

ATTACHMENTS

Risk and Assurance Committee Meeting

2 May 2024

Table of Contents

5.1	Recommendation to Council to approve the draft Long-term Plan 2024-34 Consultation Document and Supporting Information for Audit NZ Consideration	
Attachment 2	Draft Significant Assumptions.....	3
Attachment 3	Draft Revenue and Financing Policy	12
Attachment 5	Draft Rates Remission and Postponement Policy.....	54
Attachment 6	Draft Performance Management Framework	71
Attachment 7	Draft Financial Strategy 2024-34 report and attachment	100
Attachment 8	Draft Infrastructure Strategy report and attachments	115
Attachment 10	Supporting Information for the draft LTP 2024-34 report and attachments - Draft Accounting Policies, Funding Impact Statement, Financial Information	121
Attachment 11	Draft Consultation Document covering report	190

Extraordinary Council Meeting Agenda

16 April 2024

4.4 APPROVAL OF SIGNIFICANT ASSUMPTIONS FOR THE LONG-TERM PLAN 2024-34**Author:** Philip Caruana, Senior Policy Advisor**Authorised by:** Nick Carroll, Policy Manager**TE PŪTAKE | PURPOSE**

This paper seeks approval of the draft significant assumptions which will form part of the supporting information to be adopted for audit and consultation. A draft copy of the proposed significant assumptions will be circulated separately.

This paper sets out:

- the purpose of the significant assumptions and the legal requirements
- proposed changes to the significant assumptions since endorsement on 29 August 2023.
- the options for Council to consider.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

The Local Government Act 2002 (the LGA) requires local authorities to report the significant assumptions supporting their long-term plans. By reporting these assumptions and consulting on them as part of the Long-term Plan 2024-34 consultation process, we inform our ratepayers of key areas of uncertainty and risk in our long-term planning.

Preparing and communicating significant assumptions ensures staff apply a consistent basis for planning across the different parts of the business e.g. using the same population projections for infrastructural investments and revenue forecasting.

Taituarā – Local Government Professionals Aotearoa best practice guidelines recommend elected members endorse these assumptions as early as possible in the process. This paper seeks approval of the significant assumptions relevant to the Long-term Plan 2024-34.

Officers are seeking Council's approval of the full suite of significant assumptions which will form part of the supporting information to be adopted in May for Audit review and later for public consultation.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council approves the draft significant assumptions supporting the Long-term Plan 2024-34 as proposed in Attachment 1 for consultation subject to any changes required as a result of the audit process.

TE WHAKAMAHUKI | BACKGROUND

A first tranche of draft significant assumptions was presented to Council at a workshop on 1 August 2023 and were later endorsed at a meeting on 29 August 2023. At this meeting, it was outlined that a second tranche of significant assumptions relating to financial matters would be developed. These have now been developed and a full suite of significant assumptions are being presented for Council's approval.

The Local Government Act 2002 (the LGA) (Part 1, Schedule 10) requires Council's Long-term Plan to identify:

- (a) significant forecasting assumptions and risks underlying the financial estimates;
- (b) key assumptions regarding the life cycle of significant assets and how these will be funded in the future; and
- (c) where there is a high level of uncertainty in forecasting assumptions.

An assumption is considered "significant" if it has a material impact on Council's revenue, operating expenditure, assets, future operational expenditure (Opex) and capital expenditure (Capex) or service levels. Taupō District Council's significant assumptions are provided in Attachment 1 (to be circulated)

and were developed with subject matter experts in various parts of the business and reviewed by an external consultant. The significant assumptions must be adopted as part of the supporting information for the consultation document.

NGĀ KŌRERORERO | DISCUSSION

To ensure that the requirements of the LGA are met, staff have set out the uncertainty, risks and consequences of each significant assumption, and have proposed mitigation measures should they eventuate. This approach is set out in Figure 1.

Figure 1

Audit NZ will assess the quality of the significant assumptions and report on these as part of the audit of the Consultation Document.

Updates to the significant assumptions

The following changes have been made to the assumptions previously endorsed by Council:

- Introduce financial assumptions
- Minor updates to population and growth projection figures
- Updated legislative reform assumptions
- Included a new assumption – “Delivery of the Capital Expenditure Programme”
- Removed project specific assumptions and consolidated a number of others

NGĀ KŌWHIRINGA | OPTIONS**Analysis of Options**

Based on this information it is considered that there are 2 options:

- (1) approve the full suite of draft significant assumptions as set out in Attachment 1 (to be circulated).
- (2) seek changes to the proposed significant assumptions.

Council staff have developed these significant assumptions together with subject matter experts in the relevant parts of the business. The changes to the assumptions have been reviewed by an external consultant. The recommendations made by the external consultant were incorporated in these assumptions.

It is recommended that Council approves the full suite of draft significant assumptions to enable these to be part of the audit process as supporting information for the consultation document.

Analysis Conclusion:

Our preferred option is option 1, that Council approves the full suite of draft significant assumptions supporting the Long-term Plan 2024-34 as proposed in Attachment 1 (to be circulated).

NGĀ HĪRAUNGA | CONSIDERATIONS**Ngā Aronga Pūtea | Financial Considerations**

The financial implications associated with the proposed significant assumptions have been considered by Finance staff and feedback incorporated.

Ngā Aronga Ture | Legal Considerations**Local Government Act 2002**

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local

Extraordinary Council Meeting Agenda

16 April 2024

government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. It is considered that social and economic aspects are of relevance to this particular matter.

The proposed significant assumptions have been developed in accordance with the legislative requirements under the LGA.

Ngā Hiraunga Kaupapa Here | Policy Implications

The policy implications of the proposed significant assumptions have been addressed by the relevant business unit within Council as part of the preparation of the Long-term Plan.

Te Kōrero tahi ki te Māori | Māori Engagement

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. Council has a responsibility to act reasonably and in good faith to reflect the partnership relationship, and to give effect to the principles of Te Tiriti. These principles include, but are not limited to the protection of Māori rights, enabling Māori participation in Council processes and having rangatiratanga over tāonga.

Our statutory obligations outline our duties to engage with Māori, and enable participation in Council processes. Alongside this, we recognise the need to work side by side with the ahi kaa / resident iwi of our district. Engagement may not always be required by law, however meaningful engagement with Māori allows Council to demonstrate good faith and our commitment to working together as partners across our district.

Appropriately, the report author acknowledges that they have considered the above obligations including the need to seek advice, guidance, feedback and/or involvement of Māori on the proposed recommendation/s, objective/s, project/s or service/s outlined within this report.

The full suite of draft significant assumptions will be subject to further engagement with iwi and hapū along with the wider community as part of the Long-term Plan 2024-34 consultation process.

Ngā Tūraru | Risks

The significant assumptions appended with this report form a key part of the Long-term Plan 2024-34 and are a requirement under the LGA. If Council chooses not to approve the proposed significant assumptions and seek only minor adjustments, these will be addressed in-time for adoption on 03 May 2024. However, any substantial changes could result in additional time being required and could delay the adoption of the consultation document and supporting information on 03 May 2024.

TE HIRANGA O TE WHAKATAU, TE TONO RĀNEI | SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement Policy identifies matters to be considered when assessing the degree of significance of proposals and decisions. Officers have undertaken an assessment of the matters in the Significance and Engagement Policy (2022) and are of the opinion that the proposal under consideration is significant.

TE KŌRERO TAHI | ENGAGEMENT

Consultation with the community will be undertaken alongside the Long-term plan.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

Communication will be carried out as part of wider consultation with the community on the Long-term Plan.

WHAKAKAPINGA | CONCLUSION

Officers recommend that you approve the draft significant assumptions (to be circulated). Consultation will happen alongside consultation for the Long-term Plan.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Draft Significant Assumptions (under separate cover 2)

LTP 2024-34 Significant Forecasting Assumptions											
Significant forecasting assumptions provide the basis for the Long-Term Plan. These assumptions are significant because they have a material effect on Council's revenue, operating expenditure, assets, future operating and capital expenditure or levels of service. These significant assumptions identify important trends and projections, and assess their potential impact on our Council and our community.											
#	Assumption	Level of Uncertainty				Risk			Consequence	Mitigation	
1	Population and growth projections	Medium				Actual population growth occurs faster or slower than projected and/or growth occurs in different locations than anticipated.			Medium	Population projections are reviewed and updated on an annual basis, and the underlying model is audited by an external consultant to ensure that it is as robust as possible. Any revisions to the projections are reflected in new infrastructure plans or capital expenditure, where possible.	
		Population projections occur in-line with the medium growth scenario developed using Council's in-house model. However, all long term growth projections carry a level of uncertainty. The figures used for this Long-term Plan are provided in Table 1.							Delivering infrastructure too fast or too slow. This could lead to significant budgeting and servicing issues. If Council delivers infrastructure too fast and there is insufficient growth to match it, then there is likely to be an under collection of development contributions which would increase Council's debt and interest costs.		
		TABLE 1 - POPULATION PROJECTIONS BY COMMUNITY CATCHMENT									
			2025	2030	2035	2040	2045	2050	2055	2060	
		Taupō Township	28,000	30,000	32,000	35,000	38,000	41,000	44,000	48,000	
		Tūrangi	4,000	4,000	4,000	4,000	4,000	5,000	5,000	5,000	
		Marotiri	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
		Mapara	2,000	3,000	3,000	4,000	4,000	5,000	5,000	6,000	
		Lake Taupō Bays	2,000	2,000	2,000	2,000	3,000	3,000	3,000	4,000	
		Northern rural	4,000	4,000	4,000	4,000	4,000	4,000	5,000	5,000	
		Eastern Rural	400	400	400	400	500	500	500	500	
Total	43,400	46,400	48,400	52,400	56,500	61,500	65,500	71,500			
		Low							Medium		
2	Peak Population	Peak population is driven by tourists, visitors and holiday home owners during the holiday season ort for large events such as Ironman. Peak population is expected to remain stable at 60,000 - 90,000 additional persons during this period.				Peak population during the holiday season is higher or lower than projected peak population.			A higher peak population than projected would strain Council services, such as kerbside waste collection and risk exceeding current infrastructural capacity to provide water and wastewater services. This would prompt Council to issue warnings and to place limits on infrastructural use, leading to a lower level of service. A lower peak population has a negligible impact on infrastructure or service provision.	Peak population is reviewed and updated on an annual basis. Where possible, infrastructure plans and capital expenditure are revised accordingly, and Council services are scaled up (or down) to reflect peak population.	
3	Age Structure	Low				The district's projected demographic structure is substantially different to those projected in the medium growth scenario.			Medium	Projections of Taupō's demographic structure are reviewed and updated on an annual basis, or as new Census data is made available. Where possible, infrastructure plans and capital expenditure are revised accordingly.	
		The district's demographics, in terms of age and gender, will trend in accordance with those projected in the medium growth scenario. A significant aspect of Taupō's demographics is the proportion of population over the age of 65. Currently, around 25% of Taupō's population are elderly (65 year old and over). This is higher than the New Zealand average of 16%. The elderly population is projected to remain at this 25% share, however this cohort is expected to be made up of a higher proportion of very elderly (75 year old and over), as shown in Table 2.							If the district's demographics are substantially different to those projected e.g. a larger share of elderly population, than the forecasted investments to meet the higher demand for infrastructure will need to be accelerated. This may result in unbudgeted costs and higher debt servicing. Conversely, if the elderly population is lower than projected, Council will need to accelerate investments in infrastructure required to meet the needs of a younger population with similar impacts on unbudgeted and servicing costs.		
		TABLE 2 - POPULATION PROJECTIONS BY AGE BAND									
		Age Bracket	2025	2030	2040	2050	2060				
		0-9	5,400	5,300	5,500	6,400	8,100				
		10-19	5,700	6,200	6,000	7,300	8,800				
		20-59	19,300	20,800	25,300	29,500	34,500				
		60+	11,500	12,800	14,500	15,900	17,500				
		Total	41,900	45,100	51,300	59,100	68,900				
		Note: totals are different from Table 1 because information on the age cohort of the smaller settlments is not produced									
4	Housing Development	Low				Housing intensification occurs at a faster rate than projected.			Medium	Review key housing indicators and periodically undertake Housing & Business Development Assessments to identify and keep track of mismatches in the residential housing market. Continue to develop urban design principles and identify strategic zones to facilitate intensification that meets acceptable design principles and are located in suitable areas.	
		Housing intensification will take place at a rate that doesn't exceed the infrastructure capacity beyond what is planned for in the LTP.							More and faster housing intensification reduces infrastructure capacity and adversely impacts levels of service.		

#	Assumption	Level of Uncertainty	Risk	Consequence	Mitigation
Legislative reforms - Government has proposed several legislative reforms. If their impact on Taupō District Council is known, these are factored in the Long term Plan. If the impact of these reforms is unknown, the assumption is that Taupō District Council will continue to operate under the current regulatory and legislative requirements and arrangements. The most substantive reforms that may impact the Council are:					
5	Three Waters Reform (Local waters done well)	Medium	Government has indicated future potential changes to three waters infrastructure management through the 'Local Water Done Well' direction. This direction could create future changes to water services and infrastructure management.	High	Continue to closely monitor Government's water services policy and work with other councils and undertake the required changes, as more information is provided. By including three waters costs for the full 10 years in the initial planning Council will find it easier to remove that information later in the process if it is deemed necessary.
		Current Government has restored council ownership and control of water services, and responsibility for service delivery. In this Long-term plan, it was assumed that Council will continue to deliver the three waters services.		Any changes to water service management and delivery made through the 'Local Water Done Well' could impact Council's long-term plans, particularly if new financing tools are developed.	
6	Resource Management Act (RMA) reform	High	The new legislation replacing the RMA and the fast-track consenting regime might require significant changes to how Council undertakes planning and regulates land use and development.	Medium	Continue to engage with Central Government and participate in forums (like LGNZ) to influence legislative proposals. Continue to collaborate with other district and regional councils to respond to change and to streamline plans, policies and strategies. Continue to monitor this reform and respond to changes, as more information is provided. Apply a rolling review approach to the District Plan so Council can make timely decisions on whether to continue, pause or stop work on the District Plan.
		The Natural and Built Environment Act and the Strategic Planning Act were repealed in December 2023. The Government is expected to progress a replacement for the Resource Management Act that puts more emphasis on the enjoyment of property rights and the introduction of a fast-track consenting regime. In this Long-term plan it was assumed that the new resource management laws will be in place by the end of 2026 but with a long transition period of 3 to 5 years.		The uncertainty on the RMA reform going forwards might require a change to how District Plans will need to be prepared to give effect to the new legislation. This will, in turn, require significant resourcing from Council.	
7	National Emissions Budget and the National Emissions Reduction Plan	Low	The pace to reach net zero greenhouse gas emissions may need to be accelerated to meet the timeframes in reductions required under the National Emissions Budget and the National Emissions Reduction Plan.	Low	Council has a climate change strategy and emissions-reduction target to reduce greenhouse gas emissions from Council-operations to net zero by 2050 that provides guidance on the pace of reductions required.
		The National Emissions Budget and the National Emissions Reduction Plan are required by the Climate Change Response Act 2022 and the 2019 Zero Carbon Act amendments. The Budget will set a limit on emissions over a set time period while the Plan is expected to outline pathways for sectors and industries to reach net zero greenhouse gas emissions by 2050. This Long-term Plan assumes that reducing emissions will be required over time to meet the reductions required under the National Emissions Budget and the National Emissions Reduction Plan.		Council may need to change some of its operations to reduce its greenhouse gas emissions at a faster rate than envisaged to meet its obligations under the National Emissions Budget and the National Emissions Reduction Plan.	
8	COVID-19 resurgence or new Pandemic	High	A new Covid-19 variant or a new pandemic emerges leading Government to institute restrictions and/or lockdowns.	High	In the event of Government imposed restrictions or lockdowns, the work programme would be scaled back, as appropriate.
		It is not expected that there will be a resurgence of Covid-19 or a new variant requiring Government to institute significant restrictions or lockdowns. However, such an event cannot be predicted and hence it is highly uncertain. This Long-term Plan assumes that no new Covid-19 variant or new pandemic will occur.		Government restrictions and lockdowns would likely reduce Council's revenue or increase its costs.	
9	Economic Growth	Medium	Economic growth is slower or faster than projections.	Medium	Work programme and budget are reviewed annually to respond to changing economic conditions by either reducing or increasing the work programme and/or budget are reduced.
		Taupō's economy is expected to continue to grow, particularly the tourism sector, notwithstanding the disruptions caused by supply chain constraints and the Covid-19 pandemic.		If economic growth is slower than expected and it takes longer for the local economy to recover to pre-pandemic levels, then Council's ability to deliver its work programme in terms of scope and/or timing would need to be scaled back or pushed out in time. Conversely, if economic growth is faster than projected, Council's revenue would be higher than forecasted, resulting in lower rates increases.	
10	Climate change resilience	High	The frequency and severity of climate change impacts are worse than predicted and existing infrastructure is not sufficiently resilient to cope with these events e.g., heavy rainfall events may overwhelm parts of the stormwater network.	High	Review infrastructure resilience, including the potential impacts from climate change and identify mitigation responses. Ensure that Council has adequate insurance to cover the district's assets against such events. Maintain involvement with sub-regional emergency management activities and local emergency management.
		Taupō district is likely to experience more frequent extreme events including intense precipitation and recurrent drought. The frequency and severity of climate change impacts on the Taupō district is highly uncertain.		A disruption in key infrastructure, even temporarily, would negatively impact Taupō's communities, economy and/or the environment.	
11	Natural disasters	High	A significant natural disaster occurs within the Long-term Plan period.	High	Continue carrying out resilience assessments and implement mitigation measures. Ensure that Council has adequate insurance, including self insurance, to cover the district's assets against such events. Maintain involvement with sub-regional emergency management activities and local emergency management. In the event of a natural disaster, Council's response will be immediate and appropriate resources are redirected for that purpose. Council continues to fund the disaster recovery reserve to assist with immediate response costs.
		Taupō district is at risk of a range of natural hazards such as earthquakes, flooding, large slips, fire, storms and volcanic activity. Natural disasters are unpredictable and cannot be forecasted. This Long-term Plan assumes that if a disaster were to occur, any costs would be funded from the existing disaster recovery reserve, insurance arrangements, undrawn credit lines with banks, the TEL fund or through Central Government disaster relief funds.		A significant natural disaster would have a major adverse impact on our communities, economy and/or the environment. It would result in large unforeseen costs, and place demands on Council's funding streams, largely through debt funding and possibly remitting rates. Although short-term lending opportunities are available with the Local Government Funding Agency, substantial funding support from Central Government would be required.	
12	Service levels	Low	Substantial unplanned changes to the level of service and/or method to deliver them.	Medium	All parts of the organisation will set realistic service levels that take into consideration current and expected constraints eg. high interest rates. Adequate financial and human resources are provided to delivery these service levels.
		Service levels will continue to be maintained over this Long-term plan notwithstanding changes to the method used to deliver some services e.g. kerbside waste collection.		Under-delivering services or the quality of service levels would negatively impact our communities, economy and/or the environment.	
13	Transport subsidies	High	Waka Kotahi provides less funding than assumed in the LTP.	High	Council will continue to engage with Waka Kotahi and the sector regularly in the lead up to Waka Kotahi budget decisions to advocate for information being received in a timely manner. Council will manage the financial impact by limiting expenditure on CAPEX and/or OPEX in the roading work program to be within Council's affordability of local share.
		The Financial Assistance Rate (FAR) that Council receives from Waka Kotahi NZ Transport Agency will continue at the same rate. The overall average for FARs is 51%. Waka Kotahi funds specific programmes of work and agrees a three year funding schedule across maintenance and renewals for district roads in line with currently known Waka Kotahi work categories and classifications, and Transport Government Policy Statement and the National Land Transport Programme.		The roading work programme will be slowed down and/or scaled back, adversely impacting the levels of service set out in the Long-term Plan. If the projects are essential then Council may need to make up for any shortfall.	

#	Assumption	Level of Uncertainty	Risk	Consequence	Mitigation		
14	Solid waste subsidy	Low	Central government reduces the solid waste subsidy provided to Council.	Low	Continue to actively engage with Central Government on its waste minimisation legislative and policy proposals.		
		Council pays a levy to Central Government on the solid waste disposed in the landfill. Central Government pays back part of this levy to Council in the form of a subsidy. Both the levy and subsidy are currently known. In this Long-term plan it was assumed that the subsidy on solid waste disposal paid back by Central Government will remain unchanged.		If the subsidy is reduced, then Council's income is also reduced, which would impact the planned waste minimisation programme. This programme will either be scaled back or discontinued or the difference is funded by Council. In the latter case, this would impact Council costs and likely result in an increase in rates. A scaled back or discontinued waste minimisation programme would likely result in an increase in solid waste going to the landfill, which would increase the levy paid to Central government and higher costs to Council.			
15	Price for carbon credits on landfill waste disposal	High	The price of carbon increases substantially to what is projected.	Medium	Continue to monitor the price of carbon and review refuse charges accordingly.		
		Council is required to purchase carbon credits to offset greenhouse gas emissions from waste disposed at the local landfill. The unit carbon price has more than doubled in the last year and there is high uncertainty on the future carbon price movements. In this Long-term plan it was assumed that the price of carbon will not increase in a way that influences the refuse charges or rates applicable to dispose of waste at the landfill.		A large increase in carbon price would require Council to increase the charges to dispose of waste at the landfill and/or rates			
16	Condition and lifecycle of significant assets	Medium	There is a risk of asset failure of some of the as-yet unassessed underground assets.	Medium	Continue the programme of assessing the condition of underground assets to establish their condition and base renewal decisions accordingly.		
		The useful lives of assets is updated when these assets are revalued. Assets for roading, three waters infrastructure, land and buildings are revalued on a three yearly cycle. The condition of some underground assets, particularly for water supply and wastewater has not been assessed and their condition is unknown. In this Long-term plan, it was assumed that there will not be a major failure of an unassessed underground asset.		An asset failure would result in Council taking remedial action and incurring unbudgeted costs if remedial actions exceed the redundancy factored in the renewal budget. Any increase in unplanned costs may delay other planned projects and increase Council's debt funding requirements.			
17	Sources of funds for the future replacement of significant assets	Medium	Changes to one or more factors that would constrain Council's ability to replace its significant assets or impacts other funding sources such as rates and borrowing.	Medium	Council will regularly review and update its depreciation reserves.		
		Council fully funds depreciation through rates and maintains this funding in depreciation reserves to fund renewals. The level of this funding is impacted by several factors including inflation, asset revaluations, external funding and borrowing. The Council is able to access borrowings at the levels forecasted in the Long-term Plan.		Council can partly fund depreciation on its significant assets and will need to defer collecting this shortfall through future rates. Consequently, rates increases would be higher.			
18	Inflation forecasts	High	LGCI is higher than the BERL mid-scenario projections.	Medium	Work programme and budget are reviewed annually to respond to changing economic conditions. If LGCI changes, then the programme and/or budget are reduced or increased, as appropriate.		
		The Local Government Cost Index (LGCI) measures cost drivers specific to local government and projections are produced by the Business and Economic Research Limited (BERL). It is expected that the cost of future projects is consistent with the mid-scenario projections produced by BERL as shown in Table 3.		Higher than projected LGCI would lead to higher costs and additional funding requirements to carry out the work programme, assuming the same level of service is maintained. Higher costs relating to capital expenditure would result in higher debt levels and increased operating costs from interest expense that will need to be recovered from higher rates.			
		TABLE 3 – LOCAL GOVERNMENT COST INDEX					
			Planning & Regulation	Roading	Transport	Community	Water & Environment
		2024	3.4	3.8	3.4	3.5	5.0
		2025	2.6	2.9	2.6	2.7	3.6
		2026	2.1	2.0	2.1	2.0	2.5
		2027	2.2	2.3	2.2	2.2	2.7
		2028	2.1	2.3	2.2	2.2	2.6
		2029	2.0	2.2	2.1	2.1	2.5
		2030	1.9	2.1	2.0	2.0	2.3
		2031	1.9	2.0	2.0	1.9	2.3
		2032	1.9	2.0	1.9	1.9	2.2
		2033	1.8	2.0	1.9	1.9	2.1
		2034	1.8	1.9	1.9	1.8	2.1

#	Assumption	Level of Uncertainty	Risk	Consequence	Mitigation
19	Borrowing and interest rates	Low	Interest rates increase significantly from the rates used when preparing this plan.	Medium	Manage changes in interest rates as set out in the Treasury Management Policy and take advantage of hedging, fixed rates, and swaps. Source debt from a combination of bank financing, commercial paper issuance and floating rate notes through NZLGFA with the majority overlaid with fixed rate swaps. This assists Council to minimise the impact of interest rate fluctuations.
		Access to loan funds is available at competitive rates and interest rates are in-line with the projections prepared by Council's financial advisors. Interest rates for investments are set at a margin compared to external debt rates. Council will meet its financial commitments and maintain its AA- Standard & Poors credit rating. This will provide Council access to lower interest rates on its borrowing through the NZ Local Government Funding Agency. Table 4 below sets out the borrowing interest rates.		Significantly higher interest rates than projected would increase Council costs and impact future borrowing requirements and Council's ability to deliver the agreed work programmes, resulting in lower service levels and higher rates.	
		TABLE 4 - PROJECTED BORROWING INTEREST RATES			
		2024		5.66%	
		2025		5.45%	
		2026		4.77%	
		2027		4.43%	
		2028		4.42%	
		2029		4.57%	
		2030		4.69%	
20	Financial Ratios	Medium	External factors outside Council's control eventuate in a way that have a substantial impact on interest rates for borrowing or which result in uncontrolled operational or capital spending that would unfavourably impact financial ratios and debt limits.	High	Exceeding financial ratios and debt limits could result in a downgrade of Council's credit rating by Standard and Poors. This would have a direct impact on the rates at which Council can borrow funds, leading to higher costs and rates increases.
		Council has a statutory obligation to set limits on its level of debt. These are measured by the financial ratios shown in Table 5. These ratios are set by Council in accordance with the Treasury Management Policy. External factors outside Council's control could impact Council's ability to remain within these pre-established limits. There is uncertainty around whether these external factors eventuate and what would be the impact on Council's debt.			
		TABLE 5 - FINANCIAL RATIOS			
		RATIO		LIMIT	
		Net External Debt/Total Revenue		Must not exceed 250%	
		Net Interest on External Debt/Total Revenue		Must not exceed 10%	
		Net Interest on External Debt/Annual Rates Revenue		Must not exceed 25%	
		Liquidity/Net External Debt		Must be greater than 110%	

#	Assumption	Level of Uncertainty	Risk	Consequence	Mitigation							
21	Delivery of capital works programme	Medium	The capital works programme is not delivered as planned to remain within Council's debt servicing and debt control benchmarks.	Medium	Council will undertake a rationalisation exercise of its capital expenditure programme through annual plans, particularly on core infrastructure, to determine what can realistically be delivered within the timeframes and budgets. Council will continue to ensure project delivery resourcing is fit for purpose for the future capital programme.							
		The capital works programme has to meet the direction and policies set out in Council's Financial Strategy and Treasury Management policy, particularly around debt limits. The programme envisaged for this Long-term plan is substantial and internal factors (e.g. budgeting constraints) and external factors could influence its delivery. Table 6 sets out the impact on borrowings and interest cost to deliver the capital works programme. In this Long-term plan it was assumed that the capital works programme will advance in-line with Council's budgets.		The impact on our community depends on the capital project(s) that is delayed. Delaying key network infrastructure would negatively impact service levels								
		TABLE 6 - DELIVERY OF CAPITAL PROGRAMME & IMPACT ON BORROWINGS AND INTEREST COST										
			LTP 2024/25 (\$000)	LTP 2025/26 (\$000)	LTP 2026/27 (\$000)	LTP 2027/28 (\$000)	LTP 2028/29 (\$000)	LTP 2029/30 (\$000)	LTP 2030/31 (\$000)	LTP 2031/32 (\$000)	LTP 2032/33 (\$000)	LTP 2033/34 (\$000)
		70% Delivery	52426	62901	57914	69383	57167	78772	69071	37744	46046	38284
		Debt	30118	38207	29375	42537	24320	49533	39722	13054	16915	16565
		Interest	821	911	651	940	556	1162	957	322	430	431
		90% Delivery	67404	80872	74461	89207	73501	101278	88806	48528	59202	49222
		Debt	38723	49123	37769	54690	31269	63685	51071	16783	21748	21298
		Interest	1055	1172	837	1209	714	1493	1231	415	553	554
		100% Delivery	74894	89858	82735	99118	81667	112532	98673	53920	65780	54691
Debt	43026	54581	41965	60767	34742	70761	56746	18648	24164	23664		
Interest	1172	1302	930	1343	794	1659	1368	461	615	615		
22	External funding support including central government grants, climate action loans, subsidies for large capital projects or operational programmes excluding transport subsidies	Medium	External funding is denied or is substantially lower than expected.	Medium	Clearly established the cost of capital projects and operational programmes including by making realistic assumptions about access to external funding, taking into account the current economic environment.							
		Large capital projects or operational programmes that rely on government funding are included in the Long-term Plan only when there is a level of certainty that these funds will be granted. However, the actual funds that are granted could be lower than the expected amount. In this Long-term plan it was assumed that the expected government funding is fully provided.		The capital projects or operational programmes that rely on external funding are unlikely be continued if this funding is denied or is substantially lower than expected. This would result in lower levels of service and loss of Council funds, if these cannot be recouped. Cancelling projects or programmes would also have a detrimental effect on Council's reputation.								
23	Limit on rate increases	Medium	Unplanned increases in rates that breach this limit for any given year in the Long-term Plan.	Medium	Disclose the nature, timing and extent of any potential breach and Council's proposed action to address this matter at the earliest opportunity.							
		The average rate increase for existing ratepayers will be no greater than the Local Government Cost Index (LGCI) plus 5 percent (excluding growth). Inflationary fluctuations or inaccurate LGCI forecast can result in breaches to this limit, due to timing or misalignment of inflationary impacts. External factors that result in unbudgeted costs would require an increase in rates that exceeds this limit.		Raising the average rate for existing ratepayers above the limit would be detrimental to Council's reputation.								
24	Development contributions revenue	Medium	Revenue from development contributions is different from that projected.	Medium	Continue to monitor growth projections and development revenue against actual levels. Review and amend work programmes and related budgets, including development contribution rates, when significant changes occur.							
		Revenue from development contributions used by Council to pay for new infrastructure depends on the projected growth and timing of new developments. The scale and timing of these developments is uncertain and are dependent on several external factors that are difficult to predict. In this Long-term plan it was assumed that development will occur in line with population and development projections, and the revenue collected from development contribution will pay for new infrastructure, as set out in the Development Contributions policy.		If revenue from development contributions is lower than projected then growth-dependant infrastructural projects and programmes will need to be scaled back or delayed.								
25	Income from the development and sale of surplus Council property	Medium	Expected income from the development and sale of surplus Council property will be received at different levels and/or timing indicated in the financial statements.	Low	Monitor market conditions and the progress of our property sales programme and respond to any changed cash flow circumstances in each annual plan.							
		Income from the development and sale of surplus Council property will be received at the levels and timing indicated in the financial statements.		Any cash flow delays will require interim bridging in the form of additional borrowing and interest cost especially for projects which are dependent on funding from the development and sale of surplus Council property.								
26	Availability of staff and contractors	Low	Qualified staff, contractors and consultants are difficult to employ or to contract, limiting the level of resource available and driving up costs.	Low	Actively undertake workforce planning on an annual basis, reflecting resourcing needs for capital works projects and taking into consideration business as usual workloads. Ensure budgets and work programmes are adjusted accordingly.							
		Sufficient internal and external resources will be available to undertake capital works and maintain operational needs in the years outlined in the financial statements, over and above resourcing required for business as usual responsibilities.		If there is a shortage of resources, Council may not be able to complete projects in the timeframes indicated and for the costs budgeted.								
27	Resource consents on planned capital projects	Low	Consenting authorities may decline resource consents or impose less affordable conditions or take longer than anticipated to approve the consent. There is also the risk that consenting processes will change with changes to the RMA, which might impose additional costs or delay the implementation of some capital projects.	High	Continue to work with consenting authorities and key stakeholders to ensure that our consent applications address their concerns. Engage early with iwi and hapu, where relevant, prior to lodging applications. Monitor legislative change and work with central government and other councils around implementing any reform of the RMA.							
		The resource consent required by planned capital projects are obtained on-time and without incurring significant costs of compliance. There is uncertainty in relation to the resource consent, enforcement and regulatory regime under a replacement to the RMA.		Some capital projects are scrapped or delayed, impacting service performance measures and service levels. If new developments are impacted, it would introduce funding uncertainties.								

#	Assumption	Level of Uncertainty	Risk	Consequence	Mitigation
28	Forecast return on investments	Medium	Interest rate margin for investments is higher or lower than the external debt rate.	Medium	Monitor and manage cashflows in line with our Treasury Management Policy to maximise returns on investments with appropriate investment terms.
		Interest rates for investments will be set at a margin compared to external debt rate and are in line with the projections prepared by Council's financial advisors. The estimated level of investments will be an outflow of cashflow modelling of cash inputs and outputs.		A reduction in investment income could mean that less income is available to offset rates, which could require a rates increase the following year to cover the shortfall in investment income.	
29	Income from the harvest of Council's forests	High	The market price for logs fluctuates substantially from projected and a lower income is obtained from the sale of logs.	Low	Continue to closely monitor the market price for logs and income levels derived from their sale.
		Council obtains income from the sale of logs harvested from forestry blocks. The level of income is subject to the price of logs sold on the open market. Factors influencing this market, including foreign exchange fluctuations and worldwide demand for logs are unpredictable. In this Long-term plan it was assumed that the income obtained from the sale of logs will be in-line with projected income.		A downwards movement in the price for logs or a drop in demand from one or more major buyer would negatively impact income from this activity. This would likely require deferring planned capital projects to access existing forestry blocks or establish new ones.	
30	Obligations under Local Government Funding Agency (LGFA) guarantee commitments	Low	New Zealand Local Government Funding Agency defaults on an interest or loan repayment.	High	Continue to monitor New Zealand Local Government Funding Agency guarantee commitments and overall position as set out in its reports.
		The risk of the LGFA defaulting on repayment of interest or capital is very low. If further funds are required, the local government legislation enables local authorities to levy a rate to recover sufficient funds to meet any debt obligations. In this Long-term plan it was assumed that the LGFA will not default on its repayment of interest or capital.		If the New Zealand Local Government Funding Agency defaults, a call on the unpaid capital would be made, which for Council is \$100,000. This call would raise \$20m from all Councils. If the amount defaulted is more than \$20m, Council is jointly liable with all other shareholder Councils and would be required to raise its share of funds to discharge the debt.	
31	Insurance	High	Localised claims affecting Council's insurance policies may have a flow on affect on premiums in the following years.	Medium	Annually review the assets and other risks Council insures for and identify the level of risk Council is willing to take.
		Localised and global impacts of events resulting in insurance claims may have an effect on the premiums council pays. In this Long-term plan it was assumed that no localised claims will occur that affect Council's insurance policy. The insurance rate paid in the first year will only be adjusted for inflation.		The consequence on Council financing will depend on the unforeseen increases to insurance claims. A 20% increase in premiums adds approximately 0.25% to rates.	

Extraordinary Council Meeting Agenda

16 April 2024

4.5 APPROVAL OF THE DRAFT REVENUE AND FINANCING POLICY FOR CONSULTATION**Author:** Aidan Smith, Senior Policy Advisor - Climate Change**Authorised by:** Nick Carroll, Policy Manager**TE PŪTAKE | PURPOSE**

This paper seeks your adoption of the draft Revenue and Financing Policy for consultation alongside the Long-term Plan 2024-34. A draft Revenue and Financing Policy is attached.

This paper sets out:

- the purpose of the Revenue and Financing Policy and the legal requirements
- the draft contents of the Revenue and Financing Policy
- proposed changes to the Revenue and Financing Policy
- the options for Council to consider.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

The draft Revenue and Financing Policy sets out how Council intends to fund its various activities and services – whether from:

- rates on the whole district
- rates on parts of the district
- or fees and charges for the use of services.

It also sets out how we will use revenues from:

- depreciation reserves
- the TEL fund (a \$65 million fund¹ from the sale of Taupō Electricity Limited and Taupō Generation Limited in 1995).
- the sale of land assets (particularly Council's east urban land holdings)
- that borrowing is the primary source of funding for capital expenditure.

This paper should be read in conjunction with the paper *Draft Fees and Charges for consultation* as there is a direct relationship between the funding approaches and proportions set out in the draft Revenue and Financing Policy and the setting of specific fees and charges.

The key changes proposed to the draft Revenue and Financing Policy are:

- An additional section setting out how the policy supports the principles set out in the Preamble to Te Ture Whenua Maori Act 1993 (a new legal requirement)
- proposed changes to the funding and rating approach for rubbish and recycling collection
- updates to reflect discontinuation of targeted rates for Whakamaru Fire protection and Tūrangi-Tongariro Community Board.
- Updates to our description of differentials
- Updates to the approach for using TEL fund revenues.
- Updating to the groups of activities and community outcomes

In the Appendix of the policy (also for adoption) is how the Council has determined the appropriate funding sources for each activity in line with Section 101(3) of the Local Government Act 2002.

Officers are seeking Council's approval of these changes and adoption of the draft Revenue and Financing Policy for consultation.

¹ As at 30 June 2023

Extraordinary Council Meeting Agenda

16 April 2024

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council approves the draft Revenue and Financing Policy 2024 for consultation subject to changes required as a result of the audit process.

TE WHAKAMAHUKI | BACKGROUND

The Revenue and Financing Policy is not required to be part of Council's long-term plan, nor is it required to be reviewed within any specified time period. However, Council typically reviews and updates its Revenue and Financing policy in line with its Long-term Plan to ensure alignment between the policy and update costs and revenues.

Council had a workshop on 5 October 2023 on Council's financial policies where an overview of the role and contents of Council's Revenue and Financing Policy and possible areas of change were presented, including:

- That the Uniform Annual General Charge of \$250 had not been updated for some time (since 2012/13).
- That possible Kerbside changes would have a different funding approach
- That dog fees and charges need review
- That Iwi and hapu have asked us to look at the toilet (pan) charges for wastewater, which significantly impact marae.
- That the pool funding may need updating.

Proposed changes and a draft Revenue and Financing Policy 2024 have since been prepared, which include the elements above plus some new changes.

Note that the pan charge for Marae is being addressed through a separate paper [*Rates Remissions and Postponement Policy for consultation* refers]

NGĀ KŌRERORERO | DISCUSSIONThe purpose of the Revenue and Financing Policy and its legal requirements

The Revenue and Financing Policy is required by legislation [Section 102 of the Local Government Act 2002, extract attached, refers]

The Revenue and Financing Policy ensures that Council determines the appropriate sources of funding for its activities as required by legislation [Section 101 of the Local Government Act 2002, extract attached, refers].

When choosing how to fund each activity Council must consider:²

- who benefits from the activity (including the period of those benefits and wider outcomes), including whether:
 - it's the community as a whole
 - it's a particular part of the community (like an area, or a group of people – say commercial properties)
 - individuals (e.g. pool users)
- who causes the harm or need for action (e.g. dogs)
- practicality and administration costs, and the costs and benefits of funding the activity distinctly from other activities.

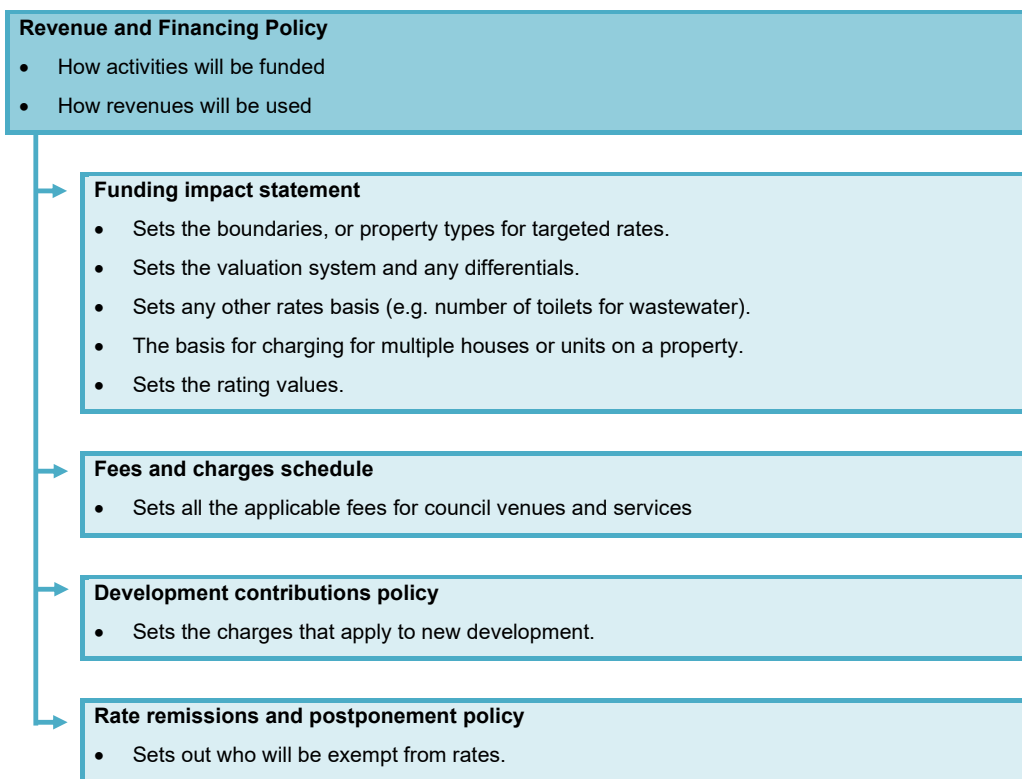
This assessment is provided in an appendix to the Policy, also for adoption.

Council must also consider the overall impact of possible funding arrangements on social, economic, environmental, and cultural well-being.

A copy of the legal requirements is attached [Attachment 2 – extracts of legal requirements]

The Revenue and Financing Policy sets this initial direction, and then subsequent policies and documents set out the details of funding and charges – see Figure 1 below.

² Summary of Section 101(3) of the Local Government Act 2002 (see attachment 2 for details).

Figure 1 - How the Revenue and Financing policy fits with other Long-term plan documentsThe draft contents of the Revenue and Financing Policy

The Revenue and Financing Policy sets the framework for how Council funds its operating expenses and capital expenditure. Then in Schedule 1 it sets out the funding approach for each of Council's activities. Appendix 1 provides the assessment against the considerations set out in Section 101(3).

A copy of the draft Revenue and Financing Policy 2024 for consultation is attached, with proposed changes from the current (2021) policy marked up [Attachment 1 – draft Revenue and Financing Policy 2024 (tracked changes)]

Proposed changes to the Revenue and Financing Policy

The key changes proposed to the draft Revenue and Financing Policy are:

- An additional section setting out how the policy supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993 (a new legal requirement)
- Proposed changes to the funding and rating approach for rubbish and recycling collection
- Updates to reflect discontinuation of targeted rates for Whakamaru Fire protection and Tūrangi-Tongariro Community Board.
- Updates to our description of differentials
- Updates to the approach for using TEL fund revenues
- Updating to the groups or activities and community outcomes

Extraordinary Council Meeting Agenda

16 April 2024

Activities Currently Outside the 2021 Policy Bands

Activity	Rates share forecast 2024/25	Fees & charges forecast 2024/25	Resolution
Regulatory compliance – Animal control and sundry compliance	74%	26%	<p>Bands in the proposed 2024 Policy are:</p> <p>Rates 50 – 70%</p> <p>Fees and Charges 30 - 50%</p> <p>Proposed 15% on average increase in fees and charges to stabilise. Council may need to do further increases to fees and charges in coming years to align with the policy.</p> <p>Further increases will need to be balanced against the risk of non-compliance driven by fees.</p>
Regulatory compliance – Liquor and Health licensing	53%	47%	<p>Bands in the proposed 2024 Policy are:</p> <p>Rates 35 – 45%</p> <p>Fees and Charges 55 – 65%</p> <p>Left the band as is, monitor new charges that have been proposed. Potential requirement for future increases if the proposed increases prove to be insufficient.</p> <p>Scope of increases is limited as some fees are set by legislation/central government.</p>
Venues - AC Baths	70%	30%	<p>Adjusted the band in proposed 2024 Policy. New proposed bands are:</p> <p>Rates 55 – 70%</p> <p>Fees and Charges 30 – 45%</p>
Venues - Turangi Turtle Pools	96%	4%	<p>Bands in the proposed 2024 Policy are:</p> <p>Rates 85 - 95%</p> <p>Fees and Charges 5 – 15%</p> <p>No adjustment to existing bands, monitor as costs are only 1% outside the bottom of the existing band.</p>
Venues - Taupo Events Centre	79%	21%	<p>Adjusted the band in proposed 2024 Policy. New proposed bands are:</p> <p>Rates 65 – 80%</p> <p>Fees and Charges 20 – 35%</p>
Venues - Great Lake Centre	91%	9%	<p>Bands in the proposed 2024 Policy are:</p> <p>Rates 75 – 85%</p> <p>Fees and Charges 15 – 25%</p> <p>No adjustment to existing bands, monitor costs and recovery from community vs commercial users. Intention is to move back in line with the Policy by managing user groups.</p>

Extraordinary Council Meeting Agenda

16 April 2024

Cemeteries	29%	71%	Adjusted the band in proposed 2024 Policy. New proposed bands are: Rates 0 – 30% Fees and Charges 70 – 100%
Solid waste disposal	26%	74%	Adjusted the band in proposed 2024 Policy as revenue is higher due to amounts of waste being disposed. New proposed bands are: Rates 25 – 45% Fees and Charges 55 – 75%
Housing for the Elderly	65%	35%	Adjusted the band in proposed 2024 Policy. New proposed bands are: Rates 50 – 70% Fees and Charges 30 – 50%

Based on this information it is considered that there are two options.

NGĀ KŌWHIRINGA | OPTIONSAnalysis of Options

Council can either adopt the draft Revenue and Financing Policy 2024 for consultation, or direct staff to make changes or provide additional information.

Adoption is sought to update and align Council's Revenue and Financing Policy with the draft long-term plan. It will form part of the supporting information for the long-term plan that Audit NZ will review. Adoption is desired today to allow Long-term Plan consultation to be undertaken over the planned period, and align with the project plan, including audit timeframes, and adoption by 30 September 2024.

If agreement on a draft for consultation cannot be reached today, officers will provide additional information and seek adoption at a special council meeting on 3 May 2024 to avoid missing or delaying consultation with the Long-term Plan 2024-34.

NGĀ HĪRAUNGA | CONSIDERATIONS**Ngā Aronga Pūtea | Financial Considerations**

The funding implications of the direction in the Revenue and Financing Policy are determined by the subsequent policies which set actual fees and charges, and the revenue and expenditure set out in the Long-term Plan.

Ngā Aronga Ture | Legal ConsiderationsLocal Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. It is considered that social / economic / environmental and / or cultural wellbeing are of relevance to this particular matter.

The proposal has been evaluated with regards to a range of legislation. The key legislation applicable to the proposal has been reviewed and the relevant matters for consideration are as follows:

Legal requirements are outlined above [see heading: *The purpose of the Draft Revenue and Financing Policy and its legal requirements*].

Ngā Hiraunga Kaupapa Here | Policy Implications

The Revenue and Financing Policy is a high-order policy which provides direction to other policies and the Long-term Plan. These must therefore be considered and adopted together.

Te Kōrero tahi ki te Māori | Māori Engagement

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. Council has a responsibility to act reasonably and in good faith to reflect the partnership relationship, and to give effect to the principles of Te Tiriti. These principles include, but are not limited to the protection of Māori rights, enabling Māori participation in Council processes and having rangatiratanga over tāonga.

Our statutory obligations outline our duties to engage with Māori, and enable participation in Council processes. Alongside this, we recognise the need to work side by side with the ahi kaa / resident iwi of our district. Engagement may not always be required by law, however meaningful engagement with Māori allows Council to demonstrate good faith and our commitment to working together as partners across our district.

Appropriately, the report author acknowledges that they have considered the above obligations including the need to seek advice, guidance, feedback and/or involvement of Māori on the proposed recommendation/s, objective/s, project/s or service/s outlined within this report.

The draft Revenue and financing Policy 2024 will be formally consulted on as part of the Long-term Plan consultation.

Ngā Tūraru | Risks

There are no known risks.

TE HIRANGA O TE WHAKATAU, TE TONO RĀNEI | SIGNIFICANCE OF THE DECISION OR PROPOSAL

This is considered to be a significant matter according to Council's Policy. Consultation is required by the legislation [Section 102 of the Local government act, extract attached, refers].

TE KŌRERO TAHI | ENGAGEMENT

Consultation with the community will be undertaken alongside the Long-term Plan 2024-34.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

Communication will be carried out as part of wider consultation with the community on the Long-term Plan 2024-34.

WHAKAKAPINGA | CONCLUSION

Officers recommend that you adopt the draft Revenue and Financing Policy for consultation (draft attached to this report). Consultation will happen alongside consultation for the Long-term Plan 2024-34.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Draft Revenue and Financing Policy 2024 for consultation
2. Extracts of legal requirements

Adopted:	30 June 2024
Next review date:	1 July 2027
Document number:	AXXX
Sponsor/Group:	Group Manager - Organisation Performance



REVENUE AND FINANCING POLICY 2024

Purpose and scope

1. This policy sets out who pays for the activities that Council undertakes on behalf of the community and how these activities will be funded. This policy is required under Sections 102 – 103 of the Local Government Act 2002.

1-2. When deciding how to fund an activity Council must consider the requirements as set out in Section 101(3)(a) of the Local Government Act 2002 the LGA s101(3) and s103. Council's consideration of these requirements can be found in the attached Schedule 1.

2. Council has prepared a s101(3) document which sets out the rationale for how and why each activity will be funded in a particular way and should be read in conjunction with this Revenue and Financing Policy. A copy of this document can be found at

Note: This policy was amended by Council resolution to remove the Five Mile Bay Water Capital Works targeted rate after consultation with the community through the 2022-23 Annual Plan process. Funding for infrastructure projects that are approved through the Long-term Plan to provide Council-supplied water to long-established communities previously not connected, will be funded from the District-Wide water targeted rate.

Council's funding policy

3. Council's funding policies are determined having consideration of the requirements of s101 (3) including consideration of who benefits, intergenerational equity, who contributes to the need for the activity, distinct funding and the overall impact of the method of funding.

4. Where we have been able to clearly identify a direct relationship between users and the service provided by Council and it is efficient and effective to do so, Council has applied either a targeted rate or fees and charges. Where the level of service provides a benefit to the community as a whole; is of a uniform nature; or where we are not able to identify the direct relationship between users and the service, we use general rates. In a number of instances, we use a mix of the general rate and fees and charges whilst also recognising the overall impact on the community and ability to pay. This philosophy also extends to the use of capital value as the basis for the general rate. The combination of capital value and a low uniform annual general charge supports our long-term strategic direction of balancing wants and needs with affordable and sustainable rates.

5. We also believe that individuals, groups and communities should pay for the services they receive at the time that they are using them (intergenerational equity). This is particularly important when we build significant infrastructure with an expected long life. Council seeks to match the term of borrowings with the average life of assets when practical, with a maximum loan term of 25 years. This enables Council to best match charges placed on the community against the period of benefits from capital expenditure.

6. Where possible other sources of revenue are collected including subsidies and grants. Good examples of this include the grants that we have successfully obtained from central government for water treatment in Turangi, Mangakino and Waitahanui. For example, grants from Waka Kotahi (The NZ Transport Agency) from fuel and road user taxes for transport operations, maintenance and

improvements. Development contributions are collected where possible for developments which create the need for additional infrastructure or place an additional demand on our existing infrastructure.

6.7. Due to increased pressure on some of our asset equity reserves, Council will be using rates to put additional funding into these reserves, to ensure they are not in deficit over the long-term. From year 3 in the Long-term Plan Council are also rates funding additional loan repayments for some of our Community Infrastructure to mitigate pressures on Council's debt.

Supporting the principles set out in the Preamble to Te Ture Whenua Māori Act 1993

8. In recognition of the principles of the Te Ture Whenua Māori Act, to recognise that land is taonga tuku iho of special significance to Māori people, and to support retention, occupation, use, and development of Māori land:

- Under this funding policy to reduce the rates burden, where we have been able to clearly identify a direct relationship between users and the service provided by Council and it is efficient and effective to do so, Council has applied either a targeted rate or fees and charges.
- Council's Development Contributions Policy will provide favourable payment conditions to support developments, including kaumātua housing and papakāinga, on Māori land.
- Council's Rates Remission and Postponement Policies will provide remission for rates for undeveloped Māori freehold land, and favorable remissions for land being developed.

Operating expenditure

7.9. Council funds operating expenditure from the general rate, targeted rates, fees ~~&~~ and charges, interest and dividends from investments, operating grants and subsidies, and other operating revenue. Council may choose to fund operating expenditure by other sources than those listed if it becomes available over the life of the Long-term Plan.

8.10. The LGA 2002 requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered by the Long-term Plan. The Funding Impact Statement shows how Council intends to implement the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

General Rate

9.11. General rates are used to fund activities where Council believes there is a public benefit to the community as a whole or to a portion of the community. Some individuals may or may not use or access the service however there is no practical or cost-effective method for charging individual users. Having a strong general rate funded system creates a simpler structure making it easier for ratepayers to understand how they are being rated and it is a more efficient and effective rating system to administer. Council uses a capital value rating system as the basis for setting and assessing General rates on a differential basis.

Differentials

10.12. Council applies differential factors greater than 1.0 to some categories of rateable land when assessing the general rate to recognise that there are differences in the level of service and therefore the benefits each differential rating category derives from the various services provided by Council and the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community. In some cases, costs to provide

some services are higher for some rating categories and this is considered when setting differentials and applying them to rating categories. Rating units are categorised based on land use or the zoning of the land.

Uniform Annual General Charge (UAGC)

44-13. A Uniform Annual General Charge set under section 15 of the Local Government (Rating) Act 2002 is assessed on every separately used or inhabited part of a rating unit in the district. Where separate parts of a rating unit fit within more than one category of rateable land for setting rates or where separate parts of a rating unit qualify for a rates remission a rating division may be created to accurately assess rates and/or apply remission. The Uniform Annual General Charge will be used to fund leadership, governance, advocacy, emergency management, animal control and cemeteries.

Targeted rates

42-14. A targeted rate means a rate to be used exclusively to pay for that operating expense where it can be targeted based on service provision or location. Targeted rates are used to target ratepayers who benefit exclusively from a service, or when Council believes that the benefits from the service are such that the principles of general rating (noted above) are not sufficient.

43-15. The activities or services where a targeted rate is applied are:

- *Sewage disposal – assessed on every rating unit connected or available to be connected (serviceable) to an accessible Council scheme on the basis of one charge per pan or urinal (with the exception of the residence of a single household, which shall be assessed only one charge).*
- *Water supply – fixed targeted rate assessed on each separately used or inhabited part of a rating unit*
- *District Refuse Disposal Charge - assessed on each separately used or inhabited part with the application of a differential to certain categories of rateable land.*
- ~~*Whakamaru fire protection – assessed on specified rating units within the Whakamaru Village as a fixed amount per rating unit.*~~
- *Whareroa Refuse rate - assessed on all rating units in the Whareroa rating area as a fixed amount per rating unit.*
- *Town Centre Taupō Management rate – assessed on each separately used or inhabited part of industrial/commercial rating units within the defined central business district of Taupō town.*
- ~~*Turangi-Tongariro Community Board – assessed on each separately used or inhabited part of all rating units within the Turangi-Tongariro ward.*~~

Formatted: Not Highlight

44-16. Council's Funding Impact Statement contains more details on these rates.

Fees and charges

45-17. Fees and charges are used where there is a direct benefit to an individual. The fee or charge is determined by considering the efficiency of imposing the fee or charge, considering the value that the service provides to the community (particularly in regard to community facilities) and the overall cost of providing the service. The activities where we have fees and charges and the proportion to be collected for a particular activity are illustrated in the table below. The actual fees can be found in the Fees and Charges Schedule in the Long-term Plan and on our website www.taupo.govt.nz

Interest and dividends from investments

~~16-18.~~ The interest and dividends from the general and special fund investments are used as an offset against general rates. The management of these investments is governed by the Treasury Management Policy. **The interest and dividends from earned on the TEL Fund will first be applied (by an amount equal to inflation proofing the capital of the fund) back to the capital of the fund, and then, reinvested until which time it may be used in the future the balance applied to a TEL Fund distribution reserve to be available for Council to distribute or accumulate in accordance with the TEL Community fund guiding principles.**

Grants and subsidies and other operating revenue

~~17-19.~~ Where possible Council applies for grants for specific projects, which helps to reduce the cost to the community. NZTA subsidies are received for maintenance of the local road network including passenger transport and community programmes. Other operating revenue includes but is not limited to rental income from property and petrol tax.

Capital expenditure

~~18-20.~~ Council funds capital expenditure from borrowing, development contributions, operating surpluses, sale of assets, subsidies, depreciation reserves and other financial reserves. Council may choose to fund capital expenditure by other sources than those listed if it becomes available over the life of the Long-term Plan.

Borrowing

~~19-21.~~ Council adopts a prudent approach to debt and its capital programme. Borrowing is managed within the framework specified in the Treasury Management Policy. While seeking to minimise interest costs and financial risks associated with borrowing, access to funding is of primary importance. Council seeks to match the term of borrowings with the average life of assets when practical, with a maximum loan term of 25 years. This enables Council to best match charges placed on the community against the period of benefits from capital expenditure.

~~20-22.~~ Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure including the sources outlined below. The Forecast Financial Statements included in the Long-term Plan contain a Prospective Statement of Borrowings. This Statement provides a summary of forecast borrowing levels, identifying the impact of capital expenditure and the various other capital funding sources listed above.

Development and financial contributions

~~21-23.~~ The charges under the Development Contributions Policy are used to fund the portion of capital expenditure which relates to growth. In reaching the requirement for contribution any increase in level of service or renewal of asset is identified and funded from other funding mechanisms. Where growth related infrastructure is funded by development contributions, debt servicing costs on that infrastructure may also be recovered through development contributions.

Sale of assets

~~22-24.~~ We have an on-going land disposal process with the net proceeds to be used to reduce debt. Assets which are no longer required for strategic or operational purposes may be sold with the net proceeds to be used to reduce debt. We will harvest Council owned forests as they reach maturity with the net proceeds to be applied to debt reduction.

Depreciation reserves and other financial reserves

~~23-25.~~ These reserves are used to fund the asset renewal program, capital expenditure and loan repayments.

Subsidies

| ~~24-26~~ Council receives Waka Kotahi (The NZ Transport Agency) subsidies for renewals and new capital expenditure for the District's transportation network. Where subsidies are available from central government for activities that Council undertakes, we will apply for these and if successful this will reduce the amount of loan funding required. ~~An example of this type of subsidy is the Ministry of Health subsidy for compliance with the Drinking Water Standards.~~

Schedule 1 - Summary of funding for Council's activities

Note: these are target ranges and are subject to a number of variables that may occur over any given financial year.

Group of Activities	Activity	Uniform annual charge	General rate	Targeted rate	Fees & charges
Community services Planning and regulatory	Community engagement		100%		
	Building compliance and development consents		20 – 40%		60 – 80%
	District Plan complianceResource consents		40 – 60%		40 – 60%
	Regulatory compliance – Liquor and Health licensing		35 – 45%		55 – 65%
	Regulatory compliance – Animal control & sundry compliance	50 – 70%	0-10%		30 – 50%
	Regulatory compliance – Parking		100%		
	Emergency management	100%			
Water	Water supply			95 – 100%	0 – 5%
	Whakamaru Fire Protection			100%	
Transport	Transport		95 – 100%		0 – 5%
Community facilities	Parks and reserves		90 – 100%		0 – 10%
	Sports grounds		90 – 100%		0 – 10%
	Venues – AC Baths		55 – 65%		35 – 45%
	Venues – Turangi Turtle Pools		85 – 95%		5 – 15%
	Venues – Mangakino Pools		85 – 100%		0 – 15%
	Venues – Taupo Events Centre		65 – 75%		25 – 35%
	Venues – Great Lake Centre		75 – 85%		15 – 25%
	Community Buildings – Community Halls		90 – 100%		0 – 10%
	Community Buildings – District Libraries		90 – 100%		0 – 10%
	Heritage, culture & public art – Taupo Museum & Art Gallery		85 – 95%		5 – 15%
	Housing for the Elderly		40 – 60%		40 – 60%
	Public conveniences (including Superloo)toilets		100%		
	Superloo		50 – 70%		30 – 50%
	Cemeteries	0 – 20%30%			80-70 – 100%
	Support services		100%2		
Wastewater Solid waste Waste and	Wastewater			95 – 100%	0 – 5%
	Litter control		100%		
	Refuse-Solid waste collection				100%

environmental management	Solid waste disposal and minimisation			45—55%25-45%	45—55%55-75%
	Waste management & minimisation	2	2	2	2
Stormwater	Stormwater		100%		
Democracy and planningCommunity leadership investments	Leadership, governance & advocacy	100%			
	Turangi-Tongariro Community board		70—90%	40—30%	
	Planning for the future22		100%		
	Community engagement & development		100%		
	Airport	2	2	2	2
	Protect delivery & support		100%2		
	Support services		100%2		
	Investments		100%		
Strategic property	Property		10—30%		70—90%
	Housing for the Elderly		40—60%50-70%		40—60%30-50%
Economic District development	Economic developmentDistrict development, visitor support & events		100%		
	Customer services		100%2		

APPENDIX 1 – SECTION 101(3) CONSIDERATIONS – REVENUE AND FINANCING POLICY 2024

1. This report sets out how the activities that Council undertakes are funded and the reasons why. This document meets the requirements of s101 (3) and s103 of the Local Government Act 2002 (LGA 2002).
2. Council is required to consider the following when deciding who should pay for an activity:

The community outcomes to which the activity primarily contributes [section 101(3)(a)(i) refers]

3. Community outcomes outline the outcomes that Council wants for the District. Our community outcomes were reviewed in 20~~24~~¹¹ and are:

- *Tangata whenua are acknowledged and respected*
- *Vibrant places and connected communities*
- *Resilient communities working in partnership*
- *Innovative, thriving economy*
- *Flourishing environment Growing Resilient Economies —our communities prosper in a thriving local economy with a diverse range of rewarding employment opportunities*
- *Enhancing Healthy and Sustainable Environments —a shared responsibility for places we are proud of*
- *Enabling Connected and Safe Communities —Council is connected with its communities, advocating for their social and cultural well-being*

Who benefits [section 101 (3) (a) (ii) refers]

4. Identifying who benefits from an activity provided by Council is important when considering who should pay for the services provided as part of an activity. Where there is a direct benefit to a user the primary benefit is to individuals, where a number of people or specific groups benefit then the primary benefit is attributed to groups. Where there is a benefit to the majority of persons or properties across the District then the primary benefit is attributed to the community. Generally speaking, if only individuals receive the benefits of an activity, some type of user-pays system may be considered. Alternatively, if the whole community or a large group within the community benefits then an appropriate funding option for that activity may be the general rate or a targeted rate respectively.

Intergenerational equity [section 101 (3) (a) (iii) refers]

5. Council must consider the period over which the benefits of an activity are expected to occur. The aim is to ensure that costs are shared fairly between today's beneficiaries and future beneficiaries. This is often referred to as intergenerational equity. For operating costs, the period of benefit for the rates share is generally ongoing as Council regularly provides the service. Benefits from the use of capital facilities and equipment are deemed to occur over the lifetime of the assets and as such will determine the type of funding that Council applies to the activity. Fees and charges recognise that the benefit is generally restricted to the period of use.

Who contributes to the need for the activity? [section 101 (3)(a)(iv) refers]

6. In choosing the appropriate funding mechanism for an activity, Council is mindful of the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity. Where possible, a contribution from those individuals or groups is sought.

Distinct funding [section 101 (3) (a) (v) refers]

7. Council must think about the costs and benefits of funding an activity distinctly from other activities, including consequences for transparency and accountability. Distinct funding means considering whether it is appropriate to have a separate rate, fee or charge for an activity or service. This is assessed on a case-by-case basis and includes considering the cost and efficiency of collecting separate revenues, the overall complexity of the rating system and the impact on transparency and accountability.

Overall impact of the method of funding [section 101 (3)(b) refers]

8. In addition to all the issues explained above, the LGA 2002 requires Council to consider the overall impact of any allocation of liability for revenue needs on the community. This includes current and future ratepayers. Council is of the view that it is not always possible or fair to allocate the cost solely on individuals' benefits (as if rates replicated user pays). It is through the collective contribution of the whole community that the wellbeing of the District is best improved. For these reasons Council prefers a strong general rate-based system. For example, if swimming pools were fully user-funded then charges would be higher than at present, and many people would be unable to afford the pool. Therefore, councils tend to fund pools predominately from general rates.

PLANNING AND REGULATORY
COMMUNITY SERVICES

Council provides three activities in this group:

- Community engagement services
- Regulatory services
- Emergency services

Community engagement services

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Community engagement (including safer communities, community grants and rates remissions)	Primarily contributes to the Enabling Connected and Safe Communities Outcome	Individuals and Groups that use the services and community as a whole	Ongoing	Individuals and groups within the community	Groups and individuals could be charged however the transaction costs of separate funding outweigh the benefits.	100% General Rate	The benefit to the whole community outweighs the costs associated with identifying individual groups. 100% general rate is therefore considered the most appropriate and efficient funding source.

Regulatory services

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Building compliance and development consents	Primarily contributes to the Resilient communities working in partnership	Individuals, community as a whole	Ongoing	Individuals building houses. Builders and developers must meet the required	There are transparency, accountability and efficiency benefits from distinct funding	60 – 80% fees and charges 20 – 40% General Rate	Individuals can be identified that directly benefit from the services. However, the community as a whole benefits

	Enhancing Healthy and Sustainable Environments Outcome			standards. Council is able to identify non-compliance with legislation and can take action against offenders.	via fees and charges.		from well-constructed and maintained buildings. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.
District Plan complianceResource consents	Primarily contributes to the Resilient communities working in partnership Enhancing Healthy and Sustainable Environments Outcome	Individuals, community as a whole	Ongoing	Individuals, developers and the general community contribute to the need for this activity when appealing Council decisions and upholding the integrity of the District Plan.	There are transparency, accountability and efficiency benefits from distinct funding via fees and charges.	40 – 60% fees and charges 40 – 60% General Rate	Individuals can be identified that directly benefit from the services. However, the community as a whole benefits from maintaining the integrity of the District Plan. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.
Regulatory compliance – Liquor and Health licensingLiquor and health licensing	Primarily contributes to the Vibrant places and connected communities Enhancing Healthy and Sustainable Environments Outcome	Individuals, community as a whole	Ongoing	The persons to who licences and consents are granted.	There are transparency, accountability and efficiency benefits from distinct funding via fees and charges. These can be funded separately up to any limits imposed by	55 – 65% fees and charges (set by legislation) 35 – 45% General Rate	Individuals can be identified that directly benefit from the services. However, the community as a whole benefits from ensuring compliance with the relevant public health legislative rules and regulations. A split of fees and charges, and the general rate is therefore considered the most

					central government.		appropriate and efficient funding sources.
<u>Regulatory compliance – Animal control & sundry</u> <u>Animal control</u>	Primarily contributes to the <u>Vibrant places and connected communities</u> Enhancing Healthy and Sustainable Environments Outcome	Individuals, community as a whole	Ongoing	Animal owners whose dogs or stock are lost or wandering increases demand.	There are transparency, accountability and efficiency benefits from distinct funding via fees and charges.	30 – 50% fees and charges 50 – 70% Uniform Annual General Charge (UAGC)	Individuals are clearly identifiable for the registration of dogs. The owners of lost or wandering animals can also be charged, provided Council can identify and contact owners. However, the community as a whole benefits from increased safety through compliance and enforcement. A split of fees and charges, and the UAGC is therefore considered the most appropriate and efficient funding sources.
<u>Regulatory compliance – Parking</u>	Primarily contributes to the <u>Vibrant places and connected communities</u> Enhancing Healthy and Sustainable Environments Outcome	Individuals, Community as a whole	Ongoing	The lack of an extensive public transport service increases the need for parking.	Council could charge for parking. However, the transaction costs outweigh the benefits.	100% general rate	Free parking assists in attracting residents and visitors to the town centres and contributes to economic development. Both residents and visitors use parking around the District 100% general rate is therefore considered the most appropriate and efficient funding source.
<u>Emergency Management</u>	Primarily contributes to the <u>Resilient communities working in</u>	<u>Community as a whole</u>	<u>Ongoing</u>	<u>No one specifically.</u>	<u>It is not possible to identify the beneficiaries of this service so separate</u>	<u>100% UAGC</u>	<u>Emergency management services are provided throughout the District when needed and cannot be funded efficiently via a separate mechanism. This activity is</u>

	<u>partnership Outcome</u>				<u>charging is not feasible.</u>		<u>provided to assist in the event of an emergency.</u> <u>A 100% UAGC is therefore considered the most appropriate and efficient funding source. This allows Council to remain prepared if and when an event occurs.</u>
--	----------------------------	--	--	--	----------------------------------	--	--

Emergency management services

WATER SUPPLY

Council operates and maintains 18 water reticulation schemes for residential, rural and commercial use. Water from these schemes is also used for firefighting purposes.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Water supply	Primarily contributes to the <u>Resilient communities working in partnership Growing Resilient Economies Outcome</u>	Property owners connected to or accessing Council's water supply. Groups that use services that are connected to the supply (e.g., schools, health services, commercial premises).	Service benefits occur in the current year. Benefits from the use of the assets occur over their lifetime.	The Ministry of Health requires communities to fund a higher standard of water quality than many wish to purchase. Residential, commercial and industrial growth generates demand for new	A full charge will be made for each connected separately used or inhabited part of the rating unit and a half charge for serviceable separately used or inhabited parts of a rating unit (those within 100 metres of any part of the waterworks).	95 – 100% targeted rate 0 – 5% fees and charges	All rating units that are connected to a Council water scheme are charged a fixed targeted rate, regardless of where the property is situated within the district. Volumetric water metering charges also apply where a water meter is installed. 95%-100% targeted rate and 0%-5% fees & charges is therefore considered the most

		Public health benefits for the whole community having safe drinking water and water for firefighting purposes.		connections to water schemes. Current and future water demand is driven by the volumes used or conserved.	Meters are compulsory for all industrial/commercial properties within the district & are also mandatory in other places where there is potential for high water use, according to consent conditions. There are transparency and accountability benefits from separate charging for water supply services.		appropriate and efficient funding sources.
Whakamaru Fire Protection	Primarily contributes to the Growing Resilient Economies Outcome	Individuals	Service benefits occur in the current year. Benefits from the use of the assets occur over their lifetime.	No-one specifically	There are transparency and accountability benefits from separate charging this service.	100% targeted rate	The individuals who receive the benefit of this service are identifiable. A targeted rate is considered the most effective way to charge for this service. 100% targeted rate is therefore considered the most appropriate and efficient funding source.
Five Mile Bay Water Capital Works	Primarily contributes to the Growing Resilient Economies Outcome	Individuals	Service benefits occur in the current year. Benefits from the use of the assets occur over their lifetime	The Ministry of Health requires communities to fund the costs of high standard water.	A fixed targeted rate to fund 50% of the capital works costs of the infrastructure required to supply water to each rating unit (whether connected or not) within the defined Five Mile Bay area	100% targeted rate	The individuals who receive the benefit of this service are identifiable. A targeted rate is considered the most effective way to charge for this service. 100% targeted rate is therefore considered the most appropriate and efficient funding source.

Dependant on the capital expenditure projects that occur in any given year and the growth component of those projects a development contribution may be collected.

TRANSPORT

Council provides transport services so that people and goods can be transported on District roads, footpaths, and cycleways. Council seeks central government subsidies from New Zealand Transport Agency (NZTA) for its work wherever possible and planning the transport programme is heavily influenced by the likelihood of receiving NZTA subsidies.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Transport	Primarily contributes to the Vibrant places and connected communities Growing Resilient Economies Outcome	Community as a whole	Service benefits occur in the current year. Benefits from the use of the assets occur over their lifetime.	Heavy trucks and high-volume users' impact on the quality of our roading network. Specific industries also have an impact that is monitored on an on-going basis.	Transport is a complex activity with multiple beneficiaries. It would be impractical to identify all these beneficiaries individually and to charge them accordingly. As such it is not considered efficient to have significant separate charges.	95 – 100% general rate 0 – 5% fees and charges	A strong and safe transport network benefits the community as a whole and is a key component of the district's social and economic development. Users of the roads receive a direct benefit through an integrated road network. The general rate is the most effective way of funding this activity. Subsidies from central government (which include the District's share of petrol taxes) and development contributions are the most efficient way of targeting contributors. 95%-100% general rate and 0%-5% fees & charges is therefore considered the most appropriate and efficient funding sources.

Dependant on the capital expenditure projects that occur in any given year and the growth component of those projects a development contribution may be collected.

COMMUNITY FACILITIES

Council provides a wide range of community facilities for sport and recreational use of residents, ratepayers and visitors.

Parks, reserves and sportsgrounds

Council provides and maintains parks and resources around the District with related assets including barbecues, bike racks, picnic tables, park benches, lighting, paving, fences, retaining walls and signage. This activity also includes work undertaken on the lakeshore reserves as a consequence of erosion. Additionally, Council provides and maintains a range of sportsgrounds for rugby, league, football, hockey, cricket, netball and tennis. It includes all of the associated infrastructure such as goals and posts, lighting, fences, toilets, changing rooms, and public toilets at or near sportsgrounds. Council also provides an allocation and booking service for clubs and sports groups.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Parks and reserves (includes sportsgrounds)	Primarily contributes to the Vibrant places and connected communities Enhancing Healthy and Sustainable Environments Outcome	Individuals, Groups, Community as a whole	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	The District's high visitor numbers create demand for greater service provision than the usually resident population requires.	There are specific parks and reserves around the District where Council can charge for use. However, the majority of these areas are available for the general public at any time.	90 – 100% general rate 0 – 10% fees and charges	As the majority of parks and reserves in the District are available for the enjoyment of the public at any time the general rate is an effective way of funding this activity. Where Council is able to charge for specific parks and reserves fees and charges are the most appropriate funding mechanism for sportsgrounds there are limits to how much clubs, especially for school sports, can pay. This is reflected in the small fee and charge component. There is also an economic benefit through national and regional sports tournaments that bring sports people and their families to the District. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

Sportsgrounds	Primarily contributes to the <u>Vibrant places and connected communities</u> Growing Resilient Economies Outcome	Individuals, Groups, Community as a whole	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	Groups and events that utilise the sportsgrounds.	Council is able to charge individual users and clubs who utilise the grounds and facilities. However, the majority of these areas are available for the general public at any time.	90—100% general rate 0—10% fees and charges	The community benefits from being able to use the facilities for general recreation, while clubs and individuals also benefit from the grounds at other times. There is also an economic benefit through national and regional sports tournaments that bring sports people and their families to the District. These services can be partly funded separately by fees and charges, but there are limits to how much clubs, especially for school sports, can pay. This is reflected in the small fee and charge component. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.
----------------------	--	---	---	---	---	--	--

Venues

Council provides and maintains a number of venues across the District. This includes the AC Baths, Taupō Events Centre (Fitness Studio, Stadium), Great Lake Centre, Turangi Aquatic Centre, Turangi Gym, Mangakino Pool, and Mangakino Sports Hall. Due to their size and the level of activity the pools, Events Centre and Great Lake Centre require a separate funding policy over and above that of venues generally.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Venues – Pools (AC Baths, Turangi Turtle)	Primarily contributes to the <u>Vibrant places and</u>	Individuals, groups and	Service benefits occur	The District's high visitor numbers create demand for greater service	Users can be charged for this service. However, charges need to be	AC Baths	Users are clearly identifiable. However, swimming pools provide a range of benefits to our communities. The Turangi

Taupō District Council Revenue and Financing Policy

Page | 17

Pools and Mangakino Pool)	connected communities Growing Resilient Economies Outcome	community as a whole	in the current year. Benefits from the use of assets occur over their lifetime.	provision than the usually resident population requires.	reasonable otherwise they are likely to discourage users.	<p>35-30 – 45% fees and charges</p> <p>55 – 6570% general rate</p> <p>Turangi Turtle Pools</p> <p>5 – 15% fees and charges</p> <p>85 – 95% general rate</p> <p>Mangakino Pool</p> <p>0 – 15% fees and charges</p> <p>85 – 100% general rate</p>	<p>and Mangakino Pools recognise a significant public funding component (85%-100%) on the basis of wider social responsibility.</p> <p>A public funding input (55%-65%) for the AC Baths is based on the economic and social benefits accruing to the wider community from the operation of the pool facility. There is also a wider range of services provided at the AC Baths which accounts for the higher level of fees applied.</p> <p>A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.</p>
Venues – Taupō Events Centre	Primarily contributes to the Vibrant places and connected communities Growing Resilient Economies Outcome	Individuals, groups and community as a whole	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	The District's high visitor numbers create demand for greater service provision than the usually resident population requires.	Users can be charged for this service. However, charges need to be reasonable otherwise they are likely to discourage users.	<p>25-20 – 35% fees and charges</p> <p>65 – 7580% general rate</p>	<p>The venue is used by groups and individuals which creates the ability to apply fees and charges. Council supports the use of the venue as it assists in meeting the social needs of current and future generations. This support is recognised in the split between fees and charges and the general rate. Increasing the fees and charges is likely to result in a reduction in community use.</p>

							A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.
Venues – Great Lake Centre	Primarily contributes to the <u>Vibrant places and connected communities</u> Growing Resilient Economies Outcome	Individuals, groups and community as a whole	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	The District's high visitor numbers create demand for greater service provision than the usually resident population requires.	Users can be charged for this service. However, charges need to be reasonable otherwise they are likely to discourage users.	15 – 25% fees and charges 75 – 85% general rate	The venue is used by groups and individuals which creates the ability to apply fees and charges. Council supports the use of the venue as it assists in meeting the social needs of current and future generations. This support is recognised in the split between fees and charges and the general rate. Increasing the fees and charges is likely to result in a reduction in community use. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

Community halls

Council provides and maintains community halls around the District.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
----------	--------------------	--------------	-------------------	-----------------------------	------------------	----------------	-------------------

Community buildings – Community Halls	Primarily contributes to the <u>Vibrant places and connected communities</u> Enabling Connected and Safe Communities Outcome	Groups (especially in those areas where a Community Hall is located), community as a whole.	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	No one specifically.	Users can be charged separately. However, charges need to be reasonable otherwise they are likely to discourage users.	0 – 10% fees and charges 90 – 100% general rate	The primary beneficiaries are those that use the Community Halls. However, the wider community benefits through enabling communities to be active and connected. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.
--	--	---	---	----------------------	--	--	---

District Libraries

Council provides a library service operating in Taupō, Turangi and Mangakino.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Community Buildings – District Libraries	Primarily contributes to the <u>Vibrant places and connected communities</u> Enabling Connected and Safe Communities Outcome	Individuals, community as a whole.	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	No one specifically.	Users can be charged separately. However, charges need to be reasonable otherwise they are likely to discourage users.	0 – 10% fees and charges 90 – 100% general rate	The District Libraries provide social and cultural benefits to the individuals that visit. There is also a wider community benefit which includes an ability to encourage education, a social environment and an important source of supplying public information. These community benefits are recognised in the split between fees and charges and the general rate. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

Taupō Museum and Art Gallery

Council provides a District Museum and Art Gallery to recognise, protect and promote the District's heritage, build and strengthen community identity, and encourage and support a thriving arts community. A feature of the Museum is the Tūwharetoa Gallery that houses taonga on loan from Ngāti Tūwharetoa. The Museum courtyard is also available for private hire.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Heritage, culture & public art - Taupo Museum & Art Gallery Taupō Museum	Primarily contributes to the Vibrant places and connected communities Enabling Connected and Safe Communities Outcome	Individuals, groups and community as a whole	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	No one specifically.	Users can be charged separately.	5 – 15% Fees and Charges 85 – 95% General Rate	The Museum and Art Gallery provides cultural or recreational benefits to the individuals that visit. There is also a wider community benefit that includes economic, social and cultural benefits of protecting our history. These community benefits are recognised in the split between fees and charges and the general rate. Increasing the fees and charges is likely to result in a reduction in use. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.

Housing for the Elderly

~~Council provides and maintains housing units in Taupō, Mangakino and Turangī, primarily for elderly residents with low incomes.~~

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
----------	--------------------	--------------	-------------------	-----------------------------	------------------	----------------	-------------------

Housing for the Elderly	Primarily contributes to the Enabling Connected and Safe Communities Outcome	Individuals	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	Individuals requiring affordable accommodation.	Users can be charged separately. However, charges need to be reasonable otherwise they are likely to discourage users.	40—60% fees and charges 40—60% general rate	The beneficiaries are the tenants who receive accommodation at affordable prices. There is a public and social benefit in having housing for the elderly units reflecting a community that cares. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.
--------------------------------	--	-------------	---	---	--	--	--

Public toilets

Council provides a high standard of showers, toilets and changing facilities at the Superloo, for visitors, and more than 50 public toilets around the District.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Public Toilets conveniences (including Superloo)	Primarily contributes to the <u>Flourishing environment</u> Enhancing Healthy and Sustainable Environments Outcome	Individuals, community as a whole	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	Visitors to the District increase the need	Users can be charged separately. However, <u>with the exception of the Superloo</u> , it is not practicable to identify everyone who uses these facilities and the transaction costs outweigh the benefits.	100% general rate	Given the impracticality of charging individuals and the wider community benefit of providing amenities for residents and visitors to the District the general rate is considered the most appropriate source of funding. 100% general rate is therefore considered the most appropriate and efficient funding source. <u>The District benefits from having visitors and providing public amenities is part of ensuring visitors enjoy their stay. Beyond user charges, the</u>

							<p><u>costs are only borne efficiently by the whole community and limited transparency benefits from distinct funding would be less than the transaction costs. The Superloo was built to offer a first class service and a fee reflects the enhanced service applied.</u></p> <p><u>A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.</u></p>
Superloo	Primarily contributes to the Growing Resilient Economies Outcome	Individuals; community as a whole	<p>Service benefits occur in the current year.</p> <p>Benefits from the use of assets occur over their lifetime.</p>	Visitors to the District increase the need	Users can be charged separately.	<p>30—50% Fees and Charges</p> <p>50—70% General Rate</p>	<p>The District benefits from having visitors and providing public amenities is part of ensuring visitors enjoy their stay. Beyond user charges, the costs are only borne efficiently by the whole community and limited transparency benefits from distinct funding would be less than the transaction costs. The Superloo was built to offer a first class service and a fee reflects the enhanced service applied.</p> <p>A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.</p>

Cemeteries

Council provides, operates and maintains three cemeteries (Taupō, Turangi and Mangakino), and maintains or assists with maintenance of Urupa (Maori burial grounds).

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Cemeteries	Primarily contributes to the Flourishing environment Enhancing Healthy and Sustainable Environments Outcome	Individuals	Benefits occur over the lifetimes of family members, who tend to use enduring memorials (headstones, etc.) to mark graves.	No one specifically.	Services can be charged to individual users on a plot basis, to cover the lifetime cost of those services.	0 – 20 30% UAGC 80-70 – 100% fees and charges	Interment and maintenance of the district's cemeteries are mainly of private benefit. The users are the deceased and those related to the deceased and as such can be linked to individuals. There is an element of public good in terms of ensuring that public health requirements are maintained. A split of fees and charges, and a UAGC is therefore considered the most appropriate and efficient funding sources.
Support Services							

WASTEWATER

Council provides reticulated wastewater systems for twelve communities in the District. Public health risks are minimised by Waikato Regional Plan rules that require septic tanks and other contained systems where Council does not provide a reticulated system.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Wastewater	Primarily contributes to the Flourishing environment Enhancing Healthy and Sustainable	Ratepayers connected to the system. There are also public health benefits for the	Service benefits occur in the current year. Benefits from the use of assets occur	The need for the activity is increased by peak demands experienced over the summer period.	The rating units connected or available to be connected to a Council scheme are easily identified.	95 – 100% targeted rate (charged on a sliding scale) 0 – 5% fees and charges	Direct users of the wastewater system clearly receive the benefit. There is also a high public benefit in relation to the promotion of public health. A targeted general rate is applied to ratepayers that are connected to a wastewater

	Environments Outcome	community as a whole.	over their lifetime.				<p>scheme. This is considered the most efficient method of funding as the benefit users receive is the same regardless of volume</p> <p>95%-100% targeted rate and 0%-5% fees & charges is therefore considered the most appropriate and efficient funding sources.</p>
--	----------------------	-----------------------	----------------------	--	--	--	---

Dependant on the capital expenditure projects that occur in any given year and the growth component of those projects a development contribution may be collected.

WASTE AND ENVIRONMENTAL MANAGEMENT

Council provides waste collection, disposal and recycling services to keep the District and its waterways clean, tidy and attractive. Council also provides litter and recycling bins throughout the District, mainly in town centres and parks and reserves. Council operates a District waste disposal service at the Broadlands Rd landfill, and provides transfer stations at Kinloch, Mangakino, Whareroa, Omori and Turangi. Council also maintains three closed landfills (Taupō, Turangi and Mangakino) to ensure that decomposing waste does not have adverse effects on the environment.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Litter control	Primarily contributes to the <u>Flourishing environment</u> <u>Enhancing Healthy and Sustainable Environments</u> Outcome	Community as a whole	Ongoing	People who want to discard rubbish while in town, and while using parks and reserves cause the need for litter control. The packaging practices of manufacturers and retailers also increase the need for litter control.	It is not practicable to identify everyone who uses this service.	100% General Rate	<p>Both ratepayers and residents receive a benefit from this service, therefore the most efficient and transparent funding method is the general rate. This activity contributes to the environmental and social considerations for the community as a whole.</p> <p>100% general rate is therefore considered the most appropriate and efficient funding source.</p>

<u>Refuse collection</u>	Primarily contributes to the <u>Flourishing environment</u>	Individuals	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	High levels of product packaging increase the need for the service.	Users can be charged separately.	100% fees and charges	Refuse collection can be fully user funded, which also provides an incentive for residents and ratepayers to reduce their refuse volumes. 100% fees and charges are therefore considered the most appropriate and efficient funding source.
<u>Solid waste disposal and minimisation</u>	Primarily contributes to the <u>Flourishing environment</u>	Individuals, community as a whole	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	High levels of product packaging exacerbate the need for the service.	Charges can be applied at the Broadlands Road Landfill and the transfer stations around the District for waste materials. However, charges need to be reasonable to minimise dumping.	45-25 – 55 45% targeted rate (set charge across each ratepayer) 45-55 – 55 75% fees and charges	The funding split between a targeted rate and fees and charges is in an attempt to encourage waste minimisation. Individuals do not pay to recycle at the disposal facilities around the District which assists with reducing volumes to landfill. A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.
<u>Waste management & minimisation</u>	<u>Primarily contributes to the Flourishing environment</u>						

STORMWATER

Council provides stormwater services which include a reticulated network in the Taupō, Turangi and Mangakino central business and industrial areas, an urban stormwater network, culverts in rural areas, and a reticulated stormwater network.

Taupō District Council Revenue and Financing Policy

Page | 26

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Stormwater	Primarily contributes to the <u>Flourishing environment</u> <u>Enhancing Healthy and Sustainable Environments</u> Outcome	CBD and industrial properties that are connected to the network and the community as a whole.	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	For the whole District, road users are the main offenders, contributing road sediment that must be treated, and those that drop litter to a lesser degree.	Council could charge those ratepayers (mainly commercial) whose properties connect directly to the network for their higher levels of stormwater service. However, the transaction costs outweigh the benefits.	100% general rate	The service is provided primarily for its environmental benefits to mitigate pollution and erosion effects on waterways. Stormwater services are also provided, to a lesser degree, for public safety (flooding risk from stormwater). 100% general rate is therefore considered the most appropriate and efficient funding source.

Dependant on the capital expenditure projects that occur in any given year and the growth component of those projects a development contribution may be collected.

DEMOCRACY AND PLANNING COMMUNITY LEADERSHIP

Council provides District leadership, governance and advocacy services to meet the current and future needs of the District and its residents. The Turangi-Tongariro Community Board operates as a communication channel with Council, and advocates for its own communities, so that locally important decisions are made with input from local residents. Council provides a wide range of policy and long term planning services, including financial policy, planning and reporting, and development of the District Plan.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Leadership, governance & advocacy	Primarily contributes to the <u>Resilient communities working in partnership</u> <u>Enabling Connected and Safe Communities</u> Outcome	Community as a whole	Ongoing	No one specifically.	It would be impossible to determine a fee which was proportional to the specific benefits for each ratepayer or household.	100% UAGC	Providing leadership and advocacy for the District and the people who live here is very important. It ensures that the voice of our communities is heard at a national and regional level. This is an activity that provides benefits for ratepayers and residents on an on-going basis and covers a range of

							<p>issues, some of which take multiple years to resolve.</p> <p>100% UAGC is therefore considered the most appropriate and efficient funding source.</p>
Turangi-Tongariro Community Board	Primarily contributes to the Enabling Connected and Safe Communities Outcome	Residents and ratepayers of the Turangi-Tongariro ward. There is also a lesser benefit to the community as a whole.	Ongoing	No-one specifically.	Ratepayers in the Turangi-Tongariro ward can be charged for this service.	<p>40%-30% targeted rate</p> <p>70%-90% general rate</p>	<p>A clear community of interest can be identified and the benefit the Board supplies. However there is also a wider benefit to the community as a whole from local input into the decision making process.</p> <p>A split of targeted and general rates is therefore considered the most appropriate and efficient funding sources.</p>
Planning for the future	Primarily contributes to the <u>Resilient communities working in partnership</u> Enabling Connected and Safe Communities Outcome	Community as a whole	Ongoing	Central and regional government policy, planning and standard setting create demand for these services. Residents and ratepayers also require a measure of certainty about the governance and policy in operation in the District.	It would be impractical to identify and charge individuals for this activity.	100% general rate	<p>Because the community as a whole is the primary beneficiary, the benefits of separate funding are outweighed by the lower transaction costs and the efficiency benefits of funding this service via the general rate.</p> <p>100% general rate is therefore considered the most appropriate and efficient funding source.</p>

Community engagement services

Taupō District Council Revenue and Financing Policy

Page | 28

<u>Activity</u>	<u>Community Outcomes</u>	<u>Who benefits</u>	<u>Period of benefit</u>	<u>Who contributes to the need</u>	<u>Distinct funding</u>	<u>Funding source</u>	<u>Funding rationale</u>
<u>Community engagement & development (including safer communities, community grants and rates remissions)</u>	Primarily contributes to the <u>Resilient communities working in partnership</u> Enabling <u>Connected and Safe Communities Outcome</u>	Individuals and Groups that use the services and community as a whole	Ongoing	Individuals and groups within the community	Groups and individuals could be charged however the transaction costs of separate funding outweigh the benefits.	100% General Rate	The benefit to the whole community outweighs the costs associated with identifying individual groups. 100% general rate is therefore considered the most appropriate and efficient funding source.
<u>Investments</u>	Primarily contributes to the <u>Resilient communities working in partnership Outcome</u>	Ratepayers and community as a whole.	Ongoing	No one specifically.	The benefits of this activity are applied across the community as a whole and distinct funding is not appropriate.	100% general rate	Any expenditure required to manage this activity is funded 100% general rate. The net revenue from the activity is either used as an offset against general rates and/or reducing general rate funded debt. It is not used to reduce debt which relates to activities where a targeted rate applies. The interest and dividends earned on the TEL Fund will first be applied (by an amount equal to inflation proofing the capital of the fund) back to the capital of the fund, and then, reinvested until which time it may be used in the future for Council to distribute or accumulate in accordance with the TEL Community fund guiding principles. The interest and dividends from the TEL Fund will first be applied (by an

							amount equal to inflation proofing the capital of the fund) back to the capital of the fund, and then the balance applied to a TEL Fund distribution reserve to be available for Council to distribute or accumulate in accordance with the TEL Community fund guiding principles.
Airport	Primarily contributes to the Innovative, thriving economy Outcome						
Project delivery & support							
Support services							

INVESTMENTS STRATEGIC PROPERTY

Council manages a range of investments in land, forestry and capital markets.

Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
Investments (TEL fund, forestry and general investments)	Primarily contributes to the Growing Resilient Economies Outcome	Ratepayers and community as a whole.	Ongoing	No-one specifically.	The benefits of this activity are applied across the community as a whole and distinct	100% general rate	Any expenditure required to manage this activity is funded 100% general rate. The net revenue from the activity is either used as an offset against general rates and/or reducing

					funding is not appropriate.		<p>general rate funded debt. It is not used to reduce debt which relates to activities where a targeted rate applies.</p> <p>The interest and dividends from the TEL Fund will first be applied (by an amount equal to inflation proofing the capital of the fund) back to the capital of the fund, and then the balance applied to a TEL Fund distribution reserve to be available for Council to distribute or accumulate in accordance with the TEL Community fund guiding principles.</p>
Property (including motor camps, residential and commercial land and property)	Primarily contributes to the <u>Resilient communities working in partnership</u> Growing Resilient Economies Outcome	Individuals, community as a whole.	Service benefits occur in the current year. Benefits from the use of assets occur over their lifetime.	Visitors to the District, new businesses to the District.	Council is able to charge for the use of property by way of fees and charges.	10 – 30% general rate 70 – 90% fees and charges	<p>Most of the costs associated with this activity are covered by those that use the properties. These costs are recovered by fees and charges. Where there are costs to maintain these properties the general rate is considered the most appropriate form of funding given that the overall benefit of this activity applies to the community as a whole. The benefits and costs of the motor camps are covered by fees and charges.</p> <p>A split of fees and charges, and the general rate is therefore considered the most</p>

							appropriate and efficient funding sources.
<u>Housing for the Elderly</u>	<u>Primarily contributes to the Resilient communities working in partnership Outcome</u>	<u>Individuals</u>	<u>Service benefits occur in the current year.</u> <u>Benefits from the use of assets occur over their lifetime.</u>	<u>Individuals requiring affordable accommodation.</u>	<u>Users can be charged separately. However, charges need to be reasonable otherwise they are likely to discourage users.</u>	<u>430 – 650% fees and charges</u> <u>450 – 670% general rate</u>	<u>The beneficiaries are the tenants who receive accommodation at affordable prices. There is a public and social benefit in having housing for the elderly units reflecting a community that cares.</u> <u>A split of fees and charges, and the general rate is therefore considered the most appropriate and efficient funding sources.</u>

ECONOMIC DISTRICT DEVELOPMENT

Council supports and promotes economic development within the District. This includes supporting Destination Great Lake Taupō, Enterprise Great Lake Taupō, Go Tongariro and Town Centre Taupō, and the facilitation of events.

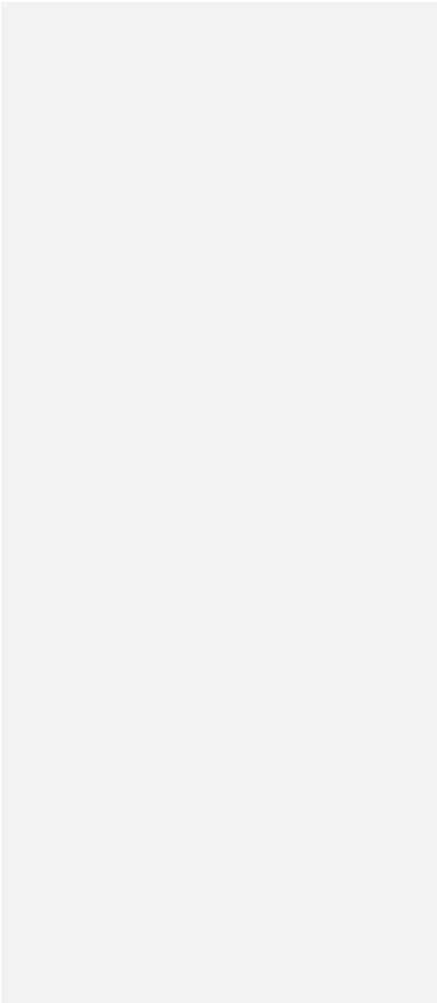
Activity	Community Outcomes	Who benefits	Period of benefit	Who contributes to the need	Distinct funding	Funding source	Funding rationale
<u>Economic Development District Development, Visitor support & events</u>	<u>Primarily contributes to the Innovative, thriving economy Growing Resilient Economies Outcome</u>	<u>Individuals, groups and community as a whole</u>	<u>Ongoing</u>	<u>Events that are run in the District.</u> <u>Visitors to the District</u> <u>Additional demand may be placed on some of Councils</u>	<u>Council could target larger high profile visitor industry beneficiaries' e.g. Supermarkets, accommodation providers and activity providers. However, Council cannot easily identify properties</u>	<u>100% general rate</u>	<u>Council supports and promotes economic development within the District to assist with meeting the social and economic needs of current and future communities. The long-term nature of this type of investment means that the</u>

Taupō District Council Revenue and Financing Policy

Page | 32

				services or facilities by businesses who wish to locate within the District.	used for short-term home based accommodation such as Airbnb and holiday homes that are available to rent. There is limited transparency and accountability with this approach as apart from making sure each individual or business owner who receives a direct benefit is identified it is also an issue of determining an equitable proportion of funding versus the benefit received. Council can charge event operators for the service it provides.		benefits cannot be directly attributed to individuals. The promotion of the district as a tourist destination is of benefit primarily to tourist operators, accommodation providers and retail businesses. However, the district as a whole benefits through increased choices (i.e. shops) and employment opportunities. As such this component of economic development is best funded through the general rate. Supporting events is one element of Council's economic development strategy. Event providers are charged for the hire of venues which is covered under Community Facilities. The support and facilitation of events is undertaken for the benefit of the community as a whole to create vibrancy and is part of what makes a great District. This component of events is best funded through the general rate. 100% general rate is therefore considered the most appropriate and efficient funding source.
Customer services	Primarily contributes to						

	<u>the Resilient communities working in partnership Outcome</u>						
--	---	--	--	--	--	--	--



Revenue and Financing Policy - extracts of legal requirements**Applicable sections of the Local Government Act 2002****Section 102 Funding and financial policies**

- (1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).
- (2) The policies are—
 - (a) a revenue and financing policy; and
 - (b) a liability management policy; and
 - (c) an investment policy; and
 - (d) a policy on development contributions or financial contributions; and
 - (e) a policy on the remission and postponement of rates on Māori freehold land; and
 - (f) in the case of a unitary authority for a district that includes 1 or more local board areas, a local boards funding policy.
- (3) A local authority may adopt either or both of the following policies:
 - (a) a rates remission policy;
 - (b) a rates postponement policy.
- (3A) The following policies must also support the principles set out in the [Preamble to Te Ture Whenua Maori Act 1993](#):
 - (a) the revenue and financing policy, the policy on development contributions or financial contributions, and the policy on the remission and postponement of rates on Māori freehold land adopted under subsection (1);
 - (b) any rates remission policy or rates postponement policy adopted under subsection (3).
- (4) A local authority—
 - (a) must consult on a draft policy in a manner that gives effect to the requirements of [section 82](#) before adopting a policy under this section;
 - (b) may amend a policy adopted under this section at any time after consulting on the proposed amendments in a manner that gives effect to the requirements of [section 82](#).
- (5) However, subsection (4) does not apply to—
 - (a) a liability management policy;
 - (b) an investment policy.

103 Revenue and financing policy

- (1) A policy adopted under [section 102\(1\)](#) must state—
 - (a) the local authority's policies in respect of the funding of operating expenses from the sources listed in subsection (2); and
 - (b) the local authority's policies in respect of the funding of capital expenditure from the sources listed in subsection (2).
- (2) The sources referred to in subsection (1) are as follows:
 - (a) general rates, including—
 - (i) choice of valuation system; and

- (ii) differential rating; and
- (iii) uniform annual general charges:
- (b) targeted rates:
- (ba) lump sum contributions:
- (c) fees and charges:
- (d) interest and dividends from investments:
- (e) borrowing:
- (f) proceeds from asset sales:
- (g) development contributions:
- (h) financial contributions under the [Resource Management Act 1991](#):
- (i) grants and subsidies:
- (ia) regional fuel taxes under the [Land Transport Management Act 2003](#):
- (j) any other source.
- (3) A policy adopted under [section 102\(1\)](#) must also show how the local authority has, in relation to the sources of funding identified in the policy, complied with [section 101\(3\)](#).
- (4) If a local authority amends its revenue and financing policy under [section 93\(4\)](#), only a significant amendment to the policy is required to be audited in accordance with [sections 93D\(4\)](#) and [94](#).

[101 Financial management](#)

- (1) A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.
- (2) A local authority must make adequate and effective provision in its long-term plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that long-term plan and annual plan.
- (3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—
 - (a) in relation to each activity to be funded,—
 - (i) the community outcomes to which the activity primarily contributes; and
 - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - (iii) the period in or over which those benefits are expected to occur; and
 - (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
 - (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

Extraordinary Council Meeting Agenda

16 April 2024

4.7 APPROVAL OF THE DRAFT RATES REMISSION AND POSTPONEMENT POLICY FOR CONSULTATION**Author:** Toni Wilkinson, Revenue Manager**Authorised by:** Sarah Matthews, General Manager Organisation Performance**TE PŪTAKE | PURPOSE**

This paper seeks your adoption of the draft Rates Remission and Postponement Policy 2024 for consultation alongside the Long-term Plan 2024-34. The draft Rates Remission and Postponement Policy is attached.

This paper sets out:

- the purpose of the Rates Remission Policy and the legal requirements
- the draft contents of the Rates Remission Policy
- proposed changes to the Rates Remission Policy
- the options for Council to consider.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

The draft Rates Remission and Postponement Policy sets out when and why Council will allow remission or postponement, of rates. This policy ensures a range of people and organisations in our community can access rates remission for a variety of reasons.

Current and proposed Rates remission or postponement policies include:

1. Lake Taupō and Crown owned Hydro Lakes
2. Community, Sporting, Churches, Marae, and Other Organisations
3. Rates Penalties
4. Māori Freehold Land
5. Council Utilities
6. Water Leaks
7. Natural Disaster
8. Waitahanui fixed targeted rate for water availability.
9. Those suffering financial hardship.

The key changes proposed to the Rates Remission and Postponement Policies are:

- an updated policy for Māori freehold land under development
- remission on toilet pan charges for Community Organisations, Marae and Churches.
- to support the preamble to the Te Ture Whenua Māori Act 1993

These changes were provided to Council through a workshop on 10 October 2023. Officers are now seeking Council's formal acceptance of these changes and agreement to adopt the draft Rates Remission and Postponement Policy for consultation.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council approves the draft Rates Remission and Postponement Policy 2024 for consultation subject to changes required as a result of the audit process.

TE WHAKAMAHUKI | BACKGROUND

The purpose of the Rates Remission and Postponement Policy is to provide for a range of situations when rates may be remitted or postponed for individuals or groups. These are based on a range of factors and each policy has its own set of objectives, conditions, and criteria. These situations range from supporting community organisations through to remitting water meter rates when there has been a leak.

Council develops the rates remission policy under sections 102(3), 108, and 109 of the Local Government Act 2002 and the policies must give effect to the Local Government (Rating of Whenua Māori) Amendment Act 2021, which requires rates remissions policies to support the principles in the preamble of Te Ture Whenua Māori Act 1993.

Extraordinary Council Meeting Agenda

16 April 2024

The rates remissions and postponement policies taken to the Council workshop on 10 October 2023 are longstanding and well-established policies which are reviewed every 3 years as part of the LTP process. At the workshop Officers explained some legislative amendments around Māori Freehold Land and an extension to remission available to community organisations through the targeted rate for sewer and provided some clarity through questions on the remission for the targeted water rate at Waitahanui. These are summarised in the bullet points that follow.

- The policy in relation to Māori Freehold land under development has been updated to recognise that there is a statutory remission provided for in section 114A of the Local Government Act 2002 which came into effect from 1 July 2022. The document sets out the criteria and objectives of the draft policy which has been disseminated to Iwi and Hapu as a form of early consultation and their verbal feedback has been positive.
- At the workshop Officers explained a new and additional remission for community and sporting organisations through a 75% remission on sewer charges. This includes Marae and Churches which are non-rateable under Schedule 1 of the Local Government (Rating) Act 2002.
- The Fixed Charge Targeted Water Rate remission for Waitahanui was discussed at the workshop and provides remission of the availability charge where the water is available but not connected. There are 61 out of the approx. 200 properties left to connect to Council supplied water in Waitahanui and therefore qualify for the remission. The implementation of this remission policy from 1 July 2021 takes into consideration that the infrastructure to extend the Taupō Township/Wairakei Village water supply to Waitahanui qualified for \$1.9m funding through the Central Government's New Zealand Drinking water standards programme. It recognises that Central Government's criteria to qualify for funding is decided by a measure on New Zealand's deprivation index.

The current Rates Remission and Postponement Policy includes the Role of the Officer/s who can determine whether or not the qualifying criteria for remission is met or not. Elected members asked Officers why there was reference to the Roles as those Officers could be targeted personally when remission can't be applied because the criteria is not met and how does a remission applicant get a decision reviewed. Officers undertook to look into this for Elected Members.

Central Government Rebate

It is important to note that central government funds a rates rebate scheme that Council's administer for them. In the current 2023-24 rating year the abatement threshold is \$30,100 and the maximum rebate is \$750. 1,183 ratepayers have qualified for \$855,522.81 and applications will continue to be received and processed through to 30 June 2024.

To access this annual rebate ratepayers can apply to Council through a form provided on our website and then either hand it into one of the Council customer services centres, post or email it in. Anyone who received a rates rebate in the previous year automatically gets sent an application form with their instalment 1 rates invoice so that they can reapply for the new year.

NGĀ KŌRERORERO | DISCUSSION

The draft Rates Remission and Postponement Policy has some changes when compared to the existing policy. The changes are highlighted on the attached draft document which has been fully reformatted, and parts rewritten to ensure they give effect to Te Ture Whenua Māori Act 1993 [Attachment 1 – draft Rates Remission and Postponement Policy].

The draft rates remission and postponement policies that remain unchanged are:

- Rates Remission for the Lake Taupō Lakebed and Crown owned Hydro Lakes lakebeds (with easements to carry out the electricity generation business). The longstanding rates remission for Lake Taupō recognises the special characteristics and the immense value Lake Taupō has to the community. As with the other hydro lakes that qualify for rates remission, Lake Taupō is open to the public for enjoyment and recreational activities.
- Rates Postponement for Extreme Financial Hardship. There are no active postponements under this policy.
- Remission of Rates Penalty. This allows for the penalty to be taken off in certain circumstances and also provides an incentive to clear any arrears with the offer of penalty remission.
- Remission of General Rates for Council Owned Utilities. The purpose of this remission policy is to avoid collecting rates that are to be paid by the Council from revenue collected from other ratepayers.

Extraordinary Council Meeting Agenda

16 April 2024

- Water Rates Remission Attributable to Water Leaks. Leaks can go visibly unnoticed and most water meters in the district are only read every six months at which time unusual high use can be picked up. This policy allows for the water that has passed through the meter over and above the usual average usage for the property is remitted. The leak must be identified, proven and fixed for the remission to apply.
- Natural Disasters Rates Remission. This policy applies to residential properties that can't be inhabited or used due to a natural calamity.
- Waitahanui – Fixed Charge Targeted Water Rate Remission. (see explanation above)

The draft rates remission and postponement policies that have changed are:Rates Remission Policies on Māori Freehold Land

- The draft policy includes updated objectives, conditions, and criteria guidelines for the statutory remission for Māori Freehold land that is under development as provided for in section 114A of the Local Government Act 2002, which came into effect from 1 July 2022
- Allows for 100% rates remission (excluding water and sewage rates) for land while it is in the stage of being developed and not yet completed, used, or occupied and no income is derived. This is different to the current situation where rates are charged on a sliding scale from the commencement of development over a five-year programme.
- Where land is under development, rates will only be payable once the development is sufficiently completed to add value to the property at 30 June. At this stage of the development general rates are charged on the new improvement value for the portion of the land developed.
- Parts of Māori Freehold land that is being developed will qualify for rates remission, whilst the remainder of the land that is used will continue to be rated.
- New policy objectives better support the principles of Te Ture Whenua Māori Act 1993, and recognise the land is taonga tuku iho of special significance to Māori people.
- The policy has been updated to refer to parts of Māori Freehold land that can qualify for rates remission if it is in multiple ownership, unused, in a natural state and where no income is derived.

Toilet Pan Charges for Community Groups

Council has heard feedback from various local groups that the fixed targeted rate for sewage disposal which is assessed on a per pan or urinal basis is placing unjustified financial pressure on them. This rates remission policy recognises that these club rooms, Churches, or Marae generally have multiple pans and or urinals in toilet blocks which are used irregularly and/or for short periods. The new policy contains a 75% remission for the sewage disposal rate per pan/urinal.

Administering the Policy, remission approval and Rights of Appeal

Consistent with best practise the rates remission policies have been reviewed by external Lawyers who checked to ensure the qualifying criteria is concise and explicit. In addition, officers checked other rates remission policies and found that they also did not have an appeal process other than the one provided for under Act. The Local Government (Rating) Act 2002 provides an objection process where complaints and queries are submitted to Council and Council must then reply in writing with a decision. This decision is first provided by the revenue manager but can be escalated to the CEO or the Mayor.

To address Elected Members concerns and under external legal guidance the reference to who determines the qualification for remission or not has been moved from the draft rates remission policy document to the Delegations Register, which will be brought to Council before the new rates remission policies are enacted through the 2024-34 LTP.

Based on this information it is considered that there are 2 options

NGĀ KŌWHIRINGA | OPTIONSAnalysis of Options

Option 1 – Adopt the draft Rates Remission and Postponement Policy for consultation.

Option 2 – Direct staff to make changes or provide additional information. Either adopt today, subject to specific changes, or delay adoption until matters are resolved.

Analysis Conclusion:

The Council workshop held on 10 October 2024 provided an overview of each of the 9 existing Rates Remission and Postponement Policies and an insight into the suggested amendments. This paper recaps the workshop. Adoption is desired today to allow Long-term plan consultation to be undertaken over the planned period which aligns with the project plan, including audit timeframes, and adoption by 30 September 2024.

Ngā Hīraunga | CONSIDERATIONS**Ngā Aronga Pūtea | Financial Considerations**

The rates not collected because remission is granted is funded by other ratepayers. Rates remissions are included in the budget and the changes in the Rates Remission and Postponement Policy 2024 will not make a significant change to the rates remission budget.

Ngā Aronga Ture | Legal ConsiderationsLocal Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. It is considered that social, economic, environmental, and cultural wellbeing are of relevance to this particular matter.

The proposal has been evaluated with regards to Section 85 of the Local Government (Rating) Act 2002 and Sections 82 and 102(3)(a) of the Local Government Act. The key legislation applicable to the proposal has been reviewed and the relevant matters for consideration are as follows:

Additional Legal requirements are outlined above [see background section].

Ngā Hīraunga Kaupapa Here | Policy Implications

There are no known policy implications.

Te Kōrero tahi ki te Māori | Māori Engagement

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. Council has a responsibility to act reasonably and in good faith to reflect the partnership relationship, and to give effect to the principles of Te Tiriti. These principles include but are not limited to the protection of Māori rights, enabling Māori participation in Council processes and having rangatiratanga over tāonga.

Our statutory obligations outline our duties to engage with Māori and enable participation in Council processes. Alongside this, we recognise the need to work side by side with the ahi kaa / resident iwi of our district. Engagement may not always be required by law, however meaningful engagement with Māori allows Council to demonstrate good faith and our commitment to working together as partners across our district.

Appropriately, the report author acknowledges that they have considered the above obligations including the need to seek advice, guidance, feedback and/or involvement of Māori on the proposed recommendation/s, objective/s, project/s or service/s outlined within this report. Early Consultation was conducted with Iwi and Hapū who were contacted through an email out to all marae, Iwi and Hapū groups. There was no formal feedback received. However, some members of Ngāti Tūrangitukua, Pouakani Marae and Ngāti Hine gave positive feedback verbally to the Iwi and co-governance team.

Ngā Tūraru | Risks

There are no known risks with the proposed draft policy.

TE HIRANGA O TE WHAKATAU, TE TONO RĀNEI | SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement Policy identifies matters to be taken into account when assessing the degree of significance of proposals and decisions.

Extraordinary Council Meeting Agenda

16 April 2024

Officers have undertaken an assessment of the matters in the [Significance and Engagement Policy \(2022\)](#), and Council Officers are of the opinion that the proposal under consideration is of a low degree of significance.

TE KŌRERO TAHI | ENGAGEMENT

Consultation with the community will be undertaken alongside the Long-term plan.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

Communication will be carried out as part of wider consultation with the community on the Long-term Plan.

WHAKAKAPINGA | CONCLUSION

Officers recommend that you adopt the draft Rates Remission and Postponement Policy 2024 for consultation (draft attached to this report). Consultation will happen alongside consultation for the Long-term plan.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Draft Rates Remission and Postponement Policy 2024

Adopted:	30 June 2024
Next review date:	1 July 2027
Document number:	AXXX
Sponsor/Group:	Group Manager - Organisation Performance



RATES REMISSION AND POSTPONEMENT POLICY 2024

Purpose and scope

This policy sets out:

- the rates objectives sought to be achieved by the remission or postponement of rates
- the conditions and criteria to be met in order for rates to be remitted or postponed.

In accordance with Sections 102(3), 108, and 109 of the Local Government Act 2002.

Contents

1. Rates Remission for Lake Taupō Lakebed and Crown owned Hydro Lakes lakebeds (with easements to carry out the electricity generation business).....	2
2. Rates Remission for Community, Sporting, Churches, Marae and Other Organisations	3
3. Rates Postponement for Extreme Financial Hardship	4
4. Remission of Rates Penalty	5
5. Rates Remission and Postponement Policies on Māori Freehold Land	6
6. Remission of General Rates for Council Owned Utilities.....	9
7. Water Rates Remission Attributable to Water Leaks.....	9
8. Natural Disasters Rates Remission	10
9. Waitahanui - Fixed Charge Targeted Water Rate Remission Policy	11

General

General Considerations

When considering any remission, the circumstances at the time the rates are set will be taken into consideration.

Relevant Delegations

Decisions under the rates remission and postponement policies included in this document are delegated to officers as set out in the Council's Delegation Manual.

Review

It should be noted that all of the Rates Remission and Postponement policies included in this document are reviewed every three years in conjunction with the Long-Term Plan or can be reviewed sooner if chosen by the Council.

Note on 2024 changes

It should be noted that the rates remission and postponement policies included in this document were reviewed consulted on and updated to meet the requirements of new legislation provided for in the Local Government (Rating of Whenua Māori) Amendment Act 2021; where rates remission and postponement policies must support the principles in the preamble to the Te Ture Whenua Māori Act 1993 - *to recognise that land is taonga tuku iho of special significance to Māori people and, for that reason, to promote the retention of that land in the hands of its owners, their whānau, and their hapū, and to protect wāahi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners their whānau and their hapū.*

1. Rates Remission for Lake Taupō Lakebed and Crown owned Hydro Lakes lakebeds (with easements to carry out the electricity generation business)

1.1 Policy Objectives

- To continue to provide ratepayers with an incentive to maintain Lake Taupō and its environs in a natural state.
- To recognise the special characteristics and the immense value of Lake Taupō to the district.
- To take into consideration that whilst the hydro lakes are used for storage, retention, taking, discharge, conveyance and drainage of water for commercial purposes, they are also open to the public for enjoyment and recreational activities.
- To support the Long-Term Plan community outcomes: Vibrant places and connected communities – We connect people with nature through our reserves and public places.

1.2 Conditions and Criteria

In relation to the Lake Taupō lakebed land:

- Remission is available to rating units, which contain in full or in part the Lake Taupō lakebed, where the title for the lakebed is in private ownership.
- Remission is available to the rating unit where the owners recognise the significance of public access to the lake and environs and manage the land as if it is a public reserve.
- 100% remission of all rates and charges shall be given to the qualifying rating unit or parts of the rating unit where the owners recognise the objectives of this policy, and the land meets the conditions and criteria.
- Annual declaration forms will be issued to ensure criteria is still met and remission should still apply. The signed declaration form must be received by Council within the time frame given on the form.

In relation to Hydro Lakes, lakebed:

- Remission is available to the land where the owners and ratepayers recognise the significance of public access to the lake and environs and manage the land as if it is a public reserve.
- 100% remission of all rates and charges shall be given to qualifying rating units and parts of rating units.
- Annual declaration forms will be issued to ensure criteria is still met and remission should still apply. The signed declaration form must be received by Council within the time frame given on the form.

2. Rates Remission for Community, Sporting, Churches, Marae and Other Organisations

2.1 Policy Objectives

- To provide rates remission that will assist community, non-commercial, not-for-profit-organisations to provide free care, relief or assistance to any person in the community that is in need.
- To facilitate the ongoing provision of non-commercial, not-for profit, voluntary, community and sporting services to any person in the community.
- To assist the organisation's survival.
- To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, students, young families, aged people and economically disadvantaged people.
- To recognise and support the benefits that Churches and Marae have in the community by providing rates remission for the sewage disposal rate.
- To support the Long-Term Plan community outcomes: Resilient communities working in partnership – Our community is empowered to lead initiatives, build connections and increase participation.

2.2 Conditions and Criteria

- Rates remission is available to land occupied or used by a not-for-profit organisation (including a society, association or organisation, whether incorporated or not) which:
 - is non-commercial; and
 - is carried on for the free maintenance (care) relief or assistance of persons in need or provides voluntary community or voluntary sporting services; and
 - is available to any person in the community.
- The organisation's purpose promotes the objectives outlined in 2.1 above.
- 75% remission for sewerage disposal rates will apply and 100% remission of other rates and charges excluding those for water (including water by meter) and refuse disposal.
- 75% remission for sewerage disposal rates and 50% remission of other rates and charges, excluding those for water (including water by meter) and refuse disposal, will apply for rating units with a permanent liquor licence.
- 75% remission of the sewerage disposal rate will apply for Marae and Churches that have a non-rateable status under schedule 1 of the Local Government (Rating) Act 2002
- Applications for rates remission for properties other than Marae and Churches must be made on the approved declaration form, and the supporting information required in points 2.2.1 to 2.2.7 must be relevant to the rating unit (or part of the rating unit) that the application for rates remission is for.
- An application must include:
 - 2.2.1 a signed statement from the organisation's treasurer that declares no profit is derived from its activity; and
 - 2.2.2 full financial accounts including the balance sheet, income statement, and the cash flow statement; and
 - 2.2.3 a statement of objectives for the organisation; and
 - 2.2.4 information on the activities and programmes of the organisation; and

2.2.5 details of volunteers, and paid employees; and

2.2.6 details of members and membership criteria; and

2.2.7 documentation clarifying liquor licence status.

- Applications for rates remission must be completed every two years.
- Rates must be paid until the ratepayer is advised that their application for remission has been granted.
- The policy does not apply to organisations operated for private pecuniary profit.

3. Rates Postponement for Extreme Financial Hardship

3.1 Policy Objectives

- To provide rating relief to ratepayers experiencing extreme financial hardship
- To support the Long-Term Plan community outcomes: Resilient communities working in partnership – We partner and collaborate with others to find shared solutions.

3.2 Conditions and Criteria

- The policy does not apply to vacant land and only applies to residential properties owned by natural persons and not companies, trusts, organisations or other similar ownership structures.
- Rates postponement is only available for properties owned individually or jointly by ratepayers who are receiving superannuation or a pension e.g. widow's benefit, or are 65 years of age or older
- Application for postponement can only be made by the legal owners of the property and they must have owned a residential property, and therefore have been a residential ratepayer in the Taupō District for at least 10 years.
- The applicants must not own any other properties in the Taupō District or any other district.
- The amount of rates that can be postponed is the difference between 90% of the annual rates for the rating year prior to the commencement of the postponement and the rates set annually thereafter for the property until the postponement ceases. (Qualifying applicants shall pay an amount that is 90% of the annual rates assessed in the rating year immediately prior to the first year of postponement. This amount shall then remain fixed until postponement ceases).
- Physical or mental ability, injury, illness and family circumstances are considered when deciding on postponement eligibility. Any postponed rates will be postponed until the earlier of:
 - i. death of the ratepayer(s); or
 - ii. ratepayer(s) ceases to be the owner or occupier of the rating unit; or
 - iii. ratepayer(s) ceases to use the property as his/her residence; or
 - iv. date specified by the Council in the postponement agreement; or
 - v. ratepayer does not meet qualifying criteria as set out in the declaration form which must be completed and returned to Council every two years for review.
- Council will charge a fee on the total amount postponed. The fee will be assessed annually and calculated using the weighted average effective interest rate on Council borrowings as reported in Council's Annual Report
- The Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative costs and may

vary from year to year. The fee will be set annually by Council and included in Council's Schedule of Fees and Charges

- The postponed rates or any part thereof may be paid at any time. The ratepayer may elect to postpone the payment of a sum lesser than that which the ratepayer would be entitled to have postponed under this policy.
- Postponed rates will be registered as a charge on the rating unit under the Land Transfer Act 2017. No dealing with the land may be registered by the ratepayer while the charge is in place, except with the consent of the Council.
- All rates that have been postponed will become payable when qualification for postponement ceases.
- Ratepayers applying for rates postponement on the grounds of extreme financial hardship must provide evidence of their financial circumstances by completing the declaration form.
- When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the ratepayer and Council that shall:
 - i. State the amount of postponement.
 - ii. State the timeframe or conditions upon which the postponed rates will become due and payable.
 - iii. Acknowledge that the postponed rates will be registered as a charge against the land.
 - iv. Require the applicant to declare that they have sought legal or other professional advice prior to signing the agreement.
 - v. Be signed by both parties.
- When rates postponement payment obligations have been met by the ratepayer, Council will undertake to remove the land charge from the record of the title of the rating unit.

4. Remission of Rates Penalty

4.1 Policy Objectives

- To enable Council to act fairly and reasonably in its consideration of penalty remission for rates which have not been received by the Council by the due date caused by circumstances outside the ratepayer's control.
- To support the Long-Term Plan community outcomes; Resilient communities working in partnership – We partner and collaborate with others to find shared solutions.

4.2 Conditions and Criteria

- Council will remit penalties on rates where any of the following apply.
 - i. A bereavement in the ratepayer's family occurred around the penalty date or
 - ii. There was serious illness (in the ratepayer's immediate family) around the penalty date or
 - iii. The ratepayer has a good payment history (being three clear years without any penalty having been remitted) or
 - iv. Payment has been arranged electronically prior to penalty date but not received and payment is made within two weeks of the penalty notification being issued (satisfactory evidence may need to be provided) or
 - v. An office error has occurred.

A penalty remission may be approved when the reason provided for the late payment is outside this policy and the ratepayer applies in writing and hasn't had prior rates penalty remission for similar reasons.

5. Rates Remission and Postponement Policies on Māori Freehold Land

This rates remission and postponement policy for Māori Freehold Land was inclusively considered, reviewed, consulted on and updated with all of the rates remission policies outlined within this document; in consideration of the Local Government (Rating of Whenua Māori) Amendment Act 2021 - where rates remission and postponement policies must support the principles in the preamble to the Te Ture Whenua Māori Act 1993.

5.1 Policy Objectives for rates remission on parts of Māori freehold land

- To establish mechanisms to assist owners by supporting the principles of the Te Ture Whenua Māori Act 1993: to recognise that land is taonga tuku iho of special significance to Māori people and, for that reason, to promote the retention of that land in the hands of its owners, their whānau, and their hapū, and to protect wāahi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners their whānau and their hapū.
- (Considered under Schedule 11 of the Local Government Act 2002). To recognise that to continue to assess rates on non-income producing Māori freehold land not eligible for non-rateability is counterproductive to both owners and Council.
- To recognise the special characteristics of Māori freehold land.
- To provide incentives for owners to develop their Māori freehold land and to facilitate any wish of the owners to develop the land for economic use.
- To support the use of the land by the owners for traditional purposes.
- To recognise and support the relationship of Māori and their culture and traditions with their ancestral lands.
- To avoid further alienation of Māori freehold land.
- To recognise and take into account the presence of wāahi tapu that may affect the use of the land for other purposes.
- To recognise and take into account the importance of the land for community goals relating to:
 - i. Preservation of the natural character of the lakeshore environment.
 - ii. Protection of outstanding natural features.
 - iii. Protection of significant indigenous vegetation and significant habitats of indigenous fauna.
- To recognise the level of community services provided to the land and its occupiers.
- To recognise matters related to the physical accessibility of the land.
- To recognise and take into account the importance of the land in providing economic and infrastructure support for marae and associated papakāinga housing (whether on the land or elsewhere)
- To support the Long-Term Plan community outcomes: Resilient communities – We partner and collaborate with others to find shared solutions, Flourishing environment – We think and act with an intergenerational view and embrace our role as kaitiaki. Tangata whenua are acknowledged and respected – We acknowledge tangata whenua and their ancestral connection to the whenua, ngā maunga and ngā wai.

5.2 Conditions and Criteria for rates remission on parts of unused Māori Freehold Land

- This policy applies only to land whose beneficial ownership has been determined by the Māori Land Court by freehold order and that is not eligible for statutory non-rateability.
- Māori freehold land that is:
 - i. non-income producing; and
 - ii. in its natural state or undeveloped state; and
 - iii. not occupied; and
 - iv. in multi ownership
 qualifies for 100% remission of all rates and charges.
- Qualification of remission will be reviewed every 3 years in accordance with the policy.
- Remission is only applicable where a declaration form has been completed and returned to Council.
- Remission will be applied annually to those parts of properties that qualify under the policy, until the qualifying criteria is no longer met. 'Use' of land will be continually monitored.
- If any part of the land subject to a remission is or becomes used or occupied that portion will be liable for all rates assessed.
- If any information provided to Council to support a rates remission application is misleading or incorrect after a remission has been approved Council will reassess the rates under Section 42 of the Local Government (Rating) Act 2002, which provides that Council can recover additional rates where there has been a change in any matter affecting the liability of the ratepayer to pay rates; and the ratepayer has failed to notify the local authority of a change in circumstances, or did not do so within the required time; and as a result, the local authority has not collected the full amount of rates to which it was entitled for the rating unit.

5.3 Postponement of Rates on Māori Freehold Land

Council has considered Postponement of Rates on Māori Freehold land including considering Schedule 11 of the Local Government Act 2002 and the principles in the Preamble to the Te Ture Whenua Māori Act 1993 and concluded that their rates remission policies provide sufficient benefit making postponement unnecessary and therefore, Council does not provide for any rates postponement on Māori Freehold Land.

5.4 Remission of rates for Māori freehold land under development – Guidance to the implementation of statutory remission in section 114A of the Local Government (Rating) Act 2002

Objectives, purpose and benefits

- To facilitate the occupation, development and utilisation of Māori freehold land for the benefit of its owners
- Benefits to the district by creating new employment opportunities.
- Benefits to the district by creating new homes.
- Benefits to the council by increasing the council's rating base in the long term.
- Benefits to Māori in the district by providing support for Marae in the district.
- Benefits to the owners by facilitating the occupation, development, and utilisation of the land.

Information for applicants

- This remission is only available to land whose beneficial ownership has been determined by the Māori Land court by freehold order.
- Applications for remission must be accompanied by the approved declaration form.
- Renewal applications for land that has qualified for remission in the year immediately prior to the year the application is for must be submitted in the month of June and must be relevant to the stage of the development at that time.
- Remission may continue to be applicable until the rating unit is predominantly sown or income is derived from the land, or the development is being used or occupied.
- Remission may be applied to land being developed that has the required resource consent and/or building consent for the development.
- Remission may be applied to land that is being developed on the provision of a plan or business case to Council that confirms resources and funding are in place to enable the development to be completed.
- The Council may remit up to 100% remission of all rates including the general rate except for rates for water (including water by meter) and sewerage for all Māori Freehold land that is under development, including:
 1. being cleared and sown for horticulture, farming, forestry or developed for other industrial or commercial purposes and does not require Council's building or resource consent, or
 2. being developed with structures or buildings and if:
 - a. the timeframes for building consents and other changes to improvements have altered the improvement value as defined in the Rating Valuation Rules 1998;¹ or
 - b. the improvement/development is sufficiently completed to add value to the property at 30 June, the value of those improvements must be entered in the District Valuation Roll and Rating Information Database by that date:

at this stage of the development the remission of the general rate may be calculated by determining the percentage of the land value that makes up the capital value and using that percentage to calculate the amount of general rates that will be remitted - so that general rates are only payable on the new improvement value and all other rates excluding rates for water (including water by meter) and sewerage for all rating units or separate rating areas may qualify for 100% remission
- If any information provided to Council to support a rates remission application is misleading or incorrect after a remission has been approved Council will reassess the rates under Section 42 of the Local Government (Rating) Act 2002 which provides that Council can recover additional rates where there has been a change in any matter affecting the liability of the ratepayer to pay rates; and the ratepayer has failed to notify the local authority of a change in circumstances, or did not do so within the required time; and as a result, the local authority has not collected the full amount of rates to which it was entitled for the rating unit.
- To support the Long-Term Plan community outcomes: Resilient communities – We partner and collaborate with others to find shared solutions, Flourishing environment – We think and act with an intergenerational view and embrace our role as kaitiaki. Tangata whenua are acknowledged and respected – We acknowledge tangata whenua and their ancestral connection to the whenua, ngā maunga and ngā wai.

¹ A building consent is actionable –the earlier of either six months after the date of issue of a building consent or the date of notification to the Council of completion of the work.

6. Remission of General Rates for Council Owned Utilities

6.1 Policy Objectives

- To avoid collecting rates that are to be paid by the Council from revenue collected from other ratepayers.
- To support the Long-Term Plan community outcomes: Flourishing environment – We manage wastewater and stormwater discharges to protect our water quality.

6.2 Conditions and Criteria

Rating units which are for utilities (i.e. water, storm water and wastewater pipes) owned by the Taupō District Council will automatically receive 100% remission of the general rates, which includes the uniform annual general charge. Based on the nature of this remission policy an application for remission is not required, Council will automatically apply the remission for properties that qualify under the criteria.

7. Water Rates Remission Attributable to Water Leaks

7.1 Policy Objectives

- In order to provide relief to ratepayers in situations where water usage is high due to a water leak, Council may remit metered water supply rates where all of the conditions and criteria in section 7.2 apply.
- To support the Long-Term Plan community outcomes: Resilient communities working in partnership – We partner and collaborate with others to find shared solutions.

7.2 Conditions and Criteria

- The council may remit water consumption rates where all of the following apply:
 - i. An application for remission has been received; and
 - ii. Council is satisfied that a leak on the property has caused excessive water consumption; and
 - iii. The leak has been repaired as soon as possible after being identified; and
 - iv. Proof that the leak has been repaired is included with the application for remission (proof can be provided by way of plumbers' invoice, photographs, etc.)
- The amount of the remission will be the difference between the average consumption (calculated over the previous two years) of the property and the actual consumption as recorded in the latest reading.

8. Natural Disasters Rates Remission

8.1 Policy Objectives

- This policy is to allow Council, at its discretion, to remit all or part of any rate charged on any property that is used as a place of residence and not used in a commercial capacity or from which income is derived - where it has been detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation –*deluge/flood/torrent*, or earthquake) rendering residential dwellings or buildings uninhabitable, requiring residential activities carried out on the land to cease. This policy is aimed at aiding those ratepayers whose homes are most adversely affected by natural disasters events.
- To support the Long-Term Plan community outcomes: Resilient communities working in partnership – We partner and collaborate with others to find shared solutions.

8.2 Conditions and Criteria

- For the purposes of this policy 'uninhabitable' means:
 - *a building that cannot be used for the purpose it was intended due to a 's124 notice' being issued under the Building Act 2004, and that the residents have been required to move out by the Council, and the property is not being used.*
 - *a dwelling or building that is a total loss or*
 - *as determined by Council after taking into account the matters specified in i - iii below.*
- The Council may remit all or part of any rate assessed in the district in respect of properties that are used as a place of residence and not used in a commercial capacity or from which income is derived, if the land beneath or surrounding the home is detrimentally affected by natural disaster events (such as erosion, falling debris, subsidence, slippage, inundation –*deluge/flood/torrent*, or earthquake); and as a result, dwellings or buildings previously habitable were made "uninhabitable"; and the activities for which the land and/or buildings were used prior to the disaster are unable to be undertaken or continued
- In determining whether or not a property is uninhabitable and the period of time for which the rates remission is to apply Council may take into account:
 - i. the extent to which essential services such as water, or sewerage to any dwelling or building were interrupted and could not be supplied.
 - ii. whether essential services such as water or sewerage to any dwelling or building are able to be provided; and
 - iii. whether any part of the building or land remains habitable or available for use
- The decision to remit all or any part of a rate shall be at the sole discretion of the Council. The Council may refuse to grant a remission even where the conditions & criteria set out above are met.
- The extent of any remission shall be determined by the Council and will:
 - consider the available funding at the time of the event; and
 - determine the rates that will be remitted; and
 - decide – based on the extent and nature of the event - whether an application for remission is required from the ratepayer or whether the Council will automatically apply the remission for properties that qualify under the criteria.

9. Waitahanui - Fixed Charge Targeted Water Rate Remission Policy

9.1 Policy Objectives

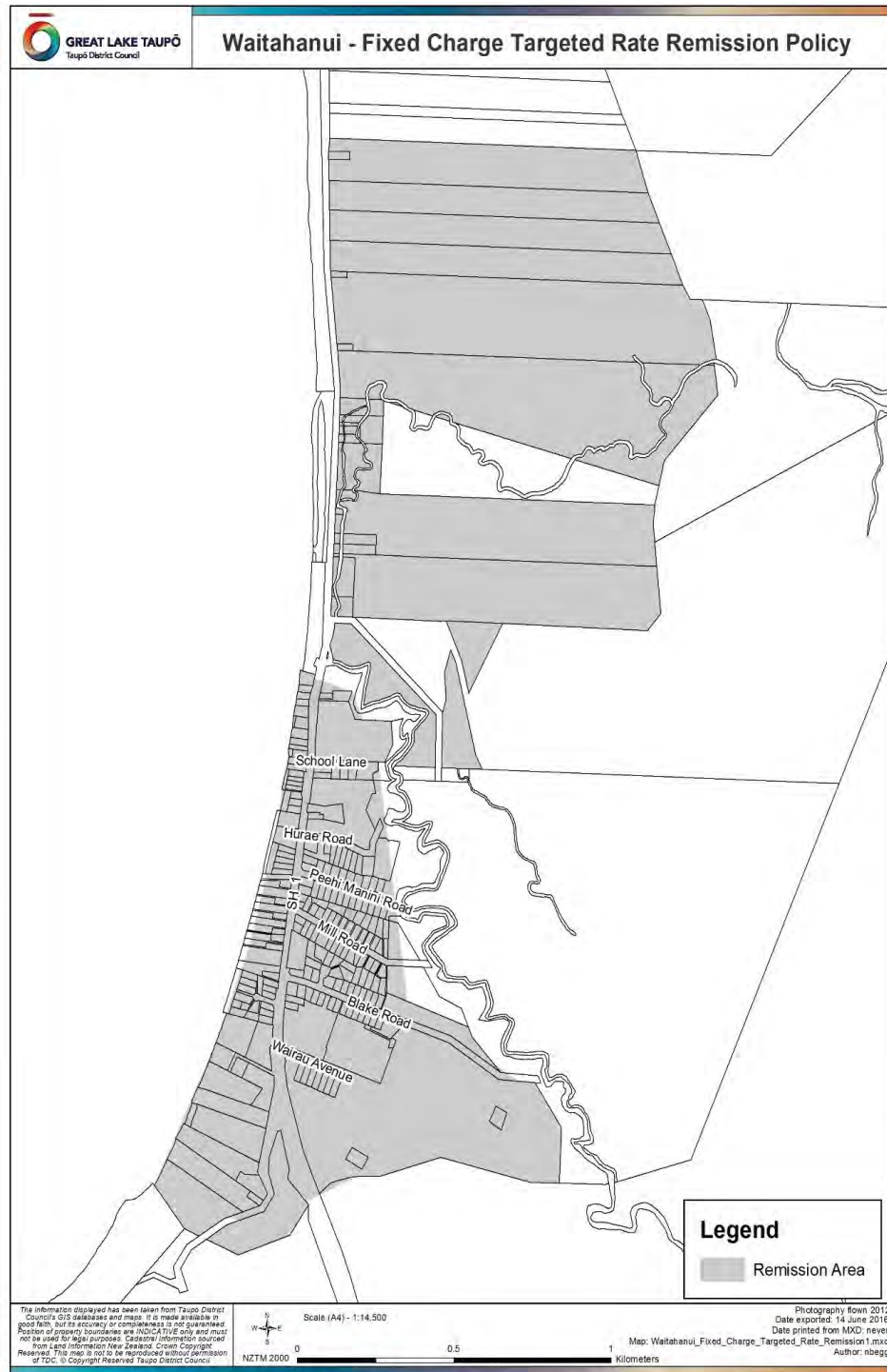
The objectives sought to be achieved by the remission of rates are:

- To provide relief from the Water Fixed Charge Targeted Rate and to acknowledge that rates assessed on specified rating units (identified in the map below) on the basis of their availability to connect to the Taupō Township/Wairakei Village water supply imposes targeted rates when there is already an existing private water supply.
- To take into consideration that the infrastructure to extend the Taupō Township/Wairakei Village water supply to Waitahanui qualified for \$1.9m funding through the Central Government's New Zealand Drinking standards programme.
- To recognise that Central Government's criteria to qualify for funding is decided by a measure on New Zealand's deprivation index.
- To support Central Government's initiative to supply potable drinking water to low socioeconomic communities that are identified through data sourced from Statistics New Zealand and Census.
- To support the Long-Term Plan Community outcomes: Resilient communities working in partnership – We partner and collaborate with others to find shared solutions.

9.2 Conditions and Criteria

- In accordance with this policy, the Council will automatically remit the Taupō Township/Wairakei Village Water Fixed Charge Targeted Rate set under section 16 of the Local Government (Rating) Act 2002.
- This remission policy:
 - i. applies to only specified rating units in the Waitahanui area as shown on the map *attached in Appendix 1* (being those rating units that had an existing and operational private water supply in place prior to the Taupō Township/Wairakei Village water supply infrastructure being extended to within 100 meters of the boundary of the relevant rating unit) and are now identified as available to be connected but not connected to the Taupō Township/Wairakei Village water supply; and
 - ii. will cease to apply with respect to a rating unit from 1 July in any rating year if, in the previous rating year, that rating unit connected to the Taupō Township/Wairakei Village water supply.

Appendix 1 – Waitahanui Water Rate Remission Area



Extraordinary Council Meeting Agenda

16 April 2024

4.8 APPROVAL OF THE DRAFT PERFORMANCE MANAGEMENT FRAMEWORK FOR CONSULTATION**Author:** Tanya Wood, Senior Policy Advisor**Authorised by:** Nick Carroll, Policy Manager**TE PŪTAKE | PURPOSE**

This paper seeks your approval of the draft performance management framework for consultation alongside the Long-term Plan 2024-34 (LTP). A draft performance management framework is attached.

This paper sets out:

- the purpose of the performance management framework and the legal requirements
- the draft contents of the performance management framework
- the options for Council to consider.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

Council is required to approve a performance management framework as part of the LTP to assist with setting levels of service and measuring achievement.

The performance management framework should be consulted on as part of the wider LTP package of supporting information. This is the preferred option as it will help to ensure that Council is meeting its legal obligations.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council approves the draft performance management framework (objective reference A188810) for consultation subject to changes required as a result of the audit process.

TE WHAKAMAHUKI | BACKGROUND

The purpose of the performance management framework (PMF) is to allow the elected members and community to monitor council's performance on how well council did on delivering its activities. Advice from the Office of the Auditor General recommends that councils focus on a small set of well targeted measures that demonstrate that the community is getting value for their investment.

The PMF is broken down into different activities such as water, wastewater and transport. Within each activity, levels of service are set. Performance measures and targets are identified to measure whether or not Council is achieving the level of service. In each annual report, Council is required to report on our achievement of the performance measures. If a performance measure is not achieved, then the reason/s why must be disclosed.

For the transport, water, wastewater and stormwater activities, there are mandatory performance measures that must be included in the PMF. The wording of these performance measures cannot be altered.

There is an issue with the mandatory water performance measures which relate to parts 4 and 5 of the Drinking Water Standards. Council is unable to report on these measures, however they must be included the Long-term Plan 2024-34. Taumata Arowai introduced new water rules which came into force on 14 November 2022 and require different monitoring and reporting than against the Drinking Water Standards. Unfortunately, as these measures are mandatory, they must still be included. Officers are hopeful that changes to legislation will resolve this issue for future long-term plans.

The proposal has been presented to Council at a workshop on 13 February 2024.

There have been minor updates to the performance management framework following the workshop.

At that workshop, officers were directed to investigate the transport performance measure relating to crashes. There were concerns from elected members that it would be difficult to consistently achieve this performance measure. The wording of this measure is a mandatory measure which means the wording of the measure and the target cannot be altered. Officers considered whether an additional measure could be included, however it was felt that the addition of another measure would add confusion to the framework.

NGĀ KŌRERORERO | DISCUSSION

Based on this information it is considered that there are two options.

NGĀ KŌWHIRINGA | OPTIONSAnalysis of Options

Council must approve a proposed performance management framework to ensure it is meeting the requirements of the Local Government Act 2002. The proposed framework could be approved or alternatively Council can direct officers to make amendments. If there are wide ranging amendments this may lead to a delay in the approval of the performance framework, however that is not considered critical.

NGĀ HĪRAUNGA | CONSIDERATIONS**Ngā Aronga Pūtea | Financial Considerations**

The financial impact of the proposal has been factored into the development of the draft LTP budgets. Reporting on the measures does require staff and contractor time. While this has been budgeted for it is another reason for having a smaller number of well targeted measures.

Ngā Aronga Ture | Legal ConsiderationsLocal Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. It is considered that social, economic, environmental and cultural wellbeings are of relevance to this particular matter.

The proposal has been evaluated with regards to a range of legislation. The key legislation applicable to the proposal has been reviewed and the relevant matters for consideration are as follows.

- The Schedule 10 of the Local Government Act 2002 sets the legal requirements for the performance management framework.

It is considered that the draft performance management framework is consistent with the requirements of the Local Government Act.

Ngā Hīraunga Kaupapa Here | Policy Implications

There are no known policy implications.

Te Kōrero tahi ki te Māori | Māori Engagement

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. Council has a responsibility to act reasonably and in good faith to reflect the partnership relationship, and to give effect to the principles of Te Tiriti. These principles include, but are not limited to the protection of Māori rights, enabling Māori participation in Council processes and having rangatiratanga over tāonga.

Our statutory obligations outline our duties to engage with Māori, and enable participation in Council processes. Alongside this, we recognise the need to work side by side with the ahi kaa / resident iwi of our district. Engagement may not always be required by law, however meaningful engagement with Māori allows Council to demonstrate good faith and our commitment to working together as partners across our district.

Appropriately, the report author acknowledges that they have considered the above obligations including the need to seek advice, guidance, feedback and/or involvement of Māori on the proposed recommendation/s, objective/s, project/s or service/s outlined within this report. No engagement has been undertaken because the performance management framework will be formally consulted on as part of the LTP consultation period.

Ngā Tūraru | Risks

There are no known risks.

TE HIRANGA O TE WHAKATAU, TE TONO RĀNEI | SIGNIFICANCE OF THE DECISION OR PROPOSAL

Consultation is required by the legislation.

TE KŌRERO TAHI | ENGAGEMENT

Consultation with the community will be undertaken alongside the Long-term Plan.

Extraordinary Council Meeting Agenda

16 April 2024

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

Communication will be carried out as part of wider consultation with the community on the Long-term Plan.

WHAKAKAPINGA | CONCLUSION

Officers recommend that you approve the draft performance management framework for consultation (draft attached to this report). Consultation will happen alongside consultation for the Long-term Plan.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Performance Management Framework for approval for consultation

Planning & Regulatory

- Regulatory
- Emergency Management

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
We process resource consents within legislative timeframes which ensures that property developments are in line with District Plan policy goals.	Percentage of resource consents processed within statutory timeframes as specified under the Resource Management Act 1991.	Achieved (96.3 per cent)	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
	Percentage of resource consents monitored to ensure they comply with the conditions of consent.	Not achieved (96.3 per cent)	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
We process building consents within legislative timeframes.	Percentage of all building consents applications processed within 20 working days as specified under the Building Act 2004 Section 48(1).	Not achieved (79.23 per cent)	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
	Percentage of Building Warrants of Fitness audited yearly.	Achieved (52 per cent)	At least 50 per cent.	At least 55 per cent.	At least 60 per cent.	At least 65 per cent.	2027/28 - at least 70 per cent 2028/29 - at least 75 percent 2029/30 onwards - at least 80 per cent.
We maintain a register of dogs in the district.	Percentage of known dogs that are registered each year.	Achieved (99.2 per cent)	At least 99 per cent.	At least 99 per cent.	At least 99 per cent.	At least 99 per cent.	At least 99 per cent.
We respond promptly to food safety, dogs and noise complaints.	Percentage of noise complaints that are responded to within two hours.	Achieved (100 per cent)	At least 95 per cent.	At least 95 per cent.	At least 95 per cent.	At least 95 per cent.	At least 95 per cent.
	Food safety – Percentage of food complaints responded to within two working days.	Achieved (100 per cent)	At least 80 per cent.	At least 80 per cent.	At least 80 per cent.	At least 80 per cent.	At least 80 per cent.
	Dog control – percentage of initial response within 24 hours for dog control complaints.	Achieved (100 per cent)	95 per cent.	95 per cent.	95 per cent.	95 per cent.	95 per cent.

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
We inspect health, liquor and food premises regularly.	Percentage of health (funeral homes, camping grounds, hairdressers) premises that are registered and inspected annually to ensure they meet minimum legislative standards.	Achieved (100 per cent)	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
	Percentage of food premises that are registered and inspected/audited as required to ensure they meet minimum legislative standards.	Achieved (100 per cent)	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
	Percentage of liquor premises that are registered and inspected annually to ensure they meet the legislative minimum standards.	Achieved (100 per cent)	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
We are prepared for emergencies.	The evaluation of annual exercise as a measure of effectiveness of training delivery.	Achieved (67 per cent)	Increasing trend	Increasing trend	Increasing trend	Increasing trend	Increasing trend

Community Leadership

Support services which includes:

- Digital solutions
- CEO office
- People & Culture
- Rates, Remissions & Write-Offs
- Customer Services
- Policy
- Communications
- Community engagement and development

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
We manage investment assets in accordance with the Treasury Management Policy.	<p>Councils primary investment objective is capital protection. It utilises its surplus finds through internal lending to various activity centres within Council and through external investment to approved counterparties.</p> <p>Within the above credit constraints, Council will measure investment performance as follows:</p>	New measure	New measure	Achieved/Not Achieved	Achieved/Not Achieved	Achieved/Not Achieved	Achieved/Not Achieved

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
	<ul style="list-style-type: none"> Cash is held in liquid investments Investment maturities are matched to projected cashflow requirements Investment returns are maximised by obtaining quotes across the four major banks Realisation of investments prior to maturity is avoided unless absolutely necessary 						
Growth and development is planned while our natural and physical resources are managed in a sustainable manner	Plan Changes, initiated by Council and privately, to the District Plan are undertaken in accordance with legislative processes and timeframes.	New measure	New measure	100 per cent	100 per cent	100 per cent	100 per cent
Corporate planning documents, long-term plans, annual plans and annual reports are delivered for our community	Corporate plans meet legislative timeframes	New measure	New measure	100 per cent	100 per cent	100 per cent	100 per cent

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
Council operates an open and honest decision-making process that generates confidence and trust in the democratic system.	Bylaw reviews are undertaken in accordance with legislative timeframes	2022/23 – Achieved (100 per cent)	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
We are reducing our greenhouse gas emissions to support New Zealand's domestic greenhouse gas emissions reduction targets	Tonnes of CO ₂ -e of greenhouse gas emissions from Council operations (excluding wastewater and landfill) are reducing in line with Council's targets	New measure	New measure	2,510	2,455	2,385	Reducing to 1,975 by 2034
	Tonnes of CO ₂ -e of greenhouse gas emissions from Council's landfill and wastewater operations are reducing in line with Council's targets	New measure	New measure	28,465	28,191	27,917	Reducing to 26,253 by 2034

Democracy

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
Council operates an open and honest decision-making process that generates confidence and trust in the democratic system.	Percentage of requests for official information that are responded to within 20 working days.	2022/23 – Not Achieved (99.4 per cent)	100 per cent.	99 per cent	99 per cent	99 per cent	99 per cent

Strategic Property

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
Council facilitates the actions identified in the Housing Strategy	The number of actions undertaken which were identified in the Housing Strategy	New measure	New measure	At least one for each focus area. <i>Note: there are 5 focus areas identified in the strategy.</i>	At least one for each focus area <i>Note: there are 5 focus areas identified in the strategy.</i>	At least one for each focus area <i>Note: there are 5 focus areas identified in the strategy.</i>	At least one for each focus area <i>Note: there are 5 focus areas identified in the strategy.</i>

Note: a copy of Council's Housing Strategy can be found on our website www.taupo.govt.nz

District Development

- District Promotion & Events

Level of service	Performance Measure	Latest Result	Targets				
			2022/23	2023/24	2024/25	2025/26	2026/27
We facilitate and support economic development in the district.	Enterprise Great Lake Taupo (Trading As Amplify), Destination Great Lake Taupō and Town Centre report at least half-yearly to Taupō District Council on the manner of distribution of the grant as well as performance measures in line with their contracts for service and statements of intent.	Achieved	100 per cent report at least half yearly.	100 per cent report at least half yearly.	100 per cent report at least half yearly.	100 per cent report at least half yearly.	100 per cent report at least half yearly.

Water

Level of service	Performance Measure	Latest Result 2022/23	Targets				
			2023/24	2024/25	2025/26	2026/27	2027/34
We provide safe drinking water to communities connected to a Council drinking water scheme.	<p>The extent to which Council's drinking water supply complies with:</p> <p>Part 4 of the Drinking water Standards for New Zealand (Bacteria compliance criteria).</p> <ul style="list-style-type: none"> All schemes. <p><i>Please note that we are unable to report on this measure, however, we are still legally required to include this measure in our Long-term Plan 2024-34. Taumata Arowai introduced new Drinking Water Standards, Aesthetic Values, and Quality Assurance Rules which came into force on 14 November 2022 and require different monitoring and reporting than the old measures. We report compliance against the Drinking Water Standards, Aesthetic Values, and Quality Assurance Rules direct to Taumata Arowai.</i></p>	<p>2021/22 – Not Achieved (13 of 18 supplies passed)</p> <p>July to December 2022 – Not Achieved (12 out of 18 supplies passed)</p> <p>January – June 2023 – Not achieved (0 out of 18 supplies achieved)</p> <p>*Please note that due to transitioning from Drinking Water Standards New Zealand (DWSNZ) to Drinking Water Quality Assurance Rules which came into force on 1 November 2022 the results for this measure have been split for this financial year.</p>	All schemes are compliant with Part 4 of the DWSNZ.	No target	No target	No target	No target

Level of service	Performance Measure	Latest Result 2022/23	Targets				
			2023/24	2024/25	2025/26	2026/27	2027/34
The drinking water that Council provides is safe and treated to the appropriate standards.	<p>The extent to which Council's drinking water supply complies with: Part 5 of the Drinking water Standards for New Zealand (Protozoal compliance criteria).</p> <p><i>Please note that we are unable to report on this measure, however, we are still legally required to include this measure in our Long-term Plan 2024-34. Taumata Arowai introduced new Drinking Water Standards, Aesthetic Values, and Quality Assurance Rules which came into force on 14 November 2022 and require different monitoring and reporting than the old measures. We report compliance against the Drinking Water Standards, Aesthetic Values, and Quality Assurance Rules direct to Taumata Arowai.</i></p>	<p>2021/22 – Not Achieved (3 of 18 supplies passed)</p> <p>July to December 2022 – Not Achieved (3 of 18 supplies passed)</p> <p>*Please note that due to transitioning from Drinking Water Standards New Zealand (DWSNZ) to Drinking Water Quality Assurance Rules which came into force on 1 November 2022 the results for this measure have been split for this financial year.</p> <p>January – June 2023 – Not achieved (2 out of 18 supplies passed)</p>	All schemes are compliant with Part 5 of the DWSNZ as per upgrade plan.	No target	No target	No target	No target

Level of service	Performance Measure	Latest Result 2022/23	Targets				
			2023/24	2024/25	2025/26	2026/27	2027/34
Our water reticulation network is efficient.	<p>Percentage of real water loss from Council's networks reticulation system.</p> <p>Methodology in line with Water NZ "Water Loss guidelines"¹.</p>	<p>Not Achieved.</p> <ul style="list-style-type: none"> • Taupō: 169 l/connection/day • Tūrangi: 654 l/connection/day • Average of Other Urban Networks: 218 l/connection/day • Average of Rural Networks: 6.3 m3/km/day 	<p>Urban Schemes – Target Current Annual Real Loss = 160 l/connection/day</p> <p>Rural Schemes – Target Current Annual Real Loss = 4.2 m3/km watermain/day</p>	<p>Urban Schemes - Current Annual Real Loss = 300 l/connection/day</p> <p>Rural Schemes - Current Annual Real Loss = 6.0 m3/km watermain/day</p>	<p>Urban Schemes - Current Annual Real Loss = 250 l/connection/day</p> <p>Rural Schemes - Current Annual Real Loss = 5.5 m3/km watermain/day</p>	<p>Urban Schemes - Current Annual Real Loss = 200 l/connection/day</p> <p>Rural Schemes - Current Annual Real Loss = 5.0 m3/km watermain/day</p>	<p>Urban Schemes - Current Annual Real Loss = 160 l/connection/day</p> <p>Rural Schemes - Current Annual Real Loss = 4.2 m3/km watermain/day</p>

¹ Lambert, A., and Taylor, R., Water New Zealand, "Water Loss Guidelines", February 2010, https://www.waternz.org.nz/Folder?Action=View%20File&Folder_id=101&File=100503_waterloss_guidelines.pdf

Level of service	Performance Measure	Latest Result 2022/23	Targets				
			2023/24	2024/25	2025/26	2026/27	2027/34
We respond to faults with our water reticulation network promptly.	Median time for attendance for urgent call-outs: from the time that Council receives notification to the time that the service personnel reach the site.	Achieved (0.8 hours)	Less than 1 hour.	Less than 1 hour.	Less than 1 hour.	Less than 1 hour.	Less than 1 hour.
	Median time for attendance for non-urgent call-outs: from the time that Council receives notification to the time that the service personnel reach the site.	Achieved (2.8 days)	Less than 6 days.	Less than 6 days.	Less than 6 days.	Less than 6 days.	Less than 6 days.
We resolve faults in our water reticulation network promptly.	Median time for resolution of urgent call-outs: from the time that the local authority receives notification to the time that the service personnel confirms resolution of the fault or interruption.	Not Achieved (5.4 hours)	Less than 4 hours.	Less than 4 hours.	Less than 4 hours.	Less than 4 hours.	Less than 4 hours.
	Median time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that the service personnel confirms resolution of the fault or interruption.	Achieved (4.2 days)	Less than 7 days.	Less than 7 days.	Less than 7 days.	Less than 7 days.	Less than 7 days.
Customers are satisfied with the drinking	The number of complaints received by Council on (a) Drinking water clarity.	– Not Achieved (11.3 complaints per 1000 connections)	Less than 8 complaints per 1000 connections.	Less than 14 complaints per 1000	Less than 12 complaints per 1000	Less than 10 complaints per 1000	Less than 8 complaints per 1000

Level of service	Performance Measure	Latest Result 2022/23	Targets				
			2023/24	2024/25	2025/26	2026/27	2027/34
water that they receive.	(b) Drinking water taste. (c) Drinking water odour. (d) Drinking water pressure or flow. (e) Continuity of supply. (f) Council response to these issues. This measure is expressed per 1000 connections to Council networked reticulation.			connections.	connections.	connections.	connections.
Potable water is used sustainably.	The average consumption of drinking water per day per resident within the district expressed as m ³ /day/HEU.	2022/23 - Achieved (0.9m ³ /day/HEU)	Less than or equal to 1.5m ³ /day/HEU.	Less than or equal to 1.5m ³ /day/HEU.	Less than or equal to 1.5m ³ /day/HEU.	Less than or equal to 1.5m ³ /day/HEU.	Less than or equal to 1.5m ³ /day/HEU.
There is adequate water for firefighting in urban areas.	Percentage of hydrants tested annually to ensure water pressure in urban areas meets FW2 firefighting code of practice standards.	Achieved (9 per cent of hydrants tested)	At least 5 per cent.	At least 5 per cent.	At least 5 per cent.	At least 5 per cent.	At least 5 per cent.

Transport

Level of service	Performance Measure	Latest Result 2022/23	Targets				
			2023/24	2024/25	2025/26	2026/27	2027/34
The number of serious and fatal crashes on Council roads is falling.	Reduction from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	Achieved (A reduction of 5 serious crashes/deaths from the previous year. There were 4 deaths and 10 serious crashes).	Decrease from previous year.	Decrease from previous year.	Decrease from previous year.	Decrease from previous year.	Decrease from previous year.
That our roading network is adequately maintained and in good condition.	The average quality of ride on a sealed road network, measured by percentage of smooth travel exposure. Methodology in line with NZTA Smooth Travel Exposure (STE) Index for sealed roads.	Achieved 95% for all roads (Rural and urban).	At least 90 per cent.	At least 90 per cent.	At least 90 per cent.	At least 90 per cent.	At least 90 per cent.
	The percentage of the sealed local road network that is resurfaced.	Not achieved 1.5% for all roads (Rural and urban)	At least 3 per cent.	At least 3 per cent.	At least 3 per cent.	At least 3 per cent.	At least 3 per cent.

Level of service	Performance Measure	Latest Result 2022/23	Targets				
			2023/24	2024/25	2025/26	2026/27	2027/34
Footpaths are adequately maintained and in good condition.	Percentage of footpaths in the district that fall within the level of service or service standard for the condition of footpaths that is set out in the Territorial Local Authorities (TLA's) Asset Management Plans (AMPs) (maintenance intervention when displacement is greater than 10mm for Taupō CBD, Taupō urban areas and Turangi and other urban areas). Please note that we plan to undertake this survey every three years.	Not assessed.	80 per cent.	80 per cent.	80 per cent.	80 per cent.	80 per cent.
We will respond to customer service requests.	Percentage of customer service requests relating to roads and footpaths to which the territorial authority that are responded to within five working days.	Achieved (90 per cent)	At least 90 per cent.	At least 90 per cent.	At least 90 per cent.	At least 90 per cent.	At least 90 per cent.

Community facilities

- Community building (Waiora House & Community Halls)
- Heritage, Culture & Public Art
- Libraries
- Venues
- Parks & Reserves
- Public Conveniences
- Cemeteries

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
The library is accessible and offers a range of services for the community.	The total number of physical items loaned to library members is maintained or increased	Achieved 236,406 physical items	At least 227,303 physical items.	At least 227,303 physical items.	At least 227,303 physical items.	At least 227,303 physical items.	At least 227,303 physical items.
	The total number of e-books loaned to library members is maintained or increased	Achieved 54,471 e-books/e-audio items loaned	At least 30,367 e-books/e-audio items loaned.	At least 30,367 e-books/e-audio items loaned.	At least 30,367 e-books/e-audio items loaned.	At least 30,367 e-books/e-audio items loaned.	At least 30,367 e-books/e-audio items loaned.
	The number of active library card users is maintained or increased	Not achieved. 7,346 members used their library cards.	At least 7,346 members used their library card.	At least 7,346 members used their library card.	At least 7,346 members used their library card.	At least 7,346 members used their library card.	At least 7,346 members used their library card.
The Great Lake Centre and Taupō Events Centre are accessible and	The occupancy rate of the Great Lake Centre and Taupo Events Centre.	Achieved (109 percent for the	The Great Lake Centre and Taupo Events Centre are	The Great Lake Centre and Taupo Events	The Great Lake Centre and Taupo Events	The Great Lake Centre and Taupo Events	The Great Lake Centre and Taupo Events

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
provide the community with a range of services.		TEC, 95 percent for the GLC)	occupied at least 84 percent of the time.	Centre are occupied at least 84 percent of the time.	Centre are occupied at least 84 percent of the time.	Centre are occupied at least 84 percent of the time.	Centre are occupied at least 84 percent of the time.
Residents and visitors are satisfied with the exhibitions at the Taupō Museum and Art Gallery.	Total number of visitors (physical and virtual) to the museum is maintained or increased	Achieved. There were 22,937 physical visitors, 12,313 unique pageviews on website and 3,980 Facebook visits.	Visits are maintained or increased	Visits are maintained or increased	Visits are maintained or increased	Visits are maintained or increased	Visits are maintained or increased
	Number of exhibitions is maintained or increased	Achieved (three in-house exhibitions; seven local /visitor exhibitions; one touring exhibition)	Exhibitions are maintained or increased	Exhibitions are maintained or increased	Exhibitions are maintained or increased	Exhibitions are maintained or increased	Exhibitions are maintained or increased
Residents and visitors are satisfied with the parks, open spaces, playgrounds and sports grounds	Percentage of service requests responded to relating to Council-owned parks and open space.	Achieved (95 per cent)	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
	Percentage of service requests responded to relating to Council playgrounds.	Achieved (100 percent)	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.
	Percentage of service requests responded to relating to sportsgrounds.	Not achieved (84.2 per cent)	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days	At least 90 per cent responded to within 5 working days	At least 90 per cent responded to within 5 working days	At least 90 per cent responded to within 5 working days
Our pools are safe, well maintained, and attractive for users.	We maintain Pool Safe accreditation at AC Baths and Turtle Pools	Achieved	Pool safe accreditation maintained.	Pool safe accreditation maintained.	Pool safe accreditation maintained.	Pool safe accreditation maintained.	Pool safe accreditation maintained.
Public toilets are clean, safe and fit for purpose.	Percentage of service requests responded to relating to public toilets.	Achieved (100 percent)	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.	At least 90 per cent responded to within 5 working days.

Wastewater

Level of service	Performance Measure	Latest Result	Targets				
			2022/23	2023/24	2024/25	2025/26	2026/27
We comply with the resource consents conditions relating to our sewerage systems.	Number of abatement notices received by Council in relation to sewerage system resource consents.	Achieved	≤ 1 abatement notices	≤ 1 abatement notices	≤ 1 abatement notices	≤ 1 abatement notices	≤ 1 abatement notices
	Number of infringement notices received by Council in relation to sewerage system resource consents.	Achieved	0 infringements	0 infringements	0 infringements	0 infringements	0 infringement
	Number of enforcement orders received by Council in relation to sewerage system resource consents.	Achieved	0 enforcement orders	0 enforcement orders	0 enforcement orders	0 enforcement orders	0 enforcement orders
	Number of successful convictions received by Council in relation to sewerage system resource consents.	Achieved	0 successful convictions	0 successful convictions	0 successful convictions	0 successful convictions	0 successful convictions

Level of service	Performance Measure	Latest Result	Targets				
			2022/23	2023/24	2024/25	2025/26	2026/27
We will maintain the reduction in nitrogen discharged from wastewater treatment plants in the Lake Taupō catchment.	Maintain the reduction of total nitrogen discharged from wastewater treatment plants within the Lake Taupō catchment. Reduction of 20 per cent of the benchmark average has been achieved.	Not achieved (2.2 per cent)	Maintain the reduction.	Maintain the reduction.	Maintain the reduction.	Maintain the reduction.	Maintain the reduction.
Our sewerage system is maintained to prevent sewerage overflows.	Number of dry weather sewerage overflows from Council's sewerage system that expressed per 1000 connections.	Achieved (1.4 dry weather overflows per thousand connections)	Less than 3.	Less than 3.	Less than 3.	Less than 3.	Less than 3.
We respond to faults with our sewerage system promptly.	Median attendance time: from the time that Council receives notification of a sewerage overflow resulting from a blockage or other fault in Council's sewerage system to the time that service personnel reach the site of the overflow or other fault.	Achieved (2.56 dry weather overflows per thousand connections)	Less than 1 hour.	Less than 1 hour.	Less than 1 hour.	Less than 1 hour.	Less than 1 hour.

Level of service	Performance Measure	Latest Result 2022/23	Targets				
			2023/24	2024/25	2025/26	2026/27	2027/34
We resolve faults with our sewerage system promptly.	Median resolution time: from the time that Council receives notification of a sewerage overflow resulting from a blockage or other fault in Council's sewerage system, to the time that service personnel confirm resolution of the fault or blockage.	Not achieved (0.18 hours)	Less than 4 hours.	Less than 4 hours.	Less than 4 hours.	Less than 4 hours.	Less than 4 hours.
Our customers are satisfied with the sewerage network.	The number of complaints received by Council on: a) Sewerage odour, b) Sewerage system faults, c) Sewerage system blockages; and d) Council's response to issues with its sewerage system. This is expressed per 1000 connections to the sewage system.	– Not Achieved (9.16 per 1000 connections)	Less than 10.	Less than 10	Less than 10	Less than 10	Less than 10

Waste and Environmental Management

- Litter control
- Solid waste collection
- Solid waste disposal
- Waste management and minimization

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
We will divert suitable waste from landfill.	The quantity of material (tonnes) diverted from landfill as a percentage of the total waste stream.	2022/23 – Not Achieved (46.7 percent)	48 per cent	50 per cent	52 per cent	54 percent	2027/28 - 55 percent 2028/29 - 57 percent 2029/30 - 58.5 percent 2030/34 - 60 per cent
We comply with the resource consent conditions for our landfills.	Percentage of resource consent conditions for our landfills that are complied with	Achieved (100 percent compliance)	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.

Stormwater –

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
We manage the stormwater network to protect public health and property without compromising the environment.	The number of flooding events that occur in a territorial authority district.	Achieved (0 flooding events)	0 flooding events	0 flooding events	0 flooding events	0 flooding events	0 flooding events
	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)	Achieved (0 flooding events)	0 properties affected by flooding inside the habitable dwelling	0 properties affected by flooding inside the habitable dwelling	0 properties affected by flooding inside the habitable dwelling	0 properties affected by flooding inside the habitable dwelling	0 properties affected by flooding inside the habitable dwelling
	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	Achieved (0 flooding events)	≤1hr.	≤1hr.	≤1hr.	≤1hr.	≤1hr.

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
	<p>The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.</p> <p>Please note that Council's stormwater network drains the roading network so there are no properties who connect to the stormwater network. For the purposes of this performance measure, we have considered that each property within the district benefits from the stormwater network and is therefore "connected" to our stormwater network.</p>	Achieved – (1.2 per 1000 properties.	Less than or equal to 8	Less than or equal to 8	Less than or equal to 8	Less than or equal to 8	Less than or equal to 8
We will comply with our Resource Consent for discharge from our stormwater system.	Number of abatement notices received by Council in relation to Resource Consents for discharge from our stormwater system.	Achieved	0 abatement notices	0 abatement notices	0 abatement notices	0 abatement notices	0 abatement notices

Level of service	Performance Measure	Latest Result	Targets				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/34
	Number of infringement notices received by Council in relation to Resource Consents for discharge from our stormwater system.	Achieved	0 infringement notices	0 infringement notices	0 infringement notices	0 infringement notices	0 infringement notices
	Number of enforcement orders received by Council in relation to Resource Consents for discharge from our stormwater system.	Achieved	0 enforcement orders	0 enforcement orders	0 enforcement orders	0 enforcement orders	0 enforcement orders
	Number of convictions received by Council in relation to Resource Consents for discharge from our stormwater system.	Achieved	0 convictions	0 convictions	0 convictions	0 convictions	0 convictions

Ordinary Council Meeting Agenda

03 May 2024

0.0 DRAFT 2024-34 FINANCIAL STRATEGY FOR CONSULTATION**Author:** Sarah Matthews, General Manager Organisation Performance**Authorised by:** Julie Gardyne, Chief Executive**TE PŪTAKE | PURPOSE**

This paper seeks your approval of the draft Financial Strategy 2024-34 for consultation alongside the Long-term Plan 2024-34. The draft Financial Strategy is attached.

This paper sets out:

- the purpose of the Financial Strategy 2024-34 and the legal requirements
- the draft contents of the Financial Strategy 2024-34
- key changes to the Financial Strategy 2024-34
- the options for Council to consider.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

This Financial Strategy clearly outlines the financial vision and priorities for the next 10 years. It aims to ensure we are achieving an appropriate balance between the needs of our community, responsible management of our assets, and financial sustainability over the Long-term. It provides guidance for Council's financial decisions and a means to monitor the financial performance of Council.

The budget for this Long-Term Plan (LTP) has been developed to give effect to the priorities as agreed by Council. Council has also indicated a commitment to maintaining current levels of service, meeting legislative requirements, looking after our assets, and provisioning for the expected growth of the district.

These priorities have meant that:

1. Operating budgets required to deliver our wide range of services have been largely maintained.
2. There has been an increase in the renewals and maintenance budgets for our critical infrastructure.
3. There is continued investment in required growth-related assets.
4. Operational efficiencies and discretionary project cuts have been required to ensure these priorities will be achieved and to mitigate the non-controllable budget increases. Further budgetary cuts would compromise these priorities.

Projected growth has increased from our last LTP, which has been highlighted by both the financial and infrastructure strategies, as a key driver of increased demand and subsequently increased pressure on our critical infrastructure and services. This increased demand is forecast to continue over the entire 10 years of this plan.

Along with the increasing demand on services, Council is facing additional challenges being driven by changes to Central Government policy and legislative requirements, with a particular emphasis on Council's water and wastewater services. Along with priorities mentioned above, the stronger regulatory approach of New Zealand's new water regulator has been reflected in Council's capital works programme. This has driven increased investment in Council's Water and Wastewater services over the 10-year period, with larger increases required in the first few years.

On top of growth, and the increasing investment required in our critical infrastructure assets, Council's asset base has continued to increase due to prolonged periods of inflation. This in turn results in increased costs to maintain these assets throughout the 10-year period and a requirement to increase funding to cover the increased depreciation and replacement costs, to ensure the cost of using these assets is covered by current ratepayers, and not burdened onto future generations.

This Financial Strategy has been adapted to respond to the challenges outlined, along with financial sustainability considerations, including the impact on rates and debt, to achieve the right balance.

Officers are seeking Council's agreement to these objectives and challenges, and approval of the draft Financial Strategy 2024-34 for consultation

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council approves the draft Financial Strategy 2024-34 for consultation subject to changes required as

part of the audit process and/or design process.

TE WHAKAMAHUKI | BACKGROUND

A Financial strategy is required to be part of Council's Long-term Plan [Section 101B of the Local Government Act 2002].

Council had a workshop in August 2023 on the Financial Strategy, where the purpose, requirements and key considerations were discussed.

A draft Financial Strategy has been prepared based on that discussion and is being provided to you for consideration and approval for consultation.

NGĀ KŌRERORERO | DISCUSSION

The purpose of the Financial Strategy, its legal requirements, and draft contents

The table below sets out the requirements of the financial strategy and the corresponding contents of the draft Financial Strategy 2024-34

Required contents ¹	Draft contents
<p>Must include:</p> <ul style="list-style-type: none"> a statement of the factors that are expected to have a significant impact on the local authority during the consecutive financial years covered by the strategy 	<p>All key factors are discussed throughout the document:</p> <ul style="list-style-type: none"> Budgets reflecting Council priorities / maintaining levels of service Impact of increased Growth Pressures from Central Government Policy / Legislation changes Impact of recent inflationary pressures
<ul style="list-style-type: none"> the expected changes in population and the use of land in the district or region, and the capital and operating costs of providing for those changes. 	See section titled 'Growth'
<ul style="list-style-type: none"> the expected capital expenditure on network infrastructure, flood protection, and flood control works that is required to maintain existing levels of service currently provided by the local authority. 	See section titled 'Council Services and Infrastructure'
<ul style="list-style-type: none"> other significant factors affecting the local authority's ability to maintain existing levels of service and to meet additional demands for services 	Throughout the document (see key factors above)
<ul style="list-style-type: none"> a statement of the local authority's— (i) quantified limits on rate increases and borrowing; and (ii) assessment of its ability to provide and maintain existing levels of service and to meet additional demands for services within those limits and respond to growth or decline in the demand for services. 	See sections titled 'Rates' and 'Debt'
<ul style="list-style-type: none"> specify the local authority's policy on the giving of securities for its borrowing. 	See section titled 'Policy on giving security for borrowing'
<ul style="list-style-type: none"> specify the local authority's objectives for holding and managing financial investments and equity securities and its quantified targets for returns on those investments and equity securities. 	See section titled 'Investments'.

¹ Section 101B of the Local Government Act 2002, refers.

Ordinary Council Meeting Agenda

03 May 2024

Key Changes

Key changes to the draft Financial Strategy 2024-34, are challenging to outline as this Financial Strategy was not templated from the last Financial Strategy 2021-31. The financial strategy has been refreshed and the new financial strategy is reflective of Council's priorities and direction to date. Office of the Auditor General comments and sector best practice have also been considered when developing this financial strategy.

Key benchmark changes are as follows:

- Rates increases affordability benchmark increased from Local Government Cost Index (LGCI) + 2.5% to LGCI +5%, considering past performance challenges due to LGCI being a forward-looking projection, whereas Council cost increases often occur subsequently to inflationary increases.
- Debt to revenue ratio has been increased from 225% to 250%, recognising the increase in growth during this 10-year period. Due to the forecasted growth projections, Council will be required to carry more debt going forward with increasing capital investment required to provision for this growth.
- Debt servicing benchmark has been increased from borrowing costs to be below 10% of revenue, to 15%. This is allowed within Financial Prudence legislation, due to Council now being considered 'high growth'.

A copy of the draft Financial Strategy 2024-34 for consultation is attached [Attachment 1 – draft Financial Strategy 2024-34]

Based on this information it is considered that there are two options.

NGĀ KŌWHIRINGA | OPTIONSAnalysis of Options

Council can either approve the draft Financial Strategy 2024-34 for consultation, or direct staff to make changes or provide additional information.

The financial strategy is part of the supporting information for consultation on the long-term plan that Audit NZ will review. Approval is desired today to allow Long-term plan consultation to be undertaken over the planned period, and align with project plan, including audit timeframes, and adoption by 30 September 2024.

If agreement on a draft for consultation cannot be reached today, officers will provide additional information and seek approval at a special Council meeting to avoid missing or delaying consultation with the Long-term Plan 2024-34.

NGĀ HĪRAUNGA | CONSIDERATIONS**Ngā Aronga Pūtea | Financial Considerations**

The ten-year financial impacts of the financial strategy are reflective of the draft long-term plan, including, the draft infrastructure strategy 2024, and draft budgets that Council is considering. These must therefore be considered and approved together.

Ngā Aronga Ture | Legal ConsiderationsLocal Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. It is considered that social / economic / environmental and / or cultural wellbeing are of relevance to this particular matter.

The proposal has been evaluated with regards to a range of legislation. The key legislation applicable to the proposal has been reviewed and the relevant matters for consideration are as follows:

Legal requirements are outlined above [see heading: *The purpose of the Financial Strategy 2024-34 and its legal requirements*].

Ngā Hiraunga Kaupapa Here | Policy Implications

There is an inherent connection between the Infrastructure Strategy and the Financial Strategy.

Te Kōrero tahi ki te Māori | Māori Engagement

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. Council has a responsibility to act reasonably and in good faith to reflect

Ordinary Council Meeting Agenda

03 May 2024

the partnership relationship, and to give effect to the principles of Te Tiriti. These principles include, but are not limited to the protection of Māori rights, enabling Māori participation in Council processes and having rangatiratanga over tāonga.

Our statutory obligations outline our duties to engage with Māori, and enable participation in Council processes. Alongside this, we recognise the need to work side by side with the ahi kaa / resident iwi of our district. Engagement may not always be required by law, however meaningful engagement with Māori allows Council to demonstrate good faith and our commitment to working together as partners across our district.

Appropriately, the report author acknowledges that they have considered the above obligations including the need to seek advice, guidance, feedback and/or involvement of Māori on the proposed recommendation/s, objective/s, project/s or service/s outlined within this report.

The draft Financial Strategy 2024-34 will be formally consulted on as part of the long-term plan consultation.

Ngā Tūraru | Risks

There are no known risks.

TE HIRANGA O TE WHAKATAU, TE TONO RĀNEI | SIGNIFICANCE OF THE DECISION OR PROPOSAL

The financial strategy is part of the long-term plan which is considered to be significant. Consultation is required by the legislation.²

TE KŌRERO TAHI | ENGAGEMENT

Consultation with the community will be undertaken alongside the Long-term plan.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

Communication will be carried out as part of wider consultation with the community on the Long-term Plan.

WHAKAKAPINGA | CONCLUSION

Officers recommend that you approve the draft Financial Strategy 2024-34 for consultation (draft attached to this report). Consultation will happen alongside consultation for the Long-term Plan.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Draft Financial Strategy 2024-34

² [Local government act 2002, Section 93C Content of consultation document for adoption of long-term plan](#)

FINANCIAL STRATEGY 2024-34

INTRODUCTION – ‘ACHIEVING THE BALANCE’

This Financial Strategy clearly outlines the financial vision and priorities for the next 10 years. It aims to ensure we are achieving an appropriate balance between the needs of our community, responsible management of our assets, and financial sustainability over the Long-term. It provides guidance for Council’s financial decisions and a means to monitor the financial performance of Council.

The budget for this Long-Term Plan (LTP) has been developed to give effect to the priorities as agreed by Council. Council has also indicated a commitment to maintaining current level of services, meeting legislative requirements, looking after our assets, and provisioning for the expected growth of the district.

These priorities have meant that operating budgets required to deliver our wide range of services have been largely maintained, there has been an increase in the renewals and maintenance budgets for our critical infrastructure, and continued investment in required growth-related assets. Operational efficiencies and discretionary project cuts have been required to ensure these priorities will be achieved and to mitigate the non-controllable budget increases. Further budgetary cuts would compromise these priorities.

Projected growth has increased from our last LTP, which has been highlighted by both the financial and infrastructure strategies, as a key driver of increased demand and subsequently increased pressure on our critical infrastructure and services. This increased demand is forecast to continue over the entire 10 years of this plan.

Along with the increasing demand on services, Council is facing additional challenges being driven by changes to Central Government policy and legislative requirements, with a particular emphasis on Council’s water and wastewater services. Along with priorities mentioned above, the stronger regulatory approach of New Zealand’s new water regulator has been reflected in Council’s capital works programme. This has driven increased investment in Council’s Water and Wastewater services over the 10-year period, with larger increases required in the first few years.

On top of growth, and the increasing investment required in our critical infrastructure assets, Council’s asset base has continued to increase due to prolonged periods of inflation. This in turn results in increased costs to maintain these assets throughout the 10-year period and a requirement to increase funding to cover the increased depreciation and replacement costs, to ensure the cost of using these assets is covered by current ratepayers, and not burdened onto future generations.

This Financial Strategy has been adapted to respond to the challenges outlined, along with financial sustainability considerations, including the impact on rates and debt, to achieve the right balance.

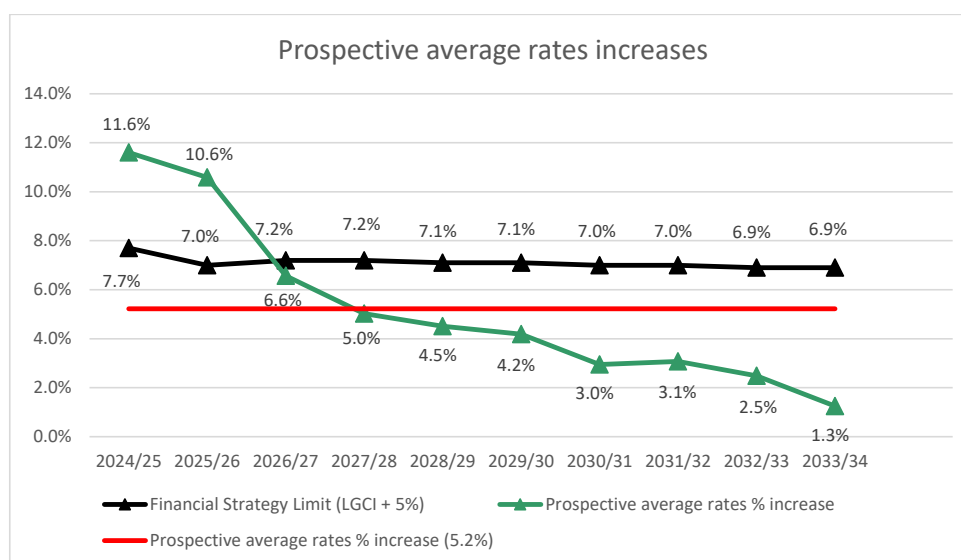
Rates

Council is forecasting average rates increases for existing ratepayers of 5.2% across the ten-year period. Recent inflationary pressures, non-controllable cost increases, and increased interest costs have put considerable pressure on rates, particularly in the short-term.

Council have also increased its rates increases affordability benchmark from Local Government Cost Index (LGCI) + 2.5% to LGCI + 5%, considering past performance challenges due to LGCI being a forward-looking projection, whereas Council cost increases often occur subsequently to inflationary increases. For most years in this 10-year period, Council is projecting to be well below its self-imposed benchmark. Average rates increases are for existing ratepayers only (after removing forecast growth in rateable properties).

Council recognises that although these short-term rates increases are fundamentally outside of Council's control without compromising key priorities, they are also likely to be challenging for the community. Council have recognised this by not adjusting the benchmark for the two years but instead showing these two years as a short-term breach to the affordability limit.

Average rates increases (to existing ratepayers)



Increased costs for Council's water services has meant that rates increases are proportionally higher for residential ratepayers who have the ability to connect to Council's water and wastewater services. This has been partially mitigated by a proposed differential increase for electricity generators, utilities, and networks. This differential change is being proposed to ensure all industrial/commercial ratepayers pay rates on the same basis, but also in response to Council's consideration of the affordability of rates for the community, for which the proportionally larger increases in residential rates in recent times was a factor.

Availability of alternative funding streams, such as external funding, is considered more challenging than previous LTP's and therefore Council will see an increased reliance on rates revenue during this

10-year period. This is reflective in Council's rates (income) affordability, including a breach in the last year to the benchmark of rates not exceeding 80% of total operating revenue.

Council have proposed increases to its fees & charges, to better reflect increased costs over the past three years. Without these increases, Council would not meet revenue and financing policy funding principles and Council would need to either intentionally breach these principles or amend them to suit current user pays ratios. This would further increase Council's reliance on rates revenue.

Council believes that the breach in rates (income) affordability, that total rates revenue must not exceed 80 per cent of operating revenues, is substantially outside of its control considering the substantial increases already applied to fees & charges.

If Council does not receive the assumed external funding streams in this LTP, such as New Zealand Transport Agency Waka Kotahi subsidies, it will need to reassess the appropriateness of its Capital Programme and/or specific projects.

Council will also continue to prioritise opportunities to grow its sources of third-party funding for capital projects. Council will achieve this through relationships with funding agencies, government departments, and community groups. Council will also continue to advocate Central Government for alternative funding sources, through its own means and through its involvement with sector partners like Local Government New Zealand and Taituarā.

Debt

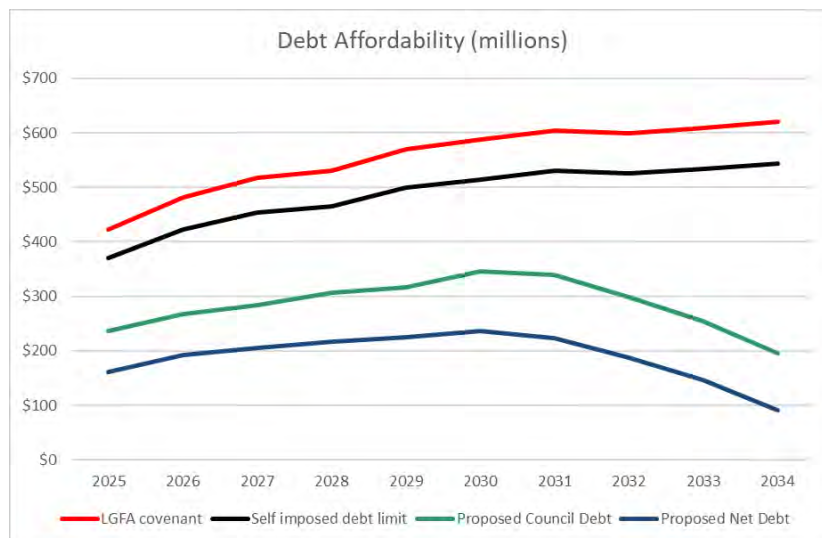
Achieving the balance between debt sustainability and affordability over the long-term and Council's priorities of maintaining current level of services, meeting legislative requirements, looking after our assets, and provisioning for the expected growth, has been challenging for this 10-year period.

Council has managed to maintain debt sustainability and affordability by minimising pressure on debt through voluntary repayments on Council loans, depreciation reserve top-ups, and rationalisation of Council's discretionary capital projects.

Council has increased its gross external debt to revenue ratio from 225% to 250% for this Financial Strategy, recognising the increase in growth during this 10-year period. Due to the forecasted growth projections, Council will be required to carry more debt going forward with increasing capital investment required to provision for this growth.

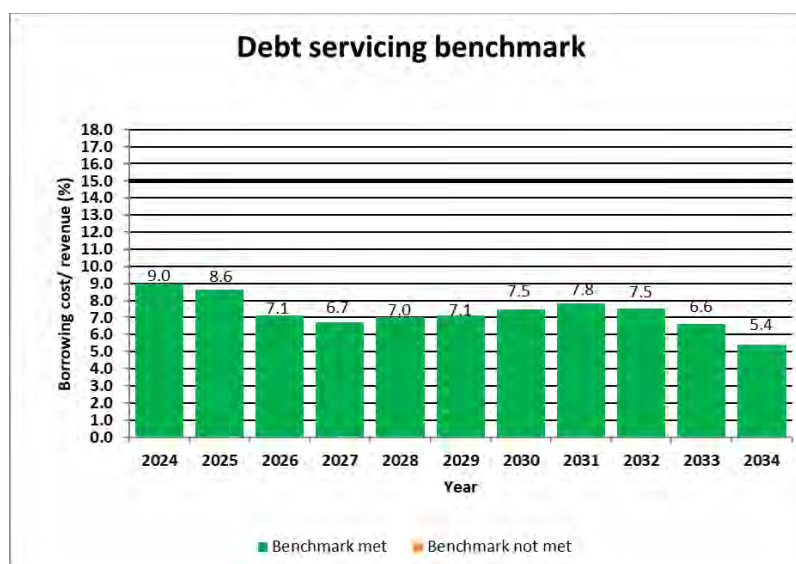
Through this financial strategy, Council also recognises the importance of debt headroom as a key part of planning for unexpected events and changes.

Despite the increased pressure on Council's debt and significant increases during this LTP, it remains at prudent levels. The new limit is well below debt covenants that are set by the New Zealand Local Government Funding Agency (LGFA), and Council remain comfortably below the increased limit.



Maintaining a low cost of financing is key for this financial strategy and Council aims to achieve this by obtaining high-quality treasury advice and achieving a positive outcome during Council annual credit rating process. Council's credit rating is currently AA+ (negative watch) and Council endeavours to maintain a credit rating of at least AA during this 10-year period, to ensure the lowest possible lending margins.

Due to Council's increased growth projections, Council is allowed to increase its Debt servicing benchmark to borrowing costs to be below 15% of revenue (from 10%), as per Local Government (Financial Reporting and Prudence) Regulations 2014. In the context of the old benchmark, higher projected interest rates and higher growth was putting pressure on this ratio (due to the revenue calculation excluding growth revenue, such as development contributions), however, Council comfortably sit inside the benchmark for high growth Councils.



Policy on giving security for borrowing

The Council normally secures its borrowings against rates income. The Council has a Debenture Trust Deed that provides the mechanism for lenders to have a charge over its rates income.

The Council may provide security over specific assets. This is limited to where:

- There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. project finance).
- Council considers a charge over physical assets to be appropriate.
- Any pledging of physical assets must comply with the terms and conditions contained within the security arrangement.

For further information on Council's approach to borrowing, refer to the Liability Management Policy (part of the Treasury Management Policy).

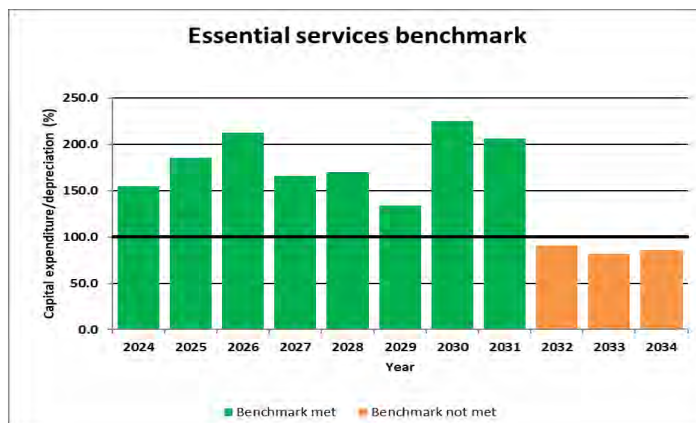
Council services and infrastructure

Council is planning on maintaining current level of services during this 10-year period and this has been reflected in its largely stable operating budgets which are required to deliver the wide range of Council services. This meant that operational efficiencies and discretionary project cuts have been required to ensure a maintained level of service, and to offset several substantial non-controllable increases (such as interest rates, power, and insurance). Further budgetary cuts would compromise these priorities.

Council will continue to fund 100% of depreciation of its assets over the asset's lifecycle. This methodology is used to achieve intergenerational equity; to ensure the consumption or wearing out of the assets used each year, is paid for by the ratepayers who are using the assets, and not by future generations.

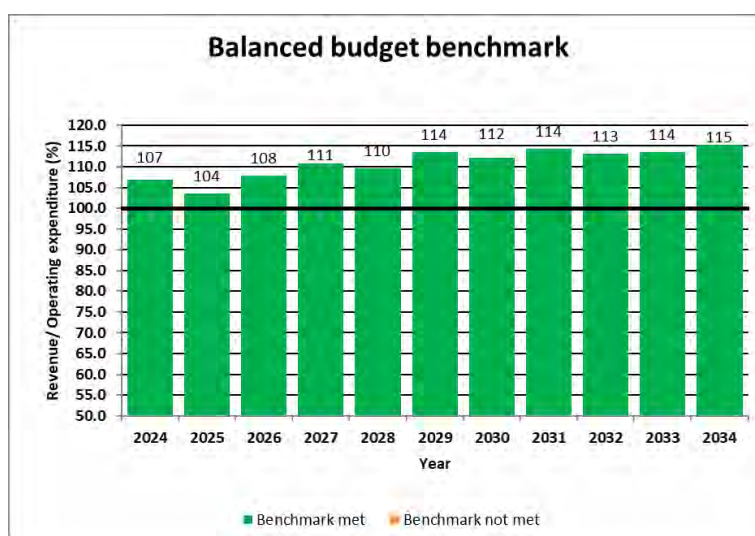
This strategy has been strained in recent years due to prolonged periods of high inflation impacting on replacement costs and maintenance costs of the entire asset portfolio, including those that have previously been funded at historic replacement cost / depreciation levels.

Prioritisation of essential infrastructure, such as water services can be seen in the essential services benchmark, which shows Council's planned capital expenditure on network services as a proportion of expected depreciation on network services. This shows that planned capital expenditure on network services is significantly greater than the benchmark at the first year of the 10-year period. The later years show a breach due to these essential services being prioritised for earlier in the plan.



Increases to Council's capital and operational maintenance and renewal budgets for Council's critical infrastructure have been reflected in budgets over this 10-year period.

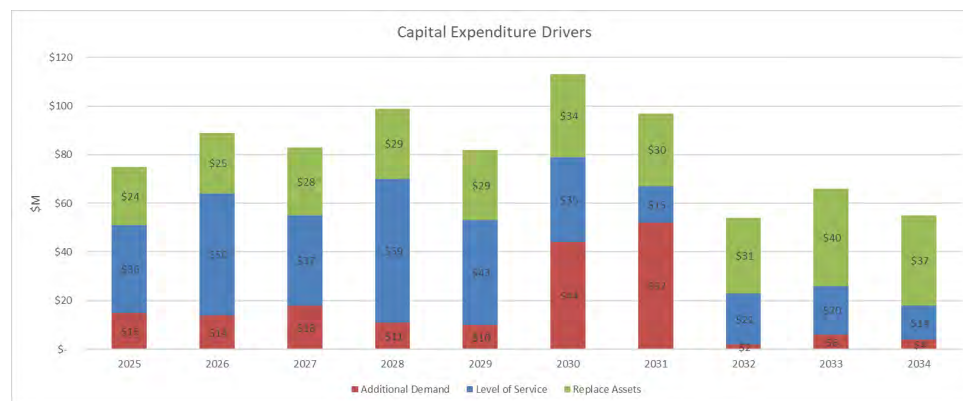
This 10-year period, Council have prioritised topping up negative reserve balances with rates funding in latter years, to ensure no further pressure is put on future generations for the eventual replacement of its assets. This can be seen in Council's balanced budget benchmark which shows council's planned revenue as a proportion of planned operating expenses. Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses. Council meets this benchmark easily for the 10 years of the plan due to the prioritisation of this funding.



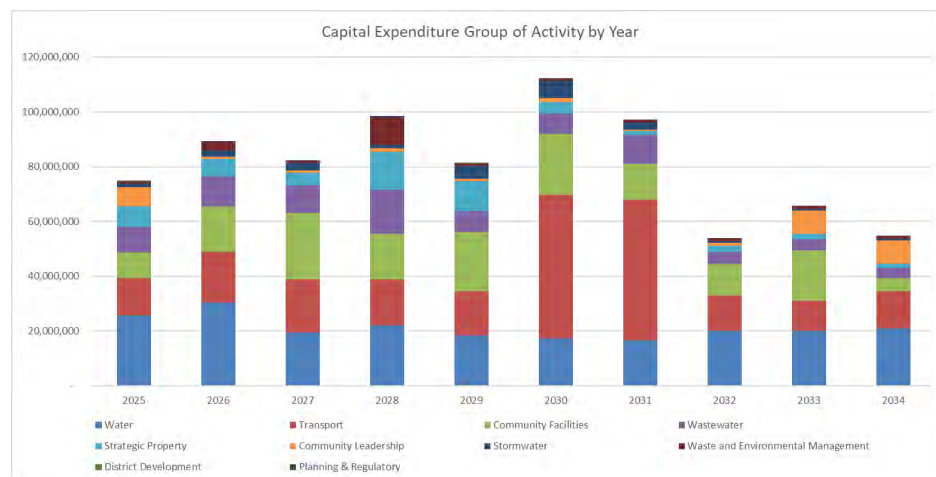
Council has not delivered its entire planned capital works programme in recent years, which has been partially caused by limited resources being available to deliver these projects, with competing infrastructure demands throughout both Central and Local Government. As a result, Council has ensured a deliverability lens has been placed over the programme for this LTP and believe the programme itself is deliverable, when comparing past performance.

Unfortunately, Council did not anticipate the volume of carry forward of 2023-24 number of project delays from 2023-24 when developing its Long-term plan and Council Officers are going to review this programme further in light of likely increases from carry forward of 2023-24 year capital projects. Any smoothing and/or changes will be reflected in the final LTP document.

The average yearly capital program budget in this LTP is \$81 million. The following graph shows amounts being driven by additional demand/growth, level of service, and replacement of existing assets. The capital programme has been spread to cater for growth, required improvements (e.g. water regulatory projects), and affordability.



It is clear in this Financial Strategy that water services are a significant driver for both rates and debt pressures and these pressures have been felt across the sector. These increased pressures, along with new legislation from Central Government's Local Water Done Well Plan, will require Council to review options for its 3-water services delivery during this 10-year period, however any impact from this is unknown at this time. Careful assessment of any proposed options needs to be considered by Council, iwi, and the community.



Growth

Council will continue to use Development Contributions and development agreements to fund the growth proportion of new assets required to cater for the growth in our community. Operational increases are covered by increases in rateable properties, and growth is appropriately excluded from our rates increases affordability benchmark.

This methodology ensures an equitable funding split for the cost of new assets and that growth pays for growth. Despite this principle, Council are generally required to fund its growth upfront, due to the long-life of its infrastructure. This puts pressure on Council's debt, and influences Council's budgets and infrastructure priorities.

Council is projecting significant increases in its population this 10-year period, as shown in population projections.

	2025	2030	2035	2040	2045	2050	2055	2060
Taupō Township	28,000	30,000	32,000	35,000	38,000	41,000	44,000	48,000
Tūrangi	4,000	4,000	4,000	4,000	4,000	5,000	5,000	5,000
Marotiri	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Mapara	2,000	3,000	3,000	4,000	4,000	5,000	5,000	6,000
Lake Taupō Bays	2,000	2,000	2,000	2,000	3,000	3,000	3,000	4,000
Northern rural	4,000	4,000	4,000	4,000	4,000	4,000	5,000	5,000
Eastern Rural	400	400	400	400	500	500	500	500
Total	43,400	46,400	48,400	52,400	56,500	61,500	65,500	71,500

Council's growth is one of Council's key significant assumptions and has been projected using the medium growth scenario in Council's in house model. With any growth model, there is risk that growth is higher or lower than projected and/or in different locations than projected.

Should growth be lower than forecast, revenue budgets for rates, building consents, resource consents and development contributions may not be met and this will put further pressure on debt. Should growth be in different locations than projected, this will change Council's priorities for its capital budgets.

To mitigate this risk, Council will review growth assumptions annually and if there are any disparities Council would need to reconsider the appropriateness of the capital programme.

Unexpected events and changes

Ensuring financial sustainability over the long-term is a key part of ensuring Council is adequately planning for unexpected events and changes. Maintaining sufficient debt headroom and prudent management of Council's investments are key considerations of its financial sustainability.

Council also maintains a disaster recovery reserve as another element of planning for unexpected events, such as natural disasters. Council currently contributes \$350,000 per annum to this reserve. Over the first three years of this strategy, the contribution will increase until it reaches \$600,000 per

annum in 2028, in recognition of the importance of adequate planning for unexpected events and the increases in these events in recent history.

Unexpected events are not limited to physical events and unexpected changes can also impact Council's debt and Council recognises the importance of maintaining sufficient debt headroom to allow for these types of changes too. An upcoming example is the change to public sector accounting standards (IPSAS 43) which will likely have an impact on lease liability recognition, increasing Councils reported debt.

Increases to financial benchmarks and ratios in this financial strategy have also been changed based on projected growth, and those projections could change in the future requiring benchmarks to change back. With the benchmarks increased due to growth (debt affordability and servicing), Council is still sitting comfortably within old limits based on lower growth for the entire 10-year period of this financial strategy.

Investments

Council has significant financial investments in its financial investment activity and Council's primary objective when investing is the protection of its investment capital and that a prudent approach to risk/ return is always applied. Council will act effectively and appropriately to:

- Protect the Council's investments.
- Ensure the investments benefit the Council's ratepayers.
- Maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements.

One of Councils significant investments is the Taupo Electricity Limited (TEL) Fund which was established after Taupō Electricity Limited (TEL) and Taupō Generation Limited (TGL) were sold in 1995.

Council used the assets of the TEL Fund to create a community fund, which aims to produce revenue that could be used to fund community projects, after first inflation proofing the fund. This fund is also used as self-insurance for underground assets, so Council avoids significant insurance premiums on these assets. In the event of a natural disaster, Central Government would fund 60 per cent of underground assets with Council being required to fund the rest from the TEL fund.

During recent years, the TEL fund has not kept up with inflation due to the economic environment with low liquid asset returns and high inflation. Therefore, no income has been dedicated to community projects during this LTP, while the fund returns to the past value (in present day measures). Our target for this financial strategy is to increase the value of the TEL fund from \$68M to \$126M.

The TEL fund is now managed by an external Investment Manager, which has been setup to achieve the originally outcomes, in a financially prudent manner. This is governed and measured by a Statement of Investment Policies and Objectives (SIPO), and it is proposed in this strategy that the SIPO be maintained as the overarching performance measurement for this fund. The budgeted rate of return is 6.01%

The TEL fund has additional benefits to our community as the liquidity that the fund offers enhances Council's Standard and Poor's (S&P) credit rating, keeping lending costs as low as possible.

The Council also maintains investments, outside of the TEL fund, which includes cash, and a small amount of equity investments and other minor shareholdings. The principal reason for holding an equity investment is to achieve efficiency and community value, rather than for a financial return, and appropriately we do not have any financial targets for these. Current equity shareholding includes the Taupo Airport Authority, the New Zealand Local Government Funding Agency Limited, and the New Zealand Local Government Insurance Corporation Limited.

The Council seeks to achieve an acceptable rate of return on all its investments consistent with the nature of the investment. Council will achieve all its treasury objectives, as maintained in Council's Treasury Management Policy (TMP). The budgeted rate of returns for other cash is 5.1%

Taupo District Council also holds other asset investments. These comprise commercial, industrial and residential land investments, forestry investments, commercial and semi commercial property, including community housing, and camping grounds.

In this 10-year period, Council is also planning to invest in developing its property to achieve housing outcomes and a financial return to Council. This has been planned in a financially prudent manner with the dual targets to have no impact on rates and limited pressure on Council's debt - to become self-funding this 10-year period.

Long term Plan Disclosure Statement for period commencing 1 July 2021

Council have included the Disclosure Statement in this Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

The purpose of this statement is to disclose Council's planned financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Our Long-Term Plan budget meets or exceeds all measures of financial management as determined by the government, except for the essential services benchmark in the last 3 years, due to essential services being prioritised earlier in the plan.

5.2 DRAFT 2024 INFRASTRUCTURE STRATEGY FOR CONSULTATION

Author: Aidan Smith, Senior Policy Advisor - Climate Change

Authorised by: Tony Hale, Acting General Manager Operations and Delivery

TE PŪTAKE | PURPOSE

This paper seeks your approval of the draft Infrastructure Strategy 2024 for consultation alongside the Long-term Plan 2024-34. A draft Infrastructure Strategy 2024 will be circulated separately.

This paper sets out:

- the purpose of the Infrastructure Strategy 2024 and the legal requirements
- the draft contents of the Infrastructure Strategy 2024
- proposed changes to the Infrastructure Strategy 2024
- the options for Council to consider.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

Council manages significant three waters and transport infrastructure on behalf of the community. Most of this infrastructure has a long-life, typically many decades. While the Long-term Plan provides Council's delivery plans for the near future¹, the infrastructure strategy ensures that this planning is done within the context of ensuring sensible, efficient and sustainable management of three waters and transport infrastructure for the long-term.

The draft Infrastructure Strategy 2024 aims to demonstrate that Council is carefully managing these assets by setting out how Council will ensure it meets these objectives:

- Assets are well looked after and in good condition for future generations
- We are planning and investing to support growth and housing development
- We are maintaining levels of service and improving public health and environmental outcomes
- We are managing natural hazard risks to ensure our infrastructure is resilient

This strategy also sets out the major infrastructure challenges that we expect to face over the next 30 years, the options for addressing these, and when important decisions will need to be made. These are:

- Identifying a Northern Access solution
- Managing wastewater north of the Waikato River
- Improving the disposal of wastewater in Tūrangi

Officers are seeking Council's agreement to these objectives and challenges, and approval of the draft Infrastructure Strategy 2024 for consultation

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council approves the draft Infrastructure Strategy 2024 for consultation subject to changes required as part of the audit process.

TE WHAKAMAHUKI | BACKGROUND

An infrastructure strategy is required to be part of Council's Long-term Plan [Section 101B of the Local Government Act 2002, extract attached, refers].

Council had a workshop on 30 November 2023 on the Infrastructure Strategy and asset management plans, where the purpose, requirements and likely key topics of the infrastructure strategy were outlined.

A draft Infrastructure Strategy has since been prepared, and is being provided to you for consideration and approval for consultation.

¹ The next 1-3 years in some detail, and then indicative plans looking out 10 years.

NGĀ KŌRERORERO | DISCUSSIONThe purpose of the Infrastructure Strategy 2024, its legal requirements, and draft contents

The table below sets out the requirements of the infrastructure strategy and the corresponding contents of the draft Infrastructure Strategy 2024

Required contents ²	Draft contents
<p>Must include:</p> <ul style="list-style-type: none"> • Water, wastewater, stormwater, transport • flood protection and control works • any other assets that Council, in its discretion, wishes to include in the strategy. 	<p>Includes three waters and transport</p> <p>Council doesn't have any – these are done by regional council.</p> <p>Previously (2021 strategy), Council had included solid waste, property assets (like community buildings), and parks and reserves, some of these were for a 10-year period as longer-term information was not available. For this long-term plan, the draft is only for the legislative minimums of three waters and transport due to resource constraints.</p>
<p>Purpose of the infrastructure strategy is to identify significant infrastructure issues and the options and implications for addressing them.</p>	<p>Identifies three infrastructure challenges and the options for dealing with them:</p> <ul style="list-style-type: none"> • Identifying a Northern Access solution • Managing wastewater north of the Waikato River • Improving the disposal of wastewater in Tūrangi
<p>Outline how the local authority intends to:</p> <ul style="list-style-type: none"> • renew or replace existing assets. • respond to growth or decline in the demand for services. • allow for planned increases or decreases in levels of service. • maintain or improve public health and environmental outcomes. • provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks. 	<p>Section under the objective "Assets are well looked after and in good condition for future generations".</p> <p>Section under the objective "We are planning and investing to support growth and housing development".</p> <p>Section under the objective "We are maintaining levels of service and improving public health and environmental outcomes".</p> <p>Section under the objective "We are managing natural hazard risks to ensure our infrastructure is resilient".</p>
<p>Show indicative estimates of the projected capital and operating expenditure</p>	<p>Section on "planned revenue and expenditure"</p>
<p>Identify the significant capital expenditure decisions that will need to be made, when, and what the options are likely to be.</p>	<p>Major projects, scale and timeframes are provided for each objective section. Additional upcoming decisions identified are (in addition to the 3 major challenges above):</p> <ul style="list-style-type: none"> • Future of the control grates bridge • Measures to reduce high water use in Taupō
<p>Set out the key assumptions, and where there is high uncertainty:</p> <ul style="list-style-type: none"> • the nature of that uncertainty • the potential impacts of that uncertainty. 	<p>Section on "summary of assumptions with a high level of uncertainty"</p>

² Section 101B of the Local Government Act 2002, extract attached, refers.

Ordinary Council Meeting Agenda

03 May 2024

A copy of the legal requirements is attached [Attachment 2 – extracts of legal requirements]

A copy of the draft Infrastructure Strategy 2024 for consultation will be circulated separately.

Based on this information it is considered that there are two options.

NGĀ KŌWHIRINGA | OPTIONS

Analysis of Options

Council can either approve the draft Infrastructure Strategy 2024 for consultation, or direct staff to make changes or provide additional information.

The infrastructure strategy is part of the supporting information for consultation on the long-term plan that Audit NZ will review. Approval is desired today to allow Long-term plan consultation to be undertaken over the planned period, and align with project plan, including audit timeframes, and adoption by 30 September 2024.

If agreement on a draft for consultation cannot be reached today, officers will provide additional information and seek approval at a special Council meeting to avoid missing or delaying consultation with the Long-term Plan 2024-34.

NGĀ HĪRAUNGA | CONSIDERATIONS

Ngā Aronga Pūtea | Financial Considerations

The ten-year financial impacts of the infrastructure strategy align with the long-term plan that Council is considering. These must therefore be considered and approved together.

Ngā Aronga Ture | Legal Considerations

Local Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. It is considered that social / economic / environmental and / or cultural wellbeing are of relevance to this particular matter.

The proposal has been evaluated with regards to a range of legislation. The key legislation applicable to the proposal has been reviewed and the relevant matters for consideration are as follows:

Legal requirements are outlined above [see heading: *The purpose of the Infrastructure Strategy 2024 and its legal requirements*].

Ngā Hīraunga Kaupapa Here | Policy Implications

There is an inherent connection between the Infrastructure Strategy and the Financial Strategy.

Te Kōrero tahi ki te Māori | Māori Engagement

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. Council has a responsibility to act reasonably and in good faith to reflect the partnership relationship, and to give effect to the principles of Te Tiriti. These principles include, but are not limited to the protection of Māori rights, enabling Māori participation in Council processes and having rangatiratanga over tāonga.

Our statutory obligations outline our duties to engage with Māori, and enable participation in Council processes. Alongside this, we recognise the need to work side by side with the ahi kaa / resident iwi of our district. Engagement may not always be required by law, however meaningful engagement with Māori allows Council to demonstrate good faith and our commitment to working together as partners across our district.

Appropriately, the report author acknowledges that they have considered the above obligations including the need to seek advice, guidance, feedback and/or involvement of Māori on the proposed recommendation/s, objective/s, project/s or service/s outlined within this report.

Content previously requested by our iwi partners in the 2021 strategy has been retained in the 2024 draft. The draft Infrastructure Strategy 2024 will be formally consulted on as part of the long-term plan consultation.

Ngā Tūaru | Risks

There are no known risks.

TE HIRANGA O TE WHAKATAU, TE TONO RĀNEI | SIGNIFICANCE OF THE DECISION OR PROPOSAL

The infrastructure strategy is part of the long-term plan which is considered to be significant. Consultation is required by the legislation.³

TE KŌRERO TAHI | ENGAGEMENT

Consultation with the community will be undertaken alongside the Long-term plan.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

Communication will be carried out as part of wider consultation with the community on the Long-term Plan.

WHAKAKAPINGA | CONCLUSION

Officers recommend that you approve the draft Infrastructure Strategy 2024 for consultation (this will be circulated separately). Consultation will happen alongside consultation for the Long-term Plan.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Extracts of legal requirements

³ [Local government act 2002, Section 93C Content of consultation document for adoption of long-term plan](#)

 Agenda

Infrastructure Strategy - Extracts of legal requirements

Applicable sections of the Local Government Act 2002

101B Infrastructure strategy

- (1) **A local authority must, as part of its long-term plan, prepare and adopt an infrastructure strategy for a period of at least 30 consecutive financial years.**
- (2) **The purpose of the infrastructure strategy is to—**
- (a) identify significant infrastructure issues for the local authority over the period covered by the strategy; and
 - (b) identify the principal options for managing those issues and the implications of those options.
- (3) **The infrastructure strategy must outline how the local authority intends to manage its infrastructure assets, taking into account the need to—**
- (a) renew or replace existing assets; and
 - (b) respond to growth or decline in the demand for services reliant on those assets; and
 - (c) allow for planned increases or decreases in levels of service provided through those assets; and
 - (d) maintain or improve public health and environmental outcomes or mitigate adverse effects on them; and
 - (e) provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.
- (4) **The infrastructure strategy must outline the most likely scenario for the management of the local authority's infrastructure assets over the period of the strategy and, in that context, must—**
- (a) show indicative estimates of the projected capital and operating expenditure associated with the management of those assets—
 - (i) in each of the first 10 years covered by the strategy; and
 - (ii) in each subsequent period of 5 years covered by the strategy; and
 - (b) identify—
 - (i) the significant decisions about capital expenditure the local authority expects it will be required to make; and
 - (ii) when the local authority expects those decisions will be required; and
 - (iii) for each decision, the principal options the local authority expects to have to consider; and
 - (iv) the approximate scale or extent of the costs associated with each decision; and
 - (c) include the following assumptions on which the scenario is based:
 - (i) the assumptions of the local authority about the life cycle of significant infrastructure assets;
 - (ii) the assumptions of the local authority about growth or decline in the demand for relevant services;
 - (iii) the assumptions of the local authority about increases or decreases in relevant levels of service; and
 - (d) if assumptions referred to in paragraph (c) involve a high level of uncertainty,—
 - (i) identify the nature of that uncertainty; and
 - (ii) include an outline of the potential effects of that uncertainty.

(4A) [Repealed]

Agenda

- (5) A local authority may meet the requirements of section 101A and this section by adopting a single financial and infrastructure strategy document as part of its long-term plan.**
- (6) In this section, infrastructure assets includes—**
- (a) existing or proposed assets to be used to provide services by or on behalf of the local authority in relation to the following groups of activities:
 - (i) water supply:
 - (ii) sewerage and the treatment and disposal of sewage:
 - (iii) stormwater drainage:
 - (iv) flood protection and control works:
 - (v) the provision of roads and footpaths; and
 - (b) any other assets that the local authority, in its discretion, wishes to include in the strategy.

Ordinary Council Meeting Agenda

03 May 2024

**5.3 APPROVAL OF SUPPORTING INFORMATION FOR THE DRAFT LONG-TERM PLAN 2024-34
CONSULTATION DOCUMENT FOR AUDIT NEW ZEALAND CONSIDERATION****Author:** Kendall Goode, Senior Policy Advisor**Authorised by:** Nick Carroll, Policy Manager**TE PŪTAKE | PURPOSE**

This report seeks Council's approval of supporting information for the draft Long-term Plan 2024-34 Consultation Document. This will allow Audit New Zealand (Audit NZ) to consider and assess the information as part of the audit process in May.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

Audit NZ will assess the quality of the supporting information used to prepare the draft Long-term Plan 2024-34 Consultation Document. Several policies were approved for audit at the 16 April Council Meeting, and this report seeks approval of those outstanding policies and financial information that are also considered as supporting information for the consultation document.

Approving these documents allows Audit NZ to consider them when auditing the draft Long-term Plan 2024-34 Consultation Document

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council approves the following draft supporting information for the draft Long-term Plan 2024-34 Consultation Document for consultation subject to changes required as part of the audit process:

- a. Draft Accounting Policies
- b. Draft Funding Impact Statement
- c. Draft financial information

TE WHAKAMAHUKI | BACKGROUND

Section 93 of the Local Government Act 2002 (LGA) requires councils to have a long-term plan and the plan must include all the information as per Part 1 of Schedule 10. Several workshops have been held throughout 2023 and the first quarter of 2024 to develop the draft Long-term Plan 2024-34 strategies, policies, budgets and consultation document.

NGĀ KŌRERORERO | DISCUSSION

This Long-term Plan (LTP) process has been subject to delays as a result of the uncertainty associated with the Affordable Waters Reform, which has now been repealed. To make the Long-term Plan process manageable as a result of these delays, changes to the legislation were made and the requirements that normally apply to the consultation document have been removed with the ability for councils to opt out of the normal audit process.

While an audit of the consultation document is not required, the recommendation is to proceed with an audit of the consultation document and supporting information, albeit this will be a smaller scope due to time constraints. This enables Council to manage potential risks associated with the final LTP audit later in August and provide assurance on the quality of the underlying information. A formal report from the Auditor-General will not be issued as part of this process as provided for by the changes to the Local Government Act 2002 (Schedule 1AA Part 8, inserted 17 February 2024).

The underlying information to be provided to Audit NZ will include, but is not limited to the:

- Draft Revenue and Financing Policy and associated s101(3) considerations report
- Draft performance measures
- Draft forecasting assumptions
- Draft Accounting Policies
- Draft Treasury Management Policy
- Draft Funding Impact Statement
- Draft Financial Strategy
- Draft Infrastructure Strategy

Ordinary Council Meeting Agenda

03 May 2024

- Draft fees and charges schedule 2024/25
- Draft financial information

NGĀ KŌWHIRINGA | OPTIONS

The two options Council has, are to either adopt the draft supporting information for the draft Long-term Plan 2024-34 Consultation Document for consideration by Audit NZ, suggest amendments for staff to make before providing to Audit NZ.

It is recommended that Council adopt the draft supporting information to ensure it meets its legal obligations under the Local Government Act 2002 (LGA). Council has spent a significant amount of time considering the various components that are included in the draft Long-term Plan 2024-34 Consultation Document with this information being used as the basis for consultation with our community.

NGĀ HĪRAUNGA | CONSIDERATIONS**Ngā Aronga Pūtea | Financial Considerations**

The financial considerations and implications associated with the draft supporting information have been discussed during workshops. These are included in the suite of financial statements and the funding impact statement in the supporting information. This information will be communicated to our community as part of the draft Long-term Plan 2024-34 Consultation Document. Any changes that Council makes as a consequence of submissions on the draft Long-term Plan 2024-34 Consultation Document will be reflected in the final Long-term Plan to be adopted at the end of September 2024.

Ngā Aronga Ture | Legal ConsiderationsLocal Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. It is considered that social / economic / environmental or cultural are of relevance to this particular matter.

The draft supporting information has been developed in accordance with the legislative requirements under the LGA.

Ngā Hiraunga Kaupapa Here | Policy Implications

The policy implications have been discussed during workshops. The draft Long-term Plan 2024-34 Consultation Document sets out what Council intends to deliver over the 2024-34 period and its anticipated operational and capital budgets. This supporting information is important in informing readers and facilitating integrated decision making.

Te Kōrero tahi ki te Māori | Māori Engagement

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. Council has a responsibility to act reasonably and in good faith to reflect the partnership relationship, and to give effect to the principles of Te Tiriti. These principles include, but are not limited to the protection of Māori rights, enabling Māori participation in Council processes and having rangatiratanga over tāonga.

Our statutory obligations outline our duties to engage with Māori, and enable participation in Council processes. Alongside this, we recognise the need to work side by side with the ahi kaa / resident iwi of our district. Engagement may not always be required by law, however meaningful engagement with Māori allows Council to demonstrate good faith and our commitment to working together as partners across our district.

Appropriately, the report author acknowledges that they have considered the above obligations including the need to seek advice, guidance, feedback and/or involvement of Māori on the proposed recommendation/s, objective/s, project/s or service/s outlined within this report. Iwi and hapū groups have been involved in the development of the Long-term Plan 2024-34 and as a consequence their feedback has helped inform the

Ordinary Council Meeting Agenda

03 May 2024

nature of this supporting information. There will be a further opportunity for iwi, hapū and Māori to make formal submissions on the Consultation Document.

Ngā Tūraru | Risks

If Council chooses not to approve the draft supporting information Audit NZ may not have the required confidence when making an assessment of the underlying information that has been used to prepare the draft Long-term Plan 2024-34 Consultation Document.

TE HIRANGA O TE WHAKATAU, TE TONO RĀNEI | SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement Policy identifies matters to be taken into account when assessing the degree of significance of proposals and decisions.

Officers have undertaken an assessment of the matters in the [Significance and Engagement Policy \(2022\)](#), and are of the opinion that the proposal under consideration is of a high degree of significance.

TE KŌRERO TAHI | ENGAGEMENT

Consultation is not required when adopting the draft supporting information for Audit NZ consideration. The Long-term Plan 2024-34 Consultation Document will be adopted for consultation on 31 May 2024, following the Audit NZ consideration, and consultation will take place between 4 June and 5 July 2024.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

No communication/media required.

WHAKAKAPINGA | CONCLUSION

Audit NZ assesses the quality of the supporting information used to prepare the draft Long-term Plan 2024-34 Consultation Document. Adopting the draft supporting information, provides confidence to Audit NZ when auditing the draft Long-term Plan 2024-34 Consultation Document.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Draft Accounting Policies
2. Draft Funding Impact Statement 2024-25
3. Draft Financial Information

1 STATEMENT OF ACCOUNTING POLICIES

1.1 Reporting entity

Taupō District Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The primary objective of Taupo District Council is to provide goods and services to the community for social benefit rather than for making a financial return. Accordingly, the Council has designated itself as a public benefit entity for financial reporting purposes.

The Council has designated itself as a public benefit entity (PBE) for the purpose of complying with generally accepted accounting practice.

Council has not presented group prospective financial statements because Council believes that the parent prospective statements are more relevant to the users.

The main purpose of prospective financial statements in the Annual Plan is to provide users with information about core services that Council intends to provide to ratepayers, the expected cost of those services and, as a consequence, how much Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries, except to the extent Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements presented. The primary objective of Council is to provide goods and services to the community for social benefit, rather than for making financial return. Accordingly, Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance and basis of preparation

The prospective financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZGAAP). The prospective financial statements have also been prepared in accordance with Tier 1 PBE accounting standards. The statements comply with PBE FRS 42 Prospective Financial Statements and other applicable Financial Reporting Standards as appropriate for public benefit entities. The prospective financial statements use opening balances from the period ending 30 June 2023; estimates have been restated accordingly if required. The prospective financial statements are prepared using the historical cost basis, except for assets and liabilities, which are recorded at fair value. These are detailed in the specific policies below.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements. The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of Council is New Zealand dollars.

2.1 Foreign Currency Transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ\$ (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such

transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

2.2 Goods and Services Tax (GST)

Items in the financial statements are stated exclusive of GST except for receivables and payables, which are shown 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 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 an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

2.3 Cost Allocation

The cost of service for each significant activity of Council has been derived using the cost allocation system outlined below: Direct costs, are costs directly attributable to a significant activity, and are charged directly to that significant activity; and Indirect costs are costs which cannot be identified in an economically feasible manner, with a specific significant activity, and are charged to significant activities using appropriate cost drivers such as staff time, computer devices, staff numbers and floor area.

2.4 Critical Accounting Estimates and Judgements

In preparing these prospective financial statements, estimates and assumptions have been made 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 or future events that are believed to be reasonable under the circumstances. The estimates, judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are:

- Estimating the fair value of land, buildings and infrastructural assets;
- Critical judgements in applying accounting policies
- Classification of property.

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. Receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's social housing policy. These properties are accounted for as property, plant and equipment.

2.5 Revenue

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below.

Rates revenue

General rates, targeted rates (excluding water by meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

Rates arising from late payment penalties are recognised as revenue when the rates become overdue.

Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis. Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remissions policy.

New Zealand Transport Agency roading subsidies

Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other subsidies and grants

Other subsidies and grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developers, the fair value is based on construction price information provided by the property developer. For long-lived assets that must be used for a specific use (for example, land that must be used as a recreation reserve), Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if Council expects that it will need to return or pass the asset to another party.

Sales of goods

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

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are fees charged to users of Council's local facilities, such as pools and museum. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill Fees

Fees for disposing waste at Council's landfill and transfer stations are recognised as the waste is disposed of by users.

Rental revenue 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.

Development and financial contributions

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

Interest and dividends

Interest revenue is recognised using the effective interest method. Dividends are recognised when the shareholder's right to receive payment is established and is classified as exchange revenue.

Third party transfer payment agencies

Council collects monies for many organisations. Where collections are processed through Council books, any monies held are shown as trade payables in the statement of financial position. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

2.6 Borrowing Costs

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

2.7 Superannuation Schemes

Defined contribution schemes Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

2.8 Grant Expenditure

Council's awarded grants have no substantive conditions attached.

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grants has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by Council and the approval has been communicated to the applicant.

2.9 Operating Leases

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

2.10 Income Tax

Local authorities are only subject to income tax on income derived from any Council controlled organisation and as a port operator.

Income tax expense includes components relating to current tax and deferred tax. Current tax is the expected tax payable on the taxable income for the year, and any adjustment to income tax payable in respect of prior years.

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 amounts 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 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 affects neither accounting profit or taxable profit. Current and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive revenues and expenses or directly in equity.

2.11 Equity

Equity is the community's interest in Council as measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated funds;
- Council-created reserves;
- asset revaluation reserves; and
- available-for-sale revaluation reserve.

Council-created reserves

Reserves are a component of equity and represent a particular use to which parts of equity have been assigned. Reserves may be legally restricted or created by Council. Council created reserves are reserves established by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Asset revaluation reserves

These reserves arise from certain asset classes being revalued, with these classes including land, buildings, infrastructural assets and restricted assets. The treatment of revaluation movements is detailed in 2.18 of the policies.

Available-for-sale revaluation reserves

These reserves arise from available-for-sale investments being revalued to current fair value. The treatment of revaluation movements is detailed in 2.16 of the policies.

2.12 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the Statement of Cash flows, and within borrowings in current liabilities on the Statement of Financial Position.

2.13 Receivables

Short-term receivables are recorded at the amount due, less any provision for un-collectability.

A receivable is considered uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

2.14 Inventory

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value; and
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Any write-down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down. When sections of land for sale are transferred from non-current assets held for sale, investment property or property, plant and equipment to inventory, the fair value of the land at the date of transfer is its deemed cost.

2.15 Financial Assets

Financial assets (other than shares in subsidiaries) are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Term deposits and community loans (loans and receivables)

Loans made at nil or below market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument.

After initial recognition, term deposits and community loans are measured at amortised cost using the effective interest method. Where applicable, interest accrued is added to the investment balance.

At year-end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

If the assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

Listed shares

This category has two sub categories: financial assets held for trading (Council does not use this category), and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance date.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Council's equity investments fall into this category.

Listed bonds (amortised cost)

After initial recognition, listed bonds are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the statement of comprehensive revenue and expense.

At year-end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment.

Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit. Council does not use this category presently.

Unlisted shares (fair value through other comprehensive revenue and expense)

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity;
and
- shareholdings that it holds for strategic purposes.

After initial recognition these investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses which are recognised in the surplus or deficit. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit. Council's shareholding in Civic Financial Services and the holdings of Government and corporate bonds are included as "unlisted shares".

2.16 Non-current Assets Held for Sale

An asset is held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. On classification as "held for sale", non-current assets and disposal groups are recognised at the lower of carrying amount and fair value, less costs to sell.

Any impairment losses for write downs of the asset are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

2.17 Property, Plant and Equipment

Property, plant and equipment consist of:

Operational assets – These include land, buildings, office furniture and fittings, library books, heritage assets, plant and equipment, and motor vehicles.

Restricted assets – Restricted assets are parks and reserves owned by Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – Infrastructure assets are the fixed utility systems owned by Council. Each asset type includes all items that are required for the network to function, for example, wastewater reticulation includes reticulation piping and pump stations.

Land and land under roads (operational and restricted) are measured at fair value, buildings (restricted and operational) and infrastructural assets (roads, water, wastewater and stormwater) are measured at fair value less accumulated depreciation. All other asset classes, excluding heritage assets, are measured at cost less accumulated depreciation and impairment losses. Heritage assets are measured at cost.

Revaluation

Land and buildings (operational and restricted), land under roads and infrastructural assets (roads, water, wastewater and stormwater) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to asset revaluation reserves in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

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 Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost.

Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

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

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the asset. 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 accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and heritage assets, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of asset depreciated	Estimated useful life	Depreciation rates
Operational assets		
Land	not depreciated	nil
Site value	13 years	7.69%
Structure	20 - 80 years	1.3% - 5%
Roof	20 - 40 years	2.5% - 5%
Services	20 - 45 years	2.5% - 5%
Internal fit-out	15 - 35 years	2.9% - 6.7%
Plant	20 - 30 years	3.3% - 5%
Machinery	2 - 20 years	5% - 50%
Computer equipment	4 years	25%
Office equipment	4 - 10 years	13.33% - 25%
Leased assets	3 - 5 years	20% - 33.3%
Furniture and fittings	2 - 10 years	10% - 50%
Park furniture	2 - 25 years	4% - 50%
Motor vehicles	4 - 10 years	10% - 25%
Library books	6.5 years	15.5%
Infrastructural assets		
Buildings	40 - 75 years	1.3% - 2.5%
Roading network		
Top surface (seal)	3 - 20 years	5% - 33.3%
Pavement (base course)	45 - 65 years	1.5% - 2.2%
Formation	not depreciated	nil
Culverts	50 - 80 years	1.25% - 2%
Footpaths	30 - 80 years	1.3% - 3.3%
Kerbs	60 - 80 years	1.25 - 1.67%
Signs	15 years	6.7%
Streetlights	15 - 30 years	3.3% - 6.7%
Bridges	60 - 100 years	1% - 1.67%
Structures	15 - 50 years	2% - 6.7%
Land under roads	not depreciated	nil
Water system		
Pipes	45 - 120 years	1% - 2.2%
Valves, hydrants	40 years	2.5%
Pump stations	20 - 60 years	1.7% - 10%
Tanks	25 - 80 years	1.3% - 4%
Sewerage system		
Pipes	65 - 120 years	1% - 1.5%
Manholes	80 years	1.3%
Treatment plant	10 - 80 years	1.3% - 20%
Stormwater systems		
Pipes	50 - 120 years	0.83% - 2%
Manholes, cesspits	75 - 100 years	1% - 1.3%
Flood control systems	50 - 100 years	1% - 2%
Solid waste	4 - 24 years	4.166% - 25%

The residual value and useful life of an asset is reviewed, and adjusted if appropriate, at each balance date.

Impairment of property, plant and equipment

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and 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 asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its 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. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases in the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

2.18 Forestry Assets

Forestry assets are predominantly standing trees which are managed on a sustainable yield basis. Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Gains or losses arising on initial recognition of forestry assets at fair value less cost to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

The costs to maintain forestry assets are included in the surplus or deficit.

2.19 Intangible Assets

Computer Software

Acquired computer software licenses are capitalised based on the costs incurred to acquire and bring to use the specific software. Costs are amortised using the straight-line method over their estimated useful lives (3 to 8 years).

Costs associated with maintaining computer software are recognised as an expense when incurred

Costs that are directly attributable to the development of identifiable and unique software products for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised using the straight-line method over their estimated useful lives (not exceeding 8 years).

Software-as-a-service (SaaS) costs are componentised, with development and configuration activities recognised as part of the software asset, and all other costs expensed as they are incurred in accordance with the April 2021 agenda decision from the International Financial Reporting Interpretations Committee (IFRIC) on Configuration or Customisation costs in a Cloud Computing Arrangement.

Staff training costs are recognised in the surplus or deficit when incurred.

Amortisation

The carrying value of an asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

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

Computer software 3-8 years 12.5% - 33.33%

Impairment of intangible assets

For further details, refer to the policy for impairment of property, plant and equipment in 2.18. The same approach applies to the impairment of intangible assets.

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Impairment of Carbon Credits

Council considers there is no impairment of carbon credits held as they are expected to be fully utilised in satisfying carbon obligations from its landfill operations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

2.20 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, all investment property is measured at fair value at each reporting date. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

2.21 Trade and other payables

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

2.22 Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken, at balance date.

A liability and an expense are recognised for bonuses where Council has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligations can be made.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

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

2.23 Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

2.24 Borrowings and Other Financial Liabilities

Borrowings are initially recognised at their fair value plus transactions costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Finance leases

A finance lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

2.25 Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are used to manage exposure to interest rate risk arising from Council's financing activities. In accordance with its Treasury Policy, Council does not hold or issue derivative financial instruments for trading purposes. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date. The associated gains or losses are recognised in the surplus or deficit.

2.26 Prospective Financial Information

The financial information contained in this document is prospective financial information in terms of accounting standard PBE FRS42. The purpose for which it has been prepared is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cash flow of Council. The actual results achieved for any particular year are also likely to vary from the information presented and may vary materially depending on the circumstances that arise during the period. Estimates and judgements 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.

Funding Impact Statement

1. INTRODUCTION

This Funding Impact Statement details the Rating Policy and the rates funding requirements.

2. RATING AREAS

Council has one rating area for the whole district. Where services benefit the whole community, these services will be paid from general rates. Where services benefit individuals or identifiable groups in the community, user charges or targeted rates may be assessed. The rating system used by Council is capital value, and the property valuations are produced by Opteon Technologies Limited. The effective date of the valuations is 1 July 2022.

3. CATEGORIES OF RATEABLE LAND

The Council adopts the following as its definitions of categories of rateable land. These categories are used as described elsewhere in this policy, and as required, for setting some of the targeted rates. The categories are defined using the use to which the land is put (clause 1 of schedule 2 of the Local Government (Rating) Act 2002) or the zoning of the land under the Council's Operative District Plan (clause 2 or 3 of schedule 2 of the Local Government (Rating) Act 2002).

The categories are:

- Residential – all residential rating units used for one or more household units.
- Rural – all rating units used predominantly for agricultural, horticultural, forestry or farming purposes.
- Industrial/Commercial – all rating units used for industrial, commercial, or retail purposes; (including rating units used for the purposes of generating electricity and utilities assets and networks) all vacant rating units zoned commercial or industrial under the District Plan; all rating units used for office or administrative purposes.
- Accommodation – all accommodation complexes including rating units within accommodation complexes used to provide visitor accommodation, including (without limitation) motels, hotels, timeshares, serviced apartments, holiday parks, camping grounds and backpacker lodges.
- Other – All other rating units not falling within the other differential categories.

3.1 It should be noted that:

- (a) Vacant land – the differential classification will be determined by the underlying zone classification of the rating unit.
- (b) Targeted rates are a source of funding as outlined in this document. Lump sum contributions are not invited in respect of any of the targeted rates.
- (c) Separately used or inhabited part (SUIP) – this refers to separate parts of a rating unit; whether or not actually occupied at any particular time, which are used for rental (or other form of occupation) on an occasional or long term basis as an independent residence/household; or in the case of a rating unit used for commercial or industrial business, the availability for use of part or parts of the rating unit for separate

shops/trading operations. In a residential situation a separately used or inhabited part will only be classified if all of the following apply - separate kitchen including a bench top and sink, separate living facilities, separate toilet and bathroom facilities and separate access (including access through a common area such as a lobby, stairwell, hallway or foyer etc.). In a business situation a separately used or inhabited part will be classified where the property has been set up to accommodate, or is used for separate shops, trading operations, leases, tenancies or the like for separate premises within the same rating unit. A rating unit with one use or part is one separately used or inhabited part.

- (d) Where separate parts of a rating unit fit within more than one category of rateable land (3 above) for setting rates or where separate parts of a rating unit qualify for a rates remission a rating division may be created to accurately assess rates and/or apply remission. It should be noted that a rating division will not be created to allow the avoidance of rates for rating units that operate in an open-market commercial environment. i.e. pockets of unproductive Māori Freehold land on farming or forestry blocks.
- (e) Rates payments are allocated to the earliest invoice.

3.2 Targeted Rates Based on Land Use

Council will target rates based on land use to assess:

- District Refuse Disposal Rate (1 and 2 below)
- Sewage Disposal Rate (3 below)

The following categories will apply:

1. All industrial/commercial (including electricity generators, utility assets and networks) or accommodation rating units (assessed twice the charge per separately used or inhabited part of a rating unit).
2. All residential, rural and other rating units (assessed with one charge per separately used or inhabited part of a rating unit).
3. Schools – per pan or urinal

3.3 Targeted Rates Based on Location

Council will use targeted rates based on location to assess rates for:

- Town Centre Taupō Management Rate (1 below).
- Whareroa Refuse Rate (2 below).

The following categories will apply:

1. Industrial/Commercial (including electricity generators, utility assets and networks) rating units within the defined central business district of Taupō town (assessed on each separately used or inhabited part of a rating unit). See figure 3 in this document.
2. All rating units in the Whareroa area. (see figure 2 in this document)

3.4 Targeted Rates Based on Availability of Service

Council will use targeted rates based on availability of service to assess rates for:

- Water supply (1, 4, and 6 below)
- Sewage disposal (2, 3, and 5 below)

The following categories will apply:

1. connected – each separately used or inhabited part of a rating unit that is connected to a Council operated water scheme
2. connected – each rating unit or residence/household that is connected to a Council sewerage drain
3. connected per pan/urinal or wastewater discharge point – each rating unit with more than one pan/urinal or wastewater discharge point (with the exception of rating units used as a single residence/household)
4. serviceable (available to be connected) – any separately used or inhabited part of a rating unit that is not connected to an accessible Council operated water scheme but is within 100 metres of any part of the waterworks
5. serviceable (available to be connected) – any rating unit that is not connected to an accessible Council operated sewage scheme but is within 30 metres of such a drain
6. metered water supply – rating units with a water meter

4. GENERAL AND TARGETED RATES

The Council adopts the following rates under the Local Government (Rating) Act 2002, on rating units in the district.

4.1 Differentials

Council applies differential factors greater than 1.0 to some categories of rateable land when assessing the general rate to recognise that there are differences in the level of service and therefore the benefits each differential rating category derives from the various services provided by Council and the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community. In some cases, costs to provide some services are higher for some rating categories and this is considered when setting differentials and applying them to rating categories. Rating units are categorised based on land use or the zoning of the land.

It should be noted that this draft Funding Impact Statement updates the rating policy and provides that the separate differential rating category for electricity generation and utilities assets and networks is now included within the Industrial/Commercial differential rating category; aligning how rates are assessed for all properties used for industrial or commercial purposes. This change will be consulted on through the Long-term Plan 2024-34.

Council uses a 1.8 differential for Industrial/Commercial (including electricity generation, utility assets and networks) and the Accommodation property categories. All other categories of rating unit will pay the standard rate (differential = 1).

Property Categories	2023/24 Differential Factors	2024/25 Differential Factors
Residential	1.000	1.000
Rural	1.000	1.000
Utility Assets and Networks	1.000	
Electricity Generators	1.000	

Industrial/Commercial	1.800	
Industrial/Commercial (including electricity generation, utility assets and networks)		1.800
Accommodation	1.800	1.800
Other	1.000	1.000

4.2 General Rate

A General Rate set under section 13 of the Local Government (Rating) Act 2002 on every rateable rating unit in the district and calculated on the capital value of each rating unit.

The General Rate is used to fund activities and services including: Building and Resource consents, Regulatory compliance, including Liquor and Health licensing, Animal control, Parking and Sundry compliance, Transport, Parks and Reserves, Venues, including the AC Baths, Tūrangi Turtle Pools, Mangakino Pools, Taupō Events Centre, Great Lake Centre, Community Halls, Buildings and District Libraries, Heritage, Culture & Public Art, including Taupō Museum & Art Gallery, Public Conveniences including the Super Loo, Litter Control, Stormwater, Community Engagement & Development, Investments, Property, Housing for the Elderly, District Development, Visitor Support and Events.

Valuation basis for general rates

Council uses capital value as the basis for general rates.

Rating Unit Category	Rate per \$ of CV 2023/24 GST incl	Rate per \$ of CV 2024/25 GST incl
Residential	0.0019109/\$	0.0019514/\$
Rural	0.0019109/\$	0.0019514/\$
Utility Assets and Networks	0.0019109/\$	
Electricity Generators	0.0019109/\$	
Industrial/Commercial	0.0034396/\$	
Industrial/Commercial (including electricity generators, utility assets and networks)		0.0035125/\$
Accommodation	0.0034396/\$	0.0035125/\$
Other	0.0019109/\$	0.0019514/\$

4.3 Uniform Annual General Charge

A Uniform Annual General Charge set under section 15 of the Local Government (Rating) Act 2002 on every separately used or inhabited part of a rating unit in the district (as defined in section 3.1.c of this document). For the avoidance of doubt, where a rating unit is divided into separate parts for rating purposes, each separate part is treated as if it were a separate rating unit for the application of this Uniform Annual General Charge. The Uniform Annual General Charge will be used to fund Regulatory Compliance including Sundry & Animal Control, Emergency Management, Cemeteries, Leadership, Governance & Advocacy.

Per SUIP	2023/24 GST incl	2024/25 GST incl
Uniform Annual General Charge	\$250.00	\$250.00

4.4 Sewage Disposal

A targeted rate to fund sewage disposal, as outlined in the Groups of Activities – Wastewater section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on every rating unit connected or available to be connected (serviceable) to an accessible Council scheme on the basis of one charge per pan, urinal or discharge point (with the exception of the residence of a single household – which shall be assessed only one charge) for connected rating units and per rating unit for serviceable rating units. For the avoidance of doubt the words ‘a single household’ do not restrict the charge to one pan/urinal in the situation where a rating unit has separately used or inhabited parts (as defined in section 3.1.c of this document). In such a situation each separately used or inhabited part is regarded as a single residence/household, and the pan charge applied will be at the cumulative per pan rate multiplied by the number of separate households. The sewage disposal rate, including for Schools, is assessed based on the use to which the land is put, including that the number of pans/urinals or waste water discharge points is a proxy for land use. Serviceable – rating units within 30 meters of an accessible sewerage drain.

Targeted Sewer Disposal charges per rating unit are:

Rating Unit Connected	Factor of Liability	2023/24 GST incl (per pan)	2024/25 GST incl (per pan)
1 pan/urinal	per pan/urinal	\$919.76	\$1,134.14
2 pans/urinal	per pan/urinal	\$689.82	\$850.61
3 or more pan/urinals	per pan/urinal	\$459.88	\$567.07
Waste water discharge points	per discharge point		\$1,134.14
Schools	per pan/urinal	\$229.94	\$283.54
Rating Unit Serviceable - within 30 meters of an accessible sewerage drain	Factor of Liability	2023/24 GST incl	2024/25 GST incl
Available to be connected	per rating unit	\$459.88	\$567.07

4.5 Water Supply – District Wide

Water Schemes with fixed charge targeted rates.

A fixed targeted rate to fund water supply, as outlined in the Groups of Activities – Water section of this document, set under section 16 of the Local Government (Rating) Act, assessed on each separately used or inhabited part (as defined in section 3.1.c of this document) of a rating unit, and being a rating unit, which is connected, or is available to be connected, to an accessible Council scheme. A full charge will be made for each connected separately used or inhabited part of the rating unit and a half charge for serviceable separately used or inhabited parts of a rating unit (those within 100 metres of any part of the water scheme).

The water schemes are: Taupō, Kinloch, Whakaroa, Bonshaw Park, Whakamoenga Point, River Road, Mangakino, Tirohanga, Tūrangi, Motuoapa, Tokaanu, Hatepe,

Omori/Kuratau/Pukawa, Whakamaru, Atiamuri, Rakaunui Road, Waihaha, Whareroa, Centennial Drive, Motutere

The water schemes and targeted water charges on any separate part of a rating unit described above are:

Water Scheme	2023/24	2023/24	2024/25	2024/25
	GST incl	GST incl	GST incl	GST incl
	Serviceable	Connected	Serviceable	Connected
District wide water supply rate	\$331.79	\$663.58	\$433.28	\$866.56

4.6 Metered Water Supply

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

Targeted rates for metered water supply, set under section 19 of the Local Government (Rating) Act 2002, and assessed on the volume of water supplied to every rating unit with a water meter (excluding meters read for monitoring purposes only). These metered water charges apply for supply over and above the equivalent supply allocation provided under the fixed targeted rate, where the equivalent supply allocation is the amount of the fixed targeted rate, divided by the rate per m3 for the relevant water scheme that the property is connected to, as shown below. It is only when this threshold is exceeded that water meter charges at the rates set below will be applied.

Council installs water meters to various properties throughout the District that are used to measure consumption for future planning purposes, to identify any leaks or where excessive water use is suspected; these meters are read for monitoring purposes only.

The rates per cubic metre are:

Water Supply	2023/24 GST incl	2024/25 GST incl
	Cents/ m3	Cents/ m3
Taupō (includes Taupō township, Waitahanui, Wairakei Village, Acacia Bay, Five Mile Bay and the wider Mapara area).	227	227
Kinloch	173	186
Whakaroa	229	229
Bonshaw Park	291	291
Whakamoenga Point	161	169
River Road	194	203
Mangakino	178	186
Tirohanga	93	100
Tūrangi	69	75
Motuoapa	110	120
Tokaanu	131	140
Hatepe	259	259
Omori/Kuratau/ Pukawa	148	159
Whareroa	227	227
Whakamaru	152	159
Atiamuri	178	186
Rakaunui Road	63	70
Centennial Drive (untreated)	51	57

Waihaha	93	100
Motutere		259

4.7 District Refuse Disposal Charge

A targeted rate to fund district refuse disposal, solid waste operations and waste minimisation initiatives, as outlined in the Groups of Activities – Waste and Environmental Management section of this document, set under section 16 of the Local Government (Rating) Act 2002 and assessed on each separately used or inhabited part (SUIP - as defined in section 3.1.c of this document) of each rateable rating unit in the district on the basis that properties categorised as residential, rural or other shall be assessed with one charge per SUIP, and industrial/commercial (including electricity generation, utility assets and networks) or accommodation, rating units shall be assessed with twice the charge per SUIP. For the avoidance of doubt, where a rating unit is divided into separate parts for rating purposes, each separate part is treated as if it were a separate rating unit for the application of this District Refuse Disposal Charge.

The targeted District Refuse Disposal Charge is:

	2023/24 GST incl	2024/25 GST incl
Accommodation and Industrial/Commercial (including electricity generators, utility assets and networks)	\$287.06	\$282.62
Residential, Rural or Other	\$143.53	\$141.31

4.8 Whareroa Refuse Rate

A targeted Whareroa Refuse Rate, to fund the 24-hr turnstile access to the Whareroa refuse station, as outlined in the Groups of Activities – Waste and Environmental Management section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on all rating units in the Whareroa rating area (see Figure 1 below) as a fixed amount per rating unit.

The targeted Whareroa Refuse Rate is:

	2023/24 GST incl	2024/25 GST incl
Whareroa Refuse Rate	\$90.90	\$208.69



Figure 1 Whareroa Refuse area

4.9 Town Centre Taupō Management Rate

A targeted Town Centre Taupō Management Rate, to fund services to enhance and develop the social and economic wellbeing of the Taupō central business district, as outlined in the Groups of Activities – District Development section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on each separately used or inhabited part (as defined in section 3.1.c of this document) of industrial/commercial (including electricity generators, utility assets and networks) rating units within the defined Taupō Town Centre boundary (see Figure 2 below).

The targeted Town Centre Taupō Management Rate is:

	2023/24 GST incl	2024/25 GST incl
Town Centre Taupō Management	\$398.41	\$421.56



Figure 2 Taupō Town Centre

5. Examples of rates per type of property

Sample Properties

Capital Value	UAGC	General Rate	Water Rate	Sewage Rate	Refuse Rate	Taupō Town Centre	Turangi Community Board	Total Proposed Rates 2024/25	Total Rates		
									2023/24	\$ Change	% Change
Residential properties - Taupo											
705,000	250	1,376	867	1,134	141	0	0	3,768	3,324	444	13.3%
1,053,000	250	2,055	867	1,134	141	0	0	4,447	3,989	458	11.5%
1,170,000	250	2,283	867	1,134	141	0	0	4,675	4,213	463	11.0%
1,580,000	250	3,083	867	1,134	141	0	0	5,475	4,996	479	9.6%
Residential properties - Turangi											
460,000	250	898	867	1,134	141	0	0	3,290	2,856	434	15.2%
500,000	250	976	867	1,134	141	0	0	3,368	2,932	435	14.8%
545,000	250	1,064	867	1,134	141	0	0	3,456	3,018	437	14.5%
915,000	250	1,786	867	1,134	141	0	0	4,178	3,725	452	12.1%
Residential properties - Mangakino											
465,000	250	907	867	1,134	141	0	0	3,299	2,865	434	15.1%
535,000	250	1,044	867	1,134	141	0	0	3,436	2,999	437	14.6%
600,000	250	1,171	867	1,134	141	0	0	3,563	3,123	439	14.1%
740,000	250	1,444	867	1,134	141	0	0	3,836	3,391	445	13.1%
Residential properties - Kinloch											
810,000	250	1,581	867	1,134	141	0	0	3,973	3,525	448	12.7%
1,100,000	250	2,147	867	1,134	141	0	0	4,539	4,251	288	6.8%
1,260,000	250	2,459	867	1,134	141	0	0	4,851	4,385	466	10.6%
1,690,000	250	3,298	867	1,134	141	0	0	5,690	5,206	484	9.3%
Industrial Commercial properties											
1,150,000	250	4,039	867	1,134	283	0	0	6,573	6,076	497	8.2%
1,100,000	250	3,864	867	1,134	283	422	0	6,819	6,302	516	8.2%
1,800,000	250	6,323	867	1,701	283	422	0	9,844	9,170	674	7.4%
4,530,000	250	15,912	867	1,701	283	422	0	19,434	18,560	873	4.7%
Rural properties											
1,380,000	250	2,693	0	0	141	0	0	3,084	3,031	54	1.8%
2,115,000	250	4,127	0	0	141	0	0	4,519	4,435	83	1.9%
6,285,000	250	12,265	0	0	141	0	0	12,656	12,404	252	2.0%
11,425,000	1,000	22,295	0	0	565	0	0	23,860	23,406	454	1.9%

Schedule to the funding impact statement to go in here.

Long term Plan Disclosure Statement for period commencing 1 July 2024

What is the purpose of this statement?

The purpose of this statement is to disclose Council's planned financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its Long-term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

Rates affordability benchmarks

Council meets the rates affordability benchmark if:

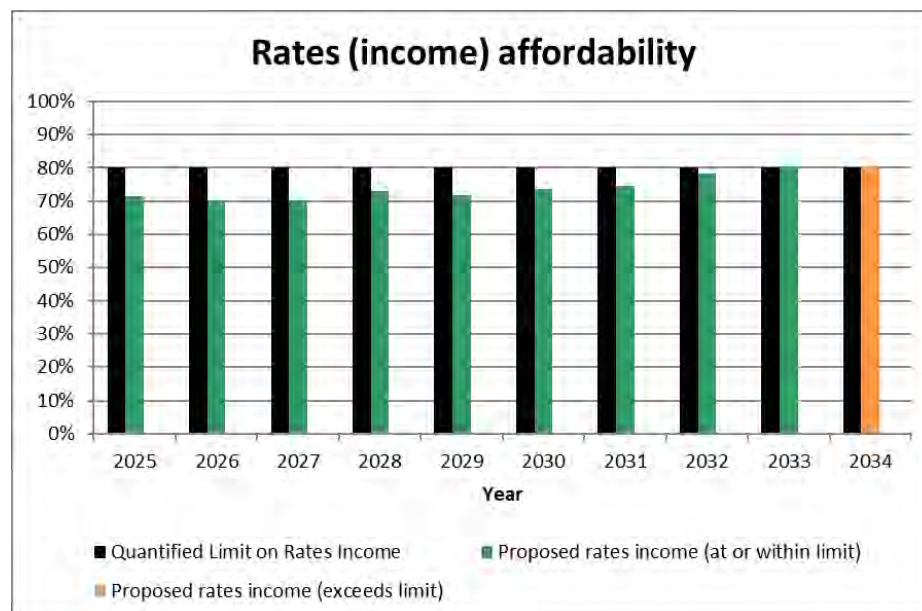
Its planned rates income equals or is less than each quantified limit on rates; and

Its planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

The following graph compares the Council's planned rates with a quantified limit on rates contained in the financial strategy included in this Long-term Plan. The quantified limit is that total rates revenue must not exceed 80 per cent of operating revenues.

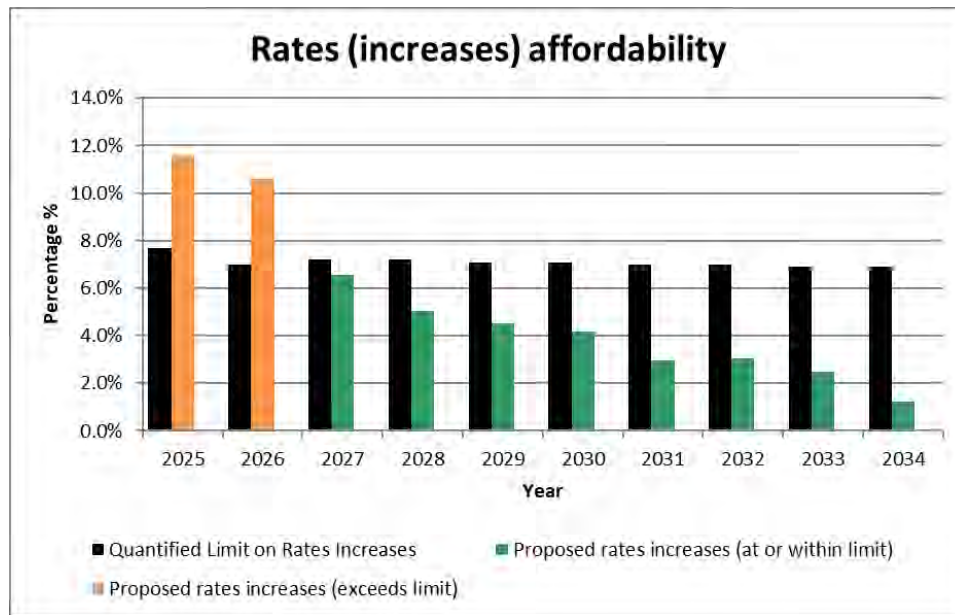
Council meets this benchmark for the first nine years of the plan, in year 10 Council exceeds the benchmark by 0.4%. This is reflective of the availability of alternative funding streams, such as external funding, which is considered more challenging than previous LTP's and therefore Council will see an increased reliance on rates revenue during this 10-year period.



Rates (increases) affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this Long-term Plan. The quantified limit is LGCI + 5.0 per cent.

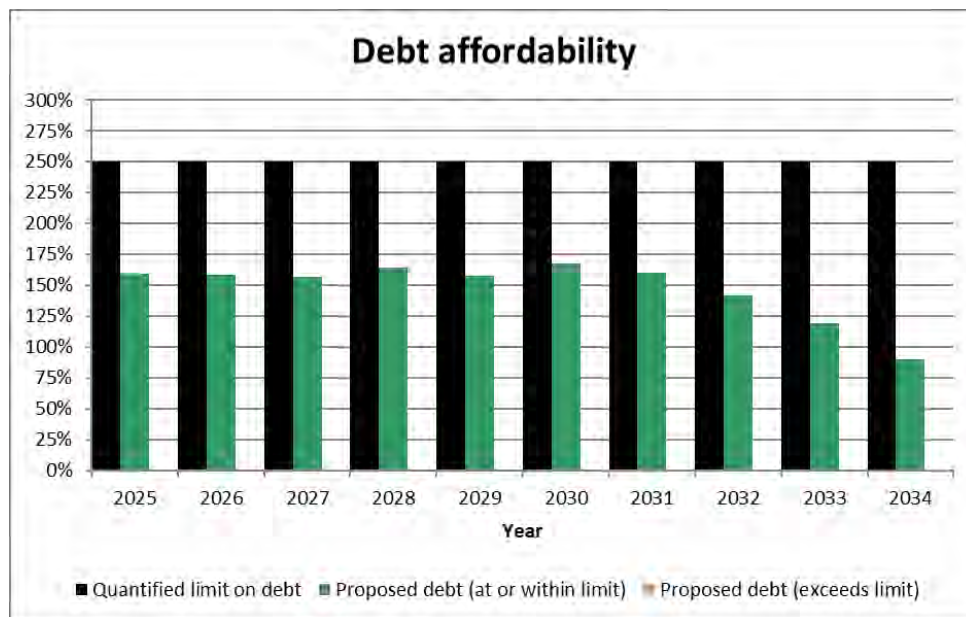
Council meets this benchmark for the 8 out of 10 years of the plan. Council will breach the rates limit in years 1 & 2 of this LTP due to recent inflationary pressures, non-controllable cost increases, and increased interest costs. Council recognises that although these short-term rates increases are fundamentally outside of Council's control without compromising Council's priorities, they are also likely to be challenging for the community. Council have recognised this by not adjusting the benchmark for the two years but instead showing these two years as a short-term breach to the affordability limit.



Debt affordability benchmarks

The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this Long-term Plan. The quantified limit is that gross external borrowing may not be more than 250% of annual operating income.

Council meets this benchmark for the 10 years of the plan.

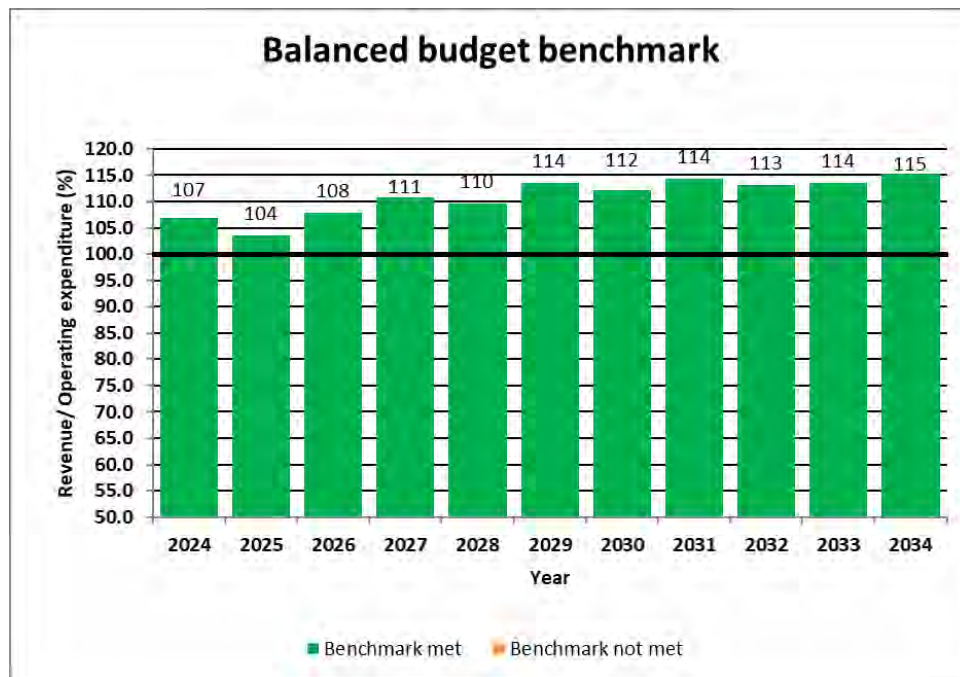


Balanced budget benchmark

The following graph displays the council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

Council meets this benchmark for the 10 years of the plan.

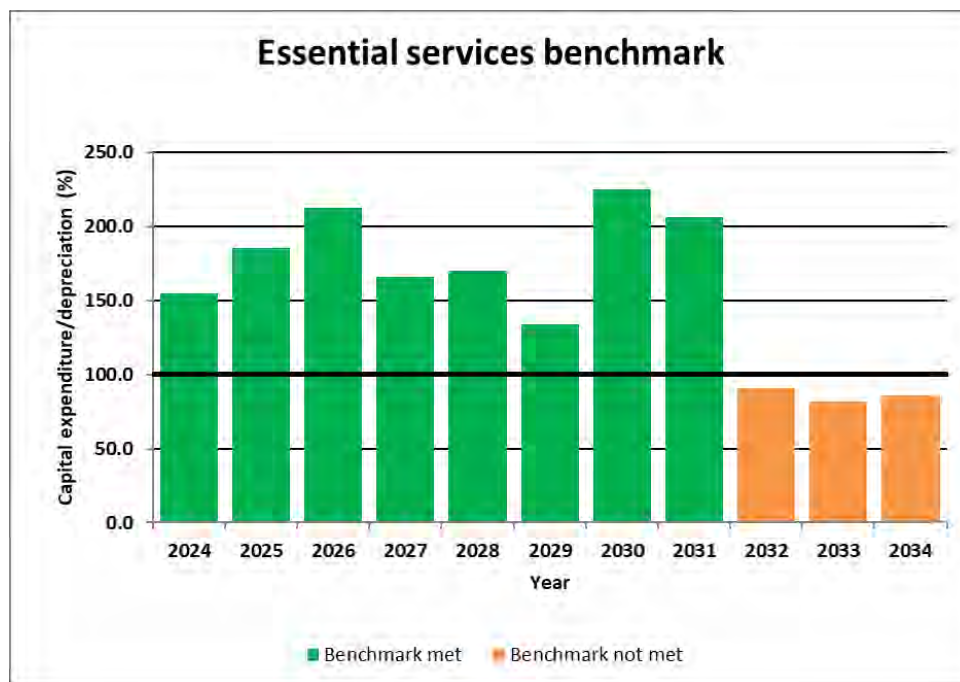


Essential services benchmark

The following graph displays the Council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Council substantially exceeds this benchmark in the first 7 years of this plan. Council through its asset management plans has developed renewal programmes for its assets based on when they need replacing. The later years are a breach due to these essential services being prioritised for earlier in the plan. These programmes fluctuate over the ten years of this plan.

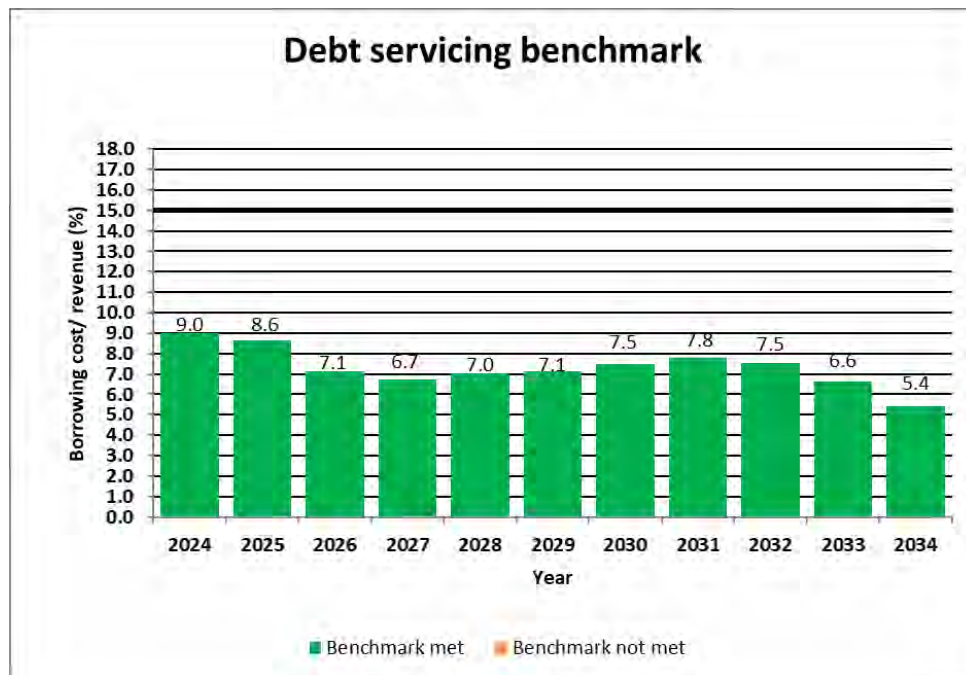


Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council's population is expected to grow at or above the national population growth rate, it meets the debt servicing benchmark if its' planned borrowing costs equal or are less than 15% of its planned revenue.

Council meets this benchmark for the 10 years of the plan.



WHOLE OF COUNCIL SCHEDULE OF CAPITAL EXPENDITURE

	2023/24 AP	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Growth											
Community Facilities	1,642	1,911	1,173	5,042	3,974	5,696	2,547	6,888	726	5,373	1,291
Transport	1,726	275	867	470	427	545	37,093	38,173	-	-	-
Wastewater	5,779	5,461	6,406	4,737	-	166	510	6,952	-	-	-
Water	974	7,000	5,228	7,579	6,102	3,321	3,398	116	1,125	181	2,283
Growth Total	10,120	14,647	13,674	17,828	10,503	9,728	43,547	52,128	1,851	5,554	3,574
LOS											
Community Facilities	5,836	4,016	10,908	15,781	9,290	12,093	14,305	1,328	5,346	8,311	833
Community Leadership	1,225	6,356	160	140	42	42	470	106	45	46	47
District Development		293	-	166	-	-	-	-	-	-	-
Planning & Regulatory	111	-	-	-	128	-	-	-	-	-	-
Stormwater	329	1,109	1,886	2,419	1,159	4,635	6,256	2,426	477	400	409
Strategic Property	11,954	6,983	5,952	4,369	13,517	10,741	4,077	1,046	1,336	704	998
Transport	4,920	5,172	8,395	8,458	7,606	7,854	6,149	4,181	3,506	1,590	2,578
Waste and Environmental Management	11	336	3,201	579	9,525	444	463	482	501	521	541
Wastewater	2,761	200	974	1,687	12,229	3,126	-	-	-	-	-
Water	4,773	11,745	18,676	3,269	5,357	4,052	2,888	5,040	9,590	8,462	9,010
LOS Total	31,920	36,208	50,150	36,867	58,853	42,987	34,608	14,609	20,801	20,035	14,416
Renewal											
Community Facilities	1,909	3,455	4,513	3,300	3,272	3,838	5,507	4,882	5,524	4,748	2,701
Community Leadership	173	753	833	638	1,280	898	879	470	1,086	8,557	8,403
District Development		129	51	-	-	54	-	-	58	-	-
Planning & Regulatory	226	183	102	187	396	233	208	11	196	347	241
Stormwater	107	165	169	174	178	183	199	217	234	253	272
Strategic Property	140	412	263	284	249	183	247	425	872	1,163	527
Transport	3,543	8,256	9,251	10,552	8,924	7,847	9,141	8,866	9,476	9,379	10,832
Waste and Environmental Management	139	227	231	236	259	264	276	281	286	305	310
Wastewater	3,723	3,625	3,591	3,730	3,987	4,323	6,808	3,557	4,276	4,154	3,777
Water	6,188	6,880	6,458	8,535	10,498	10,804	10,918	11,464	9,259	11,285	9,637
Renewal Total	16,148	24,084	25,462	27,636	29,044	28,627	34,182	30,174	31,268	40,191	36,702
Grand Total	58,188	74,939	89,286	82,331	98,400	81,342	112,337	96,911	53,920	65,780	54,691

COMMUNITY FACILITIES SCHEDULE OF CAPITAL EXPENDITURE 2024-34 LONG-TERM PLAN											
	2023/24 AP	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Community Facilities											
Growth											
Community Reserve improvements Taupo North	-	-	-	-	-	217,540	-	-	-	-	239,020
Community Reserve improvements Taupo South	-	200,000	204,000	208,480	213,080	217,540	221,900	226,120	230,420	234,800	239,020
Local and/or community reserve improvements	-	-	-	-	319,620	217,540	166,425	339,180	-	352,200	298,775
Playground improvements on reserves land 24-34 Taupo North	-	-	-	-	-	-	477,085	486,158	-	-	-
Playground improvements on reserves land 24-34 Taupo South	-	-	438,600	-	458,122	-	477,085	-	495,403	-	513,893
Secombe Park development plan	-	40,000	489,600	83,392	426,160	-	-	-	-	-	-
Taupo North - reserve land purchases for new local parks	-	-	-	-	-	-	1,204,269	1,227,171	-	-	-
Taupo South - reserve land purchases for new local parks	-	1,630,688	-	4,249,573	-	4,434,248	-	4,609,140	-	4,786,069	-
Wharewaka Point reserve development plan	-	40,000	40,800	500,352	2,556,960	609,112	-	-	-	-	-
New neighbourhood reserves	1,421,013	-	-	-	-	-	-	-	-	-	-
Cemeteries interment infrastructure	94,770	-	-	-	-	-	-	-	-	-	-
New playgrounds on neighbourhood reserves	126,360	-	-	-	-	-	-	-	-	-	-
Growth Total	1,642,143	1,910,688	1,173,000	5,041,797	3,973,942	5,695,980	2,546,764	6,887,769	725,823	5,373,069	1,290,708
Level of Service											
Atiamuri footpath	-	46,080	-	-	-	-	-	-	-	-	-
Library books	315,900	315,000	321,300	328,356	335,601	342,626	349,493	356,139	362,912	369,810	376,457
Community art space	-	22,000	-	-	-	-	-	-	-	-	-
Community heritage space redevelopment	-	180,000	-	-	-	-	-	-	-	-	-
Crown Park sports equipment	-	110,000	-	-	-	-	-	-	-	-	-
Extension to Kinloch Hall	-	120,000	734,400	-	-	-	-	-	-	-	-
Great Lake Taupo shared path	-	80,000	81,600	4,169,600	-	-	-	-	-	-	-
Hickling park - 2nd hockey turf	-	-	-	-	-	-	-	-	-	-	-
Investment in Turangi Town informed by Turangi Spatial Plan (previously Tūrangi Event Centre)	-	-	-	-	7,594,725	9,940,632	-	325,049	2,517,338	-	-
Kinloch lakefront development plan	-	-	-	-	-	-	-	-	-	-	-
Mangakino lakefront development plan	-	304,000	881,280	2,084,800	852,320	-	-	90,448	184,336	5,635,200	-
Northcroft Reserve provision for market operations	-	256,000	-	-	-	-	-	-	-	-	-
Off-lead dog exercise areas	-	-	-	-	-	261,048	-	-	-	-	-
Owen Delany Park machinery & plant	-	115,500	-	-	-	-	-	-	-	-	-
Owen Delany Park sports equipment	-	15,400	-	-	-	-	-	-	-	-	-
Owen Delany Park upgrade	-	-	5,100,000	4,378,080	-	-	-	-	-	-	-
Playground shade improvements	-	300,000	612,000	625,440	319,620	326,310	332,850	339,180	345,630	352,200	358,530
Portable changeroom infrastructure	-	330,000	-	-	-	-	-	-	-	-	-
Riverside Park/Amphitheatre - power and lighting switchboard upgrade	-	91,030	-	-	-	-	-	-	-	-	-
Project Watershed/Lakeshore erosion	-	-	1,785,000	3,617,128	21,308	282,802	-	-	-	-	-
Public conveniences	-	-	163,200	500,352	-	-	-	-	-	-	-
Recycling, rubbish and dog litter bins	-	148,800	-	-	-	-	-	-	-	-	-
Reserve resilience	-	36,500	15,300	10,424	-	-	-	-	-	-	-
Reserve security and safety	-	64,000	65,280	66,714	68,186	69,613	71,008	72,358	73,734	75,136	76,486
Sculpture Trail	-	20,000	10,200	-	12,785	-	15,533	-	18,434	-	21,512
Taupō Event Centre 4th court	-	-	-	-	-	-	12,648,300	-	-	-	-
Taupō Event Centre install anchor points on TEC roof	-	36,750	-	-	-	-	-	-	-	-	-
Tongariro Street, Tongariro North Domain power and Northcroft Reserve upgrades	-	489,600	220,320	-	-	-	-	-	-	-	-
Tūrangitukua Park - Hirangi Rd carpark drainage	-	500,000	-	-	-	-	-	-	-	-	-
Tūrangitukua Park - Te Aonini carpark seal	-	385,000	-	-	-	-	-	-	-	-	-
Two Mile Bay parking improvements	-	50,000	918,000	-	-	-	-	-	-	-	-
Youth play spaces	-	-	-	-	85,232	870,160	887,600	144,717	1,843,360	1,878,400	-
Fencing contributions (Fencing Act requirement)	21,060	-	-	-	-	-	-	-	-	-	-
Public Art	25,000	-	-	-	-	-	-	-	-	-	-
Playground improvements	263,250	-	-	-	-	-	-	-	-	-	-
Erosion Control - Kuratau foreshore	74,763	-	-	-	-	-	-	-	-	-	-
Erosion Control - Taupo Bay including Lake Terrace Cliffs	1,001,951	-	-	-	-	-	-	-	-	-	-
Digitisation of local history material	21,060	-	-	-	-	-	-	-	-	-	-
Owen Delany Park upgrade	3,543,215	-	-	-	-	-	-	-	-	-	-
Minor Building projects	250,000	-	-	-	-	-	-	-	-	-	-
Turangi Turtle Pools - dual HVAC/pool heating upgrade	320,000	-	-	-	-	-	-	-	-	-	-
Level of Service Total	5,836,199	4,015,660	10,907,880	15,780,894	9,289,777	12,093,190	14,304,784	1,327,891	5,345,744	8,310,746	832,985
Renewal	1,908,815	3,455,293	4,513,404	3,299,580	3,272,438	3,838,261	5,507,030	4,882,089	5,524,173	4,747,842	2,700,786
Community Facilities Total	9,387,157	9,381,641	16,594,284	24,122,271	16,536,156	21,627,432	22,358,578	13,097,749	11,595,740	18,431,657	4,824,479

COMMUNITY LEADERSHIP SCHEDULE OF CAPITAL EXPENDITURE 2024-34 LONG-TERM PLAN

	2023/24 AP	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Community Leadership											
<i>Level of Service</i>											
Central Administration Building fitout	177,688	4,950,000	-	-	-	-	-	-	-	-	-
Core network and infrastructure modernisation programme	-	22,000	-	-	-	-	-	-	-	-	-
Cybersecurity improvement programme	-	17,251	-	-	-	-	-	-	-	-	-
Digital customer experience	-	-	73,440	62,544	-	-	-	-	-	-	-
Digital solutions hardware	42,120	56,450	81,498	77,138	41,551	42,420	43,271	44,093	44,932	45,786	46,609
Expand engagement assets	-	35,000	-	-	-	-	-	-	-	-	-
Fleet EV charging infrastructure new building	-	80,000	5,202	-	-	-	-	-	-	-	-
Project Quantum	1,005,335	670,802	-	-	-	-	-	-	-	-	-
Rebranding project	-	-	-	-	-	-	427,158	62,183	-	-	-
Safer communities - CCTV	-	402,500	-	-	-	-	-	-	-	-	-
Storage space for project related materials (including fragile art works)	-	110,000	-	-	-	-	-	-	-	-	-
Storytelling - connecting Iwi/Hapu to our customer and visitor spaces	-	12,000	-	-	-	-	-	-	-	-	-
Level of Service Total	1,225,143	6,356,003	160,140	139,682	41,551	42,420	470,428	106,276	44,932	45,786	46,609
Renewal	173,155	752,623	832,649	638,378	1,280,165	897,802	878,557	469,550	1,085,797	8,557,250	8,403,287
Community Leadership Total	1,398,298	7,108,626	992,789	778,059	1,321,716	940,223	1,348,985	575,826	1,130,729	8,603,036	8,449,896

DISTRICT DEVELOPMENT SCHEDULE OF CAPITAL EXPENDITURE 2024-34 LONG-TERM PLAN											
	2023/24 AP	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
District Development											
<i>Level of Service</i>											
Installation of Flagtrax System for Town Centre and Event Promotion	-	292,600	-	-	-	-	-	-	-	-	-
Roberts Street removable bollards installation	-	-	-	166,367	-	-	-	-	-	-	-
Level of Service Total	-	292,600	-	166,367	-	-	-	-	-	-	-
Renewal	-	128,815	51,000	-	-	54,385	-	-	57,605	-	-
District Development Total	-	421,415	51,000	166,367	-	54,385	-	-	57,605	-	-

PLANNING AND REGULATORY SCHEDULE OF CAPITAL EXPENDITURE 2024-34 LONG-TERM PLAN

	2023/24 AP	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Planning & Regulatory											
Level of Service											
Parking monitoring devices for Taupō CBD	-	-	-	-	127,848	-	-	-	-	-	-
Dog pound refurbishment	111,039	-	-	-	-	-	-	-	-	-	-
Level of Service Total	111,039	-	-	-	127,848	-	-	-	-	-	-
Renewal	225,850	182,500	101,681	187,149	396,390	233,172	207,535	11,284	196,190	346,948	241,299
Planning & Regulatory Total	336,889	182,500	101,681	187,149	524,238	233,172	207,535	11,284	196,190	346,948	241,299

STORMWATER SCHEDULE OF CAPITAL EXPENDITURE 2024-34 LONG-TERM PLAN											
Stormwater	2023/24 AP	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Level of Service											
Acacia Bay stormwater culvert and lake outlet	-	-	-	-	97,416	426,195	-	-	-	-	-
Brice Street stormwater flood mitigation	-	-	-	-	-	347,045	1,437,907	77,423	-	-	-
Crown Rd stormwater pond reticulation	-	-	-	-	-	26,789	553,113	-	-	-	-
Elizabeth Street flood mitigation	-	-	-	-	-	60,885	124,575	1,911,690	-	-	-
Hawaii reserve detention pond	-	234,300	-	-	-	-	-	-	-	-	-
Huia Street improvement device	-	-	-	-	-	-	-	-	476,678	-	-
Kaimanawa Street improvement device	-	-	-	347,391	-	-	-	-	-	-	-
Kimberly reserve flood mitigation	-	-	58,630	45,161	527,472	2,733,737	-	-	-	-	-
Kinloch improvement device	-	-	-	-	-	-	-	-	-	-	408,677
Lake Terrace / Napier Rd improvement device	-	-	-	-	-	-	-	-	-	400,267	-
Mangakino flood mitigation	-	212,300	387,860	-	-	-	-	-	-	-	-
Miro street industrial area reticulation upgrade	-	48,400	125,153	1,928,020	-	-	-	-	-	-	-
Mobil station improvement device	-	377,300	-	-	-	-	-	-	-	-	-
Motuopa stormwater flood mitigation around wastewater pump station	-	55,000	140,938	28,949	-	-	-	-	-	-	-
Motutahae Road stormwater flood mitigation	-	-	-	-	59,400	273,983	31,144	-	-	-	-
Norman Smith Street/control gates improvement device	-	-	-	-	-	-	595,469	-	-	-	-
Pihanga climate change pipe capacity upgrade	-	-	-	-	4,752	182,655	436,013	-	-	-	-
Puataata Road improvement device	-	-	-	-	-	-	440,996	-	-	-	-
Pukawa flood mitigation	-	100,000	512,500	-	-	-	-	-	-	-	-
Rifle Range Road improvement device	-	-	-	-	407,484	-	-	-	-	-	-
Spa Road improvement device	-	-	-	-	-	417,671	-	-	-	-	-
Tamatea Road flood protection	-	-	-	-	62,964	165,607	2,637,253	-	-	-	-
Tui Street improvement device	-	-	-	-	-	-	-	437,140	-	-	-
Tūrangī stormwater flood mitigation (SH1)	-	55,000	394,625	69,478	-	-	-	-	-	-	-
Two Mile Bay flood mitigation	-	26,400	266,090	-	-	-	-	-	-	-	-
Downstream defender - District wide	307,980	-	-	-	-	-	-	-	-	-	-
Hawai Gully flood mitigation	21,240	-	-	-	-	-	-	-	-	-	-
Level of Service Total	329,220	1,108,700	1,885,795	2,418,999	1,159,488	4,634,566	6,256,468	2,426,253	476,678	400,267	408,677
Renewal	107,262	165,000	169,125	173,696	178,200	182,655	199,320	216,658	234,432	252,660	271,546
Stormwater Total	436,482	1,273,700	2,054,920	2,592,695	1,337,688	4,817,221	6,455,788	2,642,911	711,110	652,927	680,223

STRATEGIC PROPERTY SCHEDULE OF CAPITAL EXPENDITURE 2024-34 LONG-TERM PLAN											
	2023/24 AP	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Strategic Property											
Level of Service											
Commercial Land Development	-	3,702,000	2,116,500	651,500	2,796,675	2,039,438	1,969,363	367,445	374,433	-	-
EUL affordable housing - Block Sales	-	-	-	-	250,369	-	-	-	270,744	-	280,849
EUL affordable housing - Stage 1 & 2	-	2,000,000	3,223,200	3,092,280	9,830,979	8,048,980	1,442,350	-	-	-	-
Housing for Elderly Taupo - security screen doors	-	34,500	-	-	-	-	-	-	-	-	-
Land development	607,845	1,246,472	612,000	625,440	639,240	652,620	665,700	678,360	691,260	704,400	717,060
204 Crown Road - subdivision earthworks & civil	3,500,000	-	-	-	-	-	-	-	-	-	-
EUL Stage 1 Lot 20 - earthworks & civil	7,646,000	-	-	-	-	-	-	-	-	-	-
Digger McEwen Park - resource consent	200,000	-	-	-	-	-	-	-	-	-	-
Level of Service Total	11,953,845	6,982,972	5,951,700	4,369,220	13,517,263	10,741,038	4,077,413	1,045,805	1,336,436	704,400	997,909
Renewal	140,000	411,898	262,898	283,790	248,519	182,742	246,972	425,305	872,196	1,162,592	527,406
Strategic Property Total	12,093,845	7,394,870	6,214,598	4,653,010	13,765,782	10,923,780	4,324,385	1,471,110	2,208,632	1,866,992	1,525,314

TRANSPORT SCHEDULE OF CAPITAL EXPENDITURE 2024-34 LONG-TERM PLAN											
	2023/24 AP	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Transport											
Growth											
Crown Road and Napier Road intersection	-	-	-	-	-	109,090	1,336,680	1,704,150	-	-	-
Footpath link at Ngā Roto Estate	-	75,000	-	-	-	-	-	-	-	-	-
Footpath Napier Road to Crown Road	-	-	306,000	313,050	-	-	-	-	-	-	-
Northern Gateway	-	150,000	153,000	156,525	427,000	436,360	35,756,190	36,468,810	-	-	-
Wairakei Drive and Karetoto Road intersection	-	50,000	408,000	-	-	-	-	-	-	-	-
Whangamata Road improvements	1,725,750	-	-	-	-	-	-	-	-	-	-
Growth Total	1,725,750	275,000	867,000	469,575	427,000	545,450	37,092,870	38,172,960	-	-	-
Level of Service											
Accessibility audit improvements (Including Lake Settlements)	-	200,000	204,000	208,700	106,750	109,090	111,390	113,610	-	-	-
Arrowsmith Avenue and Shephard Road intersection	-	-	-	-	53,375	545,450	55,695	-	-	-	-
Broadlands Road improvements	-	600,000	612,000	626,100	640,500	654,540	668,340	681,660	-	-	-
Broadlands Road into off road highway &/or Centennial Drive	-	-	-	41,740	160,125	163,635	-	-	-	-	-
Bus infrastructure (urban bus services)	-	50,000	51,000	26,088	10,675	27,273	11,139	28,403	11,589	-	-
Bus shelters on school bus routes	-	10,000	10,200	10,435	-	10,909	-	11,361	-	11,820	-
Crossing facilities on Spa Road	-	80,000	153,000	-	-	-	-	-	-	-	-
Cycling facilities	-	50,000	51,000	52,175	53,375	54,545	55,695	56,805	57,945	59,100	60,225
Flag lighting at high risk rural intersections	-	25,000	25,500	26,088	-	-	-	-	-	-	-
Footpath connection airport to Waitahanui	-	-	255,000	260,875	266,875	818,175	835,425	852,075	869,175	-	-
Footpath construction	-	-	-	-	-	272,725	278,475	284,025	57,945	59,100	60,225
Footpath extension along south side of Redoubt Street Tongariro Street to Tennis Club	-	-	51,000	52,175	-	-	-	-	-	-	-
Footpath link on Ingle Avenue	-	35,000	-	-	-	-	-	-	-	-	-
Footpaths & connections through accessways (Kuratau)	-	-	-	-	-	218,180	167,085	170,415	-	-	-
Guardrail & drainage improvements on Forest Road	-	30,000	306,000	-	-	-	-	-	-	-	-
Harbour area/marina - Parakiri	-	-	204,000	208,700	-	-	-	-	-	-	-
Infill lighting	-	40,000	40,800	41,740	-	-	-	-	-	-	-
Kinloch footbridge	-	-	-	-	320,250	-	-	-	-	-	-
Lake Terrace and Mere Street activation	-	-	-	36,523	-	-	111,390	568,050	579,450	-	602,250
Lake Terrace and Ruapehu Street platform	-	-	-	156,525	160,125	-	-	-	-	-	-
Lighting along footpaths	175,230	50,000	51,000	52,175	-	-	-	-	-	-	-
Mokai Marae safety improvements - Forest Road & Tirohanga Road	-	50,000	51,000	-	-	-	-	-	-	-	-
Napier Road and Lake Terrace intersection	-	-	-	-	-	-	-	90,888	1,158,900	1,182,000	-
New footpaths in Kinloch	-	100,000	102,000	104,350	106,750	109,090	-	-	-	-	-
New road marking & signs - (including new Marae signage)	-	60,000	51,000	62,610	26,688	49,091	27,848	28,403	28,973	53,190	-
Off road highway gate	-	-	153,000	-	-	-	-	-	-	-	-
Omori / Kuratau slip	-	-	714,000	-	-	-	-	-	-	-	-
Omori playground parking	-	132,000	-	-	-	-	-	-	-	-	-
On street parking	42,480	40,000	40,800	41,740	42,700	43,636	44,556	45,444	46,356	47,280	48,180
Parking area opposite Two Mile Bay	-	-	122,400	208,700	-	-	-	-	-	-	-
Pedestrian/cycle bridge Riverside Park to Woolworths	-	-	-	-	-	-	-	-	-	118,200	602,250
Pihanga Road and Waipapa Road, Kurutau	-	-	-	-	74,725	-	-	-	-	-	-
Poihipi Road improvements	-	690,000	510,000	521,750	-	-	-	-	-	-	-
Pukenamu Road/Wharewaka Road closure	-	25,000	-	-	-	-	-	-	-	-	-
Rakanui industrial area lighting improvements	-	-	-	-	106,750	109,090	-	-	-	-	-
Resilience improvements - slips & embankments investigation	-	-	306,000	313,050	320,250	-	-	-	-	-	-
Resilient connection to Omori Road & Kuratau	-	-	-	53,375	218,180	222,780	-	-	-	-	-
Rifle Range Road and Mere Street intersection	-	-	-	208,700	1,601,250	1,090,900	-	-	-	-	-
River Road footpath	-	-	-	-	-	272,725	556,950	-	-	-	-
Rural term drainage widening & improvements	-	30,000	30,600	31,305	-	-	-	-	-	-	-
School travel plan infrastructure	-	400,000	459,000	469,575	480,375	-	-	-	-	-	-
Seal extension	584,100	600,000	612,000	626,100	640,500	654,540	668,340	681,660	695,340	-	-
Shared path on Lake Road, Mangakino	-	250,000	255,000	-	-	-	-	-	-	-	-
Speed management infrastructure	-	200,000	204,000	208,700	213,500	218,180	222,780	-	-	-	-
Streetlight lighting Anzac Memorial Drive	-	120,000	-	-	-	-	-	-	-	-	-
Streetlight lighting Lake Terrace between Wharewaka Road and Ernest Kemp Rise	-	300,000	-	-	-	-	-	-	-	-	-
Taharapa Road and Crown Road intersection	-	100,000	545,700	1,116,545	-	-	-	-	-	-	-
Tauhara Road and AC Baths Avenue intersection	-	80,000	408,000	1,043,500	-	-	-	-	-	-	-
Tauhara Road and Spa Road intersection	-	-	-	-	-	-	-	-	-	59,100	1,204,500
Taupō CBD enhancements for Ruapehu and Horomatangi Streets	-	-	-	104,350	533,750	545,450	556,950	568,050	-	-	-
Tirohanga Road improvements	163,600	50,000	714,000	730,450	747,250	-	-	-	-	-	-
Titirauanga Street and Roberts Street intersection	-	350,000	204,000	-	-	-	-	-	-	-	-
Two Mile Bay parking improvements	-	50,000	-	-	-	-	-	-	-	-	-
Underpass enhancement	-	50,000	51,000	-	-	-	-	-	-	-	-
Vehicles for pedal safe/road safety team	-	65,000	-	-	-	-	72,404	-	-	-	-
Wairakei Drive steam bridge cycle & pedestrian connection	-	-	-	-	53,375	327,270	536,950	-	-	-	-
Wairakei Drive and Lake Terrace cycle lanes	-	80,000	102,000	104,350	-	-	-	-	-	-	-
Wairakei Drive shared path (control gates hill)	-	-	-	-	53,375	545,450	835,425	-	-	-	-
Whangamata Road safety improvements	-	100,000	663,000	678,275	693,875	709,085	-	-	-	-	-
Zebra crossing improvements	-	80,000	81,600	83,480	85,400	87,272	89,112	-	-	-	-
Minor improvements	228,869	-	-	-	-	-	-	-	-	-	-
New signs & road marking	47,790	-	-	-	-	-	-	-	-	-	-
Pedestrian facilities	200,000	-	-	-	-	-	-	-	-	-	-
Cycle facilities	169,770	-	-	-	-	-	-	-	-	-	-
Bus infrastructure	63,720	-	-	-	-	-	-	-	-	-	-
Turangi Kerb & Channel	2,200,000	-	-	-	-	-	-	-	-	-	-
Low cost low risk programme	21,232	-	-	-	-	-	-	-	-	-	-
Install bus shelters and associated infrastructure	60,000	-	-	-	-	-	-	-	-	-	-
Huka Falls Footpath Stage 3	558,000	-	-	-	-	-	-	-	-	-	-
Local road improvements	155,000	-	-	-	-	-	-	-	-	-	-
Second bridge requirements analysis and concept solutions	250,000	-	-	-	-	-	-	-	-	-	-
Level of Service Total	4,919,791	5,172,000	8,394,600	8,457,567	7,605,937	7,854,480	6,148,728	4,180,848	3,505,673	1,589,700	2,577,630
Renewal	3,542,832	8,256,000	9,251,400	10,551,872	8,924,300	7,846,844	9,140,663	8,866,124	9,476,325	9,379,170	10,832,060
Transport Total	10,188,373	13,703,000	18,513,000	19,479,014	16,957,237	16,246,774	52,382,261	51,219,932	12,981,998	10,968,960	13,409,690

WASTE AND ENVIRONMENTAL MANAGEMENT SCHEDULE OF CAPITAL EXPENDITURE 2024-34 LONG-TERM PLAN

	2023/24 AP	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Waste and Environmental Management											
<i>Level of Service</i>											
Gas Flare	-	-	51,000	52,120	2,663,500	-	-	-	-	-	-
Leachate pipe upgrade	-	-	-	-	269,546	-	-	-	-	-	-
Mangakino transfer station upgrade	-	-	89,760	-	-	-	-	-	-	-	-
New kerbside collection service	-	-	3,060,000	406,536	425,095	443,782	462,662	481,636	501,164	521,256	541,380
New lined cell	-	-	-	-	1,289,134	-	-	-	-	-	-
Power upgrade Broadlands transfer station	-	220,000	-	-	-	-	-	-	-	-	-
Taupo Refuse Transfer Station upgrade	-	-	-	119,876	4,778,319	-	-	-	-	-	-
Tūrangi recyclables storage shed extension	-	77,000	-	-	-	-	-	-	-	-	-
Waste compactor bin	-	38,500	-	-	-	-	-	-	-	-	-
Whareroa transfer station upgrade	-	-	-	-	99,615	-	-	-	-	-	-
Street recycling bins	10,530	-	-	-	-	-	-	-	-	-	-
Level of Service Total	10,530	335,500	3,200,760	578,532	9,525,209	443,782	462,662	481,636	501,164	521,256	541,380
Renewal	138,996	226,600	231,132	236,208	258,999	264,420	275,822	281,067	286,412	304,770	310,248
Waste and Environmental Management Total	149,526	562,100	3,431,892	814,740	9,784,207	708,201	738,483	762,703	787,576	826,026	851,628

WASTEWATER SCHEDULE OF CAPITAL EXPENDITURE 2024-34 LONG-TERM PLAN

	2023/24 AP	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Wastewater											
Growth											
Kinloch second membrane bio reactor upgrade	-	-	102,500	1,579,050	-	-	-	-	-	-	-
Taupo North wastewater solution	-	-	-	-	-	166,050	169,875	6,951,600	-	-	-
Control gates bridge buffer storage tanks	-	200,000	2,562,500	-	-	-	-	-	-	-	-
Taupo southern trunk main upgrade	4,779,000	3,911,000	-	-	-	-	-	-	-	-	-
Taupō primary settling tank #3	-	1,250,000	1,281,250	-	-	-	-	-	-	-	-
Taupō side stream - solids filtrate treatment	-	100,000	1,537,500	3,158,100	-	-	-	-	-	-	-
Taupō transfer pump station upgrade	-	-	922,500	-	-	-	-	-	-	-	-
Whereroa irrigation expansion	-	-	-	-	-	-	339,750	-	-	-	-
Taupo Wastewater - WWTP Primary Clarifier 3	1,000,000	-	-	-	-	-	-	-	-	-	-
Growth Total	5,779,000	5,461,000	6,406,250	4,737,150	-	166,050	509,625	6,951,600	-	-	-
Level of Service											
Acacia Bay WAS tank #2	-	-	358,750	-	-	-	-	-	-	-	-
Acacia Bay connection to Taupō (Acacia Bay WWTP retained)	-	-	-	526,350	2,160,000	-	-	-	-	-	-
Atiamuri WWTP upgrade	-	-	615,000	-	-	-	-	-	-	-	-
Mangakino WWTP upgrade	-	-	-	526,350	7,020,000	-	-	-	-	-	-
Taupō WWTP building alteration	-	200,000	-	-	-	-	-	-	-	-	-
Tūrangi WW discharge improvements	-	-	-	371,541	3,049,411	3,125,648	-	-	-	-	-
Water and Wastewater portable generator and storage shed	-	-	-	263,175	-	-	-	-	-	-	-
View Road land disposal system expansion	2,761,200	-	-	-	-	-	-	-	-	-	-
Level of Service Total	2,761,200	200,000	973,750	1,687,416	12,229,411	3,125,648	-	-	-	-	-
Renewal	3,722,564	3,624,800	3,591,190	3,729,927	3,987,360	4,322,614	6,807,684	3,557,365	4,276,134	4,154,264	3,777,452
Wastewater Total	12,262,764	9,285,800	10,971,190	10,154,493	16,216,771	7,614,311	7,317,309	10,508,965	4,276,134	4,154,264	3,777,452

WATER SCHEDULE OF CAPITAL EXPENDITURE 2024-34 LONG-TERM PLAN											
	2023/24 AP	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Water											
Growth											
District - chlorine dosing and pH correction improvements	-	-	-	789,525	1,890,000	-	-	-	-	-	-
District - fire flow improvements	-	100,000	410,000	-	-	-	-	-	-	-	-
District - universal smart water metering	-	500,000	1,025,000	526,350	3,240,000	3,321,000	3,397,500	-	-	-	-
Kinloch - low zone reservoir construction	-	-	2,562,500	1,736,955	-	-	-	-	-	-	-
Kinloch - treatment compliance upgrade	-	4,900,000	-	-	-	-	-	-	-	-	-
Taupō - Brentwood reservoir construction	-	-	-	-	-	-	-	-	-	181,335	2,283,455
Taupō - Napier Road reservoir construction	-	-	307,500	4,526,610	972,000	-	-	-	-	-	-
Taupō - Tauhara Ridge reservoir and Airport connection	-	1,500,000	512,500	-	-	-	-	-	-	-	-
Taupō - Taupō WTP capacity upgrade	-	-	410,000	-	-	-	-	-	-	-	-
Taupō - Wairakei area capacity upgrade	-	-	-	-	-	-	-	115,860	1,124,800	-	-
Tauhara Ridge reservoir & Airport - connection to Taupo Water	761,200	-	-	-	-	-	-	-	-	-	-
Kinloch low zone reservoir construction	212,400	-	-	-	-	-	-	-	-	-	-
Growth Total	973,600	7,000,000	5,227,500	7,579,440	6,102,000	3,321,000	3,397,500	115,860	1,124,800	181,335	2,283,455
Level of Service											
Burst valves, level switches - reservoir resilience, renewals and strengthening	-	150,000	133,250	531,614	-	-	-	-	-	-	-
Centennial - treatment compliance upgrade	-	500,000	6,252,500	-	-	-	-	-	-	-	-
District - backflow protection on tanker fill points	-	300,000	-	-	-	-	-	-	-	-	-
District - fire flow improvements Whakamaru	-	-	-	52,635	432,000	-	-	-	-	-	-
District - fluoridation programme	-	-	-	-	-	387,450	1,981,875	-	-	-	-
District - reservoir resilience, renewals and strengthening	-	-	-	-	-	-	-	-	7,518,400	8,462,300	9,010,390
Hatepe - treatment compliance upgrade (DWSNZ)	500,000	1,000,000	5,125,000	-	-	-	-	-	-	-	-
Motuoapa - treatment compliance upgrade (DWSNZ)	-	4,255,000	2,972,500	-	-	-	-	-	-	-	-
Motutere - treatment compliance upgrade	1,911,600	-	-	-	-	-	-	289,650	2,072,000	-	-
Omori - treatment compliance upgrade	-	1,600,000	-	-	-	-	-	-	-	-	-
Omori - treatment plant rising main	-	150,000	1,691,250	-	-	-	-	-	-	-	-
River Road - chlorine contact tank	-	-	-	315,810	-	-	-	-	-	-	-
Taupō - low pressure improvements	-	-	-	-	-	-	339,750	2,548,920	-	-	-
Taupō - Mapara area capacity increase	-	1,000,000	1,435,000	1,315,875	-	-	-	-	-	-	-
Taupō - Pohiipi reservoir construction	-	-	-	1,052,700	4,860,000	3,597,750	-	-	-	-	-
Taupō - treatment plant cyanotoxin upgrade	-	100,000	-	-	-	-	566,250	2,201,340	-	-	-
Taupō - treatment plant resilience upgrade	-	160,000	861,000	-	-	-	-	-	-	-	-
Taupo Water Operations Team additional vehicles	-	120,000	61,500	-	64,800	66,420	-	-	-	-	-
Tirohanga - treatment compliance upgrade	250,000	1,500,000	143,500	-	-	-	-	-	-	-	-
Waihaha - continuity of supply upgrade	250,000	350,000	-	-	-	-	-	-	-	-	-
Whareroa - treatment compliance upgrade	50,000	560,000	-	-	-	-	-	-	-	-	-
Centennial treated water DWSNZ upgrade	724,700	-	-	-	-	-	-	-	-	-	-
Turangi - water treatment improvements	106,200	-	-	-	-	-	-	-	-	-	-
Mangakino - water treatment improvements	79,650	-	-	-	-	-	-	-	-	-	-
Water loss strategy implementation	350,460	-	-	-	-	-	-	-	-	-	-
Chlorine dosing improvements - large schemes	200,000	-	-	-	-	-	-	-	-	-	-
Backflow protection on tanker fill points	350,000	-	-	-	-	-	-	-	-	-	-
Level of Service Total	4,772,610	11,745,000	18,675,500	3,268,634	5,356,800	4,051,620	2,887,875	5,039,910	9,590,400	8,462,300	9,010,390
Renewal	6,188,317	6,880,000	6,457,500	8,535,292	10,497,600	10,804,320	10,918,433	11,464,347	9,258,880	11,285,082	9,637,414
Water Total	11,934,527	25,625,000	30,360,500	19,383,365	21,956,400	18,176,940	17,203,808	16,620,117	19,974,080	19,928,716	20,931,259



Long Term Plan Financial Statements

Long Term Plan Financial Statements

Prospective Schedule of Rates	2
Statement of Comprehensive Revenue Expenditure	3
Statement of Financial Position	5
Statement of Changes in Equity	7
Statement of Cashflow	8
Funding Impact Statement	10
Statement of Movement in Reserves	11
Funding Impact Statement - Community Facilities	14
Funding Impact Statement - Community Leadership	15
Funding Impact Statement - Democracy & Planning	16
Funding Impact Statement - District Development	17
Funding Impact Statement - Planning and Regulatory	18
Funding Impact Statement - Solid Waste	19
Funding Impact Statement - Stormwater	20
Funding Impact Statement - Strategic Property	21
Funding Impact Statement - Transport	22
Funding Impact Statement - Wastewater	23
Funding Impact Statement - Water	24
- Stormwater	25
Statement of Borrowings	28

Prospective Schedule of Rates

	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
Total District											
General Rates	58,004	64,835	69,883	74,499	78,295	81,879	86,605	88,346	93,196	95,588	96,366
Targeted Rates	35,168	41,596	49,033	53,640	57,887	62,275	65,466	70,156	72,174	75,962	79,436
Total Rates	93,172	106,430	118,915	128,139	136,182	144,154	152,071	158,502	165,370	171,550	175,802
Less internal rates	1,098	-	-	-	-	-	-	-	-	-	-
Less rates remission	1,155	1,155	1,178	1,204	1,231	1,256	1,281	1,306	1,331	1,356	1,380
Add Water by Meter	-	1,797	1,842	1,892	1,941	1,989	2,035	2,082	2,128	2,172	2,218
Add rates penalties	500	600	600	600	600	600	600	600	600	600	600
Rates revenue	91,419	107,672	120,179	129,427	137,492	145,487	153,424	159,878	166,767	172,966	177,240
% Change Total Rates	11.66%	14.23%	11.73%	7.76%	6.28%	5.85%	5.49%	4.23%	4.33%	3.74%	2.48%
% Change General Rates	11.43%	11.78%	7.79%	6.61%	5.10%	4.58%	5.77%	2.01%	5.49%	2.57%	0.81%
% Change Targeted Rates	12.04%	18.28%	17.88%	9.40%	7.92%	7.58%	5.12%	7.16%	2.88%	5.25%	4.57%
Number of Properties	23,881	24,075	24,292	24,543	24,817	25,113	25,437	25,756	26,076	26,396	26,719
Growth in Property Numbers	167	217	251	274	296	324	319	320	320	323	324
Number of Properties to be rated	24,048	24,292	24,543	24,817	25,113	25,437	25,756	26,076	26,396	26,719	27,043
Costs to be recovered (GST excl)	93,172	106,430	118,915	128,139	136,182	144,154	152,071	158,502	165,370	171,550	175,802
Average rates per property	3,874	4,381	4,845	5,163	5,423	5,667	5,904	6,078	6,265	6,421	6,501
Average property % increase	9.1%	11.6%	10.6%	6.6%	5.0%	4.5%	4.2%	3.0%	3.1%	2.5%	1.3%
Average Property increase GST excl	322	507	464	(9)	578	504	482	174	186	156	80
Average Property increase GST incl	371	583	533	(11)	664	579	554	200	214	179	92

Statement of Comprehensive Revenue Expenditure	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
Revenue and Expense											
Revenue											
Rates	91,419	107,672	120,179	129,427	137,492	145,487	153,424	159,878	166,767	172,966	177,240
Subsidies and grants	7,785	9,435	12,858	13,930	14,097	12,672	11,067	9,529	11,309	10,991	9,783
Development and financial contributions	5,079	6,362	7,075	7,470	8,258	8,211	8,240	8,219	8,326	8,378	8,435
Fees and charges	12,228	22,524	27,186	29,463	25,019	31,587	31,115	31,443	20,441	17,718	18,008
Finance revenue	6,849	7,418	7,480	7,831	8,275	8,759	9,266	9,774	10,290	10,814	11,310
Other revenue	8,153	8,602	7,889	12,201	12,230	13,416	11,601	15,640	12,748	16,611	15,012
Total operating revenue	131,513	162,013	182,667	200,323	205,372	220,133	224,713	234,482	229,881	237,479	239,788
Expenditure											
Personnel costs	30,311	30,606	33,073	35,323	35,193	36,014	36,737	36,124	36,821	37,560	36,652
Depreciation and amortisation expense	29,804	34,867	38,172	41,323	44,579	47,861	50,907	54,103	57,354	59,775	62,249
Finance costs	11,681	12,799	11,998	12,222	13,051	14,206	15,421	16,535	15,784	14,108	11,739
Other expenses	48,632	64,813	73,256	75,242	76,943	77,753	80,771	78,624	75,547	76,709	78,016
Total operating expenditure	120,428	143,086	156,499	164,110	169,766	175,835	183,836	185,385	185,506	188,152	188,656
Income tax (expense)/credit											
Income tax (expense)/credit	-	-	-	-	-	-	-	-	-	-	-
Income tax (expense)/credit	-	-	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit)	11,085	18,927	26,167	36,212	35,607	44,297	40,877	49,097	44,375	49,327	51,132
Other comprehensive revenue and expense											
Gain/(loss) on assets											
Property, plant & equipment revaluations	35,690	46,147	35,247	39,889	39,318	38,324	37,689	38,660	39,215	39,472	37,757
Gain/(loss) on assets	35,690	46,147	35,247	39,889	39,318	38,324	37,689	38,660	39,215	39,472	37,757
Other Comprehensive Revenue and Expenses	35,690	46,147	35,247	39,889	39,318	38,324	37,689	38,660	39,215	39,472	37,757
Total comprehensive revenue and expense/(deficit) for the year attributable to Council	46,775	65,074	61,414	76,102	74,925	82,621	78,567	87,756	83,591	88,799	88,889
Reconciliation to Summary Funding Impact Statement											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	57,687	64,274	69,298	73,889	77,658	81,216	85,917	87,634	92,459	94,825	95,580
Targeted rates	34,887	43,399	50,881	55,538	59,834	64,271	67,508	72,245	74,308	78,141	81,660
Total rates revenue	92,574	107,672	120,179	129,427	137,492	145,487	153,424	159,878	166,767	172,966	177,240
Operating Funding											
Subsidies and grants for operating purposes	3,886	4,126	3,902	4,007	3,973	4,039	4,157	4,233	4,339	4,460	4,274
Fees and charges	12,228	21,896	26,545	28,807	24,349	30,902	30,416	30,729	19,714	16,977	17,253
Interest and dividends from investments	6,849	7,418	7,480	7,831	8,275	8,759	9,266	9,774	10,290	10,814	11,310
Local authorities fuel tax, fines, infringement fees, and other receipts	1,145	1,681	1,715	1,754	1,793	1,831	1,868	1,905	1,942	1,979	2,016
Total operating funding	24,108	35,120	39,643	42,399	38,390	45,531	45,707	46,642	36,285	34,230	34,852

Statement of Comprehensive Revenue Expenditure	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
Add asset development and other gains / (losses)											
Subsidies and grants for capital expenditure	3,899	5,310	8,956	9,923	10,124	8,634	6,910	5,295	6,970	6,531	5,509
Development and financial contributions	5,079	6,362	7,075	7,470	8,258	8,211	8,240	8,219	8,326	8,378	8,435
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Add vested and first time recognition of assets	3,068	7,065	6,503	10,964	7,986	12,019	9,934	14,264	8,679	13,163	9,057
Add gain on sale	3,273	483	311	139	3,121	251	498	184	2,854	2,210	4,694
Add unrealised gains/(losses)	668	-	-	-	-	-	-	-	-	-	-
Total asset development and other gains / (losses)	15,987	19,220	22,845	28,496	29,490	29,115	25,582	27,962	26,830	30,283	27,695
Applications of operating funding											
Payments to staff and suppliers	80,098	89,763	98,521	103,194	103,897	104,798	108,720	107,405	111,498	114,058	114,453
Finance costs	11,681	12,793	11,992	12,216	13,045	14,200	15,414	16,528	15,777	14,101	11,732
Total applications of operating funding (B)	91,779	102,555	110,513	115,410	116,941	118,998	124,134	123,933	127,275	128,159	126,185
Operating Expenses											
Add depreciation expense	29,804	35,047	38,356	41,510	44,771	48,057	51,106	54,307	57,561	59,986	62,464
Less loss on sale of asset	-	-	-	-	-	-	-	-	-	-	-
Add Interest Provision for Landfill	-	6	6	6	6	6	6	6	6	6	6
Add Cost Of Section Sales	-	5,477	7,624	7,184	8,047	8,774	8,589	7,139	663	-	-
Total operating expenses	29,804	40,531	45,986	48,700	52,824	56,837	59,702	61,452	58,231	59,993	62,470
Add other comprehensive revenue and expenses											
Add other comprehensive revenue and expenses	35,690	46,147	35,247	39,889	39,318	38,324	37,689	38,660	39,215	39,472	37,757
Total comprehensive revenue and expense	46,775	65,074	61,414	76,102	74,925	82,621	78,567	87,756	83,591	88,799	88,889
Reconciliation to Summary Funding Impact Statement	-	-	-	-	-	-	-	-	-	-	-

Statement of Financial Position	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
Assets											
Current assets											
Cash and cash equivalents	3,099	91	83	69	32	60	10	79	81	94	81
Other financial assets	124,759	45,800	48,300	56,300	56,400	72,500	77,000	70,300	63,300	56,200	48,700
Trade and other receivables	6,381	10,358	10,358	10,358	10,358	10,358	10,358	10,358	10,358	10,358	10,358
Inventories	226	238	238	238	238	238	238	238	238	238	238
Prepayments	1,239	1,635	1,635	1,635	1,635	1,635	1,635	1,635	1,635	1,635	1,635
Non current assets held for sale	10,831	-	-	-	-	-	-	-	-	-	-
Total Current Assets	146,535	58,121	60,613	68,599	68,662	84,790	89,240	82,609	75,611	68,524	61,011
Non-current assets											
Other Financial Assets	15,933	73,167	77,877	82,870	88,163	93,774	99,723	106,029	112,714	119,800	127,313
Investment in CCO and other similar entities	8,773	10,008	10,808	10,808	10,808	10,808	10,808	10,808	10,808	10,808	10,808
Intangible assets	7,394	10,744	10,303	9,862	9,420	8,979	8,966	8,593	8,180	7,985	7,866
Investment properties	22,184	32,863	38,486	37,254	32,951	37,695	39,847	36,785	36,542	37,878	37,923
Investment in associates	-	-	-	-	-	-	-	-	-	-	-
Biological assets - forestry	7,952	7,397	7,573	7,709	7,481	7,485	7,555	7,556	7,728	6,766	5,945
Property, Plant and Equipment	1,815,313	2,096,612	2,176,055	2,258,021	2,354,036	2,420,345	2,516,444	2,602,146	2,645,305	2,690,448	2,720,864
Total Non-current assets	1,877,549	2,230,790	2,321,102	2,406,523	2,502,859	2,579,086	2,683,341	2,771,916	2,821,277	2,873,686	2,910,719
Total Assets	2,024,084	2,288,912	2,381,714	2,475,122	2,571,520	2,663,876	2,772,580	2,854,524	2,896,888	2,942,210	2,971,730
Liabilities											
Current liabilities											
Tax payable	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	20,796	21,249	21,249	21,249	21,249	21,249	21,249	21,249	21,249	21,249	21,249
Employee benefit liabilities	3,225	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Borrowings	50,251	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Current Liabilities	74,272	28,104	28,104	28,104	28,104	28,104	28,104	28,104	28,104	28,104	28,104
Non-current liabilities											
Provisions	168	213	219	226	232	238	245	251	257	264	270
Derivative financial instruments	519	52	52	52	52	52	52	52	52	52	52
Borrowings	150,000	232,803	264,185	281,485	302,952	312,680	342,812	336,993	295,760	252,277	192,902
Employee benefit liabilities	173	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	150,860	233,068	264,456	281,763	303,236	312,970	343,108	337,296	296,069	252,592	193,224
Total Liabilities	225,132	261,172	292,560	309,866	331,340	341,074	371,212	365,400	324,172	280,696	221,327
Net Assets	1,798,952	2,027,740	2,089,155	2,165,256	2,240,181	2,322,802	2,401,368	2,489,125	2,572,715	2,661,514	2,750,403
Equity											
Reserves											
Accumulated funds	943,700	992,197	1,011,143	1,034,375	1,064,627	1,087,285	1,102,335	1,121,150	1,135,556	1,156,525	1,163,827
Council created reserves	129,752	109,130	116,351	129,331	134,686	156,326	182,153	212,434	242,404	270,762	314,592
Revaluation reserves	725,500	926,414	961,661	1,001,550	1,040,868	1,079,192	1,116,881	1,155,541	1,194,756	1,234,227	1,271,984
Reserves	1,798,952	2,027,740	2,089,155	2,165,256	2,240,181	2,322,802	2,401,368	2,489,125	2,572,715	2,661,514	2,750,403
Total Equity	1,798,952	2,027,740	2,089,155	2,165,256	2,240,181	2,322,802	2,401,368	2,489,125	2,572,715	2,661,514	2,750,403
Total Equity	1,798,952	2,027,740	2,089,155	2,165,256	2,240,181	2,322,802	2,401,368	2,489,125	2,572,715	2,661,514	2,750,403

Statement of Changes in Equity	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
Equity balance at 30 June											
Equity balance at 1 July	1,752,177	1,962,666	2,027,740	2,089,154	2,165,256	2,240,181	2,322,802	2,401,368	2,489,125	2,572,715	2,661,514
Comprehensive income for year	46,775	65,074	61,414	76,102	74,925	82,621	78,567	87,756	83,591	88,799	88,889
Equity balance at 30 June	1,798,952	2,027,740	2,089,155	2,165,256	2,240,181	2,322,802	2,401,368	2,489,125	2,572,715	2,661,514	2,750,403
Components of Equity											
Retained earnings 30 June											
Retained Earnings at 1 July	934,634	977,082	992,197	1,011,143	1,034,375	1,064,627	1,087,285	1,102,335	1,121,150	1,135,556	1,156,525
Net Surplus/(Deficit)	11,085	18,927	26,167	36,212	35,607	44,297	40,877	49,097	44,375	49,327	51,132
Transfers (to)/from reserves	(2,019)	(3,812)	(7,221)	(12,980)	(5,356)	(21,639)	(25,827)	(30,282)	(29,970)	(28,358)	(43,830)
Retained earnings 30 June	943,700	992,197	1,011,143	1,034,375	1,064,627	1,087,285	1,102,335	1,121,150	1,135,556	1,156,525	1,163,827
Revaluation Reserves 30 June											
Revaluation Reserves at 1 July	689,810	880,266	926,414	961,661	1,001,550	1,040,868	1,079,192	1,116,881	1,155,541	1,194,756	1,234,227
Revaluation Gains	35,690	46,147	35,247	39,889	39,318	38,324	37,689	38,660	39,215	39,472	37,757
Revaluation Reserves 30 June	725,500	926,414	961,661	1,001,550	1,040,868	1,079,192	1,116,881	1,155,541	1,194,756	1,234,227	1,271,984
Council created Reserves 30 June											
Council Created Reserves at 1 July	127,733	105,317	109,130	116,351	129,331	134,686	156,326	182,153	212,434	242,404	270,762
Transfers to/(from) reserves	2,019	3,812	7,221	12,980	5,356	21,639	25,827	30,282	29,970	28,358	43,830
Council created Reserves 30 June	129,752	109,130	116,351	129,331	134,686	156,326	182,153	212,434	242,404	270,762	314,592
Components of Equity	1,798,952	2,027,740	2,089,155	2,165,256	2,240,181	2,322,802	2,401,368	2,489,125	2,572,715	2,661,514	2,750,403

Statement of Cashflow	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
Net Cashflow Operating Activities											
Cash was provided from:											
Rates	91,419	107,672	120,179	129,427	137,492	145,487	153,424	159,878	166,767	172,966	177,240
Subsidies and grants	3,886	4,126	3,902	4,007	3,973	4,039	4,157	4,233	4,339	4,460	4,274
Interest Revenue	6,849	5,365	5,304	5,524	5,829	6,167	6,518	6,861	7,202	7,540	7,839
Fees and charges	12,228	21,896	26,545	28,807	24,349	30,902	30,416	30,729	19,714	16,977	17,253
Other Revenue	1,142	3,734	3,892	4,061	4,239	4,424	4,617	4,818	5,031	5,254	5,487
Cash was provided from:	115,524	142,793	159,822	171,826	175,883	191,018	199,131	206,520	203,052	207,196	212,092
Cash was applied to:											
Payment to suppliers	(48,632)	(56,518)	(62,582)	(64,729)	(65,453)	(65,528)	(68,668)	(67,886)	(71,168)	(72,967)	(74,201)
Payment to employees	(30,311)	(33,425)	(36,122)	(38,652)	(38,635)	(39,466)	(40,251)	(39,723)	(40,537)	(41,302)	(40,468)
Interest on public debt	(11,674)	(12,793)	(11,992)	(12,216)	(13,045)	(14,200)	(15,414)	(16,528)	(15,777)	(14,101)	(11,732)
Cash was applied to:	(90,617)	(102,735)	(110,697)	(115,597)	(117,133)	(119,194)	(124,334)	(124,137)	(127,483)	(128,370)	(126,400)
Net Cashflow Operating Activities	24,907	40,058	49,125	56,229	58,750	71,824	74,797	82,384	75,569	78,826	85,692
Net Cashflow Investment Activities											
Cash was provided from:											
Development Contributions	5,079	6,362	7,075	7,470	8,258	8,211	8,240	8,219	8,326	8,378	8,435
Net decrease in investments	-	5,341	-	-	-	-	-	394	315	13	-
Proceeds from sale of property, plant, equipment & bio assets	8,841	4,757	311	139	4,699	251	498	184	3,480	10,741	13,916
Capital Subsidies	3,899	5,310	8,956	9,923	10,124	8,634	6,910	5,295	6,970	6,531	5,509
Cash was provided from:	17,819	21,770	16,341	17,533	23,081	17,096	15,648	14,092	19,091	25,664	27,860
Cash was applied to:											
Purchase & development of property, plant & equipment	(58,188)	(73,308)	(88,847)	(78,082)	(97,942)	(76,908)	(110,179)	(90,588)	(53,424)	(60,993)	(54,177)
Net increase in investments	(2,500)	-	(8,010)	(12,993)	(5,393)	(21,711)	(10,449)				(13)
Cash was applied to:	(60,688)	(73,308)	(96,857)	(91,075)	(103,335)	(98,619)	(120,627)	(90,588)	(53,424)	(60,993)	(54,190)
Net Cashflow Investment Activities	(42,869)	(51,538)	(80,516)	(73,542)	(80,254)	(81,523)	(104,979)	(76,496)	(34,333)	(35,330)	(26,330)
Net Cashflow Finance Activities											
Cash was provided from:											
Loans raised	45,378	45,460	55,396	41,106	46,310	31,358	52,980	24,352	(12,873)	(12,484)	(28,985)
Cash was provided from:	45,378	45,460	55,396	41,106	46,310	31,358	52,980	24,352	(12,873)	(12,484)	(28,985)
Cash was applied to:											
Repayment of public debt	(28,350)	(23,226)	(24,015)	(23,806)	(24,843)	(21,631)	(22,848)	(30,171)	(28,361)	(31,000)	(30,389)
Cash was applied to:	(28,350)	(23,226)	(24,015)	(23,806)	(24,843)	(21,631)	(22,848)	(30,171)	(28,361)	(31,000)	(30,389)
Net Cashflow Finance Activities	17,028	22,234	31,382	17,300	21,467	9,728	30,132	(5,819)	(41,234)	(43,483)	(59,375)
Cash Balance											
Total cash resources at start of the year	4,032	(10,662)	91	83	69	32	60	10	79	81	94
Net increase/(decrease) in cash held	(933)	10,754	(9)	(13)	(38)	28	(50)	69	2	13	(13)
Cash Balance	3,099	91	83	69	32	60	10	79	81	94	81

Funding Impact Statement	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
SURPLUS/ (DEFICIT) OF OPERATING FUNDING											
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	57,687	64,274	69,298	73,889	77,658	81,216	85,917	87,634	92,459	94,825	95,580
Targeted Rates	34,887	43,399	50,881	55,538	59,834	64,271	67,508	72,245	74,308	78,141	81,660
Subsidies and grants for operating purposes	3,886	4,126	3,902	4,007	3,973	4,039	4,157	4,233	4,339	4,460	4,274
Fees and charges	12,228	21,896	26,545	28,807	24,349	30,902	30,416	30,729	19,714	16,977	17,253
Interest and dividends from investments	6,849	7,418	7,480	7,831	8,275	8,759	9,266	9,774	10,290	10,814	11,310
Local authorities fuel tax, fines, infringement fees, and other receipts	1,145	1,681	1,715	1,754	1,793	1,831	1,868	1,905	1,942	1,979	2,016
Total Operating Funding (A)	116,682	142,793	159,822	171,826	175,883	191,018	199,131	206,520	203,052	207,196	212,092
Applications of Operating Funding											
Payments to staff and suppliers	80,098	89,943	98,705	103,382	104,088	104,994	108,920	107,608	111,705	114,269	114,668
Finance Costs	11,681	12,793	11,992	12,216	13,045	14,200	15,414	16,528	15,777	14,101	11,732
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	91,779	102,735	110,697	115,597	117,133	119,194	124,334	124,137	127,483	128,370	126,400
Surplus/(Deficit) of Operating Funding (A - B)	24,903	40,058	49,125	56,229	58,750	71,824	74,797	82,384	75,569	78,826	85,692
SURPLUS / (DEFICIT) OF CAPITAL FUNDING											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	3,899	5,310	8,956	9,923	10,124	8,634	6,910	5,295	6,970	6,531	5,509
Development and financial contributions	5,079	6,362	7,075	7,470	8,258	8,211	8,240	8,219	8,326	8,378	8,435
Increase (decrease) in debt	17,022	22,234	31,382	17,300	21,467	9,728	30,132	(5,819)	(41,234)	(43,483)	(59,375)
Gross proceeds from sale of assets	8,506	4,757	311	139	4,699	251	498	184	3,480	10,741	13,916
Total Sources of Capital Funding (C)	34,506	38,663	47,723	34,833	44,548	26,824	45,780	7,879	(22,457)	(17,833)	(31,515)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	2,309	7,892	14,586	14,428	14,977	10,709	40,983	38,531	2,434	2,553	2,284
- to improve the level of service	39,981	39,247	44,998	31,188	50,818	36,531	34,435	18,523	18,647	16,299	14,396
- to replace existing assets	15,898	26,170	29,263	32,466	32,148	29,669	34,760	33,534	32,344	42,141	37,497
Increase (decrease) in reserves	1,220	3,812	7,201	12,980	5,356	21,739	10,398	(325)	(312)		
Increase (decrease) of investments	-	1,600	800	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	59,408	78,720	96,848	91,062	103,298	98,648	120,577	90,263	53,112	60,993	54,177
Surplus/(Deficit) of Capital Funding (C - D)	(24,903)	(40,058)	(49,125)	(56,229)	(58,750)	(71,824)	(74,797)	(82,384)	(75,569)	(78,826)	(85,692)
Funding Balance ((A - B) + (C - D))	-	0	0	0	0	0	0	0	0	0	0

Statement of Movement in Reserves	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
Depreciation Reserves											
Buildings - District	6,396	1,065	1,341	2,867	5,014	7,320	8,824	10,838	12,671	15,497	21,524
Operational assets - District	3,772	(401)	(2,380)	(3,654)	(5,139)	(6,388)	(6,391)	(6,590)	(6,437)	(7,207)	(7,160)
Solid Waste - District	876	438	443	554	655	663	783	885	974	1,039	1,225
Transport & Stormwater - District	6,174	2,620	4,200	4,924	7,454	10,660	12,700	14,945	19,347	24,631	29,722
Wastewater - District	1,566	2,683	5,245	7,775	10,103	13,294	15,130	19,152	23,691	28,905	35,303
Water - District	1,646	(5,171)	(11,682)	(17,057)	(20,660)	(21,783)	(22,038)	(19,157)	(12,536)	(5,940)	5,087
Total Depreciation Reserves Closing Balance	20,430	1,234	(2,832)	(4,590)	(2,574)	3,766	9,010	20,074	37,711	56,926	85,702
Development Contribution reserves											
Community Infrastructure District	895	698	698	698	698	698	698	698	698	698	698
District wide Parks	1,188	1,563	2,424	3,362	4,093	4,688	5,548	4,817	5,843	6,520	7,008
Parks & reserves land (residential)	3,800	2,731	2,731	2,731	2,731	2,731	2,731	2,731	2,731	2,731	2,731
Stormwater - District	-	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Transport - District	1,400	5,220	8,136	11,221	14,620	18,016	21,420	24,812	25,245	24,698	23,174
Wastewater - Atiamuri	2	2	2	2	2	2	2	2	2	2	2
Wastewater - Kinloch	606	1,579	1,996	2,398	2,865	1,322	1,791	2,267	2,757	3,253	3,762
Wastewater - Mangakino	-	(52)	(119)	(192)	(254)	(309)	(362)	(413)	(465)	(514)	(559)
Wastewater - Taupo	809	7,716	8,996	1,708	514	2,029	1,044	2,550	1,773	1,002	2,542
Wastewater - Turangi	-	(14)	(47)	(95)	(158)	(205)	(250)	(296)	(341)	(389)	(431)
Water - Kinloch	2,305	2,704	3,071	3,425	1,876	2,278	2,691	621	1,052	1,489	1,937
Water - Mapara Road	389	473	548	623	698	774	849	924	999	1,074	1,150
Water - Omori/Pukawa/Kuratau	154	143	187	243	299	354	410	466	522	578	634
Water - River Road	5	5	5	5	5	5	5	5	5	5	5
Water - Taupo	2,724	2,642	3,451	4,316	2,238	3,199	4,160	740	1,706	2,677	3,654
Water - Turangi/Tongariro	14	14	14	14	14	14	14	14	14	14	14
Total Development Contribution Reserves Closing Balance	14,291	25,552	32,423	31,030	31,064	36,622	41,974	41,354	44,150	45,641	48,299
Other Reserves											
Disaster Recovery Fund	2,398	2,839	3,339	3,939	4,539	5,139	5,739	6,339	6,939	7,539	8,139
District Airport Reserve	37	41	41	41	41	41	41	41	41	41	41
Forestry	5,585	2,442	2,452	2,524	3,112	3,307	3,433	3,623	3,325	5,987	8,470
Government Funding Reserve	-	484	484	484	484	484	484	484	484	484	484
Parking	69	69	69	69	69	69	69	69	69	69	69
Strategic Property Purchase - District	18,143	3,659	2,855	13,320	10,146	13,481	22,037	34,778	37,329	34,631	36,431
TEL	68,800	72,810	77,520	82,513	87,806	93,417	99,366	105,672	112,357	119,444	126,957
Total Other Reserves Closing Balance	95,032	82,343	86,760	102,891	106,196	115,938	131,169	151,006	160,544	168,195	180,590
Total Reserves	129,753	109,129	116,351	129,331	134,686	156,326	182,153	212,434	242,404	270,762	314,592

Statement of Movement in Reserves

	PROJECTED OPENING BALANCE 2024 (\$000)	EXPECTED DEPOSITS 2024-2034 (\$000)	EXPECTED WITHDRAWALS2024- 2034 (\$000)	EXPECTED BALANCE @ 2034 (\$000)	PURPOSE OF THE FUND
Depreciation Reserves					
Buildings - District	(274)	65,370	(43,572)	21,524	To fund for renewals, capital expenditure & loan repayments for Buildings - District
Operational assets - District	(1,016)	60,619	(66,763)	(7,160)	To fund for renewals, capital expenditure & loan repayments for Operational assets - District
Solid Waste - District	420	14,101	(13,296)	1,225	To fund for renewals, capital expenditure & loan repayments for District Solid Waste
Transport & Stormwater - District	1,031	120,543	(91,852)	29,722	To fund for renewals, capital expenditure & loan repayments for Transport & Stormwater - District
Wastewater - District	953	105,982	(71,632)	35,303	To fund for renewals, capital expenditure & loan repayments for Wastewater - District
Water - District	685	154,746	(150,344)	5,087	To fund for renewals, capital expenditure & loan repayments for Water - District
Depreciation Reserves	1,799	521,363	(437,460)	85,702	
Development Contribution reserves					
Community Infrastructure District	698	-	-	698	To fund for District Development Contribution capital expenditure, loan repayments & interest for Community Infrastructure
District wide Parks	2,153	12,239	(7,383)	7,008	To fund for District Wide Parks Development Contribution capital expenditure, loan repayments & interest
Parks & reserves land (residential)	2,731	-	-	2,731	To fund for Residential Parks Reserve Land Development Contribution capital expenditure, loan repayments & interest
Stormwater - District	(4)	-	-	(4)	To fund for District Wide Stormwater Development Contribution capital expenditure, loan repayments & interest
Transport - District	3,611	32,273	(12,711)	23,174	To fund for District Wide Transport Development Contribution capital expenditure, loan repayments & interest
Wastewater - Atiamuri	2	-	-	2	To fund for Atiamuri Wastewater Development Contribution capital expenditure, loan repayments & interest
Wastewater - Kinloch	1,157	4,606	(2,000)	3,762	To fund for Kinloch Wastewater Development Contribution capital expenditure, loan repayments & interest
Wastewater - Mangakino	-	(559)	-	(559)	To fund for Mangakino Wastewater Development Contribution capital expenditure, loan repayments & interest
Wastewater - Taupo	6,581	14,416	(18,454)	2,542	To fund for Taupo Wastewater Development Contribution capital expenditure, loan repayments & interest
Wastewater - Turangi	-	(431)	-	(431)	To fund for Turangi Wastewater Development Contribution capital expenditure, loan repayments & interest
Water - Kinloch	2,347	4,041	(4,450)	1,937	To fund for Kinloch Water Development Contribution capital expenditure, loan repayments & interest
Water - Mapara Road	444	705	-	1,150	To fund for Mapara Road Water Development Contribution capital expenditure, loan repayments & interest
Water - Omori/Pukawa/Kuratau	113	520	-	634	To fund for Omori/Pukawa/Kuratau Water Development Contribution capital expenditure, loan repayments & interest

Statement of Movement in Reserves					PURPOSE OF THE FUND
	PROJECTED OPENING BALANCE 2024 (\$000)	EXPECTED DEPOSITS 2024-2034 (\$000)	EXPECTED WITHDRAWALS2024- 2034 (\$000)	EXPECTED BALANCE @ 2034 (\$000)	
Water - River Road	5	-	-	5	To fund for River Road Water Development Contribution capital expenditure, loan repayments & interest
Water - Taupo	2,377	9,184	(7,907)	3,654	To fund for Taupo Water Development Contribution capital expenditure, loan repayments & interest
Water - Turangi/Tongariro	14	-	-	14	To fund for Turangi/Tokaanu Water Development Contribution capital expenditure, loan repayments & interest
Development Contribution reserves	22,231	78,974	(52,906)	48,299	
Other Reserves					
Disaster Recovery Fund	2,439	5,700	-	8,139	To provide readily available funds in the case of a significant natural disaster
District Airport Reserve	41	-	-	41	To provide for heavy periodic maintenance charges on assets such as buildings, roads etc & for future capital works of this nature
Forestry	1,517	26,226	(19,274)	8,470	To be used in the establishment, maintenance & operation of Councils forestry blocks
Government Funding Reserve	484	-	-	484	
Parking	69	-	-	69	For the purchase or development of parking
Strategic Property Purchase - District	8,371	97,557	(69,497)	36,431	To fund specific strategically based property purchases & associated projects - District
TEL	68,367	58,590	-	126,957	As per Treasury Management Policy
Other Reserves	81,288	188,073	(88,770)	180,590	

Funding Impact Statement - Community Facilities	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
SURPLUS/ (DEFICIT) OF OPERATING FUNDING											
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	21,969	24,710	25,891	28,724	32,074	34,096	36,233	33,805	35,371	36,780	38,260
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	140	113	115	118	120	123	125	128	130	133	(128)
Fees and charges	2,141	2,875	3,032	3,102	3,173	3,246	3,316	3,385	3,452	3,524	3,555
Local authorities fuel tax, fines, infringement fees, and other receipts	2	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	768	1,490	1,548	1,642	1,634	1,677	1,733	1,674	1,774	1,822	1,821
Total Operating Funding (A)	25,020	29,188	30,587	33,586	37,002	39,142	41,408	38,991	40,728	42,259	43,508
Applications of Operating Funding											
Payments to staff and suppliers	12,864	15,817	16,427	17,511	18,215	18,403	19,162	19,603	20,089	20,597	20,789
Finance Costs	1,947	1,620	1,610	1,869	2,152	2,399	2,622	2,883	2,881	3,045	3,101
Internal charges and overheads applied	5,239	6,821	7,039	7,350	7,369	7,553	7,723	7,091	7,933	8,042	8,021
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	20,050	24,258	25,077	26,730	27,736	28,355	29,508	29,577	30,903	31,684	31,910
Surplus/(Deficit) of Operating Funding (A - B)	4,970	4,930	5,510	6,855	9,266	10,787	11,900	9,413	9,825	10,575	11,598
SURPLUS / (DEFICIT) OF CAPITAL FUNDING											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	525	-	803	1,628	1,580	2,637	533	87	1,106	1,127	-
Development and financial contributions	916	1,239	1,066	1,146	1,264	1,248	1,248	1,242	1,256	1,264	1,265
Increase (decrease) in debt	3,248	159	7,926	8,942	4,045	3,557	7,271	(3,629)	625	2,385	(2,754)
Gross proceeds from sale of assets	-	118	76	32	142	39	183	110	45	136	111
Total Sources of Capital Funding (C)	4,689	1,516	9,871	11,748	7,031	7,481	9,234	(2,190)	3,032	4,912	(1,378)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	1,642	248	2,312	1,821	4,144	4,289	4,639	729	1,613	2,278	777
- to improve the level of service	5,836	3,909	9,017	12,701	7,503	8,797	9,966	1,131	3,742	5,305	833
- to replace existing assets	1,909	3,594	4,827	5,351	4,432	4,108	5,596	4,915	5,745	6,063	2,701
Increase (decrease) in reserves	272	(1,304)	(775)	(1,270)	219	1,075	934	449	1,757	1,841	5,910
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	9,659	6,447	15,381	18,603	16,297	18,268	21,134	7,224	12,857	15,487	10,220
Surplus/(Deficit) of Capital Funding (C - D)	(4,970)	(4,930)	(5,510)	(6,855)	(9,266)	(10,787)	(11,900)	(9,413)	(9,825)	(10,575)	(11,598)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Funding Impact Statement - Community Leadership	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
SURPLUS/ (DEFICIT) OF OPERATING FUNDING											
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	11,345	11,205	11,965	12,348	12,408	12,891	12,395	10,854	9,635	8,050	6,095
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	611	592	585	546	557	623	580	591	660	614	625
Local authorities fuel tax, fines, infringement fees, and other receipts	7,106	7,499	7,564	7,916	8,362	8,849	9,357	9,867	10,385	10,911	11,408
Internal charges and overheads recovered	21,318	26,261	27,631	28,766	28,578	29,032	30,098	27,170	30,293	30,644	30,216
Total Operating Funding (A)	40,380	45,558	47,744	49,576	49,906	51,395	52,430	48,482	50,973	50,218	48,343
Applications of Operating Funding											
Payments to staff and suppliers	23,030	28,098	29,494	30,526	30,545	31,218	32,171	29,731	32,947	33,447	33,207
Finance Costs	578	1,246	698	593	534	481	69	(1,079)	(2,658)	(4,284)	(6,301)
Internal charges and overheads applied	12,347	10,549	11,283	11,845	11,867	11,917	12,548	11,838	12,679	12,875	12,883
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	35,955	39,893	41,475	42,964	42,947	43,617	44,787	40,491	42,968	42,039	39,789
Surplus/(Deficit) of Operating Funding (A - B)	4,425	5,665	6,269	6,613	6,959	7,778	7,643	7,991	8,005	8,179	8,554
SURPLUS / (DEFICIT) OF CAPITAL FUNDING											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(2,422)	5,010	(1,208)	(1,283)	(1,326)	(1,762)	(16,367)	(31,346)	(31,479)	(29,315)	(44,713)
Gross proceeds from sale of assets	8,506	4,529	134	23	1,172	95	52	29	75	10,434	10,430
Total Sources of Capital Funding (C)	6,084	9,539	(1,074)	(1,260)	(154)	(1,667)	(16,315)	(31,317)	(31,404)	(18,881)	(34,283)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	1,225	6,148	160	140	42	42	470	106	45	46	47
- to replace existing assets	173	961	833	638	1,280	898	879	470	1,086	8,557	8,403
Increase (decrease) in reserves	9,111	6,495	3,402	4,575	5,483	5,171	(10,021)	(23,902)	(24,530)	(19,305)	(34,179)
Increase (decrease) of investments	-	1,600	800	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	10,509	15,204	5,195	5,353	6,805	6,111	(8,672)	(23,326)	(23,399)	(10,702)	(25,729)
Surplus/(Deficit) of Capital Funding (C - D)	(4,425)	(5,665)	(6,269)	(6,613)	(6,959)	(7,778)	(7,643)	(7,991)	(8,005)	(8,179)	(8,554)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Funding Impact Statement - District Development	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
SURPLUS/ (DEFICIT) OF OPERATING FUNDING											
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	4,289	4,438	4,921	5,034	5,149	4,820	4,917	4,909	5,038	5,128	5,216
Targeted Rates	185	198	202	206	211	215	220	224	228	232	237
Subsidies and grants for operating purposes	280	375	-	-	-	-	-	-	-	-	-
Fees and charges	16	30	31	32	32	33	34	34	35	36	36
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	4,770	5,041	5,154	5,272	5,392	5,069	5,170	5,167	5,301	5,396	5,488
Applications of Operating Funding											
Payments to staff and suppliers	4,813	4,652	4,724	4,837	4,950	4,620	4,713	4,802	4,894	4,987	5,077
Finance Costs	5	13	18	19	21	20	19	18	17	16	14
Internal charges and overheads applied	506	347	330	328	331	339	354	316	359	362	366
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	5,324	5,012	5,072	5,185	5,303	4,979	5,086	5,136	5,269	5,365	5,457
Surplus/(Deficit) of Operating Funding (A - B)	(554)	29	82	87	90	90	84	31	31	31	31
SURPLUS / (DEFICIT) OF CAPITAL FUNDING											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(5)	286	(30)	140	(35)	(35)	(35)	(35)	(35)	(31)	(31)
Gross proceeds from sale of assets	-	-	14	-	-	13	-	-	13	-	-
Total Sources of Capital Funding (C)	(5)	286	(16)	140	(35)	(22)	(35)	(35)	(22)	(31)	(31)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	293	-	166	-	-	-	-	-	-	-
- to replace existing assets	-	129	51	-	-	54	-	-	58	-	-
Increase (decrease) in reserves	(560)	(106)	15	61	54	13	49	(4)	(49)		
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	(560)	315	66	227	54	67	49	(4)	9		
Surplus/(Deficit) of Capital Funding (C - D)	554	(29)	(82)	(87)	(90)	(90)	(84)	(31)	(31)	(31)	(31)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Funding Impact Statement - Planning and Regulatory	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
SURPLUS/ (DEFICIT) OF OPERATING FUNDING											
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	6,105	5,458	6,663	7,170	7,228	7,292	7,424	7,058	7,641	7,708	7,815
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	2,791	4,152	3,300	3,373	3,443	3,512	3,579	3,647	3,716	3,783	3,851
Local authorities fuel tax, fines, infringement fees, and other receipts	466	551	563	575	587	599	610	622	634	645	657
Internal charges and overheads recovered	-	573	596	646	654	673	707	708	739	770	784
Total Operating Funding (A)	9,362	10,735	11,122	11,764	11,912	12,076	12,320	12,035	12,730	12,906	13,107
Applications of Operating Funding											
Payments to staff and suppliers	9,318	5,558	5,748	6,162	6,250	6,282	6,408	6,531	6,658	6,784	6,910
Finance Costs	44	53	42	34	32	32	27	23	18	14	10
Internal charges and overheads applied	-	4,505	4,611	4,749	4,807	4,924	5,042	4,627	5,205	5,254	5,330
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	9,362	10,116	10,400	10,945	11,089	11,237	11,478	11,180	11,880	12,052	12,250
Surplus/(Deficit) of Operating Funding (A - B)	-	618	722	819	823	839	842	855	850	853	857
SURPLUS / (DEFICIT) OF CAPITAL FUNDING											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	111	(101)	(100)	(100)	31	(109)	(108)	(112)	(97)	(97)	(59)
Gross proceeds from sale of assets	-	26	20	51	67	42	68	-	42	96	47
Total Sources of Capital Funding (C)	111	(75)	(80)	(49)	98	(67)	(40)	(112)	(55)	(1)	(12)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	111	-	-	-	128	-	-	-	-	-	-
- to replace existing assets	226	183	102	187	396	233	208	11	196	347	241
Increase (decrease) in reserves	(226)	360	540	582	397	538	595	732	598	505	604
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	111	543	641	769	921	771	802	743	794	852	845
Surplus/(Deficit) of Capital Funding (C - D)	-	(618)	(722)	(819)	(823)	(839)	(842)	(855)	(850)	(853)	(857)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Funding Impact Statement - Solid Waste	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
SURPLUS/ (DEFICIT) OF OPERATING FUNDING											
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	822	844	857	874	887	905	923	932	953	971	985
Targeted Rates	3,474	3,474	8,052	8,714	7,795	8,810	8,945	9,020	9,163	9,261	9,235
Subsidies and grants for operating purposes	540	640	653	667	682	696	710	724	737	751	765
Fees and charges	5,275	6,450	6,384	6,524	6,668	6,808	6,944	7,076	7,211	7,348	7,480
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	548	570	599	603	617	637	617	654	669	673
Total Operating Funding (A)	10,111	11,955	16,516	17,378	16,635	17,836	18,159	18,369	18,718	19,000	19,137
Applications of Operating Funding											
Payments to staff and suppliers	9,128	10,276	14,694	14,843	13,910	14,449	14,740	15,023	15,310	15,604	15,886
Finance Costs	90	93	153	202	341	483	455	427	395	365	337
Internal charges and overheads applied	587	1,081	1,136	1,179	1,184	1,212	1,260	1,204	1,285	1,315	1,320
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	9,805	11,450	15,983	16,224	15,436	16,144	16,456	16,653	16,991	17,284	17,543
Surplus/(Deficit) of Operating Funding (A - B)	306	504	532	1,154	1,199	1,692	1,704	1,715	1,727	1,716	1,594
SURPLUS / (DEFICIT) OF CAPITAL FUNDING											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	2,131	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(401)	89	2,919	(227)	6,555	(875)	(844)	(850)	(850)	(825)	(555)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	(401)	89	2,919	(227)	8,686	(875)	(844)	(850)	(850)	(825)	(555)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	11	336	3,178	266	9,171	98	100	102	104	106	108
- to replace existing assets	139	227	254	549	613	610	639	661	684	720	744
Increase (decrease) in reserves	(245)	32	19	113	101	109	121	103	90	66	187
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	(95)	594	3,451	927	9,885	817	859	865	877	892	1,039
Surplus/(Deficit) of Capital Funding (C - D)	(306)	(504)	(532)	(1,154)	(1,199)	(1,692)	(1,704)	(1,715)	(1,727)	(1,716)	(1,594)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Funding Impact Statement - Stormwater	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
SURPLUS/ (DEFICIT) OF OPERATING FUNDING											
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	2,340	3,009	3,311	3,539	3,606	3,983	4,746	4,912	5,810	5,371	5,433
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,340	3,009	3,311	3,539	3,606	3,983	4,746	4,912	5,810	5,371	5,433
Applications of Operating Funding											
Payments to staff and suppliers	574	1,195	1,296	1,350	982	1,109	1,256	1,303	1,342	1,381	1,420
Finance Costs	126	149	195	269	335	464	706	898	936	928	924
Internal charges and overheads applied	555	496	547	578	532	545	563	456	501	511	423
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	1,254	1,839	2,038	2,197	1,850	2,117	2,525	2,658	2,780	2,819	2,767
Surplus/(Deficit) of Operating Funding (A - B)	1,085	1,170	1,273	1,343	1,757	1,866	2,221	2,254	3,031	2,552	2,667
SURPLUS / (DEFICIT) OF CAPITAL FUNDING											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(243)	998	1,740	2,199	843	4,272	5,536	1,638	(1,001)	(456)	(459)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	(243)	998	1,740	2,199	843	4,272	5,536	1,638	(1,001)	(456)	(459)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	329	1,109	1,886	2,419	1,159	4,635	6,256	2,426	477	400	409
- to replace existing assets	107	165	169	174	178	183	199	217	234	253	272
Increase (decrease) in reserves	406	894	958	949	1,262	1,321	1,301	1,249	1,319	1,442	1,527
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	842	2,168	3,013	3,541	2,599	6,138	7,757	3,892	2,030	2,095	2,207
Surplus/(Deficit) of Capital Funding (C - D)	(1,085)	(1,170)	(1,273)	(1,343)	(1,757)	(1,866)	(2,221)	(2,254)	(3,031)	(2,552)	(2,667)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Funding Impact Statement - Strategic Property	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
SURPLUS/ (DEFICIT) OF OPERATING FUNDING											
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,145	1,550	1,558	1,650	1,502	1,678	1,708	4,239	1,513	1,633	1,427
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	608	6,895	12,291	14,284	9,503	15,684	14,945	14,956	3,577	588	598
Local authorities fuel tax, fines, infringement fees, and other receipts	-	128	131	134	137	140	142	145	148	151	153
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	1,753	8,574	13,980	16,067	11,143	17,502	16,796	19,340	5,238	2,371	2,179
Applications of Operating Funding											
Payments to staff and suppliers	953	409	447	491	337	364	392	196	225	256	15
Finance Costs	800	707	418	346	424	414	402	325	247	241	233
Internal charges and overheads applied	-	632	635	686	640	653	669	593	640	654	608
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	1,753	1,748	1,500	1,523	1,401	1,432	1,463	1,115	1,112	1,151	856
Surplus/(Deficit) of Operating Funding (A - B)	-	6,826	12,480	14,545	9,742	16,070	15,333	18,225	4,126	1,221	1,323
SURPLUS / (DEFICIT) OF CAPITAL FUNDING											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	11,954	(2,506)	(5,928)	4,052	(492)	(567)	(422)	(3,226)	(265)	(265)	(265)
Gross proceeds from sale of assets	-	-	20	-	3,235	-	-	-	3,235	-	3,235
Total Sources of Capital Funding (C)	11,954	(2,506)	(5,908)	4,052	2,743	(567)	(422)	(3,226)	2,970	(265)	2,970
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	11,954	6,983	5,952	4,369	13,517	10,741	4,077	1,046	1,336	704	998
- to replace existing assets	140	412	263	284	249	183	247	425	872	1,163	527
Increase (decrease) in reserves	(140)	(3,075)	357	13,944	(1,281)	4,580	10,586	13,528	4,887	(912)	2,767
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	11,954	4,320	6,572	18,597	12,485	15,504	14,910	14,999	7,096	955	4,292
Surplus/(Deficit) of Capital Funding (C - D)	-	(6,826)	(12,480)	(14,545)	(9,742)	(16,070)	(15,333)	(18,225)	(4,126)	(1,221)	(1,323)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Funding Impact Statement - Transport	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
SURPLUS/ (DEFICIT) OF OPERATING FUNDING											
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	9,633	13,060	14,131	14,549	14,803	15,552	17,570	20,924	26,497	29,184	30,348
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	2,417	2,998	3,134	3,222	3,171	3,220	3,322	3,382	3,471	3,576	3,637
Fees and charges	172	171	174	178	183	187	190	194	198	202	206
Local authorities fuel tax, fines, infringement fees, and other receipts	510	920	938	960	982	1,004	1,025	1,045	1,066	1,087	1,108
Internal charges and overheads recovered	421	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	13,152	17,149	18,378	18,910	19,138	19,962	22,107	25,546	31,233	34,049	35,299
Applications of Operating Funding											
Payments to staff and suppliers	5,929	7,617	8,290	8,450	8,174	8,278	8,518	8,676	8,906	9,151	9,317
Finance Costs	1,450	1,371	1,346	1,428	1,605	1,851	2,886	4,757	5,581	5,230	4,673
Internal charges and overheads applied	1,541	1,794	1,902	1,964	1,804	1,848	1,914	1,536	1,787	1,806	1,611
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	8,920	10,782	11,538	11,842	11,583	11,977	13,317	14,969	16,274	16,188	15,601
Surplus/(Deficit) of Operating Funding (A - B)	4,232	6,367	6,840	7,068	7,555	7,985	8,790	10,577	14,959	17,862	19,698
SURPLUS / (DEFICIT) OF CAPITAL FUNDING											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	3,374	5,310	8,152	8,296	6,413	5,996	6,377	5,208	5,864	5,404	5,509
Development and financial contributions	1,102	2,319	2,916	3,085	3,400	3,396	3,404	3,392	3,433	3,453	3,476
Increase (decrease) in debt	(2,101)	1,998	4,128	3,886	4,253	4,134	37,928	36,418	(7,871)	(12,559)	(13,235)
Gross proceeds from sale of assets	-	23	10	-	-	22	46	-	11	-	11
Total Sources of Capital Funding (C)	2,375	9,649	15,207	15,266	14,066	13,549	47,756	45,018	1,437	(3,702)	(4,239)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	479	1,223	1,660	1,243	1,140	31,529	32,032	143	201	569
- to improve the level of service	6,646	4,521	7,039	6,140	6,124	6,420	10,437	8,943	3,165	1,169	1,647
- to replace existing assets	3,543	8,703	10,251	11,678	9,590	8,687	10,416	10,245	9,674	9,599	11,193
Increase (decrease) in reserves	(3,581)	2,313	3,534	2,855	4,664	5,287	4,163	4,376	3,414	3,190	2,050
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	6,607	16,016	22,047	22,334	21,621	21,534	56,546	55,595	16,396	14,159	15,459
Surplus/(Deficit) of Capital Funding (C - D)	(4,232)	(6,367)	(6,840)	(7,068)	(7,555)	(7,985)	(8,790)	(10,577)	(14,959)	(17,862)	(19,698)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Funding Impact Statement - Wastewater	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
SURPLUS/ (DEFICIT) OF OPERATING FUNDING											
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted Rates	17,068	21,246	22,197	23,240	24,523	24,652	26,035	26,375	26,862	27,510	27,679
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	301	380	390	400	410	421	430	440	450	459	469
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	17,369	21,626	22,586	23,640	24,933	25,073	26,465	26,815	27,312	27,969	28,148
Applications of Operating Funding											
Payments to staff and suppliers	7,199	8,257	8,432	9,389	10,201	9,476	10,434	10,699	10,270	10,660	10,825
Finance Costs	2,652	3,052	2,848	2,633	2,648	2,841	2,781	2,837	2,855	2,670	2,522
Internal charges and overheads applied	1,541	2,155	2,358	2,462	2,339	2,391	2,459	2,037	2,276	2,306	2,032
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	11,392	13,464	13,638	14,483	15,188	14,708	15,675	15,574	15,402	15,636	15,378
Surplus/(Deficit) of Operating Funding (A - B)	5,977	8,162	8,948	9,156	9,745	10,365	10,790	11,241	11,910	12,334	12,770
SURPLUS / (DEFICIT) OF CAPITAL FUNDING											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,723	1,623	1,798	1,890	2,098	2,073	2,083	2,079	2,109	2,123	2,137
Increase (decrease) in debt	2,124	2,852	4,593	(5,148)	6,090	(1,578)	(4,151)	3,289	(5,424)	(5,280)	(2,623)
Gross proceeds from sale of assets	-	8	-	22	9	19	15	-	30	15	28
Total Sources of Capital Funding (C)	3,847	4,484	6,390	(3,237)	8,196	514	(2,054)	5,368	(3,285)	(3,142)	(457)
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	-	4,179	5,503	5,012	2,550	681	1,458	5,089	-	-	-
- to improve the level of service	8,540	1,482	1,873	1,352	8,879	2,696	33	1,369	-	-	-
- to replace existing assets	3,723	3,625	3,595	3,790	4,788	4,237	5,825	4,051	4,276	4,154	3,777
Increase (decrease) in reserves	(2,440)	3,360	4,367	(4,235)	1,725	3,265	1,419	6,100	4,348	5,037	8,535
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	9,823	12,645	15,338	5,920	17,942	10,879	8,737	16,609	8,624	9,192	12,313
Surplus/(Deficit) of Capital Funding (C - D)	(5,977)	(8,162)	(8,948)	(9,156)	(9,745)	(10,365)	(10,790)	(11,241)	(11,910)	(12,334)	(12,770)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Funding Impact Statement - Water	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
SURPLUS/ (DEFICIT) OF OPERATING FUNDING											
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	40	1	1	-	-	-	-	-	-	-	-
Targeted Rates	14,160	18,482	20,430	23,378	27,306	30,594	32,308	36,627	38,056	41,138	44,510
Subsidies and grants for operating purposes	509	-	-	-	-	-	-	-	-	-	-
Fees and charges	313	350	359	368	378	387	396	406	414	423	432
Local authorities fuel tax, fines, infringement fees, and other receipts	2,355	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	3,855	4,276	4,494	4,363	4,460	4,595	4,037	4,361	4,447	4,065
Total Operating Funding (A)	17,377	22,688	25,066	28,240	32,047	35,441	37,300	41,069	42,831	46,008	49,007
Applications of Operating Funding											
Payments to staff and suppliers	6,291	8,064	9,152	9,824	10,524	10,795	11,125	11,045	11,065	11,401	11,222
Finance Costs	3,989	4,489	4,663	4,822	4,952	5,216	5,447	5,438	5,504	5,878	6,220
Internal charges and overheads applied	2,636	4,347	4,781	5,005	4,959	5,077	5,238	4,507	5,156	5,225	4,965
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Operating Funding (B)	12,915	16,900	18,596	19,651	20,434	21,088	21,810	20,989	21,724	22,504	22,407
Surplus/(Deficit) of Operating Funding (A - B)	4,462	5,787	6,470	8,589	11,613	14,353	15,490	20,080	21,107	23,504	26,600
SURPLUS / (DEFICIT) OF CAPITAL FUNDING											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,338	1,180	1,295	1,350	1,497	1,494	1,505	1,506	1,528	1,539	1,557
Increase (decrease) in debt	4,758	13,447	17,342	4,840	1,504	2,690	1,325	(7,965)	5,165	2,961	5,320
Gross proceeds from sale of assets	-	53	37	11	74	21	134	45	29	60	54
Total Sources of Capital Funding (C)	6,095	14,681	18,674	6,201	3,075	4,205	2,964	(6,415)	6,721	4,559	6,930
Application of Capital Funding											
Capital Expenditure:											
- to meet additional demand	761	2,986	5,548	5,934	7,040	4,599	3,357	681	678	75	939
- to improve the level of service	5,235	14,467	15,893	3,634	4,294	3,103	3,095	3,400	9,778	8,569	10,355
- to replace existing assets	5,938	8,172	8,919	9,815	10,622	10,476	10,752	12,540	9,518	11,285	9,637
Increase (decrease) in reserves	(1,377)	(5,157)	(5,217)	(4,593)	(7,268)	381	1,250	(2,955)	7,854	8,134	12,599
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	10,557	20,468	25,144	14,790	14,688	18,558	18,454	13,665	27,828	28,063	33,530
Surplus/(Deficit) of Capital Funding (C - D)	(4,462)	(5,787)	(6,470)	(8,589)	(11,613)	(14,353)	(15,490)	(20,080)	(21,107)	(23,504)	(26,600)
Funding Balance ((A - B) + (C - D))	-	-	-	-	-	-	-	-	-	-	-

Prospective Schedule of Depreciation by Activity Group	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
Stormwater	1,259	1,372	1,482	1,606	1,757	1,866	2,048	2,254	2,439	2,552	2,667
Planning and Regulatory	198	212	216	219	223	239	242	246	250	253	257
District Development	23	28	81	87	90	90	84	31	31	31	31
Transport	11,398	12,482	13,352	14,094	14,954	15,730	16,522	17,352	18,846	19,598	20,363
Wastewater	7,456	8,087	8,672	9,156	9,745	10,365	10,903	11,357	11,910	12,334	12,770
Strategic Property	701	780	867	936	1,015	1,097	1,180	1,265	1,355	1,445	1,541
Water	5,124	5,661	6,294	6,985	7,415	7,864	8,363	9,053	9,430	9,914	10,393
Solid Waste	324	330	364	648	693	1,086	1,097	1,109	1,121	1,110	888
Community Leadership	692	1,037	1,345	1,412	1,488	1,515	1,499	1,494	1,446	1,257	1,212
Community Facilities	4,518	4,879	5,499	6,180	7,198	8,010	8,967	9,942	10,527	11,281	12,127
Total Depreciation	31,693	34,867	38,172	41,323	44,579	47,861	50,907	54,103	57,354	59,775	62,249
Prospective Schedule of Targeted Water Rates											
Targeted Water Rate	12,673	16,685	18,588	21,487	25,365	28,604	30,273	34,545	35,928	38,966	42,292
Water by Meter	1,768	1,797	1,842	1,892	1,941	1,989	2,035	2,082	2,128	2,172	2,218
Total Targeted Water Rates	14,441	18,482	20,430	23,378	27,306	30,594	32,308	36,627	38,056	41,138	44,510

	2024 AP Budget (000's)	2025 LTP Budget (000's)	2026 LTP Budget (000's)	2027 LTP Budget (000's)	2028 LTP Budget (000's)	2029 LTP Budget (000's)	2030 LTP Budget (000's)	2031 LTP Budget (000's)	2032 LTP Budget (000's)	2033 LTP Budget (000's)	2034 LTP Budget (000's)
Debt Balances											
Opening debt	183,223	210,501	232,735	264,117	281,417	302,884	312,612	342,744	336,925	295,692	252,208
New borrowing requirements	45,378	45,460	55,396	41,106	46,310	31,358	52,980	24,352	(12,873)	(12,484)	(28,985)
Lease Liability	-	-	-	-	-	-	-	-	-	-	-
Prior year borrowing requirements	-	-	-	-	-	-	-	-	-	-	-
Debt repayments	(28,350)	(23,226)	(24,015)	(23,806)	(24,843)	(21,631)	(22,848)	(30,171)	(28,361)	(31,000)	(30,389)
Closing external debt	200,251	232,735	264,117	281,417	302,884	312,612	342,744	336,925	295,692	252,208	192,834
Debt Servicing Costs											
Debt repayments	28,350	23,226	24,015	23,806	24,843	21,631	22,848	30,171	28,361	31,000	30,389
Interest	11,681	12,799	11,998	12,222	13,051	14,206	15,421	16,535	15,784	14,108	11,739
Total external debt servicing costs	40,031	36,025	36,013	36,028	37,894	35,837	38,269	46,705	44,145	45,107	42,128

Ordinary Council Meeting Agenda

03 May 2024

5.4 APPROVAL OF THE DRAFT LONG-TERM PLAN 2024-34 CONSULTATION DOCUMENT FOR AUDIT NEW ZEALAND CONSIDERATION**Author:** Kendall Goode, Senior Policy Advisor**Authorised by:** Nick Carroll, Policy Manager**TE PŪTAKE | PURPOSE**

This report seeks Council's approval of the draft Long-term Plan 2024-34 Consultation Document for Audit New Zealand (Audit NZ) consideration. At the time of producing the agenda the Consultation Document was not ready but will be circulated separately.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

Council is required to prepare and deliver a consultation document as part of the Long-term Plan process. Prior to Council formally adopting the consultation document for public consultation, Audit NZ reviews the consultation document and supporting information. Their review ensures Council has given effect to the purpose set out in s93B of the Local Government Act 2002 (LGA), and that the quality of the information and assumptions underlying the consultation document are robust.

Changes to the legislation were made and the requirements that normally apply to the consultation document have been removed, including the ability for Council to opt out of this audit process. Council has still opted to proceed with an audit due to the assurance benefits associated with the process. An audit report will not be issued as usually required by S93C(4) of the LGA, however changes will be suggested by Audit NZ for consideration.

This item allows Council to approve the consultation document for consideration by Audit NZ. Throughout the audit process there may be amendments recommended by Audit NZ. Any changes that are required will be included in the consultation document and will be provided to Council prior to the adoption of the consultation document for consultation on 31 May 2024.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council approve the draft Long-term Plan 2024-34 Consultation Document for consultation subject to changes required as part of the audit process. A designed version will be presented for adoption on 31 May, this will have a different look and feel and some content changes as a result of suggestions through the audit process.

TE WHAKAMAHUKI | BACKGROUND

This proposal has been presented to Council at a workshop on 18 April 2024 and the Council meeting on 23 April to consider preferred options for the consultation document.

NGĀ KŌRERORERO | DISCUSSION

A number of workshops have been held throughout 2023 and the first quarter of 2024 to develop the underlying information that has been used to prepare the draft Long-term Plan 2024-34 Consultation Document.

This information has been approved by Council and includes, but is not limited to:

- draft Development Contributions Policy
- draft Treasury Management Policy
- draft Rates Remissions and Postponement Policies
- draft Revenue and Financing Policy (including the s101(3) considerations report)
- further supporting information.

Throughout the audit process there may be amendments recommended by Audit NZ. Any changes that are required will be included in the draft consultation document and will be provided to Council to consider at the Council meeting on 31 May 2024. A designed version of the draft Long-term Plan 2024-34 Consultation Document will be prepared prior to Council adopting on 31 May for consultation. The designed version will have a different look and feel but the content will be the same subject to any changes suggested through the audit process.

Ordinary Council Meeting Agenda

03 May 2024

NGĀ KŌWHIRINGA | OPTIONS

The two options Council has are to either adopt the draft Long-term Plan 2024-34 Consultation Document for Audit NZ consideration, or suggest amendments to the draft Long-term Plan 2024-34 Consultation Document for staff to make before providing to Audit NZ.

It is recommended that Council adopts the draft Long-term Plan 2024-34 Consultation Document for Audit NZ consideration. This will provide assurance it meets its legal obligations under the Local Government Act 2002 (LGA). Council has spent a considerable amount of time assessing the various components that are the basis for the draft consultation document.

NGĀ HĪRAUNGA | CONSIDERATIONS**Ngā Aronga Pūtea | Financial Considerations**

The financial considerations and implications contained in the draft consultation document are based on the information included in the underlying information, which Council has adopted, and which has been discussed through a series of workshops. The LGA has specific requirements regarding the level of financial disclosure and they are reflected in the draft consultation document.

Ngā Aronga Ture | Legal ConsiderationsLocal Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. It is considered that social / economic / environmental and cultural are of relevance to this particular matter.

The draft Long-term Plan 2024-34 Consultation Document has been prepared in accordance with the legislative requirements of the LGA.

Ngā Hīraunga Kaupapa Here | Policy Implications

The policy implications within the draft Consultation Document have been discussed by Council during workshops and reflect the choices that the Council wishes to discuss with the community when consultation begins on 4 June 2024.

Te Kōrero tahi ki te Māori | Māori Engagement

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. Council has a responsibility to act reasonably and in good faith to reflect the partnership relationship, and to give effect to the principles of Te Tiriti. These principles include, but are not limited to the protection of Māori rights, enabling Māori participation in Council processes and having rangatiratanga over tāonga.

Our statutory obligations outline our duties to engage with Māori, and enable participation in Council processes. Alongside this, we recognise the need to work side by side with the ahi kaa / resident iwi of our district. Engagement may not always be required by law, however meaningful engagement with Māori allows Council to demonstrate good faith and our commitment to working together as partners across our district.

Appropriately, the report author acknowledges that they have considered the above obligations including the need to seek advice, guidance, feedback and/or involvement of Māori on the proposed recommendation/s, objective/s, project/s or service/s outlined within this report. As part of the development of the Long-term Plan, early engagement was undertaken in August 2023 with a range of hapū and iwi to understand their aspirations and priorities for Council's work programme. This feedback was used to inform and then prioritise the work programme over the end of 2023 and the first quarter of 2024. Additionally, there have been a number of working groups who have provided input into specific projects such as the northern accessway and wastewater projects for both Taupō and Tūrangi. There will be an opportunity for iwi, hapū and Māori to provide formal submissions on the draft consultation document, as well as events during consultation to provide opportunities to seek information and ask questions of both elected members and staff.

Ngā Tūraru | Risks

There is a risk if Council chooses not to approve a consultation document, whereby council will not be meeting its legal obligations under the Act. The immediate consequence to not approve the consultation

Ordinary Council Meeting Agenda

03 May 2024

document is a further delay to the adoption of the Long-term Plan and limiting Council ability to fund services and collect revenue through rates.

TE HIRANGA O TE WHAKATAU, TE TONO RĀNEI | SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement Policy identifies matters to be taken into account when assessing the degree of significance of proposals and decisions.

Officers have undertaken an assessment of the matters in the [Significance and Engagement Policy \(2022\)](#), and are of the opinion that the proposal under consideration is significant.

TE KŌRERO TAHI | ENGAGEMENT

Following the completion of the audit by Audit NZ, Council will adopt the Long-term Plan 2024-34 Consultation Document for consultation on 31 May 2024. A special consultative procedure will be undertaken in accordance with section 93A of the LGA. Staff will be organising a workshop for elected members and Representative groups mid May to discuss the upcoming consultation events.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

No communication/media required.

WHAKAKAPINGA | CONCLUSION

Section 93A(1)(a) of the LGA requires that Council must adopt a consultation document for the Long-term Plan 2024-34. Before proceeding to consultation, it is recommended that Council have Audit NZ review the draft consultation document and supporting information. This provides Council and the community with assurance that they can rely on the information for decision making. Such an audit is normally mandatory but is discretionary for this particular long-term plan. A formal report will not be provided at the conclusion of the consultation document audit, however changes are still likely to be suggested. Any changes that are required will be included in the consultation document and will be provided to Council. The Consultation Document was not available at the time of producing the agenda and will be circulated separately.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil