

LOOKING AFTER THE PLACE

we **lō**  e

for the next 10 years



CONSULTATION DOCUMENT
for the Long-term Plan

2018-28



GREAT LAKE TAUPŌ
Taupō District Council

Contents

Why we want you to have your say!	3
What happens with my feedback?	3
Consultation events	3
Our Long-term District Strategy for 2018-2028	4
Our services and activities	6
Our Financial Strategy	7
Keeping rates affordable and sustainable	7
Looking after the assets we have while maintaining levels of service	8
Prudent management of our investments and borrowings	8
What's happening in your area	10
Rates for different property types	12
Our Infrastructure Strategy	13
Population and demographic change	13
Protecting the health of our communities and the environment	14
Maintaining and renewing our infrastructure	15
Resilient infrastructure	15
Knowledge gaps	15
Planned infrastructure spending 2018-28 (in millions)	16
Tell us what you think	17
Improving traffic flow through Taupō's CBD	17
Upgrading Acacia Bay's water supply	19
Working to reduce wastewater spills	21
Submission form	25

Why we want you to have your say!



Every three years we seek feedback on our draft 10-Year Plan that outlines the services, key projects and initiatives we plan on delivering for our community. This document outlines some of the key issues we want your feedback on. It's just as important to let us know the things you support as well as the things you don't as what you tell us will guide our future decision making.

You can have your say in the following ways:

- taupo.govt.nz
- 10yearplan@taupo.govt.nz
- Call into your nearest council office
- Drop into one of these sessions below.

What happens with my feedback?

When you make a submission you will be given the option on whether you want to present your view to the Council in person. If you do we will book a time for you to attend a public meeting during the week of April 30- May 6. You will be given up to 10 minutes to present your submission and answer any questions. Hearings in Turangi and Mangakino will be arranged if there are sufficient numbers. Alternatively, you may wish to present your view to the Council electronically e.g. conference call. Please let us know if you wish to present in this way.

All submissions will be considered by the Council regardless of whether you want to be heard or not. Final decisions will be made in May. All submissions will be made available to the public via the Council website, including your personal details.

This time we are seeking your feedback on three issues:

Improving traffic flow through Taupō's CBD (pages 17-18), Upgrading Acacia Bay's water supply (pages 19-20) and working to reduce wastewater spills (page 21).

Consultation events

We are planning a number of opportunities for you to come and chat with us about our proposed plans. To find out more visit our website taupo.govt.nz, call into one of our customer service centres, email 10yearplan@taupo.govt.nz or give us a call on 0800 ASK TDC (0800 275 832). We'd love to see you there!

Taupō	Day	Date	Time
Acacia Bay Community Hall	Tuesday	20 March	5 - 7pm
Kinloch Community Hall	Thursday	22 March	4 - 6pm
Our Customer Service Centre 46 Horomatangi St	Saturday	24 March	12 - 2pm
Our Customer Service Centre 46 Horomatangi St	Thursday	29 March	12 - 2pm
Taupō Library	Thursday	29 March	10 - 11am
Waitahanui Community Hall	Thursday	15 March	5pm
Turangi	Day	Date	Time
Turangi Library	Monday	26 March	4 - 5pm
Mangakino	Day	Date	Time
Mangakino Service Centre	Wednesday	21 March	4 - 5pm
Tirohanga Settlers Hall	Monday	12 March	7:30pm
Southern end of Lake	Day	Date	Time
Omori & Kuratau Community Centre	Wednesday	14 March	5:30 - 7pm

Our Long-term District Strategy for 2018–2028

Taupō District Council's vision is 'To be the most prosperous and liveable district in the North Island by 2022'.

As your Mayor and Councillors, we want the Taupō District to be the 'Heartbeat of the North Island' not only by its geographical position but by creating world class, authentic and resilient communities that people want to be a part of. We want our district to be known for its charm, to be vibrant, and to also offer a quality experience for both residents and visitors, while creating real value in what we offer and by the way we do things. We will work closely and collaboratively with our partners to ensure the best possible outcomes are achieved for our community, including iwi, and to maximise any opportunities.

To help guide our strategy we have used a core set of values to underpin our decision making when it comes to the services and activities we carry out as a council. These are:



World Class

The work we do will maintain – and build on – our international reputation as a destination of choice. We will promote an excellent quality of life for our residents while protecting the natural environment that makes our district so special.



Authentic

We will be open and transparent in the way we carry out our business and offer an experience that is genuine and real.



Resilient

Our plans, infrastructure and work programmes will be designed to ensure we are prepared to withstand or recover quickly from, disasters and/or difficult situations. We will be flexible and respond quickly to change.



Charming

Our district's reputation will be built on the attractiveness of our towns, the diversity of the experiences we offer, and the friendliness of our people.



Vibrant

The vibrancy of our district will be created by well-connected communities who work together to create a positive, fun environment people want to call home.



Quality

We enable people to prosper by working to keep unemployment low, housing affordable and ensuring whatever we do is the best it can be.



Value

We will retain and attract residents and businesses by ensuring the district remains affordable and ensuring the work we do creates a better life for people and their families.

This Long-term strategy continues to align with the goals we set ourselves in the last Long-term Plan of:

- Ensuring that the Taupō District remains a great place to live
- Promoting economic development
- Protecting our water resources and using them wisely
- Maintaining the quality infrastructure that we have and;
- Keeping rates and debt affordable.

We want to build on the strong foundation we have built over the past three years.

Where we are

2018



and where we will be

2028

37,200

RESIDENT POPULATION

38,700



15,500

HOUSEHOLDS

16,813



2.4

AVERAGE HOUSEHOLD SIZE

2.3



12,000
10,000
8,000
6,000
4,000
2,000

7,800
10,800
11,900
6,700

AGE 0-15 15-39 40-65 65+

7,400
10,600
11,700
9,000

0-15 15-39 40-65 65+ AGE



Our services and activities



Our Financial Strategy

The strategy continues the focus Council set in the Long-term Plan 2012-22 and 2015-25 on prudently managing our investments and borrowings, keeping rates affordable and sustainable and looking after the assets we have while maintaining levels of service.

Keeping rates affordable and sustainable

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

Rates

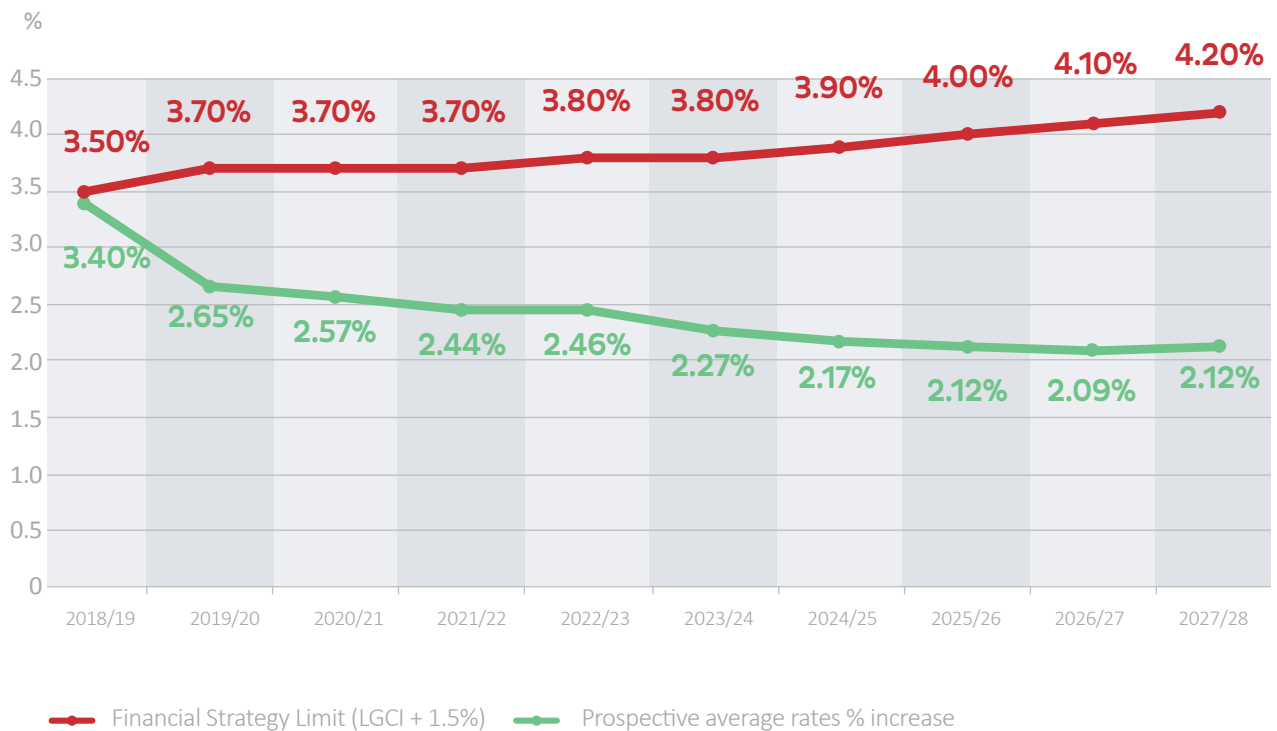
To help achieve what we think is a good balance we have set the following limits on rates:

- Total rates revenue must not exceed 80% of operating revenues
- Rate increases may not exceed the forecast Local Government Cost Index (LGCI) +1.5%

In our last Long-term Plan, we had set the limit on rates increases at LGCI +1%. We have increased this by 0.5% as we are proposing a significant capital infrastructure programme.

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

Rates percentage increase



The strategy outlines the Council’s financial vision for the next 10 years and the impacts on rates, debt, levels of service and investments. It will guide the Council’s future funding decisions and, along with the Infrastructure Strategy, informs the capital and operational spending for the Long-term Plan 2018-28. It identifies the challenges that we want to respond to with our financial goals.

Over the past five years we have been successful in implementing the planned financial strategy. Rates have been within the limits set in the financial strategies of 2012 and 2015. Debt has reduced from a peak of \$168m in 2014 to \$144m by 2018 and we have maintained our levels of service. We have continued with our strategy of selling surplus non-strategic land both as bare land parcels for private sector development and we have successfully completed a staged subdivision at Botanical Heights with all 39 sections sold.

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

Looking after the assets we have while maintaining levels of service

The Council is tasked with providing good quality local infrastructure, local public services, and cost effective regulatory functions. This strategy is designed to maintain the level of services, facilities and regulatory functions provided by the Council.

There are several projects in this Long-term Plan which will increase the level of service provided to the community such as the transportation projects relating to improving traffic flow through Taupō’s CBD.

This Long-term Plan provides for upgrades to the remaining water schemes required to meet the New Zealand Drinking Water Standards which will increase the levels of service to those communities.

Prudent management of our investments and borrowings

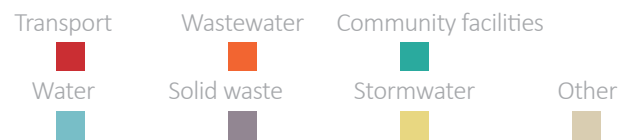
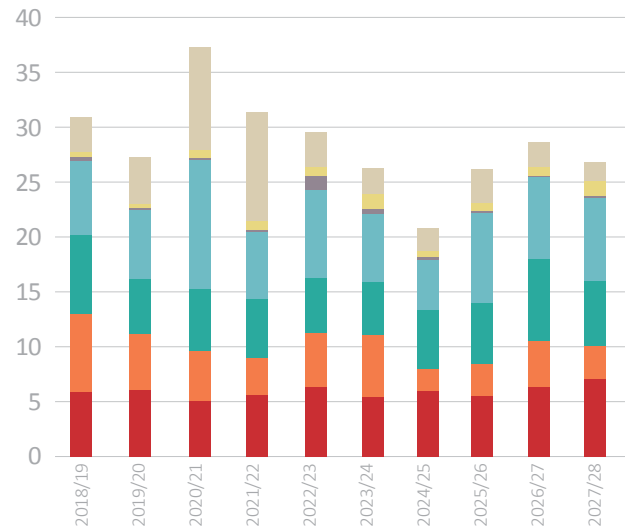
The strategy maintains Councils current prudent and conservative approach to the management of its investments and borrowings to ensure that today’s and future generations of ratepayers share both the benefits and the costs of Council services.

Council has maintained its borrowing limit at 200% of operating revenue.

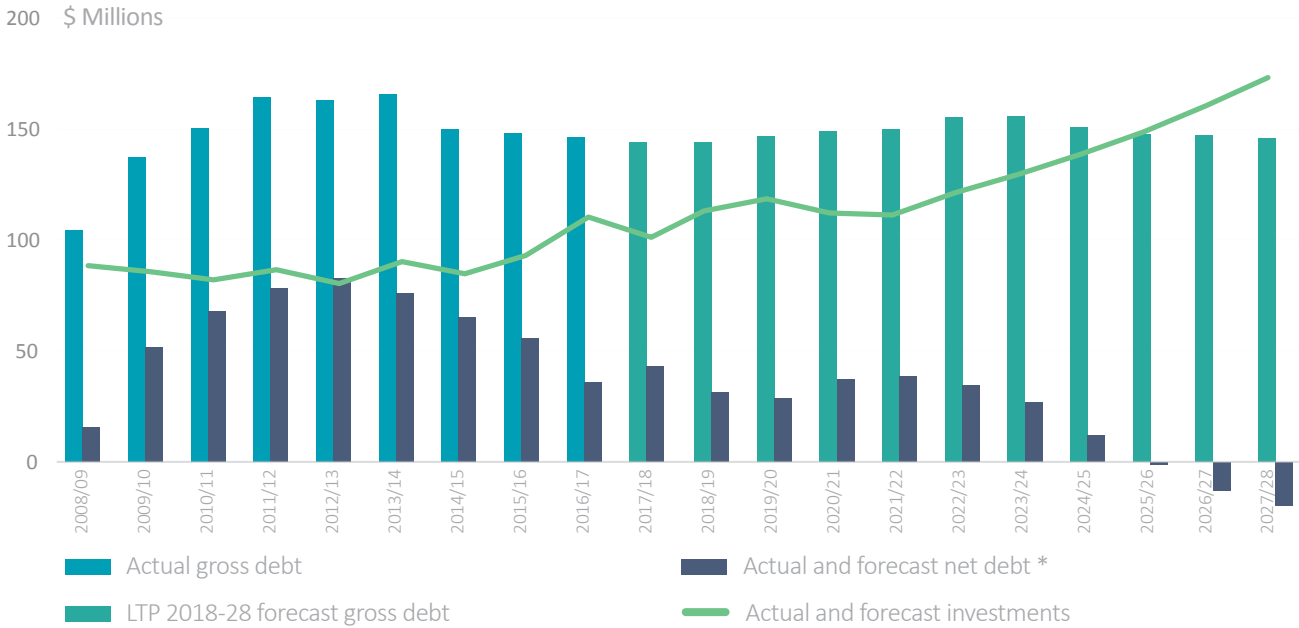
To read our full Financial Strategy visit taupo.govt.nz.

Capital expenditure by activity

\$ Millions



Gross Debt, Investments and Net Debt



* Net debt equals gross external borrowings, less investments (cash, fixed term investments, equities).

Differences between CPI and LGCI

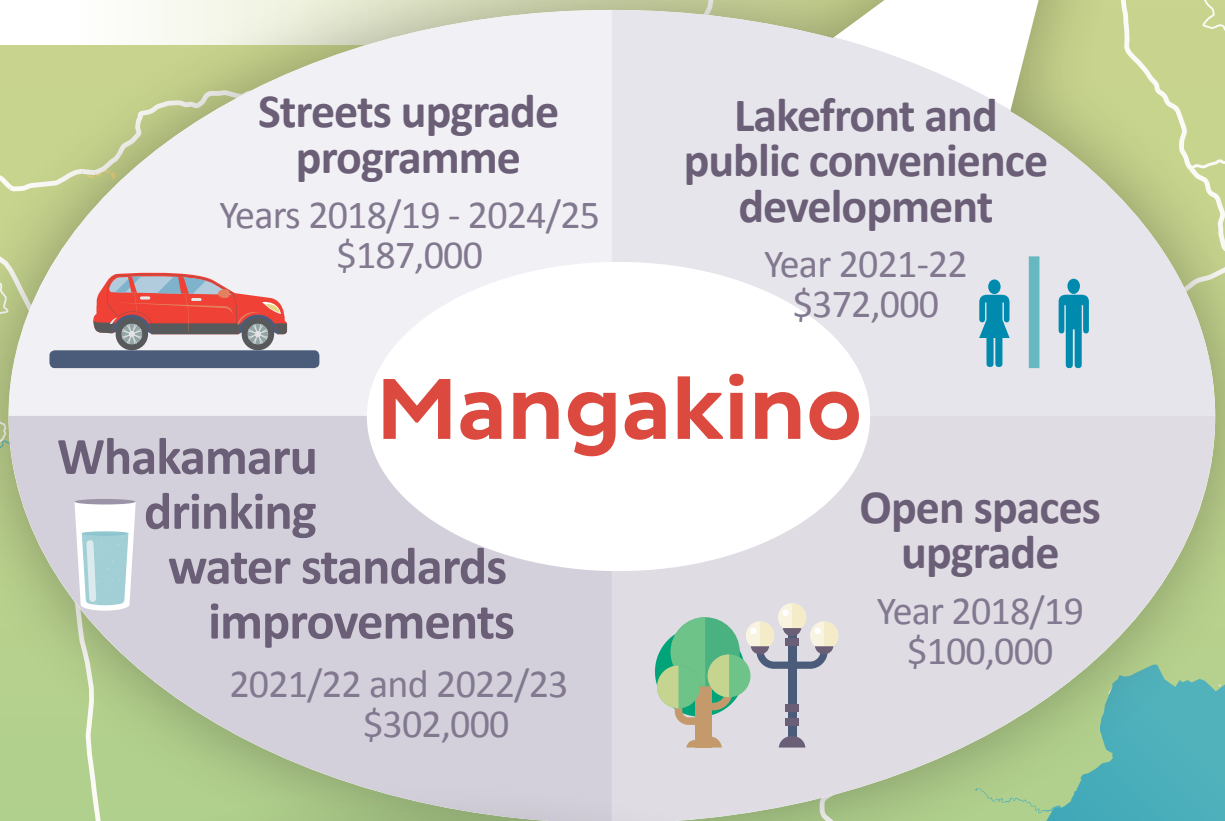
The Consumer Price Index (CPI) is a measure of how much household costs change over time. It is determined by measuring changes in a “basket” of goods and services that a typical household will use- for example, food, furnishings and health services.

The costs faced by council differ significantly from those covered within the CPI “basket”.

Council spends a large proportion of its total expenditure on areas of infrastructure, for example on materials that are used to create roads and pipes. These areas use a lot of petroleum based products, as well as construction materials – all of which are very different to the items used in the “basket” for the CPI. Therefore, council uses a more relevant measure – the Local Government Cost Index (LGCI), which is made up of items council spends its money on.



What's happening in your area





Wastewater upgrades

Years 2018/19 - 2019/20 and 2022/23 - 2023/34
\$7.1million

Drinking water standards improvements

Years 2018/19 - 2022/23
\$7.8million



Kinloch

Footpath construction

Years 2018/19 - 2019/20 \$352,000



Northern access upgrades

Years 2018/19 - 2024/25 \$2.15 million

Erosion control

Years 2018/19 - 2027/28
\$2.9 million



Civic Administration Building

Years 2018-19 - 2021-22
\$15.7 million

Acacia Bay water upgrades

Years 2018/19 - 2020/21
\$4.7 million



Destination Playground

Years 2019/20 - 2020/21
\$484,000



Taupō

Rates for different property types

The table below shows examples of the rates for a range of rating valuations for residential properties in Taupō, Turangi, Mangakino, and Kinloch industrial and commercial properties and rural properties based on what we have planned.

Examples of rates per type of property

Residential properties - Taupō

Rating valuation	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
	\$284,000 CV\$	\$284,000 CV\$	\$453,000 CV\$	\$453,000 CV\$	\$565,000 CV\$	\$565,000 CV\$	\$810,000 CV\$	810,000 CV\$
Targeted rates	1,175	1,233	1,175	1,233	1,175	1,233	1,175	1,233
General rates	962	1,001	1,418	1,448	1,706	1,744	2,338	2,391
Total rates	2,157	2,234	2,592	2,680	2,881	2,976	3,513	3,624
\$ change per week		1.48		1.69		1.84		2.15
% change		4%		3%		3%		3%

Residential properties - Turangi

Rating valuation	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
	\$162,000 CV\$	\$162,000 CV\$	\$186,000 CV\$	\$186,000 CV\$	\$208,000 CV\$	\$208,000 CV\$	\$466,000 CV\$	\$466,000 CV\$
Targeted rates	1,040	1,121	1,040	1,121	1,040	1,121	1,040	1,121
General rates	668	678	729	742	786	800	1,451	1,482
Total rates	1,708	1,799	1,770	1,863	1,827	1,921	2,492	2,603
\$ change per week		1.75		1.78		1.81		2.14
% change		5%		5%		5%		4%

Residential properties - Mangakino

Rating valuation	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
	\$111,000 CV\$	\$111,000 CV\$	\$157,000 CV\$	\$157,000 CV\$	\$218,000 CV\$	\$218,000 CV\$	\$320,000 CV\$	\$320,000 CV\$
Fixed Targeted rates	1,189	1,234	1,189	1,234	1,189	1,234	1,189	1,234
General rates	536	543	655	665	812	826	1,075	1,096
Total rates	1,726	1,777	1,844	1,899	2,001	2,060	2,264	2,330
\$ change per week		0.99		1.05		1.13		1.26
% change		3%		3%		3%		3%

Residential properties - Kinloch

Rating valuation	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
	\$111,000 CV\$	\$111,000 CV\$	\$157,000 CV\$	\$157,000 CV\$	\$218,000 CV\$	\$218,000 CV\$	\$320,000 CV\$	\$320,000 CV\$
Fixed Targeted rates	1,127	1,223	1,127	1,223	1,127	1,223	1,127	1,223
General rates	987	1,006	1,410	1,440	1,706	1,744	2,312	2,365
Total rates	2,114	2,229	2,537	2,663	2,833	2,967	3,439	3,588
\$ change per week		2.2299		2.43		2.58		2.88
% change		5%		5%		5%		4%

Industrial Commercial properties

Rating valuation	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
	\$485,000 CV\$	\$485,000 CV\$	\$800,000 CV\$	\$800,000 CV\$	\$1,100,000 CV\$	\$1,100,000 CV\$	\$2,800,000 CV\$	\$2,800,000 CV\$
Fixed Targeted rates	1,220	1,286	1,574	1,641	2,596	2,722	2,085	2,182
General rates	2,500	2,558	3,962	4,057	6,073	6,222	13,241	13,575
Total rates	3,720	3,844	5,535	5,698	8,669	8,945	15,326	15,756
\$ change per week		2.38		3.13		5.3		8.27
% change		3%		3%		3%		3%

Rural properties

Rating valuation	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
	\$615,000 CV\$	\$615,000 CV\$	\$1,050,000 CV\$	\$1,050,000 CV\$	\$6,115,000 CV\$	\$6,115,000 CV\$	\$10,072,000 CV\$	\$10,072,000 CV\$
Fixed Targeted rates	45	53	45	53	45	53	91	107
General rates	1,835	1,876	2,956	3,026	16,012	16,417	26,462	27,128
Total rates	1,881	1,929	3,002	3,079	16,057	16,470	26,552	27,235
\$ change per week		0.94		1.49		7.94		13.13
% change		3%		3%		3%		3%

Our Infrastructure Strategy

Our Infrastructure Strategy outlines the main themes and issues that arise from these over the next 30 years, but also how we plan to respond to those. These are:

Population and demographic change



The district's population will continue to grow to 2038 and will then decline. The urban areas of Taupō town and Kinloch will continue to grow until 2038 and then start to decline. The population of Taupō town will increase from 24,190 in 2013 until it peaks at 27,260 in 2038 before slowly starting to decline. In Kinloch the population is projected to increase from 520 in 2013 to 780 in 2028 and then remain stable. The towns of Turangi and Mangakino have been experiencing population decline for some time and it is projected that this decline will continue.

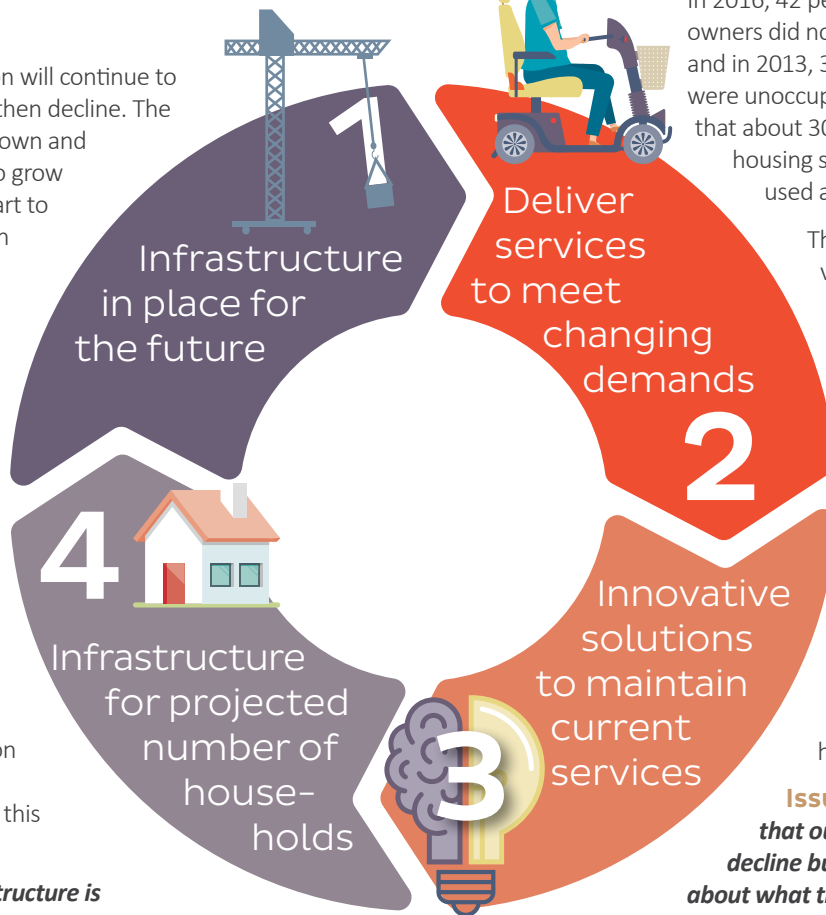
Issue 1 – New infrastructure is required to cater for growth, primarily in Taupō town and Kinloch.

We will respond by: Working alongside developers to ensure the infrastructure is in place as required in time for development.

The district's population aged over 65 years is expected to nearly double from 5,800 in 2013 (17% of the population) to 11,100 in the next 25 years (28% of the population).

Issue 2 – An ageing population may drive a change in demand for the services that we provide.

We will respond by: Delivering services and levels to meet changing demands.



Issue 3 – An ageing population on fixed incomes facing increasing infrastructure costs may result in rates that are unaffordable for our ratepayers.

We will respond by: Where possible, maintaining current levels of service by looking at innovative solutions

In 2016, 42 per cent of our property owners did not live in the district and in 2013, 32 per cent of houses were unoccupied. This indicates that about 30 per cent of our housing stock in our district are used as holiday homes.

There are large variations in the percentage of holiday homes in our different settlements. For example, in Taupō about 30 per cent of the houses are holiday homes, whereas in Kuratau, Whareroa, and Omori, about 90 per cent are holiday homes.

Issue 4 – It is projected that our population will decline but there is uncertainty about what the impact will be on the number of dwellings that need to be serviced by infrastructure.

We will respond by: Providing infrastructure and long term capacity for the projected number of households.



Protecting the health of our communities and the environment

Over the next 10 years we plan to spend \$20.4 million on upgrading the districts water supplies (in addition to what we are spending on Acacia Bay).

An important part of providing infrastructure is protecting the health of our communities and ensuring that our use of natural resources and discharges do not adversely affect our environment and therefore our attractiveness as a visitor destination and future economic development.

Issue 5 – Some of our communities may face a health risk without safe and clean drinking water supplies.

We will respond by: Ensuring we upgrade our water supplies in line with the timeframes set out in water safety plans. These timeframes are developed and prioritised based on risk.

The contamination of the Havelock North water supply in September 2016 highlighted the importance of ensuring that we provide a safe drinking water supply to our communities. This is why we are upgrading our drinking water supplies over the course of this plan to prevent this happening in our district.

Much of our raw water comes from Lake Taupō where all of the available water has already been allocated. While we have consent to take more water than we currently distribute we need to ensure we have access to sufficient raw water to provide for population, economic growth and seasonal variations. This means it will be increasingly difficult to not only retain our existing consent volumes but also get consents for increased water takes in the future to meet this increasing demand. It is likely that any increased demand for water will have to be catered for within our existing allocation.



Issue 6 – The availability and supply of raw water will come under increased pressure.

We will respond by: Taking a more proactive approach to water demand management, by undertaking a project in the next six years to evaluate the different options and implement the preferred option to reduce urban daily household water consumption. This work will be considered during the development of a water strategy.

We aim to reduce the impacts our infrastructure on the environment wherever possible. However, environmental requirements are increasing and will continue to become more stringent in the future.

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

We will respond by: Ensuring we are improving our discharges to protect the environment and comply with consent requirements.

Issue 8 – Every year we have a number of wastewater overflows with many of these entering the lake. This is unacceptable to the Council and community.

We will respond by: Increasing our annual operational budgets to undertake more preventative work. We have increased our budget by \$2.33 million over the 10 years of the Long-term Plan for the work to take place. This would be in addition to the \$700,000 we currently spend on renewing and repairing wastewater and sewerage pipes, and the \$150,000 we spend on inspecting and cleaning. It would also mean we would expect to have less spills to the lake and we have reflected this in our performance measures.

We want your feedback. Refer to page 21 for more information.

Maintaining and renewing our infrastructure

The majority of our infrastructure is in good condition. It is important renewals are done at the appropriate time. This allows us to get value for our money and avoid our infrastructure failing, resulting in expensive repairs. It will also ensure that there is no unexpected interruption in service to communities.

Issue 9 – Some of our assets may be nearing the end - or are already at the end - of their useful life and need renewal. However, we do not know how many assets are potentially affected.

We will respond by: Ensuring condition assessments are programmed for all infrastructure assets and infrastructure renewal is planned.



Knowledge gaps

There are some limitations in the information we hold on our facilities, and our parks and reserves. We lack condition information and are still to develop a strategic direction for these areas.

Issue 11 – We have knowledge gaps across facilities, parks and reserves which mean we are not strategic in our provision of parks and reserves and facilities.

We will respond by: Developing separate strategies for parks and reserves and facilities and improve our knowledge and condition of facilities.

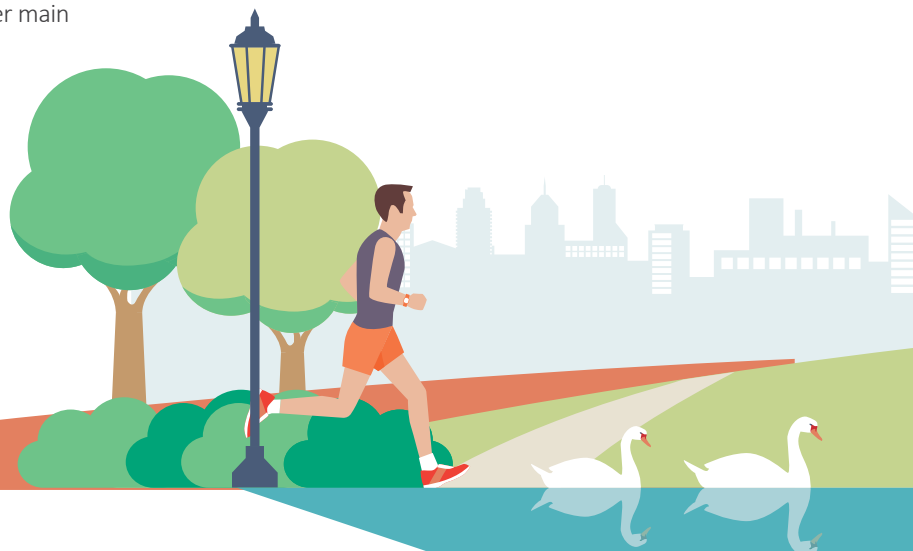
To read our full Infrastructure Strategy visit taupo.govt.nz

Resilient infrastructure

We need to ensure our communities are resilient should there be disruption to our infrastructure networks. These can be from failures in the network, such as a water main bursting, or from natural hazards such as flooding and earthquakes.

Issue 10 – The district is vulnerable to a wide range of events, including natural hazards, that could cause significant damage and disruption to council’s services at any time.

We will respond by: Planning for natural hazards and network failures and build in feasible contingencies.



Planned infrastructure spending 2018-28 (in millions)



Transport
\$207.9
 CAPEX \$59.3
 Operational \$148.6



Wastewater
\$195.8
 CAPEX \$42.6
 Operational \$153.2



Community facilities
\$284.8
 CAPEX \$58
 Operational \$226.8



Water
\$193.2
 CAPEX \$72.7
 Operational \$120.5



Solid Waste
\$57.7
 CAPEX \$3.5
 Operational \$54.2



Stormwater
\$29.6
 CAPEX \$7.8
 Operational \$21.8





Tell us what you think

Improving traffic flow through Taupō's CBD

And easing congestion at Norman Smith Street/Wairakei Drive

Ongoing community frustrations with congestion at Norman Smith Street last year saw us include \$100,000 in the 2017/18 Annual Plan to fast track an investigation into traffic movements through the northern part of Taupō's Central Business District. We also took the opportunity to include roading improvements identified through structure planning in 2011.

We engaged specialist consultants, Traffic Design Group, to identify options and look into traffic movement as well as factoring in projected population and visitor growth. They also met with a number of community groups, residents associations and other key stakeholders to gain a better understanding of the issues.

The outcome was an extensive report on the options available and suggested timeframes. The report outlines

some short, medium and long term solutions we have included in the draft Long-term Plan.

Already, we have changed the lane marking at the merge of Norman Smith Street/Wairakei Drive and have installed new, improved, 'merge like a zip' signs. We have also changed the lanes at the Tongariro Street/Spa Road roundabout approach, by Countdown, to left and right only to improve traffic flow.

The entry into Redoubt Street will be left-hand turn only and the exit onto Tongariro Street will be left-hand turn only as well. Variable signage will also be in place at certain times on State Highway 1 to direct traffic to other entrances into Taupō, to take pressure off Wairakei Drive at peak times.

The package of proposed solutions takes into account that our northern entrance operates as part of our transport network, so doing any one change on its own could cause issues elsewhere.

The majority of the proposed projects are to be funded through loans and a subsidy from the New Zealand Transport Agency.

The proposed solutions are:

Short-term:

- 1** Change the speed limit to 50kph just north of Huka Falls Road including painted islands and shoulders. We will be consulting on this as part of our Speed Bylaw Review in April/May this year.
- 2** Design and install threshold treatment at the start of the 50kph to form a gateway into Taupō from the north. Year 2018/19. Total cost \$127,000. This would be funded through our minor improvements programme.
- 3** Install traffic lights at the Norman Smith Street/Wairakei Drive intersection. Year 2018/19. Total cost \$479,000.
- 4** Install traffic lights at the Spa Road/Ruapehu Street intersection. Year 2019/2020. Total cost \$422,000.

Medium-term:

- 5** Close the Countdown access to Tongariro Street, timing and cost to be determined.
- 6** Install traffic lights at the Titiraupenga Street and Spa Road intersection. Year 2020/2021. Total cost \$649,000.
- 7** Install traffic lights at Titiraupenga and Tamamutu Streets. Year 2021/22. Total cost \$502,000.
- 8** Install traffic lights at the Titiraupenga Street and Heuheu Street intersection. Year 2022/2023. Total cost \$493,000.

Long-term:

- 9** It has been recommended a new bridge be built downstream from the Control Gates Bridge. This is seen as a long-term option and we have included \$100,000 in the 2018/19 year to undertake some investigation work.
 - 10** Install traffic lights at the intersection of Paora Hapi and Gascoigne Streets. Year 2023/2024. Total cost \$424,000.
 - 11** Install traffic lights at the intersection of Paora Hapi and Ruapehu Streets. Year 2024/2025. Total cost \$526,000.
 - 12** Investigation into removing the Spa Road Roundabout and realign Tongariro Street. Year 2024/25. Total cost \$172,000.
- *Please note figures quoted include inflation.

We would like your feedback on the following options.

Option 1

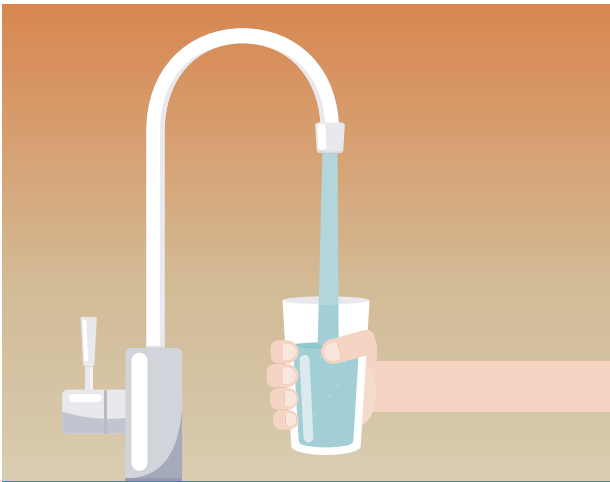
Preferred: Complete the programme as described above. This option would result in improved traffic flow at the northern entry to Taupō. The impact of rates on this option is shown in the table below. The average rate impact is \$7 per annum.

Option 2

Do nothing, status quo remains. This would mean there would continue to be traffic flow issues at the northern entry to Taupō during peak times and would not result in an additional rate increase.

	2018/19	2019/20	2020/21	2021/22	2022/23	2032/24	2024/25	2025/26	2026/27	2027/28
Average rate impact \$	\$4.08	\$4.80	\$4.80	\$4.80	\$7.47	\$7.47	\$9.19	\$9.19	\$9.19	\$9.19

Upgrading Acacia Bay's water supply



Meeting the drinking water standards

Providing safe, clean drinking water to our communities connected to a council supply is one of our key goals.

We have 19 water schemes around the district and are required under legislation to take all practicable steps to ensure we supply drinking-water that complies with the Drinking-water Standards for New Zealand. We have a programme of water treatment upgrades planned over the next 10 years to ensure we can meet this requirement.

So far, we have upgraded the Taupō, Turangi and Mangakino water treatment plants. The next major upgrade is for the Acacia Bay supply.

When we consulted on our last Long-term Plan we signalled there would need to be a conversation with our communities regarding the funding of all or our water supplies in the future. We are still working on the options however there is a need to upgrade the Acacia Bay supply before that conversation is had. This is now likely to form part of the next Long-term Plan.

Key issue

Upgrading Acacia Bay's water supply

Our Acacia Bay water treatment plant supplies water to 742 Acacia Bay / 387 Mapara properties, including those in the Mapara Road rural water supply zone. We commissioned engineering consultants Mott McDonald to assess the options for meeting the drinking water standards and we are now seeking feedback on the two practicable options that were identified.

Option 1: Build a new water treatment plant in Acacia Bay.

Estimated total cost: \$6.2 million. We will raise a loan to fund this project.

Estimated annual operating cost: \$185,000 (excludes interest and depreciation).

For this option, we would need to buy land for a new water treatment plant and ensure it had the capacity for growth. We would continue to take water from Lake Taupō and would treat it to the same standard of drinking water quality as the Taupō water treatment plant.

Risks

- Potential for higher than planned costs or difficulty in acquiring a suitable site to locate a new water treatment plant.
- Difficulty and additional costs in obtaining the required consents to construct the new plant.
- Potential for the visual amenity of the residential area to be lowered; it is proposed that a buffer zone is created around the proposed treatment plant with landscaping planting to provide visual screening
- The proposed site and may require additional construction works than expected.

This option would mean that the Acacia Bay and Mapara water schemes would continue to operate and be funded separately to the Taupō town water scheme.

Option 2 – Connect Acacia Bay and Mapara Road to the Taupō water treatment plant

Estimated total cost: \$4.5 million. We will raise a loan to fund this project.

Estimated annual operating cost: \$159,000 (excludes interest and depreciation).

A new pipeline would be laid from Jarden Mile to the existing reservoir at Reeves Road to supply water to Acacia Bay from the Taupō water treatment plant. The current water intake at Acacia Bay would no longer be required.

The existing Taupō water treatment plant can produce 25 mega litres per day. Over summer, increased water demand sees the plant running at capacity so an upgrade to 30 mega litres per day will be required in 2018/19, regardless of whether Acacia Bay and Mapara Road properties connect. The cost to increase the capacity of the Taupō water treatment plant to 30 mega litres per day is approximately \$1.75 million. We will raise a loan to fund this project.

Connecting the Acacia Bay and Mapara Road properties to the Taupō plant, would result in a total peak demand of at least 26.5 mega litres per day. The additional capacity provided by this upgrade will also cater for the continued growth of the Taupō community.

The plant was designed to allow for an increase capacity to 35 mega litres per day in two separate stages. Based on current growth forecasts, an upgrade to 35 mega litres per day if Acacia Bay is connected is not expected to be needed until about 2040.

This option would mean that the Acacia Bay and Mapara water schemes would become part of the Taupō water scheme. All users within the scheme would fund the operational and capital costs associated with this scheme from 1 July 2018.

Risks

- Connection of Acacia Bay and Mapara Road to the Taupō water supply via a single, lengthy pipeline poses a risk to water security at Acacia Bay. The reservoir has storage capacity of about 24-hours.
- If growth in Taupō, Nukuhau, Acacia Bay and Mapara Road meant a water demand over the 35 mega litre per day capacity of the Taupō water treatment plant, there would be a need to consider further supply and reticulation infrastructure. This risk is mitigated by Council's intention to reduce consumption rates over time.

What does it mean for rates?

Option 1: Construct a new water treatment plant in Acacia Bay.

The rating impact of constructing a new water treatment plant in Acacia Bay to be funded solely by residents in the Acacia Bay and Mapara Road schemes is as follows:

Scheme	2017-18	2018-19	2019-20	2020-21	2021-22
Taupō	\$447.45	\$456.95	\$454.30	\$461.63	\$478.60
Acacia Bay	\$545.30	\$468.10	\$565.91	\$806.66	\$987.71
Mapara*	\$309.80	\$506.68	\$600.87	\$841.01	\$1,023.96

*average rate as existing scheme is land value based.

Option 2 – Connect Acacia Bay and Mapara Road schemes to the existing Taupō water treatment plant

The rating impact of combining the Acacia Bay and Mapara Road schemes with the Taupō scheme is as follows:

Fluoridation

The debate on whether or not fluoride should be added to water supplies is a long-standing one and it is an issue that has been recommended to be handed to District Health Boards to make a decision on in the future.

A key difference between the current Acacia Bay water supply and Taupō's is that the Taupō supply is fluoridated. If Acacia Bay were to join the Taupō scheme those properties would also receive fluoridated water.

As the responsibility for making the decision on fluoridation is likely to be no longer under our control, we cannot predict whether a new water treatment plant for Acacia Bay would be required to include fluoridation.

We, like other local authorities, are awaiting the outcome of the Health (Fluoridation of Drinking Water) Amendment Bill introduced by the Government. This is expected in the near future.

Scheme	2017-18	2018-19	2019-20	2020-21	2021-22
Taupō combined	NA	\$458.21	\$461.71	\$482.73	\$508.64

The annual change on Taupō, Acacia Bay and Mapara ratepayers for option 2 (the preferred option) on combining Acacia Bay and Mapara schemes with the Taupō scheme is as follows:

Increase/(-)Decrease in Targeted income				
Taupō	\$1.26	\$7.41	\$21.10	\$30.04
Acacia Bay	-\$9.88	-\$104.20	-\$323.93	-\$479.09
Mapara*	-\$48.47	-\$139.15	-\$358.28	-\$515.32

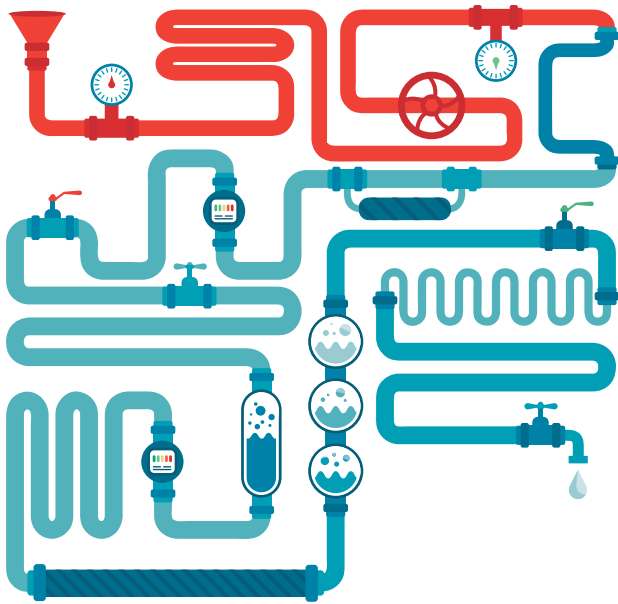
The calculations include allowances for asset depreciation, interest and operating costs.

Preferred option

The preferred option is to connect the Acacia Bay and Mapara Road communities to the Taupō water supply. This option has the lowest construction cost and lower ongoing operational costs. There is also a lower impact on ratepayers in the Acacia Bay and Mapara Road areas. The standalone option is considered too great an increase for these ratepayers.



*We
want your
feedback.*



Working to reduce wastewater spills

Every year, we spend about \$700,000 on renewing and repairing wastewater pipes, and another \$150,000 on inspecting and cleaning them in an effort to avoid any overflows.

Despite this, there are still a number of overflows that happen every year and many of the incidents see wastewater enter the lake. We want this to stop.

There is an ongoing issue with people flushing or putting things down the drains that shouldn't be there, with, cooking fat, wet wipes and tree roots causing the biggest issues.

In areas where tree roots have entered the pipes, these items build up quite quickly and cause blockages. Larger objects our team have found in the system include building materials, rubbish, clothes, and even curtains!

While we are developing a public education programme to encourage people to do the right thing, we want to invest more heavily in a preventative maintenance programme that will allow us to proactively identify any potential trouble areas in a timely way.

This financial year we will spend an extra \$395,000 to increase the amount of camera surveillance, and we will use blockage detection technology to ensure any potential issues are known of and dealt to early. This is targeting the areas most likely to cause spills to the lake.

Next year we want to spend an extra \$350,000 to continue the work and we have budgeted an additional \$220,000 a year each year thereafter for an increased ongoing maintenance programme.

Option 1: Undertake additional work to prevent wastewater spills from our network

Our preferred option is to increase our annual operational budgets to undertake more preventative work. We have increased our budget by \$2.33 million over the 10 years of the Long-term draft Plan for the work to take place. This would be in addition to the \$700,000 we currently spend on renewing and repairing wastewater each year, and the \$150,000 we spend on inspecting and cleaning each year. It would also mean we would expect to have less spills to the lake and we would reflect this in our performance targets. This option would mean that in 2018/19 year, the wastewater targeted rate would increase from \$701.71 to \$721.06.

Option 2: Continue with the current programme

We continue our current programme of spending about \$700,000 each year on renewing and repairing wastewater pipes, and another \$150,000 each year on inspecting and cleaning. This option would mean that the wastewater targeted rate would be \$701.71. Our levels of service under this option would remain the same.

Economic development

FYI

Tourism New Zealand funding – Winter Campaign

Last February Ruapehu Alpine Lifts unveiled a plan to transform the Taupō District into New Zealand's premier ski destination.

At that time, we approved \$100,000 of funding each year for the next two years to support a Tourism New Zealand campaign that aimed to help the Ruapehu Alpine Lifts gain a strong foothold in the Australian tourism market.

The campaign also gained funding support from Ruapehu District Council and Auckland International Airport.

In our draft Long-term Plan, we have included \$100,000 per annum for another three years to continue supporting the partnership as the district's activities and attractions will form the key basis of the campaign.

In the 2018/19 year it will be accompanied by a matching contribution of \$100,000 from Ruapehu Alpine Lifts, \$300,000 from Auckland International Airport, \$250,000 from Tourism New Zealand and \$50,000 from Ruapehu District Council.

Civic Administration Building

Last year we were required to vacate our former administration building at 72 Lake Terrace due to a number of health and safety issues including the detection of friable asbestos and the need to undertake earthquake strengthening.

During the development of the 2017/18 Annual Plan, we consulted with the community on a number of different options, from refurbishment to a new build, with the preferred option being to build a new building at the Lake Terrace site. However, following feedback the decision was made to build a new building, on a site to be determined. It was also decided to investigate lease options as an alternative to self-funding a new building.

The majority of staff relocated to five sites in the Taupō CBD during the year, and investigations continued into potential sites and funding options. Calls for expressions of interest from parties who may have been interested in leasing a building, site or both were made, and there were five responses, but all were discounted during the site selection process in October for various reasons.

Instead, the council decided to investigate the development of the area fronting on to Story Place near the Great Lake Centre and the library for the new building as its preferred option. The other two options, in order of preference, were to build on the Tuwharetoa Street carpark or on the former site at 72 Lake Terrace.

It was hoped that the investigations would be complete

in time to ask the community for feedback on options as part of this Long-term Plan process. However, late last year we recognised an opportunity to take a good look at the wider picture and to 'do it once and do it right'.

In February, we approved the development of a masterplan for the area by the Great Lake Centre to see what efficiencies can be made, what opportunities can be capitalised on, and to futureproof any development going forward. We think there is a real opportunity to develop a 'civic heart' for Taupō by including new cultural, arts and heritage facilities to replace the existing Taupō Museum, but we want to gain a better understanding of the details, including costs, before we make the decision to seek your feedback. We also want to further investigate the potential to attract funding from outside sources as has been done in other centres.

Our aim now is to have the preliminary investigations completed by the middle of the year and then come back to you with the information you need to give informed feedback to help guide our decision making. This will include options on what is or isn't included in a new building, costs and timelines. In the meantime, we have included funding of \$15.7 million in the plan for a new building as a placeholder.



Changes to policies:

Development Contributions Policy 2018

The effects of growth, particularly the cumulative effects of development, require Council to incur capital expenditure, on behalf of incoming communities, to provide new or additional services. Funding tools such as development contributions, along with others, are essential in meeting these needs. Development contributions assist Council to assign the costs of growth to the time frame in which that demand is generated. A Development Contributions Policy aims to recover infrastructure costs arising from growth from developers who create the infrastructure need.

The draft Development Contributions Policy 2018 has been reviewed and some changes have been proposed from the policy adopted in 2015. These include:

- Changing funding of reserves from district-wide to catchment based (Taupō and Kinloch only).
- The definitions of 'growth' and 'reserve land' have been clarified
- Clarifying when reserves development contributions apply for infill development and;
- The introduction of water contributions in Kuratau, Omori, and Pukawa.

Rates Remissions and Postponement Policies

Council is required to have rates remissions and postponement policies. Each policy outlines the objectives, conditions and criteria specific to that policy including the information that must be provided when an application is made. The draft policy contains nine policies.

This includes a new rates remission policy for Crown owned Hydro lakes (with easements to carry out the electricity generation business) that has been added to the current Rates Remission for Lake Taupō Lakebed, Crown owned Hydro Lakes lakebeds (with easements to carry out the electricity generation business) and Lakeshore Reserve. The new Hydro Lakes lakebeds (with easements to carry out the electricity generation business) rates remission policy recognises the significance of public access to the lakes for enjoyment and recreational activities.

Revenue and Financing Policy

This policy sets out who pays for the activities that Council undertakes on behalf of the community and how these activities will be funded. Our funding policies are determined having consideration of who benefits, intergenerational equity, who contributes to the need for the activity, distinct funding and the overall impact of the method of funding. The Revenue and Financing Policy should be read in conjunction with the s101(3) considerations report available at taupo.govt.nz.

The key changes to our existing policy are:

- We have moved from set percentages for funding sources to a range of percentages.
- Consolidation of two activities within the economic development group.
- Removed rural fire within the community services group as it is no longer a council function.

Fees and charges

We are required to consult on fees and charges for regulatory services (animal control, building services, planning services, and inspection services), water supply, parks and reserves, trade waste and solid waste. These can be found on the council's website. All fees and charges include GST. The key changes from 2017/18 to 2018/19 are summarised below:

Animal management

- Removal of the 'rural dog other' category so that all dogs, other than working dogs, are classified the same.

Community Services:

- The AC Baths entry fees to increase: from \$8 to \$10 for an adult, \$5 to \$6 for a senior/student, child or under 5s including non-paying adult for supervision to increase from \$4 to \$5.
- There is also an increase to the AC Baths aqua fitness class fees and membership fees.
- Turangi Aquatic Centre entry fees for an adult to increase from \$4 to \$5.
- The Mangakino Pool entry fees to increase from \$3.50 to \$4.50 for an adult.

Submission form


How to make a submission

You can make an online submission by going to www.taupo.govt.nz or you may complete the form below.

Submissions open on Monday 12 March and close on 16 April, 2018, 5pm

submit
online

Please note that your submission (including any personal information supplied) will be made available to the Councillors and the public.

Written submissions to be posted to: **Free** 

The Chief Executive Officer
Taupō District Council
Private Bag 2005
Taupō 3352
Freepost No. 112497
Fax 07 378 0118

Submissions can also be emailed: 10yearplan@taupo.govt.nz

Hearings have been set down for the week April 30 - May 3 2018. Hearings in Turangi and Mangakino will be arranged if there are sufficient numbers.

If you have indicated that you wish to present your comments in person, you will be contacted after the submission period has closed to arrange a date/time. You will be given up to 10 minutes in which to present your submission and answer questions. Please make your written comments as complete as possible and use the hearing time to highlight the most important aspects of your submission.

Your details:

Mr **Mrs** **Ms** **Miss**

Name

Contact details

Postal address

Email

Best daytime contact number

Mobile

If your contact details are provided you will receive an acknowledgement of your submission

Organisation

If you are completing this submission on behalf of others please name the organisation

Organisation

Presentation

Do you wish to present your submission to the Council in person at a hearing?

Yes **No**

If 'Yes' where would you prefer to be heard?

Taupō **Turangi** **Mangakino**

Submission

Please provide your feedback on the Consultation Document for the Long-term Plan 2018 – 28. Tell us the things you support, or what you don't, to help guide our future decision making.

Please attach additional pages if required

Improving traffic flow through Taupō's CBD – what is your preferred option?

- Option 1: Complete the programme as described on pages 17-18**
- Option 2: Do nothing, the status quo remains**

Comments:

Upgrading Acacia Bay's water supply – what is your preferred option?

- Option 1: Build a new water treatment plant in Acacia Bay**
- Option 2: Connect Acacia Bay and Mapara Road to the Taupō water treatment plant**

Comments:

Working to reduce wastewater spills – what is your preferred option?

- Option 1: Undertake additional work to prevent wastewater spills from our network**
- Option 2: Continue with the current programme**

Comments:

Independent auditor's report on Taupo District Council's Consultation Document for its proposed 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for Taupo District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 1 March 2018.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018-28 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this report on the Council's consultation document and all legally required external audits, we have provided assurance reports on certain matters in respect of the Council's Debenture Trust Deed and the Planning and Procurement Processes for a new Headquarters Building. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council or any of its subsidiaries.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General, Tauranga, New Zealand



GREAT LAKE TAUPŌ
Taupō District Council