

# **ATTACHMENTS**

**Ordinary Council Meeting**

**30 July 2024**

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**TAUPŌ DISTRICT COUNCIL  
MINUTES OF THE ORDINARY COUNCIL MEETING  
HELD AT THE COUNCIL CHAMBER, 107 TE HEUHEU STREET, TAUPŌ  
ON TUESDAY, 25 JUNE 2024 AT 1.00PM**

**PRESENT:** Mayor David Trewavas (in the Chair), Cr Duncan Campbell, Cr Karam Fletcher (via MS Teams), Cr Sandra Greenslade, Cr Kylie Leonard, Cr Danny Loughlin, Cr Anna Park, Cr Christine Rankin (via MS Teams from 1.11pm), Cr Rachel Shepherd, Cr Kevin Taylor, Cr Kirsty Trueman (via MS Teams), Cr Yvonne Westerman, Cr John Williamson

**IN ATTENDANCE:** Chief Executive (J Gardyne), General Manager Organisation Performance (S Matthews), General Manager People and Community Partnerships (L O'Brien), General Manager Strategy and Environment (W Zander), Acting General Manager Operations and Delivery (T Hale), Legal and Governance Manager (N McAdie), District Customer Relations Manager (T Russell), Communications Manager (L McMichael), Environmental Services Manager (J Sparks), People and Culture Manager (L Nienhuser), Project Management Office Manager (P Fletcher), Policy Manager (N Carroll), Property Manager (S Attenborough), Infrastructure Manager (R Stokes), Finance Manager (J Paenga), Digital Content Creator (C Hollinger), Team Leader Resource Management (E O'Callaghan), Team Leader Corporate Planning (A Smith), Programme Manager (J Walton), Policy Advisor (A Wilson), Infrastructure Project Manager (E May), Senior Policy Advisor (K Goode), Senior Financial Accountant (A Snell), Senior Solicitor (K Hollman via MS Teams), Asset Manager Transportation (C Sharland via MS Teams), Asset Engineer – Transport (I Nikitin via MS Teams), Senior Committee Advisor (K Watts)

**MEDIA AND PUBLIC:** No members of the public

Notes: (i) All those present opened and closed the meeting with the Taupō District Council karakia.  
(ii) Items were considered in the following order: 1, 2, 3, 4, 5.1-5.5, 5.8, 5.6-5.7.  
(iii) Item 5.7 from the Supplementary Agenda was renamed to item 5.8. Item 5.8 from the Supplementary Agenda was a duplication of item 5.3.  
(iv) Cr Christine Rankin entered the meeting at 1.11pm. She was not present for resolution TDC202406/03.

**1 KARAKIA**

The Taupō District Council karakia was said by all present at the meeting.

**2 WHAKAPĀHA | APOLOGIES**

**TDC202406/03 RESOLUTION**

Moved: Cr Anna Park

Seconded: Cr John Williamson

That the apology received from Cr Christine Rankin (for lateness) be accepted.

**CARRIED**

Note: All members present at the Council meeting voted in favour of resolution TDC202406/03 above.

**3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST**

Item 5.3 Civic Administration Building (CAB) Project Budget Transfer

Cr Danny Loughlin declared a conflict of interest with this item and did not participate in discussion of this item.

**4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES****4.1 ORDINARY COUNCIL MEETING - 23 MAY 2024**

The minutes were amended in the following manner:

Cr Sandra Greenslade was recorded as being present.

**TDC202406/04 RESOLUTION**

Moved: Cr Danny Loughlin

Seconded: Cr Rachel Shepherd

That the minutes of the Council meeting held on Thursday 23 May 2024 be approved and adopted as a true and correct record, as amended.

**CARRIED**

*Note: All members present at the Council meeting voted in favour of resolution TDC202406/04 above.*

**4.2 ORDINARY COUNCIL MEETING - 28 MAY 2024**

The minutes were amended in the following manner:

Cr Kylie Leonard was removed from the list of those present.

**TDC202406/05 RESOLUTION**

Moved: Cr Kevin Taylor

Seconded: Cr Anna Park

That the public and confidential portions of the minutes of the Council meeting held on Tuesday 28 May 2024 be approved and adopted as a true and correct records, as amended.

**CARRIED**

*Note: All members present at the Council meeting voted in favour of resolution TDC202406/05 above.*

**4.3 ORDINARY COUNCIL MEETING - 31 MAY 2024****TDC202406/06 RESOLUTION**

Moved: Cr Rachel Shepherd

Seconded: Cr John Williamson

That the minutes of the Council meeting held on Friday 31 May 2024 be approved and adopted as a true and correct record.

**CARRIED**

*Note: All members present at the Council meeting voted in favour of resolution TDC202406/06 above.*



#### 4.4 EXTRAORDINARY COUNCIL MEETING - 11 JUNE 2024

##### TDC202406/07 RESOLUTION

Moved: Cr Yvonne Westerman  
Seconded: Cr Danny Loughlin

That the minutes of the extraordinary Council meeting held on Tuesday 11 June 2024 be approved and adopted as a true and correct record.

**CARRIED**

*Note: All members present at the Council meeting voted in favour of resolution TDC202406/07 above.*

#### 5 NGĀ KAUPAPA HERE ME NGĀ WHAKATAUNGA | POLICY AND DECISION MAKING

##### 5.1 HEARING AND DELIBERATION OF SUBMISSIONS RECEIVED AND ADOPTION OF TRAFFIC BYLAW

The Policy Advisor introduced the item and noted that the definitions of the Cycle Path, Footpath and Roadway had been updated to the same meaning as the Land Transport (Road User) Rule 2004. In addition, a clarification to the language in clause 13 was suggested following feedback from the Outdoor Access Commission Herenga ā Nuku Aotearoa. It was suggested that this be changed to make it really clear and prevent any unforeseen consequences by clarifying that it was in residential areas rather than in rurally zoned areas.

In answer to a question, the Policy Advisor confirmed that anyone who observed heavy vehicles parking over the permitted time limit should contact Council to raise a service request.

*Cr Christine Rankin entered the meeting at this point (1.11pm).*

##### TDC202406/08 RESOLUTION

Moved: Cr Kevin Taylor  
Seconded: Cr Anna Park

That Council

1. hears and deliberates on submissions received through the Traffic Bylaw consultation process; and
2. adopts the attached Traffic Bylaw with two amendments:
  - a. update the definitions of Cycle Path, Footpath and Roadway to have the same meaning as in the Land Transport (Road User) Rule 2004, and
  - b. replace the words 'in residential areas' with 'except in rurally zoned areas' in clause 13.

**CARRIED**

*Note: All members present at the Council meeting voted in favour of resolution TDC202406/08 above.*

##### 5.2 FUNDING AND EXPENDITURE ARRANGEMENTS FOR THE FIRST QUARTER OF 2024/25

The Team Leader Corporate Planning summarised the report including the criteria for expenditure and the key risks.

The Policy Manager added that there were three key projects members could have concerns about and gave extra context and information:

Airport Apron - This was funded by both Council and the Ministry of Transport (MoT). The funding from MoT

could only be received if the project was completed by January 2025. In order to adhere to this timing requirement, design work needed to start in the first quarter of the financial year.

Hawai Reserve detention pond and Mobil Station Improvement Device were both related to stormwater. It was important that design work was commenced in the first quarter of the financial year. In deliberations of the Long-term Plan 2024-34 there could be discussions around the timing of the delivery of these projects which the design work did not impact on.

In answer to a question, the Chief Executive advised that a lot of Council's services were regulatory required so closing down for three months was not an option.

#### **TDC202406/09 RESOLUTION**

Moved: Cr Danny Loughlin

Seconded: Cr Kylie Leonard

That Council, for the period between the expiry of the Annual Plan 2023/24 and the adoption of the Long-term Plan 2024-34:

1. Approves capital expenditure and operating expenditure within the limits set out in the proposed budgets for the Long-term Plan 2024 – 34, subject to the following criteria:
  - a. Expenditure is required to maintain service levels, as set out in the Long-term Plan 2021; or
  - b. Expenditure is for capital projects or operating activities where there are no practical alternative options. For example, where it is needed to meet legislative, regulatory, contractual, risk minimisation, or growth requirements; or
  - c. Expenditure is for capital projects or operating activities where the views and preferences of the public have already been canvassed and a decision made, or with a low degree of significance. i.e. where we would not usually expect to re-consult the public; or
  - d. Expenditure is for capital projects or operating activities that it is financially prudent to continue. For example, where Council has obligations, or it would be impractical or inefficient to suspend activities; or
  - e. Expenditure is for capital projects or operating activities relating to prudent asset management. For example, timely maintenance and renewals.
2. Agrees that capital and operating expenditure will not be undertaken where it relates to a new proposal, or proposed new service level, for the Long-term Plan 2024 – 34 that is discretionary. This work will not be progressed until that decision has been agreed through the Long-term Plan consultation and decision-making process. For example, the decision around rubbish and recycling collection.
3. Approves appropriate borrowing to support operational and capital expenditure levels in accordance with recommendations 1 and 2 above.
4. Delegates to the Chief Executive the power to approve operational and capital expenditure in accordance with recommendations 1 and 2 above.

**CARRIED**

Note: All members present at the Council meeting voted in favour of resolution TDC202406/09 above.

#### **5.3 CIVIC ADMINISTRATION BUILDING (CAB) PROJECT BUDGET TRANSFER**

The Finance Manager advised that this item was connected to item 5.2 and pointed out that funds were required to make contractual payments before the end of the current financial year.

The Property Manager confirmed that these payments were for fitout costs to Watts & Hughes and to the landlord Ngāti Tūwharetoa. As a result of choosing Watts & Hughes as a sole contractor in December 2023, some timings of payment and work had been brought forward. The total project cost was not affected.

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**TDC202406/10 RESOLUTION**

Moved: Cr Yvonne Westerman  
Seconded: Cr Sandra Greenslade

That Council approves bringing forward a portion of 2024/25 budgeted expenditure for the Civic Administration Building Project in the amount of three hundred and ninety four thousand, four hundred dollars plus GST [\$394,400 + GST] for the purpose of paying suppliers for June expenditure for fitout costs.

**CARRIED**

*Note: All members present at the Council meeting voted in favour of resolution TDC202406/10 above.*

**5.4 ADOPTION OF THE SOLID WASTE BYLAW**

The Policy Advisor summarised the report and reiterated that further changes could be required as an outcome of the Long-term Plan process. He added that if there was no bylaw in place, it compromised the ability for enforcement and to regulate contractors.

**TDC202406/11 RESOLUTION**

Moved: Cr Kevin Taylor  
Seconded: Cr Sandra Greenslade

That Council adopts the Solid Waste Bylaw attached to the agenda as recommended by the Ad-hoc Committee - Bylaws at their meeting held on 28 May 2024.

**CARRIED**

*Note: All members present at the Council meeting voted in favour of resolution TDC202406/11 above.*

**5.5 APPROVAL OF SUBMISSION TO THE RESOURCE MANAGEMENT (FRESHWATER AND OTHER MATTERS) AMENDMENT BILL**

The Team Leader Resource Management summarised the report and the inclusions in the submission.

Members requested paragraph 6.2 be more forceful in the language to convey the concerns of the fast pace of change by the government.

The Team Leader Resource Management advised that Council had not asked to be heard by the Select Committee because this would largely affect the regional council. Council was comfortable that sector leads Taituarā and Local Government New Zealand would speak on behalf of councils.

**TDC202406/12 RESOLUTION**

Moved: Cr Danny Loughlin  
Seconded: Cr Kevin Taylor

That Council approves the submission on the Resource Management (Freshwater and Other Matters) Amendment Bill as amended at the meeting.

**CARRIED**

*Note: All members present at the Council meeting voted in favour of resolution TDC202406/12 above.*

**5.6 TAUPŌ DISTRICT COUNCIL PERFORMANCE REPORT - MAY 2024**

The Chief Executive acknowledged the General Manager summaries in the Performance Report, and in particular the awards that had been won and were great achievements for the following:

- Airport terminal redevelopment project
- Te Kapua Papa Tākaro, Tūrangi
- Waioira House
- Swim School – awarded platinum status by Swimming New Zealand.

The Senior Financial Accountant summarised the financial summary. He advised that Council was currently compliant with the Treasury Management Policy. The exception was investment maturity which was deliberate to facilitate some capital purchase.

The Project Management Office Manager advised that the end of the financial year was very near, and that Council was close to the forecasted capital expenditure project spending.

The Infrastructure Project Manager – Operations provided updates on the drinking water standards projects in Kinloch, Omori, Motuoapa and Hatepe.

The timeline of the Kinloch project had been re-baselined and there would be a penalty for the contractor if the new project completion date was exceeded.

The timeline of the Omori project had been extended to May 2025.

The original site of the water treatment plant at Motuoapa was too close to the lake so it had been relocated near the waste water treatment plant.

There had been significant challenges with land acquisition for the water treatment plant at Hatepe because Council did not own much land in the area. Council had completed an assignment of concession application with the Department of Conservation which was being assessed and would be publicly notified in the next few months.

Members commended the Infrastructure Project Manager and his team for their mahi in Motuoapa and Hatepe. They had heard the appreciation from members of those communities.

**TDC202406/13 RESOLUTION**

Moved: Cr Sandra Greenslade

Seconded: Cr Kevin Taylor

That Council notes the information contained in the Performance Report for the month of May 2024.

**CARRIED**

*Note: All members present at the Council meeting voted in favour of resolution TDC202406/13 above.*

**5.7 COUNCIL ENGAGEMENTS JULY 2024, APPOINTMENTS, AND TRAINING AND CONFERENCE OPPORTUNITIES**

The Senior Committee Advisor added the Long-term Plan engagement sessions that were being held before or after representative group meetings the following week as follows:

- Tuesday 2 July 11.30am – 12.30pm (following the Mangakino Pouakani Representative Group meeting)
- Thursday 4 July 12.30pm – 1.30pm (following the Taupō East Rural Representative Group meeting)
- Thursday 4 July 2pm – 3pm (prior to the Kinloch Representative Group meeting).

In addition, the starting time for the welcome and morning tea prior to the Taupō East Rural Representative Group on Thursday 4 July was amended to 9.45am.

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**TDC202406/14 RESOLUTION**

Moved: Cr Yvonne Westerman

Seconded: Cr John Williamson

That Council receives the information relating to engagements for July 2024.

**CARRIED**

*Note: All members present at the Council meeting voted in favour of resolution TDC202406/14 above.*

**5.8 SUBMISSION TO THE LOCAL GOVERNMENT (WATER SERVICES PRELIMINARY ARRANGEMENTS) BILL - RETROSPECTIVE APPROVAL**

The Acting General Manager Operations and Delivery summarised the report and submission. Members appreciated that their feedback had been incorporated and thanked council officers for the work that had gone into the beautifully written submission.

**TDC202406/15 RESOLUTION**

Moved: Cr Anna Park

Seconded: Cr Rachel Shepherd

That Council retrospectively approves the submission on the Local Government (Water Services Preliminary Arrangements) Bill.

**CARRIED**

*Note: All members present at the Council meeting voted in favour of resolution TDC202406/15 above.*

**6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS**

Nil

**The meeting closed at 2pm with a karakia from all present.**

**The minutes of this meeting were confirmed at the Ordinary Council Meeting held on 30 July 2024.**

.....

**CHAIRPERSON**

Extracts from Standing Orders 2022-2025

## **15. Public Forums | Ngā Matapakinga a te Marea**

Public forums are a defined period of time, usually at the start of an ordinary meeting, which, at the discretion of a meeting, is put aside for the purpose of public input. Public forums are designed to enable members of the public to bring matters of their choice, not necessarily on the meeting's agenda, to the attention of the local authority.

In the case of a committee, subcommittee, local or community board, any issue, idea, or matter raised in a public forum, must fall within the terms of reference of that body.

### **15.1 Time limits | Ngā tepenga wā**

A period of up to 30 minutes, or such longer time as the meeting may determine, will be available for the public forum at each scheduled local authority meeting. Requests must be made to the chief executive (or their delegate) at least one clear day before the meeting; however this requirement may be waived by the chairperson. Requests should also outline the matters that will be addressed by the speaker(s).

Speakers can speak for up to 5 minutes. Where the number of speakers presenting in the public forum exceeds 6 in total, the chairperson has discretion to restrict the speaking time permitted for all presenters.

### **15.2 Restrictions | Ngā Herenga**

The chairperson has the discretion to decline to hear a speaker or to terminate a presentation at any time where:

- A speaker is repeating views presented by an earlier speaker at the same public forum;
- The speaker is criticising elected members and/or staff;
- The speaker is being repetitious, disrespectful or offensive;
- The speaker has previously spoken on the same issue;
- The matter is subject to legal proceedings; and
- The matter is subject to a hearing, including the hearing of submissions where the local authority or committee sits in a quasi-judicial capacity.

### **15.3 Questions at public forums | Ngā pātai i ngā matapakinga a te marea**

At the conclusion of the presentation, with the permission of the chairperson, elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by a speaker.

### **15.4 No resolutions | Kāore he tatūnga**

Following the public forum, no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda. (See the LGNZ Guide to Standing Orders for suggestions of good practice in dealing with issues raised during a forum).

### **15.5 Application of restrictions | Te hāngaitanga o ngā Herenga**

Clause 15.2 above applies to members of the public addressing meetings at any time, not just as part of a scheduled public forum session.

Extracts from Standing Orders 2022-2025**9.1 Items of business not on the agenda which cannot be delayed | Ngā take kāore i runga i te rārangi take e kore e taea te whakaroa**

A meeting may deal with an item of business that is not on the agenda where the meeting resolves to deal with that item and the chairperson provides the following information during the public part of the meeting:

- (a) The reason the item is not on the agenda; and
- (b) The reason why the discussion of the item cannot be delayed until a subsequent meeting.

*LGOIMA, s 46A(7).*

Items not on the agenda may be brought before the meeting through a report from either the chief executive or the chairperson.

**Please note**, that nothing in this standing order removes the requirement to meet the provisions of Part 6 of the LGA 2002 with regard to consultation and decision-making.

**9.2 Discussion of minor matters not on the agenda | Te kōrerorero i ngā take iti kāore i runga i te rārangi take**

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision, or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

*LGOIMA, s 46A(7A).*

## Proposed – Affordable Homes Eligibility Criteria

If you would like to purchase an Affordable Home, you will need to complete a Pre-Qualification Application to confirm your eligibility. This will need to be completed by everyone who will be purchasing the home. This includes spouses, civil union partners or de-facto partners who will be named on the Agreement for Sale and Purchase.

Everyone named in the Application must meet the criteria below.

#	Item	Criteria
1.	<b>Age</b>	At least 18 years old.
2.	<b>Residency status</b>	<p>New Zealand Citizen, Permanent Resident or a Resident Visa holder who is “ordinarily resident in New Zealand” (refer to the FAQ below).</p> <p>Note that if you are applying with a spouse, civil union partner or <i>de facto</i> partner, only one of you will need to meet these requirements.</p> <p>[You need to be either a resident in the [Taupo region] or have received a permanent job offer in the [Taupo region] and intend to relocate to the [Taupo region].]</p>
3.	<b>Mandatory requirements</b>	<p>Everyone in your application must:</p> <ul style="list-style-type: none"> <li>not currently have a legal or beneficial interest in a home in New Zealand or overseas;</li> <li>not be married to, nor in a civil union or <i>de facto</i> relationship with, someone who currently has a legal or beneficial interest in a home in New Zealand or overseas; and</li> <li>not currently have any unregistered interest in a home, including as the beneficiary of a trust (unless it is a beneficial interest of the type permitted in the notes below).</li> </ul> <p>When applying for the Affordable Home Pre-Qualification Application, you can only be part of one application, whether that application is made on your own OR with other people. You cannot apply more than once, even if your second application is made with a different person.</p>
4.	<b>Pre-tax income threshold:</b>	<p>A total before tax income from the previous 12 months of:</p> <ul style="list-style-type: none"> <li>\$120,000 or less for an individual buyer (no dependents); or</li> <li>\$150,000 or less for an individual buyer (one or more dependents); or</li> <li>\$200,000 or less combined for two or more buyers, regardless of the number of dependents.</li> </ul>
5.	<b>Minimum Ownership Period</b>	You must intend to own and live in the Affordable Home as your primary place of residence for a minimum period, calculated from



#	Item	Criteria
		<p>the settlement date of your purchase, being two years (<b>Minimum Ownership Period</b>).</p> <p>You may have other people live with you, either for free, as paid guests or flatmates, but you cannot completely rent out an Affordable Home while you live somewhere else. You will need to sign a statutory declaration to confirm that you agree to these requirements.</p> <p>There may be situations where you will need to move, rent or sell your house before the end of the required time period. This might include a sudden change in your financial situation (such as losing your job), the need to move for a job, or an unexpected change in family circumstances. In these situations, you must seek prior approval from us to rent or sell the Affordable Home before the Minimum Ownership Period expires.</p> <p>[If you sell or rent the Affordable Home within the Minimum Ownership Period without our prior consent, you will be under an obligation to pay us. Before purchasing the Affordable Home, you will need to sign a deed that is enforceable by us, which requires that you undertake to pay us 30% of:</p> <ul style="list-style-type: none"> <li>any capital gain if you sell your Affordable Home within the required time period without our prior consent; and/or</li> <li>any gross rental income if you rent out your Affordable Home without also living in it as your primary residence.]</li> </ul> <p>We will take measures to ensure that you comply with your obligations.</p>
6.	<b>Others to note</b>	<p>Eligibility is not transferrable. If you wish to make any additions, substitutions or changes to your application, you will need to resubmit your application for consideration. There can be no additions, substitutions or changes to those listed on a pre-qualified application to those named on any subsequent agreement for sale and purchase.</p> <p>Where an Affordable Home is sold as a direct sale, you can make additions, substitutions or changes to their application, so long as the application is pre-qualified at the time that any agreement for sale and purchase becomes unconditional.</p> <p>Where an Affordable Home is allocated through a ballot process, only those named on the pre-qualification application at the time that the ballot closes can be named on any subsequent agreement for sale and purchase.</p> <p>Eligible buyers are not permitted to enter into a contract on more than one Affordable Home at the same time. Likewise, an eligible buyer cannot take part in a ballot and have a conditional offer under contract on an Affordable Home at the same time. If an eligible buyer enters into a conditional offer on an Affordable Home, and wishes to participate in a ballot that relates to another Affordable Home, they must first cancel the other offer.</p>

#	Item	Criteria
		One person will need to be identified as the point of contact for all communications relating to your application. Except in exceptional circumstances, the point of contact must be a named applicant. All of the applicants must be at least 18 years old at the time they apply for Affordable Home pre-qualification.

### **Common FAQ on eligibility requirements**

#### **What does New Zealand citizenship or residency mean?**

To be eligible to buy an Affordable Home you must be a New Zealand citizen, a permanent resident, or a resident visa holder who is “ordinarily resident in New Zealand”. If you are applying with a spouse, civil union partner or *de facto* partner only one of you will need to meet these requirements.

Other visa types are not eligible, even if you normally reside in New Zealand.

#### **What is the meaning of an “ordinarily resident in New Zealand”?**

If you are a resident visa holder, you are considered to be “ordinarily resident in New Zealand” if you:

- have been living in New Zealand for at least the past 12 months; and
- have been in New Zealand for at least 183 days in total in the past 12 months; and
- are a tax resident in New Zealand, meaning that you meet the criteria above and you have a long-term connection to New Zealand (e.g. you have work or family ties to the country).

#### **How is income calculated?**

The total income before tax (i.e. gross income) means the combined income of everyone named on the application who will share ownership of the home. This includes anyone who will be named on the agreement for sale and purchase, even if they are not contributing any money to pay for the home.

- It does not include the income of any children, flatmates or boarders who will live with you in the Affordable Home after you purchase it.
- Income includes money from any source, such as income from employment (e.g. wages, salary, bonuses, overtime pay), pensions, rental income or investments.
- If you are on a salary, benefit or pension, you will need to provide proof of your income from the IRD for the past 12 months immediately prior to the date of application in order to determine your eligibility.
- If you do not earn any income at all, you will need to provide proof of no income from the IRD.
- Some one-off and secondary sources of income are not considered part of your earnings and will not count towards the income cap. These may include:
  - secondary benefits (such as Accommodation Supplements);
  - tax credits (such as Working for Families);
  - certain types of investment income (such as KiwiSaver investments); or
  - non-taxable income (such as allowances and scholarships).

If you have provided proof of irregular income, the level of income for the income cap can be re-considered at our discretion.

If you are self-employed, you must provide your earnings documents for the last complete tax year. Acceptable documents include:

- an IRD Individual Income Tax Return for the most recent complete tax year; or
- if required, an IR3 Individual Tax Return prepared by an accountant (if your Individual Income Tax Return is unavailable on your myIR account).

If you have not been self-employed for a full tax year, you will need to provide an IRD Summary of Earnings for the most recent tax year.

#### **Who is considered a dependent?**

A person who has dependents has the responsibility for the part-time or full-time care of a child, children, or other dependent adults in a household who are unable to live independently. If the dependents are aged 18 or over, you will need to tell us why they are dependent on you for their ongoing care. Providing financial support alone does not meet the definition of having responsibility for the care of a dependent.

#### **What does “legal or beneficial interest in a home” mean?**

A home is considered as a legal or beneficial interest in land which contains a permanent dwelling that you can live in.

To be eligible to purchase an Affordable Home, you cannot hold a legal or beneficial interest in any home in New Zealand or overseas. Even if you are not the registered owner, you will also be ineligible if the home is relationship property. A beneficial interest in relationship property means being married to, or in a civil union or *de facto* partnership with the person whose name is on the title of a home. This includes homes owned in overseas countries. You will need to submit a Statutory Declaration to confirm your home ownership status when you apply for the eligibility.

You will need to sign a statutory declaration to confirm that you agree to these requirements. Where relevant, we will take measures to ensure that you have taken the required steps to comply with these conditions before your purchase is finalised.

#### **Will I qualify if I'm a beneficiary under a trust?**

Applicants who have a legal or beneficial interest in a home by virtue of a trust (e.g. a family trust that owns the family home) may still be considered to be an eligible buyer.

For example, if your parents established a family trust and the trust owns your parents' home, although you are likely to have a beneficial interest in the home under the terms of the family trust, that interest alone will not automatically prevent you from being an eligible buyer.

You will be considered an eligible buyer if your beneficial interest is one of the following:

- **Discretionary beneficiary:** a beneficiary who is entitled to be considered for an entitlement under the trust, but whose entitlement is not automatic.
- **Contingent beneficiary:** a beneficiary whose entitlement to a benefit under the trust depends on an event (such as reaching a certain age) and that event hasn't happened yet.
- **Vested beneficiary:** a beneficiary who has already received their entitlement who does not reasonably expect to be able to occupy the home to the exclusion of the person who currently occupies the home as their principal place of residence until the death of the occupier or the death of the occupier's survivor.

- **Bare trustee:** a bare trustee holds assets and acts as directed by the beneficiaries, or has no beneficial interest in the trust property.

Except for the above, any other beneficiary of a trust, where the trust owns a home, will not be eligible.



# Selecting and appointing district licensing committees

## A guide for councils



*We would like to acknowledge the input and support provided by the advisory group established for the purposes of this project as well as members of the District Licensing Committee Advisory Group, the Local Government Alcohol Reference Group and the Regulatory Agencies Steering Group. We would also like to thank Local Government New Zealand, and the Taituarā for their contributions.*

#### **Disclaimer**

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# About this guide

## Who is this guide for?

This guide is for council staff responsible for managing the selection and appointment of district licensing committees (DLCs). The guide will be useful whether you are new to the process or you have had previous experience. It may also be of interest to elected members of council and prospective DLC members.

## How will this guide help you?

This guide will support you to:

- understand the range of skills that a DLC needs
- run a robust selection and appointment process
- appoint a DLC with the necessary knowledge, skills and experience
- give effect to the Sale and Supply of Alcohol Act.

The Sale and Supply of Alcohol Act 2012 (the Act) aims to minimise harm from alcohol by managing the way it is sold, supplied and consumed. The Act introduced a system of alcohol licensing intended to enhance community participation in licensing decisions.

DLCs have an important role under the Act – to consider and decide on all applications for alcohol licences within their local areas. DLCs need the right mix of skills to do their job well.

Councils are responsible for selecting and appointing DLCs. This is an important first step in ensuring that DLCs can carry out their role effectively. This guide will help you run a robust selection and appointment process. You can tailor the guidance to fit your local circumstances, the size of your community and the number of licensing applications you receive.

## What does this guide cover?

1. A brief introduction to DLCs
2. Who can be on a DLC?
3. Who can't be on a DLC?
4. Considering your local context
5. Running a robust selection and appointment process
6. Dealing with challenges
7. Providing ongoing support for your DLC

Section 8 provides resources such as examples of advertisements, job descriptions and interview materials that you can use and adapt for your council.

# 1. A brief introduction to DLCs

**This section provides background information on DLCs and relevant legal requirements under the Act. It covers:**

## 1.1 What DLCs do

## 1.2 The legal status of a DLC

## 1.3 Relevant sections of the Act

## 1.1 What DLCs do

Anyone wanting to sell and supply alcohol to the public in New Zealand must apply to their local council (territorial authority) for a licence. DLCs consider and decide all applications for licences and manager's certificates (s 187 of the Act).

DLCs are established under the Act and administered by councils. Each council must establish and maintain a list of DLC members. They can have their own list or have a combined list with one or more other councils (s 192).

A DLC considers the application, agency reports, evidence and submissions presented to it against the criteria in the Act and any relevant case law. It then objectively evaluates the evidence, determines facts, forms opinions and draws conclusions to make its decision.

Within their local areas, DLCs decide applications for:

- new and renewal applications for on-, off- and club licences
- special licences
- new and renewal applications for manager's certificates
- opposed acting or temporary appointments of managers
- variation of licence conditions

- temporary authorities and temporary licences
- orders to vary, revoke, suspend or cancel a special licence.

## 1.2 The legal status of a DLC

A DLC is a committee of council (s 200(1)), is administered by the council, and may include councillors. However, it is an independent inquisitorial and impartial body and operates differently from all other council committees. A key difference is that in DLC hearings the parties have the right to call, examine and cross-examine witnesses. In addition, DLCs are not required to publicise or run their meetings in the same way as other council committees (s 207 of the Act and part 7 Local Government Official Information and Meetings Act 1987 [LGOIMA]).

DLCs have the powers of a commission of inquiry under the Commissions of Inquiry Act 1908. As a commission of inquiry, a DLC has a quasi-judicial role. DLCs have powers and procedures similar to those of a court of law or a judge and are obliged to objectively make findings of facts and draw conclusions from them. This means, for example, that a DLC can issue summonses requiring the attendance of witnesses before it or the production of documents. It also has the power to rehear any matter that it has determined (s 201(4)). DLCs should not be subject to influence from the council (or from any other third party). A council can, if it wishes, be represented and participate in a DLC hearing (s 204). However, a council cannot override a decision of a DLC.

A decision of a DLC can be appealed to the Alcohol Regulatory and Licensing Authority (ARLA) by any party to the decision. Decisions of ARLA can be appealed to the High Court, then the Court of Appeal, and up to the Supreme Court.

### 1.3 Relevant sections of the Act

The following sections of the Act relate to the appointment and operation of DLCs:

99	Applications to be made to licensing committee
186	Territorial authorities to appoint district licensing committees
187	Functions of licensing committees
188	Powers of licensing committees
189	Composition of licensing committees
190	Meetings of licensing committees
191	Quorum
192	Territorial authority to establish and maintain list of licensing committee's members
193	Appointment of commissioners
194	Resignation or removal
200	Application of Local Government Official Information and Meetings Act 1987
201	Licensing authority and licensing committees have powers of commissions of inquiry
202	Procedure
203	Proceedings of licensing authority and licensing committees
204	Right of certain persons to appear in proceedings
207	Evidence in proceedings before licensing authority or licensing committee
208	Licensing authority or licensing committee may waive certain omissions
211	Decisions to be given in writing



## 2. Who can be on a DLC?

**This section explores who can be on a DLC by considering:**

### 2.1 What the Act says

### 2.2 What this means: good practice guidance

#### 2.2.1 What is good standing?

#### 2.2.2 What is relevant knowledge, skills or experience?

#### 2.2.3 Detailed guidance on essential and desirable knowledge, skills and experience

### 2.1 What the Act says

#### Councils must have a list of DLC members

Councils must establish, maintain and publish a list of people approved to be members of that council's DLC. Councils can establish a combined list with one or more territorial authorities.

Members must have: "experience relevant to alcohol licensing matters" (s 192(2)). Members can be elected councillors or people from the community. Members are included on the list for a fixed term of up to five years and can be reappointed for one or more periods of up to five years.

#### Councils can appoint commissioners

Councils can appoint a commissioner to any of its DLCs. A commissioner has all the functions, powers and duties of the chair (s 193(1)) and can be appointed as a chair (s 189(2)).

The Act requires a commissioner to be someone who: "is of good standing in the community and has the necessary knowledge, skill, and experience relating to matters that are likely to come before the committee" (s 193(2)).

Commissioners are appointed for a fixed term of up to five years and can be reappointed for one or more periods of up to five years.

### The composition of a DLC

Each DLC, which is selected to consider an application, is made up of a chair and two members. The chair can be either an elected member of the council (from the approved member list) or a commissioner appointed by the chief executive, on the recommendation of the council.

### 2.2 What this means: good practice guidance

The Act does not define or set out:

- good standing or the necessary knowledge, skill and experience relating to matters that are likely to come before the committee (required for commissioners)
- the experience relevant to alcohol licensing matters (required for members).

In the absence of such detail, this document provides some guidance to councils about good standing and the types of knowledge, skills and experience that would contribute to the effective running of a DLC.

#### 2.2.1 What is good standing?

A commissioner must be someone who "is of good standing in the community and has the necessary knowledge, skill, and experience relating to matters that are likely to come before the committee" (s 193(2)).

The Act does not give a definition of "good standing in the community". When considering good standing you could think about whether an applicant:

- is of good character eg, do they have any convictions? Have they been bankrupted?

- has a good reputation and is held in high regard in their community
- holds positions of leadership within a community eg, school board of trustees or iwi authority
- belongs to a professional organisation that upholds professional standards of ethics.

### 2.2.2 What is relevant knowledge, skills or experience?

In considering what might be relevant knowledge, skills or experience, it is useful to think about the skills that DLCs need to carry out their role effectively.

#### **DLCs must understand alcohol-related harm and how it can be minimised**

All members must have an understanding of the nature of alcohol-related harm – what it is, how it impacts communities (particularly high risk communities), and how it can be minimised. While alcohol-related harm is often perceived as direct harm, DLCs need to understand the deeper and more complex layers of impacts on communities. Alcohol-related harm is not just about rubbish and noise. It is also about the broader health, social, economic and cultural impacts (both direct and indirect) of the sale, supply and consumption of alcohol, particularly inappropriate or excessive consumption of alcohol.

#### **DLCs need experience in legal processes**

There are different views about the need for legal training and skills on DLCs. Many applicants have legal representation for hearings, so having a DLC that is suitably experienced to address matters of law raised by lawyers is necessary. Some councils value legal expertise and only have lawyers on their DLC. Other councils don't believe that formal legal expertise is essential for a well-functioning DLC and have no lawyers at all. In these cases, chairs may have experience in legal and

regulatory processes such as the Natural & Built Environment Act 2023 and councils provide legal advice or support to their DLC.

#### **DLCs need skills to facilitate community participation**

One of the key drivers behind the Act was to enhance community participation in licensing decisions. DLC practices can have a big impact on the willingness and ability of the community to take part. DLCs need skills and experience to work effectively with community participants in hearings.

When selecting and appointing your DLC you might want to consider:

- the skills and experience that members have in working with communities or running hearings in a way that makes community members feel welcome. This is particularly important for members of the community appearing as objectors who may not be familiar with judicial processes
- whether members have an understanding of:
  - the diversity of the community/communities that the DLC is responsible for
  - how alcohol-related harm impacts disproportionately across different communities and population groups
  - differing patterns of alcohol-related harm in the local community
  - barriers that some communities face to participating in the licensing and hearings process and how these might be addressed
- whether members are open to attending hearings in the evenings to accommodate objectors who work during the day
- whether your chair or members are familiar with basic te reo Māori (language), pronunciation, and tikanga (customs). You can provide support for your DLC members to build this capacity.

You might also think about how the diversity of your DLC reflects the community it serves, in particular those most affected by alcohol-related harm.

The table below provides some detailed suggestions for relevant knowledge, skills and experience.

We have not differentiated between chairs and commissioners in this table. Chairs, regardless of whether they are elected members or appointed commissioners, need to have the same knowledge, skills and experience to run effective hearings and decision-making processes.

### 2.2.3 Detailed guidance on essential and desirable knowledge, skills and experience

It provides good practice guidance on essential and desirable knowledge, skills and experience for DLC chairs and commissioners (C), and members (M).

	ESSENTIAL	DESIRABLE	EXPLANATION/COMMENTARY
<b>Knowledge, understanding or experience of:</b>			
✓ Te Tiriti o Waitangi/ the Treaty of Waitangi	C, M		While the Sale and Supply of Alcohol Act 2012 does not refer to Te Tiriti o Waitangi, it is good practice for all people in public office to have a knowledge and understanding of Te Tiriti and its implications for their decision-making roles.
<b>Law and legal processes</b>			<i>This experience could be through other roles such as an employer or a mediator.</i>
✓ the law and its application (including the Act, case law and written decisions)	C	M	An understanding of law and how it is applied is essential for chairs. Chairs need to understand and apply the Act, case law and written decisions.
✓ judicial processes	C	M	DLCs are quasi-judicial bodies so understanding or experience of judicial processes is essential for chairs who manage hearings.
✓ natural justice and its application	C, M		Chairs and members must understand what natural justice is and what they need to do as decision makers to achieve it.
<b>Sale and Supply of Alcohol Act 2012</b>			
✓ the object of the Act	C, M		All members must be familiar with the object of the Act.
✓ alcohol-related harm and its impacts on communities	C, M		All members must have an understanding of the nature of alcohol-related harm – what it is, how it impacts communities (particularly high-risk communities), and how it can be minimised.

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	ESSENTIAL	DESIRABLE	EXPLANATION/COMMENTARY
✓ the Act and its application	C	M	Chairs must have a thorough understanding of provisions of the Act and their application.
✓ alcohol licensing (including local alcohol policies if relevant)	C	M	Chairs need a thorough understanding or experience of alcohol licensing processes.
<b>Hearings</b>			<i>This could be through experience in other roles such as an employer or a mediator – and as a facilitator or a participant in hearings.</i>
✓ the purpose of hearings	C, M		Chairs and members must understand the purpose of hearings.
✓ hearing procedures (and the unique nature of DLC hearings procedures)	C	M	Chairs are responsible for running hearings, so must have knowledge, skills and/or experience in hearings procedures generally, and DLC hearings in particular.
✓ the nature of evidence	C	M	Chairs need to understand the nature of evidence, what does (and doesn't) constitute evidence, and how evidence differs from submissions.
✓ conflict of interest and bias and the appearance of conflict of interest or bias	C, M		Chairs and members must understand the nature of conflicts of interest and bias and be able to apply them to their own situations.
✓ operating under rules of confidentiality	C, M		Chairs and members must be able to operate under rules of confidentiality.
<b>The community</b>			
✓ the local community in which the DLC operates	C, M		Chairs and members need to have a good understanding of the local community in which the DLC operates, including: <ul style="list-style-type: none"> <li>• the demography of the community</li> <li>• whether and how it is changing</li> <li>• the environment that the premises are, or would be, in</li> <li>• groups within the community who experience more alcohol-related harm</li> <li>• whose views are (and aren't) being presented.</li> </ul>
✓ the local community's concerns and expectations around alcohol and alcohol-related harm	C, M		Chairs and members need to have a good understanding of the local community's concerns around alcohol and alcohol-related harm

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	ESSENTIAL	DESIRABLE	EXPLANATION/COMMENTARY
✓ the nature of the licensing environment and alcohol-related harm in the community in which the DLC operates	C, M		Chairs and members need to be familiar with: <ul style="list-style-type: none"> <li>the local licensing environment: <ul style="list-style-type: none"> <li>numbers and types of on- and off-licence and club licence premises</li> </ul> </li> <li>the local environment that the application is for, and the nature of the current alcohol-related harm that exists there: <ul style="list-style-type: none"> <li>who is affected, where, when?</li> <li>where is the alcohol sold, supplied and consumed?</li> </ul> </li> </ul>
✓ the local iwi, hapū, and Māori communities	C	M	Chairs should have an understanding of local Māori communities: their aspirations; their concerns and expectations about alcohol and alcohol-related harm.
✓ the cultural and ethnic make-up of the local community	C	M	Chairs should have an understanding of the cultural and ethnic make-up of local communities: their aspirations; their concerns and expectations about alcohol and alcohol-related harm.
✓ working with community and community groups		C, M	Previous experience or skills in working with community groups would be valuable to have on any DLC, particularly if they are to provide an environment that is welcoming to public objectors who are not familiar with legal environments.
<b>Skills in:</b>			
<b>Communication and teamwork</b>			
✓ oral communication	C, M		Chairs and members need to be able to communicate effectively with one another, with staff, and with participants at hearings.
✓ listening and asking questions to gain understanding	C, M		Chairs and members must be active listeners who can use questions to gain understanding.
✓ considering information from a variety of sources in an objective, unbiased way and being open-minded in reaching a conclusion	C, M		The key role of the DLC is to evaluate information from a range of parties (often in opposition to one another), consider this in an objective and unbiased way, and come to a conclusion within the context of the Act.
✓ written communication	C	M	Chairs undertake most written communication on behalf of the DLC (including minutes and decisions) so must have strong skills in this area.



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	ESSENTIAL	DESIRABLE	EXPLANATION/COMMENTARY
✓ te reo Māori and tikanga	C	M	Chairs should have basic understanding of te reo Māori and tikanga so that they are able to run and manage hearings effectively and appropriately (as required).
✓ computer literacy	C, M		Chairs and members need computer literacy to carry out their role effectively, for example: <ul style="list-style-type: none"> <li>• email communication</li> <li>• research (eg, case law)</li> <li>• downloading, uploading and amending DLC documents and decisions.</li> </ul>
✓ facilitating good working relationships with other DLC members	C, M		Chairs and members need to have good interpersonal skills and be able to build good working relationships with others.
<b>Responsibilities of the chair</b>			
✓ running hearings	C		The chair must be able to run or chair hearings in a way that: <ul style="list-style-type: none"> <li>• is fair and effective</li> <li>• is inclusive of members of the community appearing as objectors who may not be familiar with judicial processes</li> <li>• ensures that no party dominates proceedings</li> <li>• ensures procedures are correctly followed</li> <li>• achieves natural justice.</li> </ul>
✓ writing clear and well-thought-out decisions	C		Chairs are responsible for writing decisions on behalf of the DLC. They must be able to write decisions that: <ul style="list-style-type: none"> <li>• are well structured, logical and clear</li> <li>• outline the considerations of the DLC in reaching its evaluations, opinions and conclusions</li> <li>• refer to relevant case law</li> <li>• are legally sound.</li> </ul>
<b>Personal qualities</b>			
✓ willingness to upskill and develop new knowledge	C, M		Chairs and members need to be open to upskilling where necessary and developing their knowledge.
✓ willingness to make decisions (that may be unpopular) and be subject to media scrutiny and appeals by higher authorities such as ARLA and the High Court	C, M		The decisions made by DLCs will sometimes be unpopular and subject to scrutiny by the courts and the media. Members and chairs need to have the resilience to manage such scrutiny and criticism.



## 3. Who can't be on a DLC?

**This section explores who can't be on a DLC by considering:**

**3.1 What the Act says**

**3.2 What this means: good practice guidance**

**3.2.1 General principles for decision makers**

**3.2.2 Managing conflicts and bias**

### 3.1 What the Act says

You cannot appoint a commissioner (s 193(3)) or a list member (s 192(5)) if:

- 1 the person is:
  - a police officer, or
  - a Medical Officer of Health, or
  - an alcohol licensing inspector, or
  - an employee of the territorial authority
- 2 the council believes that the person has, directly or by virtue of his or her relationship with another person, such an involvement or appearance of involvement with the alcohol industry that he or she could not perform his or her duties without actual bias or the appearance of bias.

Chairs who were appointed to the DLC as an elected member of council cannot remain on the DLC if they are no longer an elected member of the council. However, the council could choose to reappoint them as a commissioner if the individual has the necessary knowledge, skill and experience relating to matters that are likely to come before the committee (s 193(2)).

### 3.2 What this means: good practice guidance

DLCs make important decisions on applications for licences under the Act and, in doing so, must run a fair process. Councils must ensure that the people they appoint to their DLC can run a fair and objective decision-making process.

The Act specifically prohibits the appointment of anyone to a DLC who could not perform their duties due to bias or the appearance of bias as a result of their involvement, or the appearance of their involvement, in the alcohol industry.

However, considerations of bias and conflict of interest are not restricted to those with industry involvement. Every member or official of a public entity has professional and personal interests and roles. Occasionally, some of those interests or roles overlap. This is almost inevitable in a small country like New Zealand, where communities and organisations are often close-knit and people have many different connections. Elected members of council have extensive involvement in their communities and a great deal of local knowledge. This knowledge can help inform the decision-making processes of the DLC; however, this closeness to the community can also give rise to a conflict of interest or a perception of bias.

Conflicts of interest sometimes cannot be avoided, and can arise without anyone being at fault. They are a fact of life. But they need to be managed carefully. Even where no conflict of interest exists, councils and DLCs must be careful to avoid any perception of a conflict of interest. DLCs need to be impartial and be seen to be impartial.

This section sets out some general principles for decision makers and some specific guidance on managing bias and conflicts of interest.

### 3.2.1 General principles for decision makers

#### **Decision makers must uphold natural justice**

Natural justice is about fair process. It means that any public decision-making body, including a DLC, must be independent and impartial and its procedures must be fair and transparent. Natural justice can be enforced by the courts, administrative tribunals or ombudsmen. Determining whether a decision complies with natural justice will generally depend on whether a fair and proper procedure was followed in making it.

#### **Decision makers must avoid bias and the appearance of bias**

Decision makers must be unbiased in all procedures, when holding a hearing or making a decision. A decision maker must be impartial and must make a decision based on a balanced and considered assessment of the information and evidence before them without favouring one party over another. Even where no actual bias exists, decision makers should be careful to avoid the appearance of bias.

#### **Decision makers must avoid conflicts of interest**

The Office of the Auditor-General defines it the following way: "Put most simply, a conflict of interest can arise where two different interests overlap."

In the public sector, there is a conflict of interest where a member's or official's duties or responsibilities to a public entity could be affected by some other interest or duty that the member or official may have.

The other interest or duty might exist because of:

- the member's or official's own financial/business interests or those of his or her family
- a relationship or other role that the member or official has or something the member or official has said or done.

### 3.2.3 Managing conflicts and bias

#### **Involvement in the alcohol industry – what might this mean?**

Examples of involvement in the alcohol industry that might lead to real or perceived bias or conflicts of interest for DLC members could include (but are not limited to):

- having a financial interest in a licensed premises
- having family members with interests in a licensed premises
- having close personal or working relationships with licensees
- being the property owner of the site of a licensed premises.

People who have had involvement in the alcohol industry will have knowledge, skills and experience that would be useful on DLCs. For example, ex-licensees would bring knowledge of the practical application of the Act in licensed premises. In this case, you might consider how much time has passed since they left their role. It is not easy to prescribe a specific length of time – it should be long enough that the person is unlikely to be dealing with parties they have worked closely with, but recent enough that their knowledge and skills are still relevant.

If you are thinking about appointing someone with previous involvement with the industry, then consider:

#### ***The nature of their relationships***

- Who does the individual have professional relationships with?
- Could these relationships lead to bias or a perception of bias?

#### ***Awareness***

- Does the person concerned have an awareness of their potential bias and whether/how it could be managed?

#### *The observer test*

- Would a reasonably informed, objective observer consider that the individual could perform their duties without bias or a perception of bias?

### Managing bias and conflicts of interest in the selection and appointment process

#### **Run a robust selection and appointment process**

The best way to avoid and manage any concerns about bias and conflict of interest of DLC members is to run a robust selection and appointment process. See [Section 5.3](#) for more details.

#### **Document your process**

Document your selection and appointment process. If the council is challenged about an appointment (or the decision of a DLC), you will have documentation which can be made publicly available (subject to necessary privacy redactions).

Keep good notes of interviews, assessments of candidates, panel decisions and of course council decisions. Document the consideration of any potential bias or conflict of interest and the resulting conclusions. Make sure that all documents are filed in the council's electronic filing system and can be easily retrieved at a later date.



### Managing bias and conflicts of interest in DLC decision making on specific applications

There are many ways that bias can be managed in the context of a specific application including:

- assessing the relationships between DLC members/chairs and applicants or parties to a hearing
- members excluding themselves
- appointing an outside commissioner if required
- allowing for concerns about bias prior to a hearing, for example:
  - all DLC members/chairs could have a photo and short biography on the council website
  - when an application is advertised and a committee is selected, the parties could be sent a link to the biographies
  - council could provide a timeframe for parties to state any concerns around bias of members prior to the hearing
- members making a declaration at the start of the hearing that they have no conflicts. Parties can object and be heard in 'chambers' if required
- the DLC referring the case to ARLA (s 170(a)).

For more information on managing conflicts of interest see the Office of the Auditor-General's guide – [Managing conflicts of interest: Guidance for public entities](#).



## 4. Considering your local context

**Each territorial authority must establish and maintain a list of DLC members. You can have your own list or have a combined list with one or more other territorial authority. Each territorial authority must have at least one DLC; larger metropolitan centres may have more than one. This section of the guide focuses on your local context and what you need to think about in selecting, appointing and administering your DLC. It considers:**

- 4.1 Local needs and demands
- 4.2 Achieving the right mix
- 4.3 Timing of appointments

### 4.1 Local needs and demands

DLCs in large metropolitan areas regularly deal with high numbers of applications. While the majority are still dealt with 'on the papers' (by the chair), these DLCs may have more than 20 public hearings a year. Depending on the number of members on the list and the practices of the council, these members are likely to be involved in many hearings. Some councils in larger cities have several DLCs and a pool of chairs that can rotate.

In contrast, many smaller towns or rural areas have only a few applications per year and even fewer public hearings. Councils in smaller provincial and rural areas may have only one chair (either an elected member or a commissioner), who takes part in every hearing. If you only appoint one chair, you will need to appoint a competent deputy chair who can cover the chair if they are on leave or unwell.

Where neighbouring councils have shared lists of DLC members, DLCs can cover multiple council areas. This can be useful in areas where there are few applications and

members have less chance of being involved in a hearing and keeping their skills up to date.

You need enough members to cover each other's holiday or illness or any conflicts of interest. Four members must be available for each hearing: three for the hearing and one alternative in case of illness.

Things to think about:

#### *The demand in your community*

- What is the population of your city or district? Is it likely to change significantly in the next five years?
- How many applications do you generally receive each year? Is this likely to change significantly in the next five years (eg, as a result of rapid urban growth)?
- How many hearings have you had each year in the recent past? Is this likely to change significantly in the next five years?

#### *The make-up of your DLC*

- How many DLCs do you need to meet the demand in your community?
- How many members do you need?
- How many chairs/commissioners do you need?
- What should be the ratio of chairs/commissioners to members?
- Do you need your own list of members or could you share with neighbouring councils?
- Do you have enough members to cover illness, leave and conflicts?

### 4.2 Achieving the right mix

Consider the overall make-up of your DLC. It is unlikely that any individual, whether they are a chair, commissioner or list member, will bring all the skills, experience and qualities needed. Rather, it is important that you get the right mix of skills in the pool.

Elected members, commissioners and community members can bring different things to a DLC. You can use a combination of each to build a DLC that reflects the needs and skills of your community and council.

*Different options include:*

- **No elected members** – you can have commissioners as chairs and community members as list members. This approach can de-politicise the process, emphasising the independence and separation of the DLC from the elected members. It provides for elected members to advocate more broadly for their community on alcohol issues, ensuring no conflict of interest.
- **Commissioners and elected members** – if your elected members have great understanding of the local community but little experience in alcohol licensing, a commissioner can provide that knowledge and help build local capability.
- **Elected members and community members** – if you have elected members with the necessary skills and experience but you want to reflect your community (or particular parts of it) or broaden your skill base, you might include list members from the community.
- **Only elected members** – some councils value the local knowledge that elected members bring and so only have elected members on their DLCs. This can work if your elected members have the skills required for a DLC to function effectively, such as knowledge and experience of legislation, regulation, alcohol licensing, hearings and decision writing. However, this could increase the likelihood of conflict of interest, raise perceptions of bias, and reduce advocacy options for elected members to participate in hearings. The need to be available for hearings may also impact on their elected member duties.

## 4.3 Timing of DLC appointments

### 4.3.1 Tenure

Councils can appoint DLC members, chairs and commissioners for up to five years. They can be reappointed for one or more periods of up to five years.

A DLC member can resign at any time and can be removed for inability to perform functions, neglect, bankruptcy or misconduct.

Chairs who were appointed to the DLC as an elected member of council cannot remain on the DLC if they are no longer an elected member of the council. However, the council could choose to reappoint them as a commissioner if the individual has the knowledge, skills and experience relating to matters that are likely to come before the committee.

### 4.3.2 Timing of appointments

You need to think about when you will appoint members and for how long. You can predict the timing of some appointments – such as when a term ends or following local government elections. Some others will not be as predictable, for example if a member resigns during their term.

Some councils stagger their appointments or appoint members for different lengths of time so that terms do not all end at the same time. This can help with succession and maintaining knowledge within the DLC, but it can also be very resource intensive.

You need to start recruitment of new members several months before the expiry of an outgoing member. See Section 5.3, which outlines the selection and appointment process in detail.





## 5. Running a robust selection and appointment process

**Your selection and appointment process must be robust, transparent, objective and well managed. This section provides guidance to help you achieve this. It covers:**

**5.1 Who should be involved?**

**5.2 Attracting a wide pool of skilled candidates**

**5.3 The process in detail**

### 5.1 Who should be involved?

#### 5.1.1 Recruitment staff

Recruitment staff should run and manage the selection and appointment process. The staff who are usually involved include regulatory managers, DLC advisors and hearings advisors. Inspectors should not be involved. Recruitment staff should advise elected members on the selection and appointment process, run the selection process, and provide recommendations on appointments to council.

#### 5.1.2 Elected members

Different councils involve elected members at different levels. Whatever involvement elected members may have, the key is to maintain transparency and objectivity in the process.

Many councils keep elected member involvement to a minimum: elected members are informed of the process at the start and approve staff recommendations for appointments at the end. Elected members have no active involvement in implementing the process or making decisions about who is appointed.

Other councils involve elected members at particular points in the process. For example, some councils who have elected members on their DLC include them on interview panels. Any elected members involved in the selection process would need to follow the selection criteria and assessment process in a transparent and objective manner, as with other members of the selection panel.

Remind elected members of the potential risks of not following good process (challenges to the appointment process and associated legal costs, reputational risks, a DLC without the necessary skills, poor decisions by the DLC, etc).

#### 5.1.3 Members of iwi or Māori committees

Several councils have provided for an iwi or Māori voice in the selection and appointment process. You could do this by involving members of your local iwi, hapū or Māori advisory board/committee in: determining selection criteria; interviewing candidates; shortlisting; or making recommendations for selection.

#### 5.1.4 External contractors

Some councils have used an external contractor to run the entire process. This can assist in providing transparency and independence from the council. However, this option can be costly and so may not be available to all councils.

## 5.2 Attracting a wide pool of skilled candidates

Section 2.2.2 outlined the skills, experience and knowledge that DLCs need. These include an understanding of alcohol-related harm and how it can be minimised; experience in legal processes; and skills to facilitate community participation.

Your DLC can be more effective if members have a thorough understanding of:

- the local community in which the DLC operates including the local iwi, hapū, and Māori communities
- the local community's concerns and expectations around alcohol and alcohol-related harm
- the nature of the licensing environment and alcohol-related harm in the community in which the DLC operates.

Try and attract as wide a range of candidates as possible. You might need to be proactive to attract candidates that have the necessary experience and reflect the community the DLC serves. Organisations that you might approach to seek a broader range of candidates could include:

- hapū or iwi organisations
- community health providers – including Māori, Pacific or migrant health providers
- legal associations – such as Community Law or the Māori Law Society
- youth organisations
- women's organisations such as the Māori Women's Welfare League or Rural Women New Zealand
- Māori Wardens.

## 5.3 The process in detail

1. Potential review of any appointment policy
2. Preparation and planning
3. Seeking council approval for the process
4. Establishing an appointment panel
5. Developing your documentation
6. Advertising, notifying and proactively seeking out candidates
7. Screening your applicants and assessing eligibility
8. Carrying out the interviews
9. Selecting your candidates and considering the mix of your DLC
10. Providing recommendations to council on appointments
11. Confirming contracts for services.

### 1. Potential review of any appointment policy

If your council has an appointment policy, consider whether it needs a review before you start your selection and appointment process. If it does need to be reviewed, work out how long this will take, who will need to be involved, and whether council will have to sign off the final policy.

### 2. Prepare and plan

#### How many DLCs do you need?

Think about the demand in your community and how the make-up of your DLC can respond to this demand. You need an idea of how many DLCs you will need and whether you can share with neighbouring councils. Think carefully about the ratio of chairs/commissioners to members. For more information and questions to consider see [Section 4.1](#).

### **Elected members, commissioners, or community members?**

Elected members, commissioners, and community members can bring different things to a DLC. You can use a combination of each to build a DLC that reflects the needs and skills of your community and council. Section 2.2.2 looked at the skills needed for a DLC and the different options for getting these. Think about the skills that exist among your elected members and whether you need or want to seek candidates from the community.

### **Consider your process**

Think ahead of time about how you will run your process:

- Who will run the process?
- Who else will be involved in the process and at which stages?
- Who will make decisions?
- Do you need to proactively seek out candidates? When and how will you do this?
- Who will be responsible for drafting key documents?
- What is your timeline?
- How will you communicate with people involved in the process?
- What will the process cost and is the money allocated in your budget?
- When does council need to make decisions or be informed?

### **Appointing elected members**

Many councils appoint elected members to their DLC following local body elections as part of the process of assigning committee roles within council. The appointment of community members/commissioners then happens on a different timeframe. Elected members are not usually interviewed in the same way as community members, so some of the steps set out in this process may not apply when appointing elected members to DLCs.

### **3. Seek council approval for the process**

Draft a paper to council outlining your proposed process before you start it. You should cover:

- the number of DLCs, chairs, commissioners and members you propose to appoint
- when and how elected members will (and won't) participate in the process.

### **4. Establish an appointment panel**

Based on the decisions made by council in Step 3, establish your appointment panel.

### **5. Develop your documentation**

You will need several documents for applicants as well as internal documentation of the process. It is critical that you document your process accurately in case you are challenged at a later stage. You may want to involve your appointment panel in this step of the process, or they might lead this step.

For applicants you will need:

- advertisements
- job descriptions
- FAQs (optional).

In your communication to potential applicants you need to be clear about the role(s), the skills and experience required, eligibility criteria and conflicts of interest, along with likely time commitments and remuneration.

For your own processes you will need

- criteria for selection
- interview questions
- scoring sheet for candidates
- reports to council.

You can find examples and templates for these documents in **Section 8** of this guide.

## 6. Advertise, notify and proactively seek out candidates

Seek out candidates through a range of channels including:

- your council website
- online job and career sites
- newspapers
- council's community and business networks
- iwi, hapū and Māori networks
- proactively seeking out potential candidates (see Section 5.2 for more information).

## 7. Screen your applicants and assess eligibility

Once applications have been received, the appointment panel will need to screen them for eligibility and skills. See Section 3 for more information on eligibility and Section 2.2.2 for more information on skills.

## 8. Carry out the interviews

The appointment panel will then carry out the interviews with the chosen candidates.

## 9. Select your candidates and consider the mix of your DLC

The interview panel will select their preferred candidates. As part of this process they will need to consider the overall mix of skills and how these match the skills required of a DLC. See Section 4.2 for more information on achieving the right mix.

This step will also cover: short-listing; acceptance of role; drawing up the contract for services.

## 10. Provide recommendations to council on appointments

Draft a paper to council with recommendations for appointment of members and commissioners. You might go through the relevant council committee before going to full council.

## 11. Confirm contracts for services

The final step in the process is to confirm the contract for services with members. Some councils only have contracts with list members who are not elected members. Others have contracts with all list members including elected members.



## 6. Dealing with challenges

Following the best practice set out in this guide will support you to run a robust, transparent and objective selection and appointment process. However, despite your best efforts, you are likely to run up against problems or face risks to your process.

This section provides some ideas for dealing with these risks and challenges. It is a good idea to talk with colleagues in your council or other councils if you are facing risks or challenges: you don't have to have all the answers.

Risk to the process/ Challenges	Options
Difficulty attracting skilled candidates	<ul style="list-style-type: none"> <li>Proactively seek out skilled candidates through relevant organisations or contacts</li> <li>Consider appointing a commissioner</li> <li>Consider having a combined members' list with neighbouring councils. This can provide a greater pool of skills and expertise to select from</li> <li>Think about training or mentoring to upskill your members (including regional and national training or mentoring)</li> <li>See Section 2.2.2 for information on skills required</li> </ul>
<p>Your DLC does not have a good understanding of your community and the impacts of alcohol-related harm on it</p> <p>OR</p> <p>Your DLC does not reflect the community it serves</p>	<ul style="list-style-type: none"> <li>Consider the current and projected demographics of your community. Is your community changing? If so, how?</li> <li>Proactively seek out skilled candidates through relevant organisations or contacts to address gaps</li> <li>Think about who is applying to your DLC and being appointed (and who isn't). Do you need to review your processes and documentation to attract different people?</li> <li>Consider having a combined members' list with neighbouring councils. This can provide a greater pool of skills and expertise to select from</li> <li>See Section 5.2 for more ideas</li> </ul>
Politicisation of the process/ Councillors not supporting staff recommendations for appointments	<ul style="list-style-type: none"> <li>Prepare and plan your process (see Section 5.3)</li> <li>Have a DLC Appointment Policy which sets out the process for appointments and reappointments</li> <li>Draft a paper to council outlining your proposed process before you start it. Clearly set out the roles of councillors and staff from the beginning. Seek council agreement to the process</li> <li>Remind elected members of the potential risks of not following good process (challenges to the appointment process and associated legal costs, reputational risks, a DLC without the necessary skills, poor decisions by the DLC, etc)</li> </ul>
Too many members, chairs or commissioners	<ul style="list-style-type: none"> <li>Prepare and plan your process (see Section 5.3)</li> <li>Consider the demand for alcohol licensing in your community and the make-up of the DLC to provide for it (see Section 4.1)</li> <li>Clarify your community's requirements in your initial paper to council</li> <li>Start small and add members later if necessary. It is easier to add members than remove them</li> </ul>

## 7. Providing ongoing support for your DLC

Councils are responsible for resourcing and supporting DLCs so that they can fulfil their obligations under the Act effectively. The level and nature of support may vary across councils depending on their size and capability. All councils should provide an induction for new members.

Learning can be formal and structured (with associated costs) but it can also be informal and unstructured, for example meeting neighbouring DLCs for a morning tea or going out with Police and licensing staff on weekends. Different people have different learning styles: some like a written, formal document to take away and read; some prefer an informal chat. Talk to your members about their learning styles and what they would find helpful.

More experienced DLC members could provide mentoring to new members on a range of topics. Support could also come from council staff such as the DLC secretary or members of the council's legal team. Councils can hire external people to provide specific technical guidance, for example on hearing procedures, the assessment of evidence and submissions, and writing decisions.

Understanding the impact of alcohol-related harm on different communities is important for all DLC members. You might consider providing training opportunities for members to gain a deeper understanding of this, for example through access to health equity training, or attending a local hospital's emergency department.

In some regions, councils coordinate shared training for DLCs from across the region. Councils also hold regular training and invite DLCs from other areas to attend. This is a great way for DLCs to upskill and network.

Training support can also come from national bodies such as [Local Government New Zealand](#) and [Health Promotion, Health New Zealand – Te Whatu Ora](#) or the [national DLC network](#). It is worth finding out about resources and training opportunities that these groups provide.





## 8. Tools and resources

**Section 8 provides resources such as examples of advertisements, job descriptions and interview materials that you can use and adapt for your council.**

**8.1 Advertisements**

**8.2 Position description**

**8.3 Interview questions**

**8.4 Scoring sheet for candidates**

We have not provided example contracts, but you can access [central government model contract templates](#) through the Ministry of Business, Innovation and Employment.

### 8.1 Advertisements

#### Advertisement Example 1

##### **District Licensing Committee Members and Chairs**

Great decision-making skills? Former alcohol licensing experience? We are calling for applications from persons interested in making alcohol licensing decisions to be part of [NAME] District Licensing Committee.



The District Licensing Committee is responsible for determining all alcohol licences and manager's certificates in [AREA]. We are looking for applicants with strong skills and experience, including:

- relevant alcohol licensing experience in previous roles
- demonstrated knowledge of the Sale and Supply of Alcohol Act 2012 and how it is applied
- highly developed decision-making skills and investigative ability
- demonstrated knowledge of the hearing process
- an understanding of [AREA] communities and their expectations around alcohol licensing
- strong oral and written communication skills
- some knowledge of alcohol-related harm in [AREA].

Please note that applicants must not have any involvement, or the appearance of involvement, in the alcohol industry or alcohol retail business.

Applicants should be prepared for flexible working hours, noting that this is not a full-time role. Successful candidates will be contracted to [NAME] council and will not be employees of the council. Work will be on an 'as required' basis at the remuneration rate set by the Minister of Justice for a term that expires in June [year].

Preference will be given to candidates that live in the [NAME] area/region.

Any enquiries please contact [NAME] on [NUMBER].

#### **Applications close on [date] at [time]**

Applicants must apply via our website [WEBSITE] including a recent copy of their curriculum vitae, and if you are applying to be a chair or commissioner, examples of recent decisions you have written.

## Advertisement Example 2

### Expressions of Interest – New District Licensing Committee for [NAME] Council

Great decision-making skills? Former alcohol licensing experience? We are calling for applications from persons interested in making alcohol licensing decisions to be part of [NAME] District Licensing Committee.

Expressions of interest are invited from suitable persons for consideration for appointment as the Commissioner and Licensing Committee Members. The District Licensing Committee consists of a Commissioner and two other Committee Members drawn from a list of members appointed by [NAME] Council.

The District Licensing Committee has responsibility for all local decisions on applications made under the Sale and Supply of Alcohol Act 2012, including:

- premises licence applications – new, renewals, variations
- new applications and renewals of manager's certificates
- applications for temporary authority
- special licences variations, suspensions and cancellations.

Council is keen to reflect the diversity of the community it serves and encourages applicants who can demonstrate:

- knowledge of alcohol licensing and the legal framework
- an understanding of the impact of alcohol-related harm on communities
- highly developed analytical and decision-making skills
- experience applying legislative and regulatory frameworks

- knowledge of and familiarity with the conduct of public hearings
- excellent verbal and written communication skills
- the highest standard of professional and personal integrity.

DLCs are quasi-judicial committees of Council with decisions being appealable to the Alcohol Regulatory and Licensing Authority. It is preferable that applicants for Commissioner or Chair have demonstrable experience in writing decisions in a legal context.

Further information on the roles, including application details, position competencies and remuneration can be found on Council's website.

Applicants should demonstrate how their ability to make decisions on alcohol matters and their experience of hearings processes will benefit Council's DLC.

### Applications close on [date] at [time]

Applications should be made to:

The Secretary  
[NAME] District Licensing Committee  
[ADDRESS]

Or by email to the Secretary of the District Licensing Committee [EMAIL]



## 8.2 Position description

### Position Description Example 1 – Chair/Commissioner

[NAME] Council

#### POSITION DESCRIPTION

**POSITION TITLE:** Chairperson/Commissioner, District Licensing Committee

#### Position purpose

The purpose of this position is to chair a [NAME] Council District Licensing Committee (DLC) that will consider and determine applications made under the Sale and Supply of Alcohol Act 2012.

More particularly, the functions of the DLC are to:

- consider and determine licence applications, renewals, variations, suspensions and cancellations
- consider and determine new applications for and renewals of manager's certificates
- consider and determine applications for temporary authority
- conduct inquiries and make reports to the Alcohol Regulatory and Licensing Authority (ARLA)
- with the leave of ARLA, refer applications to ARLA.

A DLC consists of three members appointed by a territorial authority for its district.

The DLC will have to issue reasoned decisions in writing and send copies to the relevant parties.

In its decision making, the DLC will have regard and, where applicable, give effect to the [NAME] Council Local Alcohol Policy.

#### Workload

The workload of the DLC will depend on the number of applications received and the number of these applications that are objected to by members of the public or where reporting agencies are in opposition. All uncontested applications are to be considered on the papers by the Chairperson/Commissioner, while contested applications are considered by the full DLC.

A DLC can transfer an application to ARLA for its consideration, with the agreement of the Chair of ARLA.

The table attached as Appendix A outlines the types and numbers of applications that have historically been lodged at [NAME] Council.

As formal meetings will only be required for contested applications, an estimate has been made as follows based on historical data:

- Chair: 7 hours per week to consider and determine uncontested applications
- Full DLC: 3 half day hearings per annum (total one and half days)

#### Remuneration

As determined by the Minister of Justice in accordance with the Cabinet fees framework, the DLC Chair will receive remuneration at a rate of \$624.00 per day or \$78.00 per hour for part days.

The DLC Chair will also be reimbursed for reasonable expenses incurred in the discharge of duties associated with the position.

#### Duration of appointment

The appointment will be for a period of up to five years. The appointee may be reappointed for one or more further terms.

A Chairperson/Commissioner may resign from office at any time by written notice to the relevant territorial authority.

The territorial authority may at any time remove a member of a DLC or a Chairperson/Commissioner appointed to a DLC for inability to perform the functions of office, bankruptcy, neglect of duty, or misconduct, proved to the territorial authority's satisfaction.

#### Person specification

A person can only be appointed as a Chairperson/Commissioner if that person is of good standing in the community and has the necessary knowledge, skill and experience relating to matters that are likely to come before the DLC.

Additionally, a person must not be a Chairperson/Commissioner or DLC member if:

- a. the territorial authority believes that person has, directly or by virtue of his or her relationship with another person, such an involvement or appearance of involvement with the alcohol industry that he or she could not perform his or her duties without actual bias or the appearance of bias; or

- b. the person is a constable, a Medical Officer of Health, an inspector (Alcohol Licensing), or an employee of the territorial authority.

#### Important functional relationships

##### Internal

- DLC Secretariat staff
- Other staff of the [NAME] Council

##### External

- Police
- Medical Officers of Health representatives
- Licensing inspector(s)
- Fire and Emergency NZ
- ARLA

## Appendix A

*Types and numbers of applications that have historically been lodged at [NAME] District Council:*

TYPE	1 July 2022 – 30 June 2023	1 July 2021 – 30 June 2022	1 July 2020 – 30 June 2021	1 July 2019 – 30 June 2020	1 July 2018 – 30 June 2019
Special licences					
On-licences					
Club licences					
Off-licences					
Manager's certificates					
Temporary authorities					
<b>TOTAL</b>					
<b>Number of hearings held</b>					

### Position Description Example 3 – List Member

[NAME] Council

#### POSITION DESCRIPTION

**POSITION TITLE:** List Member, District Licensing Committee

#### Position purpose

The purpose of this position is to act as a List Member of a [NAME] District Licensing Committee (DLC) that will consider and determine applications made under the Sale and Supply of Alcohol Act 2012.

More particularly, the functions of the DLC are to:

- consider and determine licence applications, renewals, variations, suspensions and cancellations
- consider and determine new applications for and renewals of manager's certificates
- consider and determine applications for temporary authority
- conduct inquiries and make reports to the Alcohol Regulatory and Licensing Authority (ARLA)
- with the leave of ARLA, refer applications to ARLA.

A DLC consists of three members appointed by a territorial authority for its district.

The [NAME] Council has an appointed Chairperson/Commissioner to chair the DLC.

The Council will maintain a list of DLC members from which members will be appointed to sit in accordance with terms of reference agreed by the Council.

The DLC will issue reasoned decisions in writing and send copies to the relevant parties.

In its decision-making, the DLC will have regard and, where applicable, give effect to the [NAME] Council Local Alcohol Policy.

#### Workload

The workload of the DLC will depend on the number of applications received and the number of these applications that are objected to by members of the public or where reporting agencies are in opposition. All uncontested applications are to be considered on the papers by the Chairperson/Commissioner, while contested applications are considered by the full DLC.

A DLC can transfer an application to ARLA for its consideration, with the agreement of the Chair of ARLA.

The table attached as Appendix A outlines the types and numbers of applications that have historically been lodged at [NAME].

As formal meetings will only be required for contested applications, an estimate has been made as follows based on historical data:

- Chairman: 7 hours per week to approve uncontested applications
- Full DLC: 3 half day hearings per annum (total one and a half days)

List members will be rotated as required to sit at hearings; rotation will be influenced by such factors as availability, location of hearing, territorial locality of premises involved, conflict of interest etc.

#### Remuneration

As determined by the Minister of Justice in accordance with the Cabinet fees framework, a DLC list member will receive remuneration at a rate of \$408.00 per day or \$51.00 per hour for part days.

A list member will also be reimbursed for reasonable expenses incurred in the discharge of duties associated with the position.

**Duration Of Appointment**

The appointment will be for an initial period of up to five years. The appointee may be reappointed for one or more further terms of up to five years.

A list member may resign from office at any time by written notice to the relevant territorial authority.

The territorial authority may at any time remove a list member of a DLC for inability to perform the functions of office, bankruptcy, neglect of duty, or misconduct, proved to the territorial authority's satisfaction.

**Person specification**

A person must not be approved to be included on the DLC members' list unless that person has experience relevant to alcohol licensing matters.

Additionally, a person must not be a DLC list member if:

- the territorial authority believes that person has, directly or by virtue of his or her relationship with another person,

such an involvement or appearance of involvement with the alcohol industry that he or she could not perform his or her duties without actual bias or the appearance of bias; or

- the person is a constable, a Medical Officer of Health, an inspector (Alcohol Licensing), or an employee of the territorial authority.

**Important functional relationships****Internal**

- DLC Secretariat staff
- Other staff of the [NAME] Council

**External**

- Police
- Medical Officers of Health representatives
- Licensing inspectors
- Fire and Emergency NZ
- ARLA

**Appendix A**

*Types and numbers of applications that have historically been lodged at [NAME] District Council:*

TYPE	1 July 2022 – 30 June 2023	1 July 2021 – 30 June 2022	1 July 2020 – 30 June 2021	1 July 2019 – 30 June 2020	1 July 2018 – 30 June 2019
Special licences					
On-licences					
Club licences					
Off-licences					
Manager's certificates					
Temporary authorities					
<b>TOTAL</b>					
<b>Number of hearings held</b>					

8.3 Interview questions

Interview Questions Example 1  
– List Member

Position	DLC Member
Applicant	
Panel member	
Date	

Compulsory conflict of interest question:

Can you confirm that there is no potential, perceived or actual conflict of interest between any current professional or private interests you may have and [NAME] Council? (eg, Do you or a family member have a private business that does or potentially may do business with [NAME] Council?)

What do you consider are the community concerns and expectations around alcohol and addressing alcohol-related harm for this territorial authority?

How do you think we can address these concerns through alcohol licensing?

Little or no evidence	Some evidence	Good evidence	Strong evidence
1	2	3	4

Can you tell us about your knowledge and experience in working with legislation?

Opening question: What attracted you to apply for this position?

Little or no evidence	Some evidence	Good evidence	Strong evidence
1	2	3	4

1. What is your understanding of the Sale and Supply of Alcohol Act 2012 and its purpose?
2. What is your understanding of the role of DLC committees and members?

Little or no evidence	Some evidence	Good evidence	Strong evidence
1	2	3	4

Can you tell us about your experience in meeting protocols ie, types of meetings you have been involved with and your role/responsibilities?

Describe your specific role.  
Exactly what did you do?

Little or no evidence	Some evidence	Good evidence	Strong evidence
1	2	3	4

Can you tell us about a time you were involved in a decision-making process with multiple stakeholders with differing views?

What was the situation?  
How did you approach this?  
What was challenging?  
What did you do?  
What was the end result?

Little or no evidence	Some evidence	Good evidence	Strong evidence
1	2	3	4

What are the key communication strengths you will bring to this role, and how have you demonstrated these in previous roles?

Little or no evidence	Some evidence	Good evidence	Strong evidence
1	2	3	4

What do you think are the key requirements for working as a team, and how have you demonstrated these in previous roles?

Little or no evidence	Some evidence	Good evidence	Strong evidence
1	2	3	4

Please confirm the time you are able to commit to the DLC:

Post questions:

Ask candidate if they have any questions  
Confirm referee details on CV. We will tell candidate of our intention to contact referees

Interview Questions Example 2  
– Commissioner

Position	DLC Commissioner
Applicant	
Panel member	
Date	

Compulsory conflict of interest question:

Can you confirm that there is no potential, perceived or actual conflict of interest between any current professional or private interests you may have and [NAME] Council? (eg, Do you or a family member have a private business that does or potentially may do business with [NAME] Council?)

Opening question – What attracted you to apply for this position?

1. Can you tell us about your experience in chairing committees?

2. Can you tell us about the most challenging committee/board decision-making process you have been involved in?

What was your role?  
What factors did you consider?  
What were the risks?  
What was the outcome?  
How did you address being challenged on perceived bias or pre-determined outcomes?

3. Can you tell us about your understanding of the powers of a Commission of Inquiry, and how it would relate to your role as Commissioner?

Little or no evidence	Some evidence	Good evidence	Strong evidence
1	2	3	4

1. An expectation of the role of Commissioner is writing legal decisions, in particular from licensing hearings. Can you tell us about the most complex legal decision or legal report that you have written?

2. What factors do you take into account when preparing and writing reports/decisions?

1. What do you consider are the community concerns and expectations around alcohol and addressing alcohol-related harm for this territorial authority?

2. How do you think we can address these concerns through alcohol licensing?

Little or no evidence	Some evidence	Good evidence	Strong evidence
1	2	3	4

1. What is your experience in working with the Sale and Supply of Alcohol Act 2012?

**2. How do you ensure that you keep up to date with current trends/case law/and legal considerations in relation to the Sale and Supply of Alcohol Act?**

Little or no evidence	Some evidence	Good evidence	Strong evidence
1	2	3	4

What are the key leadership and communication strengths you will bring to this role, and how have you demonstrated these in previous roles?

Little or no evidence	Some evidence	Good evidence	Strong evidence
1	2	3	4

Little or no evidence	Some evidence	Good evidence	Strong evidence
1	2	3	4



Council is moving towards end-to-end electronic processing of licensing applications.

What challenges would receiving electronic application packs, and writing and issuing of electronic decisions present to you in your role as Commissioner? What support would you require to undertake this processing?

Please confirm the time you are able to commit to the DLC:

#### Post questions

Ask candidate if they have any questions

#### Interview close

Confirm referee details on CV. We will tell candidate of our intention to contact referees

### Interview Questions Example 3 – Generic

#### Interview Questions for Members of the [NAME] District Licensing Committee

1. What were the key factors that made you decide to register your interest as a member of the District Licensing Committee?
  - a. What are the main strengths you could bring to this role?
  - b. What is your current knowledge of what the District Licensing Committee does?
2. How would you proceed to advocate for your viewpoint effectively to the other Committee members during a hearing?
  - a. What is your style in dealing with conflicting viewpoints?
3. How do you assimilate new information? eg, Are you a note taker, do you research your topic etc?
  - a. After you have a clear overview of the topic, how do you demonstrate an understanding of what this means and articulate it to a varied audience?
4. Where do you see the value in research documents and overseas literature/studies in assisting the Committee when making a decision?
5. How do you think the balance should be addressed between the perceived harm and other social consequences in the community and the need for a vibrant inner city precinct?
  - a. Do you have a personal opinion on this topic?
6. How do you believe you can represent the diversity of our community?
  - a. Can you share with us your experience of dealing with a diverse range of people?
7. What in your opinion is the driving force of the Sale and Supply of Alcohol Act?
8. It is important that we engage with our stakeholders at all levels. What are some of the key factors that you think would put people at ease if they were appearing before the Committee?
9. What awareness do you think is necessary in regard to the decisions of the Committee where ultimately these decisions could result in having a detrimental impact on the livelihood of the applicants?
10. If appointed to the Committee, do you think that you would be open to criticism by our community for any perceived conflict of interest or bias?
  - a. If so, can you share this with us?
11. Do you have any questions for the panel?

## 8.4 Scoring sheet for candidates

### Scoring Sheet Example 1 – List Member

#### Applicant evaluation – DLC list member

Follow the three steps below to tally the applicant's interview score:

##### Scoring:

Complete your scoring straight after the interview is complete and the applicant has left the room. The panel will discuss and agree on a score using the Competency Rating at the bottom of each page.

##### How to work out your Applicant Total Score:

First work out the weighted score, after which you can tally the Total Score. Follow the instructions in the header of the scoring table and example table below. Finally, add the total scores together to determine the Applicant Total Score.

##### Example:

Key requirement/competency	Score	Weighting	Weighted score	Total score
Customer Service	2	20	$2 \times 20 = 40$	40 divided by 4 = 10

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Applicant name				
Interview panel				
Date & time				

Competency/ Key requirements	Score (Out of 4)	Weighting (All weightings should add up to 100)	Weighted score (Score x weighting)	Total score (Weighted score divided by 4)
Experience relevant to alcohol licensing • Knowledge of the Act and/or licensing		20		
Understanding of alcohol-related harm		20		
Understanding of community expectations around alcohol licensing		15		
Experience in a legislative or regulatory framework		10		
Familiarity with public meeting and hearings • Knowledge of meeting protocols		10		
Decision making • Understands written decision making		10		
Communication • Good oral communication skills • Skills in questioning • Good listener		10		
Team work • Ability to work as part of a team • Understands role requirements		5		
<b>SUB-TOTALS</b>		<b>100</b>		
<b>APPLICANT TOTAL SCORE</b>				<b>/100</b>

## Scoring Sheet Example 2 – Commissioner

### Applicant evaluation – DLC Commissioner

Follow the three steps below to tally the applicant's interview score:

#### Scoring:

Complete your scoring straight after the interview is complete and the applicant has left the room. The panel will discuss and agree on a score using the Competency Rating at the bottom of each page.

#### How to work out your Applicant Total Score:

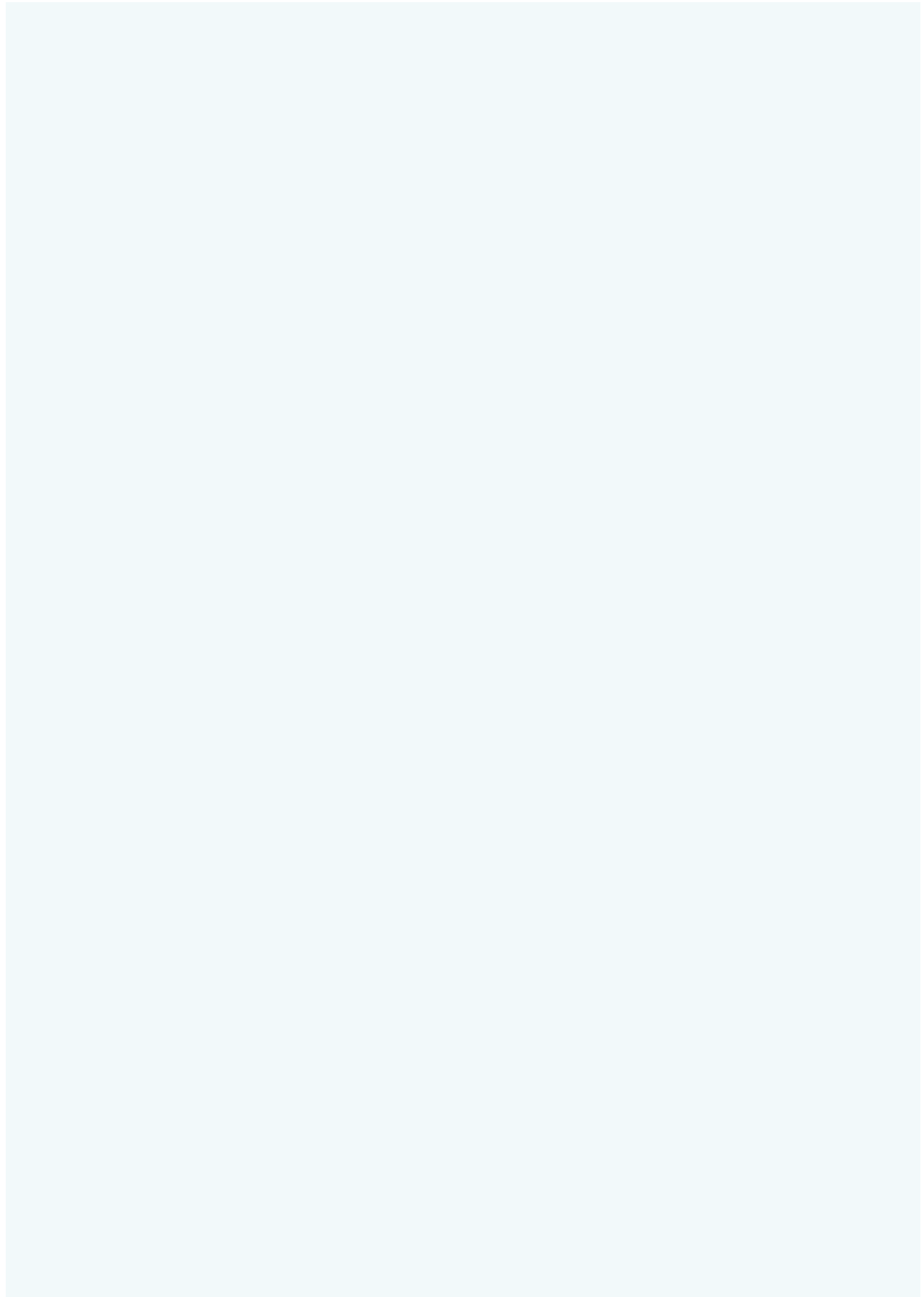
First work out the weighted score, after which you can tally the Total Score. Follow the instructions in the header of the scoring table and example table below. Finally, add the total scores together to determine the Applicant Total Score.

#### Example:

Key requirement/competency	Score	Weighting	Weighted score	Total score
Customer Service	2	20	2 x 20 = 40	40 divided by 4 = 10

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Applicant name				
Interview panel				
Date & time				
Competency/ Key requirements	Score (Out of 4)	Weighting (All weightings should add up to 100)	Weighted score (Score x weighting)	Total score (Weighted score divided by 4)
Chairing formal committees or tribunals <ul style="list-style-type: none"> <li>Knowledge and experience of the hearings procedure</li> <li>Understanding Commission of Inquiry powers</li> </ul>		25		
Writing decisions in a legal context <ul style="list-style-type: none"> <li>Understanding and interpreting case law</li> <li>Preparing and writing legal decisions</li> </ul>		20		
Experience relevant to alcohol licensing <ul style="list-style-type: none"> <li>Knowledge of the Act</li> <li>Experience of legal and regulatory alcohol environment</li> <li>Knowledge of alcohol licensing</li> </ul>		15		
Understanding of community expectations around alcohol licensing		10		
Understanding of alcohol-related harm		10		
Leadership and decision making <ul style="list-style-type: none"> <li>Considers information in an unbiased way</li> <li>Operates independently</li> <li>Shows balanced assertiveness</li> </ul>		10		
Communication <ul style="list-style-type: none"> <li>Strong oral and written communication skills</li> <li>Skills in questioning</li> </ul>		10		
<b>SUB-TOTALS</b>		<b>100</b>		
<b>APPLICANT TOTAL SCORE</b>				<b>/100</b>



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**Health New Zealand**  
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# TAUPŌ AIRPORT | TE TAUNGA WAKA RERERANGI O TAUPŌ



Taupō Airport Authority

Statement of Intent  
for the period 1 July 2024 to 30 June 2027

Taupō Airport  
929 Anzac Memorial Drive  
RD 2  
TAUPŌ  
Website: [www.taupoairport.co.nz](http://www.taupoairport.co.nz)

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## 1. INTRODUCTION

This Draft Statement of Intent (SOI) is presented by Taupō Airport Authority (TAA) in accordance with the requirements of Section 64(1) of the Local Government Act 2002. It represents the objectives, nature and scope of activities to be undertaken and performance targets by which TAA will be measured.

It covers the three years of operations from 1 July 2024 to 30 June 2027 and supersedes the previous SOI.

### 1.1 The Local Government Act

The Local Government Act 2002 requires Council Controlled Organisations to:

- Review their SOI prior to the commencement of each financial year
- Have a financial year ending 30 June each year

Schedule 8 of the Local Government Act 2002 states that the purpose of an SOI is to:

- State publicly the activities and intentions of the Council Controlled Organisation (CCO) for the year and objectives to which those activities will contribute
- Provide an opportunity for the shareholders to influence the direction of the organisation
- Provide a basis for accountability of the CCO governing body for the performance of the organisation

### 1.2 Responsibilities

The Aerodrome certification, operation and use is governed by the New Zealand Civil Aviation Authority (CAA) and TAA is currently the Aerodrome Operator Certificate (AOC) holder. TAA will manage the Taupō Airport operations, will be responsible for the ongoing capital development and will be responsible for the maintenance of the Airport assets and core infrastructure, ensuring full compliance with CAA Rule Part 139.

### 1.3 Contact details

Chair	Chris Johnston
General Manager	Wayne Wootton
Address:	Taupō Airport Authority 929 Anzac Memorial Drive RD 2 TAUPŌ

## **2. TAUPŌ AIRPORT AUTHORITY (TAA)**

### **2.1 Establishment of TAA**

TAA is the name given to the Joint Venture (JV) relationship between Taupō District Council (TDC) and the Ministry of Transport (MoT), representing the New Zealand Government, under a Deed drafted in 1973 (currently under review). Each partner has a 50% share in the JV and TAA manages the Airport operations on behalf of the JV partners.

TAA is a Council Controlled Organisation (CCO) as defined under the Local Government Act 2002 and was established to manage the full operations of Taupō Airport. The Airport General Manager reports to the TDC General Manager (Operations and Delivery) rather than the Chair of the TAA governing body.

### **2.2 The Organisation / Objectives**

TAA is governed by a Standing Committee of TDC consisting of the mayor, two councillors and two independent skills-based representatives chosen from local businesses.

The Committee meets approximately every eight weeks and powers are delegated as necessary by the Council to the Committee to operate the Airport.

The Committee elects a Chair and TAA operates under this SOI as agreed by the Committee members and TDC.

All Airport operations and assets are managed by the TAA General Manager who has overall responsibility for the day-to-day Airport management, safety compliance and implementing the strategic direction. The General Manager reports through to the TAA Committee and has regular meetings with the Committee Chair and TDC staff.

TAA's prime objectives are to:

- operate the Airport in full compliance with the regulations set down by the New Zealand Civil Aviation Authority
- manage the health and safety risks and provide a safe and healthy environment
- maintain the facilities to avoid any diversion or cancellation of scheduled commercial services
- ensure that the business is run on a sustainable commercial basis
- optimise the use of its assets and generate a reasonable rate of return on investment

The Airport provides services to allow the safe and efficient facilitation of travellers and freight and, ancillary to this, it leases terminal space and land at the Airport.

The passenger terminal, airside infrastructure, car parking areas, roading and underground utilities form the assets within TAA's financial accounts. These facilities are sited on land owned by TDC that is designated for Airport use.

In the management of the Airport operations, TAA can set the following charges at the Airport subject to the approval of the TAA Committee, TDC and the MoT (in the case of aeronautical charges):

- fees and associated charges in respect to public vehicle parking
- aeronautical charges from regular passenger transport services
- aeronautical charges from general aviation aircraft
- revenue from tenant's leases and rents, licences, concession-based contracts and lessee's outgoings

The Airport is viewed as an essential infrastructure asset for Taupō and the wider region and has a key role to play in the economic performance, growth and development of the area. The aim is to ensure the ongoing safe and successful operation of the Airport whilst also facilitating the growth of tourism and trade by working with key stakeholders to sustainably increase passenger numbers.

TAA will work collaboratively with the Council, Destination Great Lake Taupō (Taupō tourism), Amplify (Taupō economic development agency), Taupō Chamber of Commerce, airlines and other key stakeholders, to ensure a combined approach to achieve the region's desired strategic goals.

### 3. TAUPŌ AIRPORT

Taupō Airport was originally constructed in 1963 and provides a complimentary mix of aviation and commercial activities. This includes scheduled regular passenger transport services to Auckland and Wellington, general aviation, skydiving adventure operations, scenic flights, agricultural aviation services as well as non-aviation commercial and retail offerings.

Taupō Airport also receives a significant number of private jet charters attracted by high profile regional destinations and activities such as Huka Lodge, lake fishing and golf.

Taupō Airport is identified as a critical piece of regional transport infrastructure and in 2022 a major airport redevelopment was completed including a brand-new terminal, upgraded infrastructure and the construction of a new car park with vehicle plate recognition technology. The terminal is more than twice the floor area of the previous building and has been constructed with a view of increasing passenger numbers over the coming years.

Provision has been made in the design to allow for Aviation Security screening, however, if this was to be introduced the area taken by the screening process could reduce the overall capacity of the building. To overcome this it may be possible to introduce an innovative option by screening at the door (with building alterations landside) so that the whole of the inside of the terminal effectively becomes a secure area, including screened meeters and greeters.

The new terminal and much needed upgrade of infrastructure provides an incredible asset for the region and a community experience that is authentic, safe and efficient. It delivers a great experience for the travelling public, creates a welcoming gateway and is also a destination in its own right.

## 4. GOVERNANCE

Governance sits with the Committee members of TAA and the Committee is responsible for the strategic and overall direction of the Airport, laying down solid foundations for management and oversight.

TDC employs an Airport General Manager who monitors the organisation's performance against pre-established criteria and has overall responsibility for implementing the Airport's strategic direction.

The Committee members are appointed by TDC and meet regularly with Airport Management to review the Airport's performance and provide quarterly, half yearly and annual business performance reports.

The TAA Committee members are:

- Chris Johnston (Chair) (Business representative)
- David Trewavas (Mayor)
- Duncan Campbell (Councillor)
- Yvonne Westerman (Councillor)
- Chris Grace (Business representative)

## 5. MANAGEMENT

Management of the Airport is the responsibility of the General Manager with the assistance of a small team comprising of a full-time Operations Manager and a part-time Safety Manager.

For economic efficiency, Airport management also utilises the Air New Zealand and Sounds Air ground handling operator to assist with the day-to-day running of the Airport. This is through an Airport Operations Contract which also includes terminal cleaning, car park management and basic security.

Grounds and general maintenance of the Airport is split into two contracts:

- The airside bulk mowing is carried out by TDC's Parks and Reserves team with supervision by TAA management for aircraft movement compliance
- The remainder of the airside grounds maintenance and all landside work is through a Grounds and General Maintenance Contract with a local company which includes maintenance of the terminal precinct, car parking areas, landscaping, fencing and gates

The General Manager is accountable to the TAA Committee members and TDC for implementing the Airport's strategic direction, business development, stakeholder relations and to ensure the ongoing safe and successful operation of the Airport in full compliance with CAA Rule Part 139 and the Health and Safety at Work Act 2015.



## 6. RESPONSIBILITY TO THE SHAREHOLDERS

### 6.1 Statement of Intent

In accordance with the Local Government Act 2002, TAA will submit a draft Statement of Intent (SOI) for the coming financial year to TDC and the MoT as the JV owners. The SOI sets out the Company's overall objectives, intentions, financial and performance targets for the following three years.

The draft SOI is required to be submitted to the JV partners for comment by 1 March, following which the final SOI is to be provided to the JV partners by the 31 May for adoption in June, prior to the start of the SOI period.

### 6.2 General information flows and reporting

The TAA Committee aims to ensure that the JV owners are informed of all major developments affecting the Airport's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public

Whilst noting that TAA may function in a different market to Council, the Airport is aware that it operates in a public environment and, as such, TAA will exercise due care and attention in accordance with Council's policies and procedures, including sensitive expenditure.

Within these constraints, information will be communicated as follows:

- Quarterly reporting against the SOI's performance measures and financial forecasts to be provided within 60 days of the end of the quarter
- Delivery of a half-year report within 90 days of the end of the first six months of the financial year
- Delivery of a Committee-approved annual report with an unqualified Audit Opinion within 90 days of the financial year end
- Regular meetings between TAA General Manager and TDC senior executives to ensure strong communications and alignment between the Council and TAA
- Meetings as required between TAA, TDC and the MoT
- Other ad-hoc reports and briefings to inform well in advance of any material for significant events, transactions or other issues that would be considered contentious or attract wide public interest – operating a *no surprises policy*

### 6.3 Strategic focus

#### a) Objectives

With a strategic focus to strengthen the airport and the region as a major tourism destination in the North Island, three objectives have been established:

##### Objective 1

Taupo Airport is a safe and vibrant thriving transport hub serving communities within the Taupo District and connecting the region to the rest of New Zealand and to the World.

##### Objective 2

Taupo Airport has a strong commercial focus and has the ability to be self-funding.

##### Objective 3

Taupo Airport is the premium charter airport that serves the major tourism region of the North Island.

Opportunities will be developed during the SOI period to work on achieving these goals.

#### b) TDC / TAA support services

Historically, TDC has provided services to TAA to ensure the Airport operations, in consideration of the small Airport management team, are managed effectively from a cost perspective. These support services include:

- Financial
- IT
- Legal
- Communications
- Grounds maintenance (large scale airside mowing)
- Facilities compliance (building warrant of fitness etc.)

TDC invoice TAA on a monthly basis for the support services but there is no formal agreement in place.

The intention is for TAA and TDC to enter into discussions to formulate a Service Level Agreement between the two entities for the support which will detail the services to be provided and associated costs.

**c) Governance structure review**

TAA is currently a Council Controlled Organisation (CCO) of TDC as defined under the Local Government Act 2002 and, even though it appears to operate as a standalone entity with its own financial statements, it is basically a business unit of TDC with the TAA General Manager reporting through to the TDC Operations and Delivery General Manager.

In 2019 an independent review on the Governance structure of TAA resulted in feedback and advice to move TAA from a Standing Committee of Council to a full Council Controlled Organisation structure, including the development of an independent Board of Directors tasked with providing high-level governance over the Airport Company.

This would give the opportunity for the Airport to be managed on a more commercial footing and operate at industry best practice level whilst still providing stakeholders with the ability to provide valued input on strategic direction.

The process of establishing an airport company would require input from the MoT as the Joint Venture owner, registration of the business, legal and financial input to draft the company's terms of reference and the appointment of a Board of Directors.

Further as the airport is viewed as a community benefit and this being a step change in the airport governance, it may be necessary for TDC to put the proposal to public consultation prior to any final decision.

**d) New Zealand Civil Aviation Authority (CAA) requirements**

As holder of the Aerodrome Operator Certificate (AOC), TAA is responsible for meeting all aviation operations and health and safety obligations under CAA Rule Part 139 including the ongoing management of an Airport Safety Management System (SMS).

TAA's General Manager is designated on the AOC as the Aerodrome Chief Executive, having direct accountability to the CAA.

TAA will keep Council officers and the CAA informed at all times of any changes in the status of these obligations or any other matters relating to CAA Rule Part 139.

Following a complete review of the Aerodrome Exposition and a comprehensive audit by the CAA in July 2023, TAA was successful in its application for renewal of the AOC for a further five years.

**e) Airport Master Plan**

In 2020 Airport management, in collaboration with local Architects, worked on the development of an Airport Master Plan and produced a high level pictorial imagery of a proposal to segregate the airport land into seven precincts each considering various development opportunities, both aviation and non-aviation.

Whilst this gave the basis of the ideas back in 2020, the Master Plan needs to be developed into a more detailed document that takes into account the future aspirations of the airport and the goal of operating a successful and robust business which is self-sustainable.

This will involve a better understanding of land use, establishing protection through the District Plan, setting parameters to avoid land-locking key areas and ensuring the prime purpose of facilitating travel for passengers is not compromised and able to grow as necessary.

The Master Plan also needs to consider the operations from a more environmentally sustainable point of view with options being investigated such as solar power production and facilities to service the next generation of aircraft whether it be electrical, hybrid or hydrogen power.

At the current time TDC owns all of the Airport land with an Airport boundary in place which basically covers the operational areas. To fully develop the intent of the Airport Master Plan, it will be necessary for TDC and TAA to investigate options for the land surrounding the Airport and the possibility of redefining the boundaries to allow for future growth.

#### **f) Airport Asset Management Plan**

Following the completion of the terminal and associated infrastructure redevelopment project this has given the opportunity to take stock of all of the Airport assets:

- Buildings
- Fixtures and fittings
- Landside infrastructure – roading, paving, landscaping, underground services
- Airside infrastructure – runways, taxiways, apron, drainage
- Airport land

Currently, these assets are generally under TDC ownership, although they are included in TAA's statement of financial position.

TAA will work with TDC during this SOI period to formulate a detailed Airport Asset Management plan. This will require some definition as to asset ownership, a detailed asset register to be developed and who will be responsible for maintaining the Asset Management Plan moving forward.

#### **g) Stakeholder relations**

To effectively grow passenger traffic through the Airport and be of benefit for the region, a concerted effort has to be made by all interested parties for a common goal:

- Airport
- Airlines
- Council
- Tourism
- Economic development
- Local businesses

Whilst there has been some coordination in the past between certain entities, this now has to take a much stronger direction and, during the SOI period, TAA will support this process by participating in regular forums with representatives from the key stakeholders and work towards the overall objective of making Taupō and the region the major tourism destination in the North Island.

## 7. CAPITAL EXPENDITURE PROPOSALS

During the period of this SOI the following capital expenditure projects are being proposed subject to feasibility studies and sound business cases being presented by TAA management to the TAA Committee, TDC and the MoT for approval:

### a) Airside apron extension

Originally the airport redevelopment project, which was co-funded by TDC, the Government through the Provincial Growth Fund and the MoT as JV partner, was programmed in three stages with the construction of:

- New terminal building
- Car park and associated infrastructure
- Airside apron extension

However, the apron extension project, which was originally estimated in late 2019 with a budget of \$800k, was removed from the redevelopment as on re-estimation in early 2023 the project cost had risen significantly to \$1.6m. This was mainly as a result of inflation pressures since the estimate was first undertaken.

TDC and TAA have been in consultation with MBIE over the terminal redevelopment project funding and an agreement has been reached, whereby, the apron extension project is now to be constructed separately but needs to be completed by January 2025 at the latest to enable TDC to receive the final tranche of the shovel ready project funding for the redevelopment project.

The apron extension is necessary to accommodate the growth in aircraft movements, particularly jet charters, and provide additional space in case of grounded commercial aircraft due to engineering issues.

### b) Airside security fencing

As part of the airport redevelopment project the old terminal building was demolished and the area was part occupied by the completion of the new baggage make-up extension at the northern end of the new terminal building.

However, following the demolition the remaining area has been left open to the airside apron and this has had to be temporarily fenced.

Permanent fencing will be necessary to prevent unauthorised access to the apron and TAA will take the opportunity to install 2.44m high security fencing in accordance with the Civil Aviation Authority (CAA) regulations.

The requirement for security fencing for 300m either side of the terminal was introduced at Tier 2 airports in 2017/18 but at that time Tier 3 airports, such as Taupō, were excluded from the rule. However, with the high number of jet charters at Taupō, the increasing numbers of regular passenger transport activity and the fact that the CAA may extend the rule to Tier 3 airports in the future, it has been decided that the appropriate security fencing is to be installed.

The MoT as JV partners have been approached for co-funding of this project and have agreed a 50% contribution.

**c) Surface treatment works to the main sealed runway**

In November 2022 management engaged an aviation consultant to carry out a runway condition survey.

The runway was last resurfaced with a 50mm asphaltic overlay in 2010 and such surfacing generally lasts between 15 to 20 years. A longer surface life of up to 30 years can be achieved with the appropriate use of a bitumen surface treatment.

To maintain the integrity of the surface and extend the life of the runway, the consultant has recommended that a proprietary surface treatment be applied during the SOI period for which a specialist contractor will be engaged to design and carry out the operation.

The consultant has anticipated that the cost of the treatment works will be circa \$800k.

In addition to the key projects above, further capital works are proposed over the three-year period of the SOI including:

- Solar field ancillary works
- Rehabilitation works to the sealed taxiways
- Perimeter fencing replacement
- Underground services
- Internal roading

**Forecasted capital expenditure**

	<b>2024/25 \$000</b>	<b>2025/26 \$000</b>	<b>2026/27 \$000</b>
Apron extension	1,600	-	-
Fuelling area resurface	40	-	-
Apron security fence	60	-	-
Perimeter fence replacement	50	50	50
Runway surface treatment	-	800	-
Other capital works	80	200	300
<b>Total</b>	<b>1,830</b>	<b>1,050</b>	<b>350</b>

As part of the development of an asset management plan, a rolling programme of maintenance and capital improvements will be developed.

If any capital works are required in the future that cannot be funded from Airport operations, TDC and the MoT as JV owners, will be approached with regards contributions for the works.

**Expected Funding Source of Capital Expenditure**

	2024/25			2025/26			2026/27		
\$000									
	Cost	TDC funded	Internally funded / MOT	Cost	TDC funded	Internally funded / MOT	Cost	TDC funded	Internally funded / MOT
Apron extension	1600	1600							
Fuelling area resurface	40		40						
Apron security fence	60		60						
Perimeter fence replacement	50		50	50		50	50		50
Runway surface treatment				800	800				
Other capital works	80		80	200		200	300		300
<b>Total</b>	<b>1,830</b>	<b>1,600</b>	<b>230</b>	<b>1,050</b>	<b>800</b>	<b>250</b>	<b>350</b>	<b>0</b>	<b>350</b>

8. OPERATIONS

The Airport is an essential infrastructure transport hub for Taupō and the surrounding area and provides facilities that are safe, efficient and welcoming to all users.

It is essential that TAA positions the Airport for future aviation growth by close collaboration with the airlines and key stakeholders to facilitate the expansion of tourism, trade and domestic air travel and to play a key role in the economic performance and development of the region.

The operational performance of TAA will be judged against the following measures:

8.1 Operational performance

- 1) Maintain the Airport facilities to avoid any disruption of scheduled commercial flights other than for weather or airline related problems
- 2) Manage Taupō Airport in full compliance with the approved operating procedures of Civil Aviation Authority Rule Part 139
- 3) Manage the health and safety risks and provide a safe and healthy environment
- 4) Meet all the operating, maintenance and interest costs from Airport revenue
- 5) Complete the Airport apron extension project by the end of January 2025

8.2 Passenger numbers

	2024/25	2025/26	2026/27
Forecasted passenger numbers	64,575	66,835	69,174



## **9. FINANCIALS**

### **9.1 Ratio of TAA's capital to total assets**

For the next three years, the ratio of total capital to total tangible assets is expected to range from 0.93:1 to 0.95:1. TAA's capital includes:

- Retained earnings
- Capital account

Total tangible assets include:

- Current assets
- Property, plant and equipment

### **9.2 Statement of compliance and basis of preparation**

The financial statements have been prepared on the going concern basis and in accordance with the Civil Aviation Act 1990, the Airport Authorities Act 1966, and the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZGAAP).

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

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

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

### **9.3 Accounting policies**

The accounting policies will be consistent with:

- The Financial Reporting Act 1993
- New Zealand Generally Accepted Accounting Principles (NZGAAP)
- Accounting Standards Review Board pronouncements
- A tier two public benefit entity for the for the purposes of New Zealand equivalents to International Public Sector Accounting Standards (PBE IPSAS).

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

**a) Goods & Services Tax**

The financial statements have been prepared exclusive of GST with the exception of receivables and payables that have been shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

**b) Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable

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

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

Landing revenue is recognised on a straight-line basis over the term of the payments.

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

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

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

Revenue is measured at the fair value of consideration received.

The main sources of revenue are airfield landing charges and lease revenue from leasehold sites at the airport. Revenue is recognised in the period to which it relates. Payment is received by credit card, EFTPOS, automatic payment or direct debit.

**c) Operating Leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Payments made under operating leases are recognised in the surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease expense

**d) Cash and Cash Equivalents**

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

**e) Financial Assets**

Taupo Airport Authority classifies its investments as loans and receivables

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

**f) Trade Receivables**

Trade receivables are recognised at their cost less impairment losses.

A provision for impairment of receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated recovery of the debt.

**g) Property, Plant and Equipment**

Property, plant, and equipment consist of Land, operating assets, and infrastructural assets.

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

***Valuation methodologies***

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

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

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

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

***Additions***

Additions between valuations are shown at cost.

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

***Disposals***

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

***Subsequent measurement***

Property, plant, and equipment, and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss

is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

### ***Depreciation***

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

#### **Infrastructural assets**

Runways	3 Years - Indefinite
Roading network	3 - 52 Years
Kerbs	50 Years
Footpaths	80 Years
Stormwater	50 – 80 Years
Fencing	10 Years
Street Lighting	15 Years

#### **Operational Assets**

Buildings	2.5 - 64 Years	(1.6% – 40.4%)
Furniture and Fittings	4 - 15 Years	(6.7% - 25.2%)
Motor Vehicles	5 Years	(20%)
Office Equipment and Plant and Equipment	4 - 50 Years	(2%-25%)

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

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

Airport land was initially valued at fair value by independent valuer Quotable Value New Zealand as of 1 July 2005, which was considered deemed cost. The land and buildings were revalued to fair value on the same basis by independent valuer Quotable Value New Zealand on 30 June 2022.

### ***Valuation of Infrastructural Assets***

Infrastructure assets are the utility systems that provide a continuing service to the Airport and are not generally regarded as tradeable. They include the runways, roads, and stormwater systems together with other improvements of an infrastructural nature. The runway and roading assets were valued at fair value by WSP New Zealand Limited (formerly Opus Consultants Limited) on 30 June 2023. The stormwater system assets were valued at fair value by independent valuer AECOM New Zealand Limited on 30 June 2021.

### ***Assets under construction/work in progress***

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated. Assets under construction are recognized at cost less impairment. The current carrying amount of items under construction is separately disclosed.

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

***Intangible Assets*****Website**

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

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

**h) Investment Property**

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

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

After initial recognition, Taupo Airport Authority measures all investment property at fair value as determined upon lease renewal, or other contractual basis by an independent valuer.

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

All investment properties have currently been disposed.

**i) Financial Liabilities**

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

**j) Employee Entitlements*****Short-term employee entitlements***

Provision is made in respect of the Airport's liability for salaries and wages accrued up to balance date, annual leave, long service leave, and lieu leave.

Long service leave, where there is already actual entitlement, is accrued at actual entitlement using current rates of pay. In addition, there is an actuarial assessment of value for which entitlement has not yet been reached. This assessment uses current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value.

Liabilities for annual leave and lieu day leave are accrued on an actual entitlement basis, using current rates of pay.

***Long-term employee entitlements***

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

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

***Superannuation schemes***

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit when incurred.

**k) Income Tax**

Income tax on the surplus or deficit for the period comprises current tax and deferred tax.

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

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

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

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

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

**l) Going Concern**

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

**m) Acquisition of new investments**

Approval of the joint venture partners is required before the joint venture can subscribe for, purchase or otherwise acquire shares in any company or other organisation.

**n) Local Authority Compensation**

The joint venture seeks funding of up to \$1.6m from Taupo District Council for the construction of the apron extension to complete the terminal redevelopment project prior to January 2025.

**o) Commercial value of the investment**

The joint venture partner's estimate of the commercial value of the joint venture partner's investment in the TAA is equal to the net assets of the airport authority. Some asset classes will be revalued. Where an asset class is revalued, the revaluations will be carried out at least every three years.

**p) Distribution of profits/reserves to joint venture partners**

Any distribution of profits is allocated 50/50 between the joint venture partners. There is currently no intention to distribute accumulated profits to the joint venture partners, but for the foreseeable future, any capital reserves shall be used to fund Capital Expenditure.

## 9.4 Financial performance

The following outlines TAA's anticipated financial performance for the three-year period ending 30 June 2027 assuming forecasted passenger growth, current and known future aircraft type and size and other proposed commercial activity within the Airport confines:

	2024/25 \$000	2025/26 \$000	2026/27 \$000
Operating revenue	1,349	1,403	1,477
Operating expenditure	1,063	1,027	1,093
EBITDA	286	376	384
Depreciation, Interest & Tax	495	538	554
Net profit	(209)	(162)	(170)

## 9.5 Forecast statement of financial position

	2024/25 \$000	2025/26 \$000	2026/27 \$000
<b>Assets</b>			
Current assets	311	561	769
Property, plant and equipment	24,556	25,067	24,862
Total assets	24,867	25,628	25,632
<b>Liabilities</b>			
Current liabilities	155	158	160
Non-Current liabilities	1,181	1,132	1,081
Total liabilities	1,336	1,290	1,241
<b>Net assets/liabilities</b>	23,531	24,339	24,391
<b>Total equity</b>	<b>23,531</b>	<b>24,339</b>	<b>24,391</b>

## 9.6 Forecast statement of cashflows

	2024/25 \$000	2025/26 \$000	2026/27 \$000
Net cashflows from operating activities	272	370	377
Net cashflows from investing activities	(2,030)	(1,050)	(350)
Net cashflows from financing activities	1,881	925	175
Net increase/(decrease) in cash held	123	245	202
Add forecasted cash at start of year	24	147	393
Cash and cash equivalents at end of year	147	393	595

## 9.7 Commercial value of TAA

In keeping with the spirit of the Act, the value of the investment is the capital. This rationale is based on the fact that TAA is a going concern and that the total assets are carried at fair value and assessed for impairment annually. This estimate will be re-assessed in the same manner on an annual basis.

	2023 \$000	2022 \$000	Movement \$000
Land	5,217	5,217	-
Infrastructure and buildings (landside assets)	12,450	7,187	5,263
Runway, taxiways and apron (airside assets)	5,777	4,607	1,170
Furniture and fittings	17	22	(5)
Total	23,461	17,033	6,428



### **9.8 TDC loan to TAA**

With the focus to be more commercially sound, profitability from the Airport operations is expected to improve over the coming years.

In 2020 TDC agreed a loan facility to TAA and, whilst interest payments on the outstanding debt will be maintained, provisions will be made by TAA to repay the capital portion of the loan based on surplus funds once revenue received from Airport operations has met operational requirements.

### **9.9 Information to be provided**

TAA will make the following available to JV partners if there are any material changes:

- Details of any new developments which would involve a significant movement away from the current activities of the business.
- Information and details on any new developments which have not been covered in the Statement of Intent.



**DESTINATION  
GREAT LAKE TAUPŌ**

**Statement of Intent 2024-2027**

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## 1. Executive Summary

Destination Great Lake Taupō (DGLT) is a Council Controlled Organisation (CCO) for the purposes of the Local Government Act 2002. It has no subsidiaries and is a not-for-profit organisation.

DGLT is governed by a Board appointed by the Taupō District Council (TDC) under the Trust Deed (6 September 2010) establishing the CCO. DGLT is funded largely by a grant from TDC, on behalf of Taupō District ratepayers, along with industry and partnership contributions to various marketing initiatives.

Tourism continues to deliver strong economic and social benefits to the Taupō region, delivering an exceptional ROI for ratepayer's investment into the sector. In the 2023-24 financial year, DGLT has received \$2.1M in grant funding from Taupō District Council. For every dollar spent in attracting visitation to the region, domestic and international visitors have contributed \$800<sup>1</sup> in direct and indirect spend back into the local economy. Tourism remains the number one employment sector across the region (32% of all filled jobs) ahead of Forestry and Agriculture and contributes a significant 19%<sup>2</sup> share of the regions GDP.

Unlike many destinations, the Taupō region performed well during the pandemic. For many domestic visitors this period provided a welcome reintroduction to a destination they had not visited for some time, and the region continued to reap the benefit as we exited the pandemic. Although domestic visitors remain our most important source of arrivals (contributing over 78% of total visitor expenditure over the last 12 months), latest results indicate a declining visitor spend as cost-of-living pressures, and an uncertain economic and geopolitical climate translate into volatility of demand.

International visitation to New Zealand has bounced back more quickly than initially expected and the Taupō region has seen a strong return of visitors especially from Australia and the USA where connectivity is at all-time highs and the strength of the US dollar makes New Zealand a very appealing proposition.

Technology has played an important role in our marketing strategy. It has positioned the organisation and region as a leader in attracting domestic visitors, with guest nights sitting significantly higher<sup>3</sup> than our neighbouring Central North Island competitors. With domestic visitation starting to slow our focus is to now leverage the gains we have made, continue to use cutting edge marketing solutions to drive inspiration and conversion and to ensure the organisation has the resources, leadership, and stakeholder support to maximise our competitive advantage.

While DGLT's core focus is to promote the destination to attract more visitors, the organisation has an advocacy and leadership role around management and development of the destination. It is essential tourism not only brings benefit to the local economy but does so in a way that preserves and enriches our environment, our culture and local community whilst delivering an exceptional world-class experience for our visitors.

Our priorities for the 2024-2027 period are to:

- Build on the success of our technology driven marketing strategy
- Leverage the increased interest in the region as a holiday and business events destination
- Provide an advocacy and leadership role in the management and development of our destination.
- Operate an efficient and effective Regional Tourism Organisation that is focused on delivering an exceptional ROI for all partners and stakeholders.

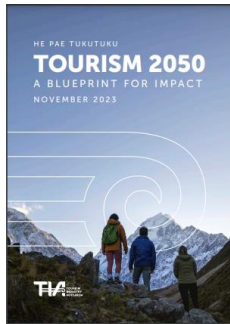
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<sup>1</sup> MSH Aotearoa 2024

<sup>2</sup> MSH Aotearoa 2024

<sup>3</sup> Accommodation Data Programme– November 2023

## 2. The National Tourism Strategy



In November 2023, Tourism Industry Aotearoa (TIA) released Tourism 2050: A Blueprint for Impact, which lays out its ambitions and gives direction to the future of tourism in New Zealand. Central to the blueprint is the vision to enrich Aotearoa New Zealand, where a flourishing tourism ecosystem supports thriving businesses, delivers world-class experiences, contributes to New Zealand's communities, and protects our environment. The success of the Tourism 2050 Blueprint relies on a united approach, with industry, government, and businesses all committing to transformative actions.

A summary of Tourism 2050's blueprint can be found [here](#)

## 3. New Zealand Tourism Outlook

Four years since the onset of the pandemic, the global tourism landscape faces a new set of challenges. Like businesses in many other industries, New Zealand tourism operators are navigating challenging economic conditions while adapting to new and evolving consumer travel trends and behaviours post pandemic.

With the full re-opening of international borders mid-2022, New Zealand's tourism sector saw an impressive revival outpacing initial predictions. While recent months have shown a softening in domestic travel, the return of international visitors is now sitting at approximately 75% of pre-pandemic levels with a strong upswing projected during the upcoming peak tourist season (Q423 - Q124). The significant air capacity out of America and the reopening of China earlier this year, have given a boost to visitor volumes.

The International Visitor Survey Quarter 3 results (July- September 2023) highlight the strong uptake in a holiday to Aotearoa. Spend from all international visitors totalled \$1.83 billion in the September 23 quarter (up 75% on SPLY) with holiday makers spending \$1.04B (up 121%) and those visiting friends and family \$377M<sup>4</sup>. Over 50% of arrivals were from Australia, followed by the USA and UK. Airline capacity also continues to increase with North American connections particularly strong with direct services into Los Angeles, San Francisco, Houston, Dallas, Chicago, New York, Hawaii, and Vancouver.

While the recovery of tourism in New Zealand following the pandemic has been remarkable and demand has proved resilient in the face of increasing economic headwinds, some uncertainty now looms for the sector. A backdrop of slowing economic growth, tighter financial conditions and global uncertainty is expected to weigh on the tourism sector in the short-term. Cost of living pressures are likely to linger in the face of rising interest rates while the volatile geopolitical landscape adds some unease to consumer travel confidence.

Despite these headwinds, recent surveys do indicate sectors of the tourism market continue to grow at a faster rate than the broader NZ economy, with intention to travel volatile but currently remaining high. The data<sup>5</sup> indicates that although New Zealanders are cutting back on discretionary spending elsewhere, we're simply unwilling to give up the share of our wallet we dedicate to travel.

<sup>4</sup> Source: [MBIE: International Visitor Survey Quarter 3 Dec 2023](#)

<sup>5</sup> Source: Tony Alexander Consumer Spending Survey Dec 23



#### 4. Taupō District Tourism Outlook:

Tourism is a major contributor to the economic and social fabric of the Taupō District, with total visitor expenditure contributing \$752M<sup>6</sup> to the local economy (+5% on pre-Covid).

Although domestic spend is still up 19% on pre-Covid levels, it has now started to decline with spend down 9% on the same period last year<sup>7</sup>. International spend is up 192% to \$159M<sup>8</sup>, reaching approximately 75% of pre-Covid expenditure. The region is welcoming visitors from across the globe with Australia and the USA our two most important international source markets.

Following a strong start to the summer with many operators reporting record numbers, visitor arrivals have returned to a more usual pattern, with school holidays, events and weekends the main drivers of domestic visitation. Our commercial Business Events (BE) venues have continued to receive good enquiry leading into the new calendar year.

Much like many parts of the country, our tourism operators are experiencing significant pressure from increasing operational costs, a lack of residential housing for working holiday staff and the recent resurgence in Covid-19 cases is also impacting operational efficiencies.

#### 5. Taupō District Tourism Strategy

<sup>6</sup> MBIE MRTE's – Year ending October 2023

<sup>7</sup> MBIE MRTE's – Year ending October 2023

<sup>8</sup> MBIE MRTE's – Year ending October 2023

DGLT's activity is focused on the key activities and destination values that deliver on our purpose to 'share, love and care for our place'. With an increasing responsibility to manage our destination as well as promote it, our activity aims to ensure tourism enriches not only our economy, but also our community, environment, and culture for the benefit of future generations.

Our key priorities are:

- Visitor attraction – domestic, international and Business Events.
- Maximise our technology-driven marketing strategy.
- Provide an advocacy and leadership role in the management and development of our destination.
- Operate an efficient and effective Regional Tourism Organisation that is focused on delivering an exceptional ROI for all partners and stakeholders.

### 5.1 Visitor Attraction.



Domestic visitors are the backbone of our visitor sector and will remain our key priority. Our domestic marketing strategy is focussed on the use of leading-edge technology and marketing automation to target visitors who travel for a passion (bike, hike, golf, fishing). Nurtured email and digital campaigns, eDM's and the regular release of fresh and compelling content drives high engagement with our platforms. In addition

to our passion groups, we will continue to target families, couples, and friends— especially mid-week and through shoulder season periods. A reduced 2024/25 budget will significantly impact our visitor attraction campaign activity. DGLT will not have the budget to undertake major domestic marketing campaigns and will revert to base-line digital marketing. This will result in a decline in visitation to [lovetaupo.com](http://lovetaupo.com) and a subsequent drop in referrals to operators over time.

International trade awareness of the destination is at an all-time high, with many inbound tour operators now seeking to include the region in their international itineraries. We will continue to build close relationships with our trade partners, assist our operators to become 'trade ready', support and leverage Tourism New Zealand opportunities and build knowledge of the destination through in market training and famils where budget permits. Our international marketing activity will be supplemented by cash on hand to ensure our growing international markets are resourced accordingly. Key markets for DGLT will continue to be North America, USA, UK/Europe, and Australia with South East Asia / India been a secondary consideration.

The organisation will explore alternative cost-effective methods to create content, collateral and imagery for all markets. Where possible contracted content and campaign creation will be moved in-house and effective procurement practices employed in an effort to reduce costs including use of local businesses where appropriate.

The destination has a growing reputation as a place to do business. Following a review of the Business Events Partnership Group the number of members now stands at 20. In line with the BE (Business Events) strategy completed in 2023 our focus for 2024-2025 will be further attracting and influencing high value conference & incentive groups through targeted sales calls, famils & trade shows. We will continue to develop new business events relationships with key BE decision makers, whilst fostering existing relationships to inspire and motivate lead generation as budget allows. Budget constraints may prevent DGLT from attending “Meetings” - the key trade event for the Business Events sector.

### 5.2 Build on the success of our technology driven marketing strategy.

Our website lovetaupo.com is the call to action for all marketing activity. Our strategy has been to drive prospective visitors to the site to not only be inspired but to also generate referrals to our regional tourism businesses. Our paid and earned communications strategy and the delivery of targeted ‘nature campaigns’ using our marketing automation platform (Hubspot) has delivered exceptional results. Lovetaupo.com is now the third highest destination website in the country for organic pageviews. It has also delivered over 280,000<sup>9</sup> referrals to our operators’ websites. The website is now 5 years old and requires both a platform upgrade and significant enhancement in functionality. Our reduced grant from Taupo District Council will not cover this upgrade and we will access our equity funds to complete this essential piece of work over the next 12 months.

Our ‘always on’ campaigns will continue to leverage the interest in the destination, looking to constantly improve engagement through delivering compelling and relevant content to our potential visitor’s inbox.

### 5.3 Provide an advocacy and leadership role in the management and development of our Destination.

We will support the ongoing collaboration with Iwi and Hapū to build effective partnerships through a shared aspiration of working together for the benefit of both mana whenua and the wider tourism sector. This will include supporting Iwi and Hapū-led cultural product development, providing opportunities for Iwi and Hapu to share their stories and the ongoing support of an Iwi led initiative to develop employment pathways into the sector.

DGLT acknowledges the partnership with Taupō District Council and will endeavour to further develop a working relationship at both an operational and governance level. Increased collaboration across all aspects of destination promotion and destination management will ensure the aspirations of both community and visitors are met.

DGLT acknowledges the significant value and importance of the Mana Whakahono co-governance agreement developed jointly by Taupō District Council and Ngāti Tūrangitukua. DGLT’s involvement and efforts in the development of the relationship with Ngāti Tūrangitukua will be guided by the key principles set out in Part A of the Mana Whakahono. The partners commit to the following principles under this Mana Whakahono:

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<sup>9</sup> Lovetaupo.com google analytics YE Dec 2023



- Acknowledgement of Ngāti Tūrangitukua as mana whenua over Ngāti Tūrangitukua rohe;
- Recognition of and respect for Te Tiriti o Waitangi and its principles, including partnership, active protection and participation;
- Recognition of and respect for the tikanga and kawa of Ngāti Tūrangitukua;
- Acknowledgement of and respect for the role and responsibilities of the Council under legislation, with an understanding that those roles and responsibilities may change over time;
- The need to operate in a manner that respects the individual autonomy, mandate and authority of each of the Partners;
- A commitment to building a strong and enduring relationship based on respect, good faith and open and honest communication, and
- A commitment to a genuine partnership.
- Grow our understanding of the history of mana whenua recognising their seminal historical Treaty of Waitangi settlement with the Crown

DGLT will continue to work in partnership with Amplify and TDC to attract tourism investment into the region, including the development of a 4-5 star hotel.

Our partnership with the Making Trax Foundation will support the development and promotion of Inclusive Tourism products and itineraries to ensure the destination welcomes all visitors.

We will actively support tourism businesses and operators (including hospitality and accommodation sectors) to enhance their capability to deliver exceptional experiences consistent with the values of the destination. This will include providing capability building workshops and training opportunities in partnership with other entities such as Amplify, Town Centre Taupō and the Taupō Business Chamber. The number of workshops will be reduced for the 2024/25 Financial year due to budget constraints.

Effective stakeholder communication is vital to ensure that the district operates as a coherent and collaborative entity. The DGLT team will focus on meeting with industry through a regular calling schedule, quarterly industry events, regular updates on our industry portal, and distribution of newsletters as and when required.

#### **5.4 Operate an efficient and effective Regional Tourism Organisation that is focused on delivering an exceptional ROI for all partners and stakeholders.**

DGLT recognises its fiscal responsibility when using ratepayer funds to deliver our annual programme of work. Regular tracking and reporting of all activity will ensure accountability. Return on this investment remains a high priority across the entire operation.

The health and wellbeing of employees is highly valued, and we will ensure the provision of a safe and supportive environment in compliance with the Health and Safety at Work Act 2015. Fostering a positive spirit and a resilient workplace culture is a priority. We recognise the importance of championing the strength of employees to create a team of innovative and courageous self-starters, who take ownership and responsibility for delivering exceptional results.

We will undertake proactive risk management encompassing the identification, analysis and response to risk factors that can impact the future wellbeing, planning, and management of the destination.

With an increasing responsibility around the management of the destination, it will be necessary to review current resourcing to ensure the organisation is fit for purpose and is effectively and successfully able to deliver on our stated intentions.

## 6. Performance and Other Measurements

Performance against the principal objectives shall be assessed using the following measures.

Objective 1 – Grow the value of the local tourism economy.					
Strategic Priority	Data sources	Baseline data	2024-25	2025-2026	2026- 2027
Growth in tourism expenditure	MRTE's	MRTE's YE June 2024	Retain domestic spend.  Grow international spend to 100% of pre-Covid level of \$210M (measured by MRTE's YE Jun 2019)	Grow total spend by 2%	Grow total spend by 2%
Objective 2 – Sustainably manage and develop the destination to create a 'Destination of Excellence' where tourism enriches our community, culture, environment, and economy.					
Strategic Priority	Performance Measures	Baseline	2024-25	2025-2026	2026- 2027
Implement a Destination Management strategy ensuring the balance of economic growth with the social, cultural, and environmental well-being of the community.	Quarterly meetings of Te Ihirangi Governance Group  Grow industry capability.  Fill product gaps through new product development.  Social license - connect with residents.	Continue implementation of Te Ihirangi Destination Management Plan  Industry workshops  Work with Amplify and Iwi to identify new product development opportunities.  Biannual community sentiment survey – survey completed May 2024.	Limited activity  2 workshops  Ongoing  N/A	Ongoing  TBC  Ongoing  May 2026	Ongoing  TBC  Ongoing  N/A
Objective 3 - Run an efficient and effective regional tourism organisation, strongly supported by the local tourism industry.					
Strategic Priority	Data source	Baseline data	2024-25	2025-2026	2026- 2027
Support for DGLT marketing initiatives	Measured by free of charge, in-kind or advertising support for marketing and famils activity. Participation in DGLT hosted activities and campaigns.	YE June 2023: \$102,312	\$85,000	\$90,000	\$90,000
Stakeholder satisfaction	Annual Industry Survey	2019: 67%    2020: 76% 2021: 82%    2022: 83% 2023: 93%	85%	85%	\$102,312%

### 6.1 Rationale for performance measures:

The 2024-2027 SOI retains a performance measure around tourism expenditure. The purpose of this measure is to track spending as an overall measure of the economic benefit generated from tourism. With international borders re-opened in 2022 and the resumption of the International Visitor Surveys, MBIE reinstated the Monthly Regional Tourism Estimates. In July 2023, Stats NZ (Data Ventures) was selected to supply the MRTes starting from November 2023 for September 2023 data.

In February 2024, MBIE advised the provision of the MRTE data has been suspended and we are currently awaiting further notice on future data reporting. The Monthly Regional Tourism Estimates (MRTes) provide estimates of regional monthly expenditure that indicate tourism's contribution to the national and regional economies. The MRTes estimates are based on Tourism Electronics Card Transaction (TECT), Tourism Satellite Account (TSA), and International Visitor Survey (IVS) data. More information on the MRTE's can be found [here](#).

For the purposes of this SOI our marketing priorities will remain primarily focused on the domestic market, however we will undertake some trade activity in our key offshore markets of UK/Europe, USA, and Australia. The Tourism Export Council estimates international visitation will continue to grow year on year with arrivals reaching pre-covid levels by 2025.

Measuring social license and the value the community places on tourism is a key focus of our Destination Management planning. A biannual Community Survey will be conducted to monitor sentiment in June 2024.

An additional measure is included to capture industry support for our activity. This includes in-kind support of our trade and media famils, partnership campaign contributions, participation in DGLT campaign activity and membership of our Business Events Partnership Group. This group has been reviewed and numbers have been halved which is reflected in the target for in-kind support.

## 7. Financial Disclosure

### 7.1 Reporting entity

The Trust is a legal entity. The Board has authority to govern Destination Great Lake Taupō (DGLT) under the terms of this Statement of Intent as delegated to it by Council. It seeks to manage its activities in 2023/24 within the base funding allocation provided by Council as in the attached Statement of Comprehensive Revenue and Expense.

### 7.2 Accounting policies and basis of preparation and compliance

These Prospective Financial Statements have been prepared for Destination Great Lake Taupō in accordance with the Local Government Act 2002 and therefore also comply with Accounting Standard PBE IPSAS for not-for profit organisations. The primary objective of the Trust is to promote the Taupō District to the domestic and international visitor markets with the specific intention of growing visitor arrivals, spend and dispersal, rather than making a financial return. Accordingly, the Trust has designated itself as a public benefit entity for the purposes of Accounting Standard PBE IPSAS for not-for-profit organisations.

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

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

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements. The following accounting policies, which materially affect the measurement of results and financial position, have been applied.

### 7.3 Goods & services tax

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

### 7.4 Revenue recognition

All grants (including the grant from Taupō District Council) and bequests received, including non-monetary grants at fair value, shall be recognised when there is reasonable assurance that:

- the entity will comply with the conditions accounting to them; and
- the grants will be received.

Grants and bequests, other than those related to assets, shall be recognised as revenue over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Grants and bequests of assets are recognised as revenue when control over the asset is obtained.

Any grants and bequests received without conditions are recognised when control over the asset is obtained.

If there are obligations in substance to return any grants or bequests if conditions of the grant are not met, then the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue.

The main sources of exchange revenue for the Trust are joint venture revenue from the industry to support marketing initiatives.

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

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

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

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

## 7.5 Leases

Leases in which substantially all the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the Statement of Financial Position at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.

### Operating lease payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease expense.

### Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term, to produce a constant periodic rate of interest on the remaining balance of the liability.

### Financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, foreign exchange losses, and losses on hedging instruments that are recognised in the Statement of Comprehensive Revenue and Expense. The interest expense component of finance lease payments is recognised in the Statement of Comprehensive Revenue and Expense using the effective interest rate method.

## 7.6 Cash and cash equivalents

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

## 7.7 Financial Assets

The Trust classifies its investments as loans and receivables.

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

## 7.8 Trade receivables

Trade receivables are recognised at their cost less impairment losses.

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

## 7.9 Property, Plant, and Equipment

Property, plant, and equipment consist of operational assets, which include office equipment, furniture and fittings, computer equipment, and machinery. These assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property, plant or equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be reliably measured.

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

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the surplus or deficit.

Depreciation has been provided on a straight-line basis on all plant and equipment. Depreciation is provided at rates calculated to allocate the asset cost over the estimated useful life. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of asset	Estimated useful life	Depreciation rates
Office equipment	4-10years	13.33% - 25%
Furniture and fittings	2-10 years	10% - 50%
Computer equipment	4 years	25%
Machinery	4 years	25%

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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

#### **7.10 Financial liabilities**

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

#### **7.11 Employee entitlements**

Provision is made in respect of the Trust's liability for annual leave. Annual leave has been calculated on an actual entitlement at current rates of pay.

Retiring gratuities and long service leave where there is actual entitlement is accrued at actual entitlement using current rates of pay. In addition, there is an actuarial assessment of value for which entitlement has not yet been reached. This assessment uses current rates of pay considering years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value.

#### **Superannuation schemes**

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit when incurred.

#### **7.12 Interest-bearing borrowings**

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

#### **7.13 Income Taxation**

The IRD has confirmed the Trust is exempt from income tax under sections CW 40 of the Income Tax Act 2007.

#### **7.14 Advertising costs**

Advertising costs are expensed when the related service has been rendered.

#### **7.15 Equity**

Equity is the community's interest in the Trust and is measured as the difference between total assets and total liabilities.



#### 7.16 Balance-sheet ratios

The Local Government Act 2002 Schedule 8 (9) requires the SOI to include the projected ratio of shareholders' funds to total assets within the Forecast Statement of Financial Position. As of 30 June 2023, the total Trust Equity comprised \$410,266 and the total assets were \$718,954. The resulting equity to asset ratio was 57%. Projected ratios are included below.

#### 7.17 Going Concern

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

#### 7.18 Distributions to shareholders

The Trust is not expected to make profits; any surplus funds remaining from the annual operations of the Trust shall be carried forward to the ensuing year to continue to meet the primary objective of the Trust.

#### 7.19 Procedures for the purchase and acquisition of shares

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

#### 7.20 Value of settlor's investment

The value of the settlor's (Taupō District Council) investment is \$100 as per the Trust Deed. There is no other equity investment by the Council in the Trust.

## 7.21 Projected Statements of Comprehensive Revenue & Expense

Destination Great Lake Taupo			
Projected Statement of Comprehensive Revenue & Expense			
	FY 24/25	FY 25/26	FY 26/27
<b>Income</b>			
Revenue from services provided	33,000	33,000	33,000
Grant Revenue from Taupo District Council	1,692,918	2,158,470	2,201,639
Interest Income	18,000	18,000	18,000
<b>Total Revenue</b>	<b>1,743,918</b>	<b>2,209,470</b>	<b>2,252,639</b>
<b>Expenditure</b>			
Employee benefit expenses	786,600	802,332	818,379
Management and Administrative expenses	158,946	170,625	177,338
Marketing & advertising	755,800	951,000	968,400
Destination management	39,600	60,432	61,152
Trade events	147,600	183,192	192,176
<b>Total expenditure</b>	<b>1,888,546</b>	<b>2,167,581</b>	<b>2,217,445</b>
<b>Total Operating Surplus / (deficit)</b>	<b>(144,629)</b>	<b>41,889</b>	<b>35,195</b>
Depreciation & Amortisation	36,018	43,500	39,000
<b>Net Surplus / (deficit)</b>	<b>(180,647)</b>	<b>(1,611)</b>	<b>(3,805)</b>

## 7.22 Capital Expenditure Forecast

The amount of capital expenditure over the next three years has been determined as follows:

Year	\$	Purpose
2024/25	6,000	IT equipment, furniture replacement
	150,000	Website upgrade
2025/26	6,000	IT equipment, furniture replacement
2026/27	6,000	IT equipment, furniture replacement

Any significant capital expenditure is funded from trust equity so comes at the expense of annual operating funding.

## 7.23 Funding

Destination Great Lake Taupo			
Projected Funding			
	FY 24/25	FY 25/26	FY 26/27
Operating Surplus / (deficit) (before Depn / Amort)	(144,629)	41,889	35,195
Capital Expenditure	(156,000)	(6,000)	(6,000)
Total Cash Required	(300,629)	35,889	29,195
Funded by:			
Cash on Hand	(300,629)	35,889	29,195

## 7.24 Projected Balance Sheet

Destination Great Lake Taupo			
Projected Statement of Financial Position			
	FY 24/25	FY 25/26	FY 26/27
Total Equity	250,592	248,980	245,175
Assets			
Current Assets			
Cash & Cash Equivalents	228,437	288,462	320,756
Trade Debtors	2,750	2,750	2,750
Prepayments	30,000	30,000	30,000
Total current assets	261,187	321,212	353,506
Non-Current Assets			
Intangible Assets	131,250	93,750	56,250
Property, Plant and Equipment	9,167	9,167	13,667
Total non-current assets	140,417	102,917	69,917
Total Assets	401,603	424,128	423,423
Liabilities			
Current Liabilities			
Trade Payables	101,012	125,148	128,248
Employee Entitlements	50,000	50,000	50,000
Total current liabilities	151,012	175,148	178,248
Total Liabilities	151,012	175,148	178,248
Net Assets	250,592	248,980	245,175
Equity to Asset ratio (E/A)	62%	59%	58%

## 7.25 Projected Cashflows

Destination Great Lake Taupo			
Projected Statement of Cashflows			
Cash flows from operating activities			
Receipts from customers	33,583	33,000	33,000
Receipts from Taupo District Council operating grant	1,692,918	2,158,470	2,201,639
Finance revenue	18,000	18,000	18,000
Payments to suppliers	- 1,111,714	- 1,341,113	- 1,395,966
Payments to employees	- 786,600	- 802,332	- 818,379
<b>Net cash flow from operating activities</b>	<b>- 153,813</b>	<b>66,025</b>	<b>38,295</b>
Cash flows from investing activities			
Purchase of property, plant and equipment	- 6,000	- 6,000	- 6,000
Purchase and development of intangibles	- 150,000	-	-
<b>Net cash flow from investing activities</b>	<b>- 156,000</b>	<b>- 6,000</b>	<b>- 6,000</b>
<b>Net increase (decrease) in cash held</b>	<b>- 309,813</b>	<b>60,025</b>	<b>32,295</b>
Add cash at start of year	538,249	228,437	288,462
<b>Cash, cash equivalents, and bank overdrafts at the end of the year</b>	<b>228,437</b>	<b>288,462</b>	<b>320,756</b>

## 7.26 Other financial matters

DGLT utilises services, as per the Shared Service Level Agreement, from the Taupō District Council for which we pay the following:

Year	\$
2024/25	50,000
2025/26	55,000
2026/27	60,000

## 8. Governance Statements

### 8.1 Approach to governance

The Board has a key role in promoting strategy on behalf of the Taupō region's tourism industry, the identification and addressing of strategic issues and the provision of destination marketing and tourism product advice to Destination Great Lake Taupō, Council, and the tourism sector.

As determined by the Destination Great Lake Taupō Trust Deed, in sections 4,5,6,7,10, and 11, the approach to governance and details of structure, function and obligations apply. (Please refer to Destination Great Lake Taupō Trust Deed for a full outline of its provisions).

### 8.2 Membership

Appointments to the Board have been made for a three-year period; but consider the importance of continuity in terms of existing members. The Council can remove one or more Board members at any time should there be clear evidence of non-performance. The Council shall include in its selection panel an independent selector with relevant skills and experience. The Board may co-opt additional non-voting members at its discretion. (Co-opted members will not be eligible for meeting fees or expenses).

### 8.3 Reporting to Council

For the financial year, proceeding the year when Council issues a new Long-Term Council Community Plan, the Board shall deliver to Council recommended budgets required to deliver Council's contribution to those outcomes.

At least 5 months prior to the start of the financial year the Board shall deliver to the Council a report setting out its recommendations on the DGLT annual budget, as reflected in the business plan for that year.

After the end of each financial year, the Board must deliver to Council and make available to the public, a report on the organisation's operations during that year. The Board shall also deliver to Council and make available to the public, the following statements: Comprehensive Revenue & Expense, Changes in Equity, Financial Position, Cashflows and Service Performance Results. This annual report should be completed within two months of the end of the financial year.

Within 2 months after the end of the first half of each financial year, the board must deliver to the Council an interim report on the organisation's operations during that half year.

The Board is obliged to prepare a statement of intent each year setting out its intended activities and objectives. It is also responsible for preparing an interim and annual report – the key elements of these reports being the reporting of performance against the accountabilities outlined in the statement of intent, along with financial information as per the accounting policies, set out in section 5 of this document.

Within 2 weeks after each Board meeting, the Board shall make available to the public the minutes of the previous Board meeting.

The final Statement of Intent will be published for public access from 1 July of each year.

#### 8.4 Support Services

Management and operational services for the Board shall be provided by Destination Great Lake Taupō.

Board members will be paid an honorarium based on Destination Lake Taupō Trust decisions at the Annual General Meeting. Board expenses will be funded directly by Destination Great Lake Taupō.

#### 8.5 Guidance and Resources

The CCO will conduct itself in accordance with its Trust Deed, its annual statement of intent and the provisions of the Local Government Act 2002.

#### 8.6 Board Performance and Accountability

- The Board will be responsible for setting an annual Statement of Intent each year and ensure the interim and annual reporting is delivered within the timeframes set out by the Taupō District Council and the Lake Taupō Trust Deed.
- The Chairman and Deputy Chairman will meet with the Mayor and Chief Executive Officer bi-monthly and include a formal discussion of performance measure progress.
- All board members will endeavour to meet with the elected members and key TDC staff frequently, but at least twice per year formally.
- The General Manager will meet with TDC representatives monthly. A reporting template is to be developed to ensure performance measures are updated at these meetings.
- The performance of the Board and its individual members will be reviewed on an annual basis.
- Professional development training will occur annually, including but not limited to improving cultural competencies to support engagement with the mana whenua of the region.

## 9. Contact Details

Destination Great Lake Taupō  
Level 1/32 Roberts Street  
Taupō 3351  
New Zealand

Email: [kiaora@loveTaupō.com](mailto:kiaora@loveTaupō.com)

Chairperson and Trustees:  
Kiri Atkinson-Crean (Chair)  
Simon Jolly  
Tom Loughlin  
Hayden Porter

Kiri Atkinson-Crean  
Chair

Approved by shareholder on: (Date): 26/06/2024



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For Taupō District Council

This Statement of Intent is based on "Recommended Good Practice for the Governance of Regional Tourism Organisations" developed by Local Government New Zealand (February 2004).

## 10. Appendix One: Terms and Definitions

RTO – Regional Tourism Organisation

TDC – Taupō District Council

TIA – Tourism Industry Aotearoa

DOC – Department of Conservation

MBIE – Ministry of Business, Innovation and Employment

MRTE – Monthly Regional Tourism Estimates

TECT – Tourism Electronic Card Transactions

ECNI – Explore Central North Island – a marketing alliance between 8 neighbouring RTO's within the central North Island including Coromandel, Hamilton Waikato, Hawkes Bay, Rotorua, Taupō, Ruapehu, Tairāwhiti - Gisborne, Bay of Plenty

Amplify – the Economic development Agency for Taupō District

STAPP – Strategic Tourism Assets Protection Programme – funding granted to RTO's by MBIE as part of the Covid-19 Tourism Recovery package

Trade: Travel agents, travel wholesalers, Inbound Tour Operators, retail travel sellers and airlines

C&I / BE: Conference and Incentive, meetings, and any business-related events





BOPLASS Ltd

# STATEMENT OF INTENT FOR 2024-2027



June 2024

*"COUNCILS PARTNERING FOR VALUE AND SERVICE"*

## 1. Introduction

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

- Declares a public statement of the activities and intentions of BOPLASS Ltd and the objectives to which those activities will contribute.
- Provides an opportunity for the shareholders to influence the direction of BOPLASS Ltd, and
- Provides a basis for the accountability of the Directors to the Shareholders for the performance of BOPLASS Ltd.
- Covers BOPLASS Ltd and any subsidiary company established in pursuance of the objectives herein.

## 2. Background and Benefits

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

Since inception, estimated financial savings of over \$30 million have been achieved by the participating councils through undertaking joint initiatives. BOPLASS is forecast to return in excess of \$2.6 million in savings in the 2023-24 financial year.

Other benefits that have been achieved through collaboration are:

- improved levels and quality of service;
- a co-ordinated and consistent approach to the provision of services;
- reductions in the cost of support and administrative services;
- opportunities to develop new initiatives;
- economies of scale resulting from a single entity representing many councils in procurement.

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

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

- enhance the capability to collaborate;
- encourage the elimination of barriers to collaborative action; and
- identify services that deliver viable business cases.

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

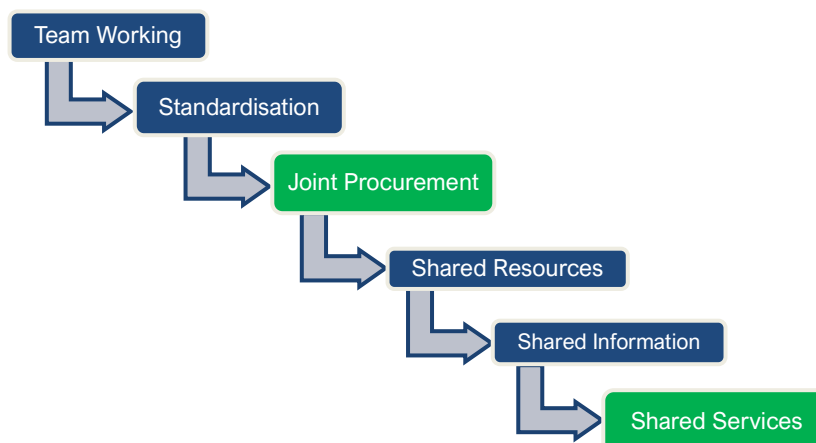


Figure 1

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

Examples of Joint Procurement and Shared Service projects are:

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

A full list of projects is provided in Appendix B.

### 3. Our Vision

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

### 4. Objectives of BOPLASS Ltd

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

These will be achieved primarily through:

#### Joint Procurement

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

#### Shared Services

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

### 5. Nature and Scope of Activities

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

- Use Joint Procurement to add value to goods and services sourced for its constituent councils.
- Establish the underlying technology, framework, platform and policies to enable and support collaboration.
- Facilitate initiatives that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Actively monitor and engage with Shared Service developments across the public sector to identify opportunities for further development and establishing best practice.
- Represent the collective views of its Shareholders in matters with which it is associated.

## 6. Sustainable Future: Environmental, Social and Governance (ESG)

The board recognises the importance of ESG in BOPLASS' role and ensuring that integrated risk management, non-financial outcomes, and Te Tiriti are considered in all BOPLASS joint procurement and shared services initiatives.

The company is committed to operating all aspects of its business with a focus on protecting and enhancing our communities today and in the future through sustainable environmentally responsible business practices, social contribution, and good governance.

The company has always had a stakeholder-centric approach, ensuring the company's objectives, goals and the undertaking of business are aligned with our constituent councils, our wider communities and supporting ESG outcomes that have wide-ranging benefits.

While achieving financial savings for member councils through BOPLASS joint procurement is a key objective, the company recognises the importance and responsibility of social procurement and will continue to consider the broader environmental, social and cultural outcomes as part of all BOPLASS procurement processes.

As examples, BOPLASS is working towards satisfying ESG criteria within social procurement by:

- Increasing access to BOPLASS procurement contracts for NZ businesses and local businesses, with particular focus on those groups that may have limited access to opportunities (such as Māori and Pacific Peoples' businesses).
- Giving consideration to organisations that provide employment opportunities to targeted groups and promote inclusion and diversity within their workforce.
- Recognising vendors that will help future-proof the ability of New Zealand businesses to trade.

With a focus on *Social Sustainability*, BOPLASS ensures a balanced approach is taken with the company's activities to create positive social and cultural outcomes for the local communities it serves while also maximising positive outcomes for Māori and the broader community.

*Environmental Sustainability* is a priority in all BOPLASS business activities – internal and external. Through collaboration and partnership with its constituent councils, BOPLASS strives to protect and enhance our environment and biodiversity. The company is committed to operating in an environmentally responsible way and will embed sustainability considerations (including ethical considerations) within a culture of excellence across its wider business and all joint procurement and shared services initiatives.

*Te Tiriti o Waitangi* responsibilities and outcomes are a driver for governance and management decisions within BOPLASS, include acknowledging and involving mana whenua as Kaitiaki o Te Taiao in project decisions impacting on land or natural

resources. The company is committed to providing and improving opportunities for Māori to contribute to local government decision-making processes and establishing collaborative partnerships and processes that reflect mutual outcomes.

## 7. Governance Structure

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

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

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

Shareholder	Appointed Director
Bay of Plenty Regional Council	Fiona McTavish
Gisborne District Council	Nedine Thatcher-Swann
Kawerau District Council	Morgan Godfery
Ōpōtiki District Council	Stace Lewer
Rotorua Lakes Council	Andrew Moraes
Taupō District Council	Julie Gardyne
Tauranga City Council	Marty Grenfell
Western Bay of Plenty District Council	John Holyoake
Whakatāne District Council	Stephanie O'Sullivan
<b>Independent Director and Chair</b>	Craig O'Connell

Sub-groups of council subject matter experts have responsibility for regular monitoring of operational aspects of BOPLASS projects, allowing the Board to primarily focus on supporting the strategic development of the organisation.

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

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

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

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

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

## **8. Future Developments**

The company recognises the importance of remaining adaptive in what is a complex and changing working environment. BOPLASS continues to look at new opportunities or alternative approaches to progressing projects that benefit our shareholding councils.

The Board recognise that the drive for change and/or collaboration in some key areas of council business will often be led by other groups, e.g., waters reform, RMA changes. Although BOPLASS may not be leading these specific projects, the organisation may be considered as one of the vehicles available to assist with managing collective regional outputs from these projects.

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

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

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

Shared Services projects are approved by the board based upon identifying initiatives that will provide genuine value to all participating councils. Shared Services may be delivered by BOPLASS, partnering with a LASS, or in conjunction with multiple LASS.

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

## 9. Inter-Regional Collaboration

The board recognise the benefits of BOPLASS proactively partnering with other local authorities and Shared Services organisations where they are either developing or considering developing cost effective services or Joint Procurement initiatives that are of value to the BOPLASS councils. The Board is constantly looking to expand on this activity and the range of opportunities for inter-regional partnering. BOPLASS will work towards providing improved visibility of projects being undertaken in other regions that may provide opportunities for multiple councils to participate in.

Where practicable, BOPLASS will work with other LASS or councils to leverage off, or participate in, services established by other collective local government groups.

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

BOPLASS has provided substantial savings to its shareholding councils through joint procurement undertaken with neighbouring regions. The Board has tasked BOPLASS with leading further inter-regional joint procurement initiatives that will provide benefit to all parties through an aggregated approach.

Significant benefits and savings have been achieved in the placement of councils' insurance through working in conjunction with other LASS. BOPLASS is considered a leader in the development of the interLASS insurance collective. Promoting the size of the aggregated LASSes to provide critical mass and maintain our favourable position within the insurance industry will continue to be leveraged.

## 10. Stakeholder Engagement

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

- Regular engagement at project, management, and governance level.
- Including councils' short, medium, and long-term goals within BOPLASS planning.
- Using quality information from councils to guide our decision-making.
- Identifying and developing services that directly benefit councils and/or their communities.
- Monitoring councils' future plans and remaining agile to change to include these aspirations in our own planning.
- Ensuring there are regular communications about individual council's LTP developments to assist BOPLASS with aligning with councils' strategic direction.
- Regularly communicating to ensure stakeholders are aware of what we are doing and why we are doing it.
- Involving councils in our decision-making and planning.



## 11. Performance Targets

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

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

## 12. Balance Sheet Ratios

The Local Government Act 2002 Schedule 8 (9) requires the SOI to include the projected ratio of shareholders' funds to total assets within the Forecast Statement of Financial Position. As at 30 June 2023 the consolidated Shareholder funds comprised \$28,520 and the total assets were \$2,704,410. The resulting ratio is 1.05%.

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

## 13. Accounting Policies

### 13.1 Statement of Accounting Principles

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

### 13.2 IPSAS Accounting Standards

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

### 13.3 Measurement Basis

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

### 13.4 Specific Accounting Principles

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

- Accounts Receivable are stated at their expected realisable value after writing off any known bad debts and providing for doubtful debts.
- Investments are valued at the prevailing market value.
- Fixed assets are recorded at cost, less accumulated depreciation.
- Any liability for overseas funding of equipment, systems or services is based on the prevailing exchange rate as at balance date.
- Where intangible assets are purchased, such as intellectual property, these are capitalised and written off on a straight-line basis over their expected life, but no greater than four years.
- All assets are depreciated over their expected useful lives. Depreciation is provided on a diminishing value basis over the estimated useful life, at the same rate as is allowed by the Income Tax Act 1994.
- It is not envisaged that the Company will hold inventories, other than those that might relate to providing information services to a number of parties. They will be valued at net realisable value.
- Taxation will be provided as required in line with relevant legislation.

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

#### **14. Distributions to Shareholders**

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

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

The Company will deliver the following statements to shareholders:

- On a three-monthly basis the Financial Position and Cashflow.
- Within two months of the end of the first half of the financial year: Financial Performance and Financial Position.
- Within three months of the end of the financial year the following audited statements: Financial Position, Movements in Equity, Cashflows, Service Performance plus a summary of how the Company has tracked against its objectives and prospects for the next financial year, and a report on the Company's medium to long term plans.
- Six monthly summaries of project activities included in Half Yearly and Annual Reports.

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

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

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

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

Shareholding councils will contribute to the operational costs of the Company on an annually agreed basis.

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

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

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

The Directors estimate that, at this stage, BOPLASS Ltd has limited commercial value. As each shareholder's investment in BOPLASS Ltd is less than \$20,000, the Board believe that fairly represents the value of their investment. The Directors will reassess the value of this shareholding on or about the 1st of March each year.

#### **19. Financial Forecasts**

The Forecast Financial Statements for the years 2024-2027 are included (Appendix A).

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

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

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

## Appendix A

SOI Forecast 2024/27	Budget 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027
<b>REVENUE</b>				
<b>Revenue - Core</b>	<b>327,637</b>	<b>362,115</b>	<b>371,130</b>	<b>380,871</b>
Bank Interest Received	6,000	1,500	1,500	2,000
Council Contribution	321,637	360,615	369,630	378,871
<b>Revenue - Projects</b>	<b>1,200,000</b>	<b>1,317,000</b>	<b>1,321,000</b>	<b>1,241,000</b>
Aerial Photography Income	300,000	400,000	400,000	320,000
Bank Interest Received	9,000	7,000	6,000	6,000
Collaboration Portal	45,000	40,000	45,000	50,000
Lease Income - ICN	120,000	135,000	135,000	130,000
Lease Income - Video Confer.	15,000	15,000	15,000	15,000
Rebates	1,000	0	0	0
Recoveries	710,000	720,000	720,000	720,000
<b>Total Operating Revenue</b>	<b>1,527,637</b>	<b>1,679,115</b>	<b>1,692,130</b>	<b>1,621,871</b>
<b>EXPENSES</b>				
<b>Expenditure - Core</b>	<b>395,953</b>	<b>423,436</b>	<b>436,451</b>	<b>450,992</b>
ACC	900	950	950	950
Accommodation & Travel	2,200	5,500	6,000	5,000
Accounting & Audit	22,000	24,000	25,000	26,000
Administration	18,000	20,000	20,000	22,000
Amortisation	8,700	5,000	4,500	3,800
Bank Fees	200	200	200	200
Conferences	2,200	2,500	2,500	2,500
Depreciation	650	4,300	4,000	4,000
Directors' costs	23,000	23,000	23,000	25,000
Fringe Benefit Tax	4,000	4,500	4,500	4,500
General & Catering	2,400	1,500	1,500	1,500
Health and Safety	1,000	1,000	1,000	1,000
Insurance	12,000	14,000	16,000	17,000
Interest Paid - TCC Loan	0	0	0	0
Legal	2,000	2,500	2,500	2,500
Salaries	286,403	300,723	309,744	319,037
Salaries - C'Portal Opex	-17,000	-18,000	-18,000	-18,000
Staff Support Costs	18,500	19,500	21,000	22,000
Staff Training Costs	2,500	2,500	2,500	2,500
Subscriptions	1,000	4,263	4,057	4,005
Tax Advice	5,300	5,500	5,500	5,500
<b>Expenditure - Projects</b>	<b>1,131,684</b>	<b>1,255,679</b>	<b>1,255,679</b>	<b>1,170,879</b>
Aerial Photography Expense	300,000	400,000	400,000	320,000
Collaboration Portal Opex	27,884	27,979	27,979	27,979
Lease Expense - ICN	115,200	129,600	129,600	124,800
Lease Expense - Video Confer.	14,100	14,100	14,100	14,100
Projects - Recoveries	674,500	684,000	684,000	684,000
<b>Total Operating Expenditure</b>	<b>1,527,637</b>	<b>1,679,115</b>	<b>1,692,130</b>	<b>1,621,871</b>
<b>Operational Surplus/ (Deficit) before Tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Appendix B

### Undertaken Joint Procurement Projects

Requiring ongoing management for performance, renewal or replacement:

- Accounts Payable automation software
- Advertising services
- Aerial imagery and LiDAR
- Air travel
- Antivirus software
- Archaeological services
- Asbestos protocols
- Banking
- Capital construction and civil works
- Cloud services
- Collective training services
- Community engagement app
- Courier services
- Cyber insurance
- Document management – EDRMS
- Document storage
- EFTPOS services
- Electricity
- Electronic purchasing
- EMA membership
- Firewall Services
- FME Server
- Fuel
- Geospatial training services
- GIS regional technical advisor
- GIS software
- GPS vehicle tracking
- Health & Safety benchmarking
- Health & Safety management software
- Health & Safety training services
- Health & Wellbeing online platform
- Historic imagery digitisation
- HR information systems
- Infrastructure as a Service
- Insurance brokerage services
- Insurance – General
- Insurance – Infrastructure
- Internet services
- IPWEA library
- Media monitoring
- N3/GSB membership
- Office supplies
- Postal services
- Print media copyright services
- Provincial Growth Fund co-funding
- Radio telephony
- Rapid antigen tests
- Reprographic – printers/copiers
- Risk management workshops
- Security services
- Telephony – voice, data, mobile
- Tender facilitation
- Transactional banking
- Travel and accommodation services
- Valuation services provider
- Video conferencing services
- Website analytics
- Wireless WAN

## Appendix B

### Identified Joint Procurement Projects

- Agenda management software
- Business continuity
- Chemicals
- Civil works contracts
- Civil works materials
- Community communication systems
- Contractor online inductions
- Digital signatures
- Document scanning
- Driver training
- Drug & Alcohol testing
- Engineering Codes of Practice
- Fleet purchasing and management
- Health insurance
- High volume print
- ICT security policies
- Infrastructure valuation services
- IT applications
- Lone worker field solutions
- Media distribution services
- PPE & Uniform
- Property valuation services
- Recruitment/Candidate management
- Risk profiling workshops
- Robotic Process Automation (RPA)
- Surveys and research

## Appendix B

### Shared Services

Managed by BOPLASS or by one or more constituent councils:

- After hours call management
- CCTV monitoring
- Contractor H&S prequalification
- Debt recovery services
- Employee benefit schemes
- FME licensing pool
- GIS imagery data storage
- GIS support (inter-council)
- GIS web services
- Health and safety auditing
- Historic aerial imagery digitisation
- Insurance COE
- Inter-council network
- Internal audit services
- MahiTahi LG Collaboration Portal
- Media monitoring
- Occupational health
- Radio telephony strategy
- Section 17a reviews
- Shared licence server
- Solid waste services
- Standards NZ
- Video conferencing hosting
- Waste Operator Licensing

### Projects for Consideration

- Archive services
- Asset Management
- Building consents
- Business continuity planning
- Capital Expenditure projects
- Centralised insurance resource
- Civil Defence Emergency Management
- Civil works projects marketing
- Consents Processing
- Contractor online inductions
- Debt Management
- Digital transformation
- Diversion of putrescible waste from landfill
- Document digitisation
- Driver training
- Electronic Document and Records Management System
- Geospatial services
- HR Information Systems
- Information Services
- Infrastructure development codes
- Insurance valuations
- Inter-council Secondments
- IT hosting
- Joint software support
- Payroll
- Project management office
- Rates Collection
- Regional Civil Defence
- Risk and total assurance
- Shared datacentre
- Solid waste regional facilities strategy
- Smart cities
- Staff engagement survey systems
- Web services
- Windscreen replacement





1. Introduction

This Statement of Intent (SOI) sets out the nature and scope of the activities, objectives and performance targets for the New Zealand Local Government Funding Agency Limited (LGFA) for the three-year period 1 July 2024 to 30 June 2027. LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002. The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

**Note:** This SOI, including financial forecasts, assumes that there are no implications for LGFA from the Local Water Done Well Reforms and council borrowing forecasts are based on Draft LTPs. We are awaiting further information relating to the establishment of the Water CCOs; how Water CCOs are intending to structure their borrowing; how the transition of revenue and debt will occur between our council members and Water CCOs, and the impact on future council borrowing intentions.

2. Nature and scope of activities

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (participating borrowers). LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency. LGFA only lends to participating borrowers that have entered into required relevant legal and operational arrangements and comply with the LGFA's lending policies. In addition, LGFA may undertake any other activities considered by the LGFA Board to be reasonably related, incidentally to, or in connection with, that business.

3. Our purpose Ta tatou kaupapa

**Benefiting local communities through delivering efficient financing for local government.**  
**Ka whiwhi painga ngā hapori mā te whakarato pūtea tōtika ki ngā kaunihera.**

4. Our values Ō mātau uara

<p><b>We act with integrity</b></p> <p><b>E pono ana mātau</b></p>	<p><b>We are customer focused</b></p> <p><b>E arotahi ana mātau ki te kiritaki</b></p>	<p><b>We strive for excellence</b></p> <p><b>E whakapau kaha mātau kia hiranga te mahi</b></p>	<p><b>We provide leadership</b></p> <p><b>He kaiārahi mātau</b></p>	<p><b>We are innovative</b></p> <p><b>He auaha mātau</b></p>
<p>We are honest, transparent and are committed to doing what is best for our customers and our company.</p>	<p>Our customers are our council borrowers, investors, and all other organisations that we deal with. We listen to them and act in their best interests to deliver results that make a positive difference.</p>	<p>We strive to excel by delivering financial products and services that are highly valued at least cost while seeking continuous improvement in everything we do.</p>	<p>We are here for our stakeholders in being strategically minded, providing resilience and executing our strategy. We embrace a high-performance culture and can be relied upon to deliver results.</p>	<p>To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.</p>

## 5. Foundation objectives

The Shareholders' Agreement is a foundation document and states that, in accordance with the Local Government Act, in carrying on its business the objectives of the Company will be to:

- (a) achieve the objectives of the Shareholders (both commercial and non-commercial) as specified in the Statement of Intent. The Shareholders agree that the Company shall carry on its business with a view to making a profit sufficient to pay a dividend in accordance with the Dividend Policy, but that the primary objective of the Shareholders with respect to the Company is that it optimises the terms and conditions of the debt funding it provides to Participating Local Authorities;
- (b) be a good employer;
- (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- (d) conduct its affairs in accordance with sound business practice.

This Statement of Intent sets out the company's strategic priorities, together with associated objectives and performance targets, which align with the foundation objectives and have been agreed with shareholders.

## 6. Strategic priorities

The following five strategic priorities encompass the foundation objectives and guide the LGFA Board and management in determining our strategy, objectives and associated performance targets.

### Governance, capability and business practice

LGFA is committed demonstrating best practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

### Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to participating borrowers. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

### Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

### Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each participating borrower's financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

### Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.

## 7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2024-2027.

The financial performance targets are focused on the 2024-2025 year and, as applicable, are based on the financial forecasts outlined in section 8.

### Governance, capability and business practice

Objectives	How we measure our performance
Demonstrate best practice corporate governance.	The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. The Shareholders' Council has requested a focus on succession planning for the Board.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent.	LGFA reports performance against objectives quarterly to shareholders and in our Annual and Half Year Reports.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Financial performance is reported quarterly to shareholders and in our Annual and Half Year Reports.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff	The Annual Report reports on our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2024-2025 target
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.	No breaches
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.
A succession plan be put in place for the Board and staff and be reviewed annually.	Plan established. Staff plan shared with board and Board Plan shared with Shareholders' Council
LGFA's total operating income for the period to 30 June 2025.	> \$31.4 million
LGFA's total operating expenses (excluding AIL) for the period to 30 June 2025.	< \$11.5 million

### Optimising financing services for local government

Objectives	How we measure our performance
Provide interest cost savings relative to alternative sources of financing.	Measure LGFA issuance spreads against other high-grade issuers in the New Zealand domestic capital markets.
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	Measure LGFA's share of overall council borrowing. Survey participating borrowers on an annual basis.
Deliver operational best practice and efficiency for lending services.	Monitor settlements errors for new trades and cashflows. Survey participating borrowers on an annual basis.
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	Maintain a vibrant primary and secondary market in LGFA bonds. Monitor participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges.

Performance targets	2024-2025 target
Share of aggregate long-term debt funding to the Local Government sector.	> 80%
Total lending to Participating Borrowers.	> \$23,957 million
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%

### Environmental and social responsibility

Objectives	How we measure our performance
Assist the local government sector in achieving their sustainability and climate change objectives.	LGFA is committed to assist borrowers financing of projects that promote environmental and social wellbeing in New Zealand and to encourage a reduction in greenhouse gas emissions amongst borrowers. Green, Social & Sustainability (GSS) loan and Climate Action Loan applications from councils are appraised by the LGFA Sustainability Committee, with approved loans monitored for ongoing compliance.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions and formalised processes to measure our greenhouse gas (GHG) emissions, as well as management plans to reduce our company's emissions.

Performance targets	2024-2025 target
Comply with the Health and Safety at Work Act 2015	No breaches.
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.
Increase our GSS lending book and Climate Action Loans	Two new GSS loans undertaken. Three new borrowers enter into CALs.
Meet all mandatory climate reporting standards	100%
Provide annual seminar for councils updating them on latest sustainability developments, climate change impact and LGFA reporting requirements	One seminar for councils and CCOs

### Effective management of loans

Objectives	How we measure our performance
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies.	LGFA reviews all participating councils and CCOs financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list.
Analyse finances at the Council group level where appropriate and report to shareholders.	Participating borrowers are required to complete annual compliance certificates by the end of November each year.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested	Number of participating borrowers visited in a year
Ensure a smooth transition of water-related loans if the Local Water Done Well Reforms progresses over forecast period.	LGFA will be able to ensure the successful transition of existing council water-related loans to the Water CCOs (if requested by a council)

Performance targets	2024-2025 target
Review each Participating Borrower's financial position.	100%
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%

### Industry leadership and engagement

Objectives	How we measure our performance
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Report on actions undertaken and progress made on sector issues. Identifying any legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions.
Assist the local government sector with significant matters such as the Local Water Done Well Reforms and Future for Local Government	Assist the local government sector with understanding any legislative or Central Government policy changes that may impact LGFA.
Maintain productive relationships with central government representatives.	Report back on the alignment of LGFA and councils climate and emissions reporting requirements
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	Report back in how we are helping smaller council's understand future reporting requirements.

Performance targets	2024-2025 target
Provide input into Local Water Done Well Legislation	Provide feedback to DIA and Treasury during legislation drafting
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA	Four quarterly updates to councils and CCOs
Meet annually with Infrastructure Commission, Local Government New Zealand, Taituara, Water New Zealand, Infrastructure New Zealand, Crown Infrastructure Partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues from an LGFA perspective.	Nine meetings across stakeholders

## 8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2027:

Comprehensive income \$m	Jun 25	Jun 26	Jun 27
<b>Net Interest income</b>	<b>29.9</b>	<b>39.6</b>	<b>41.5</b>
Other operating income	1.5	1.5	1.5
<b>Total operating income</b>	<b>31.4</b>	<b>41.1</b>	<b>43.0</b>
Approved Issuer Levy	5.3	7.3	9.1
Issuance & onlending costs	4.3	4.6	4.7
Operating overhead	7.2	7.6	8.0
<b>Issuance and operating expenses</b>	<b>16.8</b>	<b>19.6</b>	<b>21.8</b>
<b>P&amp;L</b>	<b>14.5</b>	<b>21.5</b>	<b>21.2</b>



Financial position (nominals) \$m	Jun 25	Jun 26	Jun 27
Liquid assets portfolio	2,597	2,876	3,866
Loans to local government	23,957	26,509	29,043
<b>Total Assets</b>	<b>26,555</b>	<b>29,385</b>	<b>32,909</b>
Bonds on issue (ex Treasury stock)	23,702	26,277	29,485
Bills on issue	1,850	1,850	1,850
Borrower notes	707	905	1,114
<b>Total Liabilities</b>	<b>26,259</b>	<b>29,032</b>	<b>32,449</b>
Capital	25	25	25
Retained earnings	106	126	145
Dividend	(2)	(2)	(2)
<b>Shareholder equity</b>	<b>129</b>	<b>149</b>	<b>169</b>
Ratios	Jun 25	Jun 26	Jun 27
Liquid assets/funding liabilities	10.6%	10.6%	12.6%
Liquid assets/total assets	9.8%	9.8%	11.7%
Net interest margin	0.12%	0.15%	0.14%
Cost to income ratio	53.7%	47.6%	50.6%
Return on average assets	0.05%	0.07%	0.06%
Shareholder equity/total assets	0.5%	0.5%	0.5%
Shareholder equity + BN/total assets	3.2%	3.6%	3.9%
Asset growth	13.3%	10.7%	12.0%
Loan growth	16.5%	10.7%	9.6%
Return on equity	12.5%	16.6%	14.2%
Capital ratio	15.8%	17.9%	19.5%

The above forecasts assume a gross bond issuance programme of \$5.4 billion (FY25), \$5.5 billion (FY26) and \$5.9 billion (FY27) based upon term lending to councils of \$5.8 billion (FY25), \$5.2 billion (FY26) and \$6.2 billion (FY27).

Note there is a high level of uncertainty regarding the financial forecasts for both council borrowing and LGFA bond issuance due to the uncertainty relating to the Local Water Done Well Reforms and the impact on councils.

Our council lending and LGFA bond issuance forecasts are based on the assumption that LGFA will be lending to the proposed Water CCOs if they meet the qualifying criteria for LGFA membership as a CCO. We have assumed we will not be lending to financially independent Water CCOs such as Watercare as they are unlikely to meet the qualifying criteria. There have been no final decisions regarding the transfer mechanism for assets, liabilities and revenue from councils to the proposed Water CCOs. We will update stakeholders on implications for LGFA as further information becomes available, but this is not expected until late 2024.

The above forecasts assume a 5 bps increase in base lending margins to councils and CCOs and an increase in the Borrower Notes as a percentage of loans to 5%. These changes will take place from 1 July 2024. These changes have been carefully considered by the LGFA board and are necessary to increase the capital strength of LGFA and to meet the additional costs incurred by LGFA in financing the larger borrowing requirement of the sector.

## 9. Dividend policy

LGFA primary objective is to maximise benefits to participating borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

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

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

## 10. Governance

### Board

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

The Board can comprise up to seven directors. Currently the board size is six directors with five being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice with respect to:

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

All directors are required to comply with a formal Charter.

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

### Shareholders' Council

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

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

## 11. Information to be provided to Shareholders

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

### Annual Report

The LGFA's balance date is 30 June.

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

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

### Half Yearly Report

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

- Directors' commentary on operations for the relevant six-month period.
- Unaudited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.



### Quarterly Report

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

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

### Statement of Intent

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

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

### Climate Related Disclosures Reporting

LGFA will publish a Climate Related Disclosure Report by 30 September each year.

### Shareholder Meetings

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

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

## 12. Acquisition / divestment policy

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

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

## 13. Activities for which compensation is sought from Shareholders

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

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

## 14. Commercial value of Shareholder's investment

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

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

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

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

## 15. Accounting policies

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOI.

### Statement of Accounting Policies

#### 1. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating borrowers.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

#### 2. Statement of compliance

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

#### 3. Basis of preparation

##### Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

##### Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

##### Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

##### Changes in accounting policies

There have no changes to accounting policies.

##### Early adoption standards and interpretations

LGFA has not early adopted any standards.

##### Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

### Financial instruments

#### Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

#### Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

#### Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

#### Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

#### Other assets

##### Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

##### Intangible assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

#### Other liabilities

##### Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

#### Revenue

##### Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

### Expenses

Expenses are recognised in the period to which they relate.

### Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

### Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

### Goods and services tax

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

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed exclusive of GST.

### Segment reporting

LGFA operates in one segment being funding of participating borrowers in New Zealand.

### Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.



TAUPŌ DISTRICT COUNCIL

# PERFORMANCE REPORT

JUNE 2024

JUNE 2024

## JULIE GARDYNE

TUMU WHAKARAE | CHIEF EXECUTIVE

Waiora House was recognised with a Taituarā Excellence Award at the recent 2024 LGFA Taituarā Local Government Excellence Awards during June. The BERL Award for Excellence in Collaborating for Results recognises projects that demonstrate successful collaboration with other government agencies for community benefit. Well done to all the team involved in that wonderful project!



I would also like to recognise the swim school for being awarded platinum status by Swimming NZ. This an achievement that only a small number of other swim schools around the country have achieved. The award recognises the work that the team have put into criteria such as completing Safer for Children training and providing pathways to aquatic clubs.

As stated throughout the performance report this month, with elected members, the engagement team, and support from across the organisation attending engagement events, submissions for the Long Term Plan came flooding in, with over 1400 received. The teams at TDC are now reviewing and sorting the submissions for hearings and deliberations, and with over 100 people wanting to talk to their submissions, it will be quite a process for all involved.

June also saw the end of the financial year, which marked a crucial phase while we evaluated our financial performance, set new goals, and prepared for the year ahead.

Ngā mihi

Julie

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## SARAH MATTHEWS

KAIWHAKAHAERE MATUA -  
WHAKATUTUKI WHAKAHAERE  
ORGANISATION PERFORMANCE  
GENERAL MANAGER



### Group highlights of the month

The governance team supported representation group meetings, including Long-term Plan (LTP) submissions. June marks the end of Council's financial year and finance had audit in the office, completing the interim audit in preparation for the 2023/24 Annual Report. The finance team have been busy working on asset capitalisation, post the new asset system implementation. The property team had a busy month, including running tours of Council's East Urban Lands (EUL) as part of the LTP consultation. We also had a visit from the Department of Internal Affairs to look at our proposed housing solutions and started physical work on our commercial development at 204 Crown Road. The business excellence team had around 230 proposals to participate in its supplier panels, which is an incredible result.

### Group challenges of the month

The business excellence team were busy preparing for the Risk & Assurance Committee in July, along with the unexpectedly high number of supplier panel proposals. Continued vacancies for the Health and Safety Manager and Risk Advisor positions pose an ongoing resourcing challenge for the Business Excellence Team. The asset capitalisation backlog continues to put pressure on the finance team due to timeline for the annual report, and remains a risk for this project. Ongoing testing of the Property and Rates system for both finance and digital solutions team were also putting pressure on the teams during the critical testing stage with the system set to go live in August. LTP submissions and audit queries are impacting workload across the group.

### Upcoming Plans for the Next Quarter

Looking ahead to the next quarter, we are in the home stretch for LTP workload, which includes hearings, deliberations, and finalisation of the plan. We will be busy completing work on renewal of Council's insurance, implementation of the Property & Revenue system, completion of the Annual Report, implementation of reporting and forecasting, and completion of the development agreement for the first stage of Council's EUL.

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## LIBBY O'BRIEN

KAIWHAKAHAERE MATUA –  
HONONGA TĀNGATA, HAPORI  
PEOPLE AND COMMUNITY PARTNERSHIPS  
GENERAL MANAGER

### Group Highlights of the Month

We might sound like a bit of a broken record, but June was all about getting out to our communities and asking them to korero mai – have their say. And have their say they did!

We held 10 community engagement events across the rohe and spoke to hundreds of interested people who had questions about many things – rubbish bins (or bags), rates, community facilities and even how to get their hands on more canine extraction support tools (dog poo bags). These sessions, along with a range of engagement korero with whanau, hapu and iwi, multiple advertisements and Facebook posts trying to explain Long-term Plans and community tours helped us see over 1400 submissions. Keeping community interest in the Long-Term Plan, explaining consultation topics accessibly, and reaching diverse audiences required creative engagement strategies, including utilising video content and engaging various spokespeople.

In conjunction with being involved in LTP engagement, our Iwi and Co-Governance team began negotiations with Te Kotahitanga o Ngati Tuwharetoa to collaboratively review our hapū engagement process, aiming to enhance efficiency while considering hapū representatives' limited capacity.

June was busy for our People and Culture team with numerous internal moves within and between teams, reflecting our employees' career growth ambitions and success with succession planning work. We also hosted another mental health first aid course, making us one of the leading organisations in New Zealand for the number of mental health first aiders we have.

Finally, our funding and partnerships staff supported our road safety team to receive \$4,696 from The Lion Foundation to introduce a new scooter safety Programme for tamariki across the district.

### Group Challenges of the Month

As we have seen over the previous few months our people and culture team have been busy with the impacts of an increasing performance focus on staff by managers, both formally and informally.

From a communications perspective, managing community expectations regarding the Council's role in housing provision was complex and we have been working hard to ensure key messages are clear for this issue.

The Taupō Council of Social Services (TCOSS) wound up after longstanding service since 1993, with most services transitioning to Waiora Community Trust.



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**Upcoming Plans for the Next Quarter**

We will focus on recruiting for several critical roles and conducting our quarterly performance and development training, partnering with health and safety and customer relations staff to create bespoke e-learning for employees.

Key projects for our teams include ongoing engagement for priority projects like the wastewater north project and Motutere Reserve Management Plan, the initial review of Mana Whakahono ā Rohe, and JMA review and development work. We will also support LTP hearings and deliberations for proposed community funding changes, facilitate another funder's forum, and engage in stage two of the Motutere Reserve Management Plan review.

Significant community engagement will be needed for the overland flow path project and the Future Development Strategy, and we will continue emergency management community response planning and prepare the community for the impact of setting rates later than usual, resulting in three quarterly rates instalments instead of four this year.

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## WARRICK ZANDER

KAIWHAKAHAERE MATUA - RAUTAKI, TAIAO  
STRATEGY AND ENVIRONMENT  
GENERAL MANAGER



### Group highlights of the month

The parks and reserves team are working hard to get ready for the Ironman 70.3 World Championship, doing tasks that they can finish now, before they have to spend more time on mowing in spring. These tasks include replacing plants in some town centre gardens, edging and cleaning paths, cleaning and oiling furniture, mulching gardens and looking after lawns at Parakiri and the water treatment plant. The team are also getting ready for other events such as the usual Summer Concert at Riverside Park and a new disk golf tournament in Spa Park.

Staff across the organisation have been attending engagement events, including after hours, during the Long-term Plan (LTP) consultation. By being present and engaging with residents, we can better understand their needs and concerns, and work together to create a better future for our community. I had the pleasure of being the guest speaker at the Acacia Bay Residents Association dinner event on 18 June. It was a great opportunity to introduce myself to the community, explain what the council is about and discuss the LTP.

Policy team has been busy reading and analysing the LTP submissions. Council received 1421 submissions, which is a great result showing high interest from the community in the consultation topics. In addition to this, the team helped council put in place interim funding arrangements until the LTP is adopted and worked through the decision making process to enable adoption of traffic and solid waste bylaws. A submission was prepared on the Resource Management (freshwater and other matters) Amendment Bill.

The environmental health team has completed the Joint Accreditation System of Australia and New Zealand (JASANZ) audit for food verification services with excellent results.

Council adopted and notified the commissioner decisions on district plan changes 38 and 40-43 which is a significant milestone of this project. The consenting team held a productive wananga with the local planning and engineering industry on the new rural provisions of the district plan.

66 percent of known dogs are already registered for the 2024/25 dog registration period which is a great start for the new financial year.

### Group challenges of the month

The parks and reserves team plan to extend the low barrier fencing beside the internal road at the Taupō Cemetery to restrict vehicles from the lawn areas as vehicle movements around and at times over graves have increased significantly.

Receiving a lot of LTP submissions means spending more time reviewing and thinking about the feedback. Everyone has put in a lot of effort, and teams across the organisation are

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working well together to prepare the information for elected members to review during the hearings and deliberations next month.

**Upcoming Plans for the Next Quarter**

Some garden upgrades in Mangakino and Tūrangi town centre are scheduled to be completed over the next month.

Now that the LTP consultation period is over, the policy team is writing deliberation reports in preparation for the next step in the LTP process which is the council hearings and deliberations end of July. The plan will be adopted by the end of September.

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## TONY HALE

KAIWHAKAHAERE MATUA - HANGANGA HĀPORI,  
RATONGA  
COMMUNITY INFRASTRUCTURE AND SERVICES  
GENERAL MANAGER.



### Group highlights of the month

The end of June saw the termination of the Inframax road maintenance contractor arrangement and HEB Construction are now servicing the network. HEB are establishing a new base at Rakaunui Road and from 1 August they aim to be fully operational, with joint HEB/Taupō District Council branding on the service vehicles. The transport operations team have been busy with the HEB Construction team getting all the data links and service arrangements in place. HEB have recruited many new staff from the local market. This, along with the increase in NZTA maintenance subsidies for the next three-year period is an exciting time with many collaborative enhancements expected to deliver an improved level of service to the Taupō community.

Road Safety Week was well supported, and during June \$4,700 funding was received from the Lion Foundation for a safe scooter education programme, which will kick off in the fourth school term.

The water team has been working on a new Hygiene Code of Practice. This will make us compliant with Taumata Arowai quality assurance rule G11. This will be shared with any contractors working on our water network to ensure their work protects the safety and quality of our water supply.

Tūrangi kerb and channel works have been completed within the assigned streets. Small works will happen through Te Aonini to tidy up berms and some footpaths; this is one of the streets where trees were cut down, but budget didn't allow to upgrade kerb and channel. Four parking spaces will be added next to the new playpark on Te Rangitautahanga when traffic management plan is approved.

### Group challenges of the month

The latest announcement from central government regarding water reform was announced on 30 May, and we had an extremely short timeframe (nine working days) in which to make a submission. This legislation lays out the requirement for council to submit a water services delivery plan to the minister within 12 months of the bill being enacted (July 2025). We will be planning how we approach this work in the coming months.

### Upcoming Plans for the Next Quarter

Planning is underway for the next financial year's work programme.

Taupō District Council currently operates three comprehensive stormwater discharge consents for Taupō, Tūrangi and the Waikato River urban areas. These are due to expire in June 2027. The tender will be out in July to appoint a consultant to lead the delivery of the consent renewals.

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The Repair café will be back on 10 August, with repairers for clothing, bicycles, small appliances, and toys.


Traffic management plan for the Southern Trunk Sewer was approved. The contractor will start with closing the south bound shoulder from Mere Road to Napier Road intersection on 8 July. North bound lane of Mere Road will be closed from Lake Terrace to Pātaka Road. Stop go traffic control will be in place on Mere Road, Taharepa Road and Lake Terrace during the drilling operations. Letter drops have been done to all affected properties with plans in place for property access during or after hours. Door knocking will take place as the contractor progresses through this section of roads.

Tauhara Ridge reservoir and airport pipeline link contract was awarded to Camex who will be cutting down and removing 27 trees within the EUL area adjacent to the new access track to the reservoir. This is happening during the week of 8 July. Directional drilling will start week commencing 15 July. Signs have been erected in the area as well as within the EUL section. Letter drops have been done and door knocking will take place as the team move in front of resident's driveways.

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<div><div>GREAT LAKE TAUPŌ Taupō District Council</div><div>PORTFOLIO UPDATE</div></div>								
PROJECT	OVERALL	TIME	COST	SCOPE	KEY UPDATES	UPCOMING MILESTONES	% COMPLETE (Life Budget)	LIFE BUDGET
Community Facilities								
Mangakino Lakefront Upgrade Project (phase 1)	<div></div>	<div></div>	<div></div>	<div></div>	On-hold until the outcome of LTP is known		0.96	\$0.4M
Owen Delany Park upgrade	<div></div>	<div></div>	<div></div>	<div></div>	Lower field lighting foundation works completed and poles are standing. Signs for the general public being placed. Stadium lighting poles are being assembled. Transformer upgrade progressing. Stadium lighting to remain active until change over. Design for changing room building continues.	Lower field lighting stood, stadium field excavations to start. Changing room (heart space) design works continuing.	0.17	\$8.5M
Tūrangi Recreation & Activities Centre (TRAC)	<div></div>	<div></div>	<div></div>	<div></div>	On-hold until the outcome of LTP is known		0.21	\$1.3M
Democracy & Planning								
Long Term plan	<div></div>	<div></div>	<div></div>	<div></div>	Public consultation started on June 4 and will close Friday July 5. At present TDC have 1062 submissions. There is a tight turn around to finish deliberations / hearings.	Consultation closes on 5 July Exec Agenda Review - 16 July - 19 July Circulate agenda to EM's 22 July Hearings/Deliberations 29 July	0.00	\$0.0M
Parks & Reserves								
Erosion control-Taupo Bay, Lake Tce Cliffs & Tapuaeharuru Bay	<div></div>	<div></div>	<div></div>	<div></div>	Tūwharetoa Māori Trust Board will be attending an upcoming executive meeting to discuss this project. Review of Tonkin & Taylor report is ongoing. Time: Challenges around arranging key stakeholder meetings has impacted the timeline of this project. However, meetings are now scheduled.	Meeting with Ngā Kaihautu to discuss options. Detailed design will start once we have hapū approval.	0.35	\$2.0M
Property								
Civic Administration Building - Fit out	<div></div>	<div></div>	<div></div>	<div></div>	The TDC hard fit-out has commenced and will work alongside the main contractor's fit-out to achieve practical and financial efficiencies. TDC has engaged with an organisational change consultant.	The 'furniture, fixings & equipment' tender will be closing in July	1.30	\$1.0M
Reform, Investments								
204 Crown Road - subdivision earthworks & Civil	<div></div>	<div></div>	<div></div>	<div></div>	Work has started on site. We are aiming to do all the earthworks with the Annual Plan 2023-24 budget. Time: The works have started on site. This is now set as the benchmark against the project programme.	Awaiting outcome of the LTP to secure full funding for the project.	0.17	\$3.5M
3 Waters Reform Activities	<div></div>	<div></div>	<div></div>	<div></div>	Submission made on Local Government (Water Services Transitional Arrangements) Bill. Workshop with councillors 20th June - update on timeline and activities. Cost: Additional funding may need to be requested in LTP to cover projected work. No further funding from central government.	The government will release guidance on what the Water Services Delivery Plan needs to contain by July/August.	0.73	\$0.8M
EUL Stage 1 Lot 20 -Earthworks & Civil	<div></div>	<div></div>	<div></div>	<div></div>	Resource consent is about to be obtained.	Obtaining resource consent. Lodge registration of interest for civil works and prepare request for proposal for this procurement.	0.22	\$7.6M
Project Quantum & Tech One	<div></div>	<div></div>	<div></div>	<div></div>	Time: Programme held up due to challenges in the data space, the project team are working urgently to overcome this Scope: We have some current challenges around getting the project completed in the time allowed, which is forcing conversations around scope. All effort is going into ensuring we are looking after our staff whilst we aim to complete the project within key timeframes.	Stage gate to proceed with go live on 19 July 2024.	0.90	\$10.1M
Transport								
Northern Access Investigation	<div></div>	<div></div>	<div></div>	<div></div>	Final workshop complete and WSP are compiling the final report.	Stage 2 report and final completion report due in August (draft supplied).	0.96	\$0.3M
Tūrangi Street Revitalisation	<div></div>	<div></div>	<div></div>	<div></div>	Contractor has placed kerb & channel in Te Takinga Street.	Completion of the 4 space car park.	0.99	\$5.7M
Wairakei Dr & Huka Falls Rd Roundabout	<div></div>	<div></div>	<div></div>	<div></div>	All works have been completed, list of final defects have been noted and contractor to action. Roads are open with free flowing traffic. Craters of the Moon tourism sign is to be reinstalled this week.	Project handover and closure sign off to be actioned.	0.70	\$2.5M
Whangamata Road improvements	<div></div>	<div></div>	<div></div>	<div></div>	Tender package complete. Awaiting road safety audit response.	Once the road safety audit is complete, we can go out to tender.	0.18	\$2.1M



<div><div><div><div></div><div>GREAT LAKE TAUPŌ</div><div>Taupō District Council</div></div></div><div>PORTFOLIO UPDATE</div></div>									
PROJECT	OVERALL	TIME	COST	SCOPE	KEY UPDATES	UPCOMING MILESTONES	% COMPLETE (Life Budget)	LIFE BUDGET	
Wastewater									
SCADA Upgrade	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	7 wastewater pump stations and 14 wastewater step stations converted to FTView as of late June.	1 wastewater pump station and 18 wastewater step stations are planned to be upgraded to FTView mid July. Waitahanui and Botannical Heights water pumpstations & reservoirs are planned for commissioning mid July.	<div><div></div><div></div><div></div><div></div></div>	0.72	\$4.6M
Taupo Wastewater Treatment Plant Primary Clarifier 3	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	Design consultant is currently scoping the project to commence design.	Start of detailed design.	<div><div></div><div></div><div></div><div></div></div>	0.06	\$1.0M
Taupo WW Southern Trunk Main Upgrade Stage 1	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	Contractor is continuing with the trenching and drilling of phase 2 from Kara Place pump station towards Countdown. Install of Kara Place pump station has commenced.	Lake Terrace pipe drilling between Mere Road to Napier Taupo Road planned for late July.  Contractor and TDC are currently working through traffic management plan and liaising with key event stakeholders around this.	<div><div></div><div></div><div></div><div></div></div>	0.35	\$10.4M
View Road Stage 2 LDS Expansion	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	Final defects are essentially complete, with Stage 1 integration underway. However, this is proving challenging due to lack of resource. Cost: Cost has reduced to green as the project will be delivered under budget.	Final completion due for July.	<div><div></div><div></div><div></div><div></div></div>	0.92	\$5.4M
Water									
Bonshaw Park Drinking Water Standards NZ project	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	Pressure testing of the main truck is underway. Time: Contractor has had a few challenges; consequently, the schedule has slipped.	Reinstatement and commissioning of pump station and pipeline.	<div><div></div><div></div><div></div><div></div></div>	0.75	\$2.7M
Kinloch Drinking Water Standards NZ Upgrade	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	Final round of piling underway and foundation ground beams are currently being constructed. Cost: Costs are expected to be higher due to increased cost fluctuations and the technical foundation/piling solution being significantly more costly than anticipated - additional funds are requested in the LTP for next financial year.	Complete last portion of piling and construct foundation beams.	<div><div></div><div></div><div></div><div></div></div>	0.95	\$14.1M
Motuoapa Drinking Water Standards NZ Upgrade	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	Design workshop has been completed and the contractor is currently working on the options for ground improvement. A planning assessment is underway to clarify if resource consent is required. Time: Red due to the flow on impact from the delays with Kinloch & Omori being the same contractor and their availability for resource. New programme from the contractor has been supplied, project team are currently reviewing this. Cost: Costs are expected to be higher due to inflation and geotech design - additional funds are requested in the LTP for next financial year.	Awaiting the submission of geotech options and the submission of an extension of time from the contractor.	<div><div></div><div></div><div></div><div></div></div>	0.25	\$3.9M
Omori Drinking Water Standards NZ Upgrade	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	Final design report has been submitted and reviewed by TDC. Full civil/foundation works will commence in July. Cost: Costs are expected to be higher due to inflation and geotech design - additional funds are requested in the LTP for next financial year.	Civil works planned to commence July.	<div><div></div><div></div><div></div><div></div></div>	0.50	\$6.0M
Tauhara Ridge Reservoir & Airport Connection	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div><div></div></div>	The reservoir pipeline and airport pipeline construction works are underway, with the reservoir tender released to market. The pump station design is complete and the reservoir designation process is underway. Time: Red due to delays in design.	Reservoir tender process complete, pump station procurement complete and pipeline construction complete.	<div><div></div><div></div><div></div><div></div></div>	0.19	\$2.0M
KEY									
<div><div></div></div>	Low Risk	<div><div></div></div>	Risk Decreased (Amber/Red to Green)						
<div><div></div></div>	Medium Risk	<div><div></div></div>	Risk Decreased (Red to Amber)						
<div><div></div></div>	High Risk	<div><div></div></div>	Risk Increased (Green to Amber)						
<div><div></div></div>	On Hold (waiting LTP)	<div><div></div></div>	Risk Increased (Amber/Green to Red)						
<div><div>89%</div></div>	Almost Complete	<div><div>\$1.0M</div></div>	Smaller Value Project						
<div><div>12%</div></div>	Low Spend to Date	<div><div>\$8.5M</div></div>	High Value Project						
% Complete = \$ Spend to Date / Life Budget				\$ Life Budget					