL WATER SCHEMES

ASSET - WASTEWATER	QUANTITY
ASSET VALUE	\$220 million
TREATMENT PLANTS	11

WASTEWATER ASSETS AND VALUE

The overall confidence rating for the wastewater asset information is B- For more specific information on asset information, please see the table below.

Attribute	Confidence Grade			
	D	C	B	A
Asset data				
Physical properties (length/size/materials)				
Location				
Age				
Condition				
Performance				
Deterioration rate				
Financial data				
<u>Opex</u>				
Operation costs				
Maintenance costs				
Asset management costs				
Interest rates				
Depreciation				
<u>Renewals</u>				
Unit rates				
Project scope				
Cost estimates				
<u>Capital works</u>				
Demand forecast				
Project timing				
Project scope				
Project costs				
<u>Project prioritisation</u>				

Over the past six years, Council has operated a programme of work to better understand the condition of our assets, in particular the underground assets. We are halfway through this project. For more information on this project, please read Issue 9.

Resilience of the wastewater network in the event of a significant event is a significant issue. Understanding underground asset condition is key to ensuring a resilient network.

Increased environmental compliance could result in affordability issues. For more information, please see Issue 8 of this document.

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

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

Council’s wastewater reticulation network is relatively new as much of the district’s growth has occurred within the last 30 years. Although the pipe networks within Turangi and Mangakino (both hydro construction towns) are nearing the end of their predicted life. Extensive condition assessment of the Mangakino network has been completed and renewals prioritised over the first 5 years of the strategy.

The functions of this activity such as asset management planning and operation of the wastewater network are conducted in-house. Contractors are engaged to carry out construction projects associated with the wastewater network.

STORMWATER

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

STORM WATER ASSET	QUANTITY
ASSET VALUE	\$85 million (June 2017)
PIPES	215 km
CATCHPITS	799
STANDARD MANHOLES	3,853
INLETS	44
ATTENUATION PONDS	38
CDS UNITS	7
ENVIROPODS	220
OUTLETS	361

STORMWATER ASSETS AND VALUE

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

For more information on asset information, please see the table below.

Stormwater Asset Type	Performance Grade assigned to each Township																			
	ACACIA BAY	ACACIA HEIGHTS DRIVE	5 MILE BAY	KINLOCH	RIVER ROAD	TAUPO	WAIKAKEI	WAITAHANUI	HATEFE	KURATAU	MOTUOAPA	OMORI	PUKAWA	TAURANGA-TAUPO	TOKANNU	TURANGI	WHAREROA	ATIAMURI	MANGAKINO	WHAKAMARU
Zone assigned by TDC for Performance Grading	D	D	D	D	D	E	A	E	C	B	D	B	B	C	C	C	B	A	A	A
Pipeline	2	2	2	2	2	3	5	3	4	3	2	3	3	4	4	4	3	5	5	5
Manholes	2	2	2	2	2	3	5	3	4	3	2	3	3	4	4	4	3	5	5	5
Catchpits	2	2	2	2	2	3	5	3	4	3	2	3	3	4	4	4	3	5	5	5
Inlets / Outlets	2	2	2	2	2	3	5	3	4	3	2	3	3	4	4	4	3	5	5	5
Open Drains	2	2	2	2	2	3	5	3	4	3	2	3	3	4	4	4	3	5	5	5
Channels	2	2	2	2	2	3	-	3	4	3	2	3	3	4	4	4	3	-	-	-
Flow Paths / Flow Routes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Soakholes	-	-	-	-	-	3	-	-	-	-	2	-	-	-	-	-	-	-	-	-
CDS Unit	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chamber	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debris Riser	2	2	2	2	2	3	5	3	4	-	2	-	-	4	4	4	3	-	-	-
PWR Dissipator	-	-	-	-	-	-	-	-	-	-	3	-	3	3	-	-	-	-	-	-
Reducer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Silt Trap	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stilling Chamber	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Increased environmental compliance could result in affordability issues in the future. For more information, please see Issue 8 of this document.

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

Climate change is predicted to increase the severity of weather events, so that there will be more intense flows, more often. This will have the greatest impact on our urban settlements, due the

higher proportion of concrete and hard surfaces present in these areas.

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

The functions of this activity such as asset management planning and operation of the stormwater network are conducted in-house. Contractors are engaged to carry out construction projects associated with the stormwater network.

TRANSPORT

Taupō District Council provides a transport network of 740km of sealed and unsealed roads and 340km of footpaths to allow goods and people to move around the district safely and efficiently by any transport mode including cycling, walking or passenger transport. State highways represent a significant amount of the roading within the district, including State Highway 1 which is the main north-south route for the North Island. State highways are not included in the quantities below.

TRANSPORT ASSET	QUANTITY
ASSET - VALUE	\$525M as at August 2020
ROADS - SEALED	740km
ROADS - UNSEALED	54km
FOOTPATHS	340km
STREET LIGHTING	4,238 lanterns 2,828 poles
TRAFFIC SERVICES	28,118 signs and markings
BRIDGES	21 road bridges (2 with shared ownership) 4 foot bridges
CULVERTS	61 large culverts (diameter greater than 2m) 2,373 small culverts (diameter less than 2m)
CYCLE WAYS	1.2 km
PARKING	97,708m ²
STRUCTURES	9 Taupō urban bus shelters

TRANSPORT ASSETS AND VALUE

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

This is an average, for more detailed information please see the table below

Asset Group	Component	ORC			ODRC		
		Quantity	Unit Cost	Value	Life	R/Life	Value
Carrisgeway	Formation	A	B	B	*	*	*
	Pavement	A	B	B	B	B	B
	Top surface	A	A	A	B	B	B
Bridges	Bridges	A	B	B	C	C	C
Drainage	Kerbs & Channels	A	B	B	B-C	B-C	B-C
	Culverts	B	C	C	B-C	B-C	B-C
	Catch pits	A	B	B	C	C	C
	Manholes	B-C	B	B-C	C	C	C
	Piped systems	B-C	B	B-C	C	C	C
Footpaths	Footpaths	A	B	B	B-C	B-C	B-C

Asset Group	Component	ORC			ODRC		
		Quantity	Unit Cost	Value	Life	R/Life	Value
Lighting	Street Lights	A	A	A	B	B	B
	Street Lights Columns	A	A	A	B	B	B
Parking	Off street car parks	B	B	B	B-C	B-C	B-C
Traffic Signs	Signs	A	A	B	B-C	B-C	B-C
	Sign posts	A	A	B	B-C	B-C	B-C
Structures	Retaining walls, guard rails, traffic islands, bus shelters.	C	C	C	C	C	C
Traffic Facilities	Edge marker posts raised pavement markers	C	A	C	C	C	C

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

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

The functions of this activity such as asset management planning and operation of the transport network are conducted in-house. Contractors are engaged to carry out construction projects associated with the transport network

COMMUNITY FACILITIES

We look after 99 buildings. Some of these buildings are community facilities that members of the public visit and some of these facilities assist the running of the Council business such as depots and offices housing Council staff. Some of the buildings are owned by Council and leased out to community groups while we have one building located on Māori owned land.

COMMUNITY FACILITY ASSET	QUANTITY
ASSET VALUE	\$193 million
SWIMMING POOLS	3
SOCIAL HOUSING	58
VENUES	4
LIBRARIES	2
MUSEUM	1
COMMUNITY HALLS	11
COUNCIL ADMINISTRATION PROPERTY	8

COMMUNITY FACILITIES ASSETS AND VALUE

There is detailed information on the condition of the community facilities assets. These can be found in Section 4 of the Community Facilities Asset Management Plan which can be found at www.Taupō.govt.nz

Taupō District Council district's property assets include land, buildings and CCTV. Some of the buildings are modern and have been refurbished however there are some more than 50 years old. Throughout their lifecycles, the council's building components renewal plan ensures that the buildings, (new and old) are maintained to provide the level of service that the customer requires. In addition to this, some of the buildings that we own we have inherited in a poor condition.

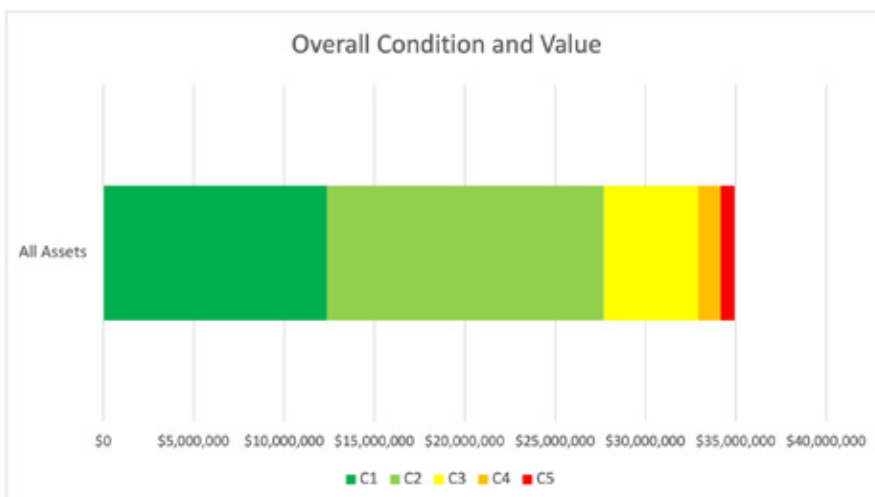
This activity is undertaken in house, and contractors are engaged to undertake aspects such as construction or repair, where appropriate.

PARKS AND RESERVES

Parks and reserves play an important part of the daily lives of our residents and are also focal point for visitors to our district. The open spaces that we provide range from lakefront reserves and playgrounds through to cemeteries and sportsgrounds.

This activity is undertaken in house, and contractors are engaged to undertake aspects such as construction or repair, where appropriate.

Comprehensive asset data is held in Council's SPM asset management program. Assets are rated on a scale of 1-5, with 5 being the lowest standard. Renewal is ideally undertaken at condition grade 5, but may occur earlier to fit in with planning practicalities.



PARKS AND RESERVES ASSETS AND VALUE

PARKS AND RESERVES ASSET	QUANTITY
ASSET VALUE	\$30 million
PARKS	236
SPORTSGROUNDS	6
PLAYGROUNDS	57
CEMETERIES	3
PUBLIC TOILET FACILITIES	57
LAKESHORE EROSION PROTECTION ASSETS	23

SOLID WASTE

Taupō District Council manages solid waste to reduce the likelihood of harm to people and the environment. This asset management plan enables Council to manage and demonstrate its stewardship of solid waste assets on behalf of its communities in order to provide services cost-effectively, both now and into the future.

SOLID WASTE ASSET	QUANTITY
ASSET VALUE	\$3,900,000 (30 Jun 2017)
LANDFILL	1
TRANSFER STATIONS	5

Council provides a landfill and resource recovery centre at Broadlands Road. The resource consent for the Broadlands Road Landfill expires in 2027. Council will need to consider what the best options are for the district's waste disposal before renewing the Broadlands Road Landfill consent. In addition, Council also provides transfer stations at Turangi, Mangakino, Kinloch, Omori and Whareroa along with closed landfills at Taupō, Mangakino and Turangi. Council also provides street litter and recycling bins and Big Belly solar waste compactors for its communities.

The overall confidence rating for solid waste asset information is B.

The condition of the Solid Waste assets relates to their ability to perform to their required levels of service.

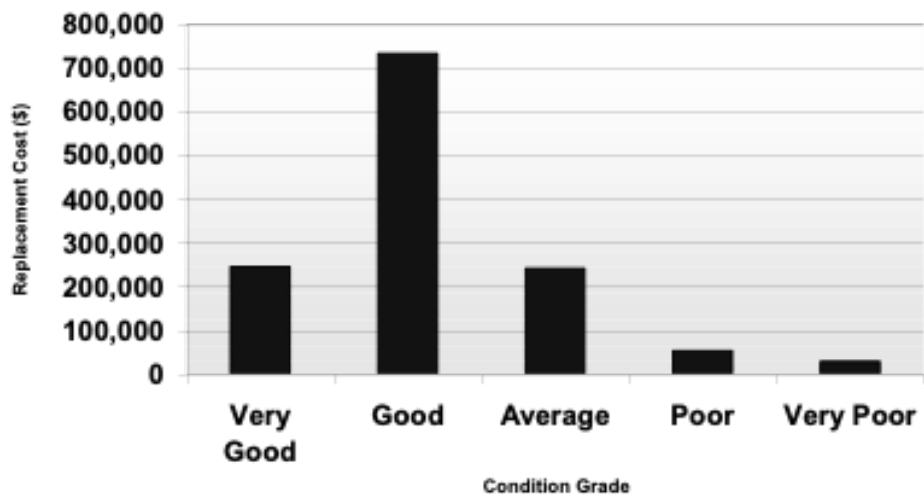
The assets are inspected to:

- Identify the individual elements as defined in the proposed National Guidelines.
- Determine the quantity of each element.
- Assign a condition grade to each element based on a visual condition assessment;
 - Grade 1 = very good
 - Grade 2 = good
 - Grade 3 = average
 - Grade 4 = poor
 - Grade 5 = very poor
- Assign a remaining life to each assessed element.
- Determine a replacement cost for each element.

Results from the analysis show that the solid waste assets are generally in good condition. Approximately 75% of the elements are in very good or good condition. The remaining 25% are in average to poor condition.

Asset condition can change rapidly and seasonally due to the change in facility usage over the summer period. The landfill and RTS sites can suffer varying amounts of "Wear and tear" from use by the public and hence monthly condition assessments are undertaken. The weather can also play a significant part on Solid waste asset conditions.

FIGURE 2:1



This activity is undertaken in house, and contractors are engaged to undertake aspects such as construction or repair, where appropriate.

The resource consent for the Broadlands Road Landfill is due to expire in 2027. The future of the Broadlands Road landfill is likely to be a significant issue in the 2024 Long-term Plan, please see Issue 9 in this strategy for more information.

THEME ONE: POPULATION AND DEMOGRAPHIC CHANGE

ISSUE ONE NATIONWIDE REFORM OF THE THREE WATERS (DRINKING WATER, WASTEWATER AND STORMWATER) AND THE RESOURCE MANAGEMENT ACT 1991 WILL IMPACT THE DELIVERY OF COUNCIL'S INFRASTRUCTURE IN THE FUTURE.

Central government have announced changes which mean that within the short to medium term (three to five years), it is likely that the activities of drinking water, wastewater and possibly stormwater will not be undertaken by Council. They have also announced an intention to undertake reform of the Resource Management Act 1991. Since 2017, Central government have been reviewing how the three waters are being delivered across Aotearoa. The review has highlighted that as some drinking water schemes are required to upgrade in accordance with the Drinking Water Standards NZ (DWSNZ) and some wastewater schemes are required to upgrade to improve the quality of their discharges, this will come at significant costs for some communities. Drinking water and wastewater schemes which service small communities are going to be hardest hit. The government has been looking at how to enable these necessary upgrades to occur, while ensure that the costs are affordable for communities.

In 2018, Central Government passed the Water Services Bill, which will establish Taumata Arowai, a regulator for drinking water. In addition, a programme to look at the reform of the three waters across New Zealand has been agreed to. For more information, please see the Department of Internal Affairs website, www.dia.govt.nz.

At the time that this Infrastructure Strategy was prepared, the Government has indicated that its preferred option is for the three waters to be delivered by publicly owned entities which would oversee the delivery of these services across several regions.

Council will need to make a decision on whether to opt-in to the three waters services in the Taupō district being undertaken by a new, regional entity.

The Resource Management Act 1991 (RMA) has a significant influence on infrastructure. The regional policy statements, regional plans and district plans which are written under the RMA influence where different types of infrastructure should be located, how much water can be taken from a specific waterbody and what standard discharges such as wastewater discharge should be treated to.

The Government commissioned a report to determine what shape reform of the RMA should take. The recommendations include repealing the RMA and replacing it with two other pieces of legislation. The Government will undertake significant consultation prior to enacting some new legislation, and it is too early to anticipate what the changes will be. But in future infrastructure strategies, this will have a significant influence on the management of Council infrastructure.

OPTIONS

POTENTIAL EFFECTS

COUNCIL PARTICIPATES IN THE THREE WATERS REFORM PROGRAMME BEING UNDERTAKEN BY CENTRAL GOVERNMENT

It is likely that the three waters services for the district will no longer be undertaken by Council, and is likely to be undertaken by a public owned entity responsible for undertaking this across a significant part of the North Island. The funding costs of this are unlikely to be known at the time that this infrastructure strategy is adopted, however Council will ensure ongoing communication with our community.

COUNCIL DOES NOT PARTICIPATE IN THE THREE WATER REFORM.

Council may miss out on opportunities to ensure that the three waters services are affordable for our communities.

PREFERRED OPTION: COUNCIL WILL PARTICIPATE IN THE THREE WATERS REFORM PROGRAMME BEING UNDERTAKEN BY CENTRAL GOVERNMENT.

THEME ONE: POPULATION AND DEMOGRAPHIC CHANGE

ISSUE TWO NEW INFRASTRUCTURE IS REQUIRED TO CATER FOR GROWTH, PRIMARILY IN TAUPŌ TOWN AND KINLOCH

A growing population, combined with fewer people in each house means that the growth in new dwellings is likely to be greater than the growth in population. These new dwellings are expected to be built mainly in Taupō town and Kinloch. Where they are built on land that is currently undeveloped (such as rural land), it will mean that new infrastructure, such as roading, stormwater, water, wastewater and reserves will need to be provided. If development occurs in existing built up areas, or new infrastructure is to be connected to existing infrastructure, then this may result in upgrades being required to existing infrastructure.

If we build new infrastructure in advance of development this would not be an efficient use of funding and could result in significant cost to ratepayers. There is the risk that the development may not occur in the area, or development may take longer to occur than we expect. This would mean that Council would be paying for cost of this development, without receiving any development contributions or new ratepayers to contribute towards these costs. This could have a significant

impact on rates. This is why Council prefers to work alongside developers, including developments undertaken by Iwi and hapū to ensure that new infrastructure is constructed, when it is required.

We have adopted Taupō District 2050 which can be accessed at www.Taupō.govt.nz. TD2050 is a growth management strategy which provides clear guidance on where growth should occur in the district. This is to help ensure that the development that occurs within our district is well planned, and efficient. TD2050 had been developed through engagement with Iwi and our community. One of the actions that Council committed through the development of TD2050 is to work with Iwi to understand aspirations for papakāinga developments.

In the past, we have worked alongside developers to ensure that infrastructure is in place, when it is needed. The newly adopted National Policy Statement for Urban Development 2020 places obligations on Council to ensure that areas identified for growth are 'infrastructure ready' and that from 2024 we are providing for this in our Long-term Plans. This will require a change in approach. We are currently working through what this means, so that we can provide for it in future Long-term Plans.

OPTIONS

POTENTIAL EFFECTS

INFRASTRUCTURE IS BUILT IN ANTICIPATION OF WHERE AND WHEN WE EXPECT GROWTH TO OCCUR.

We will need to work towards this approach to ensure compliance with the National Policy Statement for Urban Development. This will likely see infrastructure provided ahead of development occurring, which will see higher up front costs and may result in infrastructure laying idle.

WE WORK ALONGSIDE DEVELOPERS TO ENSURE INFRASTRUCTURE IS IN PLACE, WHEN AND WHERE IT IS REQUIRED (THE STATUS QUO).

Installing infrastructure when it is required by working with developers will result in maximising the use of capital funding, but from 2024 onwards, may mean that Council is not meeting its obligations under the National Policy Statement for Urban Development.

PREFERRED OPTION: WE WILL NEED TO TRANSITION FROM WORKING ALONGSIDE DEVELOPERS TO ENSURE INFRASTRUCTURE IS IN PLACE WHEN IT IS REQUIRED, TOWARDS INFRASTRUCTURE BEING BUILT IN ANTICIPATION OF WHERE WE EXPECT GROWTH TO OCCUR.

ADDITIONAL WORK REQUIRED TO SUPPORT THE PREFERRED OPTION

- Continue to update the demographic snapshot every three years.
- Continue to update the growth model every three years
- Ensure this revised population, demographics and expected growth information is provided to asset managers so it can be used in the infrastructure strategy and asset management plans
- Continue to regularly update and review Council's growth management strategy TD2020, to ensure that district's growth is occurring in a strategic manner.

THEME ONE: POPULATION AND DEMOGRAPHIC CHANGE

ISSUE THREE: AN AGING POPULATION MAY DRIVE A CHANGE IN DEMAND FOR THE SERVICES THAT WE PROVIDE

Population projections predict that the percentage of people who are aged 65+ years in our district will increase. Having a higher proportion of people who are aging is likely to result in demand for different services, or changes in the way we deliver some services. An aging population will require an approach to services that are accessible and affordable and allows the aged community to stay connected to each other, whanau and wider community. Examples of this are ensuring that our footpaths are suitable for all levels of mobility and to cater for the increased popularity and usage of new modes of transportation such as e-bikes. This presents opportunities to expand or improve existing recreational bike tracks. A desire to live within walking/ biking distance to town centres may also encourage people to migrate closer to town. In turn this is likely to drive demand for

an increased number of smaller houses and sections in the town peripheries, which will have an impact on our infrastructure such as water, wastewater and stormwater. It is important that Council is aware of when and where the population changes are occurring, so it is aware of when the change in demand for different services occurs.

Council needs to ensure that it can respond to changes in services that our customers require. As these demands are likely to change with the changing demographics of our communities we need to regularly ask the community what services and levels of service it wants. Then we can adjust service delivery accordingly. Council uses surveys and commissions research to understand the levels of services and services required by our community and to monitor the performance of Council's various business units.

OPTIONS	IMPLICATIONS
<p>CONTINUE WITH SERVICE DELIVERY FOR EXISTING SERVICES AND AT EXISTING LEVELS (THE STATUS QUO)</p>	<p>Cost of existing service levels are generally known. Service delivery and levels of service are unlikely to meet the community's needs and desires.</p>
<p>UNDERSTAND THE ONGOING SERVICE DELIVERY THROUGH UNDERTAKING REGULAR LEVELS OF SERVICE REVIEWS (ONCE EVERY SIX YEARS). A LEVEL OF SERVICES REVIEW SURVEYS OUR COMMUNITY TO UNDERSTAND THEIR NEEDS, AND RECOMMENDS WHERE ADJUSTMENTS TO LEVELS OF SERVICE ARE REQUIRED.</p>	<p>Cost of approximately \$30,000 to regularly survey the community to ascertain what services and levels of service they require. This will help inform Council's asset management planning, and help to make recommendations on where changes to levels of service are required.</p> <p>There is a risk that there will be demand for increased levels of service, which at the same time may not be affordable.</p>

PREFERRED OPTION: UNDERSTAND THE ONGOING SERVICE DELIVERY THROUGH UNDERTAKING REGULAR LEVELS OF SERVICE REVIEWS (ONCE EVERY SIX YEARS).

THEME ONE: POPULATION AND DEMOGRAPHIC CHANGE

ISSUE FOUR: AN AGING POPULATION AND PARTS OF OUR POPULATION ON FIXED INCOMES FACING INCREASING INFRASTRUCTURE COSTS MAY RESULT IN RATES THAT ARE UNAFFORDABLE FOR OUR RATEPAYERS.

Having an aging population and number of our residents on fixed incomes, along with increasing infrastructure costs could result in substantial financial burden on the ratepayer. A declining population with more people on fixed incomes puts pressure on future funding of infrastructure as there are fewer people to contribute towards the cost of paying for maintenance

and upgrades of the infrastructure networks. This challenge will make maintaining levels of service difficult. We may need to look at alternative ways of service delivery or innovative solutions as communities may struggle adapting to lower levels of service. There may be alternative funding models that could be considered to pay for increasing infrastructure costs.

We have assumed that an increase in people aged 65+ will mean that a greater proportion of our ratepayers will be on small fixed incomes. However a proportion of our ratepayers may also retire with substantial funds.

OPTIONS	IMPLICATIONS
DO NOTHING	Rates are likely to rise and may become unaffordable which may result in pressure to seek housing elsewhere. Some residents will then move out of the district.
MAINTAIN CURRENT LEVELS OF SERVICE BY LOOKING AT INNOVATIVE SOLUTIONS	We would need to undertake a comprehensive project that examines the social, cultural, environmental, economic factors to determine whether there are any practical and feasible solutions.
LOWER LEVELS OF SERVICE	Whilst this should keep rates affordable it may be unacceptable to the community.

PREFERRED OPTION: WHERE POSSIBLE MAINTAIN CURRENT LEVELS OF SERVICE BY LOOKING AT INNOVATIVE SOLUTIONS

ADDITIONAL WORK REQUIRED TO SUPPORT THE PREFERRED OPTION

- Undertake a project to establish projections for the proportion of our ratepayers that will be on a low fixed income.
- Undertake a project to look at innovative solutions for maintaining levels of service while keeping costs down
- Ensure affordability is a consideration during the development of the financial strategy.





ISSUES AND OPTIONS

ISSUE FIVE: IT IS PROJECTED THAT OUR POPULATION WILL DECLINE BUT THERE IS UNCERTAINTY ABOUT WHAT THE IMPACT WILL BE ON THE NUMBER OF DWELLINGS THAT NEED TO BE SERVICED BY INFRASTRUCTURE

It is projected that in the long term, most of rural New Zealand will experience population decline. However, the impact of this population decline for the Taupō District is unknown due to the high number of holiday homes in our district.

There is uncertainty about how the impact of the projected decline will affect the existing infrastructure servicing the current housing stock. If more houses are available for sale, there is the potential that a higher proportion of our homes will become holiday homes. For example, the recent decline in population in

Mangakino has resulted in an increased holiday home ownership in the town and no decline in the use of infrastructure at peak holiday times. If the population decline results in more of the existing housing stock owned as holiday homes, there will be little or no impact on the provision of infrastructure except for a potential change in demand/usage over peak periods. Also, there will be similar number of ratepayers (although a higher proportion will reside elsewhere) to fund the provision of infrastructure.

We need to know more about the numbers and location of dwellings we will need to service in the long-term future to better plan for the provision and maintenance of our infrastructure.

OPTIONS	IMPLICATIONS
<p>DO NOTHING</p>	<p>We will continue to provide infrastructure services to all dwellings in declining areas. This may not be an effective use of funding. We may have higher incidents of unpaid rates as houses sit empty.</p>
<p>ONCE THE RESULTS OF THE 2018 CENSUS ARE AVAILABLE, UNDERTAKE A PROGRAMME OF WORK TO DETERMINE HOUSEHOLD PROJECTIONS OVER THE NEXT 30 YEARS.</p>	<p>This will enable better long term infrastructure planning.</p>

PREFERRED OPTION: UNDERTAKE A PROGRAMME OF WORK TO DETERMINE HOUSEHOLD PROJECTIONS OVER THE NEXT 30 YEARS

ADDITIONAL WORK REQUIRED TO SUPPORT THE PREFERRED OPTION

- Once the results of the 2018 Census are available, undertake a project to accurately identify the numbers of and future trends for holiday home ownership in the district and in particular how holiday home ownership will respond to declining populations.

THEME TWO: PROTECTING THE HEALTH OF OUR COMMUNITIES

ISSUE SIX: COMMUNITIES MAY FACE HEALTH RISKS WITHOUT SAFE AND CLEAN DRINKING WATER SUPPLIES

The Drinking Water Standards (DWSNZ) are national guidelines that give direction on how we should manage our drinking water supplies to ensure that they are safe. The Taupō, Mangakino, Turangi and Atiamuri water treatment plants have been upgraded and are fully compliant with the DWSNZ. We are currently undertaking upgrades to the Kinloch Plant to make it compliant by 2023.

The other schemes all comply with bacterial compliance of the drinking water standards but not protozoa or chemical compliance. These schemes have Water Safety Plans prepared to make sure that we are appropriately minimising the risk. The

Ministry of Health audits Council to ensure that we are being compliant with these plans.

The Water Supply Strategy 2019 has provided us with a directive to accelerate the DWSNZ upgrades where possible. These upgrades come at considerable financial cost but the consequence to public health if left unchanged is much greater. Currently the users of each scheme fund the costs associated with upgrading each water scheme so affordability is an issue.

Of important consideration for our Council is the Government’s Three Waters Review. The review has seen the introduction of Taumata Arowai, which is a new water service regulator, responsible for ensuring that Council’s drinking supplies are compliant with the DWSNZ.

OPTIONS	IMPLICATIONS
<p>ENSURE UPGRADES TO OUR WATER SUPPLIES ARE IN LINE WITH THE TIMEFRAMES AS ORIGINALLY SET OUT IN THE LONG-TERM PLAN 2018-28 AND OUR WATER SAFETY PLANS. THESE TIMEFRAMES ARE DEVELOPED AND PRIORITISED BASED ON RISK.</p>	<p>Cost of \$25 million over 10 years. Ensures communities are not at risk.</p>
<p>TAKE LONGER TO UPGRADE OUR WATER SUPPLIES THAN WHAT IS SPECIFIED IN OUR WATER SAFETY PLANS.</p>	<p>Spreads the cost over longer time period but puts communities at risk for a longer period of time.</p>
<p>COMPLETE ALL DWSNZ UPGRADES BY 2025</p>	<p>Cost of over \$21 million over 4 years. Reduces the amount of time that our communities are at risk</p>
<p>PREFERRED OPTION: COMPLETE ALL UPGRADES BY 2025</p>	



THEME THREE: PROTECTING THE HEALTH OF OUR ENVIRONMENT

ISSUE SEVEN: PROTECTION OF THE ENVIRONMENT WILL DRIVE INCREASED COSTS FOR COUNCIL'S WASTEWATER AND STORMWATER DISCHARGES

There has, and will continue to be, an increase in environment standards particularly in regional plans for discharges that affect water quality. These increasing environmental standards are a result of:

- Increased environmental and cultural expectations from our community.
- New legislation from central government, such as the National Policy Statement for Freshwater Management
- The requirement for resource management documents to give effect to key policy documents which are aimed at improving water quality in some catchments. These documents include Te Ture Whaimana o Te Awa o Waikato - Vision and Strategy for the Waikato River for the Waikato River catchment Te Ara Whānui o Rangitāki - Pathways of the Rangitāki for the Rangitāki catchment and Te Kaupapa Kaitiaki, a plan which is being developed for the Taupō Catchment.
- Overwhelming evidence from the scientific community that the ability of our waterways to sustain the levels of pollutants are unsustainable.

Council holds regional council consents for discharges to water and land, particularly for discharges of treated wastewater, stormwater and solid waste. More stringent regional council controls over the quality of discharges (both direct and point source) into Lake Taupō became operative in 2011 and are currently being introduced to the Waikato River catchment. Regional consents are granted for a set period of time. Over the first 10 years of this strategy, there are a number of consents which are due to expire. When we have to reapply for these consents, it is likely that tougher conditions will be imposed, which will require Council to undertake upgrades and/or invest in technology which will come at a cost. There are some situations where applications to renew resource consent applications have been applied for, however the new consents have not yet been granted. This is provided for under Section 124 of the Resource Management Act 1991 (RMA) and we are still complying with our obligations under the resource consent and the RMA.

- Hatepe water take consent - expires 1/01/2022. An application to renew this consent is currently being worked on and the application will be lodged with WRC before 1 June 2021.
- Motuaopa water supply discharge consent - expired 1/05/2017 - the application was lodged with WRC prior to the expiration date and the consent application is being worked on.
- Motutere water take - expires 31/08/2023. An application to

renew this consent is being worked on.

- River Road water take - expires 1/06/2023. An application to renew this consent will be worked on in year 1 of the LTP
- Tirohanga water take and discharge consent - expires 1/09/2021. An application to renew this consent has been submitted to WRC.
- Turangi water take - expired 28/02/2017. An application to renew this consent has been submitted to WRC.
- The wastewater disposal for Taupō (Rakanui Road), Mangakino and Turangi are all operating on expired consents. New applications have been submitted with WRC
- The Atiamuri wastewater disposal consent - expires 14/03/2024. An application to renew this consent will need to be applied for prior to the consents expiry date.
- The comprehensive consent for stormwater disposal - expire 15/06/2027.
- The consent for the Broadlands Landfill - expires in 2027.

THE IMPACTS FOR WASTEWATER DISPOSAL

Increased regulation has had significant impacts on the management of wastewater in the Lake Taupō and Waikato River catchments. Council has invested significantly to reduce nitrogen discharges from wastewater treatment plants in the Lake Taupō catchment. It is important that these gains are maintained and work is programmed to improve discharges in the Waikato River catchment. The programme of upgrades identified in the Long-term Plan 2021-31 to these wastewater treatment plants is to ensure we meet anticipated or existing consent requirements.

Taupō District Council provides wastewater services for 12 towns and communities in the district. All of these plants, except Turangi, discharge treated wastewater to land prior to discharging directly to water. In 2019, Council agreed, in principle, that there should be no further discharges of treated wastewater from Council wastewater treatment plants directly to water in the Taupō District. One of the reasons for this is because discharge of wastewater, including treated wastewater, to freshwater is offensive to Māori.

There is going to be a continued expectation that we reduce the amount of nitrogen present in treated wastewater. This is going to be a challenge in areas such as Taupō and Kinloch which are experiencing population growth. Generally, an increased number of people results in more wastewater to treat. Because of this, we are developing a Wastewater Nitrogen Strategy for the Lake Taupō Catchment. This will provide strategic direction on the actions that we need to focus on to continue seeing these reductions in light of population change.

THEME THREE: PROTECTING THE HEALTH OF OUR ENVIRONMENT

THE IMPACTS FOR STORMWATER DISPOSAL

Council is also coming under increasing pressure from both the public and Waikato Regional Council to improve the quality of stormwater discharges. Stormwater is discharged into our lakes, rivers and streams and we recognise the importance of keeping these clean and healthy and protecting our environment. To achieve this, we have developed a programme for the installation of Enviropods, which remove litter and debris from stormwater along the lake and treatment devices at stormwater

outlets. However further improvements are likely to be required when our comprehensive stormwater consent is renewed in 2027.

Further upgrades are likely to be required for both our wastewater and stormwater discharges in the 30 year period as environmental standards become more stringent.

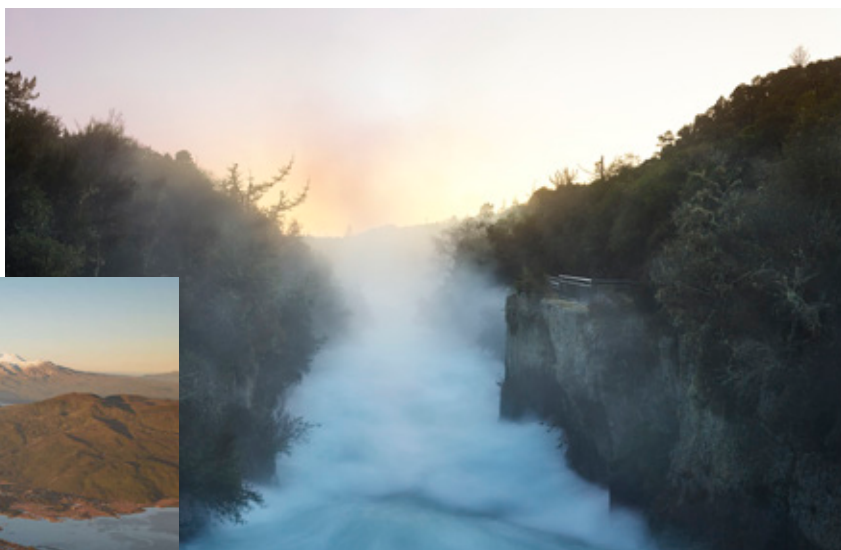
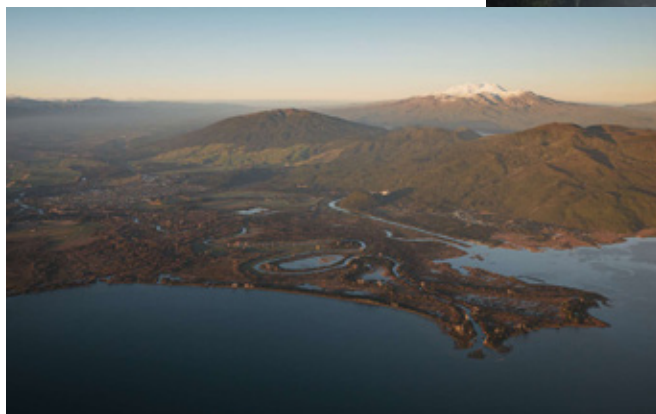
Such upgrades will require innovative technology and will be expensive.

OPTIONS	IMPLICATIONS
<p>ENSURE THAT WE IMPROVE OUR DISCHARGES TO PROTECT THE ENVIRONMENT, IN LINE WITH RESOURCE CONSENT REQUIREMENTS (THE STATUS QUO)</p>	<p>Provided for within existing budgets. Improvements in wastewater treatment plants to meet consent requirements will cost \$13 million</p>
<p>IMPROVE OUR DISCHARGES TO LEVELS BEYOND WHAT WE ARE REQUIRED TO BY RESOURCE CONSENT CONDITIONS.</p>	<p>Costs unknown but will be in excess of what is provided for in existing budgets. Improvements to stormwater discharges \$5million.</p>

PREFERRED OPTION: ENSURE WE ARE IMPROVING OUR DISCHARGES TO PROTECT THE ENVIRONMENT AND COMPLY WITH CONSENT REQUIREMENTS.

ADDITIONAL WORK REQUIRED TO SUPPORT THE PREFERRED OPTION

- Continue to monitor the quality of wastewater and stormwater discharges
- Early engagement with iwi/hapū and regional council for consent renewals
- Become involved in any other plan changes to the regional plan that will affect our wastewater and stormwater discharges.
- Develop a Nitrogen Strategy





THEME THREE: PROTECTING THE HEALTH OF OUR ENVIRONMENT

ISSUE EIGHT: WE NEED TO DETERMINE HOW BEST TO DISPOSE OF OUR SOLID WASTE IN THE FUTURE.

Most of the waste generated by district is disposed of at the Broadlands Road Landfill station. This includes the waste that is disposed of at our transfer stations because it is transported from the transfer station to the Broadlands Road Landfill.

We operate the Broadlands Road Landfill in accordance with a resource consent granted by the Waikato Regional Council. This resource consent is due to expire in 2027. Before the expiry date, we will need to consider whether we apply to renew this resource consent.

Renewing the consent is likely to be expensive, and there are likely to be more stringent conditions imposed. Before renewing the consent, we need to undertake an assessment of the options available for disposal of the district’s waste in the future. An alternate option could be to transport our waste to a landfill outside the district, either owned by a private company or another Council.

We will need to undertake a project to review the possible options for the future disposal of our waste, prior to the development of the Long-term Plan 2024-34 and conjunction with the Waste Minimisation Plan 2024. We expect this to be a significant decision for our community in 2024.

OPTIONS	IMPLICATIONS
<p>RENEW RESOURCE CONSENT FOR BROADLANDS LANDFILL, WITHOUT UNDERTAKING AN ASSESSMENT OF THE ALTERNATIVE OPTIONS.</p>	<p>There will be no certainty that we are continuing with the best option for disposing of our solid waste into the future.</p> <p>We will not be meeting the decision-making criteria required under the Local Government Act 2002.</p>
<p>UNDERTAKE A PROJECT TO ASSESS ALL REASONABLE OPTIONS FOR THE FUTURE DISPOSAL OF THE DISTRICT’S SOLID WASTE.</p>	<p>Council and the community will be able to make an informed decision on what is the best option for disposing of our solid waste into the future.</p>

PREFERRED OPTION: UNDERTAKE A PROJECT TO ASSESS ALL REASONABLE OPTIONS FOR THE FUTURE DISPOSAL OF THE DISTRICT’S SOLID WASTE.

THEME FOUR: MAINTAINING AND RENEWING OUR INFRASTRUCTURE

ISSUE NINE: A RANGE OF COUNCIL'S ASSETS MAY BE NEARING THE END OR ARE ALREADY AT THE END OF THEIR USEFUL LIFE AND NEED RENEWAL, HOWEVER WE DO NOT KNOW HOW MANY ASSETS THIS ISSUE POTENTIALLY AFFECTS

A key component of Council's district strategy for many years has been to look after the infrastructure that we have while maintaining levels of service. Council programmes renewals of infrastructure assets based on detailed asset condition where possible or on life expectancy. Using life expectancy can result in additional unbudgeted expense and disruption to the service if assets fail before they are due to be renewed based on life expectancy assessments. To accurately programme renewals we need accurate condition assessment of our infrastructure assets. This coupled with robust asset management systems that capture the full the information about the assets enable Council to plan asset renewal programmes and provide for the funding of those renewals as outlined in the asset management plans.

Council started a ten-year condition assessment programme of some of our assets in 2015. We are now over half way through the programme and have a better understanding of the condition of our roading, water, wastewater and stormwater underground assets and now have a more accurate and increased renewals programme particularly for our water main and roading infrastructure assets over the next 10 years. This will ensure that we maintain levels of service.

Whilst we have much more information on the condition of our roading network, we still use expected life expectancy of infrastructure to plan when we undertake renewals. This can result in additional unbudgeted expense and disruption to the service if assets fail before they are due to be renewed based on life expectancy assessments.

In 2018 we included the community facilities and parks and reserves in the Infrastructure Strategy. At this time we acknowledged that the information we held on these facilities was limited, especially in relation to condition information and strategic information. The knowledge gaps that we identified included:

- No understanding of whether they are meeting community needs
- No criteria for what buildings we accept from other parties
- No process for the acquisition or disposal of buildings.
- No comprehensive understanding of the condition (structural, seismic, asbestos and fire risk) of all of our facilities and what is required to bring them up to standard and ensure that health a safer requirements are met.

As a consequence of this we lacked a clear financial picture for both parks and facilities beyond 2028. While there are still some gaps, we have undertaken some work. This includes:

- We have developed a list of priorities for the renewals programme for our playgrounds. We undertook condition assessments of our playgrounds and assessed these against the condition information that we held for these assets. On average, playgrounds have a life expectancy of 15 years. We plan to renew on average, three playgrounds a year.
- We have commissioned an external party to help us develop best practice service levels, map our open spaces and to update our asset inventory.
- We have started undertaking a programme of condition assessments of community facilities. Because there are significant costs involved with undertaking the condition assessments, we have prioritised the order of these by risk. We expect this programme to be complete by 2025.

OPTIONS	IMPLICATIONS
<p>INFRASTRUCTURE IS RENEWED BASED ON LIFE EXPECTANCY.</p>	<p>No cost for condition assessment but costs of replacing assets that fail before they are due to be renewed under life expectancy assessment is usually high. Possible loss of service due to asset failure.</p>
<p>CONTINUE WITH PROGRAMMES OF WORK TO UNDERTAKE CONDITION ASSESSMENT PROGRAMMES FOR WATER, STORMWATER AND FACILITIES. INFRASTRUCTURE RENEWAL IS PLANNED (OPTIMISATION BASED ON INVESTIGATION)</p>	<p>Costs for undertaking condition assessment projects. Optimising the life of the network and optimising the costs associated with renewals. Less costs in the long run. No loss of service for ratepayers.</p>

PREFERRED OPTION: CONDITION ASSESSMENT IS PROGRAMMED FOR ALL INFRASTRUCTURE ASSETS AND INFRASTRUCTURE RENEWAL IS PLANNED (OPTIMISATION BASED ON INVESTIGATION).

ADDITIONAL WORK REQUIRED TO SUPPORT THE PREFERRED OPTION

- Continue with condition assessment programmes.
- Consider biodiversity requirements in land that we are offered.



THEME FOUR: MAINTAINING AND RENEWING OUR INFRASTRUCTURE

ISSUE TEN: LIMITED GUIDELINES FOR THE MINIMUM STANDARD OF RESERVE LAND THAT WE ACCEPT FROM DEVELOPERS.

Another gap that we have identified is that we have limited guidelines for the minimum standard of acceptable developed land that we receive from developers. Often when a residential development occurs, the developer will vest new reserve land with Council. Currently we do not have any explicit guidelines for whether land that we are offered is acceptable or not, particularly in terms of biodiversity offering. This means that in some circumstances the additional reserve land that we take on does not offer of residents the experience that it should. It sometimes means that Council receives undevelopable/leftover land which has limited or doubtful amenity, recreational and/

or biodiversity benefits. We have recently been attempting to hold developers to higher standards of care in proposing reserve lands for Council ownership. However, this has been contingent upon individual officer assessments and is not codified into an adopted Council document outside of a very loose description in the Taupō District Council Code of Practice for Development of Land.

We will develop and implement guidelines with more specific descriptions of acceptable service level provision for proposed reserve land included in new developments. In addition, we are developing a biodiversity strategy that deals with Council owned land. This strategy will deal with biodiversity requirements for new reserve land.

OPTIONS	IMPLICATIONS
DO NOTHING (STATUS QUO)	We will continue to accept reserve land from developers that may not offer residents the experience that it should.
DEVELOP AND IMPLEMENT GUIDELINES FOR PROPOSED RESERVE LAND	There will be a small cost involved with developing the guidelines but will result in higher quality reserve land.

PREFERRED OPTION: CONDITION ASSESSMENT IS PROGRAMMED FOR ALL INFRASTRUCTURE ASSETS AND INFRASTRUCTURE RENEWAL IS PLANNED (OPTIMISATION BASED ON INVESTIGATION).

ADDITIONAL WORK REQUIRED TO SUPPORT THE PREFERRED OPTION

- Continue with condition assessment programmes.
- Consider biodiversity requirements in land that we are offered.
- Explore opportunities for co-management/vesting of reserve land with iwi/hapū

THEME FIVE: RESILIENT INFRASTRUCTURE

ISSUE ELEVEN: THE DISTRICT IS VULNERABLE TO A WIDE RANGE OF EVENTS (INCLUDING NATURAL HAZARDS) THAT COULD CAUSE SIGNIFICANT DAMAGE AND DISRUPTION TO COUNCIL'S SERVICES AT ANY TIME

Council needs to ensure that our infrastructure and our communities are resilient to disruptions to our infrastructure networks, whether it be through a natural hazard, such as flooding and earthquakes, or failures in the network, such as a water main bursting. Resilience can be strengthened by ensuring planning for new and renewed infrastructure is designed to cope with such events. For natural hazards this means taking account of these when planning new or upgrading existing infrastructure. For security of supply, we need to ensure that there are contingencies when there is a failure in the network. An example of this includes the construction of new water storage reservoirs. We are also planning to install burst control valves in our existing reservoirs. This will ensure storage capacity is retained in the event of a significant network failure.

There is also the potential for disruption in supply to customers of essential services due to a component of one of our infrastructure networks failing. For example, there could be serious economic impacts to businesses if there is a disruption to the water supply because many businesses would no longer be able to operate. For example, a water main burst along Lake Terrace in 2019. This burst pipe resulted in the bank along

the shores of Lake Taupō bursting and entering the lake. The footpath then collapsed onto the wastewater main, causing this to break and untreated wastewater entered the lake. A portion of Lake Terrace was closed for several months, which had significant social, cultural, environmental and economic impacts for the district.

An example of issues for iwi/hapū is the potential increase of flooding with climate change and the fact that current practice means flood control stops when Māori land starts and therefore Māori land is more susceptible to flooding.

System failure can happen because loss of power, mechanical or electrical malfunction. It is important to design resilience into the supply of services so if failures occur backup systems can be used, and service can continue. Council needs to ensure security of supply for water especially in areas of growth. A number of water supply reservoirs are planned in the next 30 years to ensure there is security of supply for water.

We also have 55 community housing units. As landlords, it is important that we have contingencies in place if for some reason, tenanted units are affected, damaged or unable to be lived in.

OPTIONS	IMPLICATIONS
ACCEPT THAT WE LIVE WITH THE RISK OF NATURAL HAZARDS THAT MAY CAUSE DISRUPTIONS TO OUR INFRASTRUCTURE NETWORKS	No cost. High risk. Likelihood of disruptions to supply, health and safety as a result of network failures.
PLAN FOR DAMAGE/FAILURES IN INFRASTRUCTURE FROM EVENTS INCLUDING NATURAL HAZARDS AND BUILD IN FEASIBLE CONTINGENCES BASED ON AVAILABLE NATURAL HAZARD AND CLIMATE CHANGE MODELLING.	Some costs but communities will have necessary services in the event of a failure in the network or natural hazard. When we build new infrastructure we include resilience in the project. We do not plan for resilience for large scale natural hazards.
SOLUTIONS SUCH AS ONSITE COMPOSTING SOLUTIONS AND RAINWATER HARVESTING WHICH WILL HELP REDUCE THE IMPACTS OF THESE EVENTS ON OUR INFRASTRUCTURE.	Uptake by the community is likely to be low and not uniform.

PREFERRED OPTION: PLAN FOR NATURAL HAZARDS AND NETWORK FAILURES AND BUILD IN FEASIBLE CONTINGENCES

ADDITIONAL WORK REQUIRED TO SUPPORT THE PREFERRED OPTION

- Continue to obtain information on the extent and likelihood of known natural hazards and how climate change may exacerbate these hazards.

THEME FIVE: RESILIENT INFRASTRUCTURE

ISSUE TWELVE: THE DISTRICT IS VULNERABLE TO CLIMATE CHANGE, WHICH IS LIKELY TO HAVE LONG-TERM IMPACTS ON THE PROVISION OF OUR INFRASTRUCTURE.

The climate is changing. All recent scientific data shows that the globe is warming and this is starting to impact on the climate. As the atmosphere warms, it can hold more moisture – about 7% for every 1°C. What this means long-term is hard to specifically pinpoint, but indications are that rainfall events will worsen, droughts will occur more often and seas will rise. While sea level rise isn't a major concern for the Taupō District (at least from a direct impact standpoint), we need to be acutely aware of what the other impacts might be.

The Ministry for the Environment has released its climate change projections for the next 100 years. Projections for the Waikato region are:

- Temperature - compared to 1995, temperatures are likely to be 0.7°C to 1.1°C warmer by 2040 and 0.7°C to 3.1°C warmer by 2090.
- Rainfall - in Taupō, winter rainfall is projected to increase by 4 to 7 per cent by 2090.
- Wind - the frequency of extremely windy days is likely to decrease by 2 to 3 per cent.
- Storms - future changes in the frequency of storms events are likely to be small. However the ex-tropical cyclones will likely be stronger and cause more damage as a result of heavy rain and strong winds.
- Sea level rise - New Zealand tide records show an average rise in relative mean sea level of 1.7 mm per year over the 20th Century, and further rise is expected in the future.

Climate change has the potential to have significant impacts for local government, especially on our infrastructure. It may also impact tourism which could affect the local economy. Impacts are likely to include:

- Warmer winters. People are likely to enjoy the benefits of warmer winters with fewer frosts. This may have an impact on the ski fields at Mount Ruapehu and winter tourism.
- Hotter summers. This will bring increase water demand. This will impact our drinking water supplies. Hotter summers may also damage elements of transport infrastructure, causing damaged roads, with disruption and repair costs. It may also result in increased algal blooms in Lake Taupō, which may have impacts for our local economy and require additional treatment for our drinking water.
- Flooding: We are likely to experience more frequent, intense winter rainfalls. These are expected to increase the likelihood of rivers flooding which will impact our bridges and culvert. We may also experience flooding if our stormwater networks are overwhelmed.
- River flows: are likely to be lower in summer and higher in winter. Lower river flows in summer will raise water temperatures and aggravate water quality problems (eg, through increased algae growth). This may require additional treatment methods at our drinking water treatment plants.

Because of the increased likelihood of the events, we may find it more difficult to insure our assets against weather related events. This will mean that Council bears the costs of replacing these assets, rather than insurance companies.

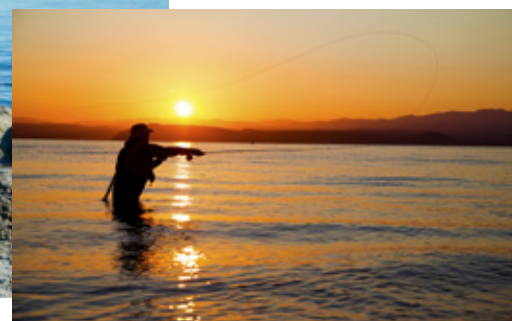
We have started to develop an action plan to look at reducing the emissions that Council generates and also reduce the impacts of climate change on Taupō District Council. This plan includes aspects such as:

- Gas flare at the Broadlands Road Landfill
- We have implemented a Plan Change to the District Plan in relation to flood hazards
- We have introduced electric vehicles to the Council vehicle fleet.

OPTIONS	IMPLICATIONS
<p>ACCEPT THAT WE LIVE WITH THE RISK OF CLIMATE CHANGE AND DISRUPTIONS TO OUR INFRASTRUCTURE NETWORKS</p>	<p>Likelihood of disruptions to supply as a result of network failures or natural hazards.</p>
<p>DEVELOP A PLAN FOR HOW WE WILL DEAL WITH CLIMATE CHANGE.</p>	<p>There will be a cost to develop the plan which can be catered for within existing budgets.</p>

ADDITIONAL WORK REQUIRED TO SUPPORT THE PREFERRED OPTION

- Keep updated on emerging climate change research, modelling and legislative changes.



THEME SIX: PROVIDE FOR THE MĀORI WORLD VIEW

ISSUE THIRTEEN: WE WILL CONSIDER FUNDAMENTAL CONCEPTS SUCH AS TE MANA O TE WAI WHEN MAKING DECISIONS ABOUT OUR INFRASTRUCTURE

Documents such as the National Policy Statement for Freshwater require Council to consider fundamental Maori concepts such as Te Mana o Te Wai.

Te Mana o te Wai is a concept that refers to the fundamental importance of water and recognises that protecting the health of freshwater protects the health and well-being of the wider environment. It protects the mauri of the wai. Te Mana o te Wai is about restoring and preserving the balance between the water, the wider environment, and the community.

The Māori world view considers everything living and non-living to be interconnected. Māori traditionally have their own system of resource management to sustain people and natural resources for the future. For Māori, water is the essence of all life, akin to the blood of Papatūānuuku (Earth mother) who supports all people, plants and wildlife. Rivers are valued as a source of spiritual, physical, and mental well being and provide important mahinga kai, cultural materials, as access routes and a means of travel, and for their proximity to important wāhi

tapu, settlements or other historic sites. Indicators of the health of a river system (such as uncontaminated water and species gathered for food, continuity of flow from mountain source to the sea) can provide a tangible representation of its mauri. Water is a connector from the tangible to the intangible, and has pride of place as both tapu, sacred, and noa, normal.

There are issues where some our existing infrastructure, which was established decades ago, did not recognise the Māori world view which resulted in significant cultural, social and economic disparities for Māori communities. For example, our wastewater treatment plant at Turangi discharges wastewater to water. This goes against the concept of Te Mana o te Wai and is considered offensive and therefore continues to be strongly opposed by iwi/hapū. We are investigating how we can discharge this wastewater to land in the future and acknowledge the importance of engagement with local iwi/hapū to achieve improved environmental and cultural solutions. While options may come at considerable cost, it is the right thing to do.

As we engage more effectively with with Iwi/hapū in the future, there will be increased expectations to consider the Māori world view as well as more accountability for how Council decision making reflects iwi/hapū.

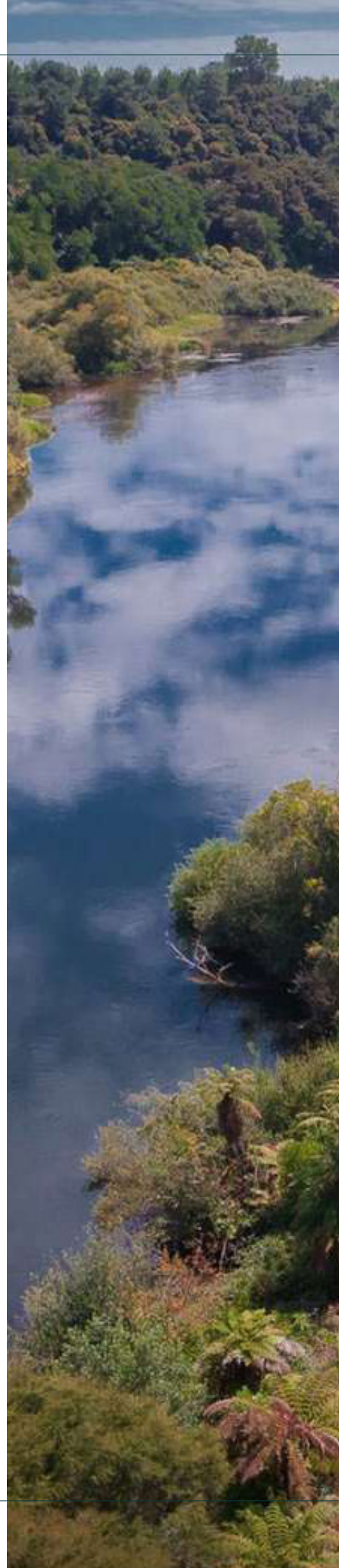
OPTIONS	IMPLICATIONS
<p>A STRONGER COMMITMENT TO RECOGNIZING AND REFLECTING MĀORI WORLD VIEW IN ALL FUTURE INFRASTRUCTURE PLANNING THAT CONSIDERS IWI/HAPŪ CULTURAL, SOCIAL AND ECONOMIC GROWTH ASPIRATIONS</p>	<p>There will be significant cost implications to providing, improving and moving some infrastructure. We will have to prioritise and stagger these so that they are affordable.</p>
<p>DO NOTHING</p>	<p>We will not recognise the Māori world view</p>

FINANCIALS

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

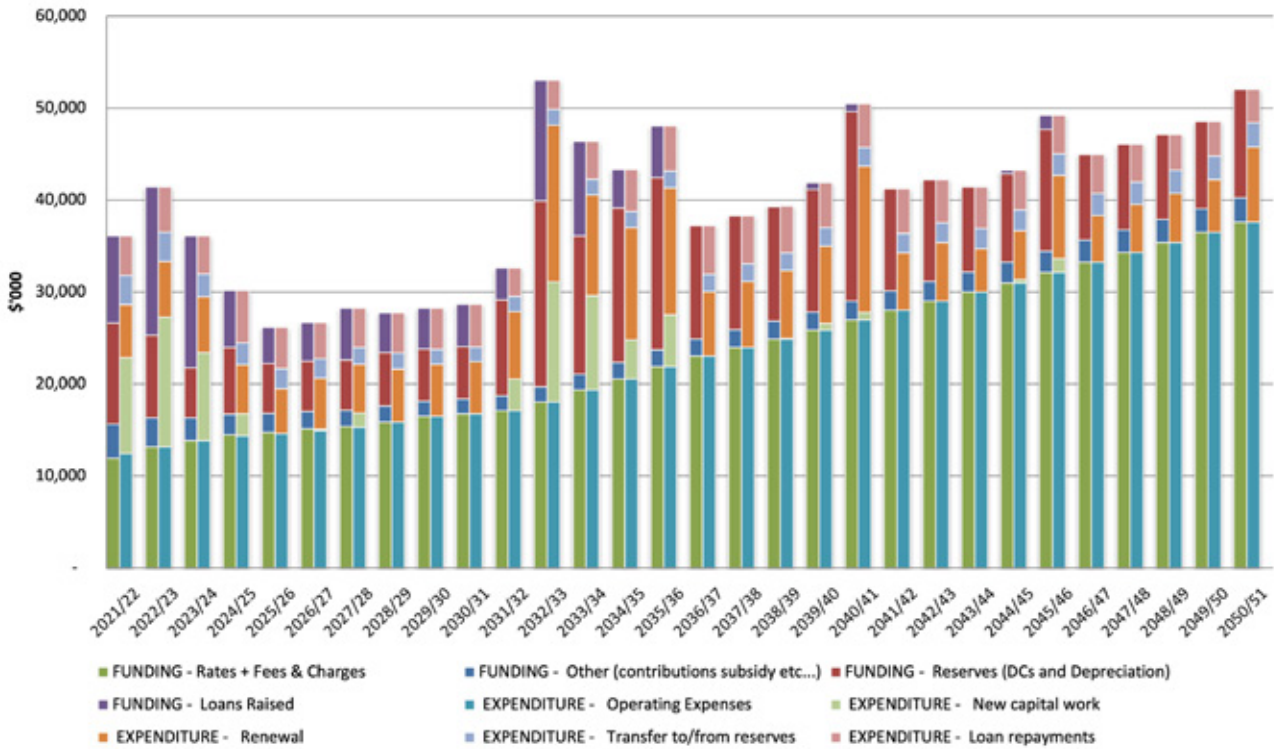
- Levels of service are largely maintained at current levels.
- The need to increase standards for wastewater treatment as resource consents expire.
- The need to increase standards for water treatment to meet the requirements of the Drinking-Water Standards for New Zealand.
- Modest growth is likely until around 2038 when population will decline, with increasing population of older residents.
- More reliable forecasts of renewal profiles for underground assets will continue as more asset condition is acquired. Tables and graphs below allow for inflation projections that are in line with those forecast by BERL for LGCI over the 30 years.
- Funding gap in transportation is unfunded depreciation representing the NZTA subsidy on renewals.

The financial projections are shown in for the 30 years except for parks and reserves and facilities which are for 10 years. The total projected spend over the next 30 years for water, wastewater, stormwater, solid waste and transportation and for 10 years for parks and reserves and facilities are outlined in the following graphs.

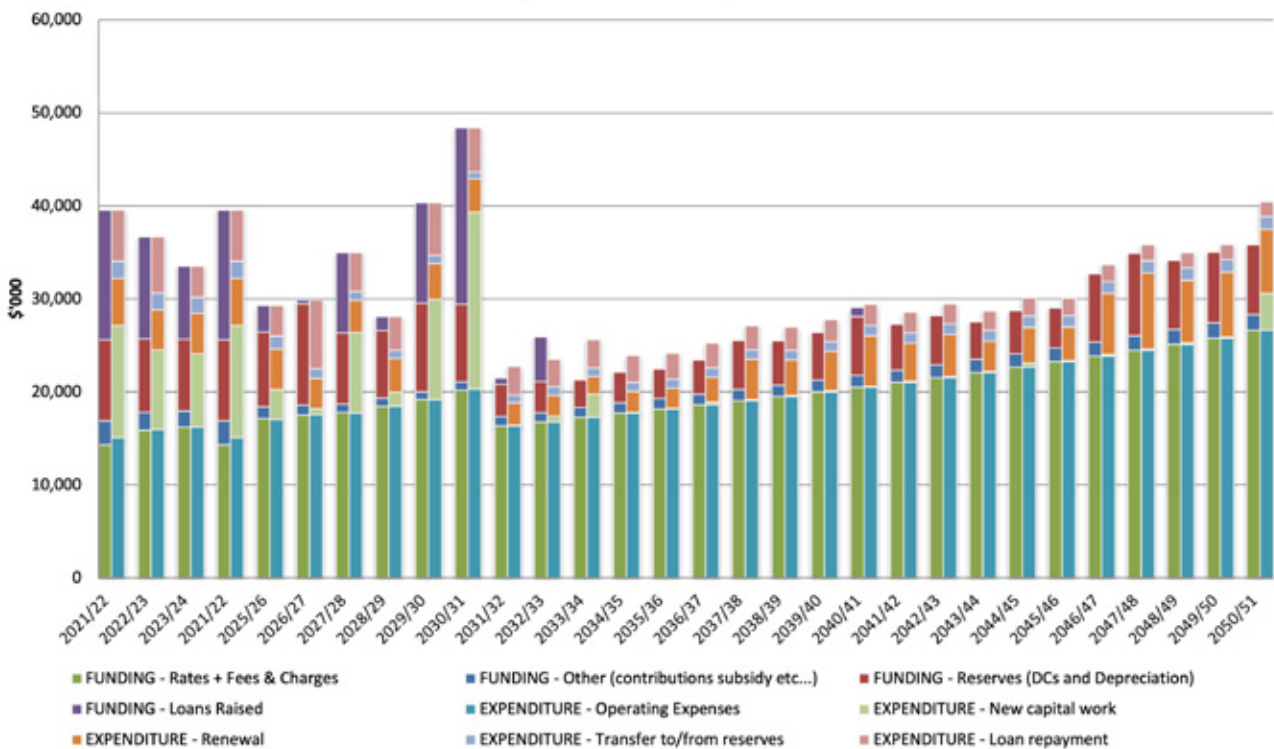




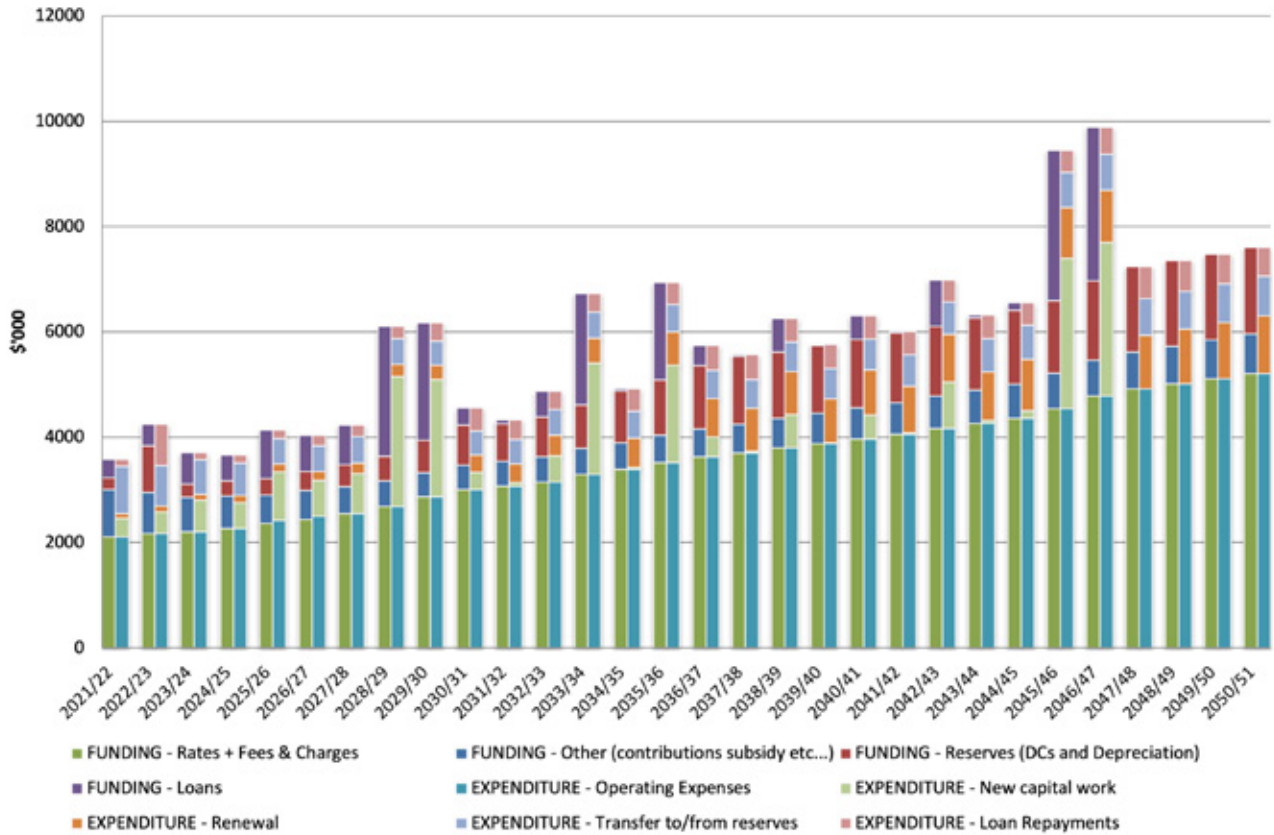
Water Funding and Expenditure (Inflated values)



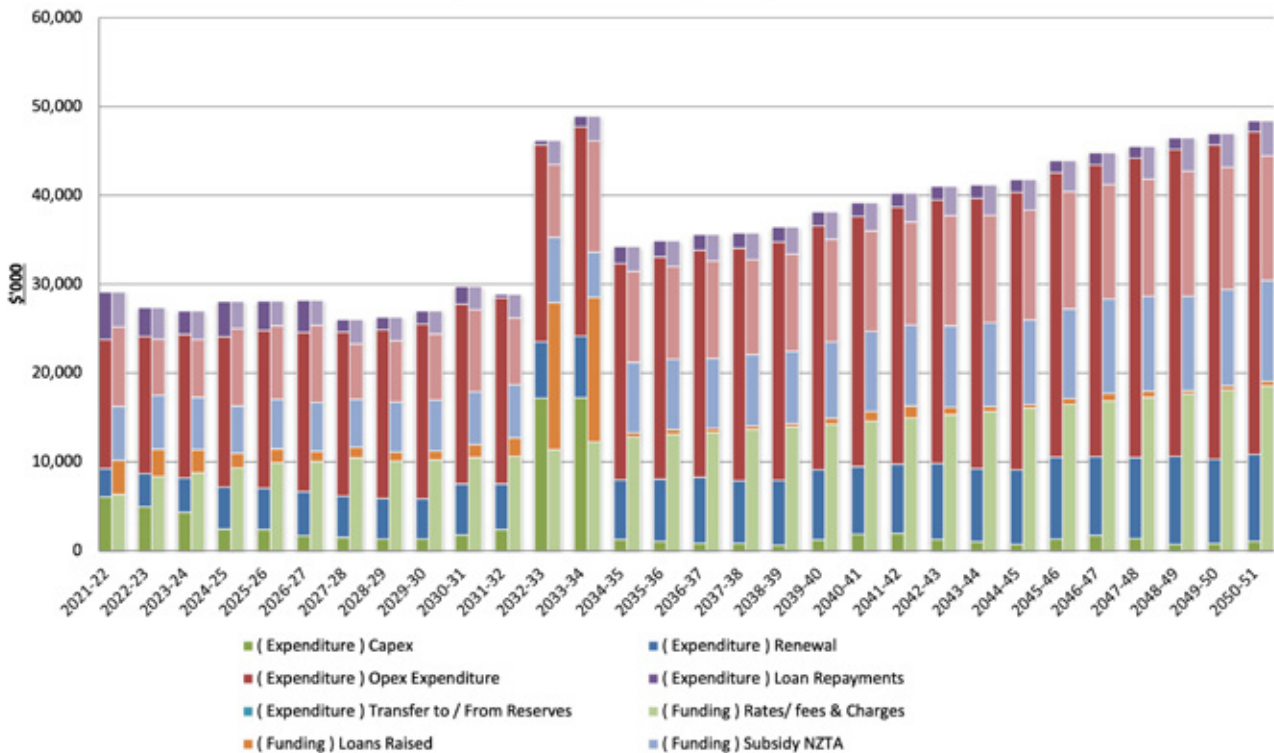
Wastewater Funding and Expenditure (Inflated values)



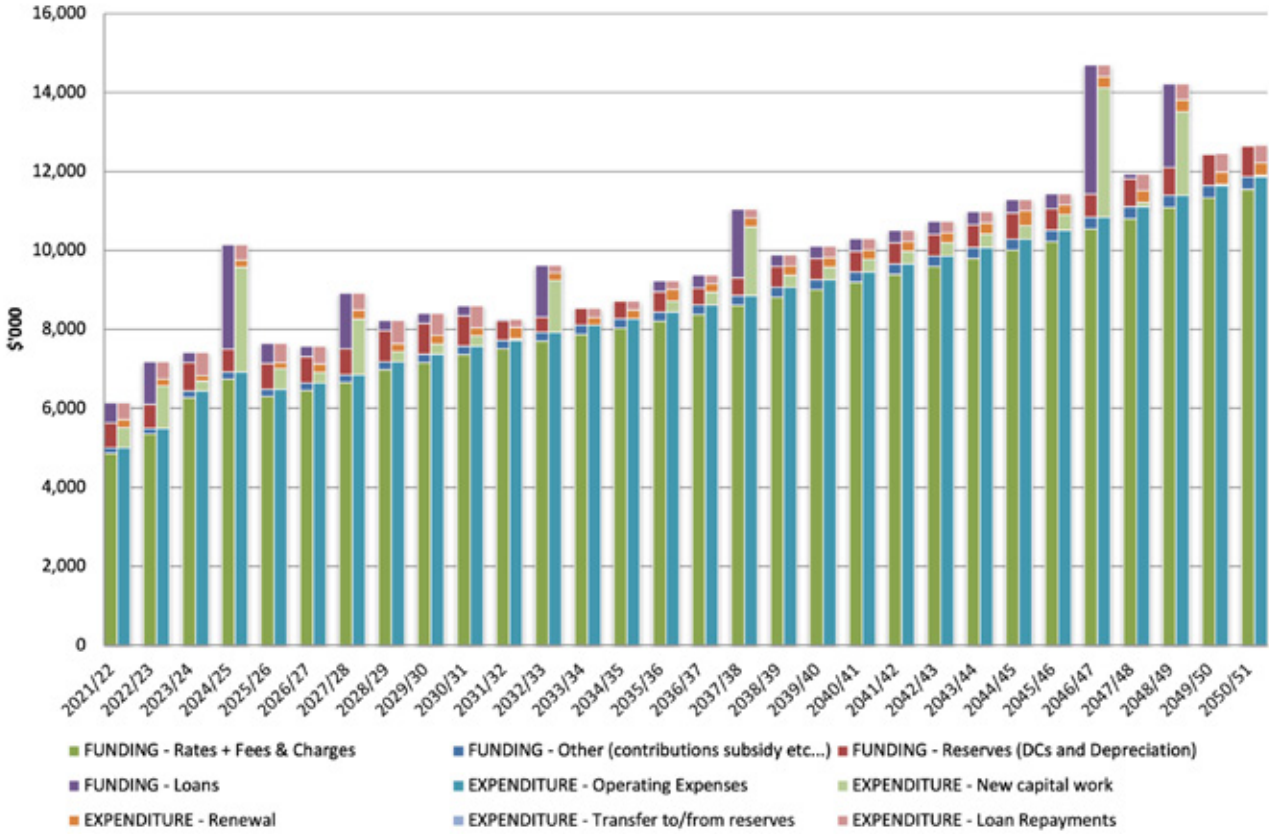
Stormwater Funding & Expenditure (Inflated values)



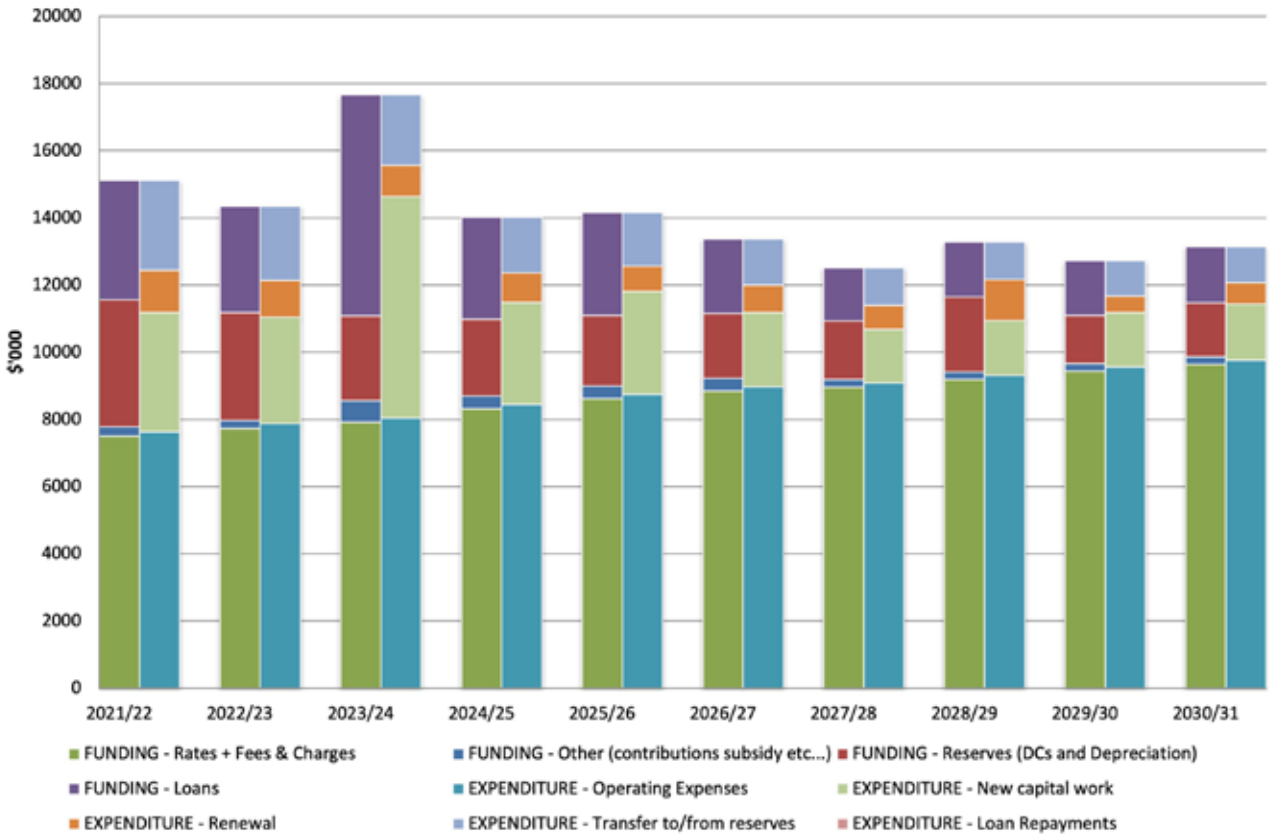
Transportation Funding & Expenditure



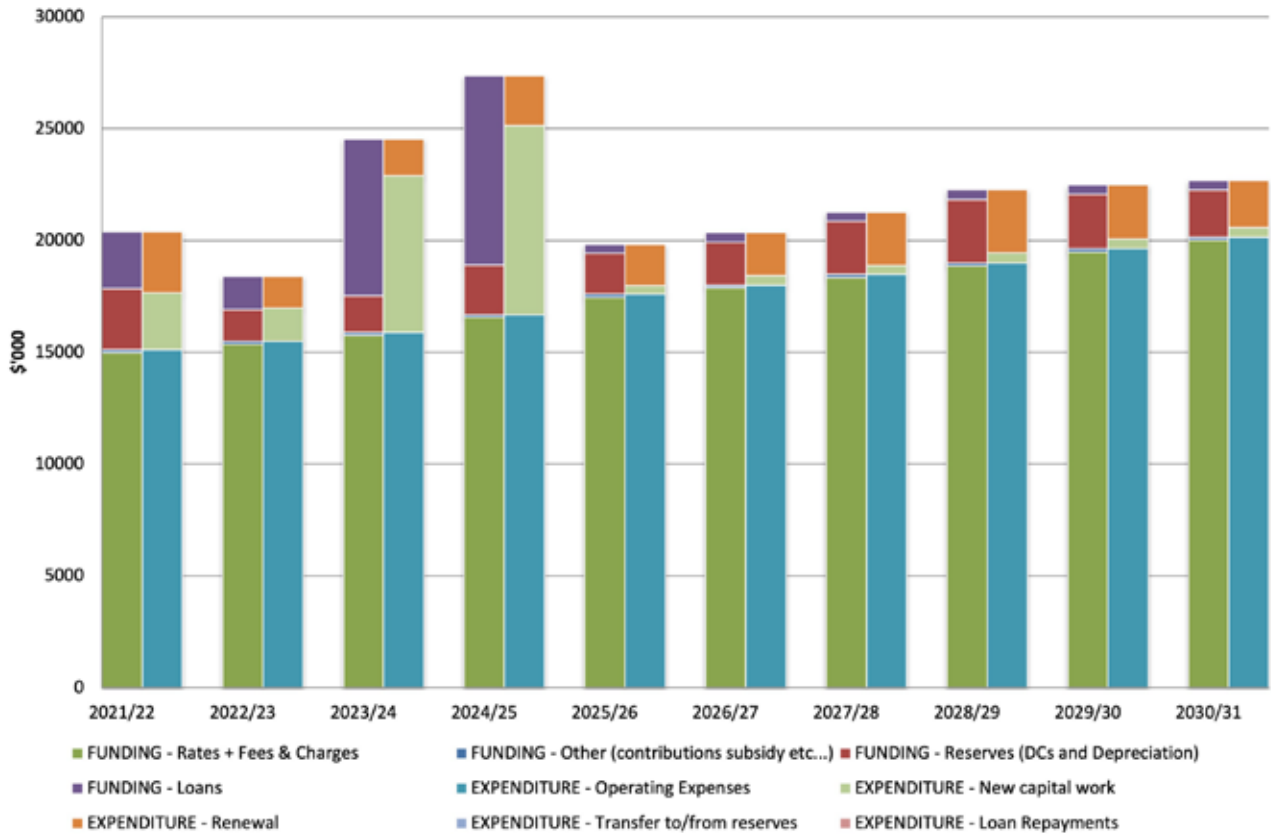
Solid Waste Funding & Expenditure (Inflated values)



Parks & Reserves Funding & Expenditure (Inflated values)

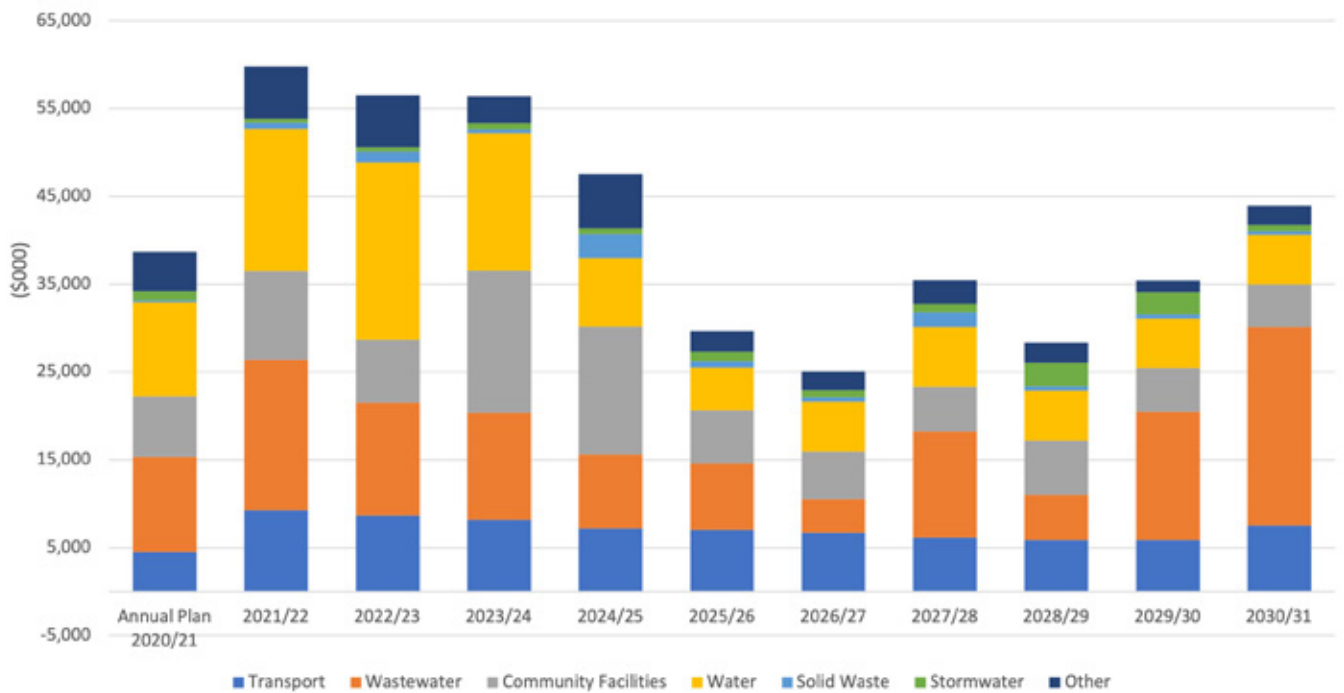


Community Facilities Funding & Expenditure (Inflated values)



THE GRAPH BELOW ILLUSTRATES THE PROPOSED CAPITAL AND RENEWAL EXPENDITURE FOR EACH GROUP OF ACTIVITIES OVER THE FIRST 10 YEARS OF THE PLAN

Capital Expenditure by Activity



CAPITAL EXPENDITURE BY ACTIVITY 2051-31

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

12. SIGNIFICANT PROJECTS

This section outlines the significant decisions about capital expenditure that we expect will have to be made, when we expect to make them, the principal options that we expect to consider and the extent of the costs involved with each decision.

For each project we have identified where the project is required to maintain or increase level of service (LOS), to cater for growth

(Growth) or is a renewal (renewal). This classification has not been completed for projects beyond ten years (2031 onwards). The values included in the tables below have been inflated consistent with BERL LGCI predictions.

We have identified the significant decisions about capital expenditure by identifying the capital projects that we believe will have high community interest. They are:

WATER

PROJECT	GROWTH/ LOS/ RENEWAL	PRINCIPAL OPTIONS	IMPLICATIONS	CAPITAL COST AND WHEN PROJECT WILL OCCUR	WHEN THE DECISION WILL BE MADE
STRENGTHENING OF WATER RESERVOIRS IN TAUPŌ	LoS	Strengthen reservoirs OR do not.	Protection of the water network in an earthquake.	\$4.1 million	Prior to 2034/25

WASTEWATER

PROJECT	GROWTH/ LOS/ RENEWAL	PRINCIPAL OPTIONS	IMPLICATIONS	CAPITAL COST AND WHEN PROJECT WILL OCCUR	WHEN THE DECISION WILL BE MADE
TURANGI WASTEWATER DISPOSAL SYSTEM IMPROVEMENTS	LoS	Improve the wastewater system OR do not improve the wastewater system.	Compliance with resource consent conditions and consideration of cultural values	\$20 million	Through the development of the 2027/37 LTP
TAUPŌ WASTEWATER IRRIGATION EXPANSION	LoS	Improve the wastewater system OR do not improve the wastewater system.	Compliance with resource consent conditions and consideration of cultural values	\$17.5 million	Through the development of the 2027/37 LTP

STORMWATER

PROJECT	GROWTH/ LOS/ RENEWAL	PRINCIPAL OPTIONS	IMPLICATIONS	CAPITAL COST AND WHEN PROJECT WILL OCCUR	WHEN THE DECISION WILL BE MADE
NIL					

TRANSPORT

PROJECT	GROWTH/ LOS/ RENEWAL	PRINCIPAL OPTIONS	IMPLICATIONS	CAPITAL COST AND WHEN PROJECT WILL OCCUR	WHEN THE DECISION WILL BE MADE
SECOND BRIDGE CROSSING	Growth	Build a new bridge, or implement measures to reduce traffic going across the bridge	Delays in travel times	\$390,000	Before 2032/33

FACILITIES AND PARKS AND RESERVES

PROJECT	GROWTH/ LOS/ RENEWAL	PRINCIPAL OPTIONS	IMPLICATIONS	CAPITAL COST AND WHEN PROJECT WILL OCCUR	WHEN THE DECISION WILL BE MADE
TURANGI RECREATION AND ACTIVITY CENTRE	LoS	Build a new facility OR do not build a new facility	Cost, community well being	\$15.9 million	Consultation with the community on the Long-term Plan 2021-31

SOLID WASTE

PROJECT	GROWTH/ LOS/ RENEWAL	PRINCIPAL OPTIONS	IMPLICATIONS	CAPITAL COST AND WHEN PROJECT WILL OCCUR	WHEN THE DECISION WILL BE MADE
BROADLANDS ROAD NEW CELL	LoS	Build new cell OR transport waste out of the district.	Transport costs, resource consent considerations	\$1.1 million	Between 2024 and 2027 through the development of future Waste Minimisation and Long-term Plans

13. FUTURE INFRASTRUCTURE STRATEGIES

This infrastructure strategy has improved on our previous infrastructure strategy by including issues for and 10 year financial information for facilities and parks and reserves activities. Further improvement of future infrastructure strategies is required to outline the complete picture for Council's infrastructure assets. This will enable us to plan for more effective long term management of this infrastructure in the future.

We will gather more information over the course of this strategy so we can undertake the following improvements in our next infrastructure strategy:

- Continued development of parks and facilities financial

information so it can be included in the next 30 year infrastructure strategy.

- Development of a section on critical assets to identify our critical assets and how we are going to manage them.
- Work towards providing indicative operational costs for the projects identified in the significant decisions about capital expenditure section.
- Consider including assets within Council's investment portfolio, such as forestry and property.

SUMMARY OF SIGNIFICANCE AND ENGAGEMENT POLICY

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

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

The policy identifies that there are multiple opportunities for Council and communities to engage on issues. Sometimes it is important to involve people at the start of a process to help identify the scope of an issue, while other times we are more

focused on getting feedback on a range of potential solutions. Council's decisions on when and how to engage are informed by a series of criteria in the policy. Importantly, there may also be times when Council chooses not to engage on matters, for example there may be issues of confidentiality or the matter may have already been addressed through existing policies and plans.

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

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





COUNCIL CONTROLLED ORGANISATIONS

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

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

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

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

Please note that the following information has been taken from the draft 2021/22 Statements of Intent. The final Statement of Intent will be adopted by Council July 2021 and can be found on our website taupo.govt.nz.

LOCAL GOVERNMENT FUNDING AUTHORITY LIMITED

Significant policies and objectives in relation to ownership and control.

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

- Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent;
- Be a good employer;
- Demonstrate social, economic, environmental and cultural responsibility;
- Maintain strong and sound corporate governance;
- Set and model high standards of ethical behaviour; and
- Operate in accordance with sound business practice.

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 CCOs 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 Councils and CCOs that enter into all the relevant arrangements with it (such Councils being "Participating Local Authorities" and such Councils and CCOs being "Participating Borrowers") and comply with the LGFA's lending policies.

In lending to Participating Borrowers, LGFA will:

- Operate in a manner to ensure LGFA is successful and sustainable in the long-term;
- Educate and inform Participating Local Authorities on matters within the scope of LGFA's operations;
- Provide excellent service to Participating Borrowers;
- Ensure excellent communication exists and be professional in its dealings with all its stakeholders; and
- Ensure its products and services are delivered in a cost-effective manner.

KEY PERFORMANCE TARGETS

Performance targets

LGFA has the following performance targets:

LGFA's total operating income for the period to:

- 30 June 2022 will be greater than \$18.7 million.

- 30 June 2023 will be greater than \$24.2 million.
- 30 June 2024 will be greater than \$27.6 million.

LGFA's annual issuance and operating expenses (excluding AIL) for the period to:

- 30 June 2022 will be less than \$7.0 million.
- 30 June 2023 will be less than \$7.2 million.
- 30 June 2024 will be less than \$7.4 million.

Total lending to Participating Borrowers² at:

- 30 June 2022 will be at least \$12,874 million.
- 30 June 2023 will be at least \$13,291 million.
- 30 June 2023 will be at least \$13,578 million.

Conduct an annual survey of Participating Borrowers who borrow from LGFA and achieve at least an 85% satisfaction score as to the value added by LGFA to the borrowing activities

Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.

Achieve 80% market share of all council borrowing in New Zealand

Review each Participating Borrower's financial position, its headroom under LGFA policies and arrange to meet each Participating Borrower at least annually.

No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.

Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.



DESTINATION GREAT LAKE TAUPŌ

Destination Great Lake Taupō (DGLT) is a Council Controlled Organisation (CCO) for the purposes of the Local Government Act 2002. It has no subsidiaries and is a not-for-profit organisation.

DGLT is governed by a Board appointed by the Taupō District Council (TDC) under the Trust Deed (6 September 2010) establishing the CCO. DGLT is funded largely by a grant from TDC, on behalf of Taupō District ratepayers, along with industry and partnership contributions to various marketing initiatives.

While DGLT's core focus is to promote the destination to attract more visitors, encourage them to stay longer and spend more, the organisation has an increasing advocacy and leadership role around management and development of the destination. Recognising the growing importance of sustainability, it is essential tourism not only brings benefit to the local economy but does so in a way that preserves and enhances our environment, our culture and local community whilst delivering an exceptional world class experience for our visitors.

TAUPŌ DISTRICT TOURISM STRATEGY – KEY OBJECTIVES AND ACTIVITIES FOR 2021

Following the impacts of Covid-19, the DGLT Board has reviewed the organisations strategic direction, our operational priorities and the resources required to meet our objectives for the next 12 months. As a result, it is critical that DGLT's activity is highly focussed on the key activities that will make a difference to the tourism sector and our regional economy as we continue to negotiate the challenges of Covid-19.

It needs to be remembered that the two purposes of the Trust and therefore DGLT are:

- To promote the Taupō District as a leading tourism and visitor destination by promoting our tourism and visitor attractions.
- Support, promote and assist in activities and projects which will increase the opportunities for employment in the tourism and visitor sector within the Taupō District.

Our key priorities are:

- To grow the value of our local tourism economy through targeted marketing activity that attracts high value domestic and international visitors (once borders reopen), who disperse across our region and actively share their experience with others.
- To work with local iwi, government agencies and local stakeholders to develop a sustainable destination management plan which will outline a tourism vision for the future growth, preservation, and development of the Taupō District.
- Assist our local tourism industry to leverage campaign opportunities, build capability and support them to deliver an exceptional visitor experience across the entire customer journey.
- To operate an efficient and effective regional tourism organisation which delivers an excellent ROI for all stakeholders.

KEY PERFORMANCE MEASURES

OBJECTIVE 1 – GROW THE VALUE OF THE LOCAL TOURISM ECONOMY.

STRATEGIC PRIORITY PROJECT	DATA SOURCES	BASELINE DATA	YE 2021-22	YE 2022-23	YE 2023-24
GROWTH IN TOURISM EXPENDITURE	Monthly Regional Tourism Estimates (MRTE's) Tourism Electronic Card Transactions (TECT's) (See below for explanation on use of this new dataset.)	MRTE YE Jun 20: \$612M (-10%) Total expenditure including domestic and international spend TECT YE Dec 20: Domestic Spend only \$303 M (+9%) vs NZ -2%	Maintain domestic spend	Maintain domestic spend	Maintain domestic spend

OBJECTIVE 2 – SUSTAINABLY MANAGE AND DEVELOP THE DESTINATION TO CREATE A 'DESTINATION OF EXCELLENCE'

STRATEGIC PRIORITY PROJECT	DATA SOURCES	BASELINE DATA	YE 2021-22	YE 2022-23	YE 2023-24
DEVELOP A DESTINATION MANAGEMENT STRATEGY ENSURING THE BALANCE OF ECONOMIC GROWTH WITH THE SOCIAL, CULTURAL AND ENVIRONMENTAL WELL-BEING OF THE COMMUNITY.	Quarterly meetings of Te Ihirangi Leadership Advisory Group Grow industry capability. Product Development Social license - connect with residents.	Development of Te Ihirangi Destination Management Plan Industry workshops Product Audit to identify product gaps. Identify and support growth opportunities. Annual Community Sentiment Survey, brand and community workshops.	Ongoing Minimum 4 per year Ongoing Ongoing	Complete Minimum 4 per year Ongoing Ongoing	Implementation Minimum 4 per year Ongoing Ongoing

OBJECTIVE 3 - RUN AN EFFICIENT AND EFFECTIVE REGIONAL TOURISM ORGANISATION, STRONGLY SUPPORTED BY THE LOCAL TOURISM INDUSTRY.

STRATEGIC PRIORITY PROJECT	DATA SOURCES	BASELINE DATA	YE 2021-22	YE 2022-23	YE 2023-24
SUPPORT FOR DGLT MARKETING INITIATIVES	Measured by free of charge, in-kind or advertising support for marketing and famils activity. Participation in DGLT hosted activities.	2019/20: YE June: \$83,000	\$40,000	\$40,000	\$40,000
STAKEHOLDER SATISFACTION.	Annual Industry Survey	2020: 76%	80% Industry satisfaction	80%	80%



WAIKATO LOCAL AUTHORITY SHARED SERVICES (WCLASS)

NATURE AND SCOPE

WCLASS is owned in equal portion by the 12 Waikato local authorities:

- Hamilton City
- Hauraki District
- Matamata-Piako District
- Otorohanga District
- Rotorua Lakes
- South Waikato District
- Taupō District
- Thames-Coromandel District
- Waikato District
- Waikato Regional
- Waipa District
- Waitomo District

It was established in 2005 as a vehicle through which these councils could collaborate and identify opportunities for undertaking activity on a shared basis. More recently, shareholders embarked on a transformation of the company.

The purpose of that transformation was to move the company to a true service delivery agent for, and strategic partner of, the councils. The structural changes of that transformation were completed in late 2019 and bedded-in throughout 2020.

KEY OBJECTIVES

Our specific objectives:

- Achieve effectiveness and efficiency gains
- Reduce duplication of effort and eliminate waste through repetition
- Promote and contribute to the development of best practice
- Make it easier for communities to engage with councils in the Waikato region on a consistent basis
- Promote business transformation to improve communities' experiences
- Enable the Waikato councils to collectively be more effective as a region on the national stage
- Contribute to building central government's confidence in the Waikato region, and to encourage central government investment

KEY PERFORMANCE MEASURES

PRIORITY	PERFORMANCE MEASURE	TARGET
PRIORITISE AND DEVELOP BUSINESS CASES FOR OPPORTUNITIES THAT, IF IMPLEMENTED, ADD VALUE TO COUNCILS BY ACHIEVING ONE OR MORE OF OUR OBJECTIVES	Business cases will include measurable benefits linked to one or more of the outcomes sought Businesses cases are supported by councils (evidenced by take up of the opportunity)	Projected savings/increased revenue to councils of at least \$300k 75% of councils
DEVELOP OPPORTUNITIES AND DELIVER PROJECTS WITHIN AGREED BUDGETS AND TIMELINES	Opportunities / projects are developed / delivered within agreed timelines Opportunities / projects are developed / delivered, within approved budget Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval	80% 90%
ENSURE PROJECTS REALISE THEIR EXPECTED BENEFITS	Measurable benefits are actively monitored and reported against Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	Six-monthly For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Within 15 months 90% of projected quantifiable benefits are
ENSURE EXISTING SERVICES ARE MEETING THE NEEDS OF COUNCILS	The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey): o RATA – roading & waters o Waikato Building Cluster o Regional Infrastructure Technical Specifications o Energy & Carbon Management o Professional Services Panel o Health & Safety pre-qualification	80% of councils
FOSTER AND PROMOTE CROSS-COUNCIL COLLABORATION AND NETWORKING TO SHARE IDEAS ON IMPROVING EFFICIENCIES AND BEST PRACTICE	Across these groups, ideas for future consideration and/or initiatives are identified each year	Four per annum

BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES (BOPLASS)

NATURE AND SCOPE

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

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

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

OBJECTIVES

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

These will be achieved primarily through:

Joint Procurement

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

Shared Services

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

PERFORMANCE TARGETS

TARGET	HOW	MEASURE
ENSURE SUPPLIER AGREEMENTS ARE PROACTIVELY MANAGED TO MAXIMISE BENEFITS FOR BOPLASS COUNCILS	Manage and/or renegotiate existing contracts.	Contracts reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
INVESTIGATE NEW JOINT PROCUREMENT INITIATIVES FOR GOODS AND SERVICES FOR BOPLASS COUNCILS.	BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually
FURTHER DEVELOP AND EXTEND THE COLLABORATION PORTAL FOR ACCESS TO, AND SHARING OF, PROJECT INFORMATION AND OPPORTUNITIES FROM OTHER COUNCILS AND THE GREATER LOCAL GOVERNMENT COMMUNITY TO INCREASE BREADTH OF BOPLASS COLLABORATION.	Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils	Number of listed projects to increase by 5% per year. Number of active users to increase by 10% per year.
COMMUNICATE WITH EACH SHAREHOLDING COUNCIL AT APPROPRIATE LEVELS	Meeting with members of Executive Leadership Team.	At least one meeting per year.
ENSURE CURRENT FUNDING MODEL IS APPROPRIATE	Review BOPLASS expenditure and income and review council contributions and other sources of funding.	Performance against budgets reviewed quarterly. Company remains financially viable
IDENTIFY OPPORTUNITIES TO COLLABORATE WITH OTHER LASS IN PROCUREMENT OR SHARED SERVICE PROJECTS WHERE ALLIANCE PROVIDES BENEFITS TO ALL PARTIES	BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.



THE LAKE TAUPŌ PROTECTION TRUST

The Settlers of the Lake Taupō Protection Project are Taupō District Council (TDC), Waikato Regional Council (WRC), and the Crown acting through the Lake Taupō Protection Project Joint Committee (the Joint Committee) together with representatives from Ngati Tuwharetoa.

The Settlers identified that water quality in Lake Taupō was declining and agreed to establish a charitable Trust (The Lake Taupō Protection Trust) with the objective of achieving a 20% permanent reduction of the manageable nitrogen entering Lake Taupō through the application of the public fund.

The Lake Taupō Protection Project (the project) was constituted on 9th February 2007. Six trustees were appointed by the Joint Committee through a publicly notified process to oversee the work of the Trust. A few years later the Joint Committee appointed two additional trustees to provide for succession planning.

The Trust achieved the contracted nitrogen (N) reduction target of 170,300 kgs in 2015 which was a tipping point for the project - four years earlier than predicted, and ahead of budget which coincided with the retirement of four trustees; staff reduced from two to one. Some parties the Trust acquired N credits from had future dated on farm N reductions to make and they completed at the end of the 2018 calendar year.

In April 2015, a Monitoring Deed was introduced to address future monitoring requirements for the project. Stemming from the Monitoring Deed are the Taupō Catchment Compliance Monitoring Plan, the Lake Taupō Catchment Compliance Framework, and Communications Plan. Performance against the plan actions is reported to the Joint Committee by the relevant partner agencies which includes the Trust.

In 2018, a review of the Monitoring Deed resulted in the parties entering a Deed of Variation which provided for the addition of Ngati Tuwharetoa Maori Trust Board as a signatory party effective 1 July 2018. The additions to the Monitoring Deed included minimum reporting requirements for consent compliance and communications and a requirement for the Trust to report to the Joint Committee on any monitoring activities planned or undertaken in relation to nitrogen reduction agreements.

The Joint Committee confirmed in 2018 an extension to the 'term' of the project from 30th June 2019 to 30th June 2021 to allow time for project transition planning to complete. The 'term' of trustee's appointments was also extended to align with the timeline of 30 June 2021.

OBJECTIVES

- The Trust will operate in alignment with the Trust and Monitoring Deeds, this Statement of Intent, annual operating targets and in compliance with the provisions applicable to it under the Local Government Act.

- The Trust will report the cash flow projection to the Joint Committee.
- Continue to administer nitrogen reduction agreements for compliance.
- Continue to undertake responsibilities identified for the Trust under the approved Taupō Catchment Compliance Monitoring Plan and generally support the operation of that Plan with other joint parties including the Trust's support of the Lake Taupō Protection Project's Communication Plan.

NATURE AND SCOPE OF ACTIVITIES

The nature and scope of activities for the year 01 July 2021 to 30 June 2022 are:

Fund Management:

- Review the Trust's Treasury Policy, Delegation, and Sensitive Expenditure Policies by June 2022 and implement the policy requirements throughout the ensuing financial year.

Future Direction:

- All policies and operations will be reviewed to match the different and ongoing responsibilities of the Trust.
- Maintain relationships with all contracted parties and with major partners to ensure any issue of contention is proactively settled.
- Where necessary take appropriate action to remedy any contractual failure by any party to reduce Nitrogen.
- Continue to work with key agencies supporting the overall aims of the project; continue to liaise with Waikato Regional Council to consider ways that monitoring can be carried out effectively and efficiently and support the delivery of the Lake Taupō Catchment Compliance Framework Plan as required by the Monitoring Deed.

Administration:

- Report six-monthly to the Joint Committee on progress, both financial and qualitative.
- Budgetary Parameters
- The Trust will operate within the budgetary parameters set within the approved annual budget and any approved cash flow projection.

ACCOUNTING POLICIES

The accounting policies of the Trust will comply with 'generally accepted accounting practice' (as defined in the Local Government Act 2002). The financial statements of the Trust are prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practices NZ GAPP, and NZ IFRS standards.

PERFORMANCE TARGETS

The following high line governance performance objectives are:

ACTIONS	PERFORMANCE MEASURES
Oversee the financial position of the Trust to meet and maintain a positive cash flow projection.	Cash Flow Projection in place, updated and reported to Trustees quarterly; and Trust operations performed to achieve a positive financial outcome.
Ensure that all nitrogen reduction agreements are being complied with to achieve the overall Nitrogen reduction target of 170,300 kgs and where relevant in conjunction with Waikato Regional Council.	Nitrogen reduction agreements are compliant; any contractual failure is addressed and if relevant, to achieve repatriation of any loss of nitrogen.
Process all incoming correspondence relating to the nitrogen reduction agreements in a timely manner.	No complaints received because of time delays.
Monitor/track that compliance monitoring results are received from Waikato Regional Council on an ongoing basis for Nitrogen reduction agreements.	Monitoring compliance results are received in accordance with monitoring plan timelines; are reported to trustees and results provided to Audit NZ for audit purposes.
Participation and assistance in the annual audit of the Trust.	Positive audit result
Report the cash flow projection to the Joint Committee (to show the ability of the project to operate within budget).	Cash flow projection reported to the Joint Committee before balance date.
Carry out Trust responsibilities identified in the Taupō Catchment Compliance Monitoring Plan and provide support in the operation of the plan with other joint parties which includes the Trust's support of the Lake Taupō Protection Project's Communication Plan.	Trust actions completed and the Taupō Catchment Compliance Monitoring Plan is supported on an ongoing basis.
Provide ongoing support as required in the operation of the Lake Taupō Catchment Compliance Framework.	Support provided as required to achieve the aims of the Lake Taupō Catchment Compliance Framework.
Keep the Joint Committee up to date with any planned or proposed monitoring activities in relation to the nitrogen reduction agreements as prescribed in the Deed of Variation - Schedule of Changes.	Joint Committee up to date with any Trust monitoring activities undertaken or proposed by way of quarterly reporting.
Keep up to date with the Regional Plan through Waikato Regional Council staff as it relates to the Taupō Catchment to ascertain any impacts on the Nitrogen reduction agreements.	The Nitrogen reduction agreements not compromised because of any review or application of the Regional Plan.
Continue to liaise with Waikato Regional Council staff regarding their use of OverseerFM to ensure there are no impacts that may affect the Nitrogen reduction agreements.	Trustees are kept up to date with any OverseerFM issues that may impact Nitrogen reduction agreements.
Build relationships and work with staff from the partner organisation (that will host the Trust's staff position) for the provision of services identified in the Service Level Agreement (SLA).	The provision of services through the SLA are delivered on time and fulfill Trust requirements.



TAUPŌ AIRPORT AUTHORITY

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 General Manager of the Airport, who reports to the Chief Executive Officer of the Taupō District Council

OBJECTIVES

The Taupō Airport will be:

- A destination in its own right
- A vibrant hub for commercial business
- An experience that is authentic and efficient
- A service delivered for the community

HOW WILL WE GET THERE?

- Infrastructure development
 - Terminal
 - Parking
 - Airport hub environment (look & feel)
- Commercial land development
 - Airside/Aeronautical
 - Landside
- Growth of tourism product
- Increased commercial passenger numbers
- Relationship management
- Strong governance and strategic business planning

Taupō is one of a handful of regional towns in NZ currently experiencing both economic and demographic growth. Taupō Airport, built in 1963, provides a complimentary mix of aviation and commercial activities. This includes scheduled passenger transport services, general aviation, skydiving adventure operations, scenic flights, agricultural aviation operations as well as non-aviation commercial and retail offerings.

PERFORMANCE TARGETS

- (a) To maintain facilities so as to avoid any diversion or cancellation of scheduled flights other than for weather or airline problems.
- (b) The airport will be operated in such a way as to continue to hold CAA Part 139 and part 100 certification.
- (c) The airport will manage health and safety risks and provide a safe and healthy environment for everyone affected by the activities of TAA including employees, customers, tenants, contractors and visitors.
- (d) That TAA will be self-funding in terms of its own cash flow.
- (e) TAA will evaluate and redefine its governance structure, to be more in line with industry best practice.
- (f) TAA will investigate and implement action points as per the airport master plan, with the aim of increasing growing demand for general aviation facilitation.

TAA shall continue to review its performance targets to reflect the future growth and development of its services and operations.

To the reader:

Independent Auditor's report on Taupō District Council's 2021-31 long-term plan

I am the Auditor-General's appointed auditor for Taupō District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 29 June 2021.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 32 to 35 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

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

Emphasis of Matters

Without modifying our opinion, we draw attention to the following disclosures.

Uncertainty over three waters reforms

Page 108 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The plan was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based.

Uncertainty over the delivery of the capital programme

Page 106 outlines that the Council is proposing to spend \$418 million on capital projects over the next 10 years. Although the Council is taking steps to deliver its planned capital programme, as outlined on page 152, there is uncertainty over the delivery of the programme due to the significant constraints in the construction market. If the Council is unable to deliver on a planned project, it could affect intended levels of service.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

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

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;

- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council’s intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

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

Responsibilities of the Council and auditor

The Council is responsible for:

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

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan’s policy content.

Independence and quality control

We have complied with the Auditor-General’s:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this audit and our report on the Council’s 2020/21 annual report and our report on the disclosure requirements, we have carried out a limited assurance engagement related to the District Council’s debenture trust deed, and assurance engagements in relation to the new headquarters building and the Quantum project, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council or any of its subsidiaries and controlled entities.

Leon Pieterse, Audit New Zealand
On behalf of the Auditor-General, Tauranga, New Zealand



SHAPING OUR FUTURE.

TAUPŌ DISTRICT LONG-TERM PLAN 2021-2031



GREAT LAKE TAUPŌ
Taupō District Council

