

TAUPO DISTRICT COUNCIL ANNUAL PLAN 2003/04



Prepared in accordance with section 223D of the Local Government Act 1974 and section 281 of the Local Government Act 2002

Incorporating

Policy to Determine Significance
Liability Management Policy
Investment Policy
Funding and Financing Policy
Policy on Partnerships with the Private Sector
Rating Policy
Employment Policy
Statement of Intended Policy on Financial Contributions
Long Term Financial Strategy Summary
Fees and Charges
Statement of Corporate Intent: *Taupo Airport Authority*
Data Capture Systems Limited

DIRECTORY



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NEW ZEALAND

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SERVICE DELIVERY CENTRES

Turangi Town Centre

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TURANGI

Telephone: (07) 386-7017
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Mangakino Town Centre

P O Box 9
MANGAKINO

Telephone: (07) 882-8700
Facsimile: (07) 882-8330

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	\$2,907m
Capital Value	\$6,375m
Rateable Properties	19,342
Population	31,521
(Statistics NZ - March 2001)	

The current Taupo District Council area was established on 1 December 1989 when a portion of the Taumaranui Council and a portion of the 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 the Lake Taupo.

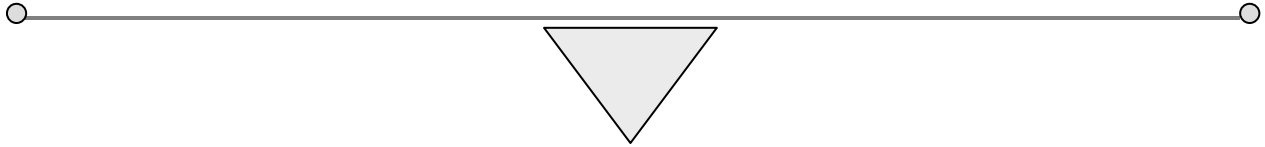
The Taupo district is a diverse area of the Central North Island comprising predominantly the vast catchment area for the whole of Lake Taupo and most of the hydroelectric dams on the Tongariro and Waikato rivers. The district contains expansive areas of exotic pine forests and farmlands as the predominant 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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2003/2004 ANNUAL PLAN



OVERVIEW



Council is currently in a transitional phase between the old 1974 Local Government Act and the new Local Government Act passed in December 2002. The transitional provisions in the new Act allow Council to prepare for the 2003/04 year either a Long Term Council Community Plan under the new Act or an Annual Plan under Section 223D of the 1974 Act. However, plans prepared under 223D need to make provision for some of the policy and procedural requirements of the new Act. Taupo District Council opted for an Annual Plan.

Under Section 223D of the Local Government Act 1974 Council must provide the information as set out in Appendix 1 of this plan. The Local Government Act 2002 modifies the requirements for the transitional Annual Plan as follows:-

Instead of the information required by section 223D(3)(d) to (g) of the 1974 Act, the following is required:-

- (a) a revenue and financing policy
- (b) a liability management policy
- (c) an investment policy
- (d) a policy act on partnerships between the local authority and the private sector
- (e) a summary of the policy on determining significance
- (f) a funding impact statement

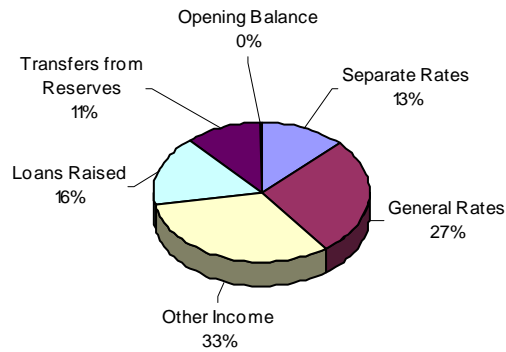
The Revenue and Financing Policy replaces Council's existing Funding Policy while the Treasury Management Policy incorporates the requirements of the Liability and Investment Policies. Also included in this plan for public consultation is Council's Policy on Significance and Policy on Partnerships with the Private Sector.

SUBMISSIONS AND ADOPTION

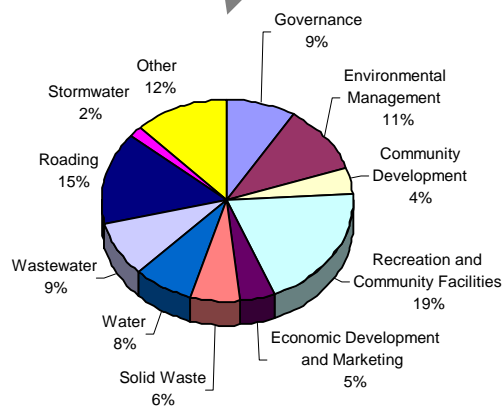
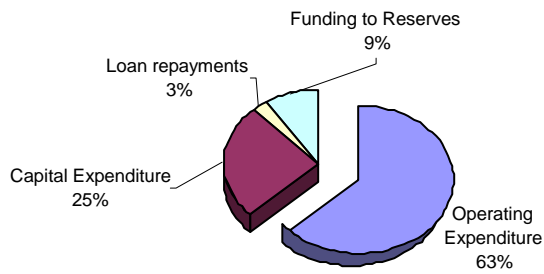
Full Council heard submissions to the Draft Annual Plan between 11 and 13 June 2003. Council adopted the Annual Plan on 26 June 2003 and resolved to set the rates on 1 July 2003.

FINANCIAL OVERVIEW

Source of Funds 2003/2004



Use of Funds 2003/2004



OPERATING DEFICIT AND NON-FUNDING OF DEPRECIATION

Operating Deficit

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

		Estimated Deficit 2003/2004	How the deficit will be funded:	
			a	b
General Rates T/T		100,000		100,000
Targeted Rates				
Water	Acacia Bay	14,000		14,000
	Kinloch	3,000		3,000
	Waitahanui	8,000	8,000	
	River Road	5,000	5,000	
	Centennial Drive	6,800		6,800
	Mangakino	24,000		24,000
	Tirohanga	12,000	10,000	2,000
	Atiamuri	8,000	8,000	
	Whakamaru	8,500	8,500	
	Waihaha	1,000		1,000
		190,300	39,500	150,800
2004/2005 Indicative		90,000	40,000	50,000
2005/2006 Indicative		90,000	40,000	50,000

How the deficit will be funded:

- a) Non-funding of depreciation (see non-funding of depreciation note on next page)
Note: Due to the combining of 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

Legislation requires funding of all operating expenditure, including depreciation (total depreciation 2003/2004 \$7,392,061). Council has complied with the requirement to fund depreciation, except as shown in the following table.

		Depn 2003/2004	Funded 2003/2004	Not Funded 2003/2004	Indicative 2004/05	Indicative 2005/06
Water	Waitahanui	13,936	5,936	8,000	8,000	8,000
	River Road	11,138	6,138	5,000	5,000	5,000
	Tirohanga	46,292	36,292	10,000	10,000	10,000
	Atiamuri	12,399	4,399	8,000	8,000	8,000
	Whakamaru	11,325	2,825	8,500	8,500	8,500
Sewerage	Waitahanui	56,004	28,004	28,000	28,000	28,000
	Motuoapa	38,420	23,420	15,000	15,000	15,000
	Motutere	9,365	1,865	7,500	7,500	7,500
		198,879	109,879	90,000	90,000	90,000

Reason for non-funding of depreciation:

Water/Sewerage (excluding Atiamuri) – Council's engineers performed a preliminary review of the valuation of these assets. In their opinion 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 the Council. The Council has taken the option of applying S122J(e) Local Government Act 1974 (or S100(2)(a) of Local Government Act 2002) to recognise that depreciation can be covered by the reduction in equity.

SIGNIFICANT CAPITAL EXPENDITURE PROJECTS FOR 2003/2004

Significant capital expenditure projects planned for 2003/2004 include stage one of the upgrade of the Eastern Taupo Arterial (\$3.5m), Turangi Wastewater scheme upgrade (\$1.8m), Taupo Pollution Control Plant Spray irrigation land purchase (\$0.5m) Broadlands Road Landfill – Cell2 (\$0.5m) Rural Rooding Reseal (\$0.45m), Taupo Visitor Centre extension (\$0.42m), Mangakino Hall (\$0.33m).

RATES

The increase in rates for the 2003/2004 year for an average property in the district (calculated by the total rates requirement divided by the total number of district properties) is 4.67%.

The forecast from the 2002 Long Term Financial Strategy was an increase of 4.3%. The additional costs are primarily due to unexpected legal and professional fees.

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 and last year's Annual Plan. The following changes/variations have been made to Council policy or planning documents:

Annual Plan

Council has chosen to prepare this Annual Plan in accordance with transitional provisions (s281) of the Local Government Act 2002 but still mainly under s223(d) of the previous Local Government Act 1974. There is no significant change between the policies, objectives, activities and performance targets identified in the 2002/12 Long Term Financial Strategy for the year 2003/04 and this Annual Plan.

Long Term Financial Strategy

The Long Term Financial Strategy was reviewed in 2002/2003, and is available as a separate document, a summary of which is shown on page 90. There is no material inconsistency between the policies identified in LTFS and this Annual Plan. The figures in this year's Annual Plan differ from those in the Long Term Financial Strategy. The table below details the change in rates revenue and capital expenditure between the current Long Term Financial Strategy and this year's Annual Plan.

	Rates Revenue (\$)			Capital Expenditure (\$)		
	2002/2003 LTFS	2003/2004 Annual Plan	Change	2002/2003 LTFS	2003/2004 Annual Plan	Change
2003/04	25,701,000	25,928,000	227,000	17,385,000	16,344,000	(1,041,000)
2004/05	27,042,000	27,344,000	302,000	18,837,000	21,982,000	3,145,000
2005/06	28,513,000	28,279,000	(234,000)	14,760,000	15,160,000	400,000

Rates revenue changes

Costs to implement the new Local Government Act, loss of agency income to Council due to Environment Waikato collecting its own rates and the costs of geothermal issues in the Taupo Town.

Capital Expenditure – Major differences

1. Additional Projects in 2003/04 Annual Plan
 - Lake Access and Boat Servicing \$100,000
 - Mangakino Hall Furnishing \$50,000
 - Taupo Town Stormwater \$140,000
 - Turangi Library Improvements \$30,000
 - Repurchase owner occupied flat \$70,000
 - Taupo Water supply upgrade \$230,000
2. Existing Projects
 - Taupo Visitor Centre Was originally \$240,000, now revised to \$420,000
 - Mangakino Hall Was originally \$500,000 now revised to \$600,000
3. Deferred projects
 - Taupo Water Treatment \$2,100,000 deferred from 2003/04 to 2004/05

CHANGES BETWEEN DRAFT ANNUAL PLAN AND FINAL ANNUAL PLAN

As a result of the submissions heard between 11 and 13 June 2003, the following changes were made:

1. Capital Expenditure 2003/04

- a. Spread of Costs of Mangakino Hall – reduce by \$20,000
- b. Include \$40,000 for Tennis Court at Whareroa (funded by loan)
- c. Include \$15,000 for playground equipment (funded by reserve)
- d. Remove \$40,000 for Lakefront Walkway (funded by reserves)
- e. Include \$40,000 for AC Baths Water Features (funded by reserves)
- f. Remove \$80,000 for Lakefront Development (funded by loan)

2. Capital Expenditure 2004/05

- a. Spread of Costs of Mangakino Hall – increase by \$20,000

3. Operations 2003/04

- a. Include the following additional grants:
 - i. Lake Taupo Volunteer Coastguard \$1,500
 - ii. Taupo Bowling Club \$4,000
 - iii. Rangitaiki and Waipahihi Schools \$7,000 (each)
 - iv. Turangi Trout Hatchery \$15,000
 - vi. Turangi Coastguard \$10,000
- b. Increase the grant to the Museum \$10,000 (to \$90,000)
- c. Additional funding for New Years Eve \$5,000
- d. Feasibility Study – Visual Arts \$20,000
- e. Reduce Legal and Professional Fees \$200,000

4. Operations 2004/05

- a. Increase Legal and Professional Fees \$94,000

Effect of Changes

	Draft	Final
Total Rate requirement	\$26,082,000	\$25,927,915
TKMP General Rate (diff 1)	0.0036720/\$	0.0036098/\$
TT General Rate (diff 1)	0.0047413/\$	0.0047413/\$
Capital Expenditure	\$16,389,000	\$16,344,000
Loan Requirement	\$10,547,000	\$10,487,000

Average Rate increase

	2002/03	2003/04
Rate Requirement	\$24,454,625	\$25,927,915
Number of Assessments	18,505	18,745
Average Rate per Property	\$1,321.48	\$1,383.19
Increase		\$61.71(4.67%)

MAYOR/CHIEF EXECUTIVE'S REPORT



Clayton Stent, LLB, JP
MAYOR



Simon Rowbotham
CHIEF EXECUTIVE OFFICER

Dear Ratepayers

This year's annual planning process has been particularly demanding. Council staff and elected members have been charged with interpreting and implementing a range of new requirements under the new Local Government Act 2002, completing a comprehensive district rating review and keeping rates rises within acceptable limits. The latter task has been extremely difficult due to a number of unforeseen expenses. The following commentary identifies Council initiatives planned for the 2003/2004 year in response to some of the key issues identified in Council's Strategic Plan as well as identifying other topical issues.

Annual Plan Highlights

General rates	\$17,609,000
Targeted rates	\$8,319,000
Interest income ex TEL investment after inflation proofing	\$2,915,000
Capital expenditure	\$16,343,659
TK-MP Targeted Uniform General Rate	\$448
TT Targeted Uniform General Rate	\$392
Overall average rate per property increase	4.67%

RATES

The projected average rate increase of 4.67% is broadly in line with the Long Term Financial Strategy and represents a good effort considering the implications of dealing with implementation of the new Local Government Act, loss of agency income to Council following a decision by Environment Waikato to collect its own rates and the need to deal with geothermal issues in the Taupo township.

RATES REVIEW

A comprehensive district wide rates review resulted in Councillors opting to remain with the current land based rating system. To achieve a more fair and equitable rating system the district's two rating areas have agreed to change the way the fixed portion (Targeted Uniform General Rate) of the general rates is levied. The Targeted Uniform General Rate will be used to fund all services where every ratepayer receives an equal benefit and will be phased in over a three year period. Previously, setting of the rate was constrained by a maximum allowable limit of 30% of total rates levied. (The new Targeted Uniform General Rate for Taupo-Kaingaroa/Mangakino/Pouakani and Turangi-Tongariro are identified in the above table.) The complexity of a number of issues raised during the public consultation process of the rates review will see Council continuing to explore possible future adjustments to rating differentials.

MAJOR PROJECTS

Council's capital expenditure programme for the 2003/2004 year reflects its commitment to a spread of projects district wide. Expenditure of \$16,344,000 is being funded from reserves and loans.

SIGNIFICANT PROJECTS – Capital Expenditure

East Taupo Arterial Stage 1	\$3,500,000
Turangi Wastewater Plant Upgrade	\$1,800,000
Taupo Wastewater Land Purchase for Spray Irrigation	\$500,000
Broadlands Road Landfill Cell 2	\$500,000
Rural road seal extension	\$450,000
Taupo Visitor Centre Extension	\$420,000
Mangakino Hall	\$330,000
Town Centre Structure Plan Enhancements	\$200,000
Lake Access/Boat Servicing	\$100,000

ETA

The proposed route for Taupo's East Taupo Arterial highway project has been officially designated marking a major milestone in the project. Funding of \$3.5 million is earmarked to make a start on design and construction of Stages One, Two and Three in this financial year with further funding of \$7 million set aside over a further two year period. Elected members have carried out some intensive and effective lobbying to advance the district's case for obtaining Transit New Zealand funding for design and construction of the fourth stage of the route, including a bridge over the Waikato River. Completing those discussions and concluding negotiations with other stakeholders is important to the future of the project. Council remains committed to the project and will continue moving over the next year to carry the project forward for the benefit of the district as a whole.

TURANGI

At the southern end of the lake a total of \$1.8 million has been set aside for upgrading Turangi's waste water treatment plant. The proposed treatment system involves new and improved methods for disposal to meet strict environmental and health requirements.

MANGAKINO

The Council's commitment to providing a consistent level of service to all of its communities is reflected in the decision to proceed with re-development of the Mangakino Hall and Gymnasium. The former Ministry of Works building no longer meets the needs of the community and the new building will provide the community with a much needed focal point - in line with the VAST report emphasis on community well being.

URBAN GROWTH AND PLANNING

The Taupo District is currently facing some interesting, challenging and important urban development opportunities and proposals. Because of urban growth pressure particularly in the vicinity of the lake and its outstanding environs Council will complete a review of the **Taupo Town Structure Plan** and progress implementation of that plan during 2003/2004. This plan will ensure that land is available for future urban growth and related activities. Servicing requirements in the form of roading provision and other utilities need to be identified.

Other development pressures exist in the form of commercial, educational, sporting and tourism ventures. All of these projects will serve to enhance the district's national and international profile as a quality visitor destination. With this in mind, the **Taupo Town Centre Structure Plan** will undergo further review in order to ensure the town centre environment remains a vibrant, attractive and unique retail core, dedicated to quality shop, food and retail outlets. A new effects based District Plan that sets minimum standards for land use in order to avoid or lessen adverse impacts on the environment is also due to become operative once any appeals are dealt with, providing a solid platform for future growth.

ECONOMIC DEVELOPMENT GROWTH

Fostering economic development in the district remains a prime objective. Council has earmarked \$250,000 for the 2003/4 year for the purchase of economic development services. Under an interim model the Lake Taupo Development Company has been contracted to provide these services. In the meantime Council has taken a facilitating role to assist the business community develop a long term service delivery model.

WASTE STRATEGY

A much larger reduction than estimated in the amount of refuse being taken to the Taupo District landfill in Broadlands Road since the introduction of a new partial user pays waste strategy last July is already reaping dividends. Last year's Long Term Financial Strategy allocated \$500,000 in 2003/4 and a further \$500,000 in 2004/2005 for two new cells to increase the capacity of the Broadlands Road landfill. A 35% reduction in waste volumes at the landfill has enabled us to delay construction of the work planned for 2004/2005.

LAKE WATER QUALITY

Council has reconfirmed its commitment to a four way partnership with Environment Waikato, Central Government and Tuwharetoa to halt the deterioration of Lake Taupo water quality due to increasing nitrogen levels. The move recognises the importance of the lake at local, regional and national level. Council has committed appropriate resources in the 2003/2004 financial year to allow it to work with these parties and other stakeholders to finalise a strategy for addressing water quality issues in the Lake Taupo catchment, including consideration of how that strategy will be funded.

LOCAL GOVERNMENT ACT 2002

The new Local Government Act impacts significantly on Council's decision making and planning processes. The legislation requires local authorities to implement a range of new policies and plans designed to ensure that Council and the community takes a long term view in deciding on the future direction of the Taupo district. This includes development of a Long Term Council Community Plan that will change the current annual planning cycle to a three yearly cycle offering people an opportunity to take a long term view of where the district council is going. In the intervening years an annual budget will be prepared and made available for community consultation. Taupo's VAST project has already demonstrated Council's commitment to sustainable development and community involvement in decision making. The new Act now requires all local authorities to take on similar processes and in that respect Taupo District Council is ahead of the game.

This year's Annual Plan contains a number of new policies. They include a new **Significance Policy** which helps determine the level of information required for decision making, a **Revenue and Financing Policy** which replaces the existing Funding Policy, **Partnerships with the Private Sector** – a new policy outlining criteria that must be met when TDC enters into partnerships with business entities. Updated policies on **liability** and **investment** have been included in the **Treasury Policy**. These policies are outlined in the Annual Plan.

Meeting the demands of new legislation and the needs of a growing district is not a simple task, however we are confident that we will meet the objectives and targets in the Annual Plan and are looking forward to the challenges ahead.

Clayton Stent, LLB, JP
MAYOR

Simon Rowbotham
CHIEF EXECUTIVE OFFICER

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.

There are 11 significant activities carried out by Council. They are:

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◆ Environmental Services	19
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◆ Recreation and Community Facilities	28
◆ Economic Development and Marketing	34
◆ Solid Waste Management	37
◆ Water Supply	41
◆ Waster water	43
◆ Rooding Network	45
◆ Stormwater	48
◆ Corporate and Strategic Investments	50

Council also has interests in the following companies:

	Page
◆ Taupo Airport Authority (TAA) – 50% Council owned	52
◆ Data Capture Systems Ltd. (DCSL) – 100% Council owned	57

DCSL is a new entity and is shown in the Annual Plan for the first time.

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?
 - ✓ 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)
- ◆ 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> <ul style="list-style-type: none"> ▪ <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"> - 2002/03 Annual Report on Council's performance completed, approved by Council's auditors and adopted by Council by 31 October 2003. - Long Term Council Community Plan completed and adopted by Council by 30 June 2004. 2. Review Council fees and charges by 31 December 2003. 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> <ul style="list-style-type: none"> ▪ <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 2003/04.

Cost of Service Statement

For the year ended 30 June

	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Operating Income			
Targeted Rates	0	0	0
Other Income	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>
Operating Expenditure			
Democratic Function	3,339	3,374	3,473
Integrated Planning and Policy Development	344	355	357
	<u>3,683</u>	<u>3,729</u>	<u>3,830</u>
Net Cost (surplus) of operations	<u>3,682</u>	<u>3,729</u>	<u>3,829</u>
Capital Expenditure	13	0	45
Loan repayments	0	0	0
Funding to Reserves	0	0	0
	<u>3,696</u>	<u>3,729</u>	<u>3,874</u>
Total Net Cost	<u>3,696</u>	<u>3,729</u>	<u>3,874</u>
Funded by:			
Loans Raised	0	0	45
General Rates	3,682	3,729	3,829
Transfers from Reserves	13	0	0
Depreciation not funded	0	0	0
	<u>3,696</u>	<u>3,729</u>	<u>3,874</u>
Total Net Funding	<u>3,696</u>	<u>3,729</u>	<u>3,874</u>

ENVIRONMENTAL SERVICES

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 2003 (the Strategic Plan states 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 30 June 2005 (the Strategic Plan states December 2002). (2.4.3)

Annual Performance Targets:

Environmental Planning and Policy Development:	
Objective:	Performance Targets
<p><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></p>	<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. Complete the Structure Plan for Kinloch settlement by 30 June 2004.

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"> 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. Complete building inspections as requested or within 24 hours. Respond to all complaints relating to Building Act 1991 compliance within 24 hours. 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"> 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. Review all resource consents for compliance within 24 months depending on relevant timing of the project. 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"> Hold at least one civil defence exercise involving trained Council staff and public volunteers. Provide civil defence education visits to groups, clubs and schools who request educational assistance. 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>	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 2003. 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 2003 and 31 March 2004. <p><i>Compliance Schedules</i></p> <ol style="list-style-type: none"> 6. Ensure that the estimated 490 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> <ul style="list-style-type: none"> • 8am and 6pm Monday to Saturday

Cost of Service Statement

For the year ended 30 June

	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Operating Income			
Targeted Rates	0	0	0
Other Income	1,751	1,752	1,753
	1,751	1,752	1,753
Operating Expenditure			
Environmental Planning and Policy Development	684	687	691
Building/Development Services	904	913	923
Planning Guidance	1,019	1,026	1,037
Civil Defence and Rural Fire	286	288	296
Animal Control	535	531	534
Inspection Services	609	653	674
Liquor Licensing	107	107	108
Parking Control	257	256	257
	4,401	4,462	4,518
Net Cost (surplus) of operations	2,649	2,710	2,765
Capital Expenditure	68	52	193
Loan repayments	6	6	11
Funding to Reserves	0	0	0
Total Net Cost	2,723	2,768	2,969
Funded by:			
Loans Raised	0	27	145
General Rates	2,649	2,710	2,765
Transfers from Reserves	74	31	59
Depreciation not funded	0	0	0
Total Net Funding	2,723	2,768	2,969

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 2003 (the Strategic Plan states 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 2004 (the Strategic Plan states 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. Achieve a 95% occupancy rate in units in Taupo, Mangakino and Turangi. 2. Complete internal upgrade of the Taupo Pensioner units on annual basis.

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 of which shall be the Civic ANZAC Service and the Charter Parade. 3. Carry out a review of Council's grants and grants evaluation policy to ensure that support offered by Council (be it financial or in kind) is being provided within the requirements of the policy and ensure the policy is working for the recipients. The review to be completed by 1 April 2004.

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 Arts 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 by annual grant. 2. Community Development staff member to attend executive meetings of the Heritage 2000 project and provide administrative support.

Safety and Crime Prevention:	
Objective:	Performance Targets
<p><i>To co-ordinate and support local initiatives that enhance community safety and security in the Taupo District.</i></p>	<ol style="list-style-type: none"> 1. Graffiti and vandalism 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. Maintain the Turangi Town Centre Security Scheme to provide a minimum of 50 hours per week of patrol to the town mall areas.

Cost of Service Statement

For the year ended 30 June

	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Operating Income			
Targeted Rates			
Other Income	290	290	290
	<u>290</u>	<u>290</u>	<u>290</u>
Operating Expenditure			
Housing for the Elderly	237	245	249
Community Support	1,119	687	688
Community Health	53	53	53
Arts and Culture	59	64	70
Heritage	89	89	90
Safety and Crime Prevention	232	231	233
Community Venture Centre	40	40	40
	<u>1,819</u>	<u>1,409</u>	<u>1,423</u>
Net Cost (surplus) of operations	<u>1,529</u>	<u>1,119</u>	<u>1,133</u>
Capital Expenditure	173	207	88
Loan repayments	22	24	31
Funding to Reserves	0	0	0
	<u>1,724</u>	<u>1,350</u>	<u>1,252</u>
Total Net Cost	<u>1,724</u>	<u>1,350</u>	<u>1,252</u>
Funded by:			
Loans Raised	70	105	0
General Rates	1,503	1,119	1,133
Transfers from Reserves	151	126	119
Depreciation not funded	0	0	0
	<u>1,724</u>	<u>1,350</u>	<u>1,252</u>
Total Net Funding	<u>1,724</u>	<u>1,350</u>	<u>1,252</u>

Grants provided 2003/2004 include:

	\$
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	40,000
<i>*contracted in accordance with Council's Grants Policy</i>	
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
Mountain Bike Club	2,000
Taupo Environmental Education Steering Group	10,500
Rugby Sub Union	15,000
Taupo Golf Club (Final Payment)	150,000
Environment Waikato (Taupo nui-a-Tia 20/20	50,000
Hockey Pitch (Final Payment)	266,666
Annual Grant to Taupo District Museum	90,000
Lake Taupo Volunteer Coastguard	1,500
Taupo Bowling Club	4,000
Rangitaiki School	7,000
Waipahihi School	7,000
Turangi/Tongariro	
Citizens Advice Bureau	2,000
TT Sports Foundation	2,000
Taupo Community Arts Council	2,000
Life Education Trust	2,500
Genesis Mountain Classic	1,000
Turangi Trout Hatchery	15,000
Turangi Coastguard	10,000
Mangakino/Pouakani	
Youth Initiatives	15,000
Mangakino Community Agency	10,000
Murray Stretch Youth at Risk	500
Foodbank	1000
Mangakino Heritage Museum	1000
Mangakino Golf Club	1000

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 2004 (the Strategic Plan states 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 2004 (the Strategic Plan states 2003).
 - ✓ Lakefront Reserves around Tapuaeharuru Bay complete by June 2004 (the Strategic Plan states 2003).
- ◆ Replacement / upgrade of the community hall in Mangakino complete by 2004. (4.6.2)

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 Taupo region. Venues consist of the AC Baths, Taupo Events Centre and Great Lake Centre.</i></p>	<ol style="list-style-type: none"> 1. 80% of users who are surveyed rate the venues' customer service, technical support and cleanliness as above expectation. 2. Organise and deliver at least one marketing / promotion initiative for all venues quarterly, using a variety of media throughout the year. 3. Council's operated recreation programmes. At least 25% of all users are surveyed and 90% of returned user surveys are satisfied with the service. 4. Increase participation numbers in Council's School Holiday Programmes by at least 5% from 2002/2003 figures. 5. Initiate, organise and deliver three events quarterly within Taupo Venues. 6. Attract and host at least six conferences with at least 200 delegates.

Swimming Pools:	
Objective:	Performance Target
<i>To operate and maintain safe, and financially and operationally efficient, swimming facilities for public enjoyment and health.</i>	<ol style="list-style-type: none"> 1. Water quality of all swimming pools will be maintained to New Zealand Standards (NZS5826). 2. Swimming pools 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>	<ol style="list-style-type: none"> 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 the previous year 2002/2003. 3. Increase membership of the fitness suite by at least 10% compared with the previous year 2002/2003.

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>	<ol style="list-style-type: none"> 1. Retain at least 90% of the previous year's annual events to the standards specified in the contract. 2. The Great Lake Centre will be the venue for at least 20 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 that at least 500 new items be available for issue per month. 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 physically unable 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 physically unable to come to the library.

Public Conveniences:	
Objective:	Performance Target
<p><i>To provide public conveniences for the convenience of the travelling public and residents in the Lake Taupo District.</i></p>	<ol style="list-style-type: none"> 1. Public conveniences 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. Respond to all complaints regarding public conveniences 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 2004: Neighbourhood Reserves. Start the process for the Tapuaeharuru Bay Reserves Management Plan (subject to budget acceptance). Complete the Recreation, Leisure & Reserves Strategy Incl Reserves Acquisition study by June 2004. 2. Play equipment will be inspected monthly for compliance with NZS 5828 and maintained if required. 3. 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.

Sportsgrounds:	
Objective:	Performance Targets
<i>To provide sportsgrounds for year round use for sporting codes, residents and visitors to enjoy and to encourage participation in an array of outdoor sporting activities.</i>	<ol style="list-style-type: none"> 1. TAUPO – To maintain the turf on sportsgrounds to the standard recommended by the NZ Sports Turf Institute for year round use by sporting codes, residents and visitors. 2. MANGAKINO - To maintain the turf, within financial commitments, on the sportsgrounds for year-round use by sporting codes, residents and visitors. 3. TURANGI - Playing fields shall be maintained in accordance with summer and winter sports code requirements.

Amenity Plantings:	
Objective:	Performance Targets
<i>To provide areas that enhance and compliment the environment and 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 street trees on at least three streets by 30 June 2004 (subject to budget acceptance). 3. Support, through providing funds, beautification projects and litter campaigns 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 Cremations Act 1964.</i>	Complete a reserve management plan for Taupo District Cemeteries by June 2004.

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>	Ensure halls are available for community use 365 days of the year except when closed for major maintenance or public safety reasons.

Cost of Service Statement

For the year ended 30 June

	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Operating Income			
Targeted Rates	0	0	0
Other Income	2,748	2,830	2,911
	2,748	2,830	2,911
Operating Expenditure			
A C Baths	1,386	1,370	1,366
Great Lake Centre	943	933	951
Events Centre	707	693	686
Libraries	1,209	1,164	1,038
Public Conveniences	527	555	575
Turtle pool	59	61	62
Parks and Reserves	1,879	1,908	1,954
Sportsgrounds	861	876	870
Amenity Plantings	446	451	452
Community Halls	261	281	284
	8,278	8,300	8,246
Net Cost (surplus) of operations	5,530	5,470	5,335
Capital Expenditure	2,251	1,817	1,547
Loan repayments	264	311	349
Funding to Reserves	0	0	0
Total Net Cost	8,045	7,598	7,231
Funded by:			
Loans Raised	1,173	770	565
General Rates	5,530	5,550	5,326
Transfers from Reserves	1,342	1,278	1,340
Depreciation not funded	0	0	0
Total Net Funding	8,045	7,598	7,231

ECONOMIC DEVELOPMENT AND MARKETING

Economic Development

Goal:

To encourage broad based, sustainable economic growth benefiting the whole community.

Description:

Council currently purchases the bulk of its economic development services from the Lake Taupo Development Company. At the time of preparing this Plan, Council was working with key stakeholders and the community to develop a long term model for the delivery of these services. Once a new model has been agreed, Council will put in place a process for its implementation.

In addition to the services it contracts out, Council may carry out specific development projects when the activity or the development involves its own assets.

Over the 2003/04 year new service will also be introduced co-ordinating significant or complex development proposals requiring input from a number of different teams within Council. This new service aims to improve Council's service to its customers.

Strategic Actions from the Strategic Plan:

- ◆ Foster a positive development climate that encourages business initiatives that are in keeping with the district's commitment to sustainable development (5.1.2).
- ◆ 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).
- ◆ Promote the Taupo district nationally and internationally as a competitive business opportunity destination (5.1.5).
- ◆ Work with stakeholders to implement the Taupo District Economic Development Strategy (5.1.6).
- ◆ Identify opportunities for and support the establishment of value added processing in the Taupo District (5.1.7).
- ◆ Encourage diversification of the economy by working with key business sectors to identify and facilitate areas of opportunity (5.1.8).
- ◆ 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
<p><i>To encourage and support diverse and sustainable economic growth in the district.</i></p>	<ol style="list-style-type: none"> 1. The delivery of economic development services will be monitored to ensure that contract requirements are met¹. 2. An evaluation will be undertaken on how well Council co-ordinated the delivery of services for complex development proposals. 3. Implementation of the long term model for the delivery of economic development services begun by 31 December 2003.

¹ Monitoring will be by way of quarterly reports to Council.

Destination Marketing

Goal:

To develop an exciting, fresh and positive image for the Taupo district both nationally and internationally.

Description:

Destination marketing is delivered through Destination Lake Taupo (DLT) and services include tourism marketing, operation of a Convention Bureau, events marketing and the provision of visitor centres at Taupo and Turangi. DLT is advised by the Lake Taupo Marketing Advisory Board.

Strategic Actions from the Strategic Plan:

- Work with stakeholders to implement the tourism marketing strategy documented in "Blueprint 2010" (5.1.6).
- Develop a range of destination marketing programmes in the areas of international tourism, domestic tourism, events marketing, and conventions encouraging more visitors to stay longer (5.2.1).
- Promote the use of reserves by encouraging major sporting and recreation events to come to the Taupo District (5.2.2).

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. Revise the Strategic Plan (Tourism Blueprint 2010) and produce an Annual Business Plan by 30 June containing strategies and programmes for tourism marketing 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 tourism forum to discuss strategies and seek input.

Cost of Service Statement

For the year ended 30 June

	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Operating Income			
Targeted Rates	626	626	626
Other Income	273	278	283
	899	904	909
Operating Expenditure			
District Economic Development	250	250	250
District Marketing	1,112	1,140	1,138
Visitor Centres	505	529	537
	1,867	1,919	1,926
Net Cost (surplus) of operations	968	1,015	1,017
Capital Expenditure	470	20	0
Loan repayments	23	44	24
Funding to Reserves	0	0	0
Total Net Cost	1,462	1,079	1,041
Funded by:			
Loans Raised	420	0	0
General Rates	968	1,015	1,017
Transfers from Reserves	73	64	24
Depreciation not funded	0	0	0
Total Net Funding	1,462	1,079	1,041

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:

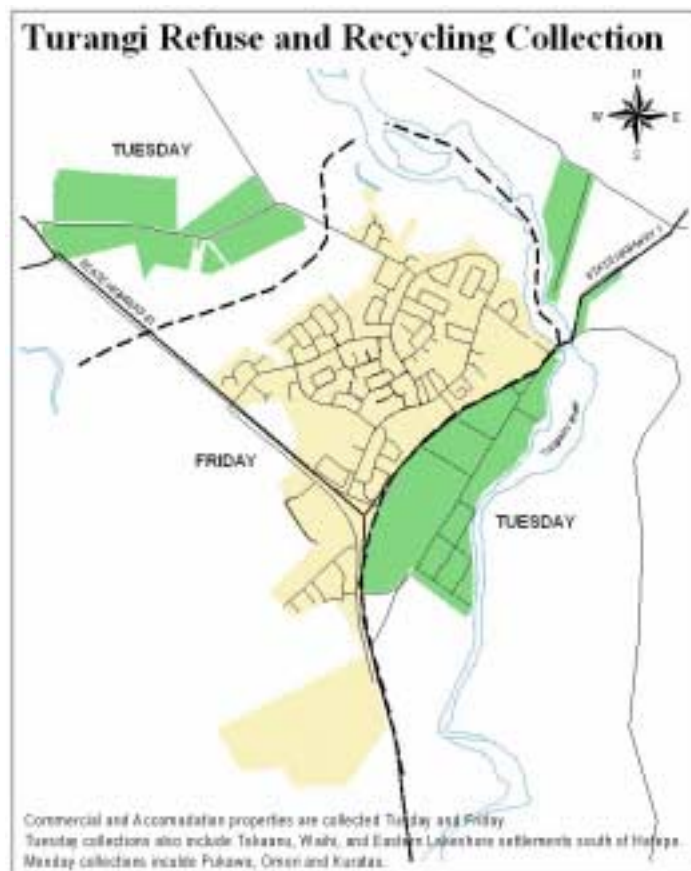
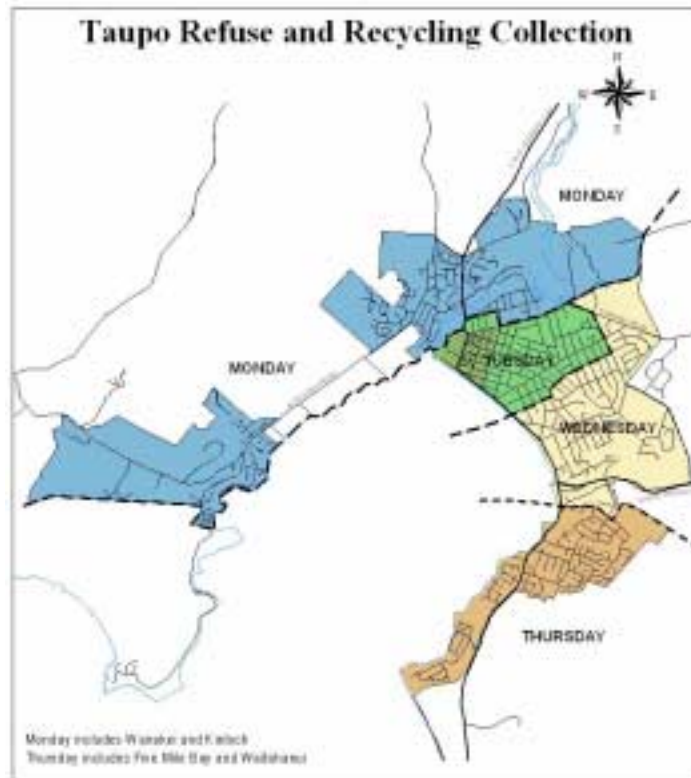
- ◆ Develop and implement comprehensive community education and waste minimisation initiatives. (6.1.2)

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. Implement Council's solid waste management plan, and work to achieve targets set by New Zealand Waste strategy produced by Ministry of Environment. 2. Maintain a reduction, compared to 2001/02 levels, in solid waste volumes of at least 30%. 3. 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. 4. Pick up street litter within the central business areas in Mangakino daily. 5. Clean and remove litter daily from the Turangi Town Mall. 6. Complaints regarding litter will be responded to within 4 hours.

Solid Waste Collection:	
Objective:	Performance Target
<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>	<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 and Turangi maps (see below) between 7.30am and 4.30pm, with the exception of Good Friday and Christmas Day. 3. Collect refuse every Monday in Kinloch, Wairakei, Omori, Pukawa, and Kuratau with the exception of Good Friday and Christmas Day. 4. Collect refuse every Tuesday in Five Mile Bay, Waitahanui, Hatepe, Motutere, Waitetoko, Te Rangiita, Motuoapa, Tokaanu and Waihi Village with the exception of Good Friday and Christmas Day. 5. Collect refuse every Wednesday in Mangakino, Whakamaru and Atiamuri with the exception of Good Friday and Christmas Day.

Solid Waste Disposal:	
Objective:	Performance Target
<i>To provide safe, efficient and environmentally sustainable refuse transfer and disposal facilities within the Taupo district that promote waste minimisation.</i>	<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

	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Operating Income			
Targeted Rates	970	1,022	1,048
Other Income	962	962	962
	1,932	1,984	2,010
Operating Expenditure			
Waste Minimisation and Litter Control	604	604	605
Solid Waste Collection	364	367	368
Solid Waste Disposal	1,568	1,617	1,642
	2,535	2,588	2,615
Net Cost (surplus) of operations	604	604	605
Capital Expenditure	675	500	0
Loan repayments	128	153	186
Funding to Reserves	0	0	0
Total Net Cost	1,407	1,257	791
Funded by:			
Loans Raised	675	500	0
General Rates	604	604	605
Transfers from Reserves	128	153	186
Depreciation not funded	0	0	0
Opening Balance	0	0	0
Total Net Funding	1,407	1,257	791

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. Fourteen are located in Taupo/Kaingaroa, four in Turangi/Tongariro and three in Mangakino/Pouakani.

Strategic Actions from the Strategic Plan:

- ◆ Progressively upgrade water treatment facilities in the Taupo township (to at least grade B) between 2003/04 and 2006/07 and manage associated treatment costs through promotion of water conservation strategies. (7.2.3)

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. 992 bacteria tests will be carried out with an estimated 98% meeting the appropriate grading.

Cost of Service Statement

For the year ended 30 June

	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Operating Income			
Targeted Rates	3,153	3,333	3,664
Other Income	42	158	158
	<u>3,195</u>	<u>3,491</u>	<u>3,821</u>
Operating Expenditure			
Taupo	1,748	1,904	2,026
Acacia Bay	132	133	154
Kinloch	60	62	61
Waitahanui	24	27	30
River Road	27	30	31
River Rd Loan	2	2	2
Mapara Road	54	55	83
Whakamoenga Point	23	28	34
Bonshaw Park	30	31	31
Centennial Drive	145	155	152
Whakaroa	66	68	68
Motuoapa	42	43	64
Turangi	329	333	336
Omori/Pukawa/Kuratau	117	156	189
Omori/Pukawa/Kuratau Loan	7	6	4
Whareroa	26	30	34
Hatepe	21	23	26
Mangakino	139	144	143
Tirohanga	131	135	133
Waihaha	49	53	53
Atiamuri	29	36	36
Whakamaru	28	39	46
	<u>3,229</u>	<u>3,492</u>	<u>3,733</u>
Net Cost (surplus) of operations	<u>34</u>	<u>2</u>	<u>(88)</u>
Capital Expenditure	1,248	6,774	4,540
Loan repayments	252	309	589
Funding to Reserves	0	116	116
	<u>1,534</u>	<u>7,200</u>	<u>5,157</u>
Total Net Cost	<u>1,534</u>	<u>7,200</u>	<u>5,157</u>
Funded by:			
Loans Raised	1,124	5,617	4,203
General Rates	0	0	0
Transfers from Reserves	344	1,434	895
Depreciation not funded	40	40	40
Opening Balance	26	110	20
	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Funding	<u>1,534</u>	<u>7,200</u>	<u>5,157</u>

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. Waitahanui, Atiamuri and Whakamaru Sewerage Schemes – 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 sites. 4. Turangi Wastewater Treatment Scheme – Obtain a new resource consent and proceed with the design and construction phase.

Cost of Service Statement

For the year ended 30 June

	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Operating Income			
Targeted Rates	3,393	3,641	3,744
Other Income	318	483	483
	3,711	4,124	4,227
Operating Expenditure			
	3,729	3,986	4,089
	3,729	3,986	4,089
Net Cost (surplus) of operations	19	(138)	(138)
Capital Expenditure	2,744	3,734	1,162
Loan repayments	246	333	395
Funding to Reserves	0	165	165
Total Net Cost	3,008	4,093	1,583
Funded by:			
Loans Raised	2,000	1,250	900
General Rates			
Transfers from Reserves	957	2,793	633
Depreciation not funded	51	51	51
Opening Balances	0	0	0
Total Net Funding	3,008	4,093	1,583

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 Roding 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 2 working days, make the path safe within 4 working days and carry out maintenance where required within one month. 7. Construct residential footpaths within the urban areas of the district to NZ standards to the value as approved by Council. 8. Seal Extension – Complete seal extensions on district roads to Transit NZ specifications or Council standards to the value as approved by Council. 9. Reseals – Complete Council's approved programme of maintenance resealing of road pavements to Transit NZ specifications or Council standards.

Cost of Service Statement

For the year ended 30 June

	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Operating Income			
Targeted Rates	177	186	202
Other Income	2,746	2,746	2,746
	2,923	2,932	2,948
Operating Expenditure			
Roading and Traffic Surfaces	5,838	6,309	6,821
Project Pounamu	176	186	202
	6,014	6,495	7,023
Net Cost (surplus) of operations	3,091	3,563	4,075
Capital Expenditure	7,273	7,533	6,225
Loan repayments	372	419	439
Funding to Reserves	1,000	1,000	1,000
	0	0	0
Total Net Cost	11,736	12,515	11,739
Funded by:			
Loans Raised	4,450	4,400	3,400
General Rates	4,091	4,563	5,075
Transfers from Reserves	3,195	3,552	3,264
Depreciation not funded	0	0	0
Opening Balance	0	0	0
Total Net Funding	11,736	12,515	11,739

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 2003 (the Strategic Plan states 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
<p><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></p>	<ol style="list-style-type: none"> 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>	Maintain flood and river control systems in accordance with Regional Resource Consent conditions.

Cost of Service Statement

For the year ended 30 June	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Operating Income			
Targeted Rates	0	0	0
Other Income	50	50	50
	50	50	50
Operating Expenditure			
Stormwater and Land Drainage	632	648	665
Lake and River Control	88	97	113
	719	746	778
Net Cost (surplus) of operations	669	696	728
Capital Expenditure	495	245	747
Loan repayments	57	64	64
Funding to Reserves	0	0	0
Total Net Cost	1,221	1,004	1,539
Funded by:			
Loans Raised	140	0	250
General Rates	669	696	728
Transfers from Reserves	412	309	561
Depreciation not funded	0	0	0
Total Net Funding	1,221	1,004	1,539

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. Borrowings during the year will be drawn down at an interest rate not greater than 7.25%. 4. Total gross interest expense on net external debt will not exceed 10% of total operating income. 5. Ratio of net external debt to equity will not exceed 10.5%. 6. Net external debt per rateable property will not exceed \$2,100.

Cost of Service Statement

For the year ended 30 June

	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Operating Income			
Targeted Rates	0	0	0
Other Income	12,016	6,491	6,403
	12,016	6,491	6,403
Operating Expenditure			
Forestry	1,399	522	132
Business Unit	1,184	1,215	1,260
Property	811	806	806
Rates Remissions	421	420	420
Motor Camps	62	152	75
Investment Fees	31	31	31
Legal Fees	901	898	606
	4,809	4,045	3,330
Net Cost (surplus) of operations	(7,207)	(2,446)	(3,073)
Capital Expenditure	935	1,081	613
Loan repayments	295	341	400
Funding to Reserves	5,186	1,700	1,722
Total Net Cost	(791)	676	(338)
Funded by:			
Loans Raised	435	376	303
General Rates	(2,083)	(1,368)	(1,483)
Transfers from Reserves	757	1,568	842
Depreciation not funded	0	0	0
Opening Balance	100	100	0
Total Net Funding	(791)	676	(338)
Other Income also includes:			
TEL Interest	4,074	4,149	4,226
General Funds Interest Income	200	150	100
Reserves interest	200	200	200
Sale of Property	600	0	0
Ex Gratia Payment	50	50	50
Petrol Tax	350	350	350
	5,474	4,899	4,926

TAUPO AIRPORT

STATEMENT OF INTENT

For the year ended 30 June 2004

1. INTRODUCTION

The Taupo District Council and the Crown - represented by the Ministry of Transport, own the Taupo Airport Authority (TAA) equally.

TAA is a Council Controlled Organisation (CCO) for the purposes of the Local Government Act 2002 and of the other legislation under which the TAA operates. TAA is a "For-Profit CCO".

TAA is managed, under agreement with the Crown, by the Taupo District Council. Management is represented by the Chief Executive Officer - Simon Rowbotham and Airport Manager - Roy Carmichael.

Auditors - Audit New Zealand
Bankers - Bank of New Zealand
Solicitors - Le Pine & Co, Taupo

OBJECTIVE OF TAUPO AIRPORT AUTHORITY

To operate a successful business providing for the safe, appropriate and efficient air transport needs of the Taupo district.

2. NATURE AND SCOPE OF ACTIVITIES

TAA is engaged in a number of activities, which contribute towards the air transport needs of the District.

ACTIVITIES PROVIDED:

(1) THE PROVISION OF AN AIRPORT INFRASTRUCTURE

1.1 TAA provides two runways: a sealed runway and a grass runway. The grass runway accommodates light aircraft with a maximum certified take off weight of less than 1,800 kilogrammes.

1.2 Terminal and handling facilities are provided for scheduled commercial flights.

1.3 TAA maintains buildings, plant and infrastructure appropriate to their use.

1.4 TAA makes appropriate financial provision for long term major maintenance and replacement.

Contribution to Overall Objective of TAA

The existence of an airport infrastructure enables scheduled and chartered air services to be provided for the Taupo district. It also provides for local general aviation usage.

Performance targets

- (a) The sealed runway will be open for air traffic 365 days of the year unless prevented by adverse weather or unexpected events.
- (b) 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.
- (c) A Unicom information service will be provided 365 days of the year.
- (d) The terminal building will be open at least one hour before arrival times and half an hour after flight departure.

(2) THE PROVISION OF LEASEHOLD LAND FOR AIRPORT RELATED DEVELOPMENT.

TAA shall provide and develop land for lease to current and prospective aviation businesses.

Contribution to overall objective of TAA

32 fixed base operations (FBO's) have now been developed on airport leasehold land.
A further 3 leased sites are available for lease.

Performance targets

- (a) The 3 available lease sites are expected to be leased out during the 2003/2004 year.
- (b) 3 new lease sites will be created as demand requires.

3. FINANCIAL DISCLOSURE

The ratio of consolidated shareholders funds to total assets (and the definitions of those terms).

Accounting policies

REPORTING ENTITY

TAA is a Council Controlled Organisation as defined in Section 6 of the Local Government Act 2002. TAA is a joint venture between Taupo District Council and the Crown with both parties having a 50% share.

Financial Statements will be prepared for TAA in accordance with the Civil Aviation Act 1990, the Airport Authorities Act 1966 and the Local Government Act 1974.

MEASUREMENT BASE

The financial statements will be prepared on a historical cost basis, modified by the revaluation of certain fixed assets.

ACCOUNTING POLICIES

The following accounting policies, which materially affect the measurement of results and financial position, will be applied.

(1) Fixed Assets

Valuation of Operational Assets

These include buildings, motor vehicles, plant and equipment and furniture and fittings. Operational assets are stated at cost less depreciation. Additions are recorded at cost less depreciation.

Valuation of Restricted Assets

Airport land is valued at deemed cost by Valuation New Zealand in accordance with SSAP 28 with this cost based on a 1995 valuation.

Valuation of Infrastructural Assets

These are the utility systems that provide a continuing service to the airport and are not generally regarded as tradable. They include the roads and runway, water reticulations and stormwater systems. The approach adopted in determining replacement costs for infrastructural assets is the "green fields" construction rates. Rates are generally for significant contracts; hence rates are both competitive and benefit from scale efficiencies. "Green fields" implies a lesser cost for items such as trenching and rehabilitation.

Infrastructural assets held at 30 June 2002 have been valued at depreciated replacement cost by Beca Valuations Limited and meet the requirements of FRS 3. All revaluations are carried out or reviewed by independent qualified valuers and are carried out at least five yearly. Valuations will be undertaken

more regularly if necessary to ensure no individual item of property, plant and equipment within a class is included at a valuation that is materially different from its fair value.

Depreciation of Operational Assets

Depreciation has been provided on a straight-line basis on all fixed assets other than for motor vehicles (which are on a diminishing value basis) and land improvements (which are not depreciated). Depreciation is provided at rates calculated to allocate the assets cost over their estimated useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	40 Years	(2.5%)
Motor Vehicles	5 Years	(20%)
Plant and Equipment	4 to 5 Years	(20%-25%)
Furniture and Fittings	10 Years	(10%)

Depreciation of Infrastructural Assets

Infrastructural assets are depreciated on a straight-line basis including formation assets. The total useful lives are as follows:

Formation	60 Years
Pavement	60 Years
Top Surface	15 Years
Kerb	50 Years
Footpaths	80 Years
Stormwater	50-80 Years

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

(2) Investments

Investments are stated at cost.

(3) Inventory

Inventory has been stated at the lower of cost and net realisable value.

(4) Income Taxation

Income tax expense is charged in the statement of financial performance in respect of current year's earnings after allowing for permanent differences.

(5) Goods and Services Tax

The financial statements have been prepared on a goods and services tax (GST) exclusive basis, except for accounts receivable and accounts payable.

(6) Employee Entitlements

Provision is made in respect of the Airport's liability for annual leave. Annual leave has been calculated on an actual entitlement at current rates of pay.

(7) 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 recognised as expenses in the periods in which they are incurred.

(8) Differential Reporting

TAA qualifies for differential reporting as it is not publicly accountable and it is not large. Differential reporting has been adopted in the preparation of these financial statements. With the exception of Cash Flows, full advantage has been taken of all available differential reporting.

(9) Going Concern

Taupo District Council is continuing its efforts to purchase the Crown's share of the Airport.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies since the date of the last audited financial statements.

Acquisition of new investments

Approval of the joint venture partners is required before the joint venture can subscribe for, purchase or otherwise acquire shares in any company or other organisation.

Local Authority Compensation

The joint venture does not currently seek compensation from any local authority for any activities.

Commercial value of the investment

The joint venture partner's estimate of the commercial value of the joint venture partner's investment in the CCO is equal to the net assets of the airport authority. Revaluations of assets are carried out at least every five years.

Distribution of profits/reserves to joint venture partners

Any distribution of profits is allocated 50/50 between the joint venture partners. There is currently no intention to distribute accumulated profits or capital reserves to the joint venture partners.

Forecast Financial Statements (Summary)

Cost of Service Statement

For the year ended 30 June

	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Operating Income (see 4, below)	446	446	446
Operating Expenditure	559	564	569
Net Cost (Surplus) of Operations	(113)	(118)	(123)

A review of the TAA fees and landing charges was initiated in early 2002. That review prompted a call to complete the strategic review of TAA which had been completed, to a draft form only, in 2001. The review was also to include a review of the Unicom operation.

The strategic review began in January of 2003 and was completed on 3rd June 2003.

Following submissions from the airport operators on the findings of the strategic review, Council agreed that another review of the TAA operations be carried out, this time on the cost structure of the TAA.

It is expected that the outcome of the cost structure review will provide the basis upon which the TAA fees and landing charges will be finally set.

A half yearly financial report will be provided to both TDC and the Crown.

Capital Expenditure Forecast

Proposed capital expenditure programme is as follows:

Taxiway extension	\$50,000	To alleviate grass wear
Access Road Resealing	\$45,350	Routine reseal
Terminal Building	\$20,000	Seating/furniture/toilet upgrades
Grass runway restoration	\$20,000	Repair damaged surface
Vehicle replacement	\$20,000	Vehicle is near end of economic life
Lease site development	\$25,000	Helicopter area site development
TOTAL	<u>\$180,350</u>	

4. GOVERNANCE STATEMENTS

Until the strategic review has been completed the current management and governance structure shall continue.

Once completed the following matters will be addressed:

- **structure, function and obligations of the governing body** including such information as the role, the size of the governing body, any committees and delegations to those committees, executive and non-executive governing body members, obligations of the governing body in relation to statements of intent and reporting
- **guidance and resources provided to governing body members** including ongoing training, succession planning, a code of conduct, performance evaluation procedures for the governing body
- **significant policies in place for accountability** including policies for communication with stakeholders and other owners, risk management policies and procedures, selection procedures for a Chief Executive.

DATA CAPTURE SYSTEMS LIMITED

STATEMENT OF INTENT

For the year ended 30 June 2004

1. INTRODUCTION

The Taupo District Council owns Data Capture Systems Limited (DCSL).

DCSL is a Council Controlled Organisation (CCO) for the purposes of the Local Government Act 2002 and other legislation under which DCSL operates-such as the Companies Act.

DCSL is a "For-Profit CCO".

The Statement of Intent applies for the three year period ended 30 June 2006.

DCSL is operated by an Interim Board of Directors comprising three members.

- Mr C Stent-Chairman
- Mr L Fernando
- Mr A Vane

Registered Office:

Staples Rodway,
C/o WEL Building,
PO Box 9159,
Hamilton.

Auditors: Audit New Zealand
Bankers: Bank of New Zealand
Solicitors: Le Pine & Co, Taupo

OBJECTIVE OF DCSL

The principle objective of the Company is to operate as a successful business.

2. NATURE AND SCOPE OF ACTIVITIES

DCSL's principle activity is the ongoing development, marketing and sale of its accounting billing system.

The billing system provided by DCSL is different to conventional accounting billing systems. It provides unique data capture mechanisms which take into account the particular trading circumstances of the client.

ACTIVITIES PROVIDED:

(1) THE PROVISION OF AN ACCOUNTING BILLING AND STATISTICS GENERATION SYSTEM.

DCSL provides a data logging system which captures information which is used as a basis for billing customers.

DCSL data logging system will generate statistical information as an add-on feature to the accounting billing system.

Contribution to Overall Objective of DCSL

The data logging system is sold to clients at a profit. These sales enable DCSL to operate as a sustainable and financially successful business.

Performance Targets

Data logging systems will be sold during the year generating gross sales income of \$215,000 in 2003/04, \$305,000 in 2004/05 and \$366,000 in 2005/06

3. FINANCIAL DISCLOSURE

The ratios of consolidated shareholders funds to total assets for the three years ended 30 June 2006 are:

As at 30 June:	2004 \$(000)	2005 \$(000)	2006 \$(000)
Total Assets	197	283	371
Shareholders Funds	0	146	344
Ratio of Shareholders Funds/Total Assets	0%	52%	93%

Total Assets include both current and fixed assets.

Shareholders Funds include both Shareholders capital and accumulated profits.

Accounting Policies

REPORTING ENTITY

DCSL is a Council Controlled Organisation (CCO) as defined in Section 6 of the Local Government Act 2002.

DCSL is 100% owned by the Taupo District Council.

Financial Statements will be prepared for DCSL in compliance with standards issued by the Institute of Chartered Accountants of New Zealand and in accordance with the requirements of the Local Government Act 2002.

MEASUREMENT BASE

The financial statements will be prepared on a historical cost basis, modified by the revaluation of certain fixed assets.

ACCOUNTING POLICIES

The following accounting policies, which materially affect the measurement of results and financial position, will be applied.

(1) Fixed Assets

Valuation of Operational Assets

These include computer software and intellectual property rights.

Operational assets are stated at cost less depreciation.

Additions will be recorded at cost less depreciation.

Depreciation of Operational Assets

The computer software and intellectual property rights have been depreciated at the rate of 10% per year.

(2) Income Taxation

Income tax expense is charged in the statement of financial performance in respect of current year's earnings after allowing for permanent differences. Tax losses of \$256,000 are available for offset against future taxable profits.

(3) Goods & Services Tax

The financial statements have been prepared on a goods and services (GST) exclusive basis, except for accounts receivable and accounts payable.

(4) Differential Reporting

DCSL qualifies for differential reporting as it is not publicly accountable and it is not large. Differential reporting has been adopted in the preparation of these financial statements. With the exception of Cash Flows, full advantage has been taken of all available differential reporting.

(5) Local Authority Compensation

DCSL does not currently seek compensation from any local authority for any activities.

(6) Commercial Value of the Investment

Taupo District Council's estimate of the commercial value of its investment in DCSL is equal to the net assets of DCSL.

Revaluation of assets will be carried out at least every five years.

(7) Distribution of Profits/Reserves to Joint Venture Partners

There is no intention to distribute accumulated profits or capital reserves to the shareholder as a result of trading during 2003/04.

This matter will be reconsidered during the process of approving the 'Statement of Intent' for the 2004/05 financial year.

Forecast Financial Statements (Summary)

Cost of Service Statement

For the year ended 30 June	2004 \$000	2005 \$000	2006 \$000
Operating Income	215	305	366
Operating Expenditure	<u>158</u>	<u>159</u>	<u>168</u>
Net after-tax surplus	57	146	198

NOTES:

- (a) DCSL was established in April 2003 through a change of name to Taupo Information Centre Limited - a wholly owned 'shelf' company of the Taupo District Council, and an accompanying change to the Constitution.
- (b) Accumulated Losses of \$256,000 from Taupo Information Centre Limited become available to DCSL. The accumulated losses are available for offset against future taxable profits earned by DCSL. They are tax deductible to the renamed company.
- (c) Taxes are not payable during the three years ended 30 June 2006 as a result of offsets against the accumulated losses of \$256,000 and against an estimated net operating loss of \$57,000 as at 30 June 2002.

(d) Net operational costs incurred between establishment date and 30 June 2003 are not included as part of the budget period ended 30 June 2004.

(e) DCSL was established with 100 shares valued at \$1.00 per share, and with a medium term loan from its shareholder of \$258,000.

4. GOVERNANCE STATEMENTS

The Taupo District Council has not yet developed generic policies which cover the matter of Governance Statements. Despite the lack of generic policies, the Taupo District Council has adopted the following as an interim policy for DCSL.

(1) Structure, Function and Obligations of the Governing Body

Structure

DCSL is a company established under the Companies Act 1993. It is a wholly-owned subsidiary of the Taupo District Council.

Function

The function of DCSL is to exploit the commercial opportunities of its 'data logging system' to the financial advantage of its shareholder.

Obligations of the Governing Body of DCSL

DCSL is governed by a three-person Board of Directors. The obligations of the Board are to:

- Operate as a successful business (as per the Constitution)
- Operate in accordance with the shareholder-approved Statement of Intent

(2) Guidance and Resources Provided to Governing Body Members

Guidance

The Board shall act in such manner as to achieve the aims and objectives of the shareholder as outlined within the Constitution and the Statement of Intent.

The Board shall act in a socially responsible manner having 'due regard for the natural environment, the economy and the social and cultural well-being of community's, in the present and for the future'.

The Board shall be a 'good employer'.

The Board shall develop internal policies to manage any business risks.

Resources

Financial resources shall be provided to DCSL by way of a medium-term loan from Council for \$258,000.

Loan repayments shall be made during any one year, commencing with the year 2003/04, at the rate of 70% of the 'cash plus debtors' 30 June closing balance for the prior year, until such time as the loan has been fully repaid.

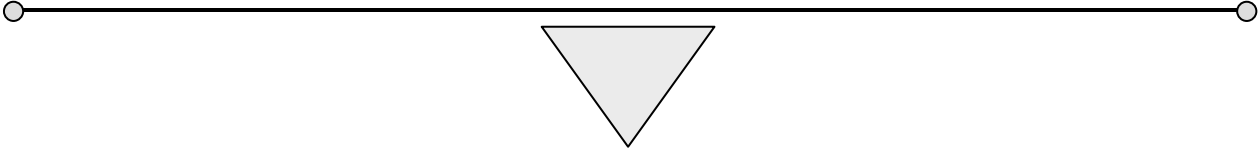
Repayments shall be made in one lump sum on at least the last working day of the year, with the first repayment being made on or before 30 June 2004.

Any services provided to DCSL by the shareholder shall be paid for by DCSL as a normal commercial transaction.

Directors Fees

Directors fees shall be paid to DCSL Board members after having due regard to the ruling rates for company directors approved by the States Services Commission.

FORECAST FINANCIAL PERFORMANCE



FORECAST STATEMENT OF FINANCIAL PERFORMANCE

Forecast Statement of Financial Performance

For the year ended 30 June

	2004 \$000	2005 \$000	2006 \$000
Revenue			
Rates Income	25,928	27,344	28,279
Other Revenue from Significant Activities	21,200	16,040	16,038
Total operating revenue	47,128	43,384	44,317
Expenditure			
Operating Expenditure from Significant Activities	41,085	41,271	42,010
Total operating expenditure	41,085	41,271	42,010
Total operating surplus (deficit) before taxation	6,043	2,113	2,307
Less Taxation Expense	0	0	0
Net Surplus (Deficit) after taxation for the year	6,043	2,113	2,307

FORECAST STATEMENT OF MOVEMENTS IN EQUITY

Forecast Statement of Movements in Equity			
For the year ended 30 June	2004	2005	2006
	\$000	\$000	\$000
Equity at start of the year	510,000	516,043	518,156
Net surplus for the period	6,043	2,113	2,307
Increases (decreases) in revaluation reserves	0	0	0
Total recognised revenues and expenses for the year	6,043	2,113	2,307
Equity at end of the year	516,043	518,156	520,463

FORECAST STATEMENT OF FINANCIAL POSITION

Forecast Statement of Financial Position

2003 Estimate \$000	As at 30 June	2004 \$000	2005 \$000	2006 \$000
	Equity			
209,733	Accumulated Funds	216,284	217,868	216,290
70,776	Council Created Reserves	70,268	70,797	74,682
0	Restricted Reserves	0	0	0
229,491	Asset Revaluation Reserves	229,491	229,491	229,491
510,000	Total Equity	516,043	518,156	520,463
	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	400	400	400
1,000	Properties Intended for Resale	0	0	0
44,445		43,500	43,500	43,500
	Non-Current Assets			
15,226	Investments	24,083	18,814	18,047
485,000	Other non-current assets	488,447	502,865	510,254
500,226		512,530	521,679	528,301
544,671	Total Assets	556,030	565,179	571,801
	Current Liabilities			
6,000	Accounts Payable	6,000	6,000	6,000
1,150	Employee Entitlements	1,150	1,150	1,150
2,425	Public Debt - Current Portion	1,664	2,003	2,489
9,575		8,814	9,153	9,639
	Non-Current Liabilities			
24,596	Public Debt - Term Portion	30,673	37,370	41,199
500	Employee Entitlements	500	500	500
25,096		31,173	37,870	41,699
34,671	Total Liabilities	39,987	47,023	51,338
510,000	Total Net Assets	516,043	518,156	520,463

FORECAST STATEMENT OF CASHFLOWS

Forecast Statement of Cashflows

For the year ended 30 June	2,004 \$000	2,005 \$000	2,006 \$000
Cash Flows from operating activities			
Cash was provided from :			
Rates	25,928	27,344	28,279
Subsidies	2,746	2,746	2,746
Interest Income	4,474	4,499	4,526
Fees, Charges & Other Income	8,472	8,794	8,766
	41,620	43,383	44,317
Cash was applied to :			
Payments to Suppliers & Employees	29,994	31,086	30,783
Taxes Paid	65	65	65
Interest on Public Debt	1,655	2,575	3,391
	31,714	33,726	34,239
Net cash inflow (outflow) from operating activities	9,906	9,657	10,078
Cash Flows from investing activities			
Cash was provided from :			
Proceeds from sale of fixed assets	5,505	0	0
Net Decrease in investments	0	5,269	767
Release of sinking funds	0	0	0
	5,505	5,269	767
Cash was applied to :			
Purchase & Development of Fixed Assets	16,344	21,962	15,160
Net Increase in investments	4,383	0	0
Payment into sinking funds	0	0	0
	20,727	21,962	15,160
Net cash inflow (outflow) from investing activities	-15,222	-16,693	-14,393
Cash Flows from financing activities			
Cash was provided from :			
Loans Raised	6,987	9,045	6,811
	6,987	9,045	6,811
Cash was applied to:			
Repayment of public debt	1,671	2,009	2,496
	1,671	2,009	2,496
Net cash inflow (outflow) from financing activities	5,316	7,036	4,315
Net increase (decrease) in cash held	0	0	0
Add cash at start of year	300	300	300
Cash at end of year	300	300	300
Made up of:			
Cash and bank	100	100	100
Call Deposits	200	200	200
	300	300	300

STATEMENT OF ACCOUNTING POLICIES

1. REPORTING ENTITY

With effect from 1 July 2003 the Taupo District Council is a Local Authority governed by the Local Government Act 2002.

The Taupo District Council group consists of the Taupo District Council and its subsidiaries, Data Capture Systems 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 Part 2 of Schedule 10 of the Local Government Act 2002, and in compliance 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

Rates revenue is recognised when levied.

Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year end, are accrued on an average usage basis.

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

Other grants and bequests, and assets vested in the Council – with or without conditions – are recognised as revenue when control over the assets is obtained.

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 are valued at expected realisable value after providing for doubtful and uncollectible debts.

3.3 Investments

All investments, including those in subsidiaries, 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 and other non-current assets

Fixed assets consist of:

- Operational assets – These include land, buildings, improvements, library books, plant and equipment, and motor vehicles.
- Restricted assets – Restricted assets are parks and reserves owned by the Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- Infrastructure assets – Infrastructure assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function, for example, wastewater reticulation includes reticulation piping and pump stations.

3.6.1 Valuation

All assets are valued at historical cost, except the following:

- Operational land and buildings have been valued at fair value by Quotable Value New Zealand as at 30 June 2002.
- Restricted land and buildings have been valued at fair value by Quotable Value New Zealand as at 30 June 2002.
- Infrastructure assets have been valued at depreciated replacement cost by Beca Valuations Ltd as at 30 June 2002, except for the land under roads.
- Land under roads has been valued by QV Valuations Ltd as at 30 June 2002. Urban land was valued at 45% of the surrounding land market value. Rural land was valued based on the surrounding land value.
- Forestry is valued on the estimated worth of the net present value based on the age and condition of the trees. The valuation was carried out by Forest & Woodlot Consultants (NZ) Ltd as at 30 June 1999.

All valuations are carried out or reviewed by independent qualified valuer's and are carried out at least 3 yearly, except for forestry valuations which were previously determined every 3 years by an independent valuer however pending implementation of Exposure Draft 90 (Agriculture) forestry assets remain valued as at 30 June 1999 until such time as the new accounting standard is implemented.

Valuations will be undertaken more regularly if necessary to ensure that no individual item of property, plant and equipment within a class is included at a valuation that is materially different from its fair value.

3.6.2 Additions

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

The results of revaluing are credited or debited to an asset revaluation reserve, for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

3.6.3 Depreciation

Depreciation has been provided on a straight line basis on all fixed assets other than land, at rates which will write-off the cost (or valuation) of the assets to their estimated residual value over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Land	Nil	Nil
Buildings	40-75 years	1.3%-2.5% SL
Machinery	4-10 years	10-25% DV
Computer Equipment	4 years	25% SL
Office Equipment	5-10 years	10-20% DV
Furniture & Fittings	5 years	20% DV
Vehicles	5 years	20% DV
Library Books	6.5 years	15.5% SL
Infrastructural assets:		
<i>Roads</i>		
top surface	3-20 years	5%-33% SL
pavement	45-60 years	1.7%-2% SL
formation	not depreciated	
culverts	55-80 years	1.3%-1.8% SL
footpaths	50-80 years	1.3%-2% SL
kerbs	60 years	1.7% SL
signs	15 years	6.7% SL
street lights	25-60 years	1.7%-4% SL
bridges	90-100 years	1%-1.1% SL
land under roads	not depreciated	
<i>Water Reticulation</i>		
pipes	45-80 years	1.25%-2.2% SL
valves, hydrants	40 years	2.5% SL
pump stations	10-60 years	1.7%-10% SL
tanks	25-80 years	1.3%-4% SL
<i>Sewerage Reticulation</i>		
pipes	15-80 years	1.3%-6.7%
manholes	80 years	1.3%
treatment plant	10-80 years	1.3%-10%
<i>Stormwater Systems</i>		
pipes	80-100 years	1%-1.3%
manholes, cesspits	80-100 years	1%-1.3%
flood control systems	15-18 years	5.6%-6.7%
Restricted Assets		
Land	Nil	Nil
Other	0-40 year SL	Nil-2.5% SL

Forest Assets are not depreciated.

Assets under construction

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

3.7 GST

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated inclusive of GST. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

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

The Council has a 50% interest in Taupo Airport Authority. The Council's interest is accounted for using the 'line by line' (proportionate) method of consolidation.

3.10 Consolidation

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

3.11 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.

3.12 Landfill post-closure costs

The Council, as operator of the district landfill, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

3.13 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.

3.14 Cost Allocation

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

Direct costs (costs directly attributable to a significant activity) are charged directly to significant activities.

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

3.15 Interest Income

Interest income is not allocated to significant activities and included as other income in the Statement of Financial Performance.

3.16 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 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. Except for loans, which are recorded at cost, and those items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

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.

3.18 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.

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.

3.19 Equity

Equity is the community's interest in the Council as measured by the value of total assets less total liabilities. 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 Equity of Council is made up of the following components:

Accumulated Funds

- Accumulated Surplus
- Council Created Reserves

Restricted Reserves

Asset Revaluation Reserves

3.20 Reserves

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

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

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

Asset Revaluation 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 281 of the Local Government Act 2002 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 2003/2004 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 2003 values i.e. 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 7.20%.
- The actual results for the year to 30 June 2002 formed the basis of opening balances, together with revised estimates for the year to 30 June 2003.

5. CHANGES IN ACCOUNTING POLICIES

There have been no significant changes in the accounting policies since the date of the last audited financial statements other than identifying that with effect from 1 July 2003, Taupo District Council is a local authority governed by the new Local Government Act 2002.

SCHEDULE OF CAPITAL EXPENDITURE

		Area	Expenditure 2003/04	Reserves	Funded by		Rates
					Loan		
Governance							
Council Services	Chairs	dist	13,300	13,300			
Total Governance			13,300	13,300	0		0
Community Development and Support							
Taupo Pens Hsg	Refurbish [Internally] 40 Pensioner Units	tkmp	80,000	80,000			
Taupo Pens Hsg	Woodward Street Drainage	tkmp	6,000	6,000			
Mko Pens Hsg	Upgrades	tkmp	11,600	11,600			
Tgi Pens Hsg	Repurchase Unit 3	tt	70,000		70,000		
Tgi Pens Hsg	Refurbish Units	tt	5,000	5,000			
Total Community Development and Support			172,600	102,600	70,000		
Environmental Services							
Rural Fire	Toyota 4WD Smokechaser and Fire appliance - Omori	dist	45,000	45,000			
Planning Guidance	Vehicle	dist	23,000	23,000			
Total Environmental Services			68,000	68,000	0		0
Marketing							
Visitor Centre	New Visitor Centre	tkmp	420,000		420,000		
Visitor Centre	Renewals	tt	20,000	20,000			
Marketing	Vehicle Replacement	dist	30,000	30,000			
Total Marketing			470,000	50,000	420,000		0
Recreation and Community Facilities							
GLC	Building Renewals	tkmp	80,000	53,452		26,548	
GLC	Plant Replacement	tkmp	46,000	46,000			
GLC	Surveillance Camera Stage 1	tkmp	10,000	10,000			
AC Baths	AC Baths Water Features	tkmp	40,000	40,000			
TEC	Plant Replacement	tkmp	66,000	2,000		64,000	
Venues Operations	Vehicle - Operations	tkmp	25,000	25,000			
Amenity Plantings	CBD Development - Landscape Gardens	tkmp	30,000	30,000			
Amenity Plantings	Rose Gardens - Fence - renewals	tkmp	25,000	25,000			
Sportsgrounds	Owen Delany Park - Irrigation -	tkmp	120,000	75,000		45,000	
Sportsgrounds	Owen Delany Park - Velodrome Warm up path	tkmp	20,000	20,000			
Sportsgrounds	Tennis Court - Whareroa	tt	40,000			40,000	
Taupo Reserves	P7232 Toro Mower	tkmp	110,000	110,000			
Taupo Reserves	Town Centre Structure Plan Enhancements	tkmp	200,000			200,000	
Taupo Reserves	Plant & Equipment & Operational Vehicles	tkmp	150,000	98,000		52,000	
Taupo Reserves	Lake Access/Boat Servicing	tkmp	100,000			100,000	
Taupo Reserves	Community Park In conjunction with Primary School	tkmp	40,000			40,000	
Taupo Reserves	Hot Water Beach - Development	tkmp	25,000	25,000			
Taupo Reserves	Riverbank Reserve - Reserve Landscaping - Renewals	tkmp	20,000	20,000			
Taupo Reserves	Secombe Park - Reserve Development	tkmp	17,000	17,000			
Taupo Reserves	Wharewaka Point - Reserve Development	tkmp	15,000	15,000			
Taupo Reserves	Lakefront Reserves - Reserve development & Landscaping	tkmp	10,000	10,000			
Taupo Reserves	Parks - Signs	tkmp	10,000	10,000			
Taupo Reserves	Tongariro Domain-Resv. Landscaping & Planting-Renewal	tkmp	8,000	8,000			
Taupo Reserves	Misc Reserves	tkmp	15,000	15,000			
Mko Reserves	Town Centre Upgrade	tkmp	75,000			75,000	
Mko Reserves	Play Equip - Whakamaru/Atiamuri	tkmp	20,000			20,000	
Tgi Reserves	Play Equip - Taupehi Reserve	tt	15,000	15,000			
Tgi Reserves	Turangi Parks Play Equip	tt	8,000	8,000			
Tgi Reserves	Toilet Block	tt	10,000	10,000			
Halls	Waipahihi Hall - Paint exterior of building	tkmp	35,000	35,000			
Halls	Waipahihi Hall - Condition Assessment	tkmp	2,000	2,000			
Halls	Waipahihi Hall - Security System	tkmp	12,000	12,000			
Halls	Acacia Bay Hall - Paint interior of building	tkmp	10,000	10,000			
Halls	Acacia Bay Hall - Condition Assessment	tkmp	2,000	2,000			
Halls	Acacia Bay Hall - Furniture	tkmp	2,200	2,200			
Halls	Wairakei Hall - Upgrade exterior	tkmp	25,000	25,000			
Halls	Wairakei Hall - Upgrade kitchen	tkmp	9,000	9,000			
Halls	Kinloch Hall - Condition Assessment	tkmp	1,500	1,500			
Halls	River Road Hall - Condition Assessment	tkmp	1,500	1,500			
Halls	Mangakino Hall - Replace Mko Hall -	tkmp	330,000			330,000	
Halls	Mangakino Hall - Replace curtains	tkmp	6,000	6,000			
Halls	Mangakino Hall - Furnishings/Equipment	tkmp	50,000			50,000	
Halls	Turangi Gym - Repaint	tt	13,000	13,000			
Library	Book Purchases - Taupo	tkmp	140,479	140,479			
Library	Building Renewals - Taupo	tkmp	19,234	19,234			
Library	Microprinter - Taupo	tkmp	16,301			16,301	
Library	Book Purchases - Mko	tkmp	10,000	10,000			
Library	Shelving - Mko	tkmp	1,000	1,000			

		Area	Expenditure 2003/04	Reserves	Funded by Loan	Rates
Library	Book Purchases - Turangi	tt	40,500	40,500		
Library	Extension Design - Turangi	tt	20,000	20,000		
Library	Heating/AirCon - Turangi	tt	10,000	10,000		
Sanitation	Vehicles & Plant	tkmp	64,000		64,000	
Sanitation	Public Toilet Facilities - Lakefront Reserve	tkmp	50,000		50,000	
Sanitation	Upgrade Wharewaka Public Toilets	tkmp	30,000	30,000		
Total Recreation and Community Facilities			2,250,714	1,077,865	1,172,849	0
Corporate and Strategic investments						
Head Office Building	Sth Section Aircon	dist	45,000	45,000		
Head Office Building	Top Floor Office Ceiling	dist	43,581	43,581		
Head Office Building	Main Office Security System Stg 2	dist	43,000		43,000	
Head Office Building	Management Suite Improvements	dist	20,000	1,800	18,200	
Head Office Building	Beca Report Renewals	dist	19,796		19,796	
Head Office Building	Security Gates - Depot	dist	15,000	15,000		
Head Office Building	Telephone System - PBX	dist	10,000	10,000		
Head Office Building	Office Equipment	dist	7,500	7,500		
Council Property	Waioara House Renewals	dist	14,677	14,677		
Council Property	Bus Terminal Investigation	tkmp	10,000		10,000	
Turangi Office	Conference Room Renewals	tt	16,200	16,200		
Turangi Office	Shelving	tt	3,000	3,000		
Turangi Office	Heating	tt	4,000	4,000		
Turangi Property	Repaint Gibson Road Depot	tt	5,700	5,700		
Tgi Operations	Plant replacement and new plant	tt	187,000	156,000	31,000	
MKO Operations	storage hut and tractor bay	tkmp	3,000	3,000		
MKO Operations	Vehicle Replacement	tkmp	25,000	25,000		
Land Information	GIS Aerial Photography	dist	50,921	25,221	25,700	
Land Information	Plio Plan Printer	dist	55,000		55,000	
IT Department	Network Development	dist	210,000		210,000	
Works	Water Manager vehicle replacement	dist	25,000	25,000		
Community Services	Community Services manager vehicle replacement	dist	30,000	30,000		
Community Services	Pool car	dist	22,000	22,000		
Community Services	Radial Arm Saw	dist	1,800	1,800		
Management Services	Pool Cars	dist	22,500		22,500	
Management Services	CE/MSM Vehicle Replacement	dist	45,000	45,000		
Total Corporate and Strategic Investments			934,675	499,479	435,196	0
Stormwater/Land Drainage						
Lake & River Control	Lake Taupo Foreshore Protection	tkmp	75,000	75,000		
Stormwater	De Bretts Gully System Improvements	tkmp	50,000	50,000		
Stormwater	Main Arterial Inlet Impr - Taupo	tkmp	75,000	75,000		
Stormwater	Taupo Ind Design Investigation	tkmp	40,000	40,000		
Stormwater	CBD Pipe Renewals - Ruapehu St East	tkmp	100,000	100,000		
Stormwater	Taupo Town Renewals	tkmp	100,000		100,000	
Stormwater	2001 R/C Applications	tkmp	40,000		40,000	
Stormwater	Gully Planting program	tkmp	15,000	15,000		
Total Stormwater			495,000	355,000	140,000	0
Solid Waste Management						
Landfill	Eastern Lakeshore RTS	dist	175,000		175,000	
Landfill	2nd Cell Broadlands Rd	dist	500,000		500,000	
Total Solid Waste management			675,000	0	675,000	0
Wastewater						
SA Taupo	Spray irrigation land purchase (40ha)	dist	500,000	500,000		
SA Taupo	CCTV	dist	200,000		200,000	
SA Taupo	Renewals	dist	33,017	33,017		
SA Taupo	Laboratory upgrade	dist	30,000	30,000		
SJ Turangi	Treatment Upgrade & Infiltration Survey	dist	1,800,000		1,800,000	
SJ Turangi	RENEWALS	dist	76,450	76,450		
SJ Turangi	Telemetry	dist	28,000	28,000		
SO Atiamuri	Infiltration Testing	dist	10,000	10,000		
SW Whakamaru	Infiltration Testing	dist	10,000	10,000		
SS Waihi/Braxmere	Treatment Investigation	dist	20,000	20,000		
SX Omori	RENEWALS	dist	16,061	16,061		
SZ Whareroa	Telemetry Monitoring	dist	20,000	20,000		
Total Wastewater			2,743,528	743,528	2,000,000	0
Water						
WA Taupo	300mm Upgrade Taharepa to Shepard Road	tkmp	360,000		360,000	
WA Taupo	Pump Upgrade + pipe	tkmp	50,000		50,000	
WA Taupo	RENEWALS	tkmp	590,000	16,000	574,000	
WE Waitahanui	Magflow Meter	tkmp	8,000	8,000		
WF Motuoapa	New Reservoir	tt	60,000	60,000		
WN Tirohanga	Reservoir Upgrade	tkmp	18,000	18,000		
WQ Hatepe	RENEWALS	tt	21,842	21,842		
WY Cent Drive	Extend Intake	tkmp	50,000		50,000	
WY Cent Drive	Main ext to AC Baths	tkmp	90,000		90,000	
Total Water			1,247,842	123,842	1,124,000	0

		Area	Expenditure 2003/04	Reserves	Funded by Loan	Rates
Roading						
Rural Rooding	General Curve Realignment/Widening - Cent Dr	tkmp	20,000	20,000		
Rural Rooding	General Curve Realignment/Widening - Rural	tkmp	20,000	20,000		
Rural Rooding	General Curve Realignment/Widening - Tutukau Rd	tkmp	100,000		100,000	
Rural Rooding	General Curve Realignment/Widening - Heu Heu Parade	tt	25,000	25,000		
Rural Rooding	General Curve Realignment/Widening - Hatepe Lane	tt	35,000	35,000		
Rural Rooding	Renewal - from Asset Management plan	tkmp	1,010,000	1,010,000		
Rural Rooding	Renewal - from Asset Management plan	tt	69,000	69,000		
Rural Rooding	Seal Extension - General (approx 8 km pa)	tkmp	450,000		450,000	
Urban Rooding	Acacia Bay Arterial	tkmp	50,000		50,000	
Urban Rooding	Berm reinstatement	tkmp	50,000	50,000		
Urban Rooding	Berm reinstatement	tt	10,000	10,000		
Urban Rooding	Cycle Strategy inc education	tkmp	40,000	40,000		
Urban Rooding	Eastern Taupo Arterial	tkmp	3,500,000		3,500,000	
Urban Rooding	ETA - Capitalise Legal Fees and Internal Interest	tkmp	200,000		200,000	
Urban Rooding	ETA - Internal borrowing - capitalise	tkmp	413,000	413,000		
Urban Rooding	Footpath Construction	tt	30,000	30,000		
Urban Rooding	Footpath Construction	tkmp	150,000	150,000		
Urban Rooding	Industrial Footpath/Berm Upgrade	tkmp	15,000	15,000		
Urban Rooding	New Kerb and Channel - Kinloch Road	tkmp	53,000	53,000		
Urban Rooding	New Kerb and Channel - Acacia Bay Road	tkmp	150,000		150,000	
Urban Rooding	New Kerb and Channel - Waikato/Huka St	tkmp	22,000	22,000		
Urban Rooding	New Kerb and Channel - Rawhira St	tt	45,000	45,000		
Urban Rooding	New Kerb and Channel - Omori Road	tt	35,000	35,000		
Urban Rooding	On Street Parking	tkmp	50,000	50,000		
Urban Rooding	Programmed Power/Telecom Lines	tt	15,000	15,000		
Urban Rooding	Renewal - from Asset Management plan	tkmp	612,000	612,000		
Urban Rooding	Renewal - from Asset Management plan	tt	74,000	74,000		
Urban Rooding	Undergrounding - residential street prog	tkmp	30,000	30,000		
Total Rooding			7,273,000	2,823,000	4,450,000	0
Total Capital Expenditure			16,343,659	5,856,614	10,487,045	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:

	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Governance	0	0	45
Environmental Services	0	27	145
Community Development And Support	70	105	0
Recreation And Community Facilities	1,173	770	565
Economic Development And Marketing	420	0	0
Solid Waste Management	675	500	0
Water Supply	1,124	5,617	4,203
Wastewater	2,000	1,250	900
Roading Network	4,450	4,400	3,400
Stormwater	140	0	250
Corporate And Strategic Investments	435	376	303
Total Borrowing	10,487	13,045	9,811
less internally borrowed	3,500	4,000	3,000
Total external borrowing for the year	6,987	9,045	6,811

The individual projects that require loan funding are shown in detail on page 73 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, \$4,000,000 during the 2004/2005 year and \$3,000,000 during the 2005/2006 year.

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

	2004 (\$,000)	2005 (\$,000)	2006 (\$,000)
Interest	1,655	2,575	3,391
Loan repayments	1,671	2,009	2,496

Borrowing is managed within the Council's Treasury Management Policy with borrowing limits set as detailed on page 92.

TRANSFUND NZ DISCLOSURE

Statement for Transfund (NZ) 2003/2004

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 2003/2004 is as follow:

Cost of Service Statement

For the year ended 30 June

Operating Income

Professional services for Transfund NZ assisted roading

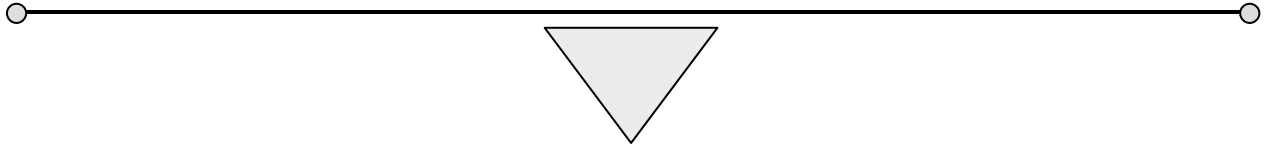
Other income

Operating Expenditure

Net Cost (Surplus) of Operations

	2003	2004	2005
	325	325	325
	70	70	70
	395	395	395
	423	421	420
	28	26	25

SIGNIFICANT POLICIES AND PLANS



LOCAL GOVERNMENT ACT 2002

In December 2002, a new Local Government Act was passed. Although parts of the Act are already in force, much of the new Act will apply after 1 July 2003.

The new Act requires local authorities to prepare a range of new policies and plans but not all are required to be in place from the commencement date.

Local Government Act 2002 Implementation Requirements

	Action Required	Due Date
1	Prepare a Code of Conduct	As Soon as Practicable After 1 July 2003
2	Prepare a policy on Significance	1 July 2003
3	Prepare a Policy on the Appointment and Remuneration of Directors to Council Organisations	1 July 2003
4	Agree Statements of intent for any CCO that was a LATE under the Local Government Act 1974	1 July 2003
5	Prepare a liability management policy	30 September 2003
6	Prepare an investment policy	30 September 2003
7	Prepare a policy for rates relief on Maori freehold land	30 September 2003
8	Prepare a revenue and financing policy	30 September 2003
9	Prepare a funding impact statement	30 September 2003
10	Prepare policies on financial contributions and development contributions	30 September 2003
11	Prepare a policy on partnerships with the private sector	30 September 2003
12	Prepare a local governance statement	31 December 2003
13	Negotiate the first triennial agreement, in conjunction with all of the other local authorities in the region	31 December 2003
14	Agree Statements of intent for any CCO that was not a LATE under the Local Government Act 1974	1 July 2004
15	Prepare First long-term council community plan	1 July 2004
16	Assessment of Water and Sanitary Services	1 July 2005
17	A long-term council community plan including community outcomes	1 July 2006

Items 5 to 11 are required to be included in this Annual Plan. The latest date for adoption of the Annual Plan is 30 September 2003 however Council has chosen to adopt the Annual Plan at the beginning of the new financial year (1 July 2003).

Listed above are the new requirements and the dates when they must have been actioned by Council.

POLICY TO DETERMINE SIGNIFICANCE (LGA 2002)

1.0 Legislative Requirement

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

2.0 Purpose

The LGA 2002 establishes a process for decision making within local government. This process requires that local authorities make judgements on the importance of any decision they make. In particular, they are required to identify those decisions that are significant.

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

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

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

3.0 Strategic Assets

The LGA 2002 requires that the policy on significance identifies all assets Council considers to be strategic assets. Appendix 2 of this policy lists the Taupo District strategic assets².

The Strategic Assets Register (Appendix 2) is not an exhaustive list of all Council assets but includes only those which are considered to be important in maintaining Council's capacity to achieve or promote community outcomes.

In accordance with section 5(1) of the Act, the Taupo District Council's shareholding in the Taupo Airport Company Ltd has been included in the Register.

4.0 Consultation

The significance of a matter also guides Council's decisions concerning the extent and nature of the consultation to be undertaken with affected or interested persons.

The more significant a matter from the perspective of the persons who may be affected by the decision, the more likely it is that Council will need to consult with them on their views.

5.0 Implementation of the Significance Policy

² Taupo District Council owns a number of assets and assets managed "as a whole" that it considers to be strategic, however not all trading decisions made regarding these assets are regarded as significant nor do they affect the asset's strategic nature. For example the roading network is strategic, but small parcels of land that make it up may not be, and the purchase or sale of such parcels of land are unlikely to amount to a significant decision.

5.1 General Approach

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

- (a) the likely impact/consequences of the issue, proposal, decision or other matter, on the current and future social, economic, environmental, and cultural well-being of the community
- (b) the parties who are likely to be particularly affected by or interested in the issue, proposal, decision or other matter
- (c) the likely impact/consequences of the issue, proposal, decision or other matter from the perspective of those parties
- (d) the financial and non-financial costs and implications of the issue, proposal, decision or other matter having regard to Council's capacity to perform its role.

The more significant or material the impact or consequences of the issue, proposal, decision or other matter, the higher the standard of compliance required with Part 6 of the LGA 2002.

5.2 Policy Application

This policy sets out the method by which Taupo District Council will assess significance.

Step 1: Officers will assess particular issues, proposals, decisions or other matters against the thresholds set out in this policy under Section 5.3. If the issue being considered does not result in a clear determination of significance the issue will be referred to Council for assessment (Step 2).

Step 2: Council will decide on the significance of an issue, proposal, decision or other matter based upon the criteria in Section 5.4. Step 2 is used when the issue being considered does not conform to the threshold tests because either specific dollar amounts are not involved or because the issue is likely to be significant for other reasons.

In determining the application of this policy Council will have regard to the definition of "Significance", "Significant", and "Strategic Asset" as defined in the LGA 2002. (See Appendix 1)

5.3 Thresholds

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

5.3.1 Threshold Tests

When undertaking a process to determine whether an issue, proposal, decision or other matter is significant Council will recognise that if it:

- (i) will incur operational expenditure exceeding 7.5% of the annual Council budget for that year; or
- (ii) will incur capital expenditure exceeding 2.5% of the total value of Councils assets, or where spent on a strategic asset in the Strategic Assets Register (Appendix 2) of this policy, exceeds 25% of that asset's value; or
- (iii) requires the Transfer or Ownership or Control or the disposal or abandonment of a strategic asset as a whole as defined by the LGA 2002 or listed in Appendix 2 of this policy; or
- (iv) requires the sale of Council's shareholding in any council controlled trading organisation, or council controlled organisation; or
- (v) will, directly or indirectly, severely affect the capacity (including financial capacity) of Council to carry out any activity identified in the Long-Term Council Community Plan; or
- (vi) concerns the entry into any partnerships to carry out a **significant activity**

then it is significant within the meaning of the Act.

5.4 Criteria

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

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

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

5.5 Procedures

As set out in Section 2.0 above, the purpose of this policy is to establish the decision making process that is appropriate for the significance of the decision to be made.

Therefore once a decision has been determined to be significant, the report to Council will include a statement addressing the appropriate observance of sections 76, 77, 78, 79, 80, 81 and 82 of the LGA 2002 as are applicable. Where the report is requesting a decision on significance under the criteria set out in Section 5.4 above then, to save Council time, the report to Council may also contain the decision-making procedures appropriate to a significant decision.

The Council will report annually through its Annual Report on all issues, proposals, decisions or other matters determined to be significant, and subject to the procedure outlined in Section 76, 77, 78, 79, 80, 81 of the LGA 2002 as appropriate.

Appendix 1

Definitions

Section 5(1) of the LGA 2002 defines '*significant*' and '*significance*' and '*strategic asset*' as follows:

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

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

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

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

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

Appendix 2

Register of Taupo District Council's Strategic Assets

ASSET	NOTES
Taupo District Libraries	Includes books and collections
Great Lake Centre	
Taupo Events Centre	
AC Baths Complex	
Taupo Airport	
Pensioner Housing as a whole	
Council buildings and depots as a whole	
Amenity Areas, Reserves, Sports fields and Facilities under the Reserves Act 1977	
Cemeteries	
Public Toilets as a whole including Superloo	
Taupo Landfill	
Refuse Transfer Stations	
Stormwater network as a whole	
Roading system as a whole	Includes footpaths, cycle paths, culverts, stock underpasses, off-street Parking and Bridges
Reservoirs, water treatment plant and water reticulation system as a whole	Includes the land, buildings, treatment plant, tanks and structures for all networks within the District
Wastewater network and treatment plant as a whole	Includes all land, buildings and plant for all waste water networks and treatment plants within the District

POLICY ON PARTNERSHIPS WITH THE PRIVATE SECTOR (LGA 2002)

1.0 Introduction

Taupo District Council is required to adopt a policy on partnerships between Council and the private sector (Partnerships Policy) under section 102³ of the Local Government Act 2002 (LGA 2002). This policy must be adopted after using the special consultative procedure and may be included in the Council's Long-Term Council Community Plan (LTCCP).

The first Partnerships Policy will be included in the 2003/4 Annual Plan.

It should be noted that the policy can only be amended as an amendment to the LTCCP.

2.0 Content and Purpose of Policy

The Partnerships Policy is linked to the statutory principle that a local authority should collaborate and cooperate with other local authorities and bodies as it considers appropriate to promote or achieve its priorities and desired outcomes, and make efficient use of its resources. It states Council's position in respect of the commitment of its resources to partnerships between itself and the private sector.

3.0 Policy Application

This policy only applies to partnerships with the private sector. "Partnership with the private sector" is defined in the LGA 2002 to mean any arrangement or agreement that is entered into between one or more local authorities and one or more persons engaged in business; but does not include:

- (i) arrangements or agreements to which the only parties are local authorities or 1 or more local authorities and 1 or more council organisations; or
- (ii) a contract for the supply of goods or services to, or on behalf of a local authority.

As a consequence, this policy applies to:

1. Arrangements or agreements for provision of grants, loans, guarantees, or investments between Council and persons engaged in business; or
2. Arrangements or agreements for a venture where Council participates with a person engaged in business with some joint objective, whether or not that venture also involves the supply of goods or services by the joint venture to or on behalf of Council; or
3. Any agreement with a person engaged in business to form a Council organisation, or any agreement to sell shares in a Council organisation to a person engaged in business (this will be in addition to the requirements of section 56⁴ of the LGA 2002 if applicable).

But does NOT apply to:

1. Contracts between Council and its ordinary suppliers of goods and services (for example of office supplies or legal services); or
2. Contracts for the supply of goods and services between Council and its agents for undertaking activities of Council (such as building or maintaining roads); or
3. Borrowing by Council and the investment of Council funds purely for financial gain as these transactions will be addressed in the liability management and investment policies respectively; or
4. Agreements with or grants to community organisations, charitable trusts and other community groups, government departments, not-for-profit-organisations, other local authorities and council controlled organisations.

³ A policy under this section may be adopted by a local authority as part of its long-term council community plan. A local authority must adopt a policy on partnerships between the local authority and the private sector

⁴ Consultation required before council-controlled organisation established

4.0 Core Activity Guidelines

Council has documented core activity guidelines that establish very clear parameters regarding the goods and services it will provide in contributing to achieving the community's vision for the district as well as discharging its statutory obligations. Council's core activity guidelines are as follows:

1. To discharge its statutory and regulatory obligations.
2. To broker solutions for the provision of other goods and services which:
 - reflect the collective needs of the community (determined through the VAST project until superseded by the Community Outcomes Plan)
 - individuals cannot provide for themselves
 - other agencies and stakeholders do not provide
 - the private sector would under-provide because of the difficulty in identifying the beneficiaries and charging them.

Note: Council may duplicate a service where a clear community benefit exists. (The community benefit should be clearly demonstrated by way of a comprehensive cost/benefit analysis).

5.0 Circumstances in which Council will Consider a Partnership

Where it is satisfied that the partnership complies with its Core Activity Guidelines and:

- (a) the proposed partnership will:
 - (i) contribute to achieving the community outcomes identified in the LTCCP in an integrated and efficient manner (*note: pending adoption of its first LTCCP, it will be sufficient if the proposed partnership will contribute towards the strategic issues set out in the Council's Strategic Plan*); and
 - (ii) promote the social, economic, cultural or environmental well-being of the district, in the present and for the future; and
 - (iii) be a prudent, efficient and effective use of Council's resources in the interests of the district
- (b) and the benefits of the proposed partnership (in terms of achievement of community outcomes and promotion of the four aspects of well-being now and in the future) will exceed the costs

then Council will consider entering into a partnership with a private sector partner.

If, in addition to complying with all of the above, the objective of the partnership is desirable in the interests of the community but the private sector is unwilling or reluctant to provide sufficient resources without Council support then Council will consider entering into a partnership with a private sector partner.

A decision to enter into a partnership with the private sector must also comply with the decision making provisions set out in section 76 (and sections 77, 78, 79, 80, 81 and 82 to the extent applicable) of the LGA 2002.

6.0 Consultation

Taupo District Council will consult on this "Policy on Partnerships with the Private Sector" using the special consultative procedure for adoption of the Annual Plan for the period commencing 1st July 2003. Any amendments to the policy will be consulted on using the special consultative procedure for adoption of/amendment to the LTCCP.

Given that this policy will be adopted/amended following consultation, no further consultation on a specific partnership proposal will be undertaken, unless:

1. The proposal involves a departure from this policy; or
2. The proposal amounts to a decision which is not provided for in Council's LTCCP (or, for the year commencing 1 July 2003, the 2003/4 Annual Plan); or
3. Council determines that public consultation should occur having regard to the significance of the partnership proposal.

If the proposal falls within one of the three categories above Council will determine the nature and extent of the consultation required depending upon the context and the requirements of LGA 2002.

7.0 Conditions to be Imposed

As condition of providing funding or other resources to any form of partnership with the private sector, Council will require that the private sector partner enters into a written agreement recording the terms of the arrangement or agreement, stating clearly:

1. The objectives of the partnership; and
2. The parties' respective responsibilities and obligations under the agreement, including responsibility for obtaining any necessary consents, licences or other approvals, or to undertake any matter or do anything; and
3. Details of Council's agreement to provide funding or other resources to the partnership; and
4. Details of the private sector party's agreement to provide funding or other resources to the partnership; and
5. Council's expectations in relation to the private sector partner's contribution to the achievement of the community outcomes (or strategic issues for the year commencing 1 July 2003) or promotion of the aspects of community well-being, current and future including, where possible, target performance measures; and
6. Council's requirements in relation to monitoring and reporting of performance; and
7. Consequences of non-performance by the private sector party.

Council may impose any other conditions it considers appropriate in the circumstances.

8.0 Risk Assessment and Management

In assessing every partnership proposal, the potential risks to Council will be outlined and considered.

Risk will be assessed in terms of the probability of an adverse outcome, the cost/impact of that adverse outcome and the ability to, and cost of, mitigating that risk.

Potential risks include:

1. Financial risk;
2. Risk to the reputation of Council and Taupo District;
3. Risk to the capacity of Council to carry out its activities, now and in the future;
4. Safety of persons and property;
5. Protection of any intellectual property; and
6. Any other potential loss.

If the risks are considered significant, in terms of probability and potential effect, Council will decide whether the partnership should proceed at all, and if it decides it should proceed, a risk management strategy will be developed to minimise or provide cover for that risk to the satisfaction of Council.

The strategy may include requiring contractual assurances from the private sector partner, such as indemnities and guarantees, and may require closer monitoring and control over the conduct of the partnership.

9.0 Monitoring & Reporting to Council on Provision of Funding

At the end of every quarter, a report will be prepared and submitted to Council outlining:

1. The value of funds or resources allocated to partnerships in total during that quarter;
2. In relation to each partnership, the amount of funds or resources allocated, the private sector partner/s involved, the objectives of the partnership and link to the community outcomes (or for the year commencing 1 July 2003, strategic issues).

10.0 Assessing, Monitoring & Reporting on Achievement of Community Outcomes

Council's monitoring and reporting requirements in relation to any particular partnership will be tailored to reflect the significance of the proposal and the significance of resources allocated to the partnership.

Council's monitoring and reporting requirements will be included in the written agreement with the private sector partner, and may include the following, as appropriate:

1. A requirement for quarterly financial reports on the partnership project;
2. A requirement for quarterly performance reports on the achievement by the partnership of the relevant community outcomes (or for the year commencing 1 July 2003, strategic issues), and any impacts on the social, economic, cultural and environmental well-being of the community; and
3. A requirement to report on specifically agreed outcomes and objectives.

STATEMENT OF INTENDED POLICY ON FINANCIAL CONTRIBUTIONS (LGA 2002 and RMA 1991)

1.0 Background

Council is required to have a policy on development or financial contributions under section 106 of the Local Government Act 2002 (LGA 2002). Financial contributions are derived from the provisions of the Resource Management Act (RMA 1991) and development contributions from the LGA 2002.

Council's policy on financial contributions is contained within the Proposed District Plan. Subject to any appeals and consequential Environment Court decisions, the policy statements within the Plan will become Council policy.

At this stage it is intended that Council will prepare a policy on development contributions which will operate in parallel with the policy on financial contributions. It should be noted that when levying contributions for a specific development Council can only apply one of these policies.

2.0 Financial Contributions

Financial Contributions would be levied under the policy outlined in the Proposed District Plan to assist the development of recreational reserve assets and infrastructural assets. The following statements are extracted from section 5 of the Proposed District Plan.

2.1 Purpose of Reserves Contributions

Development resulting in population growth will increase pressure on the reserves network, lessening the capacity of this resource to cater for the community and adversely affecting the provision of land for recreation and open space amenity of an area.

2.1.1 Objectives and Policies

Reserves Contribution Objective

The sustainable management of the reserve network and open space amenity to cater for the needs of the population.

Reserves Contributions Policy

- (i) Ensure a reserve contribution from new residential or commercial accommodation activities is taken and that it is appropriate for the demand which will arise on this resource as a result of that development.
- (ii) Ensure land acquired for a reserve contribution is located and designed to complement the amenity and recreation needs of the neighbourhood area.

2.2 Purpose of Infrastructure Contributions

New development increases the demand on infrastructure which will, cumulatively, lead to full carrying capacity of water supply and waste water disposal systems and roads. This will adversely affect the environment by reducing the ability of the infrastructure to function efficiently

2.2.1 Objectives and Policies

Infrastructure Contributions Objective

The maintenance of an efficient and sustainable system of infrastructure.

Infrastructure Contributions Policy

- (i) Ensure a fair and reasonable contribution from developers where new connections to the Council water supply or wastewater disposal services will contribute to the future need for an upgrade or extension of existing services.
- (ii) Consider the impact of the activity on the road network and require a contribution where an activity must upgrade the road to avoid, remedy, or mitigate any adverse effect on the road or the wider environment.

LONG TERM FINANCIAL STRATEGY SUMMARY

As discussed in the introduction to this plan, Council is in a transitional phase between the 1974 Local Government Act and the new Act, passed in December 2002. Over the coming year Council will be preparing a Long Term Council Community Plan (LTCCP). However until this new plan is prepared Council will continue to operate using the 2002-2012 Strategic Plan prepared last Year.

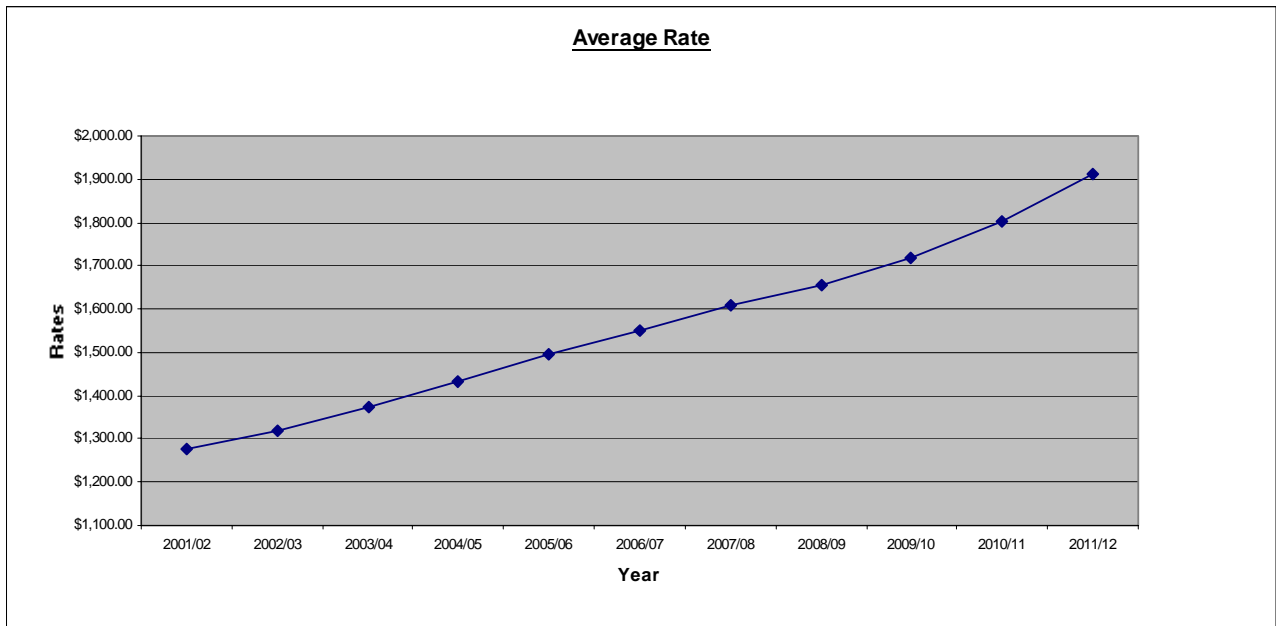
For copies of the Strategic Plan, contact Council's Customer Service Centre, phone 376 0899.

The Strategic Plan contains the Long Term Financial Strategy (LTFS) that outlines how Council's activities will be funded over the next ten years and how those funds will be spent.

The LTFS was prepared in the 2002/2003 year as part of the Strategic Plan. Council is required to report any significant changes and variations to the LTFS and other policies. These are included in the overview on page 10.

As required by Section 223D(3)(a) of the Local Government Act 1974, the following table provides an outline of Council's 2002/12 Long Term Financial Strategy.

Cost of Service Statement For the year ended 30 June	All Activities									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Operating Income										
Targeted 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	14,396,830
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	42,990,578
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>13,172,082</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	15,178,000
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	3,822,963
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	2,949,035
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>35,122,080</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	6,806,507
Depreciation not funded	122,629	72,553	73,067	73,993	77,354	79,823	79,798	79,778	79,762	40,101
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>35,122,080</u>



2002 - 2012 Movement In The Average Rate

LTFS 2002-2012	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number Of Properties	17358	18505	18685	18865	19045	19225	19405	19585	19765	19945
Growth In Property Numbers	1147	180	180	180	180	180	180	180	180	180
Number Of Properties To be Rated	18505	18685	18865	19045	19225	19405	19585	19765	19945	20125
Costs To Be Recovered (GST Excl) ('000)	\$24,397	\$25,721	\$27,082	\$28,532	\$29,869	\$31,273	\$32,274	\$33,787	\$35,530	\$37,319
Average Rates Per Property	\$1,318.38	\$1,376.54	\$1,435.55	\$1,498.14	\$1,553.63	\$1,611.61	\$1,647.92	\$1,709.42	\$1,781.38	\$1,854.35
Average Property % Increase	3.4%	4.4%	4.3%	4.4%	3.7%	3.7%	2.3%	3.7%	4.2%	4.1%
Average Property \$ Increase	\$42.82	\$58.16	\$59.01	\$62.59	\$55.50	\$57.98	\$36.31	\$61.50	\$71.96	\$72.97
Revised 03/04										
Number Of Properties	17358	18505	18745	18925	19105	19285	19465	19645	19825	20005
Growth In Property Numbers	1147	240	180	180	180	180	180	180	180	180
Number Of Properties To be Rated	18505	18745	18925	19105	19285	19465	19645	19825	20005	20185
Costs To Be Recovered (GST Excl) ('000)	\$24,454	\$25,928	\$27,344	\$28,279	\$29,869	\$31,273	\$32,274	\$33,787	\$35,530	\$37,319
Average Rates Per Property	\$1,321.48	\$1,383.19	\$1,444.86	\$1,480.21	\$1,548.80	\$1,606.64	\$1,642.88	\$1,704.24	\$1,776.04	\$1,848.83
Average Property % Increase	3.6%	4.67%	4.45%	2.44%	4.6%	3.7%	2.3%	3.7%	4.2%	4.1%
Average Property \$ Increase	\$45.91	\$61.71	\$61.67	\$35.35	\$68.59	\$57.84	\$36.24	\$61.36	\$71.80	\$72.80

TREASURY MANAGEMENT POLICY (Incorporating Liability Management and Investment Policies) (LGA 2002)

In accordance with Sections 104 & 105 of the Local Government Act 2002

1.0 INTRODUCTION

Taupo District Council (Council) undertakes borrowing (liability management) and investment activity. In total these are referred to in as treasury activity. Council's treasury activities are carried out within the requirements of the Local Government Act 2002, its related amendments and other relevant local authority legislation.

This Treasury Management Policy provides the policy framework for all of Council's borrowing and investment activities and defines key responsibilities and the operating parameters within which borrowing, investment and risk management activity is to be carried out.

Key borrowing and investment objectives form the basis of the policies. These objectives, while consistent with corporate best practice, are subject to overall Council objectives, as stated in the Annual Plan and future Long Term Council Community Plans (LTCCP).

This policy was implemented on 1 July 1998. The most recent review and update was effective from August 2002. This March 2003 version of the Treasury Management Policy has been updated to reflect the requirements of the Local Government Act 2002

This Treasury Management Policy document will be reviewed and updated on an annual basis.

This policy covers:

- **LIABILITY MANAGEMENT**
Council's borrowing activity is largely driven by its capital works programme, mainly related to its infrastructure assets. Council's liability management policy is discussed in Section 3 of this document.
- **INVESTMENTS**
Council manages a portfolio of investments comprising equity investments, airport, property, forestry and financial investments. Council's investment policy is discussed in Section 4 of this document.

Council acknowledges that there are various financial risks such as interest rate risk, currency risk, liquidity risk and credit risk arising from its treasury activities. Council is a risk adverse entity and does not wish to incur additional risk from its treasury activities.

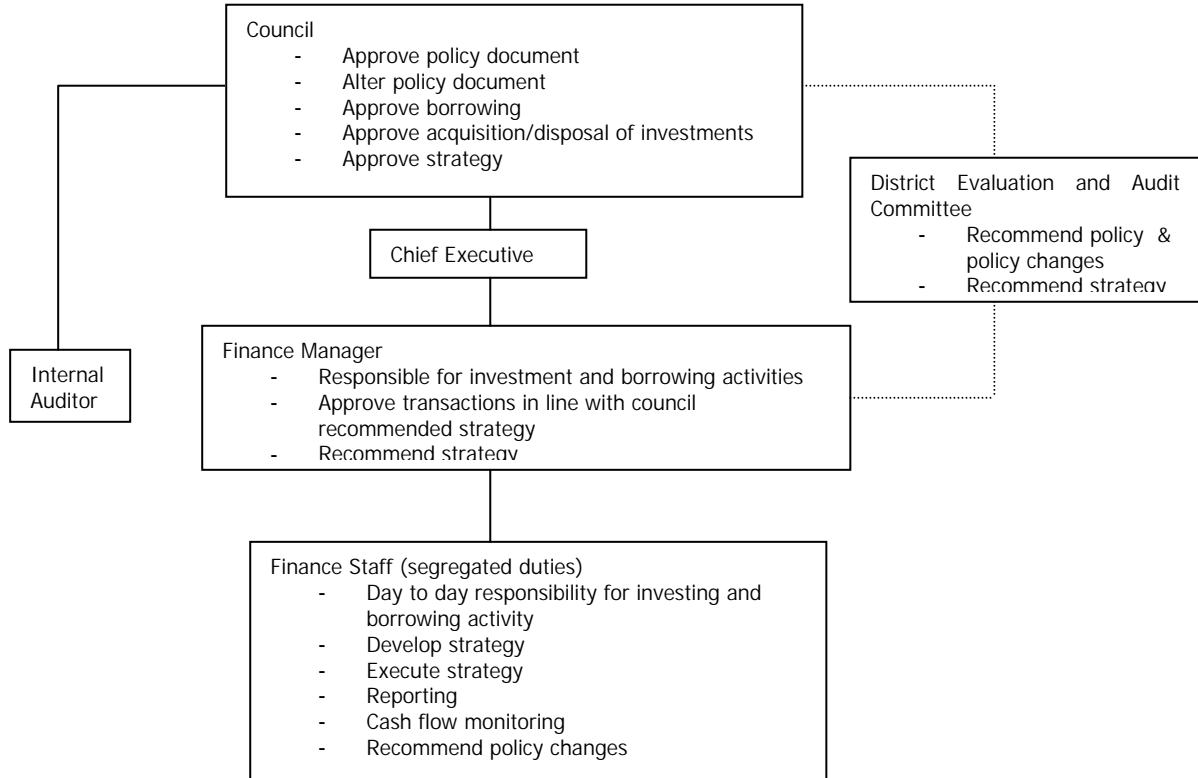
Council's accounting function in relation to its treasury activities is a risk management function focused on protecting Council's budgeted interest costs and revenues and stabilising Council's cash flows. Council does not undertake any treasury activity that is unrelated to its underlying cash flows or is purely speculative in nature.

Further detailed information and procedures supporting the Treasury Management Policy are included in an appendix to the Treasury Management Policy and in procedure manuals.

2.0 MANAGEMENT STRUCTURE, RESPONSIBILITIES AND DELEGATED AUTHORITIES

2.1 FINANCIAL SERVICES ORGANISATIONAL STRUCTURE

The organisation chart for treasury activity is as follows:



2.2 DELEGATED AUTHORITIES

Delegated authorities are summarised at the end of each section of the liability management and investment policy (sections 3.0 and 4.0).

2.3 LEGISLATIVE REQUIREMENTS

The Liability Management and Investment Policies of the Treasury Management Policy are in compliance with the requirements of the Local Government Act 2002 (LGA 2002).

3.0 LIABILITY MANAGEMENT POLICY

3.1 PURPOSE

Council raises debt for the following primary purposes:

- General debt to fund Council's capital works primarily on infrastructure assets. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to Council's assets and investments.
- Short term debt to manage timing differences between cash inflows and outflows and to maintain Council's liquidity.
- Specific debt associated with significant "one-off" projects and non-financial investments from time to time.
- Borrowing through hire purchase, credit, deferred payment or lease arrangements in the ordinary course of Council business.

3.2 LOCAL GOVERNMENT ACT 2002 REQUIREMENTS

Section 104. The Liability Management Policy required to be adopted under section 102(4)(b) must state the local authority policies in respect of liability management, including:

- (a) Interest rate exposure (section 3.5)
- (b) Liquidity (section 3.6)
- (c) Credit exposure (section 3.7)
- (d) Debt repayment (section 3.8)
- (e) Specific borrowing limits (section 3.9)
- (f) The giving of security (section 3.10)

3.3 OBJECTIVES

The objectives of the Liability Management Policy are consistent with corporate best practice and will take into account Council's annual and strategic plans, its long-term financial strategy and future LTCCP. The key Liability Management objectives in relation to borrowings are to:

- Prudently manage Council's borrowing activities to ensure the ongoing funding of Council.
- Borrow only under Council approved facilities and as permitted by this policy.
- Minimise borrowing costs.
- Minimise risk due to interest rate movements.
- Maintain operational controls and procedures to protect Council against financial loss, opportunity cost and other inefficiencies.

3.4 BORROWING MANAGEMENT AND INTERNAL CONTROLS

Council approves policy parameters in relation to borrowing activities.

Council approves, by resolution, the borrowing requirement for each financial year in the transitional annual plan or LTCCP or by later resolution during the year. Council considers the impact on its borrowing limits (section 3.9) as well as the size and the economic life of the asset that is being funded and its consistency with Council's long term financial strategy or LTCCP.

A resolution of Council is not required for hire purchase, leased, credit or deferred purchase of goods if:

- the period of indebtedness is less than 365 days; or
- the goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate \$50,000.
- Council's Chief Executive has overall responsibility for the operations of Council.

The Finance Manager has the responsibility for the formulation and implementation of specific borrowing strategy consistent with the objectives of this policy. Implementation of approved strategies is controlled by the Liquidity, Credit and Interest Rate guidelines.

Council's borrowing activities are managed centrally through its accounting function. The accounting function is broadly charged with the following responsibilities:

- Raise appropriate borrowing, in terms of both maturity and interest rate and manage Council's borrowing programme to ensure funds are readily available at margins and costs favourable to Council.
- Manage the impact of market risks such as interest rate risk and liquidity on Council's borrowing by undertaking appropriate hedging activity in the financial markets.
- Minimise adverse interest rate related increases on ratepayer charges and maintain overall interest costs within budgeted parameters.
- Provide timely and accurate reporting of treasury activity and performance.

Council's systems of internal controls over borrowing activity include:

- Adequate segregation of duties among the core borrowing functions of deal execution, confirmation, settling and accounting/reporting. There are a small number of people involved in borrowing activity, however the risk from this will be further minimised by the following processes:
 - a documented discretionary approval process for borrowing activity.
 - regular management reporting and review.
 - regular operational risk control reviews by an independent audit function.
- Organisational, systems, procedural and reconciliation controls to ensure
 - all borrowing activity is bona fide and properly authorised.
 - reviews in place to ensure Council's accounts and records are updated promptly, accurately and completely.

3.5 INTEREST RATE EXPOSURE

Interest rate risk refers to the impact that movements in interest rates can have on Council's cash flows. Council's borrowing gives rise to direct exposure to interest rate movements.

3.5.1 FIXED/FLOATING PROFILE

The debt portfolio will comprise a mix of fixed-rate and floating-rate borrowings subject to:

- up to 25% of total debt to have a floating rate profile over the term of the funding. Approval by the District Evaluation and Audit Committee for any floating rate exposure beyond this level and term.
- An appropriate hedged/floating rate mix determined in the approved borrowing strategy.

3.5.2 INTEREST RATE RISK MANAGEMENT CONTRACTS

Council is exposed to interest rate repricing risk on the maturity of existing fixed rate debt that is refinanced, as well as issue yield risk on planned new debt.

Interest rate risk will be managed by using interest rate risk management contracts that allow the re-profiling of the portfolios:

- hedging up to 100% of repricing risk on existing fixed rate debt and issue yield risk on planned new debt within the next twelve month period.
- Converting fixed rate borrowing into floating rate or hedged borrowing and floating rate borrowing into fixed or hedged borrowing.

The following interest rate risk management instruments are approved by Council:

- Bond Options
- Forward Rate Agreements
- Interest Rate Collar Strategy
- Interest Rate Options
- Interest Rate Swap

3.6 LIQUIDITY

Liquidity management refers to the timely availability of funds to Council when needed, without incurring penalty costs.

The following guidelines have been established to provide Council with a minimal level of liquidity at all times:

- Avoiding concentration of debt maturity dates - no more than 33% or \$25 million (whichever is the highest) of total debt (existing and planned debt) is subject to refinancing in any financial year.
- Cash flow forecasts will be produced to allow matching of operational and capital expenditure to revenue streams and borrowing requirements.
- 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.
- Maximising the efficiencies of a floating rate loan facility.

3.7 CREDIT EXPOSURE

See investment policy section 4.6.3.

3.8 DEBT REPAYMENT

Repayment of debt (interest and principal) is governed by:

- Affordability of debt servicing costs
- Intergenerational equity principles (debt will be repaid over the life of the asset or 25 years whichever is the lesser)
- Maintenance of prudent debt levels and borrowing limits
- Council repays borrowings from general, special funds or from the existing 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 the funds can be applied against a future borrowing

3.9 BORROWING LIMITS

In managing debt, Council will adhere to the following limits (based on Council's latest financial statements):

- 1 Total gross interest expense⁵ on net external debt⁶ will not exceed 10% of total operating income.
- Ratio of net external debt to equity will not exceed 10.5%.
 - Net external debt per rateable property will not exceed \$2,100.

Council will adhere to the borrowing limit that is reached first, and provides the lowest level of debt.

Council is prohibited from borrowing in a foreign currency.

3.10 SECURITY

All loans are secured over either the separate general and special rates of the district or Council assets. Existing bank lending is secured by Deed of Charge in favour of the ANZ Banking Group (New Zealand) Limited.

3.11 BORROWING MECHANISMS

Council is able to borrow through a variety of market mechanisms including issuing stock and debentures or direct bank borrowing. Council has a borrowing facility with the ANZ Banking Group (New Zealand) Limited.

In developing strategies for new borrowing (in relation to source, term, size and pricing) Council takes into account the following:

⁵ Refers to gross external interest expense, excluding interest owing on internal loans (after interest rate risk management costs/benefits)

⁶ Net external debt includes total external debt less sinking funds

- Available terms from banks and stock issuance.
- Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.
- Prevailing interest rates, margins and total cost relative to term for both loan stock issuance and bank borrowing.
- The market's outlook on future interest rate movements as well as its own.
- Legal documentation and financial covenants.

3.12 GUARANTEES

Council provides guarantees to banks for loans between the bank and non-profit bodies advances where Council considers the guarantee to be beneficial to the community in accordance with Council's policies on loan guarantees.

Financial statements are received annually. Should the guarantee be called upon, Council takes immediate steps to recover the money.

3.13 INTERNAL BORROWING

Council can use its special reserves to fund new capital expenditure projects (internal loan portfolio). This creates operational efficiencies as savings are created by eliminating the 'bankers margin' that would be owing through Council simultaneously investing and borrowing with the bank. Loans are set up within the portfolio based on planned loan funded capital expenditure as approved by Council resolution as part of the Annual Plan or LTCCP.

Council uses the internal loan portfolio as an input into determining Council's external debt requirements. Where possible and within limits, Council's reserves are used to reduce external debt effectively reducing Council's net interest cost.

The following specific reserve is used for internal borrowing purposes:

- TEL investment portfolio

The following guidelines apply in relation to the management of Council's internal loan portfolio:

- All internal borrowing activities are consistent with the principles and parameters outlined throughout the Treasury Management Policy.
- One of the primary reasons for holding financial investments is to provide ready cash in the event of a natural disaster. A risk assessment report suggested \$3million would be required from Council if such an event did occur. The amount of internal debt is limited to the extent that \$3million needs to hold in liquid financial investments to meet this objective.
- The project must cost a substantial amount.
- It is desirable that the project generate income to repay any internal borrowings, and further, that preference be given to those projects which will generate income.
- That a maximum level available for internal borrowing from the capital portion of the TEL investment portfolio be set at 20% of the fund.
- Repayment of a principal sum on any amount borrowed from the TEL investment portfolio shall commence:
 - within the first year of the loan being advanced – where the project is not going to generate significant income streams; or
 - by the beginning of the sixth year of the loan, or sooner if practical – where the project is going to generate significant income streams.

3.14 LEASES

Council utilizes finance leases (as opposed to an operational lease ie renting) as a means of financing some office equipment.

3.15 DELEGATIONS

The delegated authority in respect of the Liability Management policy is as follows:

Council:

- Approve liability management policy.
- Alter liability management policy.
- Approve borrowing strategy.
- Approve borrowing programme for the year through the annual plan or future LTCCP.
- Approve borrowings other than in accordance with the annual plan or future LTCCP.
- Approve interest rate risk management instruments and subsequent additions and deletions.
- Approved seal register signatories - transfers of stock / register new debt issues.
- Approve charging assets as security over borrowing.

District Evaluation and Audit Committee:

- Recommend liability management policy.
- Recommend alterations to the liability management policy.
- Recommend borrowing strategy.

Finance Manager:

- Borrowing management- recommend borrowing strategy
- Raise new loans in accordance with Council approved borrowing programme, and carry out debt negotiations in accordance with strategy (in relation to interest rate, term and maturity date).
- Authorise use of Council approved interest rate risk management instruments in line with strategy.

Financial staff:

- Execute approved borrowing strategy, daily borrowing management.

3.16 PERFORMANCE MEASUREMENT

The performance of the borrowing activity will be measured against pre-determined benchmarks:

- Adherence to policy and in particular the borrowing limits.
- Unplanned overdraft costs.
- Comparison of actual monthly and year to date interest costs vs budget borrowing costs.
- Comparison of actual monthly borrowings with budgeted borrowings.
- Comparison of actual financial ratios to budgeted financial ratios as per the Annual Plan and LTCCP.

3.17 REPORTING

Reporting to Council

- Annual review of Liability Management Policy

Reporting to District Evaluation and Audit Committee

- Monthly Treasury Report
- Six monthly Borrowing strategy (recommend to Council)
- Six monthly or annual Internal Audit on borrowing activity (recommend to Council)
- Annual Report

3.18 REVIEW

Liability Management Policy

- Annual review

4.0 INVESTMENT POLICY

4.1 PURPOSE

Council holds financial investments sufficient to match its reserve accounts created by Council resolution. Council also manages investments in equities, property, council controlled organisations (airport) and forestry.

4.2 LOCAL GOVERNMENT ACT 2002 REQUIREMENTS

Section 105. The Investment Policy required to be adopted under section 102(4)(c) must state the local authority policies in respect of investments, including:

- (a) The objectives in terms of which financial and equity investments are to be managed (s4.3)
- (b) The mix of investments (section 4.5 - 4.11)
- (c) The acquisition of new investments (section 4.6 - 4.11)
- (d) An outline of the procedures by which investments are managed and reported on to the local authority (section 4.4, 4.6 – 4.11, 4.14 - 4.17)
- (e) An outline of how risks associated with investments are assessed and managed (s 4.6 – 4.11)

4.3 OBJECTIVES

The objectives of this investment policy are consistent with corporate best practices and will take into account the requirements of Council's annual plan and LTCCP. The key investment policy objectives are to:

- Prudently manage Council's investment assets in the interests of the Council's district and its inhabitants and ratepayers, only for lawful purposes and so as to safeguard against loss.
- Manage investments in accordance with the Local Government Act 2002 and the Trustee Act 1956; administer, manage and account for its funds and exercise the care, diligence, and skill that a prudent person of business would exercise in the managing the affairs of others.
- Maximise investment income within a prudent level of investment risk. Council recognises that as a responsible public authority any investments that it does hold should be of relatively low risk. It also recognises that lower risk generally means lower returns.
- Invest only in approved securities and asset classes as permitted by this policy. Accordingly, only creditworthy counterparties are acceptable.
- Ensure investments are maintained at an appropriate level of liquidity to enable the provision of cash flow when required.
- Minimise potential risk due to interest rate movements.
- Regularly review the performance and ownership of all investments.
- Maintain operational controls and procedures to protect Council against financial loss, opportunity cost and other inefficiencies.

4.4 INVESTMENT MANAGEMENT AND INTERNAL CONTROLS

Council approves policy parameters in relation to borrowing and investment activities.

In making any investment decisions Council considers:

- the desirability of diversifying investments;
- the nature of existing investments;
- the risk of capital loss or depreciation;
- the potential for capital appreciation;
- the likely income return;
- the length of the term of the proposed investment;
- the marketability of the proposed investment during, and on the determination of the term of the proposed investment;
- the effect of the proposed investment in relation to tax liability; and
- the likelihood of inflation affecting the value of the proposed investment.

Council's Chief Executive has overall responsibility for the operations of Council. The Finance Manager has financial management responsibility over Council's investments. Operational management is detailed in sections 4.6 - 4.11.

Council's systems of internal controls over investment activity include:

- Adequate segregation of duties among the core investment functions of deal execution, confirmation, settling and accounting/reporting. There are a small number of people involved in investment activity, however the risk from this will be further minimised by the following processes:
 - a documented discretionary approval process for investment activity.
 - regular management reporting and review.
 - regular operational risk control reviews by an independent audit function.
- Organisational, systems, procedural and reconciliation controls to ensure:
 - all investment activity is bona fide and properly authorised.
 - reviews in place to ensure Council's accounts and records are updated promptly, accurately and completely.
- Overall assessment of performance of funds management [fund manager portfolio and internally managed portfolio] by investment advisors.

4.5 INVESTMENT MIX

An investment is an asset held by Council which provides service potential or future economic benefit to Council. Investment includes property, ownership in other entities and financial assets. A financial asset is any asset that is cash or the contractual right to receive cash including the financial investment instruments.

Council maintains investments in the following assets:

- Financial investments incorporating a term greater than 90 days (section 4.6)
- Equity investments (section 4.7)
- Council controlled organizations (CCOs) - Airport investment (section 4.8)
- Property investments incorporating (section 4.9)
- Forestry investments (section 4.10)
- Liquidity investments (less than 90 days) (section 4.11.)

4.6 FINANCIAL INVESTMENTS

Council maintains financial investments for the following primary reasons:

- Invest amounts allocated to special reserves and existing sinking funds
- Invest surplus cash and working capital funds
- Provide ready cash in the event of a natural disaster. This cash is intended to assist reinstatement and to finance short-term needs between the disaster and the reinstatement of normal income streams.
- Invest Taupo Electricity Limited (TEL) and Taupo Generation Limited (TGL) sale proceeds known as the TEL investment portfolio (additional detail is provided in section 4.6.4)

The following are approved financial investments:

- Government investments (treasury bills, government stock)
- Registered bank investments (call and term deposits, registered certificates of deposit)
- Local authority investments
- SOE investments
- Corporate investments (corporate bonds, promissory notes)

4.6.1 ACQUISITION/DISPOSITION AND REVENUE

Interest income from financial investments is credited to general funds or special reserves and is included in the Statement of Financial Performance.

Proceeds from the disposition of financial investments are used for operational and capital expenditure purposes or for the purpose for which they have been established, as approved in the annual plan or LTCCP.

4.6.2 MANAGEMENT REPORTING AND PROCEDURES

Financial investments are managed by the Finance Manager with day to day management centrally through its accounting function. The accounting function is broadly charged with the following responsibilities:

- Develop six monthly investment strategy by reviewing on a regular basis, cash flow forecasts incorporating plans for approved expenditure and strategic initiatives, evaluating the outlook for interest rates and the shape of the yield curve, and where applicable, seeking appropriate financial advice.
- Develop and maintain professional relationships with the financial markets in general and Council's main relationship bank in particular.
- Manage Council's investments within its strategic objectives and ensure that surplus cash is invested in liquid and creditworthy instruments.
- Manage the impact of market risks such as interest rate risk and liquidity on Council's investments and currency risk on investments by undertaking appropriate hedging activity in the financial markets.
- Minimise adverse interest rate related increases on ratepayer charges and maintain overall revenues within budgeted parameters.
- Manage the overall cash and liquidity position of Council's operations.
- Provide timely and accurate reporting of treasury activity and performance. Currently a quarterly Investment Monitoring report is prepared by Council's investment advisors and a monthly Treasury Report prepared by finance staff. These are reviewed by the District Evaluation and Audit Committee.

4.6.3 INVESTMENT RISK

CREDIT RISK - COUNTERPARTY EXPOSURE LIMITS

Council's primary objective when investing is the protection of its investment. Accordingly, only creditworthy counterparties are acceptable. Creditworthy counterparties are selected on the basis of their Standard and Poors (S&P) rating which must be strong or better.

Council ensures that all investment, interest rate risk management as well any foreign exchange activity is undertaken with institutions that are of high quality credit to ensure amounts owing to Council are paid fully and on due date.

More specifically, Council minimises its credit exposure by:

1. Ensuring all investment, cash management, interest rate risk management and any foreign exchange transactions are undertaken with entities (excluding Government) that have a strong or better (A1 for short term, A+ for long term) Standard and Poors (S&P) credit rating.
2. Limiting total exposure to prescribed amounts and portfolio limits.
3. Rigorous six monthly monitoring of compliance against set limits.

Council approval is required to add to or delete from the counterparty exposure limits. The following table summarises credit requirements and limits:

Institution	Minimum S&P Short Term Credit Rating⁷	Minimum S&P Long Term Credit Rating⁸	Total Exposure Limit for each counterparty	Portfolio Limit (% of Total Portfolio)
Government	n/a	n/a	Unlimited	100%
Registered Bank - On balance sheet exposures - Off balance sheet exposures	A1 A1	A+ A+	\$20 million \$5 million	80%
Strongly Rated Corporates, Local Authorities and SOEs (on balance sheet exposures only)	A1	A+	\$4 million [Face Value]	50%

If any counterparty's credit rating falls below the minimum specified in the above table then all practical steps are taken to reduce the credit exposure to that counterparty to zero as soon as possible.

Exposures to each counterparty are computed as follows:

On-Balance Sheet:

- Total amounts invested with that counterparty.
- International Equities currency exposure on foreign currency hedging converted on the day at the spot rate.

Off-Balance Sheet:

- Credit exposure on interest rate contracts computed by multiplying face value of outstanding transactions by an interest rate movement factor of 5%.

INTEREST RATE RISK

Interest rate risk refers to the impact that movements in interest rates can have on Council's cash flows. Council's financial investments give rise to direct exposure to interest rate movements. Interest rate risk is managed by Council as part of its overall investment strategy.

The following interest rate risk management instruments are approved by Council:

- Bond Options
- Forward Rate Agreements
- Interest Rate Collar Strategy
- Interest Rate Options
- Interest Rate Swap

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

LIQUIDITY RISK

Liquidity risk management refers to the timely availability of funds to Council when needed, without incurring penalty costs.

The following guidelines have been established to provide Council with a minimal level of liquidity at all times:

Term	Minimum	Maximum
0-12 months	15%	60%
1-3 years	0%	40%
3-5 years	0%	20%

⁷ Short term refers to securities with a remaining maturity of 12 months or less

⁸ Long term refers to securities with a remaining maturity of more than 12 months

4.6.4 TEL INVESTMENT PORTFOLIO

The TEL portfolio is managed within the investment policy parameters with the additional guidelines specified:

- 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% +/- 5%
 - Global Equities 30% +/- 5%
- The policy also provides for up to 20% of the TEL investment portfolio to be invested internally through internal borrowing (section 3.13). The 20% forms part of the cash and NZ Fixed Interest allocation.
- Re-balancing of the equities investment occurs when the level of asset allocation is greater than +/- 5% of the total TEL portfolio.
- The TEL Investment portfolio is expected to produce a return after inflation and investment management expenses of at least 4.5% per annum over a 10 year period.
- A TEL Investment Fluctuation Reserve is utilised having the purpose 'to supplement cash flows (per the annual plan) when investment income is below budgeted income'. The TEL investment portfolio is to be reimbursed the initial \$4.5 million from the new reserve at a later date from surplus proceeds and where surplus proceeds are defined as investment income received from the TEL investment portfolio in excess of the budgeted investment income for that fund.

Additionally the following requirements for the TEL portfolio are specified:

- An appropriate level of investment diversification across securities will be maintained.
- The fund risks will be managed in a prudent manner and investment risk is in consultation with professional advisors.
- An appropriate level of investment risk is determined and accepted by Council in consultation with professional advisors.
- Purely speculative investments will be prohibited.
- Consistent with the stated objectives, Council demonstrates a preference for more conservative investment choices and a more stable flow of investment income.
- The real value of the capital of the TEL investment portfolio is preserved on an annual basis by reference to the change in Statistics New Zealand "All Group Consumer Price Index".
- Fund performance and the Investment Manager are monitored on an on going basis with the Investment Advisor being reviewed at least annually.
- The fund structure allows flexibility to accommodate changes in Council's requirements and the investment environment.
- All aspects of the investment process and functions will be reviewed regularly.
- The fund is managed from day to day within the Investment policy parameters.
- The fund is managed in a manner that reflects its potential utilisation as a disaster recovery fund in the event of a natural disaster in the Taupo District.

4.7 EQUITY INVESTMENTS

INTERNATIONAL EQUITIES AND NEW ZEALAND EQUITIES

Council maintains international equities for the following primary reasons:

- Invest (TEL) investment portfolio.
- Diversify the TEL Investment portfolio to enable the objective return to be achieved over the long term.
- Provide cash flow as required.
- Minimise interest rate risk.

Council currently holds passively managed units in State Street Global Advisors International Equities Index. This scheme provides an investment portfolio across a broadly diversified range of companies in all major world sharemarkets. The result is the delivery of international sharemarket return as measured by the MSCI World ex Australia index.

Council currently maintains New Zealand equity investments in New Zealand Local Government Insurance Corporation Limited and King Country Electricity Limited.

4.7.1 ACQUISITION/DISPOSITION AND REVENUE

Revenue earned from international equities is to be reinvested in units in the International Equities Index Trust scheme. All income, including dividends is recognised in the Statement of Financial Performance forms part of special funds [TEL]. Any change in the strategic asset allocation for the TEL portfolio requires Council approval

Revenue earned from New Zealand equities is minimal. All income is recognised in the Statement of Financial Performance and forms part of general funds. Any sale of these investments as well as acquisition of new investments requires Council approval.

4.7.2 MANAGEMENT REPORTING AND PROCEDURES

The international equities are managed by Fund Managers. Monthly reports are provided by the Funds Manager to the Finance Manager and included in the monthly Treasury Report.

Annual Reports for the New Zealand equity investments are received and reviewed by Council.

4.7.3 INVESTMENT RISK

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Council is exposed to translation risk arising from its AUD denominated international equity fund being translated onto the NZD Statement of Financial Position. Council is also exposed to translation risk on any income or dividends declared and recognised in the Statement of Financial Performance.

Council manages these risks through the following parameters:

- To protect the NZD value of its international equity fund, the fund manager (acting as agent) hedges at least 50% of the foreign currency exposure.
- No hedging of income/dividends is currently completed.

4.8 COUNCIL CONTROLLED ORGANISATIONS (CCO's) – TAUPO AIRPORT AUTHORITY INVESTMENT

Council has 50% ownership of the joint venture Taupo Airport Authority, with the other 50% owned by the Crown. Council has 100% ownership in Destination Lake Taupo Ltd and Taupo Information Centre Ltd, both these companies are non-trading.

Council retains ownership of the airport because it is essential for the economic development of the Taupo district and is consistent with Council's annual plan and LTCCP.

4.8.1 ACQUISITION/DISPOSITION AND REVENUE

The airport investment is consolidated into the Council's annual report. Any surplus generated by the airport will be utilised by the airport. Proceeds from the disposition of the investment will form part of general or special funds.

Additions to, or disposal of, the airport investment require Council approval. Council reviews the performance of its airport investment on a monthly basis.

4.8.2 MANAGEMENT REPORTING AND PROCEDURES

Council is responsible for the management of the airport through its appointment of the Airport Manager who reports to the Finance Manager. The Airport Manager reports to the District Evaluation and Audit Committee on a monthly basis. A half year financial report and an Annual Report are prepared by Council staff. The authority prepares an annual statement of corporate intent for approval of the joint venture partners.

4.8.3 INVESTMENT RISK

The primary objective for risk management of the airport is to maintain operational efficiency and safety. This is managed by regular Civil Aviation Authority audits.

4.9 PROPERTY INVESTMENTS

Council's property investments include:

- crown land vested in Council and Council owned reserve lands
- property owned by Council either for the development needs of the district or for investment purposes (land, buildings, ground leases and motor camps).

Council's primary objective for crown owned land vested in Council and Council owned reserve land is for the social benefit of the Taupo district.

Council's primary objective for property owned for development needs or for investment purposes is that it is necessary for the economic, physical and social development of the Taupo district and secondly, to achieve an acceptable rate of return. Council generally follows a similar assessment criteria in relation to the acquisition of new property investments.

4.9.1 ACQUISITION/DISPOSITION AND REVENUE

Prior to acquisition of property for the development needs of the district or for investment purposes the property will be assessed as follows:

- Property for the development needs of the district - a financial and non financial assessment of economic, physical and social benefit to the district, the cost of owning the property and the cost of ownership and assessment.
- Investment property - a financial assessment including a calculation and assessment of the cost of ownership.

Proceeds from the disposition of property investments are used for retirement of debt relating to such property, or allocated to general or special funds. All income from property investments is shown in the Statement of Financial Performance and forms part of general funds.

Any acquisition or disposition of these investments requires Council approval.

4.9.2 MANAGEMENT REPORTING AND PROCEDURES

Council reviews the performance of its property investments on a six monthly basis, and ensures that the benefits of continued ownership are consistent with its stated objectives.

Council's property investments are managed by the Property Manager.

4.9.3 INVESTMENT RISK

Insurance cover is held for all property investments. A risk assessment is carried out prior to acquisition of a property investment.

4.10 FORESTRY INVESTMENTS

Council has a holding of forestry assets which are held as long term investments on the basis of their net positive discounted cash flows. The discounted cash flows take into account projected market prices, annual maintenance and logging costs.

4.10.1 ACQUISITION/DISPOSITION AND REVENUE

Proceeds from the disposition of forestry investments are applied firstly to the repayment of forestry encouragement loans raised to fund these assets. Surplus proceeds (after repayments of loans) from the disposition of forestry investments will be allocated to special funds of the rating areas in the proportion of Taupo/Kaingaroa 55.94%, Turangi/Tongariro 23.79% and Mangakino/Pouakani 20.27%.

Any disposition of these investments requires Council approval. A valuation is carried out every three years.

4.10.2 MANAGEMENT REPORTING AND PROCEDURES

The forestry assets are managed under contract to Council and are overseen by the Finance Manager. An annual Forest Health report is provided by the Forest Managers.

4.10.3 INVESTMENT RISK

Professional Forest Managers are engaged to oversee the forests. Insurance cover is held for all forest investments.

4.11 LIQUIDITY INVESTMENTS - CASH MANAGEMENT

Cash management deals with the net balance in Council's main bank accounts. The accounting function is responsible for managing Council's cash surpluses and/or deficits.

Council maintains a Daily Balancing Report (bank reconciliation) and short term and long term cash flow projections which are updated monthly and which form the basis of its cash management activity. Generally cash management surpluses are available for periods less than 90 days.

Cash management instruments are limited to:

- Call deposits with registered banks.
- Registered certificates of deposit and corporate papers with a maturity less than three months.
- Term deposits (less than three months) with registered banks. Not recommended if early break penalties are enforced.
- A target average daily balance of \$0 to \$100,000 is aimed for in the main bank account, with surplus transferred to call deposits.
- The use of interest rate risk management instruments on cash management balances is not permitted.

Cash may only be invested with approved counterparties within the limits detailed in section 4.6.3.

4.12 SINKING FUNDS

Council is not required to use specific funding mechanisms and accordingly Council does not establish sinking funds for new borrowing. Established sinking funds are wound down as loans mature or are used to repay existing borrowing at the earliest opportunity. Remaining sinking funds are managed by the appointed commissioners in a manner consistent with Council's general investment policy. A statement of sinking funds is prepared annually by the sinking fund commissioners.

4.13 OTHER INVESTMENTS – LOANS AND MORTGAGE ADVANCES

Council has other investments in the form of rural housing loans, Hillary Commission loans and water and wastewater lump sum loans. All existing loans will continue to be held on the same terms and conditions, unless there are obvious financial reasons suggesting a change. A Council resolution is required to provide funding assistance in the form of water and wastewater loans. Hillary Commission loans are made under the criteria set by the Hillary Commission. Council has no intention of continuing with rural housing loans once existing loans are cleared.

4.14 DELEGATIONS

The delegated authority in respect of the Investment policy is as follows:

Council:

- Approve investment policy
- Alter investment policy
- Approve investment strategy
- Open/close bank accounts
- Approve interest rate risk management instruments and subsequent additions and deletions
- Approve acquisition and disposition of investments
- Approve cheque signatories

District Evaluation and Audit Committee:

- Recommend investment policy
- Recommend alterations to investment policy
- Recommend investment strategy

Finance Manager:

- Financial management- recommend investment strategy
- Authorise use of Council approved interest rate risk management instruments in line with strategy

Financial staff

- Execute approved investment strategy, daily management
- Cash management

4.15 PERFORMANCE MEASUREMENT

The performance of the investing activity will be measured against pre-determined benchmarks:

FINANCIAL INVESTMENTS

- Adherence to policy.
- Comparison of actual monthly and year to date accrued returns vs investing the entire treasury portfolio at the weekly average three month bank bill rate for short term investments. For investments of longer maturity compare year to date accrued returns to the weekly average three year Government stock rate or to a recognised fixed interest benchmark index.
- Show returns achieved on a 'typical' cash portfolio. [Indices produced by Credit Suisse First Boston].
- A maturity profile showing the average yield in each maturity band compared against the current market yields.

EQUITY INVESTMENTS

- Adherence to policy.
- Comparison of actual return with budgeted return.
- International equities showing returns against benchmark (MSCI World Index \$NZ) over various time periods and country allocations.
- Disclosure of the effect of currency on the TEL International Equities part of the portfolio.

PROPERTY INVESTMENTS

For investment property:

- Adherence to policy.
- Comparison of actual gross and net income to budgeted gross and net income.
- Comparison of actual rental yield to budgeted (and/or market) rental yield.
- Comparison of actual property sales to budgeted property sales.
- Comparison of actual property purchases to budgeted property purchases.

FORESTRY INVESTMENTS

- Adherence to policy.
- Comparison of actual annual cash flows to budgeted projected annual cash flows.

GENERAL

- Total return achieved by the TEL Fund compared to investment objectives and Annual Plan target.
- A quarterly review by Investment Advisors of performance of the whole of Council's investment portfolio.
- Comparison of actual financial ratios to budgeted financial ratios as per the Annual Plan and LTCCP

4.16 REPORTING

Reporting to Council

- Annual review of Investment Management Policy
- Annual Statement of Corporate Intent (CCO's)

Reporting to District Evaluation and Audit Committee

- Monthly Treasury Report
- Quarterly Investment Monitoring Report
- Six monthly Investment strategy
- Six monthly or annual Internal Audit on investing activity
- Annual Report (for Council and CCO's)

Reporting to the Finance Manager

- Monthly Fund managers report
- Daily balancing report (bank reconciliation)

4.17 REVIEW

Investment Policy

- Annual review.
- Quarterly review by investment advisors of whole portfolio performance.

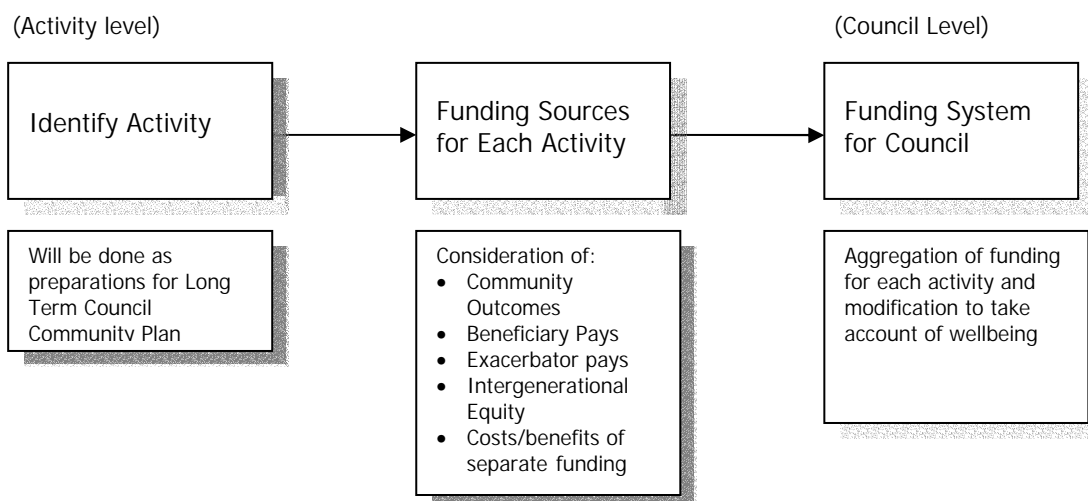
Investment Advisors

- Annual review

REVENUE AND FINANCING POLICY (LGA 2002)

LEGISLATION AND PROCESS

Section 102 of the Local Government Act 2002 requires Council to adopt a revenue and financing policy. Much of the information that went into the funding policy under the old Part VIIA provisions must now go into a new policy known as the Revenue and Financing Policy. Section 101(3) of the Local Government Act 2002 places an obligation on local authorities to undergo a three step process.



Step One – Identification of Activities

Activities will be identified as part of the process for preparing the Long Term Council Community Plan in the 2004/05 financial year. During this interim period, the activities as identified in the 2002/03 Strategic Plan will be used as a basis for the Revenue and Financing Policy.

Step Two – Funding Sources

Step two is to select the funding mechanisms deemed appropriate after considering:

- The community outcomes that each activity contributes to **[s101(3)(a)(i)]**
 - *Obligation of authority to consider why it is engaging in an activity. (see page 75 of the 2002-2012 Strategic Plan)*
 - *As far as possible, funding of activity should be consistent and complementary to achievement of those outcomes*
- The distribution of benefits from each activity to the community as a whole, identifiable parts of the community, and individuals **[s101(3)(a)(ii)]**
 - *Public good economic framework as used in old funding policy*
 - *Rivalry in consumption (one persons consumption prevents others from using it)*
 - *Excludability (can a person be prevented from consuming or using the service?)*
- The period over which the benefits from each activity can be expected to occur **[s101(3)(a)(iii)]**
 - *"Intergenerational equity" principle – many of the expenditure items are either infrastructural assets or community facilities which have long service lives. Current ratepayers should not be expected to fund the benefits future ratepayers will receive so there should be some degree of spreading of the cost, usually spread thorough raising loans.*
- The extent to which actions or inactions of particular individuals contribute to the need to undertake each activity **[s101(3)(a)(iv)]**
 - *"Exacerbator pays" principle*
- The costs and benefits of separate funding **[s101(3)(a)(v)]**

- o *Costs of collecting sufficient information to enable separate assessment*
- o *Benefits of separate funding (eg incentives towards conservation)*
- o *Transparency*

Step Three – Consideration of Impact on well being [s101(3)(b)]

After Step 2, there is a selection of funding mechanisms. This next step involves:

- Aggregation of the results of step two across the local authority
- Consideration of the impact of selecting funding mechanisms on the current and future social, economic, environmental and cultural well-being of the community

For the purposes of this document, the details of step 2 and a summary of step 3 are shown for each activity stating on page 13.

STEP TWO - FUNDING SOURCES

The funding sources for Council are outlined below. They are split into two separate categories: Funds which cover operating expenditure and funds which cover capital expenditure.

Operating Expenditure Revenue

The "revenue" part of the title "revenue and financing policy" relates to funding of operating expenditure

The following sources of income are recognised in the operating statement:

1. Rates

A number of Council activities are funded by a combination of revenue types. Council practice is to initially account for income from fees and charges, and grants and subsidies. If the activity still requires additional funding, the remainder is funded by way of a rate.

There are two classification types for rates:

- General rates
- Targeted rates

2. Fees and charges

There is a wide range of revenue under this general title. They range from rent for Council owned buildings, through to charges for liquor licenses or dog registration. The complete list of charges is shown in the Annual Plan.

3. Interest and dividends from investments

Interest is recognised from all investment sources. The use of the interest depends on the investment source.

The majority of investment income is used to offset rates.

Some income is derived from investments held for special reserve purposes. This income is funded to these reserves to fund capital expenditure.

4. Income from the sale of assets

Use of income from asset sales is dependant on the type of asset being sold.

Currently Council intends to sell some non strategic property which shall be used to offset some large one off expenses.

Council is also currently harvesting trees from its forest. The income is immediately transferred into a Forestry reserve. This reserve will be used to repay existing forestry loans, fund replanting of trees and management contracts, and to pay stumpage royalties to the Crown. Council has yet to determine the use of any non allocated funds.

5. Other sources of income including Grants and subsidies

Some activities of Council qualify for a grant or subsidy from the Crown. In particular, Council receives a subsidy from Transfund NZ for roading. Other smaller grants are also received from the Crown, for example the Safer Community Council.

Capital Expenditure Financing

The "financing" part of the title "revenue and financing policy" relates to funding of capital expenditure projects.

Capital projects are funded using four different sources –

1. Loan

Usually a new project that is significant in cost will be funded by loan. The resulting interest on the loan and depreciation become operating expenses for an activity in subsequent years. A major reason for funding by loan is to recognise the intergenerational equity aspect of the project. In other words, future users pay for the service over the years during which they will be receiving the benefit.

2. Reserves

Depreciation reserves

Depreciation reserves build up through the charging of rates on depreciation of particular asset classes or groups. These reserves are used primarily to repay existing loan principal, expenditure regarded as renewal (in order to restore the asset to its optimum working condition). If there is sufficient in the reserve, and there is no adverse impact on future capital requirements, the reserve may be used to fund minor new works.

Contribution reserves

Contribution reserves build up from either contributions made generally by property sub dividers, towards the cost of future infrastructural asset upgrades, or from contributions in lieu of land from sub dividers.

Other reserves

These may have built up over the years from a number of sources. For example: Asset Sales, bequests, forestry income. Some reserves may have quite specific purposes, others may be of more general nature.

3. Rates

In extreme cases, if loans or reserve funding is not appropriate or available, funding of a project through rates may occur.

4. Contributions

Occasionally, some projects are partly funded by a community group or individual in order to help facilitate a project.

The funding sources of all capital expenditure are identified separately in the Annual Plan.

As part of a fees and charges review it is anticipated that the funding mechanism for each activity will form part of this review and may change as a result. Both the fees and charges review and the underlying funding mechanism for each activity will be incorporated in councils new LTCCP as at 1 July 2004. The review will be completed in accordance with the new LG Act and is likely to invoke the special consultative procedures required under the Act.

STEP THREE – CONSIDERATION OF IMPACT ON WELL BEING

Aggregation of Funding Mechanisms

As a result of step two determinations, the following funding mechanisms were identified:

Subsidies	Roading Safer Communities
User Fees and Charges	A wide range of fees ranging from rent for a pensioner housing unit, to entrance fees for the AC baths
Targeted Rates	Targeted General Charge (see below) Water Supply Waste water Schemes Marketing Development Rate District Refuse Project Pounamu Turangi Mall Security Forest Road Fire Hydrant Supply
General Rates	Rate in the Dollar (Based on land Value) (see below)

General Rates and Targeted Uniform General Rate

Prior to 2003/04, all rates that were not targeted rates were combined together to form a general rate. 30% of the General rate was funded from as a Uniform Charges on every property, with the balance being charged on the basis of the land values of each property across each rating area.

There are two rating areas. Taupo/Kaingaroa-Mangakino/Pouakani forms one area and Turangi/Tongariro forms the other.

As a result of the Rating Act 2001, Councils have been given a greater range of rating options.

One of these options provides for what was the Uniform charge (now called the Targeted Uniform General Rate) to exceed the 30% maximum limit of the total general rate. However, the new act now requires all services funded from the general rate as a Targeted General Rate to be identified. The balance of the general rate would continue to be charged on the basis of property value.

A number of decisions were made in regards to the general rate as a result of Councils undertaking to conduct a review of its rating system prior to the commencement of the 2003/04 year.

The targeted rates – waste water, water supply etc were to continue to be levied as in the past.

The review of the general rate focused on determining which service could be charged as a uniform (fixed) charge per property (Called a Targeted Uniform General Rate).

The key principle upon which that classification was based was “where ratepayers have equal opportunity of access then they should contribute equally toward the cost of that service”.

By deduction, the balance of services funded from the general rate would be rated for on the basis of property value. They tend to be either more discretionary in nature or provide social and cultural services or by their nature lend themselves towards the more historic rate in the dollar charge.

Summary of General Rate Review

The outcome of this review of the general rate resulted in the split of the general rate into the two categories shown below:

Rate In The Dollar	Targeted Uniform General Rate
Planning Guidance	Governance
Building & Development Services	Integrated Planning
Inspection Services	Environmental Planning
Rural Fire	Policy & Development
Housing For The Elderly	Civil Defence
Community Support	Animal Control
Community Health	Taupo Events Centre
Arts & Culture	Libraries
Heritage	Great Lake Centre (TKMP)
Safety & Crime Prevention	Parks & Reserves
Venture Centre	Sports Grounds
Swimming Pool (Turangi)	Amenity Plantings
Roading (+Legal Fees)	Community Halls
Rate Remissions	Public Conveniences
Parking Control	Super Loo (TKMP)
Economic Development	Visitor Centres
Destination Marketing	Litter Control

Impact on four aspects of well being

Section 101(b) of the Local Government Act 2002 requires Council to consider the impact of selected funding mechanisms on the current and future social, economic, environmental and cultural well-being of the community.

This section of the policy will evolve with each review, however initially we considered impact on the community.

The impact could be gauged by determining the effects they would have on the following:

- Impact on elderly and others on fixed or low incomes
- Implication for different communities
- Does it give incentives for development
- How is burden distributed across differing sectors of the community
- What incentives are there to conserve scarce resources
- What impact is there on participation in sporting and cultural activities
- Is there part of the community that are advantaged or disadvantaged.

Some general answers to the above questions could be:

- As a rule the elderly and other on low incomes tend to reside within the urban residential sectors. The majority of those on low incomes will be reasonably expected to either own lower valued properties or be renting equivalent type houses. There will however be some elderly and low income people who live in higher valued properties and are victims of changed circumstance. Reference to the table shows that in most cases, payment of General Rates by using the rate in the dollar method by far benefits these people. The greater the Uniform charge, the more adverse impact there is on them. Council has recognised that there will be instances where the elderly or

low income person cannot afford the level of rates. It was decided to look at each case through a rate policy designed for such events. The development of that policy will be carried out in the 2003/04 year.

- There are a number of different communities. If we look at geographical groups, there are a number of small pockets of villages (eg Atiamuri, Motuoapa, River Road) in the district. In some cases, although the overall property numbers are increasing in the district, the population in these smaller groups is declining. Disputes over rates in the past has usually been over the level of service that is evident in those small communities compared to the services in the main centres that these small communities are still required to contribute toward. In the past this has been recognised to a degree by creating a rural uniform annual charge which was lower than the urban uniform annual charge.
- Incentives for development come in many forms.
 - There could be offers of reduced rates, charging reduced consent or inspection fees, joint ventures, gifting of land, grants, interest free loans etc.
 - It has also been suggested that any rate that is based on land value is in itself an incentive for an owner of a bare section to develop it. On the other hand it could be said that any rate based on capital value could become a disincentive for development. While there are elements of truth in both statements, the level of rates compared to the costs involved with development is relatively small and is unlikely to be a major factor in the decision process
- The table above showing the split of services on a targeted uniform general rate or rate by rate in the dollar gives a good indication of the spreading of the general rates burden across the different sectors in the district.
- There are a few incentives that Council has introduced to conserve scarce resources.
 - Landfill and refuse services: Refuse minimisation targets in the Waste Minimisation Strategy exceeded expectations in the first year. The target was to reduce the volume of waste at the landfill tip face by 25%. A 37% reduction was achieved in the first year. Main one is with Councils landfill and refuse services. As a result of updating its Waste Minimisation Strategy Council arrived at a regime of charges that in its first year exceeded expectations. The target was to reduce the volume of waste at the landfill tip face by 25%. The first year achieved 37% reduction
 - The district wide wastewater (sewerage) rate: The focus is to encourage the treatment of wastewater throughout the district to protect Lake Taupo and its waterways. A common charge across all sewage schemes should encourage those lake shore settlements which are currently without treatment schemes.
- Sporting clubs: Council has various choices regarding the cost of supplying land and facilities. The costs can be met by either directly charging the sporting clubs or covering all costs incurred through rates. Council keeps lease income low in favour of funding the majority of costs by rates. Council provides major grants for cultural purposes. In addition, these areas are well protected in rates remission policies. In short, the rates impact on sporting clubs and cultural entities is minimal.
- There is no community that is any more advantaged or disadvantaged than any other.

Summary of Services and Funding Decisions

Activity	Related Outcomes (refer to Strategic Plan 2002-2012)			Sub Activity	Step 2 Assessment		Funding Mechanism	
	Community	Economy	Environment		Private	Public	Private	Public
Governance	7.1-14.4	15.1-17.2	1.1-6.1	Democratic Function	0%	100%		Targeted Uniform General Rate
				Integrated Planning and Policy Development	0%	100%		Targeted Uniform General Rate
Environmental Services	7.1-14.4	15.1-17.1	1.1-4.3 4.6-6.1	Environmental Planning and Policy Development	0%	100%		Targeted Uniform General Rate
				Building/Development Services	80%	20%	Fees and Charges	General Rate (LV)
				Planning Guidance	75%	25%	Fees and Charges	General Rate (LV)
				Civil Defence	0%	100%		Targeted Uniform General Rate
				Rural Fire	0%	100%		General Rate (LV)
				Animal Control	54%	46%	Fees and Charges	Targeted Uniform General Rate
				Inspection Services	20%	80%	Fees and Charges	Targeted Uniform General Rate
				Liquor Licensing	90%	10%	Fees and Charges	
				Parking Control	0%	100%		General Rate (LV)
				Community Development and Support	7.1-14.4	15.1, 15.3 17.1, 17.2	3.2, 5.1 5.2, 5.4	Housing for the Elderly
Community Support	0%	100%						General Rate (LV)
Health	0%	100%						General Rate (LV)
Arts & Culture	0%	100%						General Rate (LV)
Heritage	0%	100%						General Rate (LV)
Safety and Crime Prevention	0%	100%						General Rate (LV)
Community Venture Centre	67%	33%	Fees and Charges					General Rate (LV)
Recreation and Community Facilities	7.1-8.1 9.1-10.4 15.1-15.3	15.1-15.3 17.1, 17.2	1.1-4.2 4.4, 4.7-6.1	Swimming Pools-AC Baths	100%	0%	Fees and Charges	
				Turtle Pools	5%	95%	Fees and Charges	Targeted Uniform General Rate
				Events Centre	50%	50%	Fees and Charges	Targeted Uniform General Rate
				Libraries	5%	95%	Fees and Charges	Targeted Uniform General Rate
				Public Conveniences	0%	100%		Targeted Uniform General Rate
				Super Loo	50%	50%	Fees and Charges	Targeted Uniform General Rate
				Great Lake Centre	33%	67%	Fees and Charges	Targeted Uniform General Rate
				Parks and Reserves	10%	90%	Fees and Charges	Targeted Uniform General Rate
				Sportsgrounds	10%	90%	Fees and Charges	Targeted Uniform General Rate
				Amenity Plantings	0%	100%		Targeted Uniform General Rate
				Cemeteries	50%	50%	Fees and Charges	General Rate
				Community Halls	15%	85%	Fees and Charges	Targeted Uniform General Rate
				Economic Development and Marketing	7.1-8.1 9.2-9.5 10.2-10.4 14.1-14.3	15.1-17.2	1.1, 3.2-3.6 4.1, 4.2, 4.5 4.6, 5.3-6.1	District Economic Development
Destination Marketing	55%	45%	Targeted Rate (MDR)					General Rate (LV)
Visitor Centres	65%	35%	Fees and Charges					Targeted Uniform General Rate
Solid Waste Management	7.1, 7.3, 8.1 9.5, 9.6, 10.1 10.3, 12.2 12.2, 12.4	16.1	1.1-5.2 6.1	Litter Control	0%	100%		Targeted Uniform General Rate
				Solid Waste Collection	100%	0%	Fees and Charges	
				Solid Waste Disposal	100%	20%	Targeted Rate (DRDC)	
Water Supply	7.1, 8.1, 9.5 9.7-10.1, 10.4 11.2, 12.1	15.1, 15.3 16.1, 17.1	1.1, 3.2, 3.3 4.1, 4.3, 4.6 5.1, 5.2, 5.4 6.1	Water Supply	100%	0%	Targeted Rate (Water)	
Wastewater	7.1, 7.3, 8.1 9.5, 9.7-10.1 10.4, 11.2 12.1	15.1, 15.3-17.1	1.1-3.1 3.6-5.2 5.4, 6.1	Wastewater	100%	0%	Targeted Rate (District Wastewater)	
Roading Network	7.1, 7.2, 8.2 9.3, 9.4, 9.6-10.1 10.3, 10.4 14.2	15.1-16.1	1.1-2.3 3.2, 3.3 3.6, 4.1 5.1-6.1	Roading and Traffic Services	0%	100%		General Rate (LV)
				Project Pounamu	0%	100%	Targeted Rate (Mainstreet)	
Stormwater	7.1, 8.1, 9.3 10.3, 10.4 11.2, 12.3 14.2	15.1-17.1	1.1, 2.1 3.1-3.5 3.7-5.3 6.1	Stormwater and Land Drainage	0%	100%		General Rate (LV)
				Lake & River Control	0%	100%		General Rate (LV)

As part of a fees and charges review it is anticipated that the funding mechanism for each activity will form part of this review and may change as a result. Both the fees and charges review and the underlying funding mechanism for each activity will be incorporated in councils new LTCCP as at 1 July 2004. The review will be completed in accordance with the new LG Act and is likely to invoke the special consultative procedures required under the Act.

Summary of financing decisions by activity

The next pages identify the process of identifying fund by activity

Governance

Funding Policy Assessment of Services Provided:

Democratic Function (AP-17)

s101(3)(a) Assessment

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

Private Component	0%
Public Component	100%

s101(3)(b) Assessment

The function of running the Council and its operations benefits every person / rating unit equally. Democracy relies on every person having equal access to Council Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

General Rates	100%
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Integrated Planning and Policy Development (AP-17)

s101(3)(a) 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%

s101(3)(b) Assessment

The function of creating and administering policy benefits every person / rating unit equally. Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

Environmental Services

Funding Policy Assessment of Services Provided:

Environmental Planning and Policy Development

s101(3)(a) 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%

s101(3)(b) Assessment

The function of creating and administering policy benefits every person / rating unit equally. Democracy relies on every person having equal say on Council policies and plans. Consequently every ratepayer should be charged the same amount.

Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

Building/Development Services

s101(3)(a) 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%

s101(3)(b) Assessment

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

This service is primarily associated with property. The greater the size / value of the property the more likely the owner is to utilise the service. Consequently the service should be funded based on wealth ie property values.

User Fees and Charges	80%
General Rates (Rate in \$ of Land Value)	20%

Planning Guidance

s101(3)(a) 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%
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Public Component 25%

s101(3)(b) Assessment

The most efficient and transparent funding method is through user fees and charges and general rates. This service is primarily associated with property. The greater the size / value of the property the more likely the owner is to utilise the service. Consequently the service should be funded based on wealth ie property values.

User fees and Charges 75%

General Rates (Rate in \$ of Land Value) 25%

Civil Defence and Rural Fire (AP-20)

s101(3)(a) 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%

s101(3)(b) Assessment

Civil Defence is primarily concerned with the preservation of human life irrespective of the wealth of the ratepayer. Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

General Rates 100%

Animal Control (AP-21)

s101(3)(a) 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%

s101(3)(b) Assessment

The most efficient and transparent funding method is through user fees and charges and general rates. Animal control benefits all ratepayers equally and is not related to individual wealth. Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most

efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

User Fees and Charges	54%
General Rates	46%

Inspection Services

Liquor Licensing

s101(3)(a) Assessment

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%

s101(3)(b) Assessment

User Fees and Charges	90%
General Rate	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%

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%

s101(3)(b) Assessment

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

Inspection Services

User Fees and Charges	20%
General Rate	80%

Parking Control (AP-21)

s101(3)(a) 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%

s101(3)(b) Assessment

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

General Rate 100%

Note: Council will continue to police parking within the Taupo CBD and will issue infringement notices as per its parking policy. The revenue and funding policy recognises the NET cost of the service after infringement fees

Community Support and Development

Funding Policy Assessment of Services Provided:

Housing for the Elderly (AP-23)

s101(3)(a) Assessment

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

Private Component	100%
Public Component	0%

However, existing Council policy limits the rentals charged. Charges will be reviewed annually.

Private Component	55%
Public Component	45%

s101(3)(b) Assessment

The effect on increasing rent in this area is assessed as part of the review of charges each year. It is at this point where the ability for elderly persons to pay is taken into account. This is a social responsibility function of Council. The most efficient and transparent funding method is through user fees and charges (rent) and general rates.

User fees and Charges	55%
General Rates	45%

Community Support (AP-24)

s101(3)(a) 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%

s101(3)(b) Assessment

This is a social responsibility function of Council. The most efficient and transparent funding method is through general rates.

General Rates	100%
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Health

s101(3)(a) Assessment

Council's role is that of advocacy on behalf of all of the community – it is of public benefit.

Private Component	0%
Public Component	100%

s101(3)(b) Assessment

This is a social responsibility function of Council. The most efficient and transparent funding method is through general rates.

General Rates 100%

Arts and Culture (AP-24)

s101(3)(a) 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%

s101(3)(b) Assessment

This is a social responsibility function of Council. The most efficient and transparent funding method is through general rates.

General Rates 100%

Heritage (AP-24)

s101(3)(a) 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%

s101(3)(b) Assessment

This is a social responsibility function of Council. The most efficient and transparent funding method is through general rates.

General Rates 100%

Safety and Crime Prevention (AP-25)

s101(3)(a) 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%

s101(3)(b) Assessment

This is a social responsibility function of Council. The most efficient and transparent funding method is through general rates.

General Rates 100%

Community Venture Centre (AP-25)

s101(3)(a) 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%

The assessment was then modified due to 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%

s101(3)(b) Assessment

This is a social responsibility function of Council. 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

Funding Policy Assessment of Services Provided:

Swimming Pools (AP-29)

s101(3)(a) 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%

A C Baths

The modified assessment promotes existing Council policy to fully fund the costs of the A C Baths through user charges.

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%

s101(3)(b) Assessment

This is regarded by the Turangi/Tongariro Community Board as a social responsibility function of Council. 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%

Events Centre (AP-29)

s101(3)(a) 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%

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. The AC Baths although treated as separate, is physically joined to the Events Centre. The baths reopened in April 2003 after extensive redevelopment. Effects of the reopened Baths on the event centre will be reviewed after the Baths has been open for a reasonable period

Private Component	50%
Public Component	50%

s101(3)(b) Assessment

The most efficient and transparent funding method is through user fees and charges and general rates. Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

User Fees and Charges	50%
General Rates	50%

Great Lake Centre (AP-29)

s101(3)(a) 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%

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%

s101(3)(b) Assessment

The most efficient and transparent funding method is through user fees and charges and general rates. Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

User Fees and Charges	33%
General Rates	67%

Libraries (AP-30)

s101(3)(a) 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%

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, culture and recreation.

Private Component	5%
Public Component	95%

s101(3)(b) Assessment

The most efficient and transparent funding method is through user fees and charges and general rates. Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

User Fees and Charges	5%
General Rates	95%

Public Conveniences (AP-30)

s101(3)(a) 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%

The modification for the Superloo is because the initial assessment would cause a sudden and significant change in cost allocation. Council will undergo a study in the 2003/04 year to investigate the costs and benefits of increasing the charge to the toilets from the 20 cent charge since opening to 50 cents

Private Component	50%
Public Component	50%

Other Public Conveniences

Public toilets are of public benefit. Although users can easily be identified, the only method of charging the user is through a form of entrance fee which would either require coin operated doors or the employment of staff to collect money. In both cases, it is unlikely that the income generated would cover the cost of implementation, let alone normal operating costs. In Taupo, the Superloo was built to offer a first class service. The remaining conveniences were always to be regarded as a public service.

Private Component	0%
Public Component	100%

s101(3)(b) Assessment

The most efficient and transparent funding method is through user fees and charges and general rates. Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

Super Loo

User Fees and Charges	50%
General Rates	50%

Public Conveniences

User Fees and Charges	0%
General Rates	100%

Parks and Reserves (AP-31)

s101(3)(a) 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%

s101(3)(b) Assessment

The most efficient and transparent funding method is through user fees and charges and general rates. Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

User fees and charges	10%
General Rates	90%

Sportsgrounds (AP-31)

s101(3)(a) 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%

s101(3)(b) Assessment

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.

The most efficient and transparent funding method is through user fees and charges and general rates. Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

User Fees and Charges	10%
General Rates	90%

Amenity Plantings (AP-31)

s101(3)(a) Assessment

Amenity Planting's 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%

s101(3)(b) Assessment

Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

General Rate	100%
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Community Halls (AP-32)

s101(3)(a) 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%

s101(3)(b) Assessment

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.

The most efficient and transparent funding method is through user fees and charges and general rates. Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

User Fees and Charges	15%
General Rate	85%

Economic Development and Marketing

Funding Policy Assessment of Services Provided:

District Economic Development (AP-34)

s101(3)(a) 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 existing firms.

Private Component	20%
Public Component	80%

s101(3)(b) Assessment

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

Targeted rate (Marketing Development Rate)	20%
General Rates	80%

Destination Marketing and Visitor Centres (AP-35)

Destination Marketing

s101(3)(a) Assessment

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%

s101(3)(b) Assessment

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

Targeted rate (Marketing Development Rate)	55%
General Rates	45%

Visitor Centres

s101(3)(a) Assessment

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%

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%

s101(3)(b) Assessment

The most efficient and transparent funding method is through user fees and charges and general rates. Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

User Fees and Charges	65%
General Rates	35%

Solid Waste Management

Funding Policy Assessment of Services Provided:

Waste Minimisation and Litter Control (AP-37)

s101(3)(a) 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%

s101(3)(b) Assessment

Ratepayers and residents have the opportunity to receive equal benefit from this service, therefore the most efficient and transparent funding method is by way of a targeted uniform general rate in the General Rate

General Rates	100%
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Solid Waste Collection (AP-38)

s101(3)(a) 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 and giving prestige by showing that attempts to be green are being made.

Private Component	80%
Public Component	20%

Council modified the initial assessment for reasons of fairness, equity and cost benefits of fee collection.

Private Component	100%
Public Component	0%

s101(3)(b) Assessment

The most efficient and transparent funding method is through a charging régime per bag. This method also assists in terms of protection of the environment and of natural resources as it encourages recycling both due to recycling being free and by reducing the need for additional bags that cost more

Fees and Charges	100%
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Solid Waste Disposal (AP-38)

s101(3)(a) 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%

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

Private Component	100%
Public Component	0%

s101(3)(b) Assessment

In the 2001/02 financial year, Council adopted a new Waste Minimisation Strategy. The strategy has identified a funding mechanism to charge both targeted rates and user charges. 2002/03 was the first year these charges were used. As with litter collection, the introduction of charge for non recyclable material encourages the ratepayer to try to recycle as much as possible thus contributing to the protection of the environment and resources.

Targeted Rate	51%
User charges	49%

Water Supply

Funding Policy Assessment of Services Provided:

Water Supply (AP-41)

s101(3)(a) 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%

Council modified the initial assessment for reasons of fairness, equity and ease of collection through targeted rates.

Private Component	100%
Public Component	0%

s101(3)(b) Assessment

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

Targeted Rates	100%
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Note: Once the Proposed District Plan is operative, the revenue and financing policy for Water will be updated to include a section on infrastructural contributions.

Wastewater

Funding Policy Assessment of Services Provided:

Wastewater (AP-43)

s101(3)(a) 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%

Step Two - Modification

Council modified the initial assessment for reasons of fairness and equity. The 2001/11 Strategic Plan 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 targeted rate.

Private Component	100%
Public Component	0%

s101(3)(b) Assessment

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

Targeted Rates	100%
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Note: In addition, when the Proposed District Plan is operative, the revenue and financing policy for Wastewater will be updated to include a section on infrastructural contributions.

Roading Network

Funding Policy Assessment of Services Provided:

Roading and Traffic Services (AP-46)

s101(3)(a) 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%

s101(3)(b) Assessment

The most efficient and transparent funding method is through general rates. The greater the size / value of the property the greater the impact it is likely to have on the roading network.

General Rates	100%
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Project Pounamu (Mainstreet)

s101(3)(a) 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%

Council modified the initial assessment to promote existing policy.

Private Component	0%
Public Component	100%

s101(3)(b) Assessment

The most efficient and transparent funding method is through general rates. However as a targeted rate has previously been used, it will remain and a uniform charge be made over all properties in the Turangi/Tongariro rating area

Targeted Rate	100%
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Stormwater

Funding Policy Assessment of Services Provided:

Stormwater and Land Drainage (AP-48)

s101(3)(a) 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%

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%

s101(3)(b) Assessment

The most efficient and transparent funding method is through general rates. Stormwater is strongly related to property rather than individuals therefore more reasonable to be charged as a rate in the dollar on Land value

General Rates	100%
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Lake and River Control (AP-49)

s101(3)(a) 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%

s101(3)(b) Assessment

The most efficient and transparent funding method is through general rates. Lake and River Control is strongly related to property rather than individuals therefore more reasonable to be charged as a rate in the dollar on Land value

General Rate	100%
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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

Funding Impact Statement

The Local Government (Rating) Act 2002 sets out the methods by which local authorities can rate. The Local Government Act 2002 identifies the processes and policies to be applied.

As Council decided not to complete a Long Term Council Community Plan until 2004/05, schedule 10, clause 13(b) regarding departure does not apply.

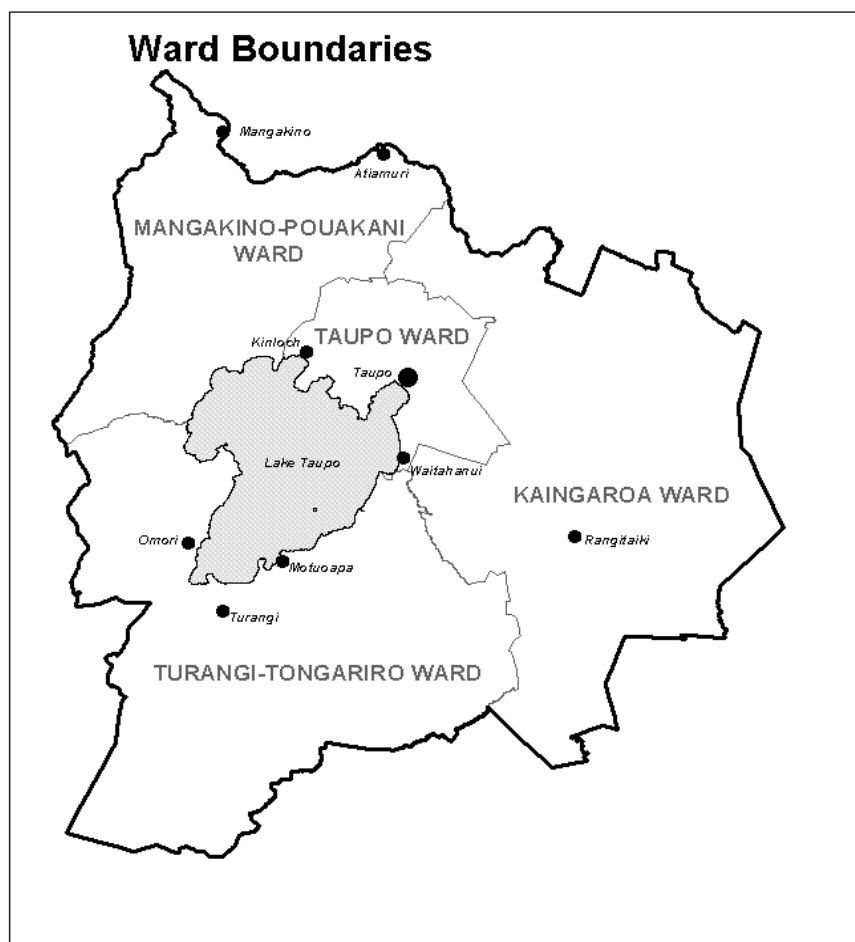
The revenue and financing mechanisms to be used to cover the estimated expenses for the 2003/04 year are outlined in the Revenue and Financing Policy.

A detailed description of rating sources, including the method and impact of both general and targeted rates for 2003/04 is covered in the Rating Policy and is also shown in the table below.

High level Financial Information	2003/04 (\$'000)	2004/05 (\$'000)	2005/06 (\$'000)
OPERATING REVENUE			
General Rate	10,674	11,107	11,048
Targeted Rates			
Targeted Uniform General Rate	6,934	7,428	7,947
Water Supply	3,150	3,330	3,660
Sewage Disposal	3,393	3,641	3,744
Landfill	970	1,022	1,048
Marketing Development Rate	626	626	626
Mainstreet Rate	149	158	174
Mainstreet Security Rate	28	28	28
Forest Road Fire Hydrant	4	4	4
Fees and Charges	7,822	8,170	8,168
Capital Contributions	250	250	250
Subsidies	2,746	2,746	2,746
Interest	4,474	4,474	4,474
Other Income	5,905	400	400
Total Operating Revenue	47,125	43,384	44,317
OPERATING EXPENDITURE			
Operating expenditure	32,038	31,152	30,848
Interest expense	1,655	2,575	3,391
Depreciation	7,392	7,544	7,771
Total Operating Expenditure	41,085	41,271	42,010
Operating (Surplus)/Deficit	-6,040	-2,113	-2,307
OTHER EXPENDITURE			
Capital Expenditure	16,344	21,962	15,160
Debt Repayments	1,671	2,009	2,496
Transfers to special reserves	6,185	2,796	2,509
Total net Cost	18,160	24,654	17,858
Funded by:			
Loans Raised	10,487	13,045	9,811
Transfers from Reserves	7,457	11,309	7,937
Opening Balance	216	300	110
Total Net Funding	18,160	24,654	17,858
Average Rate per property increase	4.67%	4.45%	2.44%

RATING POLICY

WARD BOUNDARIES & RATING AREAS



The two rating areas for 2003/2004 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 targeted 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 are 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 Value on 1 July 2002 are used for the 2003/2004 rating year.

DIFFERENTIAL CATEGORIES

The Council will adopt the following as its definitions for its differential categories for the 2003/2004 financial year.

1. PROPERTY CLASSIFICATIONS AND DIFFERENTIAL FACTORS FOR 2003/2004 GENERAL RATE

- (i) Differential factors are applied to different classes of properties.
- (ii) The differential factors are used to assess the general rate and the following table details the various property classes.

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	1.000

2. Differentials Based on Land Use

Council will use this matter to:

- differentiate the general rate.

The categories are:

- Residential – all rating units with up to two dwellings under common ownership.
All rural properties under four hectares but excluding those properties which have commercial, retail, industrial, accommodation, farming or horticultural uses.
- Multi residential – all rating units where there are more than two portions capable of separate occupation.
Private hospitals, institutions for the elderly and timeshare establishments.
- Commercial/Industrial – all rating units used for commercial, industrial or retail purposes excluding motels, hotels and other accommodation establishments for the travelling public.
Administrative and operational rating units of Central and Local Government, including State Owned Enterprises.
All other rating units not defined within the other differential categories.
- Accommodation – all accommodation establishments for the travelling public, including motels, hotels, camping grounds and backpacker lodges.

All rating units for which planning consent has been granted for accommodation purposes.
- Rural within Urban – all rating units in the urban areas of four hectares or larger, but excluding those rating units which have commercial or retail, industrial and accommodation uses.
- Rural within Rural – all rating units in the rural areas of four hectares or larger, but excluding those properties which have commercial or retail industrial and accommodation uses.

3. General Conditions

- Vacant Land – the differential classification will be determined by the underlying zone classification or size [area] of the rating unit.
- Contiguous properties – Urban and Rural
Where the following is correct these can be treated as one rating unit and the differential applying to all assessments will be determined by the predominant use.
 - (i) any two or more rating units are held in the same ownership, used jointly as a single property and are contiguous and
 - (ii) the certificates of title are required to be sold together or,
 - (iii) a substantial improvement(s) straddles the certificate of title boundaries or,
 - (iv) in the case of a large holding such as a reserve or airport etc, it is unreasonable to treat each certificate of title as a rating unit or,
 - (v) land that is used as one farming operation and it is likely that the operation will be sold only as one farming operation.
- Where properties are separated only by a road, railway, drain, water race, or stream they will be treated as one property for the purposes of making any targeted uniform general rate made under Section 20 of the Local Government (Rating) Act 2002.
- Multi-use Rating units – where a property has more than one use in terms of the differential classification a rating division will be created to accurately show each portion as per the differential.
- Discretionary clauses – delegated authority has been given to the Revenue Supervisor to review any applications for the division of rating properties and to determine if a rating division is applicable for each application under the Local Government (Rating) Act 2002.

4. Targeted Rates Based on Land Use

Council will use this matter to:

- assess a marketing development rate (1 below)
- assess a district refuse disposal rate (1 & 2 below)

The following categories will apply:

- 1 all commercial, industrial, timeshare and accommodation rating units
- 2 all residential, multi residential (excluding timeshare) and rural properties.

5. Targeted Rates Based on Location

Council will use this matter to:

- assess rates on rating units for the main street development charge (1 below)
- assess rates on rating units for the general targeted charge (1 & 2 below)

The following categories will apply:

- 1 Turangi/Tongariro Rating Area – all rating units.
- 2 Taupo/Kaingaroa & Mangakino/Pouakani Rating Area – all rating units.

6. Targeted Rates Based on Availability of Service

Council will use this matter to:

- assess rates on rating units for water supply and sewage disposal (1,2,3,4 & 5 below)
- assess rates on rating units for water and sewer loans to fund capital costs (6 below)
- assess rates on rating units for the mainstreet security rate (7 below)
- assess rates on rating units for the Whakamaru fire protection charge (8 below)

The following categories will apply:

- 1 connected – any rating unit that is connected to a Council operated water scheme or is connected to a public sewerage drain.
- 2 serviceable – any rating unit that is not connected to a Council operated water scheme but is within 100 metres of any part of the waterworks. Any rating unit that is not connected to a sewage drain but is within 30 metres of such a drain.
- 3 sewer multi connections – rating units with more than one pan or urinal.
- 4 water multi connections – rating units with more than one separately occupiable part.
- 5 metered water supply – rating units with a water meter
- 6 rating units where no election was made to pay by lump sum contribution.
- 7 defined rating units within the Turangi CBD
- 8 defined rating units within the Whakamaru village

GENERAL AND TARGETED RATES

The Council set the following rates under the Local Government (Rating) Act 2002, on rating units in the district for the financial year commencing on 1 July 2003 and ending on 30 June 2004.

1. General Rate

A general rate, set under Section 13 of the Local Government (Rating) Act 2002 made on every rating unit, assessed on a differential basis as described below and calculated on the land value of each rating unit in the district.

	2003/4 GST Inclusive	2002/3 GST Inclusive
<i>Taupo Township/Acacia Bay/Mangakino Township</i>		
Residential (1 or 2 units)	0.0036098/\$	0.0041773/\$
Residential-Multi (3 or more units)	0.0072196/\$	0.0083546/\$
Accommodation	0.0072196/\$	0.0083546/\$
Industrial/Commercial	0.0072196/\$	0.0083546/\$
Rural within Township	0.0036098/\$	0.0041773/\$
<i>Balance Taupo Ward/Kaingaroa/Pouakani</i>		
Residential (1 or 2 units)	0.0036098/\$	0.0041773/\$
Residential-multi (3 or more units)	0.0072196/\$	0.0083546/\$
Accommodation	0.0072196/\$	0.0083546/\$
Industrial/Commercial	0.0072196/\$	0.0083546/\$
Rural outside Township	0.0036098/\$	0.0041773/\$
<i>Turangi Township</i>		
Residential (1 or 2 units)	0.0047413/\$	0.0061176/\$
Residential-multi (3 or more units)	0.0094827/\$	0.0122353/\$
Accommodation	0.0094827/\$	0.0122353/\$
Industrial	0.0094827/\$	0.0122353/\$
Commercial	0.0094827/\$	0.0122353/\$
Rural/Recreational	0.0047413/\$	0.0061176/\$
<i>Tongariro</i>		
Residential (1 or 2 units)	0.0047413/\$	0.0061176/\$
Residential-multi (3 or more units)	0.0094827/\$	0.0122353/\$
Accommodation	0.0094827/\$	0.0122353/\$
Industrial	0.0094827/\$	0.0122353/\$
Commercial	0.0094827/\$	0.0122353/\$
Rural	0.0047413/\$	0.0052000/\$

The general rate will be used to fund planning guidance, building and development services, inspection services, rural fire, housing for the elderly, community support, community health, arts and culture, heritage, safety and crime prevention, venture centre, swimming pool (Turangi), roading, rate remissions, parking control, economic development and destination marketing.

2. Targeted Uniform General Rate

A targeted uniform general rate made on every rating unit, set under Sections 16, 17 & 18 of the Local Government (Rating) Act 2002, assessed as below:

Targeted General Charge	2003/4 GST Inclusive	2002/3 GST Inclusive
TKMP Urban	448.00	385.00
TKMP Rural	448.00	158.00
TT Urban	392.00	334.00
TT Rural	392.00	155.00

The targeted uniform general rate will be used to fund governance, integrated planning, environmental planning, policy and development, civil defence, animal control, venues, libraries, Great Lake Centre (TKMP), parks and reserves, sports grounds, amenity plantings, community halls, public conveniences, Super Loo (TKMP), visitor centres and litter control.

3. Sewage Disposal

A targeted rate for sewage disposal, set under Sections 16, 17 & 18 of the Local Government (Rating) Act 2002, assessed on every rating unit connected or available to be connected to a Council scheme on the basis of one charge per pan or urinal (with the exception of the residence of a single household – which shall be levied only one charge).

The sewer schemes and targeted sewer charges per pan are as follows:

Schemes – Taupo Township, Acacia Bay, Kinloch, Waitahanui/Five Mile Bay, Whakamaru, Mangakino, Atiamuri, Turangi Township/Tokaanu, Omori/Kuratau/Pukawa, Motutere, Whareroa and Motuoapa.

Category	2003/4 GST Inclusive	2002/3 GST Inclusive
Connected (1 st pan/urinals)	221.55	213.17
Connected (2 – 10 pans/urinals)	166.16	159.88
Connected (10 + pans/urinals)	110.78	106.59
Connected (schools 10 + pans/urinals)	55.39	53.29
Serviceable (available to be connected)	110.78	106.59

4. Sewer Loan Servicing

A targeted rate for sewer scheme loans, set under Sections 16, 17 & 18 of the Local Government (Rating) Act 2002, assessed on every rating unit within a sewer loan servicing scheme where no election was made to pay by way of lump sum contribution.

The targeted sewer scheme loan charges are as follows:

Sewer Loan	2003/4 GST Inclusive	2002/3 GST Inclusive
Acacia Bay	227.56	195.99
Kinloch	408.69	352.22
Waitahanui/Five Mile Bay	175.05	187.75
Motuoapa 'A' Zone	294.24	303.34
Omori/Kuratau/Pukawa	122.71	117.41

5. Water Supply

A targeted rate for water supply, set under Section 19 of the Local Government (Rating) Act, assessed on the basis of a targeted rate per separately occupiable part of a rating unit which are connected, or are available to be connected, to a Council scheme. The charge will be based on a full charge for connected rating units and a half charge for serviceable rating units.

The water schemes and targeted water charges per occupiable part of a rating unit are as follows:

Water Scheme	2003/4 GST Inclusive	2002/3 GST Inclusive
Taupo Township/Wairakei Village	170.62	170.55
Acacia Bay	172.57	170.35
Kinloch	79.90	79.22
Waitahanui	413.18	409.58
River Road	206.22	202.17
Mangakino Township	154.59	153.14
Atiamuri	344.89	371.13
Whakamaru	298.36	289.81
Turangi Township/Tokaanu	132.71	128.43
Motuoapa	226.55	230.48
Omori/Kuratau/Pukawa	122.29	117.77
Hatepe	192.86	183.29
Whareroa	230.67	228.58

Water supplied to rural properties is levied on the basis of land value. The water schemes and targeted water rates are as follows:

Water Scheme	2003/4 GST Inclusive	2002/3 GST Inclusive
Whakaroa	0.0014538/\$	0.0015581/\$
Centennial Drive	0.0067176/\$	0.0072033/\$
Mapara Road	0.0006456/\$	0.0007856/\$
Bonshaw Park	0.0022177/\$	0.0022107/\$
Whakamoenga Point	0.0010911/\$	0.0014071/\$
Waihaha	0.0030965/\$	0.0031139/\$
Tirohanga	0.0009452/\$	0.0009497/\$

6. Water Loan Servicing

A targeted rate for water scheme loans, set under Sections 16, 17 & 18 of the Local Government (Rating) Act 2002, assessed on every rating unit within a water loan servicing scheme where no election was made to pay by way of lump sum contribution.

The targeted water scheme loan charges are as follows:

Water Loan	2003/4 GST Inclusive	2002/3 GST Inclusive
River Road	306.42	295.08
Omori/Kuratau/Pukawa	155.99	153.05

7. Metered Water Supply

A targeted rate for metered water supply, set under Section 19 of the Local Government (Rating) Act 2002, assessed on the volume of water supplied to every rating unit with a water meter.

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

The targeted water meter rates are as follows:

Water Supply	2003/4 GST Inclusive		2002/3 GST Inclusive	
	Ordinary Cents per m ³	Extraordinary Cents per m ³	Ordinary Cents per m ³	Extraordinary Cents per m ³
Taupo Township/Wairakei	78	117	78	117
Waitahanui	243	365	241	361
Acacia Bay	72	107	71	107
Kinloch	33	50	33	49
Whakaroa	92	138	92	138
Centennial Drive	28	56	37	55
Mapara Road	86	129	86	128
Bonshaw Park	118	178	118	177
Whakamoenga Point	94	94	94	94
River Road	54	81	53	79
Mangakino Township	56	84	56	84
Tirohanga	34	51	34	51
Turangi Township	28	60	28	60
Motuoapa	42	63	42	64
Tokaanu	56	56	56	56
Hatepe	82	123	79	119
Omori/Kuratau/Pukawa	89	89	86	86

8. District Refuse Disposal Charge

A targeted rate for district refuse disposal, set under Sections 16, 17 & 18 of the Local Government (Rating) Act 2002, assessed on every rating unit in the district on the basis that residential, multi-residential (excluding timeshare) and rural rating units shall be assessed with one charge and all other rating units shall be assessed with two charges.

The targeted refuse disposal charge is as follows:

	2003/4 GST Inclusive	2002/3 GST Inclusive
District Refuse Disposal Charge	57.00	53.00

9. Marketing Development Rate

A targeted marketing development rate, set under sections 16, 17 & 18 of the Local Government (Rating) Act 2002, assessed on every rating unit in the district being used for commercial, industrial, timeshare or accommodation purposes.

The targeted marketing development rate is as follows:

	2003/4 GST Inclusive	2002/3 GST Inclusive
Marketing Development Rate	0.0022364	0.002261/\$

10. Main Street Development – Project Pounamu

A targeted main street development rate, set under Sections 16, 17 & 18 of the Local Government (Rating) Act 2002, assessed on every rating unit in the Turangi/Tongariro rating area.

Note: In 2002/3 the rate was based on land value. This year it has changed to a fixed charge.

The targeted marketing development charge is as follows:

	2003/4 GST Inclusive	2002/3 GST Inclusive
Main Street Development	36.00	0.0027267/\$

11. Security Rate

A targeted security rate, set under Sections 16, 17 & 18 of the Local Government (Rating) Act 2002, assessed on specified rating units within the Turangi central business district.

The targeted security rate is as follows:

	2003/4 GST Inclusive	2002/3 GST Inclusive
Security Rate	0.023435/\$	0.023435/\$

12. Whakamaru Fire Protection Rate

A targeted Whakamaru fire protection rate, set under Sections 16, 17 & 18 of the Local Government (Rating) Act 2002, assessed on specified rating units within the Whakamaru village.

The targeted Whakamaru fire protection rate is as follows:

	2003/4 GST Inclusive	2002/3 GST Inclusive
Whakamaru Fire Protection	\$80.95	N/A

RATE REMISSION POLICY

This policy is prepared under Section 108 of the Local Government Act for consultation using the special consultative procedure.

1. Remission for Community, Sporting and Other Organisations

Objective

To facilitate the ongoing provision of non-commercial (business), non profit, voluntary community and sporting services to the general public.

The purpose of granting rates remission to qualifying organisations is to:

- provide a form of financial assistance; and
- make membership of the organisation more accessible to the general public.

Conditions and Criteria

Rate remission is only available to land owned by the Council or owned and occupied by a charitable organisation that is used exclusively or principally for community, sporting or recreation purposes.

The policy does not apply to organisations operated for private pecuniary profit.

Application for remission must be made to Council in writing. Once a remission has been granted it will continue for the following two years at which time a new application must be submitted.

The application must include the following information:

- a statement of objectives,
- the organisations last audited financial accounts.

The remission shall apply to organisations approved by Council as meeting the relevant criteria.

Once approved, the following remissions will apply:

- 100% remission of rates and charges excluding those for water (including water by meter), sewerage and refuse disposal for organisations without a permanent liquor license.
- 50% remission of rates and charges excluding those for water (including water by meter), sewerage and refuse disposal for organisations with a permanent liquor license.

2. Remission for Lakeshore Reserve Scheme

Objective

To maintain Lake Taupo and environs in a natural state.

The purpose of granting rates remission to qualifying ratepayers is to:

- provide ratepayers with an incentive to designate their lake frontage as reserve.
- recognise that the owners of lakeshore reserves are making a contribution towards lake and lake catchment environmental protection.

Conditions and Criteria

Rate remission is only available to land that has been designated as part of the lakeshore reserve scheme.

Once a remission has been granted it will continue until such time as the reserve designation has been removed.

100% remission of all rates and charges shall be given to qualifying rating units.

3. Remission on Undeveloped Maori Freehold Land

Note: The following information details Council's current policy with respect to Maori freehold land. This policy will be reviewed during the 2003/2004 year.

Objective

To recognise the special characteristics of Maori freehold land.

The purpose of granting rates remission to ratepayers is to:

- Provide an incentive for ratepayers to develop their Maori freehold land.
- Recognise that to continue to levy rates on non-income producing Maori freehold land is counter productive to both owners and Council.

Conditions and Criteria

Rate remission is only available to Maori freehold land that is:

- in a natural or undeveloped state
- non-income producing
- unoccupied

- multiple owned (three or more owners).

If the status of the land changes so that one or more of these conditions no longer applies, the rating unit will become fully rateable from the beginning of the next financial year, subject to the following exception.

Land being developed by the owners or vested in a Maori trust shall receive a remission as follows:

- Year 1 80% remission
- Year 2 60% remission
- Year 3 40% remission
- Year 4 20% remission

All other Maori freehold land that meets the criteria will receive a 100% remission.

Application for remission must be made to Council in writing. Once a remission has been granted it will apply annually and will be reviewed at three yearly intervals.

4. Rate Relief for Ratepayers (proposed)

Council has undertaken to investigate a rate relief policy for ratepayers.

The basis for this policy will be the provision of rate relief possibly based on the following categories:

- length of residency
- level of income
- level of rates

The rate relief investigation will be conducted during the 2003/2004 year.

RATE REVIEW

During 2002/03 Council conducted a review of the rating system.

The review focused on the General Rate and considered three key changes to the way the General Rate is levied

- 1 The amount of the fixed charge (SUAC).
- 2 A change from land to capital value based rating.
- 3 The removal of differentials.

A consultation document was distributed to all ratepayers in the district and outlined the reasons Council was considering these changes. The consultation document set out seven alternatives to the way the General Rate is currently levied using combinations of the three key changes. It also included a calculation table that enabled ratepayers to calculate the impact that each option would have on their own rates.

A four-week consultation period was held during which Council invited ratepayers to make submissions on the rate review. As part of the consultation process a series of public meetings were held throughout the district to explain the review and answer any queries that ratepayers may have.

At the end of the consultation period a total of 173 submissions were received. The committees for each rating area (Taupo/Kaingaroa & Mangakino/Pouakani & Turangi/Tongariro) discussed these submissions at a series of meetings and made the following recommendations that were in turn passed by resolution at Council. The recommendations made are detailed below.

Turangi/Tongariro Community Board

3661 RECOMMENDATION

- 1 HAVING CONSIDERED THE COMMENTS MADE AT PUBLIC MEETINGS AND THE COMMENTS MADE BY WAY OF WRITTEN SUBMISSION ON THE 'RATING POLICY REVIEW', THE TURANGI/TONGARIRO COMMUNITY BOARD RECOMMENDS THAT:
 - 1.1 ON THE MATTER OF A POSSIBLE CHANGE FROM LAND TO CAPITAL VALUE BASED RATING SUCH CANNOT BE SUPPORTED BY THE BOARD BASED ON PRESENT INFORMATION BUT IS RECEPTIVE TO FURTHER INVESTIGATION ON THE ISSUE.
 - 1.2 ON THE MATTER OF THE FIXED CHARGE [SUAC]: THAT A FIXED CHARGE [SUAC] BE APPLIED BASED ON THOSE SERVICES IDENTIFIED IN THE RE-CLASSIFICATION CONSULTATION DOCUMENT PRESENTED AT TODAY'S MEETING WHICH SUAC FOR TURANGI/TONGARIRO AREA AT \$504 [ESTIMATED] AND FURTHER THAT SUAC BE PHASED IN OVER A THREE-YEAR PERIOD.
 - 1.3 ON THE MATTER OF A POSSIBLE REMOVAL OF DIFFERENTIALS THAT THE TONGARIRO RURAL WITHIN RURAL DIFFERENTIAL OF 0.85 BE CHANGED TO 1.00 AND THAT INVESTIGATION ON FURTHER POSSIBLE CHANGES TO THE DIFFERENTIALS CONTINUES IN THE 2003/04 YEAR.
- 2 THAT THE SCHEDULE OF RATES AND CHARGES FOR THE TURANGI/TONGARIRO RATING AREA FOR THE 2003/04 RATING YEAR, APPROVED BY COUNCIL AT ITS MEETINGS ON 20TH MARCH 2003, BE AMENDED TO TAKE ACCOUNT OF PARTS 1.1, 1.2 AND 1.3 ABOVE.

Campbell/M Smallman

Taupo/Kaingaroa & Mangakino/Pouakani Committee

358 RECOMMENDATION

THAT HAVING CONSIDERED THE COMMENTS MADE AT PUBLIC MEETINGS AND THE COMMENTS MADE BY WAY OF WRITTEN SUBMISSION ON THE 'RATING POLICY REVIEW', THE TAUPO/KAINGAROA-MANGAKINO/POUAKANI COMMITTEE:

ON THE MATTER OF A POSSIBLE CHANGE FROM LAND VALUE TO CAPITAL VALUE BASED RATING:

RECOMMENDS THAT COUNCIL REMAIN WITH A LAND VALUE BASED RATING SYSTEM AT THIS TIME BUT THE COMMITTEE REMAINS RECEPTIVE TO FURTHER INVESTIGATION ON THE ISSUE.

Uvhagen/McElwee

359 RECOMMENDATION

THAT HAVING CONSIDERED THE COMMENTS MADE AT PUBLIC MEETINGS AND THE COMMENTS MADE BY WAY OF WRITTEN SUBMISSION ON THE 'RATING POLICY REVIEW', THE TAUPO/KAINGAROA-MANGAKINO/POUAKANI COMMITTEE:

ON THE MATTER OF THE FIXED CHARGE [SUAC]:

RECOMMENDS THAT A FIXED CHARGE [SUAC] BE APPLIED BASED ON THOSE SERVICES IDENTIFIED IN THE RECLASSIFICATION CONSULTATION DOCUMENT PRESENTED AT TODAY'S MEETING WHICH SUAC FOR THE TAUPO/KAINGAROA-MANGAKINO/POUAKANI RATING AREA IS ESTIMATED AT \$516 AND FURTHER THAT SUAC BE PHASED IN OVER A 3 YEAR PERIOD.

Howard/Coulter

360 RECOMMENDATION

THAT HAVING CONSIDERED THE COMMENTS MADE AT PUBLIC MEETINGS AND THE COMMENTS MADE BY WAY OF WRITTEN SUBMISSION ON THE 'RATING POLICY REVIEW', THE TAUPO/KAINGAROA-MANGAKINO/POUAKANI COMMITTEE:

ON THE MATTER OF A POSSIBLE REMOVAL OF DIFFERENTIALS:

RECOMMENDS THAT FOR THE TAUPO/KAINGAROA-MANGAKINO/POUAKANI RATING AREA THE DIFFERENTIALS REMAIN UNALTERED BUT THAT INVESTIGATION ON FURTHER POSSIBLE CHANGES TO THE DIFFERENTIALS CONTINUES IN THE 2003/04 YEAR AND IN PARTICULAR THE POSSIBILITY OF REDUCING THE 2.0 DIFFERENTIAL ON THE INDUSTRIAL SECTOR TO BETWEEN 1.0 AND 2.0.

Uvhagen/McElwee

As part of the consultation process on the draft annual plan, Council has emphasised that they would welcome submissions on the outcome of the rate review as detailed in the above recommendations.

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 and amendments 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 endeavours to meet 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, where appropriate through identification, mitigation or elimination.

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. 	<ol style="list-style-type: none"> 1. To offer to interested employees the opportunity during 2003/2004 to attend a Maori language course sponsored by Council. 2. 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 1 July 2003. It is Council's intention to revise all current fees and charges by 31 December 2003 and make appropriate changes to those fees and charges where warranted.

Item	2003/2004 GST Incl
BUILDING FEES	
Building Consent Applications	
Building Administration (payable on lodgement)	
Up to \$20,000	\$100.00
\$20,001 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
\$20,001 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
\$20,001 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 (min. 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

Due to the uniqueness of each individual planning application, fees will vary. Please approach the council planning officers for an estimate of the costs.

DOGS & ANIMAL CONTROL

Dog Registration Fees	
Working Dogs - entire	\$27.00
Special Owners Policy Dogs - entire	\$34.00
All Other Dogs - entire	\$65.00
(Dangerous dog or probationary owner - plus 50% of normal fee)	
(An additional penalty fee of 50% of the fee owing will apply for dogs registered on or after 1 August 2003 that were required to be registered on 1 July 2003)	
(The above fees for neutered dogs in all classes are reduced by \$5.00)	
Guide Dogs/Hearing Ear Dogs	Nil
Replacement Tag Fee	\$5.00
Impounding fees Dogs	
In any 12 months	
1st impounding	\$40.00
2nd or more impounding and as well may be issued an Infringement Fee with a \$200.00 fine	\$40.00
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

District Liquor Licensing Fees	
License Holders	\$776.00
Special Licenses	\$63.00
Managers Licenses	\$132.00
Temporary Authority	\$132.00
Dangerous Goods Licenses	
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 license	\$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 License	
Half year	\$30.00
Per annum	\$55.00
Building Warrant of Fitness	No charge
Fire Hazard Inspection	No charge
Swimming Pool Inspection	\$50.00

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 License 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	\$75.50 per week
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Taupo

Single Units	\$59.70 per week
Double Units	\$84.50 per week

VENTURE CENTRE

Per Unit	\$245 per month plus share of electricity and cleaning costs
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SWIMMING POOLS**Turangi Turtle Pool**

Summer Season public sessions	Free entry
Special Users	\$1.50 per user
Tongariro High School	\$2,250.00 pa
Turangi Swimming Club	\$843.75 pa
Hire as a complex	\$225.00 per time

AC Baths

Pools Casual	
Adult	\$6.50
Senior	\$4.00
Child over 5 yrs (under 5 yrs no charge)	\$2.50
Spectators	Free
3 Month Memberships (Standard)	
Adult	\$30.00
Senior	\$25.00
Child over 5 yrs (under 5 yrs no charge)	\$20.00
Family (1 adult plus 4 children or 2 adults plus 3 children)	\$75.00
3 Month Memberships (Special - Comm/Disabled cardholders)	
Adult	\$25.00
Senior	\$20.00
Child over 5 yrs (under 5 yrs no charge)	\$15.00
Family (1 adult plus 4 children or 2 adults plus 3 children)	\$60.00
Adult Concession Card (10 swims)	\$50.00
Slide Casual	\$3.00
Sauna Casual	\$3.00
School Safety Programme	Free
Taupo District schools (per class)	\$15.00 per class
Out of district schools (per child)	\$1.00
Private Pools – individual	\$5.00
Private Pools - concession (10)	\$40.00
Competition Pool - daily rate	\$400.00
Lane hire - competition pool	\$5.00
Lane hire - old 25 metre pool	\$2.50
SPECIAL LOCAL RATES (available to qualifying local aquatic sports groups)	
A.C.E (Aquatic Clubs Elite) passes:	
Child Concession - 30 swims	\$15.00
Adult Concession - 30 swims	\$30.00
AC Loyalty Pass (available until 30 June 2004 for residents and ratepayers who have resided in the Taupo District for more than 50 years)	Free entry

Fitness Suite

Fitness Suite Memberships (Adult)	
Casual	\$5.00
1 month	\$25.00
3 months	\$50.00
6 months	\$100.00
12 months	\$200.00
Fitness Suite Memberships (Senior)	
Casual	\$4.00
1 month	\$20.00
3 months	\$40.00
6 months	\$80.00
12 months	\$160.00

EVENTS CENTRE**Fitness Suite**

Casual	
Adult	\$5.00
Senior	\$4.00
Concessions (Adult)	
1 month	\$25.00
3 months	\$50.00
6 months	\$100.00
12 months	\$200.00
Concessions (Senior)	
1 month	\$20.00
3 months	\$40.00
6 months	\$80.00
12 months	\$160.00

Climbing Wall-Group Bookings

Public Hours	
Adults	\$8.00
Children and Seniors	\$6.00
Harness Hire	\$3.00
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)	\$3.00
(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	\$0.20 per page (\$0.10 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	\$0.50 per item for the first week then \$0.05 per day to a maximum of \$5.00
Children	\$0.25 per item for the first week then \$0.05 per day to a maximum of \$5.00
Videos	\$0.40 per item for the first 3 days then \$0.05 per day to a maximum of \$5.00
Damaged/Lost Books	Replacement cost

Mangakino Library

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	\$0.20
Interloans Postage	Dependent on weight
Membership Card	\$1.00
Overdue Charges	\$2.00 after one week's grace
Damaged/Lost Books	Replacement cost

Turangi Public Library

Books - popular fiction	\$0.50 per item
Magazines	No charge
Donated Popular Fiction	\$0.25 per item
Video Rental	\$3.00 per video per week
Compact Disks	\$0.50 per disk for 4 weeks
Cassettes	No charge
Reserves	\$1.50 per item
Requests	\$2.00 each
Return Postage	\$3.00 per item
Photocopying	\$0.10 per copy
Postage	\$0.40
Membership Card	\$1.00
Replacement Membership Card	\$1.00
Overdue charges	
1 to 13 days	\$0.50
14 to 27 days	\$2.00
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

Item	2003/2004 GST Incl
GREAT LAKE CENTRE	
Entire Venue	
Full Day (Commercial)	\$1,250.00
Full Day (Community)	\$900.00
Theatre	
Full Day (Commercial)	\$625.00
Full Day (Community)	\$393.00
Hall	
Full Day (Commercial)	\$507.00
Full Day (Community)	\$393.00
Hall/Eastwing	
Full Day (Commercial)	\$625.00
Full Day (Community)	\$507.00
Eastwing/Conservatory	
Full Day	\$225.00
Rimu Room	
Full Day	\$112.50
Hourly Rate for Community Groups only	\$15.00
Green Room	
Full Day	\$112.50
Hourly Rate for Community Groups only	\$15.00
Upper Foyer	
Full Day	\$112.50
Lower Foyer	
Full Day	\$112.50
Kitchen	
Full Day	\$150.00
PARKS & RESERVES	
All Reserves including Tongariro Domain but excluding Owen Delany Park	
Hireage (profit making event)	
Setting up	\$125.00 per day
Operational	\$250.00 per day
Bond	\$500.00
Owen Delany Park	
Corporate Lounge 1	
Hourly Rate for Community Groups only	\$15.00
Full Day	\$112.50
Corporate Lounge 2	
Hourly Rate for Community Groups only	\$15.00
Full Day	\$112.50
Downstairs Lounge	
Hourly Rate for Community Groups only	\$15.00
Full Day	\$112.50
Upstairs & Downstairs	
Full Day	\$225.00
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	\$281.25 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	\$42.18
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)	\$185.62
6-12 Years	\$84.37
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	\$64.50
Purchase and Permit for Internment of Ashes	
Garden of Rest (Riverbank)	\$84.37
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

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

Internment 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

Disinternment \$267.30

Reinternment \$267.30

Family Plots Prices to be determined by
no. of plots required

COMMUNITY HALLS**Tongariro Senior Citizens Hall**

Hall	\$20.00 per hour
Kitchen	\$10.00 per hour
Venue (i.e. 24 hours)	\$200.00
Bond	\$200.00

Turangi Gymnasium

Gymnasium	
School Groups	\$5.00 per hour
Sporting Bodies	\$6.50 per hour
Conference Room	\$6.50 per hour
Boardroom	\$20.00 per hour
Kitchen	\$6.50 per hour
Bonds	\$200.00

Mangakino Gymnasium

Day (if kitchen required additional \$5.50)	\$84.50
Sporting Bodies	
Senior Teams	\$13.50 per night
Junior Teams	\$11.25 per night
Meetings	\$22.50 per night
Flower Shows and Church Services	\$13.50 per night
Kitchen	\$9.00
Showers	\$5.50 + slot meter
Bonds (all users)	\$112.50
Bonds (alcohol)	\$200.00

Acacia Bay Hall

Day	\$225.00
Half Day	\$125.00
Hourly Rate if under 4 hours	\$15.00
Hourly Rate for Church Groups as long term booking	\$12.00
Bond (alcohol)	\$200.00
Bond (cleaning)	\$50.00

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
Bond (alcohol)	\$200.00
Bond (cleaning)	\$50.00

River Road Community Hall

Day	\$120.00
Half Day	\$60.00
Hourly Rate	\$5.00
Hourly Rate for Community Groups	\$2.50
Bond (alcohol)	\$300.00
Bond (cleaning)	\$50.00

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 and/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

Wairakei Hall

Hourly Rate	\$5.00
Hourly Rate for Community Groups	\$2.50
Evening Function	\$110.00
Bond (alcohol)	\$200.00
Bond (cleaning)	\$50.00
Bond (evening function)	\$200.00

Waitahanui Community Centre

Entire Complex	
Day	\$236.25
Half Day	\$118.15
Hourly Rate for Community Groups	\$15.00
Lounge	
Day	\$118.15
Half Day	\$59.05
Hourly Rate for Community Groups	\$15.00
Changing Rooms	
Day	\$118.15
Half Day	\$59.05
Hourly Rate for Community Groups	\$15.00
Bond (alcohol)	\$200.00
Bond (cleaning)	\$50.00

Whakamaru Settlers Hall

Evening Function	\$90.00
Evening Function (less Playcentre area)	\$70.00
Half Day	\$10.00
Day (Commercial)	\$25.00
Day	\$20.00
Evening Function for Sports Groups	\$7.00
Evening Function for School Groups	\$10.00
Bond	\$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)	\$40.00
Tyre disposal charges	\$2.00 - \$10.00
Cleanfill	\$5.00 per tonne
Concrete disposal	\$5.00 per tonne
Crushed concrete sale	\$9.57 per tonne

WATER SUPPLY

Water Connections to Main (Urban areas)	
New Connections	
15mm Unmetered (Domestic only)	\$340.00
15mm Metered	\$520.00
20mm Unmetered	\$350.00
20mm Metered	\$540.00
25mm Unmetered	\$460.00
New Connections - Extraordinary	
25mm Metered	\$790.00
32mm Metered	\$1,330.00
40mm Metered	\$1,420.00
50mm Metered	\$2,550.00
Turn on fee	\$40.00
Convert unmetered to metered connections	
15mm Metered	\$240.00
20mm Metered	\$270.00
All other	At cost
Disconnection fee, toby location, final meter reading	\$50.00
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	\$1,130.00
Approved alteration to restrictors	\$60.00
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

Sewer Connections to Main (Urban areas)	
New Connections	
100mm/150mm	\$200.00
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
Overweight Vehicle Permit	
Single, multiple trip or linked permit	\$20.45
New continuous or area permit	\$61.37
Reissue of continuous or area permit	\$10.23
Additional charge for each permit where less than 3 working days are available for processing	\$10.23
Route approval and bridge crossing instructions for Transit New Zealand applications	\$25.00

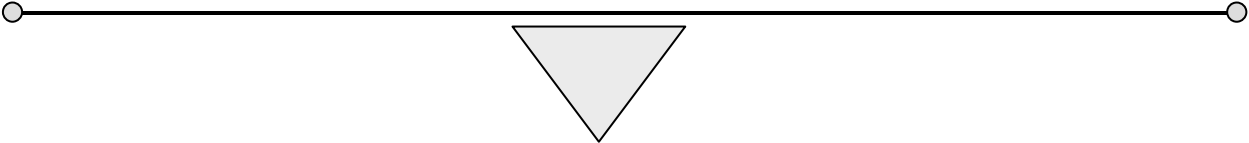
AIRPORTS

Turangi Aerodrome	
Landing charges	\$6.00
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

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) *	
* These fees were identified in the 2002/03 annual plan to be reviewed. The new reviewed fees are:	
Residential/Rural property	\$120.00
Residential/Rural property - urgent service	\$150.00
Commercial/ Industrial property	\$200.00
Commercial/ Industrial property - urgent service	\$230.00
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	
A4	\$3.00
A3	\$5.00
Photocopying	
A4	\$0.50
A3	\$1.00
Property and Land Information	
Map Photocopying A1	\$3.50
Geographical Information Services	
Standard Map (no photography)	
A1	\$15.00
A2	\$10.00
A3	\$7.50
A4	\$5.00
Standard Map (photography)	
A1	\$20.00
A2	\$15.00
A3	\$10.00
A4	\$5.00
Specialised Maps	
Standard map charges plus staff charge out	
Officer	\$75.00 per hour
Technician	\$60.00 per hour

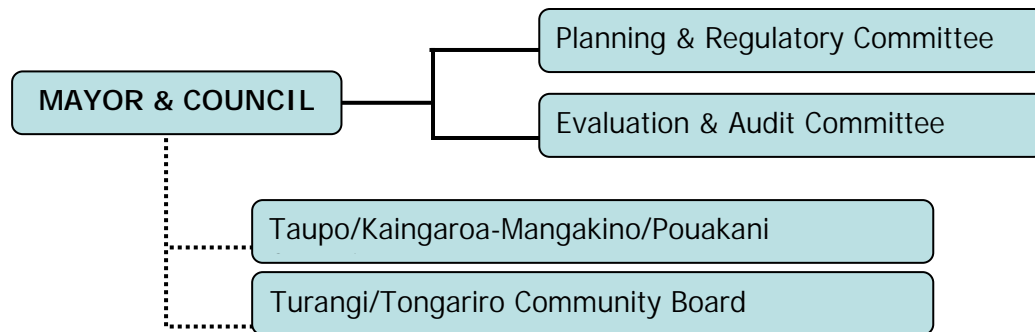
COUNCIL MANAGEMENT



COUNCIL STRUCTURE AND 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's role and delegated authority is 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.

Mayor	Fax	Phone	
		Business	Private
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	027 452 8104	376-7996
Cr A E Gathergood	07 882-8222	027 441 8107	07 882-8222
Cr S A W Howard	378-1939	027 242 7837	378-1918
Cr G Keepa	386-8301	025 224 5413	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 JP	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 AND COMMUNITY BOARD MEMBERS

Regulatory & Hearings Committee
Cr D R Ormsby JP [Chairman]
Cr C C McElwee [Deputy]
Cr A E Gathergood
Cr AT Smallman JP
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	Business	Private
Cr D R Ormsby JP [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	027 479 3001	386-8301
Mrs J Lockyer	386-7317	386-8024
Mrs S McCarthy	386-7681	386-8172
Cr A T Smallman JP	021 298 0166	386-7281
Mrs M J Smallman	386-7077	386-5079
Mrs M E Stewart	386-5519	386-7656

MANAGEMENT TEAM

Council (elected members) appoints a Chief Executive Officer to manage the operations of Council under the provisions of s42 of the Local Government Act 2002. The Chief Executive Officer has in turn appointed divisional managers to manage each of Council's significant activities.

S Rowbotham

Chief Executive Officer
B Com, CA

A McLeod

Deputy Chief Executive Officer
Manager: Strategic Management
BSW (Hons).M.SocSc (Hons), PGRAD Dip PP

Vacant

Community and Recreation Manager

P M Martyn

Management Services Manager
LL.B

D A Gartner

Finance Manager
CA, BCA

C Kimpton

Manager: Environmental Services
BA [Hons], MNZPI

J W Campbell

Area Manager Turangi/Tongariro
NZCE, BE, MIPENZ, Reg Eng

M Keys

Works Manager
BE [Hons], MALGENZ, Reg Eng

T L Jakes

Community Manager
Mangakino

P Yeo

Marketing Manager

COUNCIL STAFF

As at 31 March 2003
Permanent full-time equivalents

Division	Staff Number
Community Services	81
Finance	19
Management Services	48
Environment & Safety	39
Works	24
Strategic Management	5
Marketing	11
Turangi	24
Mangakino	10
Total	261

APPENDIX I: Annual Plan Requirements from the Local Government Act 1974, Section 223D

(3) An Annual Plan shall contain:

- (a) An outline of the long-term financial strategy adopted under section 122K of this Act by the local authority; and
- (b) (b) In particular terms for the financial year to which the report relates, and in general terms for each of the following 2 financial years, an outline of
 - (i) The intended significant policies and objectives of the local authority, local authority trading enterprise, company, or other organisation; and
 - (ii) The nature and scope of the significant activities to be undertaken; and
 - (iii) The performance targets and other measures by which performance may be judged in relation to the statement of service performance required by section 223E(3)(e) of this Act; and
- (c) In particular terms for the financial year to which the Annual Plan relates, and in general terms for each of the following 2 financial years, in total and for each of the significant activities of the local authority, an outline of
 - (i) The indicative costs; and
 - (ii) The sources of funds; and
- (d) The funding policy adopted under section 122N of this Act by the local authority or, where the funding policy currently in force under that section has been published in full in an earlier report under this section, an outline of that funding policy; and
- (e) An outline of the investment policy adopted under section 122P of this Act by the local authority; and
- (f) In particular terms for the financial year in which the report relates, and in general terms for each of the following 2 financial years, an outline of
 - (i) The borrowing needs of the local authority; and
 - (ii) The borrowing programme of the local authority, including proposals for the funding of the payment of interest and the repayment of capital; and
- (g) An outline of the borrowing management policy adopted under section 122R of this Act by the local authority, which outline shall identify any significant changes to the policy disclosed in the previous annual report.

(4) The Annual Plan shall include forecast financial statements of the local authority for the financial year to which the report relates, which financial statements shall be prepared in accordance with generally accepted accounting practice and shall consist of

- (a) A statement of the estimated financial position at the beginning of the financial year and the forecast financial position at the end of that financial year; and
- (b) An operating statement reflecting the forecast revenue and expenses for the financial year; and
- (c) A statement of cash flows reflecting forecast cash flows; and
- (d) Such other statements as may be necessary to fairly reflect the financial position of the local authority, the resources available to it, and the financial results of its operations.

(5) The Annual Plan shall contain an explanation of any significant changes between the policies, objectives, activities, and performance targets specified or outlined in the report as being those for the financial year to which the report relates and those specified or outlined in the report for the immediately preceding financial year as being those for the financial year to which the report relates.

(6) The Annual Plan shall include a summary of the equal employment opportunities programme for the local authority for the financial year to which the report relates.