

# **ATTACHMENTS**

**UNDER SEPARATE COVER**

**Ordinary Council Meeting**

**28 July 2020**

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

## PURPOSE OF THIS STRATEGY

This strategy sets out:

- The vision for transport in the district – the outcomes we will strive to achieve and the order of priorities.
- How we will deliver the vision – what we will do, the places where we will focus, and indicative time frames.
  - *Short-term is within 5 years*
  - *Medium-term is 5 – 15 years*
  - *Long-term is 15 – 30 years*
- How we will measure and report on success.

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**CONNECTING TAUPŌ 2020 – 2050****Taupō District Council Transport Strategy****STRATEGIC CONTEXT**

Transport is our means of connecting to people and places. It connects us to job opportunities, education, health services, shops and essentials – like groceries and medicine. It connects us to our friends, families and communities. It connects us to social and cultural places – like marae or church. It connects us to recreational and social activities. It connects our goods to our customers, supporting our jobs and livelihoods.

Given its importance, Taupō District Council (the Council) must get the planning right. And with that comes a need to address some significant transport challenges.<sup>1</sup>

- Increased traffic is creating barriers and safety concerns, especially for pedestrians
- Safety remains a top priority
- We will have to transition to low emission transport.
- We have an aging population who will require more user-friendly and forgiving intersections, pedestrian crossings, and footpaths.
- Car centric transport networks have delivered poor horizontal walking and cycling connections that traverse hills, and low walking and cycling rates
- We need to fully realise the outcomes of the Taupō Urban Commercial and Industrial Structure Plan, which identifies opportunities to improve economic and social interactions.
- Population growth in some areas along with continued growth in state highway traffic and tourism, plus seasonal influxes, are combining to place pressure on a few concentrated roads and intersections.
- We will face more severe and frequent weather events which will impact transport routes.

- Continued growth in national freight, which travels through and often stops in the district.
- Increased potential for new rural industrial activities which will increase the number of trucks on rural roads.
- Financial constraints and the need to be mindful of ongoing costs for areas with low populations and growth.

<sup>1</sup> A separate issues paper informed by consultation with the community, transport operators and other experts identifies and explains these challenges in more detail.

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

## VISION

*“Making it easier to get to the people and places we want, safely and sustainably.”*

## OUR COMMITMENT AND ORDER OF PRIORITIES

*“We will maintain and enhance our transport networks so they are:*

**1. Safe**  
*(safety remains the top priority)*

Deaths and injuries on our roads are a huge trauma for the people and families involved – and a massive social and economic toll for our communities. Although most fatal and serious crashes in Taupō District occur on State Highways, which are the responsibility of Waka Kotahi (the NZ Transport Agency), the local impacts are significant. Local communities should not have to fear for their safety. We want Taupō to be safe district for people to live and visit.

**2. Inclusive**  
*(accessible and affordable so that getting around is not a barrier to anyone)*

While transport is reasonably easy for most people, for a significant part of our community, getting around can be a real challenge including people who cannot drive or do not have a car, or people with disabilities.

The social and economic costs of people being unable to fully participate in society due to transport barriers can be large. Without good transport connections, people's independence is impacted. People can become isolated or excluded. Good, easy and safe transport is a key part of a good quality of life.

High quality, accessible paths and streets benefit everyone. They are better for people with wheels - including people in wheelchairs, on mobility scooters, pushing prams, and children on scooters. They reduce trip hazards. And they make our streets easier and more inviting for all.

**3. walking and cycling friendly to support sustainable choices**

Walking and cycling are healthy, environmentally conscious and social forms of transport and recreation. They promote a healthy and active lifestyle. Also, by walking or cycling instead of driving, we have less traffic, need less expensive road upgrades, and reduce harmful emissions that contribute to climate change. These are especially relevant with mental health, obesity, and climate change pressing issues in New Zealand, especially affecting our younger generations.

We want walking and cycling to be popular, easy and safe. To be popular, walking and cycling must be attractive and convenient. Having great walking and cycling opportunities helps make Taupō a great place to live and visit.

Whenever we do something, like a new development, or street improvement, we will ask the question – is this walking and cycling friendly?

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**4. *supporting the vibrancy of our town centres and fostering social and economic interactions***

Our towns are the heart of the district. They are where we get together for economic and social interactions. We want welcoming town streets that attract locals, shoppers and visitors, and foster economic and social opportunities.”

From a transport perspective that means our streets must be:

- easy to travel, and intuitive for visitors
- easy to stop and stay (e.g. park)
- easy to walk around
- vibrant and attractive
- provide seamless connections and interactions with recreational, social and economic spaces.

**5. *well connected to the rest of New Zealand***

Taupō district needs strong connections to the rest of New Zealand to support economic and social opportunities. Our connections need to be efficient, affordable, and swift – closing the gap between Taupō district and the rest of New Zealand. Priorities are supporting:

- visitors and tourists coming to Taupō district
- business and employment opportunities with the largest and fastest growing areas of Auckland, Hamilton and Tauranga.
- getting goods to/from Auckland (our largest domestic market, import port and distribution centre), and Tauranga (New Zealand's largest export port)
- flights that support social and business connections with other parts of the country. In particular with Auckland, which has connections to the rest of the country, and to overseas.

**6. *resilient and reliable***

Our transport networks provide vital and important connections. Keeping communities connected to necessary goods and services, jobs, and customers. We need to:

- understand the risks to these connections
- understand the potential impacts of closures or disruption
- ensure communities are prepared for the possibilities
- have plans in place to respond
- and invest to reduce risks where sensible.

**7. *maintaining predictable travel times in the face of growth.***

One of the drawcards of Taupo district, which sets us apart from larger cities, is the ease of getting around and short commute times. This frees up time for recreation, leisure, and family – and makes Taupō district a great place to live.

Over time, with growth, it may not be possible to retain the current ease of getting around. With strong seasonal and commuting peaks, and quiet roads the rest of the time, we will aim to manage growth and peaks by making the most of our existing networks without large expensive new roads, which would be unnecessary for much of the time.

Our focus will be on ensuring predictable and reliable travel times, rather than trying to prevent congestion at peak periods and provide additional infrastructure to cater to increased single person car trips. Slow but stable traffic flow, and a few minutes delay for commuters, and summer visitors is acceptable. But we will aim to plan to avoid regular risks of large unexpected delays, where traffic flow breaks down completely and causes uncertainty and disruption.

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## Taupō District Council Transport Strategy

### DELIVERING THIS STRATEGY THROUGH LONG-TERM PLANS

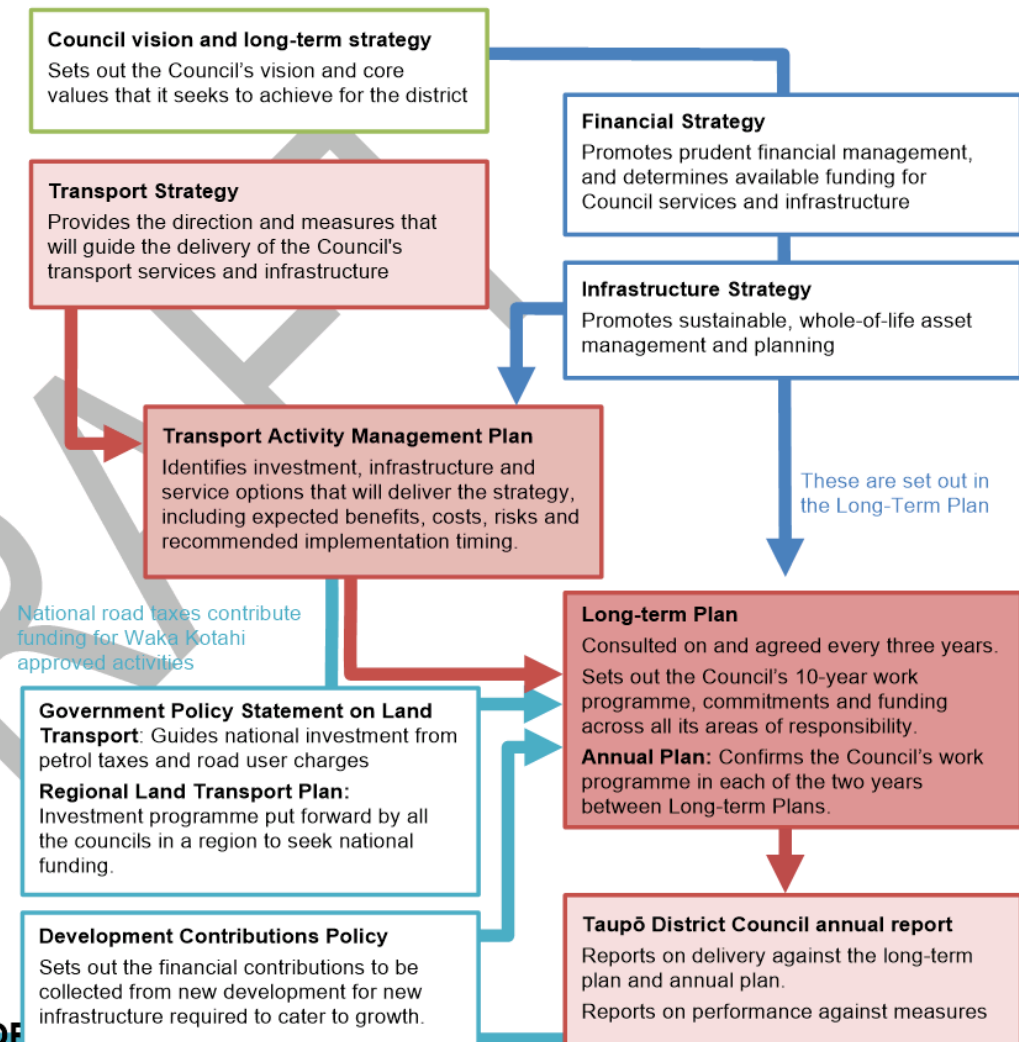
We have finite resources. Transport funding principally comes from our residents, through property rates and national fuel taxes and road user charges. Commitment and funding for projects requires weighing the needs and priorities across all council functions, including providing water, wastewater, stormwater, solid waste, community facilities, and community services. The Council must consider affordability and practise prudent financial management. This is done through the Council's *Long-term Plans*, which are consulted on and agreed every three years. A *Long-term Plan* sets out the Council's work programme, commitments and approves funding for projects.

This strategy will guide the investigation of projects and the development of the Council's *Transport Activity Management Plans*. *Transport Activity Management Plans* will identify the operational and investment options that can achieve the aims of this strategy. Asset management plans will identify individual projects and programmes, their expected benefits, costs, risks, recommended implementation timing and how they align with this strategy, its vision and outcomes.

To ensure value for money (in addition to direction in this strategy), all significant investment must be supported by a robust business case that demonstrates all feasible options have been considered and shows the preferred option will provide benefits that significantly outweigh the full costs (i.e. costs over the whole life of the investment).

*Long-term Plans* (also *Annual Plans*) will provide the funding for the options identified by the *Transport Activity Management Plans*.

Figure 1 – Framework for the delivery of this strategy



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**CONNECTING TAUPŌ 2020 – 2050****Taupō District Council Transport Strategy****This Transport Strategy replaces previous strategies**

- Walking and cycling strategy (2010)

**Other relevant Council strategies**

This Transport Strategy sits alongside other key council strategies, including:

- Structure planning, including the Taupō Urban Commercial and Industrial Structure Plan (CISP).
- Economic development strategy
- TD2050 – growth management strategy
- Recreation strategy

**Other Council plans and activities**

The Transport Strategy will also guide other council activities and plans, including:

- Code of Practice – which sets design requirements and standards for new developments
- Reserve management plans, including the provision of walkways and paths
- Taupo District Plan, including the identification of major roadways, and land use controls to protect and support transport networks
- Speed management planning and speed limit register / bylaw
- Parking and traffic management and bylaw
- Tree and Vegetation Policy

**Other national and regional strategies**

The triennial Government Policy Statement on Land Transport, the triennial Regional Land Transport Plan, and Waikato Regional Public Transport plan will feed the direction of investment focus for the Council's Transport Activity Management Plans alongside this strategy.

Current direction, and other national and regional strategies and plans have informed this Transport Strategy as identified in the separate Issues Paper.

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

### Responsibility for delivery

Councillors are responsible for ownership of this strategy, its direction and measures. Councillors are responsible for ensuring that it is appropriately prioritised, funded and delivered through the activities of the Taupō District Council.

The *Head of Department – Operational Services, Infrastructure Manager, and Asset Manager Transportation* are responsible for ensuring that this strategy, its direction and measures are embedded into operating plans, activity management plans, and reporting. They are responsible for ensuring that credible, considered options to deliver the strategy are put forward for consideration by Councillors as part of *Long-term Plan* and *Annual Plan* processes.

### Reporting on delivery

Taupō District Council's annual report explains what transport investment and services it has delivered in the year, how this compared to the plan set out in the long-term plan and annual plans. It also reports on levels of service, performance measures and targets.

The *Annual Report* will report on progress on planned actions to deliver this strategy.

The measures (and any targets) in this strategy will be included in the *Transport Activity Management Plans, Long-term Plans* and *Annual Plans*. These will then be reported against in the *Annual Report*.

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

### HOW WE WILL DELIVER THE VISION

#### 1. Safe (safety remains the top priority)

##### 1.1 Working in partnership with central government and Waka Kotahi (the NZ Transport Agency) to address unsafe or not fit-for-purpose State highways

*Short – Medium-term*

State Highway 1, especially between Turangi and Taupō, is a critical road for local traffic within Taupō District. It also faces significant truck and visitor traffic (including campervans), both of which have increased in recent years and are expected to continue increasing. The road needs to be fit for these purposes. It is currently substandard with safety issues in a number of places, including places where trucks cannot pass in opposite directions. We support moves to reduce speeds on this road, but believe engineering measures, such as centre wire barriers, will be required to achieve safer speeds and protect users. We will be proactive and engage with central government and Waka Kotahi (the NZ Transport Agency), who hold responsibility for State highways. We will use our participation in the Regional Transport Committee (which is tasked with determining the priorities for investment in the Waikato region) to put our case for improvements.

##### 1.2 We will undertake rural road safety assessments and deliver a Rural Road Safety Programme of works

*Ongoing*

We will continue our long-term safety improvement programme for Poihipi Rd, Broadlands Rd, Waipapa Rd (which include road widening and corner improvements) and the major intersections on Wairakei Dr. In the short-medium term we will undertake new assessments of these roads to update our programme and expand the scope to include Whangamata Rd, reflecting recent and continued growth on these roads. These assessments will identify and confirm short-term (low cost), medium-term, and long-term options to improve safety. The assessments will then inform the ongoing Rural Road Safety Programme of works. In the short-medium term we will undertake assessments of other higher-growth or higher-risk roads, including Tirohanga Rd and Tutukau Rd.



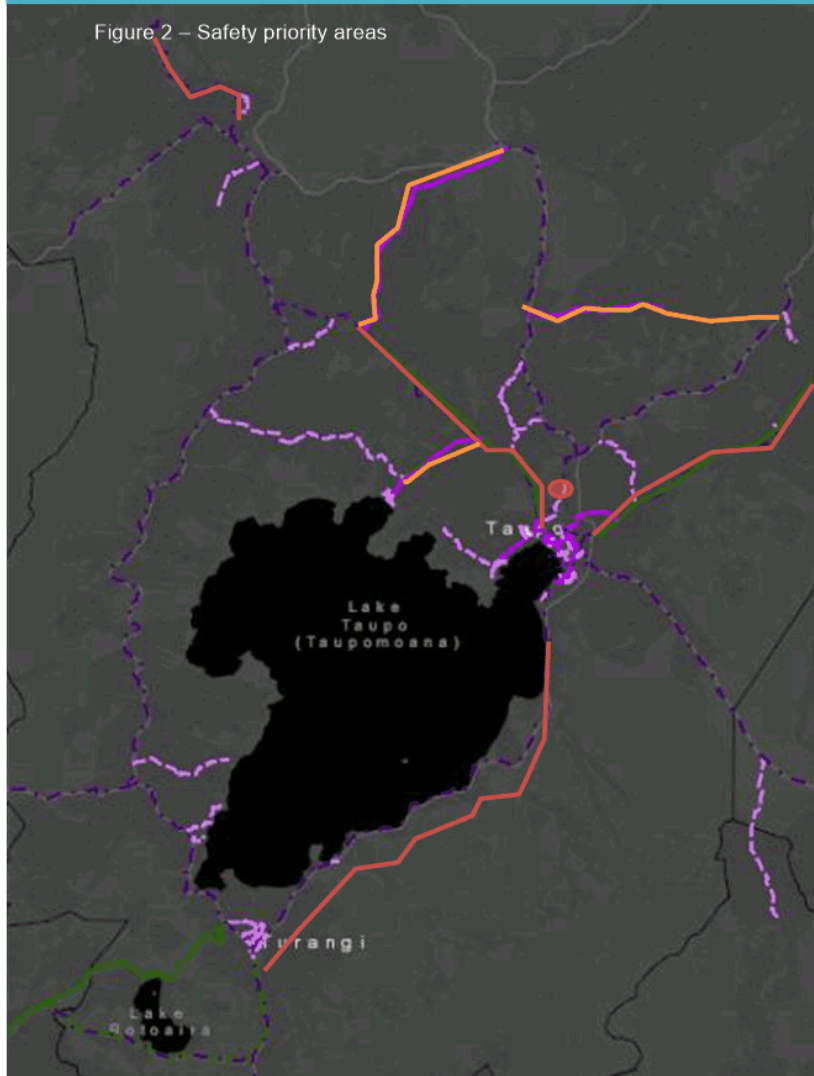
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## CONNECTING TAUPŌ 2020 – 2050

Figure 2 – Safety priority areas



## Taupō District Council Transport Strategy

### 1.3 We will undertake urban road safety assessments and deliver an Urban Road Safety Programme of works *Ongoing*

Increased traffic is creating barriers and safety concerns, especially for pedestrians.

Safety assessments will include consideration of improvements to intersections, speed management, supporting pedestrian crossing (especially in identified walking routes, accessibility areas and school areas), and supporting improved cycling networks. We will start by looking at higher-growth, higher-risk and pedestrian areas, including Tongariro St, Lake Tce, Spa Rd, Titirapenga St, and Mere Rd. These assessments will then inform the ongoing Urban Road Safety Programme of works.



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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

**1.4 We will implement and regularly review speed management plans***Short-term*

We will support and implement the Waikato Regional speed management plan when it is developed.

We will develop and implement speed management plans for identified risk areas. We will consider the need to reduce speeds or upgrade the road to make existing speeds safe. Areas for priority assessment include:

- around schools
- walking and cycling routes and pedestrian crossings (especially to/from school)
- town and village areas.

**1.5 We will deliver a programme of safety awareness and education***Ongoing*

The focus for education and awareness will be:

- high-risk and poor driver behaviours (as identified by Waka Kotahi as high and medium strategic safety focus issues)
- promoting driver awareness of walkers and cyclists to support safety and increased walking and cycling.

We will continue to support road safety campaigns, as part of the Waikato Regional Road Safety Education Group. We will continue work with the Police and other road safety partners and support the sustainability of existing collaborative programmes that aim to educate our young drivers, cyclists and pedestrians.

**1.6 Taupo District Council will play an active role in road safety, alongside our road safety partners***Ongoing*

We will proactively raise concerns and issues that affect our district and engage with our road safety partners (including the Police, Waka Kotahi, transport operators, and lawmakers) to improve road safety in Taupō District.

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

## 2. Inclusive (accessible and affordable so that getting around is not a barrier to anyone)

### 2.1 We will provide reliable and accessible public transport *Ongoing*

We will continue to work with Waikato Regional Council to provide low cost, accessible bus services. Taupō District Council as a co-principle funder of bus services in the district, will have strong input into the provision of public bus services to ensure they meet the needs of our community.

Services will connect residential areas, and rural settlements of the district to local shops, medical facilities, education and recreational facilities. Together, we will provide regular, reliable, scheduled services to allow people to make appointments, plan errands, and make social commitments. This will reduce the isolation of rural communities and those without access to a car. It will also support connectivity for an aging population.

Regular and reliable bus connections from Turangi to Taupō, and Mangakino to Tokoroa are an important focus.

Over time we aim to increase public transport services, including more direct commuting services to Taupō to provide sustainable commuting options, and support employment opportunities for those without access to a car. The provision of services will be subject to the level of patronage to ensure it is effective, environmentally efficient, and affordable. Surveys and trials of services supported with proactive promotion and awareness campaigns may be used to test patronage levels. We will ensure that new residential developments cater for the future provision of public transport (for example, have allocated and designed spaces for bus stops).

Figure 3 – Accessible priority areas



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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

**2.2 We will make our towns and villages accessible and age friendly***Short – Medium-term*

We will provide enough mobility parking to meet the demographics of our district and visitors. We will undertake regular accessibility audits and deliver a programme of accessibility improvements. Priority areas are our towns and villages, including areas around medical facilities and swimming pool facilities. Following this we will examine popular recreational walks and reserves, retirement village areas and residential areas with a large aged-population.

Our *Code of Practice* will be updated and maintained to deliver best practice streets and paths and ensure that all new streets and paths will be designed for everyone to use including the mobility impaired. We will apply this same standard to any significant refurbishments or improvements to existing streets or paths, where possible.

We will undertake regular reviews (condition ratings) of all footpaths to ensure footpaths are smooth, well maintained, and vegetation is trimmed. This will support accessibility and promote walking, cycling and scootering. Priority areas are:

- identified accessibility areas
- school areas
- walking routes.

We will provide footpaths on at least one side of all urban streets to support easy accessibility.

We will work regularly with the Access Taupō Group to identify accessibility issues, solutions, and priorities. We will get the group's input into significant new developments and improvements to make sure that they are accessible and age-friendly.

We will support and promote refresher driving courses. We will promote consideration of age-friendly traffic design for drivers when undertaking traffic works or improvements.

We will:

- continue to support and fund the existing Total Mobility Scheme for the whole of Taupō district
- work with the Ministry of Education to assist their provision of suitable bus services for school children
- work with the Lakes District Health Board to assist their provision of suitable health transport services, including supporting public awareness of available services.

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

### 3. Walking and cycling friendly to support sustainable choices

#### 3.1 We will develop a network of shared paths, both paved and off-road that connect communities to:

*Medium-term*

- local shops
- local schools and kindergartens
- local playgrounds and recreational areas
- Lake Taupō.

We will improve our walking and cycling networks. Priorities are:

- Creating well identified higher volume spines to make these attractive, inviting and safe with:
  - wide smooth paths
  - separated from road traffic
  - upgrade and improve intersections and road crossings
  - horizontal connections that traverse hills
  - apply crime prevention through environmental design (CPTED) principles
  - good lighting
  - rest areas and shady trees
  - art and other items of interest.
- improving the safety and increasing the ease of school and commuter routes, including widening busy footpaths, increasing space and road marking of cycleways, improve lighting, and improved intersections and safer crossings.

- improve feeder connections to key spines with the aim of avoiding people having to unnecessarily cross the road or get wet feet (e.g. grass path).
- improving cycling links between towns and recreational mountain biking tracks, and improved and safer connections between lake and river trail sections.

We will link and join these paths to provide a high quality connected shared path / active network that supports alternatives to car travel, including walking, cycling, E-bikes, E-scooters, mobility scooters, scooters, etc.

We will publicise improvements, and popular routes

Increased traffic is creating barriers and safety concerns, especially for pedestrians and cyclists. As part of our intersection and corridor improvement programme [safety action 1.3 refers], we will put priority on improving intersections and road crossings to support safe and easy connections of these paths and networks.

We will address gaps in the footpath and walking network, aiming to minimise road crossing, and un-formed or grass connections.

Priority areas are identified in *Figure 4*, and school and commuter routes identified by subsequent travel management plans.



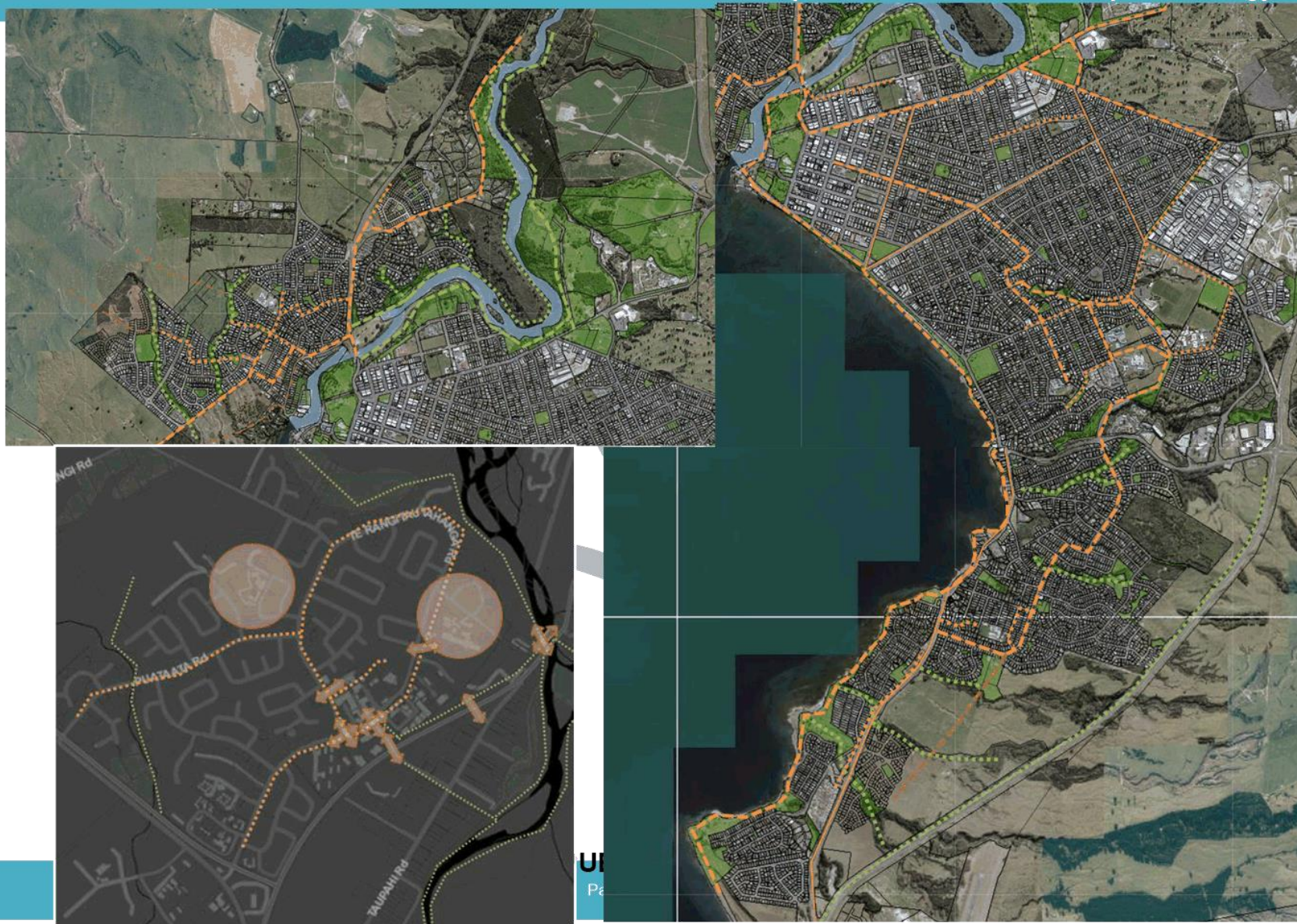
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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy



## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

**3.2 We will make our towns and villages walking and cycling friendly***Short–Medium-term*

We will ensure through our *Code of Practice, District Plan*, and structure planning processes that all new subdivisions are walking and cycling friendly, with easy and attractive connections and horizontal connections that traverse hills especially to community facilities, shops, parks, kindergartens and schools.

We will work with developers to provide quality off street links, where practical, including the use of gullies and reserves.

We will ensure that all new urban roads and paths are designed to support cyclists and pedestrian use. We will apply this same standard to any significant refurbishments or improvements to existing roads or paths, where possible. New streets, reserves and paths will be consistent with crime prevention through environmental design (CPTED) principles.

We will maintain a compact urban form for our towns through the Taupō District Plan.

We will aim to provide walking and cycling friendly villages, with slow speeds, and safe crossings that support pedestrians, including children accessing recreation areas and the lake.

We will aim to provide and maintain trees that support attractive streets and shelter, but avoid locations and species where roots and leaves interfere with footpaths and streets.

Public transport services will provide bike racks where possible.

**3.3 We will undertake shared path management, including:***Short-term*

- developing clear rules for how shared paths should be used, including who has right of way, and what behaviours are unacceptable
- providing signs and other promotion to ensure public and user awareness around rules and expectations.
- if use is sufficiently high to justify dual pathways, and/or shared path management does not suitably manage conflicts, consideration of separating low-speed (walkers) and other activities (cyclists and e-scooters).

**3.4 We will maintain a Tree and Vegetation Policy to prevent future planting that will create conflicts with transport networks, including leaf fall and footpath lifting and cracking from roots.***Ongoing***3.5 We will work with schools and employers to increase walking and cycling***Short-term*

We will work with schools, town centre businesses and large employers to develop travel management plans. These will identify where students and staff live, how they get to school/work, and any barriers to walking or cycling – for example lack of shower facilities. They will also aim to support other sustainable options, including use of electric vehicles or car-pooling for staff.

Travel management plans will support investigation of issues and investment decisions, including the identification of strategic walking and cycling routes and high-volume spines for improvement.

We will work with schools and other community organisations to provide safe walking and cycling education to children and new cyclists.

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

**3.7 We will undertake a programme of cycling and pedestrian safety assessments and improvements** *Short – Medium-term*

Priorities are improving difficult road crossing areas, higher risk areas, identified walking routes (including identified school walking and cycling routes, and high-importance accessibility areas) and our town and village centres. We will consider traffic calming and speed management in popular pedestrian areas.

**3.8 We will undertake walking and cycling counts on key routes to measure success, support funding applications, and promote awareness***Short – Medium-term***3.9 We will support recreational walking and cycling, and the inclusion of Taupō District in the development of regionally and nationally connected networks** *Short – Medium-term*

We will work with community groups (including Bike Taupō), the Department of Conservation and other landowners to provide and promote a range of recreational walks and bike tracks for locals and visitors alike.

We will work with community groups (including Bike Taupō), to support cycling skills and mountain bike training, including training and practice facilities.

We will ensure that Taupō district routes and networks are included in the development of regionally and nationally connected networks.

**Supporting other sustainable choices****3.10 We will work with larger companies and fleet owners in the district to encourage their leadership, the uptake of sustainable freight, transportation and vehicles, and facilitate any opportunities for wider collaboration** *Short– Medium-term*

We will support ride-sharing and car-pooling initiatives, for example by facilitating common pick/up drop off locations.

**3.11 We will make Taupō District an electric car friendly destination***Short– Medium-term*

We will promote convenient and easy electric vehicle charging carparks, that support visitors coming and enjoying the district.

Will ensure there are no undue barriers to market provision of electric vehicle charging facilities and carparks, including facilitating the provision of suitable locations.

We will consider the merits of provide electric bus services.

**3.12 We will make Taupo district E-bike and E-scooter friendly***Medium-term*

We will provide safe cycling routes, and support the provision of appropriate parking and charging facilities.

**3.13 We acknowledge that our road network provides stormwater and we will aim to manage that in a way that protects our lakes and waterways.***Short– Medium-term***3.14 We will engage Waka Kotahi (the NZ Transport Agency) for significant safety improvements to high risk areas to reduce the potential for environmental damage as a result of a vehicle and/or its cargo falling into Lake Taupō or other waterways** *Short– Medium-term***DRAFT FOR PUBLIC CONSULTATION**

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

#### 4. Supporting the vibrancy of our town centres and fostering social and economic interactions

##### 4.1 Ensuring our towns are easy and intuitive for visitors

*Medium – Long-term*

We will aim to provide an intuitive visitor heart for our towns and naturally direct visitors there. We will provide appropriate parking and other public services along with facilities to support visitors to stop, explore our towns, spend time and provide economic opportunities.

##### 4.2 Deliver the [Taupo Urban Commercial and Industrial Structure Plan \(CISP\)](#), and its vision of creating multi-use, vibrant town streets that seamlessly link public leisure areas with hospitality and retail offerings

*Short-term (subject to Government funding)*

Increased traffic flows in Taupō will be accommodated by directing local and through traffic towards and along Titiraupenga St, with road and intersection improvements to support this traffic flow.

Gateway treatments will direct and invite visitor and stopping traffic into Tongariro St. Tongariro St will become a slow traffic area to support stopping, parking, pedestrian, economic and social activity.

Improved street design and alignment of Lake Tce and Tongariro St can create improved multi-use, vibrant public spaces that seamlessly connect public interest, rest and leisure spaces with town retail and hospitality offerings.

Over time improved street design of Ferry Rd and Story Pl will create more intuitive and efficient visitor parking areas, improved pedestrian spaces and links to town, the Tongariro Domain, and the Boat Harbour.

##### 4.3 Ensure that Turangi town centre's road design, public parking, bus parking and walking and cycling connections support social and economic interactions.

*Medium – Long-term*

We will work with Waka Kotahi (the NZ Transport Agency) to create an attractive and inviting entrance that marks Turangi as a destination and reflects the pride of Turangi.

- A roundabout on State Highway 1 at Turangi is a priority to support this, and will better connect the community across State Highway 1.

We will be responsive to any future changes to Turangi town centre that aims to increase social and economic opportunities. Responses may include working with private developers and community groups to:

- Create visible, intuitive and attractive parking and stopping areas
- Create obvious and easy links to public toilets, play and picnic green areas, artworks, gardens and other interests
- Create seamless shopfront connections, that are visible and enticing
- Create improved links to the Tongariro River Trails
- Explore the potential opportunity for bus and shuttle links, where Turangi becomes an entrance point and hub for the Tongariro Crossing and Whakapapa Ski field and gondola.

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

### Taupō parking

#### 4.4 Proactively manage Taupō town centre parking supply

*Short – Medium-term*

We will maintain district plan rules that allow business to build on entire town centre lots without providing worker and customer parking. Instead Council will provide sufficient on-street and off-street parking for workers and customers as a collective pool. We will deliver an average occupancy across most areas of 85% for much of the year.

We will retain central Taupō free parking with 60 minute time limits in the short – medium-term.

We will:

- increase 2-3 hour visitor parking on Ferry Rd and Story place near Tongariro St
- provide sufficient longer vehicle parks in these areas for campervans, mini-vans, and cars with trailers, boats and caravans
- improve pedestrian crossing opportunities between these areas and the town centre.

We will increase 2–3 hour parking on the periphery of the town centre to cater to shoppers and others requiring more time, and to ease pressure on central 60-minute areas. Over time, increases in 2-3 hour parking may include some or all of the current off-street all day parks, with workers required to park further afield.

We will reduce the number of lanes on Tongariro St and consolidate bus parks to increase the number of 60 – 120 minute angled parks on the western side of Tongariro St.

We will increase and clearly identify worker parking areas (including new in-berm parking) within a 10 minute walk of the town centre. We will

improve walking links and pedestrian crossing opportunities between parking areas and the town centre to make them easy and attractive options. The district plan will require verandas on shopfronts on key walking corridors to provide sheltered walkways.

Paid parking (with the first 60 minutes free) may be considered in the medium – long-term, only if other options to improve parking are exhausted and fail to achieve effective parking rates of less than 85% for much of the year.

In the long-term, a parking building at Heuheu St to provide 2–3 hour visitor and shopper parking on lower levels and worker parking on higher levels will be considered if above measures, including paid parking, fail to provide adequate parking supply and effective parking occupancy rates of less than 85% for much of the year. Funding for a parking building would go through a long-term plan discussion, including how it ought to be paid for.

#### 4.5 We will explore a new, additional, mobility parking hub in Story place, with accessibility connections to Taupō Town

*Short – Medium-term*

#### 4.6 Regular monitoring and reporting of parking occupancy, including to understand daily and seasonal peaks and trends

*Short-term*

We will provide information on parking options and areas to people to find the right park, including real time information as new technology allows.

#### 4.7 Undertake parking enforcement to ensure priority and rotation of parks for customers

*Short-term*

We will continue parking enforcement (e.g. ticketing) to promote parking circulation and turn-over consistent with parking time limits. Parking enforcement will focus on:

- busy times of day
- ensuring that workers do not take up parking meant for visitors (including by shuffling between time limited carparks) especially at busy times of year.

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

We will use softer measures to promote compliance as new technology allows (for example text warnings), working with town employers to support worker parking in the right areas, and a reasonable grace period will be considered.

## Taupō Bus hub

**4.8 Provide suitable bus shelter and bus-parking facilities in the Taupō town centre to support tourism and visitors, and regional connections for locals.** *Medium – Long-term*

Priorities are:

- Safe and efficient bus movements
- Quality shelter and protection from the weather
- Safe location, lighting, security (CCTV)
- Nearby toilets
- Nearby food and coffee
- Nearby shops to support economic opportunities
- Nearby parking and taxi services

Nice to have include:

- A veranda / rain protection over buses
- Locker facilities (to support exploring of town for short layovers / bus-transfers)
- Nearby picnic, recreation and playground areas
- Ticketing facilities
- WiFi
- PA system and customer support (alternatively electronic signage, with updates or alerts)

- Nearby to i-Site
- Nearby to accommodation to incorporate tour buses

**4.9 When reducing the number of lanes on Tongariro St, we will look to consolidate and improve the quality of the bus infrastructure in Taupō town centre** *Medium – Long-term*

- Providing quality facilities that will accommodate both scheduled regional bus services and tour buses provide an opportunity to create improved dedicated bus space that caters directly to both north and south bound traffic, either
  - At the northern end of Tongariro St, near the existing free public toilets.
  - or
  - close to the i-Site and super loo.

**4.10 Maintain Turangi inter-regional bus stop outside the i-site with good links to public toilet** *Ongoing*

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy



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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

## 5. Well connected to the rest of New Zealand

## Tourist connections

- 5.1 Work with other districts and Waka Kotahi (the NZ Transport Agency) to support the provision of coordinated tourist routes that are safe, and provide attractions, activities and stops that promote tourist activity and travel to Taupō district *Medium-term*

Priorities are great tourist links:

- between Taupō and Turangi
- to/from the mountains, and the south
- to/from Rotorua, and wider Bay of Plenty
- to/from Mangakino, the Waikato, and up to Auckland
- to/from the Hawke's Bay

## Air services

- 5.2 Work with airlines to support the provision of regular, quality and affordable air services that connect Taupō to the rest of New Zealand *Medium-term*

We will engage with Air New Zealand for improvements to the connection of flights between Taupō and Australia via Auckland to improve our offering as a long-weekend destination (e.g. suitable times and reduced layover in Auckland).

In partnership with central government, we will provide a quality airport that aims "To operate a successful commercially viable business providing land and infrastructure for the safe, appropriate and efficient air transport needs of the Taupo district."

We will aim to provide easy connections between the Airport and Taupo town centre.

## Bus connections

- 5.3 Work with bus operators, other districts and Waka Kotahi (the NZ Transport Agency) to support the provision of coordinated inter-regional bus services that support visitors coming to Taupō district and provide a quality car-free travel option *Medium-term*

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

## Freight and logistics

- 5.4 We will undertake a programme of bridge and culvert assessment to improve and increase High Productivity Motor Vehicle (HPMV) routes.** *Medium-term*

- 5.5 We will recognise the role of rural roads for moving freight, and work with industry and business to cater to these movements and support economic opportunities.**

- 5.6 Work with other districts, Waka Kotahi (the NZ Transport Agency), truck operators and industry to provide coordinated truck freight routes that are safe, provide suitable rest stops and passing opportunities** *Medium-term*

Priorities are improvements to SH 1 between Taupō and Turangi in recognition of the tight corners, safety concerns, growth in truck volumes, and the growth in tourists and campervans.

- 5.7 We will work with truck operators and industry groups to reduce the volume of truck travel in our urban and residential streets** *Medium-term*

We will zone industrial land close to state highway connections, and aim to minimise travel through residential areas through the Taupō District Plan.

Where truck congestion occurs, we will work with relevant businesses to organise appropriate wait areas, scheduling, or other arrangements to minimise road disruption, congestion and safety risks.

We will work with Waka Kotahi (the NZ Transport Agency) and other parties to provide and promote quality truck stop locations on the outskirts of our urban areas to support driver transfer and safety, and reduce the volume of truck travel in our urban and residential areas.

We will work with truck operators and industry groups to minimise the noise and vibration impacts of trucks on residential and commercial areas, including consideration of:

- route and travelling time management
- speed management
- engine break restrictions
- lower noise road surfaces.

- 5.8 The Taupō District Plan will aim to manage the risks associated with new large industrial activities in the rural environment that substantial increase the volume of trucks on unsuitable rural roads and/or create safety concerns through** *Short – Medium-term*

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

**6. Resilient and reliable****6.1 We will undertake risk assessments to identify risks to important transport connections***Medium – Long-term*

Assessments will identify the risk and potential impacts, the number of people affected, and likely length of time for reinstatement of transport connections. They will identify potential short (low-cost), medium and long-term improvement and mitigation options. They will also identify risk monitoring arrangements. Priorities are:

- routes that are identified as lifeline infrastructure
- routes that support the operation and reinstatement of lifeline infrastructure in an emergency event
- communities who might be isolated (where there are not alternative routes).

**6.2 We will improve resilience on important routes as the opportunities arise. As a minimum, improvements will be made when these areas come up for significant renewal work or when it is efficient to coordinate with other works.***Medium – Long-term***6.3 We will investigate agreements with the Department of Conservation, forestry owners/operators and farmers to make use of any conservation and private roads or paths that may support the delivery of essentials like water, food and fuel to isolated communities and other civil defence and emergency management operations in the event of road failure. We note that these routes are unlikely to safely support civilian travel.***Short – Medium-term***6.4 We will have a risk monitoring programme, including regular review of structures, and tree assessments.***Short – Medium-term***6.5 We will engage Waka Kotahi (the NZ Transport Agency) to ensure that the State highways that connect our district are adequately maintained to be reliable so that service levels, including the number of closures and the time for reinstatement are acceptable.***Ongoing***DRAFT FOR PUBLIC CONSULTATION**

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

**7. Maintaining predictable travel times in the face of growth****7.1 Provide and protect our strategic road network and hierarchy***Short – Long-term*

We will deliver street designs (including parking) and treatments consistent with the function of key roads as identified in this strategy.

We will implement appropriate protection measures for the road classifications and functions identified in this strategy (Figure X) through the Taupō District Plan. These will include managing land use and road access (driveways) to support and protect appropriate road functions.

**7.2 Monitor and manage traffic congestion impacts for both summer and commuter peaks***Short-term*

We will improve traffic counting / performance monitoring to give a year-round picture of road performance. We will undertake regular (every 3–6 years) traffic modelling and forecasting of regular peaks and road performance.

Forecast / modelled service levels of C or D (see figure X) will be considered acceptable for short peak periods – reflecting that a degree of congestion is acceptable, but we will aim to limit the risk of complete traffic breakdowns that make travel times unreliable.

Where service levels are forecast to become service levels of E or F (where there is greater risk of traffic breakdowns), we will aim to identify potential low-cost traffic improvements.

However, high-cost infrastructure measures, such as large intersection upgrades or increasing road lanes, will only be considered after other alternatives have been exhausted. These include:

- improving walking and cycling connections

- developing and implementing school and workplace travel plans
- consideration of park and walk/ride facilities
- traffic management for extreme peaks / events

High cost infrastructure measures will only be considered where the problem is expected to be severe and prolonged, and where the benefits outweigh the costs.

**7.3 Traffic management for extreme peaks / events (including promotion of alternative entrances to Taupō)***Short-term***7.4 Planning for a second Taupō bridge and any other major infrastructure in advance of its need***Short – Medium-term*

Early investigation of options for a second Taupō Bridge at the Taupō Control Gates will determine the preferred location and alignment for a new bridge, as well as associated intersection and road upgrades to accommodate increased flows. The investigation will include solutions that support the shifting of local and through traffic to Titiraupenga St in line with the Taupō Commercial Industrial Structure Plan (CISP).

The investigation will also consider options with the objectives of providing a direct link to attract visitors to Tongariro St for parking and stopping.

A new bridge will also aim to achieve improved walking and cycling connections, especially for commuters and school students in northern Taupō suburbs.

While the building of a second bridge is likely to be a medium to long-term initiative, early planning is required so that options, costs, land, access and lwi perspectives can be considered and addressed.

Planning will be undertaken in advance of need, so that a new bridge can be commenced swiftly, once alternatives have been exhausted and the need is demonstrated.

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

While a second bridge is likely to be a necessary long-term requirement, before committing to a new bridge:

- an assessment of walking and cycling connections, and rectification of any significant short comings will be undertaken to support increases in walking and cycling, especially for commuting workers and school students, which may delay the need for a second Taupō bridge.
- Traffic management initiatives for extreme peaks and events will be undertaken to reduce pressure on the bridge connection, including promoting use of alternative entrances to Taupo, and consideration of possible park and walk / ride options.

Intersection and capacity improvements to receive increased bridge traffic volumes must be undertaken either at the same time as bridge, or prior to its completion.

Planning for any other required major infrastructure well in advance of its need will support it being able to be delivered in a timely manner. It will also allow the consideration of funding from population growth through Development Contributions.

### 7.5 Delivering the Taupō Commercial Industrial Structure Plan (CISP). *Short-term (subject to Government funding)*

First, Titirapenga St will be improved, including major intersections, to take increased traffic flows with traffic-calming (speed reduction measures) of Tongariro St to make it a stopping, parking, and pedestrian area.

Gateway treatments will direct and invite visitor and stopping traffic into Tongariro St. Local and through traffic will be diverted to Titirapenga St to:

- access to rear town areas

- access carparking areas
- continue through town to Spa Rd/Taupō Bridge or Lake Tce.

Traffic lights are likely to be a preferred option for at least one of any new major intersections on Spa Rd, as well as the intersection of Titirapenga St and Heuheu St, and the intersection of Titirapenga St and Tamamutu St. This will support identified strategic walking, cycling and high accessibility connections, including:

- Accessible crossing opportunities between the town centre and:
  - suburbs north of Taupō
  - the Countdown supermarket and shops north of Spa Rd
  - the medical areas on Heuheu St
  - Taupo-Nui -a-Tia College (at Tamamutu St).
- School crossing for Taupō Primary School to access the field area next to Toi-Ohomai Institute of Technology.
- Pedestrian crossing opportunities to access increased worker parking east of Titirapenga St.
- Commuter cycling access to Taupō town from the north, and east (along Tamamutu St).

Paora Hapi St will be protected as a potential new arterial route. It may become the major arterial connection between and Titirapenga St and a second Taupō bridge, to be determined through bridge investigation and planning.

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

- 7.6 Develop and implement corridor management plans to improve the identified function of key roads, including consolidating access, side streets, crossing opportunities.** *Short-term*

Priorities are:

- Spa Rd (west of Taupō-nui-a-Tia College)
- Lake Tce (Two Mile Bay to Titiraupenga St).

- 7.7 Deliver an Intersection Improvement Programme** *Medium-term*

Subject to subject to monitoring to confirm true extent of traffic congestion, and exhausting all low-cost alternatives to reduce traffic congestion – as per **7.2** above.

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

**Getting the balance right – the function of our key roads**

It's important that our main roads flow well, and people can get around easily. Having dedicated main roads that prioritise traffic flow support this.

In other areas, a balance needs to be struck. Feeder and side roads need to also support house and business access, street parking, cycleways and safe and easy pedestrian crossing opportunities. Town and village areas need to support social and economic interactions.

The following table and maps identify the functional classification of roads in Taupō district and their corresponding objectives and desired service levels.

Road classification <sup>1</sup>	Objectives and desired service-levels
<b>National</b>	Safe
<b>link major population centres and transport hubs</b>	Free flow of traffic at moderate-high speeds. Has priority at intersections with low wait times (typically less than 30 seconds is tolerable).
<b>Regional major connectors between and within regions</b>	Limited scope for pedestrian crossing opportunities, except at traffic light-controlled intersections, or if under/over passes can be provided.

**Arterial**  
**link regionally significant places and industries**

Limited scope for on-road cycling facilities - separation is needed from busy, fast-moving traffic flows. All new infrastructure should support separated cycle lanes.

Land use must not interfere with traffic flow, for example has dedicated turning bays, and offstreet parking

Safe

Free flow of traffic at moderate-high speeds at most times. Small amounts of congestion and delays at peak times are tolerable where costs of increased capacity are large, and the delay time is a few minutes rather than 10s of minutes.

Usually has priority at intersections with low wait times (typically less than 30 seconds is tolerable).

Limited scope for crossing opportunities, except at traffic light-controlled intersections, or if under-over passes can be provided. May be able to provide median island and pedestrian refuges to allow pedestrian crossing opportunities – but traffic retains right of way.

May be dedicated cycle facilities if identified as a key cycling route – dedicated space and separation will be provided where possible, and intersections designed to be cycling-friendly.

Land use must not interfere with traffic flow, for example has dedicated turning bays, and offstreet parking

<sup>1</sup> Using the national 'one network road classifications'. See:  
<https://www.nzta.govt.nz/assets/Road-Efficiency-Group/docs/ONRCPMsgeneralguide.pdf>

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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

<b>Primary Collector</b>  <b>link significant local populations and industries</b>	<p>Safe</p> <p>Free flow of traffic at moderate speeds at most times. Small amounts of congestion and delays at peak times are tolerable where costs of increased capacity are large, and the delay time is a few minutes rather than 10s of minutes.</p> <p>Often has priority at intersections, but may need to balance wait times if it meets or crosses other large roads, with low-moderate wait times (up to 30 seconds is tolerable).</p> <p>May need to balance wait times if it crosses a priority walking route – through traffic light-controlled intersections, or signalised pedestrian crossings that halt the traffic flow. For less busy pedestrian areas median islands and pedestrian refuges may provide some crossing opportunities, but pedestrians give way to traffic.</p> <p>May be dedicated cycle facilities if identified as a key cycling route – dedicated space and separation will be provided where possible, and intersections designed to be cycling-friendly.</p>	<p><b>Access</b>   <b>small roads facilitating daily activities</b></p>	<p>provided where possible, and intersections designed to be cycling friendly.</p> <p>Safe</p> <p>Pedestrian crossing opportunities</p> <p>Driveway and shop access opportunities</p> <p>Moderate flow of traffic at low-moderate speeds</p> <p>Often gives way at intersections, with moderate wait times (30–60 seconds is tolerable)</p> <p>May support cycling on road, with possible dedicated cycle facilities if identified as a key cycling route – dedicated space and separation may be provided where possible and cyclists numbers warrant it, and intersections designed to be cycling-friendly</p>
<b>Secondary Collector</b>  <b>provide secondary routes, can be the only route to some places</b>	<p>Safe</p> <p>Free flow of traffic at low-moderate speeds at most times. Small amounts of congestion and delays at peak times are tolerable where costs of increased capacity are large, and the delay time is a few minutes rather than 10s of minutes.</p> <p>Sometimes has priority at intersections, but may give way if it crosses a priority walking route, or larger road, with moderate wait times (30–60 seconds is tolerable).</p> <p>May support cycling on road, or dedicated cycle facilities if identified as a key cycling route – dedicated space and separation will be</p>	<p><b>Place-making areas</b>   <b>Community areas that facilitate economic, social interactions with roads limited to supporting attracting people, vehicle stopping and parking.</b></p>	<p>Safe</p> <p>High levels of pedestrian activity. An area that people enjoy walking in.</p> <p>Attracts visitors</p> <p>Space valued by communities.</p> <p>Limited / slow flow of traffic. Or no traffic.</p> <p>Moderate-high wait times at intersections (60–90 seconds is tolerable)</p> <p>Allowed low-speed cycling and share paths and spaces. Dedicated / high-speed cycle lanes not supported.</p>

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## CONNECTING TAUPŌ 2020 – 2050

## Transport Strategy



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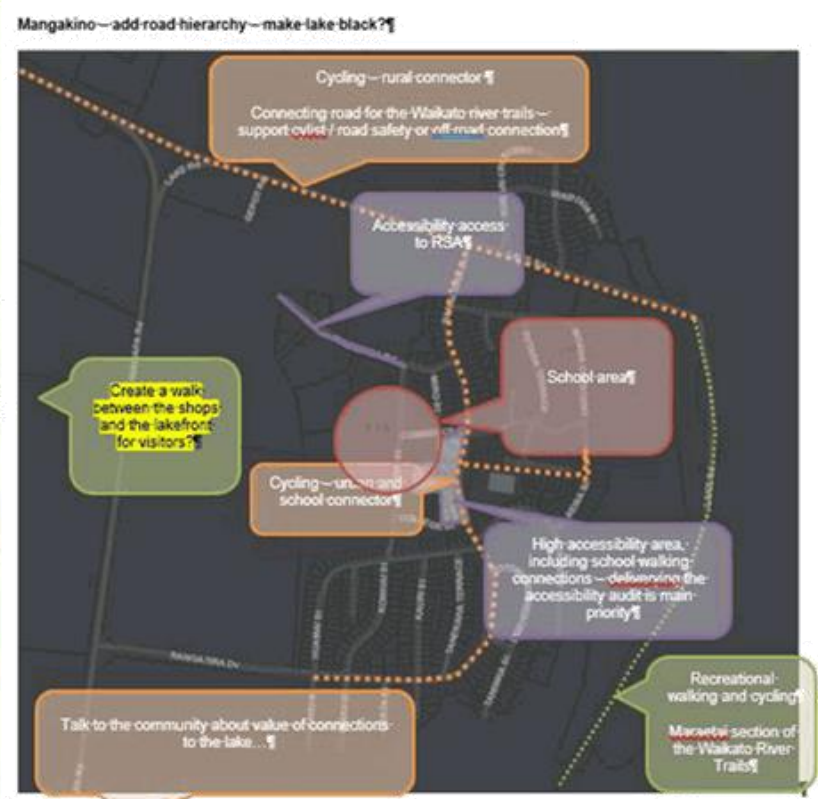
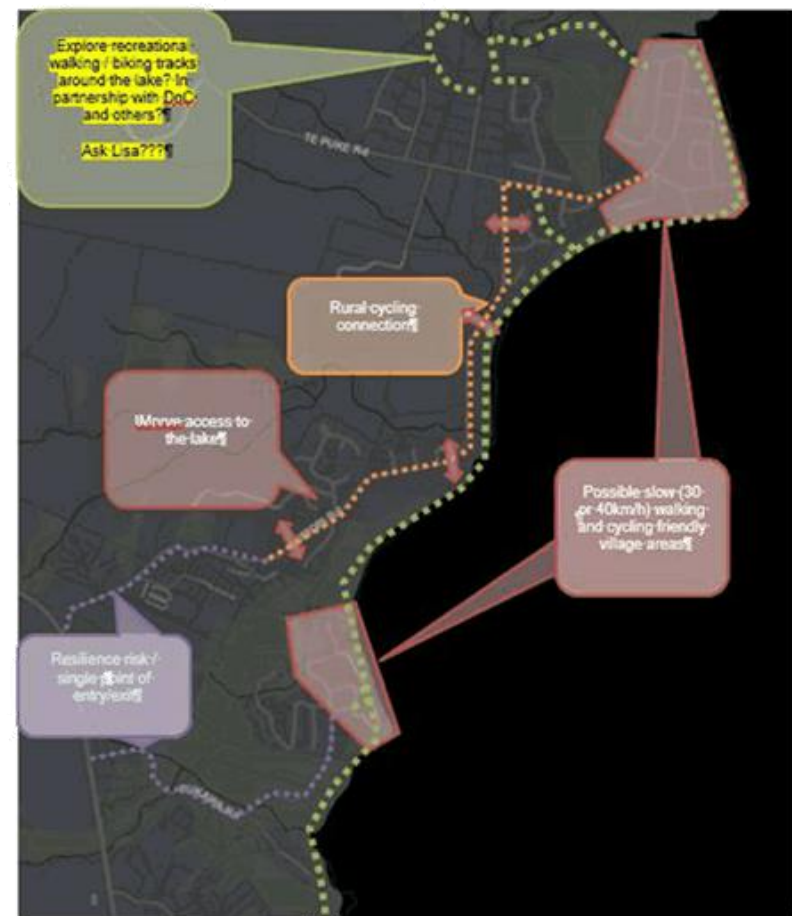
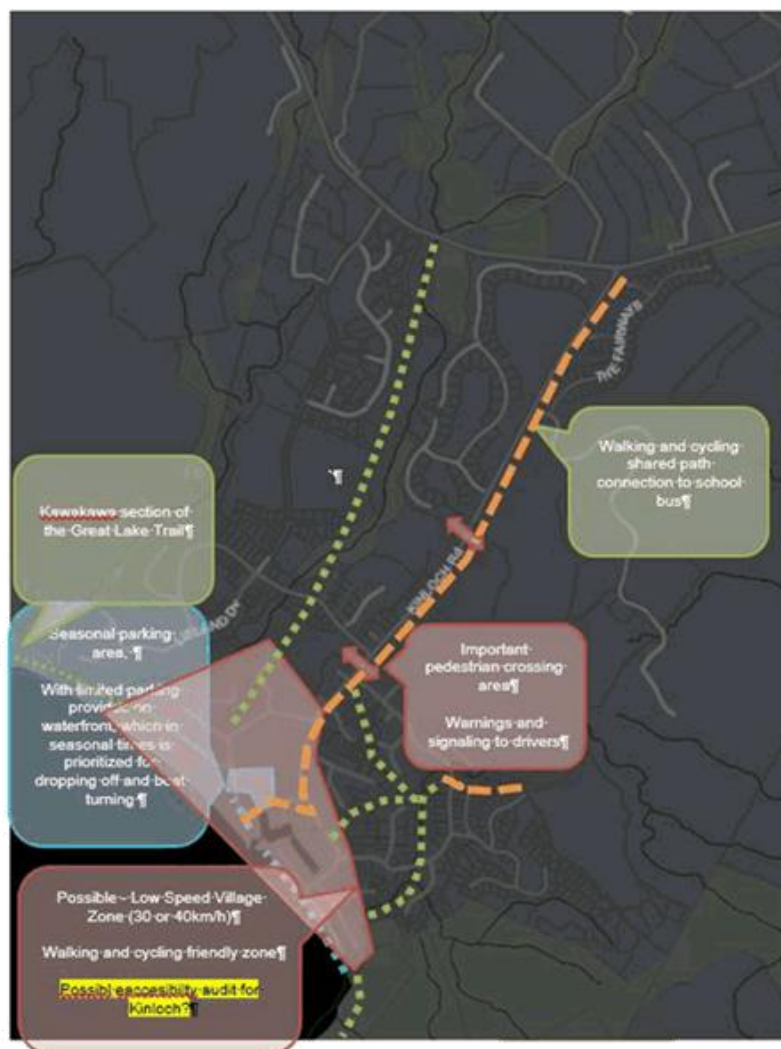
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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

### AREA SUMMARIES

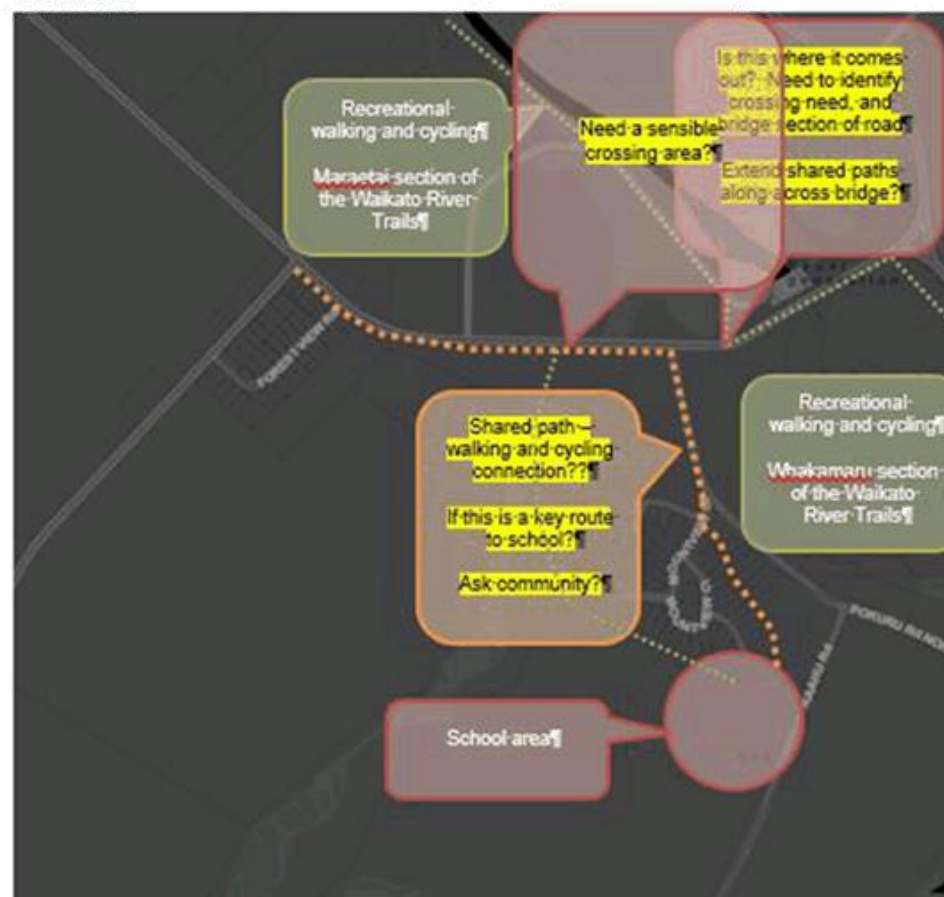




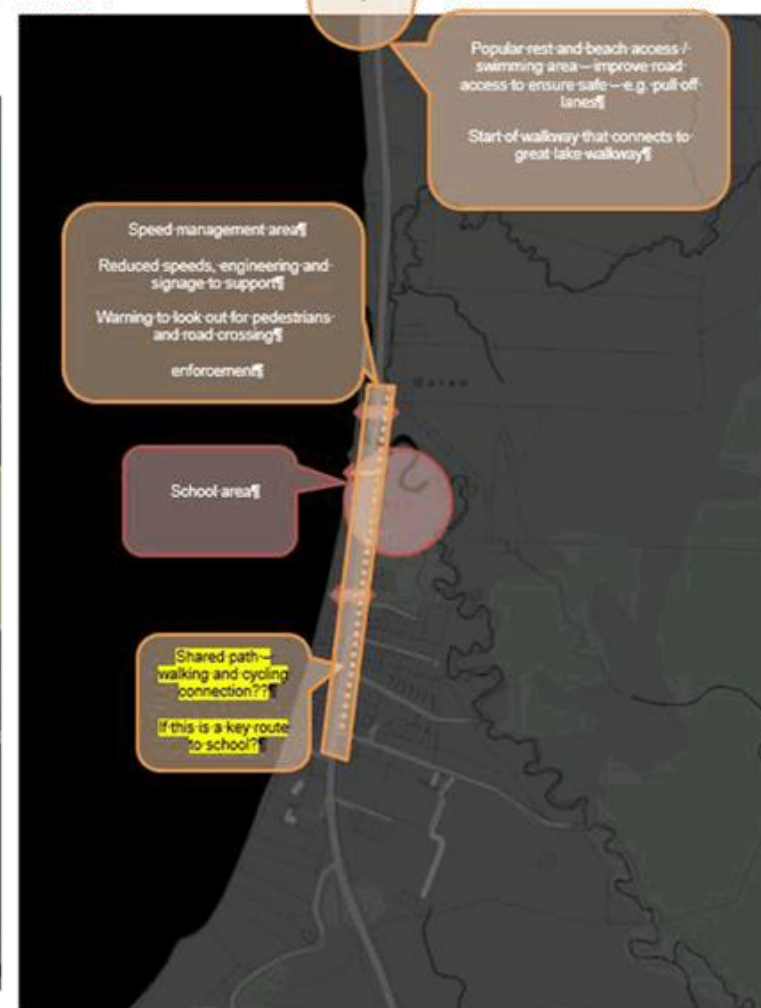
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## Taupō District Council Transport Strategy

### Whakamaru

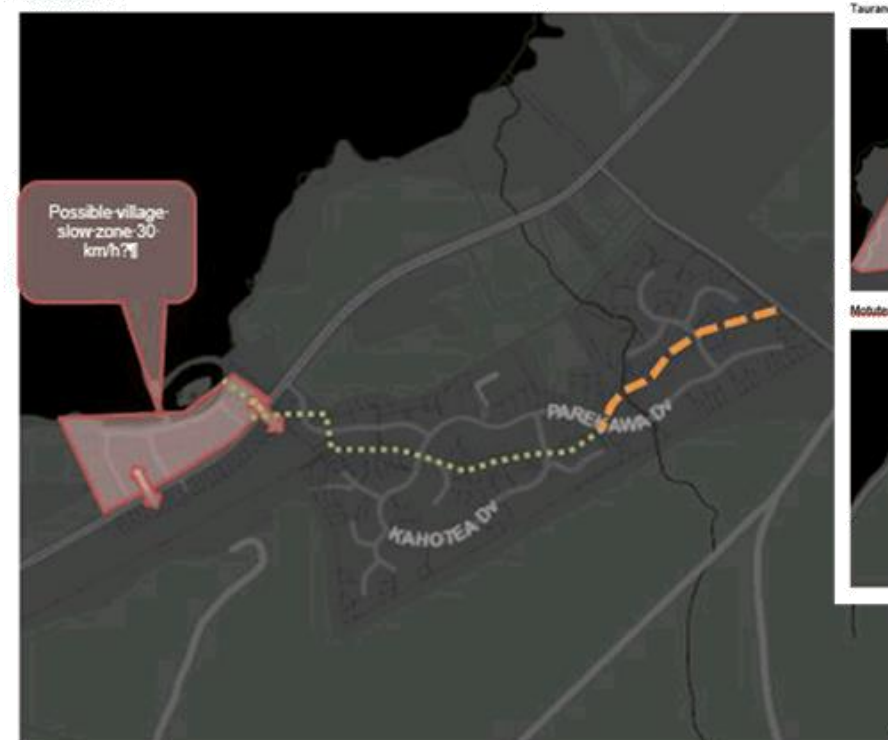


### Waitahanui



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### Motuoapa



### Tauranga Taupō



### Motutara



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### Acacia Bay



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## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

## MEASURING PERFORMANCE

Strategic priority	Delivery (output) measures	Success (outcome) measures
1. Safe	1.1 Summary of engagement on State highway safety actions undertaken in the year.	Number of deaths, and serious injury crashes on council roads ↳ 5-year trend of reduction
	1.2 Number of identified higher-risk rural roads and intersections which have / and have not had a safety assessment or review in last 5 years.  Number of identified short-term, medium-term, and long-term rural road safety improvement actions which have been implemented / and have not been implemented	↳ 5-year average is low compared to other provincial areas  Number of minor crashes and near misses on council roads.
	1.3 Number of identified higher-risk urban roads and intersections which have / and have not had a safety assessment or review in last 5 years.  Number of identified short-term, medium-term, and long-term urban road safety improvement actions which have been implemented / and have not been implemented	Number of deaths, and serious injury crashes on State highways ↳ 5-year trend of reduction ↳ 5-year average is low compared to other provincial areas
	1.4 Speed management plans in place / not in place for school areas, towns and villages.	Number of minor crashes and near misses on State highways.
	1.5 Summary of safety awareness and education actions undertaken in the year.	
	1.6 Summary of road safety actions and engagement undertaken in the year.	

## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

## MEASURING PERFORMANCE

Strategic priority	Delivery (output) measures	Success (outcome) measures
2. <b>Inclusive</b> (accessible and affordable so that getting around is not a barrier to anyone)	<p>2.1 Summary of public services provided in the year, including areas of the district catered to, and areas without services.</p> <p>2.2 Number of identified important accessible areas intersections which have / and have not had an accessibility assessment or review in last 5 years.</p> <p>Number of identified short-term, medium-term, and long-term accessibility improvement actions which have been implemented / and have not been implemented</p>	<p>Average bus patronage by service</p> <p>Bus reliability / timeliness (e.g. how often bus is within 10 mins of scheduled time as percentage)</p> <p>Cost of bus services compared to other provincial areas for similar distance services.</p> <p>% of suburban areas (population) connected by daily buses</p> <p>% of rural areas and towns (population) connected by weekly buses</p>

## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

## MEASURING PERFORMANCE

Strategic priority	Delivery (output) measures	Success (outcome) measures
3. Walking and cycling friendly to support sustainable choices	3.1 Summary of improvements to walking and cycling networks, including parts of the strategic spines that are assessed as good, or needing improvement.	Walking counts on key spines, including <ul style="list-style-type: none"> <li>Great Lake Pathway</li> <li>Control gates bridge</li> </ul>
	3.2 Code of Practice is regularly reviewed and up to date.	% of urban school students regularly walking, cycling, or scootering (etc) to school
	3.3 Summary of shared path management actions	↳ May undertake surveys with schools as part of travel management plans.
	3.4 Tree and vegetation policy is regularly reviewed and up to date.	
	3.5 Number of schools with / without travel management plans	% of urban employees regularly walking / cycling to work
	Number of large businesses with / without travel management plans	↳ 5-yearly census data (main means of travelling to work)
	3.6 Number of identified higher risk pedestrian crossing or cycling areas which have / and have not had an accessibility assessment or review in last 5 years.	↳ May undertake surveys with Taupo chamber of business and Town Centre Taupo
	3.7 Summary of walking counts undertaken on key routes	
	3.8 Summary of improvements to recreational walking and cycling tracks, and Council's involvement	Number of deaths and injuries involving pedestrians / cyclists
	Other sustainable choices	↳ 5-year trend of reduction
	3.9 – 3.13 Summary of actions taken	↳ 5-year average is low compared to other provincial areas
	3.10 Number and share (%) of electric charging carparks compared to proportion of national fleet.	



## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

## MEASURING PERFORMANCE

Strategic priority	Delivery (output) measures	Success (outcome) measures
4. Promote vibrant towns that foster social and economic interactions	4.1 Summary of action to promote visitors	Parking occupancy rates, including duration (hours per day) and frequency (days per year) over 85% occupied.  Public parking supply (including annual changes for 5-year period)  Annual Taupo and Turangi town centre turnover (\$).  Visitor average stay (hours) and spend (\$)
	4.2 Summary of action to deliver the CISP	
	4.3 Summary of actions to improve Turangi entranceway and town centre streetscapes.	
	4.4 – 4.7 Summary of parking actions taken	
	4.8 – 4.10 Summary of bus parking and facilities actions taken	
5. Well connected to the rest of New Zealand	5.1 – 5.3 Summary of action taken	Number of regional bus services
	5.4 – 5.8 Summary of action taken	Number of regional air-services  Truck counts into Taupō town.
6. Resilient and reliable	6.1 Number of identified higher-risk important transport connections which have / and have not had a risk assessment or review in last 5 years.	
	6.2 Number of identified short-term, medium-term, and long-term accessibility improvement actions which have been implemented / and have not been implemented	
	6.3 – 6.5 Summary of action taken	

## CONNECTING TAUPŌ 2020 – 2050

## Taupō District Council Transport Strategy

## MEASURING PERFORMANCE

Strategic priority	Delivery (output) measures	Success (outcome) measures
7. Maintaining predictable and reasonable travel times in the face of growth	<p>7.1 Nil</p> <p>7.2 – 7.3 Summary of traffic management actions for peaks times of year and events</p> <p>7.4 – 7.7 Summary of traffic improvement actions (investigated, planned, and implemented)</p>	<p>Travel time variability on key routes, including (travel times at peaks compared to normal times, including duration (hours of the day) and frequency (days per year):</p> <ul style="list-style-type: none"> <li>Acacia bay shops to Taupo Town centre (Via Norman Smith St)</li> <li>Richmond Heights shops to Taupo Town centre (via Hawaii St / Lake Tce)</li> <li>Miro St to Taupo town centre (via Spa Rd)</li> <li>Paetiki shops to Taupo town centre (via Rifle Range Rd)</li> <li>Kinloch (shops) – Taupō town (via Poihipi Rd / Control Gates Hill)</li> </ul> <p>Summer and peak performance, travel time variability (travel times at peaks compared to normal times, including duration (hours of the day) and frequency (days per year), including:</p> <ul style="list-style-type: none"> <li>Control Gates Hill entrance into Taupō Town</li> <li>Lake Tce entrance into Taupō Town</li> </ul>

## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

### PURPOSE

This paper sets out the main issues and opportunities that drive the strategic context and direction of Taupō District Council's transport Strategy: *Connecting Taupō 2020 – 2050*. These were identified in consultation with the community, transport operators, other experts, and from the commissioning of expert traffic and parking assessments.

This paper is provided to support discussion and consultation on the draft Transport Strategy. Other supporting documents include:

- Taupō District Council – Car parking survey 2018/19
- Abley (traffic consultants) – Carpark analysis for CAB building
- Abley (traffic consultants) – parking management options
- Abley (traffic consultants) – performance measures
- Abley (traffic consultants) – bus hub assessment
- Abley (traffic consultants) – traffic assessment

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**CONNECTING TAUPŌ 2020 – 2050****Issues paper****EXECUTIVE SUMMARY**

Transport is our means of connecting to people and places. It connects us to job opportunities, education, health services, shops and essentials – like groceries and medicine. It connects us to our friends, families and communities. It connects us to social and cultural places – like marae or church. It connects us to recreational and social activities. It connects our goods to our customers, supporting our jobs and livelihoods.

Given its importance, Taupō District Council (the Council) must get the planning right. And with that comes a need to address some significant transport challenges.<sup>1</sup>

- Increased traffic is creating barriers and safety concerns, especially for pedestrians
- Safety remains a top priority
- We will have to transition to low emission transport.
- We have an aging population who will require more user-friendly and forgiving intersections, pedestrian crossings, and footpaths.
- Car centric transport networks have delivered poor horizontal walking and cycling connections that traverse hills, and low walking and cycling rates
- We need to fully realise the outcomes of the Taupō Commercial Industrial Structure Plan, which identifies opportunities to improve economic and social interactions.
- Population growth in some areas along with continued growth in visitors and tourism, plus seasonal influxes, are combining to place pressure on a few concentrated roads and intersections.
- We will face more severe and frequent weather events which will impact transport routes.
- Continued growth in national freight, which travels through and often stops in the district.

- Increased potential for new rural industrial activities which will increase the number of trucks on rural roads.
- Financial constraints and the need to be mindful of ongoing costs for areas with low populations and growth.

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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

## IDENTIFIED ISSUES AND OPPORTUNITIES

## 1. Safety remains the top priority

## 1.1 We need to reduce the number of deaths and injuries on roads in our district

- Taupo Taupō district has had a high number of deaths on council roads in the last 5 years, marked by a few crashes with multiple fatalities.
- Taupō has a moderately high number of serious injury crashes on state highways.

## 1.2 Most of the deaths and injuries in Taupō District occur on State highways.

- Taupō district has had a very high number of State highway deaths, and a high proportion of serious crashes have fatalities, along with our neighbours South Waikato.
- Taupō has an average number of serious injury crashes on council roads.

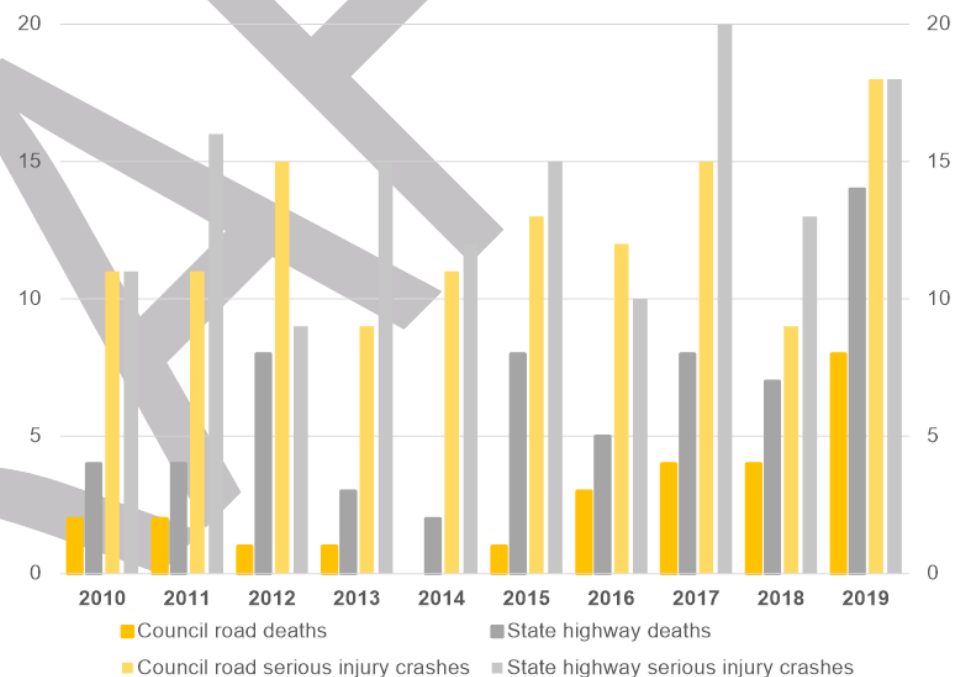
## 1.3 State highway 1, especially between Turangi and Taupō needs safety improvement.

- It is a critical road for local traffic within Taupō District.
- It faces significant truck and visitor traffic (including campervans), both of which have increased in recent years and are expected to continue increasing.
- The road needs to be fit for these purposes. It is currently substandard with safety issues in a number of places.

Figure 1 – Annual road deaths and serious injuries in Taupō District

Taupō district has 12 deaths and 29 serious injury crashes on its roads each year ( 5-year average).

8 of these deaths (two thirds) and over half of serious injury crashes (53%) occur on State highways, which are managed by Waka Kotahi (the NZ Transport Agency).



Data Source: [NZTA open crash analysis system](#), 2020

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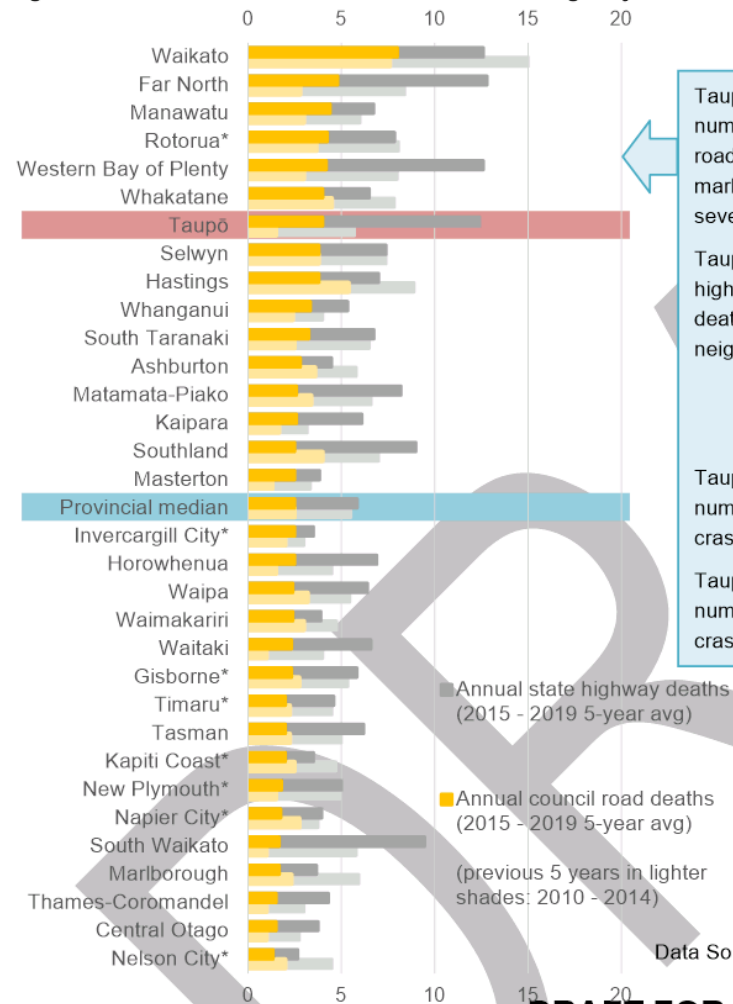
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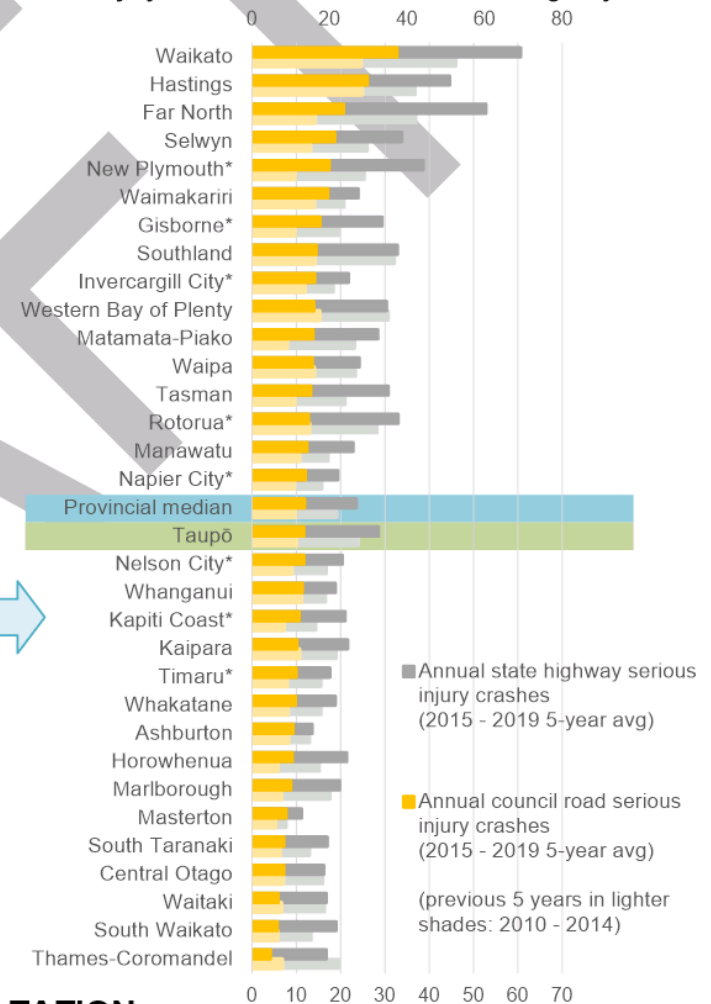
## CONNECTING TAUPŌ 2020 – 2050

Issues paper

**Figure 2 – Annual deaths on council roads and state highways**



**Figure 3 – Annual serious injury crashes on council roads and state highways**



Taupō district has had a high number of deaths on council roads in the last 5 years, marked by a few crashes with several fatalities.

Taupō district has had a very high number of State highway deaths, along with our neighbours South Waikato.

Taupō has an average number of serious injury crashes on council roads.

Taupō has a moderately high number of serious injury crashes on state highways.

Data Source: NZTA, crash analysis system (CAS), 2020

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## CONNECTING TAUPŌ 2020 – 2050

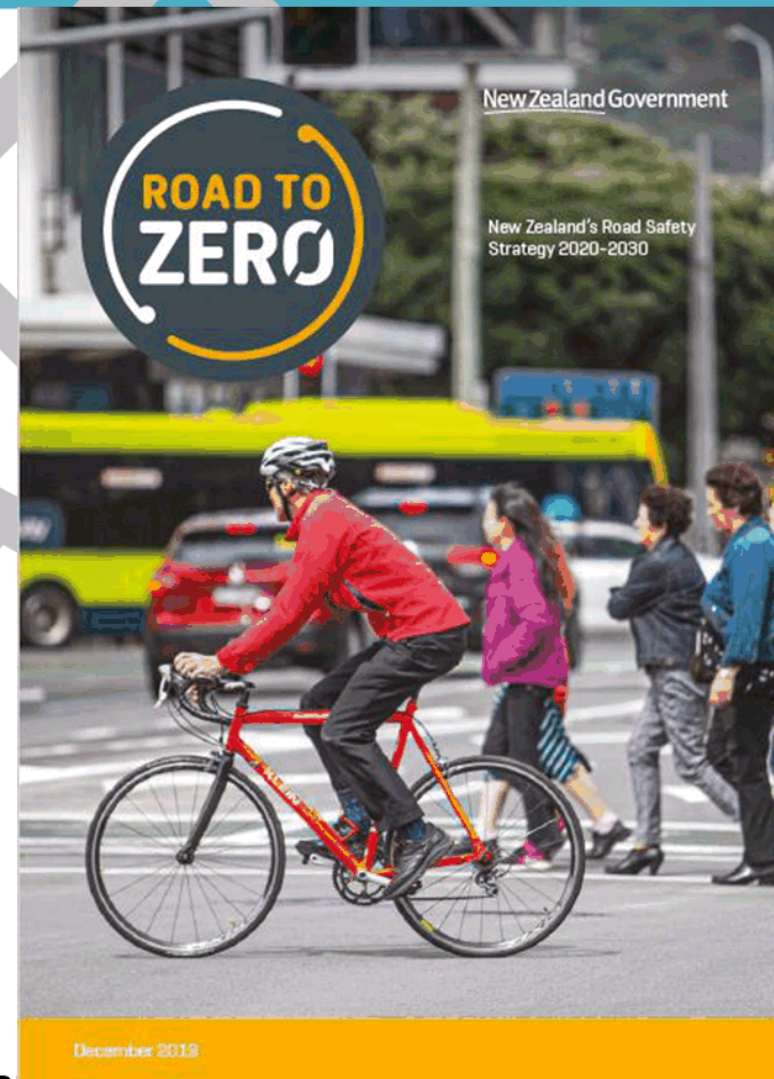
## Issues paper

## 1.4 Road to Zero: NZ's road safety strategy 2020-2030 (Dec 2019)

- Vision: "A New Zealand where no one is killed or seriously injured in road crashes."
- Intermediate target: Reducing deaths and serious injuries by 40% by 2030.
- Focus area of "Infrastructure improvements and speed management"
- [Action plan \(2020-2022\)](#) has the actions:
  - "Invest more in safety treatments and infrastructure improvements"
  - Introduce a new approach to tackling unsafe speeds
  - Enhance safety and accessibility of footpaths, bike lanes and cycleways"
- Principles based on a safe system approach, which acknowledges that people make mistakes and uses road engineering to make our roads as forgiving as possible:
  - We promote good choices but plan for mistakes
  - We design for human vulnerability
  - We strengthen all parts of the road transport system
  - We have a shared responsibility for improving road safety
  - Our actions are grounded in evidence and evaluated
  - Our road safety actions support health, wellbeing and liveable places
  - We make safety a critical decision-making priority.

## 1.5 The Waikato Regional Road Safety Strategy (2017) direct us to:

- increase speed management
- address higher-risk rural roads
- address higher-risk urban intersections
  - because higher speeds, and head or side-on impacts are the deadliest.
  - even if not the cause of a crash, reducing the speed of vehicles reduces the impact in a crash.



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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

1.6 Increased traffic is creating barriers and safety concerns, especially for pedestrians

1.7 Most safety issues are due to driver behaviour:

- Poor observation
- Speed
- Alcohol.

1.8 On state highway in Taupō District there is a very high number of crashes involving;

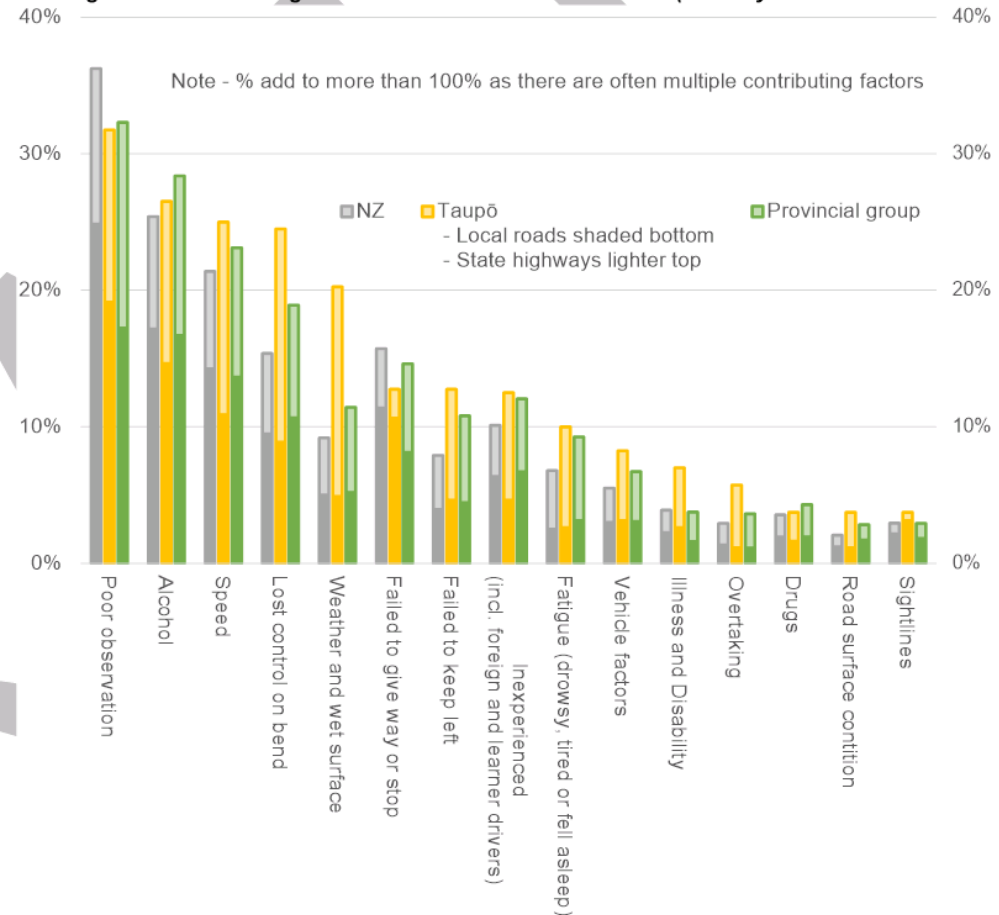
- Speed
- lost control on bends
- weather and wet surface crashes
- failing to keep left.

This suggests, paired with the high number of state highway deaths, the need for engineering improvements like wire barriers to reinforce a lower speed environment and protect against head-on crashes when people make mistakes.

1.9 Failure to give way or stop also stands out as a significant contributing factor for Taupō District Council roads

- contributing to 11% of fatal and serious crashes compared to 8% for other provincial areas.
- Illness and disability, and sightlines are also high compared to other areas, however they contribute to relatively few crashes.

Figure 4 – Contributing factors to fatal and serious crashes (last 10 years)



Data Source: NZ Crash Analysis System (CAS), 2019

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## 2. Supporting economic and social inclusion

2.1 Public transport provides an important role in supporting access to essentials (like food and medicine), and economic and social connections for those who cannot drive.

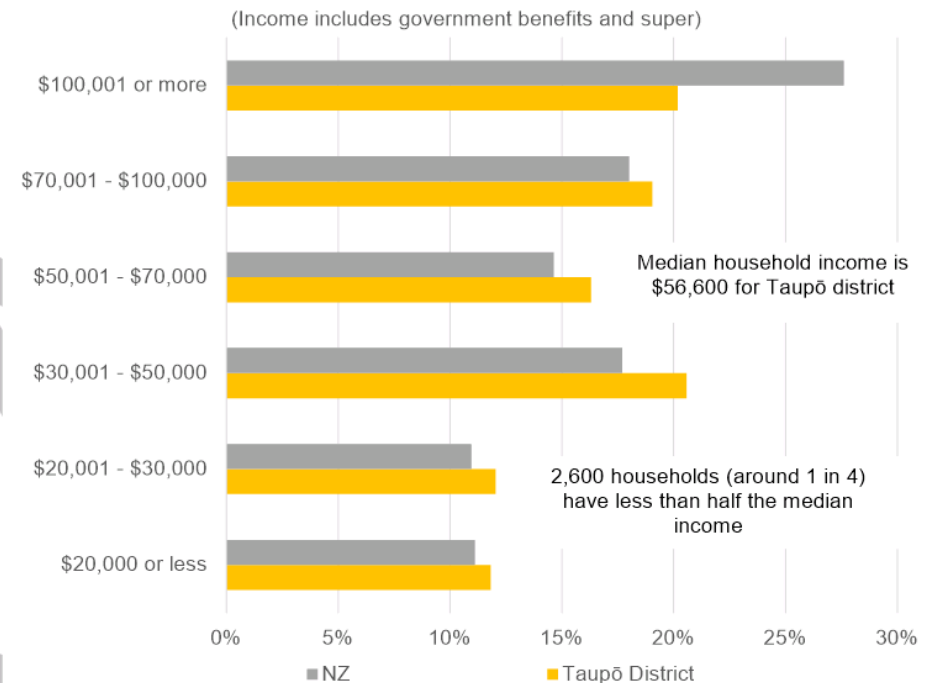
- Public transport needs to be affordable, easy and reliable, so that important journeys can be scheduled and are not put off.

2.2 Taupō district has a high proportion of low-income households

2.3 Other transport services are vital to the health and wellbeing of the community. These services need to be well run, and the public aware of their availability.

- The [Total Mobility Scheme](#) provided by central government and regional councils, which subsidises taxis or the purchase of wheelchair accessible vehicles for those with long term impairments,
- The Ministry of Education, which provides bus services for school children
- [Lakes District Health Board Transport Services](#), which provides health transport services for those in need to specialist medical appointments.
- [St John Ambulance Services](#), which provides emergency medical transport, and hospital transfers

Figure 5 – Household incomes in Taupō



Data source: Statistics New Zealand, Census 2013

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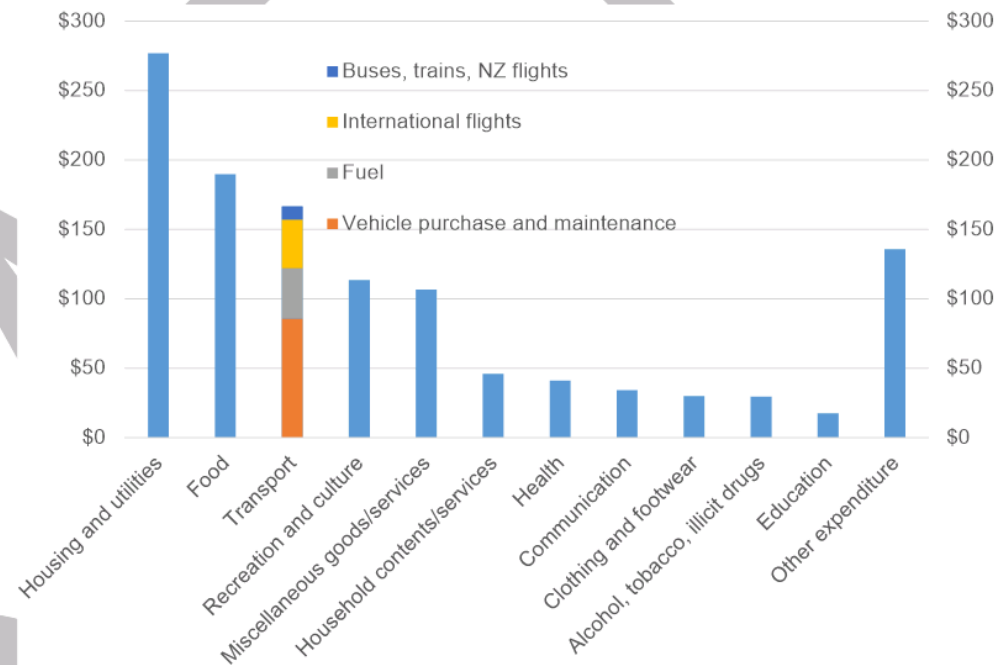
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## CONNECTING TAUPŌ 2020 – 2050

Issues paper

**2.4 Taupō has a high number of small and rural settlements at a distance from core services**

- The cost of car transport, and limited alternatives can be a barrier
- Households spend on average \$167 on transport per week (in 2016). It is their third largest area of expenditure after housing (and utilities) and food.
- The largest component of transport expenditure is vehicle purchase and maintenance (52%) followed up fuel costs (22%).

**2.5 Vehicles are historically cheap but may become more expensive if there are increased safety and environmental regulations (e.g. on emissions to reduce the impact of climate change).****Figure 6 - Average weekly household expenditure in the North Island (excluding Auckland and Wellington)**Data source: Statistics NZ, [Household Expenditure Statistics: Year ended June 2016](#)**DRAFT FOR PUBLIC CONSULTATION**

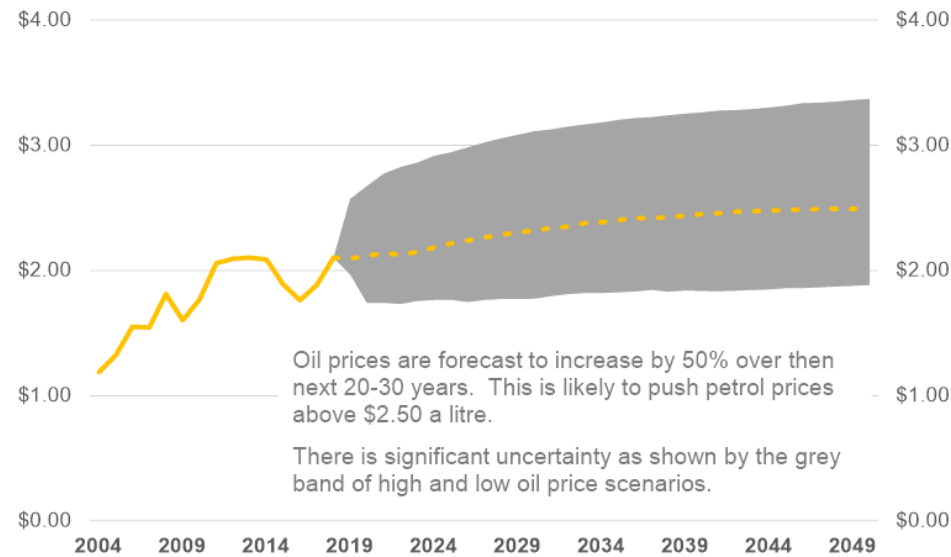
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## Issues paper

**Figure 7 – Forecast oil prices, reflected in petrol pump prices (real - \$2018 per litre)**



### 2.6 Fuel prices are volatile and have the potential to increase sharply and/or significantly over time.

- Fuel prices are expected to increase significantly over time, but there is significant uncertainty with potential for large cost increases.
- Increases to carbon taxes to reduce greenhouse gas emissions would increase fuel costs
- Fuel-efficient and electric cars can reduce this impact, however, lower income households will benefit less as they typically have older vehicles and hold on to them for longer.

**Data source:** [US Energy information Administration: Annual Energy Outlook 2019, reference case, January 2019](#) for oil price forecasts and scenarios; [MBIE, Weekly fuel price monitoring](#) for historic petrol price data and projection assumptions.

Assumes no change in exchange rates from 2018, that oil prices reflect 40% of the cost of petrol pump price (as per 2018 MBIE data), and that tax rates, transport costs and other costs remain unchanged in real terms.

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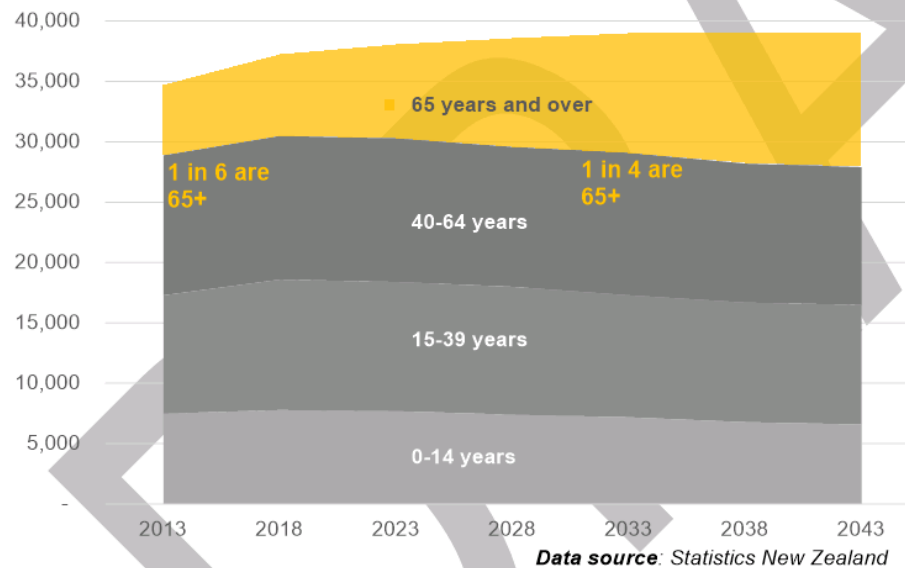
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### 2.7 Taupō faces an aging population and increased need for age-friendly transport

- In just 15 years' time, one in four people will be 65 or older.
- Taupō district may experience more older visitors in future.
- Main issues are (appendix X provide more details):
  - Maintaining clear and even footpaths
  - Providing accessible crossing opportunities
  - Supporting older drivers, with low speed areas, simple traffic systems, and signalised intersections are preferred.
  - Mobility parking is in high demand.

**Figure 8 – Taupō District's aging population**



### 2.8 Increased traffic is creating barriers and safety concerns, especially for pedestrians and those with low mobility

#### 2.9 Improving accessibility of important areas:

- town areas
- health/medical service areas
- access to recreational and community facilities.
- Main issues are:
  - seating
  - safety and security
  - public toilets
  - easy transition from footpaths to roads to cross the road
  - smooth path surfaces
  - wide paths
  - removing impediments, obstacles and hazards
- An accessibility audit was completed for Taupo Town in 2016, and for Turangi and Mangakino in 2019. These audits identified required areas for improvement.
- Difficult crossing areas include:
  - Spa Rd
  - Heuheu St / Titiraupenga St – between the health / medical services are and Taupō town.
  - Ruapehu St
  - Lake Tce to the Great Lake Pathway
  - SH1 in Turangi

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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

**3. Supporting walking and cycling and other sustainable choices****3.1 Car centric transport networks have delivered poor horizontal walking and cycling connections that traverse hills, and low walking and cycling rates**

- Poor, and low-key walking and cycling connections reinforces car travel by default
- Lack of well-defined connections that traverse hills means people are put off by thinking they must go up hills
- Increased traffic is creating barriers and safety concerns, especially for pedestrians and cyclists

**3.2 Car transport is a major contributor to emissions causing climate change**

- Transport is the leading contributor of carbon emissions and the second largest contributor to greenhouse gas emissions (after agriculture)
- Most of this comes from cars (75%), rather than trucks (25%).<sup>1</sup>

**3.3 We will have to transition to low emission transport.**

- Central government has legislated for net zero emissions by 2050 ([Climate Change Response \(Zero Carbon\) Amendment Bill](#) refers)
- New Zealand's target under the Paris Agreement is to reduce greenhouse gas emissions by 30 per cent below gross emissions for the period 2021-2030.<sup>2</sup>

<sup>1</sup> New Zealand Productivity Commission. (2018). Low-emissions economy: Final report. Available from [www.productivity.govt.nz/low-emissions](http://www.productivity.govt.nz/low-emissions)

**3.4 Achieving these targets will require a combination of shifts in behaviour and technological improvements.**

- Carbon emissions are a direct product of burning petrol and diesel. The options for reducing carbon emissions are to reduce fuel use by:
  - Reducing traffic (more walking, cycling, car-pooling, electronic communication, deliveries and working from home)
  - Improved fuel efficiency (newer, lighter, and improved technologies - including hybrid electric vehicles)
  - Replacing petrol and diesel vehicles with electric vehicles.
- High petrol prices (emissions taxes) are likely to be the catalyst for change

<sup>2</sup> <https://www.mfe.govt.nz/climate-change/climate-change-and-government/emissions-reduction-targets/about-our-emissions>

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## CONNECTING TAUPŌ 2020 – 2050

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Figure 9 – NZ's greenhouse gas emissions by source

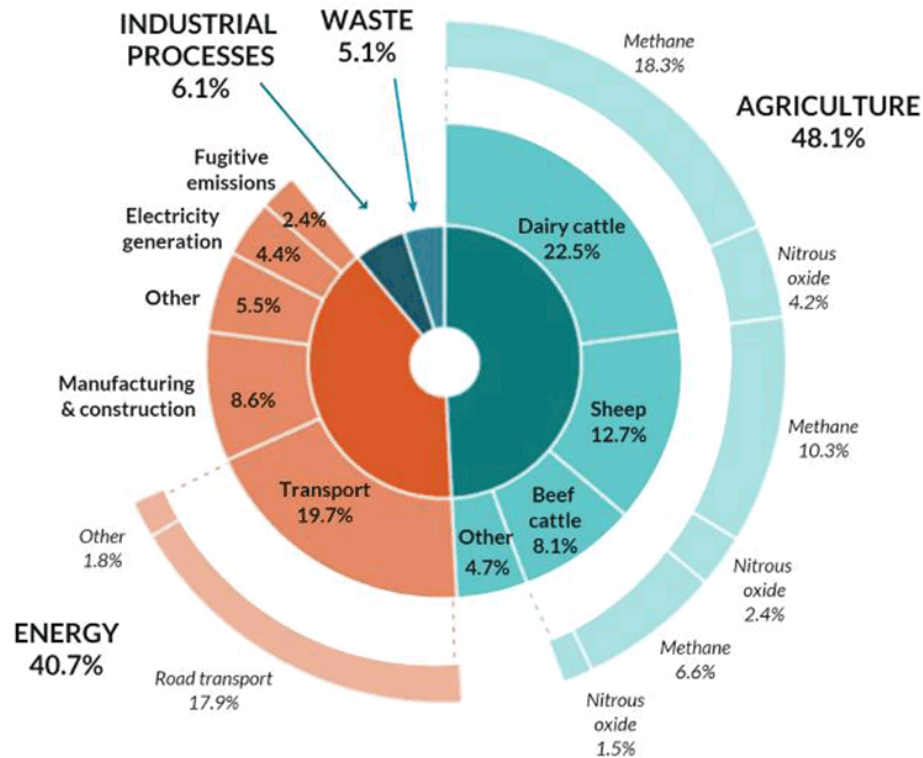


Diagram source: New Zealand's Greenhouse Gas Inventory 1990-2017, published April 2019

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Issues paper

- 3.5 Council may be able to work with larger employers and fleet owners in the district to support low emission travel, including car-pooling for staff, supporting walking and cycling, for example with shower facilities, and uptake of new vehicle technologies for fleets.
- 3.6 Taupō could benefit from becoming an electric car friendly destination.
- 3.7 There is scope to increase walking and cycling, especially for school students and regular commuters.
- Walking rates are low historically. Walking has fallen significantly with the increase in popularity of cars and driving, since the 70s.
  - Commuter cycling rates are relatively low in Taupō district and low historically – Nationally, commuter cycling rates peaked in 1986 at 5.7%, and has since halved to 2.9%.
  - Few children walk to school, compared to historic rates. Safety, including traffic volumes and speeds are frequently cited by parents as reasons not to allow their children to travel independently – although in reality, safety risks are usually low.

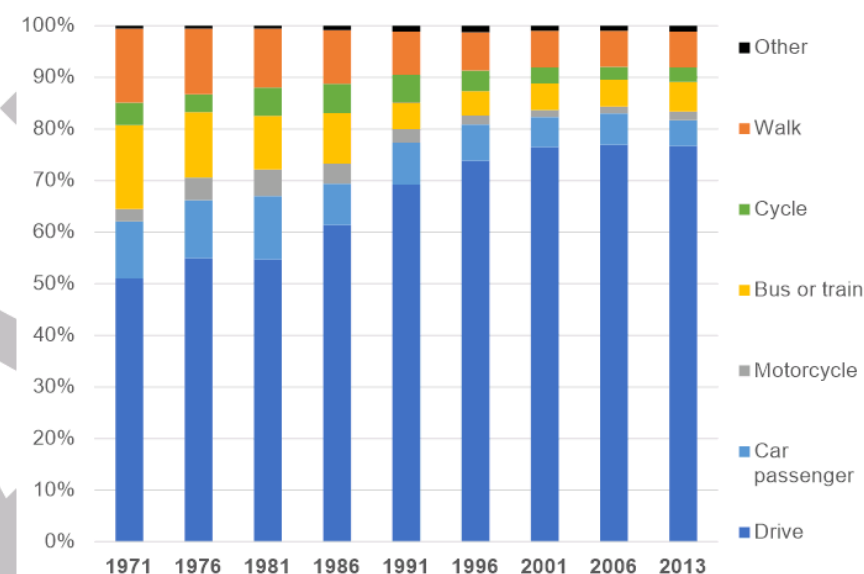
**Figure 10 – How we travel to work compared to other provincial areas**

	Walk	Cycle	Bus	Drive
<b>Provincial median*</b>	6.7%	2.7%	0.5%	81.2%
<b>Taupō district</b>	6.7%	2.2%	0.2%	81.2%

\* provincial areas from Local Government NZ's 'Provincial Group', see Figure 12 for complete list

Data source: Statistics NZ, Census 2013, Main means of travel to work, for the employed, usually resident population, aged 15 and over

**Figure 11 – NZ - How we travel has shifted from walking and busing to driving**



Data source: Statistics NZ, yearbook and census data, transport to work

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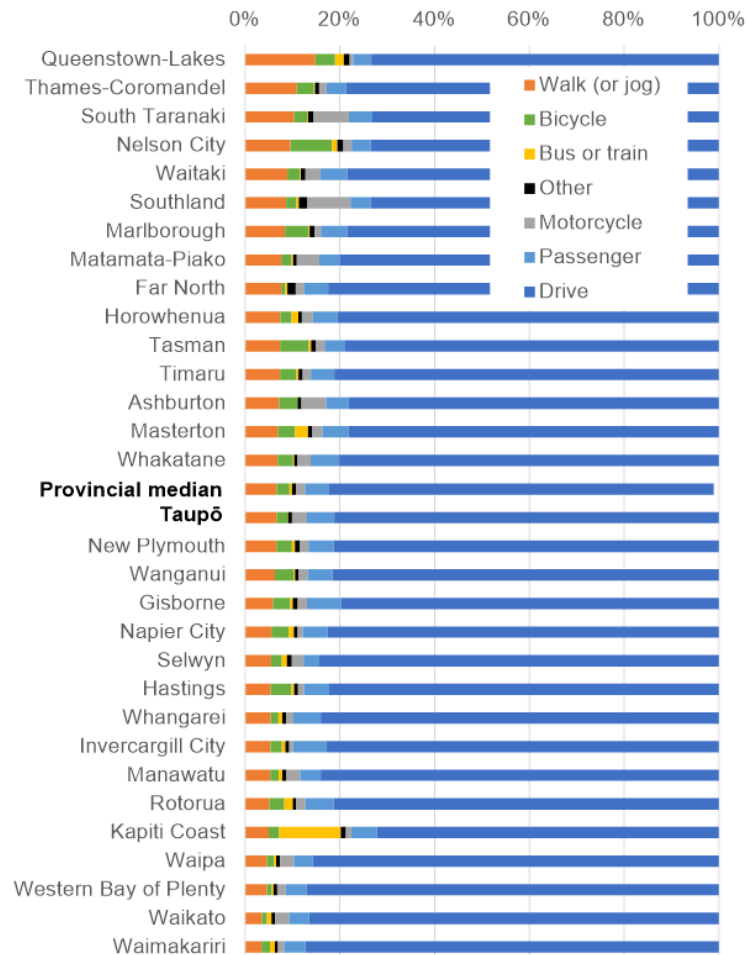
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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

Figure 12 – How we travel to work compared to other provincial areas



## 3.8 Safety is the main concern in relation to cycling

- Safe and easy cycling routes will support people wishing to take up cycling. Wide, separated, low-speed paths will be more inviting to those (including kids and parents) who may otherwise be intimidated by sharing the road with cars at high speeds.
- For more advanced, commuting and sport cyclists (high speed and on-road) – safety risks include:
  - Awareness and visibility of cyclists at intersections
  - Reversing angle-parked cars and opening parallel-parked car doors.
  - Road space and separation from vehicles in high speed environments.
- Bike storage, lockers, changing and shower facilities are also necessary to support commuter cycling.

## 3.9 Mountain biking is a great, healthy, recreational activity

- Recreational and mountain biking tracks provide recreational and lifestyle options that support Taupō district as a great place to live and visit.
- Taupo District's free-draining pumice soils support mountain biking all year round.
- Recognised high quality, beautiful, and popular biking tracks attract visitors, which provides economic opportunities for the district.
  - There are regional and national strategies aimed at connecting biking trails to create increased tourism opportunities.
  - It's important that Taupō district be part of these connected networks.
- Increases in recreational off-road biking, are likely to translate into increased comfort with cycling, and increased school and commuter cycling – with associated traffic reduction and environmental benefits.
- Cycling connections should be improved between our towns and mountain biking tracks, include connections to and between sections of the Waikato River Trail and Great Lake Trail.

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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

**3.10 Shared paths are popular, vibrant and inviting but require management of conflicting uses**

- Walking is a popular recreational activity for of all ages and abilities. It is also a tourist and visitor activity and attraction.
- Recreational cycling is also popular, including for children on bikes and scooters. E-bikes and E-scooters (and similar) are also growing in popularity.
- Shared paths also make the most use of limited space and budget, including more efficient sharing of supporting accessories like signage, rubbish bins, seating, drinking fountains, art work, etc.
- However, the conflict between walkers and faster and/or larger vehicles needs to be managed, otherwise these areas become unattractive for walkers, barriers for the mobility impaired, or even safety hazards.
- Priority should be given to walkers.
- Children on scooters, cyclists, and E-vehicles should all give way to walkers, travel at low speed in busy areas, and very low speed when overtaking or approaching blind corners.

**3.11 With recent traffic growth, it has become difficult to cross some of our main roads**

- In important pedestrian areas, and walking routes we need safe and easy crossing opportunities, including:
  - Spa Rd
  - Lake Tce
  - Heuheu St

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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

**Figure 13 - Refrigerated meat truck falls into lake Taupō (2009)**



Photo Source: Stuff / Youthtown Trust Rescue Helicopter

### Other environmental concerns

**3.12 There is a risk of noxious or hazardous cargo crashing into our lakes and waterways**

- Many trucks travel on the state highways in our district. They carry a range of cargos, some of which may be noxious to our lakes and waterways if spilled.
- Stretches of our State highways travel right on the edge of our waters and over bridges. These areas contain crash spots that pose a risk for trucks and their cargo entering our waterways in a crash.

**Figure 14 - Refrigerated meat truck at Bulli Point (2017)**



Photo Source: Stuff / ROBERT STEVEN/FAIRFAX NZ

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## CONNECTING TAUPŌ 2020 – 2050

Issues paper

### 4. Promote vibrant towns that foster social and economic interactions

- 4.1 The design and function of our town streets impacts on vibrancy and social and economic activity
- 4.2 Increased traffic is creating barriers and safety concerns, especially for pedestrians
- 4.3 The [Taupo Urban Commercial and Industrial Structure Plan \(CISP\)](#) provides a vision of creating multi-use, vibrant central streets that seamlessly link public leisure areas and hospitality and retail offerings.

*Figure 15 - Wellington waterfront, where a bar alfresco area merges with public reserve. Beanbags and lawn games provided for patrons*



Photo Source: Trip adviser, [Summer on the Wellington Waterfront](#)

*Figure 16 – New arterial routes in the Taupō Urban Commercial and Industrial Structure Plan (CISP) to create more vibrant and town friendly streets*



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## Issues paper

## 4.4 A large portion of Taupo District's economy (income and jobs) comes from long and short-stay visitors

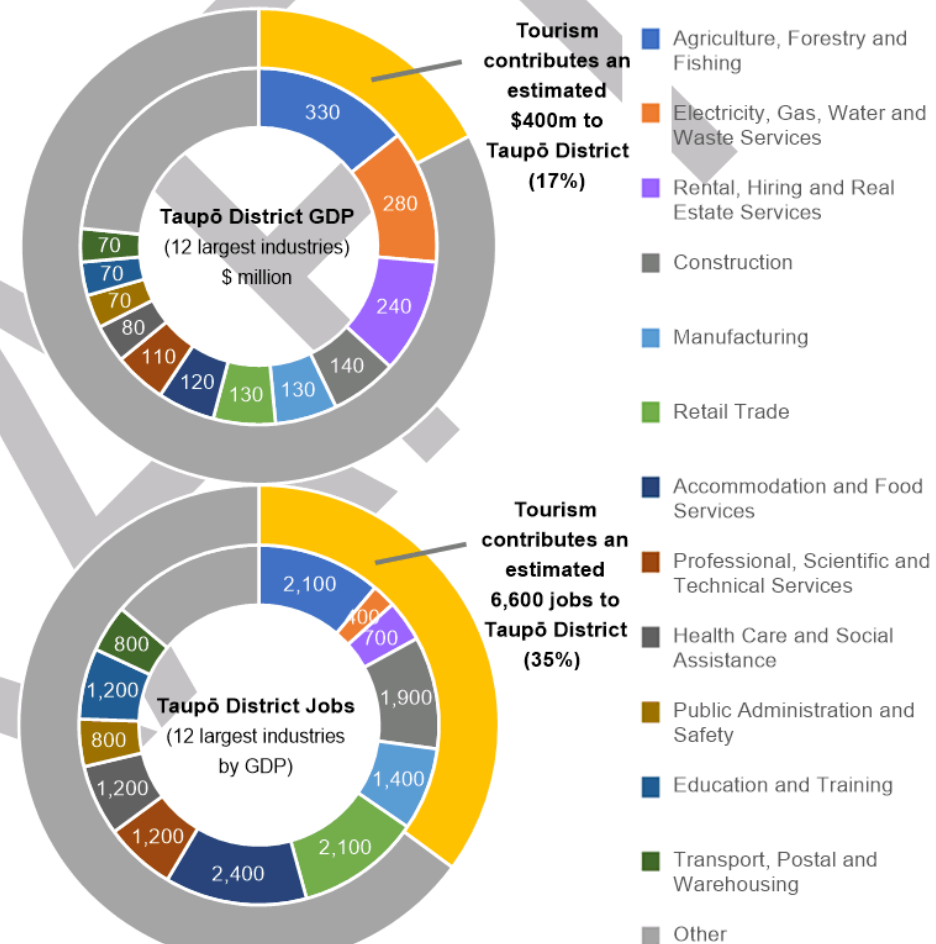
## 4.5 We need to support visitors to come, stay and interact to support economic opportunities

- Intuitive routes that naturally take new visitors to the right locations.
- Easy and intuitive medium-stay parking areas.
- Leave them with a positive experience that may bring them back, or that they may pass on to others.
  - beautiful or scenic areas
  - toilet facilities
  - visitor information
  - rest areas and parks
  - hospitality, retail, tourist attractions and activities.
  - great walking spaces that connect to our towns
  - wider walks and connections to key tourist attractions, encouraging people to spend some time and look around.

## 4.6 Turangi's town centre does not draw in visitors

- Most of the visitor activity and spending in Turangi occurs on the fringe of the State highway at the Z petrol station / Burger King.
- Parking areas and town centre shops are not visible or intuitive – with a fork road decision required and parking appearing to be at the rear of shops, which introduces doubt and is off-putting

Figure 17 – Tourism's contribution to district income (GDP) and jobs



Data Source: Informetrics, Taupo District Economic Profile 2019

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## 5. Taupō parking

## 5.1 Currently it is difficult to find a park in Taupō Town centre – and not just during the summer peak.

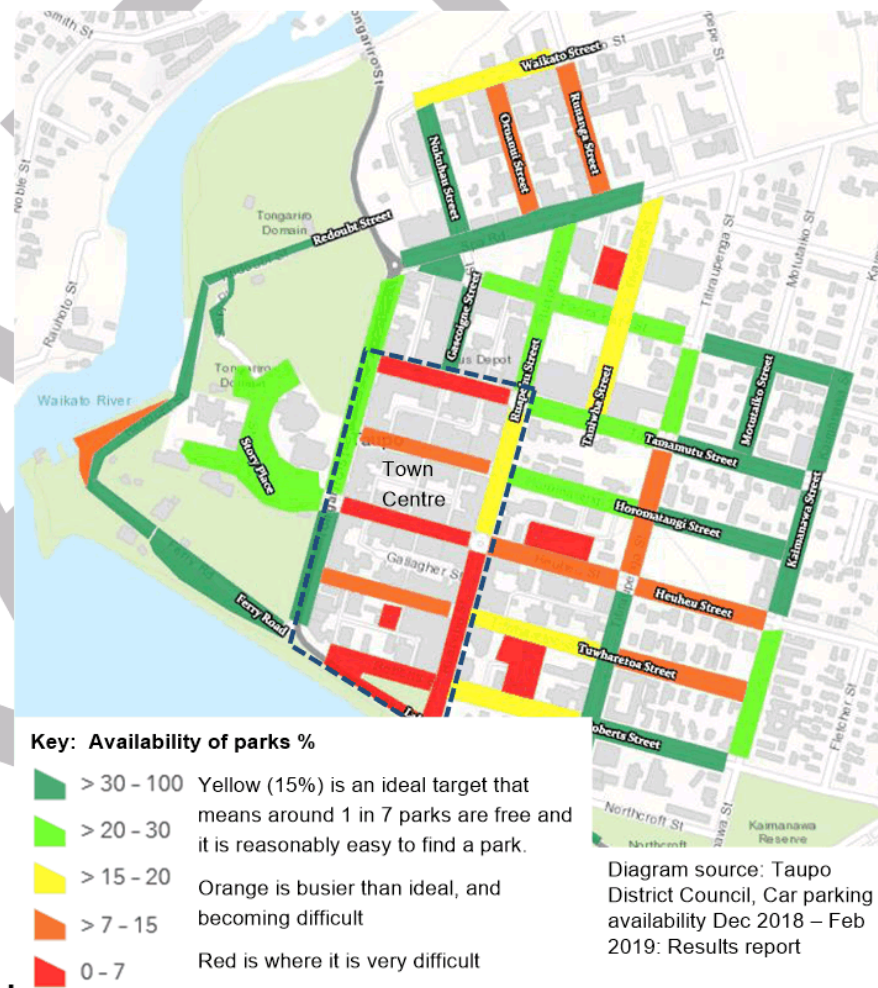
- Difficulty finding a park can be miserable – particularly if you don't know where to try next, or you are running late and are stressed.
- 60-minute parking in the town centre ensures turnover of parking, but at busy times it is not sufficient to make parks freely available.
- Parking starts to free up one block from town – towards Titirapenga St, or the back of Story Pl. These are typically 120 minutes parks.
- Our all-day, off-street car parks are often full.
- There are a couple of hotspots slightly further away from town, where parking can be difficult at times. These are around the medical centres on Heuheu St, and in the commercial area north of Spa Rd.
- For visitors wishing to stay in town for a short period or day, there is reasonable parking on Ferry Rd, and in the domain (Story Place)
- Taupō faces peak demands for parking in the middle of the day (over lunch time), in the weekends, and in holiday periods. In the summer season, demand is especially high.

## 5.2 60 min time limits are often too short. E.g.

- tourist visit
- professional meeting or specialist appointment
- restaurant lunch
- general shopping

And a shopper who wants to continue shopping, but instead heads back to the car because they don't want to get a ticket represents missed economic opportunities.

Figure 18 – Parking Availability in Taupō town centre



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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

## 5.3 A parking building is not a great option

- A three-story parking building can provide 350 additional carparks (500 in total) a short distance from town on the Heuheu St carpark. It would cost around \$12-15 million (\$2019).<sup>3</sup>
- They are expensive (around \$30,000 – \$40,000 per additional park)<sup>1</sup>
- They take time to negotiate up levels and park, and time to exit either by stairs or lift.
  - It is often faster to park a block away and walk
- Modern car parking buildings can have facades to look like large office buildings. However, they are generally large, square and imposing. Expensive facades are often limited to one side.
- Inside they are uninviting spaces, which are prone to:
  - tyre noise
  - minor accidents
  - security concerns
  - antisocial behaviour.
- They can be combined with retail areas, or cycling facilities including bike storage, showers, etc However, with Taupō's 3 story height restriction, this reduces the space available for carparks.

- Introducing paid parking to support the upfront financial, maintenance and operating costs and ensure that users pay a fair share is fraught:
  - Imposing a cost is likely to reduce its use
  - Instead, paid parking would have to be applied across the town centre
  - Both of these options are likely to undermining the need for the building.

*Figure 19 – Artist's impression of new carparking building planned for Auckland*



Photo source: [Auckland Council](#), March 2019

<sup>3</sup> 2007 estimates were \$10.2m (\$20,300 per space) – adjusted for building inflation this is around \$13m (\$26,000 per space). A Sylvia Park parking building in Auckland built in Apr – Nov 2018 provided 600 spaces at cost of \$36 million (~\$60,000 per park). Source [Stuff](#).

[Sylvia Park will open a new 600-car parking building tomorrow ahead of the Christmas rush, 29 Nov 2018](#). A Lichfield parking building in Christchurch opened in Nov 2011, providing 805 spaces at a cost of \$31 million (\$39,000 per park). Source: [Stuff](#). [New 805-space Lichfield St car park building opens in Central Christchurch, 10 Nov 2017](#)

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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

**6. Providing reasonable inter-regional bus facilities**

- 6.1 Operators and users appear unwilling to pay for new or improved facilities. It is unclear if there are wider benefits to Taupō or the district from an improved bus hub that justify a large investment.
- 6.2 Current bus hub facilities are basic, but not out of step with other districts and towns
- Inter-regional bus stop facilities are typically basic:
    - often paired with an i-Site
    - usually open, roadside, small glass shelters
    - usually paired with or close to public toilets
    - often using the verandas of nearby shops or cafes to provide additional weather protection
  - The current bus shelter facilities on Tongariro St for inter-regional bus services provide:
    - a small degree of rain shelter, but still exposed to cold winds
    - nearby public toilets
    - nearby i-Site, which provides some customer support
  - There are also numerous bus stops marked around Taupō town centre that cater to tour buses, either dropping off and picking up from motels and backpackers, or stopping for passengers to visit the town

*Wanaka: inter-regional bus stops next to public toilets*

Photo source: Google Maps

*Queenstown inter-regional bus stop next to carpark and public toilets*

Photo source: Google Maps

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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

*Rotorua inter-regional bus stops next to i-Site with covered courtyard*

Photo source: Google Maps

*Napier offstreet bushub, with bus angle parks, public toilets and glass shelters*

Photo source: Google Maps

**6.3 Regional buses should be located in the Town centre**

Priorities are:

- Safe and efficient bus movements
- Quality shelter and protection from the weather
- Safe location, lighting, security (CCTV)
- Nearby toilets
- Nearby food and coffee
- Nearby shops to support economic opportunities
- Nearby parking and taxi services

Nice to have include:

- A veranda / rain protection over buses
- Locker facilities (to support exploring of town for short layovers / bus-transfers)
- Nearby picnic, recreation and playground areas
- Ticketing facilities
- WiFi
- PA system and customer support (alternatively electronic signage, with updates or alerts)

**6.4 Co-locating buses, (tour and inter-regional, north- and south-bound) makes the best use of space**

- There may be an opportunity to consolidate bus parking into one area. This may allow the provision of more targeted facilities, and free up carparking in other areas.

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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

**7. Well connected to the rest of New Zealand****7.1 Bus connections provide an important, affordable, carless option**

- There is potential for growth due to:
  - Aging population
  - Increased environmental conscientiousness
  - Increased fuel costs
  - Increased road congestion and improved public transport in Auckland

**7.2 Strong tourist connections that bring people and economic opportunities to Taupō district**

As shown in Figure 18 previously, Tourism is a major contributor to Taupō's districts economy – providing district jobs and income. We must ensure that Taupō is supported by quality and improving tourism connections that:

- are safe
- provide attractions, activities and stops
- promote tourist activity and travel to Taupō district

Important connections are:

- between Taupō and Turangi
- to the mountains
- to Rotorua
- biking trail connections

**7.3 Air services, especially for:**

- tourist links to Australia, which requires improved timing of flight connections at Auckland, to avoid the current long layover and provide a viable long-weekend / ski weekend offering
- economic / business links to Auckland to support remote businesses and working but still having connections when necessary
- affordable social links to the rest of the country to support visiting family and friends, for example if grandparents retire in Taupō.

**7.4 Freight connections, especially to:**

- Auckland (NZ's largest import hub and distribution centre) for goods into Taupō district
- Port of Tauranga (NZ's largest export port)

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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

## Freight and logistics

## 7.5 Taupo district is reliant on trucks to move freight

## 7.6 Taupō district does not face a 'wall of wood'

- Our forests are reasonably mature and in a relatively steady state of production.

## 7.7 With low freight volumes, and short distances to port a railway line is unlikely to be an economic prospect for Taupō (the cost will outweigh the benefits)

- Rail is only economic for large bulk freight and/or long distances. Trucking dominates the freight market, carrying 93% of New Zealand freight task by weight, and 75% by weight-distance (Tonne-kms).<sup>4</sup>
  - providing faster, door to door services
  - strong operator competition
  - shares road network costs with a high volume of cars.
- KiwiRail, the only rail freight provider in New Zealand, requires around \$300 million a year in government funding to maintain its operations. Train operations are unable to recover the maintenance costs of the rail network outside of the golden triangle of Auckland, Hamilton Tauranga.<sup>5</sup>
  - The focus of government investment is a renewals and maintenance programme for existing network, and the reinstatement of the line near Kaikoura<sup>6</sup>
- In addition, "the Provincial Growth Fund (PGF) is investing in building the connectivity and economic productivity of regions, and ensuring that regions get their fair share of the opportunities that rail can provide."
  - However, focus appears to be on opportunities from improving existing rail connections (rather than building new lines).

<sup>4</sup> Richard Paling Consulting, *National Freight Demand Study 2017/18*, September 2019

<sup>5</sup> Treasury, Budget 2015 information release. <https://treasury.govt.nz/sites/default/files/2017-11/b15-3127034.pdf>

- Future investment is signalled to focus on the North Auckland Line, connecting to Northland.<sup>6</sup>

**Figure 20 – The closest rail connections to Taupō District are Taumarunui, Kinleith and a closed line to Rotorua**



Diagram Source:  
[Ministry of Transport](https://www.mta.govt.nz/)

<sup>6</sup> The Draft NZ Rail Plan 2019

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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

**7.8 Taupō and Turangi are popular rest and driver swap locations for long distance trucks – but trucks cause noise and vibration problems in residential areas**

- The popularity of Taupō and Turangi is driven by:
  - supply chain logistics
  - accommodation and food offerings
  - strict driver hour restrictions aimed at reducing safety risks associated with driver fatigue.
- The benefits for the district are:
  - economic opportunities for the hospitality sector, most valuably in the off-season
  - transport and logistics opportunities for local producers, e.g. cheaply back-filling and filling partially empty trucks.
  - Truck driving provides employment opportunities.
- Problems cause by trucks on residential roads are:
  - blocking views in Taupo
  - truck noise disturbing residents, especially at nights and early morning when trucks leave.
  - Strong vibrations due to our soft ash and pumice soils disturbing residents and creating extra noise.
- There may be an opportunity in partnership with businesses and NZTA, to improve truck areas near State highways and away from residential areas, like Stag park, to reduce the volume of unnecessary truck travel in urban areas.

**7.9 New industrial activities in rural areas may create problems on rural roads.**

- Taupo has permissive district plan rules that allow industrial activities in rural areas, for example milk processing plants that use secondary geothermal heat.
- Some of our rural roads may not be built to withstand high volumes of truck traffic. There may be safety risks and/or remediation work required to accommodate large truck volumes.

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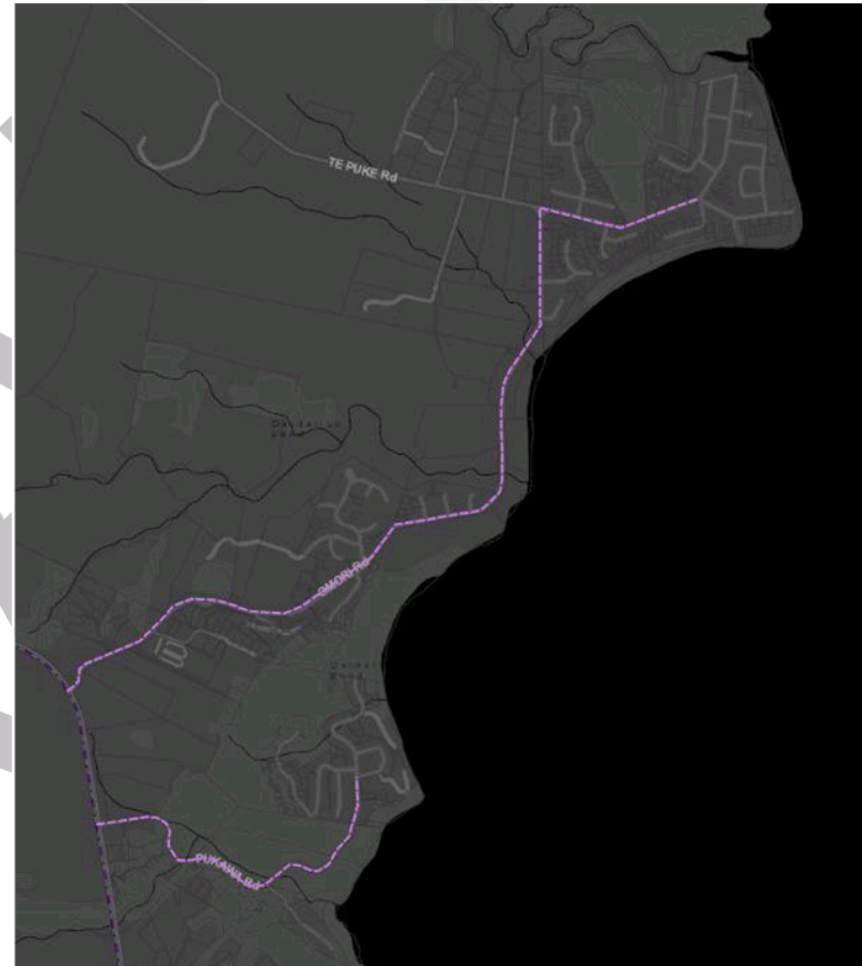
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## CONNECTING TAUPŌ 2020 – 2050

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**8. Resilient and reliable**

- 8.1 [Government Policy Statement on Land Transport \(2018\)](#) put a greater emphasis on improving resilience
- [Waka Kotahi \(the NZ Transport Agency\) Resilience Framework \(2018\)](#)
- 8.2 The Waihi slip poses a risk to state highway 41 connecting Turangi and western towns and settlements.
- 8.3 Snowfall is a risk for the desert road (State Highway 1) and State Highway 5 between Taupō and Napier
- 8.4 There are resilience concerns for State Highway 1 between Taupō and Turangi
- This route is susceptible to closure from crashes, landslides, and flooding
  - The alternative route (on the western side of Lake Taupō) is significantly longer and creates a significant connection loss and impact
    - A 40 minute trip connecting Taupō and Turangi becomes a 1 hour 20 minute trip, impacting on the connection to employment, customers, medical facilities, and other goods and services.
- 8.5 Taupō district has a large number of bridges and culverts which may be at risk in major events
- 8.6 Western bays settlements of Omori/Kuratau and Pukawa have only one entrance road, and these are susceptible to landslide and washouts.

*Figure 21 – Omori / Kuratau and Pukawa have a single point of entry/exit***DRAFT FOR PUBLIC CONSULTATION**

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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

**9. Maintain predictable and reasonable travel times in the face of growth****9.1 Roads should have a clear function that determines the balance required between the free movement of vehicles and allowing stopping, parking and pedestrian crossing opportunities.**

- Roads serve two primary roles, to facilitate the movement of people and goods and to act as places for people.
- It's important that our main roads flow well, and people can get around easily. Having dedicated main roads that prioritise traffic flow support this.
- In other areas, a balance needs to be struck. Feeder and side roads need to also support house and business access, street parking, cycleways and safe and easy pedestrian crossing opportunities. Town and village areas need to support social and economic interactions.
- Waka Kotahi's (the NZ Transport Agency) One Network Road Classification (ONRC) is an example of a framework that considers movement and place when determining the road classification.

**9.2 It is important to strategically control where traffic growth is accommodated to avoid negative impacts of increased traffic in high 'place function' areas.**

Letting traffic growth occur organically may result in high volumes of traffic in unwanted sensitive or high-conflict areas, such as:

- town pedestrian and eating areas
- alongside popular, beach, recreation and tourist areas

- alongside schools, creating safety concerns and congestion at drop-off and pick up times.

The [Taupo Urban Commercial and Industrial Structure Plan \(CISP\)](#), as discussed earlier, sets out a vision for future growth and development of Taupō. It includes a strategic plan for accommodating traffic outside of high value town areas of Taupō. In particular, shifting through-traffic away from:

- Tongaririo St, which links the town to green spaces and parking areas
- Lake Tce, to create more seamless links between hospitality areas and lakefront reserve areas.

**9.3 Planning should be undertaken so that capacity is put in place and issues overcome as (or before) they arise.**

- It takes time to plan, design and consent interventions
- Interventions which are reasonably likely, but the timing is uncertainty should be sensibly planned and ready to go within the window of possible need, including:
  - Route protection
  - Resolving land issues
  - Preliminary design
  - Consenting, where sensible.
- Having projects ready to go creates the opportunity for funders committing to them, for example:
  - National politicians and political parties looking to make election commitments
  - government funds looking to deliver projects
  - economic stimulus or job creation funding in difficult economic times.

**9.4 Population growth in some areas along with continued growth in visitors and tourism, plus seasonal influxes, are combining to place pressure on a few concentrated roads and intersections.****DRAFT FOR PUBLIC CONSULTATION**

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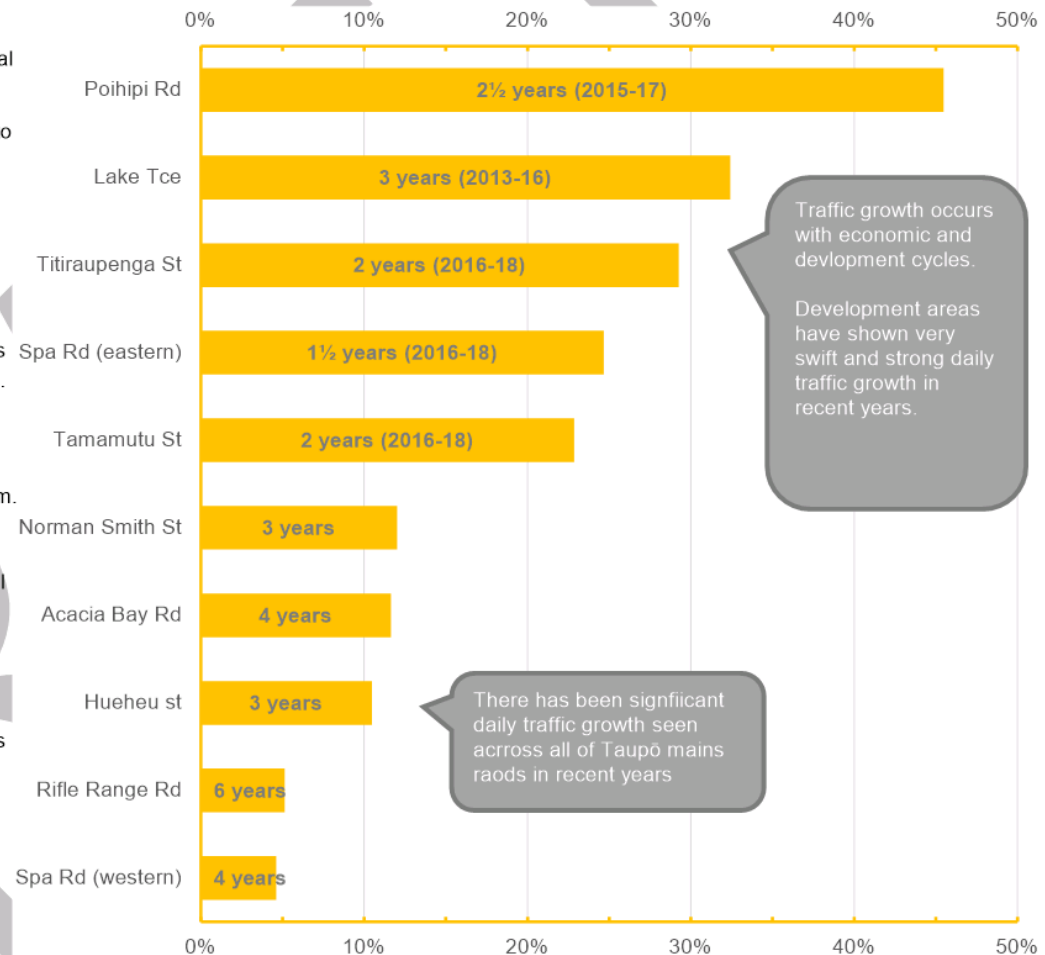


## CONNECTING TAUPŌ 2020 – 2050

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- Taupō town has experienced significant growth in recent years (2016 – 2019):
  - Taupō population has grown, leading to increased local traffic and commuter peak traffic
  - The number of tourists / holidaying visitors continues to grow
  - State highway traffic has grown, including the number of short-stay visitors coming for lunch or a break.
- All this growth culminates on the Northern and southern entrances to Taupō
- Local growth will be located in northern and southern parts of Taupō, putting more strain on current congestion points.
- There is potential for continued sustained growth in State highway traffic, and lunchtime visitors to Taupō.
- There is potential for continued sustained growth in tourism.
- Recent growth in traffic has created:
  - Noticeable increase in congestion on Control gates hill and Spa Rd
  - Streets that are difficult to cross
  - Streets that are difficult to right-turn into
- Forecast areas where traffic growth will impact on services levels are:
  - Control gates bridge (where traffic in each direction must reduce to one lane from two)
  - Spa Rd (between Titirapunga St and Tongariro St), and especially right hand turns on Spa Rd.
  - Right hand turns onto Lake Tce

**Figure 22 – Areas of strong cyclic traffic growth in recent years**



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## CONNECTING TAUPŌ 2020 – 2050

Issues paper

*Figure 23 -Forecast (2041) Morning Peak (left) and Evening Peak (right) Level of Service*



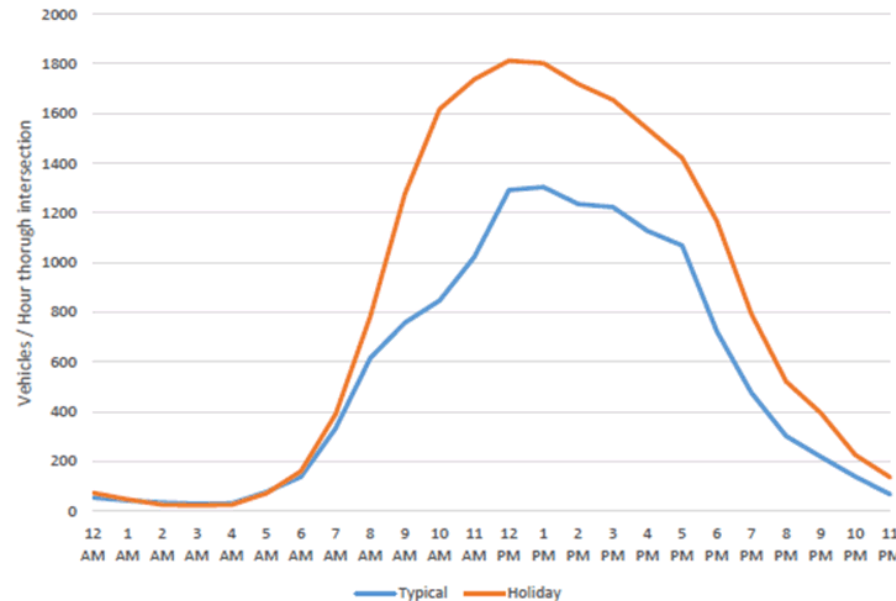
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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

**Figure 24 – Holiday traffic compared to typical day  
(Tongariro / Heuheu traffic light intersection)**



9.5 Taupo has (tidal) commuter peaks into town in the morning, and out of town in the evening. It also has a lunchtime peak, in particular with State highway and visitor traffic – which becomes longer and more prominent in summer and holiday periods.

- It is not reasonable to try and eliminate traffic congestion and travel delays.
  - Congestion often only occurs for a short portion of the day or year.
  - Eliminating congestion would require large and expensive roads expansion, which would be excessive and empty for most of the day/year.
  - In addition, as traffic tends to head to the same places – parking areas, shops, schools – other bottlenecks, for example at parking entrances, are likely to emerge. Removing traffic bottlenecks may simply increase congestion and delays at destinations.
- Instead it is important to manage traffic congestion so that it is acceptable.
  - At commuter times this means that travel times are reliable, and minimised where the costs do not outweigh the benefits.
  - For holiday and visitor peaks, so that travel times do not unreasonably restrict and put-off potential visitors and associated economic opportunities for the district.
- The challenges of how much to invest to manage peak demands are not limited to transport. Taupo's (and others') tourism strategies have for some time recognised the need to focus on spreading visitors throughout the year, and increase the value from visitors, rather than attracting more in the peak periods, when the costs and impacts of servicing them can outweigh the economic benefits.
- Small amounts of congestion and delays at peak times are tolerable if:
  - the costs of addressing the capacity constraint are very large
  - delays are only for a short period of day or year
  - the delay time is not too severe.

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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

## 9.6 Drivers prefer roundabouts

- We have several roundabouts that work well in the District.
- Roundabouts often do not require stopping traffic flows.
- Roundabouts can work well both at busy peak times and for the large portions of the day when there is not a lot of traffic.
- Roundabouts are often a safe solution for drivers:
  - low levels of death and serious injury
  - naturally slow traffic
  - reduce the angle of crashes
  - drivers only have to look in one direction.

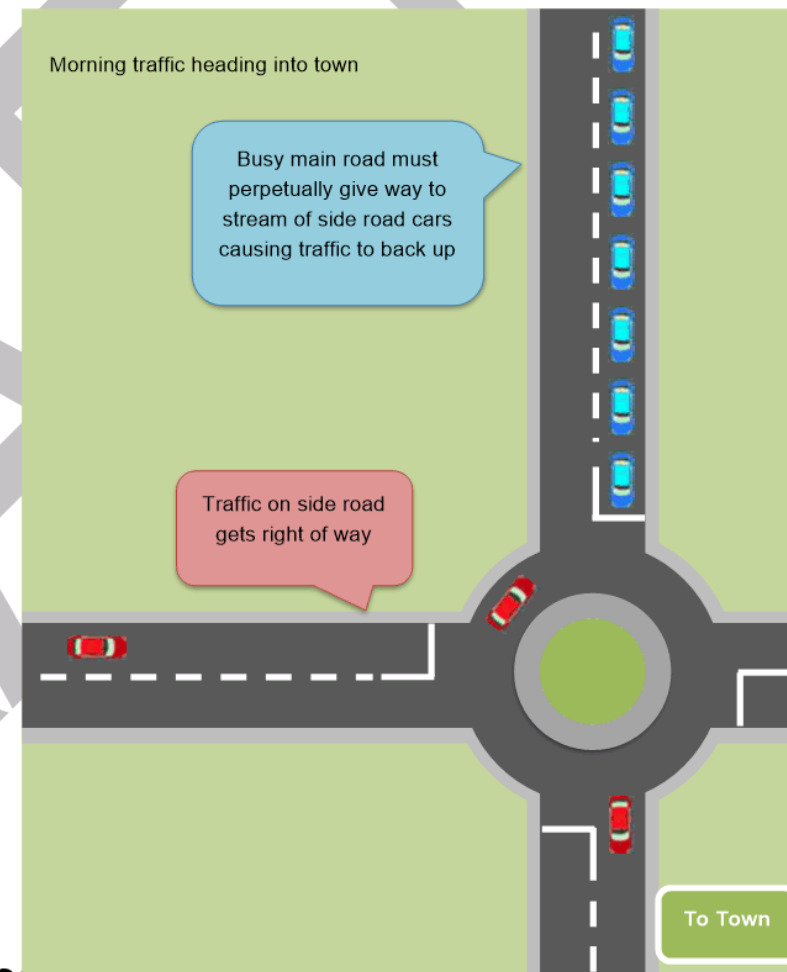
## 9.7 However, roundabouts are not always a good solution

- Roundabouts work well when traffic flows are balanced, but in other circumstances they may obstruct major traffic flows in favour of minor side roads.
  - Roundabouts do not control which roads have the right-of-way.
  - Priority is simply given to the traffic coming from the right – as determined by the give way rules.
- Multi-lane roundabouts can be intimidating for older, visiting, or less-confident drivers.
- Large and busy roundabouts can be difficult for pedestrians to cross, especially the mobility impaired, young, or old.
- Busy or large roundabouts can be unsafe for cyclists.
  - Best practice is to provide an off-road alternative for cyclists.

## 9.8 Traffic lights provide easy and safe pedestrian crossing opportunities

- Especially the mobility impaired, young, or old

*Figure 25 – Roundabouts give priority to the traffic from the right, which may not be the main traffic flow.*



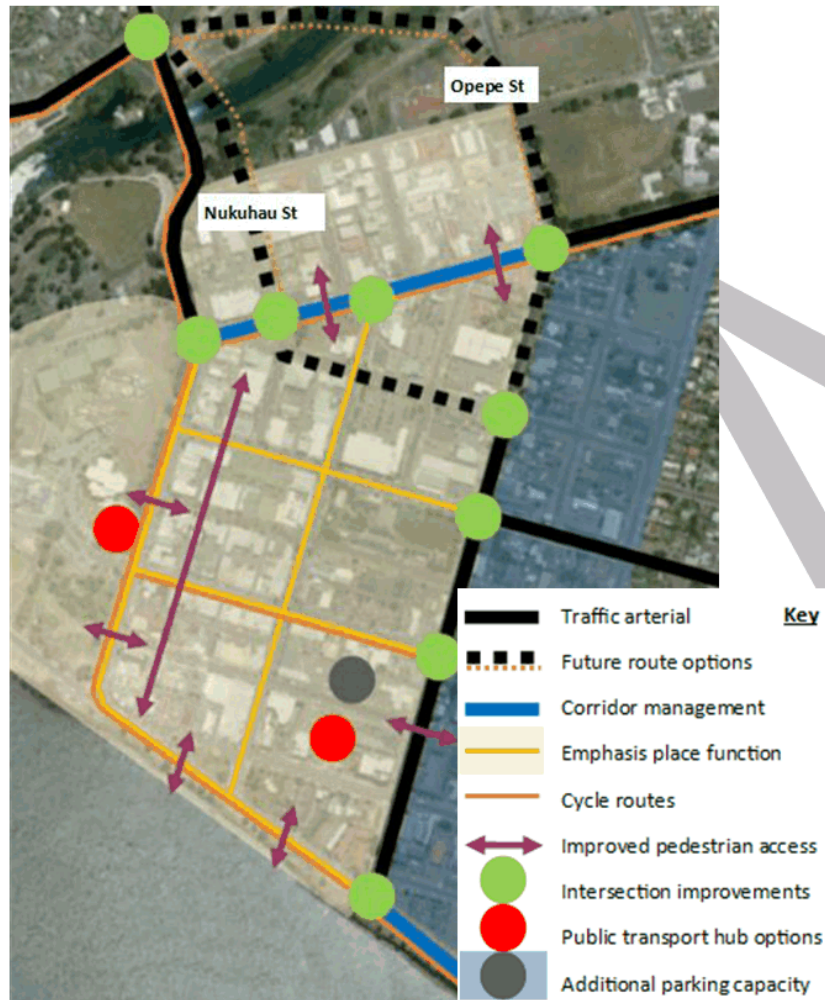
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## CONNECTING TAUPŌ 2020 – 2050

Issues paper

Figure 26 – Abley's proposed Taupō network plan



### Abley's recommendations (Taupō Future road Assessment 2019)

#### 9.9 Control Gate Bridge

- The existing Control Bridge is operating at capacity at peak times and the need for additional capacity across the Waikato River is required in the next five years

#### 9.10 Lake Terrace east of Titiraupenga Street

- Improved cycle provision
- Corridor Management Plan – managing intersections, consolidating access along the corridor, traffic management during events
- Intersection improvements at Titiraupenga Street as part of the new arterial

#### 9.11 Lake Terrace west of Titiraupenga Street

- Reduced traffic priority (may be through narrowing of corridor, reduced speed limit)
- Greater pedestrian connectivity to the lakefront
- Improved cycle provision

#### Key 9.12 Tongariro Street

- Reduced traffic capacity – two lanes down to one
- Reallocation of space to cycle lanes and enhanced pedestrian connectivity
- Enhanced bus hub (if location retained, or space reallocated to other modes and/or parking if new bus hub location selected)

#### 9.13 Spa Road

- Corridor Management Plan – managing intersections, improving and consolidating access along the corridor
- Greater pedestrian connectivity

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**CONNECTING TAUPŌ 2020 – 2050****Issues paper**

- Improved cycle provision
- Intersection upgrades (subject to preferred new bridge location) at Titirapenga Street, Ruapehu Street, Nukuhau Street/Gascoigne Street, Tongariro Street/Spa Road

**9.14 Titirapenga Street**

- Intersection upgrades as part of the new arterial route (for example changing priority to north/south)
- May require parking management review
- Improved pedestrian connectivity to areas where additional berm parking is provided east of Titirapenga

**9.15 Paora Hapi Street – dependent on arterial route and bridge location**

- Improved connectivity and intersection upgrades on arterial route

**9.16 Central business area**

- Potential reduce speed limit
- Improved pedestrian connectivity – particularly for the laneways, to the lakefront and the Domain
- Potential new bus hub on Tuwharetoa Street (as part of the Council Office Building development)
- Potential parking building on Heuheu Street (long term)
- Additional berm parking east of Titirapenga Street

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## CONNECTING TAUPŌ 2020 – 2050

## Issues paper

## Appendix 1 – What age-friendly means

Age-friendly Outdoor spaces and buildings		Age-friendly transportation checklist	
<b>Environment</b>	<ul style="list-style-type: none"> <li>The city is clean, with enforced regulations limiting noise levels and unpleasant or harmful odours in public places.</li> </ul>	<b>Affordability</b>	<ul style="list-style-type: none"> <li>Public transportation is affordable to all older people.</li> <li>Consistent and well-displayed transportation rates are charged.</li> </ul>
<b>Green spaces and walkways</b>	<ul style="list-style-type: none"> <li>There are well-maintained and safe green spaces, with adequate shelter, toilet facilities and seating that can be easily accessed.</li> <li>Pedestrian-friendly walkways are free from obstructions, have a smooth surface, have public toilets and can be easily accessed.</li> </ul>	<b>Reliability and frequency</b>	<ul style="list-style-type: none"> <li>Public transport is reliable and frequent (including services at night and at weekends).</li> </ul>
<b>Outdoor seating</b>	<ul style="list-style-type: none"> <li>Outdoor seating is available, particularly in parks, transport stops and public spaces, and spaced at regular intervals; the seating is well-maintained and patrolled to ensure safe access by all.</li> </ul>	<b>Travel destinations</b>	<ul style="list-style-type: none"> <li>Public transport is available for older people to reach key destinations such as hospitals, health centres, public parks, shopping centres, banks and seniors' centres.</li> <li>All areas are well-serviced with adequate, well-connected transport routes within the city (including the outer areas) and between neighbouring cities.</li> <li>Transport routes are well-connected between the various transport options.</li> </ul>
<b>Pavements</b>	<ul style="list-style-type: none"> <li>Pavements are well-maintained, smooth, level, non-slip and wide enough to accommodate wheelchairs with low curbs that taper off to the road.</li> <li>Pavements are clear of any obstructions (e.g. street vendors, parked cars, trees, dog droppings, snow) and pedestrians have priority of use.</li> </ul>	<b>Age-friendly vehicles</b>	<ul style="list-style-type: none"> <li>Vehicles are accessible, with floors that lower, low steps, and wide and high seats.</li> <li>Vehicles are clean and well-maintained.</li> <li>Vehicles have clear signage indicating the vehicle number and destination.</li> </ul>
<b>Roads</b>	<ul style="list-style-type: none"> <li>Roads have adequate non-slip, regularly spaced pedestrian crossings ensuring that it is safe for pedestrians to cross the road.</li> <li>Roads have well-designed and appropriately placed physical structures, such as traffic islands, overpasses or underpasses, to assist pedestrians to cross busy roads.</li> <li>Pedestrian crossing lights allow sufficient time for older people to cross the road and have visual and audio signals.</li> </ul>	<b>Specialized services</b>	<ul style="list-style-type: none"> <li>Sufficient specialized transport services are available for people with disabilities.</li> </ul>
<b>Traffic</b>	<ul style="list-style-type: none"> <li>There is strict enforcement of traffic rules and regulations, with drivers giving way to pedestrians.</li> </ul>	<b>Priority seating</b>	<ul style="list-style-type: none"> <li>Priority seating for older people is provided, and is respected by other passengers.</li> </ul>
<b>Cycle paths</b>	<ul style="list-style-type: none"> <li>There are separate cycle paths for cyclists.</li> </ul>	<b>Transport drivers</b>	<ul style="list-style-type: none"> <li>Drivers are courteous, obey traffic rules, stop at designated transport stops, wait for passengers to be seated before driving off, and park alongside the curb so that it is easier for older people to step off the vehicle.</li> </ul>
<b>Safety</b>	<ul style="list-style-type: none"> <li>Public safety in all open spaces and buildings is a priority and is promoted by, for example, measures to reduce the risk from natural disasters, good street lighting, police patrols, enforcement of by-laws, and support for community and personal safety initiatives.</li> </ul>	<b>Safety and comfort</b>	<ul style="list-style-type: none"> <li>Public transport is safe from crime and is not overcrowded.</li> <li>Transport stops and stations</li> <li>Designated transport stops are located in close proximity to where older people live, are provided with seating and with shelter from the weather, are clean and safe, and are adequately lit.</li> <li>Stations are accessible, with ramps, escalators, elevators, appropriate platforms, public toilets, and legible and well-placed signage.</li> <li>Transport stops and stations are easy to access and are located conveniently.</li> <li>Station staff are courteous and helpful</li> </ul>
<b>Services</b>	<ul style="list-style-type: none"> <li>Services are clustered, located in close proximity to where older people live and can be easily accessed (e.g. are located on the ground floor of buildings).</li> <li>There are special customer service arrangements for older people, such as separate queues or service counters for older people.</li> </ul>	<b>Information</b>	<ul style="list-style-type: none"> <li>Information is provided to older people on how to use public transport and about the range of transport options available.</li> <li>Timetables are legible and easy to access.</li> <li>Timetables clearly indicate the routes of buses accessible to disabled people</li> </ul>
<b>Buildings</b>	<ul style="list-style-type: none"> <li>Buildings are accessible and have the following features: <ul style="list-style-type: none"> <li>elevators</li> <li>ramps</li> <li>adequate signage</li> <li>railings on stairs</li> <li>stairs that are not too high or steep</li> <li>non-slip flooring</li> <li>rest areas with comfortable chairs</li> <li>sufficient numbers of public toilets.</li> </ul> </li> </ul>	<b>Community transport</b>	<ul style="list-style-type: none"> <li>Community transport services, including volunteer drivers and shuttle services, are available to take older people to specific events and places.</li> </ul>
<b>Public toilets</b>	<ul style="list-style-type: none"> <li>Public toilets are clean, well-maintained, easily accessible for people with varying abilities, well-signed and placed in convenient locations.</li> </ul>	<b>Taxis</b>	<ul style="list-style-type: none"> <li>Taxis are affordable, with discounts or subsidized taxi fares provided for older people with low incomes.</li> <li>Taxis are comfortable and accessible, with room for wheelchairs and/or walking frames.</li> <li>Taxi drivers are courteous and helpful</li> </ul>
Source: <a href="#">World Health Organisation – Global Age Friendly cities: a guide (2007)</a>		<b>Roads</b>	<ul style="list-style-type: none"> <li>Roads are well-maintained, wide and well-lit, have appropriately designed and placed traffic calming devices, have traffic signals and lights at intersections, have intersections that are clearly marked, have covered drains, and have consistent, clearly visible and well-placed signage.</li> <li>The traffic flow is well-regulated.</li> <li>Roads are free of obstructions that might block a driver's vision.</li> <li>The rules of the road are strictly enforced, and drivers are educated to follow the rules.</li> </ul>
		<b>Driving competence</b>	<ul style="list-style-type: none"> <li>Refresher driving courses are provided and promoted.</li> </ul>
		<b>Parking</b>	<ul style="list-style-type: none"> <li>Affordable parking is available.</li> <li>Priority parking bays are provided for older people close to buildings and transport stops.</li> <li>Priority parking bays for disabled people are provided close to buildings and transport stops, the use of which are monitored.</li> <li>Drop-off and pick-up bays close to buildings and transport stops are provided for handicapped and older people</li> </ul>

## CONNECTING TAUPŌ 2020 – 2050

Issues paper

### AREA SUMMARY

**(INCLUDE ANY PARTICULAR COMMUNITY ISSUES AND MAPS RAISED THROUGH CONSULTATION)**

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# **Draft Transport Strategy Engagement Plan July 2020**

Week beginning Monday:

Council adopts draft for consultation

## **Engagement with community representative groups**

Turangi/Tongariro Community Board (TTCB)

Mangakino/Pouakani Representative Group (MPRG)

Taupō East Rural Representative Group (TERRG)

Kinloch Representative Group (KRG)

## **Engagement with key stakeholders**

NZTA

Police

WRC

Neighbouring councils

Bike Taupo

Emergencny Services

Schools (Te Kura O Hirangi, Taupo Nui A Tia, Tauhara College, LTCC, Te Kura O Wharewaka Tuwharetoa, Mountview School, Taupo Intermediate, Hilltop Primary School, Kuratau School, Lake Taupo Christian School, Mangakino Area School, Marotiri School, Mountview Primary School, Rangitaiki School, St Patricks Catholic School, Tauhara Primary School, Taupo Primary School, Tirohanga School, Tongariro Area School, Waipahihi Primary School, Wairakei School, Whakamaru School)

Lakes District Health Board

Access Taupo Group

Automobile association (AA)

Civil Denfence

Airport

Supermarkets

Taxis (Great Lake Taxis)

Road Transport Forum (RTF), Road Transport Assoication (RTANZ)

Bus Operators (Nimmons, WBL buses, Turangi Coachlines, Intercity, Skip)

Event organisers

Destination Great Lake Taupo (DGLT)

Entripise Great Lake Taupo (EGLT)

Town Centre Taupo

Taupo Business Chamber

Iwi (Tuwharetoa Maori Trust Board, Te Ara Matauranga O Tuwharetoa)

Freight and logistics - Contact Energy (around attracting industry), Miraka, Tenon, NZ Forestry Managers, Fonterra, Mainfreight

Countdown, Pak'n'Save, Turangi New World

Turangi Transport Group (Southern Lake Health Shuttle)

Ruapehu Alpine Lifts (RAL)

**Public Online Consultation Period (1 Month / 5 working weeks)**

Mon 3 Aug to Fri 4 Sept

## **Engagement with key communities / community groups**

Kinloch (Kinloch Community Association, and others?)

Western Bay (Omori/Kuratau ratepayers group)

Turangi/Tongariro (Tongariro ratepayers accociation, Turangi RSA, Motuoapa Residents Accociation)

Acacia Bay (Acacia bay residents association)

Taupo (Taupo ratepayers)

Summarise submissions (3 weeks)

Papers to Council

## **Hearings**

Deliberations a week later.... (when its all drafted, etc....) - on the Friday....

Drafting of changes and any further advice

Papers to Council

**Council meeting - Adopt final Transport Strategy**

27-Oct



Draft Transport Strategy - Draft comms messages

July 2020

**COUNCIL IS SEEKING FEEDBACK ON A DRAFT TRANSPORT STRATEGY**

- The Transport Strategy will provide long-term direction on the priorities for Council investment in transport services and infrastructure to meet community needs.
- This is a first draft, which may change based on your feedback. We need to know what you support or disagree with. Or, have you got other ideas?

**DO YOU AGREE WITH THE PRIORITIES AND COMMITMENTS?**

Priorities and ranking	Key commitments*	See pages
<b>1. Safe (safety remains the top priority)</b>	<ul style="list-style-type: none"> <li>• Working in partnership with central government and Waka Kotahi (the NZ Transport Agency) to address unsafe or not fit-for-purpose State highways</li> <li>• Deliver a Rural Road Safety Programme of works</li> <li>• Deliver an Urban Road Safety Programme of works (including intersection improvements)</li> <li>• Review speeds, and deliver safety awareness and education campaigns</li> </ul>	8 – 10
<b>2. Inclusive (accessible and affordable so that getting around is not a barrier to anyone)</b>	<ul style="list-style-type: none"> <li>• Provide reliable and accessible public transport</li> <li>• Make our towns and villages accessible and age friendly</li> </ul>	11 – 12
<b>3. Walking and cycling friendly to support sustainable choices</b>	<ul style="list-style-type: none"> <li>• Develop a network of shared paths, both paved and off-road</li> <li>• Deliver a Cycling and Pedestrian Safety Programme of works (including pedestrian crossing improvements)</li> <li>• Make our towns and villages walking and cycling friendly</li> <li>• Become electric car, E-bike and E-scooter friendly</li> </ul>	13 – 16
<b>4. Supporting the vibrancy of our town centres and fostering social and economic interactions</b>	<ul style="list-style-type: none"> <li>• Ensure our towns are easy and intuitive for visitors</li> <li>• Deliver the <a href="#">Taupo Urban Commercial and Industrial Structure Plan (CISP)</a></li> <li>• Proactively manage Taupō town centre parking supply</li> <li>• Continue to provide suitable bus shelter and bus-parking facilities to support tourism and visitors, and regional connections for locals</li> </ul>	17 – 20

Draft Transport Strategy - Draft comms messages

July 2020

Priorities and ranking	Key commitments*	See pages
<b>5. Well connected to the rest of New Zealand</b>	<ul style="list-style-type: none"> <li>• Work with providers and other districts to support the provision of coordinated:                             <ul style="list-style-type: none"> <li>○ tourist routes</li> <li>○ inter-regional bus services</li> <li>○ truck freight routes</li> </ul> </li> <li>• Work with airlines to support the provision of regular, quality and affordable air services that connect Taupō to the rest of New Zealand</li> </ul>	21 – 22
<b>6. Resilient and reliable</b>	<ul style="list-style-type: none"> <li>• Undertake risk assessments to identify risks to important transport connections</li> <li>• Undertake a risk monitoring programme</li> </ul>	23
<b>7. Maintaining predictable travel times in the face of growth</b>	<ul style="list-style-type: none"> <li>• Provide and protect our strategic arterial roads to prioritise traffic flow, with town centres and minor roads balancing pedestrian and parking needs.</li> <li>• Monitor and manage traffic congestion impacts for both summer and commuter peaks</li> <li>• Plan for a second Taupō bridge, and any other major infrastructure in advance of its need.</li> <li>• Deliver an Intersection Improvement Programme</li> </ul>	24 – 26

\*The above are some of the key commitments outlined in the draft Transport Strategy. See the draft Transport Strategy for more details and additional actions. The draft Issues Paper outlines the background and context to these draft priorities and commitments. The Draft Transport Strategy also provides an indicative timeframe for each commitment.

#### YOU KNOW YOUR AREA – LET US KNOW WHAT YOU KNOW!

- What rural roads have become busy with cars or trucks and need review to ensure that they're safe?
- What intersections need upgrading for safety or to improve traffic flow?
- What pedestrian or cycling connections need protecting or improving? Where does it need to be safer or easier to cross the road?

Draft Transport Strategy - Draft comms messages

July 2020

**HOW TO HAVE YOUR SAY**

Consultation is open between Monday 3 August 2020 and Friday 4 September 2020.

There is a simple online submission process – available here: [Link]

Read the draft Transport Strategy and Issues Paper here: [Link]

If you want to present your views directly to Council, we will be holding hearings on the afternoon of Tuesday 6 October 2020.

**Submissions close 5pm Friday 4 September 2020**

If you have any further questions or problems please feel free to contact Aidan Smith (Policy Advisor, Taupō District Council): email [asmith@taupo.govt.nz](mailto:asmith@taupo.govt.nz), or phone 07 376 0869. He's more than happy to help.

**KEY DATES**

5pm Friday 4 Sept 2020	Tues afternoon 6 Oct 2020	Sept – Oct 2020	27 Oct 2020	Nov 2020 – June 2021
Submissions close	Council hearings (for anyone wanting to present their views directly to Council)	Draft Transport Strategy revised to capture community feedback	Final Transport Strategy adopted	Triennial <i>Long-Term Plan</i> developed and consulted on, including proposed transport work programme to implement <i>Transport Strategy</i> (work programme commences 1 July 2021)



# STATEMENT OF INTENT FOR 2020-2023



June 2020

**"COUNCILS PARTNERING FOR VALUE AND SERVICE"**





## 1. Introduction

This Statement of Intent (SOI), developed under Schedule 8 of the Local Government Act 2002:

- Declares a public statement of the activities and intentions of BOPLASS Ltd and the objectives to which those activities will contribute.

- Provides an opportunity for the shareholders to influence the direction of BOPLASS Ltd, and

- Provides a basis for the accountability of the Directors to the Shareholders for the performance of BOPLASS Ltd.

- Covers BOPLASS Ltd and any subsidiary company established in pursuance of the objectives herein.

## 2. Background

The councils that operate within the Bay of Plenty and Gisborne Regions have formed a Council Controlled Organisation (CCO) to investigate, develop and deliver Joint Procurement and Shared Services projects where delivery is more effective for any combination of some or all of the councils.

Benefits that can be achieved through collaboration are:

- improved levels and quality of service;

- a co-ordinated and consistent approach to the provision of services;

- reductions in the cost of support and administrative services;

- opportunities to develop new initiatives;

- economies of scale resulting from a single entity representing many councils in procurement.

These benefits and opportunities can apply to all councils irrespective of location or size.

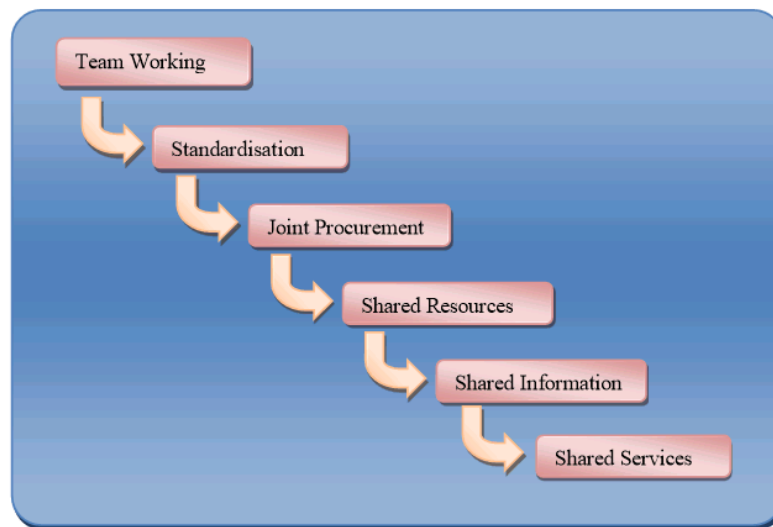
Business processes, information architectures and functional tools differ in each council to varying degrees. The BOPLASS strategies facilitate a journey of progressive development using the approach identified in the BOPLASS Strategy and Action Plan to:

- enhance the capability to collaborate;

- encourage the elimination of barriers to collaborative action; and

- identify services that deliver viable business cases.

A generic sequence or stages of collaboration between multiple councils is followed to develop Shared Services, as shown in Figure 1.



Many of the BOPLASS Joint Procurement projects have supported the development of standard products, services or solutions across the councils. These standards assist in creating a foundation for the delivery of collaboration within the councils.

Examples of procurement and projects are:

Infrastructure Insurance	Insurance Forums
Collective Training	Health and Safety Inter-Council Audits
Aerial Imagery and LiDAR	Asbestos Protocols
Provincial Growth Fund Co-funding for LiDAR Capture	Sustainable Public Procurement
Standardised Community Engagement App	Health and Safety Benchmarking
Lone Worker Field Solutions	Video Conferencing Services
Robotic Process Automation	Council Library and Cloud Services
Accounts Payable Automation Software	Inter-Council Network (ICN) Review, Redesign and Renegotiation
Print Media Licencing	Debt Collections
Insurance Valuations	Collaboration Portal
Contractor Online Inductions	Capital Construction and Civil Works Projects
Health and Safety Management Software	Fortigate Firewall Services
Radio Telephony (RT) Strategy	Wireless WAN
Solid Waste Management	Inter-LASS Collaboration

### 3. Our Vision

#### **“COUNCILS PARTNERING FOR VALUE AND SERVICE”**

### 4. Objectives of BOPLASS Ltd

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

#### **Joint Procurement**

Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

#### **Shared Services**

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

### 5. Nature and Scope of Activities

The principle nature and scope of the activities of BOPLASS Ltd is to:

- Use Joint Procurement to add value to goods and services sourced for its constituent councils.

- Establish the underlying technology, framework, platform and policies to enable and support collaboration.

- Facilitate initiatives that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.

- Pursue best practice in the management of all activities to obtain best value and minimise risk.

- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.

- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.

- Actively monitor and engage with Shared Service developments across the public sector to identify opportunities for further development and establishing best practice.

- Represent the collective views of its Shareholders in matters with which it is associated.



## 6. Governance

BOPLASS Ltd will conduct itself in accordance with its Constitution, its annual Statement of Intent, and the provisions of the Companies Act 1993 and the Local Government Act 2002.

The Company is governed by its Directors. To ensure total synergy between the Company's activities and its council shareholders' activities, nine Directors are also the current Chief Executives of their respective shareholding councils. The dual roles recognise the interdependence of BOPLASS and its councils in the undertaking of its activities.

The Board also includes an independent Chair, appointed with specific skills and knowledge to add incremental value. This appointment brings experience and specialist skills that are complementary to those held by the other Directors.

Shareholder	Appointed Director
Bay of Plenty Regional Council	Fiona McTavish
Gisborne District Council	Nedine Thatcher Swann
Kawerau District Council	Russell George
Opotiki District Council	Aileen Lawrie
Rotorua Lakes Council	Geoff Williams
Taupo District Council	Gareth Green
Tauranga City Council	Marty Grenfell
Western Bay of Plenty District Council	Miriam Taris
Whakatane District Council	Stephanie O'Sullivan
<b>Independent Director and Chair</b>	Craig O'Connell

A sub-committee of council delegates has been established by the Directors as an Operations Committee to manage responsibility for regular monitoring and governance of operational aspects of BOPLASS projects, allowing the Board to primarily focus on supporting the strategic development of the organisation.

Each activity or project is managed by an Advisory Group, nominated by the shareholding councils in that particular service. The Board retains the right to approve nominations to the Advisory Groups and all of their material decisions – there is only one Board of Directors and that remains at the umbrella or holding company level.

The Board has established a principle that participation in each initiative is decided by individual councils on an 'opt in' basis.

Services delivered are subject to a formal service level agreement between BOPLASS Ltd and the participating councils, outlining the services and activities provided, where, when and how; and reflecting the capital and operational costs being met by each service shareholder.

Joint Procurement initiatives consistent with their nominated role may be undertaken by any advisory group as approved by the Operations Committee. In considering Joint Procurement initiatives, the Company will take into account the opportunities available through All of Government (AoG) purchasing arrangements and, where there is demonstrated benefit to the Company or its constituent councils, support such initiatives. In assessing the benefits of a Joint Procurement initiative, opportunities for integration shall be considered. The Board has recognised that the availability of All of Government Procurement options has the potential to impact on BOPLASS' ability to provide procurement options in some categories.

Subject to the approval of shareholders in accordance with the shareholder agreement the Directors may decide that a particular activity is best managed as a subsidiary company and proceed accordingly. Any subsidiary company whose objectives are in accordance with the objectives set out in this Statement of Intent shall not be required to have a separate Statement of Intent.

## **7. Future Developments**

BOPLASS Ltd will continue to work on business cases for Joint Procurement and Shared Services that may be provided in the region.

BOPLASS Joint Procurement opportunities will be actively pursued to ensure maximum savings and benefits continue to be delivered to the participating councils through existing and new contracts.

Joint Procurement initiatives will be considered by the Board and/or its advisory groups where there is demonstrated support from two or more member councils, with councils participating on an opt-in basis.

The Board will be looking for commitment from councils to participate in collaborative services and to provide a lead in the identification and management of opportunities and projects.

BOPLASS will also proactively explore opportunities to partner with other local authorities and Shared Services organisations within NZ where they are either developing or considering developing cost effective services or Joint Procurement initiatives involving products or services that are of value to the BOPLASS councils. The Board recognise the significant savings BOPLASS has provided to member councils through joint procurement and has tasked BOPLASS with leading inter-

regional joint procurement initiatives that will provide benefit to all parties through an aggregated approach.

The Collaboration Portal, established by BOPLASS for the sharing of information on Shared Services or Joint Procurement opportunities, has been made available to the wider local government community to provide better visibility of common projects and to encourage further cross-regional collaboration. BOPLASS will continue to market the benefits of inter-region collaboration and assist other councils through providing support and access to the Collaboration Portal.

BOPLASS will continue to explore opportunities for councils to develop ICT solutions using middleware and cloud technologies that allow for future sharing and the development of Shared Services without the wholesale replacement of IT systems.

Where it is practicable, BOPLASS will work with other LASS' or councils in developing Shared Service ICT strategies and/or leverage off, or participate in services established by other collective local government groups.

## **8. Stakeholder Engagement**

BOPLASS recognises the ambitious plans our constituent councils have for their communities and endeavours to support these aspirations through:

- Regular engagement at project, management and governance level;

- Including councils' short, medium and long-term goals within BOPLASS planning;

- Using quality information from councils to guide our decision-making;

- Identifying and developing services that directly benefit councils and/or their communities;

- Monitoring councils' future plans and remaining agile to change to include these aspirations in our own planning;

- Regularly communicating to ensure stakeholders are aware of what we are doing and why we are doing it;

- Involving councils in our decision-making and planning.

## 9. Performance Targets

To ensure the Company continues to operate effectively in both governance and management terms over the next three years the targets are to:

Target	How	Measure
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Manage and/or renegotiate existing contracts.	Contracts reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. (Current identified projects are listed in Appendix B.)	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.	Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils.	Number of listed projects to increase by 10% per year. Number of active users to increase by 20% per year.
Communicate with each shareholding council at appropriate levels.	Meeting with members of Executive Leadership Team.	At least one meeting per year.
Ensure current funding model is appropriate.	Review BOPLASS expenditure and income and review council contributions and other sources of funding.	Performance against budgets reviewed quarterly. Company remains financially viable.



## 10. Balance Sheet Ratios

The Local Government Act 2002 Schedule 8 (9) requires the SOI to include the projected ratio of shareholders' funds to total assets within the Forecast Statement of Financial Position. As at 30 June 2018 the consolidated Shareholder funds comprised \$39,757 and the total assets were \$1,192,245. The resulting ratio is 3.3%.

As asset owning Shared Services are approved, the Board will, if appropriate, provide a mechanism for the recognition of each council's contribution.

## 11. Accounting Policies

### 11.1 Statement of Accounting Principles

The Company will adopt accounting practices that comply with NZ IFRS, the requirements of the LGA and the Financial Reporting Act 1993.

### 11.2 IPSAS Accounting Standards

As a Public Sector Public Benefit Entity (PS PBE), the Company has elected to report using International Public Sector Accounting Standards for Public Benefit Entities under Tier 3 PBE standards.

### 11.3 Measurement Basis

The Company will follow generally accepted international accounting principles for reporting of earnings and financial position.

### 11.4 Specific Accounting Principles

The following are principles which will have a significant effect on the measurement of financial position:

Accounts Receivable are stated at their expected realisable value after writing off any known bad debts and providing for doubtful debts.

Investments are valued at the prevailing market value.

Fixed assets are recorded at cost, less accumulated depreciation.

Any liability for overseas funding of equipment, systems or services is based on the prevailing exchange rate as at balance date.

Where intangible assets are purchased, such as intellectual property, these are capitalised and written off on a straight line basis over their expected life, but no greater than four years.

All assets are depreciated over their expected useful lives. Depreciation is provided on a diminishing value basis over the estimated useful life, at the same rate as is allowed by the Income Tax Act 1994.

It is not envisaged that the Company will hold inventories, other than those that might relate to providing information services to a number of parties. They will be valued at net realisable value.

Taxation will be provided as required in line with relevant legislation.

In accordance with the Public Audit Act 2001 and the Local Government Act 2002, the office of the Auditor General will be responsible for the audit of the Company's financial statements.

## **12. Distributions to Shareholders**

The Company is not expected to make profits that would ordinarily be distributed by way of dividends. Any surplus funds (after tax) remaining from an activity or the annual operations of the Company shall be carried forward to the ensuing year and may be used to reduce service costs, invest in further developing other services, and/or as the Directors may decide.

## **13. Information to be Provided to Shareholders**

The Company will deliver the following statements to shareholders:

On a three monthly basis the Financial Position and Cashflow.

Within two months of the end of the first half of the financial year: Financial Performance and Financial Position.

Within three months of the end of the financial year the following audited statements: Financial Position, Movements in Equity, Cashflows, Service Performance plus a summary of how the Company has tracked against its objectives and prospects for the next financial year, and a report on the Company's medium to long term plans.

Six monthly summaries of project activities included in Half Yearly and Annual Reports.

## **14. Procedures for the Purchase and Acquisition of Shares**

The Board will give approval before BOPLASS Ltd subscribes for, purchases or otherwise acquires shares in any company or other organisation, which is external to the group.

## **15. Activities for Which the Board Seeks Compensation**

The ongoing activities to identify, develop, procure Shared Services will be budgeted for in advance, subject to a business case and either funded by individual councils without BOPLASS Ltd involvement, or agreed by the Board to be funded by BOPLASS Ltd with consequent recovery from participating councils.

Shareholding councils will make a contribution to the operational costs of the Company on an annually agreed basis.

The Company will also seek contributions by way of a levy or administration charges on services provided or administered. In determining an appropriate charge, the Directors may take into account the cost of running the Company, its future operational requirements, the nature and cost of the service provided, benefits achieved and councils' ability to pay.

The Company may provide services (at a cost recovery or a cost plus basis) to other non-shareholding councils within or beyond the region. Any surplus from such activity will be used to either reduce service costs and/or invest in further developing of that or other services, as agreed by the Advisory Group and by the Board.

## **16. Value of Shareholder's Investment**

The Directors estimate that, at this stage, BOPLASS Ltd has little or no commercial value. As each shareholder's investment in BOPLASS Ltd is less than \$20,000, the Board believe that fairly represents the value of their investment. The Directors will reassess the value of this shareholding on or about the 1st of March each year.

## **17. Financial Forecasts**

The Forecast Financial Statements for the years 2020-2023 are included (Appendix A). The budget is not adjusted for inflation.

The Aerial Photography revenue/expenses reflects the flying programme determined by the participating councils which includes interim flying programmes and extensive region-wide flying programmes over the next five years.

A continued increase in Recoveries has been forecast to reflect the direct recovery of purchases made on behalf of councils through Joint Procurement projects.

It is the company's intention to always fully recover costs incurred on behalf of participating councils.

## Appendix A

<b>SOI Forecast 2020/23</b>	<b>Budget 2019/20</b>	<b>Forecast 2020/21</b>	<b>Forecast 2021/22</b>	<b>Forecast 2022/2023</b>
<b>REVENUE</b>				
<b>Revenue - Core</b>	<b>\$274,510</b>	<b>\$274,510</b>	<b>\$274,510</b>	<b>\$274,510</b>
Bank Interest Received	1,000	1,000	1,000	1,000
Council Contribution	273,510	273,510	273,510	273,510
<b>Revenue - Projects</b>	<b>1,213,000</b>	<b>1,533,000</b>	<b>1,243,000</b>	<b>1,243,000</b>
Aerial Photography Income	300,000	600,000	300,000	300,000
Bank Interest Received	16,500	16,500	16,500	16,500
Collaboration Portal	75,000	75,000	75,000	75,000
Lease Income - ICN	135,000	135,000	135,000	135,000
Lease Income - Video Confer.	30,500	30,500	30,500	30,500
Rebates	6,000	6,000	6,000	6,000
Recoveries	650,000	670,000	680,000	680,000
<b>Total Operating Revenue</b>	<b>1,487,510</b>	<b>1,807,510</b>	<b>1,517,510</b>	<b>1,517,510</b>
<b>EXPENSES</b>				
<b>Expenditure - Core</b>	<b>383,800</b>	<b>383,650</b>	<b>383,650</b>	<b>383,650</b>
ACC	1,500	1,000	1,000	1,000
Accommodation & Travel	1,500	1,500	1,500	1,500
Accounting & Audit	17,500	17,500	17,500	17,500
Administration	14,400	15,300	15,300	15,300
Amortisation	8,000	8,000	8,000	8,000
Bank Fees	400	400	400	400
Catering Expenses	2,000	2,000	2,000	2,000
Conferences	2,000	2,000	2,000	2,000
Depreciation	0	650	650	650
Directors costs	18,000	18,000	18,000	18,000
Fringe Benefit Tax	7,000	7,000	7,000	7,000
Health and Safety	1,000	1,000	1,000	1,000
Insurance	8,500	9,000	9,000	9,000
Interest Paid - TCC Loan	1,000	500	500	500
Legal	2,000	2,000	2,000	2,000
Salaries	285,000	285,000	285,000	285,000
Salaries - C'Portal Opex	-10,000	-12,000	-12,000	-12,000
Staff Support Costs	16,500	16,500	16,500	16,500
Staff Training Costs	2,000	2,000	2,000	2,000
Subscriptions	1,000	1,000	1,000	1,000
Tax Advice	4,500	5,300	5,300	5,300
<b>Expenditure - Projects</b>	<b>1,103,710</b>	<b>1,423,860</b>	<b>1,133,860</b>	<b>1,133,860</b>
Aerial Photography Expense	300,000	600,000	300,000	300,000
Collaboration Portal Opex	26,000	26,150	26,150	26,150
Lease Expense - ICN	129,100	129,100	129,100	129,100
Lease Expense - Video Confer.	28,610	28,610	28,610	28,610
Projects - Recoveries	620,000	640,000	650,000	650,000
<b>Total Operating Expenditure</b>	<b>1,487,510</b>	<b>1,807,510</b>	<b>1,517,510</b>	<b>1,517,510</b>
<b>Operational Surplus/ (Deficit) before Tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Appendix B

### Completed Joint Procurement Projects

Requiring ongoing management for performance, renewal or replacement:

- × Collective Geospatial training
- × Aerial Imagery and LiDAR
- × Provincial Growth Fund co-funding for LiDAR Capture
- × Antenno community engagement app
- × Accounts Payable Automation Software
- × Insurance Valuations
- × Contractor online inductions
- × Eastern BOP Electricity
- × Health and Safety Management Software
- × Solid Waste Management
- × Insurance Forums
- × Asbestos protocols
- × Sustainable Public Procurement
- × Health and Safety Benchmarking
- × Council Library and cloud services
- × Inter-Council Network (ICN) review, redesign and renegotiation
- × Debt Collections
- × Collaboration Portal
- × Capital Construction and Civil Works Projects
- × Inter-LASS collaboration
- × Spark Fortigate Firewall Services
- × Evolution Networks Wireless WAN
- × Office supplies
- × Banking
- × Postal services
- × Courier services
- × Fuel
- × Advertising services
- × Travel and accommodation services
- × Air travel
- × Insurance brokerage
- × Aerial imagery
- × N3 / GSB
- × ESRI licences
- × GIS software
- × Health insurance
- × Security services
- × Antivirus software
- × Video conferencing
- × Above ground asset insurance
- × GPS vehicle tracking
- × Archaeological services
- × Telephony – voice, data, mobile
- × Reprographic – printers/copiers
- × Infrastructure insurance
- × Media monitoring services
- × EFTPOS services
- × Historical imagery digitisation
- × On-line services
- × Internal audit services
- × Health and safety training services
- × Risk management workshops
- × Infrastructure insurance – excess layer
- × Collective H&S training
- × EMA membership
- × Environmental insurance
- × Print Media Copyright Services
- × Health and Safety software



## Appendix B

### Identified Joint Procurement Projects

- × Civil works contracts
- × Civil works materials
- × Infrastructure valuation services
- × High volume print
- × Electronic document management
- × Archives
- × Document storage
- × Document scanning
- × Agenda management software
- × ICT security policies
- × Business continuity
- × IT applications
- × Property valuation services
- × Telephony platform
- × Chemicals
- × Digital signatures
- × Recruitment/candidate management
- × Surveys and research
- × Media distribution services
- × CD emergency notifications
- × Fleet purchasing
- × Push wireless
- × Fleet management
- × Community communication systems
- × Lone worker field solutions
- × LiDAR acquisition – PGF

### Collaborative Projects

Managed by BOPLASS or by one or more constituent councils:

- × IT hosting / IaaS
- × Shared datacentre
- × Internal audit services
- × GIS web services
- × Shared licence server
- × Contractor H&S prequalification
- × Radio telephony strategy
- × Collaboration Portal
- × After hours call management
- × Archive service
- × Debt management
- × Health and safety auditing
- × Inter-council network
- × Smart cities
- × Section 17A reviews
- × Video conferencing
- × GIS imagery data storage
- × Waste licencing and data collection
- × Historic aerial imagery
- × Sustainable procurement
- × Diversion of putrescible waste from landfill
- × Civil works projects marketing
- × Robotics processing automation

## Appendix B

### Projects for Consideration

- × Rates Collection
- × Geospatial services
- × Joint software support
- × Asset Management
- × Web services
- × Payroll
- × Consents Processing
- × CCTV monitoring
- × Information Services
- × HR Information systems
- × Electronic Document and Records Management System
- × Business continuity planning
- × Infrastructure development codes
- × Solid waste regional facilities strategy
- × Building consents
- × Regional Civil Defence
- × Document digitalisation
- × Capital Expenditure projects
- × Project management office



## **Statement of intent**

**For the year ended 30 June 2021**

June 2020

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This SOI is a public declaration of the activities and intentions of the Council Controlled Organisation, Waikato Authority Shared Services Ltd (WLASS). It outlines the nature and scope of the work it will undertake, the Directors' accountabilities to the shareholders for corporate performance and financial forecasts, as required by Schedule 8 of the Local Government Act 2002. This information is provided in relation to the financial years ended 30 June 2021 to 30 June 2023.

## Executive summary

The past 12 months has seen the completion of the structural changes necessary to transform the company into a service delivery agent and strategic partner to the councils. The company has a small core team of employees and a smaller, more agile, board with an independent chair to help challenge status quo.

These changes have helped facilitate several new initiatives which collectively will deliver value to councils and their communities through:

- Improving water asset management practices;
- More efficient spend and improved procurement practices around infrastructure;
- Reducing energy costs and improving energy and carbon management;
- Improving community and council staff experiences in relation to geospatial datasets by saving time and increasing accessibility;
- Better decision-making around resource consenting, climate change planning and natural hazards through a region-wide LiDAR data set;
- Savings (time and cost) to councils through the establishment of an expanded professional services panel with standardised terms and rates.

This SOI sets out a new performance framework for the company. To date the measures of performance used have been extensive and heavily process orientated. While that may have been appropriate historically, it no longer is. The new framework directly links the company's roles, and the performance measures used to assess our success in fulfilling those roles, to the ultimate outcomes we are seeking.

In the second half of 2019 WCLASS Management and the Board collated the suite of current opportunities (from what we are seeing and hearing with councils), and from that, gave priority to five opportunities for further development. A workplan is in place to develop those opportunities commencing in the current financial year and the next, and this SOI seeks a pool of funding to do so.

While WCLASS now has a small core team it remains reliant on council resource to advance opportunities. This is the company's single biggest challenge. The extent to which councils are willing to commit resource (time and money), will determine the pace of change we can achieve. The ability to opt out of a project's implementation and service offering can be made. However, councils need to commit to and engage in resourcing the development of opportunities. Councils must also take on the challenge of changing the way things are done when there is a sound case for doing so, if WCLASS is to maximise the value it can bring to its shareholders.

The company has been working through where it believes it is not adding value for its shareholders, or where it is involved in activity it neither controls nor has an ability to influence. As a result, WCLASS has been working with stakeholders to see a smooth transition of its functions related to Waikato Plan and Future Proof by July 2020. These 'workstreams' are therefore not reflected in the financial information in this SOI.

These are unprecedented economic times. They are impacting all of us in a way we could not have imagined at the beginning of 2020. WCLASS is fortunate that Covid-19 has not had a significant, direct impact. However, the company is acutely aware of the financial pressure many of our shareholding councils are facing. Now, more than ever, it makes sense for councils to collaborate, to reduce costs, take the best of what each is doing to lift the game, and be better together. WCLASS is a critical part of this.

Funding into WCLASS for the 2021 financial year (to 30 June 2021), is \$4.8m, \$700k greater than what was forecast in last year's SOI. This increase is principally due to initiatives approved by shareholding



councils since the last SOI or, in the case of LiDAR, a change in when the forecast expenditure is being incurred. Equally, some of this expenditure may reflect a transfer of amounts budgeted elsewhere in council to WLASS (as a collaborative initiative), rather than an increase in council costs per se.

The following table summarises the changes.

Member charges for 2021 financial year (FY21)	FY21 projection (per prior year's SOI) \$000	FY21 Budget (per current SOI) \$000	Variance <sup>1</sup> : increase / (decrease) \$000
Core operating costs	510	566	56
Working parties   Projects	696	1,146	450
LiDAR	475	980	505
RATA business unit	697	855	158
Waikato Regional Transport Model	309	377	68
RATA – water collaboration	0	440	440
Future Proof	610	0	(610)
Waikato Plan	252	0	(252)
Other	547	416	(131)
<b>Total</b>	<b>4,096</b>	<b>4,747</b>	<b>684</b>

<sup>1</sup> Commentary on the variances is included in the body of the document.

Following an assessment of the cash surplus / (deficit) in each workstream we have made the decision to reduce the member charges for the coming year in some areas and instead utilise brought forward surpluses. As a result, member charges will be reduced by ~\$185k (from that forecast in last year's SOI) across Procurement, the Waikato Data Portal project, the Energy and Carbon Management Programme and SVDS. The amounts shown in the above table are net of this \$185k.

A flow on effect of this action is that we are budgeting a net deficit for the 2021 financial year of ~\$183k.

## Introduction

WLASS is owned in equal portion by the 12 Waikato local authorities:

- Hamilton City
- Rotorua Lakes
- Waikato District
- Hauraki District
- South Waikato District
- Waikato Regional
- Matamata-Piako District
- Taupō District
- Waipa District
- Otorohanga District
- Thames-Coromandel District
- Waitomo District

It was established in 2005 as a vehicle through which these councils could collaborate and identify opportunities for undertaking activity on a shared basis. Prior to 2019, it operated solely using a part-time contracted resource.

## The WLASS transformation – 12 months in

In the 2019 SOI WLASS asked shareholding councils to commit to transforming the company into a service delivery agent to allow it to better serve those councils. That transformation had three key elements:

- Establishing in-house resources: WLASS has since employed a small core team (a Chief Executive, Business Analyst and Executive Assistant);
- Changing the WLASS governance structure: The Board has reduced to six members - an independent Chair and five Council Representative Directors; and
- Thought leadership: By providing these structural changes it will better enable the company to explore ways in which councils can operate better for the benefit of their communities.

***The structural transition is complete***

With these changes, the structural transition is complete (but will continue to evolve as the company's areas of activity expand).

We have already started seeing the results of these changes. The last 12 months has seen the company provide thought leadership in several areas culminating in the following significant developments:

- Expanding the RATA service offering (historically focused on roading), into 'waters' assets;
- Developing and delivering the opportunity to coordinate infrastructure procurement between councils (to be reflected in councils' 2021 long-term plans);
- Introducing a new Energy and Carbon Management programme;
- Developing the 'Waikato OneView' opportunity, with the implementation project commencing mid-2020;
- Commencing the project to capture region-wide LiDAR; and
- Establishing a new, significantly expanded, panel of professional services providers.

***New initiatives are being delivered***

In addition, at the end of last year, following consultation with councils, the Board agreed those opportunities that the company will focus on over the coming months (discussed further below). Other ideas have been included on a 'long list' of potential opportunities that will be considered in the future.

***Priority opportunities are identified***

The various functional cross-council working parties have (and will continue to), help identify and develop opportunities. Within each of these groups WLASS last year facilitated ideation sessions to foster new ideas. It will continue to use these groups to feed the ideas pipeline and to foster collaboration between the councils.

## The outcomes we are looking for – performance reporting

We want to ensure that Waikato councils are working together the best way possible, for the collective benefit of them and their communities. We want to do this because we believe it is the right thing to do for Waikato. If we achieve this, it will mean a relatively lesser burden on ratepayers, happier communities and council staff and more impactful councils.

Transforming the company into a service delivery agent and a true strategic partner to councils, means the company has two fundamental roles:

- 1) It is a laboratory for developing opportunities that create value to councils, either by improving the experience of their communities or by making the councils themselves, collectively, more efficient and effective; and
- 2) It is a provider of services to councils where a business case to do so has been established (recognising that it may make sense for some services to be provided by someone other than WLASS).

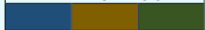



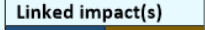
Given the evolution of the company, WLASS has revisited the way that it measures its success to reflect these roles. A performance framework has been established (see diagram 1).

<b>Our vision</b>	<b>Waikato councils are working together in the best way possible, for the collective benefit of them and their communities - which means less burden on ratepayers, happier communities and council staff and more effective councils.</b>					
<b>Outcomes we are seeking</b>	Council costs are reduced / performance is improved, without increase cost		The experiences of councils' communities are improved		Central government investment into and engagement with Waikato is increased	
<b>Our specific objectives</b>	<ul style="list-style-type: none"> <li>➤ Achieve effectiveness and efficiency gains</li> <li>➤ Reduce duplication of effort and eliminate waste through repetition</li> <li>➤ Helping the councils achieve an appropriate balance in risk and return</li> </ul>		<ul style="list-style-type: none"> <li>➤ Promote and contribute to the development of best practice</li> <li>➤ Make it easier for communities to engage with councils in the Waikato region on a consistent basis</li> <li>➤ Promote business transformation to improve communities' experiences</li> </ul>		<ul style="list-style-type: none"> <li>➤ Enable the Waikato councils to collectively be more effective as a region on the national stage</li> <li>➤ Contribute to building central government's confidence in the Waikato region, and to encourage central government investment</li> </ul>	
<b>Priorities: How we will achieve our outcomes</b>	Investigate the right opportunities	Develop opportunities on time and within budget	Ensure opportunity benefits are realised	Provide services that meet the needs of councils	Foster cross-council collaboration	
<b>What we must manage well</b>	Our relationships	Our services	Our projects	Our people	Our resources	Our reputation

Diagram 1

## Priorities and performance measures

We will track how well we are delivering on our strategic priorities using the following performance measures:

Priority	Performance measure	Target
Prioritise and develop opportunities that add value to councils by achieving one or more of our objectives  <b>Linked impact(s)</b> 	<ul style="list-style-type: none"> <li>➤ Business cases will include measurable benefits linked to one or more of the outcomes sought</li> <li>➤ Opportunity assessments are supported by councils (evidenced by Board minutes)</li> </ul>	Projected savings to councils of \$300k+  75% of councils
Develop opportunities and deliver projects within agreed budgets and timelines <sup>1</sup>  <b>Linked impact(s)</b> 	<ul style="list-style-type: none"> <li>➤ Opportunities / projects are developed / delivered within agreed timelines</li> <li>➤ Opportunities / projects are developed / delivered, within approved budget</li> </ul>	80%  90%
Ensure projects realise their expected benefits  <b>Linked impact(s)</b> 	<ul style="list-style-type: none"> <li>➤ Measurable benefits are actively monitored and reported against</li> <li>➤ Audit &amp; Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)</li> </ul>	Six-monthly  \$200k+ Projects  Within 15 months  90% of projected quantifiable benefits are realised
Ensure existing services are meeting the needs of councils  <b>Linked impact(s)</b> 	<ul style="list-style-type: none"> <li>➤ The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey):               <ul style="list-style-type: none"> <li>○ RATA – roading &amp; waters</li> <li>○ Waikato Building Cluster</li> <li>○ Regional Infrastructure Technical Specifications</li> <li>○ Energy &amp; Carbon Management</li> <li>○ Professional Services Panel</li> <li>○ Health &amp; Safety pre-qualification</li> </ul> </li> </ul>	80% of councils
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice  <b>Linked impact(s)</b> 	<ul style="list-style-type: none"> <li>➤ Across these groups, ideas for future consideration and/or initiatives are identified each year</li> </ul>	Six per annum

<sup>1</sup> Budgets and timelines for opportunity development will be those established following discovery and/or opportunity assessment. A business case will refine these parameters with respect to project delivery.

The targets noted above are for the three-year forecast period. They will form the baseline from which we will seek to continually improve going forward.

## Transparency and reporting to councils

The company will deliver the following information to shareholders:

- Within two months of the end of the first half of the financial year, a half-yearly report, including Statements of Financial Performance, Financial Position, and Cashflows and commentary on service performance including an assessment of progress against performance measures; and
- Within three months of the end of the financial year, an audited Statement of Financial Performance, Statement of Changes in Equity, Statement of Financial Position, Statement of Cashflows and commentary on service performance.

WLASS recognises that it must be able to clearly show the value that it is providing to shareholding councils. We want to be completely transparent about that and ensure that we continue to focus on the right services. Therefore, we will be communicating with councils more on the value they are receiving from their investment in the company.

## The WLASS Transformation – the next 12 months

### The initial priority projects

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In December, the Board approved five priority projects to investigate opportunities that will deliver value to councils.

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#### *Waters Shared Services integration*

Currently, Hamilton City, Waikato District and Waipa District Councils are party to an agreement under which Hamilton City host a business unit delivering trade waste management, water sampling and analysis and “Smart Waters” services to these councils. With Waikato District’s departure from this arrangement (given its new relationship with Watercare Ltd), it is timely to consider the future of this shared service.

This project is to explore the extent to which there is interest from other councils in the region to utilise this service offering and whether it makes sense to have that service “delivered” through WLASS. The work commenced in May 2020.

#### *Regulatory support services*

Councils operate in an ever-changing regulatory environment. This project will consider how WLASS could track changes in legislation and regulation and push that information out to councils. This service would eliminate the need for each council to expend time and effort keeping up to date with changes on their own. It will also consider to what extent other agencies (e.g. SOLGM) provide such a service already.

#### *Building consent shared services*

The issue and monitoring of building consents is a critical function of councils. It is important that this function is delivered with the community in mind and in the most efficient way. Councils are also facing a shortage in capability in this area. This project is to consider how the delivery of this function across Waikato could be improved. Following initial discovery work, in May 2020 the Board approved progressing the development of this opportunity. The project is currently being mobilised to commence on 1 July 2020.



### *Collaborative L&D programme*

Waikato councils have the same functional responsibility and therefore the same capability needs (noting that Waikato Regional Council have some different requirements). This project will consider how the learning and development programmes and supporting material can be aligned and shared to lessen the burden on council staff having to each do their own thing. It will also consider to what extent material and services of other agencies (e.g. SOLGM<sup>1</sup>) can be leveraged. The initial focus area is building consenting units (as part of the broader project referred to above).

### *Human Resources shared services*

This project will explore which human resource functions in councils are common (likely procedural in nature) and could therefore be delivered by WLASS to each of the councils. Taking these processes out of the councils themselves would free up council resource to focus on people and capability services that provide greater value to the council. A 'central' human resource function could also support smaller councils who have limited resource and are therefore susceptible to disruption where staff leave or are unable to work for a period.

### *Future projects*

The company is committed to progressing ideas as fast as possible. This means that once we have established whether or not to pursue the priority projects, and put in place to teams to develop those that are to progress, we will move on to other areas where we think we can add value. We already have a long list and a further five ideas that were tagged to be considered next. However, we want to continue to sense check where our focus should be with councils. This is particularly important given that Covid-19 has fundamentally shifted the landscape since the long list was established last year. In May 2020, the company started consulting with councils on those 'next ideas'.

### *Concluding comment*

We expect each of these projects will add value to councils and they have been prioritized accordingly. However, if, as an opportunity is explored and developed, it becomes apparent that it will not achieve this aim, it will not be pursued. The initial 'discovery' of the opportunity will be undertaken by WLASS. Councils will be consulted prior to funds being invested (if required), to develop opportunities if the board agrees they should be pursued. However, once the decision is made to proceed with developing an opportunity, councils need to commit to supporting the decision to do so. Once business cases have established that an opportunity makes sense, councils will be able to choose whether to receive the service on offer.

These ideas will challenge the way things are currently done and therefore be disruptive – this is necessary if we are to meet the expectations of our shareholders and have the impact we are looking for. Similarly, while a council will always have the ability to 'opt out' of an offering, if we are going to make a difference, it is critical that this be by exception and that councils are willing to commit to change where the business case says it is the right thing to do.

***Councils need to be bold and willing to commit to change***

### *Resetting the focus*

The company has considered each of the service offerings it provides to councils to determine whether those offerings should remain:

- Do they contribute to the outcomes we are seeking?
- Are they the best use of company resource?
- Does the company control, or is able to influence, the offering?

<sup>1</sup> Society of Local Government Managers

As a result of this review the Board has approved to transition away from the Waikato Plan and Future Proof initiatives. Both initiatives have their own governing body. WLASS's role is limited to finance administrative support and importantly, is the contracting party. Being the contracting party, when it is not involved in the decision-making process on those contracts, carries risk. It also adds additional and unnecessary steps in the process, creating inefficiencies. WLASS is working with relevant stakeholders to ensure an orderly transition of its functions.

## Resourcing

While WLASS now has a small core team that allows it to develop opportunities, change at pace, which is what our shareholders are seeking, requires council resource. **This is the company's single biggest challenge.**

The company has considered how projects could be resourced.

The company could progress opportunities using its existing capability. That will still necessitate support from councils to provide information and act as a sounding board for WLASS to ensure opportunities are meeting a need. This approach is largely status quo.

Greater support from councils can be provided through making staff available (either as part of a project team or on a seconded basis to lead projects), or funding, to allow the company to procure external services. The extent of that support will determine the speed at which opportunities can be developed and the number of opportunities under consideration at any point.

In February the Board considered the resourcing options for each of the initial priority projects. From that meeting the decision has been made to develop opportunities as fast as possible. We will therefore be seeking council resource (as noted above), to allow us to consider opportunities quickly and either discount or implement them. As previously noted, a pipeline of ideas is already established to allow us to progress further opportunities as soon as we are able.

## Our commitment to each other

WLASS can make a real difference to councils and their communities. We are committed to delivering against our performance measures and in doing so, having a positive impact on council operations. We will regularly update councils on their investment into the company (either as member charges or fees for services), and the value they are receiving from that investment.

Shareholders have committed to the transformation of WLASS and an increased investment to bring about change at pace. However, for WLASS to succeed councils must also commit to:

***Change at pace can only happen with council support***

- Making staff available for projects and ensuring that information is provided, and decisions made, in a timely manner; and
- Accepting the challenge of changing the way things are done where there is a sound case for doing so.

If councils do this, WLASS will be successful in maximising the value it can bring to shareholding councils.

## Activities for which the Board seeks compensation

The **overall** funding via member charges that is being sought, and the comparable amount set out in the prior SOI is:

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Member charges for 2021 financial year (FY21)	Note	FY21 projection (per prior year's SOI) \$000	FY21 Budget (per current SOI) \$000	Variance: increase / (decrease) \$000
Core operating costs	1	510	566	56
Working parties   Projects	2	696	1,146	450
LiDAR	3	475	980	505
RATA business unit	4	697	855	158
Waikato Regional Transport Model	5	309	377	68
RATA – water collaboration	6	0	440	440
Future Proof	7	610	0	(610)
Waikato Plan	7	252	0	(252)
Other	8	1,409	1,278	(131)
<b>Total</b>		<b>4,958</b>	<b>5,642</b>	<b>684</b>

**Notes:**

- 1) **Core operating costs:** The increase in the overall shareholder contribution principally relates to an increase in governance costs and increasing the Executive Assistant/Company Administrator role from part- to full-time.
- 2) **Working parties | Projects:** This reflects the following:
  - the appointment of a part-time Contract Administrator which is needed to effectively manage the Professional Services Panel (and other) contracts WLAASS has entered on behalf of councils. Previously, PSP contracts had been managed by one of the councils on behalf of all participating councils. However, this proved ineffectual and councils are asking that the function be performed by WLAASS under the new panel arrangement [\$48k];
  - WLAASS priority projects (Building Consent Shared Services and Waters Shared Services Integration) which are underway [\$112k];
  - working party funding [\$50k]: WLAASS has reviewed how it allocates costs related to the administration of its various workstreams to ensure that those costs fall where they should. As a result, it is now charging a small (\$5k) fee for the facilitation and administration of each of the working parties (note this doesn't increase the overall cost to councils – it correspondingly reduces the member charges for core operating costs noted above). In addition, to improve the efficiency of these working parties a \$5k collaboration fund has been included for each group to allow it to undertake a small amount of spend, if and when necessary, to advance initiatives throughout the year, without the need to revert to shareholding councils;
  - opportunity development pool [\$100k]: As noted above, the Board has approved the development of five priority opportunities. WLAASS is asking for funding to support the development of these opportunities. While it is not possible to accurately assess at this time how much it will cost to develop these opportunities, the pool will assist in allowing the company to provide value by being agile and making change at the pace councils are seeking. As assessment of cost for an opportunity will be made at the end of the discovery phase (which is undertaken by WLAASS staff). Councils will be consulted prior to the Board approving (or otherwise) progressing the opportunity beyond this stage and the pool will not be accessed unless the Board approves the opportunity;
- 3) **LiDAR:** The overall cost of the project is less than the budget approved by councils in 2019. However, having now gone to market, project delivery is occurring over a shorter period than anticipated. This means that costs anticipated for the 2022 financial year are now expected to be incurred in 2020-2021. Conversely, none of the amounts budgeted to be invoiced in 2019-2020, in last year's SOI (\$465k), have been, and will instead flow through into 2020-2021;
- 4) **RATA business unit:** This reflects an additional role to manage the overall business unit with the expansion into waters. This was approved as part of the waters collaboration business case;
- 5) **Waikato Regional Transport Model:** This reflects the latest estimate of the cost to update the model and associated peer review;

- 6) **RATA – water collaboration:** In the second half of 2019 councils approved the expansion of the RATA business unit into waters. This is the first SOI to reflect that service offering;
- 7) **Future Proof | Waikato Plan:** These charges are excluded from WLASS from 2020-21 with the decision to transition the support services away from the company;
- 8) **Reductions in member contributions:** The company has made the decision to utilise funds on hand in some areas and therefore has reduced member charges for the coming year. Those areas, and the reduction in member charges are:

Workstream	Reduction in member charges \$000
Procurement	20
Waikato Data Portal	54
Energy & Carbon Management Programme	55
SVDS	55
<b>Total</b>	<b>184</b>

## Governance arrangements

WLASS conducts itself in accordance with its constitution, its annual Statement of Intent as agreed with shareholders, the provisions of the Local Government Act 2002 and WLASS policies.

In conjunction with council consultation on the 2019 SOI, WLASS sought a shareholder resolution to change the constitution of the company relating to the Board's composition. As a result, effective 1 July 2019, the Board changed to five council representative directors and an independent chair.

From 1 September 2019, Peter Stubbs was appointed as independent Chair of the Board.

The current Directors of WLASS are:


Director	Representing
Peter Stubbs	Independent Chair
David Bryant	Hamilton City Council
Gareth Green	Otorohanga, Rotorua, Taupo, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipa District Councils
Vaughan Payne	Waikato Regional Council
Rob Williams	Hauraki, Matamata-Piako and Thames-Coromandel District

Under the amended constitution Gareth Green must resign his position on 30 June 2020, but may be reappointed by the councils he represents for a further 3-year term.

The independent Chair of WLASS receives director fees and reimbursed expenses. Directors representing the Councils will not receive any fees or reimbursed expenses for work undertaken on behalf of the company.

## Financials

### Statement of Financial Performance

<b>Waikato Local Authority Shared Services</b> <b>Company Summary</b> <b>for the forecast financial years ended 30 June 2021-2023</b>				
				
	2019 SOI	2020 SOI		
	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
<b>Income</b>				
Company Administration	576,730	1,102,910	1,119,605	1,147,308
Working parties   projects	379,500	1,145,858	464,155	496,297
RITS	n/a	31,616	32,321	33,041
Information Technology	553,483	1,007,000	82,691	84,510
Energy Management	119,175	70,000	70,000	129,222
Shared Valuation Data Service (SVDS)	736,566	379,761	388,115	452,357
Road Asset Technical Accord (RATA)	1,815,766	1,300,557	1,330,613	1,360,016
Waikato Regional Transport Model (WRTM)	218,760	389,456	349,823	357,519
Waikato Building Consent Group	275,942	333,250	341,764	348,563
Future Proof	609,991	-	-	-
Waikato Plan	382,000	-	-	-
Waikato Mayoral Forum	5,000	5,000	5,000	5,000
Water Collaboration	0	440,000	540,000	540,000
<b>Total Income</b>	<b>5,672,913</b>	<b>6,205,408</b>	<b>4,724,088</b>	<b>4,953,833</b>
<b>Operating Expenditure</b>				
Company Administration	573,858	1,087,487	1,108,217	1,135,922
Working parties   projects	379,500	1,165,858	484,655	496,297
RITS	n/a	31,616	32,321	33,041
Information Technology	553,483	1,108,531	82,696	84,543
Energy Management	119,175	124,900	124,900	129,222
Shared Valuation Data Service (SVDS)	1,060,456	384,993	393,550	402,357
Road Asset Technical Accord (RATA)	1,815,766	1,300,557	1,330,613	1,360,016
Waikato Regional Transport Model (WRTM)	218,762	389,456	349,823	357,519
Waikato Building Consent Group	275,942	333,250	340,615	348,142
Future Proof	609,991	-	-	-
Waikato Plan	382,000	-	-	-
Waikato Mayoral Forum	5,000	5,000	5,000	5,000
Water Collaboration	0	440,000	540,000	540,000
<b>Total operating expenditure</b>	<b>5,993,933</b>	<b>6,371,648</b>	<b>4,792,390</b>	<b>4,892,059</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITDA)</b>	<b>(321,020)</b>	<b>(166,240)</b>	<b>(68,301)</b>	<b>61,774</b>
<b>Depreciation / amortisation</b>				
Company admin	3,712	1,864	1,071	-
WRTM	0	14,583	14,583	14,583
<b>Total Depreciation / amortisation</b>	<b>3,712</b>	<b>16,447</b>	<b>15,655</b>	<b>14,583</b>
<b>Net Surplus (Deficit) before tax</b>	<b>(324,732)</b>	<b>(182,688)</b>	<b>(83,956)</b>	<b>47,191</b>

#### Key risk

The single biggest risk to achieving the forecasted financial results is WLASS's continuing ability to sell valuation data (forecast to generate ~\$380k of revenue in the coming year). The central government's drive toward open data may see the development of a nation-wide sales portal. It will be critical that any change in this area does not see WLASS/the councils lose ownership of the sales data and with it, the ability to sell that data. WLASS are engaging with Land Information New Zealand on this issue.

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## Statement of Financial Position

<b>Waikato Local Authority Shared Services</b> <b>Financial Position</b> <b>for the forecast financial years ended 30 June 2021-2023</b>				
	<b>Budget 2019/20</b>	<b>Budget 2020/21</b>	<b>Budget 2021/22</b>	<b>Budget 2022/23</b>
<b>CAPITAL</b>				
Shares - SVDS	1,607,001	1,607,001	1,607,001	1,607,001
Shares - WRTM	1,350,000	1,350,000	1,350,000	1,350,000
Retained Earnings	(2,542,062)	(2,021,997)	(2,204,684)	(2,288,640)
Plus Current Year Operating Surplus/(Deficit)	(324,730)	(182,688)	(83,956)	47,191
<b>TOTAL CAPITAL FUNDS</b>	<b>90,209</b>	<b>752,317</b>	<b>668,361</b>	<b>715,552</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Prepayments	153,145	253,342	259,489	265,785
Accounts Receivable	397,104	248,216	188,964	198,153
RWT On Interest	0	0	0	0
Local Authority Shared Services 00	0	0	0	0
Bank	96,216	647,330	600,516	655,153
GST Receivable / (Payable)	4,013	29,628	30,281	31,034
<b>TOTAL CURRENT ASSETS</b>	<b>650,477</b>	<b>1,178,516</b>	<b>1,079,249</b>	<b>1,150,125</b>
<b>NON-CURRENT ASSETS</b>				
SVDS - Intangible Asset	3,085,700	3,065,316	3,065,316	3,065,316
WRTM - Intangible Asset	2,296,855	2,296,855	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195	1,195	1,195
Accumulated Depreciation	(5,383,750)	(5,334,200)	(5,348,783)	(5,363,366)
IT Equipment	6,307	5,592	5,592	5,592
Accumulated Depreciation - IT equipment	(5,568)	(4,521)	(5,592)	(5,592)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>739</b>	<b>30,237</b>	<b>14,583</b>	<b>(0)</b>
<b>TOTAL ASSETS</b>	<b>651,216</b>	<b>1,208,754</b>	<b>1,093,832</b>	<b>1,150,124</b>
<b>LESS CURRENT LIABILITIES</b>				
Accounts Payable	535,097	367,565	334,377	341,202
Accounts Payable Accrual	25,910	35,000	35,875	36,772
Employee Benefits	0	53,872	55,219	56,599
<b>TOTAL CURRENT LIABILITIES</b>	<b>561,007</b>	<b>456,437</b>	<b>425,471</b>	<b>434,573</b>
<b>NET ASSETS</b>	<b>90,209</b>	<b>752,317</b>	<b>668,361</b>	<b>715,552</b>

## Statement of Cashflows

<b>Waikato Local Authority Shared Services</b> <b>Statement of Cashflows</b> <b>for the forecast financial years ended 30 June 2021-2023</b>				
	<b>Budget 2019/20</b>	<b>Budget 2020/21</b>	<b>Budget 2021/22</b>	<b>Budget 2022/23</b>
<b>Cashflows from Operating Activities</b>				
Interest Received	14,308	2,000	2,050	2,101
Receipts from Other Revenue	6,559,978	6,503,169	4,781,291	4,942,542
Payments to Suppliers	(6,800,489)	(6,484,401)	(4,829,502)	(4,889,253)
Taxes Paid	0	0	0	0
Goods & Services tax (net)	56,103	36,794	(652)	(754)
<b>Net cash from operating activities</b>	<b>(170,101)</b>	<b>57,561</b>	<b>(46,813)</b>	<b>54,637</b>
<b>Cashflows from Investing Activities</b>				
Capital enhancements	0	0	0	0
Purchase of PPE	0	0	0	0
Purchase of investments	0	0	0	0
<b>Net cash from investing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net increase in cash, cash equivalents and bank accounts</b>	<b>(170,101)</b>	<b>57,561</b>	<b>(46,813)</b>	<b>54,637</b>
Opening cash and cash equivalents and bank overdrafts	266,317	589,770	647,330	600,516
<b>Closing cash, cash equivalents and bank accounts</b>	<b>96,216</b>	<b>647,330</b>	<b>600,516</b>	<b>655,153</b>
<b>Summary of Bank Accounts</b>				
BNZ - Call a/c	96,216	647,330	600,516	655,153
<b>Closing Balance of Bank</b>	<b>96,216</b>	<b>647,330</b>	<b>600,516</b>	<b>655,153</b>

## Appendix I: What we do - current activities

The principal initiatives operating under the WLASS umbrella are:

- Shared Valuation Data Service
- Regional Asset Technical Accord
- Waikato Regional Transportation Model
- Waikato Building Consent Group
- Future Proof
- Historic aerial photos
- Waikato Regional Aerial Photography Service
- Regional Infrastructure Technical Specifications
- Energy management
- Contractor health & safety pre-qualification
- Aligned resource consent planning
- Joint procurement initiatives

### Shared Valuation Data Service (SVDS)

This service provides timely and accurate valuation data to the participating councils. The SVDS has become the accepted valuation database for the region. Data sales significantly reduce the net cost to the participating councils. Councils are currently transitioning to a new software-as-a-service arrangement with a new provider which will further reduce cost.

### Regional Asset Technical Accord (RATA)

RATA was initially established as a centre of excellence for road asset planning in 2014 as a work stream under the Waikato Mayoral Forum. The activity transferred to WLASS on 1 July 2016.

The original aim of RATA was to achieve best practice in road asset management by improving capability, capacity and outcomes through effective collaboration. This aim remains but in 2019 the business unit received approval to expand its activity into waters assets. By leading asset management best practice, RATA delivers better decision-making through the effective collection and use of good quality data, and the implementation of good practice processes and systems for data collection, analysis and management.

Waipa District Council employs RATA staff who are then contracted to provide services to WLASS.

### Waikato Regional Transportation Model (WRTM)

The WRTM became fully operational in February 2010. It provides accurate information to councils and to external users (for a charge) for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region and is jointly funded by the NZTA.

WRTM is making a significant contribution to strategic planning surrounding land use and infrastructure within the region and has been involved in regionally and nationally significant investigations including the Waikato Expressway Network Plan, the Waikato Regional Land Transport Strategy and Regional Policy Statement and transport impact assessments in relation to the development of Ruakura.

### Waikato Building Consent Group (WBCG)

The WBCG was initially set up by five Waikato local authorities in 2004 to foster co-operation, collaboration and consistency in building functions, legislative interpretation and process documentation across the partnering councils. The activity transferred to WLASS on 1 July 2016 and now comprises eight councils.

The WBCG has developed a common quality assurance system with associated supporting documentation that meet the legislative requirements of the Building Act 2004 and the Building

(Accreditation of Building Consent Authorities) Regulations 2006. These regulations cover all aspects of the operational management and compliance of a Building Consent Authority (BCA).

#### **Future proof**

Future Proof is a collaborative partnership between Hamilton City, Waikato and Waipa Districts, Waikato Regional Council and Tāngata whenua, with assistance from the NZTA. The partners have jointly developed the Future Proof Growth Strategy and Implementation Plan – a 50-year vision and implementation plan specific to the Hamilton, Waipa and Waikato sub-region, which was adopted by the partners in June 2009.

The accommodation, overhead and employment arrangements of the Future Proof Administrator are managed by Hamilton City Council. The activity is fully funded by the participating councils and operates as a separate cost centre. The company's role supporting Future Proof ceases 1 July 2020.

#### **Regional Infrastructure Technical Specifications (RITS)**

The RITS document sets out how to design and construct transportation, water supply, wastewater, stormwater and landscaping infrastructure. Prior to developing RITS, each Council had its own technical specifications for infrastructure resulting in different standards having to be met across the Waikato region. RITS provides a single regional guide, making business easier.

The RITS is published on the WLASS website (<http://www.waikatolass.co.nz/>), and ongoing maintenance of the document is the responsibility of a Project Co-ordinator, managed by WLASS.

#### **Energy management**

WLASS entered into a three-year Collaboration Agreement with the Energy Efficiency Conservation Authority (EECA) in February 2016. Across the programme EECA provided funding of \$210,000. Implemented projects have delivered 3.62m kWh in energy reduction annually (as against a target of 2.5m kWh), saved \$446,000 per annum.

From 1 July 2019 a new energy and carbon management programme was entered into between WLASS and participating councils.

#### **Contractor health & safety pre-qualification scheme**

WLASS contracts with SHE Software to manage the Local Government Health & Safety Contractor Pre-qualification Scheme on behalf of councils. Twenty councils and one CCO are now using the scheme with approximately 1,600 contractors registered, which enables them to be pre-qualified to work for any of the participating councils.

Further detail on these activities and the councils involved in each can be found on the WLASS website at <http://www.waikatolass.co.nz/>.

#### **Historic aerial photos**

In May 2015, WLASS entered into a Memorandum of Understanding with LINZ to scan the Waikato Historic Aerial Photos archive. The LINZ Crown archive contains over 500,000 historic aerial photo negatives captured by surveys flown over New Zealand between 1936 and 2005. All shareholding councils are participating in this 4-year project, which includes a subsidy of \$56,000 from LINZ. Scanning is now complete.

#### **Waikato Regional Aerial Photography Service (WRAPS)**

WRAPS was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. So far, there have been five WRAPS contracts, the most recent in 2016.

**Aligned resource consent planning**

This toolkit provides regional consistency and best practice processes in the administration of resource consenting. It is used by nine councils (Taupo and Otorohanga are not currently participating, and Waikato Regional Council processes different types of resource consents from the territorial local authorities). WLASS controls the documentation on the WLASS website, and the Waikato Resource Consent forum manages the process for making updates and amendments to the templates and documents in the toolkit.

**Joint procurement initiatives**

WLASS is a party to numerous joint procurement contracts between the company, shareholding councils and suppliers. Councils choose whether to be a party to a particular contract. Wherever possible we negotiate a syndicated contract with the supplier to allow additional councils to join later.

In 2019 standard regional procurement policies, templates and procedures were developed for use by councils and procurement training provided to council staff.

## Appendix II: Policy Statements

### Statement of accounting policies

#### Reporting entity

Waikato Local Authority Shared Services Limited ("the Company") is a Company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The company is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002 (LGA), by virtue of the shareholding councils' right to appoint the Board of Directors.

The primary objectives of the Company are to:

- Develop opportunities that benefit the Waikato region's local authorities; and
- Act as a vehicle to deliver value-added services to those local authorities.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

### Summary of significant accounting policies

#### Basis of preparation

Financial statements are prepared on the going concern basis, and the accounting policies are applied consistently throughout the period.

#### Statement of Compliance

Financial statements are prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Financial statements are prepared in accordance with and comply with Tier 2 PBE Standards reduced disclosure regime (RDR). WLASS is eligible to report under the RDR as it:

- is not publicly accountable; and
- has expenses more than \$2 million, but less than \$30 million.

The accounting policies set out below are consistent with the prior year, other than the inclusion of policy:

- on operating leases, related to the lease of commercial premises;
- employees; and
- property, plant and equipment.

#### Measurement base

The financial statements are prepared on a historical cost basis.

#### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar unless otherwise stated. The functional currency of the Company is New Zealand dollars.

#### Goods and services tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the statement of financial position.



The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the cash flow statement.

Commitments and contingencies are disclosed exclusive of GST.

### Critical accounting estimates and assumptions

In preparing the financial statements the Company makes estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no areas requiring estimate or assumptions made that are considered to carry a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

#### Intangible assets

##### Useful lives and residual values

At each balance date the Company reviews the useful lives and residual values of its intangible assets. Assessing the appropriateness of useful life and residual value estimates of intangible assets requires the Company to consider a number of factors such as the expected period of use of the asset by the Company and expected disposal proceeds from the future sale of the future sale of the asset.

An incorrect estimate of the useful life of residual value will impact the amortisation expense recognised in the income statement and carrying amount of the asset in the balance sheet. The Company minimises the risk of this estimation uncertainty by reviewing that the asset technology is still relevant and there is no alternative options to recreate the asset at a lower price.

##### Impairment of intangible assets

Intangible assets measure at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus deficit.

### Change of accounting estimate

#### Revision of useful lives of intangible assets

At year end the estimated total useful lives to Waikato LASS of the SVDS and WRTM intangible assets were revised. The net effect of the changes in the current financial year was decrease in amortisation expense of \$97,071.

Revised estimated useful lives are: SVDS – March 2020, WRTM – June 2023. The effect of amortisation for future years are as follows:

Year ending 30 June	\$
2020	53,321
2021	14,583
2022	14,583
2023	14,583

## Revenue

### Revenue

Revenue comprises the fair value of the considerations received or receivable for the sale of goods and services, excluding GST, rebates and discounts and after eliminating sales within the Company. No provisions have been recorded as all revenue and trade receivables are expected to be received.

### Other Revenue

Member charges for all activities are recognised when invoiced to the user (i.e. councils). The recorded revenue is the net amount of the member charges payable for the transaction. Contributions received for projects that were not completed in a financial year are recognised when the Company provides, or is able to provide, the service for which the contribution was charged. Until such time, contributions are recognised as liabilities.

## Operating expenses

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

## Personnel costs

### Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

## Receivables

Short-term receivables are recorded at the amount due, less any provision for amounts not considered collectable.

Receivables are initially measured at nominal or face value. Receivables are subsequently adjusted for penalties and interest as they are charged and impairment losses. Non-current receivables are measured at the present value of the expected future cash inflows.

Debtors are amounts due from customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

## Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, with original maturities of three months or less, and bank overdrafts.

## Income tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the

carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

### **Intangible assets Other financial assets**

Investments in bank deposits are measured at fair value plus transaction costs.

At each balance date the Company assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in the income statement.

### **Payables and deferred revenue**

Short-term creditors and other payables are recorded at their face value

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payable approximates their fair value.

Contributions received for projects that were not completed in a financial year are recognised as deferred revenue until the Company provides, or is able to provide, the service for which the contribution was charged.

### **Employee benefits liabilities**

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These includes salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

#### Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

#### Reconciliation of equity

Equity is the shareholders interest in WLASS and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

##### Contributed equity

Contributed equity is the net asset and liability position at the time the company was formed. The allocation of capital amongst shareholders is explained in this note.

##### Retained earnings

Retained earnings is the company's accumulated surplus or deficit since formation.



# TAUPO AIRPORT AUTHORITY

## STATEMENT OF INTENT

**2021 – 2023**



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## DIRECTORY

### Governing Body

### Taupō Airport Authority Committee

Mayor David Trewavas  
 Councillor Cathy Guy (Council Representative)  
 Councillor Christine Rankin (Council Representative)  
 Chris Johnston (Business Representative)  
 X1 vacancy

### Airport General Manager

Rhys Frearson

### Bankers

Bank of New Zealand, Taupō – transactional banking

### Auditors

Audit New Zealand on behalf of  
 The Controller & Auditor  
 General

### Solicitors / Legal Advisors

Le Pine & Co, Taupō

### Insurance Brokers

Aon New Zealand Limited

### Joint Venture Partners

Taupō District Council	50%
The Crown (Ministry of Transport)	50%

### Address

Anzac Memorial Drive, TAUPŌ,  
 RD 2, TAUPŌ

### Telephone

Airport Manager	[07] 378-7771
email	<a href="mailto:admin@Taupoairport.co.nz">admin@Taupoairport.co.nz</a>
website	<a href="http://www.Taupoairport.co.nz">www.Taupoairport.co.nz</a>

## INTRODUCTION

Taupo Airport is a joint venture agreement between Taupo District Council (TDC) and the Ministry of Transport (MOT) on behalf of the Crown.

Taupo District Council is responsible for the management of Taupo Airport. Taupo Airport is governed by the Taupo Airport Authority Committee, made up of council and independent business representatives. Taupo Airport is managed by the Airport General Manager who holds senior person status with the Civil Aviation Authority of New Zealand (NZ CAA), and is accountable for day to day management of the Airport Authority.

## STRATEGIC FOCUS & MAJOR PROJECTS

The Taupo Airport will be:

- A destination in its own right
- A vibrant hub for commercial business
- An experience that is authentic and efficient
- A service delivered for the community

How will we get there?

- Infrastructure development
  - Terminal
  - Parking
  - Airport hub environment (look & feel)
- Commercial land development
  - Airside
  - Landside
- Growth of tourism product
- Increased commercial passenger numbers
- Relationship management

Taupo is one of a handful of regional towns in NZ currently experiencing both economic and demographic growth. Taupō Airport (TA) provides a complimentary mix of scheduled air travel. This includes aviation enthusiasts, the southern hemisphere's busiest skydiving adventure operations, scenic flights, general transportation as well as commercial and retail offering to the market.

The redevelopment of the Taupō Airport in the context of the wider airport commercial precinct is a key growth project for the district. The development of the terminal buildings, carparks, baggage handling facilities, airport apron, retail, café, sewerage and water infrastructure, commercial land, roading, and other amenities will ensure that the airport is "future proofed" for the growth we are expecting in the Taupo district.

The airport was built in 1963 and the last upgrade occurred in 1994. The airport currently, does not cope with existing passenger demand nor can it provide the facilities required cope with current or future aviation flows.

In 2017, the airport was identified as a critical piece of transport infrastructure, requiring urgent investment through the District Economic Strengthening Strategy (produced by Taupo District Council) and the Bay of Plenty Visitor Economy Strategy (produced by the Bay of Connections and partially funded by MBIE).

In 2018/19, the TAA has engaged AirBiz, aviation specialist consultants based out of Auckland to complete a feasibility cost estimate as well as a cost benefit analysis on the most appropriate quantum for the upgrade.

A redeveloped airport precinct will create a gateway to the region that provides the amenity and level of service commensurate with Taupo District Council and central government economic growth aspirations.

While it is not possible to quantify future expenditure via this Statement of Intent, the TAA signals that it anticipates that the next few years will be a period of consolidation for Taupō Airport in view of the travel restrictions brought on by the Covid-19 pandemic.

## PERFORMANCE TARGETS

- (a) To maintain facilities so as to avoid any diversion or cancellation of scheduled flights other than for weather or airline problems.
- (b) The airport will be operated in such a way as to continue to hold CAA Part 139 certification
- (c) The airport will manage health and safety risks and provide a safe and healthy environment for everyone affected by the activities of TAA including employees, customers, tenants, contractors and visitors.
- (d) That TAA will be self funding in terms of its own cash flow.

TAA shall continue to review its performance targets to reflect the future growth and development of its services and operations.



## FINANCIAL DISCLOSURES

### REPORTING ENTITY

The Taupo Airport Authority is a joint venture between Taupo District Council and the Crown with both parties having a 50% interest. Taupo District Council has responsibility for the management of the Authority. Governance is provided by a Committee of Council.

The Taupo Airport Authority has designated itself as a tier one public benefit entity for the purposes of New Zealand equivalents to Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS). These standards have applied from 1<sup>st</sup> July 2014.

### STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and therefore also comply with International Public Sector Accounting Standards. The primary objective of the Authority is to operate a successful commercially viable business providing land and infrastructure for the safe, appropriate and efficient air transport needs of the Taupo district, rather than making a financial return. Accordingly, the Authority has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Public Sector Accounting Standards (PBE IPSAS)

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements are prepared using the historical cost basis except for certain classes of assets and liabilities which are recorded at fair value. These are detailed in the specific policies below.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Authority is New Zealand dollars.

### ACCOUNTING POLICIES

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

#### 1. Goods & Services Tax

The financial statements have been prepared on a goods and services tax (GST) exclusive basis, except for trade and other receivables and trade and other payables.

#### 2. Revenue recognition

##### *Exchange revenue*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from any services rendered (except as described above) is recognised in proportion to the stage of completion of the transaction at the balance date. The stage of completion is assessed by reference to surveys of work performed.

Landing revenue for those operators on bulk invoicing is recognised on a straight-line basis over the term of the payments. All other landing revenue is recognised in the period in which the landing occurred.

Rental revenue from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental revenue.

Interest revenue is recognised as it accrues, using the effective interest method.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Revenue is measured at the fair value of consideration received.

The main sources of income for the Authority are Airfield Landing Charges and Lease Income from leasehold sites at the airport. Income is recognised in the period to which it relates. Payment is received by cash, cheque, automatic payment or direct debit.

### **3. 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.

### **4. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash balances and call deposits, and other short term highly liquid investments with maturities of three months or less.

### **5. Financial Assets**

Taupo Airport classifies its investments as loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive income.

## 6. Trade Receivables

Trade receivables are recognised at their cost less impairment losses.

A provision for impairment of receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

## 7. Property, Plant and Equipment

### *Valuation methodologies*

Those asset classes that are revalued are revalued on a three yearly valuation cycle. All other asset classes are carried at depreciated historical cost. The carrying values of all assets not revalued in any year are reviewed at each balance date to ensure that those values are not materially different to fair value.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amounts arising on revaluation of an asset class are credited to revaluation reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in the surplus or deficit, the increase is first recognised in the surplus or deficit. Decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the surplus or deficit.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the surplus or deficit during the financial period in which they are incurred.

### **Valuation of Land and Buildings**

Airport land was initially valued at fair value by Quotable Value New Zealand as at 1 July 2005 which was deemed cost. The land and buildings were revalued to fair value by Quotable Value New Zealand as at 30 June 2019. Land is not depreciated.

### **Valuation of Infrastructural Assets**

Infrastructural assets are the utility systems that provide a continuing service to the airport and are not generally regarded as tradable. They include the runways, roads and stormwater systems together with other improvements of an infrastructural nature. These assets were valued at fair value by Beca Projects NZ Ltd as at 30 June 2014.

All other property, plant, and equipment are stated at cost less depreciation.

### Additions

Additions between valuations are shown at cost.

The cost of an item of property, plant or equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably.

### Disposals

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the surplus or deficit. When revalued assets are sold, the amounts included in other reserves in respect of those assets are transferred to retained earnings.

### Depreciation

Land is not depreciated. Depreciation has been provided on a straight-line basis on all property, plant and equipment. Depreciation is provided at rates calculated to allocate the asset cost over the estimated useful life. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

#### Infrastructural assets

Formation	Indefinite	Pavement	60 Years
Top Surface	15 Years	Kerb	50 Years
Footpaths	80 Years	Stormwater	50 – 80 Years
Fencing	10 Years	Street Lighting	15 Years

#### Operational Assets

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

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

**Assets under construction/work in progress**

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. The current carrying amount of items under construction is separately disclosed

All the Authority's assets are classed as non-cash generating, that is they are not held with the primary objective of generating a commercial return.

**Intangible Assets**

Website

The website has been capitalised on the basis of costs incurred to acquire and bring to use the website. This has been valued at cost, and will be amortised over the expected useful life of the website. This is estimated as 4 years (25%).

**8. Investment Property**

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Taupo Airport Authority measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of comprehensive income.

All investment properties have been disposed.

**9. Financial Liabilities**

Short term creditors and other payables are recorded at their face value.

**10. 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.



**11. Income Taxation**

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect to prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

**12 Revenue**

Revenue is measured at the fair value of consideration received.

The main sources of income for the Authority are Airfield Landing Charges and Lease Income from leasehold sites at the airport. Income is recognised in the period to which it relates. Payment is received by cash, cheque, automatic payment or direct debit.

**13 Going Concern**

The Taupo Airport Authority consider that the continued adoption of the going concern assumption for the preparation of this financial report is appropriate. This conclusion has been reached having regard to assurances from the Taupo District Council that financial support and / or funding will be made available to ensure that the Authority can continue its current operations.

**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 TAA is equal to the net assets of the airport authority. Some asset classes will be revalued. Where an asset class is revalued, the revaluations will be 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 to the joint venture partners, but for the foreseeable future, any capital reserves shall be used to fund Capital Expenditure.

**Information to be provided to shareholders**

The committee will provide the following statements to shareholders

- At least 5 months prior to the start of the financial year the committee shall deliver to the Council a report setting out its recommendations on the annual budget.
- Within two months of the end of the first half of the financial year the following statements: Comprehensive Revenue & Expenses, Changes in Equity, Financial Position, Cashflows and Service Performance Results.
- Within three months of the end of the financial year the following audited statements: Comprehensive Revenue & Expenses, Changes in Equity, Financial Position, Cashflows and Service Performance Results plus a summary of how the Airport has fared against its objectives and prospects for the next financial year.

**Setting of Fees and Charges**

A single till approach shall be taken in setting fees and charges.



The projected ratio's of consolidated shareholders funds to total assets are as follows:

2020/21	86.0%
2021/22	84.0%
2022/23	82.0%
2018/19	Actual 90.01%

This ratio is calculated by dividing the total value of equity by the total value of assets



## Statement of Intent 2020/21

### 1. Introduction

This Statement of Intent (SOI) sets out the intentions and expectations of New Zealand Local Government Funding Agency Limited (LGFA).

The LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

### 2. Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities and CCOs and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

The LGFA will only lend to Councils and CCOs that enter into all the relevant arrangements with it (such Councils being "Participating Local Authorities" and such Councils and CCOs being "Participating Borrowers") and comply with the LGFA's lending policies.

In lending to Participating Borrowers, LGFA will:

- Operate in a manner to ensure LGFA is successful and sustainable in the long-term;
- Educate and inform Participating Local Authorities on matters within the scope of LGFA's operations;
- Provide excellent service to Participating Borrowers;
- Ensure excellent communication exists and be professional in its dealings with all its stakeholders; and
- Ensure its products and services are delivered in a cost-effective manner.

### 3. Objectives

#### Principal Objectives

In accordance with the Local Government Act 2002, in carrying on its business, the principal objectives of LGFA will be to:

- Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent;
- Be a good employer;
- Demonstrate social, economic, environmental and cultural responsibility;
- Maintain strong and sound corporate governance;
- Set and model high standards of ethical behaviour; and
- Operate in accordance with sound business practice.

#### Primary Objectives

LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:

- Providing interest cost savings relative to alternative sources of financing;
- Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;
- Delivering operational best practice and efficiency for its lending services;
- Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower's financial position, as well as general issues confronting the Local Government sector. Amongst other things, LGFA will:

- Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;
- Analyse finances at the Council group level where appropriate and report to shareholders;
- Endeavour to visit each Participating Borrower annually, including meeting with elected officials as required, or if requested; and
- Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

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**Additional objectives**

LGFA has the following seven measurable and achievable additional objectives which complement the primary objective. Performance against these objectives is reported annually.

LGFA will:

1. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.
2. Provide at least 85% of aggregate long-term debt funding to the Local Government sector.
3. Achieve the financial forecasts outlined in section 4 for net interest income and operating expenses, including provision for a shareholder dividend payment in accordance with approved dividend policy.
4. Meet or exceed the Performance Targets outlined in section 5.
5. Comply with the Health and Safety at Work Act 2015.
6. Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.
7. Assist the local government sector with their COVID -19 response.

#### 4. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2023 are:

FINANCIAL YEAR (\$M)	SOI 2020/21 FINAL		
	Jun-21	Jun-22	Jun-23
<b>Comprehensive income</b>			
Interest income	162.7	184.7	251.7
Interest expense	143.9	164.5	222.7
<b>Net Interest income</b>	<b>18.8</b>	<b>20.2</b>	<b>29.0</b>
Approved Issuer Levy	1.2	0.7	1.0
Issuance & onlending costs	2.7	2.7	2.7
Operating overhead	4.1	4.1	4.3
<b>Issuance and operating expenses</b>	<b>8.0</b>	<b>7.5</b>	<b>8.0</b>
<b>P&amp;L</b>	<b>10.9</b>	<b>12.7</b>	<b>21.0</b>
<b>Financial position (\$m)</b>	<b>Jun-21</b>	<b>Jun-22</b>	<b>Jun-23</b>
Capital	25.0	25.0	25.0
Retained earnings	69.9	81.8	101.9
Total equity	94.9	106.8	126.9
Shareholder funds + borrower notes / Total assets	2.3%	2.4%	2.6%
Dividend provision	0.9	0.8	0.9
Total assets (nominal)	12,728.1	13,712.8	14,355.1
Total LG loans - short term (nominal)	400.0	400.0	400.0
Total LG loans (nominal)	11,264.1	11,859.8	12,280.9
Total bills (nominal)	400.0	400.0	400.0
Total bonds (nominal) ex treasury stock	11,941.0	12,886.0	13,486.0
Total borrower notes (nominal)	199.5	227.1	252.6

Note that there is some forecast uncertainty around the timing of Net Interest Income, Profit and Loss, Total Assets, LG Loans, Bonds and Borrower Notes depending upon council decisions regarding the amount and timing of refinancing of their May 2021, April 2022 and April 2023 loans. LGFA will work with council borrowers to reduce this uncertainty. The above table assumes gross issuance of LGFA bonds per year of \$2.53 billion (2020/21), \$2.10 billion (2021/22) and \$2.15 billion (2022/23), however the issuance volume will be determined by LGFA at the relevant time by reference to factors including refinancing of existing borrowing by councils and (if applicable) council-controlled organisations, new borrowing by councils and (if applicable) council-controlled organisations and LGFA's own borrowing requirements for liquidity purposes. No decision has been made as to final issuance volume at this point and will depend upon market conditions.

## 5. Performance targets

LGFA has the following performance targets:

- LGFA's net interest income for the period to:
  - 30 June 2021 will be greater than \$18.8 million.
  - 30 June 2022 will be greater than \$20.2 million.
  - 30 June 2023 will be greater than \$29.0 million.
- LGFA's annual issuance and operating expenses (excluding AIL) for the period to:
  - 30 June 2021 will be less than \$6.8 million.
  - 30 June 2022 will be less than \$6.8 million.
  - 30 June 2023 will be less than \$7.0 million.
- Total lending to Participating Borrowers<sup>1</sup> at:
  - 30 June 2021 will be at least \$11,664 million.
  - 30 June 2022 will be at least \$12,260 million.
  - 30 June 2023 will be at least \$12,681 million
- Conduct an annual survey of Participating Borrowers who borrow from LGFA and achieve at least an 85% satisfaction score as to the value added by LGFA to the borrowing activities
- Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.
- Achieve 85% market share of all council borrowing in New Zealand
- Review each Participating Borrower's financial position, its headroom under LGFA policies and arrange to meet each Participating Borrower at least annually.
- No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.
- Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.
- Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.

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<sup>1</sup> Subject to the forecasting uncertainty noted previously

## 6. Dividend policy

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders. Consequently, it is intended to pay a limited dividend to Shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

## 7. Governance

### Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises six directors with five being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice<sup>2</sup> with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter.

The Board will meet on a regular basis and no fewer than 6 times each year.

### Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.

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<sup>2</sup> Best practice as per NZX and Institute of Directors guidelines

- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

## **8. Information to be provided to Shareholders**

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

### **Annual Report**

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act 1993 and Financial Reporting Act 2013. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

### **Half Yearly Report**

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

### **Quarterly Report**

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Borrower's (in credit rating bands).

- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.

#### **Statement of Intent**

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

#### **Shareholder Meetings**

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

#### **9. Acquisition/divestment policy**

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

#### **10. Activities for which compensation is sought from Shareholders**

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such as activities.

Currently there are no activities for which compensation will be sought from Shareholders.



**11. Commercial value of Shareholder's investment**

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considers that at establishment the commercial value of LGFA is equal to the face value of the Shareholders' paid up Principal Shares - \$25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares of \$25 million. This equates to a value per share of \$1.00.

**12. Accounting policies**

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOI.

**The following statement is taken from the Financial Statements presented as part of LGFA's Annual Report 2019 (updated where necessary), accordingly, the statement does not contemplate LGFA lending to CCOs.**

**ATTACHMENT: Statement of accounting policies****1 Statement of accounting policies****a. Reporting entity**

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating local authorities.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

**b. Statement of compliance**

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

**c. Basis of preparation****Measurement base**

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

**Functional and presentation currency**

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

**Foreign currency conversions**

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

**Changes in accounting policies**

NZ IFRS 9. New Zealand Equivalent to International Financial Reporting Standard 9. Financial Instruments.

NZ IFRS 9 (2014) is effective for the fiscal year commencing 1 July 2018.

NZ IFRS 9 replaces NZ IAS 39 Financial Instruments: Recognition and Measurement and sets out the requirements for hedge accounting and impairment for financial assets and liabilities. LGFA early adopted NZ IFRS 9 (2010) for the classification and measurement of financial instruments at commencement of business in 2012.

LGFA has elected to apply NZ IFRS 9 (2014) on a retrospective basis. Comparative information has not been restated as there has not been a material impact. Instead, the impact of adopting the new standard is reflected in opening equity on 1 July 2018.

**Hedge accounting**

There has been no change to accounting policy for hedge accounting as LGFA's current fair value hedge accounting meets the requirements of NZ IFRS 9.

**Impairment**

NZ IFRS 9 prescribes an expected credit loss impairment model which replaces the incurred loss impairment model in NZ IAS 39. The expected credit loss model requires LGFA to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

LGFA has not previously incurred any credit losses under the incurred loss impairment model (NZ IAS 39) and the introduction of the expected credit loss model (NZ IFRS 9) has not had a material impact on the measurement of LGFA's financial assets.

The changes to LGFA's accounting policies for expected credit losses on financial assets are set out below.

**Methodology to determine expected credit losses**

As at 30 June 2019, LGFA deemed that there had been no significant increase in credit risk since initial recognition for any financial asset and calculated the loss allowance for these instruments at an amount equal to 12-month expected credit losses, using the estimated probability of default multiplied by the estimated recovery rate.

The estimated probability of default is based on the Standard & Poor's' (S&P) Annual Global Default Study. Individual securities were assigned a probability of default over the 12-month period year based on their S&P, Fitch or Moody's credit rating. Unrated local authorities were assigned a shadow credit rating of A+, based on all complying with LGFA's financial covenants as at 31 December 2018, and S&P rating methodology where all New Zealand local authorities who have a credit rating from S&P are rated between AA and A+.

The estimated recovery rate is assigned using the S&P recovery rating scale. All local authorities were assigned a category of 1+, based on LGFA holding security over a council's rates which, in the event of a default, would give a statutory manager the legal right to impose a targeted rate to recover the principal and interest owing. All other financial assets were assigned a recovery rate based on the industry category and average S&P recovery rates for the security type.

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The Treasury (New Zealand Debt Management) was assigned a category of 1+ for derivatives in gain.

#### **Early adoption standards and interpretations**

LGFA has not early adopted any standards.

#### **New standards adopted**

NZ IFRS 15. Revenue from Contracts with Customers.

NZ IFRS 15 has been adopted from 1 July 2018. There has been no impact on the financial statements.

#### **Standards not yet adopted**

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

NZ IFRS 16 Leases

NZ IFRS 16 becomes effective from 1 July 2019 and will not have a material impact on the financial statements.

#### **Change in presentation. Statement of financial position**

LGFA has changed the order of presentation of assets and liabilities in the Statement of financial position to reflect the order of liquidity for financial assets and liabilities. The change in presentation has been applied to both the current reporting period as well as associated comparatives.

#### **d. Financial instruments**

##### **Financial assets**

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand; cash in transit, bank accounts and deposits with an original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

**Financial liabilities**

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

**Derivatives**

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

**Fair value hedge**

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

**e. Other assets****Property, plant and equipment (PPE)**

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

**Intangible Assets**

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

**f. Other liabilities****Employee entitlements**

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

**g. Revenue and expenses****Revenue****Interest income**

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

**Expenses**

Expenses are recognised in the period to which they relate.

**Interest expense**

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

**Income tax**

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

**Goods and services tax**

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**h. Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

**i. Segment reporting**

LGFA operates in one segment being funding of participating local authorities in New Zealand.

**j. Judgements and estimations**

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values. Refer note 2a for fair value determination for financial instruments.



The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.