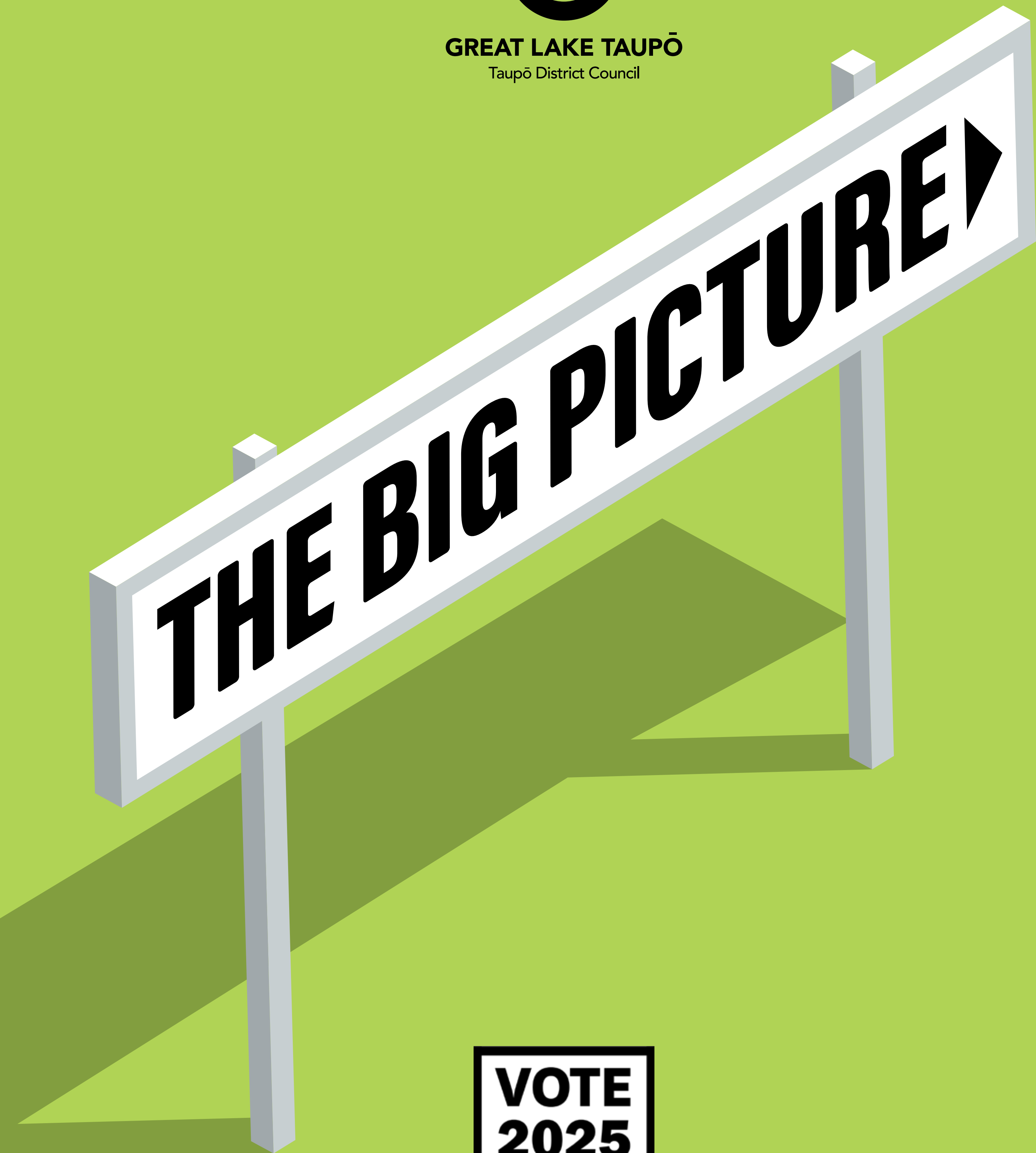
GREAT LAKE TAUPŌ
Taupō District Council



VOTE 2025
LOCAL ELECTIONS

HE PŪRONGO I MUA I NGĀ PŌTI
PRE-ELECTION REPORT

CONTENTS
RĀRANGI TAKE HE IHIRANGI

MESSAGE FROM THE CHIEF EXECUTIVE

Tēnā Koutou Katoa

Thank you for taking the time to learn more about your district and your council ahead of the 2025 triennial election this October.

The local election is a great opportunity to make a difference for the communities you live in and love. If you are reading this pre-election report, you may be considering standing for council or simply wish to be better informed as a voter.

Before every election the chief executive provides an independent pre-election report that outlines the important issues and opportunities facing Council and the major projects underway or planned. It also sets out Council's financial position and seeks to promote public discussion about the issues we encounter across the district. We have drawn information from the Long-term Plan 2024- 34, Annual Reports and Annual Plan 2025-26 to create this report. All these documents are available at *www.taupo.govt.nz*.

Our council will be governed by the Mayor and 12 councillors (including the Deputy Mayor). Councillors are elected to both represent the district and to be a voice for their wards to ensure all our communities are heard.

For those of you considering standing for Council, you will have an opportunity to help govern a large organisation that delivers $80 million of infrastructure investment per year across approximately 40 different activities. To deliver this programme of works, as well as run all council facilities and services costs $158 million a year. These costs are closely scrutinised by our communities, who expect value for money. Council's current vision is to be a district of connected communities who thrive and embrace opportunities. We are focused on providing opportunities to give our smaller communities a voice in what we do, while also attracting people to invest in our local economy. We continue to work closely and collaboratively with our iwi and regional partners to achieve the best outcomes for our community and improve efficiencies.

One of our key roles is to plan for and provide infrastructure to support our growing community. Our Long-term Plan sets out what this will look like over the coming years. However, we remain mindful of the ongoing impact of the difficult economic environment and the different reform projects being led by Central Government. The reforms have been continually increasing standards and changing the way we are required to deliver core services. This places cost pressure on Council which is compounded by the economic conditions everyone has experienced over the last few years. However, with your leadership, or the leadership of those you vote for, I am confident we can meet these challenges.

Our current elected members and council management team have agreed on five key community outcomes that are important for our organisation to deliver. These are a major focus of the day-to-day work we do and they will continue to shape our work over the next three years. The outcomes are outlined on page 11 of this report.

I am privileged to lead a great team of staff dedicated to providing the community with a quality service. Our staff provide sound advice and solutions to issues that in turn support our councillors to make good decisions for our community.

While we don't know exactly what lies ahead over the next three years, we do know it will be both challenging and rewarding as we focus on doing the essentials well, maintaining our current level of services and community facilities, and balancing our books.

Julie Gardyne
CHIEF EXECUTIVE/TUMU WHAKARAE

KEY ELECTION DATES

NOMINATIONS CLOSE
FRIDAY 1 AUGUST
12 noon nominations close

VOTING PERIOD BEGINS
FROM 9 SEPTEMBER
Including special voting and Māori Wards poll

LAST DAY TO POST MAIL VOTES
TUESDAY 7 OCTOBER

ELECTION DAY
SATURDAY 11 OCTOBER

DECLARATION OF RESULTS
16 - 22 OCTOBER
Official declaration of results

COUNCIL MEETING
OCTOBER - NOVEMBER
Inaugural Council meeting

INDUCTION PROGRAMME
MID-OCTOBER TO CHRISTMAS
Post-election induction programme for elected members

RETURN OF FORMS
MID-DECEMBER
Return of donation / expenses forms

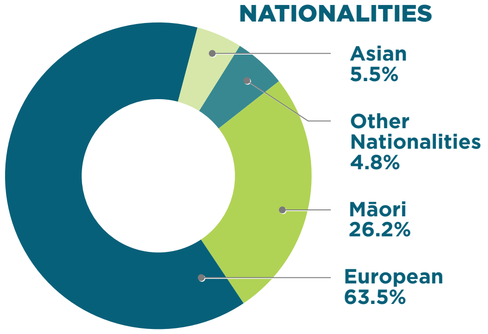
DISTRICT SNAPSHOT

COMMUNITY STATISTICS

POPULATION
42,600 People

MEDIAN AGE
41

NATIONALITIES



ELECTORAL WARDS

Currently the district is divided into five wards:

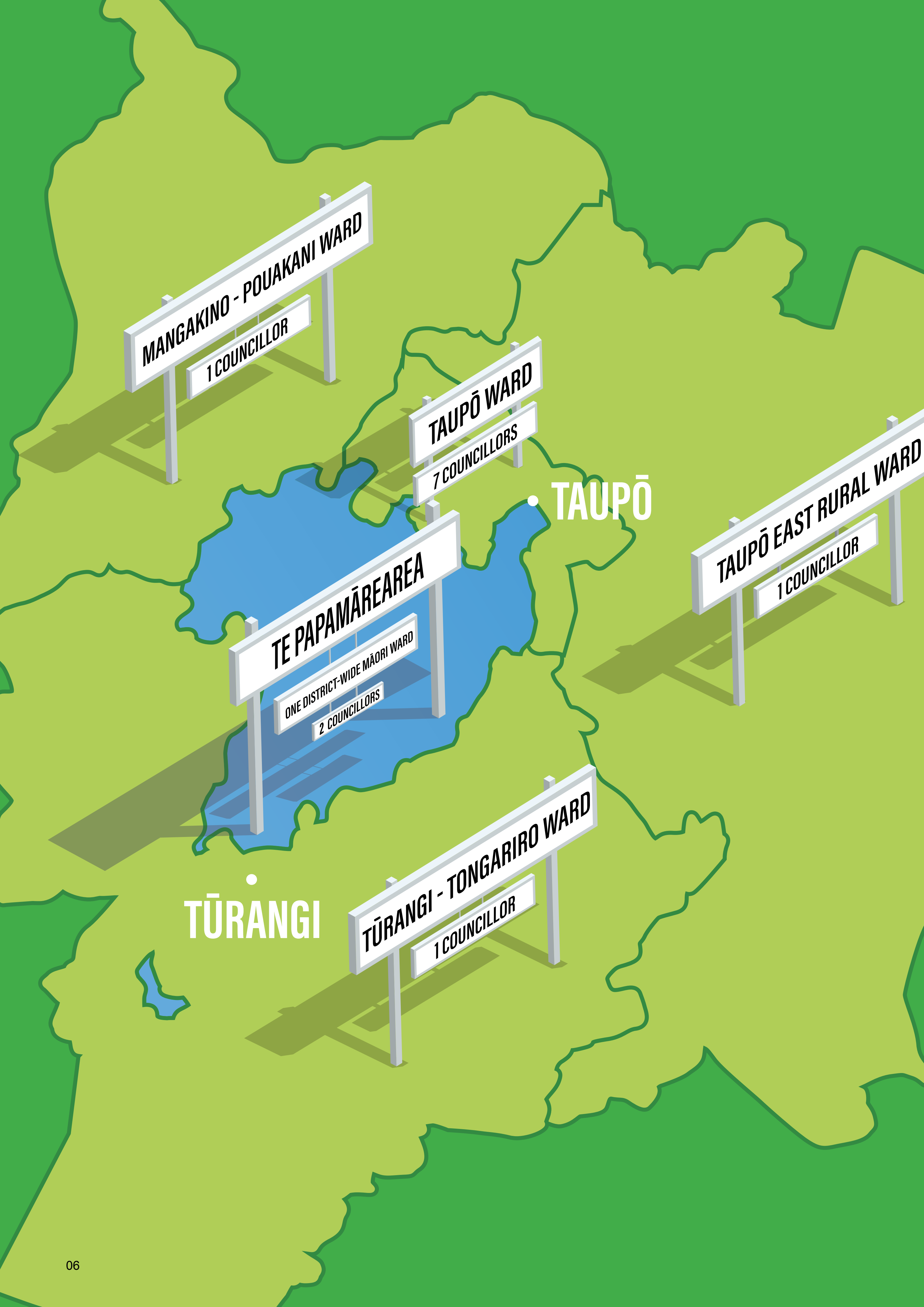
- Taupō,
- Taupō East Rural,
- Tūrangi-Tongariro,
- Mangakino,
- Te Papamārearea Māori ward.

These wards elect our 12 councillors and the mayor is elected by the district as a whole.

IWI AND HAPŪ

Iwi and hapū (sub-tribes) play a role as kaitiaki (guardians) of natural resources, cultural sites of significance and wāhi tapu across Taupō District. They are connected to the whenua (land) through occupation and whakapapa (genealogy). The iwi and entities Taupō District Council has working relationships with are included below.

- Ngāti Tūwharetoa
- Tūwharetoa Māori Trust Board
- Ngāti Tūrangitukua
- Te Kotahitanga o Ngāti Tūwharetoa
- Raukawa
- Ngāti Hineuru
- Te Arawa River Iwi Trust
- Ngāti Manawa
- Ngāti Whare
- Ngāti Tahu – Ngāti Whaoa
- Tūwharetoa Settlement Trust
- Te Tari o Te Ariki o Ngāti Tūwharetoa
- Pouakani
- Wairarapa Moana


MANGAKINO - POUAKANI WARD
1 COUNCILLOR
TAUPŌ WARD
7 COUNCILLORS
TAUPŌ
TAUPŌ EAST RURAL WARD
1 COUNCILLOR
TE PAPAMĀREAREA
ONE DISTRICT-WIDE MĀORI WARD
2 COUNCILLORS
TŪRANGI
TŪRANGI - TONGARIRO WARD
1 COUNCILLOR

ROLE AND FUNCTION OF COUNCIL AND ELECTED MEMBERS

Taupō District Council is made up of two separate parts that work together for the benefit of Taupō District's residents and ratepayers.

ELECTED MEMBERS

The Mayor and 12 elected members (also referred to as councillors) make up the full council.

They make decisions and represent the needs and interests of the whole district. Their work involves:

- Setting a vision and strategic direction for Council
- Setting objectives and policies for Council
- Making major decisions and approving budgets and major expenditure
- Considering the views of our community
- Employing the chief executive to manage day-to-day council operations
- Monitoring Council's performance and raising issues that need to be addressed
- Engaging with and considering views of local communities, including advocating on behalf of others

COUNCIL (THE ORGANISATION)

Taupō District Council is made up of staff responsible for providing services, facilities and projects for our community, and delivering on the strategic direction and policy decisions made by the elected members.

Council provides approximately 40 different activities and services to our community, and these are summarised via the groups below.

Water

Our water services team provide safe drinking water to our communities. This water comes from 15 water treatment plants that produce 8.1 billion litres of drinking water each year. Increasing water standards not only puts pressure on our team to deliver more but also places pressure on the cost of providing the service.

Wastewater

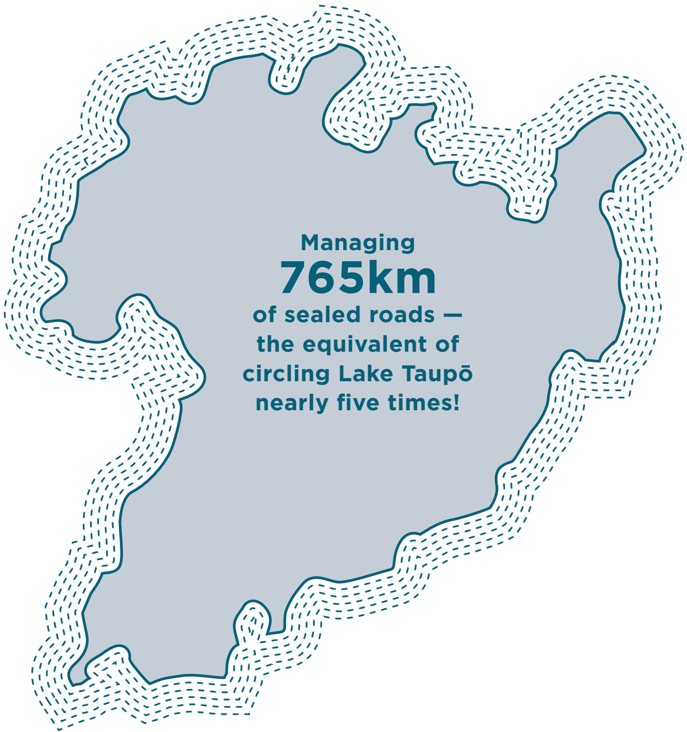
Our wastewater team help council provide 11 wastewater treatment plants that treat 3.4 billion litres of wastewater each year. Their mission is to dispose of the wastewater produced in our main settlements in a safe and environmentally responsible manner. The wastewater team are also facing changing standards and increasing cost pressures to meet those standards.

Stormwater

The stormwater network is a crucial part of our water system which helps protect property and infrastructure during regular rain events. Our teams manage a network of gutters, stormwater pipes and gullies, to manage water flows, with pollutant traps and other treatment devices to reduce debris and prevent contaminants from entering our lakes and rivers.

Transport

Our transport team manages the district's extensive transport network including significant walking and cycling connections. Given the widespread geography of Taupō District, council is responsible for a vast rural roading network. Council manages 765km of sealed roading and supporting infrastructure, which is a significant cost for council. We work in partnership with other transport agencies including the New Zealand Transport Agency, which is responsible for managing the state highways within the district.



Waste and Environmental Management

Our waste and environmental management team help to ensure everyone can dispose of their waste, and that litter is controlled. This work is an important part of protecting community health and safety. Waste products, if not well managed, can be harmful to our communities. The team also promotes reusing products where possible and recycling to minimise our impact on the environment. The team supports the provision of kerbside recycling collection in our urban areas, and the operation of five transfer stations around the district, plus council's landfill and resource recovery centre at Broadlands Road.

Community Facilities

Our community facilities across the district provide opportunities for arts, culture, recreation and sporting activities that support Taupō district being a great place to live, work, and visit. These facilities include:

- Libraries in Taupō, Tūrangi and Mangakino
- Heritage, Culture & Public Art – including the Taupō Museum and Art Gallery
- The Great Lake Centre, Taupō Events Centre, Waiora House and community halls
- AC Baths, the Tūrangi Turtle Pools and the Mangakino Community Pool
- Sportsgrounds, parks, reserves, playgrounds and gardens
- Public toilets
- Cemeteries

Regulatory and Emergency Management

Our regulatory and emergency management teams provide a broad range of activities from building consents through to emergency management. These activities help ensure our district is a safe place to live by protecting the environment, ensuring standards are met and making sure we have a plan in place to respond to disasters.

Building Consents: Council's building consents team help ensure that buildings in our district meet safe and healthy standards.

Resource Consents: Councils resource consents team implement the rules outlined in our district plan. Our plan is effects-based, which means it looks at the impact of proposed activities rather than the activity itself when determining what, how and where things can happen. The resource consents process helps ensure that development and activities occur in the appropriate places.

Compliance: Council's compliance officers deal with a broad range of activities from food licencing through to animal control. They help keep our district safe by ensuring businesses are preparing food in a safe manner, and that roaming animals are cared for in a safe and secure environment to minimise risk to the public.

Emergency Management: Our emergency management team provide the core of Council's civil defence preparedness and planning. This team is supported by council staff from across the organisation who are required to do civil defence training and regular training exercises. This ensures that when a disaster strikes, council can provide the necessary support alongside other agencies to get our communities through a disaster.

Community Leadership

This area of the council the contains many parts of the organisation, including policy and planning, governance and customer services. It provides the bulk of the support services that help our other teams deliver their important work, supports our decision-makers, and helps facilitate community involvement in projects that affect them.

Strategic Property

This team manages Council's land holdings, including some council-owned commercial and residential land and 57 ratepayer-subsidised housing for the elderly units in Taupō, Tūrangi and Mangakino.

District Development

Our events team supports event organisers to run both community and commercial events. We provide visitor centres in Taupō, Tūrangi and an information desk in Mangakino. Council also funds and contracts Destination Great Lake Taupō, Amplify and Towncentre Taupō to provide support, research and resources to businesses across the district; and to attract new business and visitors.

COUNCIL VISION AND COMMUNITY OUTCOMES

In preparing the 2024-34 Long-term Plan, council adopted a new vision and community outcomes.

OUR VISION: We will be a district of connected communities who thrive and embrace opportunities

Our community outcomes describe what we aim to achieve for our community, to promote the social, economic, cultural and environmental wellbeing of our district. They underpin how and why we deliver council activities.

1. Tangata whenua are acknowledged and respected

- We acknowledge tangata whenua and their ancestral connection to the whenua, ngā maunga and ngā wai.
- Hapū and iwi are acknowledged as distinct communities with their own needs and aspirations.
- We actively listen to the views of tangata whenua and engage early in our decision-making, supported by a strong understanding of tikanga and te reo.

2. Vibrant places and connected communities

- We provide vibrant, safe places that support social connections.
- We celebrate the rich history of iwi throughout our public spaces and facilities.
- We provide choices for safe and effective transport connections.
- We connect people with nature through our reserves and public places.
- We provide venues, infrastructure and support for events that bring us together.
- We support arts and culture adding to the quality of life.

3. Resilient communities working in partnership

- We provide resilient infrastructure that meets our community's intergenerational needs.
- We partner and collaborate with others to find shared solutions.
- Our community is empowered to lead initiatives, build connections and increase participation.
- We facilitate access to affordable, good quality and resilient homes.

4. Innovative, thriving economy

- We welcome visitors and create inviting public places.
- Our town centres are places of activity and excitement.
- Our infrastructure helps us connect with the rest of the world.
- We build on our strengths and are open to new ideas.
- We think boldly and drive economic growth through innovation.
- Flourishing environment
- We think and act with an intergenerational view and embrace our role as kaitiaki.
- Our drive for reuse and regeneration helps build a circular economy.
- Our climate response remains agile as we work to reduce our carbon emissions.
- We manage wastewater and stormwater discharges to protect our water quality.
- We encourage and protect our natural ecosystems.


FOR SALE
HOSTEL
BURGERS
SUPERMARKET

OPERATING CHALLENGES FACING COUNCIL

CENTRAL GOVERNMENT REFORMS

Council's operating environment remains uncertain due to ongoing legislative reforms affecting its core services. These include central government's reviews of the Resource Management Act, the Building Act, Local Government Act Reforms and Local Water Done Well.

Local Water Done Well

Reforms in council waters sector (wastewater, drinking water and stormwater) have driven increased costs to meet stricter compliance standards. More recently Council has been required to draft a water services delivery plan. Council is seeking to retain its water operations in the short to medium term but will have to demonstrate compliance with standards set by water regulator Taumata Arowai and economic regulation from the Commerce Commission. Council's delivery and investment plans will also be reviewed by the government. All these added requirements and compliance structures will place increased cost pressure on council.

Resource Management and Building Acts

As a Resource Management Authority and a Building Consents Authority, the council will need to implement any changes resulting from these reforms which may include substantial overhauls of the way the services are to be delivered.

The government is proposing to split the Resource Management Act into two new pieces of legislation. It has signalled this will include greater standardisation and regional spatial planning. These changes will impact our District Plan, which governs rules around new development and building, including suitable locations, and controls on site coverage and impacts on neighbours.

The Ministry of Business, Innovation & Employment's (MBIE) Building Performance teams are progressing work to identify the best way to deliver building consenting services. This work includes looking at the way Building Consenting Authorities (BCAs) are structured. Initial ideas for improving BCA services published by MBIE are:

- making it easier for BCAs to consolidate their services
- establishing regional consenting authorities, or
- establishing a national single point of contact for building consent applications.

The government has indicated that regional consenting authorities are its preferred option. If implemented these proposals will fundamentally shift how, or even if, council provides Building Consenting Services.

If these services are regionalised or run at a national level Council may be driven to transfer staff, systems, and data to the new national or regional entities. This would be a significant undertaking, the cost of which is likely to be borne by the community.

Local Government Act

The government has been discussing reforms to the Local Government Act to implement rating caps or pegs and is implementing mandatory reporting requirements. These measures will place pressure on council's service delivery, particularly if communities request new or enhanced services.

Rates caps could potentially drive interest rates up further for Council. This risk has been reflected in S&P Global Ratings downgrading New Zealand local government's institutional score driven by policy uncertainty around the rates caps. This has led to downgrading of individual councils' credit ratings; Taupō District Council went from an AA+ rating to an AA rating. S&P has noted that "the local council sector's revenue is insufficient to fund its growing expenditure responsibilities[1]." While this downgrade hasn't had an appreciable impact on council debt servicing, central government's final policy settings may have a significant impact and generate further downgrades which will impact interest rates.

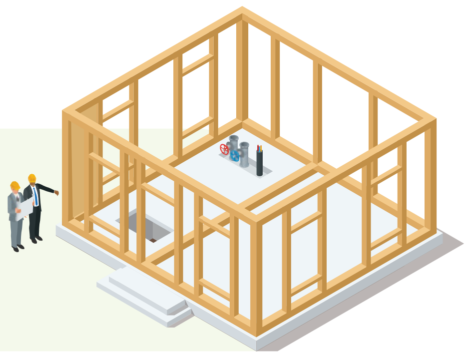
Rates caps have the potential to impact the council's ability to generate sufficient revenue to service new borrowing for infrastructure investment. It may require reductions to the services we currently provide, especially the operation of community facilities as the government pursues its back to basics focus.

1 *Rating Actions Taken On New Zealand Councils | S&P Global Ratings*

COST PRESSURES

Economic Pressure

Economic conditions are more stable than in the immediate post-Covid period, however Council is still facing significant price increases, including increases in non-discretionary expenditure. Inflation is back within the Reserve Bank's 1-3 per cent target providing a more predictable environment; however, this is an average of all costs and not necessarily reflective of local government costs, just as it is not necessarily reflective of household living costs. Cost increases from previous inflation levels also continue to come through as Council renews its contracts and replaces its infrastructure. This is before considering the significant cost increases imposed on Council to meet new legislative and regulatory standards.



Growth

Taupō District has experienced significant growth over the last decade. Since 2014 annual population growth has exceeded 2 per cent regularly. Council's *Future Development Strategy* outlines our growth projections out to 2060. Our medium growth scenario projects an additional 25,500 people by 2060. These new people will need homes and the infrastructure to support them. Our modelling indicates that at least 12,400 new homes will need to be built to house these new residents.

Growth places significant financial pressure on Council and our communities to provide supporting services and infrastructure. This is exacerbated by local authorities and the building sector more broadly, all competing for the same resources to address demand driven by growth. These resources include materials but also the relevant expertise. This competition ramps up the costs Council faces to deliver necessary investments. This can make growth costly in the short to medium term as infrastructure has to be built ahead of growth occurring.

Ageing Infrastructure

Like all councils we have ageing infrastructure that is nearing the end of its expected useful life, and some out-of-date community facilities that are underutilised and risk imposing an ongoing cost burden on the community. This ageing infrastructure ranges from facilities such as community halls to the large amounts of concrete water pipes that are steadily being replaced as part of renewals.

This infrastructure is going to cost the community significantly more to maintain, operate and replace than when it was first built. We depreciate our infrastructure and keep the money aside to replace assets, but the effects of increasing standards and rising growth mean the replacement costs are significantly higher. More information about our long-term outlook on renewals can be found here: *Infrastructure Strategy 2024-34.*

Financial Limitations

Council has limited funding tools available to support provision of services and infrastructure delivery. The majority of Council's funding comes from the community through rates and/or debt (paid by future rates and revenue). Council uses this funding to provide a wide range of services to the community and to invest, maintain, or improve community infrastructure.

Council's vast services and limited funding mechanisms are challenged by pressure to keep rates down and additional costs / regulatory requirements, often imposed by Central Government. However, Council does not have the same natural revenue growth as Central Government whose tax take grows organically through population growth, wage increases (inflation), and economic growth, without considering any tax increases and new taxes implemented over time.

Council's rates growth from new properties accounts for an increase of approximately 1 per cent per year but also requires additional infrastructure investment, often at the front end of growth. So even after finding savings or making trade-offs in services, additional increases from existing ratepayers or service users are required. These increases ensure Council can address inflationary costs and meet additional regulatory requirements, including significant non-discretionary expenditure and infrastructure investment, including mandatory water services improvements.

Council's long-term financial strategy has identified that rates increases above inflation are needed in the medium term to allow it to maintain current service levels, meet required investment, and maintain quality infrastructure. These increases also help ensure prudent debt management. Moving away from this is likely to require a significantly different approach to council services or increases in debt. This would be different to the direction Council has previously received from the community.

GOVERNANCE AND WARDS

As part of this election there will be a poll on Māori Wards. The questions on the Māori Ward Poll will be simple and easy to understand: 'I vote to keep the Māori ward / constituency' or 'I vote to remove the Māori ward / constituency'.

You will receive this question as part of your voting paper pack by mail.

- If the poll result is to remove the Māori ward, there won't be elections for them in 2028 and 2031.
- If the poll result is to keep the Māori ward, there will be elections for the Māori ward in 2028 and 2031.

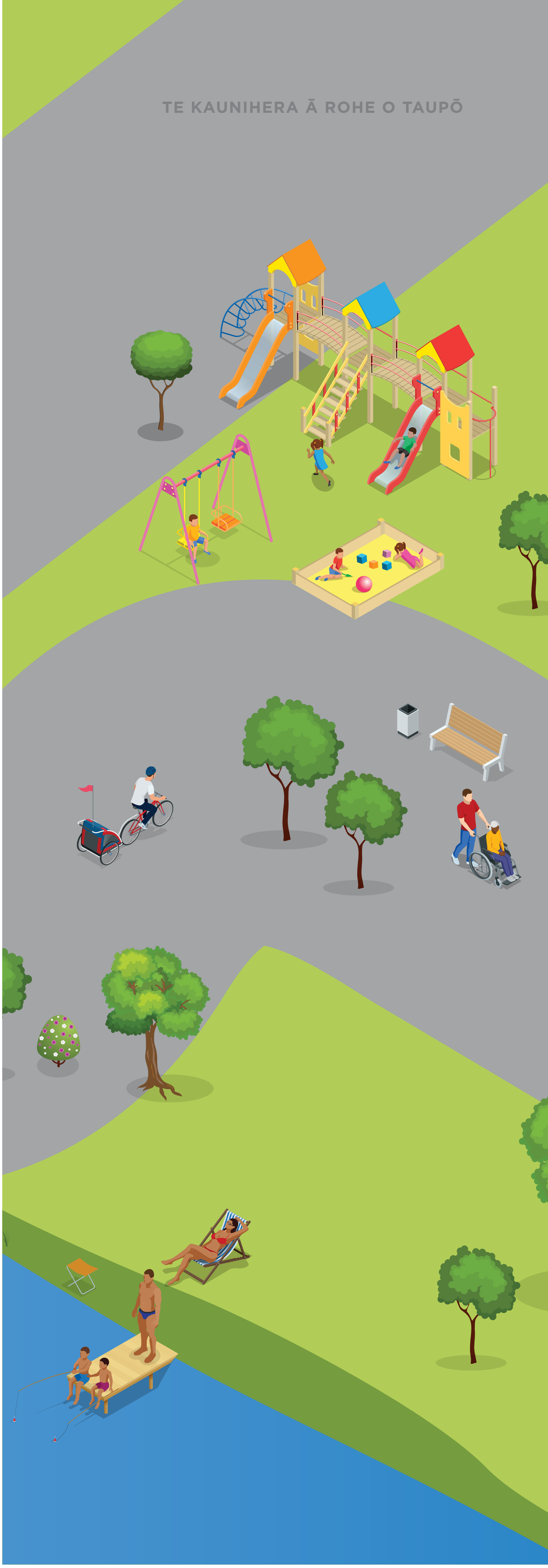
You can find out more about the poll here: *www.taupo.govt.nz/vote25*.

The outcome of this poll may drive the need for the council to conduct a representation review to determine the best way for our district to be governed. This review will require new elected members' input on potential options and to consult the community on a preferred approach. There are several ways local authorities can structure representation arrangements provided they meet the requirements set out in legislation.

The *Local Electoral Act 2001* allows territorial authorities to establish electoral systems that either:

- Elect members from the district as a whole
- Elect members from two or more wards
- Elect members in some cases as a whole and some cases by ward

These arrangements then must provide a certain number of elected members based on the electoral population (based on usual resident population). Currently the district is divided into five wards: Taupō, Taupō East Rural, Tūrangi-Tongariro, Mangakino and Te Papamārearea Māori ward. These wards elect 12 councillors, and the mayor is elected by the district as a whole.



MAJOR CHALLENGES, ISSUES AND PROJECTS BY ACTIVITY

Water

CHALLENGE, ISSUE OR PROJECT	DESCRIPTION	WARDS IMPACTED
Regulatory Reforms	Water regulatory reforms have impacted our services and changed the way we deliver services. Increasing water quality standards have driven significant cost escalation in the activity. These costs will still be occurring into the future as we continue to upgrade treatment plants to comply with the regulations. $17.3 million over 2024/25 – 2025/26 for plant upgrades to meet NZ Drinking Water Standards at Motuoapa, Tirohanga, Ōmori, Whareroa and Hātepe. Recently we consulted on our intention to keep the water services in-house. We subsequently decided to retain council water services in-house and review in 2027.	District Wide
A step change in water pipe renewals	Despite condition assessments suggesting they are in reasonable condition, frequent failures of pipes made from outdated materials means that from 2024 we are funding a step change increase in water pipe replacements. This programme will replace all pipes made from problematic materials with modern pipes over the next 10 to 15 years at a cost of around $10 million a year.	District Wide
Water Metering	With the current water reforms, including new economic regulation, we expect to be required by Government regulation to move to water meters and water charging - instead of rates charging for waters services. Council has already identified that water meters help reduce water loss through identifying leaks and reducing low value water use. Metering will be needed to allow continued growth in the district. We expect we will be under pressure to accelerate this transition and that installing meters and moving to water charging will become a major project and change for the community that needs to be undertaken over the next three years.	District Wide

Wastewater

CHALLENGE, ISSUE OR PROJECT	DESCRIPTION	WARDS IMPACTED
Regulatory Reforms	Water regulatory reforms have impacted our services and changed the way we deliver services. Increasing environmental standards have driven significant cost escalation in the activity. Recently Council consulted on its intention to keep the water services in-house. It was decided to retain Council's water services in-house and review in 2027.	District Wide
Tūrangi Wastewater	Council's current wastewater treatment plant is operating outside of its consent under an extension granted by Waikato Regional Council. It has been made clear to Taupō District Council that no further extensions will be granted, and a future consent is likely to be contingent on improvements to wastewater treatment and disposal at the site. The disposal solution will be a major project moving forward during the next three years, working with iwi and hapū. This project is intended to be a short-medium term solution with an alternative wastewater disposal site considered in the future.	Tūrangi -Tongariro
Taupō North Wastewater Solution	Council has committed to a programme of works to improve resilience and capacity of the wastewater network that connects across the Waikato River to the Taupō wastewater treatment plant. This programme of works, including $2.8 million to install buffer tanks in 2024/25 – 2025/26, and $7.7 million for increasing wastewater capacity across the Waikato River in 2028/29 –2030/31, is intended to support growth on the northern side of the Waikato River through the continued use of the Taupō plant in the short-medium term. In the long term, Council has committed to continue working with a steering group that will assess potential future options for dealing with wastewater on the northern side of the awa. This group includes local iwi and hapū.	Taupō

Stormwater

CHALLENGE, ISSUE OR PROJECT	DESCRIPTION	WARDS IMPACTED
Urban flood mapping	Council is focused on ensuring our communities are resilient and have the information they need to be prepared for a disaster. Part of our responsibility is to ensure that property LIM reports contain accurate hazard reporting. We currently have some urban flood modelling that provides an indication of where there may be issues. Council notes this on LIM reports. Council is in the process of refining and improving this information to ensure accuracy before it is published on property LIMs in full.	District Wide
Regulatory Reforms	Water regulatory reforms have impacted our services and changed the way we deliver services. Because much of the stormwater network includes council's land, including reserves, gullies, and roads, these assets and this land will remain with Council. In the short to medium term, Council is planning to maintain stormwater operations, maintenance and planning functions.	District Wide

Transport

CHALLENGE, ISSUE OR PROJECT	DESCRIPTION	WARDS IMPACTED
Taupō Northern Access (Second Bridge)	Strong growth in Taupō, and continued growth and development in the north of Taupō, means that additional capacity across the Waikato River is needed. The current bridge is a bottleneck that causes congestion at peak travel times. Construction of a new bridge is planned for around 2030. Over the next three years, we expect Council will oversee and discuss with the community detailed design options, including associated road and intersection improvements, detailed cost estimates, and the potential for central government funding support.	Taupō
Road maintenance and renewal	Our roads continue to hold up beyond their expected lives because we have free-draining pumice soils that support a longer pavement life. However, increased heavy vehicle traffic has put additional pressure on the network, and our roads remain at risk of micro-cracking allowing water to infiltrate the pavement, causing failure. We have identified the need for a step change increase in reseal renewals to protect our roading network and avoid more costly deterioration. Meeting this increased need for renewals has been challenging as NZTA has been unable to fully fund its share of the council's planned renewals programme.	District Wide
Rural Road Safety	$12.0 million is planned to be spent on rural roads over 2024/25 – 2033/34, including: • Improvements and widening of Broadlands Rd, Poihipi Rd, Whangamata Rd, and Tirohanga Rd • Continued sealing programme for rural roads • Flag lighting at high-risk rural intersections • Rural berm drainage widening, guardrails, and other improvements	Rural Areas

Waste and Environmental Management

CHALLENGE, ISSUE OR PROJECT	DESCRIPTION	WARDS IMPACTED
Broadlands Road Landfill Resource Consent	The Broadlands Road Landfill is reaching capacity and is nearing the end of its current consent. New Elected Members will need to consider the range of options available for addressing the district's solid waste disposal needs.	District wide and cultural impact for Iwi and Hapū

Community Facilities

CHALLENGE, ISSUE OR PROJECT	DESCRIPTION	WARDS IMPACTED
Council Facilities Management	Council has a number of community facilities, some of which are reaching capacity at peak times and others that are underutilised. These facilities all place significant costs onto ratepayers.	District Wide
Owen Delany Park Upgrades	Major improvement works are planned for Owen Delany Park to renew ageing parts of the facility, support increased growth, and provide facilities suitable for hosting events and competitions.	Taupō
Mangakino Lakefront Redevelopment	We have been developing a plan with the community for the Mangakino Lakefront Reserve, with a budget of $4.2 million over 2024/25 – 2027/28 for improvements.	Mangakino-Pouakani
Project Watershed Erosion Control	Project Watershed is a joint programme between Council and Waikato Regional Council to minimise the impact of erosion around Lake Taupō. In particular there are upcoming projects for Tapuaeharuru (Taupō town lakefront), Kuratau and Pukawa. $5.8 million over 2025/26 – 2028/29	Tūrangi-Tongariro and Taupō

Regulatory and Emergency Management

CHALLENGE, ISSUE OR PROJECT	DESCRIPTION	WARDS IMPACTED
Natural Disasters and Resilience	Over the last few years there have been a significant number of extreme weather events. These events have impacted councils all over New Zealand. While Taupō was not as heavily impacted as others in the most recent events, there are still real risks to our community. Council plays several key roles in disaster response and mitigation. We ensure critical infrastructure that is resilient. We apply building controls to ensure new buildings will withstand likely hazards and new development avoids unsuitable high-risk hazard areas. Council also provides civil defence functions when there is an emergency. Continuous improvement in this space is crucial to help ensure our communities are resilient to disasters.	District Wide
Emergency Management Reforms	The government consulted on an emergency management reform discussion document over April and May 2025. This document highlighted the need for reforms to the system and it has been proposed that a law change would be introduced to support this. The initial proposal is for a bill that seeks to drive significant changes to the way emergency management planning is conducted. In particular the bill proposes: • To strengthen community and iwi Māori participation in emergency management • To provide for clear responsibilities and accountabilities at the national, regional, and local levels • To enable a higher minimum standard of emergency management • To minimise disruption to essential services • To ensure agencies have the right powers available when an emergency happen Subject to the final legislation Council may need to implement some changes as part of its civil defence responsibilities. The additional planning work required may result in Council procuring new equipment or providing further mitigation/protection infrastructure particularly around essential services.	District Wide

Regulatory and Emergency Management continued

CHALLENGE, ISSUE OR PROJECT	DESCRIPTION	WARDS IMPACTED
Building Act Reforms	Building Act changes may create a fundamental shift in how Building Consents are issued. It may mean Council no longer provides Building Consents. (more information on "Operating Challenges Facing Council" on page 13)	District Wide
Resource Management Act Reforms	Resource management reforms are ongoing and are likely to continue to impact Council's resource management function as well as having broader impacts on local development and growth planning. These changes will require Council to implement a more standardised approach to planning. (more information on "Operating Challenges Facing Council" on page 13)	District Wide

Community Leadership

CHALLENGE, ISSUE OR PROJECT	DESCRIPTION	WARDS IMPACTED
Planning for Growth	Council has an ongoing role to play to manage growth. New elected members will be involved in decision making to support growth, especially around the provision of infrastructure.	District Wide
Tūrangi Master Plan	The Tūrangi Master Plan will begin during this triennium and elected members will have an important role in shaping the outcomes, particularly those members who will be involved with the Tūrangi Co-governance Committee. This plan will aim to get the town centre functioning better and to help assess what recreation facilities might be needed and where best to place them. Council will also identify who should operate any potential community or recreation facilities, and how external funding of the cost could be achieved.	Tūrangi-Tongariro
Responding to Government Reform	Elected members are a key part of shaping responses to Central Government reforms or new initiatives.	District Wide
Digital Transformation	Council is currently undertaking a digital transformation project aimed at replacing legacy systems to address current risks, improve efficiency, and enable enhancements to community service delivery. Ultimately this project will drive change in the way Council provides services and will impact the way we all work including our elected members. This project seeks to modernise Council's ways of working while providing safe and secure systems that protect our communities and their information.	District Wide
Engaging with central government to advocate for good services	Our communities want to see good quality services across a range of sectors. Many of these services are outside of council's control but we have a role in enabling or advocating on behalf of the community. This includes: • Affordable housing options • Education • Policing • Health • State highways (e.g. from Taupō to Tūrangi) • Transport funding • Welfare	District Wide

Strategic Property

CHALLENGE, ISSUE OR PROJECT	DESCRIPTION	WARDS IMPACTED
East Urban Lands	Council, alongside a development consortium, is currently developing stage 1 of the East Urban Lands (the large residential land block east of Woolworths Taupō South). This development is on track to provide 116 homes by October-December 2029, 30 per cent of which will be affordable homes targeted at working people on moderate incomes who can afford to service a mortgage. These homes will be subject to buyer eligibility criteria. Council also owns other land, where we seek to support the available land supply in order to meet community needs, while maximising the return to Council to support delivery of the financial strategy.	Taupō

District Development

CHALLENGE, ISSUE OR PROJECT	DESCRIPTION	WARDS IMPACTED
Funding	Due to cost pressures Council has reduced its funding support to Destination Great Lake Taupō for the 2025/26 year. Amplify, which is the local economic development agency, has retained the funding levels budgeted for in the Long-term Plan.	District Wide

PRE-ELECTION COUNCIL FINANCES

FINANCIAL STRATEGY

The financial strategy outlines the financial vision and priorities for the next 10 years. It aims to ensure we are achieving an appropriate balance between the needs of our community, responsible management of our assets, and financial sustainability over the long term. It provides guidance for Council's financial decisions and a means to monitor the financial performance of Council.

BENCHMARK		PLANNED	MET
Rates affordability benchmark			
income	Total rates revenue ≤ 80% of operating revenues	71.3%	Yes
increases	≤ LGCI[1] + 5% which equals 8.3%	8.4%	No
Debt affordability benchmark	Gross external borrowing ≤ 250% of annual operating income	167%	Yes
Balanced budget benchmark	≥100%	105%	Yes
Essential services benchmark	≥ 100%	182%	Yes
Debt servicing benchmark	≤ 15%	6.9%	Yes

**Council planned to breach its self-imposed rates increases affordability benchmark in the first two years of its 2025-35 Long-term Plan (LTP). This was consulted on with the community through the LTP. Council chose not to increase its self-imposed benchmark at that time as a higher rate was considered unsustainable in the medium to long term.*

[1] The Local Government Cost Index (LGCI) is a composite index that measures the changes in the prices of a basket of goods and services that are purchased by local governments in New Zealand. The intention is to give local government administrators a robust, defensible, and replicable estimate of how costs faced by local government are expected to increase (source: BERL, Oct 2023).

PRUDENCE AND SUSTAINABILITY

Council will manage its finances prudently and in a way that promotes the current and future interests of the community.

FINANCIAL STRATEGY

Council's Financial Strategy informs and guides the assessment of funding and expenditure.

INFRASTRUCTURE STRATEGY

Council's Infrastructure Strategy outlines the demand and challenges facing community infrastructure over the next 30 years.

FUNDING AND FINANCIAL POLICES

Council adopts a set of funding and financial polices to provide predictable and certain sources of funding.

LONG-TERM PLAN

Infrastructure needs and service levels are developed to inform the budget.
Based on strategic direction from the above documents.

The actual budget for year one and forecast budgets are set for the next 10 years.

The development of this plan also provides an opportunity for the community to let Council know If the projects are right, service levels are appropriate and if there is anything that we have missed.

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Pre Election Report - Statement of Financial Position

	Annual Report 2022/23 ($000)	Annual Report 2023/24 ($000)	Forecast 2024/25 ($000)	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	LTP 2027/28 ($000)	LTP 2028/29 ($000)
ASSETS							
Current assets							
Cash and cash equivalents	18,408	26,979	6,132	9,294	7,492	8,125	8,729
Other financial assets	98,840	39,482	43,822	57,240	57,174	49,011	64,880
Other current assets	10,938	24,508	27,416	29,559	21,676	23,782	24,246
Total current assets	**128,186**	**90,969**	**77,369**	**96,093**	**86,342**	**80,917**	**97,855**
Non-current assets							
Other financial assets	9,971	67,396	72,592	73,003	81,819	86,853	92,189
Property plant and equipment	1,907,187	1,938,749	2,040,650	2,161,064	2,233,107	2,339,862	2,431,528
Other non current assets	57,225	59,384	62,777	61,233	66,237	66,161	65,620
Total non-current assets	**1,974,383**	**2,065,529**	**2,176,019**	**2,295,300**	**2,381,163**	**2,492,876**	**2,589,337**
Total assets	**2,102,569**	**2,156,498**	**2,253,389**	**2,391,393**	**2,467,505**	**2,573,793**	**2,687,193**
LIABILITIES							
Current liabilities							
Borrowings	49,353	58,608	48,000	38,000	56,054	58,423	59,342
Other current liabilities	23,648	27,918	25,104	26,703	25,805	25,737	25,708
Total current liabilities	**73,001**	**86,526**	**73,104**	**64,703**	**81,859**	**84,159**	**85,050**
Non current liabilities							
Borrowings	135,013	145,093	188,687	237,832	230,801	243,183	260,449
Other non current liabilities	460	290	265	1,144	277	284	290
Total non-current liabilities	**135,473**	**145,383**	**188,952**	**238,976**	**231,078**	**243,466**	**260,739**
Total liabilities	**208,474**	**231,909**	**262,055**	**303,679**	**312,937**	**327,626**	**345,789**
Net assets (assets minus liabilities)	**1,894,095**	**1,924,589**	**1,991,333**	**2,087,714**	**2,154,568**	**2,246,168**	**2,341,403**
EQUITY							
Accumulated funds	950,512	983,749	992,950	1,017,068	1,026,102	1,068,345	1,091,971
Reserves	943,583	940,840	998,384	1,070,646	1,128,466	1,177,822	1,249,432
Total equity	**1,894,095**	**1,924,589**	**1,991,333**	**2,087,714**	**2,154,568**	**2,246,168**	**2,341,403**

Pre Election Report - Funding Impact Statement

	Annual Report 2022/23 ($000)	Annual Report 2023/24 ($000)	Forecast 2024/25 ($000)	Annual Plan 2025/26 ($000)	LTP 2026/27 ($000)	LTP 2027/28 ($000)	LTP 2028/29 ($000)
SOURCES OF OPERATING FUNDING							
General rates, uniform annual general charge, rates penalties	51,199	57,839	64,793	70,545	74,626	78,652	82,215
Targeted rates	31,374	34,994	43,128	47,553	52,654	57,275	61,684
Subsidies and grants for operating purposes	3,919	4,067	4,066	3,465	3,896	4,062	4,154
Fees and charges	13,905	13,785	22,385	28,463	30,853	26,505	33,166
Interest and dividends from investments	5,741	6,526	7,010	6,739	7,046	7,516	8,006
Local authorities fuel tax, fines, infringement fees, and other receipts	1,575	1,659	1,681	1,700	1,787	1,837	1,886
Total operating funding (A)	**107,713**	**118,870**	**143,064**	**158,465**	**170,864**	**175,847**	**191,111**
APPLICATIONS OF OPERATING FUNDING							
Payments to staff and suppliers	74,660	83,611	95,946	103,936	106,119	114,642	114,370
Finance costs	10,765	11,830	12,187	11,228	11,563	12,560	13,636
Other operating funding applications	-	-	-	-	-	-	-
Total applications of operating funding (B)	**85,425**	**95,441**	**108,132**	**115,164**	**117,682**	**127,202**	**128,006**
Surplus (deficit) of operating funding (A – B)	**22,288**	**23,429**	**34,932**	**43,301**	**53,181**	**48,645**	**63,105**
SOURCES OF CAPITAL FUNDING							
Subsidies and grants for capital expenditure	11,206	8,102	3,006	5,390	4,824	10,133	10,091
Development and financial contributions	9,044	5,880	7,757	9,057	9,589	10,600	10,571
Increase (decrease) in debt	19,921	19,000	23,118	29,776	20,285	14,750	18,186
Gross proceeds from sale of assets	10,504	4,272	4,459	311	139	4,044	251
Total sources of capital funding (C)	**50,675**	**37,254**	**38,341**	**44,535**	**34,837**	**39,527**	**39,099**
APPLICATION OF CAPITAL FUNDING							
Capital expenditure							
• to meet additional demand	231	358	7,878	15,021	18,297	15,653	15,542
• to improve the level of service	50,194	41,988	33,616	35,413	23,455	43,010	34,569
• to replace existing assets	17,103	22,984	25,158	30,039	31,951	31,937	30,255
Increase (decrease) in reserves	7,435	(4,647)	5,022	6,563	14,315	(2,429)	21,839
Increase (decrease) of investments	(2,000)	-	1,600	800	-	-	-
Total applications of capital funding (D)	**72,963**	**60,683**	**73,273**	**87,836**	**88,018**	**88,172**	**102,204**
Surplus (deficit) of capital funding (C – D)	**(22,288)**	**(23,429)**	**(34,932)**	**(43,301)**	**(53,181)**	**(48,645)**	**(63,105)**
Funding balance ((A – B) + (C – D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Financial Limits - Set in the Financial Strategy

1. RATES REVENUE TO OPERATING REVENUE

Total rates revenue must not exceed 80% of operating revenue

	Annual Report 2022/23	Annual Report 2023/24	Forecast 2024/25	Annual Plan 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29
Limit in LTP Financial Strategy	<80%	<80%	<80%	<80%	<80%	<80%	<80%
Total rates as a % of operating revenue	69.35%	73.11%	72.83%	72.01%	71.34%	72.01%	70.49%

2. LIMITS ON RATES INCREASES

The quantified limit is LGCI + 5.0%.

	Annual Report 2022/23	Annual Report 2023/24	Forecast 2024/25	Annual Plan 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29
LGCI	5.20%	4.10%	4.20%	3.30%	3.20%	2.80%	2.70%
LGCI + Quantified Limit	7.70%	6.60%	9.20%	8.30%	8.20%	7.80%	7.70%
Actual/forecast rates increases	7.75%	12.42%	11.80%	8.40%	6.71%	5.58%	4.55%

3. DEBT AFFORDABILITY

Gross external borrowing must not exceed 250% of annual operating income

	Annual Report 2022/23	Annual Report 2023/24	Forecast 2024/25	Annual Plan 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29
Gross external borrowing limit	225.00%	225.00%	<250%	<250%	<250%	<250%	<250%
Actual/forecast	155%	160%	162%	168%	163%	162%	159%

4. RETURN ON INVESTMENTS

In 2022/23 to 2023/24 investment returns were benchmarked to a market interest rate being 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)

From 2024/25 the TEL Fund is managed by an external investment manager. This is governed and measured by a Statement of Investment Policies and Objectives (SIPO). The budgeted rate of return is 6.01 percent.

The Council also maintains cash investments outside of the TEL fund and seeks to achieve an acceptable rate of return consistent with the nature of the investment. The budgeted rate of returns for other cash is 5.1 percent.

	Annual Report 2022/23	Annual Report 2023/24	Forecast 2024/25
Benchmark	5.11%	5.60%	-
Actual	3.76%	5.62%	-
TEL budget			6.01%
TEL actual			4.72%
Other cash investments budget			5.10%
Other cash investments actual			4.78%

GREAT LAKE TAUPŌ
Taupō District Council

VOTE
2025
LOCAL ELECTIONS

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