

# **ATTACHMENTS**

**UNDER SEPARATE COVER 1**

**Ordinary Council Meeting**

**31 May 2024**

# Table of Contents

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5.2 Adoption of the Supporting Information for the Long-term Plan 2024-34 Consultation Document

Attachment 1 Draft Infrastructure Strategy .....3

Attachment 2 Supporting Information Changes .....47

Attachment 3 Development Contribution - Kinloch Reserve and Taupō-Kinloch Transport Corridor .....61

5.3 Adoption of the Long-term Plan 2024-34 Consultation Document for consultation

Attachment 1 Consultation Document .....63



## PURPOSE AND EXECUTIVE SUMMARY

1. Council manages significant 3-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 future<sup>1</sup>, this 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.
2. This strategy 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 Page 4
  - We are planning and investing to support growth and housing development Page 10
  - We are maintaining levels of service and improving public health and environmental outcomes Page 21
  - We are managing natural hazard risks to ensure our infrastructure is resilient Page 35
3. 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 decision will need to be made. These are:
  - Identifying a Northern Access solution Page 15
  - Managing wastewater north of the Waikato River Page 17
  - Improving the disposal of wastewater in Tūrangi Page 31
4. This strategy also sets out 30-year planned revenue and expenditure. Page 39

## SCOPE IS LIMITED TO 3 WATERS AND TRANSPORT INFRASTRUCTURE

5. This Strategy sets out how Council will manage the community's infrastructure relating to:
  - Water, wastewater, and stormwater Including treatment plants, pipe networks, and disposal systems
  - Transport Including local roads, bridges, footpaths, streetlights, cycle paths, road signs and bus shelters, and roads that are used for stormwater management.
6. For the areas of solid waste, parks and reserves, and community buildings and facilities, the long-term plan sets out the objectives and investment plans for the next 10 years, and we have long-term asset management plans for each area that underpins these investment plans.

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<sup>1</sup> The next 1 – 3 years in some detail, and then indicative plans looking out 10 years.



## **ALIGNMENT BETWEEN FINANCIAL AND INFRASTRUCTURE STRATEGY**

7. Prudent asset management and prudent financial management go hand in hand. Identifying investment needs must be paired with identifying appropriate and sustainable funding arrangements.
8. Our financial strategy includes several measures to ensure sustainable and prudent financial management to support the additional investment identified in this infrastructure strategy. Additional investment is being driven by increased renewals and maintenance requirements, higher growth expectations, improvements to meet new legislative requirements, and improvements to ensure the resilience of our essential services. Measures identified in the financial strategy include:
  - Funding 100% of depreciation.
  - Using Development Contributions and development agreements to fund growth projects (noting there are still debt impacts)
  - An increase in Council's debt allowance from 225% to 250% of annual revenue, to recognise increased growth.
  - Signalling higher levels of rates increases for the short-term, and funding voluntary debt repayments and depreciation reserve top-ups throughout the 10-year period, to ensure future generations are not funding the eventual replacement of the assets used by current ratepayers.
  - Rationalisation of Council's discretionary capital projects, a focus on increasing 3rd party funding opportunities, and improved management of financial assets.
  - Planning for unexpected events by ensuring financial sustainability over the long-term, maintaining sufficient debt headroom, and prudent management of Councils investments. Council uses the assets of the TEL as self-insurance for underground assets, avoiding the challenges underground insurance and significant insurance premiums on these assets. Council also maintains a disaster recovery reserve as another element of planning for unexpected events, such as natural disasters.
9. Council's budget is under pressure. The effects of the prolonged period of inflation and subsequent interest rate rises, looking after community infrastructure and paying for things like insurance mean that the services our community relies on us for are costing more than ever.
10. Council in its long-term plan has made some hard calls on what to deliver in the next 10 years. We have thought carefully about the challenges we face and agreed we must prioritise our core services - providing safe drinking water, protecting our environment and looking after our infrastructure so our children and their children aren't unnecessarily burdened in the future.
11. Our number-one responsibility is do the essentials well. This means continuing to invest in our infrastructure so that our pipes, water networks and roads remain in good shape. We must also plan for future growth and build resilience for the effects of climate change. We'll continue to take a partnership approach across the projects and activities that are important to iwi and hapū.
12. We're focusing primarily on the basics over the next few years. This means that the areas of focus for this infrastructure strategy remain priorities and have not been reduced to meet affordability constraints. Instead, our more discretionary investment plans – like some of the projects that will improve our places and spaces will have to wait until a bit later.
- 9-13. One area where we have to make an adjustment from the original goals was for water pipe renewals. Affordability concerns, particularly with debt levels, and the levels of funding available in depreciation / renewal reserves for water, means that council has revised its water renewal



LTP24 – Infrastructure Strategy

May 2024



programme over a longer timeframe, expecting it to take around 15 years to clear a backlog of renewals rather than 10.



## **ASSETS ARE WELL LOOKED AFTER AND IN GOOD CONDITION FOR FUTURE GENERATIONS**

### **TIMELY RENEWALS REMAINS A TOP PRIORITY FOR COUNCIL**

10-14. Keeping on top of renewals, and making sure that the community's assets are maintained in good working condition, remains a core responsibility and top priority for council.

11-15. We have a reasonable knowledge of the condition of our assets, and we have a plan to continue improving that knowledge over time. Our Stormwater pipe network is relatively new and in good condition. Our wastewater network has some older asbestos cement pipes that need renewal. For these two areas, there is a stable programme of renewals planned to deal with the older parts of the networks. For our transport and water pipe networks, we have a major increase in renewals programme planned:

- Despite condition assessments not identifying significant problems, frequent failures of asbestos cement water mains means that we are planning to replace all these pipes with a ramped-up programme of renewals over the next 10 to 15 years.
- Our roads continue to hold up beyond their expected lives because we have free draining pumice soils that support a longer pavement life. However, increased heavy vehicle traffic has put increased pressure on the network, and our roads remain at risk of micro-cracking allowing water to infiltrate the pavement causing pavement failure. We have identified the need for a step change increase (doubling) in resal renewals to protect our roading network and avoid more costly deterioration.

12-16. In total, our waters and transport renewal programme will increase from \$13 million a year (2023/24 annual plan) to \$23 million a year on average over the next ten years.

### **ASSET MANAGEMENT PLANNING**

13-17. Asset Management Plans (AMPs) have been developed for water, wastewater, stormwater, and transportation to inform Council's Long-term Plan. AMPs combine management, financial, engineering, and technical practices to ensure assets are managed in an affordable, efficient, sustainable, and effective manner to deliver service levels at the lowest long-term cost to the community – including both current and future generations. AMPs demonstrate that Council is managing the community's assets responsibly by:

- Demonstrating service level options and standards.
- Identifying minimum lifecycle (long term) costs for an agreed level of service.
- Providing and forecasting asset management options and costs.
- Demonstrating the management of the risks of asset failure.
- Improving decision making based on identifying the costs and benefits of investment and delivery options.
- Providing clear justification of forward works programmes and funding requirements
- Ensuring accountability over the use of public resources.

LTP24 – Infrastructure Strategy

May 2024



### SUMMARY OF ASSETS

<u>Area</u>	<u>Major assets</u>	<u>Estimated useful life</u>	<u>Value of assets<sup>2</sup></u>	<u>Condition</u>
<u>Transport (excluding land)</u>	• <u>762 km of sealed road</u>	<u>3 – 20 years for seals (top surface)</u> <u>45 – 65 years for pavement (base)</u>	<u>\$500 million</u>	<u>38% of chip seal roads are 16 years or older. The advanced age is due to deferred renewals based on limited funding and low signs of road distress.</u> <u>Pavement is in good condition, many that are past their expected design life are still in good condition and only those experiencing additional loadings are showing signs of failure.</u> <u>Asset Condition Data is at a B confidence rating</u>
	• <u>51 km of unsealed road</u>			
	• <u>395 km of paths</u>	<u>30 – 80 years</u>		
	• <u>19 road bridges</u>	<u>60 - 100 years</u>		
	• <u>81 large culverts</u>	<u>50 – 80 years</u>		
<u>Water – pipes (reticulation)</u>	• <u>645 km of pipe</u>	<u>45 – 120 years</u>	<u>\$149 million</u>	<u>Water reticulation age and condition across the District is variable. There remains significant quantities of asbestos cement and galvanised pipelines estimated to be beyond their useful life. The current construction backlog value is estimated at approximately \$26M.</u> <u>Asset Condition Data is at a C confidence rating</u>
	○ <u>376km PE and PVC</u>			
	○ <u>259km AC and Galv</u>			
	○ <u>9.5km Other</u>			
	• <u>20 Pump Stations</u>	<u>20 – 60 years</u>		

<sup>2</sup> Estimated replacement cost

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May 2024



<u>Area</u>	<u>Major assets</u>	<u>Estimated useful life</u>	<u>Value of assets<sup>2</sup></u>	<u>Condition</u>
<u>Water – treatment plants</u>	<ul style="list-style-type: none"> <li>18 Treatment plants</li> </ul>	10 - 80 years	\$62 million	<p>Treatment assets are continually assessed, and asset condition updated in a live document.</p> <p>Renewals programmes are updated based on this annual assessment.</p> <p>Overall asset condition for the treatment plants is Good.</p>
<u>Wastewater – pipes (reticulation)</u>	<ul style="list-style-type: none"> <li>510 km of pipe</li> </ul>	65 - 120 years	\$198 million	<p>Average asset age is 37 years, Inflow and Infiltration is the primary issue across the network.</p> <p>Asset Condition Assessment is at a C confidence rating</p>
	<ul style="list-style-type: none"> <li>124 pump stations</li> </ul>	20 – 60 years		
<u>Wastewater – Treatment plants</u>	<ul style="list-style-type: none"> <li>11 treatment plants</li> </ul>	10 - 80 years	\$130 million	<p>Plants performing well, many need nitrogen analysers installed to be optimised further and some plants require increased capacity to meet growth demands.</p> <p>Asset Condition Data is at a C confidence rating</p>
<u>Stormwater</u>	<ul style="list-style-type: none"> <li>220 km of pipes</li> </ul>	50 - 120 years	\$124 million	<p>Majority of pipes are due for renewal in 26-30 years based on EUL.</p> <p>Based on condition assessments the network is overall very good and assets are expected to meet or exceed their designed life.</p> <p>Asset Condition Data is at a B confidence rating</p>
	<ul style="list-style-type: none"> <li>3 pump stations</li> </ul>	20 – 60 years		
<u>Total</u>			<u>\$1,162 million</u>	

LTP24 – Infrastructure Strategy

May 2024



7



## COUNCIL'S CONDITION ASSESSMENT PROGRAMME

14-18. When our infrastructure assets get old or worn out, we need to replace them to keep services running, maintain service levels, and avoid failures. Undertaking these renewals at the right time, and not too early will maximise the use of assets, and the investment that we have in our infrastructure. Doing it at the right time, and not too late will avoid our infrastructure failing, interrupting services to the community, and resulting in expensive repairs.

15-19. Generally, there is an expected minimum useful life for an asset, however Council undertakes a condition assessment programme to identify the actual current performance and condition of assets, and the risk of asset failure, which are used to determine Council's asset renewal programme.

## AGE AND CONDITION OF ASSETS

### Transport

16-20. Over the last three years we have undertaken a thorough pavement condition assessment of our entire road network alongside our 3 yearly Deighton Total Infrastructure Management System (dTIMS) modelling exercise. A key concern has been micro-cracking of the pavement surface which is not a trigger in dTIMS, which can allow water in and swiftly deteriorate the road subsurface. A complete external validation through a visual assessment has been undertaken to identify our reseal needs, that were not previously picked up by traditional condition assessments focused on rutting, cracking, and potholes.

17-21. We have a strong understanding of our reseal and rehabilitation renewal needs over the next 10 years with a renewal programme built around high volume and critical routes and critical-risk, high-risk, medium-risk, and low-risk treatment sections. We have identified the need for a step change increase (doubling) in reseal renewals to protect our roading network and avoid more costly deterioration. Around 70% of our planned renewals programme is preventative reseals. This work is critical to prevent water ingress and to avoid higher costs of complete road rebuilds in future. Around 30% of our renewals programme is for rehabilitation due to road failure (where the substructures of the roads have already deteriorated).

18-22. While we have very good information on pavement renewal needs (our largest risk), over the next 5 – 10 years we will focus on improving our knowledge of the condition and renewal needs for:

- road drainage and stormwater assets
- roading structures (like bridges and retaining walls).

### Water

19-23. We have progressively increased our water renewals funding over the last two Long-term Plans, but further increases are needed. We have a large backlog of water pipe renewals that need to be urgently addressed. Asbestos cement and galvanised water mains were laid in the 1950s, 60s and 70s and are at the end of their life. The asbestos in these pipes is not considered a health risk, however these pipe types are more fragile and prone to spontaneous failure (pipe bursts) when they get to the end of their life. We currently experience frequent pipe bursts and failures in affected areas. These older pipes represent approximately 40% of the network. We are planning a significantly increased programme of water pipe renewals to replace all these pipes and clear the backlog. This catch-up programme will take around 10 to 15 years to complete, after which we will be ahead of renewals – replacing pipes before they reach a high risk of failure.

LTP24 – Infrastructure Strategy

May 2024



20-24. Renewals spend requirements will reduce significantly once the asbestos and galvanised steel watermain are replaced. Operational budgets will also be able to be reduced due to the expected reduction in pipeline failures. Annual renewal budgets in the future will be able to be set proactively to target pipe replacements prior to end of life.

24-25. While we have good information on our water pipe network condition and renewal needs, over the next 5 – 10 years we need to focus on improving our knowledge of the condition and renewal needs for our water treatment plants, this data is currently incomplete and sits outside of Councils primary database (Assetfinda).

**Wastewater**

22-26. We have undertaken a programme of condition assessment for our wastewater pipe network, primarily using CCTV inspection and targeting our older areas of the network, such as Turangi and Mangakino (both hydro construction towns largely built in the 1970s and 1950s respectively). We have also undertaken a programme of relining works where required to extend the life of the network.

23-27. We have identified a reasonably steady programme of pipe renewals needed over the 20 years of around \$1.5 to \$2 million (today's dollars), there will then be a significant increase in pipe renewals around 2045 - 2050.

24-28. Continued collection of asset information on our wastewater pipe network condition remains a priority and targeted renewals will be completed based on the data collected. We also need to focus on improving our knowledge of the condition and renewal needs for our wastewater treatment plants, this data is currently incomplete and sits outside of Councils primary database (Asset Finda).

**Stormwater**

25-29. Council's stormwater reticulation network is a combined network of pipes, gullies and overland flow paths (including roads) which are relatively new as much of the district's urban growth has occurred within the last 30 – 40 years.

26-30. Most stormwater assets have an expected age of in excess of 100 years. Based on recent condition assessment of some of the older assets (35% of assets), it is anticipated that the majority of our stormwater assets will meet or exceed their anticipated design lives.

27-31. Additional condition assessments are required to further refine our renewal profile especially as the pipe networks within Turangi and Mangakino (both hydro construction towns) are nearing the end of their predicted life.



## SIGNIFICANT RENEWALS PROJECTS, ISSUES, AND MAJOR UPCOMING DECISIONS

### Major renewals programmes to address aged assets<sup>3</sup>

28-32. This Long-term Plan provides funding for programmes of renewals works. The main options are how quickly we complete this work - balancing realistic implementation constraints against the risks of delaying renewals as discussed earlier in this section. Renewals are funded by depreciation reserves, and supplemented with rates funding and borrowing when necessary.

• Water renewals	\$95.76 million	2024 – 2034
• Transport renewals	\$92.54 million	2024 – 2034
• Wastewater renewals	\$41.82 million	2024 – 2034
• Stormwater renewals	\$2.0 million	2024 – 2034
• TOTAL (\$23.0 million per year)	\$230 million	2025 – 2034

33. Timely delivery of the renewals programme will be a key focus for Council. We believe that the programme we are planning is deliverable, however we are limited by factors outside of Council's control, such as contractor and materials availability. Renewals will continue to be planned and managed on a risk-based approach, where the most important and urgent renewals are prioritised. The risk of delays to delivery of the renewal programme could lead to continued risk of failures and continued risks to service levels. Delays to preventive renewals and maintenance could also result in increased cost for subsequent repairs.

## ENSURING FINANCIAL PROVISION FOR FUTURE RENEWALS

29-34. Council's Financial Strategy includes that Council funds 100 % of depreciation of its assets over the asset's lifecycle.<sup>4</sup> This means that revenue is collected to cover the cost of depreciation to ensure that today's ratepayers pay their fair share for the council's assets that they consume, essentially through wear and tear.

30-35. Depreciation revenue is set aside in a separate fund (depreciation reserves), which is used to fund the asset renewal programme and to pay off debt associated with capital improvement projects. Should there be a shortfall in depreciation reserve funds, Council will need to raise debt to fund these renewal programmes to ensure that it meets the levels of service agreed with the community. Maintaining prudent financial management and credit is important to support future generations to be able to borrow for such renewals.

34-36. How renewals will be matched by funding is provided in the final section of this strategy: Planned revenue and expenditure (Page 39).

<sup>3</sup> All figures are inflation adjusted.

<sup>4</sup> 49% for transport assets, reflecting NZ Transport Agency funding for 51% of renewals.





## WE ARE PLANNING AND INVESTING TO SUPPORT GROWTH AND HOUSING DEVELOPMENT

### COUNCIL'S STRATEGIC APPROACH TO SUPPORTING GROWTH

32-37. Council has a growth management strategy, Taupō District 2050 (2018), which identifies the growth areas that Council is planning infrastructure for. The strategy can be accessed at [www.taupodc.govt.nz/council/plans-and-strategies/district-strategies](http://www.taupodc.govt.nz/council/plans-and-strategies/district-strategies)

33-38. It provides for multiple growth areas (in the north and the south) in Taupō concurrently. While this has increased growth infrastructure costs compared to phasing development area by area, it aims to promote competition and choice, to support lower section and house prices.

### ENSURING THERE IS ENOUGH LAND ZONED FOR HOUSING AND PLANNING INFRASTRUCTURE FOR GROWTH

34-39. Council developed a new growth model in 2022, based on the latest district data. Growth assumptions can be found in the Long-term Plan significant assumptions. Specific growth areas include Taupō, Kinloch, Tūrangi, Mangakino, with an allowance for growth in our rural areas and smaller settlements.

40. The National Policy Statement on Urban Development (2020), provides a framework for ensuring that Council's zone land and build infrastructure to support growth. The below table uses this framework and Council's new medium growth projections to demonstrate that Council has zoned and is providing sufficient infrastructure to support housing and growth.

<u>Timeframe</u>	<u>District Plan enabled</u>	<u>Infrastructure-ready</u>	<u>Taupō urban area (including Kinloch)</u>	
			<u>Projected growth</u>	<u>Capacity</u>
<u>Short-term</u> (within the next 3 years)	<u>Zoned in an operative district plan</u>	<u>Adequate existing infrastructure in place</u>	<u>700 houses</u>	<u>1800-2000 houses</u>
<u>Medium-term</u> (3 - 10 years)	<u>Zoned in a proposed plan</u>	<u>Funding is identified in a Long-term Plan</u>	<u>1,900 houses</u>	<u>4,730 houses<sup>5</sup></u>
<u>Long-term</u> (10 – 30 years)	<u>In a development strategy</u>	<u>Identified in an infrastructure strategy (or AMP)</u>	<u>7,000 houses</u>	<u>Not yet planned</u>

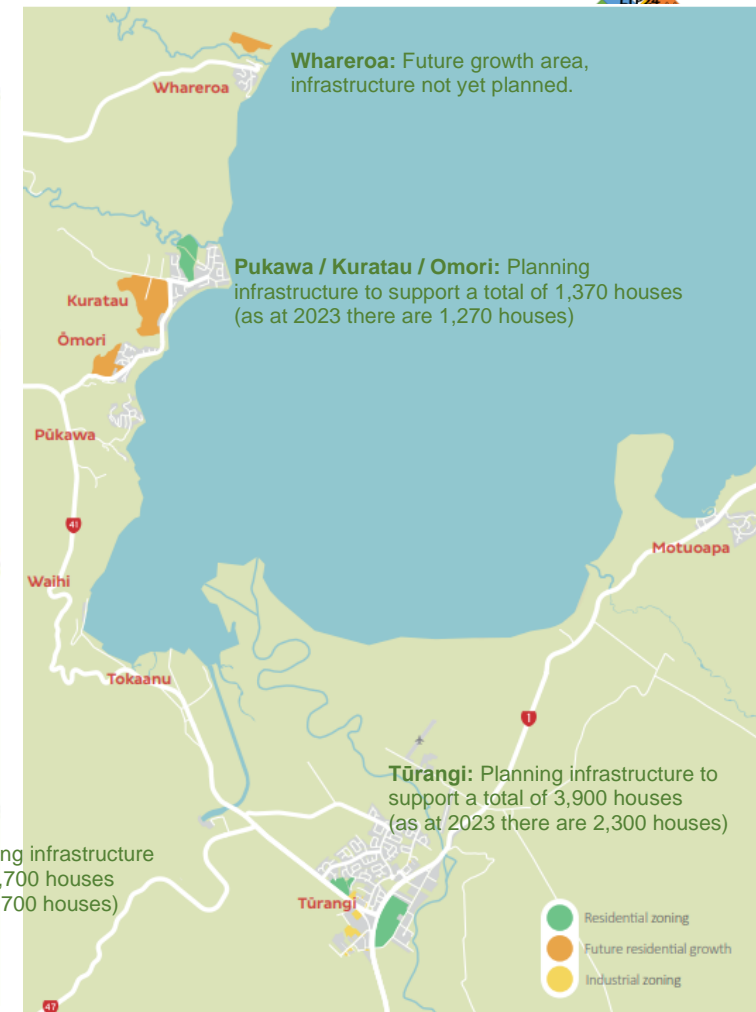
<sup>5</sup> This number excludes infills which will provide additional capacity, some minor local infrastructure may be required to enable developments in Taupō North however major assets are already ready or will be ready through the Long-term Plan to meet medium term demand.

LTP24 – Infrastructure Strategy

May 2024



**GROWTH AREAS WE ARE PLANNING FOR**





## MANAGING PEAK POPULATION

35-41. Taupō district is a holiday, visitor, and events destination. We have a large proportion of holiday houses. On long-weekends, event weekends, and holidays the population of the district can increase dramatically. Our infrastructure must be able to cope with this increase in demand, in particular water, wastewater and transport.

36-42. Council growth and capacity planning focuses on providing sufficient services to cater to all houses, and commercial accommodation – for when they are occupied in peak periods, even though many of these may not be occupied for much of the year. For this reason, planning based on houses and peak periods provides a better basis than planning based on usually resident population estimates and projections.

37-43. Using houses has some shortcomings, with the number of occupants at peak periods being unknown. We cannot always fully provide capacity for peak population, and at peaks times there will be a reduction in service levels, in particular:

- traffic congestion at peak times and peak period
- gardening water use restrictions.

## SUPPORTING MĀORI ASPIRATIONS FOR MĀORI LAND

38-44. Taupō District Council is currently working on a Future Development Strategy. This is a revision of our existing growth strategy, Taupō District 2050. Part of the requirements for Future Development Strategies is that development aspirations of iwi and hapū are outlined. We are currently in the process of working through articulating these aspirations with iwi and hapū partners. In the meantime, there is also specific project work underway through the District Plan including revision of papakainga provisions and the development of a Māori Purpose Zone. Planning assistance is also being provided to some specific Māori landowners to help work through appropriate development opportunities and options.

## SIGNIFICANT GROWTH PROJECTS, ISSUES, AND MAJOR UPCOMING DECISIONS

39-45. Major planned growth projects are<sup>6</sup>:

• Northern Access solution	\$73.5 million	2029 – 2031 (construction)
• Kinloch and Taupō wastewater treatment plant <a href="#">and</a> <a href="#">reticulation</a> upgrades	\$16.6 million	2024 - 2027
• Water reservoirs	\$14.6 million	2024 - 2034
• Water meters	\$12.0 million	2027 – 2037 (for existing properties)
• Other water capacity upgrades	\$11.2 million	2024 - 2032
• Taupo North wastewater solution	\$7.3 million	2028 - 2031

<sup>6</sup> All figures are inflation adjusted.

LTP24 – Infrastructure Strategy

May 2024



Future significant decision	Approximate scale of cost	When decision is expected
<p><b>Measures to reduce high water use in Taupō</b></p> <p>Council has capacity to treat and provide up to 35 million litres per day of water to provide to the Taupō community. We currently use around 30 million litres per day and expect to reach our limit in the next 5 – 10 years. We are unlikely to be granted consent for any additional water. At this point, for the community to continue to grow we will have to improve our water use.</p> <p>Water meters are expected to be a key instrument to both:</p> <ul style="list-style-type: none"> <li>• identify water leakages (with estimated water savings of up to 10%)</li> <li>• allow for charging for water so that water is used more efficiently and available for the most important uses (with estimated water savings of up to 27% of peak demand).</li> </ul> <p><u>The alternative option would be for increases in plant capacity, which could increase water capacity but would not resolve limits on our water take resource consents. The cost and low likelihood of getting additional water take consent without demand management measures in place means that these are unlikely to be preferred options.</u></p>	<p>\$12.0 million, primarily funded through development contributions (with the objective of supporting growth).</p>	<p>Water meters are already installed with new builds.</p> <p>We are currently planning for the installation of water meters on existing houses between 2027 – 2030. This plan would be confirmed, and any decision to charge for water would be identified as part of the next long-term plan in 2027.</p>

#### FUNDING FOR GROWTH

40-46. Council has a policy that growth pays for growth. The growth share of any project that provides extra capacity to support new housing development and growth is recovered from a charge on each new development. This policy supports Council to invest in infrastructure required to allow growth, without that cost and burden falling on the existing community. See Council's Development Contribution Policy for more details.



## INFRASTRUCTURE CHALLENGE: IDENTIFYING A NORTHERN ACCESS SOLUTION

### WHAT'S THE ISSUE?

41-47. Council has been planning a Northern access solution, including a second bridge in Taupō town, for some time. In the last Long-term plan (2021), the bridge was planned to be built in 2033, with funding set aside based on a very high-level cost estimate.

42-48. Since 2021, Taupō has experienced significant growth. Much earlier than anticipated, traffic volumes have already reached the level when a new bridge and supporting works were expected to be needed. This means that the current 2-lane Control Gates Bridge is already at capacity and performance already reaching Service levels E and close to F at peak times. Service level F is described as the free flow speed of a corridor reaching 100% of saturation flow or greater with potential for complete failure of the network to operate.<sup>7</sup>

43-49. Resolution of this issue is required to allow continued growth in North Taupō. Recently zoned residential land for 780 houses has been granted permission to build only some of these houses until the problem further explored and resolved.

44-50. Since 2021, Council has also undertaken further modelling and assessment to:

- identify the most likely bridge location options, and more advanced cost estimates.
- identify subsequent intersection improvements needed to support increased traffic flows and prevent the congestion problem simply shifting to a new location.

45-51. There is still significant uncertainty, and a decision is planned on the final design and location of the bridge in 2027 to allow construction in 2030 - 2031. At this point we are at concept stage, and budgeting in the Long-term Plan for the more costly of the two mostly likely design and location solutions – so that when we are in a position to begin construction, we are financially set up to do so. We have asked for the bridge project to be included in the Waikato Regional Land Transport Programme, to make it eligible for NZTA funding. If approved for funding, it would be eligible for 51% funding, reducing Council's cost to 49%.

46-52. The Control Gates Bridge is a major arterial transport link in Taupō town, providing the primary connection across the Waikato River. Currently, the Control Gates Bridge is owned and operated by Mercury Energy as part for the Lake Taupō and Waikato River hydropower system. Taupō Council owns the top surface of the bridge for transport purposes. The Control Gates Bridge was built in 1941. Council is planning to work with Mercury Energy in the next three years to identify the renewal and future plans for the bridge.

47-53. We are not pre-determining the solution in this long-term plan (2024). In the next Long-term Plan (2027) we hope to be able to confirm with some certainty the expected cost, location, and design of the bridge and associated intersection and network improvements. Between now and 2027, we will complete:

- geotechnical assessment
- detailed design and costings
- discussions with consenting authorities

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<sup>7</sup> [Abley, Taupō Future Road Network Assessment \(2019\)](#)

LTP24 – Infrastructure Strategy

May 2024



- discussion with Mercury energy (landowners and the current owners of the Control Gates Bridge)
- discussions with the NZ Transport Agency and Central Government over funding support.

48-54. We will also work with iwi and hapu on design options and their impacts to recognise their long-standing relationships with the waters that flow from Taupō Moana through the upper Waikato Awa and their deep interest in infrastructure planning for the existing and any new bridge.

**Provided for in the Long-term plan: Build a new Waikato River crossing in the next 10 years**

**What is proposed**

A new Waikato river crossing would be built within the next ten years to provide additional lanes to increase road capacity. The bridge can also improve the walking and cycling connections across the river. There would also need to be improvements to the Spa Road roundabout and other bottlenecks so that the problem isn't just shifted elsewhere.

Exact cost and location of the new crossing would be determined through investigation and design work over the next two years. We would look to fund up to 25 percent from charges on new development, and would approach central government for help with funding too (although there's no guarantee of success).

**Advantages and disadvantages**

- ✓ Relieves congestion in the next 10 years, a problem that is expected to continue growing.
- ✓ Supports growth on the northern side of the Waikato River.
- ✓ Improves walking and cycling connections.
- ✓ Provide a long-life (100 year) asset for future generations.
- ✗ Expensive, and would require a rates increase ahead of construction.
- ✗ Significant addition to level of council debt, leaves little room for further borrowing in future.
- ✗ Risk of encouraging more vehicles onto the road, resulting in congestion increasing back to original levels over time.

**Cost and debt impact**

Capital cost: \$73.5m  
Debt funded: \$73.5m

**Rates impact**

\$163.06 (average per ratepayer from 2031/32)

**Timeline**

2025 – 2027	2027 - 2030	2030 - 2031
Geotechnical assessment, options assessment, detailed design and costings.	2027 Long-term plan confirms final option, design, and cost.	Bridge construction
Work with iwi and hapu on design options and their impacts.	Consenting	

LTP24 – Infrastructure Strategy

May 2024



## ALTERNATIVE OPTIONS

49-55. We have not identified any viable alternative options to providing a second Taupō Town bridge:

- ✗ **Expand the current bridge:** The current bridge is not suitable to expand to provide additional lanes, meaning a second bridge structure is required.
- ✗ **Stop growth:** We cannot stop growth. Limiting the number of houses built will only exacerbate housing shortages, unaffordability and overcrowding. We also have obligations under the National Policy Statement on Urban Development to provide the infrastructure required to support zoned residential land, and land identified in our growth strategy in North Taupō.
- ✗ **Don't do it:** If we don't do it the problem will only get worse, growth will be prevented, and we won't be meeting our obligations under the National Policy Statement on Urban Development. While the time delay is currently relatively small and predictable, the stability of traffic flows is becoming at risk – meaning that delays may become unpredictably severe on some days.
- ✗ **Demand management:** We do not have any tools to stop people driving (when that's what they prefer). Tolls and/or congestion charging is not currently permitted by legislation on existing roads, and may only be considered for larger cities. The size of the charge needed to shift behaviour, and the administration costs of managing such a charging system in Taupō are likely to also be significant barriers.
- ✗ **Providing better buses, and walking and cycling connections:** There are already reasonable walking and cycling options. We have recently made safety improvements to the crossing of Wairakei Drive, and there are good connections to Taupō Nui a Tia College. We have also improved walking and cycling access and crossing options into Taupō Town along Tongariro St. Despite these options being available, walking and cycling are not popular enough to reduce traffic problems. A new bridge will also aim to achieve improved walking and cycling connections, especially for commuters and school students in northern Taupō suburbs.
- ✗ **Improving current road layout and making smaller improvements:** We have recently made improvements to the Norman Smith / Wairakei Drive intersection, and Spa Road / Tongariro roundabout. The main bottleneck is now the bridge itself.
- ✗ **Traffic management initiatives including promoting use of alternative entrances:** We will continue to do this for summer and holiday peaks and events, however this won't affect local daily traffic, which is by itself pushing the limits of the current 2-land bridge at morning and evening peak times.

LTP24 – Infrastructure Strategy

May 2024



## INFRASTRUCTURE CHALLENGE: MANAGING WASTEWATER NORTH OF THE WAIKATO RIVER

### WHAT'S THE ISSUE?

~~50-56.~~ Our wastewater connections in Taupō Town across the Waikato River are currently at capacity. Additional capacity is needed to support growth in Northern Taupō residential areas that have been recently zoned, and are identified as future growth areas in Council's growth strategy.

~~51-57.~~ Improving resilience and reducing environmental impacts are also primary objectives. We want to make sure we keep our wastewater out of the pristine waters of Lake Taupō and the Waikato River, and reduce the nitrogen impact on Lake Taupo. This is a major concern ~~of local iwi and Hapū~~ for the whole community.

~~52-58.~~ Council has been working closely with a steering group of local Iwi and Hapū on possible solutions to support these objectives. The steering group will continue to explore a solution ~~has identified that~~ in the long-term of a wastewater treatment and disposal system in the North of Taupō that avoids connections across the Waikato River ~~is the preference for local iwi and hapū~~.

~~53-59.~~ In the medium-term (within the 10 years of this LTP), ~~It~~ this is a costly and difficult solution, which also relies on finding suitable land, and ensuring that there are not environmental and water quality impacts by increasing wastewater disposal within the Lake Taupō Catchment.

~~54-60.~~ In the short-term (next 1 – 3 years), additional resilience measures (storage tanks) are planned to provide increased options to managing high flow events and reduce the risk of overflows. The high-risk areas for overflows are the manhole covers on either side, rather than the connection across the Waikato River itself.

~~55-61.~~ In the medium-term (within in the next 10 years) the Long-term plan sets aside funding for increasing the capacity of our wastewater connections in Taupō Town across the Waikato River. Very high resilience will be a key objective.

~~56-62.~~ Council is committed to continue to work with iwi and hapū, through the established steering group, to identify the long-term solution (beyond 10 years) for managing wastewater on the Rangatira side of Te Awa o Waikato.



LTP24 – Infrastructure Strategy

May 2024



## PROVIDED FOR IN THE LONG-TERM PLAN: INCREASE CAPACITY OF WASTEWATER CONNECTIONS IN TAUPŌ TOWN ACROSS THE WAIKATO RIVER IN THE MEDIUM-TERM

### What is proposed

Our wastewater connections in Taupō Town across the Waikato River are currently at capacity. Additional capacity is needed to support growth in Northern Taupō residential areas that have been recently zoned, and are identified as future growth areas in Council's growth strategy.

Improving resilience and reducing environmental impacts are also primary objectives. We want to make sure we keep our wastewater out of the pristine waters of Lake Taupō and the Waikato River, and reduce the nitrogen impact on Lake Taupō.

The decision to implement medium-term capacity improvements is being made as part of the Long-term Plan 2024 - 34. The timing of making a decision on a longer-term solution is uncertain, but we are continuing to work with iwi and hapū, through the established steering group, to identify the long-term solution for managing wastewater on the Rangatira side of Te Awa o Waikato.

### Advantages and disadvantages

- ✓ Support growth in Northern Taupō.
- ✓ Improves resilience and reduces spill risks from current levels.
- ✓ Achievable within Council's prudential debt limits.
- ✓ Achievable within acceptable rates and development contributions limits.
- ✓ Ensures that treated effluent continues to be disposed of to land outside of the Lake Taupō catchment.
- ✗ Does not eliminate the carriage of untreated wastewater over the Waikato River.

### Cost and debt impact

Capital cost: \$7.3m

Debt funded: \$7.3m

### Rates impact

\$18.50 (average per ratepayer from 2031/32)

### Timeline

2025 – 2026

Resilience improvements and storage tanks.

2029 – 2030

Increase capacity of wastewater connections across the Waikato River

Future long-term solution (beyond 10 years)

Continue to work with iwi and hapū, through the established steering group, to identify the long-term solution for managing wastewater on the Rangatira side of Te Awa o Waikato.

The timeframe for completing this work and implementing any required solutions has not yet been determined.

LTP24 – Infrastructure Strategy

May 2024



### Alternative options (in the medium-term – within the next 10 years)

~~57-63.~~ In the medium-term we have not identified any viable alternative options to increasing the capacity of our wastewater connections in Taupō Town across the Waikato River.

- ✖ **A new treatment plant on North Taupō:** Council has been working closely with a steering group of local iwi and hapū on possible solutions to support growth, improve resilience, and reduce environmental impacts. ~~The steering group will continue to explore a solution in the long-term of a wastewater treatment and disposal system in the North of Taupō that avoids connections across the Waikato River. The steering group has identified that in the long-term a wastewater treatment and disposal system in the North of Taupō that avoids connections across the Waikato River is the preference for local iwi and hapū.~~ However, this is a prohibitively costly and difficult solution in the medium-term (within the next 10 years, the cost roughly estimated at \$85 million<sup>8</sup> would breach prudent debt limits set out in the Financial Strategy), which also relies on finding suitable land, and ensuring that there are not environmental and water quality impacts by increasing wastewater disposal within the Lake Taupō Catchment.

Council is committed to continue to work with iwi and hapū, through the established steering group, to identify the long-term (beyond 10 years) solution for managing wastewater on the Rangatira side of Te Awa o Waikato.

- ✖ **Stop growth:** We cannot stop growth. Limiting the number of houses built will only exacerbate housing shortages, unaffordability and overcrowding. We also have obligations under the National Policy Statement on Urban Development to provide the infrastructure required to support zoned residential land, and land identified in our growth strategy in North Taupō.
- ✖ **Don't do it:** If we don't do it the problem will only get worse, growth will be prevented, and we won't be meeting our obligations under the National Policy Statement on Urban Development.
- ✖ **Demand management:** Council is already planning to invest in the short-term (next 1 – 3 years) on resilience measures and storage tanks that will provide increased options to managing high flow events and reduce the risk of overflows. The high-risk areas for overflows are the manhole covers on either side, rather than the connection across the Waikato River itself. There are limited other tools to manage wastewater demand. While water metering or charging for water may reduce water use to some extent, it is more likely to reduce discretionary water use, like finding water leaks, washing the car, and watering the garden, rather than reducing showering, washing the dishes, or flushing the toilet.

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<sup>8</sup> High level estimate that is very uncertain as location has not been identified. Stated in today's dollars (2024).



## WE ARE MAINTAINING LEVELS OF SERVICE AND IMPROVING PUBLIC HEALTH AND ENVIRONMENTAL OUTCOMES

58-64. The three areas of performance that are a focus for this infrastructure strategy are:

- supporting the health and safety of our communities
  - being environmentally responsible
  - being culturally responsible
- (with growth and resilience covered in sperate objectives)

### COUNCIL'S STATED SERVICE LEVELS (IN THE LONG-TERM PLAN)

<u>Water</u>	<u>Wastewater</u>
<u>We provide safe drinking water to communities connected to a Council drinking water scheme.</u>	<u>We comply with the resource consents conditions relating to our sewerage systems.</u>
<u>The drinking water that Council provides is safe and treated to the appropriate standards.</u>	<u>We will maintain the reduction in nitrogen discharged from wastewater treatment plants in the Lake Taupō catchment</u>
<u>Our water reticulation network is efficient.</u>	<u>Our sewerage system is maintained to prevent sewerage overflows.</u>
<u>We respond to faults with our water reticulation network promptly.</u>	<u>We respond to faults with our sewerage system promptly.</u>
<u>We resolve faults in our water reticulation network promptly.</u>	<u>We resolve faults with our sewerage system promptly</u>
<u>Customers are satisfied with the drinking water they receive.</u>	<u>Our customers are satisfied with the sewerage network.</u>
<u>Potable water is used sustainably.</u>	
<u>There is adequate water for firefighting in urban areas.</u>	
<u>Transport</u>	<u>Stormwater</u>
<u>The number of serious and fatal crashes on Council roads is falling.</u>	<u>We manage the stormwater network to protect public health and property without compromising the environment.</u>
<u>That our roading network is adequately maintained and in good condition.</u>	<u>We will comply with our Resource Consent for discharge from our stormwater system.</u>
<u>Footpaths are adequately maintained and in good condition.</u>	
<u>We will respond to customer service requests.</u>	

LTP24 – Infrastructure Strategy

May 2024



### COMPLETING UPGRADES TO DRINKING WATER TREATMENT TO MEET NEW STANDARDS

59-65. Council's largest capital improvement investment programme is focused on upgrades to the treatment of drinking water to meet the 2022 upgraded New Zealand drinking water standards (DWSNZ). Council had 17 water treatment plants all of which needed significant upgrades to meet the new standards.

60-66. As at 1 Jan 2024, we have upgraded most of our large water treatment plants (Taupō, Tūrangi, Mangakino). There are 8 more significant plant upgrades planned to be completed by 2026.

61-67. In the Taupō Volcanic Zone, there are elevated levels of arsenic in soils and waters as a result of geothermal activity. Some lakes and rivers have arsenic concentrations above the World Health Organisation's limit for arsenic in drinking water (0.01 mg/L).

62-68. Areas that are not yet upgraded have Water Safety Plans prepared to make sure that we are appropriately minimising the risk. The Ministry of Health audits Council to ensure that we are being compliant with these plans.

LTP24 – Infrastructure Strategy

May 2024

**Treatment plant compliance**

Area	Number of properties	Plant upgrade completed to allow compliance <sup>9</sup>	Planned plant upgrades <sup>10</sup>
Taupō (including Acacia Bay / Mapara Rd, Wairakei, Waitahanui)	12,970	✓	
Tūrangi (including Tokaanu)	2,417	✓	
Kinloch (including Whakaroa)	1,348	✗	2025
Omorī/Kuratau/Pukawa	1,239	✗	2025
Mangakino	765	✓	
Motuoapa	482	✗	2025
Whareroa	198	✗	2025
Hatepe	119	✓	2026
Tirohanga	106	✗	2025
Whakamaru	77	✓	
Atiamuri	76	✗	2024
Centennial drive	75	✗	2026
Bonshaw park	69	✗	No longer required will be connected to Taupō in 2024
River road	69	✓	
Whakamoenga Point	53	✗	No longer required will be connected to Taupō in 2024
Waihaha	31	✗	2024
Motutere (campground)	1	✗	2032

<sup>9</sup> Plant has undertaken significant upgrades to allow compliance with drinking water standards. Other compliance issues may mean that full compliance is not achieved.

<sup>10</sup> Expected completion date of project



## INCREASING ENVIRONMENTAL CONTROLS ON WASTEWATER AND STORMWATER DISCHARGES

63-69. With pristine rivers and lakes, managing the potential environmental and freshwater impacts of wastewater and stormwater is very important, and a costly exercise.

64-70. There has, and will continue to be, an increase in environment standards and discharge consent conditions as a result of:

- Increased environmental and cultural expectations from our community
- New legislation from central government, such as the National Policy Statement for Freshwater Management
- The requirement for resource management documents to give effect to key policy documents which are aimed at improving water quality in some catchments. These documents include Te Ture Whaimana o Te Awa o Waikato - Vision and Strategy for the Waikato River for the Waikato River catchment, Te Ara Whānui o Rangitāki – Pathways of the Rangitāki for the Rangitāki catchment, and Te Kaupapa Kaitiaki', a plan developed for the Taupō Catchment
- Overwhelming evidence from the scientific community that the ability of our waterways to sustain the levels of pollutions are unsustainable.

65-71. In the past 20 years, Council has upgraded its largest wastewater plants (Taupō, Tūrangi, Mangakino), as well as some smaller plants (Motuoapa, Kinloch, Whakamaru) to reduce nitrogen discharges in the Lake Taupō catchment. Further upgrades to the Kinloch plant are planned and are expected to be completed in 2025/26

66-72. Reducing nitrogen discharges is a greater challenge in areas where populations are growing and there is more wastewater to treat and dispose of.

67-73. Council holds regional council consents for wastewater and stormwater discharges. When these consents require renewals, it is likely that tougher conditions will be imposed, which will require Council to undertake upgrades and/or invest in technology which will come at a cost. Wastewater treatment plant upgrades are planned to meet stricter consent conditions to reduce nitrogen discharges when these plants are due for renewal.

68-74. Council is also coming under increasing pressure from both the public and Waikato Regional Council to improve the quality of stormwater discharges. Stormwater is discharged into our lakes, rivers and streams and we recognise the importance of keeping these clean and healthy and protecting our environment. To achieve this, we have developed a programme for the installation of Enviropods, which remove litter and debris from stormwater and treatment devices at stormwater outlets. However further improvements are likely to be required when our comprehensive stormwater consent is renewed in 2027.

69-75. A major focus of stormwater management for the next period will be around improvements to stormwater discharge quality and it is anticipated that there will be an increased capital spend installing treatment systems on the majority of our discharges especially in the years following the renewal of our current discharge consents in 2027.

70-76. We work closely with Waikato Regional Council to understand what likely standards and conditions will be imposed when we apply for discharge renewals. To support this process:

- We monitor the quality of wastewater and stormwater discharges to provide evidence on actual discharge quality performance and risks
- We engagement early with iwi/hapū for consent renewals
- We forecast and plan to maintain our Nitrogen reduction targets.

LTP24 – Infrastructure Strategy

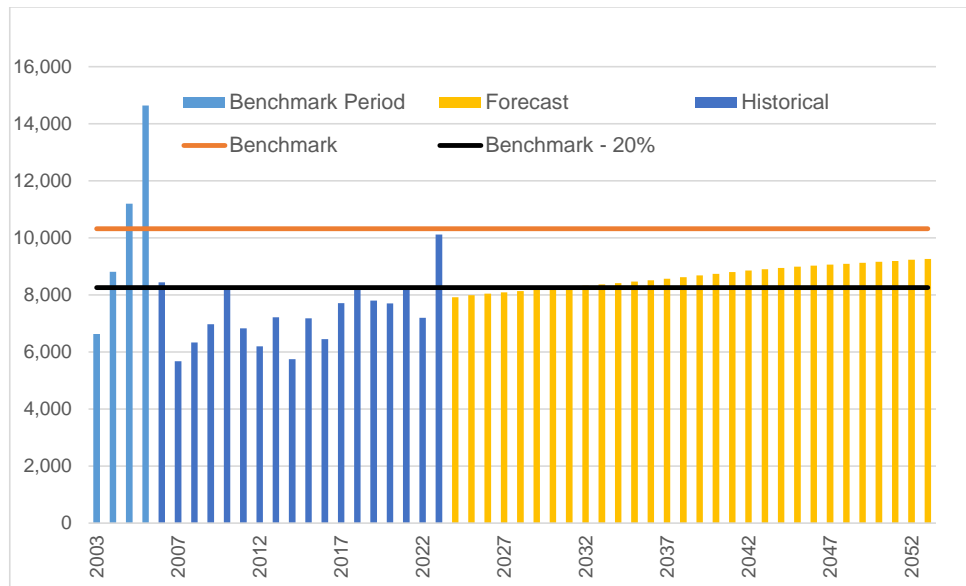
May 2024



### Reducing Nitrogen in the Lake Taupō Catchment

74.77. Taupō District Council has committed to reducing the nitrogen impact from our wastewater treatment and disposal on Lake Taupō by 20%. This will continue to be a challenge to meet and maintain as the district continues to grow. In the longer-term additional plant upgrades to reduce nitrogen, or the purchasing of nitrogen credits to offset wastewater nitrogen may be needed.

**Figure X – Forecast nitrogen (kgs) to Lake Taupō Catchment**



LTP24 – Infrastructure Strategy

May 2024

**Upcoming discharge resource consent renewals**

Resource consent	Consenting organisation	Due for renewal
Mangakino wastewater disposal	Waikato Regional Council	<u>Operating with permission under an expired consent pending renewal.</u> <del>Expired – replacement applied for</del> <u>Mangakino wastewater treatment plan upgrade is planned for 2026/27 – 2027/28)</u>
Tūrangi wastewater discharge	“ “ “	<u>Operating with permission under an expired consent pending renewal.</u> <del>Expired – replacement applied for</del> <u>Tūrangi wastewater disposal improvement options are discussed separately in this strategy</u>
Atiamuri wastewater disposal	“ “ “	<u>Operating with permission under an expired consent pending renewal.</u> <del>Expired – replacement applied for</del> <u>Atiamuri wastewater treatment plan upgrade is planned for 2025/26</u>
District wide Stormwater discharge	“ “ “	June 2027
Taupō (View Road) wastewater disposal	“ “ “	2032
Taupō (Rickit Street) wastewater disposal	“ “ “	2032
Motuoapa wastewater disposal	“ “ “	2033
Acacia Bay wastewater disposal	“ “ “	2035
Whakamaru wastewater disposal	“ “ “	2036
Whareroa wastewater disposal	“ “ “	2039
Kinloch wastewater disposal	“ “ “	2039
Motutere wastewater disposal	“ “ “	2040
Taupō (Rakaunui) wastewater disposal	“ “ “	2043
Omori wastewater disposal	“ “ “	2044



**WORKING WITH LOCAL IWI AND HAPŪ**

- 72-78. Council has a strong relationship with local iwi and recognise and respect the importance of, and connection between, iwi and freshwater (wai Māori).
- 73-79. Council has Joint Management Agreements in place with Ngāti Tūwharetoa, Raukawa and Te Arawa River Iwi Trust. Central to the agreements is how Council and the iwi authorities will work together to promote the restoration and protection of the Waikato River.
- 74-80. Ngāti Tūwharetoa hold mana whenua and kaitiakitanga over the Central North Island including the Lake Taupō Catchment and part of the Waikato River, Upper Waikato, Whanganui, Rangitikei and Rangitaiki Catchments.
- 75-81. Ngāti Tūwharetoa are the descendants of Ngatoroirangi and Tia and other Tūpuna who have occupied the Taupō region since the arrival of the Te Arawa waka. Ngāti Tūwharetoa are linked by whakapapa to the lands and taonga (treasures) in this region. This connection establishes their mana whenua, kaitiakitanga, and rangatiratanga.
- 76-82. Tūwharetoa Māori Trust Board is the legal owners of Taupō waters. The term Taupō Waters refers to property including the lake bed, water column and air space of Lake Taupō and the Waihora, Waihaha, Whanganui, Whareroa, Kuratau, Poutu, Waimarino, Tauranga-Taupō, Tongariro, Waipahi, Waiotaka, Hinemaiaia and Waitahanui Rivers and the Waikato River, from the outlet of Lake Taupō to a place known as Te Toka a Tia, downstream and inclusive of Huka Falls.
- 77-83. Ngāti Tūwharetoa are in a unique position holding legal ownership of most of the waterways and waterbodies in the district as well as retaining ownership of most of the private land within the associated catchments.
- 78-84. Tūwharetoa Limited is the commercial company established to hold Tūwharetoa Settlement Trust's investment portfolios which includes forestry. Ngāti Tūrangitukua is a Hapū of Ngāti Tūwharetoa and maintains Ahi kā roa - Mana Whenua in Te Mātāpuna. Ngāti Tūrangitukua claim the Kaitiakitanga and Rangatiratanga (Mana Whakahaere) over all properties and assets within its immediate area of influence and in accordance with its own tikanga and whakapapa.
- 79-85. Ngāti Tūrangitukua also recognises that the Hapū of Ngāti Tūwharetoa are interconnected and the relationship and interest of whānau and Hapū across the Mātāpuna are dynamic, bound by common whakapapa and whanaungatanga - Tūwharetoa ki Kawerau, Tūwharetoa ki Waiariki, Tūwharetoa ki te Tonga.
- 80-86. The Ngāti Tūrangitukua Claims Settlement Act was passed in 1999 and led to the return of ancestral land in the Turangi area to the Ngāti Tūrangitukua hapū. This land was taken by the Crown for the construction of the Turangi township under the Public Works Act 1928 and the Turangi Township Act 1964. While most of the reserves in Turangi are owned by Ngāti Tūrangitukua, Council is required to maintain any land categorised as a reserve.
- 84-87. In order for Tūwharetoa land owners to use their land productively and sustainably, adequate infrastructure and services need to be in place in order to effectively support the development of Māori land. Restrictive or lack of access to infrastructure is a significant barrier for iwi/hapū to increase the productivity of Māori land and is a key impediment to unlocking Māori land potential.

LTP24 – Infrastructure Strategy

May 2024



82-88. Ngāti Tūwharetoa and Ngāti Tūrangitukua continue to express interest in the future infrastructure planning of the Taupō district. The success of effective, progressive and strategic infrastructure and service planning plays a fundamental role in achieving iwi/hapū social, cultural, economic and environmental aspirations. Active participation and engagement with decision making within their area of interest is an expression of kaitiakitanga, and enables Council to give effect to their legislative responsibilities to iwi/hapū.

#### PROVIDING FOR THE MĀORI WORLD VIEW

83-89. The Māori world view considers everything living and non-living to be interconnected. Māori traditionally have their own system of resource management to sustain people and natural resources for the future. For Māori, water is the essence of all life, akin to the blood of Papatūānuku (Earth mother) who supports all people, plants and wildlife. Rivers are valued as a source of spiritual, physical, and mental well being and provide important mahinga kai, cultural materials, as access routes and a means of travel, and for their proximity to important wāhi tapu, settlements or other historic sites. Indicators of the health of a river system (such as uncontaminated water and species gathered for food, continuity of flow from mountain source to the sea) can provide a tangible representation of its mauri. Water is a connector from the tangible to the intangible, and has pride of place as both tapu, sacred, and noa, normal.

84-90. Te Ao Māori considers all natural, physical and spiritual elements of the world to be intrinsically connected. Whakapapa is the binding concept that describes and connects all living and non-living things as descendants from Ranginui and Papatūānuku. The natural domains of the Taiao (environment) are the realms of their children in which tangata whenua (people of the land) have inherited rights and responsibilities to protect, preserve and maintain the environment through the active and enduring exercise of kaitiakitanga.

85-91. Tangata whenua and kaitiaki have responsibilities for the environment and for those that share the environment. Kaitiakitanga is not an obligation which iwi and hapū choose to adopt or to ignore, it is an inherited commitment that links all realms including the physical, spiritual, human and past and future worlds.

86-92. Tūwharetoa hold mana whenua and kaitiakitanga over the Central North Island including the Lake Taupō Catchment and part of the Waikato River, Upper Waikati, Whanganui, Rangitikei and Rangitaiki Catchments and are linked by whakapapa to the lands and taonga (treasures) in this region. This connection establishes their mana whenua, kaitiakitanga, and rangatiratanga including rights to establish and maintain a meaningful and sustainable relationships between whanau, hapū, marae and taonga tuku iho.

87-93. Expressions of their intrinsic connection to the whenua, wai and wider taiao have been well documented through iwi planning documents, Joint Management Agreement with Taupō District Council as well as reflected at a national level through legislation such as the National Policy Statement for Freshwater – Te Mana o te Wai. These planning documents also express social and economic aspirations and processes for effective engagement and decision making.

88-94. Ngāti Tūrangitukua is a Hapū of Ngāti Tūwharetoa and maintains Ahi kā roa - Mana Whenua in Te Mātāpuna. Ngāti Tūrangitukua maintains Kaitiakitanga over their rohe and area of interest in accordance with tikanga and further supports the right of whānau to manage and utilise their whenua and resources for their own benefit. Ngāti Tūrangitukua claim the Kaitiakitanga and Rangatiratanga (Mana Whakahaere) over all properties and assets within its immediate area of influence and in accordance with its own tikanga and whakapapa. Ngāti Tūrangitukua also recognises that the Hapū of Ngāti Tūwharetoa are interconnected and the relationship and interest of whānau and Hapū across the Mātāpuna are dynamic, bound by

28

## LTP24 – Infrastructure Strategy

May 2024



common whakapapa and whanaungatanga - Tūwharetoa ki Kawerau, Tūwharetoa ki Waiariki, Tūwharetoa ki te Tonga.

89-95. The relationships between Iwi, taura here (Māori living in the district who may not affiliate to one of the iwi in this area) and the Council are significant. The Local Government Act places responsibilities on councils to recognise and respect the Crown's responsibilities under Te Tiriti o Waitangi. The Act establishes baseline principles on how Council should maintain and improve opportunities for Māori to contribute to local government decision-making. Further, we have joint management agreements that set out specific mechanisms for the relationship between Iwi and Council.

90-96. Council has entered into forums, collectives and agreements alongside Iwi and Māori, to assist in Māori Land Court matters, Treaty of Waitangi settlements, specific legislation discussions or negotiated agreements between our district iwi and Council recognising the leadership provided by Te Ariki, Tā Tumu te Heuheu.

94-97. There are a number of forums, collectives and agreements where Council collaborates with both Iwi and Māori generally around key instruments like our long-term and annual plans, hosting Council meetings and also special interest matters.

92-98. These agreements are important for our infrastructure, because in many instances Council owned infrastructure is located on land owned by Iwi. Alternatively, there are instances where Council-owned infrastructure has the potential to have an impact on natural resources that are considered to be taonga by local iwi.

#### *Te Mana o Te Wai*

93-99. Documents such as the National Policy Statement for Freshwater require Council to consider fundamental Māori concepts such as Te Mana o Te Wai.

94-100. Te Mana o te Wai is a concept that refers to the fundamental importance of water and recognises that protecting the health of freshwater protects the health and well-being of the wider environment. It protects the mauri of the wai. Te Mana o te Wai is about restoring and preserving the balance between the water, the wider environment, and the community.

95-101. Te Mana o Te Wai refers to the integrated and holistic wellbeing of a freshwater body. Te Mana o te Wai ensures that the first right to the water goes to the water. It also ensures that water is able to nurture and provide for people as a koha (gift) to enable sustainable use. Te Mana o te Wai reinforces Iwi positions that 'I am the water and the water is me'. Protecting Te Mana o te Wai provides for the mauri of the water. This includes providing for te hauora o te taiao (health of the environment) te hauora o te wai (health of the waterbody) and te hauora o te tangata (the health of the people). •

96-102. All New Zealanders have an obligation to achieve Te Mana o Te Wai whereby the water body has its own mauri and its own mana which must come first to protect the integrity of the river. This will be the basis for community discussions on freshwater values, objectives, and limits. The NPS-FM refers to Te Mana o te Wai as a core concept for fresh water management. Iwi have argued that Te Mana o Te Wai should be given priority in any freshwater planning mechanisms.

97-103. As we engage more effectively with Iwi/hapū in the future, there will be increased expectations to consider the Māori world view as well as more accountability for how Council decision making reflects iwi/hapū. There will be significant cost implications to providing,

LTP24 – Infrastructure Strategy

May 2024



improving and moving some infrastructure. We will have to prioritise and stagger these so that they are affordable.

LTP24 – Infrastructure Strategy

May 2024



## INFRASTRUCTURE CHALLENGE: IMPROVING THE DISPOSAL OF WASTEWATER IN TURANGI

### WHAT'S THE ISSUE?

~~98-104.~~ Taupō District Council provides wastewater services for 12 towns and communities in the district. All of these plants, except Turangi, discharge treated wastewater to land prior rather than discharging directly to water.

~~99-105.~~ In Tūrangi the current wastewater system takes treated wastewater and discharges it to a wetland (the South Taupo Wetland), which leads into the Hangarito Stream which connects to Lake Taupō. The community has raised concerns over current disposal and its impacts on the waters of Lake Taupō which is a taonga for the whole community.

~~100-106.~~ There has been environmental degradation of this wetland, however these issues are driven by other factors, and the environmental impact of wastewater discharge has been determined to be "less than minor". However, there remain significant ~~cultural~~ community concerns with the current discharge approach.

~~101-107.~~ In 2018<sup>11</sup>, Council agreed to work with local iwi and hapū to look at alternative options for a long-term solution that addresses these ~~cultural~~ concerns. Historically Council has balanced these concerns by discharging to land which is the norm for the other 12 sites across the district.

~~102-108.~~ A council / hapū steering group is still processing work to identify an alternative land discharge solution. Positive progress has been made. This process will continue, and a recommendation will be presented to Council. However, Council needs a short- to medium-term solution (in the next few years) for the long-term plan. The current Tūrangi Wastewater Treatment Plant continues to operate with permission under an expired discharge consent pending renewal, and Waikato Regional Council are not providing any further time extensions.

~~103-109.~~ There are several issues still to be worked through with any future land disposal options. These include concerns over the resilience of a large new pipe network, potential large running costs related to pumping, and securing a reasonable lease for disposal land. Council will also need to understand better if this option is simply shifting the problem rather than rectifying it, to do this Council will continue to work closely with iwi and hapū through the established steering group to develop and design the options and understand their impacts. These ideas will need further development in partnerships with iwi (over the next two years).

<sup>11</sup> [Council meeting on 24 April 2018.](#)

LTP24 – Infrastructure Strategy

May 2024



**PROVIDED FOR IN THE LONG-TERM PLAN: PURSUE A SHORT TO MEDIUM-TERM OPTION FOR RESOLVING WASTEWATER RISKS IN TŪRANGI.**

**What is proposed**

We've allowed \$6 million in the Long-term Plan, from 2028 to 2030, to improve our current treatment process and discharge from the Tūrangi Wastewater Treatment Plant. For example, using modern wastewater treatment techniques like creating a new wetland on current treatment plant site as primary discharge area.

We'll continue to work with iwi and hapū to find a suitable place to discharge treated wastewater to land in the longer term.

**Advantages and disadvantages**

- ✓ Further reduction in already low environmental impacts.
- ✓ Increased protection of exiting waterways and wetlands through natural wetland filtration.
- ✓ Lower ongoing operational costs
- ✓ More resilient than alternative option of significant pipe network and disposal site near the Tongariro River.
- ✓ Affordable within the budget constraints of Council's financial strategy - money is set aside.
- ✓ Addressed the environmental risks rather than shifting the problem to a new area (which is close to the Tongariro River.)
- ✗ Does not address community concerns over current disposal to the South Taupo Wetland, which leads into the Hangarito Stream which connects to Lake Taupō.

**Cost and debt impact**

Capital Cost: \$6.5 million

Debt Funded: \$6.5 million

**Rates impact**

\$39 (average per ratepayer in 2030-2031 due to Site Rehabilitation)

\$16 (average per ratepayer thereafter)

**Timeline**

2025 – 2028

Council will continue to work closely with iwi and hapū through the established steering group to develop and design the options and understand their impacts

2026 - 2029

Construct / implement preferred option and design

LTP24 – Infrastructure Strategy

May 2024



## ALTERNATIVE OPTION: DISPOSE OF TŪRANGI WASTEWATER TO LAND

### Alternative option

Identify a suitable land area to dispose to. Enter into a long-term contract to allow disposal of treated effluent for the long term. Install pipes and associate infrastructure to shift treated effluent to the new disposal location. Cease disposing to the South Taupo Wetland, which leads into the Hangarito Stream which connects to Lake Taupō.

The alternative option would be to not invest in the current Tūrangi wastewater discharge site and instead continue to look for a somewhere suitable to discharge the wastewater to land. While we're committed to this in the long term, the wastewater treatment plant's resource consent has expired so we need a short to medium term fix (in the next few years).

### Advantages and disadvantages

- ✓ Discharge to land like other areas in the district.
- ✓ Aims to address community concerns over current disposal to the South Taupo Wetland, which leads into the Hangarito Stream which connects to Lake Taupō
- ✓ Affordable within the budget constraints of Council's financial strategy - money is set aside.
- ✗ Shifts problem and risk to a new area, rather than reducing them. New area is close to the Tongariro River.
- ✗ Significant pipe network needed that presents a resilience risk and significant operational (pumping) costs.
- ✗ Hinges on the ability to find a suitable location and willing landowner.
- ✗ Requires securing a long-term contract on suitable terms that guarantees the ability to dispose to the site for the long-term.

### Cost and debt impact

Capital Cost: \$18.5 million  
Debt Funded: \$18.5 million

### Rates impact

\$58 (average per ratepayer)

### Timeline

2025 – 2028

Council will continue to work closely with iwi and hapū through the established steering group to develop and design the options and understand their impacts

2030 onwards

Implementation dates unknown at this stage

LTP24 – Infrastructure Strategy

May 2024



## SIGNIFICANT PERFORMANCE IMPROVEMENT PROJECTS, ISSUES, AND MAJOR UPCOMING DECISIONS

~~404~~.110. Major planned performance improvements projects are<sup>12</sup>:

• Water treatment plant upgrades to meet DWSNZ	\$31.24 million	2024 - 2026
• Transport – rural road safety investments	\$18.1 million	2024 - 2032
• Transport – accessibility, walking, and cycling improvements	\$17.8 million	2024 - 2034
• Transport – intersection improvements	\$10.4 million	2024 - 2034
• Mangakino Wastewater treatment plant upgrade to meet consent requirements	\$7.5 million	2026 – 2028
• Tūrangi alternate wastewater disposal site	\$6.5 million	2026 – 2029
• Stormwater improvement devices	\$4.3 million	2024 – 2034

## FUNDING

~~405~~.111. Capital improvement projects are financed by borrowing, and funded over the lifetime of the assets through rates (as depreciation) once investment is completed.

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<sup>12</sup> All figures are inflation adjusted.





## WE ARE MANAGING NATURAL HAZARD RISKS TO ENSURE OUR INFRASTRUCTURE IS RESILIENT

### NATURAL HAZARD RISKS

~~406-112.~~ Much of Taupō district is in the Taupō volcanic zone, with natural hazard risks from:

- **Earthquakes:** Including shaking, fault rupture, and liquefaction. Taupō district has a medium seismic risk.<sup>13</sup> It also has hundreds of fault lines mapped with the potential for ground surface ruptures in medium to large earthquakes of centimetre- to metre-scale steps and cracks.<sup>14</sup> Liquefaction risks are greatest where there is a high water table (such as Tūrangi and Tokaanu), or on river or lake edges where there is the potential for lateral spreading.<sup>15</sup>
- **Geothermal:** Hot ground, subsidence. Taupō has mapped hot ground areas, where infrastructure must be designed to withstand increased ground temperatures. There are also known subsidence areas. There is a significant risk with the Waihi landslide area (Hipaua steaming cliffs), which has result in two devastating landslips since 1846.<sup>16</sup>
- **Volcanic:** Ashfall from volcanic eruptions can be carried for long distances downwind of the eruption site. Ash can cause health problems for humans and animals, compromise water supplies, damage infrastructure and disrupt supply chains.<sup>17</sup> Ashfall from volcanic eruptions has the potential to affect a large portion of the District. Volcanic ash is abrasive, mildly corrosive and potentially conductive when wet. The impacts of ash fall will generally be disruptive rather than destructive, primarily affecting the function of infrastructure and services around the District. Only small amounts of ash are likely (less than 0.5mm for a 1 in 100 year event, and 2 – 3mm for a 1 in 500 year event).<sup>18</sup>

<sup>13</sup> Building code, Z-values to determine seismic risk

<sup>14</sup> GNS, *Active Faults in the Taupō District*, August 2020

<sup>15</sup> Waikato Regional Council, Waikato Regional Hazards portal

<sup>16</sup> <https://www.waikatoregion.govt.nz/services/regional-hazards-and-emergency-management/landslides/hipaua-steaming-cliffs/>

<sup>17</sup> <https://www.gns.cri.nz/Home/Learning/Science-Topics/Volcanoes/Eruption-What-to-do/Be-Prepared-Volcanic-Ash-Fall>

<sup>18</sup> GNS, *Earthquake and volcanic risks to assets of the Taupō district Council*, May 2007

## LTP24 – Infrastructure Strategy

May 2024

*Climate risks and impacts of climate change*

407-113. Taupō district can expect:

- **Hotter and drier summers:** Increased dryness, drought, and high fire risks in summer – with the potential number of dry days per year increasing by 5-15 days every year (~5% increase)<sup>19</sup>. Number of hot days increasing from 24 per year to 38 – 40 by 2050<sup>20</sup>. Potential impacts on water supply shortages and increased irrigation demand. Freshwater impacts from lower river flows, increasing water temperatures, impacts on habitats and species, increased risk of poor water quality and toxic algae bloom.
- **Warmer, wetter winters and increased wind:** Increased rainfall in winter (4 – 7% by 2100)<sup>21</sup>. Increased erosion risks from higher rain, lake and river levels, and wind.
- **Increased frequency and severity of intense rainfall and storm events:** Increased frequency and severity of intense rainfall. Up to a 39% increase in the annual likelihood of a 1-in-100-year flood by 2100.<sup>22</sup> Ex-tropical cyclones will likely be stronger and cause more damage as a result of heavy rain and strong winds. Increased flooding risks from both urban stormwater, overland flow paths and gully systems, low lying land, and rivers. Increased risk of power and communications outages from wind damage. Taupō has mapped flood areas for its rivers and lakes (which consider the potential impacts of climate change). Council also has internal flood mapping for urban stormwater, which can be used to assess the risks to community facilities, buildings, and infrastructure.

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<sup>19</sup> For Waikato region, Precipitation below 1 millimetre/day, Waikato Regional Council, *Waikato Regional Climate Change Risk Assessment Phase 1*, September 2022

<sup>20</sup> Greater than 25°C, for Waikato Region, Ministry for the Environment, *Climate Change Projections for New Zealand*, 2018.

<sup>21</sup> For Taupō district, Ministry for the Environment, *Climate Change Projections for New Zealand*, 2018.

<sup>22</sup> For Waikato region, Waikato Regional Council, *Waikato Regional Climate Change Risk Assessment Phase 1*, September 2022

LTP24 – Infrastructure Strategy

May 2024






## OUR AMPS IDENTIFY CRITICAL ASSETS

108-114. As a member of the *Waikato Utility Lifelines Group*, Council has identified the components within the Council's infrastructure network that may be vulnerable to natural hazards, the importance of these assets, and the impact of failure of these assets.

109-115. Council's asset management plan provides a detailed risk assessments for infrastructure. Below is a summary of general risks and high-risk assets and their importance.

### Largest natural hazard risks

<p><b>Earthquake</b></p> 	<p>A large earthquake including ground shaking, liquefaction in high water table areas, landslips, and potential fault ruptures has the potential to cause significant damage to horizontal infrastructure like pipes and roads. Even a smaller earthquake has the potential to cause some damage and disruption.</p> <p>There is limited protection available for road and pipes. We have plans in place for a swift response and repairs in the event of an emergency event. Our water pipe renewal programme will replace our most easily broken older pipes with modern more resilient plastic equivalents.</p> <p>All bridges have been assessed for seismic vulnerability and retrofitted as necessary. All our new major water and wastewater plants, and water reservoirs are built to a high resilience standard (IL3 or IL4). We have identified some possible failure points in our Taupō wastewater and water treatment plants and have works planned to address these and increase resilience. We have a programme of improvements planned to our water reservoirs to improve their resilience.</p>
<p><b>Major storms – flooding, wind, slips, power outages, access closures.</b></p> 	<p>We have flooding models that have identified potential flood risk areas, and most of our core infrastructure is well positioned.</p> <p>We have generators available in the event of power outages (although we have plans to purchase some more), and plans in place for a swift response and repairs in the event of an emergency event.</p> <p>We are planning a programme to identify and address vegetation, road cuttings, banks, and other slip risks.</p>
<p><b>Volcanic Eruption, Ash fall, geothermal activity</b></p> 	<p>The effects are expected to be largely disruptive rather than destructive – with ash being high corrosive and conductive – requiring machinery to be stopped and cleaned.</p> <p>We have plans in place for a swift response, treatment and repairs in the event of an emergency event – including water blasting, vacuum trucks. In our major water and wastewater plants we have design features to allow for the event of ashfall (additional capacity in the grit chambers).</p>

LTP24 – Infrastructure Strategy

May 2024



## SIGNIFICANT RESILIENCE PROJECTS, ISSUES, AND MAJOR UPCOMING DECISIONS

~~440~~-116. Major planned resilience projects are<sup>23</sup>:

- |                                            |                |             |
|--------------------------------------------|----------------|-------------|
| • Water reservoir resilience improvements  | \$35.3 million | 2024 - 2034 |
| • Stormwater flood mitigation improvements | \$13.7 million | 2024 - 2031 |
| • Other resilience improvement works       | \$4.3 million  | 2024 - 2030 |

## FUNDING

~~444~~-117. Capital improvement projects are financed by borrowing, and funded over the lifetime of the assets through rates (as depreciation) once investment is completed.

## LINKS TO ASSET MANAGEMENT PLANS:

Transport: [link](#)

Water: [link](#)

Wastewater: [link](#)

Stormwater: [link](#)

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<sup>23</sup> All figures are inflation adjusted.



## PLANNED REVENUE AND EXPENDITURE

~~442~~118. The following chart sets out the indicative capital and operating expense required to manage Council's three-water and transport infrastructure over the next 30 years. These are based on the most likely scenario for managing the infrastructure assets, reflecting the preferred options and assumptions highlighted in previous chapters, including:

- Renewals plan and life cycle of assets assumptions
- Growth
- Planned improvements to levels of service.

~~443~~119. Additional assumptions are:

- Funding levels and service levels agreed within the Long-term Plan are maintained across the first 10 years of the strategy.
- Levels of service are maintained for years 11 – 30.
- Tables and graphs below allow for inflation projections that are in line with those forecast by BERL for LGCI over the 30 years.
- NZTA financial assistance rates will remain at the current level for the period of the strategy, and NZTA will fund the full required share (the funding gap in transportation is unfunded depreciation representing the NZTA subsidy on renewals).
- There is no change to the method used to deliver services or the management of services.
- The appropriate resources and contractors are available to tender and complete the projects and services that have been identified in this strategy.
- There are no new unfunded mandates from central government.

LTP24 – Infrastructure Strategy

May 2024

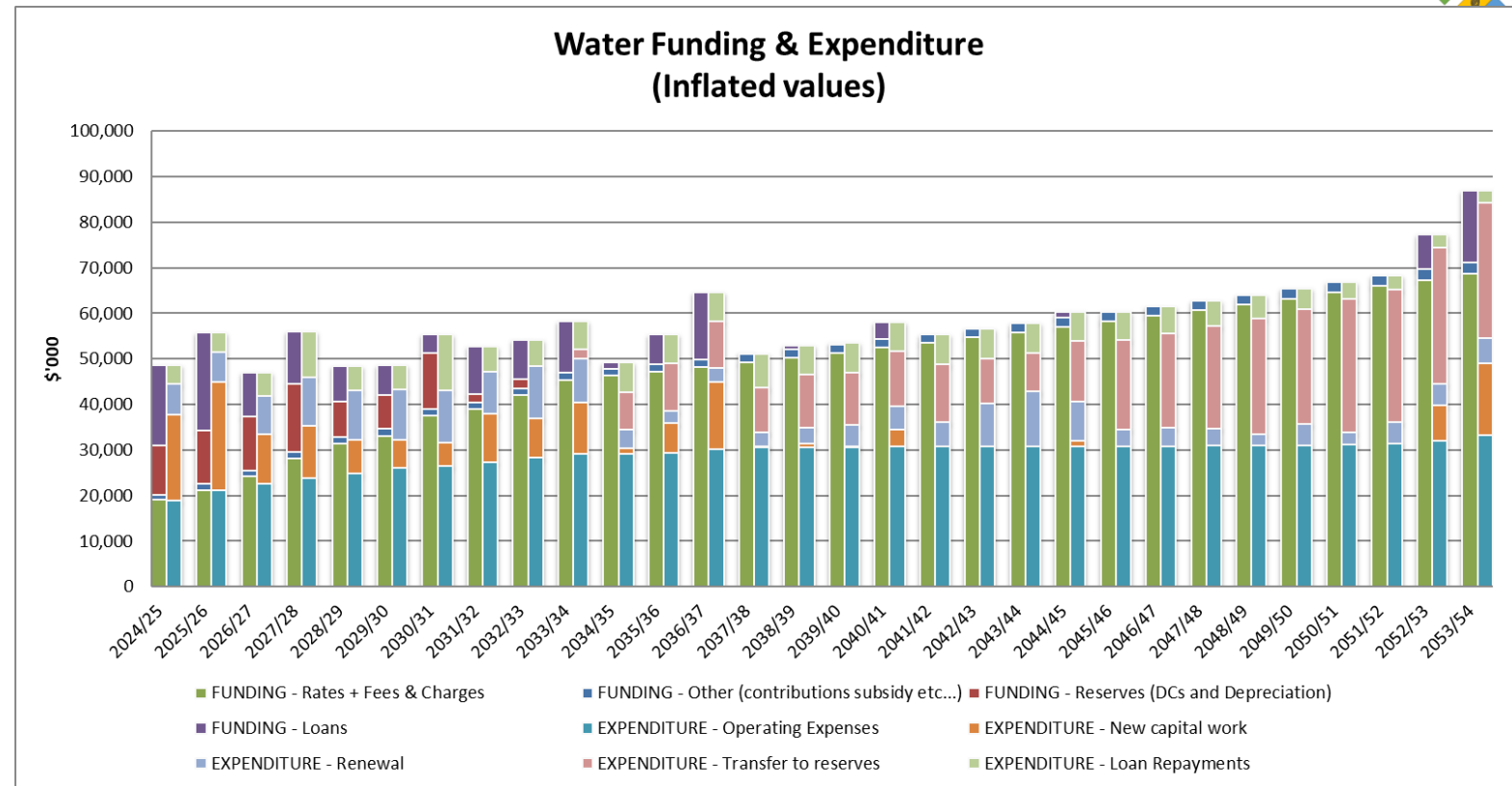
**SUMMARY OF ASSUMPTIONS WITH HIGH LEVEL OF UNCERTAINTY**

Uncertainties	Nature of uncertainty and potential effects
Long term growth and demand uncertainty	<p>Resident population growth is highly influenced by national migration, which is a central government policy matter and inherently unpredictable. The revised growth model Council uses to plan its growth infrastructure needs is on the higher end of the possible growth range. This should ensure that we are planning growth infrastructure sufficiently in advance of need. If growth is slower than anticipated the delivery of these projects can be adjusted.</p> <p>In addition to uncertainty in resident population growth, in Taupō District Council demand for council services and required infrastructure capacity is significantly impacted by seasonal peaks and events through both commercial accommodation and a large number of holiday houses. To manage this effect, Council takes a conservative approach to determining its capacity needs based on providing sufficient capacity for peak season assuming demand from all accommodation units and holiday houses.</p>
Asset life uncertainty	<p>We have gained a strong knowledge of the asset life and renewal needs of our water and wastewater pipe networks, and our road networks. There will continue to be water service failure risks until we complete our backlog of Asbestos Cement and Galvanized pipe replacements.</p> <p>There remains significant uncertainty around the renewal needs for our major plant, and transport structures. We plan on improving this knowledge over time. While major renewals are anticipated in the near future, regular monitoring and reviews have the potential to identify the need for major renewals in the short-medium term. No service impacts are anticipated, however, if significant unplanned renewals are identified, this could have a planning, delivery, and debt cost impacts, although overall costs should be recovered through depreciation funds.</p>
Service levels	<p>Our asset management planning, and this infrastructure strategy are focused on maintaining service levels across our infrastructure, with planned improvements in some areas, such as meeting drinking water standards, and improving the environmental outcomes from wastewater treatment and disposal.</p> <p>There remains uncertainty in both the requirements to meet drinking water standards, and to achieve future wastewater and stormwater discharge consent renewals. While we are working closely with the regulators to manage these risks, and are collecting data to support our application and proposed approaches, there remains the risk of new requirements being imposed on us that require additional unforeseen investment.</p>

A full list of Long-term plan assumptions is provided here: [link](#).

LTP24 – Infrastructure Strategy

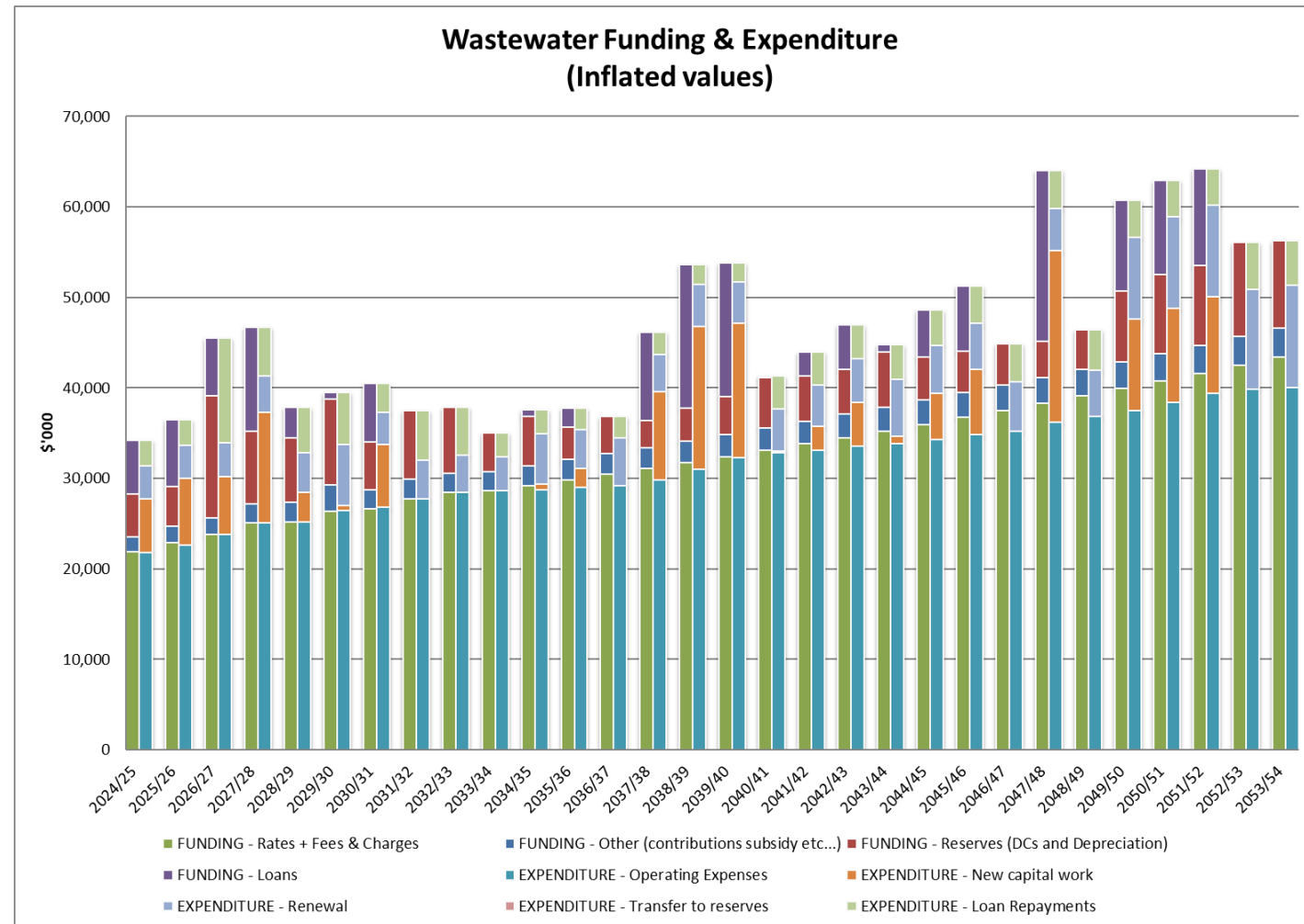
May 2024



Page 41 of 44

LTP24 – Infrastructure Strategy

May 2024

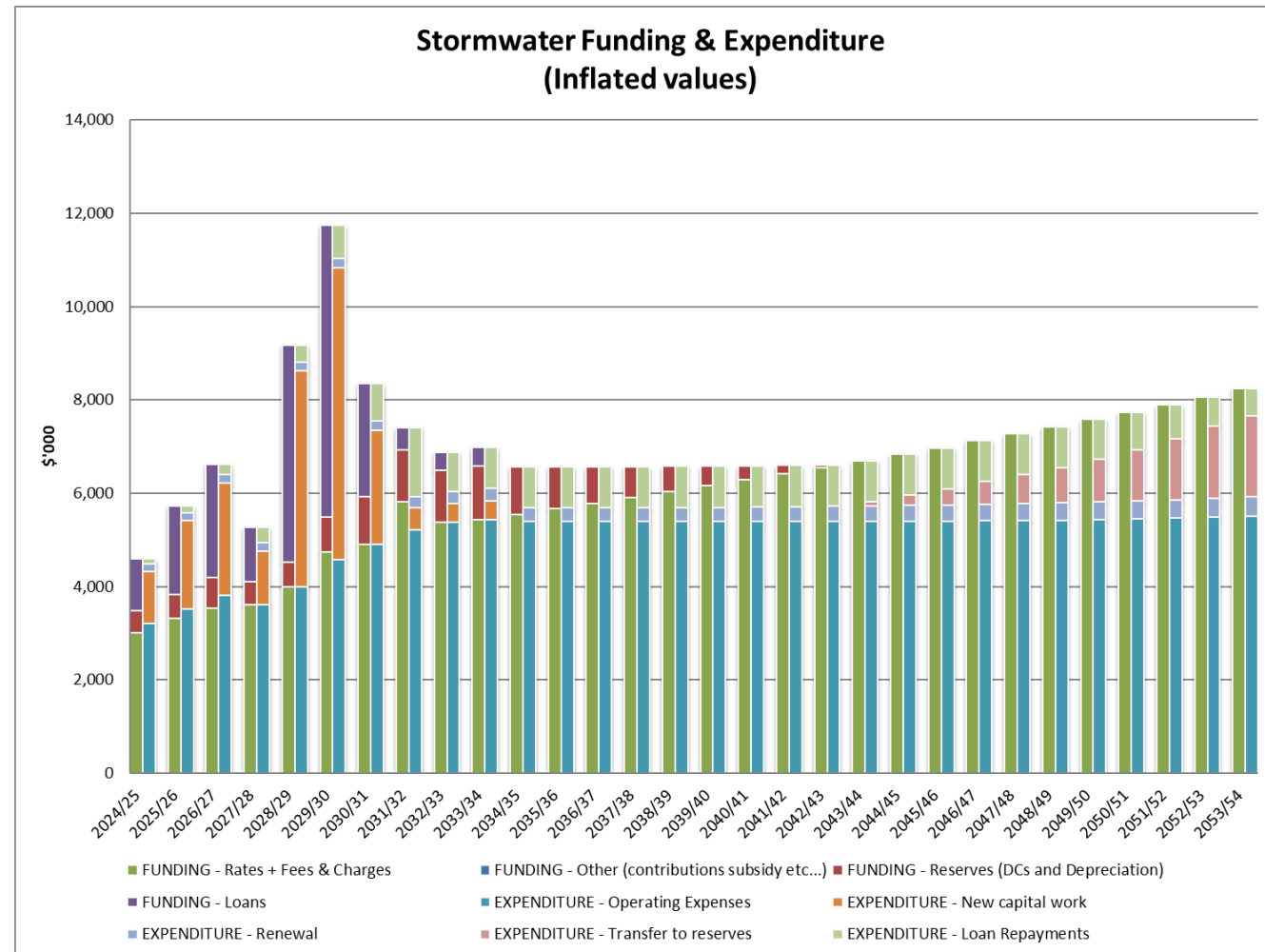


Page 42 of 44



LTP24 – Infrastructure Strategy

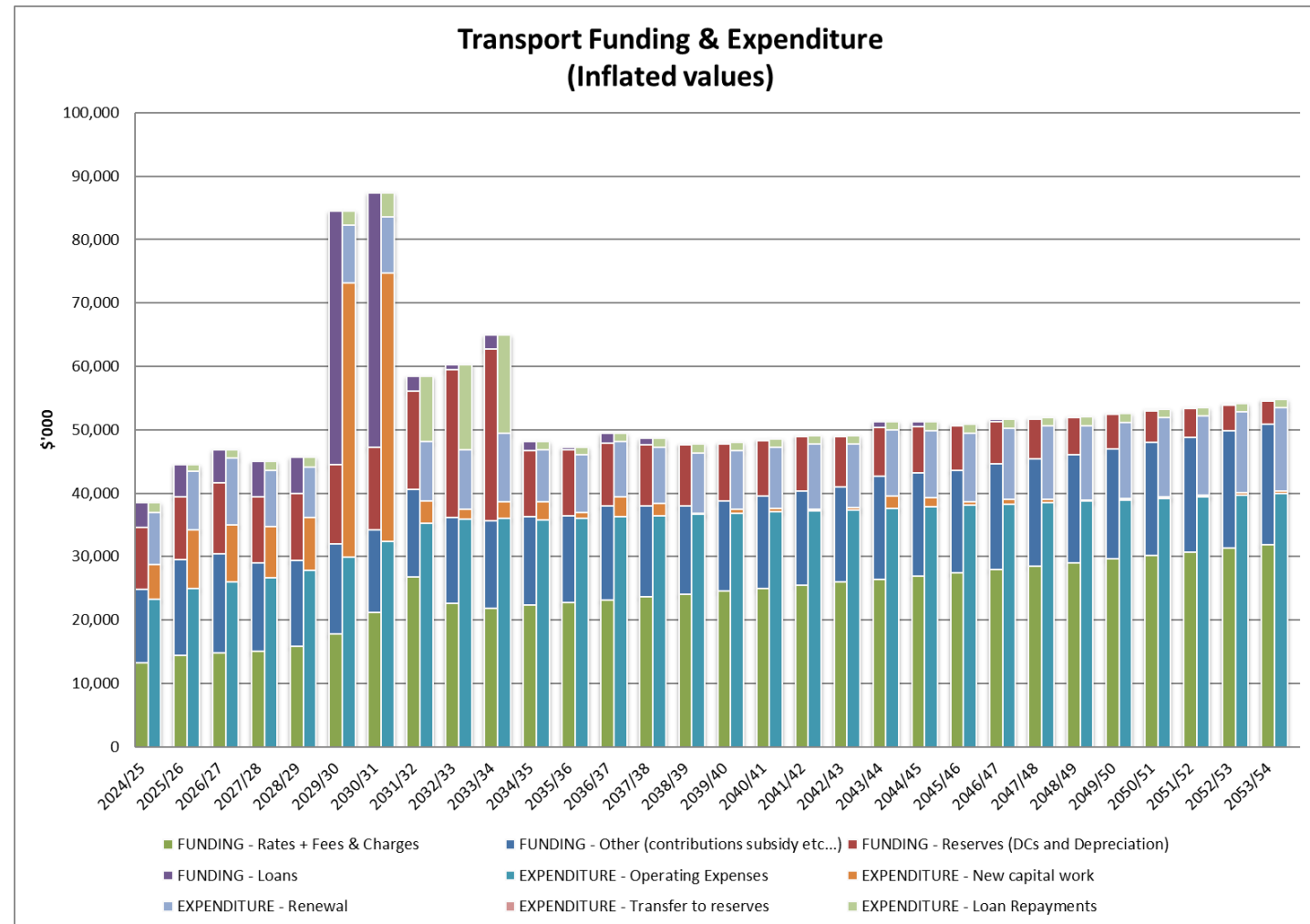
May 2024



Page 43 of 44

LTP24 – Infrastructure Strategy

May 2024



Page 44 of 44

### Supporting Information Changes

The table below provides a comprehensive list of the changes made to the Long-term Plan supporting information that has resulted from the review undertaken by Audit New Zealand and additional checks to documents undertaken by staff. This list does not include grammatical or formatting changes. It should also be noted that some suggestions made by audit have not resulted in changes to documents, these are included for completeness and in some instances, staff will continue to work through some aspects with Audit New Zealand in preparation for the Long-term Plan audit in August.

Document Name	Audit Suggestions/Staff Changes	Current Text	Proposed Change (include page number)
Performance Management Framework	That the well-beings and community outcomes that each activity links to is presented at the start of each activity.	Nil	All activities have had the relevant wellbeings and community outcomes added to.  (Pages 1, 5, 8, 9, 10, 12, 20, 23, 27, 31, 33)
Performance Management Framework	That a note is added to the strategic property performance measure to explain what the 5 focus areas are.	At least one for each focus area.	This text was inserted: <i>Note: a copy of Council's Housing Strategy can be found on our website <a href="http://www.taupo.govt.nz">www.taupo.govt.nz</a></i> <i>The 5 focus areas within the Housing Strategy are:</i> <ul style="list-style-type: none"> <li>• Affordable housing</li> <li>• Māori Land and Papakāinga</li> <li>• Elderly Housing</li> <li>• Social Housing</li> <li>• Healthy homes</li> </ul> (Pages 9 & 10)
Performance Management Framework	Remove the climate change performance measures as Audit NZ considered these measures were unachievable and not necessary.	<p>Tonnes of CO2-e of greenhouse gas emissions from Council operations (excluding wastewater and landfill) are reducing in line with Council's targets.</p> <p>Tonnes of CO2-e of greenhouse gas emissions from Council's landfill and wastewater operations are reducing in line with Council's targets</p>	Removed these two performance measures.

Document Name	Audit Suggestions/Staff Changes	Current Text	Proposed Change (include page number)
Performance Management Framework	Add in targets for the Drinking Water Standards New Zealand performance measures.	No targets were included for these performance measures because the Drinking Water Standards New Zealand are no longer applicable and central government has proposed that these mandatory measures be replaced.	Audit NZ have requested that targets be included because they are still technically legislatively required. Central government has consulted on proposed new measures to replace these. Officers hope that the legislation will have been amended by the time that the final audit is undertaken.  See pages 12, 13 and 14 for the targets.
Performance Management Framework	Add in the proposed new mandatory water performance measures.	Nil – referred to previous Drinking Water Standards Measures performance measures.	See note above but refer to pages 14, 15 & 16
Performance Management Framework	Add in each water supply to the target for the drinking water compliance performance measures.	All supplies compliant with....	Inserted text:  <i>All schemes are compliant.</i> <i>Our schemes are:</i> <ul style="list-style-type: none"> <li>• Taupo</li> <li>• Kinloch</li> <li>• River Road</li> <li>• Mangakino</li> <li>• Tirohanga,</li> <li>• Turangi,</li> <li>• Motuoapa</li> <li>• Hatepe,</li> <li>• Omori/Kuratau/Pukawa</li> <li>• Whareroa</li> <li>• Whakamaruu</li> <li>• Atiamuri</li> <li>• Centennial Drive</li> </ul> Pages 12 - 16

Document Name	Audit Suggestions/Staff Changes	Current Text	Proposed Change (include page number)
Performance Management Framework	Amend investment targets for the Community Leadership activity to make them clearer	Achieved/Not achieved	Changed to 'Achieved' Page 6
Performance Management Framework	Council to include a residential/ratepayer satisfaction survey measure on a per group activity basis	NIL	<p>Staff are continuing to discuss this matter with Audit in advance of the final audit process.</p> <p>Council removed a significant number of customer satisfaction performance measures as part of a previous Long-term Plan. That was on the basis that the measures did not provide an accurate indication of satisfaction, nor did they assist Council to better manage service delivery. Those performance measures required an annual survey costing approximately \$26,000.</p> <p>Audit NZ have now suggested that Council consider reintroducing a set of customer satisfaction measures. Staff believe that measuring satisfaction in a more regular and nuanced manner delivers better results more cost effectively.</p>
Performance Management Framework	Council should have undertaken a top-down approach to creating the performance management framework	NIL	The Local Government Act requires that in a LTP for each activity, Council must describe various components including: the reasons why Council undertakes the activity, the negative effects of the activity and the well-beings and community outcomes that the activity links to. The relevant performance management framework for the activity sits within the activity chapter.

Document Name	Audit Suggestions/Staff Changes	Current Text	Proposed Change (include page number)
			The draft LTP activity chapters have not been written yet, so were not presented to audit along with the performance management framework. Officers did not consider it necessary to present draft chapters at this stage, due to other priorities and the fact that we are not proposing to significantly alter the activities we deliver or levels of service, other than for kerbside rubbish and recycling collection. Therefore the text should not alter significantly. The draft LTP chapters will be presented to audit for the final audit.
Development Contributions Policy	Align CAPEX figures in the DC policy with the FIS		<p>The CAPEX figures in the Development Contributions policy were updated to align with the Financial Impact Statement. This change resulted in a decrease of \$200 in the DC charge payable for transport projects in the Mangakino, Tūrangi, Pukawa/Omori/Kuratau, Whareroa and Motuoapa catchment areas.</p> <p>The revised DC charge for transport is now \$2,400 for these catchment areas.</p> <p>This change required the policy to be updated, specifically Table 1, Table 3 and Schedule 1.</p>
Development Contributions Policy	Officer change.	Change needed to reflect that some final residential urban areas in Kinloch may be delayed and come under the new policy, not the current one. This change will make it ok whether it comes under the current policy or the new one.	Extend the catchment area for the reserve greenfields in Kinloch and apply the same Development Contribution charge for the provision of reserves land i.e. (2.5% of land value).

Document Name	Audit Suggestions/Staff Changes	Current Text	Proposed Change (include page number)
			Change made to table 1, and Part 3 showing the reserves catchment area map in Kinloch reserves map(see attached map)
Development Contributions Policy	Officer change.	Change needed to better capture future developments benefitting from projects covered by the Taupō-Kinloch transport corridor.	Extend northwards the Taupō-Kinloch transport corridor catchment area.  Change to Taupō-Kinloch transport corridor catchment area map in Part 3. (see attached map)
Financial Strategy	Make it clearer that Debt to Revenue ratio is talking about the limit.	Council has increased its gross external debt to revenue ratio from 225% to 250% for this Financial Strategy	Council has increased its self-imposed debt limit from 225% to 250% of gross external debt to revenue for this Financial Strategy
Financial Strategy	Put in financial prudence graphs with Long Term Plan disclosure statement. Council feedback - Disclosure statement and full graphs will be in financial information in full document. Remove to avoid confusion and not legislatively required to be in there.		Remove LTP disclosure statement
Financial Statements			As a result of the adjustments below, new financial statements will be circulated. Staff will speak to these at the meeting on 31 May.
Financial Statements	Officer Change	The interest on TEL fund in the draft was incorrectly loaded as the gross interest before Forsyth Barr management fee is deducted.	Reduce interest earnings by an average of \$287k per annum and the TEL reserve will also be reduced by a comparable amount. No effect on rates.

Document Name	Audit Suggestions/Staff Changes	Current Text	Proposed Change (include page number)
Financial Statements	Officer Change	Add the \$486k and associated expenditure for the Waste Bin collection implementation costs	Increase subsidy by \$486k, increase opex cost by \$431k in Solidwaste Collection. Net \$55k reduction in rates requirement in year 2
Financial Statements	Capital expenditure not balancing to the FIS in Community Facilities	Funding of 4 DC projects require changing to cash funding	Changed funding of 4 DC projects to DC Loans which increases loan balance and increases interest costs. The effects of this is yet to be calculated – will address at meeting
Infrastructure Strategy (see full document attached to agenda report)	Explain the impact of economic conditions / affordability	<p>New Text added (page 2):</p> <p>Council's budget is under pressure. The effects of the prolonged period of inflation and subsequent interest rate rises, looking after community infrastructure and paying for things like insurance mean that the services our community relies on us for are costing more than ever.</p> <p>Council in its long-term plan has made some hard calls on what to deliver in the next 10 years. We have thought carefully about the challenges we face and agreed we must prioritise our core services - providing safe drinking water, protecting our environment and looking after our infrastructure so our children and their children aren't unnecessarily burdened in the future.</p> <p>Our number-one responsibility is do the essentials well. This means continuing to invest in our infrastructure so that our pipes, water networks and roads remain in good shape. We must also plan for future growth and build resilience for the effects of climate change. We'll continue to take a partnership approach across the projects and activities that are important to iwi and hapū.</p> <p>We're focusing primarily on the basics over the next few years. This means that the areas of focus for this infrastructure strategy remain priorities and have not been reduced to meet affordability constraints. Instead, our more discretionary investment plans – like some of the projects that will improve our places and spaces will have to wait until a bit later.</p> <p>One area where we have to make an adjustment from the original goals was for water pipe renewals. Affordability concerns, particularly with debt levels, and the levels of funding available in depreciation / renewal reserves for water, means that council has revised its water renewal programme over a longer timeframe, expecting it to take around 15 years to clear a backlog of renewals rather than 10.</p>	
Infrastructure Strategy	Provide some content on current assets, eg value and age / condition	<p>New Text added (page 5-6):</p> <p><b>SUMMARY OF ASSETS</b></p>	



Document Name	Audit Suggestions/Staff Changes	Current Text			Proposed Change (include page number)	
		Area	Major assets	Estimated useful life	Value of assets <sup>1</sup>	Condition
		<b>Transport (excluding land)</b>	• 762 km of sealed road	3 – 20 years for seals (top surface) 45 – 65 years for pavement (base)	\$500 million	38% of chip seal roads are 16 years or older. The advanced age is due to deferred renewals based on limited funding and low signs of road distress.  Pavement is in good condition, many that are past their expected design life are still in good condition and only those experiencing additional loadings are showing signs of failure.  Asset Condition Data is at a B confidence rating
			• 51 km of unsealed road			
			• 395 km of paths	30 – 80 years		
			• 19 road bridges	60 - 100 years		
			• 81 large culverts	50 – 80 years		
		<b>Water – pipes (reticulation)</b>	• 645 km of pipe	45 – 120 years	\$149 million	Water reticulation age and condition across the District is variable. There remains significant quantities of asbestos cement and galvanised pipelines estimated to be beyond their useful life. The current construction backlog value is estimated at approximately \$26M.
			○ 376km PE and PVC ○ 259km AC and Galv			

<sup>1</sup> Estimated replacement cost

Document Name	Audit Suggestions/Staff Changes	Current Text			Proposed Change (include page number)	
			<ul style="list-style-type: none"> <li>○ 9.5km Other</li> </ul>			Asset Condition Data is at a C confidence rating
			<ul style="list-style-type: none"> <li>• 20 Pump Stations</li> </ul>	20 – 60 years		
		<b>Water – treatment plants</b>	<ul style="list-style-type: none"> <li>• 18 Treatment plants</li> </ul>	10 - 80 years	\$62 million	Treatment assets are continually assessed, and asset condition updated in a live document. Renewals programmes are updated based on this annual assessment. Overall asset condition for the treatment plants is Good.
		<b>Wastewater – pipes (reticulation)</b>	<ul style="list-style-type: none"> <li>• 510 km of pipe</li> </ul>	65 - 120 years	\$198 million	Average asset age is 37 years, Inflow and Infiltration is the primary issue across the network. Asset Condition Assessment is at a C confidence rating
			<ul style="list-style-type: none"> <li>• 124 pump stations</li> </ul>	20 – 60 years		
		<b>Wastewater – Treatment plants</b>	<ul style="list-style-type: none"> <li>• 11 treatment plants</li> </ul>	10 - 80 years	\$130 million	Plants performing well, many need nitrogen analysers installed to be optimised further and some plants require increased capacity to meet growth demands.  Asset Condition Data is at a C confidence rating
		<b>Stormwater</b>	<ul style="list-style-type: none"> <li>• 220 km of pipes</li> </ul>	50 - 120 years	\$124 million	Majority of pipes are due for renewal in 26-30 years based on EUL. Based on condition assessments the network is overall very good
			<ul style="list-style-type: none"> <li>• 3 pump stations</li> </ul>	20 – 60 years		

Document Name	Audit Suggestions/Staff Changes	Current Text			Proposed Change (include page number)																										
						and assets are expected to meet or exceed their designed life. Asset Condition Data is at a B confidence rating																									
		Total			\$1,162 million																										
Infrastructure Strategy	Explain how delivery of renewal programme is achievable	New Text added (page 10):  Timely delivery of the renewals programme will be a key focus for Council. We believe that the programme we are planning is deliverable, however we are limited by factors outside of Council's control, such as contractor and materials availability. Renewals will continue to be planned and managed on a risk-based approach, where the most important and urgent renewals are prioritised. The risk of delays to delivery of the renewal programme could lead to continued risk of failures and continued risks to service levels. Delays to preventive renewals and maintenance could also result in increased cost for subsequent repairs.																													
Infrastructure Strategy	Demonstrate how council is meeting the National Policy Statement on Urban Development (NPSUD) requirements	New Text added (page 11):  The <i>National Policy Statement on Urban Development (2020)</i> , provides a framework for ensuring that Council's zone land and build infrastructure to support growth. The below table uses this framework and Council's new medium growth projections to demonstrate that Council has zoned and is providing sufficient infrastructure to support housing and growth. <table><tr><th>Timeframe</th><th>District Plan enabled</th><th>Infrastructure-ready</th><th colspan="2">Taupō urban area (including Kinloch)</th></tr><tr><td></td><td></td><td></td><th>Projected growth</th><th>Capacity</th></tr><tr><td>Short-term (within the next 3 years)</td><td>Zoned in an operative district plan</td><td>Adequate existing infrastructure in place</td><td>700 houses</td><td>1800-2000 houses</td></tr><tr><td>Medium-term (3 - 10 years)</td><td>Zoned in a proposed plan</td><td>Funding is identified in a Long-term Plan</td><td>1,900 houses</td><td>4,730 houses*</td></tr><tr><td>Long-term (10 – 30 years)</td><td>In a development strategy</td><td>Identified in an infrastructure strategy (or AMP)</td><td>7,000 houses</td><td>Not yet planned</td></tr></table>					Timeframe	District Plan enabled	Infrastructure-ready	Taupō urban area (including Kinloch)					Projected growth	Capacity	Short-term (within the next 3 years)	Zoned in an operative district plan	Adequate existing infrastructure in place	700 houses	1800-2000 houses	Medium-term (3 - 10 years)	Zoned in a proposed plan	Funding is identified in a Long-term Plan	1,900 houses	4,730 houses*	Long-term (10 – 30 years)	In a development strategy	Identified in an infrastructure strategy (or AMP)	7,000 houses	Not yet planned
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Document Name	Audit Suggestions/Staff Changes	Current Text	Proposed Change (include page number)
		* This number excludes infills which will provide additional capacity, some minor local infrastructure may be required to enable developments in Taupō North however major assets are already ready or will be ready through the Long-term Plan to meet medium term demand.	
Infrastructure Strategy	Explain alternative options that will be considered for future decision on water meters	New Text added (page 14): The alternative option would be for increases in plant capacity, which could increase water capacity but would not resolve limits on our water take resource consents. The cost and low likelihood of getting additional water take consent without demand management measures in place means that these are unlikely to be preferred options.	
Infrastructure Strategy	Explain the timing of the decision for Northern Taupō Wastewater	New Text added (page 19): The decision to implement medium-term capacity improvements is being made as part of the Long-term Plan 2024 - 34. The timing of making a decision on a longer-term solution is uncertain, but we are continuing to work with iwi and hapū, through the established steering group, to identify the long-term solution for managing wastewater on the Rangatira side of Te Awa o Waikato. New Text added (page 19): The timeframe for completing this work and implementing any required solutions has not yet been determined.	
Infrastructure Strategy	Provide a summary of Council’s service levels	New Text added (page 21): <b>COUNCIL’S STATED SERVICE LEVELS (IN THE LONG-TERM PLAN)</b>	
		Water	Wastewater
		We provide safe drinking water to communities connected to a Council drinking water scheme. The drinking water that Council provides is safe and treated to the appropriate standards. Our water reticulation network is efficient. We respond to faults with our water reticulation network promptly. We resolve faults in our water reticulation network promptly. Customers are satisfied with the drinking water they receive.	We comply with the resource consents conditions relating to our sewerage systems. We will maintain the reduction in nitrogen discharged from wastewater treatment plants in the Lake Taupō catchment Our sewerage system is maintained to prevent sewerage overflows. We respond to faults with our sewerage system promptly. We resolve faults with our sewerage system promptly

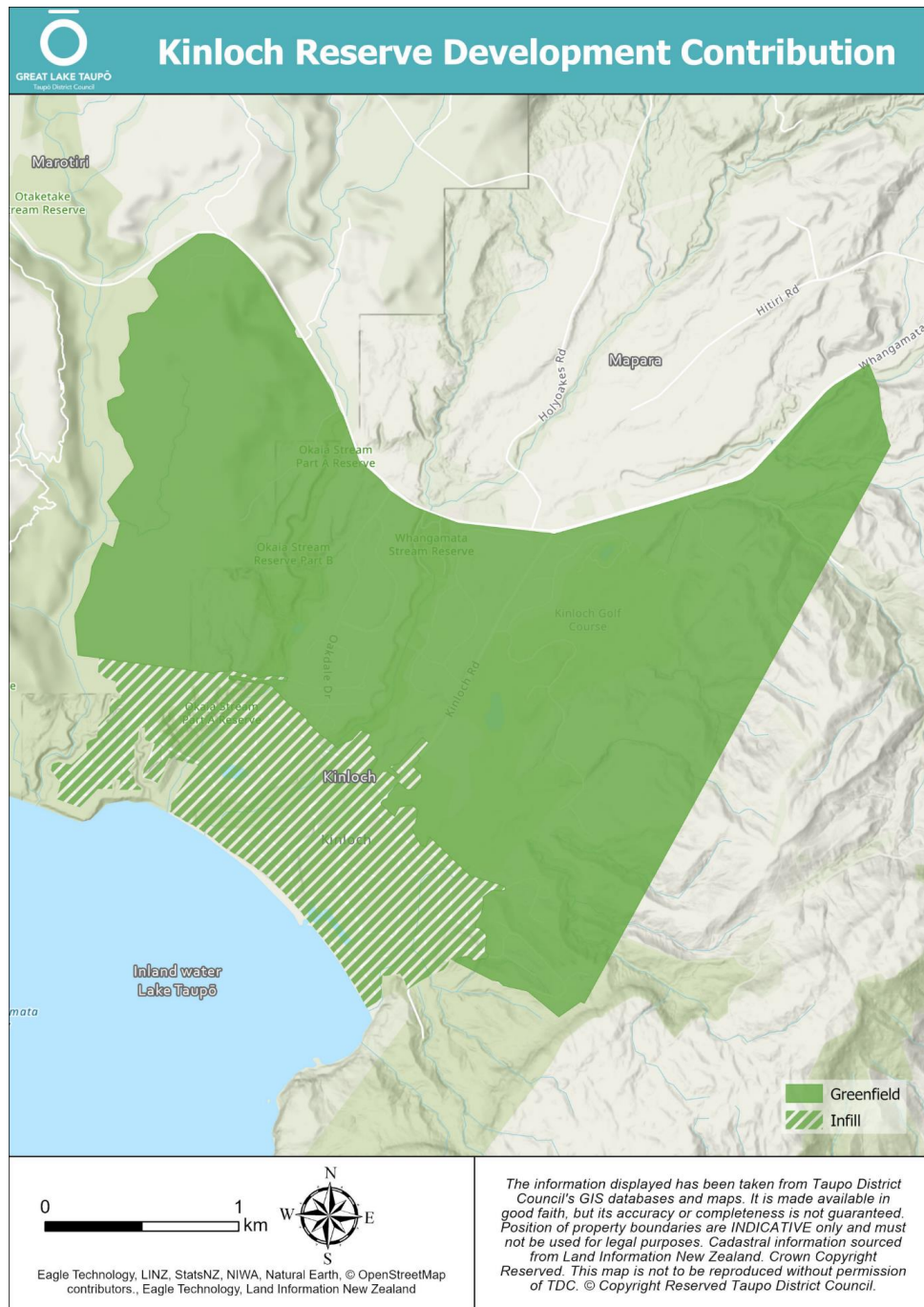
Document Name	Audit Suggestions/Staff Changes	Current Text	Proposed Change (include page number)
		<p>Potable water is used sustainably. There is adequate water for firefighting in urban areas.</p> <p><b>Transport</b></p> <p>The number of serious and fatal crashes on Council roads is falling. That our roading network is adequately maintained and in good condition. Footpaths are adequately maintained and in good condition. We will respond to customer service requests.</p>	<p>Our customers are satisfied with the sewerage network.</p> <p><b>Stormwater</b></p> <p>We manage the stormwater network to protect public health and property without compromising the environment. We will comply with our Resource Consent for discharge from our stormwater system.</p>
Infrastructure Strategy	Request from elected members: explain what is happening with expired resource consents	“Expired – replacement applied for”	<p>Revised text as follows:</p> <ul style="list-style-type: none"> <li>Operating with permission under an expired consent pending renewal. Mangakino wastewater treatment plan upgrade is planned for 2026/27 – 2027/28)</li> <li>Operating with permission under an expired consent pending renewal. Tūrangi wastewater disposal improvement options are discussed separately in this strategy</li> <li>Operating with permission under an expired consent pending renewal. Atiamuri wastewater treatment plan upgrade is planned for 2025/26</li> </ul>
Infrastructure Strategy	Ensure alignment with capex schedule	Major projects and programmes of work set out in the strategy, including cost and timeframe.	Minor changes to capex titles and figures throughout document to align with changes to capex schedule.
Infrastructure Strategy	Officer changes following feedback from Iwi / Hapu	<p>Revise any wording or statement that states or implies:</p> <ul style="list-style-type: none"> <li>that the Steering group has made any determinations / decisions</li> </ul>	Small clarification changes made to text on Northern wastewater issue (page 18 & 20) and Tūrangi wastewater (page 31) issue to reflect this feedback.

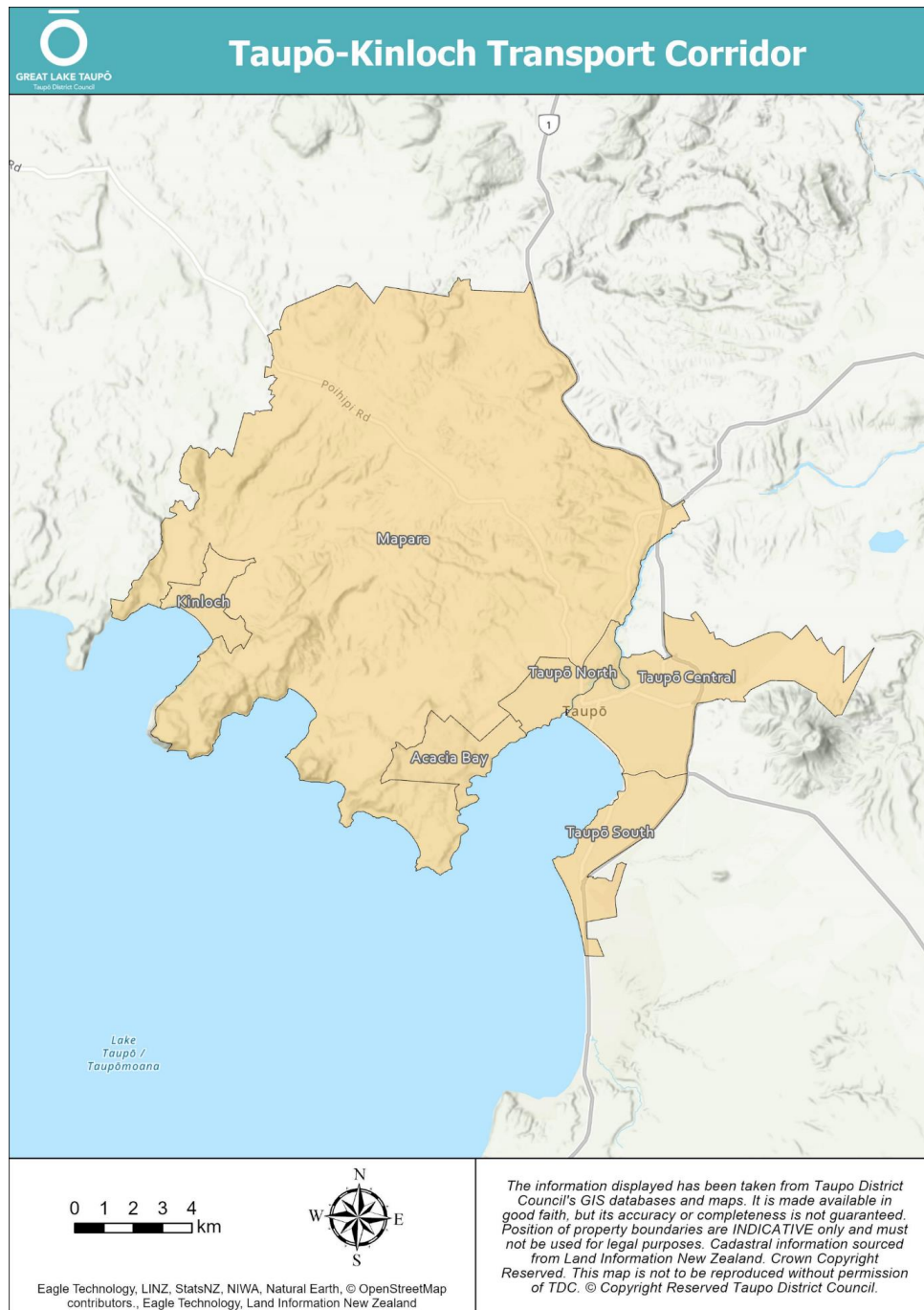
Document Name	Audit Suggestions/Staff Changes	Current Text	Proposed Change (include page number)
		<ul style="list-style-type: none"> <li>that the Steering group have agreed or committed to medium term options</li> <li>that the long-term solution is unrealistic or unlikely</li> <li>that environmental concerns are only held by iwi / hapu</li> </ul>	
Significant Forecasting Assumptions	Change 'Delivery of Capital Works Programme' Assumption Level of Uncertainty from Medium to High	'Medium'	'High'
Significant Forecasting Assumptions	For revaluations Council will include some disclosure around the assumption of revaluation growth year-on-year	Nil	<p><b>Level of uncertainty – Medium</b> Global, national and localised events can impact the cost to build infrastructural assets, this consequently affects the valuation of our existing assets as they are valued at optimised depreciated replacement cost. The risk in times of increasing costs is that the revaluation of assets is higher than anticipated which increases the depreciation cost. Council has assumed that the relative BERL capex indices are a fair reflection of increased asset values over time.</p> <p><b>Risk</b> The cost of building infrastructural assets increases more than assumed in our financial models increasing depreciation in future years</p> <p><b>Consequence – Low</b> The consequence on Council financing will depend on the timing of the completion of capital projects and the mix of assets created in a project and the mix of projects that are completed in a year. The effect on the ratepayer in any given year is assumed to be low.</p> <p><b>Mitigation</b> Council revalues its roading, three waters, land &amp; buildings on three yearly cycles. In order to smooth the effect of these revaluations on the ratepayer, (via depreciation), Council has applied a growth factor year on year on these asset types in order to account for an increased level of depreciation due to revaluation every year instead of every three years.</p>

Document Name	Audit Suggestions/Staff Changes	Current Text	Proposed Change (include page number)
Significant Forecasting Assumptions	For asset lives (for proposed projects in the LTP) the Council has used the accounting policy lives in application of the assumptions, Council just needs to ensure that there is a clear linkage in the significant assumptions document to the accounting policies contained in the LTP, this would need to be added to ensure such flow	Nil	<p><b>Level of uncertainty – Low</b> Council uses the depreciation rates within their accounting policies as the basis of the rates used in the LTP financial modelling. Where there are multiple rates the most likely rate is used based on the useful life of the overall asset. It is unknown with many large projects the type of assets that will eventually be created and the actual useful lives of each individual part which is why an average depreciation rate has been assumed for capital projects.</p> <p><b>Risk</b> The depreciation rates used by Council in the calculation of the depreciation cost are different to the actual rates applied when the asset is capitalised which could mean an under recovery of cost from the ratepayer.</p> <p><b>Consequence – Low</b> The consequence on Council financing will depend on the timing of the completion of capital projects and the mix of assets created in a project and the mix of projects that are completed in a year. The effect on the ratepayer in any given year is assumed to be low.</p> <p><b>Mitigation</b> Council uses the depreciation rates in their accounting policies to calculate the budgeted depreciation on assets over their useful lives. These rates are regularly reviewed.</p>
Revenue & Financing Policy and s101(3) considerations.	Changes to page 8 of the policy to provide clarity, that the pools example is just an example and referring to the table below for Councils actual rationale behind funding allocations.  From Simpson Grierson legal review	Current text:  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.	<p>New Text: <i>For example, if a swimming pool were fully user-funded, then entry charges would be much higher to cover operational costs and many people would be unable to afford using the pool, councils tend, therefore, to fund pools predominately from general rates.</i></p> <p><i>The rationale behind Taupo District Council's funding allocations for each activity is outlined in the table below.</i></p>
Treasury Management Policy	Change the 'Net interest earned on External Debt/Total Revenue' to	10%	15%

Document Name	Audit Suggestions/Staff Changes	Current Text	Proposed Change (include page number)
	15%. This is due to TDC being a high growth council		
Wastewater AMP	Financial budget didn't match for Taupo North project.		Older version of financial data table in the Financial Section, updated to the current version, matching IBIS.







	LTP24 – Draft consultation doc content (pre-design)	Feb-May 2024
<div data-bbox="308 324 1252 421"> <p><del>{Disclaimer: As at 29 April 2024, this document is a draft subject to review by Audit NZ and/or changes considered necessary by staff in preparation for consultation adoption at the end of May 2024.}</del></p> </div> <div data-bbox="308 481 1278 548"> <p><b>LOOKING AFTER THE PLACE WE LOVE: <del>TAUPŌ DISTRICT COUNCIL'S LONG-TERM PLAN 2024-34</del></b></p> </div> <div data-bbox="308 566 687 598"> <p><u>MANAAKI TŪTURU TO TĀTOU ROHE</u></p> </div> <div data-bbox="308 627 671 660"> <p><b><del>Draft Consultation document</del></b></p> </div> <div data-bbox="308 689 973 725"> <p><b>Taupō District Council's draft Long-term Plan 2024-34</b></p> </div>		

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

## WELCOME HAERE MAI

*Waiho i te toipoto, kaua i te toiroa  
Let us keep close together, not wide apart*

*Kia ora koutou. It's time to look ahead and decide on the Taupō District Council's priorities for the next 10 years.*

## FOCUSING ON WHAT'S IMPORTANT

We all want the best for our district.

We all want a safe, stable place to live, a healthy environment, a thriving economy and a community where people care about each other and feel connected and valued.

The work our people do helps support Council's vision to be a district of connected communities who thrive and embrace opportunities.

In this consultation document, we've set out how we intend to continue building a district that gives people the opportunity to connect with each other and with this beautiful place, to care for our environment and which provides everyone with an opportunity to contribute.

Just like your household budget, ours is under pressure too. The effects of the prolonged period of inflation and subsequent interest rate rises, looking after community facilities and paying for things like insurance mean that the services our community relies on us for are costing more than ever. You'll see we've had to make some hard calls on what to deliver in the next 10 years. We have thought carefully about the challenges we face and agreed we must prioritise our core services - providing safe drinking water, protecting our environment and looking after our infrastructure so our children and their children aren't unnecessarily burdened in the future.

**No one likes large rates increases, so we are proposing delaying some projects the community has asked for. Even then, cost increases mean rates will have to rise just to keep our essential services operating.**

In this Long-term Plan consultation we're asking for your help with some key decisions:

- ~~Do you agree with our proposed approach of focusing~~ Should we focus most of our effort and money on the essential ~~s-services~~?
- How should we deal with Taupō's wastewater on the northern side of the Waikato River, and wastewater in Tūrangi?
- Bag it or bin it? What's the future of our kerbside rubbish and recycling collection?
- Should we use land we own to help ease the district's housing crisis?

We want to hear your thoughts on the best course of action to take. I give you my commitment that your councillors and myself will listen closely and make decisions with the best interests of our district in mind.

Ngā mihi kia koutou katoa

David J Trewavas JP

Taupō District Mayor

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

## WHERE WE'RE AT RIGHT NOW

1. Our district is in a strong position. People want to live, work and play here and our communities are vibrant and passionate about their place.
2. Despite this, we are in tight economic times and everyone, including Council, is feeling the pain.
3. We are committed to providing the core services we are required to, making sure the district's assets are well-maintained and investing in growth and housing.
4. There is some critical work that we need to do over the next few years to keep up with new water rules; and it is going to cost a lot of money.
5. Three waters (wastewater, drinking water and stormwater) are staying with councils and now we have to figure out what's required under Central Government's new water policy, Local Water Done Well.
6. Our communities expect more and more from Council and we are receiving growing requests for support from across our district. But at the same time, people are calling for rates to remain stable. While we'd love to crack on with some projects, many will need to wait.
7. The reality is we simply can't afford to do everything.

## THE FUTURE OF COUNCIL WATER SERVICES

After years of Central Government telling us they were taking water services off councils, we now have new government policy which keeps water services with councils, provided we can prove that it is financially sustainable.

It is clear in this Draft Long-Term Plan that water services are a significant driver for both rates and debt pressures and these pressures have been felt across the local government sector. These increased pressures, along with the new legislation from Central Government's Local Water Done Well Plan, will require Council to review options for its Three W3-waters services delivery during this 10-year period, however any impact from this is presently unknown at this time. We are having discussions with neighbouring councils to assess whether there might be benefits to working together. Careful assessment of any proposed options will need to be carefully considered by Council, iwi, and the community. At this point we expect water, wastewater and stormwater services to remain with Taupō District Council, and we will work to provide quality services as efficiently as possible.

The first few years of this Long-term Plan focuses on ensuring our drinking water assets are up to requirements set by the government's water regulator Taumata Arowai. This is driving large increases in our capital programme.\*

\*Council spending is divided into two types: capital and operating. Capital spending is money spent on new council assets (or to renew existing assets). Operating spending is money spent to keep things running day to day. So for example, a new mower for our reserves would be paid for by capital spending but the cost of keeping it running (fuel, repairs and maintenance, insurance, depreciation) would come from operating spending.

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

## Have we got the balance right?

Key Question: in the first years of this plan, we're proposing to focus on the essentials. Or, should we spend less and do less, or spend more to do more?

## WHAT WE'RE PLANNING IN THE NEXT 10 YEARS

**In September last year we went out and spoke to our communities about what their priorities and hopes are. The project list below reflects what people told us.**

Our number-one responsibility is do the essentials well. This means continuing to invest in our infrastructure so that our pipes, water networks and roads remain in good shape. We must also plan for future growth and build resilience for the effects of climate change. We'll continue to take a partnership approach across the projects and activities that are important to iwi and hapū.

We're focusing primarily on the basics over the next few years. While we still want to invest in the future of our district, some of the projects that will improve our places and spaces will have to wait until a bit later.

What we're planning to do in the next 10 years: (this list is a graphic in the designed consultation document)

- Maintaining the water pipes- (\$73.7 million). A programme of water pipe renewals to keep our pipe network up to date and minimise water main breaks.
- Maintaining our roads- (\$87.5 million). We know this is something the community want us to focus on.
- Complying with New Zealand Drinking Water Standards- (\$26.3 million). Upgrading our smaller water treatment plants to meet new government rules.
- Managing wastewater- (\$84.3 million). Responsibly managing wastewater protects the environment and our health.
- Managing solid waste- (\$19.3 million). Encouraging waste reduction and recycling and providing suitable places to dispose of waste that can't be reused or recovered.
- Strengthening our relationship with hapū and iwi. (\$5.12 million)
- Places to live- (\$27.6 million). Quality, nice-looking homes for working people to buy.
- Sport and recreation facilities- (\$116.1 million). Flexible places that cater for communities' changing needs.
- Investing in the infrastructure we need to keep up with future population growth~~Investing responsibly for the future.~~ (\$174.9 million). We can't stop growth so we have to make good decisions to look after people and the environment.
- Building resilience- (\$15 million). We need to be prepared for the effects of climate change, such as floods and weather events.
- Investing in transport- (\$133 million). Including building a new bridge, improving rural roads &and intersections; and walking and cycling.

Throughout the duration of this Long-term Plan we'll continue to look for savings in our operating costs but we don't propose cutting back any of the council services you're used to. This means we don't intend to change opening hours for council facilities like libraries, or do more or less of things such as reserves mowing.

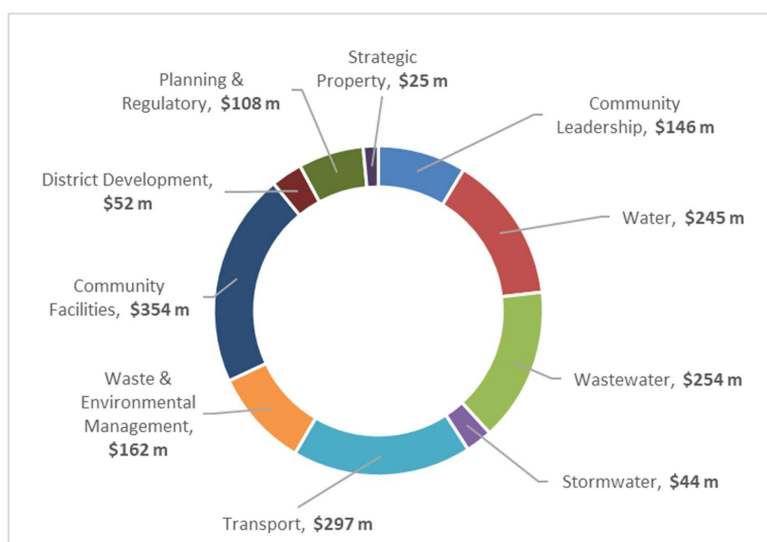
LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

Our programme of capital works is focused on delivering the essential road, drinking water and wastewater services, particularly in the first three years. It is an ambitious programme designed to ensure that we are looking after our assets and keeping our community safe and moving, but it is possible that there will be challenges delivering it. Unintended delays can arise from influences such as disruption to supply chains, availability of contractors, securing land for infrastructure and engaging with stakeholders. We also expect that there will continue to be changes in government policy and legislation that alter how we do our work and market demand. We have assumed there is a high chance of some of these factors delaying individual projects. To help manage these unknown influences, we have built in more time for planning and engagement and improved our project management systems. We will also review the programme of work each year, pushing out projects that might not be ready and bringing others forward where possible.

### What this plan will cost

Our operating expenditure covers the day-to-day costs of delivering our services over the life of the Long-term Plan. For this 10-year plan, the majority most of the costs are associated with delivering the essentials.

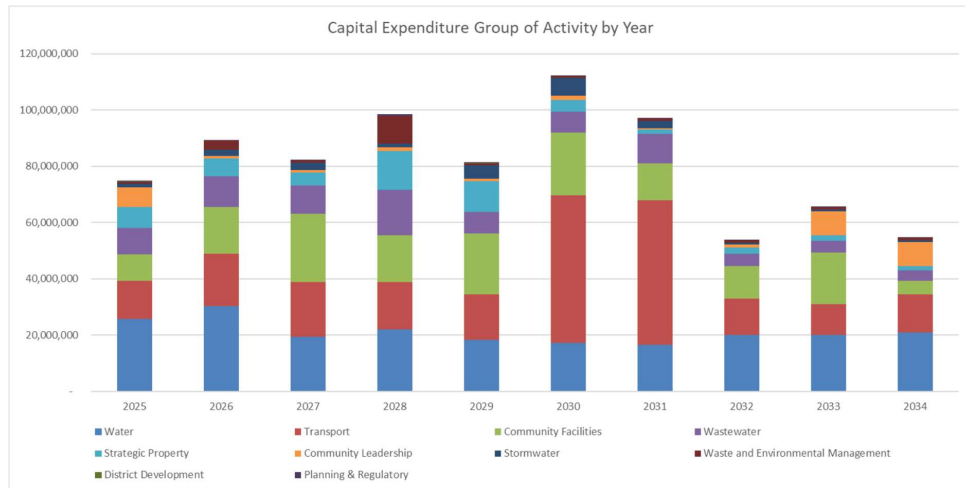




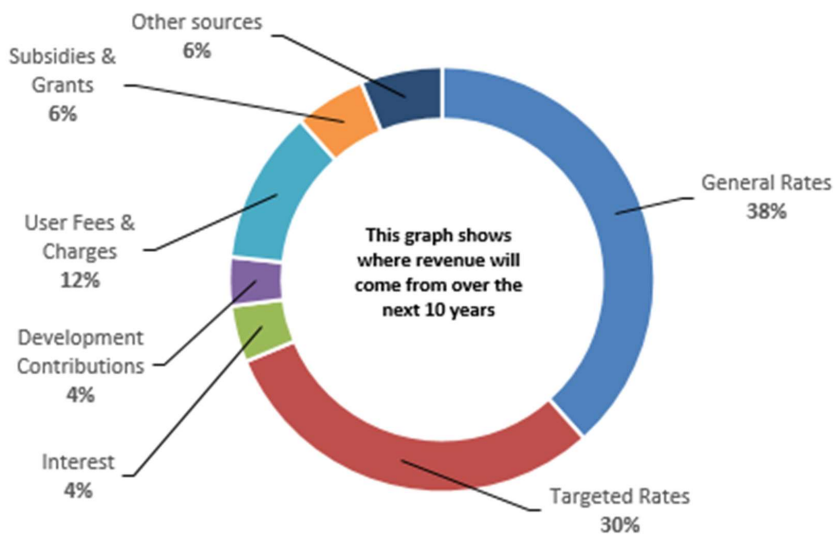
| LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

| Our capital ~~expenditure~~ ~~spending~~ represents our investment over the life of the Long-term Plan in maintaining the assets we already have, improving levels of service through new infrastructure and responding to demand.



### How this plan will be funded





What will our rates look like?

The amount of your draft rates increase depends on where you live and your property value. You can look up the draft rates rise for your property on our website – [taupo.govt.nz/rates](http://taupo.govt.nz/rates).

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Weekly \$ Increase*	\$9.75	\$8.92	\$6.12	\$4.99	\$4.70	\$4.56	\$3.35	\$3.59	\$2.99	\$1.54
% Increase	11.6%	10.6%	6.6%	5.0%	4.5%	4.2%	3.0%	3.1%	2.5%	1.3%

\* GST Inclusive

Note these are average figures and some properties will pay more or less depending on where they live, their property value and what their property is used for.

Here's some examples of how the rates rise is likely to affect you based on your property value for Year 1 [\(2024/25\)](#):

Residential property worth \$500,000K \$435.39 or 14.8%	Residential property worth \$750,000K \$445.51 or 13.1%
Residential property worth \$1 million \$455.64 or 11.7%	Residential property worth \$1 million ( <a href="#">divided into two separately used inhabitable parts2</a> SUIP) \$763.60 or 14.1%
Commercial property worth \$1 million \$485.82 or 8.7%	Rural property worth \$1 million \$38.28 or 1.7%

For people struggling to pay their rates, the Department of Internal Affairs operates a rates rebates scheme. Visit [www.govt.nz/rates-rebates](http://www.govt.nz/rates-rebates).

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

### ~~Have we got the balance right? Do you agree with what we're proposing?~~

It's important to understand that even if we stopped many of our projects, we would still be looking at a rates increase **in year one (2024/25)** just to cover interest, depreciation and essential council projects and services. ~~With At~~ our current levels of service, we are looking at around a **108 percent rates increase** ~~just to cover the unavoidable rising costs of interest , depreciation, electricity and insurance and depreciation.~~

This is what we have already proposed to save money:

- ~~— Cutting the operational funding for Destination Great Lake Taupō and Amplify by 20 percent.~~
- ~~- A freeze on new staff positions.~~
- ~~- Pausing or cancelling some projects, such as, delaying a fourth court at Taupō Events Centre.~~
- ~~— Operational efficiencies and budget reductions~~
- ~~- Budget reductions and other cost efficiencies across the board including, such as, rationalisation of TDC council vehicles, cellular network charges and postage costs.~~

The list of priorities on page 4 shows that Council has focused this draft Long-term Plan on delivering essential services and infrastructure; and maintaining current service levels. If the community chooses, we could reduce our services and facilities to keep rates increases smaller. An example of this approach would be to cut down opening hours of libraries and pools and do less mowing and weeding of parks and reserves. This is something that other councils have ~~done-proposed~~ to keep rates down. Is this something you believe Taupō District Council should do?

### **Provide more services and facilities in our neighbourhoods**

Alternatively, if the community wants us to deliver more improvement projects, or bring forward plans for improvements, there would be an increase in rates and debt over and above what is proposed.

Essentially, if the community wants us to do more, our rates will go up. If you're happy for us to do the same amount, ~~they rates~~ will be approximately what is proposed in this draft plan, and if you want them to go down, we will have to do less than what is being proposed.

To view the full list of projects we're proposing in your area over the next 10 years, go to our website at [taupo.govt.nz/haveyoursay](https://taupo.govt.nz/haveyoursay).

~~Consultation Document Question 1: We're proposing to focus on the essentials, or should we spend less and do less, or spend more to do more?~~

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

## ISSUE 1: ARE WE DOING WHAT WE OUGHTA WHEN IT COMES TO WASTEWATER? ~~THESE PROJECTS WILL BE FUNDED BY RATES~~

**Key Question: Do you agree with our proposed short to medium term options for dealing with wastewater in Taupō North and Tūrangi?**

~~THESE PROJECTS WILL BE FUNDED BY RATES~~

**What are's the problems?**

### TŪRANGI

Taupō District Council provides wastewater services for 12 towns and communities in the district. All of these plants, except Tūrangi, discharge treated wastewater to land.

Turangi's wastewater is currently treated to a high standard and is discharged into a wetland. The wetland discharges into a stream, which then discharges into Lake Taupō. While this is different to other areas in Taupō District, this is a very normal process for treated wastewater across New Zealand, and abroad. However, the community has raised concerns over current disposal and its impacts on the waters of Lake Taupō.

The Tūrangi wastewater treatment plant's resource consents need to be replaced as a matter of urgency and we must find a long-term solution (greater than 10 years) for Tūrangi's wastewater.

Council and a community steering group are working together to find a suitable site to discharge Tūrangi wastewater to land in the long term. Council is committed to working closely with iwi and hapū through the steering group to develop and design future options for Tūrangi wastewater and understand their impacts.

For this draft Long-term Plan, we've put in provision for a short (one to three years) to medium-term solution (over the next ~~ten~~ 10 years) while we continue to work through the long-term options.

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

### Provided for in the plan: Pursue a short to medium-term option for resolving wastewater plant risks in Tūrangi.

#### Proposed option for Tūrangi

We've allowed \$6 million in this plan, from 2028 to 2030, to improve our current treatment process and discharge from the Tūrangi Wastewater Treatment Plant. We'll continue to work with iwi and hapū to find a suitable place to discharge treated wastewater to land in the longer term.

<ul style="list-style-type: none"> <li>✓ Allows Council to apply to renew the Tūrangi wastewater treatment plant's resource consents.</li> </ul>	<b>Cost and debt impact</b>
<ul style="list-style-type: none"> <li>✓ Allows the Tūrangi Wastewater Treatment Plant to keep operating.</li> </ul>	Capital Cost: \$6.5 million Debt Funded: \$6.5 million
<ul style="list-style-type: none"> <li>✗ In the short to medium term we will not be able to completely address the community's concerns about the current disposal of Tūrangi wastewater.</li> </ul>	<b>Rates impact</b> \$39 (average per ratepayer in 2030-2031 due to site rehabilitation) \$16 (average per ratepayer thereafter)

#### Alternative Option

The alternative option would be to not invest in the current Tūrangi wastewater discharge site and continue to work with iwi and hapū to look for somewhere suitable to discharge the wastewater to land. An initial estimate of the possible cost is \$18.5 million, which would be funded by debt with an impact on rates of around \$58 (average per ratepayer). Despite extensive investigations we haven't yet found a location for this. However, Council remains open to a land-based wastewater solution for Tūrangi if an appropriate site can be found. In the meantime, the wastewater treatment plant's resource consent needs to be replaced urgently, so we need a short to medium term fix.

#### TAUPŌ

We have a different wastewater problem in Taupō.

Population growth on the northern side of the Waikato River means the pipe that takes wastewater across the Waikato River to the Taupō Wastewater Treatment Plant is almost at capacity. Legally, Council must plan for growth, and therefore a solution needs to be found. Council is proposing a short term (one to three years) solution while we plan for a longer-term fix.

Council has been working closely with a steering group of local iwi and hapū on possible solutions to support these objectives. The steering group will continue to explore a solution has identified that in the long-term (greater than 10 years) of a wastewater treatment and disposal system in the North of Taupō that avoids connections across the Waikato River is the preference for local iwi and hapū.

This is a costly and difficult solution, which also relies on finding suitable land, and ensuring that there are not environmental and water quality impacts by increasing wastewater disposal within the Lake Taupō Catchment.

In the short-term, additional resilience measures (storage tanks) are planned to provide increased options to manage high high flow events and reduce the risk of overflows. The high-risk areas for overflows are the manhole covers on either side, rather than the connection across the Waikato River itself.

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

In the medium-term (over the next ~~ten~~ 10 years) the Long-term ~~P~~plan sets aside funding for increasing the capacity of our wastewater connections in Taupō ~~T~~Town across the Waikato River. Very high resilience will be a key ~~objective~~goal.

Council is committed to continue to work with iwi and hapū, through the established steering group, to identify the long-term solution for managing wastewater on the Rangatira side of Te Awa o Waikato.

### Provided for in the plan: Pursue a medium-term option for resolving wastewater risks on the northern side of Taupō

#### Proposed option for Taupō North

~~We would initially install wastewater storage tanks for additional resilience then~~ increase capacity of the wastewater connections across the Waikato River to ~~improve resilience and~~ cater for the extra volume.

Council is committed to continu~~ing~~ to work with iwi and hapū, through the established steering group, to identify the long-term solution for managing wastewater on the Rangatira side of Te Awa o Waikato.

✓ Support growth on the northern side of Taupō.	<b>Cost and debt impact</b>
✓ Improves resilience and reduces spill risks from current levels.	Capital cost: \$7.3m
✓ Achievable within Council's prudential debt limits.	Debt funded: \$7.3m
* <del>Does not eliminate the carriage of untreated wastewater over the Waikato River in the medium-term. Cultural and environmental concerns about piping wastewater across the Waikato River remain in the medium term.</del>	<b>Rates impact</b>
	\$18.50 (average per ratepayer from 2031/32)

#### Alternative Option

There is no other medium-term alternative option at present.

Council is committed to continue to work with iwi and hapū, through the established steering group, to identify the long-term solution for managing wastewater on the Rangatira side of Te Awa o Waikato.

**~~CD QUESTION: DO YOU AGREE WITH OUR PROPOSED SHORT TO MEDIUM TERM OPTIONS FOR DEALING WITH WASTEWATER IN TAUPŌ NORTH AND TŪRANGI?~~**

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

## ISSUE 2 – BAG IT OR BIN IT? ~~THIS PROJECT WILL BE FUNDED BY RATES~~

### WHAT'S THE FUTURE OF OUR KERBSIDE RUBBISH COLLECTION?

#### THIS PROJECT WILL BE FUNDED BY RATES

#### What's the problem?

The community has been telling us we need to improve our rubbish and recycling collection and we know there is a real appetite for us to switch to bins. In a 2023 survey 75 percent of the 1272 responses favoured moving to wheelie bins over the current rubbish bags and recycling crates.

The current bag system is a pay-as-you-throw setup where people buy yellow rubbish bags, or orange stickers, as needed. But it's not perfect - animals rip the bags open and sharp objects sticking out can injure our collectors. On windy days, recycling items get blown out of recycling crates. Many other districts have moved to wheelie bins for health, safety and environmental reasons.

Because people can put out as many rubbish bags as they like, there is little incentive to reduce the amount of rubbish going to the landfill, filling it up faster and increasing our operating costs. Moving to wheelie bins limits how much rubbish can be thrown out and encourages us to recycle more.

Regardless of which option we choose we will provide a new weekly food scraps collection service with a 23-litre bin. We can recycle these food scraps, to reduce the rate at which the landfill is filled up and reduce costs. This also allows us to move to a fortnightly rubbish collection which saves more money.

#### Proposed: Bin it: switch from user-pays rubbish bags to rates-funded wheelie bins for residential, Taupō and Tūrangi town centres and neighbourhood shops (our preferred option)

##### What is proposed

From 1 July 2025, we would replace the current rubbish bag and recycling crate collection with a set of wheelie bins. This service would ~~alternate-switch~~ weekly between rubbish and recycling with food scraps collected weekly. That means, that one week, your rubbish and food scraps would be collected. The next week, your recycling and food scraps would be collected.

##### For serviced residential areas:

- 140-litre rubbish bin, 240-litre recycling bin and 23-litre food waste bin and up to two 45-litre glass crates.
- Weekly food waste collection.
- Rubbish and recycling collection to be weekly during the summer peak and fortnightly for the rest of the year.
- A service to put bins back for users who are medically unable to do it themselves. This would be covered by rates.

##### For Taupō and Tūrangi town centres and neighbourhood shops:

- A 240-litre wheelie bin for rubbish, a 240-litre wheelie bin for recycling, and a 23-litre food waste bin and up to two 45-litre crates for glass
- Weekly service, moving to twice weekly over peak.

##### For rural:

The current service provided to rural areas and those outside the Council collection service, is a commercial arrangement which Council has no control over. These households will need to talk

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

directly with companies that could provide this service, with no guarantee that it will continue to be provided in the future.					
<p><b>Advantages and disadvantages</b></p> <ul style="list-style-type: none"> <li>✓ Improves health and safety. Contractors won't be cut by sharp things sticking out of bags or injure themselves lifting bags.</li> <li>✓ No risk of animals ripping open rubbish bags, or rubbish and recycling blowing around and getting into our waterways.</li> <li>✓ Reduces the amount of rubbish and food waste we dump saving Council money purchasing carbon credits.</li> <li>✓ Some households will save money through switching from private rubbish services to the new Council-provided wheelie bins.</li> <li>✓ Would encourage recycling by restricting how much rubbish can be thrown out and only collecting once a fortnight for most of the year.</li> <li>✗ Issues for holiday home users getting wheelie bins back in from kerbside.</li> <li>✗ Bins take up more space on people's property.</li> <li>✗ A new service would be a big change for the community and require additional Council resources for education and roll-out.</li> <li>✗ Requires an enforcement programme to avoid people adding putting rubbish into their recycling bin and contaminating recycling.</li> <li>✗ Capital costs for bin infrastructure and ongoing replacement.</li> <li>✗ Increased costs for households and businesses that currently produce low amounts of waste.</li> </ul>	<p><b>Capital cost and debt impact</b></p> <p>There is an upfront cost of approximately \$3 million to purchase the new bins and ongoing cost each year for new homes built or to replace damaged bins. This will result in interest costs of \$952,225 over the life of the long-term plan. Depreciation costs are estimated to be \$3,027,921 million over the life of this long-term plan. We estimate the programme to be \$4.7 million per annum.</p> <p><b>Operating cost and Rates impact</b></p> <p><b>From 2025 for Residential:</b> Estimated annual cost for a household is \$366 in rates with no user fees.</p> <p><b>From 2025 for Taupō and Tūrangi town centre and neighbourhood shops:</b> Estimated annual cost is \$644 in rates with no user fees.</p>				
<p><b>Timeline</b></p> <table> <tr> <td>1 July 2025</td><td>to 2035</td></tr> <tr> <td>New wheelie bin service introduced</td><td>Contracted for 10-year period</td></tr> </table>		1 July 2025	to 2035	New wheelie bin service introduced	Contracted for 10-year period
1 July 2025	to 2035				
New wheelie bin service introduced	Contracted for 10-year period				

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

### Alternative option: Bag it: stick with the current pre-paid rubbish bags and recycling crates for residential, Taupō and Tūrangi town centres and neighbourhood shops

The alternative option is similar to the current system, with the addition of the food waste collection. It will cover residential and Taupō and Tūrangi town centres and neighbourhood shops:

- 'Pay-as-you-throw' ~~for~~ weekly rubbish collection for residential users.
- 'Pay-as-you-throw' ~~twice~~ weekly rubbish collection for Taupō, Tūrangi town centres and neighbourhood shops.
- Rates-funded weekly recycling crates and 23L-~~litre~~ food waste bin collections.

The current service provided to rural areas and those outside the collection service would stay the same. This is a commercial arrangement which Council has no control over and will likely need to be negotiated with commercial operators.

Advantages and disadvantages	Cost and debt impact
<ul style="list-style-type: none"> <li>✓ The community is familiar with this service.</li> <li>✓ Simple weekly collection.</li> <li>✓ No increased bin storage needed.</li> <li>✓ Users can directly control their costs by managing the amount of waste they throw out.</li> <li>✓ Because it's largely a user-<del>pays</del> service, households and businesses can <del>cho</del>ose the service that suits best from a range of different bags and bins provided by commercial operators.</li> <li>✓ Users can use as many bags or wheelie bins as required.</li> <li>✓ The current recycling process <del>produces</del>-reduces contamination as materials that are not recyclable are left behind.</li> <li>✗ Health and safety concerns from bags including injuries from sharp items and repetitive lifting.</li> <li>✗ Environmental concerns from animals damaging rubbish bags and recycling being blown about.</li> <li>✗ Doesn't encourage more recycling as there is no limit on the amount of rubbish put at the kerbside, leading to the landfill capacity being used up faster.</li> <li>✗ Peak periods create large volumes of rubbish and recycling on the kerbside which creates collection issues and increases environmental issues.</li> </ul>	<p>There is no debt impact for this option</p>
	Rates impact
	<p><b>From 2025 for <del>r</del>Residential:</b> Estimated average cost per household per year of \$340, consisting of \$184 in rates and \$156 for rubbish bags (<del>based on</del> one bag per week)</p> <p><b>From 2025 for Taupō and Tūrangi town centre and neighbourhood shops:</b> Estimated average cost per business per year of \$688, consisting of \$376 in rates and \$312 for rubbish bags (<del>based on</del> two bags per week)</p>
Timeline	
2025	to 2035
Current services continued	Contracted for 10-year period

### ~~CD QUESTION: BAG IT OR BIN IT? WHAT'S THE FUTURE OF OUR KERBSIDE RUBBISH COLLECTION?~~



LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

### ISSUE 3 – HELPING ~~SOLVE~~ EASE OUR HOUSING CRISIS ~~THIS PROJECT WILL NOT BE FUNDED BY RATES~~

Key Question: Should Council partner to provide housing for first home buyers or sell the land?

THIS PROJECT WILL NOT BE FUNDED BY RATES

#### What's the problem?

Taupō District has a severe housing shortage, and we know people are turning down skilled jobs in Taupō because they can't find somewhere to live. These people have the ability to service a mortgage but even for working families, the gap between Taupō house prices and the amount of deposit people must save to get on the property ladder is massive and expanding.

We don't want to just be a district of retirees and holiday home owners - we need to keep attracting skilled employees who can help keep our district's services and businesses running. They also make a valuable contribution to our clubs, schools and communities.

Council owns an area of land ~~in and~~ to the east and south of Richmond Heights. The plan has been to sell this land over time and use the money to pay back debt.

But we have an opportunity to sell some more of this land to a development partner who would build and sell some decent, high-quality homes that aren't million-dollar ~~mansions~~ houses and holiday homes.

It's important to note that the money needed to kick-start this project **would not come from rates** but from Council's ~~S~~strategic ~~P~~roperty reserve and from our development partners. After the initial kick-start, profits can be reinvested to provide further first home buyer housing.

This project would build on the work that we began in our Annual Plan 2023/24 to look at options for providing housing for working families and first home buyers.

#### Proposed: Partnering to provide quality first home options to working families

##### What is proposed

We're proposing to do some development with construction partners to produce new, quality, attractive houses to buy that are ~~indistinguishable similar to from~~ the market homes in this area – but are smaller and more affordable for everyday people who would then be able to service a mortgage.

We expect our construction development partner to be able to deliver around ~~38-42~~ attractive, quality homes at a relatively low market price which would be suitable for first homes buyers by late 2025 or 2026. There would be an eligibility assessment process which Council would determine at a later date. The remaining homes (about 65% percent) would sit outside of the Council's affordability criteria and be made available to the general market to purchase.

The development partners would build the homes; and manage the sales and marketing of completed homes. -Council becomes the enabler of this development but is not the developer nor is it carrying all the typical development risk.

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

<p>This option has been developed to ensure there is not any pressure put on rates and limited impact on council debt: <u>due to the fact that we are using reserves from previous sales of Council's strategic property to service this debt. Revenue from this project will be used to fund any future stages of the development, as Council's strategic property sales are ringfenced to protect Council's strategic asset base.</u></p>	
<p><b>Advantages and disadvantages</b></p> <ul style="list-style-type: none"> <li>✓ Helps attract skilled workers to Taupō District.</li> <li>✓ Realises Council's housing aspirations at minimum risk to Council.</li> <li>✓ Guaranteed sale with a committed sale price for full market valuation with regular pricing reset.</li> <li>✓ Partnering with an experienced developer reduces risk to Council. The development partner will be responsible for building, funding, marketing, home sales and delivery of first home buyer outcomes as per the proposed agreement.</li> <li>✓ <u>TDC-Council</u> maintains control over the scale and design of the development.</li> <li>✗ <del>Caters to first home buyers and second-chancers, who can service a mortgage but are unable to save the large deposit required to purchase a market home.</del></li> <li>✓ Remaining homes will be sold at market rates.</li> <li>✗ No competition with other builders. Limited price competitiveness for homes options with multiple parties.</li> <li>✗ No ability for individuals to purchase land and build their own home.</li> <li>✗ <del>Requires further investment into Stage 1B &amp; 2, prior to returns being realised from Stage 1A</del> <u>the second part of this project before the returns are realised from the first part.</u></li> <li>✗ <u>Potential risk comes with any land development such as this and includes weather, unforeseen cost escalation, planning and regulatory risks and uncertainty around timing of sales and completion.</u></li> </ul>	<p><b>Cost and debt impact</b></p> <p>Expect sales revenue of approximately \$53 million over 10 years, which is used to pay back project debt and <del>used to</del> fund future housing projects. <u>We will repay all \$14.9 million of debt from this project by the end of Year 3 (2027/28) under this option. This debt would be raised in the three preceding years.</u></p> <p><b>Rates impact</b></p> <p>No rates impact, <del>initial</del> debt repayments are covered by Council's strategic property reserve, <del>and going</del> forward, project will be self-funding from Council returns.</p>
<p><b>Timeline</b></p> <p>2025: Earthworks and civil works completed, section titles issued      Late 2025: House construction begins</p>	

Alternative option: Sell residential land on the open market without requiring quality first home buyer options	
<p><b>Alternative option</b></p> <p>Council would sell all its land on the open market at the appropriate time to the highest bidder, without requiring quality first home buyer options. For clarity, any gains would not be used to subsidise rates as any strategic property sales <del>goes</del> back into the strategic property reserve to fund future asset purchases, ensuring Council's strategic property assets do not deplete.</p>	
<p><b>Advantages and disadvantages</b></p> <ul style="list-style-type: none"> <li>✓ Could sell land blocks, without further investment in <u>EUL</u> <del>the</del> <u>land.</u></li> <li>✓ A future higher section sale price might be achieved.</li> </ul>	<p><b>Cost and debt impact</b></p> <p>No cost or debt impact. Net sales revenue will be used to pay down property related</p>

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

<ul style="list-style-type: none"> <li>✗ Is inconsistent with the objectives of <del>the Council's</del> Housing Strategy.</li> <li>✗ Potential to lose a willing development partner.</li> <li>✗ Costs to revisit the project could rise, including external advisor fees, planning, intellectual property, building costs, etc.</li> <li>✗ First home buyers and working families have limited housing options.</li> <li>✗ Employers continue to struggle to attract skilled workers.</li> <li>✗ Once the land is sold, options for <del>C</del>council to help ease the housing crisis are severely limited.</li> <li>✗ Timing of any section sales would likely be slower. If land is sold in blocks, we could make less money.</li> <li>✗ <u>Potential risk comes with any land development such as this and includes weather, unforeseen cost escalation, planning and regulatory risks and uncertainty around timing of sales and completion.</u></li> </ul>	<p>debt. <u>We will repay \$13.9 million of debt in year three (2027/28). This debt would be raised in the preceding three years however we would then have to borrow again to fund the next stage of land development. This debt would be repaid from 2029 to 2031.</u></p> <p><b>Rates impact</b></p> <p>No rates impact – land sales go <del>es</del> back into Council's strategic property reserve.</p>
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**~~CD QUESTION: SHOULD COUNCIL PARTNER TO PROVIDE HOUSING FOR FIRST HOME BUYERS OR SELL THE LAND?~~**

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

## OTHER THINGS WE'RE THINKING ABOUT:

### Another Waikato River crossing

There has been a lot of growth on the northern side of Taupō and in Kinloch and we know more is coming. We need to be prepared for the transport impacts of this growth to ensure existing issues are not made worse and we meet our legal requirements.

Planning for a new bridge across the Waikato River was included in the previous Long-term Plan 2021-31 as part of the Transport Asset Management Plan for 2031 to 2033.

We have heard from you that this project is important to help ease traffic congestion and save commuting time.

Over the next three years we'll work with Mercury Energy and iwi and hapū and begin planning for another bridge. Detailed design and consenting would start in 2027/28 and construction in 2029/30, at an estimated cost of \$73.5 million. Forecasting now that we will need to pay for such a significant project will allow us to begin planning and to collect development contributions, which will reduce the amount of rates money needed.

In our next Long-term Plan in 2027 we expect to be able to share more detailed design options for you to provide feedback.

### NZTA funding changes could mean we must spend more on transport

Every three years we seek funding from the New Zealand Transport Agency Waka Kotahi for many of our roading projects. The agency has been signalling that due to its own cost pressures, less funding will likely be available for councils this time around.

We should know more about the level of NZTA funding we might receive soon. While this won't be an exact figure, it provides an early indication about whether or not we will need to change the transport projects proposed in our Long-term Plan.

There are two options for Council if NZTA are not able to meet our funding expectations:

- Increase our transport budget to make up the shortfall so that we can deliver the full list of our transport projects.
- Remove or reprioritise some of our transport projects or change the scope of the project so we can meet the smaller available budget ~~or change the scope of the project~~.

If we don't receive the funding needed from NZTA, Council will make a decision on what to do before we adopt the final Long-Term Plan.

### What's the plan for Tūrangi town centre?

Over the last four years Council has delivered the new Te Matāapuna sports facility, Te Kapua Park Paāpā-Tāākaro and street revitalisation projects in Tūrangi. In our Long-term Plan 2021-31 we also allocated \$15.9 million for a new Tūrangi recreation facility. The project was scheduled to start design in 2022/23 and be built by 2025. But once we undertook feasibility work, we realised that build costs have escalated significantly, and the day-to-day operating costs of this centre would add approximately 1% percent to rates. We think it is prudent to relook at how best we can cost effectively deliver the community facilities that the Tūrangi community needs.

In the meantime, the Tūrangi community has told us that they're not happy with the state of their town centre. While Council doesn't own the majority of ~~its those~~ buildings, we can work with land owners and business owners to come up with a structure plan to get the town centre functioning better. We think it would be a bad idea to spend a lot of ratepayer money and build a new recreation facility without

- | LTP24 – Draft consultation doc content (pre-design) Feb-May 2024
- | considering the wider town centre first. The Tūrangi town centre structure planning exercise will help figure out what recreation facilities might be needed and where best to place them.
- | In recognition that we expect there will need to be an investment in new facilities, and to keep options open, we have included an indicative budget of approximately \$17.5 million in years 4 and 5 of this plan. We've also thought about how a new facility would operate and who might run it. Our assumption in this Long-term Plan is that this will be a community hub, and therefore it needs to be community-led. In addition, ongoing building maintenance would cost ratepayers around \$260,000 per year, or 0.2 percent on your rates. Who should operate the recreation facility, and how, is something we will consult the community on before we begin designing it.
- | The funding approach has also changed slightly to reduce the impact on rates. Rather than the project being 100 percent rates funded, we are now proposing that we will try to fund approximately 20 percent of the cost from outside Council.

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

## INFRASTRUCTURE STRATEGY AND FINANCIAL STRATEGY

### Long-term infrastructure objectives

Infrastructure is the term ~~used~~ for pipes, treatment plants, pump stations, roads, footpaths and other assets that are essential for our communities to live, play and do business. Council's commitment to meeting legal requirements, looking after our assets, and preparing for expected growth has meant increased budgets to ~~renewal~~ and maintain our critical infrastructure, and continued investment in required growth-related assets. This is reflected in the draft Infrastructure Strategy.

As part of this Draft Long-term Plan, we have reviewed our Infrastructure Strategy which sets out how we intend to manage and maintain this significant infrastructure over the next 30 years. The draft infrastructure strategy will ensure:

- 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, including working with iwi and hapū to protect and restore the health and mauri of our waterways.
- We are managing natural hazard risks to ensure our infrastructure is resilient.

Our infrastructure strategy proposes an increased budget for renewals of infrastructure such as roads and water pipes, significant investment for growth; and working in partnership with iwi to improve environmental outcomes.

This draft 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 solution for transport from the northern side of the Waikato River and through Taupō town.
- Managing wastewater north of the Waikato River.
- Improving wastewater disposal in Tūrangi.

To read the full draft ~~i~~nfrastructure ~~s~~Strategy visit [taupo.govt.nz/haveyoursay](https://taupo.govt.nz/haveyoursay). ~~<webpage>~~

### Financial Strategy

We have to carefully manage what Council borrows as well as care for its existing assets. We want our future generations to inherit good-quality assets that have been well looked after. The ~~d~~Draft Financial Strategy highlights recent pressures that have put considerable strain on rates, particularly in the first few years of this ~~LTP~~Long-term Plan. Rates increases are ~~required-needed~~ to meet the growing costs of providing essential infrastructure and we recognise that these increases will be challenging for the community.

This draft Financial Strategy outlines the financial vision and priorities for the next 10 years. It aims to achieve an appropriate balance between the needs of our communities, responsible management of our assets, and financial sustainability over the long term. To achieve this, we are proposing the following:

- Maintaining current level of services.
- Continuing to fund 100% ~~percent~~ of depreciation of council assets over the assets' life cycle.
- Prioritising essential infrastructure, such as water services.
- Prioritising topping up negative reserve balances with rates funding in later years. This will ensure no further pressure is put on future generations and that Council is setting aside funding for the eventual replacement of those assets.
- Continue to use development contributions and development agreements to fund the portion of new assets required as a consequence of growth.

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

To read the full draft Financial Strategy visit [taupo.govt.nz/haveyoursay](https://taupo.govt.nz/haveyoursay). ~~webpage~~

### Proposed Rates Limits

Council is forecasting average rates increases for existing ratepayers of 5.2 ~~percent~~% across the ~~ten~~10-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 is proposing to increase its rates increases affordability benchmark from Local Government Cost Index (LGCI) + 2.5% ~~percent~~ to LGCI +5% ~~percent~~, 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 has~~ 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.

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 Long-term Plans 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 percent of total operating revenue.

Council has proposed increases to its fees and 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 percent of operating revenues, is substantially outside of its control considering the substantial increases already applied to fees and charges.

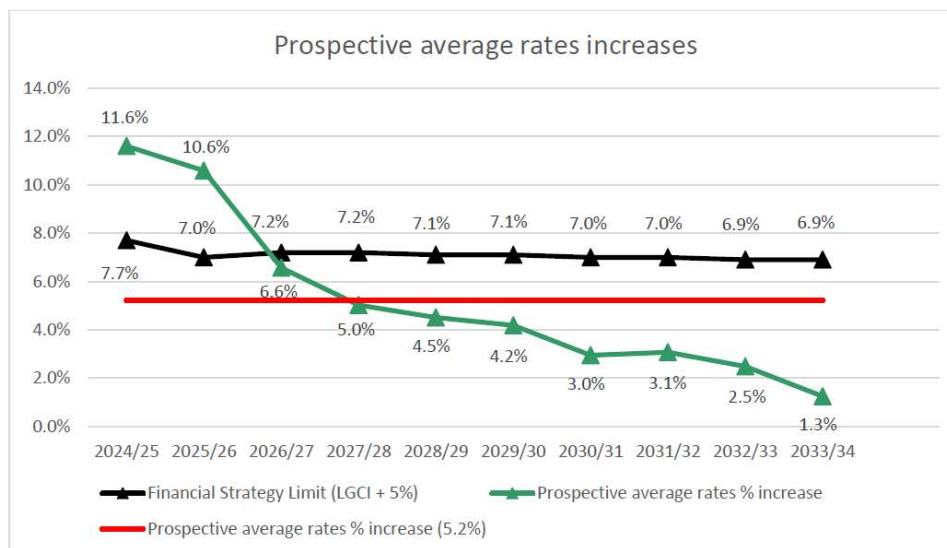
If Council does not receive the assumed external funding streams in this Long-term Plan, such as New Zealand Transport Agency Waka Kotahi subsidies, it will need to reassess the appropriateness of its capital programme and/or specific projects.

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 to Central Government for alternative funding sources, through its own means and through its involvement with sector partners like Local Government New Zealand and Taituarā.

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

### Average rates increases (to existing ratepayers)



### Proposed debt limits

We mainly use debt to invest in new infrastructure assets or improving assets we already have. Renewals (replacing old infrastructure with new infrastructure) is funded by depreciation.

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-externalself-imposed debt limit to revenue ratio from 225% percent to 250% percent of gross external debt to revenue 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.

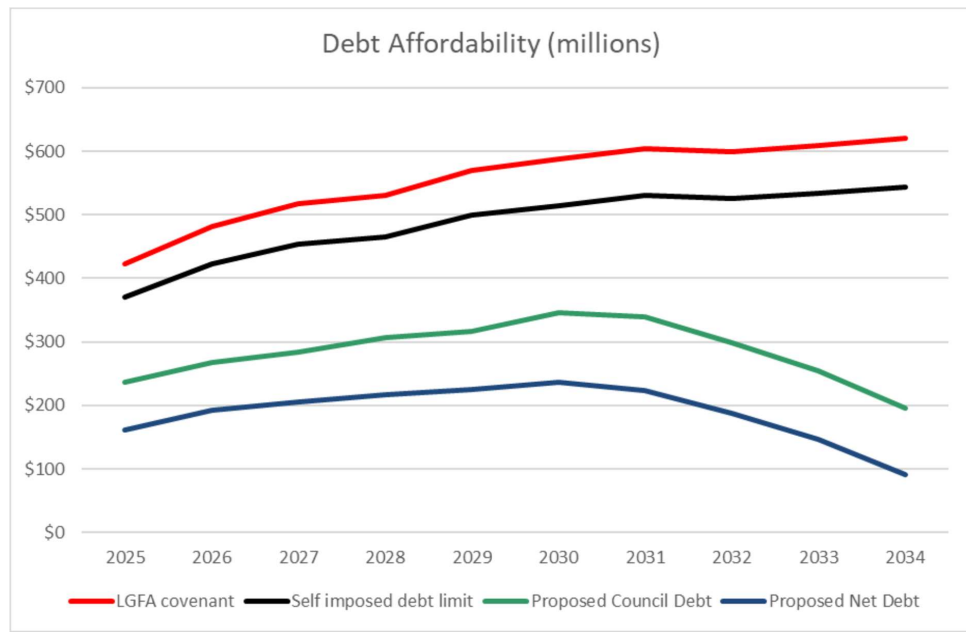
Through this financial strategy, Council also recognises the importance of debt headroom as a key part of planning for unexpected events and changes.

Despite the increased pressure on Council's debt and significant increases during this LTP Long-term Plan, 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.



LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024



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's 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 percent of revenue (from 10 percent), 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 sits inside the benchmark for high-growth councils.

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

## OTHER KEY DOCUMENTS WE INVITE YOUR FEEDBACK ON

These documents are being reviewed alongside the development of the Long-term Plan. Budgets have been developed according to these draft policies. If changes are made to these policies as part of the consultation process, this may result in changes to the Long-Term Plan budgets.

- Draft Financial Strategy 2024
- Draft Infrastructure Strategy 2024
- Draft Revenue and Financing Policy
- Draft Fees and Charges Schedule 2024/25 (does not include dogs and food licensing)
- Draft Development Contributions Policy
- Draft Rates Remission and Postponement Policy
- Draft Treasury Management Policy

Other supporting documents (this in a sidebar/bubble):

- Draft Significant Forecasting Assumptions 2024
- Draft Groups of Activities
- Draft Financial Information
- Draft Performance Management Framework
- Draft Funding Impact Statement 2024
- Draft 2024 Asset Management Plans

## KEY CHANGES PROPOSED

### Revenue and Financing Policy

The Revenue and Financing Policy sets out the Council's funding approach and describes how each of the Council's activities will be funded, including the rationale for the use of each funding method. The key changes relate to:

- where we have looked at how the allocation of costs are balanced between the person benefiting from the service and the rate payer. These are reflected in the fees and charges section below.
- An alignment of electricity generators and utility assets and networks with other industrial/commercial ratepayers.

### Rates differential – we know that we need to change some of our funding

As part of this Long-term Plan Council has considered whether there are ways to improve inequities within the rating system. One approach was a review of rates differentials. The review focused on the industrial and commercial differential, in particular electricity generation and utility assets and networks as these had not been changed since 2012/13.

We propose to align electricity generation and utility assets and networks with other commercial/industrial activities. Council wants to ensure that all industrial/commercial ratepayers are treated equally when assessing rates, more so during these uncertain economic times.

Changing the differential will mean that electricity generators will contribute a higher proportion to the rates which will reduce the burden on other ratepayers, particularly those in urban areas. The energy sector benefits from being in our district and we want them to contribute a fair amount to the community.

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

### Water meters?

You may see water meters are in our plan. We are continuing to install water meters at new properties and for high water users and commercial users. At present we use water meters to track water leaks, which are more common than people think.

**For the next few years, there is no intention to charge for water use for normal residential properties.** At some point in the next decade as the district continues to grow, we might need to consider installing water meters on existing residential properties to ensure there is enough water for everyone. We would not charge for residential water until we have talked to the community. In the meantime, water meters will be used to track leaks and provide accurate estimates of demand, which helps with our water planning such as figuring-out-assessing whether we need to expand our water treatment plants.

### Fees and charges

The draft schedule lists the proposed fees and charges for 2024/25\*. Fees and charges ensure that those who use Council services contribute towards the costs of providing those services and facilities. This helps reduce that cost burden falling entirely on the wider community through rates (including the people who don't use these services). For instance, a person extending their home requires a building consent but benefits from the increased value of that home. It's only fair that they should bear most of the cost of paying for the building consent.

*\*note dog registration and food licensing fees have already been consulted on due to the timeframes required by legislation.*

Some of the key proposed changes include: increases to fees for:

- Building and resource consenting
- Alcohol and health licensing
- Taupō and Tūrangi pools, and other council facilities
- Cemeteries
- Landfill, transfer station fees, and kerbside rubbish stickers / bags

We are also proposing an increase in rents at our housing for the elderly units, with weekly rents going from \$135 to \$170 per week for a single unit in Taupō or Tūrangi, and from \$105 to \$130 per week in Mangakino. The housing stock is ageing and needs work to keep it warm, safe and suitable for the needs of the tenants. These rents are expected to cover around 35 percent of the costs of providing this housing.

- Side bar: Proposed new pool entry fees

	AC Baths (Taupō)	Tūrangi <u>a</u> Aquatic <u>C</u> entre
Adult	\$12.00	\$6.50
Senior / Student	\$7.00	\$5.50
Child (6 – 15)	\$6.00	\$4.50
Child aged 5 and under	Free	Free

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

### Development Contributions Policy

The underlying principle of development contributions is that developers should meet the costs of projects associated with growth. The Development Contributions Policy enables monetary or land contributions to be charged to developers when they gain resource consent, building consent or are granted a service connection. Council has reviewed its policy, and revised its growth projects, resulting in corresponding changes to development contribution rates for:

- Water
- Wastewater
- Transport
- Reserves

The proposed changes are set out for consultation here: [taupo.govt.nz/haveyoursay](https://taupo.govt.nz/haveyoursay).

### Rating Remission and Postponement Policies

These policies outline the circumstances in which the Council may remit or postpone rates. Remission of rates involves reducing the amount owing or waiving the collection of rates altogether, while postponement of rates means payment can be delayed for a certain period of time, but not waived. The review of the policy has resulted in two proposed changes:

- Reducing the toilet pan charges for community groups, marae and churches.
- Simplifying the rate remission available on Māori freehold land that is being developed.

### Treasury Management Policy

The purpose of the policy is to set out the approved policies and procedures in respect of all treasury activity to be undertaken by Council, and includes investment and liabilities. These policies and procedures will enable treasury risks to be managed. The review of the policy has resulted in several proposed changes. These are:

- Change to Net External Debt/Total Revenue Borrowing Limit from 225 percent to 250 percent.
- Removal of Taupō Electricity Limited (TEL) fund parameters, to be governed and measured by the Statement of Investment Policies and Objectives (SIPO).
- Change to a simpler, easier to manage fixed rate hedging percentages.
- Removal of the control limits for financial market investments as the limits contradict the requirement to match investments with cashflows.
- Updated Authorised Investment Parameters.
- Updated performance measures.
- Updated roles, responsibilities and delegations.

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

## OTHER PROPOSALS FOR COMMUNITY FEEDBACK

### Community funding changes

There are many individuals and groups across Taupō District doing great things for their communities. Council currently distributes \$600,000 per year through community grants. These grants support community groups across our district to achieve aspirations for their communities.

Grants are distributed through a multi-year partnership agreement fund, plus six separate one-off funds. Every three years, councillors decide on the total amount of grants money to be given out and how to allocate it through council's long-term planning process. Currently, seven different committees allocate grants funding up to twice per year, per fund.

We think the community funding programme is an opportunity for council to achieve greater positive impact across communities and we want it to continue to operate in a transparent, fair and consistent manner. We're reviewing our Grants & Partnerships Policy to see whether improvements can be made for the future. It's also important we ensure public money is invested in a way that is efficient to administer and provides the greatest community impact.

To find out more information about this proposal – you can visit [\[Either taupo.govt.nz/haveyoursay-or taupo.govt.nz/grantsfundingpolicy\]](https://taupo.govt.nz/haveyoursay-or-taupo.govt.nz/grantsfundingpolicy).

### The Waste Management and Minimisation Plan

The current Waste Management and Minimisation Plan (WMMP) is six years old and with a number of changes proposed in the waste management space it was decided that the WMMP should also be reviewed.

The main changes between the 2018 WMMP and the draft WMMP are:

- An increase in the waste diversion goal from 51 ~~percent~~% to 60% ~~percent~~ (to be achieved in 2034).
- Prior to the landfill resource consent expiring in 2027, Council will apply for a new resource consent.
- Review of the kerbside rubbish and recycling collection service and roll-out ~~of~~ a kerbside food waste collection.
- A new action to understand the generation of construction and demolition waste and work with commercial operators to try and increase diversion.
- Investigate and support reuse and repair of products in the district.
- Investigate food rescue in the district.
- Support the reduction of single use items / coffee cups.

More information about the Waste Management and Minimisation Plan and the change to provide your feedback can be found here ~~<add weblink>~~[taupo.govt.nz/haveyoursay](https://taupo.govt.nz/haveyoursay).

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

## CHANGES TO TWO TARGETED RATES

### **Towncentre Taupō Targeted Rate**

Towncentre Taupō is a member-based organisation which promotes Taupō's central business district as a safe and vibrant space. Its work is supported by Council via a targeted rate which is paid by more than 500 Towncentre Taupō members as part of their annual rates.

The Towncentre Taupō rate pays for services that enhance and develop the social and economic wellbeing of the Taupō central business district. It is assessed on each separately-used or inhabited part of industrial or commercial rating units within the defined central business district part of Taupō town.

Towncentre Taupō's costs have increased while the sponsorship it would normally secure for some of its events has also diminished. At the Towncentre Taupō AGM in September 2023, it is therefore requesting a \$12,950 increase to its 2023/24 budget was approved by the members – from \$185,000 to \$197,950 – representing a 7 percent increase to the targeted Towncentre Taupō rate for the 2024/25 year.

### Whareroa Refuse Targeted Rate

This targeted rate funds the disposal of waste at the Whareroa Refuse Station. Ratepayers in Whareroa Village currently pay a targeted rate of \$90.90 (incl GST) per annum for this service. Since the level of this rate was set four years ago, waste disposal costs have risen significantly and no longer cover the cost of operating the Whareroa Refuse Station. The rate is being raised to \$208.69 per property per annum.

LTP24 – Draft consultation doc content (pre-design)

Feb-May 2024

## WE WANT TO HEAR FROM YOU KŌRERO MAI

### HAVE YOUR SAY. HOMAI Ō WHAKAARO

~~Make a submission on this Long-term Plan consultation document and tell us what you think about what's proposed in this draft Long-term Plan consultation document. Have we got the balance right? Do you agree with our approach of focusing mainly on essential projects while economic conditions remain tight?~~

~~It is just as important for you to let us know which projects you support, as well as the ones you don't.~~

### What is a submission?

~~A submission is feedback. It is your chance to present your opinions, observations, and recommendations on a matter before Council, to help councillors make an informed decision. Any individual or group/organisation can make a submission. Your submission can support, oppose, or express a point of view on a matter.~~

~~If you are submitting on behalf of an organisation or group (e.g. a sports club), make sure you have permission to do so and that you are presenting the views of the group correctly. Only one submission per organisation/group can be accepted.~~

~~To make a submission you can do one of the following:~~

- ~~• Visit our website: [taupo.govt.nz/haveyoursay](https://taupo.govt.nz/haveyoursay)~~
- ~~• Email us: [10yearplan@taupo.govt.nz](mailto:10yearplan@taupo.govt.nz)~~
- ~~• Call us: 07 376 0899 or 0800 ASK TDC (0800 275 832)~~
- ~~• Drop us a line: Long-term Plan, Taupō District Council, Private Bay 2005, Taupō Mail Centre 3382.~~

### You can make a submission from Tuesday 4 June until 4.30pm on Friday 5 July.

~~Every submission will be carefully considered as the Mayor and councillors work to find the right balance for our district for the next 10 years. Thank you for having your say.~~

### Want to know more?

~~Come along to one of our community engagement events. Check out the schedule at [taupo.govt.nz/haveyoursay](https://taupo.govt.nz/haveyoursay). We'll also be holding drop-in sessions at Council representative group meetings and popping up at various community events during June – look out for one in your area!~~

### ~~Engagements events schedule etc~~

~~To keep up to date with Council, follow us on Facebook, download the Antenno app and sign up for our weekly Connect e-newsletter at [taupo.govt.nz/connect](https://taupo.govt.nz/connect).~~

### What happens next? ~~Final timetable of hearings, adoption etc~~

- ~~• Friday 5 July: Submission period closes at 4.30pm.~~
- ~~• Hearings and deliberations on the draft Long-term Plan: Scheduled for Monday 29 July to Friday 2 August~~
- ~~• Long-term Plan adopted: End of September 2024~~