



Lakes, rivers and mountains

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

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

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

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

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

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

Waikato River

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

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

This group of activities contributes to the Environment community outcome.

Projects over the next three years

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

PERFORMANCE MEASURES

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

HOW WE FUND COMMUNITY SERVICES

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

Protecting Lake Taupō

– project changes

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

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

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

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

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

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

How did the reserve funds come about?

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

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

Lakes, Rivers and Mountains – cost of service statement >

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

Lakes, Rivers and Mountains – cost of service statement >

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

Lakes, Rivers and Mountains – Schedule of Capital Expenditure >

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