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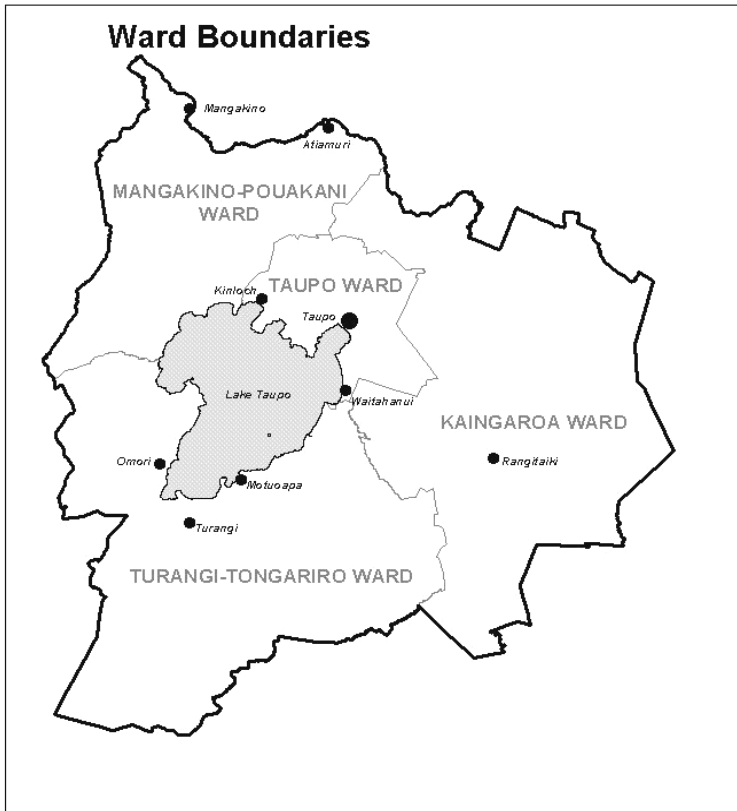
BANKER
Bank of New Zealand - Taupo

SOLICITORS
Le Pine & Co - Taupo

AUDITOR
The Controller & Auditor General

INSURANCE BROKER
Jardine Lloyd Thompson Limited - Auckland

THE DISTRICT



Land Area	6,354 km ²
Lakes Area	616 km ²
Land Value	\$2,624m
Capital Value	\$5,634m
Rateable Properties	18,492
Population (2001)	30,391

The current Taupo District Council area was established on 1 December 1989 when a portion of the Taumaranui Council and portion of Rotorua District Council were added to the then Taupo District Council area. This minor adjustment in area followed the amalgamation of the previous Taupo Borough and Taupo County Council on 1 December 1988.

Taupo, Turangi and Mangakino are the three main urban areas in the district. There are also many lakeside settlements around the shores of Lake Taupo.

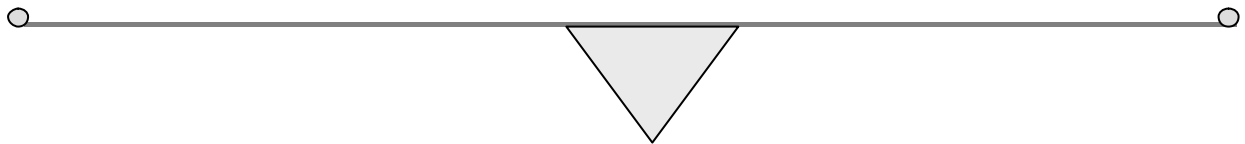
The Taupo district is a diverse area of the Central North Island comprising predominantly the vast catchment area for the whole of Lake Taupo and most of the hydroelectric dams on the Tongariro and Waikato rivers. The district contains expansive areas of exotic pine forests and farmlands as the predominant land use, and includes native forests, parts of the Tongariro National Park and Kaimanawa Ranges, and the Central Plateau Mountains.

The district's major resources are forestry, agriculture, hydroelectric and geothermal energy, tourism, and scenic and recreational attractions.

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2002/2003 ANNUAL PLAN



2002/2003 ANNUAL PLAN OVERVIEW



THE ANNUAL PLAN

The Annual Plan communicates the plans and budgets for each of Taupo District Councils (Council) significant activities to the public. The Plan is required by S223D of the Local Government Act 1974 and is required to contain the following:

1. The activities of Council including the goals, descriptions, strategic actions and objectives for each activity, the performance targets by which performance may be judged, and the indicative costs and sources of funds for each activity
2. Outlines of the Long Term Financial Strategy, Funding Policy, and Treasury Management Policy
3. The borrowing requirements of Council
4. Forecast Financial Statements
5. An explanation of any significant changes between this year's and last year's Annual Plans and Policies
6. The equal employment opportunities programme

The Draft Annual Plan was made available for the public to comment by submission.

THE STRATEGIC PLAN AND LONG TERM FINANCIAL STRATEGY

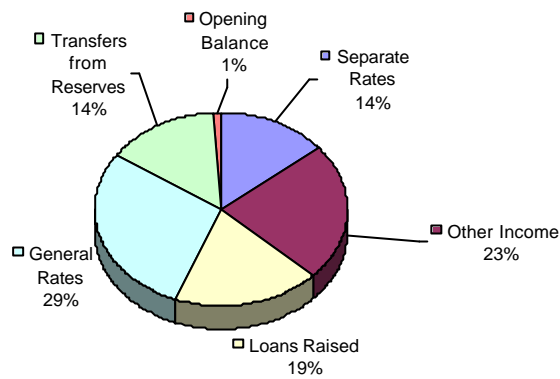
The Long Term Financial Strategy portion of the Strategic Plan was reviewed this year. The Strategic Plan and Long Term Financial Strategy identify the significant activities, plans for these activities and associated forecast expenditure needs and funding sources for the ten year period 2002/2003 to 2011/2012. A summary of the Long Term Financial Strategy is shown on page 72 of this Annual Plan.

FUNDING POLICY

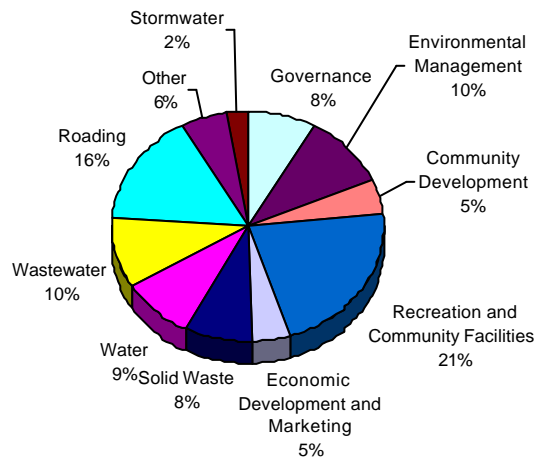
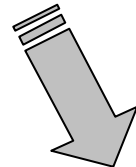
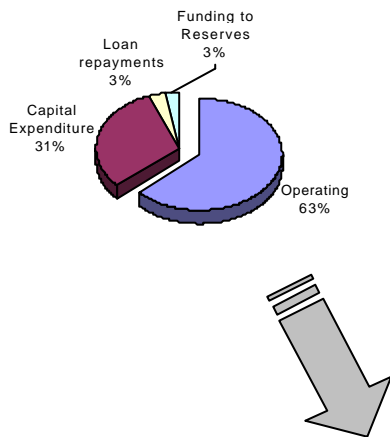
The Funding Policy was reviewed last year. The funding policy shows how and why Council funds each of its functions. An outline of the policy is shown on page 75 with the complete Funding Policy shown in the second part of this document.

FINANCIAL OVERVIEW

Source of Funds 2002/2003



Use of Funds 2002/2003



OPERATING DEFICIT AND NON-FUNDING OF DEPRECIATION

Operating Deficit

There is a legislative requirement that operating revenues shall be set at a level to cover all operating expenditure. Council has complied with the requirement to fund all operating expenditure from operating revenue, except as shown in the following table, which includes an explanation of how the deficit will be funded:

		Estimated Deficit 2002/2003	How the deficit will be funded:	
			a	b
General Rates T/K-M/P		313,410	50,000	263,410
General Rates T/T		236,590		236,590
Separate Rates				
Water				
	Acacia Bay	11,000		11,000
	Kinloch	9,000		9,000
	Waitahanui	7,500	5,000	2,500
	River Road	4,536	4,536	0
	Centennial Drive	10,000		10,000
	Mangakino	18,000		18,000
	Tirohanga	12,000	7,000	5,000
	Atiamuri	6,000	6,000	0
	Whakamaru	7,000	6,000	1,000
	Whareroa	2,500	2,500	0
	Waihaha	80	80	0
		643,616	81,116	562,500
2003/2004 Indicative		712,000	32,000	680,000
2004/2005 Indicative		642,000	32,000	610,000

How the deficit will be funded:

- a) Non-funding of depreciation (see non-funding of depreciation note on next page)
Note: Due to the new policy of combining all sewerage schemes to create a single rate, there is no operating deficit despite non funding of depreciation as identified on next page.
- b) Estimated underspending (reduction in equity)

Non-Funding of Depreciation

There is a legislative requirement to fund all operating expenditure, including depreciation (total depreciation 2002/2003 \$7,164,468). Council has complied with the requirement to fund depreciation, except as shown in the following table, which includes the reason for the non funding of depreciation:

	Depn 2002/2003	Funded 2002/2003	Not Funded 2002/2003
Buildings	992,313	942,313	50,000
Water			
Waitahanui	12,992	7,992	5,000
River Road	12,036	7,500	4,536
Tirohanga	44,520	37,268	7,000
Atiamuri	12,647	6,647	6,000
Whakamaru	10,882	4,882	6,000
Whareroa	5,991	3,491	2,500
Waihaha	30,080	30,000	80
Sewerage			
Waitahanui	50,025	25,012	25,013
Motuoapa	34,753	24,753	10,000
Motutere	8,915	2,415	6,500
	1,185,074	1,061,626	123,175
<i>2003/2004 - The indicative depreciation not funded \$72,553</i>			
<i>2004/2005 - The indicative depreciation not funded \$73,067</i>			

Reason for non-funding of depreciation:

Buildings – The Taupo Events Centre depreciation is not fully funded. The Taupo Event Centre is relatively new, having been opened in September 1998. Full funding will take place with effect from 2003/2004.

Water/Sewerage (excluding Atiamuri) - Council engineers have performed a preliminary review of the valuation of these assets, and it is their opinion that they can be replaced by more economical systems. Consequently it is estimated that the optimal replacement value of these assets will be significantly lower than the depreciated replacements of the existing assets. The unfunded portion of depreciation represents the estimated difference between depreciation using ODRC and DRC.

Water (Atiamuri) - The existing scheme was vested in Council. Council has taken the option of applying S122J(e) to recognise that depreciation can be covered by the reduction in equity.

SIGNIFICANT CAPITAL EXPENDITURE PROJECTS FOR THE 2002/2003 YEAR

Significant capital expenditure projects planned for 2002/2003 include the upgrade of the AC Baths (\$7.5m), finishing the construction of the Tauhara Water Reservoir (\$0.6m), Cherry Lane Water reservoir (\$0.95m), CBD Upgrade (\$0.65m), Rural Roading Reseal (\$0.375m), and Mangakino Hall (\$0.25m).

RATES

The proposed increase in rates for the 2002/2003 year for an average property in the district (calculated by the total rates requirement divided by the total number of district properties) is 3.4%.

Council has resolved to introduce a district sewerage rate and a district refuse disposal rate for the rating year commencing 1 July 2002. The effect of the sewerage rate means that some areas will see an increase while others will experience a decrease in their sewerage charges. With effect from 1 July 2002, all sewerage charges will be the same regardless of location.

The refuse collection rate has now ceased and is replaced with direct charging for collection via bag stickers. The refuse disposal rate has been reduced and now covers the cost of waste minimisation (education, recycling, funding of future sites), with the operating costs of the landfill and transfer stations being met through user charges.

PLANS & POLICIES

There is a legislative requirement to disclose significant changes to the Long Term Financial Strategy, Funding Policy and the Treasury Management Policy between the current Annual Plan and last year's Annual Plan.

The following significant changes/variations have been made to Council policy or planning documents:

Annual Plan

There has been no significant change to the format of the Annual Plan.

Treasury Management Policy (Investing and Borrowing)

The Treasury Management Policy is shown on page 77. A change in policy relating to the use of up to \$10 million of the TEL fund to retire general rate debt is discussed on page 78.

Long Term Financial Strategy

The Long Term Financial Strategy was reviewed in 2001/2002. The Long Term Financial Strategy has again been revised for 2002/2003 and is available as a separate document, a summary of which is shown on page 72.

As a result of this review there have been significant changes to the Long Term Financial Strategy.

The table below details the change in rates revenue, capital expenditure and borrowings between the current and previous Long Term Financial Strategy.

The rate revenue differs from the previous LTFS due to Council's decision to maintain an increase over the period of the LTFS at approximately a 4% increase annually. This has enabled Council to fund additional capital expenditure.

External debt reduces, despite increased capital expenditure, due to a decision to utilise TEL fund investment capital to reduce existing public debt by approximately \$10 million.

	Rates Revenue			Capital Expenditure			External Debt		
	2002/2003 LTFS (\$000)	2001/2002 LTFS (\$000)	Change (\$000)	2002/2003 LTFS (\$000)	2001/2002 LTFS (\$000)	Change (\$000)	2002/2003 LTFS (\$000)	2001/2002 LTFS (\$000)	Change (\$000)
2002/03	24,397	23,948	449	17,801	11,746	6,055	27,416	33,801	(6,385)
2003/04	25,701	25,218	483	17,385	14,621	2,764	23,733	30,880	(7,147)
2004/05	27,042	27,172	(130)	18,837	17,944	893	28,160	35,221	(7,061)
2005/06	28,513	28,471	42	14,760	12,833	1,927	27,077	31,100	(4,023)
2006/07	29,871	28,965	906	12,966	11,573	1,393	30,786	33,177	(2,391)
2007/08	31,276	29,691	1,585	11,581	12,552	(971)	31,770	35,046	(3,276)
2008/09	32,276	30,193	2,083	8,878	10,253	(1,375)	31,374	36,241	(4,867)
2009/10	33,789	30,607	3,182	10,801	9,217	1,584	26,625	30,661	(4,036)
2010/11	35,532	31,012	4,520	20,435	15,374	5,061	33,625	34,433	(808)

Funding Policy

The Funding Policy was fully reviewed in 2001. The Funding Policy is shown on page 75. During the review of the LTFS this year, there have been some minor changes to funding splits as follows:

Activity	2001 Funding Policy				2002 Funding Policy			
	Initial Assessment		Modified Assessment		Initial Assessment		Modified Assessment	
	Private	Public	Private	Public	Private	Public	Private	Public
District Economic Development	20	80	20	80	20	80	41	59
District Marketing	55	45	55	45	55	45	57	43

As a result of differing public opinion, in March 2001, an independent review of the Lake Taupo Marketing function was carried out. The review identified two separate outputs within the Marketing role - Economic Development and District (Destinational) Marketing. The initial assessments have not changed, however Council has chosen to modify these assessments. The overall effect of funding between the Marketing Development Rate and General Rates has not changed significantly for 2002/2003. Council modified the initial economic assessment pending the results from an Economic Development Review, and will review the funding policy in the 2003/04 year when the full results of the review are identified.

Average rates per property

The average rate per property has been shown for the first time over the ten year period (see page 74). The significance of this development is that showing an increase in the total amount of rates revenue collected over the ten year period, as was shown previously, never showed that the number of rateable properties were also increased. People interpreted the percentage change in rates revenue as representing the percentage change in rates on properties. That was never the case. Through taking account of the number of rateable properties, we are now able to show the change in the average rate per property over the district.

VARIATIONS TO COUNCIL PLANS & POLICIES

There is a legislative requirement to disclose and explain in the Annual Plan any material inconsistency between the current Long Term Financial Strategy and the Funding Policy and Treasury Management Policy. As the Long Term Financial Strategy and Funding Policy have been reviewed this year there is no material inconsistency between these documents. There is no material inconsistency between the Long Term Financial Strategy and the Treasury Management Policy.

CHANGES BETWEEN DRAFT ANNUAL PLAN AND FINAL ANNUAL PLAN

Full Council heard submissions to the Draft Strategic Plan and Draft Annual plan on 24 and 27 May 2002. Council adopted the final plans on 31 May 2002.

As a result of the submissions received, the following changes were made:

1) Capital Expenditure 2002/03

- a) Increase budget for CBD upgrade (Tuwharetoa Street) by \$150,000 funded by loan
- b) Include \$ 30,000 for retaining wall at River Road
- c) Reduce cost of half court at River Road by \$10,000
- d) Include \$25,000 for an operations vehicle at Mangakino

2) Capital Expenditure – 2003/04

- a) Include \$20,000 for a warm up path at the velodrome
- b) Include \$240,000 for Taupo Visitor Centre Extension
- c) Defer \$250,000 for Taupo Library Extension by a year

3) Operating Expenditure 2002/03

- a) Include grant to swimming club \$5,000
- b) Reduce operating costs for river control by \$28,000 as a result of Project Watershed

Effect of Changes

	Draft	Final
Total Rate requirement	\$24,385,414	\$24,396,625
TKMP General Rate (diff 1)	0.0041320/\$	0.0041773/\$
TT General Rate (diff 1)	0.0062472/\$	0.0061176/\$
Turangi UAGC	\$340.00	\$334.00
Tongariro UAGC	\$160.00	\$155.00

Average Rate increase

	2001/02	2002/03
Rate Requirement	\$22,141,204	\$24,396,625
Number of Assessments	17,358	18,505
Average rate per property	\$1,275.56	\$1,318.38
Increase		\$42.82 (3.4%)

MAYOR'S REPORT

E nga reo e nga mana
E noho ana I te rohe o Taupo-Nui-a-Tia
Tena Koutou Tena Koutou Tena Koutou Katoa
Me mihi ki to tatou matua-nui-ite-rangi
Ko ia te timatanga ko ia te ia te whakamutunga
Nga tina aitua ko whiti atu, ko wehe atu ki
Tera taha o te arai
Kia koutou haere haere haere
Ki a tatou te hunga ora kei te mihimihi kei
Te tangitangi tena koutou tena koutou tena koutou katoa

To the people and the prestige carried by them
who dwell in the district of Taupo-Nui-a-Tia
Greetings once, twice, thrice to you all.
First of all to give thanks to the creator who giveth and who taketh away.
To those dearly departed who have gone to be with the creator,
may they rest in peace.
Go once, twice, thrice.
To those of us who remain to greet, to weep and grieve.
Again greetings once, twice, thrice to you all.

Dear Ratepayers,



I am pleased to report on this my first Annual Plan as Mayor of the Taupo District and on behalf of the newly elected Council.

Being a new Council with new direction in thinking, significant time and focus has been placed on this year's Annual Plan plus Council's Ten Year Strategic Plan and Long Term Financial Strategy.

The Long Term Financial Strategy was reviewed by the Council twelve months ago, and has been further reviewed this year to ensure that finances continue to align with projected development in our district.

Councillors and staff have undertaken this detailed and thorough review to ensure that all identified projects, be they significant, necessary or desirable, have been included in the strategic direction and financial provision adequately made. In that regard the Council has thought to provide some stability in the rate projections. This provides consistency for the ratepayer and also reflects cost of living and anticipated rate increases for the future and the removal of the highs and lows indicated in the old long term financial strategy. Having undertaken this process Council and staff believe that this year's annual budget co-ordinates well with the District's long term strategic goals.

Significant challenges for the new Council have been Taupo's AC Baths Complex, the East Taupo Arterial confirmation and TEL fund review. I am confident the redevelopment of the A C Baths complex will be of significant benefit to our community and enhance our reputation as an events destination for New Zealand. The additional cost of the baths has been taken into account in setting this year's rates and as indicated by the Council has been done without exceeding the projected rate increases projected in the old strategy. The East Taupo Arterial continues to be significant in terms of ensuring the future prosperity and growth of the Taupo District. Whilst financial provision has been reaffirmed within the Strategic Plan, the delays have been more of a political nature. I am confident that significant progress is being made and that our next Annual Plan will reflect some of these outcomes.

The TEL fund review contributed significantly to the assumptions of this year's Annual Plan and the next two financial years. It was my belief, and that of my fellow Councillors, that the existing debt levels of the District (and in particular the Taupo/Kaingaroa-Mangakino/Pouakani Ward) should be reduced and a more fiscally prudent approach to borrowing be determined for the future.

Other matters currently under review include the issue of marketing/tourism and economic development delivery within the District. The Council has resolved to retain existing funding levels of \$1.2 million for these functions in the forthcoming financial year. There is common acceptance within Council that there should be a separation of marketing/tourism functions from those of economic development. Council is however committed to economic development within our district as identified and reaffirmed in our Strategic Plan.

A further significant issue facing our District is that of environment, and in particular waste management and water quality. After deliberation, a new district-wide Waste Management Strategy has been adopted and will come into effect on 1 July 2002. This introduction is in response to the need to reduce waste at our district landfill which is currently filling 35% faster than its projected life permits. This has been as a result of the fact that we have been perceived as a "free" tip-place. The reality is that we, as ratepayers, have been subsidising this activity and drawing attraction from out of town visitors and also not providing sufficient incentive for our local users to recycle. As a district we must all strive to preserve our environment and be conscious of our rubbish. There is a challenge for residents to increase their education and awareness in this area to benefit our local resources. More particularly the challenge is for people to take a personal responsibility in the area of environmental protection and to report any incidences of fly-tipping in order to assist Council in preserving our existing environmental qualities. A second major issue is that of the water quality of Lake Taupo and its tributaries. The District Council is working with Environment Waikato and other parties to determine and facilitate significant strategies for the preservation and improvement of our national icon and local resource.

Finally note should also be made of the likely introduction of the new Local Government Act later this year and its potential for increased burden on ratepayers in terms of community and social responsibilities. The likelihood of this new legislation will take the focus of Council on infrastructural issues into a much wider field. Our District is well placed to address these issues and our Vibrant & Sustainable Taupo District (VAST) Report has already identified issues within our District and recorded the community's vision for the future. The effect of new legislation will be once again to undertake an assessment to ensure balance between the needs and wants of the ratepayers are assessed, and decisions made to recognise the general position of all ratepayers. In summary I can only acknowledge that in my short time in office I have experienced the vibrancy and energy of the Taupo District as a destination for events, relaxation, adrenalin-packed activities and investment. Our District continues to emanate a very positive frame of mind. It is with pride that I listen to the accolades made by the many visitors to our District in acknowledgement in that whatever we do – we do very well.

I conclude by saying I believe the District is in good heart and your new Council is making a difference.
Kia Ora Tatou.

Clayton Stent, LLB, JP
MAYOR

CHIEF EXECUTIVE'S REPORT



I am pleased to report once again, this year for the final time as Chief Executive of the Taupo District Council, on proposals for the annual collection of revenue through rates and special charges and forecast expenditure for the financial year ahead.

In recent years Local Government requirements have seen planning emphasis shift from the previous short term annual focus to long term financial planning. Today's annual plans are closely linked with Council's Strategic Plan and Long Term Financial Strategy.

The latter is essentially a 10 year 'annual Plan' which allocates funding to major projects identified in the Strategic Plan. Both documents were reviewed in the last financial year in line with the Local Government Amendment Act which requires three yearly reviews of Long Term Financial Strategies.

Taupo District Council staff and elected members have been quick to grasp the importance of the fundamentals of long term strategic planning. The district council – comprising a new Mayor and a mix of first-time and experienced councillors – signalled its commitment early in the term to long term financial planning, with a restructure of standing committees designed to ensure resources were allocated in line with Council's Financial Strategy – additional to legal requirements – to make sure the community vision was being met.

I believe that as a result of the work put in by staff and elected members our annual budgets this financial year are more in line than ever before with the district's long term strategic goals.

Members of the public may, understandably, have difficulty coming to grips with the necessity for such a large number of planning documents. I can assure people that there is logic to it and they are vital planning tools. The challenge for this Council now is to find a simple way to inform and educate the community at large about their importance and encourage people to take part in the consultation process.

Notwithstanding the importance of long term planning, our annual plan remains a very valuable document – setting out the schedule of proposed rates and charges for the Taupo/Kaingaroa-Mangakino/Pouakani and Turangi/Tongariro rating areas for the year ahead. It also provides detailed information on what the Taupo District Council intends to do in the 2002/03 financial year and three years out, in terms of capital expenditure and the cost of providing services throughout the district.

Budget setting is always difficult and this year has proved no exception. The newly elected Taupo District Council was faced with the additional challenge of accommodating \$3 million of unbudgeted expenditure in the 2002/03 financial year for a multi-million dollar redevelopment of Taupo's AC Baths complex. Operational budgets have increased to meet demands associated with maintaining council services and facilitates in a growing district. The number of applications for district council funding for community projects has also shown no let up, with community grant money increasing the financial year.

On the positive side of the ledger, a revision of land values in the district which for the first time included geothermal resources – and a legal requirement to rate land on separate titles in urban parts of the district, creating 1200 new properties, has spread the rates burden. Continued growth in the district has also created a number of new rateable properties, contributing to gross revenue.

These factors have enabled Council to maintain its programme of planned capital and operational expenditure and hold the average rate rise to 3.4% district wide. Long term planning has also seen the percentage change in the average property rate kept to approximately 4% per annum in future years up to 2012.

Another significant move has seen a review of the Taupo Electricity Fund earlier this year – set up in 1995 with proceeds from the sale of Taupo Electricity Limited. The Taupo/Kaingaroa-Mangakino/Pouakani committee recommendation that up to \$10 million of capital from the fund be used to reduce general debt in the rating area as it falls due has now been adopted. This will impact favourably on rates and reduce the existing high level of borrowing. It should not, however, be taken as a signal that new debt can be incurred. In recent years I have urged Council on several occasions to exercise caution with regard to borrowing and it is pleasing to see that this council has recognised the

need to restrain future borrowing early in the term. I also commend the decision to seek independent advice on the setting of prudent future borrowing limits.

After much deliberation the Council has resolved to retain its existing level of funding for tourism and economic development for the coming financial year at \$1.2 million. However, in recognition of the importance of economic development, an urgent review of how the district's economic and marketing functions are delivered is underway to determine whether there is merit in a suggestion that the Lake Taupo Development Trust take over the economic development role from Destination Lake Taupo.

Concern for the environment is the driving force behind a number of projects budgeted for in this year's annual plan and the years ahead. One of the major projects for this financial year is implementation of a new district-wide solid waste strategy aimed at encouraging residents to recycle and extend the life of the district landfill. The introduction of user charges for the disposal of non-recyclables at the kerbside, transfer stations and the main Broadlands Landfill caused some initial consternation at the southern end of the lake. I am confident that sufficient resources have been set aside to ensure that education needs and any increase in 'fly tipping' can be dealt with effectively and efficiently district-wide.

Maintaining the water quality of Lake Taupo is a major priority and the Council is working with Environment Waikato and other parties on comprehensive strategies for management of Lake Taupo and its catchments. The introduction of a district-wide sewerage rate of \$213 for ratepayers on schemes will help ensure the eventual introduction of much needed sewerage upgrades for lakeside settlements that may not have been possible under the former user pays system.

Planning for Taupo's long-awaited East Taupo Arterial route is gathering momentum. Half a million dollars for designating the route has been included in the budget this financial year with \$3.3 budgeted for in the 2003/04 budget for construction.

SIGNIFICANT PROJECTS

A C Baths Redevelopment	\$7,340,000
CBD Upgrade	\$650,000
Rural road seal extension	\$375,000
Tauhara Water Reservoir	\$600,000
Mangakino Hall	\$250,000
Cherry Lane Reservoir	\$950,000

ANNUAL PLAN HIGHLIGHTS

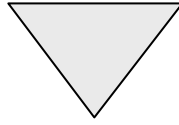
General rates	\$16,343,665
Separate rates	\$8,052,960
Interest income ex TEL investment after inflation proofing	\$3,055,000
Capital expenditure	\$17,801,446
TK-MP Uniform annual charge	Urban \$385 Rural \$158
TT Uniform annual charge	Urban \$334 Rural \$155
Overall average rate per property increase	3.4%

In my fourteen years as chief executive I have seen our principal town grow to a bustling metropolis. A lot has been achieved in the past decade right around the district. Projects which spring to mind include Taupo's Great Lake Centre, Taupo Events Centre, the award-winning Taupo sewerage scheme, Turangi town centre development and initiatives undertaken in Mangakino to address social problems to name a few. The commissioning of the VAST – Vibrant and Sustainable Taupo – report has seen Council provide seeding funds for a range of housing, education and economic development initiatives.

On the tourism front, continued support for New Zealand Ironman, Lake Taupo Arts Festival and events of the like, helps promote the region as a top visitor destination, bringing in millions of dollars and reinforcing the need to ensure we continue to provide top class facilities. There are plenty of challenges for the future but I believe the district is in good heart and at this stage is on target to meet projects outlined in the document and the Long Term Financial Strategy.

Andrew Dibble JP
CHIEF EXECUTIVE

ACTIVITIES OF COUNCIL



The next section of the Plan focuses on the significant activities or services, which Council delivers.

Each activity includes a goal, description of the activity, strategic action, the services or outputs delivered by that activity and annual performance targets for the activity.

The goal and description of the activity, from the Council's Strategic Plan for 2002-2012, provide information about what Council's purpose is in engaging the activity and what the activity involves.

The strategic actions shown in this Annual Plan come from the Strategic Plan and can be easily identified by a unique reference number shown in brackets () in both documents.

Annual performance targets are targets Council will aim to meet during the year to achieve the objectives and goals of the activity.

Operating and capital expenditure costs and how these are funded are shown under each activity.

GOVERNANCE

Goal:

To ensure that Council discharges its legal obligations and demonstrates community leadership by supporting the development of a community vision for the district and promoting co-ordinated planning with other agencies and stakeholders in working towards that vision.

Description:

This activity comprises:

- ? Council's democratic function including the operation of the Mayor's Office, Council, Committees, Subcommittees and Community Board and communicating with the community/stakeholders.
- ? The actual governing of Council as an organisation. This entails determining Council policy response to its legal obligations and the community's vision for the district, communicating that to Council's Chief Executive Officer (CEO), and monitoring/reviewing the performance of Council's CEO and organisational outputs.
 - i] Connecting with the community:
 - ✗ Assisting with determining the community's vision for the district, mobilising those who can contribute to achieving that vision and promoting co-ordination between them;
 - ✗ Determining, through formal and informal consultation, how the communities wish Council to contribute to achieving that vision.
 - ii] Determining Council direction and activities to be undertaken that reflect that consultation as well as Council's statutory obligations, and communicate that to Council's CEO (through Council's formal policies/plans and the CEO's employment contract) for implementation.
 - iii] Monitoring and reviewing the performance of Council as an organisation *i.e.*
 - ✗ Have Council activities been effective in contributing to achieving the community's vision for the district as well as fulfilling its statutory obligations;
 - ✗ Stewardship; in meeting Council's own objectives, has there been prudent utilisation of resources.

Strategic Actions from the Strategic Plan:

- ? Facilitate/support the integrated planning approach and in so doing promote the application of the principles of sustainable development. (1.2.1)
- ? Contribute/assist in collating detailed monitoring information that will support integrated community planning. (1.2.2)
- ? Ensure that the key planning documents including the Annual Plan (showing annual increments of the Strategic Plan and LTFS) are put to the community for comment.(1.3.3)
- ? Implement Council's Investment Policy to ensure that investments made on behalf of the community;
 - ✗ Provide the best return possible to the community (financial and/or non-financial)
 - ✗ Maximise the potential for achieving the community's vision for the district
 - ✗ Are made in a transparent and accountable fashion. (1.3.4)
- ? Develop a communication/information policy that considers all media of communication between Council and the community by December 2002. (1.6.1)
- ? Promote local Tangata Whenua participation in the legislative review initiatives where they are relevant to Tangata Whenua participation in Local Government. (1.7.1)

Annual Performance Targets:

Democratic Function:	
Objective:	Performance Target
<i>To maintain the democratic process of local government required by legislation and represent the interests and make decisions on behalf of residents and ratepayers of the Taupo District.</i>	All Council meetings, by-elections and polls held in accordance with Local Government legislation.
<i>To advocate on behalf of citizens and ratepayers</i> <i>⌘ in relation to services or;</i> <i>⌘ on issues affecting the district by making submissions to central and regional government</i>	Community consultation takes place as necessary, submissions made and reported back to citizens and ratepayers as appropriate.

Integrated Planning and Policy Development:	
Objective:	Performance Targets.
<i>To provide integrated strategic, financial and annual planning and reporting to ensure Council discharges its statutory obligations and contributes to achieving the community's vision for the district.</i>	<ol style="list-style-type: none"> 1. All major policies, plans and strategies adopted in accordance with statutory requirements: <ul style="list-style-type: none"> ? 2001/02 Annual Report on Council's performance completed, approved by Council's auditors and adopted by Council by 30 November 2002. ? 2002/03 Annual Plan is aligned to Council's Strategic Plan and adopted, completed and adopted by Council by 30 June 2002. 2. Review Council fees and charges by 31 December 2002. 3. Be an advocate on behalf of citizens and ratepayers by making submissions to central and regional government.
<i>To seek opportunities to facilitate or advocate for activities that will improve VAST headline indicators relating to:</i> <i>⌘ District Economy</i> <i>⌘ Community Vitality</i> <i>⌘ Natural Environment</i> <i>and then set up appropriate long term evaluation systems for the activities.</i>	Actual actions taken with any short term outcomes reported in the Annual Report for 2002/03.

Cost of Service Statement

For the year ended 30 June

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Operating Income			
Separate Rates	0	0	0
Other Income	0	0	58
	<u>0</u>	<u>0</u>	<u>58</u>
Operating Expenditure			
Democratic Function	2,607	2,624	2,674
Integrated Planning and Policy Development	286	288	290
	<u>2,893</u>	<u>2,912</u>	<u>2,964</u>
Net Cost (surplus) of operations	2,893	2,912	2,906
Capital Expenditure	0	0	0
Loan repayments	0	0	0
Funding to Reserves	0	0	0
	<u>2,893</u>	<u>2,912</u>	<u>2,906</u>
Total Net Cost	<u>2,893</u>	<u>2,912</u>	<u>2,906</u>
Funded by:			
Loans Raised	0	0	0
General Rates	2,893	2,912	2,906
Transfers from Reserves	0	0	0
Depreciation not funded	0	0	0
	<u>2,893</u>	<u>2,912</u>	<u>2,906</u>
Total Net Funding	<u>2,893</u>	<u>2,912</u>	<u>2,906</u>

ENVIRONMENTAL MANAGEMENT

Goal:

To promote the sustainable management of the district's natural and physical resources and to promote the health and safety of people and their communities.

Description:

A significant part of this activity is the development and implementation of various planning tools and policy statements designed to protect and preserve the district's natural environment. Council, through this activity, advocates on behalf of the community on matters that impact the natural environment. Further, this service ensures compliance with statutory requirements, bylaws and regulations such as the Building Act 1991 and the Resource Management Act 1991. The function also involves the administration of dog control, animal ranging, noise control and parking within Taupo Town, as well as responding to enquiries and complaints. A liquor-licensing agency and a Civil Defence/Emergency Management and Rural Fire capability are also provided.

Strategic Actions from the Strategic Plan:

- ? Completion of Urban Structure Plans for Kinloch, Turangi and Mangakino townships by July 2005. (2.1.1)
- ? Progress with the subdivision of appropriate Council owned land as soon as possible and advocate/encourage other landowners to make land available for future development so as to provide choice in the market place. (2.1.2)
- ? Investigate the implications of seeking the declaration of Lake Taupo as a National Asset or Icon and report those implications to Council by December 2002, and then, if appropriate, advocate for this declaration. (2.2.2)
- ? Before defining its role and involvement relating to the Hazardous Substances and New Organisms Act, Council is awaiting progress from Central Government. (2.3.1)
- ? Develop a detailed report monitoring the state of the district's natural environment that has regard to and links with the VAST report and processes by December 2002. (2.4.3)

Annual Performance Targets:

Environmental Planning and Policy Development:	
Objective:	Performance Targets
<i>To provide integrated environmental planning, policy development and advocacy advice to ensure Council discharges its statutory obligations and contributes to achieving the community's vision for the district.</i>	<ol style="list-style-type: none"> 1. Continue the District Plan review process through to completion of the hearings and decisions on submissions. Commence the drafting of any variations that may arise from the hearings and decisions. 2. Prepare a State of the Environment Report and framework for monitoring the effectiveness of the District Plan. 3. Prepare a Structure Plan for Kinloch settlement by 30 June 2003.

Building/Development Services:

Objective:	Performance Targets
<i>To safeguard public health and safety by the timely and efficient processing of building and development consents and provision of project information memoranda in compliance with the Building Act, other relevant district policies and bylaws.</i>	<ol style="list-style-type: none">1. To process building consent applications within the statutory limit of:<ul style="list-style-type: none">- 10 working days if the application value is less than \$500,000.- 20 working days if the application value exceeds \$500,000.An estimated 1,200 building consents applications will be processed.2. Complete building inspections as requested or within 24 hours.3. Respond to all complaints relating to Building Act 1991 compliance within 24 hours.4. Provide all land Information Memoranda (LIM) within the statutory 10 working day period.

Planning Guidance:

Objective:	Performance Targets
<i>To administer the Proposed District Plan and Resource Management Act 1991 including the provision of planning advice, education and processing of land use and subdivision consents.</i>	<ol style="list-style-type: none">1. Process all notified and non-notified applications for resource consents within the statutory periods (70 working days for notified applications and 20 working days for non-notified applications) within the framework of the Resource Management Act 1991.2. Review all resource consents for compliance within 24 months depending on relevant timing of the project.3. Respond to all complaints relating to non-compliance with the District Plan and follow up all identified non-compliance within 24 hours of notification.

Civil Defence and Rural Fire:

Objective:	Performance Targets
<i>To be prepared for emergency events by planning for Civil Defence and Rural Fire.</i>	<ol style="list-style-type: none">1. Hold at least one civil defence exercise involving trained Council staff and public volunteers.2. Provide civil defence education visits to groups, clubs and schools who request educational assistance.3. Prepare and maintain a district wide resource database listing goods and services available to assist in emergency response.

Animal Control:	
Objective:	Performance Targets
<i>To achieve good animal and dog control through the administration of legislation, local policies, plans and bylaws.</i>	1. Respond to all complaints and enquiries regarding dog control and animals roaming in public places within 24 hours.

Inspection Services	
Objective:	Performance Targets
<i>To ensure that legislative, liquor licensing, noise and public health standards are maintained and that those premises containing hazardous substances are licensed, inspected and monitored.</i>	<p><i>Environmental Health</i></p> <ol style="list-style-type: none"> 1. Register 90% of all food premises by 31 August 2001. 2. Respond to all enquiries and complaints within 24 hours. 3. Spot-check all food premises (3 times each for high-risk premises and once for low risk premises) for compliance with the Food Hygiene Regulations 1974. <p><i>Noise Control</i></p> <ol style="list-style-type: none"> 4. Respond to any noise complaint 24 hours per day, 365 days per year, within 24 hours. <p><i>Dangerous Goods</i></p> <ol style="list-style-type: none"> 5. Licence all Dangerous Goods Premises within the period 1 April 2001 and 31 March 2002. <p><i>Compliance Schedules</i></p> <ol style="list-style-type: none"> 6. Ensure that the estimated 460 buildings which should hold Building Warrants of Fitness actually hold current warrants of fitness. <p><i>Liquor Licensing</i></p> <ol style="list-style-type: none"> 7. Carry out compliance inspections on a minimum 33% of licensed premises. <p><i>General Compliance</i></p> <ol style="list-style-type: none"> 8. Provide general compliance monitoring service including outside normal office hours.

Parking Control	
Objective:	Performance Targets
<i>To ensure the safe, constant movement and parking of traffic within the Taupo Town Central Business District area.</i>	<p>Patrol and issue stationary vehicle offence infringement notices where applicable within the Central Business District (CBD) area of the Taupo town as required between the hours of:</p> <p>? 8am and 6pm Monday to Saturday</p>

Cost of Service Statement

For the year ended 30 June

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Operating Income			
Separate Rates			
Other Income	1,245	1,257	1,263
	<u>1,245</u>	<u>1,257</u>	<u>1,263</u>
Operating Expenditure			
Environmental Planning and Policy Development	814	772	769
Building/Development Services	663	667	669
Planning Guidance	660	662	665
Civil Defence and Rural Fire	276	278	279
Animal Control	509	507	505
Inspection Services	534	575	580
Liquor Licensing	94	95	95
Parking Control	176	177	178
	<u>3,726</u>	<u>3,732</u>	<u>3,739</u>
Net Cost (surplus) of operations	2,481	2,475	2,476
Capital Expenditure	43	20	32
Loan repayments	19	19	19
Funding to Reserves	0	0	0
	<u>2,542</u>	<u>2,514</u>	<u>2,527</u>
Total Net Cost			
Funded by:			
Loans Raised	0	0	27
General Rates	2,481	2,475	2,476
Transfers from Reserves	61	39	24
Depreciation not funded	0	0	0
	<u>2,542</u>	<u>2,514</u>	<u>2,527</u>
Total Net Funding			

COMMUNITY DEVELOPMENT AND SUPPORT

Goal:

To promote an environment that enhances quality of life and community wellbeing and that assists groups, neighbourhoods and communities to help themselves.

Description:

This activity provides a link between the community and the Council. It provides for establishing partnerships with agencies to manage issues of public policy relating to health, housing, funding, employment, education and other community-related matters. Grants are provided to organisations, groups and functions in the community either directly or indirectly through other organisations.

Strategic Actions from the Strategic Plan:

- ? Review Council's grants policy and evaluation procedures to ensure that any support offered by Council (be it financial or in kind) is;
 - ✍ only provided to those initiatives/projects that clearly fit with the community's vision for the future of the district,
 - ✍ only provided to those initiatives/projects that fit clearly within Council's strategic direction and core activity guidelines,
 - ✍ subject to a comprehensive cost/benefit analysis and agreed performance specifications/criteria.
 - ✍ The review to be completed and approved by Council by December 2002. (3.1.1)
- ? Contribute to and support research that determines education needs within the district and determine Council's role in education by 30 June 2003. (3.2.1)
- ? Contribute to the development of a detailed report monitoring the wellbeing of the district's communities that has regard to and links with the VAST project and processes by 30 June 2003. (3.2.3)
- ? Investigate the feasibility of a public transport system for the Taupo district where there is evidence of community need or want and provide recommendations to Council by 31 December 2003. (3.2.4)
- ? Contribute to and support research that determines community housing needs within the district and determine Council's role in community housing by 30 June 2003. (3.2.5)

Annual Performance Targets:

Housing for the Elderly:	
Objective:	Performance Targets
<i>To provide and maintain affordable rental accommodation for the elderly and the disabled.</i>	<ol style="list-style-type: none"> 1. Let Taupo/Turangi units within an average of 3 weeks of the unit being vacated. 2. Achieve a 95% occupancy rate in units in Taupo, Mangakino and Turangi. 3. MANGAKINO - Undertake an annual inspection of the pensioner units to ensure they are safe and maintained in a satisfactory condition. 4. Respond to enquiries, complaints and requests for maintenance within 5 working days.

Community Support:	
Objective:	Performance Targets
<i>To support community organisations and initiatives that enhance the vision for the Taupo district.</i>	<ol style="list-style-type: none"> 1. Ensure monies granted by council to community groups are distributed within one month of the receipt of an invoice. 2. Undertake to provide assistance to at least 24 groups and organisations and assist at least eight community projects and initiatives per year, two which shall be the Civic ANZAC Service and the Charter Parade.

Arts & Culture:	
Objective:	Performance Targets
<i>To assist community groups and individuals with arts, projects and initiatives that are of benefit to the community and to lift the profile of arts and culture.</i>	<ol style="list-style-type: none"> 1. Provide administrative support for the distribution of Creative NZ and Taupo District Council funding at its twice yearly funding rounds. 2. To facilitate at least three arts/cultural initiatives in the community quarterly and to facilitate at least one arts/cultural initiative for youth, in accordance with council's youth policy.

Heritage:	
Objective:	Performance Targets
<i>To support and encourage the preservation of our heritage.</i>	<ol style="list-style-type: none"> 1. Support the work of the Taupo District Museum of Art and History with a grant distributed quarterly. 2. Community Development staff member to attend monthly meetings of the Heritage 2000 project and provide administrative support.

Safety and Crime Prevention:	
Objective:	Performance Targets
<i>To co-ordinate and support local initiatives that enhance community safety and security in the Taupo district.</i>	<ol style="list-style-type: none"> 1. Graffiti and vandalism within the Taupo area will be repaired within 15 working days (within budgetary constraints). Any offensive or dangerous vandalism will be repaired within 1 working day. 2. Develop an annual plan in association with the Taupo/Mangakino Safer Community Council which identifies the goals towards community safety and security for a twelve month period. At the end of the twelve month period write and present a report on achievements from the plan to Safer Taupo Mangakino, Crime Prevention Unit and Taupo District Council. 3. Implement the Turangi Town Centre Security Scheme to provide a minimum of 50 hours per week of patrol to the town mall areas.

Community Venture Centre:	
Objective:	Performance Targets
<i>To provide low cost temporary accommodation to various non-profit community groups and organisations that have a recreational, cultural, educational or social service focus, and for new businesses seeking to establish themselves in the community.</i>	Respond to enquiries about the Venture Centre within 5 working days.

Cost of Service Statement

For the year ended 30 June

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Operating Income			
Separate Rates	0	0	0
Other Income	272	272	272
	<u>272</u>	<u>272</u>	<u>272</u>
Operating Expenditure			
Housing for the Elderly	259	265	270
Community Support	1,098	1,029	612
Community Health	61	61	61
Arts and Culture	49	51	58
Heritage	88	92	97
Safety and Crime Prevention	213	214	214
Community Venture Centre	45	44	43
	<u>1,813</u>	<u>1,756</u>	<u>1,354</u>
Net Cost (surplus) of operations	1,541	1,484	1,082
Capital Expenditure	121	159	82
Loan repayments	24	24	24
Funding to Reserves	0	0	0
	<u>1,686</u>	<u>1,667</u>	<u>1,188</u>
Total Net Cost			
Funded by:			
Loans Raised	0	0	0
General Rates	1,556	1,484	1,082
Transfers from Reserves	130	183	106
Depreciation not funded	0	0	0
	<u>1,686</u>	<u>1,667</u>	<u>1,188</u>
Total Net Funding			

Grants provided 2002/2003:

	\$
Taupo/Kaingaroa – Mangakino/Pouakani	
Heritage (History of Taupo Borough)	18,500
Waiora Community Trust Administration Support	40,000
*Waiora Community Trust for reallocation to the Community	71,500
*Taupo Community Arts Council for reallocation to the community	20,000
*Taupo Sports Advisory Council for reallocation to the community	16,500
Taupo Employment Support Trust	35,000
Christmas Carnival	2,000
Arts Festival Trust	30,000
Taupo School of Music – Music teacher in residence	25,000
<i>*contracted in accordance with Council's Grants Policy</i>	
Mountain Bike Club	2,000
Trout Centre	10,000
Taupo Environmental Education Steering Group	10,500
Rugby Sub Union	15,000
Taupo Golf Club	150,000
Environment Waikato (Taupo nui-a-Tia 20/20	50,000
Taupo Swim Club	5,000
Warwick Keys – History of Taupo District	20,000
Anzac Carnival	3,500
Charter Parade	3,000
Community Awards	2,000
Festival of the Environment	1,000
Youth Initiatives and Activities	5,000
<i>In 1999 Taupo/Kaingaroa and Mangakino/Pouakani adopted a youth Policy which provides for funding to support Youth initiatives and projects in the community</i>	
Community Meetings & Promotions	17,000
Hockey Pitch (and the same amount for 2003/04)	266,666
Heritage 2000	30,000
Annual Grant to Taupo District Museum	80,000
Turangi/Tongariro	
Citizens Advice Bureau	2,000
TT Sports Foundation	2,000
Taupo Community Arts Council	2,000
Life Education Trust	2,500
Trout Centre	10,000

RECREATION AND COMMUNITY FACILITIES

Goal:

To provide and promote recreation and community facilities that support our culture, attract people to the area and encourage good health, safety, education and recreation.

Description:

This activity promotes an attractive environment through the provision of public facilities and amenities that enable the community and visitors to the district to actively pursue educational, recreational, and leisure past times.

Strategic Actions from the Strategic Plan:

- ? Investigate partnerships for the provision of public conveniences with other business/agencies and provide recommendations to Council by 30 June 2003. (4.2.1)
- ? Provide reserve management plans for 85% of Council controlled recreation and scenic reserves that have regard to future growth scenarios provided by Urban Structure Plans and review as required. Reserve Management Plans to be complete by 2010. (4.3.1)
 - ✍ Centennial Park complete by December 2003
 - ✍ Taupo District Cemeteries and Neighbourhood Reserves complete by June 2003
 - ✍ Lakefront Reserves around Tapuaeharuru Bay complete by June 2003.
- ? Investigate options for upgrading/replacing the community hall in Mangakino. Replacement/upgrade complete by 2004. (4.6.2)
- ? Complete a feasibility study and conceptual design for a Visual Arts Centre by 2003/04. (4.7.1)

Annual Performance Targets:

Taupo Venues:	
Objective:	Performance Target
<p><i>To provide unique and functional facilities for the promotion, development and satisfaction of community sport, recreation, entertainment and commercial events in the Taupo region. Venues consist of the AC Baths, Taupo Events Centre and Great Lake Centre.</i></p>	<p>7. Respond to all customer complaints relating to Taupo Venues within three working days.</p> <p>8. 80% of users who are surveyed rate the venues' customer service, technical support and cleanliness as above expectation.</p> <p>9. Organise and deliver at least one marketing/promotion initiative for all venues quarterly, using a variety of media throughout the year.</p> <p>10. At least 90% of users surveyed who participated in the Council's recreation programmes are satisfied.</p> <p>11. Increase participation in Council's School Holiday Programmes by at least 5%</p> <p>12. Initiate, organise and deliver three events quarterly within Taupo Venues.</p> <p>13. Attract and host at least six conferences with at least 200 delegates.</p>

Swimming Pools:	
Objective:	Performance Target
<i>To operate and maintain safe, and financially and operationally efficient, swimming facilities for public enjoyment and health.</i>	14. Complete the upgrade of the AC Baths complex within budget of \$7,540,000 and within agreed building specifications by 30 June 2003. 15. TAUPO - Water quality of the 25m swimming pool will be maintained to New Zealand Standards (NZS5826: Part 1: 2000). 16. TURANGI – Water quality of the swimming pools will be maintained to New Zealand Standards (NZS5826: Part 1: 2000). 17. TAUPO - The swimming pool will be supervised in accordance with the NZ Recreation Association Swimming Pool Guidelines.

Events Centre:	
Objective:	Performance Target
<i>To operate an efficient multi-purpose sport and leisure centre that serves the needs of the local community and encourages visitors to the district.</i>	1. Retain at least 90% of the previous year's annual events. 2. Increase usage on the climbing wall by at least 5% compared with previous year. 3. Increase membership of the fitness suite by at least 10% compared with the previous year.

Great Lake Centre:	
Objective:	Performance Target
<i>To provide a user-friendly facility for a wide range of cultural activities that meets the needs of the community and encourages visitors to the district.</i>	Retain at least 90% of the previous year's annual events.

Libraries:	
Objective:	Performance Target
<p><i>To provide high quality educational, historical and current affairs information to the community.</i></p>	<p><i>Taupo Library</i></p> <ol style="list-style-type: none"> 1. Ensure 90% of new items are catalogued, ready to be available to the public for issue within 8 weeks of the item arriving in the library. New items reserved will be available for issue within two weeks of arrival of the item in the library. 2. Spend 10% of the total book budget on the non-circulating referencing collection. 3. Increase the number of books in the Maori reference collection by 10%. 4. To provide once a month, a housebound service to members of the community who are unable physically to come to the library. <p><i>Turangi Library</i></p> <ol style="list-style-type: none"> 1. Ensure 90% of new books are available for issue within 10 days of the book being purchased by the library. 2. Ensure the reference and non-fiction books are up to date by reviewing 100% of these books and removing out dated reference material. <p><i>Mangakino Library</i></p> <ol style="list-style-type: none"> 1. Ensure 90% of new books are available for issue within 10 days of the book being purchased by the library. 2. To provide once a month, a housebound service to members of the community who are unable physically to come to the library.

Public Conveniences:	
Objective:	Performance Target
<p><i>To provide public toilets for the convenience of the travelling public and residents in the Lake Taupo district.</i></p>	<ol style="list-style-type: none"> 1. All Public Toilets within the Taupo/Mangakino area will be inspected monthly to ensure a neat and tidy standard is maintained. 2. In the Turangi/Tongariro area the Ohuanga Road public toilet will be cleaned and maintained once per day, with all other facilities maintained twice per week. 3. Complaints regarding public conveniences will be responded to within 4 hours.

Parks and Reserves:	
Objective:	Performance Targets
<i>To provide and administer reserves for the purpose of protecting and enhancing the natural environment and to encourage/facilitate community wellbeing by catering to its recreational, sporting, leisure and cultural needs.</i>	<ol style="list-style-type: none"> 1. Continue to produce and review management plans for all reserves in consultation with the community. Complete the following Reserve Management Plans by June 2003: <ul style="list-style-type: none"> ? Centennial Park ? Neighbourhood Reserves ? Motutere Bay Recreation Reserve ? Tapuaeharuru Bay Reserves ? Complete Owen Delany Park Management Plan. 2. Parks and reserves under maintenance contracts shall be maintained according to the standards specified in the contract (<i>Taupo</i>). 3. Play equipment will be inspected monthly for compliance with NZS 5828 and maintained if required. 4. Complaints relating to parks and reserves will be responded to within 5 working days. All other customer enquiries will be responded to within 10 working days. 5. Construct a recreational tennis court for Whareroa Village within a budget of \$70,000.

Sportsgrounds:	
Objective:	Performance Targets
<i>To provide sportsgrounds for year round use for residents and visitors to enjoy and to encourage participation in an array of outdoor sporting activities.</i>	<ol style="list-style-type: none"> 1. To maintain the turf, within financial commitments, on the sportsgrounds for year-round use by sporting codes, residents and visitors. 2. TURANGI - Playing fields shall be maintained in accordance with summer and winter code requirements.

Amenity Plantings:	
Objective:	Performance Targets
<i>To provide areas which enhance and compliment the environment for the enjoyment of residents and visitors to the Taupo district.</i>	<ol style="list-style-type: none"> 1. All garden and reserve displays will be inspected quarterly to ensure a neat and tidy standard is maintained. 2. Plant trees on at least three streets by June 2003. 3. Support, through providing funds, beautification projects run by Keep Mangakino Beautiful.

Cemeteries:	
Objective:	Performance Targets
<i>To provide and maintain public cemeteries in park-like surroundings whilst ensuring compliance with the Burials and Cremation Act 1964.</i>	18. Complete a reserve management plan for Taupo District Cemeteries by June 2003. 19.

Community Halls:	
Objective:	Performance Targets
<i>To foster community wellbeing and pride and enable local community groups, organisations and families to participate in a range of social, leisure and cultural activities.</i>	1. Ensure halls are available for community use 365 days of the year except when closed for major maintenance or public safety reasons. 2. Requests for maintenance will be actioned within 5 working days. 3. Undertake a quarterly inspection of all halls to ensure the halls and surrounds are clean and tidy and in good condition.

Cost of Service Statement

For the year ended 30 June

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Operating Income			
Separate Rates	51	51	51
Other Income	1,163	1,838	1,882
	<u>1,214</u>	<u>1,889</u>	<u>1,933</u>
Operating Expenditure			
Taupo Venues	2,514	2,539	2,520
Libraries	1,117	1,135	1,167
Public Conveniences	499	550	590
Parks and Reserves	1,893	1,844	1,860
Sportsgrounds	1,025	1,063	1,087
Amenity Plantings	468	481	496
Community Halls	311	319	320
	<u>7,827</u>	<u>7,931</u>	<u>8,040</u>
Net Cost (surplus) of operations	6,613	6,042	6,107
Capital Expenditure	9,229	1,931	2,018
Loan repayments	292	259	169
Funding to Reserves	0	0	0
	<u>16,134</u>	<u>8,232</u>	<u>8,294</u>
Total Net Cost			
Funded by:			
Loans Raised	7,730	625	890
General Rates	6,549	6,042	6,111
Transfers from Reserves	1,805	1,565	1,293
Depreciation not funded	50	0	0
	<u>16,134</u>	<u>8,232</u>	<u>8,294</u>
Total Net Funding			

ECONOMIC DEVELOPMENT AND MARKETING

Goal:

To encourage diverse and sustainable economic growth that benefits the community as a whole and to develop an exciting, fresh and positive image for the Taupo district both nationally and internationally.

Description:

This activity is delivered through Destination Lake Taupo and services include economic development, undertaking district marketing, events marketing and the provision of visitor centres at Taupo and Turangi. Destination Lake Taupo is advised by the Marketing Advisory Board.

Strategic Actions from the Strategic Plan:

- ? Consider the benefit to the wider community in the development of strategies (including event attraction) to generate economic development within the Taupo district.(5.1.3)
- ? Contribute to the development of a detailed report monitoring the state of the district economy that has regard to and links with the VAST report and processes by 30 June 2003. (5.1.4)
- ? Identify opportunities for and support the establishment of value added processing in the Taupo district. (5.1.7)
- ? Develop strategies for wider business participation in the knowledge economy and access to related infrastructure. (5.3.1)

Annual Performance Targets:

District Economic Development:	
Objective:	Performance Targets
<i>To encourage and support diverse and sustainable economic growth in the district.</i>	<ol style="list-style-type: none"> 1. Produce an annual marketing plan ('Blueprint 2010') by 30 June containing strategies and programmes for economic development approved by the Lake Taupo Marketing Advisory Board and submit to Council within 60 days of the start of the financial year. 2. Convene meetings with the Lake Taupo Marketing Advisory Board on a monthly basis and provide a detailed report on activities and plans to Council. 3. Convene an annual public industry forum to discuss strategies and seek input.

Destination Marketing & Visitor Centres:

Objective:	Performance Targets
<i>To promote the Taupo district nationally and internationally as a premier destination for tourism and events</i>	<ol style="list-style-type: none"> 1. Produce an annual marketing plan ('Blueprint 2010") by 30 June containing strategies and programmes for destination marketing and visitor centres approved by the Lake Taupo Marketing Advisory Board and submit to Council within 60 days of the start of the financial year. 2. Convene meetings with the Lake Taupo Marketing Advisory Board on a monthly basis and provide a detailed report on activities and plans to Council. 3. Convene an annual public industry forum to discuss strategies and seek input.

Cost of Service Statement

For the year ended 30 June

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Operating Income			
Separate Rates	612	634	651
Other Income	262	264	269
	<u>874</u>	<u>899</u>	<u>920</u>
Operating Expenditure			
District Marketing/ District Economic Development	1,251	1,280	1,308
Visitor Centres	433	443	458
	<u>1,685</u>	<u>1,724</u>	<u>1,766</u>
Net Cost (surplus) of operations	810	825	846
Capital Expenditure	37	315	0
Loan repayments	7	6	17
Funding to Reserves	0	0	0
	<u>854</u>	<u>1,146</u>	<u>863</u>
Total Net Cost			
Funded by:			
Loans Raised	0	240	0
General Rates	810	825	846
Transfers from Reserves	44	81	17
Depreciation not funded	0	0	0
	<u>854</u>	<u>1,146</u>	<u>863</u>
Total Net Funding			

SOLID WASTE MANAGEMENT

Goal:

To protect and safeguard the Taupo district's environment by ensuring refuse is reduced, managed and disposed of in a safe, efficient and sustainable manner that maintains natural and aesthetic values.

Description:

The focus of this activity is the practice of sustainable waste management. This is achieved by promoting the waste management hierarchy in the following order of priority; reduction, reuse, recycling, recovery, residual treatment and refuse disposal.

Services provided include:

- ✍ Public education on waste minimisation and litter control
- ✍ Collection of street litter, and emptying litter bins
- ✍ A kerbside collection in most urban, commercial and industrial areas
- ✍ A refuse recycling service
- ✍ Refuse transfer stations at strategic locations throughout the district
- ✍ The operation and maintenance of appropriate solid waste disposal systems

Strategic Actions from the Strategic Plan:

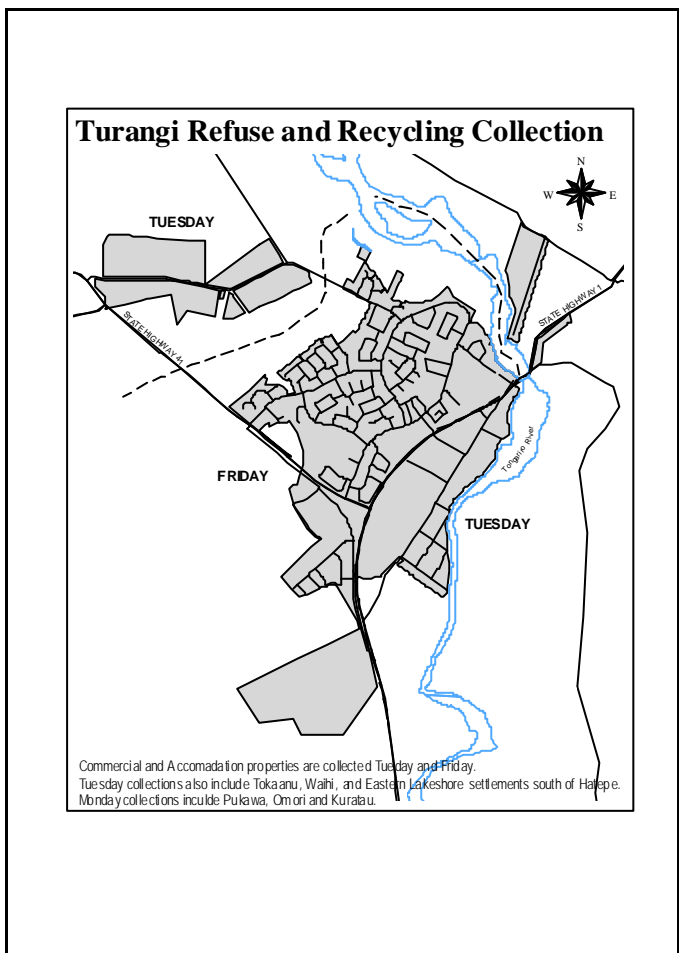
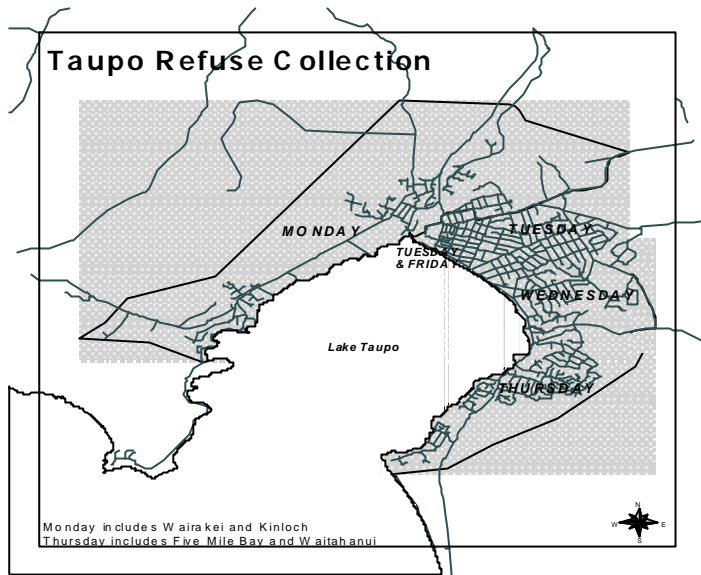
- ? Develop and implement comprehensive community education and waste minimisation initiatives. (6.1.2)

Annual Performance Targets:

Waste Minimisation and Litter Control:	
Objective:	Performance Targets
<p><i>To encourage the use of waste minimisation techniques and maintain a sustainable and attractive environment within the Taupo district.</i></p>	<ol style="list-style-type: none"> 1. Reduce the volumes of waste disposed of at the district landfill by 25%. 2. Pick up street litter within the central business areas in Taupo and clean the gutters, arcades and paved areas using a motorised street sweeper on a daily basis. 3. Pick up street litter within the central business areas in Mangakino street daily. 4. Clean and remove litter daily from the Turangi Town Mall. 5. Complaints regarding litter will be responded to within 4 hours.

Solid Waste Collection:	
Objective:	Performance Target
<p><i>To provide a safe, efficient and environmentally sustainable refuse collection service with the urban areas of the Taupo district that promotes waste minimisation.</i></p>	<ol style="list-style-type: none"> 1. Make Green Recycle Bins available to all urban households for the refuse recycling programme. 2. Collect refuse in accordance with the days specified on the Taupo map (see below), between the hours of 7.30am and 4.30pm, with the exception of Good Friday and Christmas Day. 3. Collect refuse every Tuesday in the Mangakino township, Whakamaru villages and Atiamuri. Collect Commercial refuse every Monday and Friday in Mangakino township. 4. Collect refuse in accordance with the days specified on the Turangi map (see below) and at Omori/Kuratau/Pukawa Bay on a Monday. 5. Conduct one green waste collection at Easter at appropriate disposal sites at Hatepe, Waitetoko and Motuoapa.

Solid Waste Disposal:	
Objective:	Performance Target
<p><i>To provide safe, efficient and environmentally sustainable refuse transfer and disposal facilities within the Taupo district that promote waste minimisation.</i></p>	<ol style="list-style-type: none"> 1. Dispose of refuse to sanitary landfill in accordance with the resource consent and the site management plan. 2. Run at least four recycling campaigns during the year.



Cost of Service Statement

For the year ended 30 June

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Operating Income			
Separate Rates	914	968	1,106
Other Income	1,440	1,440	1,440
	<u>2,354</u>	<u>2,408</u>	<u>2,546</u>
Operating Expenditure			
Waste Minimisation and Litter Control	621	633	647
Solid Waste Collection	609	609	609
Solid Waste Disposal	1,689	1,728	1,761
	<u>2,920</u>	<u>2,970</u>	<u>3,017</u>
Net Cost (surplus) of operations			
Capital Expenditure	288	755	500
Loan repayments	173	192	230
Funding to Reserves	0	0	0
	<u>1,027</u>	<u>1,509</u>	<u>1,201</u>
Funded by:			
Loans Raised	288	755	500
General Rates	616	627	642
Transfers from Reserves	37	47	59
Depreciation not funded	0	0	0
Opening Balance	86	80	0
	<u>1,027</u>	<u>1,509</u>	<u>1,201</u>
Total Net Funding	<u>1,027</u>	<u>1,509</u>	<u>1,201</u>

WATER SUPPLY

Goal:

To continue to improve the sustainability, security, safety and reliability of the district's water supplies at an acceptable quality and cost to end-users.

Description:

Council sources, treats and distributes water at a number of different sites throughout the district. The extent of treatment and quantity of water supplied varies between schemes. There are 21 water supply schemes in total throughout the district. Ten are located in Taupo/Kaingaroa, six in Turangi/Tongariro and five in Mangakino/Pouakani.

Strategic Actions from the Strategic Plan:

- ? Consideration of alternate funding mechanisms for this activity to be complete by 31 December 2002. (7.1.1)

Annual Performance Targets:

Water Supply:	
Objective	Performance Targets:
<p><i>To efficiently extract, treat and distribute potable water to end users within defined areas in a sustainable manner.</i></p>	<ol style="list-style-type: none"> 1. Water Supply in urban areas will be maintained at a minimum pressure of 14 metres (137kpa) and in rural areas at 5 metres (49kpa). This will be monitored through regular tests of known low-pressure areas. 2. A continuous supply of water will be provided except for planned or emergency shutdowns. In the absences of extraordinary circumstances, planned or emergency shutdowns shall be no longer than 3 hours for Urban schemes and 24 hours for Rural schemes, except for Centennial Drive, which will be no longer than 8 hours. 3. Water will be provided that complies with the appropriate grading of the NZ Drinking Water Standards. 288 bacteria tests will be carried out with an estimated 98% meeting the appropriate grading. 4. Collect and document the condition and performance information of 25% of each water infrastructural asset grouping to assist with asset management.

Cost of Service Statement

For the year ended 30 June

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Operating Income			
Separate Rates	3,132	3,417	4,096
Other Income	38	38	154
	3,170	3,455	4,250
Operating Expenditure			
Taupo	1,748	2,085	2,728
Acacia Bay	127	147	142
Kinloch	64	64	63
Waitahanui	23	23	24
River Road	25	25	26
River Road Loan	2	2	1
Mapara Road	55	55	54
Whakamoenga Point	22	27	32
Bonshaw Park	31	31	30
Centennial Drive	148	146	144
Whakaroa	65	64	63
Motuoapa	42	46	51
Turangi	306	300	299
Omori/Pukawa/Kuratau	113	113	149
Omori/Pukawa/Kuratau Loan	9	7	6
Whareroa	29	29	33
Hatepe	25	25	28
Mangakino	127	128	128
Tirohanga	130	129	129
Waihaha	48	48	48
Atiamuri	26	27	27
Whakamaru	23	24	32
	3,187	3,546	4,236
Net Cost (surplus) of operations	17	91	(15)
Capital Expenditure	2,162	3,170	4,574
Loan repayments	361	416	566
Funding to Reserves	0	0	116
	2,541	3,677	5,241
Total Net Cost	2,541	3,677	5,241
Funded by:			
Loans Raised	1,096	2,992	3,417
General Rates	0	0	0
Transfers from Reserves	1,388	554	1,682
Depreciation not funded	31	31	32
Opening Balance	26	100	110
	2,541	3,677	5,241
Total Net Funding	2,541	3,677	5,241

WASTEWATER

Goal:

To continue to improve the reliability of the district's wastewater collection and treatment facilities in a manner that is sustainable, meets the appropriate public health and environmental standards and at an acceptable quality and cost to end-users.

Description:

Council collects and treats wastewater by way of various treatment systems at a number of different sites throughout the district. There are 12 sewerage schemes situated throughout the district. There are 5 located in Taupo/Kaingaroa, 4 in Turangi/Tongariro and 3 in Mangakino/Pouakani.

Strategic Actions from the Strategic Plan:

- ? Council participation in Environment Waikato's Lake Water Quality Protection Process and in so doing establish performance standards for wastewater through the resource consent renewal processes. (8.1.1)

Annual Performance Measures:

Wastewater:	
Objective	Performance Target
<p><i>To provide for the efficient collection, treatment and disposal of wastewater for defined areas in a manner that safeguards the environment and in accordance with public health standards.</i></p>	<ol style="list-style-type: none"> 1. Provide for the continuous collection of sewerage and wastewater except for planned or emergency works. Planned or emergency works shall not exceed 4 hours. 2. Provide treatment and disposal that meets the Waikato Regional Council Resource Consent requirements. At least 95% of required tests will meet the appropriate consent requirements. 3. Collect and document the condition and performance information of 25% of each wastewater infrastructural asset grouping to assist with asset management. 4. Turangi Sewerage Scheme – Continue to gather data on water quality discharges to surface and groundwater and obtain a new resource consent from Environment Waikato for upgrading of the site.

Cost of Service Statement

For the year ended 30 June

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Operating Income			
Separate Rates	3,195	3,244	3,549
Other Income	317	317	317
	<u>3,512</u>	<u>3,561</u>	<u>3,866</u>
Operating Expenditure			
Taupo	2,242	2,217	2,226
Acacia Bay	214	215	257
Acacia Bay Loan	2	2	1
Kinloch	148	148	148
Kinloch Loan	3	3	2
Waitahanui	154	154	153
Waitahanui Loan	3	2	2
Motuoapa	103	102	113
Motuoapa Loan	1	1	1
Turangi	273	357	441
Motutere	20	19	19
Omori	174	172	170
Omori Loan	13	11	9
Whareroa	22	23	23
Mangakino	111	109	108
Atiamuri	11	11	11
Whakamaru	14	14	14
	<u>3,508</u>	<u>3,558</u>	<u>3,697</u>
Net Cost (surplus) of operations	(4)	(3)	(169)
Capital Expenditure	1,067	3,414	3,234
Loan repayments	436	509	472
Funding to Reserves	0	0	165
	<u>1,500</u>	<u>3,920</u>	<u>3,702</u>
Total Net Cost			
Funded by:			
Loans Raised	0	2,548	1,250
General Rates	0	0	0
Transfers from Reserves	1,460	1,331	2,410
Depreciation not funded	42	41	41
Opening Balances	(1)	0	0
	<u>1,500</u>	<u>3,920</u>	<u>3,702</u>
Total Net Funding			

ROADING NETWORK

Goal:

To provide a safe, reliable and efficient roading and pedestrian network that is in harmony with the environment.

Description:

This activity provides for the maintenance and development of the district's roading and pedestrian network. District-wide there are 189 kilometres of urban streets, 542 kilometres of rural roads and 200 kilometres of footpaths. Of the 731 kilometres of roads, 578 kilometres are sealed and 153 kilometres are unsealed.

Strategic Actions from the Strategic Plan:

- ? Monitor and contribute to the development of Central Government policy and legislation. (9.1.1)
- ? Construction of ETA between 2003-2006 and supporting roading network between 2006 – 2008. (9.3.1)
- ? Implement, monitor and review the Taupo District Council's Cycle Strategy. (9.3.4)
- ? Extend the service capacity of existing roading and pedestrian network and urban facilities in line with growth scenarios detailed in Urban Structure Plans. (9.3.5)

Annual Performance Targets:

Roading:	
Objective:	Performance Targets
<p><i>To provide a roading and pedestrian network that is suitable for the safe and efficient movement of vehicles and people</i></p>	<ol style="list-style-type: none"> 1. Road and Street surfaces – maintain sealed carriageway smoothness levels, as measured and recorded by the Roading Asset Maintenance Management (RAMM) system, of: <ul style="list-style-type: none"> - No greater than an average of 90 - No more than 20% of all sealed surfaces will have a level of greater than 130. 2. Traffic Services – Street and road markings will be repainted annually. 3. Rural Roadside Vegetation Control <ul style="list-style-type: none"> - Sealed road sides will be mown on average 4 times a year - Unsealed road sides will be mown on average 2 times a year 4. Street Lighting – Provide street lighting that operates during the hours of darkness 365 days a year. Malfunctions will be responded to within 5 working days. 5. Street Cleaning – Sweep the channel and seal edging on urban street, clear of loose metal and debris, an average 4 times per year. 6. Footpath Repairs – Respond to requests for maintenance on footpaths within one month and carry out maintenance where required. 7. Construct residential footpaths within urban areas of the district to meet NZ standards at a cost of \$130,000. 8. Seal Extension – Complete 4.8 km of seal extensions on district roads to Transit NZ specifications or Council standards. 9. Reseals – Complete 36.5 km of maintenance reseal to Transit NZ specifications or Council standards.

Cost of Service Statement

For the year ended 30 June

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Operating Income			
Separate Rates	149	157	156
Other Income	1,627	2,627	2,627
	<u>1,776</u>	<u>2,784</u>	<u>2,783</u>
Operating Expenditure			
Roading and Traffic Surfaces	5,604	5,854	6,219
Project Pounamu	140	137	136
	<u>5,744</u>	<u>5,991</u>	<u>6,355</u>
Net Cost (surplus) of operations	3,968	3,207	3,572
Capital Expenditure	3,963	6,872	7,448
Loan repayments	201	274	419
Funding to Reserves	0	1,000	1,000
	<u>8,133</u>	<u>11,353</u>	<u>12,439</u>
Total Net Cost			
Funded by:			
Loans Raised	1,740	3,550	4,400
General Rates	4,135	4,449	4,599
Transfers from Reserves	2,248	3,354	3,440
Depreciation not funded	0	0	0
Opening Balance	10	0	0
	<u>8,133</u>	<u>11,353</u>	<u>12,439</u>
Total Net Funding			

STORMWATER

Goal:

To efficiently collect and dispose of stormwater in an environmentally sustainable, safe and efficient manner that protects public health, property and infrastructure at an acceptable cost to the community.

Description:

This activity involves maintaining, modifying and extending the stormwater disposal and land drainage systems to manage surface water run-off from all urbanised catchments and to minimise flood damage. With the exception of the certain areas as set out in the Proposed District Plan, private properties are not connected to the stormwater system. This is because the Taupo district has porous soils that allow most private property rainwater to be easily discharged onsite.

Strategic Actions from the Strategic Plan:

- ? To ensure Council stormwater discharges abide by, as a minimum, the Regional Council's water quality/quantity criteria established through the transitional regional plan and to;
 - ? Renew stormwater discharge resource consents by December 2001. (10.1.1)
- ? Clearly advocate the needs of the district's communities to Environment Waikato's Project Watershed Process. Project Watershed is Environment Waikato's project established to determine levels of service, funding, etc for flood control activities within the region. (10.4.4)
- ? Actively lobby Environment Waikato to undertake any urgent flood protection or erosion control works required and for Environment Waikato to put in place a short term funding mechanism if necessary. (10.4.5)
- ? Participate in resource consent reviews where the activities controlled by those resource consents have an impact on the district's lakes and waterways. (10.4.6)

Annual Performance Targets:

Stormwater and Land Drainage:	
Objective	Performance Target
<i>To provide land drainage and stormwater reticulation systems to manage stormwater run-off from developed urban catchment areas in an environmentally sustainable, safe and efficient manner.</i>	1. Provide stormwater collection and disposal systems that meet the Environment Waikato Resource Consent requirements associated with stormwater quality 100% of the time. 2. Provide and maintain the stormwater disposal system by responding to ponding within: <ul style="list-style-type: none"> ? 1 hour where floodwaters threaten dwelling(s) ? 48 hours on inundation of property but no threat to dwelling ? 3 days for general flooding. 3. Record the number of flood events and trends.

Lake and River Control:	
Objective	Performance Target
<i>To minimise the impacts of river flooding and erosion to promote an ecological balance within the district's lakes and waterways</i>	1. Maintain flood and river control systems in accordance with Regional Resource Consent conditions.

Cost of Service Statement

For the year ended 30 June

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Operating Income			
Separate Rates	0	0	0
Other Income	50	50	50
	<u>50</u>	<u>50</u>	<u>50</u>
Operating Expenditure			
Stormwater and Land Drainage	766	742	713
Lake and River Control	79	84	93
	<u>845</u>	<u>826</u>	<u>806</u>
Net Cost (surplus) of operations	795	776	756
Capital Expenditure	205	355	245
Loan repayments	114	92	65
Funding to Reserves	0	0	0
	<u>1,114</u>	<u>1,223</u>	<u>1,066</u>
Total Net Cost			
Funded by:			
Loans Raised	0	0	0
General Rates	795	776	756
Transfers from Reserves	319	447	310
Depreciation not funded	0	0	0
	<u>1,114</u>	<u>1,223</u>	<u>1,066</u>
Total Net Funding			

CORPORATE AND STRATEGIC INVESTMENTS

Note: Corporate and strategic investments represent the balance of Council activities. Due to their nature, they are not "true" significant activities as they are not service delivery or output based. In the majority of cases, income far exceeds associated expenditure and therefore there are no funding policies for any of the activities shown below. Income received from these activities is used to offset general rate requirements.

Goal:

To protect the strategic interests of the residents and ratepayers of the Taupo district by managing strategic investments in a manner that secures opportunities to progress community outcomes.

Description:

This activity provides for the ownership and management of assets that are of strategic importance to the residents and ratepayers of the Taupo district. It provides for the management of forests, investment and borrowing fund management, the management of Council owned property and managing the relationship between Council and Council-owned entities such as the Taupo Airport.

Strategic Actions from the Strategic Plan:

Strategic Investments :	
Objective:	Performance Targets
<p><i>To prudently manage and administer strategic assets and investments on behalf of the residents and ratepayers of the Taupo district in a manner that progresses community outcomes. This includes land owned for urban development, forests, investments and borrowings.</i></p>	<p><u>Forests</u></p> <ol style="list-style-type: none"> 1. Obtain professional forest management advice for Council's forests. 2. Obtain professional advice on forest tending and forest harvesting programmes. <p><u>Treasury and Borrowing</u></p> <ol style="list-style-type: none"> 1. Adhere to the Treasury Management Policy. 2. Ensure all investment and interest rate risk management activity is undertaken with institutions that are of high quality credit. Actual investment returns not to be less than budgeted investment returns of 6.5%. 3. Total debt servicing costs on net external debt will not exceed 15% of total operating income. 4. The ratio of net external debt to equity will not exceed 10%. 5. Borrowings during the year will be drawn down at an interest rate not greater than 7.4%.

Cost of Service Statement

For the year ended 30 June

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Operating Income			
Separate Rates	0	0	0
Other Income	6,504	13,056	5,563
	<u>6,504</u>	<u>13,056</u>	<u>5,563</u>
Operating Expenditure			
Forestry	24	1,066	432
Business Unit Engineering	423	422	420
Property Management	853	853	851
Rates Remissions	413	415	420
Investment Fees	39	39	39
Legal Fees	301	321	321
	<u>2,053</u>	<u>3,116</u>	<u>2,482</u>
Net Cost (surplus) of operations	<u>(4,451)</u>	<u>(9,941)</u>	<u>(3,081)</u>
Capital Expenditure	687	395	705
Loan repayments	232	6,275	304
Funding to Reserves	1,470	2,091	1,606
	<u>(2,063)</u>	<u>(1,181)</u>	<u>(465)</u>
Total Net Cost	<u>(2,063)</u>	<u>(1,181)</u>	<u>(465)</u>
Funded by:			
Loans Raised	200	173	226
General Rates	(3,492)	(2,361)	(1,986)
Transfers from Reserves	729	508	794
Depreciation not funded	0	0	0
Opening Balance	500	500	500
	<u>(2,063)</u>	<u>(1,181)</u>	<u>(465)</u>
Total Net Funding	<u>(2,063)</u>	<u>(1,181)</u>	<u>(465)</u>
Other Income also includes:			
TEL Interest	4,225	3,987	3,871
General Funds Interest Income	200	200	150
Reserves interest	184	230	208
Sale of Property	500	300	0
Ex Gratia Payment	50	50	50
Petrol Tax	336	350	350
	<u>5,495</u>	<u>5,117</u>	<u>4,629</u>

TAUPO AIRPORT

STATEMENT OF CORPORATE INTENT

For the year ended 30 June 2003

OBJECTIVES OF THE TAUPO AIRPORT AUTHORITY

To operate a successful business and provide a safe, efficient, effective airport, meeting the air transport needs of the Taupo district.

PERFORMANCE TARGETS

Runway availability

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

Information service

- 2.1 A Unicom information service will be provided 365 days of the year.

Terminal Building

- 3.1 The terminal building will be open at least 1 hour before arrival times and ½ an hour after flight departure times.

NATURE & SCOPE OF ACTIVITIES

a] Airport Service

Taupo Airport Authority has two runways; a sealed runway able to accommodate aircraft with an equivalent single wheel loading of up to 2270kgs and a grass runway. The airport provides for scheduled and chartered air services for the Taupo district and has appropriate terminal and handling facilities, etc. Land is available for leased sites. 29 businesses already have fixed base operations [FBO's] on airport land. A further 6 leased sites were developed during 2000, 3 of which are now occupied.

b] Air Services

Wellington services are operated using Air Nelson 18 passenger seat Metroliners. These Wellington services now operate direct Taupo - Wellington - three times per day. The Auckland services provide three return flights daily and are operated by Eagle Airways using a combination of 18 passenger seat Metroliner and 15 passenger seat Banderante aircraft. The Auckland Services are under review as Eagle Airways phase in their larger Beech 1900D aircraft. Eagle Airways is likely to take over the Wellington services currently operated by Air Nelson and become the sole Air NZ Link operator at Taupo.

The Civil Aviation Authority determined in December 1996 that the Airways Corporation funded Aerodrome Flight Information Service was not required for safety reasons. After consultation with aerodrome users a Unicom service was established on 14 August 1997 and has been operated successfully since.

c] Management

The Taupo Airport Authority is operated under a joint venture agreement between the Crown and Taupo District Council and under the trust deed Taupo District Council is the airport operator. The Taupo District Council carries out day to day management.

d] Revenue

Taupo Airport Authority receives revenue from four major areas:

- i] Landing charges
- ii] Unicom charges
- iii] Lease of terminal area space
- iv] Lease of land for FBO's

Items ii] and iii] are relatively fixed with terminal leases and leases of land to FBOs for 20 years with 5 year rental reviews.

General Aviation activity, and particularly parachuting, continues to show significant growth and charges to this section of the aviation community are also being reviewed. Scheduled airline landings are static, however airline charter operations are showing a significant increase.

COMMERCIAL VALUE OF AUTHORITY

The assets owned or controlled by this authority are recorded in the accounts at either cost less accumulated depreciation or valuation at 1/7/98. Whilst these valuation methods are used to value the business for 2002/03, new valuations are currently being assessed. However, they will not be available in time for use by the Authority for the 2002/03 planning year.

FUTURE ISSUES

The Taupo District Council is continuing to negotiate with the Crown to purchase the Crown's 50% share of the Airport.

Maintaining a level of service to cater for the needs of the travelling public will be a continuing objective of the Taupo Airport Authority particularly during the forthcoming review of services by the airline companies.

Annual Performance Targets:

Taupo Airport:	
Objective:	Performance Targets
<i>To provide a gateway to the Taupo district through the ownership of the Taupo Airport.</i>	<ol style="list-style-type: none">1. The sealed runway will be open for air traffic 365 days of the year unless prevented by adverse weather or unexpected events.2. The grass runway will be open for air traffic 365 days of the year unless prevented by adverse weather or unexpected events, or when the sealed runway is in use.3. Provide a Unicom information service.4. The terminal building will be open at least 1 hour before arrival times and ½ an hour after flight departure times.

Cost of Service Statement

For the year ended 30 June

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Operating Income	335	335	335
Operating Expenditure	332	332	332
Net Cost (surplus) of Operations	3	3	3

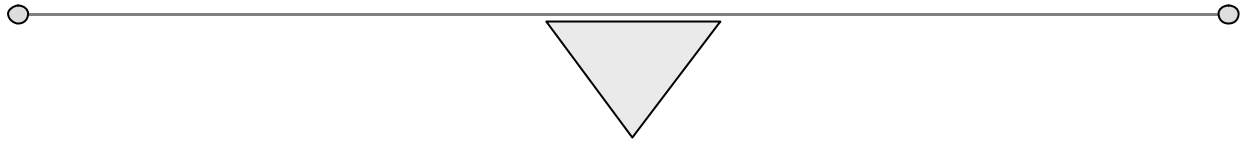
The current level of airport landing fees and charges are currently under review by a special consultative steering committee. That committee will consult with all the airport operators and make a recommendation on fees and charges to the owners – the local council and the Crown.

Final approval by the Minister of Transport to the fees and charges will be required.

The new prices are expected to apply from 1 July 2002.

Note: budgeted revenue for the ensuing three years is based on current fee levels. In other words, no attempt has been made to estimate the outcome of the current review of airport fees and charges for inclusion within budgeted revenues.

FORECAST FINANCIAL PERFORMANCE



FORECAST STATEMENT OF FINANCIAL PERFORMANCE

Budget 30/6/02 \$000	Forecast 30/6/03 \$000	Projection 30/6/04 \$000	Projection 30/6/05 \$000
Revenue			
22,141 Rates Income	24,397	25,701	27,042
13,777 Other Revenue from Significant Activities	13,252	21,594	14,230
35,919 Total operating revenue	37,649	47,295	41,272
Expenditure			
34,083 Operating Expenditure from Significant Activities	36,533	38,393	38,791
34,083 Total operating expenditure	36,533	38,393	38,791
1,836 Total operating surplus (deficit) before taxation	1,116	8,902	2,481
0 Less Taxation Expense	0	0	0
1,836 Net Surplus (Deficit) after taxation for the year	1,116	8,902	2,481

FORECAST STATEMENT OF MOVEMENTS IN EQUITY

for the year ended 30 June 2003

Budget 30/6/02 \$000	Forecast 30/6/03 \$000	Projection 30/6/04 \$000	Projection 30/6/05 \$000
373,381 Equity at start of the year	375,191	376,304	383,576
1,835 Net surplus for the period	1,116	8,902	2,481
0 Increases (decreases) in revaluation reserves	0	(1,627)	0
25 Less: Taupo Airport*	3	3	3
1,810 Total recognised revenues and expenses for the year	1,113	7,272	2,478
375,191 Equity at end of the year	376,304	383,576	386,054

Taupo Airport Authority - The Statement of Financial Performance shown in the Long Term Financial Strategy differs from the Statement of Financial Performance shown above by the Taupo Airport Authority operating results which are not included in the Long Term Financial Strategy.

*This adjustment reflects the Statement of Financial Position not including the consolidated Taupo Airport Authority.

FORECAST STATEMENT OF FINANCIAL POSITION

as at 30 June 2003

Budget	Forecast	Projection	Projection
30/6/02	30/6/03	30/6/04	30/6/05
\$000	\$000	\$000	\$000
Equity			
210,702 Accumulated Funds	211,486	217,630	219,518
76,489 Council Created Reserves Restricted Reserves	76,818	79,473	80,073
88,000 Asset Revaluation Reserves	88,000	86,473	86,473
375,191 Total Equity	376,304	383,576	386,054
Current Assets			
100 Cash and Bank	100	100	100
40,000 Investments	40,000	40,000	40,000
3,000 Accounts Receivable & Prepayments	3,000	3,000	3,000
345 Inventories	345	345	345
1,150 Properties Intended for Resale	1,000	700	700
44,595	44,445	44,145	44,145
Non-Current Assets			
40,243 Investments	62,864	50,442	47,296
329,403 Other non-current assets	304,061	320,372	330,423
369,646	366,925	370,814	377,719
414,241 Total Assets	411,370	414,959	421,864
Current Liabilities			
6,000 Accounts Payable	6,000	6,000	6,000
1,150 Employee Entitlements	1,150	1,150	1,150
1,763 Public Debt - Current Portion	6,697	11,066	2,283
8,913	13,847	18,216	9,433
Non-Current Liabilities			
29,637 Public Debt - Term Portion	20,719	12,667	25,877
500 Employee Entitlements	500	500	500
30,137	21,219	13,167	26,377
39,050 Total Liabilities	35,066	31,383	35,810
375,191 Total Net Assets	376,304	383,576	386,054

FORECAST STATEMENT OF CASHFLOWS

for the year ended 30 June 2003

Budget	Forecast	Projection	Projection
30/6/02	30/6/03	30/6/04	30/6/05
\$000	\$000	\$000	\$000
Cash Flows from operating activities			
Cash was provided from :			
22,141 Rates	24,397	25,702	27,043
1,680 Subsidies	1,627	2,627	2,627
4,901 Interest Income	4,608	4,417	4,229
6,741 Fees, Charges & Other Income	6,682	6,859	7,039
35,463	37,314	39,605	40,938
Cash was applied to :			
25,340 Payments to Suppliers & Employees	23,701	25,567	28,965
65 Taxes Paid	65	65	65
1,641 Interest on Public Debt	1,971	2,024	2,395
27,046	25,737	27,656	31,425
8,417 Net cash inflow (outflow) from operating activities	11,577	11,949	9,513
Cash Flows from investing activities			
Cash was provided from :			
550 Proceeds from sale of fixed assets	500	7,256	0
3,859 Net Decrease in investments	1,367	1,863	4,898
1,411 Release of sinking funds	0	0	0
5,820	1,867	9,119	4,898
Cash was applied to :			
19,636 Purchase & Development of Fixed Assets	17,801	17,384	18,837
Net Increase in investments	0	0	0
Payment into sinking funds	0	0	0
19,637	17,801	17,384	18,837
(13,816) Net cash inflow (outflow) from investing activities	(15,934)	(8,265)	(13,929)
Cash Flows from financing activities			
Cash was provided from :			
7,161 Loans Raised	11,054	7,382	6,710
7,161	11,054	7,382	6,710
Cash was applied to:			
1,762 Repayment of public debt	6,697	11,066	2,283
1,762	6,697	11,066	2,283
5,399 Net cash inflow (outflow) from financing activities	4,357	(3,684)	4,427
0 Net increase (decrease) in cash held	0	0	0
300 Add cash at start of year	300	300	300
300 Cash at end of year	300	300	300
Made up of:			
100 Cash and bank	100	100	100
200 Call Deposits	200	200	200
300	300	300	300

STATEMENT OF ACCOUNTING POLICIES

for the year ended 30 June 2003

1. REPORTING ENTITY

Taupo District Council is a Local Authority governed by the Local Government Act 1974.

The Taupo District Council group consists of the Taupo District Council and its subsidiaries, Taupo Information Centre Ltd and Destination Lake Taupo Ltd. The Council has a 50% joint venture arrangement with the New Zealand Government in the Taupo Airport Authority.

The financial statements of Taupo District Council have been prepared in accordance with Section 223E of the Local Government Act 1974, and in a format consistent with standards issued by the Institute of Chartered Accountants of New Zealand.

2. MEASUREMENT BASE

The financial statements have been prepared on a historical basis, modified by the revaluation of certain fixed assets.

3. ACCOUNTING POLICIES

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

3.1 General Revenues

Revenue is recognised when:

- ? A rate assessment is issued.
- ? Transfund roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.
- ? A service for which a charge is made is performed or supplied.

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

3.2 Accounts Receivable

Accounts receivable is valued at expected realisable value.

3.3 Investments

All investments are stated at the lower of cost or net realisable value. Any decreases are recognised in the statement of financial performance.

3.4 Inventories

Inventory is valued at the lower of cost and net realisable value.

3.5 Properties intended for resale

Properties intended for resale are stated at the lower of cost and net realisable value.

3.6 Fixed Assets

3.6.1 Valuation of Operational Assets

Land is stated at valuation (1/9/98). These valuations have been confirmed as appropriate for financial reporting by Quotable Value New Zealand in accordance with SSAP28 and are determined every 3 years. The basis of valuation is net current value.

Buildings held at 1st July 1998 have been valued at net current value by Veitch Morrison Valuers Limited (Registered Valuers).

Vehicles are stated at cost.

Plant, machinery, computer equipment, office equipment and furniture and fittings are all stated at going concern values except those purchased since 1 April 1989 which are stated at cost. Harrison Grierson Registered Valuers of Rotorua determined the going concern value.

Library books were valued at depreciated average replacement cost as at 30 June 1993.

Capital Work in Progress is stated at cost.

3.6.2 Valuation of Forest Assets

Forest assets have been valued by Forest & Woodlot Consultants (NZ) Limited as at 30 June 1999. Valuation is determined every 3 years by an independent valuer. Forests are valued on a stand by stand basis. A pretax value curve is calculated for each stand of discounted future cash flows at a rate of 9%. Current market prices are used for pulp logs and domestic saw logs. Pruned and export log prices are set at an average of the last twelve quarterly prices and indexed by the US inflation rate.

The predictions of future yield include allowances for attritional losses. In addition to this an explicit allowance of -4% is made to account for potential catastrophic losses due to wind, fire, pathogens, volcanic activity and earthquake.

The Perpetual Forest Method is used whereby all direct costs of establishing the initial forests are capitalised.

3.6.3 Valuation of Infrastructural Assets

These are the utility systems that provide a continuing service to the community and are not generally regarded as tradeable. They include the roading network and land, bridges, water and sewerage services and stormwater systems. The approach adopted in determining replacement costs for infrastructural assets is the "green fields" construction rates. The use of the "green fields" approach effects the valuation in the following way:

- ? Rates are generally for significant contracts i.e. large sections of work, hence rates are both competitive and benefit from scale efficiencies.
- ? "Green fields" implies a lessor cost for items such as trenching, traffic control, rehabilitation.

Infrastructural assets other than land and buildings held at 1 July 1998 have been valued at depreciated replacement cost by Opus International Consultants Limited. Land under roads has been valued at an average district value per hectare as at 30 June 1999 by Council staff. Infrastructural buildings held at 1st July 1998 have been valued at net current value by Veitch Morrison Valuers Limited (Registered Valuers).

3.6.4 Valuation of Restricted Assets

These cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community. They are principally reserves vested under the Reserves Act.

Restricted assets held at 1 September 1998 have been valued at net current value by Quotable Value New Zealand. These valuations have been confirmed as appropriate for financial reporting by the Quotable Value New Zealand in accordance with SSAP28 and are determined every 3 years.

3.6.5 Asset Additions

Additions between valuations are shown at cost, except vested assets. Infrastructural assets and land are vested in Council as part of the subdivisional consent process. Land vested is valued at the latest Government Valuation. Infrastructural assets vested are valued based on the actual quantities of infrastructure components vested and

the current "in the ground" cost of providing identical services.

3.6.6 Depreciation of Operational Assets

Depreciation has been provided on all tangible assets at rates calculated to allocate the assets cost over their estimated useful lives.

Depreciation Rates are as follows:

Land	Nil
Buildings	1.67-10% SL
Machinery	10-25% DV
Computer Equipment	25% SL
Office Equipment	10-20% DV
Furniture & Fittings	20% DV
Vehicles	20% DV
Library Books	15.5% SL

Depreciation of Infrastructural Assets

Infrastructural assets are depreciated on a straight-line basis with the exception of land and road formation. The total useful lives are as follows:

Roads	
top surface	2 -18 years
pavement	5 - 60 years
formation	not depreciated
culverts	60 - 80 years
footpaths	50 - 80 years
kerbs	50 years
signs	10 - 20 years
street lights	25 - 60 years
bridges	90 years
land under roads	not depreciated
Water Reticulation	
pipes	45 - 80 years
valves, hydrants	40 years
pump stations	10 - 60 years
tanks	25 - 80 years
Sewerage Reticulation	
pipes	25 - 80 years
manholes	80 years
Treatment Plant	10 - 80 years
Stormwater Systems	
pipes	60 - 100 years
manholes, cesspits	60 - 100 years
Flood Control Systems	15 - 18 years

The depreciation rates used are applied at a component level and are dependent on the remaining useful life of each component.

3.6.8 Depreciation of Restricted Assets

Restricted assets are depreciated on a straight-line basis using the rates as follows:

Land	Nil
Other	Nil - 2.5% SL

3.6.9 Depreciation of Forest Assets

Forest Assets are not depreciated.

3.6.10 Capital Work in Progress

Capital Work in Progress is not depreciated.

3.7 GST

These accounts have been prepared on a GST exclusive basis, except for accounts receivable and accounts payable.

3.8 Taxation

The Council is not subject to income tax.

The Airport Authority income tax expense is charged in the statement of financial performance in respect of current year's earnings.

3.9 Joint Venture

Council's 50% interest in Taupo Airport Authority (30 June balance date) is accounted for using the 'line by line' (proportionate) method.

3.10 Consolidation

Owing to the small size of the Taupo Airport Authority separate disclosure of consolidated figures from the parent has not been necessary.

Employee Entitlements

Provision is made in respect of Taupo District Council's liability for annual leave, long service leave, and gratuities. Annual leave has been calculated on an actual entitlement basis at current rates of pay while long service leave and gratuities have been calculated on an actuarial basis at current rates of pay by Council staff.

3.11 Leases

Finance Leases

Leases which effectively transfer to the lessee substantially all the risks and benefits incident to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the statement of financial position. The leased assets are depreciated over the period the Council is expected to benefit from their use.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

Overhead/Support Services Allocation

The major types of expenditure classed as support services are computer costs, administration costs, accounting costs and information costs. The net costs of support services are charged to significant activities on the appropriate basis of either staff time, floor space,

number of Council meetings, agenda items per agenda and various other bases.

3.12 Interest Income

Interest income is shown under significant activities (other) and included as other income in the Statement of Financial Performance.

3.13 Financial Instruments

The Council and joint venture, Taupo Airport Authority, are party to financial instruments as part of their normal operations. These financial instruments include bank accounts, investments, debtors, creditors and loans. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to the financial instruments are recognised in the statement of financial performance.

Council has various financial instruments with off-balance sheet risk for the primary purpose of reducing its exposure to fluctuations in interest rates. While these financial instruments are subject to risk that market rates may change subsequent to acquisition, such changes would generally be offset by opposite effects on the items being hedged.

Council has entered into interest rate and currency risk management instruments to manage the risks exposed to. On maturity of the risk management instrument realised revenues and expenses are recognised in the statement of financial performance.

3.14 Statement of Cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council or group invests as part of its day to day cash operations.

Operating activities include cash received from all income sources and record the cash payments made for the supply of goods and services. Agency transactions (the collection of regional council rates) are recognised as receipts and payments in the Statement of Cash Flows given they flow through the Council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise activities that change the equity and debt capital structure of the Council

3.15 Budget Figures

The Budget figures are those approved by the Council at the beginning of the year after a period of consultation with the public as part of the Annual Plan process. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

3.17 Public Equity

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

Accumulated Balance

- Accumulated Surplus
- Council Created Reserves

Restricted Reserves

Asset Revaluation Reserve

3.18 Reserves

Reserves are a component of Public Equity and represent a particular use to which parts of equity have been assigned.

Council Created Reserves are a part of the accumulated balance and are established at the will of the Council. 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. The unappropriated surplus of all separate rates and self-supporting departments has been transferred to a Council Created Reserve.

Restricted Reserves are those reserves subject to specific conditions accepted as binding by the Council, and which Council may not revise without reference to a third party. Transfers from these reserves may be made only for certain specified purposes.

Asset Revaluation Reserve

Asset classes have been revalued and include land, buildings, infrastructural assets, restricted assets, forestry assets and shares. These revaluations have each been credited to an asset revaluation reserve.

4. PROSPECTIVE FINANCIAL INFORMATION

This Plan is produced pursuant to Sections 223D and 717A of the Local Government Act 1974 which requires Council to outline its significant policies, activities, objectives and targets for the coming financial year, together with projections for the following two years.

The financial statements incorporated in this Plan contain prospective financial information in respect of future years. The actual results achieved for the period covered are likely to vary from the information presented and the variations may be material.

This document was prepared for the purposes of public consultation on the Council's Plan for 2002/2003 and may not be appropriate for other purposes.

The forecast figures have been prepared on the basis of assumptions as to future events that Taupo District Council reasonably expects to occur, associated with the actions Council reasonably expects to take place as at the date that the information is prepared. The following assumptions have been made in preparing this plan:

- ? All figures are at 2002/2003 values ie. no allowance has been made for inflation.
- ? In line with the Proposed District Plan growth of 180 residential sections has been allowed for in the Taupo Township area. Negligible growth is expected elsewhere in the district.
- ? Activities and levels of service provided by the Council will not be subject to major change with the term of the plan.
- ? The Council will continue to exist in its current form and area for the period covered by the plan.
- ? Interest earned on investments will be at 6.50% prior to inflation proofing of the TEL capital fund.
- ? Interest rates on new borrowings raised during the year will be at 7.75%.

The actual results for the year to 30 June 2001 formed the basis of opening balances, together with revised estimates for the year to 30 June 2002.

5. CHANGES TO ACCOUNTING POLICIES

There has been no change in accounting policies since the date of the last audited financial statements. All policies have been applied on a basis consistent with the previous year.

FORECAST NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2003

	Forecast 30/6/03 \$000	Forecast 30/6/03 \$000	Forecast 30/6/03 \$000	Forecast 30/6/03 \$000	Projection 30/6/04 \$000	Projection 30/6/05 \$000
	Separate Rates	Other income	Expenditure	Net Deficit/ Surplus	Net Deficit/ Surplus	Net Deficit/ Surplus
1 Net Cost of Services						
Governance	0	0	2,893	2,893	2,912	2,906
Environmental Management	0	1,245	3,726	2,481	2,475	2,476
Community Development and Support	0	272	1,813	1,541	1,484	1,082
Recreation and Community Facilities	51	1,163	7,827	6,614	6,043	6,108
Economic Development and Marketing	612	262	1,685	810	825	846
Solid Waste Management	914	1,440	2,920	566	562	471
Water Supply	3,132	38	3,187	17	91	(15)
Wastewater	3,195	317	3,508	(4)	(3)	(169)
Roading Network	149	1,627	5,745	3,969	3,207	3,572
Stormwater	0	50	845	795	776	756
Corporate & Strategic Investments	0	6,504	2,053	(4,451)	(9,940)	(3,081)
Taupo Airport	0	335	332	(3)	(3)	(3)
Total	8,053	13,253	36,534	15,228	8,429	14,949
2 Rates				Forecast 30/6/03 \$000	Projection 30/6/04 \$000	Projection 30/6/05 \$000
General Rates				16,344	17,230	17,432
Separate Rates						
Water				3,132	3,417	4,097
Wastewater				3,195	3,244	3,549
Solid Waste				914	968	1,106
Economic Development and Marketing				612	634	651
Turangi Mainstreet Rate				149	157	156
Turangi Security Rate				51	51	51
Total Separate Rates				<u>8,053</u>	<u>8,471</u>	<u>9,610</u>
Total Rates				24,397	25,701	27,042

SCHEDULE OF CAPITAL EXPENDITURE

		Area	Expenditure 2003	Funded by			
				Reserves	Loans	General Rates	Separate Rates
Community Development & Support							
Taupo Pens Hsg	Refurbish [Internally] 40 Pensioner Units	Tkmp	72,000	72,000			
Taupo Pens Hsg	Ovens (6)	tkmp	6,000	6,000			
Taupo Pens Hsg	External Cladding	tkmp	7,875	7,875			
Taupo Pens Hsg	External Doors	tkmp	5,000	5,000			
Taupo Pens Hsg	Louvre Windows	tkmp	2,730	2,730			
Mko Pens Hsg	Carpets	tkmp	5,000	5,000			
Mko Pens Hsg	Kitchen Benches	tkmp	5,000	5,000			
Mko Pens Hsg	Upgrade Bathrooms Porches	tkmp	2,000	2,000			
Council Property	Waiora House	tkmp	15,000	15,000			
Total Community Development & Support			120,605	120,605	0	0	
Environmental Management							
Planning & regulatory	Replace motor vehicle	dist	18,000	18,000			
Planning & regulatory	Vehicle Replacements	dist	22,000	22,000			
Planning & regulatory	Canopy for Vehicle	dist	2,500	2,500			
Total Environmental Management			42,500	42,500	0	0	
Marketing							
Marketing	Mparker	dist	22,000	22,000			
Display Stand		dist	15,000	15,000			
Total Marketing			37,000	37,000	0	0	
Corporate & Strategic Investments							
Management Services	Customer Computer Booth	dist	1,000	1,000			
Management Services	Counting Machine	dist	2,250	2,250			
Main Office	Emergency Lighting	dist	11,500	11,500			
Main Office	Security	dist	50,000	50,000			
E & S	Auto Doors	dist	7,400	7,400			
TK Forest	Rakanui Rd Thinning/Pruning	tkmp	2,400	2,400			
Management Services	Pool Cars	dist	22,500	22,500			
Management Services	Painters Ford Econovan	dist	25,000	25,000			
Management Services	Carpenters Ford Courier	dist	25,000	25,000			
Works	Nissan Sentra	dist	20,000	20,000			
Works	Ford Telstar	dist	25,000	25,000			
Pokuru road	Bridge	dist	120,000	120,000			
Access Road-across	Inghams Farms	dist	30,000	30,000			
GIS Aerial	Photography	dist	25,221	25,221			
IT Department	Network Development	dist	150,000	50,000	100,000		
IT Department	Desktop Upgrade	dist	100,000		100,000		
Office Equipment		dist	7,500	7,500			
Strategic Management		dist	30,000	30,000			
Mko Office	Replace mgr vehicle	tkmp	25,000	25,000			
Mko Office	Replace board room chairs	tkmp	5,000	5,000			
Mko Office	Ceiling Fans	tkmp	2,000	2,000			
Total Corporate & Strategic Investments			686,771	486,771	200,000	0	
Recreation & Community Facilities							
AC baths	A C baths Upgrade	tkmp	7,340,000		7,340,000		
Turangi Reserves	Mower	tt	35,000	35,000			
Turangi Reserves	Mower	tt	15,000	15,000			
Turangi Reserves	Misc Small Plant	tt	4,350	4,350			
Sportsgrounds	Owen Delany Park	tkmp	30,000	30,000			
Sportsgrounds	Owen Delany Park	tkmp	50,000	50,000			
Sportsgrounds	Crown Park	tkmp	5,000	5,000			
Sportsgrounds	Annual Plan Submissions	tkmp	50,000	50,000			
Taupo Reserves	Riverbank Reserve	tkmp	20,000	20,000			
Taupo Reserves	Hot Water Beach	tkmp	150,000	150,000			
Taupo Reserves	Lakefront Reserves – reserve development/landscaping	tkmp	10,000	10,000			
Taupo Reserves	Lakefront Reserves – Great Lake Walkway	tkmp	40,000	40,000			
Taupo Reserves	Te Moenga Scenic Reserve	tkmp	45,000	45,000			
Taupo Reserves	Tongariro Domain	tkmp	18,000	18,000			
Taupo Reserves	Nukuhau Boat Park	tkmp	12,000	12,000			
Mko Reserves	Outdoor Furniture	tkmp	3,000	3,000			
Mko Reserves	Town Centre Upgrade – 2 nd stage	tkmp	20,000	20,000			
Mko Reserves	Town Centre Upgrade – shop fronts	tkmp	50,000	50,000			
Taupo Reserves	Plant & Equipment & Operational Vehicles	tkmp	71,000	71,000			
Taupo Reserves	P7234 Ransom Mower	tkmp	105,000	105,000			
Sportsgrounds	Public Toilet Facilities	tkmp	18,000	18,000			
		Area	Expenditure 2003	Reserves	Loans	Funded by General Rates	Separate Rates
Taupo Reserves	Miscellaneous	tkmp	25,000	25,000			
Taupo Reserves	Whakamaru Reserve	tkmp	5,000	5,000			

Halls	Wairakei Hall – upgrade kitchen	tkmp	5,000	5,000					
Halls	Waitahanui Hall – carpark sealing	tkmp	35,000	35,000					
Halls	Wairakei Hall – upgrade	tkmp	9,000	9,000					
Halls	River Road – place vinyls	tkmp	3,000	3,000					
Halls	Wairakei Hall – repaint roof	tkmp	10,000	10,000					
Halls	Acacia Bay	tkmp	9,000	9,000					
Halls	Mangakino/Tirohanga Halls – design & build	tkmp	250,000		250,000				
Halls	Mangakino/Tirohanga Halls – stove	tkmp	1,000	1,000					
Library	Book Purchases – Taupo	tkmp	135,000	135,000					
Library	Book Purchases – Mangakino	tkmp	9,000	9,000					
Library	Shelving	tkmp	1,000	1,000					
Library	Building Renewals	tkmp	8,420	8,420					
Sanitation	Vehicles & Plant	tkmp	41,000	41,000					
Superloo	Building Renewals	tkmp	1,800	1,800					
Sanitation	Whakamaru Domain toilet block upgrade	tkmp	10,000	10,000					
Sanitation	Superloo – new showers	tkmp	12,000	12,000					
Sanitation	Superloo – upgrade water supply	tkmp	10,000	10,000					
Sanitation	Superloo – ventilation fans	tkmp	3,000	3,000					
Sanitation	Superloo – new turnstiles	tkmp	20,000	20,000					
Sanitation	Superloo – upgrade basins	tkmp	4,000	4,000					
GLC	Building Renewals	tkmp	4,998	4,998					
GLC	Vehicle replacemnt - Manager	tkmp	20,000	20,000					
GLC	Poly Fl't Floor	tkmp	14,000	14,000					
GLC	Airconditioning Stage 1 Theatre	tkmp	140,000		140,000				
GLC	Memorial Courtyard Seats	tkmp	5,200		5,200				
GLC	Remaster Keying	tkmp	15,500	15,500					
GLC	Cyc Cloth (Cyclorama)	tkmp	6,500	6,500					
GLC	Internal Painting	tkmp	10,000	10,000					
Venues Admin	Promo Stands for TEC	tkmp	4,000	4,000					
Venues Operations	Furniture Trailer	tkmp	6,000	6,000					
Venues Operations	Hi Speed Polisher	tkmp	2,500	2,500					
Venues Operations	Carpet Cleaning Machine	tkmp	4,500	4,500					
Venues TEC/Baths	AC Baths Signage	tkmp	9,000	9,000					
Venues TEC/Baths	Pool Vacuum Cleaner	tkmp	9,000	9,000					
Venues TEC/Baths	Reception Redesign	tkmp	10,000	10,000					
Venues TEC/Baths	Replacement Running Machine	tkmp	10,000	10,000					
Venues TEC/Baths	Re-polyurethane stadium floor	tkmp	40,000	40,000					
Venues Operations	Air Driers - replacement	tkmp	3,000	3,000					
GLC	Replacement of theatre lighting equipment	tkmp	15,000	15,000					
Council Property	Refit Golf Ball Town Clock	tkmp	9,500	9,500					
MKO Operations	Misc Plant	tkmp	30,000	30,000					
Library	Books	tt	40,500	40,500					
Turtle Pools	Repaint	tt	20,000	20,000					
Library	Computers	tt	16,000	16,000					
Operations	Plant replacement	tt	25,000	25,000					
Reserves	River road Boat ramp/retaining wall	tkmp	30,000	30,000					
Sportsgrounds	River road Reserve Half Court	tkmp	20,000	20,000					
Amenity Plantings	CBD Development	tkmp	10,000	10,000					
Total Recreation & Community Facilities			9,228,768	1,498,768	7,730,000	0	0		
Roading Network									
Rural Rooding	New Edge Marker Posts - Subsidised	tkmp	15,000	15,000					
Urban Rooding	Minor Safety Works - Subsidised	tkmp	50,000	50,000					
Urban Rooding	Urban lighting infill	tkmp	23,000	23,000					
Urban Rooding	Installation of lights after undergrounding-Subsidised	tkmp	18,000	18,000					
Urban Rooding	Safety Marking - Subsidised	tkmp	10,000	10,000					
Urban Rooding	New Controls Arterials - Markings - Subsidised	tkmp	1,000	1,000					
Urban Rooding	New Controls Arterials - Signs - Subsidised	tkmp	10,000	10,000					
Urban Rooding	Blister Islands	tkmp	15,000	15,000					
Urban Rooding	Footpath Construction	tkmp	150,000		150,000				
Urban Rooding	Industrial Footpath/Berm Upgrade	tkmp	15,000	15,000					
Urban Rooding	On Street Parking	tkmp	50,000		50,000				
Urban Rooding	CBD Upgrade *	tkmp	650,000	180,000	470,000				
Urban Rooding	Cycle Strategy inc education	tkmp	40,000	40,000					
Urban Rooding	Upgrade of Mangakino Streets	tkmp	50,000		50,000				
Urban Rooding	Future projects - planning and design	tkmp	0						
Urban Rooding	Renewal - from Asset Management plan	tkmp	526,000	526,000					
Rural Rooding	Minor Safety Works - Subsidised	tkmp	65,000		65,000				
Rural Rooding	Rural Flag Lights - Subsidised	tkmp	10,000	10,000					
Rural Rooding	Warning Signs - Subsidised	tkmp	8,000	8,000					
Rural Rooding	Bus Shelters	tkmp	13,000	13,000					
Rural Rooding	New Culverts	tkmp	11,000	11,000					
Rural Rooding	Major Drainage	tkmp	30,000		30,000				
Rural Rooding	General Curve Easing/Widening	tkmp	200,000		200,000				
Rural Rooding	Seal Extension	tkmp	375,000		225,000	150,000			
Rural Rooding	Renewal - from Asset Management plan	tkmp	909,000	909,000					
Urban Rooding	Minor Safety Works - Subsidised	tt	17,000	17,000					
Urban Rooding	Urban lighting infill	tt	7,000	7,000					
Urban Rooding	Installation of lights after undergrounding - Subsidised	tt	2,000	2,000					
		Area	Expenditure 2003	Reserves	Loans	General Rates	Separate Rates		
Urban Rooding	Footpath Construction(+10k in maintenance)	tt	30,000	30,000					
Urban Rooding	Programmed Power/Telecom Lines	tt	15,000	15,000					

Urban Roading	Renewal - from Asset Management plan	tt	69,000	69,000			
Rural Roading	Minor Safety Works - Subsidised	tt	9,000	9,000			
Rural Roading	Warning Signs - Subsidised	tt	2,000	2,000			
Rural Roading	Renewal - from Asset Management plan	tt	68,000	68,000			
Urban Roading	Eastern Taupo Arterial	tkmp	500,000		500,000		
Total Roading Network			3,963,000	2,073,000	1,740,000	150,000	0
Solid Waste Management							
Landfill	Fencing manning existing	dist	135,000		135,000		
Landfill	extra Haulage Bin	dist	28,000		28,000		
Landfill	water a leachate pipes	dist	125,000		125,000		
Total Solid Waste Management			288,000	0	288,000	0	0
Stormwater							
Stormwater	De Bretts Gully System Improvements	tkmp	100,000	100,000			
Stormwater	Mangakino Renewals	tkmp	50,000	50,000			
Stormwater	Turangi Renewals	tt	20,000	20,000			
Stormwater	Gully Planting program	tkmp	10,000	10,000			
Stormwater	CBD Pipe Renewals	tkmp	25,000	25,000			
Total Stormwater			205,000	205,000	0	0	0
Wastewater							
SA Taupo	Renewals	tkmp	645,790	645,790			
SA Taupo	Vehicle replacement	tkmp	30,000	30,000			
SA Taupo	Vehicle replacement	tkmp	20,000	20,000			
SB Acacia Bay	RENEWALS	Tkmp	30,350	30,350			
SC Kinloch	Pretreatment Screen	tkmp	70,000	70,000			
SC Kinloch	RENEWALS	tkmp	50,900	50,900			
SE Waitahanui	RENEWALS	tkmp	190,250	190,250			
SF Motuoapa	RENEWALS	tt	150	150			
SI Mangakino	Infiltration (Prevention)	tkmp	30,000	30,000			
Total Wastewater			1,067,440	1,067,440	0	0	0
Water Supply							
WP Mapara Rd	Pump Upgrade	tkmp	84,000	84,000			
WA Taupo	RENEWALS	tkmp	200,536	200,536			
WA Taupo	RENEWALS	tkmp	35,640	35,640			
WA Taupo	Vehicle replacement	tkmp	20,000	20,000			
WA Taupo	Vehicle replacement	tkmp	20,000	20,000			
WA Taupo	Tauhara Reservoir	tkmp	600,000		600,000		
WB Acacia Bay	RENEWALS	tkmp	14,700	14,700			
WB Acacia Bay	Cherry Lane Reservoir	tkmp	950,000	500,000	450,000		
WC Kinloch	RENEWALS	tkmp	1,826	1,826			
WE Waitahanui	RENEWALS	tkmp	814	814			
WH River Road	RENEWALS	tkmp	10,390	10,390			
WI Mangakino	RENEWALS	tkmp	4,482	4,482			
WL Waihaha	RENEWALS	tkmp	8,809	8,809			
WN Tirohanga	RENEWALS	tkmp	12,850	12,850			
WN Tirohanga	Pokuru Pumps x 3	tkmp	30,000	30,000			
WO Atiamuri	RENEWALS	tkmp	33,000	13,000	20,000		
WP Mapara Rd	RENEWALS	tkmp	11,436	11,436			
WU Whakamoenga Pt	RENEWALS	tkmp	42,447	16,447	26,000		
WW Bonshaw	RENEWALS	tkmp	1,700	1,700			
WZ Whakarua	RENEWALS	tkmp	18,168	18,168			
WZ Whakarua	Retic Upgrade	tkmp	10,000	10,000			
WF Motuoapa	RENEWALS	tt	6,022	6,022			
WJ Turangi/Tokaanu	RENEWALS Tokaanu	tt	6,972	6,972			
WJ Turangi/Tokaanu	RENEWALS Tgi	tt	26,456	26,456			
WK Omori	RENEWALS	tt	332	332			
WMWhareroa	RENEWALS	tt	6,950	6,950			
WQ Hatepe	RENEWALS	tt	4,832	4,832			
Total Water Supply			2,162,362	1,066,362	1,096,000	0	0
Total			17,801,446	6,597,446	11,054,000	150,000	0

Key to Area:
tkmp Taupo/Kaingaroa/Mangakino/Pouakani
tt Turangi/Tongariro
dist District

SCHEDULE OF BORROWING

The external borrowing requirements of the Council for the next three years are as follows:

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Governance	0	0	0
Environmental Management	0	0	27
Community Development And Support	0	0	0
Recreation And Community Facilities	7,730	625	890
Economic Development And Marketing	0	240	0
Solid Waste Management	288	755	500
Water Supply	1,096	2,992	3,417
Wastewater	0	2,548	1,250
Roading Network	1,740	3,550	4,440
Stormwater	0	0	0
Corporate And Strategic Investments	200	172	226
Total Borrowing	11,054	10,882	10,710
less internally borrowed	0	3,500	4,000
Total external borrowing for the year	11,504	7,382	6,710

The individual projects that require loan funding are shown in detail on page 63 Schedule of Capital Expenditure. The Treasury Management Policy provides for up to 20% of the TEL Capital Fund to be internally borrowed. \$3,500,000 is to be internally borrowed during the 2003/2004 year and \$4,000,000 during the 2004/2005 year.

Total interest costs and loan repayments to be met from rating revenue are:

	2003 (\$,000)	2004 (\$,000)	2005 (\$,000)
Interest	1,970	2,024	2,395
Loan repayments	1,859	2,066	2,283

Borrowing is managed within the Council's Treasury Management Policy with borrowing limits set as detailed on page 81.

TRANSFUND NZ DISCLOSURE

Statement for Transfund (NZ) 2002/2003

Council is required, under Section 31 of the Transit New Zealand Amendment Act 1995, to report on in-house business units that perform work and charge against Transfund New Zealand financially-assisted roading programmes.

The Engineering Service business unit budget information as required for 2001/2002 is as follows:

Cost of Service Statement

For the year ended 30 June

Operating Income

Professional services for Transfund NZ assisted roading

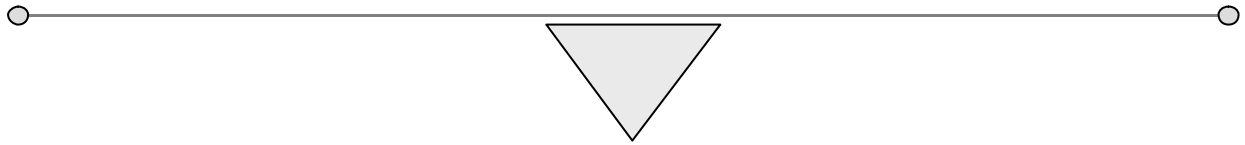
Other income

Operating Expenditure

Net cost (surplus) of Operations

	2003	2004	2005
Professional services for Transfund NZ assisted roading	325	325	325
Other income	70	70	70
	<hr/>	<hr/>	<hr/>
	395	395	395
	<hr/>	<hr/>	<hr/>
	423	421	420
	<hr/>	<hr/>	<hr/>
	28	26	25

SIGNIFICANT POLICIES AND PLANS



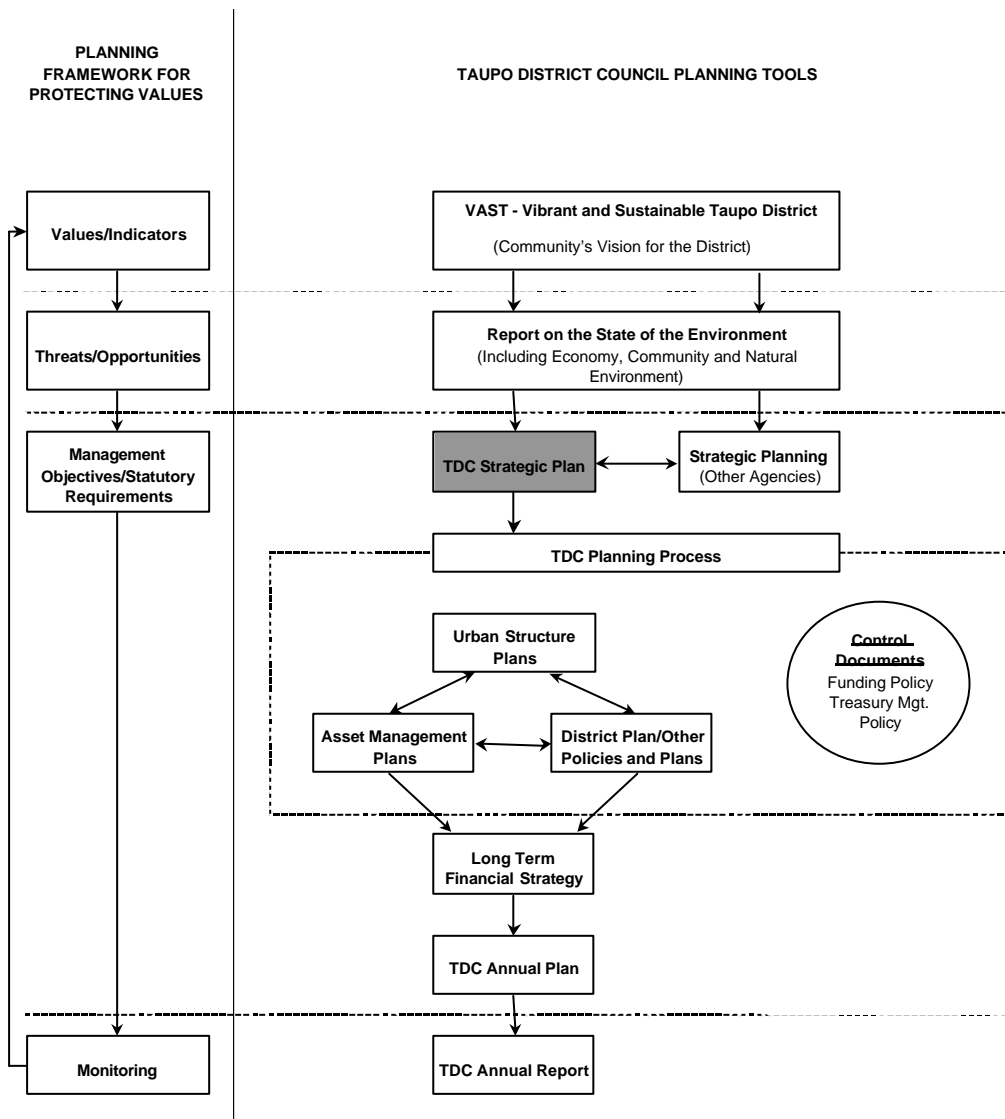
COUNCIL PLANS AND REPORTING

LINKS TO OTHER COUNCIL DOCUMENTS

Council's Strategic Plan provides direction to all of Council's other plans and policies to ensure that actions undertaken by Council work collectively towards established goals.

The diagram below shows how Council's Strategic Plan provides direction to the other key policy and planning tools utilised by Council. It also shows how the action plans such as the Long Term Financial Strategy and Annual Plan implement Council's strategic direction.

Copies of Council's Strategic Plan can be obtained from the Taupo District Council.



The purpose of each of these documents is detailed below.

VAST (Vibrant and Sustainable Taupo) is a community initiative which provides the overall vision for the district. Community outcomes are provided under the headings of community vitality, district economy and natural environment. These outcomes demonstrate to Council and other stakeholders what the community is seeking for the future.

The **State of the Environment Report** will monitor, in detail, how well the community is doing in achieving its desired outcomes established through VAST and those required by the Resource Management Act 1991. It will provide the detailed information Council and other stakeholders need to determine what actions are required to progress toward community outcomes.

Urban Structure Plans provide a clear vision of future basic infrastructure (e.g. water supply, roading etc) requirements and a co-ordinated approach to urban development. They allow the Council to plan and budget for the provision of additional services. By following a structure plan, the urban areas can grow in a way that delivers the best possible services and benefits to residents and ratepayers.

Asset Management Plans describe in detail Council's infrastructural assets (e.g. water supply, roading) and how they will be managed now and into the future. They provide important information to Council's Strategic Plan and Long Term Financial Strategy, in that they determine a large portion of Council's expenditure and revenue requirements.

The **District Plan** is designed to promote the sustainable management of certain natural and physical resources within the district. The District Plan is an implementation tool that is used to protect the values and outcomes that are important to the community. **Other Policies and Plans** that fall into this category of implementation tools are the **Solid Waste Management Strategy, Reserve Management Plans, Marketing Blueprint, etc.**

The **Funding Policy** shows how and why Council funds each of its functions. The policy development process includes identifying which groups or individuals benefit from the function based on economic principles. Consideration is then given regarding whether it is fair and equitable that these groups and individuals should be allocated the cost and what is the best funding method or tool for the function. An outline of the policy is shown on page 75 with the complete Funding Policy shown in the second part of this document.

The **Treasury Management Policy** is Council's borrowing and investment policy. It is designed to establish policy limits on the amount and type of borrowing and investment tools available to Council that promote prudent financial management. An outline of the policy is shown on page 77.

The **Long Term Financial Strategy (LTFS)** is published with the Strategic Plan. It provides the long-term financial information for each of Council's significant activities including revenue, expenditure, and rating requirements for a minimum of ten years. The LTFS is essentially a financial plan that ensures that Council has the financial resources required to meet the objectives documented in the Strategic Plan. It also documents the reasons for Council involvement with its functions and activities. A summary of the policy is shown on page 72.

The **Annual Plan** is an action plan that sets out how Council will undertake its strategic goals, and details the specific activities, functions and initiatives to be undertaken in the first three years of the LTFS and Strategic Plan. It provides the expenditure budget for the each of the first three years, how this expenditure will be funded and details of how Council will measure its performance.

The **Annual Report** discloses Council's financial and non-financial performance against policy, objectives, and performance targets provided in the Annual Plan for the same financial year. The Annual Report is a key public accountability document of Council.

SUSTAINABLE DEVELOPMENT

Both the VAST Report (Vibrant and Sustainable Taupo District) and Council's Strategic Plan, Long Term Financial Strategy and Annual Plan are underpinned by the principles of sustainable development.

So what is sustainable development? It is often explained as being: ***“development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs.”***

It is also referred to as ***“living within the world's carrying capacity”***.

This latter definition has an ecological focus. It tends to be strong about protecting the natural environment. Figure 1 below demonstrates that the concepts of sustainable development are not a balancing act, but rather an act of integration and that ecological goals are the starting point.

Essentially this model puts the natural environment first; it suggests that without a sustainable natural environment, we cannot achieve truly sustainable community life nor have sustainable economies.

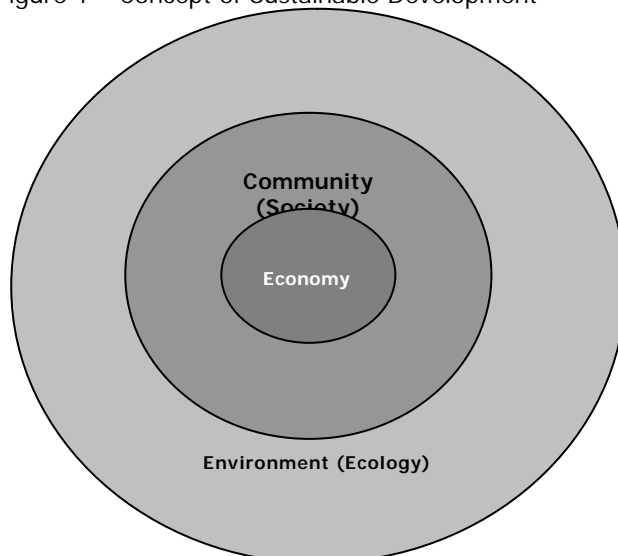
We need to remember that the things we need and want are generated from the earth's natural resources. In fact, the process of producing those things we need or want can be harmful to the natural environment.

Many of the raw materials or natural resources we utilise cannot be replaced and unless we show more care for those resources than we have in the past, they may be gone forever.

Sustainable development includes the following:

- ? Adopting a long-term focus when planning for the future
- ? Looking at 'prevention rather than cure' (finding solutions that prevent problems occurring rather than merely treating the symptoms)
- ? Taking a 'bottom-up' approach as opposed to 'top down' (finding local solutions to local problems)
- ? The formation of partnerships acknowledging that people and groups can achieve more working collectively rather than separately
- ? Acknowledging the linkages between the needs of the economy, the natural environment, and the community
- ? Thinking globally, acting locally

Figure 1 – Concept of Sustainable Development



Source: Sustainable Development in New Zealand 'Here Today, Where Tomorrow?' (December 2000)

LONG TERM FINANCIAL STRATEGY SUMMARY

It is a requirement of the local Government Act 1974 to prepare a financial strategy that covers a ten-year period. This allows ratepayers and residents an opportunity to assess the appropriateness of the financial actions planned by Council.

The financial strategy outlines how Council's activities will be funded over the next ten years and how those funds will be spent.

The Council has developed Asset Management Plans to ensure its assets are properly managed and maintained and an Urban Structure Plan to plan for future growth. These plans provide a key basis for the development of the Long Term Financial Strategy (LTFS).

The LTFS is based on estimates of costs and income for the future. These estimates will be refined over time as long term estimating techniques and the quality of information improves.

The LTFS was reviewed in the 2002/2003 year and the complete LTFS, including detailed forecast cost of service statements for each activity, forecast financial statements, forecast borrowing requirements and detailed capital expenditure is included within the Council Strategic Plan document.

An outline of the LTFS is required to be included in the Annual Plan and is provided on the following pages. Any significant changes and variations to the LTFS and between other policies are required to be shown and these are included in the overview page 8.

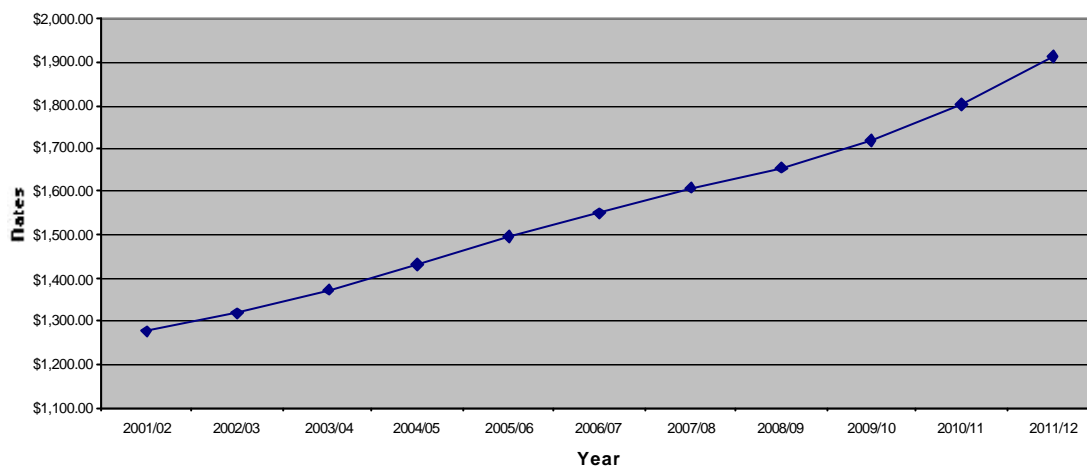
Cost of Service Statement

All Activities

For the year ended 30 June

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Operating Income										
Separate Rates	8,052,960	8,471,143	9,610,469	10,133,847	10,395,594	10,865,706	11,335,865	11,589,042	11,856,381	14,396,83
Other Income	12,917,494	21,159,347	13,895,117	20,193,405	14,410,374	14,673,203	14,895,347	18,286,544	15,430,800	15,421,666
	<u>20,970,454</u>	<u>29,630,490</u>	<u>23,505,586</u>	<u>30,327,252</u>	<u>24,805,969</u>	<u>25,538,909</u>	<u>26,231,212</u>	<u>29,875,585</u>	<u>27,287,180</u>	<u>29,818,496</u>
Operating Expenditure	36,201,330	38,061,652	38,458,752	40,224,530	40,418,112	40,845,656	41,374,332	42,181,921	42,462,146	42,990,57
Net Cost (surplus) of operations	<u>15,230,875</u>	<u>8,431,163</u>	<u>14,953,166</u>	<u>9,897,279</u>	<u>15,612,143</u>	<u>15,306,747</u>	<u>15,143,120</u>	<u>12,306,336</u>	<u>15,174,965</u>	<u>13,</u>
Capital Expenditure	17,801,446	17,384,574	18,837,192	14,760,233	12,966,031	11,580,762	8,877,933	10,800,637	20,434,816	15,178,00
Loan repayments	1,859,036	8,066,104	2,283,029	7,493,824	3,258,562	3,521,294	3,584,145	6,711,316	3,437,688	3,822,96
Funding to Reserves	1,470,000	3,090,640	2,886,923	3,565,746	2,934,046	2,960,832	2,986,114	3,009,901	3,038,204	2,949,03
Total Net Cost	<u>36,361,357</u>	<u>36,972,480</u>	<u>38,960,310</u>	<u>35,717,082</u>	<u>34,770,783</u>	<u>33,369,635</u>	<u>30,591,311</u>	<u>32,828,190</u>	<u>42,085,673</u>	<u>35,122,08</u>
Funded by:										
Loans Raised	11,054,000	10,882,500	10,710,000	9,411,000	6,968,000	4,505,790	3,187,500	1,962,126	10,438,500	5,350,500
General Rates	16,343,665	17,230,205	17,431,959	18,379,417	19,475,265	20,409,805	20,940,809	22,199,734	23,675,387	22,924,971
Transfers from Reserves	8,220,063	8,107,223	10,135,284	7,832,672	8,250,164	8,374,218	6,383,205	8,586,552	7,892,024	6,806,50
Depreciation not funded	122,629	72,553	73,067	73,993	77,354	79,823	79,798	79,778	79,762	40,10
Opening Balance	621,000	680,000	610,000	20,000	0	0	0	0	0	0
Total Net Funding	<u>36,361,357</u>	<u>36,972,480</u>	<u>38,960,310</u>	<u>35,717,082</u>	<u>34,770,783</u>	<u>33,369,635</u>	<u>30,591,311</u>	<u>32,828,190</u>	<u>42,085,673</u>	<u>35,122,08</u>

Average Rate

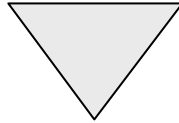


	2001/02	2002/03	\$ Change	% Change
Median Residential Rates				
Taupo	1069.77	1080.51	10.73	1.00%
Acacia Bay	1276.75	1308.56	31.81	2.49%
Mangakino	786.27	817.29	31.02	3.95%
Kinloch	1404.77	1206.58	-198.19	-14.11%
Turangi	882.00	805.16	-76.84	-8.71%
Omori / Kuratau / Pukawa	984.20	930.94	-53.26	-5.41%

Median Rural Rates

District Greater Than 100 Hectares	3040.71	3703.07	662.36	21.78%
District Less Than 100 Hectares	595.33	628.75	33.42	5.61%
TKMP Greater Than 100 Hectares	2502.87	3885.89	1383.02	55.26%
TKMP Less Than 100 Hectares	595.33	651.13	55.80	9.37%
TT Greater Than 100 Hectares	3022.92	3255.78	232.86	7.70%
TT Less Than 100 Hectares	660.51	601.33	-59.18	-8.96%

FUNDING POLICY OUTLINE



The Funding Policy is established through a three-stage process starting with a set of economic principles that link funding mechanisms to the groups or individuals that benefit from a service. In stage two, Council has the opportunity to apply a number of considerations to this process to ensure the decisions that are made are fair and equitable. In the final stage three, Council then selects the funding tool that most efficiently and effectively achieves the desired allocation. In general terms the Funding Policy records how Council intends to fund each of its separate expenditure needs (services) or activities. The provisions of the Rating Powers Act 1988 govern the ways in which the cost of these activities may be recovered from rates.

The funding policy identifies, for each significant activity, the Council's recommended funding mechanisms, in a way that makes clear the assumptions upon which the decision was based. This information is to help the community make informed comments about Council's funding decisions.

The Funding Policy was reviewed in the 2001/2002 year with some minor changes resulting. The complete Funding Policy document is included within the Annual Plan document - see page 112.

An outline of the Funding Policy is required to be included in the Annual Plan and is provided below. Any significant changes and variations to the Funding Policy and between other strategies and policies are required to be shown and these are included in the overview page 8.

The following table lists all the activities performed by Council and the appropriate funding source:.

Activity	Sub Activity	Initial Assessment		Modified Assessment		2002/03 Annual Plan		Funding Mechanism	
		Private	Public	Private	Public	Private	Public	Private	Public
Governance	Democratic Function	0%	100%	0%	100%	0%	100%		General Rate
	Integrated Planning and Policy Development	0%	100%	0%	100%	0%	100%		General Rate
Environmental Management	Environmental Planning and Policy Development	0%	100%	0%	100%	0%	100%		General Rate
	Building/Development Services	80%	20%	80%	20%	80%	20%	Fees and Charges	General Rate
	Planning Guidance	75%	25%	75%	25%	75%	25%	Fees and Charges	General Rate
	Civil Defence and Rural Fire	0%	100%	0%	100%	0%	100%		General Rate
	Animal Control	54%	46%	54%	46%	54%	46%	Fees and Charges	General Rate
	Inspection Services	50%	50%	20%	80%	20%	80%	Fees and Charges	General Rate
	Liquor Licensing	90%	10%	100%	0%	100%	0%	Fees and Charges	
	Parking Control	0%	100%	0%	100%	0%	100%		General Rate
	Community Development and Support	Housing for the Elderly	100%	0%	55%	45%	55%	45%	Fees and Charges
Community Support		0%	100%	0%	100%	0%	100%		General Rate
Health		0%	100%	0%	100%	0%	100%		General Rate
Arts & Culture		0%	100%	0%	100%	0%	100%		General Rate
Heritage		0%	100%	0%	100%	0%	100%		General Rate
Safety and Crime Prevention		0%	100%	0%	100%	0%	100%		General Rate
Community Venture Centre		100%	0%	67%	33%	67%	33%	Fees and Charges	General Rate

Activity	Sub Activity	Initial Assessment		Modified Assessment		2002/03 Annual Plan		Funding Mechanism	
		Private	Public	Private	Public	Private	Public	Private	Public
Recreation and Community Facilities	Swimming Pools	90%	10%	100%	0%	100%	0%	Fees and Charges	General Rate
	Events Centre	80%	20%	50%	50%	50%	50%	Fees and Charges	General Rate
	Libraries	80%	20%	5%	95%	5%	95%	Fees and Charges	General Rate
	Public Conveniences	0%	100%	0%	100%	0%	100%		General Rate
	Super Loo	90%	10%	50%	50%	50%	50%	Fees and Charges	General Rate
	Great Lake Centre	50%	50%	33%	67%	33%	67%	Fees and Charges	General Rate
	Parks and Reserves	10%	90%	10%	90%	10%	90%	Fees and Charges	General Rate
	Sportsgrounds	80%	20%	10%	90%	10%	90%	Fees and Charges	General Rate
	Amenity Plantings	0%	100%	0%	100%	0%	100%		General Rate
	Cemeteries	50%	50%	50%	50%	50%	50%	Fees and Charges	General Rate
	Community Halls	70%	30%	15%	85%	15%	85%	Fees and Charges	General Rate
Economic Development and Marketing	District Economic Development	20%	80%	20%	80%	41%	59%	Separate Rate	General Rate
	Destination Marketing	55%	45%	55%	45%	57%	43%	Separate Rate	General Rate
	Visitor Centres	90%	10%	65%	35%	61%	39%	Fees and Charges	General Rate
Solid Waste Management	Waste Minimisation and Litter Control	0%	100%	0%	100%	0%	100%		General Rate
	Solid Waste Collection	80%	20%	100%	0%	100%	0%	Separate Rate	
	Solid Waste Disposal	80%	20%	100%	0%	100%	0%	Separate Rate	
Water Supply	Water Supply	90%	10%	100%	0%	100%	0%	Separate Rate	
Wastewater	Wastewater	70%	30%	100%	0%	100%	0%	Separate Rate	
Roading Network	Roading and Traffic Services	0%	100%	0%	100%	0%	100%		General Rate
	Project Pounamu	10%	90%	0%	100%	0%	100%		General Rate
Stormwater	Stormwater and Land Drainage	10%	90%	0%	100%	0%	100%		General Rate
	Lake & River Control	0%	100%	0%	100%	0%	100%		General Rate

There are activities where the proposed funding split from the Annual Plan does not achieve the modified funding of the policy. In these cases, Council will introduce a new series of charges designed to meet funding policy requirements within two years.

TREASURY MANAGEMENT POLICY OUTLINE



The Council undertakes borrowing and investment activities in accordance with the requirements of the Local Government Act 1974 and its related amendments, in particular the Local Government Amendment (No.3) Act 1996.

Council has adopted its treasury management policy [incorporating investment and borrowing policies] effective from 1 July 1998. The treasury management policy was updated to include the strategic asset allocation of the TEL funds adopted in November 1999 and the change in borrowing limits adopted in March 2001. Council's current policy is summarised below.

The Council is a risk-averse entity and does not wish to incur additional risk from its borrowing and investment activities.

INVESTMENT POLICY

Council investments include:

- ? Financial investments.
- ? Equity investments
- ? A 50% share in the joint venture, Taupo Airport Authority.
- ? Property investments, including Crown land vested in the Council, Council owned reserve land and property owned by Council either for development needs of the district or for investment purposes.
- ? Forestry investments.

Council's overall philosophy when managing its investments is to optimise returns in the long term while balancing risk and return considerations, recognising that as a responsible public authority that investments held should be of relatively low risk.

FINANCIAL INVESTMENTS

Council's principal financial investment is the investment fund received from the sale of shares in Taupo Electricity Limited and Taupo Generation Limited in 1995. A review of the TEL funds in November 1999 has seen 30% of that fund allocated to equity investment.

Council holds financial investments to:

- ? Invest special funds and sinking funds.
- ? Invest surplus cash and working capital.
- ? Provide ready cash in the event of a natural disaster.

REVENUE

Revenue from financial investments is credited to Council's general fund or the particular special or sinking fund.

Revenue from the TEL/TGL fund is allocated in each year's Annual Plan in accordance with the funds disposition policy.

RISK MANAGEMENT

Credit Risk

Council's primary objective when investing is the protection of its investment and secondly the provision of cashflow as required. Accordingly, for cash and fixed interest investments, only creditworthy counterparties are acceptable. Creditworthy counterparties are selected on the basis of their Standard and Poors [S & P] rating.

Interest Risk Management

Council will minimise interest rate risk by:

- ? Changing interest rate profiles by adjusting the average maturity of investments to match the borrowing maturity profile.
- ? Using interest risk management instruments.

TEL/TGL SALE PROCEEDS

A policy review in November 1999 for the TEL/TGL sale proceeds introduced a new asset allocation. The strategic asset allocation is as follows:

- ? Cash, NZ and International Fixed Interest 70%
- ? Global Equities 30%.

20% of the TEL capital fund is available for internal borrowing. The policy also provides for up to \$12 million of the sale proceeds to be maintained in approved corporate financial instruments. The \$12 million forms part of the cash and NZ Fixed Interest. The capital is to be retained and inflation proofed for the benefit of future generations.

ACQUISITION/DISPOSAL

Any acquisition or disposal of any investments requires Council approval.

PROPOSED CHANGE TO COUNCIL'S INVESTMENT POLICY AS IT RELATES TO THE PROCEEDS FROM THE SALE OF 'TAUPO ELECTRICITY LIMITED'

Council currently holds in reserve, a sum of \$67 million, representing the current value of proceeds received from the sale of its electricity companies (Taupo Electricity Limited) in September 1995.

Over the last few months Council has reviewed its existing Treasury Management Policies, as they relate to the "TEL" reserve. The purpose of the review was to determine whether or not current policies are best serving the interests of the benefactors of that reserve fund.

After exploring the policies and underlying philosophies, Council resolved, having considered a recommendation received from the 19 March Taupo/Kaingaroo-Mangakino/Pouakani Committee:

" That future Taupo/Kaingaroo-Mangakino/Pouakani rating area debt levels be subject to independent advice during this financial year (2001/02).

That subject to public consultation through the LTFS and Annual Plan consultative process the Taupo/Kaingaroo –Mangakino/Pouakani Committee recommends that general rate debt of the Taupo/Kaingaroo –Mangakino/Pouakani rating area be retired by up to \$10 million using the TEL Fund as those debts fall due for repayment."

One of the policies affected by that resolution, and which would need to be changed to accommodate the use of the TEL reserve fund to settle debt is:

'The capital should be retained by the Taupo District Council, invested and inflation-proofed, thereby preserving the levels of capital and income in real terms for the benefit of current and future generations.'

Using \$10 million to retire debt will reduce the amount able to be internally borrowed. This will not jeopardise the funding of the ETA however, because funds can be borrowed externally, or other projects deferred, to ensure the ETA retains its priority ranking within the capital expenditure programme.

EQUITY INVESTMENTS

Council holds units in an international equities index fund and shares in the New Zealand Local Government Corporation of New Zealand Ltd.

REVENUE

Revenue from equity investments is reinvested into units within the international equities index fund. The fund is limited to 30% +/-5% of the TEL strategic asset allocation. The fund is rebalanced outside of these limits.

RISK MANAGEMENT

Credit Risk

Council's primary objective when investing is the protection of its investment and secondly the provision of cashflow as required. International equities are passively managed by State Street Global Advisors Australia Limited of Sydney Australia, and in a fund which is representative of global sharemarket indices. Risk is minimised by spreading exposure over many corporations in 22 of the world's leading markets.

Fluctuation Reserve

Council has also set up a reserve known as the TEL Investment Fluctuation Reserve. Its purpose is to supplement cash flows when investment income is below budget income. A return of 6.5% has been budgeted for the 2002/2003 year.

Currency Risk

Council has exposure to currency fluctuations on its international equities and hedges 50% of this investment to reduce currency risk associated with this investment.

ACQUISITION/DISPOSAL

Any acquisition or disposal of any investments requires Council approval.

FORESTRY INVESTMENTS

Council holds forestry assets as long term investments. Disposition of forestry assets will be applied to repay forestry encouragement loans and the balance allocated to special funds.

AIRPORT INVESTMENT

The Airport investment is retained for economic development of the Taupo District. Council is in the process of negotiating the purchase of the Crown 50% share of the Airport. The outcome of these negotiations is yet to be determined.

CASH MANAGEMENT

Cash management deals with the net balance in Council's main bank accounts, consisting generally of working capital funds.

The cash management activity is undertaken within the following parameters :

- ? Call deposits.
- ? Negotiable instruments and bank term deposits up to 3 months.
- ? Interest rate risk management instruments are not permitted.

FOREIGN EXCHANGE POLICY

The Council does not borrow or enter into incidental arrangements within or outside New Zealand in currency other than in New Zealand currency.

REPORTING

Borrowing and Investment Activity is managed under delegated authority by the Finance Manager and is subject to monthly, quarterly and six monthly reporting.

BORROWING POLICY

Council borrows as it considers appropriate. Primarily borrowing is for infrastructural assets, which generally have long economic lives and provide long term benefits. The use of debt is seen as an appropriate and efficient mechanism to promote intergenerational equity between current and future ratepayers in relation to the Council's assets and investments.

BORROWING LIMITS

- ? Total debt servicing costs on net external debt will not exceed 15% of total operating income.
- ? The ratio of net external debt to equity will not exceed 10%.

Council has undertaken to obtain an independent report to review council's current borrowing policy with the specific intention of determining appropriate borrowing limits for council from 1 July 2002 or soon thereafter.

BORROWING MECHANISMS

Council is able to borrow through a variety of market mechanisms, including issuing stock and debentures, Deed of Charges, direct bank borrowing or accessing the short and long-term capital markets directly and internal borrowing.

LIQUIDITY RISK MANAGEMENT

Council minimises liquidity risk by:

- ? Matching operational and capital expenditure closely to revenue streams to its favour.
- ? Matching borrowing drawdowns to its major capital expenditure.
- ? Maintaining its financial investments in liquid instruments.
- ? Ensuring, where sinking funds or Council created investments are maintained to repay borrowing, that these investments are held for maturities not exceeding borrowing repayment date.
- ? Avoiding concentration of debt maturity dates, specifically no more than 25% of total debt is subject to refinancing in any financial year.

INTEREST RATE RISK MANAGEMENT

Council minimises interest rate risk by:

- ? Approving up to 25% of total debt on a floating rate profile.
- ? Using interest rate risk management instruments.
- ? Monitoring average maturity of borrowings.

SECURITY

Council offers the ability to levy a separate rate as security to general borrowing. From time to time, Council may offer specific assets as security, subject to exceptions pursuant to S.122ZE of the Local Government Amendment Act (No.3) 1996.

REPAYMENT

Council repays borrowings from general funds, redemption loans, or from the specific sinking fund allocated to that borrowing.

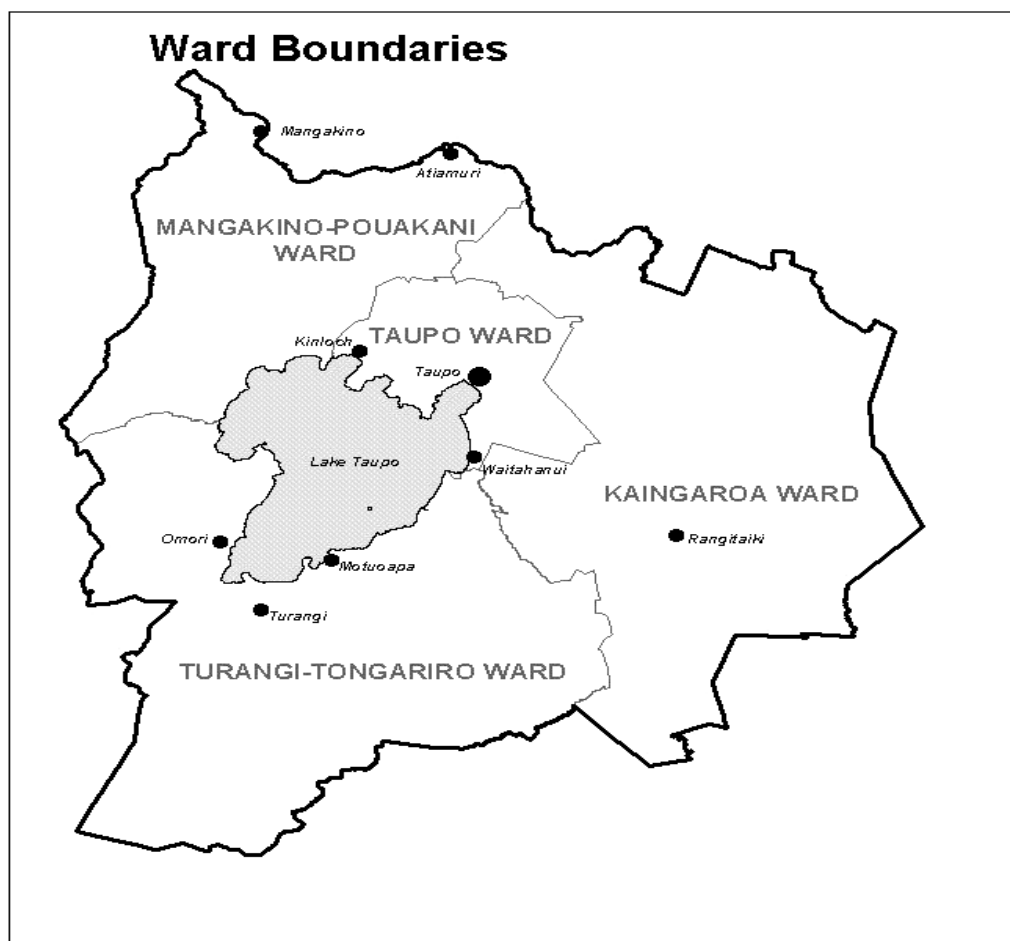
Where a loan is raised for a specific purpose and the funds are no longer required, the funds will be held in a special fund until they can be applied against a future borrowing.

GUARANTEES

Council provides guarantees to banks for loans between the bank and non profit bodies where the Council considers the guarantee to be beneficial to the community in accordance with the Council's policies on loan guarantees limited to 3.5% of annual rates levied for each rating area.

RATING POLICY

WARD BOUNDARIES & RATING AREAS



The two rating areas for 2002/2003 are:

- Turangi/Tongariro Ward;
- Mangakino/Pouakani, Taupo and Kaingaroa Wards combined;

Rates are levied as a tax on property. 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 separate rates may be levied.

Rates are levied throughout the district in the two separate rating areas of Taupo/Kaingaroa - Mangakino/Pouakani and Turangi/Tongariro. Rates raised in a rating area shall be spent in that area. Each rating area is under the control of a Community Board or Committee of Council. These two bodies recommend the rates and charges for their rating areas with Council making the final decision.

The rating system used by Council is Land Value, and the property valuations produced by Quotable Values on 1 July 2001 are used for the 2002/2003 rating year.

Council uses a differential structure, which has remained unchanged since 1996/97.

Differential Property Classifications and Factors For 2002/2003 General Rates

- 1 Differential factors are applied to different classes of properties. These factors remain unchanged since 1996/97.

PROPERTY CLASSES	DIFFERENTIAL FACTORS	
	Taupo/Kaingaroa/ Mangakino/Pouakani	Turangi/Tongariro
Urban Residential	1.000	1.000
Urban Multi Resd [>2]	2.000	2.000
Urban Ind/Commercial	2.000	2.000
Urban Accommodation	2.000	2.000
Rural within Urban	1.000	1.000
Rural Residential	1.000	1.000
Rural Multi Resd [>2]	2.000	2.000
Rural Ind/Commercial	2.000	2.000
Rural Accommodation	2.000	2.000
Rural within Rural	1.000	0.850

- 2 General rates are made up of differential rates and uniform annual charges. The differential charges applicable from 1 July 2002 are:

	<u>2002/03</u>	<u>2001/02</u>
<u>Taupo Township/Acacia Bay/Mangakino Township</u>		
Residential (1 or 2 units)	0.0041773/\$	0.0035856/\$
Residential-Multi (3 or more units)	0.0083546/\$	0.0071713/\$
Accommodation	0.0083546/\$	0.0071713/\$
Industrial/Commercial	0.0083546/\$	0.0071713/\$
Rural within Township	0.0041773/\$	0.0035856/\$
<u>Balance Taupo Ward/Kaingaroa/Pouakani</u>		
Residential (1 or 2 units)	0.0041773/\$	0.0035856/\$
Residential-multi (3 or more units)	0.0083546/\$	0.0071713/\$
Accommodation	0.0083546/\$	0.0071713/\$
Industrial/Commercial	0.0083546/\$	0.0071713/\$
Rural outside Township	0.0041773/\$	0.0035856/\$
<u>Turangi Township</u>		
Residential (1 or 2 units)	0.0061176/\$	0.0069310/\$
Residential-multi (3 or more units)	0.0122353/\$	0.0138620/\$
Accommodation	0.0122353/\$	0.0138620/\$
Industrial	0.0122353/\$	0.0138620/\$
Commercial	0.0122353/\$	0.0138620/\$
Rural/Recreational	0.0061176/\$	0.0069310/\$

	<u>2002/03</u>	<u>2001/02</u>
<u>Tongariro</u>		
Residential (1 or 2 units)	0.0061176/\$	0.0069310/\$
Residential-multi (3 or more units)	0.0122353/\$	0.0138620/\$
Accommodation	0.0122353/\$	0.0138620/\$
Industrial	0.0122353/\$	0.0138620/\$
Commercial	0.0122353/\$	0.0138620/\$
Rural	0.0052000/\$	0.0058913/\$

The uniform annual charges applicable from 1 July 2002 are:

	<u>2002/03</u>	<u>2001/02</u>
TKMP Urban	385.00	385.00
TKMP Rural	158.00	180.00
TT Urban	334.00	320.00
TT Rural	155.00	120.00

Sewer Charges

For the 2002/2003 year Council has introduced a district wide sewer charge. This charge applies to both the Taupo/Kaingaroa / Mangakino/Pouakani & Turangi/Tongariro rating areas.

The sewer charges applicable from 1 July 2002 are:

<u>Sewer Scheme</u>	<u>2002/2003</u>	<u>2001/2002</u>
Taupo Township	213.17	228.37
Acacia Bay	213.17	372.20
Kinloch	213.17	334.61
Waitahanui/ Five Mile Bay	213.17	380.25
Whakamaru	213.17	319.10
Mangakino	213.17	160.18
Atiamuri	213.17	562.80
Turangi Township/Tokaanu	213.17	137.14
Omori/Kuratau/Pukawa	213.17	193.85
Motutere	213.17	874.35
Whareroa	213.17	252.20
Motuoapa	213.17	338.96

Sewer drainage charges across the district are levied on a sliding scale of toilet pans, water closets or urinals connected to a public sewerage drain as follows:

(Note: Each residential household is levied one pan charge irrespective of the number of toilets in it.)

2002/03	1 st Toilet pan, water closet or urinal – 100% full charge Toilet pans, water closets or urinals – 2 up to 10 – 75% of full charge Toilet pans, water closets or urinals – over 10 – 50% of full charge Toilet pans, water closets or urinals – over 10 for schools only – 25% of full charge.
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The sliding scale of charges has changed to a common district formula applying throughout the two rating areas.

Sewer Disposal Loan Servicing

A special uniform annual charge shall continue to be levied on every rateable property for the purpose of meeting the annual loan charges of the loan, renewal or redemption loan raised in connection with the supplies in the following special rating areas for which no election was made to pay by way of lump sum contribution.

<u>Sewer Loan</u>	<u>2002/03</u>	<u>2001/02</u>
Acacia Bay	195.99	201.50
Kinloch	352.22	480.61
Waitahanui/Five Mile Bay	187.75	382.15
Motuoapa 'A' Zone	303.34	320.83
Omori/Kuratau/Pukawa	117.41	171.38

Water Charges

Water charges across the district have been charged to all properties connected to the public water service. A half charge is charged to all vacant properties that are within 100m of the connection, but not yet connected. The full charges are as follows:

<u>Water Scheme</u>	<u>2002/03</u>	<u>2001/02</u>
Taupo Township/Wairakei Village	170.55	168.00
Acacia Bay	170.35	119.99
Kinloch	79.22	85.29
Waitahanui	409.58	400.91
River Road	202.17	197.03
Mangakino Township	153.14	131.97
Atiamuri	371.13	324.46
Whakamaru	289.81	289.25
Turangi Township/Tokaanu	128.43	130.75
Motuoapa	230.48	245.42
Omori/Kuratau/Pukawa	117.77	123.30
Hatepe	183.29	160.97
Whareroa	228.58	216.93

Water supplied to rural properties within the water supply area are levied on the land value as follows:

<u>Water Scheme</u>	<u>2002/03</u>	<u>2001/02</u>
Whakaroa	0.0015581/\$	0.0018994/\$
Centennial Drive	0.0072033/\$	0.0104771/\$
Mapara Road	0.0007856/\$	0.0010113/\$
Bonshaw Park	0.0022107/\$	0.0026682/\$
Whakamoenga Point	0.0014071/\$	0.0018040/\$
Waihaha	0.0031139/\$	0.0037042/\$
Tirohanga	0.0009497/\$	0.0010840/\$

Water Supply Loan Servicing

A special uniform annual charge shall be levied on every rateable property for the purpose of meeting the annual loan charges of the loan, renewal or redemption loans raised in connection with the supplies in the following special rating areas for which no election was made to pay by way of lump sum contribution.

<u>Water Loan</u>	<u>2002/03</u>	<u>2001/02</u>
River Road	295.08	282.28
Omori/Kuratau/Pukawa	153.05	150.87

Metered Water Supply

Charges for the supply of water by meter shall be:

Water Supply	2002/2003		2001/02	
	Ordinary Cents per m3	Extraordinary Cents per m3	Ordinary Cents per m3	Extraordinary Cents per m3
Taupo Township/Wairakei	78	117	77	116
Waitahanui	241	361	218	328
Acacia Bay	71	107	48	72
Kinloch	33	49	32	48
Whakaroa	92	138	92	138
Centennial Drive	37	55	35	52
Mapara Road	86	128	86	128
Bonshaw Park	118	177	118	177
Whakamoenga Point	94	94	93	93
River Road	53	79	51	76
Mangakino Township	56	84	56	84
Tirohanga	34	51	34	51
Turangi Township	28	60	28	60
Motuoapa	42	64	42	64
Tokaanu	56	56	56	56
Hatepe	79	119	69	103
Omori/Kuratau/Pukawa	86	86	85	85

District Refuse Disposal Charge

For the 2002/2003 year Council has introduced a district-wide refuse disposal charge. This charge applies to both the Taupo/Kaingaroa / Mangakino/Pouakani & Turangi/Tongariro rating areas.

The refuse disposal charge applicable from 1 July 2002 is:

<u>Area</u>	<u>2002/03</u>	<u>2001/02</u>
Taupo/Kaingaroa / Mangakino/Pouakani	53.00	63.94
Turangi/Tongariro	53.00	134.01

Marketing Development Rate

An Economic and Business Development rate shall be levied on the rateable land value on every separately rateable property defined as industrial, commercial, retail, timeshare or accommodation within the Taupo/Kaingaroa/Mangakino/Pouakani and Turangi/Tongariro areas.

<u>Area</u>	<u>2002/03</u>	<u>2001/02</u>
Taupo/Kaingaroa / Mangakino/Pouakani	0.0022610/\$	0.0028961/\$
Turangi/Tongariro	0.0022610/\$	0.0028961/\$

Main Street Development – Project Pounamu

To facilitate the development of Turangi Township. A differential separate rate in the dollar on the land value of every separately rateable property within each differential rating group in the Turangi Township.

<u>Differential Group</u>	<u>2002/03</u>	<u>2001/02</u>
Residential, Multi-Residential, Rural	0.0027267/\$	0.0022311/\$
Commercial, Industrial, Accommodation & Other Properties	0.0054535/\$	0.0044623/\$

Security Rate

For the 2002/2003 year Council has introduced a security rate for defined commercial properties within the Turangi Township Central Business District.

	<u>2002/03</u>	<u>2001/02</u>
Security Rate	0.023435/\$	Not levied

Regional Council Rates

Taupo District Council collects rates **on behalf of** the following Regional Councils:

- Environment Waikato
- Environment BOP

General Policy

1 Differential Rating

1.1 Differential rates are defined under property classes with the use primarily determining what class a property falls within, followed by the zoning. The general property classes are residential, multi residential [3 or more units], accommodation, industrial, commercial and rural.

1.2 Explanation of Differential Property Classes :

1.2.1 *Residential [one or two dwellings]*

All single or two unit dwellings under common ownership.

All rural properties under four hectares but excluding those properties, which have commercial or retail, industrial, accommodation and farming/horticulture uses.

1.2.2 *Multi Unit Residential [three or more dwellings]*

All properties where there are more than two portions capable of separate occupation.

Private hospitals, institutions for the elderly and residential timeshare establishments.

1.2.3 *Commercial/Industrial*

All properties used for industrial, commercial or retail purposes excluding motels, hotels and other accommodation establishments for the travelling public.

Administrative and operational properties of Central and Local Government, including State Owned Enterprises.

All other properties not defined within the other groups.

1.2.4 *Accommodation*

All accommodation establishments for the travelling public, including motels, hotels, camping grounds and backpacker lodges.

All properties for which planning consent has been granted for accommodation purposes.

1.2.5 *Rural within Urban*

All properties in the urban areas of four hectares or larger, but excluding those properties which have commercial or retail, industrial and accommodation uses.

1.2.6 *Rural within Rural*

All properties in the rural areas of four hectares or larger, but excluding those properties which have commercial or retail industrial and accommodation uses.

1.3 General Conditions

1.3.1 *Vacant Land*

The differential classification will be determined by the underlying zone classification or size [area] of the land.

1.3.2 *Contiguous Properties*

Where any two or more separately rateable properties are occupied by the same ratepayer and used jointly as a single property and are contiguous, the differential applying to all assessments will be determined by the predominant use.

Where the properties are separated only by road, railway, drain, water race, river or stream they will be treated as one property for the purposes of making any uniform annual general charge made under Section 19 of the Rating Powers Act and any separate uniform annual charge under Section 20 of the Act.

1.3.3 *Multi Use Properties*

Where a property has more than one use in terms of the differential classification, the predominant use will determine the classification.

1.3.4 *Discretionary Clause*

Delegated authority has been given to the Revenue Supervisor to determine the classification of properties which do not clearly fall into a single differential class.

2 Sewer Drainage Rates & Charges

2.1 A single uniform annual charge is levied throughout the district.

The policy provides for:

2.1.1 Properties which sewer drainage can be, but is not connected, and situated within 30 metres from any part of the public sewerage drain shall be charged at half the full sewer charge.

2.1.2 Each residential property shall be deemed to have not more than one water closet, toilet pan or urinal and shall be levied one charge per household.

2.1.3 Motels hotels timeshare establishments and other accommodation properties classified as multi-residential shall be levied one charge for each separately occupiable unit, dwelling or portion of a property.

2.1.4 Properties such as industrial or commercial shall be charged a full charge for each toilet pan, water closet or urinal on a sliding scale basis depending on the number.

Properties, other than residential and school properties, with more than one toilet pan, urinal, water closet or cistern, are subject to a sliding scale of charges depending on the number.

Schools with more than ten connections shall be charged 25% of the full charge in respect of every additional separate connection over ten.

3 Water Supply Rates & Charges

3.1 Uniform annual charges are levied throughout the district. The policy provides for:

- 3.1.1 One full charge shall be levied for the ordinary supply of water in respect of each separately used or inhabited portion of a property or building to which water is supplied.
- 3.1.2 A half charge shall be levied in respect of every serviceable property to which water can be, but is not supplied, situated within 100 metres of any part of the waterworks.
- 3.1.3 All motels, hotels and other accommodation establishments connected to a water meter shall be levied one charge per separately rateable property. Where there is no water meter the charge is per separate unit/dwelling.
- 3.2 Water rates on some of the rural water supply schemes are levied on the land value in respect of properties that are within the defined water supply areas.

4 Metered Water Supply

4.1 Charges are on a cubic metre [m³] for the ordinary and extraordinary supply of water consumed by quantity in defined areas.

5 Refuse Disposal Landfill Maintenance & Development Charges

5.1 The policy provides for:

- 5.1.1 One full uniform annual charge on all separately rateable properties throughout the district.
- 5.1.2 In the case, however, of motels, hotels, other accommodation establishments, timeshares, multi-residential, commercial, industrial and retail properties, shall be levied two full charges to cover the volume of refuse or trade refuse generated.

6 Special Rates

6.1 Rates and charges are levied to repay loans raised to finance capital works, such as sewerage and water supply schemes.

A special uniform annual charge shall be levied on every rateable property for the purpose of meeting the annual loan charges of the loans, renewal or redemption loans raised in connection with the supplies in the following special water rating areas for which no election was made to pay by way of lump sum contribution:

7 Separate Rates & Charges

7.1 Other rates and charges are levied from time to time to cover special projects within the district. These include :

- 7.1.1 Marketing development or economic and business development rate levied on all industrial, commercial, retail, timeshare and accommodation properties in Taupo/Kaingaroa - Mangakino/Pouakani and Turangi/Tongariro rating areas.
- 7.1.2 Mainstreet Development [Project Pounamu] rate levied on a differential basis on all properties within the Turangi township on the basis of the following property classes:

Property Class	Differential Factor
Urban Residential, Rural/Recreational	1.0
Urban Industrial, Commercial, Accommodation & Multi Residential	2.0

Rates Remission Policy

- 1 Rates Remission
 - 1.1 The Taupo District Council is empowered to remit rates to certain categories of ratepayers, such as agricultural and pastoral associations, those administering public gardens, general reserves, Maori reserves, games or sports bodies other than those associated with horse racing, trotting and dog racing, charitable organisations which undertake free maintenance or relief of orphans, or of the aged, infirm, physically or mentally disabled, sick or needy, and a variety of other specified users.
- 2 Remission of Rates on Properties Proposed Lakeshore Reserve
 - 2.1 The above provision for rate remission recognises that the proposed lakeshore designation prohibits the use of land except as otherwise permitted by Council.
 - 2.2 The purpose of the designation is to protect Lake Taupo and is intended to control land use until such time as negotiations and discussions can take place between the Council and the landowners regarding compensation, protection of Lake Taupo and land use.
 - 2.3 Where the owner[s] of the land seek the uplifting of the designation, Council will on formal application initiate the necessary procedure.
- 3 Remission of Rates on Land Voluntarily Preserved for Natural or Historic or Cultural Purposes
 - 3.1 Provision for remission of rates is extended to properties other than those under the Proposed Lakeshore Reserve Scheme that may qualify where the land is voluntarily preserved for natural or historic or cultural purposes. The land must be gazetted or designated as such to qualify.
- 4 Remission on Rating of Undeveloped Maori Freehold Titled Land
 - 4.1 Rate remission is available to certain types of Maori freehold land which meets the criteria of being in its natural state [undeveloped], is in multi ownership, is unoccupied and is non-income producing.
 - 4.2 Rates on qualifying lands will be written off in the year that the rates are levied.
 - 4.3 Remission will apply to lands of any sized area.
 - 4.4 The remission is also designed to encourage development of the land.
- 5 Remission of Additional Charges [Penalty]
 - 5.1 The Rates Appeal Committee of Council consisting of Her Worship the Mayor, Chief Executive and Finance Manager will consider written applications for the remission of additional charges incurred. The Revenue Supervisor has been given designated authority to consider certain categories or penalty remissions otherwise the committee makes all decisions.
- 6 Rates Rebate Scheme
 - 6.1 The Government operates a rates rebate scheme, through Council, whereby ratepayers on low incomes such as Social Welfare benefits, may qualify for a reduction in their rates. Social Welfare benefits include: Training Sickness, Widows, Domestic Purposes, Domiciliary Care, Invalids, Unemployment, Independent Youth, Job Search Allowance, and Guaranteed Retirement Income.
 - 6.2 Application forms are held by Council and for any enquiries contact the Rates Department, Lake Terrace, Taupo.

For further details on any of the rating policies contact the Revenue Supervisor, Taupo District Council, Lake Terrace, Taupo.

New District Sewerage Rate and New District Refuse Disposal Rate

Council resolved to introduce a district sewerage rate and a district refuse disposal rate ***for the rating year commencing 1 July 2002.***

The key reasons for introducing the district rates for sewerage and refuse disposal are:

- ? The community of the Taupo district has indicated that protection of its natural environment, particularly Lake Taupo, is a major concern. The community specifically indicated that "clean and clear water is the most highly valued feature of Lake Taupo". (1999 Taupo environmental survey-Institute of Geological and Nuclear Sciences-Wairakei)

- ? Environment Waikato has proposed a variation to its Regional Plan. The purpose of that variation is to better control the amounts of nitrogen inflow into the lake. Environment Waikato says, quote: " We want to protect the quality of water in Lake Taupo. there is a proven link between nitrogen levels and lake water clarity, and nitrogen concentrations have doubled as water clarity has dropped." (Environment Waikato Draft Strategic Plan/Annual Plan 2001-2002).

Adopting a single sewerage rate means that the chances of providing sewerage schemes for those lakeshore settlements, which are not currently serviced by a scheme, would become more affordable and therefore more likely in the future.

Introducing a single sewerage rate is also a demonstration of part of Council's overall commitment to do what it can to protect lake water clarity.

The rural sector wants to ensure that those who contribute nitrogen to the lake bear responsibility for that nitrogen. By planning for the eventual installation of sewerage schemes at all lake shore settlements council can be seen to be shouldering responsibility for nitrogen contributed from sewerage discharge into the lake.

- ✎ A district refuse disposal rate is consistent with current Council efforts to develop an overall 'Waste Minimisation Strategy' for the district. That strategy will have positive impacts on the natural environment as well as on the way resources are currently used-and potentially produced as well.

What does this mean to the rates?

District Sewerage Rate

Previously sewerage rate charges were rated by scheme and were based on the recovery of costs for each scheme as shown on page 84. The new district sewerage rate means sewerage rates are based on the recovery of all scheme costs, instead of recovery of costs by a particular scheme. Under a district sewerage rate all sewerage scheme users will pay the same sewerage rate of \$213.17. The application of the sliding scale for the number of toilet pans shown on page 84 will continue to be applied.

District Refuse Disposal Rate

Previously refuse disposal rate charges were based on the recovery of costs for the two rating areas. The new district refuse disposal rate means refuse disposal rates are based on the recovery of the total district refuse disposal costs. These cover operating the Broadlands landfill site and all transfer stations, and the costs of transferring refuse from the transfer sites throughout the district to the Broadlands landfill site.

Under a district refuse disposal rate all areas shall pay the same refuse disposal rate of \$52.88.

The application of two charges for motels, hotels, other accommodation establishments, timeshare, multi-residential, commercial and industrial properties shall continue to be applied.

A District Refuse Disposal Rate will not cover the current Refuse (street) Collection service.

Review of rating base

A full review of current rating funding practises will be undertaken during the 2002/2003 financial year, including the possibility of changing the rating based from land value to capital value. Should council believe that a change is warranted, it will present the details of that investigation to the public for comment and debate either as part of or prior to the 2003/2004 annual planning process.

EMPLOYMENT POLICY

The Council aims to be a good employer. To achieve this, the Council endeavours to provide:

- ? Good and safe working conditions
- ? An equal employment opportunities programme

The Council aims to ensure that all employees maintain proper standards of integrity, conduct, and concern for the public interest.

Health and Safety

The Health and Safety in Employment Act 1992 prescribes the minimum requirements for the creation and management of a healthy and safe working environment. The Council is committed to ensuring that its activities provide a high level of protection for its employees, customers, the public and the environment. It recognises the importance of having in place good management practices to proactively manage health and safety in the workplace.

The Council has developed and implemented a Health and Safety Management System that not only meets the requirements of the legislation, but also allows for the continuous review and improvement of its health and safety performance.

The Council recognises that continual improvement in workplace health and safety can only be achieved through sound leadership and ongoing commitment.

Council is in the process of implementing internal reporting systems to provide information on type of accidents and frequency, by Council division.

Annual Performance Targets:

Health & Safety:	
Objective:	Performance Target
To design and implement a system to manage Health & Safety within the Council that becomes part of everyone's work culture.	<ol style="list-style-type: none">1. Develop a mission statement.2. Develop and implement systems to control hazards and incidents.

Equal Employment Opportunities Programme

Council has adopted the following policy statement:

The Taupo District Council supports the principle of equal opportunity of employment and intends to eliminate all forms of discrimination.

The Council will provide a culturally sound, sensitive, safe and healthy working environment which promotes a positive climate for employees and actively seeks to enhance employee skills and abilities to ensure appointment and promotional opportunities on merit.

To achieve this Council has adopted the following as its goals:

To ensure that employment related matters and decisions are based only on skills and abilities and are determined on merit regardless of gender, marital status, involvement in Union activities, family responsibilities, sexual orientation, creed, age, disability, colour, race or ethnic origin.

Annual Performance Targets:

Equal Employment Opportunities:	
Objective:	Performance Target
<ul style="list-style-type: none"> ? Implementation of EEO principles and processes ? Enhancement of Council's image as an EEO employer ? Continual monitoring of recruitment and promotion procedures 	<ul style="list-style-type: none"> 3. To offer to interested employees the opportunity during 2001/2002 to attend a Maori language course sponsored by Council. 4. To sponsor employee participation in the Annual Maori Local Government Association Training Hui, provided attendance is non – discriminatory.

FEES & CHARGES

The following fees and charges schedule is current as at April 2002. It is Council's intention to revise all current fees and charges by 31 December 2002 and make appropriate changes to those fees and charges where warranted.

BUILDING FEES	2002/2003 GST Incl
Building Consent Applications	
Building Administration (payable on lodgement)	
Up to \$20,000	\$100.00
\$20,000 to \$40,000	\$125.00
\$40,001 to \$60,000	\$150.00
\$60,001 to \$100,000	\$175.00
\$100,001 to \$200,000	\$200.00
\$200,001 to \$300,000	\$225.00
\$300,001 to \$500,000	\$250.00
In excess of \$500,001	\$275.00
Certified Plan Check (payable on lodgement)	
Up to \$20,000	\$35.00
\$20,000 to \$40,000	\$50.00
\$40,001 to \$60,000	\$70.00
\$60,001 to \$100,000	\$100.00
\$100,001 to \$200,000	\$125.00
\$200,001 to \$300,000	\$150.00
\$300,001 to \$500,000	\$175.00
In excess of \$500,001	N/A
Extra charges if required	\$75.00 per hour
Non Certified Plan Check (payable on lodgement)	
Up to \$20,000	\$75.00
\$20,000 to \$40,000	\$125.00
\$40,001 to \$60,000	\$175.00
\$60,001 to \$100,000	\$200.00
\$100,001 to \$200,000	\$250.00
\$200,001 to \$300,000	\$300.00
\$300,001 to \$500,000	\$350.00
In excess of \$500,001	\$25.00
Extra charges if required	\$75.00 per hour
Construction and Monitoring Inspections (payable on uplifting consent)	
Inspection	\$75.00 per hour (minimum charge \$50.00)
Specialist Inspection	Cost plus 10% administration charge
Fire Place Consent	\$100.00
Other Charges	
Request for more information	\$35.00
Section 35(1)(a) certificate	\$35.00
Chase Building Certifiers Inspection Report	\$35.00 per letter
Issue of Notice to Rectify	\$100.00
Requested Inspection Not Ready	\$50.00
Request for information	\$25.00 plus photocopying charges
Chase Code Compliance Certificate	\$35.00 per letter
Project Information Memorandum (PIM)	
Minor e.g. retaining walls, decks etc	\$15.00
Garage, carport, accessory buildings etc	\$33.00
New dwelling	\$66.00
Commercial/Industrial	\$100.00
Industry Levies	
Building Research Association of NZ	\$1.00 per \$1000 or part thereof over \$20,000 building value
Building Industry Authority	\$0.65 per \$1000 or part thereof over \$20,000 building value

PLANNING FEES	2002/2003 GST Incl
Resource Consents (Land Use)	
Notified Applications	\$1,000.00
Non Notified Applications	\$250.00
Resource Consents (Subdivision)	
Notified Applications	\$1,000.00
Non Notified Applications	\$400.00
Application for cross lease type subdivisions where the property is already developed	\$200.00
Cross lease / unit title approval for second & subsequent stages	\$75.00
Boundary Adjustments	\$200.00
Engineering Fee (per hour or part thereof)	\$84.37
Engineering Plan Checking Fees and Inspection	\$56.25
Plan Change and Designations	
Plan changes, requirements for new designations & heritage protection orders	\$1,000.00
Alteration to designations & Heritage orders that do not require notification	\$200.00
Other Applications & Certificate Approvals	
Development Plans	\$200.00
ROW Application	\$200.00
Outline Plans	\$200.00
Extension of time	\$200.00
Cancellation or variation of conditions	\$200.00
Monitoring & Compliance Fee with Consent Conditions	\$75.00
Monitoring & Compliance Fee without Consent Conditions	\$37.50
Compliance Certificates - Sec 139 RMA, Sale of Liquor Act & Overseas Investment	\$75.00
Amendment Act	
Sec 221,223 and/or 224 RMA Approvals	\$75.00
Sec 241 and/or 243 RMA Approvals	\$75.00
Sec 321 and/or 348 LGA Approvals	\$75.00
Certified copies of resolutions	\$75.00
Signing of miscellaneous documents	\$75.00
Building line cancellation	\$75.00
DOGS & ANIMAL CONTROL	
Dog Registration Fees	
Working Dogs	
Entire	\$24.00
Neutered	\$19.00
Special Owners Policy Dogs	
Entire	\$31.00
Neutered	\$26.00
All Other Dogs	
Entire	\$54.00
Neutered	\$49.00
Guide Dogs/Hearing Ear Dogs	Nil
(Dangerous dog or probationary owner - plus 50% of normal fee)	
Replacement Tag Fee	\$5.00
Impounding fees Dogs	
In any 12 months	
1st impounding	\$40.00
2nd impounding	\$50.00
3rd and more	\$80.00
Additional fee for unregistered dog impounded	\$20.00
Daily Sustenance	\$5.00
Other Charges Dogs	
Sale of Dog	\$60.00
Destruction Fee Single/Multiple	\$15.00/\$30.00
Permit Fee	\$50.00
Call Back Fee for Permit/SOP Check	\$30.00
Collar prices	
Small	\$4.50
Medium	\$8.00
Large	\$10.00
Impounding fees other Animals	
Pound fees	
Horse, donkey, cattle beast, deer	\$15.00
Sheep, goat, pig	\$10.00
Sustenance fee	
Horse, donkey, cattle beast, deer	\$10.00
Sheep, goat, pig	\$5.00
Call out fees other Animals	
Minimum call out charges	
7 am to 4.30pm	\$25.00
4.30pm to 10pm	\$40.00
10pm to 7am plus holidays and weekends	\$50.00
Trespass	
Trespass on any paddock of grass or stubble	
Horse, donkey, cattle beast, deer	\$10.00
Sheep, goat, pig	\$5.00
Trespass on any land bearing any crop or from which the crop has not been removed, or in any reserve, cemetery or burial ground	
Horse, donkey, cattle beast, deer	\$15.00
Sheep, goat, pig	\$10.00

INSPECTION SERVICES	2002/2003 GST Incl
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District Liquor Licensing Fees	
License Holders	\$776.00
Special Licences	\$63.00
Managers Licences	\$132.00
Temporary Authority	\$132.00
Dangerous Goods Licences	
Storage of Dangerous Goods class 2(d) and/or class 3	\$56.25 - \$1,687.50 dependent on volume
Storage of Dangerous Goods other than class 2(d) and/or class 3	\$112.50
Transfer of licence	\$56.25
Callouts and special inspections per hour or inspection	\$75.00
Certificates of Registration charged per inspection	
Food Premises	\$75.00 per hour
Hairdressers	\$75.00 per hour
Undertakers	\$75.00 per hour
Camping Grounds	\$75.00 per hour
Offensive Trades	\$75.00 per hour
Mobile Shops Licence	
Half year	\$30.00
Per annum	\$55.00
Building Warrant of Fitness	No charge
Fire Hazard Inspection	No charge
Swimming Pool Inspection	No charge (under review)

PARKING

In Accordance with the Traffic Regulations 1976:

Time parked in excess of limit	
No more than 30 minutes	\$12.00
More than 30 minutes but not more than 1 hour	\$15.00
More than 1 hour but not more than 2 hours	\$21.00
More than 2 hours but not more than 4 hours	\$30.00
More than 4 hours but not more than 6 hours	\$42.00
More than 6 hours	\$57.00
Other Offences	
Parked on or within 6 metres of an Intersection	\$60.00
Parked on or near a Pedestrian Crossing	\$60.00
Parked in a Broken Yellow line	\$60.00
Double Parking	\$60.00
Inconsiderate parking	\$60.00
Parked on a Clearway	\$60.00
Parked on a Bus Lane Only	\$60.00
All Other Parking Offences	
This fee applies to all other safety matters not referred to above	\$40.00
Registration/Licensing	
Using or permitting to be used on a road an unlicensed motor vehicle or a motor vehicle that does not have registration plates affixed in the prescribed manner	\$200.00
Using False License Label	\$200.00
Using Unauthorised Licence Label	\$200.00
Evidence of Vehicle Inspection	
Using a motor vehicle without displaying evidence of vehicle inspection	\$200.00
Certificate of Fitness	
Using a motor vehicle without displaying current certificate of fitness	\$600.00
Vehicle Equipment	
Using worn or damaged tyre	\$150.00
Using smooth tyre	\$150.00
Lighting	
Failure to display red light on parked goods-service vehicle	\$60.00

HOUSING FOR THE ELDERLY

Mangakino

Single Units	\$50.00 per week
Double Units	\$79.00 per week

Turangi Retirement Housing

Single Units	\$98.02 per week
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Taupo

Single Units	\$56.50 per week
Double Units	\$79.50 per week

VENTURE CENTRE**2002/2003 GST Incl**

Per Unit \$245 per month plus share of electricity and cleaning costs

SWIMMING POOLS**Turangi Turtle Pool**

Summer Season public sessions	Free Entry
Special Users	\$1.50 per user
Tongariro High School	\$2250.00 pa
Turangi Swimming Club	\$843.75 pa
Hire as a complex	\$225.00 per time

AC Baths

Pools Casual

Adult	\$4.00
Family	\$10.00
Senior	\$2.00
Child over 5 yrs (under 5 yrs no charge)	\$2.00

Pools Concessions (Family)

one month	\$25.00
three months	\$30.00
six months	\$60.00
twelve months	\$120.00

Pools Concessions (Senior)

six months	\$25.00
three months	\$30.00
six months	\$60.00
twelve months	\$120.00

Pools & Fitness Suite Concessions (Adult)

one month	\$40.00
three months	\$75.00
six months	\$150.00
twelve months	\$300.00

Pools & Fitness Suite Concessions (Senior)

Casual	\$5.00
one month	\$30.00
three months	\$60.00
six months	\$120.00
twelve months	\$240.00

Pool Activities

\$25 per hour + \$2.00 pool entry per child

Water Safety Programme (qualified instructor only)

\$40.00 for 8 sessions + pool entry

Non Water Safety Programmes

Taupo District Schools	\$1.00 per child
Non Local Schools	\$1.50 per child

School Swimming Sports

Free entry for participants

Slide Schools

Local Schools	\$2.00 entry for groups
Non Local Schools	\$2.00 entry for groups

EVENTS CENTRE**Fitness Suite**

Casual

Adult	\$5.00
Senior	\$4.00

Concessions (Adult)

one month	\$25.00
three months	\$50.00
six months	\$100.00
twelve months	\$200.00

Concessions (Senior)

one month	\$20.00
three months	\$40.00
six months	\$80.00
twelve months	\$160.00

Climbing Wall-Group Bookings		2002/2003 GST Incl
Public Hours		
Adults		\$8.00
Children and Seniors		\$6.00
Harness Hire		\$5.00
Family Pass (2 adults & 2 Children or 1 adult & 3 Children)		\$35.00
Afterschool Climb Club		\$3.50
Concessions (x10)		
	Adult	\$70.00
	Child	\$50.00
Safer Climber 10 Concession (1/2 Price on Mondays)		\$60.00
Non Public Hours		
Hire of Wall		
	per hour	\$50.00
	half day (4 hours)	\$150.00
	whole day (8 hours)	\$250.00
Instructor - per hour		\$25.00
Harness Hire (max of 20)		\$5.00
(Groups of more than 10 receive a 15% discount on equipment and instructor hire.)		
Limited Climbing Shoes for hire		\$5.00 + bond
Adult Programmes		
Stretch & Strengthen - 10x card		
	10x Card	\$40.00
	20x Card	\$70.00
Gentle Exercise-Casual		\$2.50
School Programmes		
Activity Programmes		
	TDC Schools	Neg
	Non Local Schools	Neg
Climbing Programmes		
	TDC Schools	\$4.00 per child harness hire plus \$25.00 per hour for instructor
	Non Local Schools	\$5.00 per child harness hire plus \$25.00 per hour for instructor
Fitness Suite		
	High School Programme	\$4.00 casual entry
	High School Aerobics	\$3.50 casual entry

LIBRARIES

Taupo Public Library

Books		No charge
Videos		\$3.00 per item for 1 week
Compact Disks		\$2.00 per item for 2 weeks
Reserves		\$1.50 per item
Interloans		\$2.00 per item
Postage for interloan return		\$3.00
Photocopying		.20c per page (.10c per page for 50 pages or more)
Book Covering		\$5.00 per item
Typewriter Hire		\$2.00 per 1/2 hour
Membership Card Fee		\$1.00
Library Subscription		\$17.00 per month (\$10.00 refundable on return of all items)
Overseas visitors/temporary residents – 1 month subscription		\$10.00 plus a \$40.00 refundable deposit when all material is returned undamaged.
Community Room Hire		\$45.00 per half day
Overdue Charges		
	Adult	.50c per item for the first week, then .05c per day to a maximum of \$5.00
	Children	.25c per item for the first week, then .05c per day to a maximum of \$5.00
	Videos	.40c per item for the first 3 days, then .05c per day to a maximum of \$5.00
Damaged and Lost Books		Replacement Cost

Mangakino Library**2002/2003 GST Incl**

Paperback Books	No charge
Large Books	No charge
Jig Saws	\$1.00 & \$2.00
Videos	\$3.00
Internet	\$3.00 1/2 hour, \$5.00 1 hour
Photocopying	.20c
Interloans Postage	Dependent on weight
Membership Card	\$1.00
Overdue Charges	.50c per week per book (after one weeks grace)
Damaged/Lost Books	Replacement Cost

Turangi Public Library

Books - popular fiction	.50c per item
Magazines	no charge
Donated Popular Fiction	.25c per item
Video Rental	\$3.00 per video per week
Compact Disks	.50c per disk for 4 weeks
Cassettes	no charge
Reserves	\$1.50 per item
Requests	\$2.00 each
Return Postage	\$3.00 per item
Photocopying	.10c per copy
Postage	.40c
Membership Card	\$1.00
Replacement Membership Card	\$1.00
Overdue charges	adults & children – 1 to 13 days .50c adults & children – 14 to 27 days \$2.00 adults & children – 28 days and over \$3.00
Lost Books	Replacement cost

PUBLIC CONVENIENCES

Superloo	
Entry fee	\$0.20
Shower	\$1.00
Locker	\$1.00
Towels	\$1.00
All other Taupo District Council public toilets	No charge

GREAT LAKE CENTRE

Entire Venue	Corporate Rate	\$1,250.00
	Corporate Pack-in/out	\$625.00
	Community Rate	\$900.00
	Community Pack-in/out	\$450.00
Theatre	Corporate Rate	\$625.00
	Corporate Pack-in/out	\$225.00
	Community Rate	\$393.00
	Community Pack-in/out	\$225.00
Hall Only	Corporate Rate	\$507.00
	Corporate Pack-in/out	\$225.00
	Community Rate	\$393.00
	Community Pack-in/out	\$225.00
Hall/Eastwing	Corporate Rate	\$625.00
	Corporate Pack-in/out	\$312.50
	Community Rate	\$507.00
	Community Pack-in/out	\$253.50
Eastwing Only	Corporate Rate	\$225.00
	Corporate Pack-in/out	\$112.50
	Community Rate	\$225.00
	Community Pack-in/out	\$112.50
Meeting Rooms	Corporate Rate	\$112.50
	Corporate Pack-in/out	\$56.25
	Community Rate	\$112.50
	Community Pack-in/out	\$56.25

PARKS & RESERVES**2002/2003 GST Incl**

Tongariro Domain	Hireage (profit making event)	
	Setting up	\$125.00 per day
	Operational	\$250.00 per day
	Bond	\$500.00
Owen Delany Park	Grandstand	\$25.00 per day
	Stadium lights	\$130.00 per hour
Nukuhau Boat Trailer Park	Bays 1-16 (11m)	\$492.75 pa
	Bays 17-35 (9.5m)	\$410.60 pa
	Trailer Parks 1-5	\$410.60 pa
Reserve Applications	Bond for processing commercial use of reserve	\$75.00 per hour
Turangi Tennis Court		\$225.00 per half year
Turangi Park		\$225.00 per half year per field
McLaren Park - Circus & Amusement Operators		\$200.00 for four days
Hireage- Turangi	Labour	\$33.75 per hour
	Truck or tractor	\$29.25 per hour
	Materials	Cost
Mobile Shop Permit (Taupo Venture Centre, Turangi Ohuanga Rd, Mangakino Rangatira Dr)	Annual fee	\$1,900.00
	1-6 months	\$45.00
	Casual	\$9.00
	No permit penalty	\$20.00

CEMETERIES**Taupo Public Cemetery**

Purchase of Plot	Over 12 Years	\$225.00
	6-12 Years	\$168.75
	5 Years and Under	\$64.50
Internment on days other than those mentioned hereunder (where more than 1.5m in depth \$15 per 450mm extra)	Over 12 Years	
	Single (1.35m)	\$168.75
	Double (1.8m)	\$185.63
	6-12 Years	\$84.38
	5 Years and Under	\$33.75
	(Where more than 1.5m in depth, \$15.00 per 450mm extra)	
Saturdays, Sundays and Statutory Holidays (where more than 1.5m in depth \$15 per 450mm extra)	Over 12 Years	
	Single (1.35m)	\$337.50
	Double (1.8m)	\$371.25
	6-12 Years	\$168.75
	5 Years and Under	\$67.50
Purchase and Permit for Internment of Ashes	Garden of Rest (Riverbank)	\$84.38
	Cremation Berm (Opepe Lawn) 228 x 150mm	\$168.75
Ashes in Existing Grave	Over 12 Years	\$33.75
	6-12 Years	\$33.75
	5 Years and Under	\$33.75
Permit for Erection of Headstone or Plaque		\$33.75
Disinternment		\$337.50
Reinternment		\$337.50
Family Plots		Prices to be determined by no. of plots required

Mangakino	2002/2003 GST Incl
Urupa-Maintenance Only	\$275.00
Burial-Mangakino residents, incl Plot and Maintenance	\$385.00
Weekends: additional	\$110.00
Extra Depth (2 persons plot)	\$110.00
Second Burial	\$275.00
Burial-Wairarapa Maori, Maintenance Only	\$275.00
Weekends: additional	\$110.00
Extra Depth (2 persons plot)	\$110.00
Second Burial	\$165.00
Burial-Others	\$495.00
Weekends: additional	\$110.00
Extra Depth (2 persons plot)	\$110.00
Second Burial	\$385.00
Burial-Children	\$275.00
Ashes	\$55.00
RSA Burials and Ashes	No Charge
Turangi Public Cemetery	
Interment on days other than those mentioned hereunder (where more than 1.5m in depth \$10 per 300mm extra)	
Over 12 Years	\$135.00
Single	
Double	\$157.50
6-12 Years	\$67.50
5 Years and Under	\$27.00
(Where more than 1.5m in depth, \$10.00 per 300mm extra)	
Saturdays, Sundays and Statutory Holidays (where more than 1.5m in depth \$20 per 300mm extra)	
Over 12 Years	
Single (1.35m)	\$270.00
Double (1.8m)	\$315.00
6-12 Years	\$135.00
5 Years and Under	\$54.00
(Where more than 1.5m in depth, \$20.00 per 300mm extra)	
Purchase of right-of burial in one plot	
Over 12 Years	\$178.20
6-12 Years	\$178.20
5 Years and Under	No Charge
Infant Cemetery Only	\$35.10
Permit Fee for Erection of Kerb, Tombstone or Cemetery Other Monument	
Public Lawn Cemetery	\$27.00
Garden of Rest	\$27.00
Permit Fee for Plot	\$35.10
Disinterment	\$267.30
Reinternment	\$267.30
Family Plots	Prices to be determined by no. of plots required

COMMUNITY HALLS

Tongariro Senior Citizens Hall

Lounge	\$10.00 per hour
Hall	\$20.00 per hour
Kitchen	\$5.00 per hour
Venue	\$200 per hour + \$200 bond
Senior Citizens Use	\$5.00 per hour
CAB Use	\$145pa + \$200 for power =\$345pa

Turangi Gymnasium

School Groups	\$5.00 per hour
Sporting Bodies	\$6.50 per hour
Conference Room	
Weddings/Socials	\$100.00
Other	\$6.50 per hour
Boardroom	\$20.00 per hour
Kitchen	\$6.50 per hour
Gym Committee Room	
School Groups	\$5.00 per hour
Sporting Bodies	\$6.50 per hour
Bonds - Concerts, Cabarets, Balls, Weddings, Socials	\$200.00
Other	
Trestle Tables	\$1.50 per table per day
Bond on tables	\$180 or \$20 per table (whichever is lesser)
Key Bond-All Facilities	\$50.00

Mangakino Gymnasium		2002/2003 GST Incl
Weddings, Balls, Cabarets, Concerts, Discos (incl kitchen)		\$84.50
Touring Shows and Commercial Operations		\$84.50
Sporting Bodies		
	Senior Teams	\$13.50 per night
	Junior Teams	\$11.25 per night
	Casual Users	\$13.50 per night
Meetings		\$22.50 per night
Showers		\$5.50 per night + slot meters
Flower Shows and Church Services		\$13.50
Kitchen		\$9.00
Extras (for use away from Hall)		
	Trestles-each	\$5.00
	Trestles (per 10)	\$16.90
	Chairs (per 50)	\$16.90
	+ each thereafter	.50c each
	Bond on Chairs	.50c each
Kitchen (where required in addition to Hall hire)		\$5.50
Bonds-All Users		\$112.50
Bonds (alcohol) -Weddings, Balls, Cabarets, Socials, Concerts, Discos, Touring, Shows, Commercial Operations		\$200.00
Deposits		\$11.25
Acacia Bay Hall		
Day		\$225.00
Half Day		\$125.00
Bond for parties & weddings etc		\$200.00
Hourly Rate		\$12.00
Kinloch Hall		
Day		\$150.00
Half Day		\$75.00
Hourly Rate		\$10.00
Hourly Rate for Community groups who regularly hire the hall		\$5.00
River Road Community Hall		
Non Profit		\$2.50 per hour
Profit Making		\$5.00 per hour
Functions (non alcohol)		
	Half Day	\$60.00
	Full Day	\$120.00
Bond		\$200.00
Tirohanga Hall		
Local Organisation Daytime		
	Without Bar Facilities	\$33.75
	With Bar Facilities	\$45.00
Local Organisation Night time		
	Without Bar Facilities	\$33.75
	With Bar Facilities	\$45.00
Non Local Organisation Daytime		
	Without Bar Facilities	\$33.75
	With Bar Facilities	\$45.00
Non Local Organisation Night Time		
	Without Bar Facilities	\$45.00
	With Bar Facilities	\$56.25
Weddings &/or Private Functions		
	Local Without Bar Facilities	\$45.00
	Local With Bar Facilities	\$56.25
	Non Local Without Bar Facilities	\$112.50
	Non Local With Bar Facilities	\$123.75
Annual Charges		
	Sporting Clubs	\$45.00
	Tirohanga School	\$45.00
	Taupo Hunt Club	\$101.25
Special Rate for 2 Hour Sessions With No Facilities		\$16.90
Waipahihi Hall and Waitahanui Hall (new)		
Entire Complex		
	Full day	\$236.25
	Part day (up to 4 hours)	\$118.15
	Community Groups	\$15.00 per hour
Gymnasium		
	Full day	\$118.15
	Part day (up to 4 hours)	\$59.05
	Hourly rate	\$15.00
Lounge		
	Full day	\$118.15
	Part day (up to 4 hours)	\$59.05
	Hourly rate	\$15.00
(Special rates for non profit organisations are individually negotiated by Council Staff)		
Wairakei Hall		2002/2003 GST Incl
Normal rate		\$5.00 per hour

Community Rate	\$2.50 per hour
Evening Function	\$110.00
Bond	\$200.00

Whakamaru Settlers Hall

Evening Function	\$90.00
Evening Function less playcentre area	\$70.00
Half Day	\$10.00
Commercial	\$25.00
Whole Day	\$20.00
Whole Day Function	\$50.00
Night Meeting	\$20.00
Sports Group	\$7.00
School	\$10.00
Hire of Tables and Chairs	\$10.00
Hire All + Trestles	\$50.00
Bond (alcohol)	\$200.00

SOLID WASTE MANAGEMENT (LANDFILL & TRANSFER STATIONS)

Recycle Bins	No charge
Green Mulch (all except Broadlands Rd)	No charge
Broadlands Landfill & Transfer Stations	
Residential refuse collection	\$1.00 per bag up to 60L
Small loads (<100kgs)	\$5.00
Medium loads (<250kgs)	\$10.00
Large loads (<400kgs)	\$15.00
All loads (>400kgs)	\$30.00
Tyre disposal charges	\$2.00 - \$10.00

WATER SUPPLY

Water Connections to Main (Urban areas)

New Connections		
15mm Unmetered (Domestic only)		\$280.00
15mm Metered		\$460.00
20mm Unmetered		\$292.00
20mm Metered		\$490.00
25mm Unmetered		\$400.00
New Connections - Extraordinary		
25mm Metered		\$690.00
32mm Metered		\$1,160.00
40mm Metered		\$1,235.00
50mm Metered		\$2,220.00
Turn on fee		\$30.00
Convert unmetered to metered connections		
15mm Metered		\$200.00
20mm Metered		\$220.00
All other		At cost
Disconnection fee, toby location, final meter reading		\$40.00
Meter Checking Deposit (refunded if in error)		\$50.00
Hydrant use permit per week (up to 60 m3)		\$60.00

Water Connections to Main (Rural areas)

New Connections		
Std 15mm rural metered, restricted water connection with twin non-return valves and test cocks		\$1,020.00
Approved alteration to restrictors		\$56.00
Rural, commercial, industrial, extraordinary, rural-residential connections, alteration & services		
Labour		\$30 per hour
Material		Cost + 10%
Vehicle		Current IRD rates

Water Infrastructure Contribution

Taupo (excluding Acacia Bay)	To be introduced under the proposed District Plan
Turangi	To be introduced under the proposed District Plan
Mangakino	To be introduced under the proposed District Plan
Pukawa, Omori, Kuratau	\$882.00
Acacia Bay	\$1,014.00
Kinloch	\$783.00

WASTEWATER**2002/2003 GST Incl**

Sewer Connections to Main (Urban areas)		
New Connections		
100mm/150mm		\$180.00
Administration fee		\$40.00
Private owners faults, new connections, extensions, alterations & services		
Labour		\$30 per hour
Material		Cost + 10%
Vehicle		Current IRD rates
Wastewater Infrastructure Contribution		
Taupo (excluding Acacia Bay)		To be introduced under the proposed District Plan
Turangi		To be introduced under the proposed District Plan
Mangakino		To be introduced under the proposed District Plan
Pukawa, Omori, Kuratau		\$775.00
Motuoapa		\$3,002.00
Waitahanui/Five Mile Bay		\$4,278.00
Acacia Bay		\$3,785.00
Kinloch		\$1,760.00

ROADING

Street name Plate		\$380.00
Accessway Sign		\$280.00
Second Coat Seal		\$3.00m2
Vehicle Crossing Bond- All areas excluding Turangi		
Urban residential crossing		\$281.00
Urban commercial or industrial crossing		\$506.00
Rural crossing		\$506.00
Inspection fee		\$56.00
Vehicle Crossings - Turangi		per metre

AIRPORTS**Turangi Aerodrome**

Landing charges		\$6.00
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Taupo Airport

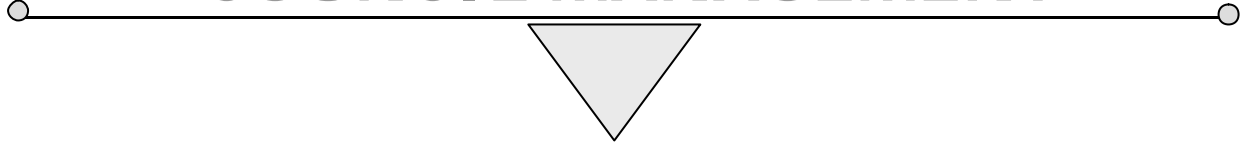
Landing charges		
0-499 kg		\$3.92
500-1999 kg		\$11.25
2000-2999kg		\$16.31
3000-4999kg		\$28.12
5000-5999kg		\$54.00
6000-9999kg		\$67.50
10000-14999kg		\$135.00
15000-19999kg		\$173.25
20000-24999kg		\$191.25
25000-34999kg		\$253.12
35000+kg		\$478.12
Helicopter		\$10.12
Microlights		\$3.92
Balloons		\$56.25
Gliders		nil
Unicom charges		
0-499 kg		\$1.68
500-1999 kg		\$3.93
2000-2999kg		\$3.93
3000-4999kg		\$6.75
5000-5999kg		\$15.75
6000-9999kg		\$21.00
10000-14999kg		\$34.87
15000-19999kg		\$41.62
20000-24999kg		\$50.62
25000-34999kg		\$56.25
35000+kg		\$73.12
Helicopter		\$2.81
Microlights		\$1.68
Balloons		\$6.75
Gliders		Nil

CORPORATE SERVICES

2002/2003 GST Incl

Request for information under the Local Government Official Information and Meetings Act		
Information > than half hour to collate		\$30 per half hour
Photocopying		\$0.20 per page in excess of 20 pages
All other charges		At cost
Land Information Memorandum LIM) (to be reviewed)		
Residential/Rural property		\$105.00
Commercial/ Industrial property		\$170.00
Rates and Valuation Property Information		
Disk containing complete district rating roll, updated monthly		\$1,000.00pa
Printout of individual rating area rolls		
Taupo/Kaingaroa		\$450.00
Taupo		\$370.00
Kaingaroa		\$100.00
Turangi/Tongariro		\$300.00
Turangi		\$200.00
Tongariro		\$200.00
Mangakino/Pouakani		\$200.00
Mangakino		\$100.00
Pouakani		\$100.00
Individual property printout		\$5.00
Property Information (Central Information)		
Search fee		\$5.00
Microfilm prints		
A 4		\$3.00
A 3		\$5.00
Photocopying		
A 4		\$0.20
A 3		\$0.50
A 1		
Property and Land Information		
Map Photocopying A1		\$3.50
Geographical Information Services		
Standard Map (no photography)		
A 1		\$15.00
A 2		\$10.00
A 3		\$7.50
A 4		\$5.00
Standard Map (photography)		
A 1		\$20.00
A 2		\$15.00
A 3		\$10.00
A 4		\$5.00
Specialised Maps		
Standard map charges plus staff charge out		
Officer		\$75.00 per hour
Technician		\$60.00 per hour

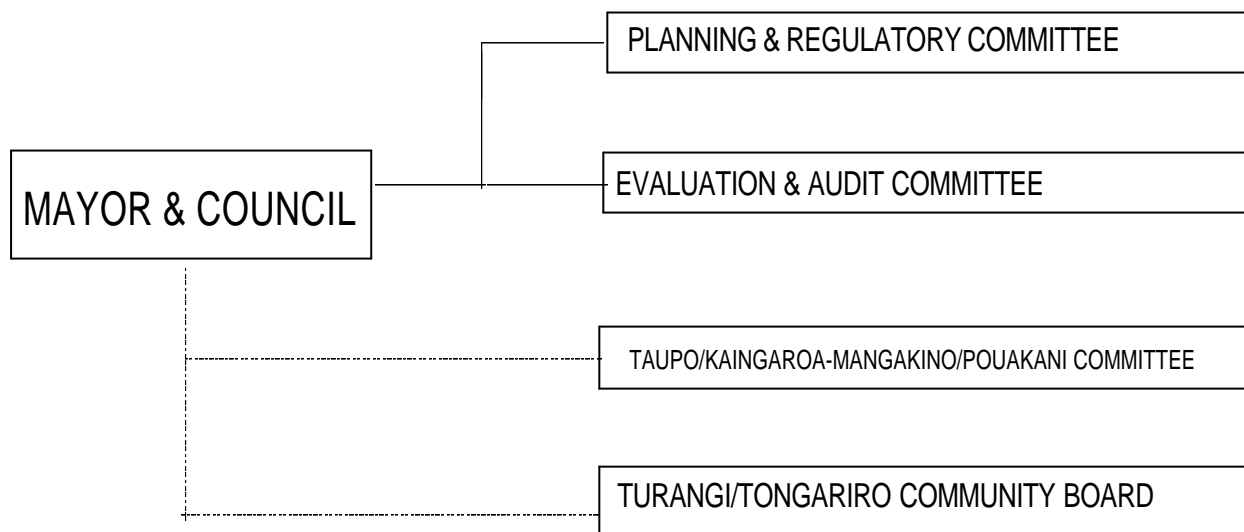
COUNCIL MANAGEMENT



COUNCIL STRUCTURE & MANAGEMENT

A key to the efficient running of the Taupo District Council is the clear division between the roles of Council and management. Council concentrates on setting policy and strategy and monitoring outcomes, while management is concerned with implementing policy and strategy, and monitoring these approaches.

Council Structure



Standing Committees

Council has several Standing Committees to monitor and assist in the effective discharging of Council's specific responsibilities. Council's Standing Committees include:

District Regulatory & Hearings Committee

Resource consents, building consents, environmental health, animal control, regulatory hearings, district plan, State Of The Environment report, bylaws, regulatory policy, liquor licensing.

District Evaluation & Audit Committee

Service delivery performance, financial management and performance, performance measurement/management, investments, business units, Taupo Airport, forestry, financial accounts, loan guarantees, debtors/debt recovery, unbudgeted expenditure, fees and charges, rating systems, community surveys, risk management, emergency management/civil defence, financial policies, Hillary Commission grants.

Taupo/Kaingaroa – Mangakino/Pouakani Committee

Although not a constituted 'community' this Committee has a role and delegated authority similar to the Turangi/Tongariro Community Board relative to dealing with most matters pertaining to its ward areas.

Turangi/Tongariro Community Board & Mangakino/Pouakani Community Board

The Turangi/Tongariro Community Board has high levels of advisory responsibility and delegated authority from Council in addition to its function of being politically responsible for representing its community.

The Taupo/Kaingaroa-Mangakino/Pouakani Committee (incorporating the Taupo, Kaingaroa and Mangakino/Pouakani wards) and the Turangi/Tongariro Community Board and the areas they each represent are consistent with Council's policy of having two rating areas for general rates whereby, generally, rating revenue from each area will be spent within that area.

Special Committees

Consultation Steering Committee

This Committee was established in 2002. Its role is to support management's Taupo Airport Authority pricing package consultation and to recommend to Council a pricing package for the Taupo Airport Authority.

COUNCIL MEMBERS

The Council is responsible and accountable to the ratepayers of the district.

	Fax	Phone	
		Business	Private
Mayor			
Mr C T A Stent	378-2506	377-9830	025 915 883
Councillors			
Cr C C McElwee [Deputy Mayor]	378-8790	378-8790	378-8790
Cr D M Blyth JP	377-6333	378-2727	378-8774
Cr I M Coulter JP	376-7995	025 528-104	376-7996
Cr A E Gathergood	07 882 8222	025 418 107	07 882 8222
Cr S A W Howard	378-1939	027 2427 837	378-1918
Cr G Keepa	386-8301	025 793 001	386-8301
Cr D R Ormsby JP	386-0859	386-8176	386-8357
Cr K W Pocock	376-0359	376-0353	377-6478
Cr A T Smallman	386-7281	021 298 0166	386-7281
Cr D J Trewavas	378-3561	378-7787	378-3848
Cr K M Uvhagen	377-4561	025 944 973	378-8515
Cr A N Welch	[07] 333-8063	025 297-1839	[07] 333-8063

COMMITTEE & COMMUNITY BOARD MEMBERS

Regulatory & Hearings Committee
Cr D R Ormsby JP [Chairman]
Cr C C McElwee [Deputy]
Cr A E Gathergood
Cr AT Smallman
Cr D J Trewavas
Cr K M Uvhagen
His Worship the Mayor

Evaluation & Audit Committee
Cr I M Coulter JP [Chairman]
Cr S A W Howard [Deputy]
Cr D M Blyth JP
Cr G Keepa
Cr K M Pocock
Cr A N Welch
His Worship the Mayor

Taupo/Kaingaroa-Mangakino/Pouakani Committee
Cr K M Uvhagen [Chairman]
Cr D M Blyth JP [Deputy]
Cr I M Coulter JP
Cr A E Gathergood
Cr S A W Howard
Cr C C McElwee
Cr K W Pocock
Cr D J Trewavas
Cr A N Welch
His Worship the Mayor

Turangi/Tongariro Community Board	Phone	
	Business	Private
Cr D R Ormsby [Chairman]	386-8176	386-8357
Mr D R Campbell [Deputy]	025 905 354	386-7409
Mrs R Chase	386-8335	386-0975
Cr G Keepa	025 793 001	386-8301
Mrs J Lockyer	386-7317	386-8024
Mrs S McCarthy	386-7681	386-8172
Cr A T Smallman	021 298 0166	386-7281
Mrs M J Smallman	386-6587	386-5079
Mrs M E Stewart	386-5519	386-7656

THE MANAGEMENT TEAM

Council (elected members) appoints a Chief Executive to manage the operations of Council under the provisions of s119(1)(a) of the Local Government Act 1974. The Chief Executive has in turn appointed divisional managers to manage each of Council's significant activities.

A G Dibble
Chief Executive
Dip TP, MNZPI, MNZIS, MNZSLGM, MPMI, JP

P M Martyn
Management Services Manager
LL.B

R Gibbs
Manager Environment & Safety
NZCTP, MNZPI

M Keys
Works Manager
BE [Hons], MALGENZ, Reg Eng

P Yeo
Marketing Manager

M J Collins
Community Services Manager
BA Dip Tchg, MNZSLGM

D A Gartner
Finance Manager
CA, BCA

S Rowbotham
Manager: Strategic Management
B Com, CA

J W Campbell
Area Manager Turangi/Tongariro
NZCE, BE, MIPENZ, Reg Eng

T L Jakes
Community Manager
Mangakino

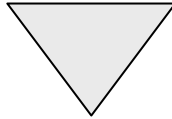
COUNCIL STAFF

As at 1 March 2002
Permanent full - time equivalents

<u>Division</u>	<u>Staff No.s by Division</u>
<u>Community Services</u>	<u>81</u>
<u>Finance</u>	<u>14</u>
<u>Management Services</u>	<u>49</u>
<u>Environment & Safety*</u>	<u>36</u>
<u>Works</u>	<u>24</u>
<u>Strategic Management</u>	<u>5</u>
<u>Marketing</u>	<u>11</u>
<u>Turangi</u>	<u>25</u>
<u>Mangakino</u>	<u>10</u>
<u>Total</u>	<u>255</u>

* previously called Planning & Regulatory

FUNDING POLICY



Introduction

The Local Government Act (No.3) was passed in 1996 and provides a statutory process for Council to follow in making funding decisions. Section 122N of the Local Government Act required that every local authority to prepare and adopt a Funding Policy as part of its Annual Plan by 1 July 1998. Further, the legislation requires that the Funding policy is to be reviewed every three years.

Council prepared and adopted its first Funding Policy with the 1998/99 Annual Plan. The following represents the first three yearly review of that Funding Policy.

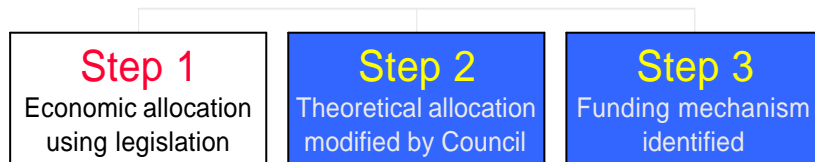
Three Stage Process

The Funding Policy is established through a three-stage process starting with a set of economic principles that link funding mechanisms to the groups or individuals that benefit from a service. In stage two, Council has the opportunity to apply a number of considerations to this process to ensure the decisions that are made are fair and equitable. Council then selects the funding tool (stage three) that most efficiently and effectively achieves the desired allocation. In general terms the Funding Policy records how Council intends to fund each of its separate expenditure needs (services) or activities. The provisions of the Rating Powers Act 1988 govern the ways in which the cost of these activities is recovered.

The Funding Policy identifies, for each significant activity, the Council's recommended funding mechanisms, in a way that makes clear the assumptions upon which the decision was based. This information is to help the community make informed comments about Council's funding decisions.

The three steps of the Funding Policy process are:

Step One - Economic Assessment

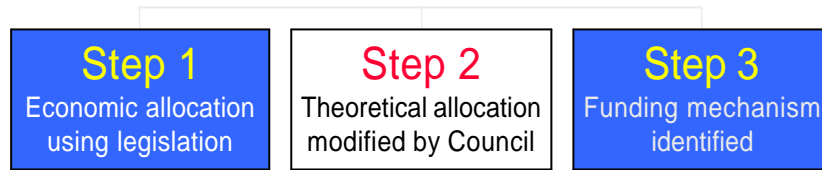


Sections 122E(1)(a) and 122F of Local Government Act 1974

The costs of a service or activity are allocated in a way that matches the costs to the benefits received. These benefits may be to the community as a whole, or to individuals and groups, but may also change over time. The economic principles used in the assessment are:

- ? the 'intergenerational equity' principle which says the cost should be borne by the generation that enjoys the benefit of the function.
- ? the 'public good' principle which identifies that benefits which can't be linked to identifiable groups or individuals should be paid for by the community.
- ? the 'user pays' principle directs the cost of benefits to the identifiable users.
- ? the 'polluter (or exacerbator) pays' principle says that the costs of functions to control negative effects should be borne by those generating the effects.

Step Two - Modification by Council



Sections 122E(1)(b) and 122G of LGA

The theoretical economic assessment of costs undertaken in Step One is then modified, if required, taking into account certain considerations specified in the legislation. These considerations are:

- ? fairness and equity
- ? the interests of ratepayers
- ? other policies of Council
- ? transition issues

Council needs to be explicit about the rationale for using these considerations. There is no attempt in the legislation to explain what “fairness and equity” requires. Some guidance can be taken from comments made by the courts in recent rating cases. Ability to pay can be seen as a relevant consideration and equity infers that people in similar situations are treated equally.

Step Three - Selection of Funding Tools



Section 122H of LGA

The final step in the process involves choosing the funding mechanism that achieves or approximately achieves the allocation of costs from Step Two. This must be done with reference to the legal options available, transparency and efficiency.

The Ratings Powers Act 1988 controls how Council can fund activities and services. As an indication of the mechanisms:

Intergenerational benefits suggest:

- ? borrowing to spread the cost over the life of the asset
- ? funding from reserves to be replenished by future contributors
- ? current users pay for any depletion to the service life of an asset through funding depreciation

General public benefits suggest:

- ? using a rating mechanism over the whole rating area (e.g. general rate, UAC)
- ? using the proceeds of investment

Local benefits suggest:

- ? using a rating mechanism over part of the rating area (e.g. Separate rates)
- ? differential rates based on usage

direct/private benefits suggest:

- ? user charges
- ? application fees
- ? entry fees
- ? purchase price
- ? water by meter
- ? differential rates based on usage

exacerbator contributions suggest:

- ? application fees
- ? penalties/fines

In some cases more than one set of beneficiaries can be identified for different parts of the same service. Where this occurs, two separate funding policies have been provided for the same service.

The following table provides a summary of the three-stage funding policy process undertaken by Council.

SUMMARY OF SERVICES

Activity	Sub Activity	Initial Assessment		Modified Assessment		2002/03 Annual Plan		Funding Mechanism	
		Private	Public	Private	Public	Private	Public	Private	Public
Governance	Democratic Function	0%	100%	0%	100%	0%	100%		General Rate
	Integrated Planning and Policy Development	0%	100%	0%	100%	0%	100%		General Rate
Environmental Management	Environmental Planning and Policy Development	0%	100%	0%	100%	0%	100%		General Rate
	Building/Development Services	80%	20%	80%	20%	80%	20%	Fees and Charges	General Rate
	Planning Guidance	75%	25%	75%	25%	75%	25%	Fees and Charges	General Rate
	Civil Defence and Rural Fire	0%	100%	0%	100%	0%	100%		General Rate
	Animal Control	54%	46%	54%	46%	54%	46%	Fees and Charges	General Rate
	Inspection Services	50%	50%	20%	80%	20%	80%	Fees and Charges	General Rate
	Liquor Licencing	90%	10%	100%	0%	100%	0%	Fees and Charges	
	Parking Control	0%	100%	0%	100%	0%	100%		General Rate
	Community Development and Support	Housing for the Elderly	100%	0%	55%	45%	55%	45%	Fees and Charges
Community Support		0%	100%	0%	100%	0%	100%		General Rate
Health		0%	100%	0%	100%	0%	100%		General Rate
Arts & Culture		0%	100%	0%	100%	0%	100%		General Rate
Heritage		0%	100%	0%	100%	0%	100%		General Rate
Safety and Crime Prevention		0%	100%	0%	100%	0%	100%		General Rate
Community Venture Centre		100%	0%	67%	33%	67%	33%	Fees and Charges	General Rate
Recreation and Community Facilities	Swimming Pools-AC Baths	90%	10%	100%	0%	100%	0%	Fees and Charges	General Rate
	Turtle Pools	90%	10%	5%	95%	5%	95%	Fees and Charges	General Rate
	Events Centre	80%	20%	50%	50%	50%	50%	Fees and Charges	General Rate
	Libraries	80%	20%	5%	95%	5%	95%	Fees and Charges	General Rate
	Public Conveniences	0%	100%	0%	100%	0%	100%		General Rate
	Super Loo	90%	10%	50%	50%	50%	50%	Fees and Charges	General Rate
	Great Lake Centre	50%	50%	33%	67%	33%	67%	Fees and Charges	General Rate
	Parks and Reserves	10%	90%	10%	90%	10%	90%	Fees and Charges	General Rate
	Sportsgrounds	80%	20%	10%	90%	10%	90%	Fees and Charges	General Rate
	Amenity Plantings	0%	100%	0%	100%	0%	100%		General Rate
	Cemeteries	50%	50%	50%	50%	50%	50%	Fees and Charges	General Rate
	Community Halls	70%	30%	15%	85%	15%	85%	Fees and Charges	General Rate

Activity	Sub Activity	Initial Assessment		Modified Assessment		2002/03 Annual Plan		Funding Mechanism	
		Private	Public	Private	Public	Private	Public	Private	Public
		Economic Development and Marketing	District Economic Development	20%	80%	20%	80%	41%	59%
	Destination Marketing	55%	45%	55%	45%	57%	43%	Separate Rate	General Rate
	Visitor Centres	90%	10%	65%	35%	61%	39%	Fees and Charges	General Rate
Solid Waste Management	Waste Minimisation and Litter Control	0%	100%	0%	100%	0%	100%		General Rate
	Solid Waste Collection	80%	20%	100%	0%	100%	0%	Separate Rate	
	Solid Waste Disposal	80%	20%	100%	0%	100%	0%	Separate Rate	
Water Supply	Water Supply	90%	10%	100%	0%	100%	0%	Separate Rate	
Wastewater	Wastewater	70%	30%	100%	0%	100%	0%	Separate Rate	
Roading Network	Roading and Traffic Services	0%	100%	0%	100%	0%	100%		General Rate
	Project Pounamu	10%	90%	0%	100%	0%	100%		General Rate
Stormwater	Stormwater and Land Drainage	10%	90%	0%	100%	0%	100%		General Rate
	Lake & River Control	0%	100%	0%	100%	0%	100%		General Rate

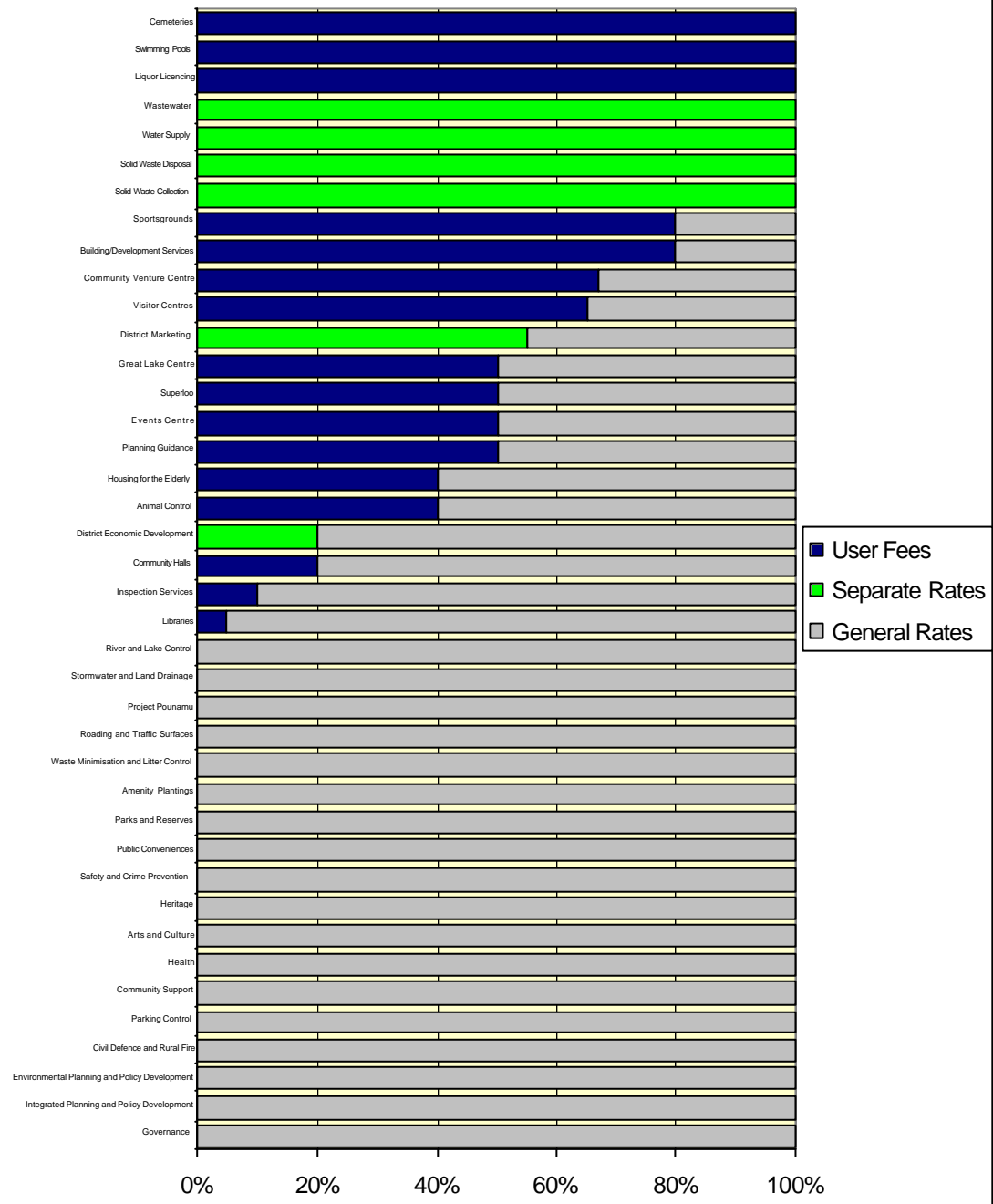
Significant changes from existing funding policy

As a result of the review of all output functions, the following funding policies were changed:

Activity	2001 Funding Policy				2002 Funding Policy			
	Initial Assessment		Modified Assessment		Initial Assessment		Modified Assessment	
	Private	Public	Private	Public	Private	Public	Private	Public
District economic development	20	80	20	80	20	80	41	59
Destination Marketing	55	45	55	45	55	45	57	43

As a result of differing public opinion, in March 2001 an independent review of the Lake Taupo Marketing function was carried out. The review identified two separate outputs within the Marketing role - Economic Development and District (Destinational) Marketing. The initial assessments have not changed, however Council has chosen to modify these assessments. The overall effect of funding between the Marketing Development Rate and General Rates has not changed significantly for 2002/2003. A review is currently being conducted to identify the most desirable split between tourism marketing and economic development together with investigation into the ideal method of delivering economic development.

Funding Policy Split



SERVICES & SUB-ACTIVITIES

For each service the following information is provided:

1. Significant Activity (next to each significant activity is a reference, e.g. AP-21= Annual Plan – page number 21, which refers to the significant activity goal and description in the Annual Plan)
2. Service Name (next to each service is a reference, e.g. AP-33= Annual Plan – page number 33, which refers to the service objective in the Annual Plan)
3. Funding Policy for each service

Governance

(AP-17)

Funding Policy Assessment of Services Provided:

1 Democratic Function (AP-18)

1.1 Step One - Economic Assessment

The democratic function provides predominantly public benefits. Benefits include costs incurred in public participation, public consultation and public debate.

Private Component	0%
Public Component	100%

1.2 Step Two - Modification

Council did not see any reason to modify the initial economic assessment.

Private Component	0%
Public Component	100%

1.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through general rates.

General Rates	100%
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2 Integrated Planning and Policy Development (AP-18)

2.1 Step One - Economic Assessment

The integrated planning and policy development service provides predominantly public benefits. Benefits include costs incurred in planning for the future of the district, public participation, and consultation

Private Component	0%
Public Component	100%

2.2 Step Two - Modification

Council did not see any reason to modify the initial economic assessment.

Private Component	0%
Public Component	100%

2.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through general rates.

General Rates	100%
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Environmental Management

(AP-20)

Funding Policy Assessment of Services Provided:

1 Environmental Planning and Policy Development (AP-20)

1.1 Step One - Economic Assessment

The preparation of Environmental Planning and Policy documents and tools can affect every property and benefit the district as a whole.

Private Component	0%
Public Component	100%

1.2 Step Two - Modification

Council did not see any reason to modify the initial economic assessment.

Private Component	0%
Public Component	100%

1.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through general rates.

General Rates	100%
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2 Building/Development Services (AP-21)

2.1 Step One - Economic Assessment

Building Control is primarily of private benefit. Expenditure is strongly related to the number of consumers. These consumers can be identified. There is some public benefit due to the safety and health aspect.

Private Component	80%
Public Component	20%

2.2 Step Two - Modification

Council did not see any reason to modify the initial economic assessment.

Private Component	80%
Public Component	20%

2.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through user fees and charges and general rates.

User Fees and Charges	80%
General Rates	20%

3 Planning Guidance (AP-21)

3.1 Step One - Economic Assessment

The processing of resource consents benefits the individual. However, one reason for issuing consents is to ensure that the requirements of the District Plan are adhered to, which has an element of public benefit.

Private Component	75%
Public Component	25%

- 3.2 Step Two - Modification
Council did not see any reason to modify the initial economic assessment.
Private Component 75%
Public Component 25%
- 3.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through user fees and charges and general rates.
User fees and Charges 75%
General Rates 25%

4 Civil Defence and Rural Fire (AP-21)

- 4.1 Step One - Economic Assessment
Civil Defence is of public benefit. This is a "preparedness" activity with the whole district being the potential beneficiary in the event of an emergency.

Private Component 0%
Public Component 100%
- 4.2 Step Two - Modification
Council did not see any reason to modify the initial economic assessment.

Private Component 0%
Public Component 100%
- 4.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through general rates.
General Rates 100%

5 Animal Control (AP-22)

- 5.1 Step One - Economic Assessment
Animal control is broken into two separate areas. Stock control involves the policing and removal of stock from roads and public places. This service is considered to be of public benefit.
Dog control is governed by the Dog Control Act. There are three main functions:
? Registration - Dogs are registered as required by law. This is of private benefit.
? Monitoring - Ensuring compliance with law regarding roaming, biting and barking. Exacerbators may be private (if dog can be identified and linked to an owner) or public
? Public Education and response to complaints. This is of public benefit.

The presence of dogs creates the need for the function, so dog owners should generally bear the major proportion of the costs.

Private Component 54%
Public Component 46%
- 5.2 Step Two - Modification
Council did not see any reason to modify the initial economic assessment.
Private Component 54%
Public Component 46%
- 5.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through user fees and charges and general rates.

User Fees and Charges	54%
General Rates	46%

6 Inspection Services (AP-22)

6.1 Step One - Economic Assessment

Liquor Licensing

While Liquor Licensing is mainly private benefit, there is an element of public good as the Sale of Liquor Act is aimed at reducing the level of liquor abuse.

Private Component	90%
Public Component	10%

Inspection Services

Inspection services provide resources to police Council bylaws and other legislation. There is both private and public benefit.

Private Component	50%
Public Component	50%

6.2 Step Two - Modification

Liquor Licensing

Council modified this initial assessment to recognise that the small portion of public benefit is still related to the existence of licensed premises. The modification was for reasons of fairness and equity

Private Component	100%
Public Component	0%

Inspection Services

Council modified this initial assessment to recognise that while benefits of inspection services are equally split, there is a large element of administration and reporting time that would be inequitable to recover through inspection fees.

Private Component	20%
Public Component	80%

6.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through user fees and charges and general rates.

Liquor Licensing

User Fees and Charges	100%
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Inspection Services

User Fees and Charges	20%
General Rate	80%

7 Parking Control (AP-22)

7.1 Step One - Economic Assessment

The purpose for parking control is to ensure constant traffic and parking movement within the CBD area. Infringement income from parking fines and vehicle infringement income (as a result of non-current registration and warrants) are secondary to this purpose. If time limits were adhered to and all vehicles were maintained with current registration and warrants, there would be no income from infringement notices. While this income can be estimated, Council has no control over the number of infringements in any period. Therefore any exacerbator income will be treated as incidental to the main purpose of parking control. The service is of benefit to premise owners in the CBD and to the public that use the parking spaces.

Private Component	0%
Public Component	100%

7.2 Step Two - Modification

Council did not see any reason to modify the initial economic assessment.

Private Component	0%
Public Component	100%

7.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through general rate.

General Rate	100%
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Note Council will continue to police parking within the Taupo CBD and will issue infringement notices as per its parking policy.

Community Support and Development

(AP-24)

Funding Policy Assessment of Services Provided:

1 Housing for the Elderly (AP-24)

1.1 Step One - Economic Assessment

There is a strong private good component. Individual benefit and the beneficiaries can be identified.

Private Component	100%
Public Component	0%

1.2 Step Two - Modification

Existing Council policy limits the rentals charged. Charges will be reviewed annually.

Private Component	55%
Public Component	45%

1.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through user fees and charges and general rates.

User fees and Charges	55%
General Rates	45%

2 Community Support (AP-25)

2.1 Step One - Economic Assessment

Grants are provided to ensure that a wide range of third party benefits are reflected in the support that Council provides for various community based social, cultural and recreational organisations.

Private Component	0%
Public Component	100%

2.2 Step Two - Modification

Council did not see any reason to modify the initial economic assessment.

Private Component	0%
Public Component	100%

2.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through general rates.

General Rates	100%
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3 Health

3.1 Step One - Economic Assessment

Councils role is that of advocacy on behalf of all of the community – it is of public benefit.

Private Component 0%
Public Component 100%

- 3.2 Step Two - Modification
Council did not see any reason to modify the initial economic assessment.

Private Component 0%
Public Component 100%

- 3.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through general rates.
General Rates 100%

4 Arts and Culture (AP-25)

- 4.1 Step One - Economic Assessment
Council's role is to undertake projects and initiatives on behalf of the community at large. A feasibility study is being undertaken to investigate the need and usage of a Visual Arts Centre. If built, a funding policy for the centre will be required, but at this stage, the service is of public benefit.

Private Component 0%
Public Component 100%

- 4.2 Step Two - Modification
Council did not see any reason to modify the initial economic assessment.

Private Component 0%
Public Component 100%

- 4.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through general rates.

General Rates 100%

5 Heritage (AP-25)

- 5.1 Step One - Economic Assessment
Council's role is to support / encourage the preservation of our heritage for the general good of all of the community. Council's main involvement is through grants to the Taupo District Museum of Art and History and the Community Arts Council.

Private Component 0%
Public Component 100%

- 5.2 Step Two - Modification
Council did not see any reason to modify the initial economic assessment.

Private Component 0%
Public Component 100%

- 5.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through general rates.
General Rates 100%

6 Safety and Crime Prevention (AP-25)

6.1 Step One - Economic Assessment

Income comes from a Central Government grant covering most operating costs. The net cost (operating less government subsidy) is of public benefit. Major initiatives are funded by way of Council grant.

Private Component	0%
Public Component	100%

6.2 Step Two - Modification

Council did not see any reason to modify the initial economic assessment.

Private Component	0%
Public Component	100%

6.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through general rates.

General Rates	100%
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7 Community Venture Centre (AP-26)

7.1 Step One - Economic Assessment

The Community Venture Centre is aimed at providing low cost accommodation for community groups and a site for hawkers. The benefit to the community is covered by the fact that each group is paying less rent than elsewhere. It is agreed that the intention is to recover costs.

Private Component	100%
Public Component	0%

7.2 Step Two - Modification

The modification is because of existing Council policy to retain the existing charging regime, and because the initial assessment would cause a sudden and significant change in cost allocation.

Private Component	67%
Public Component	33%

7.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through user fees and charges.

User Fees and Charges	67%
General Rates	33%

Recreation and Community Facilities

(AP-28)

Funding Policy Assessment of Services Provided:

1 Swimming Pools (AP-29)

1.1 Step One - Economic Assessment

Council operates two separate swimming pools, A C Baths in Taupo and the Turtle Pools in Turangi. Swimming pools are traditionally seen as being user pays in most parts of the country. This is due to the choice factor, ease of exclusion and ability to clearly identify costs. Benefit is therefore largely private. Public good exists in providing the option for people to swim. On strict economic terms this must however be seen as nominal.

Private Component	90%
Public Component	10%

1.2 Step Two - Modification

A C Baths

The modified assessment promotes existing Council policy to fully fund the costs of the A C Baths through user charges. The A C Baths is undergoing a major redevelopment over the 2002/2003 period. Council intends to review the existing funding policy before the redevelopment has been completed and a reassessment of the usage has been undertaken.

Private Component	100%
Public Component	0%

Turtle Pool

The modified assessment promotes existing Council policy to offer a recreational facility in the Turangi township that is free to users. Existing arrangements for income from schools will remain in place. The cost of employing staff to collect entrance fees would negate any income derived from the user fees.

Private Component	5%
Public Component	95%

1.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through user fees and charges and general rates.

A C Baths

User fees and Charges	100%
General Rates	0%

Turtle Pool

User fees and Charges	5%
General Rates	95%

2 Events Centre (AP-29)

2.1 Step One - Economic Assessment

The use of the Indoor Sports & Leisure Centre by individuals is primarily of private benefit. People using the centre receive a recreation or leisure benefit from this use. It is also possible to clearly identify these users. The public benefits of the Centre are also important. The Centre provides benefit to the community.

In general private recreation is the primary use of the Indoor Sports & Leisure Centre.

Private Component	80%
Public Component	20%

2.2 Step Two - Modification

To promote Council policy. While it is appreciated that there is a strong private element, as the complex opened in 1998, it has been difficult to assess usage as it has been operating only for a few years. The formative years have required Council promotion hence a greater emphasis on the public component.

Private Component	50%
Public Component	50%

2.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through user fees and charges and general rates.

User Fees and Charges	50%
General Rates	50%

3 Libraries (AP-30)

3.1 Step One - Economic Assessment

The use of a library by individuals is primarily of private benefit. People using the library receive a recreation or educational benefit from this use. It is also possible to clearly identify these users.

The public benefits of a library are also important. A library provides a pleasant environment to sit and read. Libraries also provide educational benefits to all age groups in the community and an important source of supplying public information.

In general private recreation and education is the primary use of the library.

Private Component	80%
Public Component	20%

3.2 Step Two - Modification

The initial assessment would cause a sudden and very significant change in cost allocation and collection. Further the modified assessment promotes existing Council policy of offering a library service that ensures access to books and educational material across the widest possible range of the community. This policy fits in with Councils response to the VAST document in terms of education and recreation.

Private Component	5%
Public Component	95%

- 3.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through user fees and charges and general rates.

User Fees and Charges	5%
General Rates	95%

4 Public Conveniences (AP-30)

- 4.1 Step One - Economic Assessment

Super Loo

The Superloo is resourced sufficiently to identify and charge users for all services offered. The user can be identified, as there are turnstiles in place. The Superloo has both private and public benefit. The public benefit includes the prestige and "advertising" value brought to Taupo by the building.

Private Component	90%
Public Component	10%

Other Public Conveniences

Public toilets are of public benefit. Users cannot easily be identified and the overall cost of maintenance is not strongly related to the number of users.

Private Component	0%
Public Component	100%

- 4.2 Step Two - Modification

Super Loo

The modification for the Superloo is because the initial assessment would cause a sudden and significant change in cost allocation.

Private Component	50%
Public Component	50%

Other Public Conveniences

Council saw no reason to modify the initial assessments for other public conveniences.

Private Component	0%
Public Component	100%

- 4.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through user fees and charges and general rates.

Super Loo

User Fees and Charges	50%
General Rates	50%

Public Conveniences

User Fees and Charges	0%
General Rates	100%

5 Great Lake Centre (AP-29)

5.1 Step One - Economic Assessment

The Great Lake Centre is available for community events which carry both private and public benefits. Some groups are given use of the facility at a reduced charge to encourage use of the venue to meet community cultural or social needs. The centre is also used for trade shows and as a conference/convention centre which is of private commercial benefit and therefore all costs relating to such events should be recovered through the user pays system.

Private Component	50%
Public Component	50%

5.2 Step Two - Modification

The modification is because of existing Council policy to retain the existing charging regime, and because the initial assessment would cause a sudden and significant change in cost allocation.

Private Component	33%
Public Component	67%

5.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through user fees and charges and general rates.

User Fees and Charges	33%
General Rates	67%

6 Parks and Reserves (AP-31)

6.1 Step One - Economic Assessment

Local Purpose Reserves add prestige and quality of life to the district and are of public benefit. The cost cannot be attributed to individuals. They are non-rival and non-excludable.

Recreational and Scenic Reserves are of both private and public benefit. For the majority of reserves, the cost cannot be attributed to individuals. They are non-rival and non-excludable. For reserves subject to commercial lease, the maintenance is included as part of the lease, therefore there is little cost involved. Any cost should be recovered through the lease.

Private Component	10%
Public Component	90%

6.2 Step Two - Modification

Council did not see any reason to modify the initial economic assessment.

Private Component	10%
Public Component	90%

- 6.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through user fees and charges and general rates.

User fees and charges	10%
General Rates	90%

7 Sportsgrounds (AP-31)

- 7.1 Step One - Economic Assessment
Sportsgrounds are of both private and public benefit. There is a high demand for sportsgrounds from organised clubs at peak times usually during the weekends. While these clubs are using a facility, the public is usually excluded from use, however, these grounds are available to the public at all other times. The funding policy should reflect the fact that sportsgrounds are unavailable to the public at peak demand times. There is public benefit from adding prestige and quality of life to the district.

Private Component	80%
Public Component	20%

- 7.2 Step Two - Modification
Due to existing policy and the fact that the assessment would cause a sudden change in cost allocation, Council recognises that provision of sportsgrounds at an affordable rental level is important for community wellbeing as identified in the strategic plan.

Private Component	10%
Public Component	90%

- 7.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through user fees and charges and general rates.

User Fees and Charges	10%
General Rates	90%

8 Amenity Plantings (AP-31)

- 8.1 Step One - Economic Assessment
Amenity Plantings add prestige and quality of life to the district and are of public benefit. There is no benefit to the individual.

Private Component	0%
Public Component	100%

- 8.2 Step Two - Modification
Council did not see any reason to modify the initial economic assessment.

Private Component	0%
Public Component	100%

- 8.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through general rates.

General Rate	100%
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9 Cemeteries (AP-32)

- 9.1 Step One - Economic Assessment
Cemeteries have both private and public benefit. The cost of interment (digging and filling of burial plots) is minor but is private benefit. The maintenance and appearance of the cemetery adds prestige to the district and is of public benefit.

Private Component	50%
Public Component	50%

- 9.2 Step Two - Modification
Council did not see any reason to modify the initial economic assessment.

Private Component	50%
Public Component	50%

- 9.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through user fees and charges and general rates.

User Fees and Charges	50%
General Rate	50%

10 Community Halls (AP-32)

- 10.1 Step One - Economic Assessment
Community halls are used by community and private groups. These groups can be identified and charged accordingly. Current policy is to encourage user pays where possible. There is a large public benefit through the prestige, existence and option values associated with the sense of well being and community pride.

Private Component	70%
Public Component	30%

- 10.2 Step Two - Modification
The modification takes existing policy (which keeps rental charges down to encourage use of the facilities) into account together with the fact that the economic assessment would cause a sudden and significant change in cost allocation.

Private Component	15%
Public Component	85%

- 10.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through user fees and charges and general rates.

User Fees and Charges	15%
General Rate	85%

Economic Development and Marketing

(AP-34)

Funding Policy Assessment of Services Provided:

1 District Economic Development (AP-34)

1.1 Step One - Economic Assessment

The benefits afforded by Economic Development through increased employment opportunities accrue primarily to the non-identifiable public

Council believes that developing and attracting new business to Taupo promotes economic growth in the District. Therefore the actions of Economic Development are of benefit to the wider community

Where it is reasonable to expect businesses to fund Marketing (where direct benefits are identifiable), it is questionable that they also be expected to fund the introduction of competition. In attracting new businesses to Taupo, Economic Development does not specifically target businesses complementary to exiting firms.

Private Component	20%
Public Component	80%

1.2 Step Two - Modification

Council modified the initial economic assessment pending the results from an Economic Development Review, and will review the funding policy in the 2003/04 year when the full results of the review are identified.

Private Component	41%
Public Component	59%

1.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through separate and general rates.

Separate Rates	41%
General Rates	59%

2 Destination Marketing and Visitor Centres (AP-35)

2.1 Step One - Economic Assessment

Visitor Centres

The use of a Visitor Centre by individuals is primarily of private benefit. There is an element of public good in having a Visitor Centre for information purposes, but is relatively small. Residents can use the service but the primary focus is for visitors to the district.

Private Component	90%
Public Component	10%

Destination Marketing

The promotion of the district as a tourist destination is of benefit primarily to tourist operators, accommodation providers and retail businesses. The district as a whole benefits through increased choice (i.e. shops) and through employment.

The attraction of money to the District through Marketing also benefits the wider community however there is a greater identifiable direct benefit to the individual businesses covered by the MDR

Private Component	55%
Public Component	45%

2.2 Step Two - Modification

Visitor Centres

It is difficult to charge individuals for their use of the Visitor Centre. Retail items and commissions on attractions and other services booked are the only method recouping revenue for this private benefit. This income cannot be controlled by staff. Any attempt to fund 90% of the cost of the Visitor Centres through the above income stream would cause a sudden and significant change in cost allocation.

Private Component	65%
Public Component	35%

Destination Marketing

Council modified the initial economic assessment pending the results from an Economic Development Review, and will review the funding policy in the 2003/04 year when the full results of the review are identified.

Private Component	57%
Public Component	43%

2.3 Step Three - Funding Mechanism

Visitor Centres

The most efficient and transparent funding method is through user fees and charges and general rates.

User Fees and Charges	65%
General Rates	35%

Destination Marketing

The most efficient and transparent funding method is through separate and general rates.

Separate Rates	57%
General Rates	43%

Solid Waste Management

(AP-36)

Funding Policy Assessment of Services Provided:

1 Waste Minimisation and Litter Control (AP-36)

- 1.1 Step One - Economic Assessment
Waste Minimisation and Litter control is of public benefit. Although there is benefit to the individual, that individual cannot be identified. The service adds prestige and quality of life to the district.

Private Component	0%
Public Component	100%

- 1.2 Step Two - Modification
Council did not see any reason to modify the initial economic assessment.

Private Component	0%
Public Component	100%

- 1.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through general rates.

General Rates	100%
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2 Solid Waste Collection (AP-37)

- 2.1 Step One - Economic Assessment

The collection portion of the activity is primarily private benefit. Users can be identified for house and business collection, however collection from public bins cannot be linked to individuals. Recycling can be seen as providing bequest value by reducing the resource depletion in the world (albeit only to a very small level) and giving prestige by showing that attempts to be green are being made.

Private Component	80%
Public Component	20%

- 2.2 Step Two - Modification
Council modified the initial assessment for reasons of fairness and equity.

Private Component	100%
Public Component	0%

- 2.3 Step Three - Funding Mechanism
The most efficient and transparent funding method is through a charging régime per bag.

Separate Rate	100%
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3 Solid Waste Disposal (AP-37)

3.1 Step One - Economic Assessment

The landfill portion of the activity is primarily private benefit. Users can be identified either as being those that physically use the landfill sites/transfer stations to dispose of waste or on a wider scale through the refuse collection process. Some public good components exist through the need to maintain a hygienic environment in the community. This includes the disposal of unattributed waste, encouragement of composting and recycling and future planning.

Private Component	80%
Public Component	20%

3.2 Step Two - Modification

Council modified the initial assessment for reasons of fairness and equity.

Private Component	100%
Public Component	0%

3.3 Step Three - Funding Mechanism

In the 2001/02 financial year, Council adopted a new Waste Minimisation Strategy. The strategy has identified a funding mechanism to charge both separate rates and user charges. 2002/03 will be the first year these charges are used.

Separate Rate	51%
User charges	49%

Water Supply

(AP-40)

Funding Policy Assessment of Services Provided:

1 Water Supply (AP-40)

1.1 Step One - Economic Assessment

The supply and treatment of water is primarily of private benefit. The user/ beneficiary can be identified down to specific households and businesses.

There are public benefits due to the need for availability of water for fire fighting and emergency management capabilities. There is also a public health factor.

Private Component	90%
Public Component	10%

1.2 Step Two - Modification

Council modified the initial assessment for reasons of fairness and equity.

Private Component	100%
Public Component	0%

1.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through separate rates.

Separate Rates	100%
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Note: Once the Proposed District Plan is operative, the funding policy for Water will be updated to include a section on infrastructural contributions. See the Annual Plan section on Fees and Charges for an indication of those schemes that currently require contribution.

Wastewater

(AP-42)

Funding Policy Assessment of Services Provided:

1 Wastewater (AP-42)

1.1 Step One - Economic Assessment

The removal and treatment of wastewater is mainly of private benefit. The user/beneficiary can be identified down to specific households and businesses.

There is a significant public component due to the public health factor and Resource Management Act requirements for effective treatment to protect the environment, in particular lakes and waterways.

The majority of costs are not related to the number of users.

Private Component	70%
Public Component	30%

1.2 Step Two - Modification

Council modified the initial assessment for reasons of fairness and equity.

Private Component	100%
Public Component	0%

1.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through separate rates.

Separate Rates	100%
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Note: The Strategic Plan has identified protection of the natural environment as one of the "Top Ten" Strategic issues. During the 2001/2002 budget round, agreement was made that with effect from 2002/2003, the cost of all wastewater schemes would be combined and funded by one single separate rate.

In addition, when the Proposed District Plan is operative, the funding policy for Wastewater will be updated to include a section on infrastructural contributions. See the Annual Plan section on Fees and Charges for an indication of those schemes that currently require contribution.

Roading Network

(AP-44)

Funding Policy Assessment of Services Provided:

1 Rooding and Traffic Services (AP-45)

1.1 Step One - Economic Assessment

Access to the roading system is regarded as a public good due to non-excludability and non-rivalry. There is public benefit due to reliance on the network for transport of supplies and visitors. Heavy traffic generated by the primary and secondary commercial sector places a greater demand on maintenance than does residential traffic. The residential sector is, however, interdependent with rural and urban business.

There is both local and national public good. The national portion is recognised partly through the Transfund Subsidy.

Private Component	0%
Public Component	100%

1.2 Step Two - Modification

Council did not see any reason to modify the initial economic assessment.

Private Component	0%
Public Component	100%

1.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through general rates.

General Rates	100%
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2 Project Pounamu

2.1 Step One - Economic Assessment

The Turangi Mall is of both private and public benefit. It benefits the shopkeepers and the customers directly but also adds to the aesthetics of the town and is of civic importance to Turangi. The mall itself is virtually non-excludable and non-rival therefore there must be a significantly higher public proportion.

Private Component	10%
Public Component	90%

2.2 Step Two - Modification

Council modified the initial assessment to promote existing policy.

Private Component	0%
Public Component	100%

2.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through general rates.

General Rate	100%
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Stormwater

(AP-47)

Funding Policy Assessment of Services Provided:

1 Stormwater and Land Drainage (AP-47)

1.1 Step One - Economic Assessment

The stormwater network is primarily of public benefit. There is some benefit to businesses in the Central Business District (CBD).

Private Component	10%
Public Component	90%

1.2 Step Two - Modification

Council modified the initial assessment for reasons of fairness and equity. The private component identified for the CBD area is covered by the fact that a differential of 2 currently exists for that area.

Private Component	0%
Public Component	100%

1.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through general rates.

General Rates	100%
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2 Lake and River Control (AP-47)

2.1 Step One - Economic Assessment

River and Lake control is of public benefit as expenditure cannot be attributed to individuals or groups. It is of global community benefit.

Private Component	0%
Public Component	100%

2.2 Step Two - Modification

Council did not see any reason to modify the initial economic assessment.

Private Component	0%
Public Component	100%

2.3 Step Three - Funding Mechanism

The most efficient and transparent funding method is through general rates.

General Rate	100%
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Future Funding Policy Reviews

Section 122N of the Local Government Act (the Act) requires the Council to review the Funding policy not less than once every three years. Council can however undertake to review all or parts of the Funding Policy as and when required.

As part of the preparation of Council's Strategic Plan 2002/2012 and the 2002/2003 Annual Plan Council resolved to undertake the following Funding Policy related reviews:

- ✍ An entire review of Council's Fees and Charges during the 2002/2003 financial year.

As part of the Governance activity Council is proposing to undertake a full review of the fees and charges applied to certain services provided by Council. The purpose of this review is twofold. Firstly it is necessary to review Council's fees and charges regularly to ensure they are set at levels that achieve the policies established through this Funding Policy. Secondly, it is intended to develop a 'Fees and Charges Manual' that documents all of the fees and charges determined by Council which can be published as part of the Annual Plan in future years.

In addition, when the Proposed District Plan is operative, the funding policies for Water and Wastewater will be updated to include a section on infrastructural contributions.

DEFINITIONS OF KEY WORDS

INTERGENERATIONAL

Cost of service should be met at time that benefit is received. Capital expenditure may be immediate, however the asset may last a number of years. Thus future generations will receive the benefit of the service. To expect the current generation to pay for the asset now may be inequitable, hence the need to spread costs over the life of the asset or at least over a reasonable period.

EXACERBATOR

Cost is incurred in responding to the actions of offenders/polluters

NON RIVAL

Once the service is provided, a large number of people can use it at little or no extra cost

NON EXCLUDABLE

Benefits may be to particular users, but it may not be possible or practicable to identify and charge them. No one can be excluded from using the service.
The service is non consumable.

OPTION VALUE

Availability of Service

EXISTENCE VALUE

Mere existence that gives life to the District

BEQUEST VALUE

Leaving something for future generations

PRESTIGE VALUE

Facilities leading to Civic pride