

**I give notice that
an Ordinary Meeting of Council will be held on:**

Date:	Monday, 29 July 2024
Time:	9.00am
Location:	Council Chamber 107 te Heuheu Street Taupō

AGENDA

MEMBERSHIP

Chairperson Mayor David Trewavas
Deputy Chairperson Cr Kevin Taylor

Members

- Cr Duncan Campbell
- Cr Karam Fletcher
- Cr Sandra Greenslade
- Cr Kylie Leonard
- Cr Danny Loughlin
- Cr Anna Park
- Cr Christine Rankin
- Cr Rachel Shepherd
- Cr Kirsty Trueman
- Cr Yvonne Westerman
- Cr John Williamson

Quorum 7

Julie Gardyne
Chief Executive

Order Of Business

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2	Whakapāha Apologies	
3	Ngā Whakapānga Tukituki Conflicts of Interest	
4	Whakamanatanga O Ngā Meneti Confirmation of Minutes	
	Nil	
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5.1 LONG-TERM PLAN 2024-34 HEARINGS AND DELIBERATIONS REPORT

Author: Kendall Goode, Senior Policy Advisor

Authorised by: Nick Carroll, Policy Manager

TE PŪTAKE | PURPOSE

To hear and deliberate on the submissions received as part of the Long-term Plan 2024-34 public consultation process.

This report and the others on the agenda have been provided ahead of the hearings process to help submitters and elected members understand how the hearings will proceed. They also contain useful information on the issues being considered and the views of other submitters. Elected members will be able to hear from submitters appearing at the hearings and add that information and views to the officer expert advice. It is important to note that these reports do not predetermine the views of the elected members ahead of the hearings.

WHAKARĀPOPOTANGA MATUA | EXECUTIVE SUMMARY

- Staff prepared a consultation document and suite of supporting information for the draft Long-term Plan 2024-34, approved for public consultation by Council on 31 May 2024. Consultation took place between 4 June and 8 July.
- A total of 1418 submissions were received with four being late submissions.
- Officers have reviewed the submissions and summarised them into themes. Those themes related to key issues, like wastewater management or the kerbside collection service, have been attached to the relevant deliberations report. The remaining themes from submitters have been consolidated into a report “Submission Summary Responses” which will be attached under separate cover 2.
- Staff are proposing that deliberations are conducted in the following sequence, but ultimately is up to Council how these should proceed:
 1. Kerbside Collection – Bags or Bins
 2. New Zealand Transport Agency Waka Kotahi Funding Shortfall
 3. Tūrangi wastewater management options
 4. Taupō wastewater management options
 5. East Urban Lands – agree to proceed with a building consortium or sell the land
 6. 2024/25 Schedule of Fees and Charges
 7. Development Contributions Policy
 8. Rating Differential Changes
 9. Rates Remissions and Postponement Policies
 10. Consider requests identified in “Submission Summary Responses”
 11. Consider changes identified by officers
 12. Community Grants and Funding Policy
- Council will need to direct officers to make changes to the draft Long-term Plan as a result of the hearings and deliberations process.
- Following hearings and deliberations, officers will make changes as directed by Council to finalise the draft Long-term Plan 2024-34 for Audit NZ review. An audited version will be provided to Council for consideration by the end of September 2024.
- Submitters will be responded to following the adoption of the Long-term Plan 2024-34.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council:

1. Receives, considers, and where requested, hears, pursuant to sections 82 and 93 of the Local Government Act 2002 submissions on the Long-term Plan 2024-34, with the written submissions provided on Council's website;
2. Accepts the four late submissions provided on Council's website;
3. Directs officers to make the following changes to the draft Long-term Plan 2024-34:
 - A. Include botanical Gardens Toilet (point 169 Submission Summary Responses)
 - B. Include Taupō Wastewater Treatment Plant odour mitigation (point 172 Submission Summary Responses)
 - C. Include Bike Taupō funding shifted to constable grants fund (point 355 Submission Summary Responses)
 - D. Those outlined in Attachment 5 Staff Changes
 - E. Any other changes identified by elected members (to be inserted)
4. Council directs officers to make any consequential changes to the Financial Strategy and Infrastructure Strategy and other supporting information as a result of decisions made during deliberations.

TE WHAKAMAHUKI | BACKGROUND

Council adopted the Long-term Plan 2024-34 Consultation Document and supporting information on 31 May 2024 for public consultation. Prior to Council approving these documents for public consultation, they were reviewed by Audit New Zealand.

The purpose of the Consultation Document is to provide a clear and concise summary of the key issues and information in a way that enables the Community to participate and provide their views. The key issues that Council sought feedback on were:

- In the first years of this plan, we're proposing to focus on the essentials. Should we spend less and do less, or spend more to do more?
- Are we doing what we oughta when it comes to wastewater? Feedback sought on proposed short to medium term options for dealing with wastewater in Taupō North and Tūrangi.
- What's the future of our kerbside rubbish collection – Bags or Bins?
- Should Council partner to provide housing for first home buyers or continue to sell areas of the East Urban Lands?

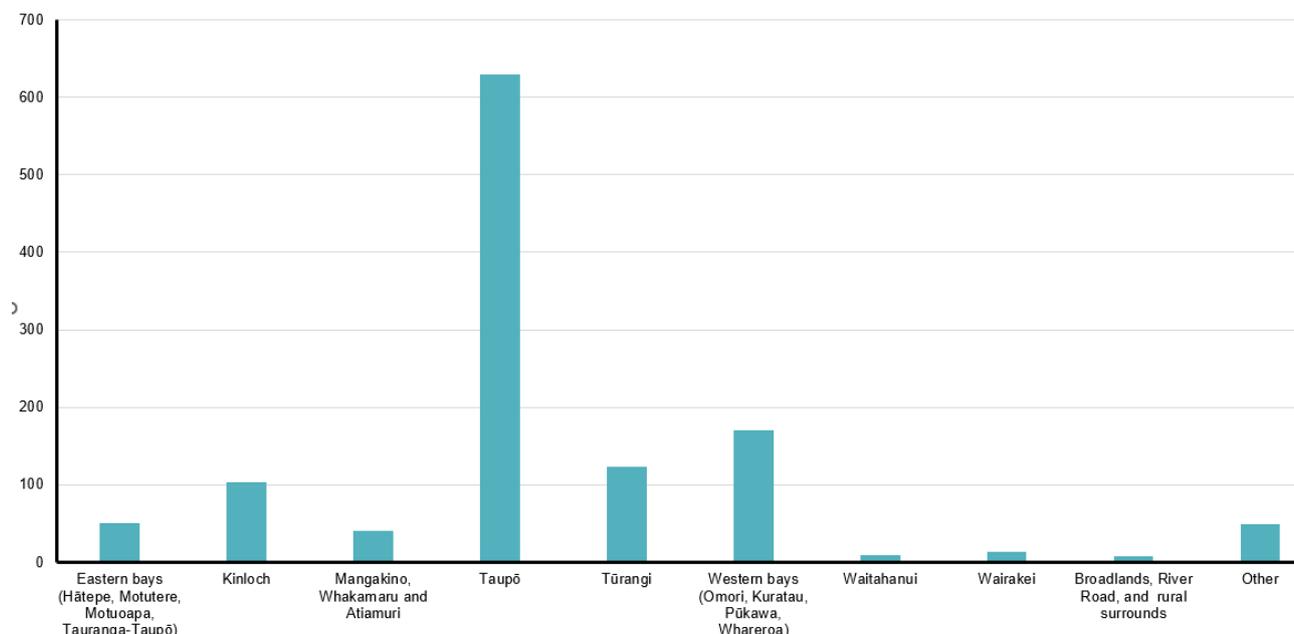
The Long-term Plan process also included the review of several strategies and policies that underpin the Long-term Plan and contribute to the budgeting process. These strategies and policies were included as supporting information during the consultation process and included the Financial and Infrastructure Strategies, the Revenue and Finance Policy, Rates Remission and Postponement Policies and the proposed schedule of fees and charges for the 2024-25 financial year.

The Waste Minimisation and Management Plan was consulted on in parallel with the draft Long-term Plan due to the relationship with the kerbside collection service. Similarly the Community Grants and Funding Policy was also consulted on as funding budgets are set through the Long-term Plan. Submissions on these two policies will be heard in conjunction with the Long-term Plan, however deliberations on these policies will take place after decision making on the Long-term Plan issues.

NGĀ KŌRERORERO | DISCUSSION**Submissions Received**

A total of 1418 submissions were received before consultation closed on 8 July. There are 108¹ submitters who have indicated they wish to speak to their submission at a public hearing. The graph below illustrates the local community that submitters have indicated their community of interest.

¹ This was correct at the time of writing but may change at the time of hearings.



All submissions received are available on Council's [website](#). Due to the large size of documents, they were unable to be attached to this agenda item.

The following submissions were received after 8 July 2024:

Submitter Number/Name	Date Received
Explore Central Norther Island	10 July 2024
Waikato Regional Council	11 July 2024
Shirley Philips	12 July 2024
Dave Potaka	15 July 2024

Late submissions have not been summarised or captured in the summaries of submissions into themes due to the tight timeframes after the closing of submissions and preparation of hearing and deliberations reports. These submissions are also provided on Council's [website](#).

Officers have reviewed the submissions and summarised comments into themes to aid Council's decision-making process.

- Those themes related to the key issues have been attached to the deliberation papers dealing with those issues.
- The rest of the themes that require decision making have been included in "Submission Summary Responses" (Attachment under separate cover 2).

In preparing the summaries of the themes, officers have taken care to fairly represent the views of the submitters, however there is the potential that a small number of comments may have been taken out of context or potentially missed. It is important that Councillors read all of the original submissions.

Feedback on the draft Long-term Plan was also received through social media (facebook) posts on the Taupō District Council page. Posts were created to help the community understand the main issues in the LTP, including the following topics:

- Focus on the essentials
- Housing
- Understanding rates
- Bag It or Bin it
- Wastewater
- Bridge, transport, waste minimisation and Tūrangi Town Centre
- Fees and Charges
- Last Chance to have your say

A summary of the comments received is provided in Attachment 3. Several engagement events during consultation provided an opportunity for the community to discuss their thoughts with staff and elected members. Given the style of these events, no particular polls or feedback was intended to be captured, rather people were encouraged to make submissions.

Hearings and Deliberations Process

Hearings have been organised for those submitters wishing to speak to their submissions. Hearings are being held in Taupō on Monday 29 July and Wednesday 31 July and includes an evening session between 4:00pm and 6:00pm on Monday 29 July 2024. Hearings will also be held in Tūrangi on Tuesday 30 July between 10am and 1pm. The process for hearings and deliberations is provided below:

1. Submitters will present their verbal submissions to elected members, who may ask questions of clarification.
2. Council will move into deliberations following the hearings, this is an opportunity:
 - To debate matters Council sought feedback on through the consultation document and suggestions raised through verbal and written submissions on the Long-term Plan Consultation Document.
 - Receive advice from council officers to inform Council's decision-making
 - Direct officers to make any changes to the draft Long-term Plan, supporting information and prepare for auditing by Audit New Zealand.
3. Council will be asked to provide the required direction to enable officers to prepare the draft Long-term Plan before proceeding to deliberate on the Community Grants and Funding Policy and Waste Minimisation and Management Plan.

Deliberations Reports

To assist Council with deliberations, officers have prepared a suite of reports which cover the matters where decisions are required to finalise the preparation of the Long-term Plan 2024-34. Each of these reports outline the proposal/issue, background information, options for Council consideration, submission information/data and recommendations. To avoid repetition in other reports, this report includes details associated with the legal, financial, risk, engagement and communications considerations for this process.

The recommendations included in each report reflect the views of council officers and are based on the written submissions received. However, the advice from officers may need to be reconsidered following the hearings as submitters can sometimes raise new information or issues.

Supporting and attached to each of these reports is a 'Submission Summary Responses' which contains comments made in submissions and submitter numbers to enable cross referencing. Those deliberations reports are intended to address the issues raised by the submitters in an integrated manner. Council can raise specific issues and seek further advice if required and seek that staff provide any particular responses to submitters.

In addition to the feedback on key issues submitters raised a wide range of other issues and requests. Those have been summarised and consolidated into "Submission Summary Responses" (Attachment 2). At the conclusion of deliberations staff will populate the 'final decision' and this document will be used as part of the responses to submitters after the Long-term Plan has been adopted.

Deliberations reports on the following are provided and it is suggested that Council work through in the following order, however it is ultimately up to Council to decide a sequence.

1. Kerbside Collection – Bags or Bins
2. New Zealand Transport Agency Waka Kotahi Funding Shortfall
3. Tūrangi wastewater management options
4. Taupō wastewater management options
5. East Urban Lands – agree to proceed with a building consortium or sell the land
6. 2024/25 Schedule of Fees and Charges
7. Development Contributions Policy
8. Rating Differential Changes
9. Rates Remissions and Postponement Policies

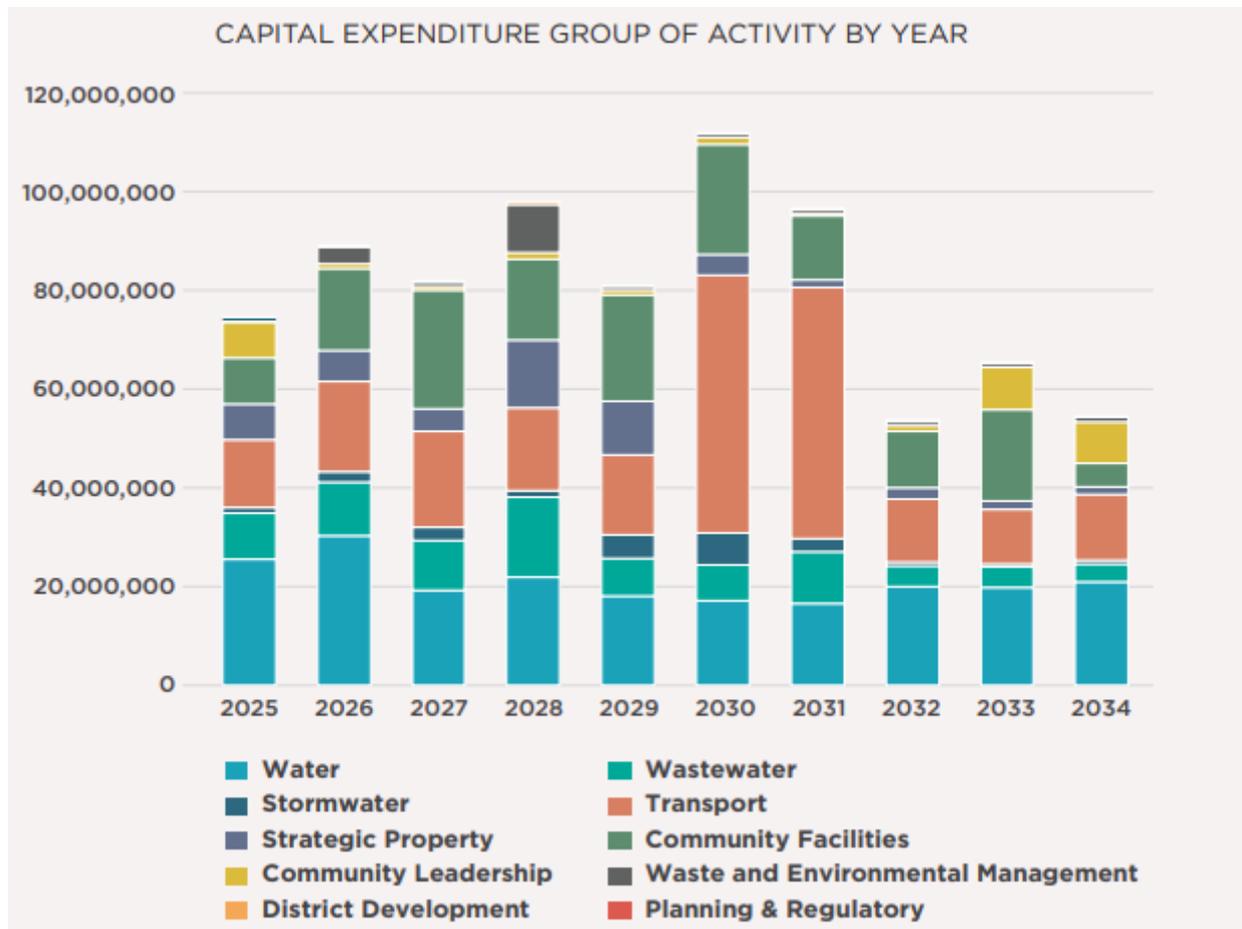
- 10. Consider requests identified in “Submission Summary Response”
- 11. Consider changes identified by officers
- 12. Community Grants and Funding Policy

The expectation is that Council will make decisions for each of these reports directing officers to make the desired changes to the draft Long-term Plan 2024-34. After deliberations are completed on Reports 1 to 8, it is intended that Council will then consider the ‘Submission Summary Responses’ as provided in Attachment 2 and officer changes in Attachment 5.

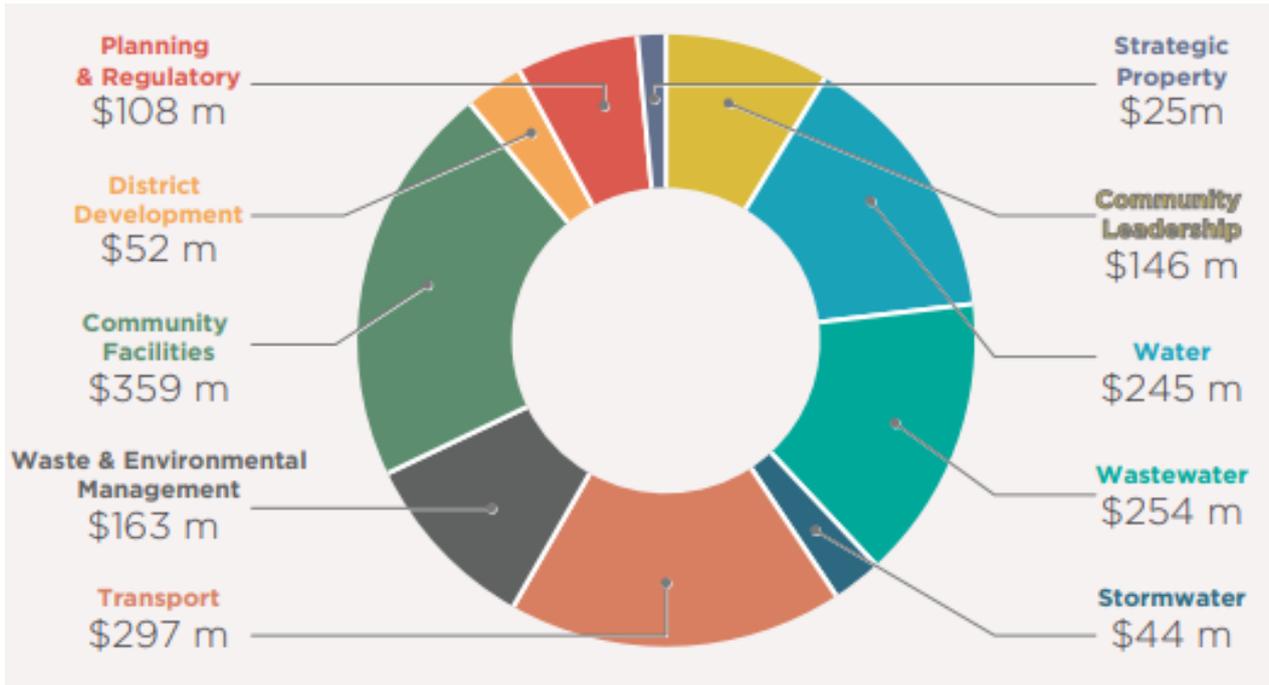
The Long-term Plan rate challenge

The 2024-34 draft Long-term Plan has been prepared with a key objective to focus on delivering the essentials and finding costs savings wherever possible while maintaining some spending on areas that contribute to the Taupō district being a place we enjoy living, working and playing.

Through the consultation document Council indicated spending would be allocated for the next 10-years both in terms of capital expenditure and day to day operating costs as shown in the graphs below. For further details on projects planned for the next 10 years, refer to the proposed capital expenditure list (Attachment 4).



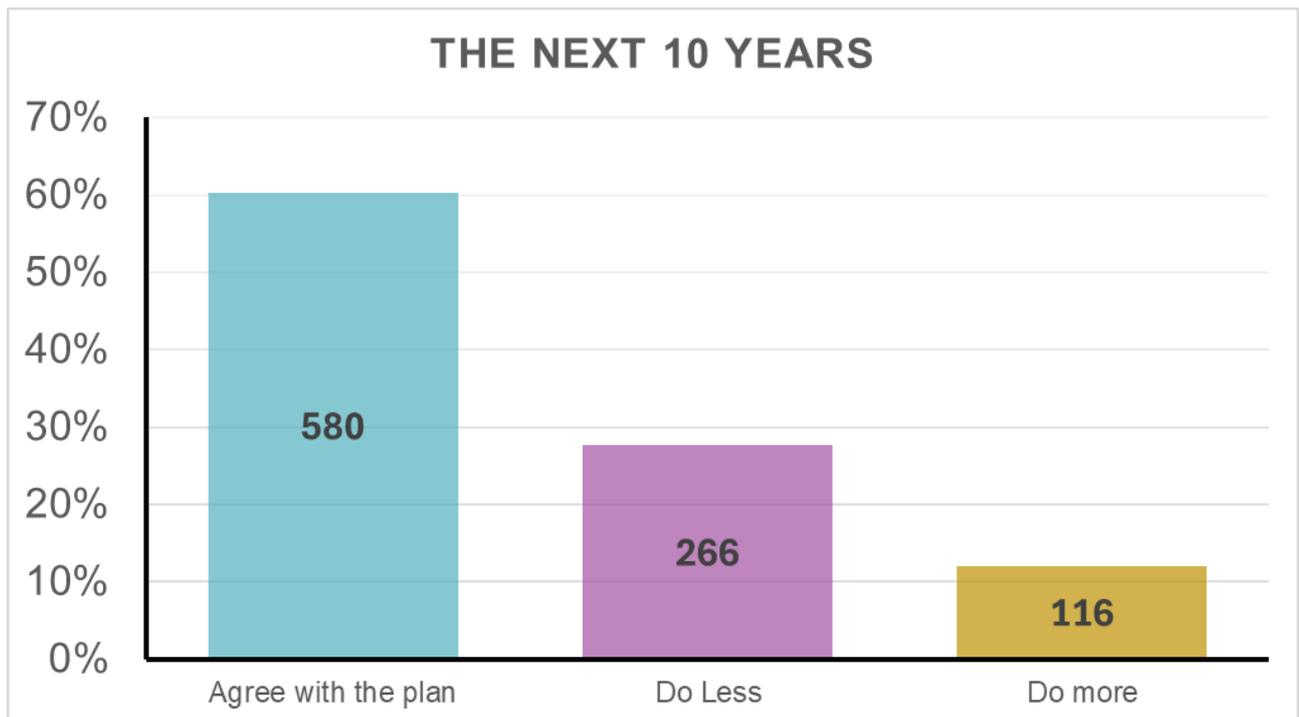
Operational Spending over the next 10 years



The Consultation Document made it clear that Council’s number-one responsibility is to 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. The initial years of the Long-term Plan are focused primarily on the basics. 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.

This has meant some projects included in the previous 2021-31 Long-term Plan and others initially identified through this Long-term Plan development have been delayed and shifted to later years to keep rates as low as possible. Some upfront spending, for example in the community facilities area has been proposed on the basis that this provides savings in future such as less mowing as more planting will be established.

This approach was tested with the community during consultation, feedback was sought on whether Council had got the balance right or whether we should spend less/do less or spend more/do more.



The 'Submission Summary Responses' summary is provided in Attachment 2. This summarises what the community have sought from the Council and includes a staff response as to whether this is or is not included in the Long-term Plan and what would be required to deliver this. We intend to draft the long-term plan based on the officer response, if there are particular areas where the Council has an alternative view, this will need to be raised as part of deliberations. The submissions received demonstrate the challenge that Council has had when trying to strike a balance, for example one submission seeks less spending on cycleways and conversely another seeks that Council should invest more in these facilities.

While removing or delaying projects would see the total cost of the capital programme reduced it is unlikely to have a significant effect on the forecast rate increase for Year 1. However, it would influence the following years. To assist Council decision making officers will be providing high level rates forecasts based on the key decisions and project/funding requests raised in submissions to be considered at the end.

Staff Recommended Changes

The draft work programme and budgets for the Long-term Plan 2024-34 were largely prepared in 2023. Subsequently there has been new information or changes in the work environment, there have also been some errors identified as part of ongoing quality assurance work. The proposed changes in Attachment 5 are intended to update the work programme and budgets making them as accurate as possible. This will make subsequent reporting easier and limits the need for future unbudgeted expenditure or delays to projects.

NGĀ HĪRAUNGA | CONSIDERATIONS

Ngā Aronga Pūtea | Financial Considerations

The Long-term Plan allows Council to set rates for the 2024/25 financial year and forecast rates out to 2034 based on the forward work programme. An average rates increase of 11.6% is proposed for 2024/25 (Year 1) of the draft Long-term Plan. This proposed average increase is subject to change as a result of Council deliberations which may impact:

- timing of projects,
- removal or addition of projects,
- reduced/increased levels of service, or
- changes to the proposed fees and charges.

The direction that Council provides through the deliberation process will enable officers to prepare the Long-term Plan and will include the financial implications of decisions. The draft Long-term Plan will then be provided to Audit NZ, and an audited version of the Plan will be provided to Council for adoption at the end of September.

Ngā Aronga Ture | Legal Considerations

Local Government Act 2002

Council is required to have a Long-term Plan. The Long-term Plan must cover a period of no less than 10 financial years, with the first year of the Long-term Plan acting as an Annual Plan. Content of the Long-term Plan is set out in Part 1 Schedule 10 of the Local Government Act while the process for considering the Long-term Plan is outlined in Section 93 of the Local Government Act 2002. Council must adopt the Long-term Plan by 30 September 2024, the required timeframe as amended due to changes associated with the Affordable Water Reforms.

Ngā Hīraunga Kaupapa Here | Policy Implications

The Long-term Plan is supported by the following strategies and policies:

- a. Financial Strategy
- b. Infrastructure Strategy
- c. forecasting assumptions
- d. performance measures
- e. accounting policies
- f. Treasury Management Policy
- g. Rates Remission and Postponement Policy

- h. Revenue and Finance Policy, and associated Section 101(b) assessment
- i. Development Contributions Policy
- j. Community Funding Policy

It is important that decisions around the work programme and budgets are consistent with the policy directions set out in these documents. As an example, the Revenue and Finance Policy sets out the funding allocation for different activities and the Fees and Charges that Council sets for the 2024/25 year should be consistent with those allocations. As Council works through deliberations, they need to be cognisant of the interplay between those funding decisions and the policy direction.

As a result of deliberations these documents may require amending.

Te Kōrero tahi ki te Māori | Māori Engagement

Meaningful engagement with whānau, hapū and iwi was a key consideration as part of this LTP and staff ensured hapū and iwi were given opportunities to hear as much as possible about issues that were important to them. Engagement on the Long-term Plan started in June 2023, which focused on how iwi/hapū could be involved in the process. The early engagement process provided an opportunity for aspirations and thoughts to be raised through hui and these assisted with Long-term Plan development. The team have attended several hapū cluster hui in early-mid 2024 which have also provided further engagement opportunities on particular projects and policy development, such as the infrastructure strategy. Staff organised individual hui with iwi partners and hapū, with both elected members and staff attending these during and prior to public consultation starting. Submissions have been received from iwi/hapū with the views of these submissions included in the relevant deliberation reports. Responses to submissions will be provided after the Long-term Plan is adopted at the end of September.

Ngā Tūraru | Risks

If Council is unable to conclude hearings and deliberations as scheduled, there is a risk that staff cannot complete and provide the draft Long-term Plan to Audit NZ by 19 August 2024. The consequence is that Council will be unable to adopt the Long-term Plan by 30 September 2024 as required. That would delay Council's ability to set rates creating significant confusion for the community and additional administration work by officers. Further interim arrangements would need to be put in place to allow the organisation to continue to operate.

The size of the capital work programme in the draft Long-term Plan is significant compared to historical budgets and delivery. Councils, including Taupō District Council, are continually required to deliver more for their communities through Central Government legislative changes and to meet increasing service standards. As an example, year one of our draft capital programme is driven by investment in our water assets that we have had to bring forward because of increasing Taumata Arowai standards.

Having work to carry forward from one year to the next is normal for councils including our own. Over recent years our carry forward programme has increased and needs to be actively managed. We have a three-year programme to progressively reduce this carry forward. Our funding assumptions are based on this approach so that current ratepayers are not paying for projects that have been delayed.

Officers have analysed our year one programme and have a range of actions in place to support deliverability and improve our monitoring and financial forecasting (Attachment 6).

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

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

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

TE KŌRERO TAHI | ENGAGEMENT

While formal public consultation started on 4 June and closed on 8 July, community and hapū/iwi engagement began prior to this with a focus on what teams already knew about communities across the rohe. This helped shape our engagement focus from asking 'what do you want' to 'we have heard what you want and are we still on the right track?'

Once the formal consultation period commenced, the Community Development and Engagement team hosted 33 community events (Attachment 7). These events were held around the district to enable the

community to come along and discuss the Long-term Plan with both elected members and staff, and to encourage community members to have their say on proposals in the plan.

As well as this engagement, and engagement with hapū and iwi, a range of advertising and a social media strategy was implemented to further educate and encourage people to share their views. The overarching strategy was to ensure people were aware of the LTP and what it meant, what the main issues were, and how to have their say.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

Once decisions on the submissions are made, it is important that the decisions are communicated back to submitters and the general public. Submitters will receive a letter advising the key decisions that were made and a weblink to the 'submission responses report' to view responses to any specific matters raised in submissions. The general public will be informed of Council's key decisions through media releases and social media following adoption of the Long-term Plan by 30 September 2024.

WHAKAKAPINGA | CONCLUSION

Council will hear and deliberate on the submissions received on the Long-term Plan 2024-34. Any changes made during deliberations will be incorporated at the direction of Council, with staff then finalising the draft Long-term Plan for auditing by Audit New Zealand. Once the audit process is complete, the final Long-term Plan will be provided to Council for adoption at the end of September 2024.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Full Bundle of Submissions [⇒](#)
2. Submission Response Report (under separate cover 2) [⇒](#)
3. Social Media Comments (under separate cover 1) [⇒](#)
4. Capital Expenditure Project List [⇒](#)
5. Officer recommended changes [⇒](#)
6. Programme deliverability [⇒](#)
7. LTP Community Engagement Events 2024 [⇒](#)

5.2 REVIEW OF THE KERBSIDE WASTE COLLECTION SERVICE

Author: Roger Stokes, Infrastructure Manager

Authorised by: Tony Hale, General Manager Community Infrastructure and Services

TE PŪTAKE | PURPOSE

This report summarises community feedback related to the potential change to the kerbside waste services consulted on as part of the Long-term Plan 2024-34. It sets out the options and seeks direction on the final service delivery to enable officers to complete drafting of the Long-term Plan 2024-34.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

Council's kerbside waste service has been reviewed as the current contract nears expiry (July 2025). We have reassessed the objectives for the service and looked at good practice around the country.

Last year we engaged with the community on the concept of switching to a rates-funded bin service including the introduction of a food scraps collection to make it easier to divert food waste. We identified we would need to move to fortnightly rubbish collection and would fund it with rates to disincentivise people from accessing a weekly service from a private operator that did not divert food waste from going to landfill.

During that initial engagement there was a high level of support for the concept. However, that has changed significantly as more information has been provided about how the service would operate and the costs. Approximately 65% of submitters on the Consultation Document preferred sticking with the status quo.

There were many reasons given for this opposition to a new bin service, but at the heart of it appears to be a frustration with the perceived inflexibility of the new service. Those who generate little waste were frustrated they would have to pay for capacity in a bin that they did not need, while those generating a lot of waste were worried about how they would cope when their bin was full. These concerns cut across the community affecting people in different stages of their life, with different income levels, different household make ups and in different locations.

Council received a large number of submissions from smaller settlements with a high proportion of holiday homes who were against the proposed shift to bins. They did not like having to pay for a service they were unlikely to use. They were unlikely to put out the food scraps bin and the fortnightly rubbish bin collection would not work for them most of the time.

The community desire to move to a new bin service has changed from when Council first proposed the idea. The opposition expressed by a large number of the submitters suggests that a move to implement a bin service now would not be well supported. That poses significant risks to the success of a new service. With that in mind, and given a move to bins would increase rates, officers recommend Council stick with the current kerbside service. Compared to the draft budgets this would create ongoing operational savings and remove the need to take on more debt.

In addition to the cost savings, continuing with the current kerbside service based on user fees would:

- Provide flexibility for people to access different bags and bins from different providers to meet their needs. Competition between different providers also helps to control the price for users.
- Enable people to pay for rubbish they throw out, fairly allocating the costs. This enables users to manage their costs, which can be particularly important for those on lower or fixed incomes, or those who already aim to minimise household waste for environmental reasons.

If Council decides to stick with the current service, officers recommend that a food scraps collection service is not provided. This is costly to run at about \$1.2m per year, and it is unlikely to be successful where people still have the option to dispose of food waste in their general weekly rubbish collection. Despite the lost opportunity to divert food waste, Council could continue to focus on other areas like the building sector to minimise and divert waste from landfill.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council directs officers to prepare the draft Long-term Plan 2024-34 on the basis of continuing the status quo rubbish bag service, excluding a food scraps collection.

TE WHAKAMAHUKI | BACKGROUND

Council's current contract for the collection of kerbside waste is about to end (July 2025). Having reviewed the current service Council decided to propose an alternative service. That review process has included the following Council workshops and meetings:

- Workshops held on 18 May 2023, 29 September 2023 and 15 February 2024
- Confirmation of Council's preferred option on 23 April 2024
- Adoption of the LTP Consultation Document for consultation on 31 May 2024

In October 2023 Council engaged with the community on the concept of moving to a bin service. There was a high level of community support for the idea of moving to bins, however at the time some of the details on how the service might be rolled out were unknown and we were not able to tell people what a new service might cost.

To better understand the potential cost implications of moving to a new bin service we undertook a tender process. Gaining these pricing indications was important given that the last time we tested the market was about a decade ago. We made it clear to the tenderers that this process was subject to the Council's decision-making through the Long-term Plan process. This also confirmed that there are multiple providers in the market willing to provide either a bin or a bag service.

The proposed change in service was consulted on as part of the Long-term Plan Consultation Document over June 2024. The community was presented with two options:

1. A rate-funded wheelie bin service that included a food scraps collection (the preferred option)
2. The current pay-as-you-throw rubbish bag service but with an additional food scraps collection

We were able to provide the community with the details around how the service would work and a clear idea on the cost differences between the service options.

The Consultation Document explained how the move to a bin service was designed to encourage people to divert food waste from going to landfill. It also identified additional benefits in terms of:

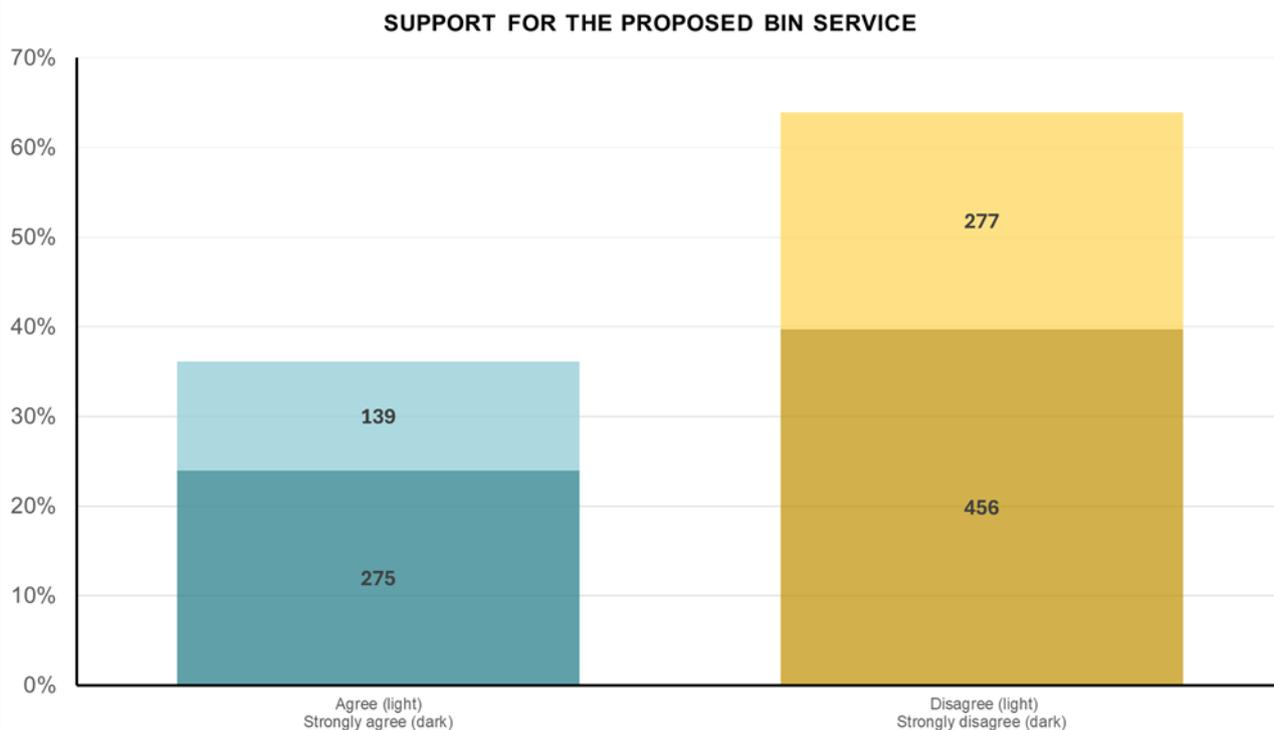
- Reducing risk to contractors from sharp objects poking out of rubbish bags.
- Removing the need for contractors to lift lots of rubbish bags into trucks.
- Reducing the incidence of rubbish from broken bags and windblown recycling.
- Reducing the pace at which we are filling up the landfill at Broadlands Road.

Some of these benefits are more important than others and Council will need to weigh up the benefits and costs of achieving them.

NGĀ KŌRERORERO | DISCUSSION

Submissions indicate people want to keep the status quo.

This topic attracted 1147 submissions with approximately 65% opposed to the change to a bin service. As shown in the graph below there was a high proportion of those who responded that were either strongly opposed or strongly in agreement reflecting the polarising nature of the issue.



From the feedback received it appears the question of bags or bins is an issue that impacts many in the community in different ways. While there is noticeable opposition from the holiday homeowners there are also concerns from those who generate small amounts of waste and likewise those who generate larger amounts of waste. This is not a simple divide between holiday homeowners and permanent residents in larger urban areas.

	Disagree	Strongly Disagree	Strongly Agree	Agree	Grand Total
Broadlands, River Road and surrounding rural area	3	1	0	2	6
Eastern bays (Hātepe, Motutere, Motuoapa, Tauranga-Taupō)	13	31	5	1	50
Kinloch	27	50	17	5	99
Mangakino, Whakamaru and Atiamuri	8	4	15	4	31
Taupō	114	185	200	106	605
Tūrangi	33	54	22	11	120
Wairakei	3	4	5	0	12
Waitahanui	2	6	1	1	10
Western bays (Omori, Kuratau, Pūkawa, Whareroa)	61	96	7	4	168
Other	13	25	3	5	46
Grand Total	277	456	275	139	1147

It is very clear this is a residential issue rather than a commercial one. Almost all of the submissions are from people concerned about how this will apply to their residential property. There have been only a small handful of submissions in relation to the service for commercial users.

The comments from submitters have been collated and grouped under themes (Attachment 1). The main themes are:

- Support for bins (will work better for us, clean and tidy).
- Support for bags (concerned about the cost of bins, current system works well, user pays is fairer, concerns for how older people will manage, bags work for all different sized households and holiday houses).
- Significant level of comment from Western Bays (Omori/Kuratau/Pukawa). Many were opposed to bins and suggested a different service for Taupō vs holiday areas.
- Bins should be user-pays.
- Do not do the food waste collection.
- Should do green waste as well.
- Should be weekly collection and/or have bigger bins for bigger families.
- Keep the bags, but have wheelie bins for recycling.
- Should be able to opt out or have a dual service where each household can choose bags or bins according to what suits them best.

NGĀ KŌWHIRINGA | OPTIONS

Option 1 – Bin service including food scraps collection.

The key elements of this service would be:

- Fully rates-funded for those who are within the existing service collection areas.

For residential users

- 140L rubbish bin, 240L recycling bin, 23L food waste bin, up to two 45L glass crates.
- Weekly food waste collection.
- Rubbish and recycling collection to be weekly during the summer peak and fortnightly for the remainder of the year.
- Estimated annual cost for a household is approximately \$366 in rates with no user fees.
- An assistance service to put bins back for users who are medically unable to do it themselves. This would be covered by rates.
- A put-back service could be offered to holiday homeowners in settlements with a large percentage of non-resident homeowners. Estimated that this service could be \$160 per year per property but yet to be fully scoped.

For Taupō and Tūrangi town centres and neighbourhood shops

- 240L rubbish bin, 240L recycling bin, 23L food waste bin, up to two 45L crates for glass
- Weekly service, moving to twice weekly during the summer peak.
- Estimated annual cost for a business is \$644 in rates with no user fees.

Council has been focused on minimising waste going to the landfill. We recognise that people are already good at recycling and there are limited opportunities to reduce general rubbish at the kerbside. The best opportunity for meaningful diversion is by diverting food waste, where we estimate we could divert about 1,000 tonnes per year.

This diversion of food waste is a good outcome for the community because:

- Food waste can be used by commercial companies to produce other products like compost or biogas.

- It reduces the amount of organic material going into the landfill and therefore the amount of methane gas we produce. That is a saving in carbon credits of \$150,000 for an unflared landfill and \$50,000 per year for a flared landfill².
- We do not have to pay the Government’s waste levy for that 1,000 tonnes. That is a saving of about \$30,000 per year³.

A number of other councils have already started schemes to divert food waste. From their experience we know that to achieve this diversion we would need to offer a weekly food scraps service. However, their rubbish bin service also needs to move to fortnightly, so it is more desirable to use the food scraps bin rather than dumping food waste into the general rubbish bin.

Because people would pay for the bin service through their rates they would be disincentivised from using alternative commercial services from private companies. This helps ensure that they use the food scraps service and achieve the diversion objective.

This option is the best way to divert food waste from the landfill, however it has some challenges:

- a. It removes flexibility for all users. People who do not generate much rubbish end up paying for a service with too much capacity. People who generate more waste than the bin allows need to make special trips to the landfill or potentially use another commercial service. Holiday homeowners end up paying for a service they may not use at all.
- b. It may result in more rubbish going to the landfill. Human nature suggests that if people have spare capacity in their rubbish bin that they have paid for then they will look for opportunities to fill it up.
- c. Under a rate-funded model users have no ability to control their waste costs. Even if they reduce their waste they still pay the same amount through their rates.
- d. The food waste service imposes additional costs on ratepayers. The estimate is \$1.2m per year but we could save approximately \$100,000 per year in carbon credits.
- e. Some residents with mobility challenges may struggle to manage the bin set. There may be the ability to provide a “put back” service for this small group where the contractor would place the bins back on their property. This has not been fully scoped or costed yet.
- f. Holiday home users are concerned that bins will sit on the road edge advertising that their house is empty. For those in settlements with a high proportion of holiday homes we could look at an additional “put back” service but it would come at a cost. That may not be very attractive to owners who do not want the bin service in the first place. This has not been fully scoped or costed yet.

Advantages	Disadvantages
<ul style="list-style-type: none"> • This option is the most effective way to achieve the diversion of food waste from the landfill. • Reduces manual handling for operators and improves health and safety outcomes. • Some households would save money switching from private waste services to the Council rate funded service. • Council does not have to purchase as many carbon credits as a result of reduced waste going to the landfill. Estimated savings of about \$50,000 per year. • Council has a reduced waste levy to pay. Estimated savings of \$30,000 per year. • No broken rubbish bags and windblown recycling material. 	<ul style="list-style-type: none"> • There would be a higher rates cost for ratepayers compared to the bags option. • As a rate-funded model this imposes costs on ratepayers regardless of whether, or how much, they use the service. Rates funding feels unfair to many users as there is a flat charge rather than a charge that reflects usage. • Removes flexibility for all users preventing people from choosing a service that meets their waste disposal needs. Affects both low and high waste producers. • Bins take up more space on people's property. A bigger issue where there is higher density housing. • Does not work well for holiday homes. • May result in more rubbish going to landfill as

²Based on unflared and flared emissions factors for organic waste and a reserve price of carbon credits of \$75 the current market price is below this at \$55 per credit. A Gas flare is budgeted for construction in 27/28 of the LTP.

³Based on the current waste levy price per tonne of \$60 minus the 50% return of levy payments back to local authorities.

	<p>people use spare capacity in bins.</p> <ul style="list-style-type: none"> • Rates funding does not allow users to control their waste management costs. • There are also likely to be ongoing operational costs to deliver the service such as customer service staff and bin replacement. • Council will need to take on additional debt. Capex costs for bin infrastructure and ongoing replacement. Estimated at \$3m in the first year then about \$300,000 of depreciation per year. • Increased contamination with a single recycling bin compared to crates. May lead to recycling having to be dumped in the landfill.
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Option 2 – Bin service for the main urban areas but exclude holiday settlements.

The key elements of this service would be the same as option 1.

The service would be provided to the urban areas of Taupo, Tūrangi and Kinloch via a targeted rate.

Smaller settlements that have a high proportion of holiday homes, like Pūkawa and Omori, would not be provided with a kerbside rubbish collection. They would need to access a private service or use the Council transfer station.

Anticipated roll out would be delayed at least a further year.

One of the challenges to implementing a bin service is the concern about how it impacts smaller holiday settlements. Most submitters from the smaller settlements where there is a high proportion of holiday homes have not supported the proposed move to a bin service. There is a reluctance to pay rates for a service they are unlikely to use and a frustration at the lack of flexibility. Council could consider different levels of service for those communities.

Those smaller settlements could be excluded from the rubbish bin service. This is unlikely to have a big impact on the overall ability to divert food waste. A food scraps service is unlikely to have a high uptake in those communities and come at a higher cost given the longer travel times to service them. The big gains in terms of food waste diversion would come from Taupō, Tūrangi and Kinloch.

This option largely achieves the food diversion objective, while enabling smaller holiday communities to be excluded so they are not paying for a service they do not want to use. However, it does have some challenges:

- a. There would be a cost to provide a bag service like they currently have on the basis that there is a small amount of waste collected over a large area. At the moment those costs are absorbed as part of the large contract covering most urban areas. We would need to look at excluding these areas from a rubbish collection altogether. They could still access nearby transfer stations, like Whareroa currently does. This is likely to work well for holiday homeowners but may not be as convenient for the smaller number of permanent residents.
- b. It is currently unclear which smaller communities might be excluded from a kerbside rubbish service. Pūkawa, Omori and Kuratau are reasonably isolated and more easily excluded, however the settlements of Mangakino, Whakamaru and Atiamuri are reasonably close together and have different characteristics which mean they might still want a kerbside rubbish service.
- c. Council could make a decision about providing a bin service for Taupō, Tūrangi and Kinloch as part of the Long-term Plan. However, before deciding to cease providing a rubbish collection service

there would need to be targeted consultation with those specific communities. This is because the option of excluding them from the service has not been previously discussed.

This option introduces complexity and is more challenging to deliver. Because we have not talked to those communities, we do not know their views and we would need to go through more consultation. That means we would almost certainly not be able to roll out a new service until July 2026. It would also require negotiation of another year on the current contract. There is also a risk that Council would need to undertake an amendment to the Long-term Plan depending on whether there is a change to the level of service.

Advantages	Disadvantages
<ul style="list-style-type: none"> • The same advantages as option 1. • Holiday homeowners do not have to pay for a service they do not intend to use. 	<ul style="list-style-type: none"> • The same disadvantages as option 1. • It is unclear which communities might want to be excluded from a rates funded kerbside rubbish service. • Further consultation with those communities would need to be undertaken before a decision could be made. This takes time and resources and would delay the implementation of a new service. • Permanent residents of these smaller settlements may not want to lose the convenience of a kerbside rubbish collection. • We do not know what the cost implications of such a change might be, either for the smaller settlements potentially losing a service or the remainder of the district still being served.

Option 3 – Bag service without a food waste collection (status quo)

The key elements of this service would be:

- Pay-as-you-throw 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.
- Estimated annual cost for a household is approximately \$276, consisting of \$120 in rates and an estimated \$156 for rubbish bags, including their disposal, over the year (an average of one rubbish bag per week).
- Estimated annual cost for a business is approximately \$688, consisting of \$376 in rates and an estimated \$312 for rubbish bags, including their disposal, over the year (an average of 2 rubbish bags per week).

Through the submission process we have heard from many in the community that they have different objectives. They are looking for a service that is flexible to meet a range of different needs and they want to minimise the cost of the service to them as individuals.

The current kerbside bag service has been effective at delivering on their objectives. The pay-as-you-throw user charges mean people are only paying for the service that they use. This suits low and high users alike. Similarly, holiday homeowners can choose to only use the service when it suits them.

Users have control over the levels of service they can get. The private market enables them to use prepaid bags, their own bags with a Council sticker or purchase a wheelie bin at varying sizes to meet their individual needs. If their needs change they can easily switch services.

This option is the best way to provide all users with the level of service they desire and the ability to manage their own costs, however it has some challenges:

- a. The potential for sharp objects to poke out of bags creates some safety issues for those collecting the rubbish. This is an existing risk which we can look to manage in alternative ways working with the contractors.
- b. Rubbish can be spread over the street when animals get into bags and recycling can be blown around on windy days. This would continue to be a compliance and littering issue for Council to manage.

There is the opportunity for Council to undertake ongoing engagement and education with communities to try and minimise these challenges.

The Consultation Document had suggested that the intention was to implement a food scraps collection service regardless of whether bins or bags were preferred. Feedback from some of the submitters has expressed concern with proceeding with a food scraps service if Council sticks with the bag service. It imposes additional costs at \$1.2m per year and only delivers savings of approximately \$50,000 - \$150,000 in carbon credits. There is also concern that people will not use the service as it is easier to put food waste into the general rubbish. This does not seem to be a high priority for many submitters.

Advantages	Disadvantages
<ul style="list-style-type: none"> • There would be a lower rates cost for users compared to the bin option. • Many users feel it is fairer relying on user charges rather than rates funding because this directly allocates costs in relation to the amount of waste being thrown out. • Council doesn't have to take on additional debt. • There are no additional costs associated with rolling out a new service. • All users have the flexibility to choose the rubbish service that best suits their needs from a range of bags and wheelie bins. • Users are familiar with the services on offer. • Minimal onsite storage requirements. • Households can directly control their costs by managing the amount of waste they throw out. • The kerbside crate sorted service for recycling can produce good quality recovered material and there is low contamination as materials that are not recyclable are left behind. • There is the flexibility for households to manage the larger volumes of rubbish and recycling experienced at peak periods. 	<ul style="list-style-type: none"> • Food waste diversion is unlikely to be successful. There would be little point providing a food scraps collection service. • Contractors would need to continue to manage safety risks from sharp objects poking out of rubbish bags. • There would continue to be incidents of torn rubbish bags and windblown recycling. • Peak periods create large volumes of rubbish and recycling on the kerbside creating collection issues.

Submitters also raised a number of issues that Council should consider before deciding.

A. Why do different councils provide different kerbside services?

There is a wide variety of ways that councils across the country provide kerbside waste services. This is a reflection of the different factors that influence communities and in turn the decision making by their councils. Those factors could include things like:

- Proximity to a landfill impacting the price of options that involve trucking waste,
- The mix of permanent residents and holiday homes with their different needs
- The age structure of the community
- Willingness of residents to accept change
- Income levels and the ability to fund different options.

B. Is Council required to provide a food scraps collection service?

There is currently no legal requirement for Council to provide a food scraps collection service. In November 2022, the then Government agreed to five policies to improve household recycling:

- Standardising the materials collected in household recycling
- Introducing a council household recycling service to all urban areas
- Introducing a council household food scraps service to all urban areas
- Data reporting for private household recycling providers
- A performance standard for household recycling and food scraps diversion.

Of the five policies, only the first policy - standard materials for household recycling - has come into force.

The Ministry for the Environment website notes the Government is considering whether the remaining four policies will continue as planned. Some considerations will include the current economic situation, how these policies contribute to minimising waste, the impact they would have on carbon emissions, and how the timing could work with local government planning cycles.

When we started our review of the kerbside collection service the then Government made it clear that we would need to implement a food scraps collection service by 2027. This was a strong motivator for looking at a move to wheelie bins alongside a food scraps service. As we have moved through the review process the Government has changed alongside the intentions to require a food scraps service.

C. Can individuals opt out of the proposed bin service?

No they cannot. Council provides services for the community on the basis that the community collectively pays to achieve economies of scale and therefore more affordable services. This model starts to break down if individuals opt out of some services and not others. It makes it difficult and more expensive for Council to administer and deliver the services.

This is the case for services like libraries, swimming pools, dog control and long-term planning. Different ratepayers might benefit differently depending on how they choose to access the services, however they all pay the same regardless.

D. Why can we not get a bigger or smaller bin to suit our needs?

Some councils around the country have moved to a bin service, particularly in the larger urban centres. Their experience has suggested that moving to the new service is a big change for the community and often people are unsure what size bin they really need to manage their waste.

We are proposing to provide a single sized bin in the first year of the service. This makes the roll out easier and gives people time to get used to the new service. After that first year there is the potential to look at whether there is a need to provide smaller or larger bin options but we have not planned or budgeted for that at this stage.

E. Why is Council not considering a green waste service?

Currently there are several well-established private services that provide a green waste kerbside collection service. These provide an effective means for people to divert their green waste from the landfill and Council does not see a need to provide a rate funded service as well. In addition, the ability to drop green waste at the landfill for a lower cost than general waste provides an effective diversion approach.

F. How bad is the litter from broken bags and windblown recycling?

This is hard to quantify as most incidents are simply cleaned up by our contractor and not reported to Council.

G. What is the waste levy and why does Council have to pay it?

The waste disposal levy was introduced under the Waste Minimisation Act 2008. Council needs to pay the levy because of the Broadlands Road landfill. A \$60 levy on each tonne of waste sent to municipal landfills is collected from landfill operators.

Half of the money collected by the Ministry for the Environment through the waste disposal levy is paid back to Council on a quarterly basis each year. The remaining money (minus administration costs) is put into the Waste Minimisation Fund.

Councils must spend the levy money they receive to promote or achieve waste minimisation. This spending must be in accordance with their waste management and minimisation plans. The amount of levy each council receives is determined by the number of people in each district.

H. How would this apply to multi-unit developments and commercial accommodation providers?

There are some multi-unit residential developments located in urban areas. These are anticipated to be provided with the wheelie bin service if Council decides to proceed. However, once there are more than 10 units in a development there are likely to be issues with the management of multiple bins. In that situation the expectation is that a Council service will not be provided and instead the residents will need to negotiate for their own waste management service from a private supplier. Pragmatically, this approach will likely lead to fewer, larger, shared bin services for these multi-units.

Similarly, the intention is not to provide a Council service to commercial accommodation providers. Their needs vary significantly in terms of the frequency of collections and the volume of waste being generated. It is considered more appropriate that they negotiate bespoke arrangements with private suppliers in the market.

I. If I have an empty section would I have to pay for the proposed bin service?

Yes, if you have an empty section in a serviced area you would need to pay a half charge. This is the approach used for other Council services like water and wastewater. It reflects that Council has had to invest in providing the service for the community and that as a landowner you could choose to access that service at any time. The half charge also helps to incentivise landowners to develop their land which ultimately helps to make the service cheaper for Council to operate.

NGĀ HĪRAUNGA | CONSIDERATIONS

Ngā Aronga Pūtea | Financial Considerations

These costs are indicative based on the tender process to date. These are likely to change because of final negotiations of a contract. It is not anticipated that the variations will be significant.

Rating debt impacts

The initial anticipated rating impacts for individual households and businesses are shown in the options analysis.

While the rating impact has been shown, the financial analysis in the table below has also shown the approximate overall costs to households and businesses. This reflects the differences between a fully rates funded option versus one that includes user fees.

Sticking with the status quo rubbish bag service does not result in any additional debt for Council. A new rate funded wheelie bin service results in the following debt impacts (inflated numbers):

	2026	2027	2028	2029	2030	2031	2032	2033	2034
Debt	\$2,407,200	\$2,260,296	\$2,106,080	\$1,944,283	\$1,774,659	\$1,596,948	\$1,410,997	\$1,216,647	\$1,013,631
Interest	\$114,823	\$103,385	\$96,497	\$92,551	\$87,209	\$81,256	74,296	\$66,874	\$57,987
Depreciation	\$305,500	\$306,000	\$315,382	\$324,970	\$334,760	\$344,745	354,920	\$365,289	\$375,855
Rating impact	\$420,323	\$409,385	\$411,879	\$417,521	\$421,969	\$426,001	429,216	\$432,163	\$433,842

Other financial implications

When Council undertook early engagement with the community last year there was a high level of support for moving to a new bin service. At that time there was limited information on how such a service might be rolled out and the potential costs. There has been a strong swing away from supporting a bin service after Council was able to provide more of that detail through the Long-term Plan Consultation Document.

We have secured approval of a one-off Government grant of \$486,000 assuming Council proceeds with a food scraps collection service. This is able to be used to cover the cost to roll out the communication and education campaigns for a new bin service.

Some submitters have indicated that they would like smaller or larger bin options to be available. At this point that has not been included in the proposed service offering. If Council decided to offer those options in the future, there would be additional administration costs as well as increases in the capital costs to purchase new bins and consequential impacts on Council's debt.

If Council decides to proceed with the bin option then it will be necessary to change the funding streams in the draft Long-term Plan budget. This will involve realigning the waste minimisation subsidy to a capital subsidy, which would reduce interest costs by \$200,000 over the 10 year period. The impact in year 1 is an increase of approximately 0.3% in rates.

Ngā Aronga Ture | Legal Considerations

Council is required to consult the community when proposing to change levels of service. That has been achieved through the Long-term Plan Consultation Document, however if Council were to progress option 2 and potentially exclude some settlements from a kerbside service there would need to be further consultation.

Ngā Hiraunga Kaupapa Here | Policy Implications

Council has an existing Waste Management and Minimisation Plan which is being reviewed alongside the Long-term Plan. The review of that plan suggests that Council needs to do more to help the community reduce waste and proposes changes to the kerbside service to assist. Council will be able to consider the submissions on the draft Waste Management and Minimisation Plan alongside the submissions on the proposed kerbside service changes. This will facilitate integrated decision making and in no way predetermines either Council's policy direction or proposed service approach.

Once Council has chosen how to deliver this service it will be necessary to review the existing Solid Waste Bylaw to ensure that it is fit for purpose. If the wheelie bin option is chosen this will likely result in substantial changes to the bylaw, with the need to look at issues like managing contamination of recycling wheelie bins and tools to encourage waste minimisation planning. If Council decides to stay with the current bag service there may not be a need for substantial change to the bylaw.

Te Kōrero tahi ki te Māori | Māori Engagement

The submission process provided the opportunity for iwi, hapū and Māori to make submissions on the proposed changes to the kerbside service and staff engaged directly with a number of hapū and iwi entities. No issues emerged from submissions that were unique to these groups compared to the wider community.

Ngā Tūraru | Risks

Several risks have been identified in the options analysis. In addition, Council should be cognisant of the following potential risks:

- The previous Government signalled that they wanted councils to implement a food scraps collection service by 2027. This was a significant driver when we started our review of the current service. The current Government has not made that a requirement, however there is the potential that they, or another future government, do seek to make a food scraps service mandatory. The expectation is that if that were to eventuate then a reasonable period of three years would be provided for councils to be able to work around existing contractual arrangements. This risk could be mitigated by a seven year, or shorter, contract.
- Regardless of the service option chosen the intention has been to enter into a contract of seven years with a further three year right of renewal. This provides some benefits in terms of certainty of supplier and costs; however, it also locks Council into a particular service delivery model for at least seven years. Seeking a shorter contract term is possible and would give Council more flexibility but it is likely to be less appealing to the market and drive up the price. In the future Council may wish to relook at a move to a bin service, particularly if a future Government introduces a requirement for a

food scraps service. The most appropriate time to do that would be as part of the Long-term Plan in 2030 with a service roll out in July 2031. That timing would line up with a six-year contract.

- The tender process that Council has undertaken to get indicative pricing for the options was set up to enable Council to choose either the bin or the bag service. Work will still be required to negotiate what a final contract might look like, meaning that the final costs may well shift compared to those discussed in this report. In addition, if Council sought a shorter contract period that might also affect the existing tender process.
- The submissions have revealed opposition to a new bin service across the community, a change from where Council had thought community sentiment was. This is likely to make a roll out of a new service more challenging and could have a significant negative impact on Council's reputation. In addition, there would be a significant impact on a number of Council teams who would need to dedicate staff to the roll out process. That would reduce their ability to deliver other parts of the work programme, with significant additional operational costs.
- Rolling out a new bin service by July 2025 would be challenging and may compromise the quality of the roll out. Early engagement in 2023 suggested there was widespread community support for a move to bins. However, this consultation process has shown a substantial level of opposition. This means that significantly more work and resources would be required to successfully roll out a new bin service. The late adoption of the Long-term Plan means there is a smaller window to put in place the contractual arrangements and physical infrastructure to be successful. A failure to meet that timeframe would likely require Council to negotiate a continuation of the current service with the current contractor until a new bin service was ready.
- The Government provides councils with a waste levy to help fund waste reduction services. That levy will be able to be used to help fund the new service, however the exact amount of that levy is subject to change each year.
- There was some concern that with limited providers in the market and some councils shifting to a bin service, Council could struggle to attract a provider to offer a bag service. This proved not to be the case through the latest tender process, however that does not guarantee that will be the case in the future. The fact that there are mix of councils providing bin and bag services is expected to mitigate this risk.

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

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

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

TE KŌRERO TAHI | ENGAGEMENT

Council has engaged with the community on this issue through the Long-term Plan Consultation Document. The feedback from the Community has been discussed throughout this report.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

Council's decision on this matter will be communicated to the community alongside the other significant decisions during the Long-term Plan deliberations process. It is expected this topic will garner media attention and a high level of engagement on social media.

WHAKAKAPINGA | CONCLUSION

Initial community support through early engagement last year suggested that moving to a new wheelie bin service could help achieve food waste diversion. However, community sentiment has moved considerably now that more detail is known about how the service would operate and the anticipated costs.

The submissions have revealed opposition from many in the community to a new bin service. Low waste generators do not like the idea of having to pay for a bin service that is more than they need. Likewise high waste generators are concerned about how they will cope when the bin is not big enough for their needs.

Holiday homeowners are concerned that the service does not reflect their circumstances, given they are not there much of the time, and they do not want to pay for a service they do not need.

The recommendation is to retain the current rubbish bag service that Council offers on the basis:

- It reflects the significant swing of community support from a bin service to the current bag system which users are familiar with.
- There is flexibility within the current service for people to access different bags and bins to meet their needs. Competition between different providers helps to maintain control over the price for users.
- People pay for the amount of rubbish they throw out fairly allocating the costs to provide the service. This also enable users to manage their waste costs which can be particularly important for those on lower or fixed incomes.
- Sticking with the current service avoids additional costs for Council and the Community. There is no need to purchase bins, take on more debt, or fund communication and education campaigns.

If Council continues with the current bag service, the recommendation is not to implement a food waste collection service. Experience in other towns suggests it is unlikely to be successful while there is range of weekly rubbish services available. Council is not required to provide a food scraps collection and avoiding it at this time saves Council about \$1m of operational costs per year.

Council would not achieve the level of food diversion anticipated with a bin service, however there are other opportunities to minimise waste, like working with the building industry to divert construction and demolition waste and ongoing community education and engagement campaigns. Council is able to consider how to prioritise these opportunities through the Waste Minimisation and Management Plan.

We know that there will be some people who will be disappointed if Council decides not to implement a new bin service. While we provide a basic bag service, those people who do want the benefits that come with having a wheelie bin still have the ability to access one through the different private providers.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Kerbside collection - summary of submissions [⇒](#)

5.3 NEW ZEALAND TRANSPORT AGENCY (NZTA) FUNDING

Author: Kendall Goode, Senior Policy Advisor

Authorised by: Tony Hale, General Manager Community Infrastructure and Services

TE PŪTAKE | PURPOSE

Council has not received the full amount of funding from the New Zealand Transport Agency (NZTA; Waka Kotahi) for Local Road pothole promotion or Local Road operations (maintenance and renewals). Council is still waiting to hear about funding for the ‘New Works’ category from NZTA. Council needs to consider whether it approves additional budget to enable the full transport programme to be delivered over the next three years or choose an alternative option.

NGĀ KŌRERORERO | DISCUSSION

Every three years NZTA approves funding to local councils for various activities. This is a co-fund arrangement where NZTA contributes 51% and Taupō District Council contributes 49%, known as ‘local share’. Early discussions with NZTA had indicated that funding would likely be lower this round due to the new government’s announcements of cost saving across the public sector and councils should have lower expectations about the amount of funding they might receive. Through the consultation document, Council let the community know about the timing issue and that decisions during deliberations would be made about the funding received from NZTA.

For this Long-term Plan, the following funding was sought for Maintenance and Renewals and New Works:

Maintenance and Renewals	New Works
<ul style="list-style-type: none"> Local Road Pothole Prevention Local Road Operations 	<ul style="list-style-type: none"> Footpath and cycleway maintenance and renewals Low cost /Low risk improvements for local road improvements, Walking and cycling improvements and Public Transport infrastructure. Road safety promotion.

NZTA have provided an indicative funding allocation to Taupō District Council for the maintenance and renewals funding and is outlined in Table 1. The outcome for ‘New Works’ will be known in mid-August after Long-term Plan deliberations. The current budgets for these activities will be retained in the Long-term Plan and will be adjusted (if necessary) through the Annual Plan process for the 2025-26 and 2026-27 financial years.

Table 1: NZTA Funding Allocation and Shortfall.

Activity Class	2024-27 indicative funding allocation	Council Request 2024-27	Shortfall*
Local Road Pothole Prevention	\$27,078,000	\$29,920,159	\$2,842,159
Local Road Operations	\$10,589,000	\$11,961,864	\$1,372,864

*this shortfall is the combined local share and NZTA share. Option 1 below reflects only the local share and is therefore less than the combined figure in Table 1.

Notably, the funding allocation received for Local Road Pothole Prevention is an 86% increase from that received for the 2021 Long-term Plan, while a 30% increase has been received for Local Road Operations. This recognises that NZTA are supportive of our proposed programme to prevent further decline of our roading network.

While increases have occurred, the complete work programme has not been matched and some projects at this stage are unlikely to proceed. Council’s Transport Asset Management Plan and associated maintenance and renewal programme are developed using data including a deterioration modelling exercise to provide a more accurate long-term programme for predicting reseal and rehabilitation costs and optimal timing to avoid additional issues. This modelling has been reviewed and which included a visual inspection of the network, it is suggested that investment of up to \$8 million per year is needed. Budget adjustments have been made to Years 1 – 3 of the Long-term Plan and includes an average of approximately \$7 million per year to ensure

that Council stays on top of its maintenance and renewals work programme, however reduced funding from NZTA could have a negative impact on the condition in future years.

Submissions have been received in relation to the NZTA funding received which includes:

- That Council should re-prioritise transport projects or change the scope of projects to meet a smaller budget
- Road funding should come from NZTA
- If NZTA do reduce their funding, Council should not reduce active transport projects
- Good that Council is allocating money for rural road safety improvements and encourage Council to take a holistic approach and recognise that regular maintenance and upgrades of rural roads ensure a safe and efficient transport system.

This submission feedback has been incorporated into the development of the three options below. Staff responses are included in the 'All other Issues' submission response report attached to the cover report.

NGĀ KŌWHIRINGA | OPTIONS

The three options for Council to consider are outlined in the table below, each presenting different costs and opportunities in regards to asset condition and impact on rates.

Option 1: Retain local share and fund the shortfall that was not received by NZTA.	
<input checked="" type="checkbox"/> Will allow Council to undertake the full transport programme, and stay on top of the required maintenance and renewals of the districts transport networks as supported by data. <input checked="" type="checkbox"/> Will increase rates for Years 1, 2 and 3	Budget Impacts: This option will require an additional \$2.1 million (approximate) to be allocated to the transport budget which will be spread over the first three years of the Long-term Plan. Rates Impact This option will increase rates. Given we have not yet received full details of the funding allocations final adjustments are unable to be made to our modelling an approximate increase for Year 1 would be 0.7% increase and 0.1% for Years 2 and 3.
Staff Comment: This option would allow Council to deliver the full work programme and stay on top of the required maintenance and renewals. This option does however require additional Council funding and would increase rates for Years 1, 2 and 3 of the Long-term Plan.	

Option 2: Retain the local share not matched by NZTA funding	
<input checked="" type="checkbox"/> This will still allow the work programme not funded by NZTA to be delivered. Projects not matched will be prioritised and the local share used to fund them. <input checked="" type="checkbox"/> Retaining local share also provides an opportunity to apply for additional funding if it becomes available. <input checked="" type="checkbox"/> Modelling data supports retaining local share. <input checked="" type="checkbox"/> Not all projects will be delivered <input checked="" type="checkbox"/> Staff may need to seek unbudgeted expenditure if projects are considered necessary based on deteriorating condition of an asset.	Budget Impacts: This option does not require any additional budget to be approved. Rates Impact: This option will likely have some impact on rates as we normally receive 51% funding from Waka Kotahi and adjust rates collected through depreciation accordingly. If we are not receiving this funding the adjustment to rates will change and we will need to collect more through depreciation. This is difficult to quantify as we do not yet know the split of the funding between maintenance and

	renewals. Maintenance is fully rates funded whereas renewals are funded from depreciation.
<p>Staff Comment: This is the preferred option by staff. This was the approach taken for the previous Long-term Plan 2021-31 when NZTA funding received was less than expected for low cost/low risk projects. The team were able to review projects, reprioritise or rescope with the local share component, which was then presented to Council for signoff/approval during either Council meeting or Annual Plan process. For example, we managed to receive a further \$400K from NZTA for additional maintenance activities and \$500K for the completion of Wairakei Drive/Huka Falls Roundabout project. This option allows Council to deliver as much as possible within the existing planned budget. This option also generally aligns with submissions received to support Council undertaking as much as possible to deliver projects and maintain the condition of assets.</p>	

<p>Option 3: Reduce the overall transport budget and remove the local share that has not been matched by NZTA funding. Decision on what projects are removed will be considered through Annual Plan processes.</p>	
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> This option will reduce rates over the first three years of the Long-term Plan. <input checked="" type="checkbox"/> The programme will need to be reduced. rescoped and/or reprioritised. The budget will be reduced in the Long-term Plan to allow final rates requirements to be developed. <input checked="" type="checkbox"/> Council will be in a difficult position to seek funding from NZTA in Years 1, 2 and 3 of the LTP as local share will not able to be demonstrated. <input checked="" type="checkbox"/> Staff may need to seek unbudgeted expenditure if projects are considered necessary based on deteriorating condition of an asset 	<p>Budget Impacts: This option does not require any additional budget to be approved.</p> <hr/> <p>Rates Impact This option will reduce rates. Given we have not yet received full details of the funding and final adjustments unable to made to modelling and approximate reduction Year 1 would be 0.7% and 0.1% for Years 2 and 3.</p>
<p>Staff Comment: This option would reduce rates over Years 1, 2 and 3 of the LTP, however a further reduction of funding to the transport work programme is likely to have negative effects (for example roads will continue to deteriorate, additional potholes and wash out) on asset condition and could lead to other issues if these projects are not undertaken in the necessary timeframe as per modelling information.</p>	

WHAKAKAPINGA | CONCLUSION

The full amount of funding has not been received from the New Zealand Transport Agency (Waka Kotahi) and will mean that several projects are unable to be delivered in the first three years of the Long-term Plan 2024-34. Staff are recommending that Option 2 is adopted as this will not have any impact on the proposed 11.6% rates increase while ensuring that the majority of the maintenance and renewals work programme is able to be delivered and prevent the decline of the roading network.

<p>NGĀ TŪTOHUNGA RECOMMENDATION(S) That Council adopts Option 2, retaining its 'local share' for transport programme funding in the Long-term Plan 2024-34, without any additional funding to cover the shortfall not received from the New Zealand Transport Agency.</p>
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NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.4 TŪRANGI WASTEWATER SOLUTION

Author: Kendall Goode, Senior Policy Advisor

Authorised by: Tony Hale, General Manager Community Infrastructure and Services

TE PŪTAKE | PURPOSE

The purpose of this report is to consider and confirm a wastewater management approach for Tūrangi in the Long-term Plan 2024-34.

TE WHAKAMAHIKI | BACKGROUND**Tūrangi Wastewater Treatment Plant**

The Tūrangi Wastewater Treatment Plant provides an essential service by treating wastewater from Tūrangi and Tokaanu. The Tūrangi Wastewater Treatment Plant has been operating under a resource consent that allows treated wastewater to be taken and discharged to a wetland (the South Taupō Wetland), which leads into the Hangarito Stream and connects to Lake Taupō. The community, iwi and hapū have raised concerns over the current disposal methods and its impacts on the waters of Lake Taupō.

The resource consent for the treatment plant and discharge expired in June 2018, however prior to the consent expiring, replacement applications were lodged with the Waikato Regional Council. Following the lodgement of the replacement resource consent in late 2017, letters of opposition were received from Tūwharetoa Māori Trust Board, Ngāti Tūrangitukua and Ngāti Kurauia. The resource consent has been on hold since 2018 and Taupō District Council has been given several extensions to continue operating under the expired resource consent to work through matters needing to be addressed.

A steering group was formed in 2018, and includes representatives from Ngāti Kurauia, Ngāti Tūrangitukua, Tūwharetoa Māori Trust Board and Taupō District Council. The steering group has made positive progress but are still processing work to identify a long-term solution for Tūrangi, a preference is for a land disposal system. This work will continue, and a recommendation will be presented to Council in the future. However, Council needs a short to medium-term solution to be provided as part of the Long-term Plan to satisfy regulatory requirements.

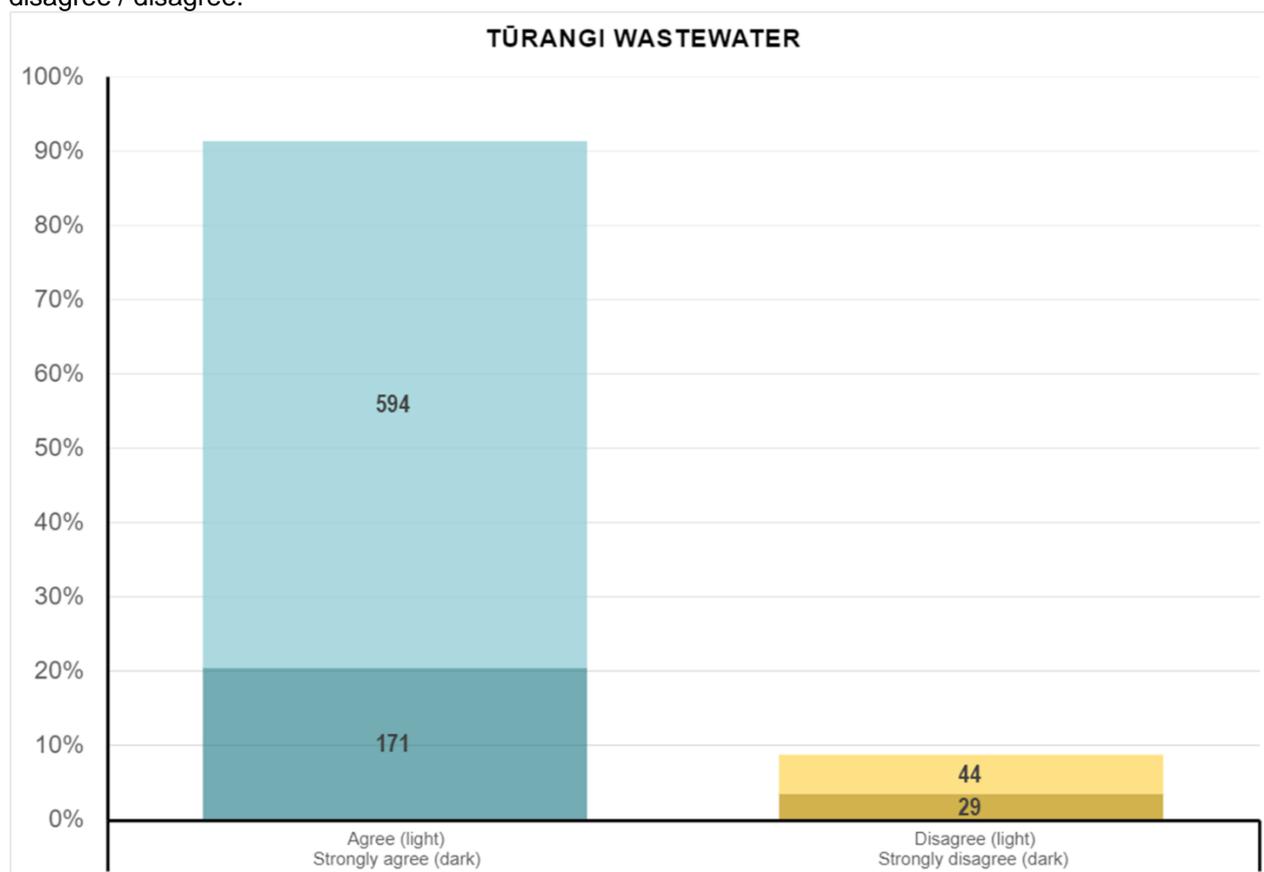
NGĀ KŌRERORERO | DISCUSSION

The Tūrangi Wastewater Treatment Plant is unique, being the only system within the Taupō district that does not discharge to land, and instead treated wastewater is discharged to a wetland. The environmental impact of the wastewater discharge at the current site has been determined to be 'less than minor', however concerns over the current disposal and its impacts on the waters of Lake Taupō have been raised by the community, iwi and hapū.

The iwi and hapū representatives from the established steering group have indicated a preference for a land disposal system as a long-term solution. A site has not been found and the existing resource consent for the treatment plant has now expired with no further extensions being provided from Waikato Regional Council. While Council is committed to finding a long-term solution, a short to medium term solution is needed to progress the replacement resource consent and continue operating at the current site. This will allow council to continue to find a long-term solution while meeting its regulatory obligations. Through the draft Long-term Plan 2024-34, it is proposed to invest at the existing discharge site which could include undertaking rehabilitation of the unused parts of the site and could include further treatment processes to improve discharge quality such as newly constructed wetland on the site or other planting improvements as discussed in the 2024 Infrastructure Strategy. About \$6 million has been budgeted from 2027 to 2029 (Year 4 and Year 5) to implement a short to medium term solution.

Alternatively, Council could aim to minimise investment in the current Tūrangi treatment site in the short term and instead continue to find a suitable location to discharge wastewater to land. Developing a plan to rehabilitate unused areas of the site was a condition of the previous consent and will likely remain a condition of a future consent, regardless of the discharge location. Initial investigations have indicated funding of about \$18.5 million would be required in this Long-term Plan to fund a land disposal system, additionally if a site is found there are several issues which still need to be worked through which 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.

The graph below illustrates the submissions received on the proposed short to medium term option outlined in the consultation document. There were 838 responses with 91% strongly agree or agree and 8% strongly disagree / disagree.



Emerging Submission themes:

Responses on both options were received, noting that submitters for both options were supportive of looking after Lake Taupō and that this should be a priority for either solution. Other general feedback also aligned with responses received for the two options such as fixing the existing site while continuing to look for a new site, and the consideration of alternative technologies for wastewater disposal. A summary of submissions is provided in Attachment 1.

Responses on proposed short-medium term option	Responses on alternative long-term option
<ul style="list-style-type: none"> The current system is good and used widely around the world. Releasing treated waters into a body of water is a common process amongst NZ councils. Costs appear reasonable / lowest cost option. There is nothing wrong with the current system, spend the minimum to meet legislative requirements. Successive councils have kicked the can down the road and not faced the facts that necessary infrastructure has not kept up with growth in the region. Council’s responsibility is to provide wastewater services and minimise environmental harm, you cannot keep delaying the decision and investment that is needed. 	<ul style="list-style-type: none"> Tūrangi wastewater treatment plant should not have additional investment until there is a long-term site secured. Finding an alternative that iwi and hapū are supportive of is essential if we are to care for te taiao long-term. Any short-term fix should be at minimal cost, until a new land discharge system is constructed. The long-term solution needs to be given more urgency. \$18.5 million to find a new wastewater disposal site, surely not? Keep working with the steering group.

A specific funding request was raised through submissions. This sought that the steering group continue to be resourced to complete the agreed task. Members of the steering group are currently paid, and will continue to be paid, in line with councils 'Remuneration Policy for Māori Cultural Expertise'.

NGĀ KŌWHIRINGA | OPTIONS

There are two options for consideration.

Option 1: Pursue a short to medium term solution for the treatment and discharge of wastewater in Tūrangi.

Advantages	Disadvantages
<ul style="list-style-type: none"> Allows Council to proceed with the consent application with greater certainty as a solution could be developed on TDC land. Affordable with the budget constraints of Council's financial strategy. Serves as rehabilitation of the current ponds and irrigation area which would still need to be addressed if the land disposal option was selected. 	<ul style="list-style-type: none"> In the short to medium term council is not able to completely address community, iwi, hapū concerns about the current disposal. Iwi and hapū representatives support a long-term land disposal approach. Opposition to the resource consent is likely from iwi and hapū representatives. Investment into the current site could be viewed as wasteful spending if there is a subsequent decision to move to a land-based disposal system shortly after investment is made.

Option 2: Aim to minimise investment in the current discharge site and continue to work with the steering group to find a long-term land disposal solution.

Advantages	Disadvantages
<ul style="list-style-type: none"> Discharge to land would be consistent with other wastewater systems in the district. Aims to address community concerns regarding the current discharge site. A resource consent would likely be supported by the iwi and hapū representatives from the steering group. 	<ul style="list-style-type: none"> Discharge to land is dependent on finding a suitable location, willing landowner and assurance to discharge to the site for the long-term. Does not resolve the existing resource consent matter for the current wastewater site. Initial capex of approximately \$18.5 million and higher operational costs. Shifts issue to a new area which could result in different groups opposing the resource consent. Council will still need to rehabilitate the existing site which could cost several million dollars.

Staff response:

Option 1 is preferred. Council is committed to working with the steering group to find a long-term solution for the discharge of wastewater in Tūrangi. The preference of the steering group is a land disposal solution however a suitable site has not yet been found. A short to medium term solution will allow Council to progress the resource consent application while continuing to seek a long-term solution. This option generally aligns with submitter feedback/responses during consultation.

WHAKAKAPINGA | CONCLUSION

Providing a short to medium term wastewater solution for Tūrangi in the Long-term Plan will address the resource consent issues with the Waikato Regional Council. In the meantime, Council can continue to work with the steering group to find a long-term solution.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council confirms the short to medium term solution for the Tūrangi Wastewater Treatment Plant provided for in the draft Long-term Plan 2024-34.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Tūrangi Wastewater Summary of Submissions [↔](#)

5.5 TAUPŌ WASTEWATER SOLUTION

Author: Kendall Goode, Senior Policy Advisor

Authorised by: Tony Hale, General Manager Community Infrastructure and Services

TE PŪTAKE | PURPOSE

The purpose of this report is to consider and confirm a wastewater approach for Taupō North for the Long-term Plan 2024-34.

TE WHAKAMAHUKI | BACKGROUND**Taupō North Wastewater**

Wastewater from residential areas located on the northern side of the Control Gates Bridge is currently conveyed across the Waikato River to the Taupō Wastewater Treatment Plant. Growth in the northern suburbs such as Acacia Bay and Nukuhau have been identified through council's growth strategy (TD2050) for some time, and in recent years resource consents for subdivision in these areas have been granted, with provision for several hundreds of new houses. Subdivision and/or additional houses on existing sites have also been steady in these areas.

Current capacity of the wastewater system is limited to the areas already zoned for residential development and does not include the Nukuhau Plan Change area. Additional capacity within the network is necessary to accommodate the Nukuhau Plan Change area and for Council to meet its growth obligations under the National Policy Statement for Urban Development (NPSUD).

Council has been working closely with a steering group of local iwi and hapū as part of identifying a long-term solution for managing wastewater from residential areas on the northern side of the Waikato River.

NGĀ KŌRERORERO | DISCUSSION

To address both the short-term⁴ and medium-term⁵ issues of needing to provide additional capacity to support Council's current and future growth obligations, a short-term and medium-term solution have been proposed as part of the Long-term Plan. Long-term⁶ solutions will continue to be investigated and worked through with the established steering group of local iwi and hapū, and will be addressed through future Long-Term Plan processes. Assisting with these discussions, will be the 'Waikato Awa Cultural Impact Assessment' prepared by Ngā Hapū o Te Hikuwai o Tūwharetoa.

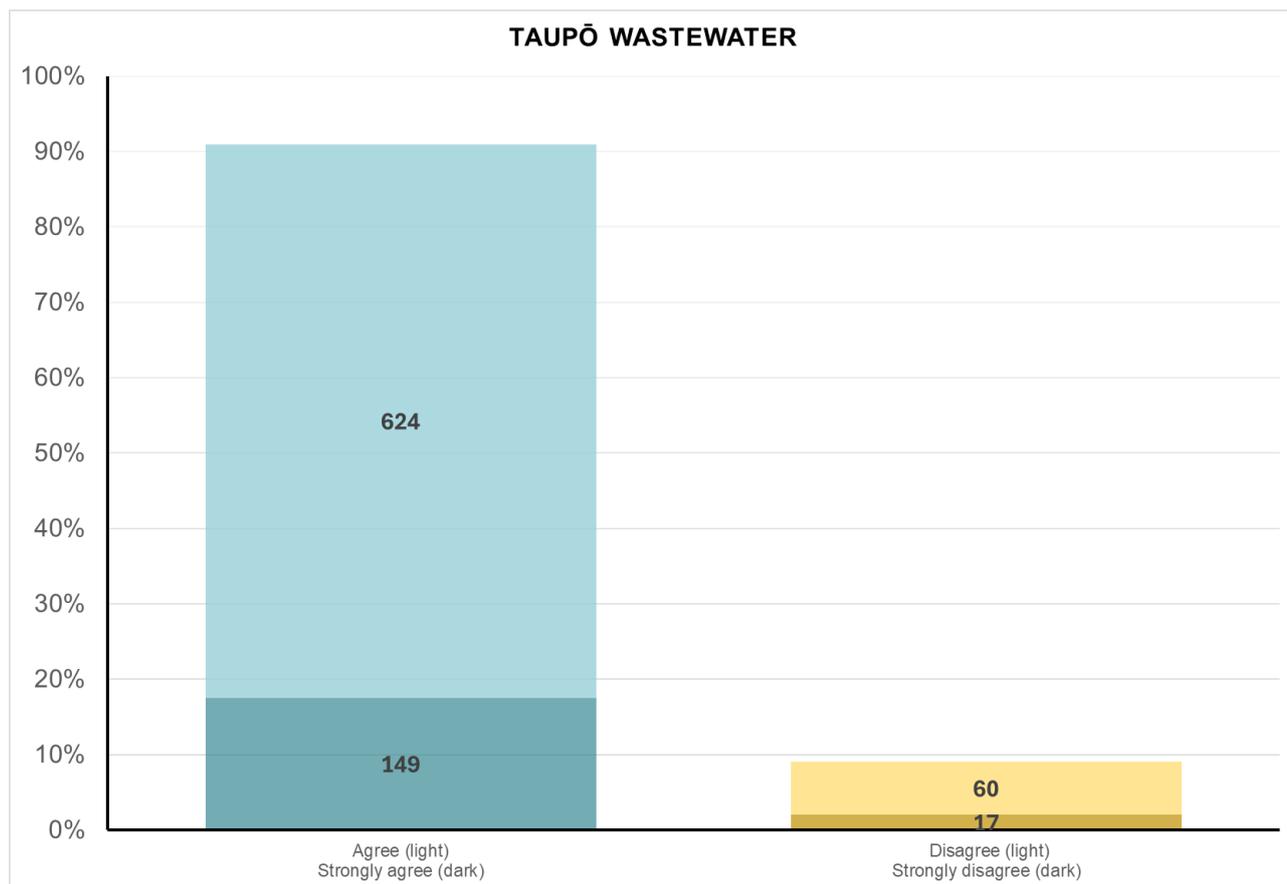
The short-term solution proposed involves the installation of wastewater storage tanks and pump station to the north of the Control Gates bridge which will allow some growth on the northern side to continue and provide added resilience. The medium-term solution proposed and consulted on will increase the capacity of the wastewater connection across the Waikato River, with high resilience being a key factor in the design of this solution. Additionally, the storage tanks will provide resilience when it comes to planning for the second Waikato River vehicle crossing in years 6 and 7 of this Long-term Plan, and with possible energy company projects that may impact on Council infrastructure. There is potential to align construction of wastewater capacity over the river with either a future energy company project or a second bridge crossing.

The graph below illustrates the submissions received on the proposed short to medium-term option in the consultation document. There were 850 responses with 91% strongly agree or agree and 8% strongly disagree / disagree.

⁴ One to three years

⁵ Over the next 10 years

⁶ Greater than 10 years



Emerging submission themes:

- Keeping the lake and river clean should be top priority, protect the awa, Te Awa o Waikato
- Best-priced future-proofed option
- Housing development must slow down until we can afford to build the appropriate infrastructure
- Infrastructure needs to support our growing region
- Taking wastewater across the Waikato leaves infrastructure vulnerable to hazards.
- Alternative options suggested such as discharge/disposal to forest, reduce the wastewater coming from new houses such as greywater tanks and the reuse of greywater onsite to flush toilets, clean cars etc, reinject into land.
- Improve resilience and reduce the burdening the existing treatment plant.
- Council should stop making short-term plans and focus on long-term solutions.
- Taupō has an up-to-date treatment plant if it can handle waste from Taupō North area.
- Taupō needs a larger pipe then get on and do it
- Should have / should be funded by new development in the areas such as developed levies.

A specific funding request was raised through submissions seeking that the steering group for the Taupō North Wastewater Infrastructure project be funded through to completion of deliverables as set out in the steering group’s Terms of Reference. This will be funded in accordance with the existing 'Remuneration Policy for Māori Cultural Expertise'.

NGĀ KŌWHIRINGA | OPTIONS

There are two options for consideration, either progress with the short term or medium-term solutions or not.

Option 1: Proceed with the medium-term wastewater solution (additional capacity over the Waikato River) as currently provided for in the draft LTP.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Achievable within Council prudential debt limits. • Supports growth on the northern side of Taupō. • Will utilise the existing wastewater treatment plant. • Is a growth project so Development Contributions are able to be collected which will reduce the burden on ratepayers. 	<ul style="list-style-type: none"> • Does not eliminate the carriage of untreated wastewater over the Waikato River in the short to medium term. • Infrastructure potentially at risk to hazards.

Option 2: Do not proceed with the short term or medium-term wastewater solutions

Advantages	Disadvantages
<ul style="list-style-type: none"> • Short-term cost savings. • Support from the community to focus on long-term solutions. 	<ul style="list-style-type: none"> • Will not support growth on the northern side of Taupō. • Less resilience in the wastewater network.

Staff response: Option 1 to proceed with the short term and medium-term wastewater solutions is preferred. This will ensure that Council can meet its growth obligations in the short and medium term while Council continue to work with the steering group and align with future infrastructure projects such as the second Waikato river crossing.

WHAKAKAPINGA | CONCLUSION

A short to medium term solution (over the next 10 years) that allows wastewater from the northern urban areas to be treated at the Taupō Wastewater Treatment plant will enable Council to meet its short to medium term growth requirements. Council will continue investigations together with the established steering group to identify the long-term solution for managing wastewater from urban areas located on the northern side of the Waikato River.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council confirms the short to medium term solution for the management of wastewater of the residential areas on the northern side of the Waikato River in the draft Long-term Plan 2024-34.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Taupō Wastewater Solution Summary of Submissions [↔](#)

5.6 LONG-TERM PLAN 2024-34 - EAST URBAN LANDS DEVELOPMENT

Author: Chris Haskell, Acting Manager Housing and Property Investment

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

The purpose of this paper is for elected members to consider and decide whether Council should sell land at market value to a development partner who then delivers new homes as per the partnership agreement, or whether it should sell the land on the open market at the appropriate times.

TE WHAKAMAHUKI | BACKGROUND

One of the priorities of the Long-term Plan (LTP) 2021-31 was for Council to better understand the housing issues in the Taupō district, which was to be addressed through the development of a housing strategy. Development of this strategy took place during 2021/22 and through its development it became clear that the Taupō district had a severe shortage of suitable first-home buyer housing. The housing strategy was also an opportunity for Council to articulate how it would be involved going forward, to address the issues identified.

In parallel to the development of the housing strategy, Council also started to review whether it continued to sell parcels of land it owns known as the East Urban Lands (EUL) or look to develop the land itself, reaping the financial benefits of building services infrastructure and roading to increase the value of this land. Through the 2023-24 Annual Plan (AP) Council sought feedback on whether it should invest \$7.6 million to develop a 6ha area within the EUL in the 2023-24 financial year. The \$7.6 million would fund consenting, design, earthworks and some civil construction such as roads, waters and electricity.

The business case signalled that additional budget would be sought as part of the Long-term Plan 2024-34. As part of the Annual Plan deliberations, Council decided to approve the proposal on the basis that the investment would not impact rates as it would be funded through the Strategic Property Reserve, the land's value would increase and would provide Council with additional funding to support a range of future options to benefit the community.

In conjunction with this process, Council tested the market to see if it was possible to partner with a developer, to achieve Council's vision for the EUL, with the procurement process being specific to stages 1 & 2 of the development. A preferred development partner (a consortium including Penny Homes Limited, Tūwharetoa Settlement Trust and Classic Builders) was selected through a thorough procurement process, which started with an open registration of interest.

Through the procurement process, Council confirmed that it would be able to utilise this partnership to sell the developed sections to the development partner at market value, while achieving agreed affordability outputs with the developer being required to provide a portion (approximately 35%) of new, quality, attractive houses that are similar to the market homes in this area – but are smaller and more affordable for everyday people who would then be able to service a mortgage. Prices for these affordable houses would be capped at \$550,000 for a 2-bedroom home and \$650,000 for a 3-bedroom home, noting that these price caps will be subject to an annual pricing reset. The remaining homes (approximately 65%) will be available for purchase on the general market.

The progression of the section sales to Council's preferred development partner was approved by Council at its meeting on 23 April 2024, in accordance with key commercial terms. Key commercial terms have now been agreed with Council's preferred development partner, and the development agreement is underway, with these documents being clear that stages 1B & 2 are subject to LTP decision making processes.

The \$7.6 million AP budget has allowed progress to be made with the development of Stage 1 which comprises approximately 116 lots. Stage 1 has been split into Stage 1A and Stage 1B with earthworks completed on Stage 1A and 1B and civil works and titles approved for approximately 62 lots for Stage 1A. The budget has also allowed Council to progress planning and design for Stage 2 of the development, in line with Council's procurement process (discussed above). Stage 2 is currently proposed to include 120 high density sections.

Additional funds of approximately \$2 million have been sought through the Long-term Plan 2024-34 to finish the works required for Stage 1B and 2, along with a budget of \$25.6 million to progress future stages of the development, which will be funded by section sales from Stages 1 & 2 of the development and other land sales with expected revenue of \$53 million over the 10 years. This progress of Stages 1 & 2 was discussed at the Council meeting held on 23 April 2024.

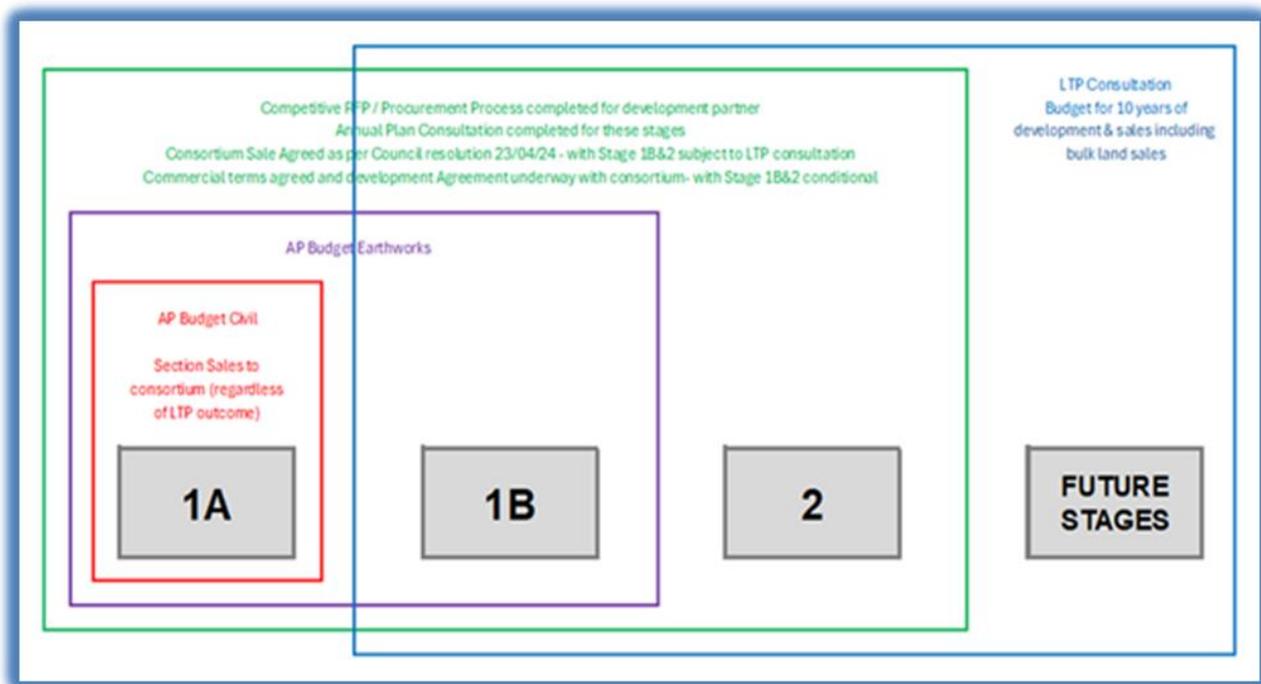


Image 1 - project stages

NGĀ KŌRERORERO | DISCUSSION

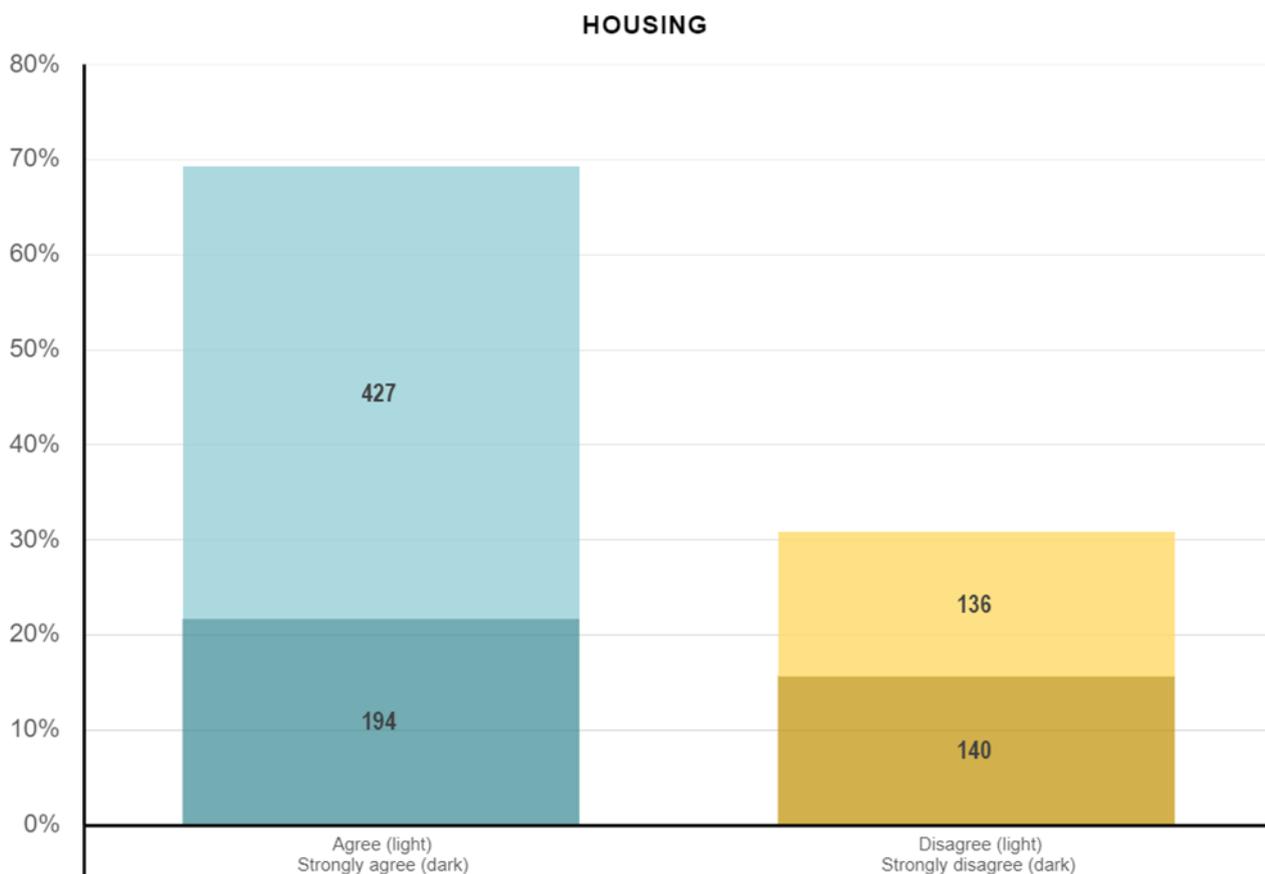
Like many other areas in New Zealand, the Taupō district is experiencing housing shortages that have created an unaffordable housing situation for many people. The housing strategy identified how Council could be involved, and initial development of Stage 1 of Council’s EUL was approved through the AP process. Feedback through the Long-term Plan has now been sought from the community on whether Council should partner with a building consortium to deliver quality first home options or sell the residential land on the open market.

The option to partner with a building consortium would enable the off-market sale of land at market price to achieve housing outcomes that are not currently available and includes an agreement for the entire 116 allotments within Stage 1 (with Stage 1A already committed) and approximately 120 allotments as part of Stage 2. This approach comes with less risk to Council, while Council is the enabler of the development, the building/development partner would be building the homes, managing the sales and marketing the completed homes. This is likely to result in quicker sales, along with achieving the affordable outcomes.

Steps have been taken over the last year in selecting a building consortium and negotiating terms in anticipation of the Long-term Plan process, including confirming eligibility criteria for the homes only available to people who would otherwise not be able to afford a home. As noted earlier, further budget has been sought as part of the Long-term Plan from the Strategic Property Reserve to allow development of Stages 1B and 2 (as well as possible future stages) in regard to earthworks, consenting requirements and civil works. It is expected that sales revenue of approximately \$53 million over 10 years will be achieved and used to pay back project debt and fund future housing projects. The \$14.9 million of debt from this project will be repaid by the end of Year 3 (2027/28).

Council has historically sold undeveloped parcels of EUL land to developers, who have gone on to develop Nga Roto Estate and more recently Kokomea. Council could continue with this approach, removing risks associated with the development partner approach and still achieve benefits for the community through the sale of this land, albeit this is forecast to be much lower. While this approach may address aspects of the housing strategy e.g. market supply, it would be less likely to address affordability issues as section typology would be decided by developers and more likely to follow traditional density approaches, as have been produced in the past. This also carries the risk of ‘land banking’ by developers until the market is suited to achieve their outcomes.

The graph below illustrates the Long-term Plan 2024-34 submissions received on whether Council should partner to provide housing for first home buyers or sell the land. At the time of writing there were 897 responses with 69% noted as strongly agree or agree and 31% strongly disagree / disagree.



Key emerging submission themes:

There have been several submissions received on aspects not relating directly to either the proposed or alternative option in the consultation document. These include suggestions for Council to consider other areas of the Taupō district for housing, specific design and typology suggestions for future housing on the East Urban Lands, effects of holiday homes, rezoning of land and wider infrastructure requirements. These are considered out of scope of the decision Council needs to make. These submissions are however captured and included in the submission summary report in Attachment 1.

The key themes from the submissions related to this decision were:

- People are struggling to find suitable housing within their budget
- Giving first time homeowners the opportunity to buy decent homes and get on the property ladder is the way to build communities that the residents feel connected to
- Like we could support our young people into this area
- Relying on developers has not provided affordable homes, good for Council to try something different
- If rates are not impacted, it is a great scheme to help local people to own homes
- This is a necessary way to get essential working personnel to come to area
- Must be no cost to ratepayer
- Council should stay out of things it doesn't know how to do
- Not Council's role to be a developer, leave risk to private developers
- Having a business partner does not protect the Council from risk

- Council cannot afford to be involved in housing developments which become a blight on the landscape of Taupō or devalue other property values. Better to sell on the open market and let the market forces develop required housing.
- Make it a condition of land sales that there are some quality homes for first home buyers, without getting further involved
- Sell land and reduce debt
- Sell the land, put money into other projects for the benefit of the entire community
- Proceeds of sales should go towards infrastructure upgrades
- Need conditions to control/covenants to control specific matters, for example short-term accommodation and animals
- Suggested prices are not affordable enough
- Council should consider alternatives including:
 - using funds from house sales to create a housing fund which prospective home-owners can borrow at a lower interest rate to buy their home
 - sustainable public housing project for long term secure rentals
 - Lease the land instead of selling
 - Rent to buy
- More rental properties are needed
- Don't sell the land. Land and property are intergenerational assets that should not be sold by this generation for short term benefits.
- More houses need to be affordable, why not a larger percentage of affordable homes.
- Land should be used for green space

NEED NGĀ KŌWHIRINGA | OPTIONS

There are two options, Council can either decide to partner with a building consortium to provide quality first home options or continue to sell residential land on the open market.

Option 1: Decide to partner with a consortium of builders and provide quality first home options

Advantages	Disadvantages
<ul style="list-style-type: none"> • No rates impact. Initial debt repayments are covered by Council's strategic property reserve. Going forward, project will be self-funding from Council returns. • Realises Council's housing aspirations at minimum risk to Council. • Guaranteed sale with a committed sale price for full market valuation with regular pricing reset. • 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. • Council maintains control over the scale and design of the development. 	<ul style="list-style-type: none"> • No competition with other builders. Limited price competitiveness for homes options with multiple parties. • No ability for individuals to purchase land and build their own home. • Requires further investment into the second part of this project before the returns are realised from the first part. • 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.

<ul style="list-style-type: none"> • Will help attract skilled workers to Taupō district. 	
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Option 2: Sell residential land on the open market

Advantages	Disadvantages
<ul style="list-style-type: none"> • Could sell land blocks, without further investment in the land. • A future higher section sale price might be achieved. 	<ul style="list-style-type: none"> • Is inconsistent with the objectives of Council’s Housing Strategy. • Costs to revisit the project could rise, including external advisor fees, planning, intellectual property, building costs, etc. • Would reduce housing options for first home buyers and working families as options proposed through development are not currently available elsewhere in the district. • Once the land is sold, options for Council to help ease the housing crisis are severely limited. • Timing of any section sales would likely be slower. If land is sold in blocks, we could make less money.

Staff Response:

Option 1 is the preferred option. The option to partner with a building consortium would enable the off-market sale of land at market price to achieve housing outcomes that are not currently available in Taupō. This approach carries less risk to Council, while Council is the enabler of the development, the building/development partner would be building the homes, managing the sales and marketing the completed homes. It is expected that sales revenue will be used to pay back project debt and fund future development.

Submitters have raised a mix of views and suggestions about how council could alternatively approach the delivery of housing as part of Stage 1 including:

- look to provide long term rental properties
- use funds to assist first home buyers
- rent to buy
- lease and don't sell
- Increase the percentage of affordable homes made available

Some of these are matters that Council can develop outside of the Long-term Plan process with the building consortium or consider for future stages of the East Urban Lands.

WHAKAKAPINGA | CONCLUSION

Through the housing strategy, Council has been able to understand what the housing issues are for the Taupō district and decide what involvement it would have to address these issues. Over the past 12 months steps have been taken to invest in the EUL to increase the value of the land and explore options to deliver housing outcomes for the community. The preferred option will provide housing outcomes, while removing risks for Council that are generally associated with housing developments. Continuing to sell the land will provide some community benefit through the provision of land for market houses but would likely not achieve the outcome of providing affordable homes to those who otherwise would not be able to afford them. Council staff also consider selling the land on the open market would be slower than sales through the preferred development partner.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council directs staff to include Option 1 as part of the Long-term Plan 2024-34.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Summary of Submissions [⇒](#)

5.7 LONG-TERM PLAN 2024-34 - FEES AND CHARGES HEARINGS AND DELIBERATIONS

Author: Andrew Wilson, Policy Advisor

Authorised by: Nick Carroll, Policy Manager

TE PŪTAKE | PURPOSE

The purpose of this report is to enable Council to receive, hear, and deliberate on submissions provided to Council through the Long-term Plan 2024-34 consultation period. Specifically, this report relates to those submissions received regarding fees and charges.

NGĀ KŌRERORERO | DISCUSSION

Council has held off on substantial increases in fees for some time due to the economic conditions our community are facing. However, Council can no longer continue to absorb the increasing costs of delivering its services without significant impacts on rates. Each Council team that provides paid services to our community were asked to review their fees in line with the Revenue and Financing Policy 2021. This helps ensure that increases are justified and realistic. Fundamentally the proposed increases represent a balance between users and ratepayers, this is especially important for those Council services that have steadily become more rates funded over time.

Officers have tried to balance the need to recover the costs of services from users with a desire to maintain the affordability of these services and facilities. When assessing this balance officers use the Revenue and Financing Policy which contains a range of bands for each activity showing the split between rates and user charges (where appropriate). These splits are based on determinations under Section 101(3) of the Local Government Act 2002 which requires Council to outline who should pay and why for each activity based on the set criteria.

The criteria are as follows:

- (3) *The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—*
 - (a) *In relation to each activity to be funded,—*
 - i. *the community outcomes to which the activity primarily contributes; and*
 - ii. *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
 - iii. *the period in or over which those benefits are expected to occur; and*
 - iv. *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
 - v. *the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*
 - (b) *The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.*

Council has received 1418 submissions through consultation with 35 directly related to fees and charges for the range of Council activities.

Primarily fees and charges feedback focused on the following areas:

- Swim School Fees
- Fitness Studio Fees
- Aqua Fitness Fees
- Solid Waste Disposal Fees
- Pool Entrance Fees
- Housing for the Elderly Rents
- Resource and Building Consents Fees

Officers have reviewed this feedback and are recommending some changes based on submitter feedback.

Housing for the Elderly

Share of funding with bands from the 2024 Revenue and Financing Policy

Activity	Rates	Fees & Charges
Housing for the Elderly	50 – 70%	30 - 50%
2024/25 (proposed budget and revenue estimate)	65%	35%

Fee increases were proposed for Housing for the Elderly to ensure that the share of the costs between the ratepayer and renters were fairly split. The 2021 Revenue and Financing Policy set a maximum share of 60% however with no increase in fees this will be exceeded by 5%. While Council has proposed to widen the bands for this activity to allow for more rates funding, fee increases are important to ensure the share paid by ratepayers does not continue to increase and eventually exceed the band again.

Council received 2 submissions regarding the affordability of the proposed increases for those in Council provided housing for the elderly. One of these submissions was on behalf of a number of tenants and is reflective of a large number of tenants' views.

While the increases proposed still place rents significantly below market rates, the feedback received has been that those on fixed incomes are struggling to afford the basics with the increases in cost of living across the board.

Not following through with any increases will eventually push housing for the elderly closer to the new proposed Revenue and Financing Policy 2024 maximum of 70% rates funded as costs increase with inflation.

This impact will not be felt immediately as the forecast revenue for housing for the elderly did not include the proposed increases. Currently, housing for the elderly is forecast to be 65% rates funded and 35% funded from rents with a forecast \$395,000 in revenue from rents.

Council could choose to not increase the rents with no impact on the headline rates number this year as the increased charges have not been modelled to calculate the rates requirement. However, if costs continue to increase and rents do not keep up with the cost of providing this service then the burden will be shifted further onto rates in subsequent years.

Option	Rates Impact	Revenue and Financing Policy
1. Increase rents	Reduction in rates of approximately 0.1%	Ensures the 65% rates and 35% rent split for funding continues.
2. Keep rents the same	No rates impact in year one as not modelled for rates requirement.	65% and 35% remains for year one but without any increases will shift closer to the 70% rates funding limit over time.

AC Baths

Share of funding with bands from the 2024 Revenue and Financing Policy

Activity	Rates	Fees & Charges
AC Baths	55 – 70%	30 - 45%
2024/25 (proposed budget and revenue estimate)	70%	30%

Fee increases were proposed for AC Baths to ensure that the share of the costs between the ratepayer and users were fairly split. The 2021 Revenue and Financing Policy set a maximum rates share of 65% however with no increase in fees this will be exceeded by 5%. While Council has proposed to widen the bands for this activity to allow for more rates funding, fee increases are important to ensure the share paid by ratepayers does not continue to increase and eventually exceed the band again.

This is especially important for the AC Baths as it is already at the proposed Revenue and Financing Policy 2024 limits despite proposed increases across all fees and increases to the rates funding limit.

Pool Entrance and Aqua Fitness

8 members of the community have raised that entrance fees/aqua fitness fees for the use of the pool are too high.

Officers believe that the proposed increases for pool entrance and aqua fitness classes are balanced based on the split between user charges and rates funding. Currently user charges (including swim school fees) are expected to only account for an estimated 30% of the cost of the AC Baths operation.

Not following through with the increases has an impact in the form of lost forecast revenue. This loss of revenue is likely to have a 0.1% impact on rates if no increases are made. Additionally, not increasing fees now or in the future will eventually push the AC Baths to exceeding the Revenue and Financing Policy 2024 maximum of 70% rates funded as costs increase over time.

Swim School Fees

9 submitters have raised that the proposed increases for swimming lessons are too much in the current economic climate.

The community has also raised that teaching children to swim is critical given the number of waterways in the district and the importance of water safety. Ensuring that these fees remain affordable is important for making sure as many children as possible can learn this important life skill.

Not following through with the increases has an impact in the form of lost forecast revenue. This loss of revenue is likely to have a 0.1% impact on rates if no increases are made. Additionally, not increasing fees now or in the future will eventually push the AC Baths to exceeding the Revenue and Financing Policy 2024 maximum of 70% rates funded as costs increase over time.

Balance of Fees, Rates and Increases

If Council does not increase the pool entrance fees and swim school fees, then the AC Baths will need more rates funding than the Revenue and Financing Policy 2024 currently allows for. This will push the AC Baths over the proposed 70% rates funding threshold of the 2024 policy.

Officers advise that if Council were to look to reduce some of the fees it would be best to look at a partial reduction in increases for swimming lessons. This is due to the importance of water safety and the benefits the lessons provide to youth in the community.

Option	Rates Impact	Revenue and Financing Policy
1. Retain Increases for all AC Baths fees	No impact on rates as these increases were modelled for the rates requirements.	Ensures AC Baths does not exceed the band set in the Revenue and Financing Policy 2024.
2. Do not increase any fees	0.2% increase in rates	Exceed the Revenue and Financing Policy bands by placing more on the rates funding portion estimated 72% rates 28% fees split.
3. Do not increase swim school fees	0.1% increase in rates	Exceed the Revenue and Financing Policy 2024 bands by placing more on the rates funding portion estimated 71% rates 29% fees split.
4. Retain 20% increase on entrance fees reduce to a 10% increase on swim school fees.	Less than 0.1% impact	Less than 1% exceedance

Fitness Studio (part of Taupō Event Centre)

Share of funding with bands from the 2024 Revenue and Financing Policy

Activity	Rates	Fees & Charges
Taupō Events Centre	65 – 80%	20 - 35%
2024/25 (proposed budget and revenue estimate)	79%	21%

Fee increases were proposed for all Taupō Events Centre activities to ensure that the share of the costs between the ratepayer and users were fairly split. The 2021 Revenue and Financing Policy set a maximum rates share of 75% however with no increase in fees this will be exceeded by 5%. While Council has proposed to widen the bands for this activity to allow for more rates funding, fee increases are important to ensure the share paid by ratepayers does not continue to increase and eventually exceed the band again.

This is especially important for the Taupō Events Centre as it is close to the proposed Revenue and Financing Policy 2024 limits despite proposed increases across all fees.

6 Submitters raised that they believe the quality of the gym was not worth the proposed fees. They have mentioned that these fees are unpalatable for a community gym with no classes and the level of equipment provided.

The proposed fees are based around a casual entry fee of \$20. After further consideration of the market, it is likely the price is set too high and may reduce overall revenue if customers decide to use other gym providers who can either provide a better or a cheaper service.

This is important as currently the fitness studio membership level is the highest it has been since before COVID which means the facility is being well utilised again. To ensure revenue is set at a maximising level officers are proposing a slight reduction in the fee increases.

Proposed fees attached to this report are based on a new proposed charge of \$18 or a 10% increase on current fees based on both community feedback and facilities team advice.

Option	Rates Impact	Revenue and Financing Policy
1. Retain Increases	No impact on rates as these increases were modelled for the rates requirements.	No shift in Taupō Events Centre rates and fees split
2. Reduce increases from 20% to 10%	Minimal impact, less than 0.05% (\$13,200 revenue reduction)	Pushes Taupō Events Centre closer to the Revenue and Financing Policy 2024 limits.

Great Lake Centre Fees

Share of funding with bands from the 2024 Revenue and Financing Policy

Activity	Rates	Fees & Charges
Great Lake Centre	75 – 85%	15 - 25%
2024/25 (proposed budget and revenue estimate)	91%	9%

Submitters raised that the cost of the Great Lake Centre would be too high for groups wanting to use the facility, in particular community arts organisations. While Council is proposing increases to the fees for hiring the venue those increases are focused primarily on the commercial sector. Community event fees have not been proposed to increase at the same rate as commercial event fees. The increase to commercial fees is 30% whereas community group fees, which are already lower, are proposed to only increase 20%.

In addition to the lesser fee increases for Community groups the Great Lake Centre is forecast to be outside of its Revenue and Financing Policy 2024 bands for the coming financial year based on previous performance. This means the venue is forecast to be funded 91% from rates. However, the events team is trying to bring it back into line with the bands through their management of both the venue and bookings.

Solid Waste Disposal Fees

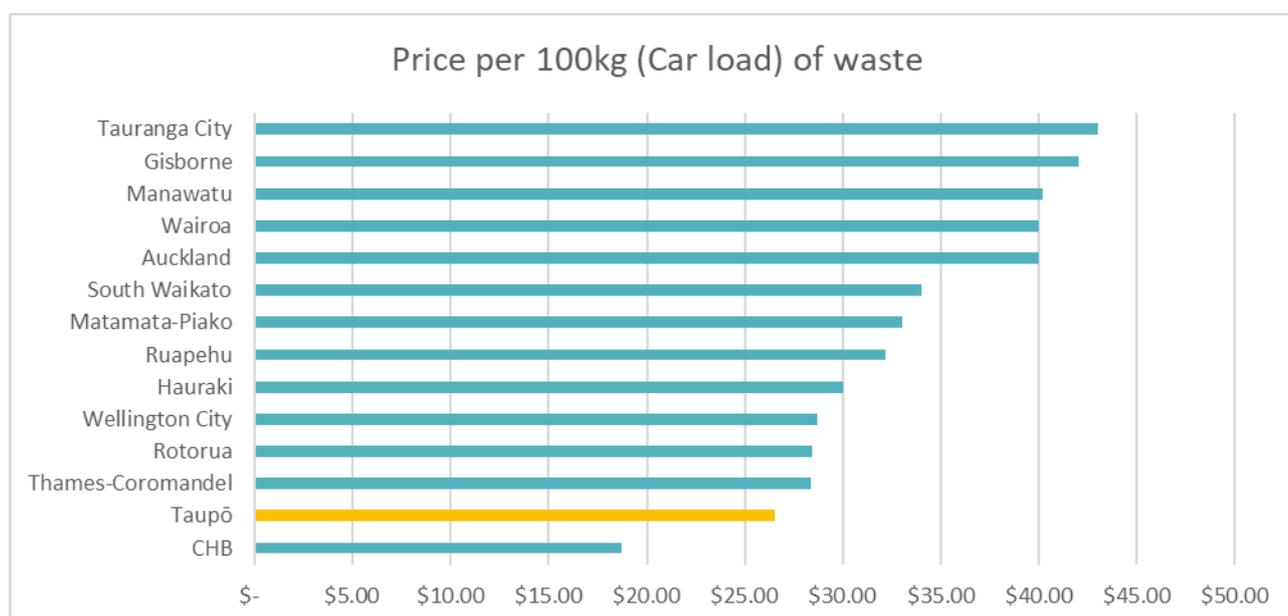
Share of funding with bands from the 2024 Revenue and Financing Policy

Activity	Rates	Fees & Charges
Solid Waste Disposal	25 – 45%	55 - 75%
2024/25 (proposed budget and revenue estimate)	26%	74%

Fee increases were proposed for Solid Waste disposal to ensure that the share of the costs between the ratepayer and users were fairly split. These increases continue to ensure that the primary funding mechanism of solid waste disposal is through those who generate waste.

Submissions related to landfill or transfer station prices made the case that price increases will lead to more fly-tipping and illegal dumping due to being unaffordable. When fees change at the landfill Council has in the past seen an uptick in illegal dumping for a short period of time which then returns to normal levels.

Additionally, the proposed charges for general waste are some of the cheapest in the country as demonstrated in the graph below.



Officers recommend that Solid Waste fee increases be maintained. These fees ensure that the current landfill and transfer stations continue to be primarily funded by those who generate the waste.

Resource and Building Consents

Share of funding with bands from the 2024 Revenue and Financing Policy

Activity	Rates	Fees & Charges
Building Consents	20 – 40%	60 - 80%
2024/25 (proposed budget and revenue estimate)	36%	64%
Activity	Rates	Fees & Charges
Resource Consents	40 – 60%	40 - 60%
2024/25 (proposed budget and revenue estimate)	56%	44%

Fee increases were proposed for Building and Resource Consents to ensure that the share of the costs between the ratepayer and users were fairly split. The fee increases capture the increased costs of Council operations while providing some rates funding of both activities. This approach aligns with the funding rationale which identifies that while the benefits are primarily to the individuals who use the services there

are broader community benefits such as supporting growth and enabling affordable housing to be built which warrant some rates support.

While Council received submissions outlining that fees should not be increased for these activities officers do not recommend any changes to the fees and charges for Building and Resource consents. This is due to the large amount of revenue associated with Resource and Building consents (equivalent to 3.4% of rates) and the already significant rates subsidisation.

Option 1: Adopt the attached amended fees and charges schedule

This schedule only contains a reduction to increases for the fitness studio based on the risk of overcharging for the gym facilities.

Advantages	Disadvantages
<ul style="list-style-type: none"> Incorporates submitter feedback regarding the fitness studio. Supports balanced splits in the Revenue and Financing Policy 2024. 	<ul style="list-style-type: none"> Slight reduction in revenue from user charges. Places a small amount of the revenue requirement back onto rates.

Option 2: Adopt the fees and charges schedule subject to further amendments

Advantages	Disadvantages
<ul style="list-style-type: none"> Further adjustment to prices may reduce cost for users. Some of these changes and their impacts are outlined in this report. 	<ul style="list-style-type: none"> Not all potential changes have been modelled so the rates impact of significant changes would be unknown. May lead Council to breach the proposed Revenue and Financing Policy 2024. May place a significant amount of cost back onto rates.

Option 3: Adopt the original fees and charges schedule without changes

Advantages	Disadvantages
<ul style="list-style-type: none"> No reduction in forecast revenue. 	<ul style="list-style-type: none"> Does not incorporate submitter feedback. May set fitness studio fees too high and result in a revenue reduction.

WHAKAKAPINGA | CONCLUSION

Option 1 is the preferred option. Officers recommend that Council adopt the attached fees and charges schedule to ensure a balance between users and ratepayers. The draft Revenue and Financing Policy 2024 outlines the funding rationales for each activity and its associated band. These bands have been set based on section principles outlined in 101(3) of the Local Government Act 2002.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council adopts the attached fees and charges schedule for Council activities.

NGĀ TĀPIRIHANGA | ATTACHMENTS

- Fees and Charges Schedule [⇒](#)
- Summary of Submissions Fees and Charges [⇒](#)

5.8 LONG-TERM PLAN 2024-34 - DEVELOPMENT CONTRIBUTIONS POLICY

Author: Philip Caruana, Senior Policy Advisor

Authorised by: Nick Carroll, Policy Manager

TE PŪTAKE | PURPOSE

To hear and deliberate on the submissions received on the draft Development Contributions (DC) Policy 2024.

TE WHAKAMAHUKI | BACKGROUND

Under the Local Government Act 2002 (LGA), Council is required to review the DC Policy every three (3) years and to consult on the proposed Policy as part of its Long-term Plan (LTP) consultation process.

As part of the review of the DC policy, Council staff consulted with interested parties and our community, and kept Elected Members informed with changes to this policy. A timeline of key dates is as follows:

- Council staff presented the review findings and proposed changes to the current (2021) DC policy to Elected Members at a workshop on 10 October 2023.
- Council staff undertook a six-week pre-consultation between December 2023 and January 2024 with interested parties (developers and iwi stakeholders) to obtain a better understanding of the problematic aspects of the policy.
- On 3 May 2024, Council approved the draft DC policy 2024 to go out for consultation as part of the LTP consultation process.
- Council has consulted with communities on this proposal between 4 June 2024 and 8 July 2024 as part of the LTP process.
- Council received 757 submissions on the proposed DC policy.
- Following hearings and deliberation, Council will consider and adopt a DC policy which sets out the principles, objectives and methodology of how Council determines and collects development contributions in the Taupō District in accordance with s198 of the LGA.
- All submitters will be responded to following the adoption of the policy explaining any changes that Council has made to the Policy and why we have made them.

In addition to the feedback received from interested parties and our community, the proposed DC policy was also informed by the DC steering group consisting of Asset Managers from each activity area and Council staff from the Finance, Policy and Infrastructure teams, and an external consultant with experience in this space.

The policy document itself now uses the recommended template provided by the Department of Internal Affairs Te Tari Taiwhenua. This template systematically sets out Council's responsibilities and obligations under the LGA and provides additional clarity on the purpose, rationale and processes that should be set out in the DC policy.

NGĀ KŌRERORERO | DISCUSSION

Population and business growth create the need for new subdivisions and developments in our District. This growth places increasing demands on network infrastructure (transport, water supply, wastewater services) and parks and reserves provided by Council. As a result, significant investment in new infrastructure or upgrades to infrastructure is required to meet this demand.

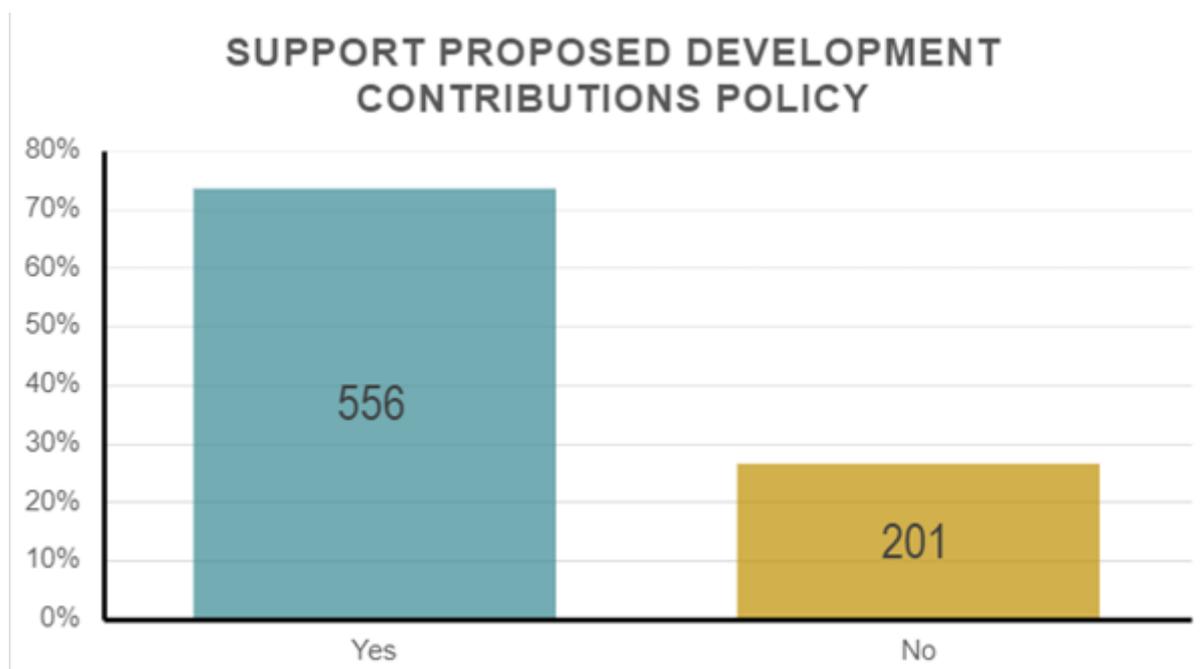
Council intends to pay for new or upgrades to infrastructure by levying development contributions as enabled under the LGA. A development contribution is a contribution made by a developer to Taupō District Council

according to the methodology set out in the DC Policy, and can be either: money, land, community facilities⁷; or a combination of them.

The purpose of the Policy is to ensure that the cost of new or improved infrastructure required to service population and business growth is funded by those who genuinely cause the need for and benefit from that infrastructure. Therefore, the overarching principle of the DC Policy is that **Growth-Pays-For-Growth**.

During the LTP consultation, Council received 757 submissions on the proposed DC policy, with 73% agreeing to the proposed DC policy while 27% disagreed with one or more aspects of this policy, as shown in Figure 1.

FIGURE 1



Most submitters did not leave specific feedback and simply ticked whether they agreed or disagreed with the proposed DC policy. The feedback that was provided by some submitters was summarised in the following table. The officer’s response and any policy amendments that are recommended as a result of this feedback are also included.

Submitters in favour of the proposed DC policy		
Submitters’ feedback	Officer Response	Policy amendment
DC charges should be kept as lean as possible because these will be reflected in house prices.	Development contributions reflect the cost of new or improved infrastructure to service future growth. This cost is determined by the Asset Managers based on the best available information.	None required.
The cost of new infrastructure should be paid by developers and not by ratepayers.	The cost of new or upgrades to infrastructure (including parks & reserves) required to service future growth is fully paid by those who cause the need for, and benefit from, that infrastructure. Hence, ratepayers do not pay any of this cost.	None required.
Developers should pay the full cost of new infrastructure.		
The proposed policy is better aligned with the Te Ture Whenua Māori Land Act 1993.	No response required.	None required.

⁷ Community facilities means reserves, network infrastructure, or community infrastructure and buildings as defined in the LGA,2002

Submitters against the proposed DC policy		
Submitters' feedback	Officer Response	Policy amendment
The proposed policy is not clear / is too vague.	The proposed policy uses the template recommended by the Department of Internal Affairs, which systematically sets out Council's responsibilities and obligations under the LGA.	None required.
Developers should be charged higher development contributions.	Development contributions cannot exceed the estimated cost of new or upgrades to infrastructure (including parks & reserves) required to service future growth.	None required.
DC charges should be lower for developments on Māori-owned land.	The DC policy is underpinned by the principle that growth-pays-for-growth irrespective of who are the future communities that will benefit from the new infrastructure. However, Council is proposing to provide different payment conditions on developments on Māori land, for example by extending the payment deadline or paying by instalments. However, the development contributions have to be fully paid before the resource or building consents can be issued.	None required.
New infrastructure should be paid by ratepayers or through higher Council borrowings.	The DC policy is underpinned by the principle that growth-pays-for-growth and the cost of new or upgrades to infrastructure needed to service future growth should be paid by future communities that benefit from this infrastructure.	None required.
DC charges are too high and will be passed onto house buyers.	Development contributions reflect the cost of new or improved infrastructure to service future growth. This cost is determined by the Asset Managers and based on the best available information.	None required.
The cost allocated to pay for a second bridge is disproportionate on a small sector of the community and it should be spread over the whole district.	A district-wide charge for a second bridge would be unfair on developments in the outlying areas of our district (Mangakino, Tūrangi, Lake Taupō Bays) and the future communities that will reside in them because they will use the second bridge very infrequently, and not at peak commuter congestion times. The areas where developments will be charged development contributions for the second bridge are Taupō South, Taupō Central, Taupō North, Acacia Bay, Mapara and Kinloch.	None required.

Other submitters' feedback		
Submitters' feedback	Officer Response	Policy amendment
There should be one universal DC charge across the district or for the Taupō township.	It is more expensive to build or expand network infrastructure in certain parts of the district than in others. Hence, developments occurring in these areas should pay a higher contribution to pay for the more expensive infrastructure.	None required.
Lower the threshold for high-water user / wastewater discharge.	A high-water user in the 2021 DC policy is 10m ³ per day (10,000 litres/day). This is equivalent to 17 times the average household water use. A more appropriate threshold should sit between 5 to 10 times the average household water use. In the proposed 2024 DC policy, the threshold was set at 8 times the average household water use or 5m ³ per day and at 2m ³ for wastewater discharge.	None required.
One of the grounds for reconsideration is not in the LGA, namely <i>“developers can show that the demand per Household Unit Equivalent (HUE) of their development is lower than one HUE”</i> .	Agree that this is outside the LGA and should be removed.	Remove this ground for reconsideration.
Revise the minor dwelling provisions to ensure consistency across definitions within the District Plan and relevant policies.	The minor dwelling definition in the DC policy has a different purpose to one in the rural plan change. The DC policy definition seeks to ensure that the DC charge reflects the demand placed on network infrastructure.	None required.
Reconsider how additional demand can be captured for minor residential units on a bedroom basis compared with a gross floor area calculation.	Gross floor area (in m ²) is a more appropriate criterion to proxy the demand placed on infrastructure than the number of bedrooms. It is simple to understand and administer.	None required.
There is no allocation shown for reserves maintenance or facilities upgrades in Kinloch.	The Kinloch Recreation Reserves, Reserves Management Plan was developed in 2007. Officers agree that this is in need of review as it no longer addresses the changing recreational aspirations of a community that has grown and experienced a change in population demographics. The current plan only covers recreation reserves. Officers envisage any new plan would encompass all public open space within Kinloch to enable better planning for these recreational needs.	None required.
Council will take development contributions collected from subdivisions in Acacia Bay and from Mapara to pay for parks and reserves in other areas.	Development contributions for parks and reserves collected from developments in the Mapara or Acacia Bay catchment areas will be spent in those areas, even for improvements to community parks. If a large number of new developments occur in Mapara or Acacia Bay catchment areas, then this will be considered by the Reserves team and planned for in future Reserves Asset Management Plans (AMPs).	None required.

Other submitters' feedback		
Submitters' feedback	Officer Response	Policy amendment
Provide better clarity on when non-residential development contributions will be charged.	The same trigger for when Council charges development contributions applies to non-residential developments. But a definition of non-residential developments will be included to improve clarity of the policy.	Include a definition of non-residential developments. This will read the same as in the 2021 DC policy.
Unclear how the boundaries of the catchment area map for Mapara were determined.	Developments in the Mapara area are not expected to be substantial or to a density that would require new parks and reserves. However, a catchment area map will be added to improve clarity in the DC policy.	Include a catchment area map for reserves in Mapara.
DC policy should support growth in Mangakino by ensuring that contributions for a new or upgrades to the wastewater treatment plant are collected.	The new growth areas in Mangakino are currently zoned Rural. These need to be rezoned as Residential before development contributions can be collected to pay for new or upgrades to the wastewater treatment plant to accommodate growth in these developments.	None required.
The increase in the proposed DC charge for water and wastewater activities is more than the consumers price index (CPI) adjustment.	The costs to build infrastructure, as well as to finance it, have all increased substantially. Council is experiencing higher material, labour, ancillary and debt financing costs. Cumulatively, this increase is higher than the average CPI. Additionally, the project costs are adjusted relative to 2021, when the last DC policy was revised, and therefore, the increase reflects the inflationary pressures over this 3 year period.	None required.
What is the justification for the bridge to be 85% funded by DCs and what is the justification for the Taupō- Kinloch Transport Corridor map boundaries?	<p>The current bridge is about 10% over-capacity for a brief period in one lane at the end of each day. If no more development was to occur, then a second bridge would not be built. So, the second bridge is required to provide acceptable service levels to enable growth.</p> <p>While it is acknowledged that the current community will also benefit from a second bridge, this benefit is considered to be lower compared to that of future communities. Hence, the 85% share attributed to growth and funded by DCs.</p>	None required.
There is no up to date reserves plan for Kinloch. Any development contribution collected should be applied to a sensible reserves plan for Kinloch.	The Kinloch Recreation Reserves, Reserves Management Plan was developed in 2007. Officers agree that this needs to be reviewed as it no longer addresses the changing recreational aspirations of a community that has grown and experienced a change in population demographics. The current plan only covers recreation reserves. Officers envisage any new plan would encompass all public open space within Kinloch to enable better planning for these recreational needs.	None required.

Other submitters' feedback		
Submitters' feedback	Officer Response	Policy amendment
<p>Seven Oaks is proactive in creating new reserves and facilities for Kinloch. Seven Oaks has donated a section worth \$500,000 to the Kinloch Families Trust for use as a new community building, with the Kinloch Kindergarten as the main tenant. Seven Oaks is ready to work with Taupō District Council in a collaborative and constructive manner to deliver new community facilities in the centre of Seven Oaks.</p> <p>Kinloch Families Trust (KFT) request that Council adds the Seven Oaks Reserve, Kindergarten and Community Centre into the LTP and accompanying 2024 Development Contributions Policy. This would allow for future development contributions to contribute to the growth share of the project.</p>	<p>Council does not currently collect any development contributions to fund the construction of community facilities and does not have any current planning documents to start doing so in Kinloch. In addition, Council can only collect development contributions for council-owned or council-controlled assets.</p> <p>The Seven Oaks development area is largely zoned as Kinloch low density residential in the District Plan. That sets a minimum lot size of 1 hectare and an average lot size of 1.5 hectares. At that density of development Council does not provide neighbourhood reserves. However, if in the future the development is granted a subdivision consent at a density much closer to normal residential, there may be an opportunity to consider whether a neighbourhood reserve is appropriate at that time. Development contributions could then be used to purchase any land that was deemed necessary to service this growth.</p> <p>Given what we currently know, development contributions are not suitable to help fund the kindergarten project. Council could support KFT's proposal through one of these options:</p> <p>Option 1: Provide a direct grant of \$600,000 through a Council resolution. This is the equivalent of the entire annual community grants budget for the whole Taupō District identified in the 2023/24 year and would add around 0.6% in rates for the whole district. This approach sets a precedent and would open the door for future requests for grants by other organisation or individuals that would be difficult to manage. Furthermore, a direct grant of this size does not align with our Grants & Partnership policy, particularly on transparency and fairness, and would unlikely meet the eligibility criteria in the proposed Community Funding Policy.</p> <p>Option 2: Purchase the land that Seven Oaks has gifted to KFT for the kindergarten. Council would pay market price to KFT (similar sections in this area are estimated at \$400,000 - \$600,000) to then lease it back to them when they build a kindergarten. While providing leases on Council-owned land to kindergartens is not unusual, it would be unusual to purchase a single section just to lease it back to the owner.</p> <p>Option 3: Lease existing reserve land at cost price outside the Seven Oaks development to KFT for a kindergarten. This is entirely consistent with Council's approach elsewhere and has a limited cost-impact on Council's finances. However, this option isn't supported by KFT because their preference is that the kindergarten is located on the land gifted to them by Seven Oaks. This is our recommended option because it is low risk for Council and does not create a precedent that could be problematic in the future.</p>	<p>None required.</p>

Other submitters' feedback		
Submitters' feedback	Officer Response	Policy amendment
Council provides evidence that the proposed increases are a true and fair cost of the infrastructure required to service future residential development within the Kinloch area.	<p>The expected cost of network infrastructure is determined by the Asset Managers using the best available information.</p> <p>In addition, debt servicing and inflation adjustments are also key inputs of development contributions modelling for capital expenditure projects with a growth component. Council uses the appropriate Business and Economic Research Limited (BERL) indices to adjust costs and have incorporated estimates from our treasury advisors regarding the expected cost of servicing debt over the LTP period.</p> <p>Schedule 1 in the policy lists the individual capital expenditure projects to service future growth, and the share of these costs funded by development contributions. Schedule 2 provides similar information for capital expenditure that has already been incurred while Schedule 3 illustrates the funding model used to calculate development contributions.</p> <p>To improve clarity, the policy will be amended to include the number of proposed lots (HUEs) in Schedule 1 of the policy document.</p>	Include the number of proposed HUEs for each project in Schedule 1.
Council to justify the \$2,833 (25%) water DC increase, and the \$2,615 (20%) wastewater DC increase in Kinloch.	<p>The cost to build infrastructure, as well as to finance this expense, have all increased substantially from 2021. Council is experiencing higher material, labour, ancillary and debt financing costs.</p> <p>It is important to point out that even though the DC charges for water and wastewater infrastructure are higher than in the 2021 policy, the total DC charge per HUE is 7% lower. This is because Council is proposing to collect a lower contribution for parks and reserves in Kinloch.</p>	None required.
What is the total cost for the Fire Flow improvements?	The total cost of fire flow improvements is \$500,000, of which \$331,816, are attributed to growth in Kinloch. The business case figure is higher because it covers a programme of work including fire flow improvements in Whakamaru as well as Kinloch.	None required.
If the wrong size pipes were laid, the developer shouldn't pay for the cost of fire flow improvements	Fire Flow improvements are required due to lack of capacity in the network. This undercapacity was installed in the early 2000s. While it is disappointing to be upgrading network installed over the last 25 years, the project is required to support the development of future growth areas and therefore is considered a growth project.	None required.
What is the scope of works based on for the capital cost (\$65,450,000) of the second bridge, when there are no designs?	The \$65.4 million cost figure for a second bridge was estimated from a 2024 WSP options study based on an extra two-lane bridge downstream of the existing bridge. It is noted that this does not include all the	None required.

Other submitters' feedback		
Submitters' feedback	Officer Response	Policy amendment
	funding necessary for the wider intersection reconfigurations.	
How many HUEs is TDC expecting to be developed in the Kinloch Road Transport Corridor Catchment Area, and how is this estimate arrived at?	Council expects 5,782 HUEs in the Taupō-Kinloch Road Transport Corridor Catchment Area. This incorporates the smaller areas of Taupō South, Taupō Central, Taupō North, Acacia Bay, Mapara and Kinloch as shown in the catchment area map in Part 3 of the document. This figure was produced using the Council's population growth model.	None required.
What is the justification for the Taupō-Kinloch Transport Corridor map boundaries? Should the area not extend further north and west to capture additional HUEs that would also use the bridge crossing.	The catchment area boundaries were extended up to a point that encompass communities most likely to use the second bridge for regular commuting at peak hours.	None required.

NGĀ KŌWHIRINGA | OPTIONS

Analysis of Options

Based on the information set out above, it is considered that there are two options:

Option 1: Council adopts the proposed Development Contributions Policy 2024 with the above amendments (recommended).

Advantages	Disadvantages
<ul style="list-style-type: none"> Meets the 'beneficiary-pays-principle' whereby those who directly benefit from new or improved infrastructure bear the costs associated with it. Reduces the burden on general rates by allocating a share of the cost of new or upgraded infrastructure onto developers (and future communities). Allows Council to spend funds that have already been collected for the purposes of building new infrastructure or upgrading existing infrastructure. Meets the legislative requirements under the LGA 2002. 	<ul style="list-style-type: none"> Perception that development contributions are an added cost to developers, and which may inhibit growth. Perception that there is less certainty when funding infrastructure through development contributions compared to rate funding.

Option 2. Council does not adopt the proposed Development Contributions Policy 2024.

Advantages	Disadvantages
<ul style="list-style-type: none"> Perception that funding new infrastructure from general rates, as opposed to development contributions, will encourage growth. 	<ul style="list-style-type: none"> The current DC policy 2021 will remain operative. If the charges remain unchanged, Council will substantially under-collect development contributions needed for new or upgrades to infrastructure to service growth. The under-collected portion will need to be collected from other sources, most likely through general rates. Higher borrowing and debt servicing cost that is transferred to the ratepayer. Creates inequities because current ratepayers will bear the cost of new infrastructure that benefits future communities.

WHAKAKAPINGA | CONCLUSION

Officers consider the proposed Development Contributions Policy adequately sets out the principles, objectives and processes of how Council determines and collects development contributions from developers in the Taupō District in accordance with s198 of the LGA.

Officers have incorporated submitters’ feedback where this improved clarity and facilitated the interpretation of the policy.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council directs officers to amend the draft Development Contributions Policy (2024) by:

- Including a definition of non-residential development.
- Including a catchment area map for reserves in Mapara in Part 3 of the policy document and reproduced in Attachment 1.
- Including the number of proposed Household Unit Equivalentents (HUEs) for each project in Schedule 1 of the policy document.
- Remove one of the grounds for reconsideration that is not specified in the Local Government Act 2002 (LGA) being *“developers can show that the demand per HUE of their development is lower than one HUE”*.

NGĀ TĀPIRIHANGA | ATTACHMENTS

- Mapara reserve development contributions area map [⇨](#)
- Draft Development Contributions 2024 policy with tracked changes [⇨](#)

5.9 RATING DIFFERENTIALS

Author: Jeanette Paenga, Finance Manager

Authorised by: Sarah Matthews, General Manager Organisation Performance

TE PŪTAKE | PURPOSE

The purpose of this report is for Council to consider the submissions on the proposed changes to differentials and direct officers preparing the final Long-term Plan for adoption.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

Following a review of council's rating differential factors, Council identified inequitable rating differential factors impacting general rates and causing disparities in rates increases, Council agreed to consult on a proposal to remove the Electricity Generation and Utility Assets and Network differential rating categories and include these properties within the Industrial/Commercial differential rating category and thereby align the differential rating factor.

Council directed officers to begin early engagement with Electricity Generators and Utility Assets/Network ratepayers to discuss proposed changes with these sectors. This was to ensure Electricity Generator and Utility Assets/Network ratepayers had early awareness of potential changes and the reasons why. This engagement was over and above and in addition to normal consultation required by the legislative Long-term Plan consultation process.

Council must now consider submissions on the proposal and make a decision on differential rating factors for the Long-term Plan 2024 – 34, to allow officers to draft the final plan for adoption in September.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council:

1. Consider submissions on the proposal to change differential rating factors, following public consultation as part of the Long-term Plan 24 – 34; and
2. Consider the funding needs of Council, in line with section 101(3) of the Local Government Act 2002 (LGA); and
3. Directs officers to prepare the Long-term Plan on the basis of treating all industrial/commercial properties the same when assessing the general rate and align the Electricity Generators and Utility Assets/Networks with all other industrial/commercial properties.

TE WHAKAMAHUKI | BACKGROUND

Proposed changes to differential rating factors were presented to Council at a workshop on 7 November 2023. Council resolved to consult on proposed changes to differential rating factors on 28 November 2023. Consultation was undertaken over the period 4 June to 8 July 2024, as part of consultation for the Long-term Plan 2024 – 34.

Electricity Generators and Utility assets / Network ratepayers are particularly impacted by the proposed changes. A letter was sent to the postal or email address the Council has in its rating information database for Electricity Generators and Utility Assets/Network ratepayers on 12 February 2024 which included the paper to Council, general information of the proposed changes to the rating differential and an invite to contact Sarah Mathews, GM Organisation Performance directly with any comments, queries or requests for further information. There was some feedback that the letters did not reach the intended recipients within the organisations and there was little response to the letter.

Council must now consider submissions on the proposal and make a decision on differential rating factors for the Long-term Plan 2024 – 34, to allow officers to draft the final plan for adoption in September.

NGĀ KŌRERORERO | DISCUSSION

The Revenue and Financing Policy is required by legislation and is reviewed as part of the Long-term Plan to ensure alignment between the policies and costs/revenues. The Revenue and Financing Policy sets the

framework for how Council funds its operating expenses and capital expenditure, including the funding approach for each of Council's activities. It ensures that Council determines the appropriate sources of funding for its activities as required by legislation. When choosing how to fund each activity Council must consider Section 101 of the Local Government Act 2002:

Council agreed to consult on a proposal aligning the rating differential for Electricity Generation and Utility Assets and Networks with industrial and commercial properties as set out in table 1 below.

Detailed analysis against the requirements of the Act and the rationale for the proposed change are set out in the paper provided to Council in November 2023 (Attached)

Table 1 – Proposed changes to differential rating factors

Differential Rating Category	Current Differential Factors	Proposed Differential Factors
Residential	1.000	1.000
Rural	1.000	1.000
Utility Assets and Networks	1.000	1.800
Electricity Generators	1.000	1.800
Industrial/Commercial	1.800	1.800
Accommodation	1.800	1.800
Other	1.000	1.000

Feedback from Electricity Generation and Utility Assets and Networks ratepayers

Specific and detailed submissions were received from.

- Transpower (submission number 574)
- Contact (submission number 1367)
- Genesis (submission number 1347)
- Mercury (submission number 1351)

Full submissions have been provided to elected members.

Common themes from these submissions include:

- Opposition to the proposal to align electricity generators with industrial/commercial differential.
- Electricity Generation & Utility assets and networks are very different to commercial/industrial properties and should be rated differently.
- The rating system does not have sufficient regard to generator's unique characteristics or benefit received.
- Assets have very high capital values which rates have been based on since 2012.
- Assets create little or no demand for most Council services and infrastructure funded by rates. Most are remote locations which rely on state highways for access and private road networks and are self-reliant in regard to water and wastewater.
- Assets provide a lifeline utility service.
- Profitability is not a justification for increasing the rates burden.
- Acknowledgment that companies form part of the Taupo District and need to contribute to the services that benefit the community in a fair and equitable manner, but disagree with the suggestion that we are being subsidised by other ratepayers. The current differential appropriately balances lower benefits derived as a proportion of capital value with the inherently commercial nature of electricity generation.
- TDC has not appropriately engaged with the electricity generators.
- Support for community is provided through other avenues such as support for the Lake Taupo Erosion and Flood Strategy, Ironman, Waikato River Trails, Coastguard Lake Taupo, Taupo Winter Festival Light Hub, River safety initiatives and other events and sponsorships.

- This proposal will increase rates significantly, some up to 84%, when electricity generators are already a high rates contributor.
- Electricity generators are also being unreasonably penalised for major capital investments in renewable energy developments. The ongoing operation, upgrade or development of new renewable electricity generation activities is one of the most important resource management issues facing the country.
- This does not align with other councils around the country.

Officer advice in response to feedback

There is a big focus in the 2024-34 Long-term plan on affordability for ratepayers and reviewing the differential rating categories is prudent on this basis. Any changes to the rating differentials used to assess the general rate will not result in more revenue for Council but it will impact on 'who pays', which aligns with the focus of the review around rates affordability.

Whilst it is acknowledged that in the past Council has set Electricity Generation and Utility Assets and Networks apart from other properties in the district to assess rates, it is prudent for this to be reviewed. The review considered how rates are assessed for similar properties within New Zealand, however the outcome is relevant to the Taupō District and considers section 101 of the Local Government Act 2002 (LGA) as a matter of statutory obligation.

Section 101 of the LGA:

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

Section 101(3)(a) ensures that for each activity the Council considers benefits received and any causation relationships between the activities and sectors of the community, as well as the reasons for undertaking the activities and practical cost benefit aspects of various funding mechanisms. The Courts have accepted that there is no particular hierarchy and that the Council has broad discretion as long as all the matters have been considered. Section 101(3)(b) ensures that overall the allocation of liability is tempered with the wellbeing of the community as a whole (which includes overall taxing fairness and ability to pay). This acknowledges that the rating system is a blunt instrument for collecting revenue to fund services that everyone in the community benefits from, directly in some cases but also indirectly in many others. In their review Council must consider overall community affordability including the industrial/commercial sector who currently pay rates on the 1.8 differential, regardless of their relationship with Council, physical size, location, profitability, business type, customer base or number of or location of staff.

The General rate is assessed on the capital value and on a differential basis under section 13(2)b of the Local Government (Rating) Act 2002. The categories of rateable land used for setting the general rate are defined using the use to which the land is put as per Schedule 2 of the Local Government (Rating) Act 2002. Council already has a well-established differential rating category for any properties used for industrial or commercial purposes, regardless of any unique aspects of the business or organisation. Aligning the

differential rating category so that all properties including Electricity Generators and Utility Assets and Networks that are used in an industrial or commercial capacity pay on the same basis brings rates liability into line.

The triennial revaluations of the district have impacted the incidence of rates across differential rating categories over time. The capital value increase for residential properties in the 2022 districtwide revaluation was 72%. Utility Assets and Networks increased on average 43% and the capital value for Electricity Generators increased on average 11%.

2022 District-Wide Revaluation impacts	
Differential rating category	% increase
Residential	72%
Accommodation	35%
Utilities	43%
Electricity	11%
Industrial/Com	39%
Rural	45%
Other	56%

Aligning the rating differential to 1.8 for Electricity Generators and Utility Assets and Networks with all other industrial commercial properties will rebalance how the general rate is funded.

Differential rating category	% of general rate paid by sector										% of total rates paid by sector
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2023/24	
Rural	25.3%	25.6%	26.8%	26.7%	26.6%	24.9%	24.6%	24.7%	23.3%	15.5%	
Industrial/Comm	11.9%	12.0%	11.4%	11.3%	11.2%	10.8%	11.0%	11.0%	9.9%	8.6%	
Accommodation	4.4%	4.5%	4.1%	4.1%	4.0%	3.9%	3.9%	3.9%	3.4%	3.5%	
Other	0.7%	0.7%	0.7%	0.7%	0.8%	0.7%	0.7%	0.8%	0.8%	0.9%	
Residential	43.0%	43.3%	43.5%	43.9%	44.3%	48.3%	48.2%	48.5%	54.1%	65.2%	
Electricity Generators	11.7%	11.5%	10.7%	10.5%	10.5%	9.2%	9.1%	9.0%	6.5%	4.6%	
Utility Assets and Network	2.5%	2.5%	2.7%	2.8%	2.8%	2.3%	2.2%	2.2%	2.0%	1.2%	

NGĀ KŌWHIRINGA | OPTIONS

Option 1: Status quo, continue to assess rates on Electricity Generators and Utility Assets/Networks on the same basis as residential properties on a rating differential of 1.

Advantages	Disadvantages
<ul style="list-style-type: none"> Less risk of legal challenge. 	<ul style="list-style-type: none"> Not in alignment with assessments when applying Section 101 of the LGA. Affordability concerns for ratepayers due to other sectors within the Taupō district covering the costs of the discount for Electricity Generators and Utility Assets/Networks ratepayers. Perception of unfairness in commercial sector.

Option 2: Treat all industrial/commercial properties the same when assessing the general rate and align the Electricity Generators and Utility Assets/Networks with all other industrial/commercial properties.

Advantages	Disadvantages
<ul style="list-style-type: none"> A fairer rating system, with all in the industrial /commercial sector treated the same. Affordability concerns considered, particularly for residential ratepayers. 	<ul style="list-style-type: none"> Risk of legal challenge.

<ul style="list-style-type: none"> Aligns with Council Officer's assessment of Section 101 of the LGA. 	
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Option 3: Phase in the change in Option 2 for over two years for Electricity Generations and Utility assets / Networks ratepayers, with a 1.4 differential for 2024/25 then 1.8 differential for 2025/26 and beyond to acknowledge concerns from submitters about the size of the increase.

Advantages	Disadvantages
Same as option 2, plus: <ul style="list-style-type: none"> Reduces impact on Electricity Generations and Utility assets / Networks ratepayers in 2024/25 to acknowledge concerns from submitters about the size of the increase (\$2.2 million reduction for one year). 	Same as option 2, plus: <ul style="list-style-type: none"> Increased impact on other ratepayers in 2024/25 (\$2.2 million increase for one year)

Analysis Conclusion:

Option 2 is the preferred option. The pressing financial demands on Council and the rates affordability issues faced by property owners with the cost of living and interest rate rises requires Council to act responsibly and in the best interests of the whole community. It is reasonable, fair and rational to treat all industrial/commercial ratepayers equally when assessing rates. Consideration must be given to the ability to pay and fairness and equity to all ratepayers in these uncertain financial times and Council must consider the overall impact on the well-being of the community.

The proposed differential factors are shown in table 1 above. After considering section 101(3)(a) and 101(3)(b) of the LGA (refer above), the reason for this change is not driven by an update to the funding needs of each activity as per section 101(3)(a); it is more based on updating the overall impact of the allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community as per section 101(3)(b).

NGĀ HĪRAUNGA | CONSIDERATIONS

Ngā Aronga Pūtea | Financial Considerations

The financial impact of the proposal in regard to Council's overall revenue requirement is Nil. This proposal shifts the incidence of rates and does not result in the revenue requirement increasing. The rating impacts for different ratepayer categories are provided in the attached modelling.

Long-term Plan/Annual Plan

There is no additional expenditure.

Ngā Aronga Ture | Legal Considerations

Local Government Act 2002

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

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

- Local Government Act 2002
- Local Government (Rating) Act 2002

Ngā Hiraunga Kaupapa Here | Policy Implications

The proposal has been developed alongside the Long-term Plan 2024 – 34 consultation material, including financial strategy, financial forecasts, and rates, revenue and financial policies. Any changes to the rating differentials used to assess the general rate will not result in more revenue for Council but it will impact on 'who pays'.

Te Kōrero tahi ki te Māori | Māori Engagement

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

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

Appropriately, the report author acknowledges that they have considered the above obligations including the need to seek advice, guidance, feedback and/or involvement of Māori on the proposed recommendation/s, objective/s, project/s or service/s outlined within this report. Engagement and consultation with Iwi and Hapu was undertaken by Council's in-house Iwi Engagement team as part of the legislated consultation process associated with the Long-term Plan 2024-34.

The most significant feedback received from iwi and hapū was in a submission from Te Kotahitanga o Ngāti Tūwharetoa (submission number 1406), which identified that:

- The forecasted average rates increase of 5.3 percent across the 10-year period presents significant challenges for our community.
- The proposed differential increase for electricity generators, utilities, and networks is a step towards equitable rate distribution.
- The Council should further consult with iwi and hapū to ensure that rates adjustments do not disproportionately affect vulnerable populations, particularly in rural and low-income areas.

Ngā Tūraru | Risks

There is a risk of a legal challenge. Council Officers have sought to mitigate this risk by engaging legal advice from Simpson Grierson during this process and will continue to do so. Supreme Court and Court of Appeal cases have been very definite that Councils have very broad discretion about rating differentials, so long as due process has been followed. However, a legal challenge, even if unsuccessful, may impose significant monetary and resource costs on Council.

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

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

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

TE KŌRERO TAHI | ENGAGEMENT

Pursuant to section 93 and 93(A) to 94(G) of the LGA, Council undertook consultation with the community on proposed changes to the differential rating factors alongside consultation on the Long-term Plan 2024 – 34.

Officers notified the Electricity Generators and the Utility Assets/Networks ratepayers of the proposed changes, explaining the reasons Council is proposing the changes, and inviting them to make submissions.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

Direct communication has been/will be carried out with affected parties/key stakeholders and wider communication will be carried out with the community.

WHAKAKAPINGA | CONCLUSION

The rating differential factors have remained unchanged since 2012 when capital value rating was implemented. The draft 2012-22 Long Term Council Community Plan included a pure rating system without differentials but was amended as a consequence of public feedback and submissions to include a 1.8 differential for industrial/commercial and accommodation rating units. Over the years since capital value was introduced, the rating valuations for the Electricity Generators and Utility Assets/Networks have not increased as much as other sectors and the rating differential factor has not been reviewed for them. The outcome is an inequitable rating regime, which can be amended through the Long-term Plan 2024-34 process.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Council Paper 28 November 2023 [↗](#)
2. Model Changes to the differential - 1.8 on Industrial Commercial, Accommodation, Electricity Generators and Utility Assets Networks [↗](#)
3. Letter to affected Ratepayers (12 February 2024) [↗](#)

5.10 RATES REMISSIONS AND POSTPONEMENT POLICIES

Author: Toni Wilkinson, Revenue Manager

Authorised by: Nick Carroll, Policy Manager

TE PŪTAKE | PURPOSE

This paper seeks Council's decision on the Rates Remissions and Postponement Policies and to direct officers to make changes to enable the Long-term Plan to be finalised.

TE WHAKAMAHUKI | BACKGROUND

The development of the Long-term Plan involves the review of existing policies, strategies and other matters such as performance measures. The full suite of documents was adopted and made available for consultation. They included the:

- Financial Strategy
- Infrastructure Strategy
- Treasury Management Policy
- Funding Impact Statement
- Rates Remission and Postponement Policies
- Revenue and Financing Policy

This paper relates only to the Rates Remission and Postponement Policies. The remainder of the policies and strategies will be brought back to Council for final adoption alongside the Long-term Plan. This is because officers may need to make consequential amendments to these documents to reflect the other decisions that Council makes during deliberations.

NGĀ KŌRERORERO | DISCUSSION

The Rates Remission and Postponement Policies provide for a range of situations when rates may be remitted or postponed for individuals or groups. Each policy has its own set of objectives, conditions, and criteria. These situations range from supporting community organisations through to remitting water meter rates when there has been a leak.

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

The Rates Remissions and Postponement Policies are reviewed every 3 years as part of the Long-term Plan process. They were discussed at a Council workshop on 10 October 2023 and approved for consultation on 16 April 2024 (Attachment 1).

Details of the changes as part of the 2024 review are outlined below, all other aspects of the policies remain unchanged:

Rates Remission Policy on Māori Freehold Land

- Includes updated objectives, conditions, and criteria guidelines for the statutory remission for Māori Freehold land that is under development as provided for in section 114A of the Local Government Act 2002 (came into effect from 1 July 2022).
- Allows for 100% rates remission (excluding water, sewage and refuse rates) for land while being developed and prior to it being completed, used, or occupied and income being derived. This is different to the current situation where rates are charged on a sliding scale from the commencement of development over a five-year programme.
- Where land is under development, rates will only be payable once the development is sufficiently completed to add value to the property at 30 June. At that stage, general rates would be charged on the new improvement value for the portion of land developed.
- Parts of Māori Freehold land being developed will qualify for rates remission, while the remainder of the land that is used will continue to be rated.

- New objectives in the policy to better support the principles of Te Ture Whenua Māori Act 1993, and recognise the land is taonga tuku iho of special significance to Māori people.
- Updated to refer to parts of Māori Freehold land that can qualify for rates remission if in multiple ownership, unused, in a natural state and where no income is derived.

Toilet Pan Charges for Community Groups

Council has heard from various local groups that the fixed targeted rate for sewage disposal, which is assessed on a per pan or urinal basis, is placing unjustified financial pressure on them. This rates remission policy recognises that these club rooms, churches, or marae generally have multiple pans and/or urinals in toilet blocks which are used irregularly and/or for short periods. The remission had been 50% and as part of the review, the new policy contains a 75% remission for the sewage disposal rate per pan/urinal. The approximate cost of this increase will be \$73,000 and around \$2.86 per residential property and has been factored into draft budgets.

Administering the Policy, remission approval and Rights of Objection

This was a matter that was raised by elected members at the initial workshop. Consistent with best practise the rates remission policies were reviewed by external lawyers who checked to ensure the qualifying criteria are concise and explicit.

During the development of the policies elected members sought clarification of the objection process. Officers checked other rates remission policies and found they did not have an appeal process other than the one provided for under Act. The Local Government (Rating) Act 2002 provides an objection process where complaints and queries are submitted to council. This decision is first made by the Revenue Manager but can be escalated to the CEO or the Mayor. This has now been made explicit in Council’s Delegations Register.

There were no submissions received on this policy.

NGĀ KŌWHIRINGA | OPTIONS

There are two options, either adopt the Rates Remission and Postponement Policies or not.

Option 1: Adopt proposed changes to the Rates Remission and Postponement Policies

Advantages	Disadvantages
<ul style="list-style-type: none"> • Will meet Council’s legislative requirements, including supporting the principles of Te Ture Whenua Māori Act 1993. • The updated policy incorporates views and feedback from previous Long-term Plans and interested stakeholder feedback from early engagement for the Long-term Plan 2024-34. • Will have a positive financial effect on Community, Sporting, Churches, Marae and Other Organisations. 	<ul style="list-style-type: none"> • None

Option 2: Do not adopt proposed changes to the Rates Remission and Postponement Policies

Advantages	Disadvantages
<ul style="list-style-type: none"> • Will meet Council legislative requirements 	<ul style="list-style-type: none"> • Policy will not include objectives that better support the principles of Te Ture Whenua Māori Act 1993. • Will not include views and feedback from previous Long-term Plans and interested stakeholder feedback from early engagement for the Long-term Plan 2024-34. • Will have a financial impact on club rooms, Churches, and Marae with remission staying at 50%.

Staff Conclusion:

Option 1 is the preferred option. While the proposed changes are minor staff have heard that these changes will positively contribute to the development of Māori land and help with the costs associated with operating club rooms, churches, or marae. This also recognises that some marae and churches in our district are used for wider community purposes including for emergency management.

WHAKAKAPINGA | CONCLUSION

The proposed changes to the Rates Remissions and Postponement Policies will provide benefits to both particular groups and organisations, Māori landowners and the wider community while having a minimal impact on ratepayers.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council directs officers to make the proposed changes to the Rates Remissions and Postponement Policy 2024.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Proposed Rates Remission and Postponement Policy 2024 [⇒](#)
2. Approval of the Draft Rates Remission and Postponement Policy for Consultation (16 April) [⇒](#)

5.11 COMMUNITY FUNDING POLICY AND ELIGIBILITY ASSESSMENT FRAMEWORK

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TE PŪTAKE | PURPOSE

To hear and deliberate on the submissions received on the proposed community funding changes and adopt the community funding policy (2024) and community funding eligibility and assessment framework (2024).

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

- Council has a range of funding opportunities available to support communities and wants to ensure these funds are invested in a way that provide the greatest benefit to our people and places.
- Every three years Council assesses how it distributes community funds to ensure its funding system continues to be relevant, efficient, fair, transparent, and consistent.
- Council proposed a number of changes to its community funding programme alongside development of the Long-term Plan (LTP) 2024 – 34.
- Council consulted with communities on the proposed changes to its community funding policy and eligibility and assessment framework from 4 June 2024 to 8 July 2024 as part of the LTP consultation process.
- Council received 1416 submissions over the two questions on the topic. 726 submitters provided feedback on the proposed community funding policy and 690 provided feedback on the proposed eligibility and assessment framework.
- Over the period of 29 July to 2 August 2024, Council will hear and deliberate on the draft policy and eligibility and assessment framework.
- Following hearings and deliberation, Council will consider and adopt a policy and an eligibility assessment framework. These will guide the future distribution and allocation of community funds across Taupō District.
- All submitters will be responded to following the adoption of a policy and eligibility assessment framework.

TE WHAKAMAHUKI | BACKGROUND

Community funds are part of Council's community development function. Funding opportunities provide support from Council across a range of initiatives, projects and programmes that assist with positive change throughout the district.

Council has provided funding opportunities to communities for 20 years. As communities and their needs change, it is important Council regularly reviews how it invests public money towards initiatives in a fair, consistent, open, efficient, and transparent way.

Council's approach to providing community funds has been discussed with Elected Members throughout 2023 and 2024. Workshops were held on 24 August 2023, 24 October 2023, and 27 February 2024. Discussions focussed on how funding is currently distributed, who the main beneficiaries are, how funds can be used towards different purposes and what the opportunities are to improve the community funding policy.

Through discussions, we determined that:

- The distribution of community funds is not currently directly linked with Council's strategic goals and community outcomes.
- There is opportunity to improve consistency and transparency when vetting funding applications across different committees, and for greater oversight over who receives funding and from what source.
- The current structure is complex, difficult to navigate, and the volume of applications paired with the existing evaluation process is time-consuming and administratively costly for Council staff to administer.
- The current fund structure does not incentivise community organisations to become more sustainable in their funding structures and be less reliant on Council to deliver their activities.

Elected Members requested officers to identify opportunities to streamline funds, and to align the disbursement of funds with Council's vision and outcomes and set out how Council could fill some of the funding gaps that the wider funding landscape does not support. In the context of financial pressures to reduce costs and the emphasis on critical services and projects, Elected Members also sought options that would support efficient fund management and administration.

While the community funding policy and supporting framework are not a legislative requirement under the Local Government Act 2002, Council decided the proposal was significant and wanted to hear from the wider community about the impact it would have. Council adopted a draft community funding policy and draft community funding eligibility and assessment framework for consultation at a meeting on 30 May 2024.

During the consultation period from 4 June to 8 July 2024, Council received a total of 1416 submissions on the proposal. Officers engaged with Iwi and hapū, representative groups, and community members during the LTP engagement events. Council also provided information on the proposal through its website, community newsletters, and emails to current and previous recipients of funds and other local funding organisations.

After hearings and deliberations, Council will need to decide how much funding is allocated to the community funding programme and how this amount is to be split between the three different funding schemes. That decision is outside the scope of this paper and will be made through the adoption of the LTP.

NGĀ KŌRERORERO | DISCUSSION

Over time, the structure of Council's community funds established multi-year and one-off opportunities for community organisations. These funds have been allocated by different decision-making committees (both committees of council and community organisations) but have not been supported by a clear and consistent framework to determine how requests for support are prioritised.

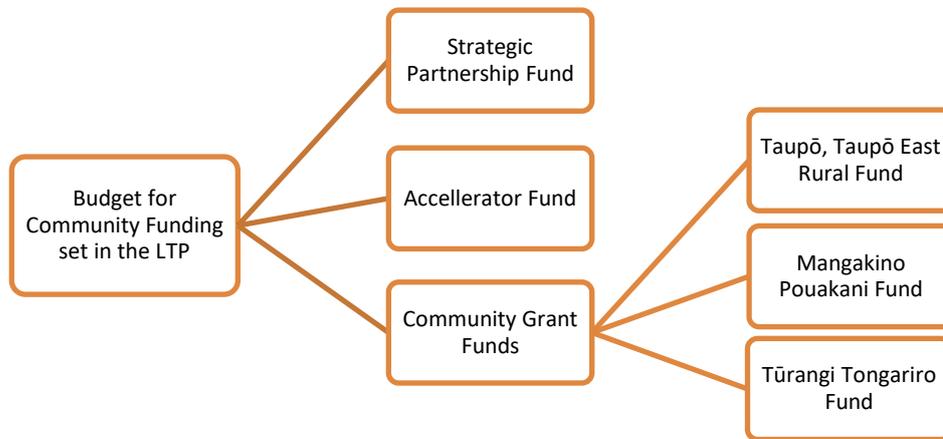
As demand for funding from local government continued to grow, particularly in recent years, Elected Members, Council officers, some allocation committees, and communities identified opportunities to refresh the current funding system to ensure it remains consistent, open, fair, and efficient.

Submissions

A total of 1416 submissions were received on the community funding proposal, on two key aspects:

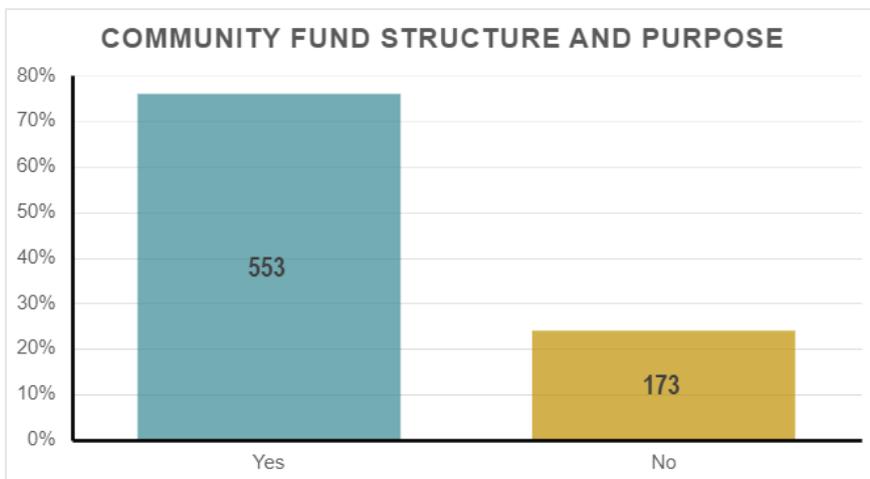
1. The proposed new structure and purpose of community funding (see figure 1)
2. Introducing an eligibility and assessment framework that links funding eligibility with Council's vision and community outcomes, and targeted criteria to provide a clear decision-making process.

Figure 1 - Proposed new structure of community funding



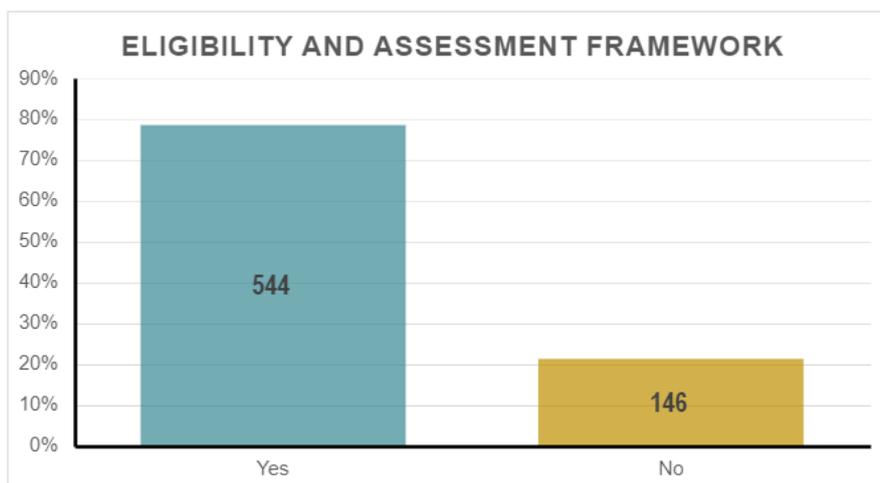
A total of 726 submitters responded to the question regarding the proposed new funding structure and purpose. 76% (553 submissions) were in favour and 24% (173 submissions) were against, as shown in figure 2.

Figure 2 – Submission Question on Community Fund Structure and Purpose



A total of 690 submitters responded to the question regarding implementation of an eligibility and assessment framework to link eligibility with Council’s vision and community outcomes. 79% (544 submissions) were in favour and 21% (146 submissions) were against, as shown in figure 3.

Figure 3 – Submission question on Community Funding Eligibility and Assessment Framework



Key themes from submitters in favour of the proposed community funding changes include:

- Council should continue to support community groups by providing community funds.
- Streamlining the funding system to improve oversight, visibility, fairness, and efficiency is important.
- Introducing limits to what can be allocated under each fund is fair and transparent. It will help to set and manage communities' expectations.
- Prioritising funding to community organisations who are active in areas that align with Council's vision and community outcomes seems sensible.
- Applying the same priorities and criteria across the different funds is a good approach.
- It is important that both new and existing groups have the opportunity to access funding.
- Recipients should continue to be required to report and account for how they have spent the funds.
- Multi-year funding provides certainty to community groups and continuing to provide funding under strategic partnership agreements will provide significant benefit to communities and the Council.
- Decision makers should continue to declare conflicts of interest before allocating funding.
- Retrospective applications should continue to be ineligible to receive funding.

Key themes from submitters against the proposed community funding changes include:

- Concern that a change in structure and introduction of priorities may result in lower amounts of funding being distributed to different sectors who have previously received dedicated funds (e.g., sports, arts, social services).
- One-off funding rounds should be open multiple times per year. Many groups who apply for Council funds are volunteer-led and do not plan for the long-term. Having funds open multiple times a year supports funding streams for new initiatives.
- Assessors must be independent, unbiased and adopt a balanced approach to all community activities.
- Representation on decision-making committees should include community representatives and should be evenly weighted. Council should call for applications for these members.
- Applicants should still be eligible to receive funding even if they do not meet the strategic priorities and their initiative has widespread community benefit.

Some submitters did not explicitly agree or disagree with the proposal, but had the following remarks:

- The distribution of Council funds should have a clear link to community wellbeing (social, cultural, economic, and environmental) and clearer link to Council strategies and plans (for example the arts, culture and ngā toi action plan, sport, and recreation strategy).
- Further clarification sought around Council's community funds being used to contribute toward hiring Council venues and facilities for events.
- Further clarification sought on how the amounts available for each fund would be decided.

Some submitters' feedback extended beyond the scope of the proposal. Some submissions suggested that Council should not be providing funding opportunities to communities, or that total funds available should be adjusted with every policy review. Other submissions related to council funds that are not currently included under the scope of the proposed policy and eligibility assessment framework (e.g., event sponsorship, community fees and charges, public arts fund and community leases and licenses).

Officers have considered all feedback received from submitters and as a result, the following changes to the policy are proposed:

1. Clarify that Elected Members and Committees of Council will be the decision makers when disbursing funds.

Suggested change

- o Council to receive recommendations and decide on the allocation of funding for the strategic partnership fund and accelerator fund through resolution.
- o Committees of council to receive recommendations and decide on the allocation of funding for community grant funds through resolution.

Why?

Through consultation, we have heard communities are concerned about fair and equal representation on decision making committees. Elected Members and committees of council are appointed to represent the district's diverse communities of place, identity, and interest and are able to provide perspective from the different parts of the community when considering recommendations on funding allocation.

2. Community grant funds open twice per year.

Suggested change

- o Community grant funds (Tūrangi Tongariro, Mangakino Pouakani, and Taupō and Taupo East Rural Grants) are open twice a year instead of once as initially proposed.

Why?

Through consultation, we have heard that it is important that one-off funds remain accessible and regularly available to community organisations. Some organisations are on different financial year reporting or are largely volunteer run and do not have the capacity to meet the timeframes proposed in the policy.

NGĀ KŌWHIRINGA | OPTIONS

Based on the information set out above, it is considered there are two options.

Option 1 – Adopt the draft community funding policy (2024) and community funding eligibility and assessment framework (2024) with the above changes (recommended)

Advantages	Disadvantages
<ul style="list-style-type: none"> • Sets clear directions on community funding as a whole and how different funds will operate in relation to each other. • Provides internal council teams clarity on work programmes and the structure and levels of support to be provided to communities. • Community funds are structured in a way that supports Council to consider the range of support provides to communities in future (e.g., through community leases and licenses, event 	<ul style="list-style-type: none"> • Potential resistance or may create some confusion between what groups have received previously versus what they will apply for in future. • It will take time to set up new funds and be in a position for Council to accept applications for funding. Throughout this process Council has sought to mitigate the impact of this by communicating timelines with groups and supporting to connect to external funding

<p>sponsorship fund) and how this is measured and reported.</p> <ul style="list-style-type: none"> • Community funds remain accessible, with communities able to access funding at least once per year. • Provides transparency and clarity on what funds are to be considered or not when making decisions. • Helps to manage and clarify expectations, accountability, and monitoring of Council community funds. • All current recipients or applicants can continue to be eligible to apply. • Easier and more efficient way of making any changes necessary to the distribution details of each funding type to better achieve 	<p>opportunities.</p>
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Option 2 – Do not adopt the draft community funding policy and community funding eligibility and assessment framework. The Grants and Partnerships Policy (2021) and Eligibility Criteria (2021) remain.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Council's funding sources remain unchanged, which provide familiarity to community organisations on Council funding. • Turnaround time to open the next funding round will likely be shorter than if a new structure and framework were to be implemented. 	<ul style="list-style-type: none"> • The opportunity to improve our current community funding policy and structure (see previous section) will be missed to the detriment of our communities and to Council. • Unable to set clear direction on the allocation of funding that will help enable consistent and efficient decision making.

WHAKAKAPINGA | CONCLUSION

Officers consider the proposed community funding policy, and the proposed community funding eligibility and assessment framework adequately set out the purpose, objectives, and framework for considering how funding requests are considered and allocated in future.

Officers have incorporated submitters' feedback where this has improved the structure, purpose or process of the policy structure and framework.

Officers recommend that Council adopts the proposed Community Funding Policy and proposed Community Funding Eligibility and Assessment Framework after hearing and deliberating submitters' feedback.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council:

1. Hears and deliberates on the draft community funding policy (2024) and draft community funding eligibility and assessment framework (2024); and
2. Adopts the community funding policy (2024) and community funding eligibility and assessment framework (2024) attached.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Community Funding Policy 2024 ⇨
2. Community Funding Eligibility and Assessment Framework 2024