

ATTACHMENTS

Ordinary Council Meeting

31 July 2025

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Ordinary Council Meeting Minutes

24 June 2025

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE ORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, LEVEL 1, 67 HOROMĀTANGI STREET, TAUPŌ
ON TUESDAY, 24 JUNE 2025 AT 10.30AM**

PRESENT: Mayor David Trewavas (in the Chair), Cr Duncan Campbell, Cr Sandra Greenslade, Cr Kylie Leonard, Cr Danny Loughlin, Cr Christine Rankin, Cr Rachel Shepherd, Cr Kevin Taylor, Cr Yvonne Westerman, Cr John Williamson

IN ATTENDANCE: Chief Executive (J Gardyne), General Manager Community Infrastructure and Services (T Hale), General Manager Organisation Performance (S Matthews), General Manager Strategy and Environment (W Zander), General Manager People and Community Partnerships (H Tattle), Communications Manager (L McMichael), Finance Manager (J Paenga), Executive Manager to the Mayor (J Later), Three Waters Manager (S Lealand), Programme Manager (J Walton), Team Leader Corporate Planning (A Smith), Senior Policy Advisor (K Goode, via MS Teams), Policy Advisor (A Wilson, via MS Teams), Digital Content Creator (C Hollinger), Business Support Officer (W Jones), Customer and Business Support Officer (R Su, via MS Teams), Legal and Governance Coordinator (M Cammell), Governance Quality Manager (S James)

MEDIA AND PUBLIC: Nine members of the public

1 KARAKIA

2 WHAKAPĀHA | APOLOGIES

TDC202506/01 RESOLUTION

Moved: Cr Danny Loughlin

Seconded: Cr Rachel Shepherd

That the apologies received from Crs Karam Fletcher and Kirsty Trueman be accepted.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202506/01 above.

3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST

Nil

4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES

Nil

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

5.1 LOCAL WATER DONE WELL - HEARINGS AND DELIBERATIONS ON FUTURE WATER SERVICES DELIVERY MODEL

The General Manager Community Infrastructure and Services explained that the first part of the meeting was an opportunity for submitters to address Council in support of their submissions on the future water services delivery model for the district.

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The following submitters addressed Council in support of their submissions, with additional points noted:

7, Mr Te Moananui Rameka, Waipahihi Marae Trust

Waipahihi Marae had deep ancestral ties to the wai and the whenua and was concerned about protecting the mauri of the wai. The partnership between Tūwharetoa Māori Trust Board and Taupō District Council was reflected in the building Te Whare Hono o Tūwharetoa which was a symbol of Tūwharetoa, the collective vision, and thriving future. Decision making should reflect the shared history and commitment to partnership, protection and participation. He encouraged Council to consider the option four put forward in the submission which reflected the partnership and shared leadership.

103, Mr Chris Hector

Mr Hector advised that his company iTSi Solutions worked with four councils in the country and Taupō District Council was seen and recognised as a leader in his industry. He believed that Council should keep water services inhouse because it had proven that it was doing a great job.

#151, Ms Laurie Burdett

Ms Burdett advised that the submission form had improved considerably and that the consultation process was very simple and easy to understand.

The General Manager Community Infrastructure and Services and the Programme Manager summarised the options and recommendations for members to consider. In answer to a question, he advised that a review in 2 years time of the water services delivery plan would look at what had changed in the environment around the country.

Cr Duncan Campbell requested to display slides showing why he believed that option 3 – a Single Council Controlled Water Organisation was favourable. The Chair declined the request because this was not in line with the formal consultation process.

Cr Kylie Leonard left the meeting at 10.58am and returned at 11.02am.

The remaining elected members acknowledged submitters who had contributed to the process. They agreed that an enhanced inhouse business unit was the cheapest option and would be monitored by both the Commerce Commission and Taumata Arowai to keep it accountable.

TDC202506/02 RESOLUTION

Moved: Cr John Williamson

Seconded: Cr Kevin Taylor

That Council:

1. Receives the submissions from public consultation on Council's Local Water Done Well proposal for the future delivery of water services.
2. Accepts late submissions numbers 214 – 215.
3. Hears from submitters 7, 103 and 151 who wish to present their submission to Council.
4. Adopts for its Water Services Delivery Plan the future delivery model of keeping water services inhouse for now.
5. Directs the Chief Executive to sign the Waikato Waters Shareholders' Agreement, including the special terms relating to the Taupō District as a Stage 1 shareholder without an agreed transfer date.
6. Approves:
 - i. the incorporation of Waikato Waters Limited with Taupō District Council being a shareholder of that company; and
 - ii. the Shareholders' Agreement and Constitution for Waikato Waters Limited, as attached as appendices ("Incorporation Documents")
7. Delegates authority to the Chief Executive on behalf of Council to approve non-material amendments to the Incorporation Documents prior to Waikato Waters Limited being incorporated.

CARRIED

Note: All members present at the Council meeting except for Cr Duncan Campbell voted in favour of resolution TDC202506/02 above. Cr Duncan Campbell voted against resolution TDC202506/02.

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS

Nil

The meeting closed at 11.12am.

The minutes of this meeting were confirmed at the ordinary Council meeting held on 31 July 2025.

.....
CHAIRPERSON

Ordinary Council Meeting Minutes

24 June 2025

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE ORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, LEVEL 1, 67 HOROMĀTANGI STREET, TAUPŌ
ON TUESDAY, 24 JUNE 2025 AT 1.00PM**

PRESENT: Mayor David Trewavas (in the Chair), Cr Sandra Greenslade, Cr Kylie Leonard, Cr Danny Loughlin, Cr Christine Rankin, Cr Rachel Shepherd, Cr Kevin Taylor, Cr Yvonne Westerman, Cr John Williamson

IN ATTENDANCE: Chief Executive (J Gardyne), General Manager Organisation Performance (S Matthews), General Manager Community Infrastructure and Services (T Hale), General Manager People and Community Partnerships (H Tattle), General Manager Strategy and Environment (W Zander), Finance Manager (J Paenga), Communications Manager (L McMichael), Executive Manager Mayor's Office (J Later), Community Engagement and Development Manager (T Russell), Environmental Services Manager (J Sparks), Project Management Office Manager (P Fletcher), Legal and Governance Coordinator (M Cammell), Governance Quality Manager (S James)

MEDIA AND PUBLIC: Three members of the public.

1 KARAKIA

2 WHAKAPĀHA | APOLOGIES

TDC202506/03 RESOLUTION

Moved: Cr Danny Loughlin

Seconded: Cr Yvonne Westerman

That the apologies received from Crs Duncan Campbell, Karam Fletcher and Kirsty Trueman be accepted.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202506/03 above.

3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST

Nil

4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES

4.1 ORDINARY COUNCIL MEETING - 27 MAY 2025

TDC202506/04 RESOLUTION

Moved: Cr Kylie Leonard

Seconded: Cr John Williamson

That the minutes of the Council meeting held on Tuesday 27 May 2025 be approved and adopted as a true and correct record.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202506/04 above.

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24 June 2025

5 NGĀ KAUPAPA HERE ME NGĀ WHAKATAUNGA | POLICY AND DECISION MAKING**5.1 CONSIDERATION OF RISK AND ASSURANCE COMMITTEE RECOMMENDATION - ADOPTION DATE FOR 2025 ANNUAL REPORT**

The Finance Manager summarised the report and noted that other councils were in the same position. Members acknowledged that this had been discussed at the Risk and Assurance Committee meeting and that there was the potential for the Auditor General to report this to the Minister of Local Government because it would not be adopted within the statutory timeframes.

TDC202506/05 RESOLUTION

Moved: Cr Danny Loughlin

Seconded: Cr Kevin Taylor

That Council:

1. Delays adoption of the 2024/25 Annual Report to the proposed timelines of mid-December 2025, which allows Council flexibility with timeframes and enables continuity of auditor availability; and
2. Notes that this does not meet the timeframes for reporting deadlines within the Local Government Act 2002.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202506/05 above.

5.2 HEALTH AND SAFETY UPDATE

The Business Excellence Manager summarised the report.

Members also on the Risk and Assurance Committee acknowledged the journey and improvements over time in the Health and Safety space that were reported in a lot of detail to that committee. They were pleased with the improvements that had been made.

In answer to questions, it was clarified that the high number of incidents reported at the pools reflected that the lifeguards were reporting often with proactive interventions to ensure everyone was safe.

TDC202506/06 RESOLUTION

Moved: Cr Danny Loughlin

Seconded: Cr Kevin Taylor

That Council receives the health and safety update for the period of 1 October 2024 to 31 May 2025.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202506/06 above.

5.3 APPOINTMENT OF LOCAL CONTROLLER

The Community Engagement and Development Manager welcomed the third local controller, Mr Warrick Zander.

TDC202506/07 RESOLUTION

Moved: Cr Sandra Greenslade

Seconded: Cr Rachel Shepherd

That Council receives the information regarding the appointment of Local Controllers.

CARRIED

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Note: All members present at the Council meeting voted in favour of resolution TDC202506/07 above.

5.4 TAUPŌ DISTRICT COUNCIL PERFORMANCE REPORT - MAY 2025

The Chief Executive acknowledged the work the Project Management Office had done in meeting the overall capital delivery target for the financial year. This reflected a lot of work across the organisation.

The Project Management Office Manager thanked all involved in delivering projects to the district and drew attention to the fact that photos had been added to the report. She highlighted key changes in projects as per the portfolio update.

In answer to a question, it was confirmed that the consent for the Kuratau erosion project would be lodged the following month. Council staff would attend the Omori Pukawa Ratepayer's Association meeting in August to update community members.

TDC202506/08 RESOLUTION

Moved: Cr Danny Loughlin

Seconded: Cr John Williamson

That Council receives the information contained in the Performance Report for the month of May 2025.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202506/08 above.

5.5 COUNCIL ENGAGEMENTS JULY 2025, APPOINTMENTS, AND TRAINING AND CONFERENCE OPPORTUNITIES

The Governance Quality Manager advised that the Council meeting to be held on 10 July had been cancelled.

TDC202506/09 RESOLUTION

Moved: Cr Danny Loughlin

Seconded: Cr Rachel Shepherd

That Council:

1. Receives the information relating to engagements for July 2025; and
2. Appoints Cr Kevin Taylor to the Broadlands Landfill Consent Working Group.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202506/09 above.

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS

TDC202506/10 RESOLUTION

Moved: Cr John Williamson

Seconded: Cr Christine Rankin

RESOLUTION TO EXCLUDE THE PUBLIC

I move that the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this

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resolution in relation to each matter, and the specific grounds under section 48[1] of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution	Plain English reason for passing this resolution in relation to each matter
Agenda Item No: 6.1 Confirmation of Confidential Portion of Ordinary Council Minutes - 27 May 2025	Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7	There is a need to exclude the public for the consideration of the confidential minutes, to protect the Chief Executive's privacy.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202506/10 above.

The meeting closed at 1.23pm.

The minutes of this meeting were confirmed at the ordinary Council meeting held on 31 July 2025.

.....
CHAIRPERSON

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE ORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, LEVEL 1, 67 HOROMĀTANGI STREET, TAUPŌ
ON MONDAY, 30 JUNE 2025 AT 11.00AM**

PRESENT: Mayor David Trewavas (in the Chair), Cr Karam Fletcher (via MS Teams), Cr Sandra Greenslade (via MS Teams), Cr Kylie Leonard, Cr Danny Loughlin, Cr Christine Rankin, Cr Rachel Shepherd, Cr Kevin Taylor, Cr Yvonne Westerman, Cr John Williamson

IN ATTENDANCE: Chief Executive (J Gardyne), General Manager Organisation Performance (S Matthews), General Manager Community Infrastructure and Services (T Hale), General Manager People and Community Partnerships (H Tattle), General Manager Strategy and Environment (W Zander), Policy Manager (N Carroll), Communications Manager (L McMichael), Finance Manager (J Paenga), Infrastructure Manager (R Stokes), Project Management Office Manager (P Fletcher, MS Teams), Environmental Services Manager (J Sparks), Executive Manager Mayor's Office (J Later), Team Leader Corporate Planning (A Smith), Senior Policy Advisor (K Goode), Environmental Impact Manager (B Aitken), Policy Advisor (A Wilson), District Venues Manager (B Green), Asset Manager Water (T Swindells), Legal and Governance Coordinator (M Cammell, via MS Teams), Senior Committee Advisor (K Watts)

MEDIA AND PUBLIC: One member of the public.

Notes: (i) Mayor David Trewavas welcomed Crs Fletcher and Greenslade who had joined the meeting via MS Teams.

(ii) Elected members had received an email from Cr Duncan Campbell to advise that he was not attending the meeting but did not accept it as an apology.

1 KARAKIA

All present recited the opening karakia.

2 WHAKAPĀHA | APOLOGIES

TDC202506/11 RESOLUTION

Moved: Cr Rachel Shepherd

Seconded: Cr John Williamson

That the apology received from Cr Kirsty Trueman be accepted.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202506/11 above.

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3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST

Nil

4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES

Nil

5 NGĀ KAUPAPA HERE ME NGĀ WHAKATAUNGA | POLICY AND DECISION MAKING**5.1 ADOPTION OF THE ANNUAL PLAN 2025/26 AND FEES AND CHARGES 2025/26**

The Senior Policy Advisor summarised the report and confirmed that the Independent Chair and representative of Council's Risk and Assurance Committee had endorsed the Annual Plan 2025-26.

Members thanked staff for the work that had gone into finding efficiencies and cost savings to ensure a minimal increase on rates compared to year 2 of the Long-term Plan 2024-34.

TDC202506/12 RESOLUTION

Moved: Cr John Williamson

Seconded: Cr Danny Loughlin

That Council:

1. Adopts the Fees and Charges Schedule for 2025/26 (attached to this report)
2. Adopts the Annual Plan 2025/26 (attached to this report) in accordance with section 95 of the Local Government Act 2002 (LGA)
3. Notes that within one month after adoption, a designed version will be made publicly available in accordance with s95(7) of the Local Government Act 2002.
4. Delegates to the Chief Executive Officer the power to move funding from 2026/27 back to 2025/26 in relation to the capital projects identified in the 'Annual Plan: Final Capital Programme Rephase Report' (attached to this report) subject to a requirement to report the exercise of the delegation to Council as part of regular performance reporting.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202506/12 above.

5.2 RATES RESOLUTION 2025-26

The Finance Manager presented the item on behalf of the Rates Manager and confirmed that the format was the same as the previous year. The rates would be collected in four instalments which was the usual practice.

Members commented that it was tough to have to increase rates and there were challenges from central government mandating costs to local government in regards to three waters, waste and transportation.

TDC202506/13 RESOLUTION

Moved: Cr Yvonne Westerman

Seconded: Cr Kevin Taylor

That, pursuant to section 23 of the Local Government (Rating) Act 2002, and in accordance with the Taupō District Council's Annual Plan 2025-26, including the Funding Impact Statement the Taupō District Council hereby sets the rates and charges as set out in this resolution; (and in accordance with sections 24 and 57 states the due dates for payment of rates and authorises the addition of penalties to unpaid rates) for the period commencing on 1 July 2025 and ending on 30 June 2026:

The rates and charges are as follows:

1. General Rate

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30 June 2025

A General Rate, set under section 13 of the Local Government (Rating) Act 2002 on every rating unit in the district and calculated on the capital value of each rateable rating unit. This rate is set on a differential basis as follows:

Rating Unit Category	Rate per \$ of CV 2025/26 GST incl
Residential	0.0021196/\$
Rural	0.0021196/\$
Industrial/Commercial (including electricity generators, utility assets and networks)	0.0038153/\$
Accommodation	0.0038153/\$
Other	0.0021196/\$

2. Uniform Annual General Charge

A Uniform Annual General Charge set under section 15 of the Local Government (Rating) Act 2002 assessed on every separately used or inhabited part (SUIP) of a rating unit in the district.

Per SUIP	2025/26 GST incl
Uniform Annual General Charge	\$250.00

3. Sewage Disposal

A targeted rate for sewage disposal, set under section 16 of the Local Government (Rating) Act 2002, assessed on every rating unit connected or available to be connected (serviceable) to an accessible Council scheme on the basis of one charge per pan, urinal discharge point (with the exception of the residence of a single household – which shall be assessed only one charge) for connected rating units and per rating unit for serviceable rating units. For the avoidance of doubt the words 'a single household' do not restrict the charge to one pan/urinal in the situation where a rating unit has separately used or inhabited parts. In such a situation each separately used or inhabited part is regarded as a separate household, and the pan charge applied will be at the cumulative per pan rate multiplied by the number of households. (Serviceable - rating units within 30 meters of an accessible sewage drain).

The sewer schemes are: Taupō Township, Acacia Bay, Kinloch, Whakamaru, Mangakino, Ātiamuri, Tūrangi Township/Tokaanu, Omori/Kuratau/Pukawa, Motutere, Whareroa and Motuoapa.

Targeted Sewer Disposal charges per rating unit are:

Factor	2025/26 GST incl
Connected (1 pan/urinals) per pan/urinal	\$1126.61
Connected (2 pans/urinals) per pan/urinal	\$844.96
Connected (3 or more pans/urinals) per pan/urinal	\$563.30
Wastewater discharge points	\$1126.61
Connected Schools per pan/urinal	\$281.65
Serviceable (available to be connected) per rating unit	\$563.31

4. Water supply

A fixed targeted rate for water supply, set under section 16 of the Local Government (Rating) Act, assessed on each separately used or inhabited part of a rating unit, and being a rating unit, which is connected, or is available to be connected (serviceable), to an accessible Council scheme. A full charge will be made for each connected separately used or inhabited part of the rating unit and a half charge for serviceable separately used or inhabited parts of a rating unit (those within 100 meters of any part of the water scheme).

Water Supply rate	2025/26 GST incl Serviceable (available to be connected)	2025/26 GST incl Connected
District wide fixed targeted	\$478.90	\$957.79

The water schemes are: Taupō, Kinloch, Whakaroa, River Road, Mangakino, Tirohanga, Turangi, Motuoapa, Tokaanu, Hatepe, Omori/Kuratau/Pukawa, Whakamaru, Atiamuri, Rakaunui Road, Waihaha, Whareroa, Centennial Drive, Motutere

5. Metered Water Supply

Targeted rates for metered water supply, set under section 19 of the Local Government (Rating) Act 2002, and assessed on the volume of water supplied to every rating unit with a water meter. These metered water charges apply for supply over and above the equivalent supply allocation provided under the fixed targeted rate, where the equivalent supply allocation is the amount of the fixed targeted rate, divided by the rate per m³ for the relevant water scheme that the property is connected to.

The targeted water meter rates by water scheme are:

Water Scheme	2025/26 GST incl
	cents/m ³
Taupō (includes Taupō township, Waitahanui, Wairakei Village, Acacia Bay, Five Mile Bay, Bonshaw Park, Whakamoenga Point and the wider Mapara area).	227
Kinloch	186
Whakaroa	229
River Road	203
Mangakino	186
Tirohanga	140
Tūrangi	140
Motuoapa	140
Tokaanu	140
Hatepe	259

Omorī/Kuratau/Pukawa	159
Whareroa	227
Whakamaru	159
Ātiamuri	186
Rakaunui Road	140
Centennial Drive (untreated)	57
Waihaha	140
Motutere	259

6. District Refuse Disposal Charge

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

The targeted District Refuse Disposal Charge is:

	2025/26 GST incl Accommodation, Industrial/Commercial, Electricity Generators, Utility Assets & Networks	2025/26 GST incl Residential, Rural or Other
District Refuse Disposal Charge	\$430.10	\$215.05

7. Whareroa Refuse Rate

A targeted Whareroa Refuse Rate, set under section 16 of the Local Government (Rating) Act 2002, assessed on all rating units in the Whareroa rating area as a fixed amount per rating unit.

The targeted Whareroa Refuse Rate is:

	2025/26 GST incl
Whareroa Refuse Rate	\$218.01

8. Town Centre Taupō Management Rate

A targeted Town Centre Taupō Management Rate, set under section 16 of the Local Government (Rating) Act 2002, assessed on each separately used or inhabited part of industrial/commercial (including electricity generators, utility assets and networks) rating units within the Taupō town centre boundary.

The targeted Town Centre Taupō Management Rate is:

	2025/26 GST incl
Town Centre Taupō Management	\$429.71

9. Goods and Services Tax (GST)

15% GST is included in the rates.

10. Due dates for payment

The due dates for the three instalments for rates assessed (excluding rates for metered water supply) are set out in the table below:

Instalment	Due Dates	Period the instalment covers
One	20 August 2025	1 July – 30 September
Two	20 November 2025	1 October – 31 December
Three	20 February 2026	1 January – 31 March
Four	20 May 2026	1 April – 30 June

The due dates for the targeted rates for metered water supply are set out in the table below:

Month	Area	Due Date	
1	Taupō Town	20 Aug 25	20-Feb-26
2	Taupō Town, Acacia Bay, Wairakei	22 Sep 25	20 Mar 26
3	Taupō Town, Broadlands Rd/TMP, Mapara, Tokaanu, Tūrangi, Omori/Kuratau/Pukawa & Whareroa	20 Oct 25	20 Apr 26
4	Mangakino/Atiamuri/Whakamaru, Bonshaw Park, Waitahanui/Hatepe/Motuoapa, Centennial Drive/Rakaunui Road, River Road, Whakamoenga Point, Waihaha	20 Nov 25	20 May 26
5	Taupō Town, Kinloch, Whakaroa, Tirohanga, Serenity Cove	22 Dec 25	20 Jun 26
6	Taupō Town, Ashwood Park	21 Jul 25	22-Jan-26
Monthly	A C Baths, various other (Taupō)	20 th of each month (or the next working day)	
Quarterly	Various (Taupō)	22 Sep & 22 Dec 25 20 Mar & 20 June 26	

(Unless otherwise noted in the table, meters are read six monthly)

11. Penalty Charges

A 10% penalty will be added to any part of the rates instalment that remains unpaid after the due date as shown in the table below as provided for in section 57 and 58(1)(a) of the Local Government (Rating) Act 2002.

Due Date	Penalty added
20 August 2025	27 August 2025
20 November 2025	27 November 2025
20 February 2026	27 February 2026
20 May 2026	27 May 2026

A further 10% penalty on any rates that are unpaid from previous years on 7 July 2025 being 5 working days

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after this resolution is made, as provided in section 58(1)(b)(ii) of the Local Government (Rating) Act 2002 will be added on 8 July 2025.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202506/13 above.

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS

Nil

The meeting closed at 11.23am with a closing karakia from all present.

The minutes of this meeting were confirmed at the Ordinary Council Meeting held on 29 July 2025.

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CHAIRPERSON

Attachment 1 - Timeline and details of development of JMA

Date	Action	Comments
Feb 2020	Council received formal notice from TMTB to enter into a JMA.	Triggered the requirement to establish a joint committee to oversee the development of the JMA.
30 June 2020	Council Meeting <ul style="list-style-type: none"> Convened the Joint Committee Appointed Council members Approves terms of reference Delegates powers to Joint committee Approves, in principle, the inclusion of Taupo Waters. 	TDC202006/09 1. Convenes a committee with Tūwharetoa Māori Trust Board, called the Tūwharetoa Māori Trust Board and Taupō District Council Committee; 2. Appoints Councillors Kylie Leonard, Kirsty Trueman, and John Williamson to the Committee; 3. Approves the draft terms of reference for the Committee. 4. Delegates to the Committee the powers described in the terms of reference attached to the agenda; and 5. Approves, in principle, the inclusion of Taupō Waters in the negotiation of the scope of the Joint Management Agreement.
October 2021	Legal advice to clarify the scope and inclusion of additional matters	The Council can include non-RMA matters, as additional matters, in the JMA.
2022-2023	Negotiations delayed due to structural changes, central government reforms and local body and central government elections	
24 Sept 2024	Council Meeting <ul style="list-style-type: none"> re-established the joint committee, appointed TDC members, 	TDC202409/05 - That Council re-establishes the Tūwharetoa Māori Trust Board – Taupō District Council joint committee.

Date	Action	Comments
	<ul style="list-style-type: none"> approved, in principle, the additional matters requested by TMTB to be included in the negotiation scope of the JMA and agreed to complete the JMA by 30 June 2025 	<p>TDC202409/06 - That Council appoints Crs Karam Fletcher, Kylie Leonard, Kirsty Trueman as members, and Cr John Williamson as an alternate to the Tūwharetoa Māori Trust Board – Taupō District Council joint committee.</p> <p>TDC202409/07 - That Council approves in principle, that additional matters requested by TMTB may be included under section 54 of the River Act in the negotiation scope of the Joint Management Agreement.</p> <p>TDC202409/08 - That Council agrees to complete the Joint Management Agreement by 30 June 2025.</p>
17 Dec 2024	Tūwharetoa Māori Trust Board – Taupō District Council Joint Committee meeting	<ul style="list-style-type: none"> TDC's aspirations for the relationship and JMA Achieving an outcomes focussed JMA; Joint work plan dates for next joint committee meetings
11 Feb 2025	Tūwharetoa Māori Trust Board – Taupō District Council Joint Committee meeting	<ul style="list-style-type: none"> Draft work plan for JMA development Discussion on additional matters Update on drafting of JMA
12 March 2025	Tūwharetoa Māori Trust Board – Taupō District Council Joint Committee meeting	<ul style="list-style-type: none"> Update on drafting of JMA Early draft text for overarching provisions section of JMA
14 April 2025	Tūwharetoa Māori Trust Board – Taupō District Council Joint Committee meeting	<ul style="list-style-type: none"> Revised drafting of the overarching provisions section Initial draft text for amendments to RMA planning documents section of JMA Joint Communications Plan Revised work plan

Date	Action	Comments
1 May 2025	Closed Council workshop Closed under s 7(2)(i) of the Local Government Official Information and Meetings Act 1987 to enable the Council to continue negotiating the JMA without prejudice or disadvantage.	<ul style="list-style-type: none"> • What is a JMA • Existing JMAs • Why are we negotiating this JMA • Timeline • Legislation requirement, mandatory and additional matters • Taupo Moana extent • Shared vision • Communications Plan • Answer questions
22 May 2025	Tūwharetoa Māori Trust Board – Taupō District Council Joint Committee meeting	<ul style="list-style-type: none"> • He Hononga Wai • Update on drafting of mandatory matters – s45 • Initial drafting for tranche 1 of extension matters • Joint Communications Plan and FAQs • Revised work plan for JMA content
27 May 2025	Closed Council workshop Closed under s 7(2)(i) of the Local Government Official Information and Meetings Act 1987 to enable the Council to continue negotiating the JMA without prejudice or disadvantage.	<ul style="list-style-type: none"> • Recap <ul style="list-style-type: none"> ○ What is a Joint Management Agreement? ○ Existing JMAs ○ Why are we negotiating this JMA? ○ Timeframes ○ Structures for the project • Shared vision • JMA Area • Progress on mandatory matters • Details of additional matters • Answer questions

Date	Action	Comments
27 May 2025	<p>Council meeting</p> <ul style="list-style-type: none"> Appoint Councillor Westerman as the second alternate on the Joint Committee 	<ul style="list-style-type: none"> TDC202505/10 That Council: 3. Approves the appointment of Cr Yvonne Westerman as a second alternate to the Tūwharetoa Māori Trust Board – Taupō District Council joint committee.
6 June 2025	Tūwharetoa Māori Trust Board – Taupō District Council Joint Committee meeting	<ul style="list-style-type: none"> Discussion on progress and timelines
19 June 2025	<p>Closed Council workshop</p> <p>Closed under s 7(2)(i) of the Local Government Official Information and Meetings Act 1987 to enable the Council to continue negotiating the JMA without prejudice or disadvantage.</p>	<ul style="list-style-type: none"> Recap Area of JMA Outline of each of the sections of the JMA Answer questions
26 June 2025	<p>Closed Council workshop</p> <p>Closed under s 7(2)(i) of the Local Government Official Information and Meetings Act 1987 to enable the Council to continue negotiating the JMA without prejudice or disadvantage.</p>	<ul style="list-style-type: none"> Recap Focus on significance and engagement assessment and consultation Answer questions
1 July 2025	Tūwharetoa Māori Trust Board – Taupō District Council Joint Committee meeting	<ul style="list-style-type: none"> Draft JMA text Joint Communications Plan and FAQs Implementation Planning Revised Work Plan
3 July 2025	Council workshop	<ul style="list-style-type: none"> What is a Joint Management Agreement? Existing JMAs Why are we negotiating a JMA Timeline

Date	Action	Comments
	(Open to public as negotiation was complete and Joint Committee had made a recommendation to Council and TMTB)	<ul style="list-style-type: none"> • Legislation requirements • Details of Draft JMA • Taupo Moana v Taupo waters • Impact on workloads • Consultation • Answer questions
31 July 2025	Council meeting Consider the Joint committee recommendation to approve the JMA	<ul style="list-style-type: none"> • To consider the recommendation from the Joint Committee to approve the JMA.

This does not include:

- internal briefings for Councillors on the Joint Committee or
- the 23 Joint Working Group meetings (20 Dec, 16 Jan, 30 Jan, 5 Feb, 14 Feb, 4 March, 20 March, 3 April, 8 April, 16 April, 28 April, 6 May, 8 May, 12 May, 14 May, 26 May, 3 June, 6 June, 9 June, 10 June, 16 June, 25 June and 10 July.)

**JOINT MANAGEMENT AGREEMENT
REGARDING TAUPŌ MOANA AND THE
UPPER WAIKATO RIVER**

TŪWHARETOA MĀORI TRUST BOARD

AND

TAUPŌ DISTRICT COUNCIL

Draft : 1 July 2025

DATED:

PARTNERS

TŪWHARETOA MĀORI TRUST BOARD

and

TAUPŌ DISTRICT COUNCIL

(together, the **partners**).

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PART A: OVERARCHING PROVISIONS

SHARED VISION

Taupō Moana and the Upper Waikato River are thriving and healthy, sustaining abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of those water bodies, encompassing cultural, environmental, social, economic and spiritual factors, for future generations.

THE PARTNERS

1. Ngā Hapū o Tūwharetoa, represented by the Tūwharetoa Māori Trust Board for the purpose of this joint management agreement, hold mana whenua, kaitiakitanga and rangatiratanga over the Central North Island including the Taupō Moana Catchment and part of the Waikato, Whanganui, Rangitikei, and Rangitaiki Catchments.
2. Ngā Hapū o Tūwharetoa are the descendants of Ngatoroirangi and other tūpuna who have occupied the Taupō district since the arrival of the Te Arawa waka. Ngāti Tūwharetoa are linked by whakapapa to their lands and taonga. This connection establishes their mana whenua, kaitiakitanga and rangatiratanga, including their right to establish and maintain a meaningful and sustainable relationship between whānau, hapū, and their taonga. The exercise of mana, rangatiratanga and kaitiakitanga is central to Ngā Hapū o Tūwharetoa resource management decision-making.
3. The Council is a territorial authority under the Local Government Act 2002, and as such is responsible, among other things, for promoting positive social, economic, environmental, and cultural outcomes for present and future generations of the communities of the Taupō district.
4. The partners acknowledge the parallel role and jurisdiction of the Waikato Regional Council within the Taupō district, particularly in relation to Taupō Moana and the Upper Waikato River.

BACKGROUND

He Hononga Wai

5. For Ngāti Tūwharetoa, water is far more than a physical resource - it is a living presence, a reflection of who we are, and a vital thread woven through the very fabric of life.
6. In our Tūwharetoa worldview, water holds Mauri, the life force flowing from Te Waipuna Ariki, the sacred spring of Io. Through Te Kore, Te Pō, and Te Ao, this process brought forth Ranginui and Papatūānuku, whose union birthed Te Whare Atua. Their separation created rain and mist, beginning the water cycle. Tāwhirimātea governs wind and weather; Tāne-te-waiora, with Hine-tū-pari-maunga, brings forth Hine-para-whenua-mea, who joins with Kiwa and Tangaroa to form Hinemoana. Rakahore shapes and guides the pathways of freshwater. From Tangaroa came Ikatere and Tūtewehiwehi, linking sea and land. Te Rā Kura, Hinemarama, and Rona Whakamautai guide photosynthesis, tides, and water regulation. Hinewai, Hine-ihorangi, Hine-pūkohurangi, and Hine-kapua personify rain, mist,

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and cloud, completing the hydrological cycle. All is bound by Matemate-ā-one, the deep longing for reconnection - reminding us that water is sacred, alive, and ancestral.

7. For Tūwharetoa, Te Awa o Waikato originates from one of Ranginui's sacred tears, shed in compassion for the wounded land drawn up by Māui. That divine tear emerged as Waikatoiti, a spring nurtured and protected by Tongariro, who allowed it to flourish in support of his beloved relative Taupiri. Waikatoiti flowed into an ancient volcanic crater, forming Taupō Moana - the confluence of Tūwharetoa amniotic waters. From there, its waters journeyed outward, eventually becoming Te Awa o Waikato. For Tūwharetoa, all waters are important - each connected, each life-giving, none greater than the other, binding together our Maunga, Awa, and our people.
8. Our relationship with water is grounded in ancestral knowledge and lived experience. It shapes our stories, informs our responsibilities, and anchors our identity. We cherish it not only for its life-giving properties, but for its role as a source of identity, vitality, and intergenerational connection that binds us to the past, present, and future.
9. Guided by values and principles drawn from our ancestral narratives, we are not simply protectors of water - we are kin, bound by whakapapa to honour and uphold our relationship with it. In this worldview, water is not to be owned or controlled, but to be respected, honoured, and protected - as a relative, a life source, and a Taonga Tuku Iho.
10. To care for water is to care for ourselves, and for the wellbeing of the environment that will one day sustain our mokopuna. Without water there is no life; to know water, is to know life.

Legislative background

11. The Ngāti Tūwharetoa relationship with Taupō Moana, the Waikato River and their catchments has a unique legislative history.

Deeds in relation to the bed of Taupō Moana, certain tributaries and the Upper Waikato River

12. The Trust Board was constituted by section 16 of the Māori Land Amendment and Māori Land Claims Adjustment Act 1926 (**1926 Act**) following negotiations between the Crown and Ngāti Tūwharetoa relating to the fishery in Taupō Moana.
13. The 1926 Act, and a later Proclamation made on 7 October 1926, declared the bed of Lake Taupō, the beds of designated portions of the Waihora, Waiāhā, Whanganui, Whareroa, Kuratau, Poutu, Waimarino, Tauranga-Taupō, Tongariro, Waipēhi, Waiotaka, Hinemaiaia and Waitahanui Rivers and the bed of the Waikato River extending from Lake Taupō to Te Toka a Tia, inclusive of the Huka Falls (which came to be collectively known in legal terms as '**Taupō Waters**') the property of the Crown.
14. Ngāti Tūwharetoa maintained that the vesting in the Crown of title to the beds of Taupō Waters was not intended to be part of the 1926 agreement regarding access to the fishery and sought the return of such title to the iwi to restore the Ngāti Tūwharetoa relationship with Taupō Waters.
15. This was finally achieved in 1992. By Deeds with the Crown dated 28 August 1992 and 10 September 2007, the Tūwharetoa Māori Trust Board is now the trustee and legal owner of the bed, water column and air space of Taupō Waters.

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16. The 2007 Deed sets out that this area will be managed as if it were a reserve for recreation purposes under section 17 of the Reserves Act 1977 through a management board known as the Taupō-nui-a-Tia Management Board. The management plan for that area took effect from 1 August 2021.
17. The Trust Board holds legal title as trustee and holds rangatiratanga and acts as kaitiaki over Taupō Waters. These legal and fiduciary responsibilities are unique within the Taupō district.

Co-governance and co-management arrangements for the Waikato River

18. On 31 May 2010, the Crown and the Trust Board signed a Deed in Relation to Co-Governance and Co-Management Arrangements for the Upper Waikato River.
19. The deed was to address the Crown's past dealings in relation to the Waikato River in breach of its obligations under Te Tiriti o Waitangi (the Treaty of Waitangi).
20. The Crown and the Trust Board agreed to enter into the deed in recognition of "the interests of Ngāti Tūwharetoa in the Waikato River and its catchment and in Taupō Waters and to provide for the participation of Ngāti Tūwharetoa in the co-governance and co-management arrangements in respect of the Waikato River." Ngāti Tūwharetoa's interests in the Waikato River extend downstream as far as the confluence of the Waipapa River with the main stem of the Waikato River by virtue of the 1886 Taupō Nui a Tia boundary.
21. The deed was given legislative effect through the Ngāti Tūwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010 (**Upper Waikato River Act**). The overarching purpose of the Upper Waikato River Act is to restore and protect the health and wellbeing of the Waikato River for present and future generations.
22. The deed and subsequent Upper Waikato River Act acknowledged Ngāti Tūwharetoa's ownership of Taupō Waters, by providing that a joint management agreement established under the Upper Waikato River Act may extend to matters relating to the waterways within 'Taupō Waters'.

Role and importance of Lake Taupō and the Upper Waikato River

23. Lake Taupō and the Upper Waikato River are significant water bodies and, together with their catchments, comprise significant ecosystems of immense cultural, social, economic and spiritual importance.
24. These water bodies, their source waters, their tributaries and wider catchments are woven into the whakapapa of Ngā Hapū o Ngāti Tūwharetoa, and are part of the values and identity of all communities who call the Taupō district home. They breathe life into diverse ecosystems comprising alpine, lake, river and geothermal waters.
25. These water bodies are also central to the economic and social wellbeing of the district. Wai flows from ngā kāhui maunga, situated within Tongariro National Park, holding dual World Heritage status, into Lake Taupō, Australasia's largest fresh water lake. It then flows into the Upper Waikato River, home to Aotearoa's most visited natural attraction, the Huka Falls, and continues down Aotearoa's longest river. The area is a hub for regenerative tourism

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centred on the value of our nation's natural heritage, and its wai is important for security of the nation's energy supply and as a source of drinking water.

26. Together, the parties acknowledge that the health of Lake Taupō and the Upper Waikato River is critical to sustaining the health and wellbeing of the district's communities and those communities downstream. Ngā Hapū o Tūwharetoa have an inherent obligation to ensure that the mana and mauri of their wai is maintained, protected and enhanced. Ngāti Tūwharetoa and the Taupō district's communities play a critical role as custodians of the waters that flow from the outlet of Lake Taupō down the Waikato River and into downstream iwi and council environments.

'Taupō Waters' and the approach of this joint management agreement

27. Taupō Waters' is the term used in the legal documents mentioned above to refer to the bed of Lake Taupō, the beds of designated portions of the Waihora, Waiāhā, Whanganui, Whareroa, Kuratau, Poutu, Waimarino, Tauranga-Taupō, Tongariro, Waipēhi, Waiotaka, Hinemaiaia and Waitahanui Rivers and the bed of the Waikato River extending from Lake Taupō to Te Toka a Tia, inclusive of the Huka Falls.
28. While we acknowledge the significance of this expression for the partners, we do not use it to describe the water bodies of interest in this joint management agreement. Instead, we refer to the concept of **'Taupō Moana and the Upper Waikato River'**. This concept incorporates all waterbodies, rivers and streams in the JMA area outlined at Appendix 1, in a manner that promotes an integrated, holistic, and co-ordinated approach to the implementation of the shared vision.

PURPOSE OF AGREEMENT

29. The purpose of this agreement is to work in partnership to restore and protect the health and wellbeing of Taupō Moana and the Upper Waikato River to give effect to the shared vision.
30. To achieve the purpose, this agreement shall:
 - (a) provide a respectful and effective foundation for the partners to:
 - (i) enhance their partnership at governance and management levels;
 - (ii) nurture and encourage the relationship at an individual level between Ngā Hapū o Tūwharetoa members and the Council, and community members and the Trust Board, respectively;
 - (b) be interpreted in a manner that:
 - (i) is informed by the background to this agreement; and
 - (ii) in particular, gives expression to the mātauranga and whakapapa connections of Ngā Hapū o Ngāti Tūwharetoa and integrated, holistic and coordinated approach outlined in 'He Hononga Wai';
 - (c) direct the partners to set and achieve beneficial outcomes for Taupō Moana and the Upper Waikato River;

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- (d) provide a process for the partners to achieve agreed outcomes through regular joint outcomes planning, including the development and implementation of 3-yearly work plans;
- (e) address how the partners will work together through statutory processes including under the Resource Management Act 1991 (**RMA**), Local Government Act 2002 (**LGA**), Reserves Act 1977 (**Reserves Act**), and other relevant statutes; and
- (f) constitute the joint management agreement as provided for in Part 3 of the Upper Waikato River Act.

SCOPE AND CONTENT

- 31. The Upper Waikato River Act sets out the scope for this agreement.
- 32. This agreement covers:
 - (a) matters relating to the Upper Waikato River and activities within its catchment affecting the Upper Waikato River;
 - (b) matters relating to Taupō Moana and activities within its catchment affecting Taupō Moana;
- 33. The matters are:
 - (a) monitoring and enforcement;
 - (b) preparation, review, change or variation of a RMA planning document;
 - (c) processes in relation to resource consent applications;
 - (d) processes to explore whether customary activities can be carried out by Ngāti Tūwharetoa without the need for a statutory authorisation (including as a permitted activity) from the Council;
 - (e) capacity and capability building;
 - (f) reform and other application responses;
 - (g) section 33 RMA transfer of powers;
 - (h) economic development and investment opportunities;
 - (i) service infrastructure projects; and
 - (j) 3-yearly work plan.
- 34. A map of the JMA area is included at Appendix One.

RELATIONSHIP PRINCIPLES

- 35. The partners commit to the following relationship principles in working together under this agreement:
 - (a) being guided by the overarching purpose of the Upper Waikato River Act to advance the matters in this agreement;

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- (b) respecting the mana, rangatiratanga and kaitiakitanga rights and responsibilities of the iwi;
- (c) acknowledging that the responsibility to achieve the vision of this agreement represents a shared commitment;
- (d) promoting the principles of partnership and co-management;
- (e) reflecting a shared commitment to:
 - (i) work together in good faith and a spirit of co-operation;
 - (ii) be open, honest, and transparent in their communications; and
 - (iii) use their best endeavours to ensure that the purpose of the joint management agreement is achieved in an enduring manner; and
- (f) recognising that the joint management agreement operates within statutory frameworks and that complying with those statutory frameworks, meeting statutory timeframes, and minimising delays and costs are important.

JOINT COMMITTEE TO ACT AS KAITIAKI OF AGREEMENT

- 36. A governance committee will be established to be the kaitiaki of this agreement and to oversee its successful implementation (**JMA Committee**).
- 37. The JMA Committee will be made up of:
 - (a) three trustees of the Trust Board; and
 - (b) three elected members of the Council.
- 38. The JMA Committee will meet annually (or more frequently as agreed) to:
 - (a) review whether the agreement is effective in meeting its purpose;
 - (b) make any recommendations on what is required for the effective implementation of this agreement;
 - (c) provide guidance to those acting under this agreement; and
 - (d) discuss other matters that arise under this agreement.
- 39. There will be a standing agenda for the JMA Committee meetings, which will include matters under the agreement that are not otherwise discussed in operational meetings.
- 40. There will be co-chairs for the JMA Committee meetings, one appointed by the Trust Board and one appointed by the Council. The co-chairs may regulate the procedure of the committee meetings as they see fit.
- 41. To avoid doubt, the JMA Committee will not be a committee, joint committee, council organisation or council controlled organisation for the purposes of the Local Government Act 2002.
- 42. The partners will each appoint a senior manager responsible for the practical implementation of the agreement.

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OTHER INTERESTS AND AGREEMENTS

43. On 17 January 2009, the Trust Board and the Council signed a joint management agreement in relation to notified resource consents and private plan changes on or affecting multiply owned Māori land within the Taupō District. It was a milestone and was the first joint management agreement entered into in Aotearoa. That agreement remains in force and is not extinguished.
44. The partners acknowledge that this agreement shall not operate to undermine the existing and evolving agreements between Council and Ngā Hapū o Tūwharetoa, including the Mana Whakahono a Rohe between Ngāti Tūrangitukua and Taupō District Council.
45. The partners also recognise that:
 - (a) There may be overlapping interests involving other iwi authorities within the district. There is an acknowledgement that those different iwi authorities may have different perspectives.
 - (b) There are a range of existing and evolving agreements between Council and other iwi authorities relating to RMA processes. This means that in some situations there may be overlapping requirements that will need to be worked through by those who are affected.

PART B: GENERAL PROVISIONS

MONITORING AND ENFORCEMENT

Preliminary matters

46. Clauses 47 to 56 apply to monitoring and enforcement activities relating to:
 - (a) the Upper Waikato River and activities within its catchment affecting the Upper Waikato River; and/or
 - (b) Taupō Moana and activities within its catchment affecting Taupō Moana.
47. To the extent relevant to the matters set out in clause 46:
 - (a) 'monitoring' means monitoring under sections 35(2)(a) to (d) of the RMA and any other environmental or other monitoring carried out by the partners; and
 - (b) 'enforcement' means enforcement action taken under the RMA, Part 8 of the LGA or other relevant legislation administered by the Council.
48. The partners agree to approach monitoring and enforcement in the two stages set out below.

Stage One: Monitoring and enforcement activities

49. Trust Board staff and Council staff will meet bi-annually to discuss monitoring and enforcement activities located within the JMA area that:
 - (a) have been undertaken by the Council or the Trust Board in the previous six months;

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- (b) are planned to be undertaken by the Council or the Trust Board in the following six months; and
- (c) either party considers should be undertaken

(monitoring and enforcement priorities meeting).

50. At a minimum, the following matters will be discussed at the monitoring and enforcement priorities meeting:
 - (a) specific activities of interest to the Trust Board or the Council;
 - (b) specific sites or areas of interest to the Trust Board or the Council;
 - (c) specific work being undertaken by the Council in relation to section 35(2)(a) to (d) RMA matters, including any role for the Trust Board in that process;
 - (d) timeframes for any monitoring work including frequency and duration of that monitoring;
 - (e) access to existing monitoring data and information;
 - (f) methods to exchange and store data;
 - (g) the potential for review of RMA planning documents to address the outcomes of monitoring;
 - (h) the role of the Trust Board in the 5-yearly review provided for in section 35(2A) of the RMA;
 - (i) criteria for the commencement of prosecutions, applications for enforcement orders, the service of abatement notices or the service of infringement notices; and
 - (j) the potential for persons nominated by the Trust Board to participate in enforcement action under the RMA.
51. In addition to the meetings referred to in clause 49, where both partners agree they may, in between those meetings, discuss matters or request information in relation to monitoring and enforcement including in relation to matters set out in clauses 47, 49 and 50.

Stage Two: Monitoring agreement (if required)

52. Following the first or any subsequent monitoring and enforcement priorities meeting, Trust Board staff and Council staff may agree that the partners should enter into a monitoring agreement.
53. A monitoring agreement may set out matters including:
 - (a) the objectives for monitoring;
 - (b) sites, areas or activities to be monitored, including in relation to section 35(2)(a) to (d) RMA matters;
 - (c) methods for monitoring sites, areas or activities;
 - (d) frequency of monitoring (for example, daily, weekly or monthly);

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- (e) duration of monitoring for each site, area or activity;
- (f) use of data standards and data exchange protocols, including options for the Council or Trust Board to host and share access to new and existing data;
- (g) process and timeframes for operational meetings and the end of agreement review, if required;
- (h) roles, responsibilities and resourcing; and
- (i) other matters agreed between the partners.

54. The Trust Board and Council chief executives must jointly sign off a monitoring agreement.

Other matters

- 55. The Trust Board and the Council will each bear its own costs of complying with this monitoring and enforcement part of the agreement.
- 56. Schedule 7 of the LGA does not apply to the Trust Board and the Council when they carry out the duties and functions or exercise the powers described in this monitoring and enforcement part of the agreement.

PREPARATION, REVIEW, CHANGE OR VARIATION OF DISTRICT PLAN

- 57. Clauses 58 to 77 apply to the preparation, review, change or variation of a district plan proposed by the Council (**planning process**) and private plan changes but excluding designations and heritage protection orders, to the extent those processes impact on:
 - (a) the Upper Waikato River and activities within its catchment affecting the Upper Waikato River and relate to Te Ture Whaimana; and/or
 - (b) Taupo Moana and activities within its catchment affecting Taupo Moana.

Preliminary process

- 58. Before the Council makes a decision to commence the drafting of a planning process, the Council staff will, while having regard to the relevant Trust Board planning documents, prepare and provide to the Trust Board staff a draft issues and options paper which sets out:
 - (a) the proposed scope, rationale and desired outcomes from the planning process;
 - (b) a broad outline of the proposed content of the district plan that is intended to result from the planning process; and
 - (c) the proposed process for the planning process.

(issues and options paper)
- 59. The partners will collaborate on that issues and options paper before it is finalised.
- 60. In the issues and options paper, the Council staff may express their view on whether the planning process meets the criteria set out in clause 57(a) and/or (b).
- 61. Once the Trust Board staff have considered the issues and options paper, they must confirm their view to the Council staff on whether the planning process meets the criteria set out in clause 57(a) and/or (b).

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62. If there is a difference in view between the Trust Board staff and the Council staff as to whether the planning process meets the criteria set out in clause 57(a) and/or (b), the Trust Board staff and Council staff will work together in good faith to resolve that matter, and if necessary either party may refer the matter to the issue resolution process in clauses 160 and 161 of this agreement.
63. If the planning process meets the criteria set out in clause 57(a) and/or (b), the Council will implement the process set out in clauses 65 to 71.
64. If the planning process does not meet the criteria set out in clause 57(a) and/or (b), the Council will comply with Schedule 1 of the RMA, and the Trust Board will be involved in that process as provided for in that schedule.

Joint working party

65. Before the Council formally resolves to commence a planning process, the Trust Board and the Council must convene a joint staff working party (**joint working party**) to discuss and decide jointly on the recommendation to the Council on:
 - (a) the process to be adopted for the planning process;
 - (b) the general form and potential scope and content of any document to be drafted for the purposes of consultation or notification under clause 5 of Schedule 1 of the RMA; and
 - (c) whether to commence a review of, and whether to make an amendment to, the district plan.
66. The joint working party must decide jointly on the final recommendation to the Council on the content of the district plan to be notified under clause 5 of Schedule 1 of the RMA.
67. In the context of each planning process, the joint working party must discuss the opportunities for the Trust Board to participate in the Council's decisions on the provisions and matters raised in submissions under clause 10 of Schedule 1 of the RMA.
68. The partners acknowledge that:
 - (a) prior to the joint working party making a recommendation under clauses 65 and 66:
 - (i) the proposed recommendation must be provided by the Trust Board staff to the Trust Board; and
 - (ii) the joint working party recommendation must include the decision of the Trust Board;
 - (b) the Council may need to work with a number of iwi, hapū and other entities (including post-settlement governance entities) in the planning process; and
 - (c) while the partners will use best endeavours to reach a consensus on the recommendations under clauses 65 and 66, there may be different views presented in those recommendations.
69. The partners may agree in writing to modify the process above for a particular planning process.

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Selection of commissioners

70. Where the partners determine that a planning process meets the criteria set out in clause 57(a) and/or (b), the Council staff will seek recommendations from the Trust Board staff (in conjunction with other joint management agreement/mana whakahono a rohe partners) on an appropriately qualified iwi commissioner to sit on the hearings panel.
71. Other matters relating to any hearings panel that may also be discussed by the joint working party, taking into account integration with other RMA processes include, but are not limited to:
 - (a) Number of members appointed by the Council;
 - (b) Number of independent hearing commissioners selected by Council;
 - (c) The criteria which shall be used to select independent hearings commissioners; and
 - (d) An independent chairperson jointly appointed and/or agreed by the Trust Board and Council.

Private plan changes

72. Where the Council is aware of a private plan change application, it will actively encourage the applicant to engage early with the Trust Board staff prior to the lodgement of a private plan change application and, subject to applicant agreement, will facilitate Trust Board staff participation in formal pre-lodgement meetings.
73. If a private plan change request is made under clause 21 of Schedule 1 of the RMA, Council staff will contact Trust Board staff as soon as practicable to discuss the extent to which the proposal meets the criteria set out in clause 57(a) and/or (b).
74. Where Council staff and Trust Board staff determine that the request meets the criteria set out in clause 57(a) and/or (b):
 - (a) the Trust Board staff may provide advice to the Council staff in determining the potential effects of the proposed plan change;
 - (b) the commissioner selection process set out in clause 70 will be undertaken; and
 - (c) Council staff and Trust Board staff may also discuss the other matters in clause 71.

Other matters

75. Where clause 57(b) applies, Te Kaupapa Kaitiaki must be recognised and provided for in accordance with section 181 of the Ngāti Tūwharetoa Claims Settlement Act 2018.
76. The Trust Board and the Council will each bear its own costs of complying with this planning part of the agreement.
77. Schedule 7 of the LGA does not apply to the Trust Board and the Council when they carry out the duties and functions or exercise the powers described in this planning part of this agreement.

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RESOURCE CONSENT PROCESS**Preliminary matters**

78. Clauses 79 to 107 apply to resource consent processes relating to:
- (a) the Upper Waikato River and activities within its catchment affecting the Upper Waikato River; or
 - (b) Taupō Moana and activities within its catchment affecting Taupō Moana.
79. The Council agrees that:
- (a) at all times throughout the resource consent process, the Trust Board must be given reasonable and sufficient time and support to participate in the process and provide information in relation to the impact of the application on Ngāti Tūwharetoa values; and
 - (b) it is essential that resource consent applicants are appropriately informed of Ngāti Tūwharetoa values throughout the process, including as appropriate through the provision of a cultural impact assessment.
80. The partners acknowledge that:
- (a) engagement with the Trust Board does not replace the need for engagement with marae and hapū and other relevant groups (including other post-settlement governance entities);
 - (b) the Trust Board is unlikely to be the sole affected party for any particular resource consent application; and
 - (c) where the Trust Board considers it reasonably necessary, it may elect to assist the Council with identifying marae and hapū who may be affected.
81. The partners agree to approach the resource consent process in the following four stages.

Stage One: Pre-application advice

82. The Council will identify resource consent applications within the JMA area that may be of particular interest to the Trust Board including, but not limited to:
- (a) archaeological land;
 - (b) Māori-owned land;
 - (c) sites of significance; or
 - (d) the foreshore protection area.
83. If the Council identifies a resource application under clause 78, the Council will refer the applicant to the following documents:
- (a) the Tūwharetoa Environmental Iwi Management Plan;
 - (b) Te Kaupapa Kaitiaki; and
 - (c) Te Ture Whaimana o te Awa o Waikato.

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84. The Council will also encourage and guide the applicant to engage with the Trust Board early in the process and for the applicant to provide complete information so as to avoid delays later in the process.
85. In addition to clause 84, the Council may (if the applicant agrees) provide a summary of a proposed resource consent application to the Trust Board through the regular notifications email.
86. The Council may provide to the applicant relevant contact details for the Trust Board and for the relevant hapū representatives. This information would be noted in any pre-application meeting minutes.
87. On receipt of information on the proposed application, the Trust Board and/or hapū representatives may elect to inform the Council and the applicant what engagement and other processes may be appropriate (for example, a hui or a cultural impact assessment).

Stage Two: Council receipt and review of resource consent application

88. Once a resource consent application is received, the Council must process that application and may return it as incomplete within 10 working days after the application was lodged under section 88(3) of the RMA.
89. The Council will email the application to the Trust Board as soon as possible and no later than five working days after lodgement of the application. The information provided to the Trust Board must be the same as would be provided through the limited notification process or as otherwise agreed between the Trust Board and the Council.
90. The resource consent application will be reviewed by the Council's resource consent manager who will consider and determine (where relevant):
 - (a) whether the application meets the criteria referred to in clause 82;
 - (b) whether the documents identified in clause 83 have been considered and referenced in the application;
 - (c) whether there has been appropriate engagement with the Trust Board, marae and/or hapū;
 - (d) whether there has been any initial feedback from the Trust Board, marae and/or hapū; and
 - (e) any other relevant matters under this agreement or the RMA.
91. If the resource consent manager is not satisfied with the application in terms of the matters referred to in clause 90, the Council may elect to do one or more of the following:
 - (a) contact the applicant to discuss those matters;
 - (b) return the application under section 88(3) of the RMA;
 - (c) defer consideration of the application pending applications for further consents under section 91 of the RMA; and/or
 - (d) request further information under section 92 of the RMA.

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92. The Trust Board's expectation is that if appropriate engagement with the Trust Board and/or hapū has not taken place, or the relevant documents in clause 83 have not been considered and appropriately referenced in the application, the Council should return the application under section 88(3) of the RMA, defer consideration of the application under section 91 of the RMA or seek further information under section 92 of the RMA. That will provide time for appropriate engagement and for feedback from the Trust Board and/or hapū to inform the Council's decision in terms of the potential impacts of the application on Ngāti Tūwharetoa values.

Stage Three: Processing the resource consent application

93. The next step in the process is for the Council to decide whether notification of the resource consent application is required under the RMA.
94. As part of that process, the Council will need to decide whether:
- (a) the Trust Board and/or hapū are affected parties; and
 - (b) whether the application should be non-notified, limited or publicly notified.
95. Prior to making the notification decision, the Council will use its best endeavours to engage with the Trust Board to better inform that decision.
96. In making a notification decision, the Council will consider the potential impact on Ngāti Tūwharetoa values and the cultural, environmental and social implications for the Trust Board and/or hapū, including as a result of:
- (a) any feedback received through engagement; and
 - (b) an assessment of the known and likely adverse environmental effects and cultural effects (including as indicated in any cultural impact assessment).
97. Where an application for resource consent within the JMA area is to be publicly notified in accordance with section 95A of the RMA, the Council will notify the Trust Board directly as an iwi authority.

Stage Four: Decision-making

98. Following the notification decision, the next step is for a decision to be made on the resource consent application.
99. If the application is to be publicly or limited notified, there is an opportunity for the Trust Board to participate in the decision-making process including in relation to appropriate conditions to be imposed should consent be granted and through the appointment of commissioners.
100. The Council agrees to consider the appointment of qualified commissioners nominated by the Trust Board and/or hapū to hearing panels for relevant notified applications when requested by the Trust Board and/or hapū.
101. The Trust Board will:

- (a) provide a list of qualified commissioners to the Council and keep that list up to date; and
 - (b) in relation to a particular resource consent application, notify the Council whether it and/or hapū requests that a commissioner be appointed from that list.
102. Where a resource consent application is non-notified and where requested by the Trust Board and agreed to by the applicant, the Council will facilitate an opportunity for the Trust Board to provide comment on the proposed conditions of the resource consent.

Stage Five: Monitoring and Enforcement

103. The Council will endeavour to keep the Trust Board informed of any monitoring of or enforcement activity it undertakes for the resource consent.

Other matters

104. Until the obligation set out in clause 75 has been complied with, when deciding or processing an application for a resource consent or a review of the conditions of a resource consent that relates to an activity listed in section 184(1)(b) of the Ngāti Tūwharetoa Claims Settlement Act 2018, the Council must have particular regard to Te Kaupapa Kaitiaki.
105. The Council will engage with the Trust Board in relation to the following matters and in a manner consistent with this part of the agreement (with necessary modification):
- (a) RMA section 87E: prior to making a decision on whether to agree to the direct referral of an application to the Environment Court;
 - (b) RMA sections 127 to 128: prior to commencing a process to change, cancel or review of conditions of a resource consent; or
 - (c) RMA section 221: prior to making a decision to review, vary or cancel any condition in a consent notice.
106. The Trust Board and the Council will each bear its own costs of complying with this resource consent part of the agreement.
107. Schedule 7 of the LGA does not apply to the Trust Board and the Council when they carry out the duties and functions or exercise the powers described in this resource consent part of this agreement.

CUSTOMARY ACTIVITIES

Preliminary matters

108. Clauses 109 to 117 apply to customary activities relating to:
- (a) the Upper Waikato River and activities within its catchment affecting the Upper Waikato River; and/or
 - (b) Taupō Moana and activities within its catchment affecting Taupō Moana.
109. This section sets out a process for the Trust Board and the Council to explore whether customary activities:

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- (a) could be undertaken within the JMA area without the need for authorisation from the Council; and/or
 - (b) could be provided for as permitted activities in the district plan or otherwise enabled (if necessary) in other Council plans, bylaws or other documents.
110. This process may be initiated by the Trust Board or the Council at any time and when considered reasonably necessary. The processes set out below apply following the initiation of the process.

Stage One: Collective understanding of customary activities

111. Trust Board staff and Council staff will work together to agree a process that builds a collective understanding of the customary activities that are, or have been, undertaken by whānau and hapū within the JMA area.
112. These customary activities may include, but are not limited to:
- (a) flora, fauna, soils and mud used for customary activities;
 - (b) sites and areas where customary activities are, or have been, undertaken;
 - (c) customary practices such as rahui and mātaimai; and
 - (d) seasons when customary activities are undertaken.
113. The process will also build an understanding of:
- (a) existing barriers to undertaking customary activities; and
 - (b) opportunities to enhance customary activities.
114. The outcome of this process will inform stages two and three.

Stage two: Evaluation of Council plans, strategies and bylaws

115. If the Trust Board staff identify situations where customary activities are not able to be undertaken without Council authorisation, Trust Board staff and Council staff will meet to discuss and agree on a process to evaluate the relevant Council plans, bylaws or other documents. The purpose of that evaluation process will be to establish whether the customary activities are unreasonably constrained and if a formal review of the relevant document should be undertaken.

Stage three: Amendments to plans, strategies and bylaws (if required)

116. If Trust Board staff and Council staff agree an amendment to any plan, bylaw or other document is desirable, Trust Board staff and Council staff will:
- (a) agree the timeframe and process for reviewing and amending the particular plan, bylaw or other document;
 - (b) co-draft the content of the amendment; and
 - (c) jointly recommend the amendment to the Trust Board and the Council.
117. The partners acknowledge that:

- (a) the process for considering and agreeing the timing and extent of any review and amendment process will need to include consideration of:
 - (i) the timing of any reviews of the relevant documents already planned; and
 - (ii) the ability of the partners to provide resources for the review; and
- (b) as the administrator of its plans, bylaws and other documents, the Council will make the final decision on any amendment.

FURTHER MATTERS

Preliminary matters

118. The partners have agreed to extend this agreement to cover the additional duties, functions, or powers referred to in this part, in so far as they relate to the JMA area.

Capability and capacity building

119. The partners acknowledge that:

- (a) a critical aspect of operationalising this agreement is supporting Council staff and Trust Board staff to understand the overarching provisions of this agreement (the shared vision, background to this agreement, purpose, scope and relationship principles) and to implement them in their day-to-day work, where it affects those matters; and
- (b) there is an opportunity to effect organisational culture change, to support a new and improved way of working together. To effectively achieve this outcome, two-way capability and capacity building is required.

120. The partners consider capability and capacity building should be the subject of a joint project.

121. Scoping of that project will include consideration of a range of options, including:

- (a) agreement relationship inductions for governors, staff and contractors, with a focus on the matters outlined in the background to this agreement, particularly the relevance of the 1926 Act, 1992 and 2007 Deeds and Upper Waikato River Act;
- (b) the role of wānanga, marae visits, hīkoi / haerenga and site-visits;
- (c) Ngāti Tūwharetoa competency training for Council staff (such as a Ngāti Tūwharetoa perspective on rangatiratanga and Tiriti o Waitangi partnership);
- (d) production of guidance to support practical application of the relationship in the day-to-day work of staff;
- (e) the role of procurement policies;
- (f) the potential for secondments between the organisations; and
- (g) the opportunity to build the understanding and awareness of Trust Board staff of local government purpose, processes, decision making requirements and specific work areas such as the development of the long-term plan and the infrastructure and financial strategies.

122. The partners intend that the capability and capacity building project will address how the agreed project outcomes can be embedded in business-as-usual activities for the organisations.

Reform and other application responses

123. The partners acknowledge:
- (a) that they are each regularly invited to respond to the following matters of mutual interest:
 - (i) central government policy and legislative proposals, including discussion and consultation documents, and proposed regulations, rules and bills; and
 - (ii) third-party applications for approval, including under statutes such as the Fast-track Approvals Act 2024; and
 - (b) their shared vision and purpose give rise to the potential for common positions to be taken when responding to matters of mutual interest, and the partners are stronger when advocating together.
124. The partners agree to use best endeavours to keep connected on matters of mutual interest, including taking any of the following actions:
- (a) promoting open communication and the free exchange of information between Trust Board and Council staff;
 - (b) early engagement on matters of mutual interest, to inform high-level positions and support preparation to respond to future proposals;
 - (c) meeting to discuss and understand respective positions on any given policy, legislative or application proposal; and
 - (d) sharing draft responses or collaborating on joint responses.
125. The partners acknowledge that the Trust Board and Council have their own internal timeframes and approval processes that may render certain actions unsuitable for a given matter.

Section 33 transfers of power

126. Section 33 of the RMA enables a local authority to transfer any one or more of its functions, powers or duties under the RMA to an iwi authority, except the power of transfer.
127. In 2020, Ngāti Tūwharetoa became the first iwi in the country to be transferred powers under section 33 of the RMA, when the Waikato Regional Council transferred its water quality monitoring functions to the Trust Board. This remains Aotearoa's only example of a section 33 transfer to an iwi authority.
128. The partners acknowledge that a section 33 transfer has potential for mutual benefit for both partners. It supports the Trust Board to exercise a degree of rangatiratanga in its rohe, and the Council to enable to delivery of improved resource management outcomes for the Taupō district, including where the Council may have resource or other constraints.

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129. The partners commit to working together to investigate opportunities to transfer any one or more of the Council's functions, powers or duties under the RMA to the Trust Board, including:

- (a) having section 33 transfers as a standing agenda item for the meetings of the Joint Committee;
- (b) actively encouraging Council and Trust Board staff to identify and raise matters for which a section 33 transfer might be appropriate; and
- (c) maintaining a register for Council and Trust Board staff to record those matters and reasons for their view, for review at the meetings of the Joint Committee.

Economic development and investment opportunities

130. The partners acknowledge that:

- (a) they both play a role in stimulating the local economy, including as direct contributors through economic development and investment; and
- (b) working together may unlock greater opportunities for economic development and investment, including in terms of scale and magnitude of impact.

131. The partners agree to discuss, from time to time through their Chief Executives, opportunities to collaborate on economic development and investment projects where there is the potential for mutual interest.

132. The partners acknowledge that:

- (a) the Trust Board and Council each have economic development and investment relationships with other partners; and
- (b) this commitment is not intended to impact their ability to freely pursue economic development and investment opportunities through those other relationships.

Early engagement on service infrastructure projects

133. This section applies to service infrastructure projects relating to:

- (a) the Waikato River and activities within its catchment affecting the Waikato River; or
- (b) Taupō Moana and activities within its catchment affecting Taupō Moana.

134. In this agreement, **service infrastructure** includes:

- (a) water service infrastructure (including in relation to three waters);
- (b) roading infrastructure (including roads and footpaths); and
- (c) local purpose reserves (including stormwater reserves and road reserves).

135. The following process enables the partners to work together from an early stage in relation to service infrastructure projects.

Initial processes

136. In the initial stages, Council staff will identify potential projects that meet the criteria set out in clauses 133 and 134, and will engage with Trust Board staff for them to identify which

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projects the Trust Board would like to be involved in. Service infrastructure projects will generally be included in the long-term plan although those projects can be proposed at other times as well.

137. Trust Board staff and Council staff will agree a process for working together in relation to each service infrastructure project identified in clause 136 including in relation to (by way of example):
- (a) governance arrangements for the project;
 - (b) working groups;
 - (c) project processes and timeframes;
 - (d) processes for Trust Board staff or contractor participation in the project processes;
 - (e) how impacts on Tūwharetoa values will be assessed and addressed; and
 - (f) resourcing and capability building.

Investigating options

138. Once a project is identified and approved for further investigation, the next step is to identify and assess the potential options for delivering the project.
139. Trust Board staff and Council staff will discuss how Trust Board staff may participate in the options assessment process for a particular project, including in relation to (by way of example):
- (a) the range of options being assessed;
 - (b) the process and criteria for assessing those options; and
 - (c) participating in that assessment process.

Identifying a preferred option

140. Trust Board staff and Council staff will endeavour to reach consensus on the preferred option for the project, noting that consensus may not be possible in the circumstances.
141. In making the decision on the preferred option, the Council will give full consideration to Tūwharetoa values and Trust Board staff views and well as to other views and considerations.
142. The decision on the preferred option may be made through the long-term plan, annual plan or may be delegated to the Chief Executive.

Detailed design and construction

143. Unless already agreed as part of identifying the preferred option for the project, the Trust Board staff and Council staff will discuss the nature and extent of Trust Board staff involvement in the project delivery phase.

3-year work plan

144. The partners will jointly develop a 3-year work plan (**3-year plan**) to advance agreed joint projects that are relevant to the shared vision.

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Plan content

145. The 3-year plan:

- (a) will set out projects that the partners will work on together, to restore and protect the health and wellbeing of Taupō Moana and the Upper Waikato River; and
- (b) will not generally cover service infrastructure projects (given those projects are intended to be captured by the process set out at clauses 133 to 143), except where appropriate to do so as a component of a larger project.

146. The 3-year plan will include the following sections:

- (a) background and context;
- (b) a description of each project including:
 - (i) rationale and purpose;
 - (ii) resourcing;
 - (iii) delivery timeframe; and
 - (iv) sequencing of stages and deliverables;
- (c) progress reporting; and
- (d) reviews and amendments.

Alignment with long-term plan process

147. To ensure adequate funding and resourcing, the process to develop the 3-year work plan will align with the internal Council process to prepare and approve its long-term plan for each triennium.

148. Trust Board staff and Council staff will:

- (a) agree on the timeframes for the preparation of the 3-year plan; and
- (b) identify potential projects for inclusion in the 3-year plan and agree on which projects will be prioritised.

149. The partners acknowledge the detail required for each project to support decision-making for funding through the long-term plan process will vary and Trust Board staff and Council staff will collaborate to prepare the required project information.

150. As a minimum, there will need to be a description of the project, timing, the intended outcomes and the resource and budget requirements. Large-scale projects may require a business case.

151. The prioritised projects will be incorporated and considered alongside the Council's proposed work programme and budgets in the supporting information for the consultation document for the long-term plan.

152. The Trust Board will be free to submit on the consultation document for long-term plan in support of the inclusion of the proposed projects.

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Finalisation and monitoring of 3-year plan

153. Following the adoption of the long-term plan, the Trust Board staff and Council staff will review which projects have received funding and finalise the 3-year work plan to reflect those decisions.
154. The 3-year plan must be approved by the partners and the partners may agree to delegate that role to the Joint Committee.
155. The Joint Committee will be responsible for monitoring the progress of delivery against the 3-year plan. It is anticipated that the 3-year plan will be reviewed at least annually to reflect changing circumstances and those reviews should align with Council's annual plan processes.

REVIEW AND AMENDMENT OF AGREEMENT

156. The partners:
 - (a) may at any time agree in writing to undertake a review of this agreement;
 - (b) agree to an initial review no later than five years after the signing of this agreement; and
 - (c) subject to clause 158, agree that a review will be undertaken if necessitated by changes to the legislation referred to in this agreement.
157. As a result of the review, if the Trust Board and the Council agree in writing that this agreement should be amended, then they may amend it without further formality.
158. The partners acknowledge that at the date of this agreement some topics covered in the agreement are the subject of major reform, and the agreement may need to be modified to reflect changed legislative processes. Where the partners agree that any amendments are of a minor or technical nature and are required to reflect legislative changes, the agreement may be modified by agreement in writing without undertaking a review in accordance with clause 156(c).
159. If this agreement is amended, the partners must give notice of the amendment to the Minister for the Environment and provide a copy of the amended agreement to the Minister.

ISSUE RESOLUTION

160. The partners agree and acknowledge that for this agreement to be effective, the resolution of issues between them must be addressed in a constructive, co-operative and timely manner and in a manner consistent with good faith and the purpose and principles of this agreement.
161. If one party gives notice in writing to the other that there is an issue that needs to be resolved under this issue resolution process:
 - (a) as soon as practicable after receiving the notice, the Trust Board staff and Council staff will meet and work in good faith and in a manner consistent with the purpose and principles of this agreement to resolve the issue;

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- (b) if the issue has not been resolved within 20 working days after receipt of the notice (or such longer period as agreed between the partners), the Chief Executives of the Trust Board and the Council will meet to work in good faith and in a manner consistent with the purpose and principles of this agreement to resolve the issue; and
- (c) if the dispute has still not been resolved within 30 working days after a meeting between the Chief Executives, and as a matter of last resort, the issue will be referred to the Chair of the Trust Board and the Mayor for resolution.

SUSPENSION OF AGREEMENT

- 162. The Trust Board and the Council may agree in writing to suspend (in whole or in part) the operation of this agreement.
- 163. In reaching an agreement, the partners must specify the scope and duration of that suspension.

TERMINATION OF AGREEMENT

- 164. There is no right to terminate this agreement.
- 165. In relation to any extended part of the agreement (the **Extension Matters**):
 - (a) the partners agree that including Taupō Moana within the scope of this agreement is integral to giving effect to the shared vision, which requires an integrated, holistic, and co-ordinated approach;
 - (b) those parts may be terminated wholly or partly by one party giving the other party 20 working days' written notice;
 - (c) before either party exercises that right to terminate, the partners must work together to seek to resolve the issue giving rise to the wish to terminate, in a manner consistent with the principles set out in this agreement and if necessary the issue resolution processes set out in clauses 160 and 161.
- 166. Termination of part of this agreement does not affect the remaining part of the agreement.

WAIVER OF RIGHTS UNDER AGREEMENT

- 167. The Trust Board may give written notice to the Council that:
 - (a) it waives a right provided for in this agreement; or
 - (b) it revokes a notice of such a waiver.
- 168. The notice given by the Trust Board must specify the nature and duration of the waiver.

LEGAL FRAMEWORK

- 169. Sections 36B to 36E of the RMA do not apply to this agreement.
- 170. The carrying out of a duty or function, or the exercise of a power, under this agreement has the same legal effect as if carried out or exercised by the Council.
- 171. This agreement is enforceable between the partners.

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EXERCISE OF POWERS IN CERTAIN CIRCUMSTANCES

172. The Council may exercise or perform a statutory power or function that is affected by this agreement on its own account and not in accordance with this agreement:

- (a) if the statutory timeframe for the exercise or performance of that power or function cannot be complied with under this agreement; or
- (b) in the event of an emergency.

173. The Council must as soon as practicable, give the Trust Board written or electronic notice of the carrying out of the function or the exercise of the power.

DEFINITIONS

Extension Matters means:

- (a) the application of the JMA to Taupō Moana and activities within its catchment affecting Taupō Moana;
- (b) those matters set out at clauses 119 to 155;
- (c) in addition to (a) and (b) above:
 - (i) the resource consent provisions of this agreement at clauses 78 to 107, to the extent they apply beyond section 49(1)(b) of the Upper Waikato River Act;
 - (ii) the plan-making provisions of this agreement, to the extent they apply to selection of commissioners at clauses 70 and 71;
 - (iii) the monitoring and enforcement provisions of this agreement at clauses 46 to 56, to the extent they apply beyond section 47 of the Upper Waikato River Act.

Taupō Moana means Lake Taupō, all rivers and streams flowing into Lake Taupō and that part of the Waikato River flowing from Lake Taupō to Te Toka a Tia.

Upper Waikato River means the Waikato River (as defined under section 7 of the Upper Waikato River Act) flowing from Te Toka a Tia, to the extent that it is within the JMA area.

JMA area means the area outlined in Appendix 1.

RMA means Resource Management Act 1991.

LGA means Local Government Act 2002.

SIGNED BY THE PARTNERS

SIGNED for and on behalf of

**TŪWHARETOA MĀORI TRUST
BOARD** by its authorised signatory

Signature

[name]

[role]

SIGNED for and on behalf of

[TAUPŌ DISTRICT COUNCIL] by its
authorised signatory

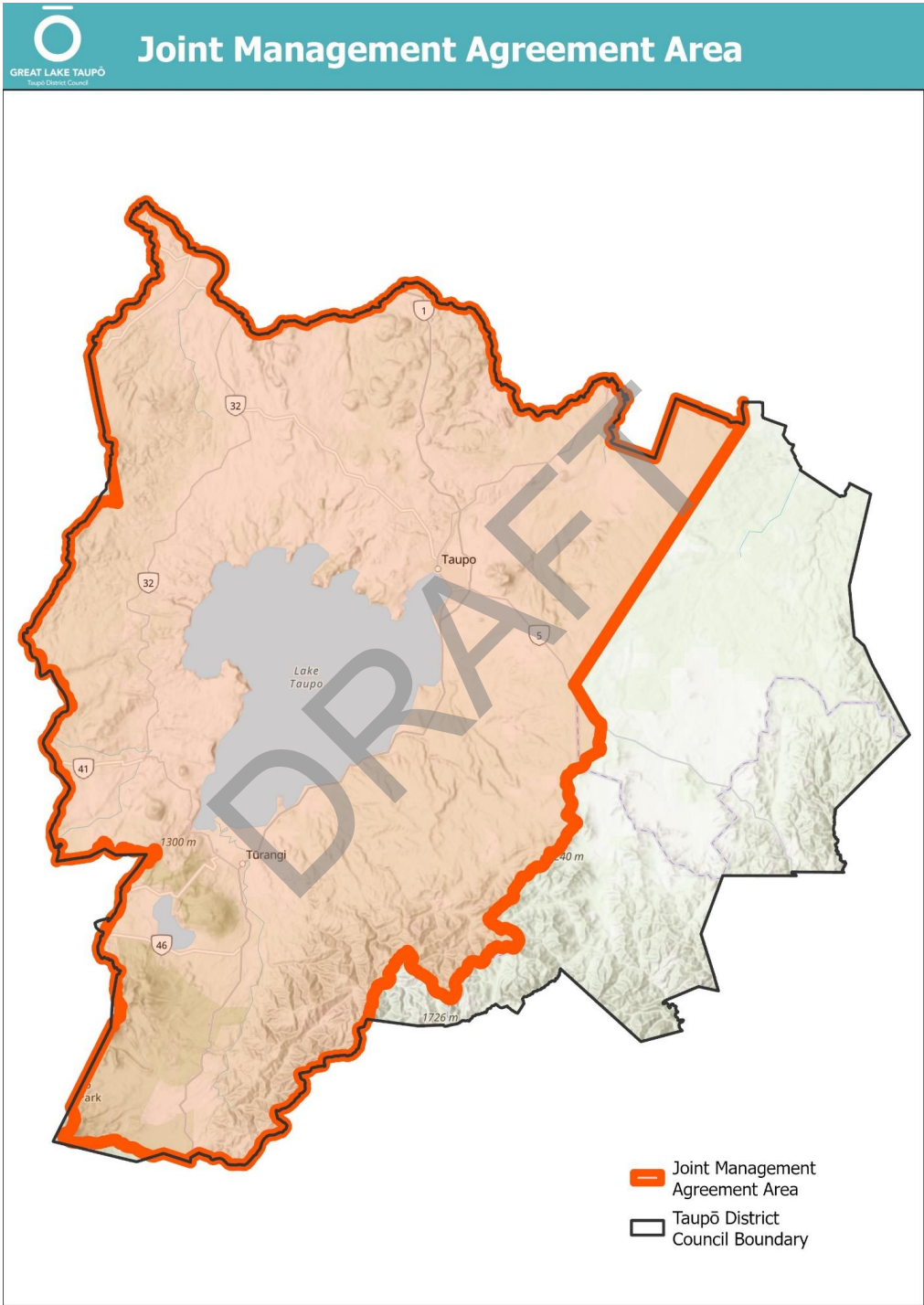
Signature

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APPENDIX 1



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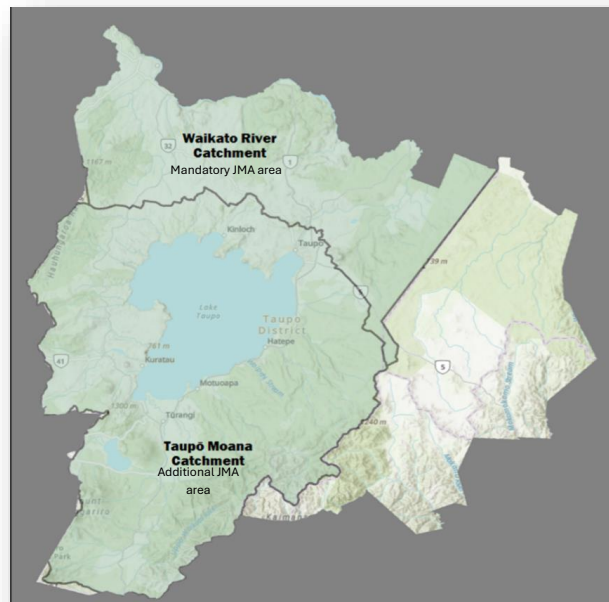
Attachment 3 - Summary of matters included in the JMA, the JMA area and additional matters.

Area of JMA

The Upper Waikato River Act requires the JMA to apply to the Waikato River and activities within its catchment that affect the Waikato River (defined as Area B on SO 409144 Attachment 1). The Joint Committee recommended extending the JMA geographically to cover a wider area than required under the legislation. That is Taupo Moana and its catchment as well as the mandatory Waikato River and its catchment. Taupō Moana means Lake Taupō, all rivers and streams flowing into Lake Taupō and that part of the Waikato River flowing from Lake Taupō to Te Toka a Tia (just north of Huka Falls). While that JMA area looks large the JMA only requires TMTB and the Council to work together to manage activities in the catchment of the Waikato River and Taupo Moana that may affect the Waikato River and Taupo Moana. The JMA does not seek to control or manage all activities within the JMA area.

As Lake Taupō and its tributaries are connected and flow into the Waikato River the Joint Committee recommended that it was vital to protect and restore Taupo Moana as well as the Waikato River. This is consistent with the shared vision and purpose. The difference is the area is shown below:

Figure 1: The JMA area showing the Waikato River catchment and Taupo Moana catchment.



The details of the final draft JMA are:

Shared vision

Taupō Moana and the Upper Waikato River are thriving and healthy, sustaining abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of those water bodies, encompassing cultural, environmental, social, economic and spiritual factors, for future generations.

Purpose

To work in partnership to restore and protect the health and wellbeing of Taupō Moana and the Upper Waikato River to give effect to the shared vision.

Mandatory matters

Processes for working collaboratively on RMA:

- plan making,
- monitoring and enforcement,
- resource consents, and
- enabling customary activities to be carried out as permitted activities under the District Plan

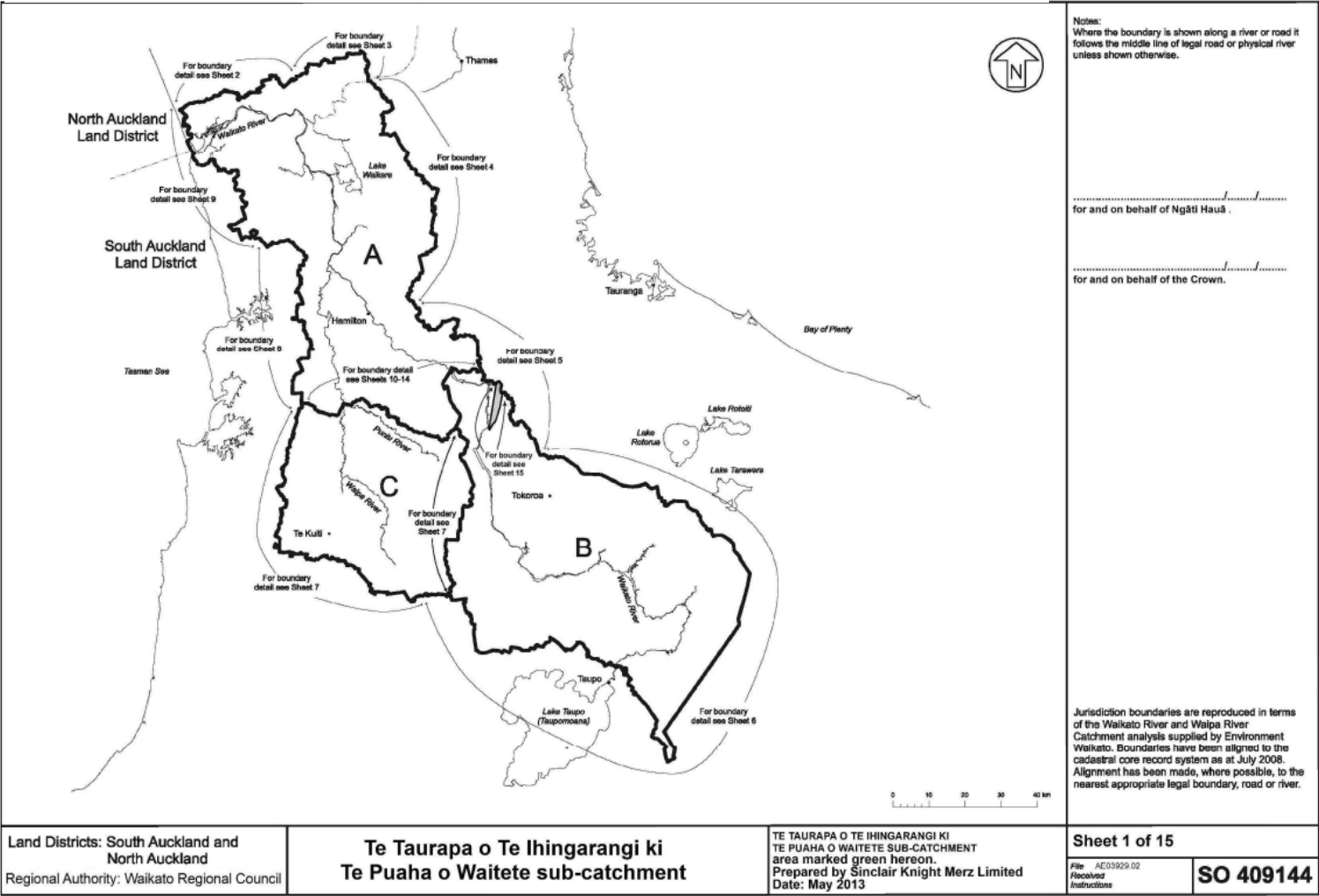
Additional Matters

The Joint Committee recommended including the following additional matters:

- Extending the Resource Management Act matters as follows:
 - the resource consent provisions to apply to applications beyond those for the use of or activities on the surface of the water in the Waikato River (mandatory), to include those that relate to the Upper Waikato River and activities within its catchment affecting the Upper Waikato River; or that relate to Taupō Moana and activities within its catchment affecting Taupō Moana.
 - The plan making provisions to include a process for the selection of commissioners (clauses 70 and 71) and the inclusion of an issues and options paper at the beginning of the process (clauses 58 to 60).
 - The monitoring and enforcement provisions to include any other monitoring or enforcement carried out by the partners, not just that under the RMA.
- Including the following additional matters within the JMA area where activities may affect the Waikato River and/or Taupō Moana:
 - Establishment of a Joint Committee to oversee implementation of the agreement:
 - Made up of three trustees of the Trust Board and three elected members of the Council;
 - Meets at least annually; and
 - Not a formal committee or joint committee, council organisation or council controlled organisation for the purposes of the Local Government Act 2002.
 - Capability and capacity building - a joint project to ensure:
 - Council and Trust Board staff understand the overarching provisions of the agreement and implement them in their day-to-day work, and
 - Change to the organisational culture to support a new and improved way of working together.
 - Reform and other application responses - collaborating, where possible, on:
 - submissions to Central Government policy and legislative and regulation proposals; and
 - third-party applications for approval, e.g. under the Fast-track Approvals Act 2024.
 - Section 33 transfer of powers - Working together to investigate opportunities to transfer any of Council's RMA functions/powers to the Trust Board including:
 - a regular agenda item for the governance forum meetings;

- encouraging Council and Trust Board staff to identify and raise possibilities for transfers; and
 - recording these and reasons and reviewing them at the governance forum.
- Economic development and investment opportunities - Discussing opportunities to collaborate on economic development and investment projects. These clauses acknowledge that each party has economic development and investment relationships with other partners so this will not impact their ability to pursue opportunities through those other relationships
- Early engagement on service infrastructure projects - A process enabling both parties to work together, from early stages through to completion, on identified 3 waters and roading infrastructure projects.
- Three-year work plan - A process creating a joint three-year work plan to progress specific joint projects and keep each party accountable.

Attachment 1 – SO 409144 Plan. Showing the mandatory JMA area (Area B within the district)



How significant is a decision on the draft joint management agreement?

Purpose

1. In order to determine how to achieve compliance with sections 77 and 78¹ of the Local Government Act 2002, Council needs to determine the significance of the proposed decision against the provisions and criteria in Council's Significance and Engagement Policy. The Policy provides clarity about how significant a decision is and when communities can expect to be engaged in relation to decisions about different issues, assets or other matters.
2. This officer assessment is intended to help inform elected members regarding the application of the Policy. However, decisions regarding the significance of the matter and the appropriate level of engagement with the community will be made by them.

Background

3. Council and the Tūwharetoa Māori Trust Board (the **Trust Board**) have been negotiating a joint management agreement (**draft Agreement**). Preparing such an agreement is a duty placed on the parties by the Ngāti Tūwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010 (the **Act**)².
4. Part 3 of the Act sets out this duty, as well as the scope and content requirements for the draft agreement, and the process that is to be followed for preparing and finalising the Agreement.
5. In this instance, a joint committee of Council and Trust Board representatives has overseen the development of the draft Agreement (as required by the Act). They have directed the joint working group, made up of staff from both organisations, to include a range of other matters in addition to the mandatory content requirements relating to the Resource Management Act 1991 (**RMA**). Those additional matters are defined in the draft Agreement and cover:
 - a. The matters related to monitoring, enforcement, changes to the District Plan, and customary activities that are not directly related to the Resource Management Act.
 - b. The matters in the Resource Consent section that relate to applications for activities beyond those on the surface of the water.
 - c. All the matters in the Further Matters part of the draft Agreement being, capacity and capability building, reform and other application processes, economic development, the transfer of RMA powers, service infrastructure projects and the three-year work plans.
6. The draft Agreement has also been extended geographically. Under the Act, an agreement must cover the Waikato River, north of Huka Falls, and activities in its catchment affecting the Waikato River (defined as Area B on survey plan SO 409144, Attachment 2). The draft Agreement has been extended to include Lake Taupo, all its tributaries and the section of the Waikato River between the Control Gates and Huka Falls (collectively known as Taupo Moana).
7. The joint committee³ has recommended a draft Agreement to the Council and the Trust Board, who will need to separately consider whether to adopt the Agreement.

¹ Section 77 sets out the requirements in relation to decisions and section 78 sets out the consideration of the community views in relation to decisions.

² The joint management agreement is required by section 43 of the **Act**. Section 45 of the Act sets out the contents of the agreement that must be included. Section 54 allows the parties to extend the agreement to cover additional duties, functions or powers.

³ The recommendation was passed at the Joint Committee Meeting on 1 July 2025.

Significance and Engagement Policy

8. Under the Policy (clause 12) a decision is considered significant if it:
 - a. Has a high degree of significance based on an assessment against the criteria;
 - b. Substantially affects Council's ability to deliver a key activity identified in the Long-term Plan;
 - c. Results in the transfer of ownership or control of a strategic asset defined by the Local Government Act or listed in the Policy;
 - d. Requires the sale of Council's shareholding in any council-controlled trading organisation or council-controlled organisation.
9. In the context of a decision on the draft Agreement, the matters in (c) and (d) are not relevant.

Assessment against the Policy criteria

10. The Policy sets out five criteria that assist to determine significance, all of which have equal weight and need to be considered together:
 - a. What are the financial consequences to Council?
 - b. Are many people, organisations or businesses affected?
 - c. Will additional funding from the community be required?
 - d. Will there be a diversion of already committed resources?
 - e. Has there been recent community engagement?
11. When considering the consequences of the decision, Council should think about the services and infrastructure that it delivers. They are where the most direct consequences for people, organisations and businesses will likely arise.

What are the financial consequences to Council?

12. In terms of the guidance provided by the Policy, a financial consequence with a high level of significance involves an unplanned expense of over \$200,000 in operational costs, or \$2,000,000 in capital costs.
13. The decision to adopt the draft Agreement does not concern any one project and will instead be implemented over time through separate or ongoing processes.
14. As a result, officers do not consider that this decision will directly engage with this criterion, as any associated costs to the Council will arise through staff or consultant time, which is separately budgeted for (through the Long-term Plan or annual plan processes). The potential for additional Council funding to be required is addressed below, under the criterion relating to that factor.

Are many people, organisations or businesses affected?

15. The draft Agreement covers much of the Taupō district including all the substantial urban settlements. Given that, most people living in the district will fall within the Agreement area. Residents will not automatically be impacted by the Agreement, as it is only engaged in certain instances and for certain Council functions.

16. The Policy guidance for this criterion says that a decision with a high level of significance would impact multiple suburbs, most of the community or have major impacts for specific parts of the community.
17. Officers consider that this threshold is unlikely to be met for the proposed decision, as Council will continue to deliver the infrastructure and services as anticipated by the Long-term Plan. Council has a growing understanding of the values related to TMTB's role and how they might apply to resource consent applications. That has led to an increase in the number of consent applications that Council staff discuss with TMTB, and this is expected to continue regardless of whether the draft JMA is approved. Time spent liaising with the Trust Board may be on-charged by the Resource Consent team to applicants for resource consent. To provide an indication of scale, out of the approximately 350 resource consent applications over 2024/25, only 10 were discussed with TMTB to better understand whether they might have an interest.
18. There is broader community interest in matters related to co-governance between Council and iwi authorities. However, the draft Agreement does not propose to put in place co-governance arrangements. Instead, it is documenting the working relationship between Council and the Trust Board, formalising their involvement in a range of Council processes. The draft Agreement does not result in the transfer of decision-making powers between Council and the Trust Board.
19. There may also be interest from other iwi authorities or hapu groups who have existing working relationships with Council. A number of those arrangements create overlaps, for example the plan Kaupapa Kaitiaki, which was developed with Te Kotahitanga o Ngati Tuwharetoa, directly overlaps Taupō Moana. Those existing relationships continue to be relevant, and Council will continue to work with multiple iwi and hapu groups. Importantly, the draft Agreement does not limit the involvement of those other parties in Council's processes.
20. The Trust Board is clearly impacted by the draft Agreement, however they have been involved with the preparation of the draft Agreement.
21. The draft Agreement is unlikely to have a direct effect on many people in the community. Instead, people are more likely to be affected through the various Council processes that will take place in the future. This will include things like plan changes, reviews of reserve management plans, investigations for service infrastructure projects and budget decisions. Council will need to make specific decisions about how the community might be affected and what level of engagement would be appropriate in relation to each separate process.

Will additional funding from the community be required?

22. The Policy guidance for this criterion says that a decision with a high level of significance will result in an additional moderate or high cost to service users or the community. These costs could be incurred in a single project or across a programme of work.
23. This threshold is not considered to be met because Council is expected to meet the costs of complying with the draft Agreement using existing budgets identified in the Long-term Plan. If a need for additional funding is identified in the future, Council will consider that in the context of a long-term plan or an annual plan. Council retains full control over all budget decisions and can therefore manage any additional costs in the future. If that future request for funding is considered material or significant, Council will need to consult on that as a separate decision.
24. In terms of this criterion, the assessment is that there are no additional costs over and above those identified in the Long-term Plan. If a need for additional funding is identified in the future Council has planning processes for considering that.

Will there be a diversion of already committed resources?

25. To a limited extent, the implementation of this Agreement could lead to the diversion of staff resources and require additional consultant support, particularly in relation to three waters' service infrastructure projects.
26. The guide for a high level of significance on this criterion is a substantial diversion of resources that may result in project delivery delays of more than 12 months or a cessation of a service. This threshold is unlikely to be met because no cessation of services is anticipated. Furthermore, the draft Agreement enables Council to signal where the delivery of service infrastructure projects is critical to meet regulatory requirements. In those situations, the engagement process with the Trust Board can be curtailed to meet relevant regulatory requirements. Council will continue to set the work programme and its timing through the Long-term plan and subsequent annual plans.
27. Officers' assessment against this criterion is that the decision to finalise the draft Agreement is at the low end of the scale.

Has there been recent community engagement?

28. The final criterion recognises that where Council has already discussed a proposal with the community, it may not always be necessary to re-engage on that same matter. This criterion was designed to make it clear that Council would not reconsult on matters that were still recent unless there had been changes in circumstance. In the context of this matter that criterion is less relevant.
29. There has not been any previous engagement on the draft Agreement, as this is the first time it has been developed and considered by Council.
30. While there is some interest in the wider community about Council's relationship with iwi authorities, the concerns about co-governance are not relevant in this context. The draft Agreement has been prepared under the co-management part of the Act and Council will continue to retain all decision-making powers in relation to the processes identified in the draft Agreement.

Overall judgement against the criteria

31. When assessed against the criteria, the decision is aligned with a low level of significance, and therefore under clause 12 of the Policy the decision is not considered to be significant.
32. The Agreement does set higher expectations for the involvement of the Trust Board early in the process for service infrastructure projects. This is likely to have the greatest impact on the three waters' projects. All the service infrastructure projects are led by Council and must be identified through the Long-term Plan or Annual Plan.
33. The expectation is that Council will meet the requirements of the draft Agreement through existing budgets identified in the Long-term Plan. If additional funding is required in the future, that will need to be considered through a long-term plan or annual plan process. That enables Council to control the quantum and timing of those costs and if needed, consult the community before funding the work.
34. There is expected to be additional demands on staff time when implementing the Agreement, however staff costs are already budgeted for. There is the potential that some other work may need to be delayed, however those delays are expected to be minor given Council is already undertaking some of these processes with the Trust Board.
35. The level of involvement of the Trust Board in future service infrastructure projects is difficult to predict. However, Council must agree to the process and timeframes associated with that engagement and the need to meet regulatory requirements will continue to be paramount.

36. Council will continue to make all decisions in relation to the work programme and budgets through the Long-term Plan and annual plans.

Could the agreement substantially affect Council's ability to deliver a key activity as identified in the Long-term Plan?

37. The draft Agreement is not expected to substantially affect Council's ability to deliver the activities identified in the Long-term Plan. This reflects the focus of the Agreement on how Council and the Trust Board work together in relation to a range of Council's functions and responsibilities. It doesn't change the work that Council intends to deliver, as identified in the Long-term Plan.

What level of Engagement is appropriate?

38. The Significance and Engagement Policy signals that the level of engagement on a matter will correspond to its level of significance. Given that the matter has a low/moderate level of significance when considered against the criteria, it would be appropriate for any engagement to also be at the inform end of the engagement spectrum.
39. Officers are of the view that the appropriate level of engagement is to inform the community about the decision. This involves providing the public with balanced and objective information so they can understand why Council has entered into the Agreement and how it is intended to operate.
40. As noted earlier, the draft Agreement does create overlaps with other Iwi Authorities or hapu groups. In some situations, Council has formalised agreements and in others, there are informal working arrangements. Regardless, there is the potential for misunderstanding about how this draft Agreement may impact those existing relationships. As with the public, it would be appropriate to inform those Iwi and hapu groups about the draft Agreement.

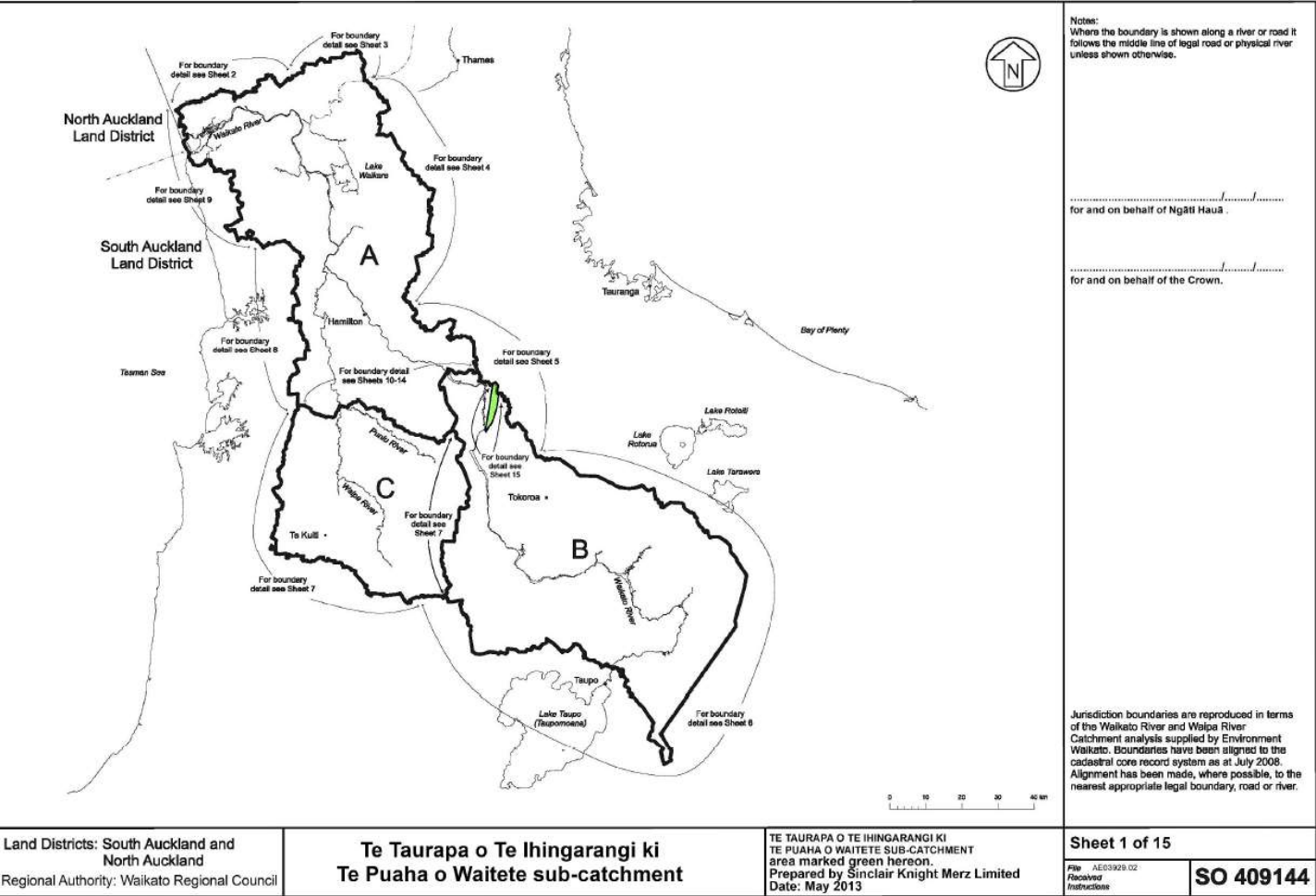
Conclusions

41. When assessed against the criteria in Council's Significance and Engagement Policy, a decision on the draft Agreement is not considered to trigger the thresholds for a matter to be significant. That indicates that Council doesn't need to consult the community before making a decision
42. Ultimately it is up to the elected members to make their own minds up about the significance of a decision.
43. Of relevance to the decision-making are the assumptions that Council will:
- a. Continue to deliver the same services and service infrastructure to the community as intended through the long-term plan and annual plans;
 - b. Require agreed processes and timeframes when working with the Trust Board on service infrastructure projects;
 - c. Not need to meet the costs of the Trust Board in relation to the processes outlined in the Agreement;
 - d. Continue to retain decision-making in relation to funding; and
 - e. Can renegotiate those parts of the Agreement that are extensions of the legislation and ultimately terminate those parts if necessary if there are unforeseen consequences.

Attachment 1: Criteria for significance

Criteria	Level of significance			
	None	Low	Moderate	High
What are the financial consequences to Council?	No additional costs	An unplanned for expense but <u>less than</u> \$50,000 OpEx or \$200,000 CapEx	An unplanned for expense but <u>less than</u> \$200,000 OpEx or \$2,000,000 CapEx	An unplanned for expense <u>over</u> \$200,000 OpEx or \$2,000,000 CapEx
Are many people, organisations or businesses affected?	Only a small number of individuals	Not many, such as the people in a street or a neighbourhood	There are specific parts of the community affected, such as all of a suburb	It impacts multiple suburbs, most of the community, or has major impacts for specific parts of the community
Will additional funding from the community be required?	No additional costs	An additional minimal cost to service users	An additional minimal cost to all of the community	An additional moderate or high cost to service users or the community
Will there be a diversion of already committed resources?	No	Limited diversion of resources that may result in minor delays to project delivery or a temporary interruption to service delivery	Some diversion of resources that may result in project delivery delays of up to 12 months or longer-term service delivery delays	Substantial diversion of resources that may result in project delivery delays of more than 12 months or a cessation of a service
Has there been recent community engagement?	There has been engagement within the last 3 years	There has been engagement, but it has been longer than 3 years	There has been engagement, but the circumstances have changed	There has been engagement but the scope, budget and/or circumstances have changed

Attachment 2: Areas related to joint management agreements in the Act



Prepared 23 July 2025

Attachment 5 - Summary of the main themes raised in feedback to Councillors on the JMA.

This has been prepared by AI powered tools and only includes feedback received up to 2.30pm on 21 July 2025.

1. Lack of Public Consultation and Transparency

There is widespread concern that the updated Joint Management Agreement (JMA) between Taupō District Council and Tūwharetoa Māori Trust Board is being advanced without meaningful public engagement. Many contributors highlight the contrast with the 2009 JMA, which they state involved months of public and hapū consultation. The release of an internal report justifying the lack of consultation only hours before a council workshop further intensified public frustration. Examples include calls for the full draft agreement to be made publicly available and demands for structured consultation processes before any formal signing.

2. Structural Changes in Governance

The draft JMA introduces six major changes that significantly expand the scope of the original agreement. These include:

- Expanded jurisdiction to cover the entire Taupō Moana catchment.
- Embedding Treaty principles such as mana, rangatiratanga, and kaitiakitanga into resource management.
- Policy influence without formal authority, using language like “values alignment” and “shared understanding.”
- No financial guardrails, with vague commitments and undefined budgets.
- No reporting or oversight, lacking public-facing performance or financial transparency.
- Consultation sidelined, with decisions perceived as pre-determined.

These changes are seen as altering the balance of governance and raising concerns about the clarity and enforceability of the agreement.

3. Democratic Accountability and Governance Legitimacy

Many of the emails question whether elected officials are upholding democratic principles. Concerns include:

- Decisions being made without a public mandate.
- Perceived influence of unelected groups or council staff.
- Calls to delay the agreement until after the next local elections.
- Warnings of electoral consequences for councillors who support the JMA without adequate consultation.

This theme reflects a broader desire for transparency, accountability, and adherence to democratic norms in local governance.

4. Opposition to Co-Governance and Treaty-Based Authority

There is strong resistance to what is perceived as co-governance being embedded in local government structures. Critics argue that:

- It undermines equal representation.
- It elevates iwi authority above other citizens.
- It sets a precedent for other councils across New Zealand.

- Some messages reflect broader ideological opposition to race-based policies and Treaty obligations.

This theme is marked by concerns about the precedent being set for other councils and the implications for democratic governance.

5. Call to Action and Civic Mobilization

The emails indicate community members are actively mobilizing to oppose the JMA. Advocacy groups are disseminating information and rallying public opposition, while residents are encouraged to attend council meetings and contact councillors directly. There is a strong push for the full draft agreement to be released and for structured public consultation to occur before any signing. This theme highlights the proactive civic engagement and collective action being taken by the community in response to the proposed changes.

Joint Communications Plan
TMTB/TDC Joint Management Agreement

Comms Plan Purpose

Inform the wider community about the Joint Management Agreement being negotiated and what the benefits are.

Background

- Tūwharetoa Māori Trust Board and Taupō District Council have collaborated for years on a joint management agreement under the Upper Waikato River Act 2010 to protect and restore Lake Taupō, the Upper Waikato River, and their catchments.
- Timeline:
 - 2020–2024: Planning and drafting
 - Now–June 2025: Final discussions and drafting
 - June/July 2025: Approval by TMTB and TDC
 - August 2025: Implementation
- After approval, both organisations will coordinate three-year action plans and maintain joint communications to reflect their partnership and commitment to the agreement.

Approach

TDC and TMTB will take a unified approach and share a similar set of key messages with the general community. TMTB will tailor additional messaging to Tūwharetoa whānau. To avoid negativity, we will need to clearly articulate the benefits to the community.

What we'll say

- **What is it:** Taupō District Council and Tūwharetoa Māori Trust Board have formed a Joint Management Agreement (JMA) to protect and restore Lake Taupō, the Upper Waikato River and their catchments.
- **Why does it matter:** Protecting and restoring these waterways has cultural, environmental, social, economic and spiritual benefits for everyone. The JMA is also a legal obligation under the Upper Waikato River Act 2010.
- **How does it work in practice:** The JMA enables shared restoration and protection under the Resource Management Act 1991, through activities like monitoring, enforcement, district planning, and resource consent processing and enabling customary activities, as well as shared targeted projects.
- **Our shared vision:** Thriving, healthy waterways that support life, prosperous communities. In turn, we all have a shared responsibility for their protection and restoration, for future generations.
- **Community engagement:** There will be opportunities for the community to participate in the implementation process, with details to be confirmed.
- **Public access:** Access to Lake Taupō, the Waikato River, and their catchments remains unchanged as outlined in the Taupō-nui-a-Tia Management Plan.
- **Stronger together:** Tūwharetoa Māori Trust Board, representing Ngāti Tūwharetoa as mana whenua and legal owners of the beds of these waterways, and Taupō District Council, as the local authority, are working in partnership to protect and restore them for the benefit of all.
- **Building on previous work:** This agreement continues the legacy of similar arrangements, including existing JMAs with the Waikato Regional Council and Taupō District Council with other river iwi, as well as the Lake Taupō Protection Project.
- **Next steps:** Ongoing discussions will define the development and implementation of the agreement including working together on specific projects.

When we'll say it

Pre-emptive communications will be sent to staff and Tūwharetoa whānau before the JMA is approved by TMTB and TDC. The public will also be informed after the TMTB has approved it.

Who we'll talk to

Tūwharetoa iwi and hapū members, residents of the Taupō District, staff from both TDC and TMTB, elected members, representative group members, and media.

Risks and mitigation

- Risk of fears that public access will be restricted or monetised:** Consistently reaffirm that access remains unchanged, in line with the Taupō-nui-a-Tia Management Plan.
- Risk of misinformation or opposition to co-management and co-governance:** Proactively frame the JMA as inclusive and beneficial, highlighting it is about the two organisations working in cooperation and following co-management models like the Waikato River Authority.
- Risk of confusion about how the partnership functions:** Reinforce functions (i.e. monitoring, consents etc.) and existing JMA's and the history of collaboration, including the Lake Taupō Protection Project, and clarify that both organisations retain independence.
- Risk of misperceptions that the JMA is either unnecessary or financially burdensome:** Communicate the environmental and community gains while addressing concerns about costs, explaining that expenses have primarily been staff time and legal support.
- Risk of public perception that decision-making lacks openness:** Emphasise that although the development of the JMA is between TDC and TMTB there will be engagement opportunities in implementation of shared projects. Maintain regular updates via multiple platforms to ensure accessibility.
- Risk of confusion or scepticism around how the JMA will be actioned:** Communicate clear milestones and accountability measures especially for specific projects.

Success looks like

- The community understands its shared responsibility for protecting the waterways.
- Messaging reinforces the JMA's benefits and legal obligations.
- Public access clarity prevents concerns or misinformation.
- Transparent updates build trust and engagement.
- Communications highlight long-term commitment and impact.

Channels we'll use

- Joint media release
- Aligned social media posts
- Council's Kōrero newsletter
- TMTB website & marae email database

Key players

- [REDACTED]
- [REDACTED]



Project name
TMTB/TDC Joint
Management Agreement

When	What	Who	Notes
By 12 noon Friday 2 May (for Tūwharetoa)	Pre-emptive comms to staff (both orgs), whānau (TMTB) and elected members (TDC). TMTB and TDC have agreed on a JMA. Here's what's involved in it, how it will look in practice and the benefits. We'll be going out to the community on this shortly, but we're giving you a heads up beforehand.	[REDACTED]	Completed by TMTB on 30 April and again on 5 May
Monday 7 May ([REDACTED])			[REDACTED] briefed staff on the JMA at the weekly staff briefing on Monday 7 May and we will do it again at the end of June as an update on progress.
15 May	Joint FAQs	[REDACTED]	Prepared for Steering Committee review.
3 July after council workshop on Thursday 3 July	Joint media release: TMTB and TDC are working on a JMA. Here's what's involved in it, here's how it will look in practice and here's the benefits. Go out once TMTB have approved JMA at hui on 27 June and after Council public workshop on 3 July. Could take angle that TMTB has approved at their end, now it has to go to Council.	[REDACTED]	Each person to send out to their own media networks at the same time (but we'll check there's no overlap first).
3 July (as above)	Social media post and photo modified from the media release above.	[REDACTED]	Each person to post on their social channels at the same time.
Ongoing	Media releases and social media stories and photos highlighting the mahi being achieved under the JMA as time progresses and highlighting community involvement	[REDACTED]	Both to keep in touch with the respective teams in their organisations so that they can be aware of upcoming comms opportunities.

Water Services Delivery Plan

Version 4 (Final)

Taupō District Council

24 July 2025

Document Control

Version 1 - Draft	29 May 2025 Circulated for review
Version 2 – Final Draft	27 June 2025 Circulated for internal and external review
Version 3 – Final Draft	16 July 2025 Circulated for internal review following amendments after feedback from DIA, WSP and internal stakeholders
Version 4 – Final Version	23 July 2025 Approvals Tony Hale, GM Community Infrastructure & Services Sarah Matthews, GM Organisational Performance Julie Gardyne, Chief Executive
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Commented [JW1]: The intent of this Water Services Delivery Plan template (Plan template) is to support councils to prepare Water Services Delivery Plans ('Plan(s)'), as required by the Local Government (Water Services Preliminary Arrangements) Act 2024 (Act). The Act requires councils to prepare Plans that:

- Identify the current state of the council's water services;
- Demonstrate publicly the council's commitment to deliver water services in a way that:
 - Ensures that the council will meet all relevant regulatory quality standards for its water services;
 - Is financially sustainable for the council;
 - Ensures the council will meet all drinking water quality standards; and
- Supports the council's housing growth and urban development, as specified in the council's Long-Term Plan.

This Plan template includes explanations of the specific information required under the Act, the type of information that could be provided to demonstrate compliance with the content requirements for the Plans under the Act, and the Department of Internal Affairs' ('the Department(s)') general expectation as to the level of detail to be provided. Please note that these explanations do not constitute legal advice and councils should consider obtaining their own independent legal advice before submitting their Plans. The information needed to be able to complete the Plan should be sourced from existing council documents, such as the Long-Term Plan. Councils who require further information and/or support to prepare their Plans should contact the Department at wds@dia.govt.nz.

Please delete these explanations once each section has been completed.

A Financial Plan Template [available at www.dia.govt.nz/Water-Services-Policy-Water-Services-Delivery-Plans] has also been provided to assist councils to populate financial data for financial projections, financial sustainability metrics and other financial disclosures. The Department can provide councils with a Financial Projections template populated with publicly available information based on 2024-34 Long-Term Plan information on request. The projected financial statements are special purpose financial statements for the purpose of PBE FRS 42 – Prospective Financial Statements.

Process guidance matters related to the preparation and submission of the Plans is available at www.dia.govt.nz/Water-Services-Policy-Water-Services-Delivery-Plans.

Joint Plans: Part A of this Plan template includes additional guidance for information requirements in joint Plans. Councils who are proposing to submit joint Plan should contact the Department.

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Part A: Statement of financial sustainability, delivery model, implementation plan and assurance

Statement that water services delivery is financially sustainable

Statement that water services delivery is financially sustainable
Financially sustainable water services provision
<p>Taupō District Council is demonstrated to be in a financially sustainable position which is maintained over the next ten-year planning period 2024-34. All financial sustainability criteria will be achieved by 30 June 2028.</p> <ul style="list-style-type: none">• The key measures of financial, revenue and investment sufficiency have all been met.• The revenue requirements over the ten-year plan is \$615 million, and an operating surplus is maintained throughout.• The total proposed levels of capital investment over the ten-year plan is \$329 million, with \$152 million for replacement of existing assets.• The starting net debt position is \$140 million and the ending net position by 2033-34 is \$161 million. Net debt to revenue levels for water average 301%, and for whole of council 112%, with an average debt headroom of \$366 million.• The strength of Taupō District Council's overall financial position, including AA credit rating and strong investments and liquid assets, support our water services delivery plan.• Taupō District Council already ring-fences water services costs, however some additional steps to achieve full financial separation by 1 July 2026 will be put in place. These actions are laid out in the Implementation Plan.

Commented [JW2]: The purpose of this section is to summarise how the Plan will ensure that water services will be delivered in a financially sustainable manner, by 30 June 2028 at the latest. This requires confirmation that the Plan ensures water services delivery will meet the Financially Sustainable delivery assessment in Part D of the Plan template. It is recommended that this section includes commentary (from Part D) on:

- Transitional arrangements to ensure financially sustainable water services provision by 30 June 2028;
- Revenue requirements to meet costs of water services delivery over the Plan period;
- The proposed levels of investment required over the Plan period; and
- Funding and financing arrangements to deliver the proposed levels of investment.

Proposed delivery model

Proposed model to deliver financially sustainable water services
The proposed model to deliver water services
<p>Taupō District Council proposes to continue delivering water services inhouse under an enhanced business unit model. This model was selected following significant analysis, internal and external review, and community consultation. The model was chosen based on the relative strength of Taupō District Council's existing financial position, relatively low debt with plenty of debt capacity, large investment reserves, and level of asset investment. Our high calibre water services employees are a team of competent, engaged, qualified professionals, and we have strong working relationships with our iwi partners and local contractors. This approach allows the council to retain local control and accountability, ensuring decisions are made with the community's best interests in mind. It is the lowest risk option at present. It allows us to take a measured approach to water reform and review our position.</p> <p>The delivery model was decided at the Taupō District Council meeting held on 24 June 2025, resolution TDC202506/01. Council resolved to adopt for its Water Services Delivery Plan the future delivery model of keeping water services inhouse for now.</p> <p>Financial comparisons between an inhouse model and Waikato Waters multi-council CCO, showed a very small difference in revenue requirements between the models over the first ten years. The DIA's own modelling of Taupō's scenario also showed that the benefits of a larger entity were relatively insignificant for the first ten years. The differences were primarily due to different financial strategies and use of debt, which is something that Taupō District Council will review as part of its next Long-term Plan process. Based on this information we consider it prudent to maintain the inhouse model, given the strength of our position and the other benefits of retaining local focus. This position was strongly endorsed by Council and the public.</p>

Commented [JW3]: The purpose of this section is to succinctly describe the proposed delivery model, or arrangements for the future delivery of water services (including organisation structure, ownership and contractual arrangements). In explaining how water services are proposed to be delivered, the Plan must set out:

- The anticipated or proposed model or arrangements for delivering water services (including, whether the council or councils will continue to deliver water services in its district alone, or intends to enter a joint arrangement);
- How water services revenues will be ringfenced as separate and distinct from other council business.
- The following matters may also be included in this section
 - Why the proposed delivery model was selected and the benefits of this model;
 - Proposed revenue collection methods, how charges are set and how revenues will cover the costs of service provision.

Councils will need to describe the anticipated or proposed model or arrangements in sufficient detail to enable an implementation plan to be developed and address the related sections regarding how the proposed model will impact regulatory compliance and financial projections.

However we agree there are benefits to working collectively, which is why we have worked throughout the recent reforms with the Waikato Water Done Well working group, being an active member throughout the process from July 2023 to establishment in July 2025. We have joined Waikato Waters as a shareholder in order to access shared services. A review of our position will be completed as part of the Water Services Strategy and next Long-term Plan in 2027.

Taupō District already ring-fences water activities, as well as tracking debt by capital project. Some further improvements will be made to ensure Council is meeting the new legislative requirements of financial separation, as well as ensuring we are prepared to comply with the information disclosure regime under the Commerce Commission. Planning for these changes is well underway, and a detailed implementation plan is laid out in the following section.

Implementation plan

Implementation plan

Implementing the proposed service delivery model

Taupō District Council's plan for delivering water services through an inhouse business unit meets the financial, revenue and investment sufficiency tests. We are already financially sustainable, as demonstrated in our financial statements included in this report. We track our debt for water services separately, and water services financials are already ring-fenced from other Council activities.

To achieve full ring-fencing and compliance with the Local Government (Water Services) Bill/Act, the following additional actions will be implemented, and this plan represents a firm commitment from Taupō District Council to complete them.

The high-level activities are as follows

	Details	Target Milestone
Governance improvement recommendations	Consider and make recommendation to incoming Mayor on Committee structure	30 Nov 2025
Financial Separation	Changes to support full ring-fencing and separate Trial Balance Separate Annual Report 25-26	1 July 2026
Economic Regulation	Prepare for Information Disclosure Systems and data gap analysis	1 July 2026
Collaboration	Negotiate Shared Services Agreement with Waikato Water	1 July 2026, with services provided from 1 July 2027
Water Services Review	Review future delivery model as part of Water Services Strategy development	1 July 2027
Regulatory Compliance	Amendments to reach full DWQAR compliance by 30 June 2028	30 June 2028
Continuous Improvement Activities	Renewals priorities, demand management, AMP improvements	Ongoing

Table 1: WSDP Implementation Overview

A detailed implementation plan showing milestones is included in the [Additional Information Section](#).

Commented [JW4]: The council must give effect to the proposals or undertakings relating to the future delivery of water services that are identified in the councils' Plan. Plans must include an implementation plan that:

- Sets out the process for delivering the proposed model or arrangements identified in the Plan; and
- If a council is proposing to continue to deliver water services itself, and not as part of a joint arrangement, the actions that the council will take to ensure its delivery of water services will be financially sustainable by 30 June 2028.

The implementation plan must include:

- The name of each council that commits to delivering the proposed model or arrangements;
- A process for delivering the proposed model or arrangements;
- A commitment to give effect to the proposed model or arrangements once the Plan is accepted; and
- The timeframes and milestones for delivering the proposed model or arrangements.

Consultation and engagement

Consultation and engagement

Consultation and engagement undertaken

Council publicly consulted on its proposal to retain water services within Taupō District Council, with two alternative options proposed: joining a new regional water joint council-controlled organisation (Waikato Waters), or setting up a district council-controlled water organisation.

As part of the consultation, we also asked if we should join Waikato Waters CCO for the purpose of accessing shared services.

Consultation ran over the period 30 April – 29 May 2025.

- Information on the advantages and disadvantages of the three options, including financial and rates impacts, was provided on our website
- Consultation was publicised through Council website, social media, email, newspaper articles and ads, radio ads, and billboards
- Two hui with iwi partners were held
- Rep groups and Joint Management Committees were kept updated
- 6 community events were held
- 220 submissions were received
- 74% of submissions supported the proposed option

Consultation was in accordance with sections 61 to 64 of the Local Government (Water Services Preliminary Arrangements) Act 2024.

Commented [JW5]: The purpose of this section is to summarise consultation and engagement carried out in the development of the Plan. A council or group of councils must consult the community on its anticipated or proposed model or arrangement for delivering water services in its Plan. A council or groups of councils are not required to consult generally on a draft or final plan, but a council may choose to do so. Any consultation the council undertakes must be in accordance with the consultation and decision-making requirements in sections 51 to 54 of the Act. Further information on consultation is included in the Process guidance.

Assurance and adoption of the Plan

Assurance and adoption of the Plan

The Chief Executive certifies that to the best of their knowledge this plan complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and the information contained within represents a true and accurate picture of our current state and future plans.

Figures in this plan are primarily based on the audited¹ Long-term Plan 2024-34 (audit statement here [LTP Audit Statement](#)), with some changes made during the Annual Plan 2025-26 process.

The Annual Plan 2025/26 changes are primarily

1. New levy costs
2. Additional Finance and Regulatory roles to support compliance with Commerce Commission disclosure and financial separation.
3. Provision for additional governance costs (proposed committee structure)
4. Some capital project budgets were rephased from 2025-26 financial year to 2026-27 due to scope and timing changes. More details can be found in Councils [Annual Plan 2025/26](#) which was adopted on 30 June 2025.

Our early draft was shared with DIA in March and specific feedback regarding our financial and debt strategy, and sufficiency of wastewater renewals spending, was incorporated. Independent DIA modelling of Taupō's financial position also concluded there are "No material financial sustainability issues."²

A review of our final draft by DIA in July 2025 observed that the Plan appears to meet the requirements of the Water Services (Preliminary Arrangements) Act. Some additional information was requested and was added to the Plan, primarily details to support external assessment of our investment sufficiency.

Our analysis and planning has been independently reviewed by WSP and their letter of assurance is attached.

Commented [JW6]: The Act requires that each Plan that is submitted to the Secretary for Local Government for acceptance must include a certification, made by the Chief Executive of the council(s) to which the Plan relates, that:

- The Plan complies with the Act; and

- The information contained in the Plan is true and accurate.

While the Act does not require Plans to be verified independently, to ensure that the information is true and accurate, Councils may wish to either seek independent advice to verify the accuracy of information provided in the Plan or assess their Plan in-house. While not a mandatory requirement, we recommend considering the matters set out below when certifying the Plan.

When certifying the Plan, the Chief Executive of the council(s) may include commentary on:

- The levels of confidence in the underlying information included in the Plan. This could include comment on the level of confidence in regulatory compliance, asset condition, investment requirements, asset valuations or certainty around financial projections.

- Any material risks or constraints that may impact on the delivery of water services, the ability to implement the Plan or to achieve financially sustainable water services provision by 30 June 2028.

- Any assurance processes undertaken to verify the accuracy of information included in the Plan.

¹ Audit NZ Report to the Council on the TDC LTP 2024-34 Audit

² [LWDW 4.1 DIA Modelling of Taupo Apr 2025.pdf](#)

Key assurance points from our Audit NZ report for the Long-term Plan 2024-34 are

2.2.1 Financial Strategy: "Council's financial strategy, and the associated financial policies, support prudent financial management by the Council."

2.2.2 Infrastructure Strategy: "Overall, we are satisfied that the Infrastructure Strategy is fit for purpose and the supporting underlying information is considered reasonable. The Infrastructure Strategy fulfils the legislative purpose and meets our expectations of such a document and is consistent with our knowledge of asset management planning for the Council."

Further assurance comments from the Audit report are included in the additional information section.

The general level of confidence in the underlying information is rated medium-high. Levels of confidence in specific areas is

- **Asset Condition** (medium): Confidence in asset data for water and wastewater reticulation networks is high, but data is less complete for stormwater and above ground assets. A desktop assessment³ of three waters network assets was produced by WSP in 2024 and has informed our renewals planning. Planned work to improve asset condition data is included in Long-term Plan 24-34 and laid out in our [implementation plan](#).
- **Regulatory Compliance** (medium): Work to achieve full compliance with DWQAR by 1 July 2028 is well underway and we are in regular correspondence with Taumata Arowai on these matters. There is some uncertainty regarding the new wastewater and stormwater standards, which will be worked through as more information becomes available. Compliance with economic regulation will require additional resources which has been planned for in the updated financial model. We have a strong understanding of our resource consent compliance status, with non-compliances generally at low level and actively managed.
- **Financial Projections** (high): We maintain debt headroom and flexibility in our financial strategy to deal with unforeseen events. [Financial assumptions](#) are included in the additional information section.
- **Investment Requirements** (high): Based on the current information and Asset Management Plans, the network is well understood and well planned. Plans for the latter years of the Long-term Plan 2024-34 are less well-developed, meaning additional capital requirements are a possibility. Amended plans and priorities are likely to be manageable within existing financial and workforce capacity. New wastewater and stormwater standards could affect investment requirements.
- **Asset Valuations** (high): AECOM completed a full asset valuation⁴ in 2023, noting that "the valuations are based on substantially accurate and complete asset registers, appropriate replacement costs which reflect the local civil construction market in the Taupo District region, and appropriate asset lives." In 2025 a fair value assessment⁵ by AECOM was applied to revalue our assets.

The main risks that could affect the delivery of our plan, and the mitigations are

Risk	Impact	Likelihood	Mitigation
Supplier and workforce availability	Limited supplier and/or workforce capacity and capability limits Council's ability to deliver operational and/or capital plans	Possible	Taupo continues to grow and is an attractive place to live and work Council continues to invest in attracting and retaining staff Council will continue to explore collaboration opportunities and joins Waikato Waters for shared services

³ Water Renewals Strategy Report 13 Aug 2024 – A3775460

⁴ AECOM 3 Waters Valuation A3685470

⁵ [2025-03-27 Ltr Taupo District Council - 3W Fair Value 2025 Issued.pdf](#)

Unforeseen events	Our most likely natural disasters are flooding, volcanoes, earthquake	Rare	As of April 2025 Taupō District insures reticulation assets (previously self-insured). In the event of a major natural disaster, it is expected that funding for recovery would be contributed by: Central Government critical infrastructure funding (60%), insurance, debt headroom)
Regulatory standard changes	More stringent wastewater and stormwater standards and/or resource consent conditions lead to additional unplanned capital expenditure	Possible	Closely follow standards development and align with resource consent renewals Capital projects to improve wastewater compliance are already planned. Additional stormwater capital projects are possible in the next Long-term Plan / Water Services Strategy

Table 2: Main Risks that could affect Delivery

Council resolution to adopt the Plan

Councils must adopt their Plans by resolution. In order to demonstrate compliance with this requirement, it is expected that councils will include the resolution date and a copy of the decision to adopt the Plan. For a joint Plan, this resolution to adopt the Plan must be completed by each council to which the Plan relates.

Certification of the Chief Executive of Taupō District Council

I certify that this Water Services Delivery Plan:

- complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and
- the information contained in the Plan is true and accurate.

Signed: _____

Name: _____

Designation: _____

Council: _____

Date: _____

Commented [JW7]: The Council Chief Executive can complete the following certification statement to demonstrate compliance. For joint Plans, this certification statement should be modified to certify only the information provided by the council in the preparation of the Plan, as opposed to all information included in the Plan.

Part B: Network performance

Investment to meet levels of service, regulatory standards and growth needs

Investment required in water services

Serviced population⁶

Water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Residential connections	19,385	19,655	19,916	20,169	20,416	20,682	20,941	21,194	21,443	21,692
Non-residential connections	3,000	2,958	2,948	2,968	3,022	3,052	3,090	3,134	3,185	3,237
Total connections	22,385	22,613	22,864	23,137	23,438	23,734	24,031	24,328	24,628	24,929
Un-serviced properties ¹	4425	4,471	4,520	4,574	4,633	4,691	4,750	4,808	4,867	4,926
Wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Residential connections	19,385	19,655	19,916	20,169	20,416	20,682	20,941	21,194	21,443	21,692
Non-residential connections	3,000	2,958	2,948	2,968	3,022	3,052	3,090	3,134	3,185	3,237
Total connections	22,385	22,613	22,864	23,137	23,438	23,734	24,031	24,328	24,628	24,929
Un-serviced properties	5995	6057	6124	6198	6278	6356	6435	6514	6594	6674
Stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total Rateable Properties	24,297	24,548	24,822	25,118	25,442	25,761	26,081	26,401	26,724	27,048
Total Resident Population	41,400	43,400	44,100	44,900	45,700	46,400	46,900	47,400	47,900	48,400

Table 3: Connections and Population

Serviced/un-serviced population is difficult to accurately estimate as would require understanding the average house size in connected / unconnected properties. Total district permanent population figures have been provided.

Figures have been adjusted slightly from 2024 Asset Management Plans based on latest ratings info. Note also that the Water Asset Management Plan shows the total properties connected, above figures reflect total number of connections, noting that some properties have multiple connections or rating units.

Commented [JW8]: The purpose of this section is to succinctly describe:

- Current population of the city or district (or combined city or districts) that the council (or councils) provide water services to;
- Current population within the city or district that does not receive water services; and
- The estimated future population that will require water services over the next 10-30 years.

⁶ Property and Rating information : [Connections_WW+W - from DC 2023.xlsx](#) and DC Policy 2024 A3645174

Un-serviced properties growth is assumed to grow at similar rates as serviced, due to no plans to expand serviced areas, as well as expected growth in rural areas. Stormwater is charged as a general rate across the district, so have shown the total rateable properties.

Serviced areas

Figure 1: Serviced Areas Map

Taupō District has 15 water supply schemes and 11 wastewater schemes. There are 17 stormwater schemes.

	Water Supply	Waste water	Storm water
Acacia Bay		✓	✓
Atiamuri	✓	✓	✓
Bonshaw Park			✓
Centennial Drive (Taupō)	✓		
Hatepe	✓		✓
Kinloch	✓	✓	✓
Mangakino	✓	✓	✓
Mapara Road			✓
Motuoapa	✓	✓	✓
Motutere	✓	✓	
Omori	✓	✓	✓
River Road	✓		✓
Taupō (water supplies Acacia Bay, Bonshaw Park, Mapara Road, Wairakei, Waitahanui, Whakamoenga)	✓	✓	✓
Tauranga-Taupō			✓
Tirohanga	✓		
Tūrangi	✓	✓	✓
Waihāhā	✓		
Waitahanui			✓
Whakamaru	✓	✓	✓
Whakamoenga			✓
Whareroa	✓	✓	✓

Table 4: Schemes

Commented [JW9]: The purpose of this section is to succinctly describe:

- The areas in the city or district that receive water services (agriculture/rural council owned water schemes that supply domestic drinking water to be included);
- The areas in the city or district that do not receive water services;
- Current levels of services and performance relating to water services currently provided (refer to non-financial DIA performance standards and council levels of service (LOS) performance measures); and
- The water services infrastructure associated with providing for population growth and development capacity

Serviced areas (by reticulated network)	Water supply		Wastewater		Stormwater
Residential areas (If more than one identify separately)	Atiamuri	72	Atiamuri	36	Most properties in the district do not have direct connections to the stormwater network, so connection numbers are not provided.
	Hatepe	121	Kinloch	1279	
	Kinloch	1290	Mangakino	681	
	Mangakino	691	Motuoapa	491	
	Motuoapa	491	Omori/Kuratau/Pukawa	1169	
	Omori/Kuratau/Pukawa	1170	Taupō	12888	
	River Road	65	Tūrangi	2235	
	Taupō	12944	Whakamaru	57	
	Tūrangi	2258	Whareroa	196	
	Whakamaru	87	Total	19032	
	Whareroa	196			
	Total	19385			
Serviced areas (by reticulated network)	Water supply # schemes		Wastewater #schemes		Stormwater # catchments
Non-residential areas (If more than one identify separately)	Atiamuri	10	Mangakino	5	N/A
	Bonshaw Park	69	Omori/Kuratau/Pukawa	196	
	Kinloch	142	Rakaunui Road	134	
	Mangakino	53	River Road	70	
	Omori/Kuratau/Pukawa	92	Taupō	4756	
	Rakaunui Road	59	Tūrangi	823	
	River Road	52	Total	5984	
	Taupō	2052			
	Tirohanga	156			
	Tūrangi	271			
	Waihaha	32			
	Whakamaru	12			
	Total	3000			

Serviced areas (by reticulated network)	Water supply # schemes	Wastewater #schemes	Stormwater # catchments	
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)	Unknown	N/A	N/A	
Areas that do not receive water services (If more than one identify separately)	Number of properties not connected = 4425 Waihi Village Waitetoko Te Rangitua Oruatua Motutere Point Mission Bay Some rural households with their own supplies. Council has no plans to expand its supply network to the remaining communities within the next 10 years.	Number of properties not connected = 5995 Hatepe River Road Waihaha Waihi Village Waitetoko Te Rangitua Oruatua Motutere Point Mission Bay Some rural households with their own supplies. Council has no plans to expand its supply network to the remaining communities within the next 10 years.	N/A	
Proposed growth areas ⁷ <ul style="list-style-type: none">Planned (as identified in district plan)Infrastructure enabled (as identified and funded in LTP)				
		# New Connections 24-34		
	Kinloch / Whakaroa	273		Acacia Bay
	Mangakino Township	62	Acacia Bay	54
	Omorī/Kuratau/Pukawa	42	Kinloch	258
	Taupō	2012	Mangakino	61
	Tūrangi/Tokaanu	142	Omorī	42
	Whareroa	13	Taupō	1916
	Total	2544	Tūrangi	131
			Whareroa	13
		Total	2,475	
	Note the # new connections is as per the Asset Management Plans 2024-34. However, new connections in the final year 2033-34 are excluded to match the total growth in connection figures each year. It is assumed the new connections in 2033-34 will impact the total connections in year 34-35.			
Serviced areas (by reticulated network)	Water supply # schemes	Wastewater #schemes	Stormwater # catchments	

⁷ Source: Long Term Plan Asset Management Plans 24-34

Levels of Service⁸	Water loss (Water NZ Targets). Urban 160l/connection/day Rural 4.2m3/km water main 23/24 results Not Achieved – Taupō 195, Tūrangi 635, Other Urban 217, Rural 7.1m3 Urgent Fault Response / Resolution Time: Target 1 hour / 4 hours Median. 23/24 results Not Achieved 7.38 / 22.88 Hours Data not currently fully recorded to support analysis Non-Urgent Fault Response / Resolution Time: 4 hours / 6 days Median / < 7 days 90% of cases. 23/24 results Achieved 1.96 / 3.22 Days Customer Satisfaction: Complaints / 1000 connections. Current Target < 14/1000 Target by 2028 < 8/1000 (once upgrades completed) 23/24 results – Achieved 7.8/1000 connections Demand Management: Summer peak household consumption < 1.5/m3/day/HEU Target 23/24 results - Achieved 0.97m ³ /day/HEU Fire Water Flows Adequate water pressure / 5% hydrants tested Target 23/24 results – Achieved 17.9% Tested	Discharge Compliance: Target <= 1 Abatement notice, 0 infringement/enforcement/convictions – 23/24 results Achieved 0 Nitrogen Reduction: 20% reduction from benchmark average (10,310kg/year) 23/24 Achieved 29.8% reduction – cause has been identified and resolved Dry Weather Overflows: Target <= 3 / 1000 connections. 23/24 results Achieved 0.99 Urgent Fault Response / Resolution Time: Target 1 hour / 4 hours Median. 23/24 results Not Achieved Data not currently fully recorded to support analysis Customer Satisfaction: Complaints / 1000 connections. Target < 8/1000 Achieved 23/24 results 6.18 Achieved	Flooding events: Target 0 flooding events, 0 properties affected – 23/24 results Achieved 0 Customer Satisfaction: Complaints / 1000 Target <8/1000 23-24 results Achieved 1.22/1000 Compliance: Target 0 abatement, infringement, enforcement notices, 0 convictions 23-24 results Achieved 0
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Table 5: Service Areas and Levels of Service

Planned improvements to levels of service performance is focused on the following areas:

Water Loss

Water loss is an issue across the district, with loss in urban areas exceeding targets. Tūrangi has one of the highest losses due to the age of the pipes. We have a significant works programme planned for over the next 10 years involving the replacement of aged assets that will improve pipe condition. The highest loss areas (Tūrangi) are a priority for our renewals programme. Water loss in rural areas achieved targets in the most recent reporting year. Improvements likely resulted from planned improvement works, specifically significant water renewals at Bonshaw Park, as well as installation of smart water meters in targeted areas.

Fault Resolution

It is asserted that service levels for urgent fault response and resolution times are generally being met, however inconsistencies between systems reports the target times are not achieved. Reported delays are a symptom of after-hours calls being logged in our system the following working day. The data integration is currently being upgraded to improve the reporting accuracy.

Customer Satisfaction

⁸ Source: Annual Report 23-24

Our customer satisfaction metrics have been improving in recent years and we are now achieving our target. Complaints for drinking water are typically concerned with either water quality (taste, clarity, pressure etc) or supply faults. Capital projects to improve the levels of service and reduce complaints include

- New and upgraded water treatment plants to reduce turbidity and improve taste and quality
- Targeted and increased programme of reticulation renewals to replace highest risk assets
- SCADA system control improvements (to improve monitoring and response)

Assessment of the current condition and lifespan of the water services network

Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets	31	39 ⁹	60
Critical Assets			
• Percentage of network assets graded high or very high criticality	7.7%	7.2%	20.1%
Above ground assets			
• Treatment plant/s	15 (Bonshaw & Whakamoenga removed as of 2025) ~85% ¹⁰	11	Nil
• Percentage or number of above ground assets with a condition rating		91%	N/A
• Percentage of above –ground assets in poor or very poor condition	<5%	1%	N/A
Below ground assets¹¹			
• Total Km of reticulation	813km	516km	212km
• Percentage of network with condition grading	100%	100%	100%
• Percentage of network in poor or very poor condition	24%	6%	1%
• Confidence grading – high or very high	96%	99%	91%

Table 6: Asset Condition

- Network assets are stored in AssetFinda. Treatment plant assets are planned to be migrated to AssetFinda, which is a priority in our implementation plan.

Commented [JW10]: The purpose of this section is to describe:

- Average age of network assets;
- Condition of network assets providing water services (include assessment of condition of assets, when condition assessment was last carried out, expected lifespan and quantity of backlog of renewals and maintenance); and
- Critical water services assets (if available).

⁹ [Copy of 2023 Network Renewals Budget Plan \(A3353937\).xlsx](#)

¹⁰ WTP and WWTP Asset Condition and Renewals Plans A309067 A304131

¹¹ Source: Asset Finda data and WSP Water Renewals Strategy A3775460

- A Water Renewals Strategy ¹²for network assets was completed by WSP in 2024. A desktop assessment was applied using asset data from Taupō District Council. From this report the following information was obtained.
 - An assessment of criticality for network assets
 - All reticulation assets have been condition graded using a desktop assessment. Condition grade summary was applied using an age-based condition and recommended useful life for each piped asset. While some assets have a condition assessment in the system, this dataset is incomplete.
 - Data confidence grading for network assets was assigned by assessing three fields for consistency – install year, pipe size and material.
- This information is being used to plan pipeline renewals, using a multi-criteria analysis (MCA) of condition grade and criticality. This assessment shows 19% of our network assets (285km) are a very high or high priority for renewal, and these assets are a priority over the ten-year plan.

GRADE	PW		SW		WW		TOTAL LENGTH THREE WATERS (KM)
	Count	Length (km)	Count	Length (km)	Count	Length (km)	
No Priority Grade	158	3	591	10	99	1	14 (1%)
1 – Very High	386	15	4	0	159	9	25 (2%)
2 – High	6,047	143	827	33	1,569	85	261 (17%)
3 – Moderate	4,586	143	2,299	97	4,776	115	355 (23%)
4 – Low	12,659	328	1,569	58	6,548	169	555 (36%)
5 – Very Low	11,594	147	1,106	32	11,841	151	330 (21%)

Table 7: Renewal Priority Network Assets

Asset management approach

Existing and proposed service delivery mechanisms

Commented [JW11]: in this section, Plans must briefly describe the asset management approach being used or proposed for future delivery model, including capital, maintenance, and operational programmes for delivering water services. This may include

- Existing and proposed service delivery mechanisms;
- Existing and proposed asset management systems;
- Supporting asset management policy or framework; and
- Asset management maturity assessment (if available).

¹² Water Renewals Strategy A3775460

Existing / Proposed	Work Area	Delivery Method	Key External Contacts
Existing	Water Treatment Operations	In-house with support from external service companies	
	Wastewater Treatment Operations	In-house with support from external service companies	Effluent Disposal Farms Crop Harvesting (Pritchards) Sludge Cartage (Sitecare) Biosolids processing / vermicomposting (MyNoke)
	Three Waters Network Maintenance	Largely externally delivered	Three Waters Maintenance Contract (Downer)
	Three Waters Asset Management	In-house	
	Project Management of Capital Projects	Largely in-house through Project Management Office with support from external suppliers as required	Professional services panel
	Three Waters Design Services	External (consultants)	Professional services panel
	Laboratory Services	Largely External with limited in-house testing	Eurofins contract
Proposed	Trade Waste	Multi-Council CCO	Colab Solutions
	Professional services to benefit from collaboration such as joint procurement (details to be negotiated prior to 1 July 2026)	Multi-Council CCO	Waikato Water

Table 8: Service Delivery Mechanisms

- Councils Asset Management System for water services is Univerus Asset Finda.
- An external review of Asset Management Plans was last completed in 2022.¹³ The target level of asset management maturity is Intermediate.
- Note: When the last review of Asset Management Plans was completed in 2022, there was no identified Sustainable and resilient infrastructure section. The plans have subsequently been amended to include this information, so would expect this to be rectified and the next review to show considerable lift in this area. Information in our LTP Climate Change strategy ¹⁴lays out some of the actions we are taking to improve our climate resilience.

¹³ Asset Management Plan Compliance Report A3196848

¹⁴ [TDC LTP - Appendix 5 Climate change.pdf](#)

- The assessment results were as follows. Another review has been planned for 2025.

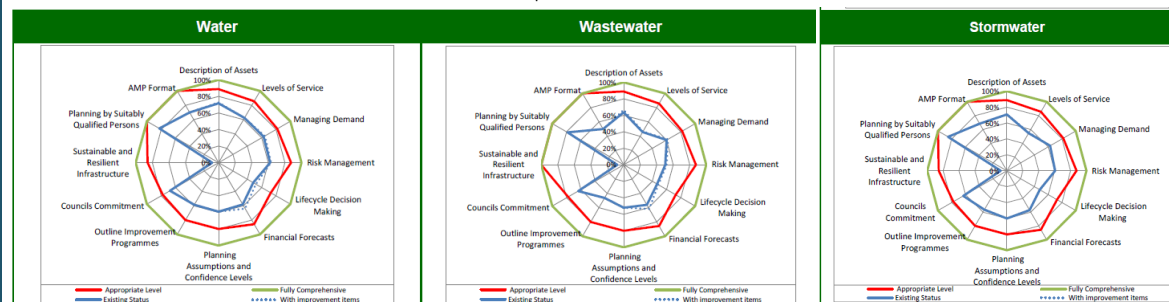


Figure 2: Asset Management Maturity Assessment 2022

Supporting asset management policy or framework¹⁵

Asset management practices for three water infrastructure involve strategies and methodologies aimed at efficiently managing, maintaining, and optimising assets such as treatment plants, distribution networks and storage facilities. These include key aspects such as:

- Asset Register and Asset Data Management
- Levels of Service
- Risk Management
- Lifecycle Planning
- Planning for new works to meet growth and changing levels of service
- Maintenance and renewals
- Asset Performance Monitoring
- Financial planning and management
- Continuous improvement

¹⁵ Source: Asset Management Plans (Water, Wastewater, Stormwater) 2024-2034

By implementing these asset management practices, three waters services can enhance operational efficiency, prolong the lifespan of assets, minimise risks, and ensure the reliable delivery of water services to communities. Refer to the 'Asset Management Practices' section of the AMPs for full details.					
Statement of regulatory compliance					
Resource Consents					
<ul style="list-style-type: none">Taupō District Council hold 24 consents associated with drinking water, 20 for wastewater and 23 for stormwater.A summary of resource consents held is included in the Additional Information section.					
Regulatory Compliance					
<ul style="list-style-type: none">We have been working with Taumata Arowai on an accelerated programme to upgrade or build new fully compliant water treatment plants. This programme is progressing well and has the following targets for full compliance. Three schemes are being dis-established and will be connected to Taupō water supply as the most effective and efficient way to bring these areas up to full compliance.Most new WTP builds or upgrades are in progress with the majority to be completed by end of FY 25/26. At a number of sites, UV protozoa barriers have been put in place to provide interim protection while larger capital projects are completed. The one remaining WTP noncompliant site is a campground at Motutere that is non-compliant due to arsenic levels and has been subject to ongoing lease negotiations during 2024-25. With a lease now in place work could potentially be brought forward to achieve full compliance, and this will be reviewed during the next Long-term Plan and Water Services Strategy in 2027.					
Compliance ¹⁶	23-24 Annual Report	24-25 Annual Report	Target 25-26	Target 26/27	Target 2028
Full Compliance with DWQAR	2/17 (Taupō, Whakamaru fully compliant)	8/15 (Atiamuri, Tirohanga, Waihaha WTP's complete, Tūrangi and Mangakino WTP improvements, River Road compliance, 2 schemes connected to Taupō)	11/14 (Kinloch, Omori and Whareroa WTP's complete, 1 scheme connected to Taupō)	13/14 (Hatepe and Motuopa WTP's complete)	14/14 (Motutere WTP complete. Note: Protozoa barrier in place but full chemical compliance in 28/29)
Table 9: DWQAR Compliance Targets					
<ul style="list-style-type: none">We are reviewing the wastewater standards to consider the impact these will have on the planned capital programme and resource consent compliance. Our current expectation is we would be able to comply with any future regulatory standards (with possible amendments to the capital programme), but until the standards are finalised there is a level of uncertainty.Taupō wastewater land treatment site is nearing capacity for nutrient loading limits. This is being reviewed in conjunction with the new wastewater standards. Projects to reduce nutrient load are included in the capital plan.					

¹⁶ A3640292 DWQAR Compliance Summary A3658520

Commented [JW12]: The purpose of this section is to describe :

- Any significant resource consents held by the council or councils, the type of consent, and their expiry date;
- Any expired consents that are currently being renewed under section 124 Resource Management Act 1991;
- Any active resource consent applications;
- Whether and to what extent water services comply with current regulatory requirements;
- Whether and to what extent water services will comply with any anticipated future regulatory requirements;
- Whether any water services are not expected to comply with current regulatory requirements or are not expected to comply with any anticipated future regulatory requirements, and if so:
 - A description of the actual or potential non-compliance; and
 - A description of how the proposed delivery model or arrangements provided under the Plan will assist to ensure water services will comply.

It is expected that in this section, Plans will also describe how the Plan ensures that the council (or councils for a joint Plan) will meet all relevant regulatory quality standards for its water services.

Regulatory compliance includes meeting drinking water standards, resource consents for water takes and discharges, wastewater discharge consents (land, air, odour amongst others), stormwater discharge consents and network consents (do not include land use consents or temporary structure consents).

Current or future regulatory requirements includes:

- When a system is nearing non-compliance or experiences frequent non-compliance with conditions (for example, nearing level of service, capacity constraints) and consent unlikely to be renewed in current form without investment in water services assets, and systems.
- Existing consents may have been in place for many years, and it is expected when they are renewed that regulatory requirements are likely to be changed significantly to align with newer consent conditions.
- Existing consent conditions are unlikely to meet community or iwi expectations therefore will need to be amended to accommodate.

Confirm if:

- You are delaying wastewater consent replacements and waiting for new regulatory wastewater standards;
- There are any issues with water take/source consents or implementation of water safety plans and associated improvement works (for example, need new water source); and/or

- We have commenced re consenting for comprehensive Stormwater discharge resource consent which expires in June 2027. The timing may coincide with new stormwater standards, and we are planning to align with the new standards where possible. Additional capital works are anticipated which will be planned in the next Long-term Plan 2027-37 and Water Services Strategy.

Parameters ¹⁷	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/catchments
Drinking water supply <ul style="list-style-type: none"> Bacterial compliance (E.coli) Protozoa compliance Chemical compliance Boiling water notices in place Fluoridation Average consumption of drinking water Water restrictions in place (last 3 years) Firefighting sufficient 	N: 4 of 17 complied N: 2 of 17 complied N: 14 of 17 complied (non-compliance due to naturally occurring arsenic levels) 2 notices over 3 years 2 of 16 schemes 388 L/person/day Y: 78 days 2021/22, 0 22-23, 0 23-24 Y	N/A	N/A
Resource Management ¹⁸ <ul style="list-style-type: none"> Significant consents (note if consent is expired and operating on S124) Expire in the next 10 years Non-compliance: <ul style="list-style-type: none"> Significant risk non-compliance Moderate risk non-compliance Low risk non-compliance Active resource consent applications Compliance actions (last 24 months): <ul style="list-style-type: none"> Warning Abatement notice Infringement notice Enforcement order Convictions 	Water supply take: 14 (2 operating under S124) Water discharge: 3 Other consents associated with WTP: 7 10 9 (16 assessed) 0 0 9 2 – Tūrangī and Tirohanga 0 0 0 0 0	Wastewater discharge land & air: 16 Wastewater discharge water: 1 Other consents associated with WWTP: 3 Expired consents: 2 operating under s124 5 13 0 2 11 2 (Tūrangī, Mangakino) 1 0 0 0 0	Stormwater discharge: 5 Other SW related consents (e.g. dam and diversion): 15 Network: 3 (Taupō, Tūrangī, Mangakino) 3 0 0 0 0 3 0 0 0 0 0

Table 10: Compliance Measures

Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements			
Planned in the Long-term Plan 2024-34 Our key priorities:			
	Priority	Comment	Capital Budget 2024-34
Water Services	Completing Water Treatment Plant upgrades to reach full DWQAR compliance		\$41.8m
	Lifted network renewals programme to improve levels of service (water loss and fault frequency)		\$76m
	Reservoir and treatment plant resilience improvements to improve levels of service (resilience)		\$35m
	New water reservoirs to provide for growth		\$26.6m
	Demand management (metering install)	Capital work to install meters to improve demand management is budgeted.	\$12.5m
Wastewater Services	Tūrangi and Taupō North wastewater treatment and disposal options – consent compliance and increased capacity to support growth	Short, medium and long term options for these two significant issues were laid out in our Long-term Plan consultation and Infrastructure strategy 2024-34 TDC LTP – Appendix 3 Infrastructure strategy.pdf	\$14.5m
	WWTP plant upgrades to improve levels of service and provide for growth. Investment to ensure compliance with resource consents, as some plants are nearing capacity.	It is expected that some of this work will be planned in detail once wastewater standards are finalised.	\$17m
	Asset condition CCTV assessments to improve levels of service by prioritising the most critical works for renewals		\$3.4m Opex

Commented [JW13]: In this section, it is expected that Plans will highlight significant capital projects included in projected investment requirements. Significant projects are those that will achieve compliance, LOS, and enable growth. They should also include significant renewals and upgrades of the networks. This section should include projects that may not currently be identified in the Long-Term Plan but are deemed to be a significant project over the following 20 years. In this section, Plans must provide details on the capital expenditure required (for a period of not less than 10 consecutive financial years starting with the 2024-25 financial year) to deliver water services and ensure that water services comply with regulatory requirements. In describing the capital expenditure required over 10 years to deliver water services, it is expected that councils will ensure that the level of investment:

- Meets existing and proposed levels of service;
- Enables the operation, maintenance and renewal of network assets;
- Meets regulatory requirements; and
- Provides for growth to the extent it supports the council's housing growth and urban development, as specified in the council's current Long-Term Plan.

Councils may refer to their 30-year Infrastructure Strategy, where proposed investment outside of the 10-year Plan period will respond to or have a material impact on the matters set out in the bullet points above. Councils are encouraged to comment on:

- How the proposed investment leads to an uplift (or maintains) the current level of service; and
- Benefits to communities from the proposed level of investment in terms of levels of service, compliance with regulatory requirements and providing for growth.

¹⁷ Summary of Consents zA19722, Compliance Monitoring Report 2024 A3611834

¹⁸ Summary of Resource Consents A4850620

	Inflow and infiltration projects to prevent stormwater entering the wastewater network		\$2.5m Opex
Stormwater Services	Stormwater flood mitigation (including overland flow path modelling), to improve levels of service		\$12.9m
	Stormwater improvement devices to improve levels of service	Planned works may be amended as an outcome of stormwater consent renewal and/or stormwater standards	\$4.3m
	Comprehensive Stormwater Discharge Consent – compliance		Opex
Additional significant projects beyond 10 years			
	Priorities beyond 2034	Infrastructure Strategy	
	Potential new WWTP sites (Tūrangi, Taupō North)	Developing an alternative land disposal site for Tūrangi was estimated at \$18.5m. This does not include the WWTP. New WWTP for Taupō North high-level cost estimates	Tūrangi LDS \$18.5m Taupō North new WWTP \$60-\$80m estimate
	Capacity to support new growth areas, beyond what has been planned 2024-34	Infrastructure strategy includes planned capacity increases 2034-54 in Tūrangi, Whareroa, Waihaha and Taupō	\$30m estimate over 2034-54
	Provision of water and wastewater services in non-serviced areas, including potential reticulation for Eastern Bays	Water AMP includes provision for reticulation in South Eastern Bays 2034-37	\$22.5m
	Water Services Network Renewals	It is expected that annual network renewals after 2034 can reduce to \$3-5m per annum until 2040, as the accelerated renewals programme 2024-34 is completed.	
Table 11: Key Priority Projects 2024-2034 and beyond			

These financial figures are from the Annual Plan 25-26.

Projected investment in water services (\$000's)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										
Capital expenditure - to meet additional demand	\$2,781	\$4,160	\$7,186	\$7,290	\$4,799	\$3,538	\$722	\$722	\$80	\$1,009
Capital expenditure - to improve levels of services	\$14,142	\$12,213	\$7,345	\$4,447	\$3,238	\$3,261	\$3,603	\$10,416	\$9,181	\$11,138
Capital expenditure - to replace existing assets	\$8,052	\$8,396	\$10,826	\$11,000	\$10,933	\$11,330	\$13,291	\$10,138	\$12,091	\$10,366
Total projected investment for drinking water	\$24,975	\$24,769	\$25,357	\$22,737	\$18,970	\$18,129	\$17,616	\$21,276	\$21,352	\$22,513
Wastewater										
Capital expenditure - to meet additional demand	\$3,064	\$2,821	\$9,270	\$2,256	\$711	\$1,537	\$5,393	\$0	\$0	\$0
Capital expenditure - to improve levels of services	\$1,697	\$2,899	\$941	\$7,623	\$4,258	\$35	\$1,451	\$0	\$0	\$0
Capital expenditure - to replace existing assets	\$3,625	\$3,648	\$3,890	\$4,958	\$4,422	\$6,139	\$4,294	\$4,555	\$4,451	\$4,063
Total projected investment for wastewater	\$8,386	\$9,368	\$14,101	\$14,837	\$9,391	\$7,711	\$11,138	\$4,555	\$4,451	\$4,063
Stormwater										
Capital expenditure - to meet additional demand	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital expenditure - to improve levels of services	\$1,109	\$1,184	\$2,775	\$1,201	\$4,837	\$6,593	\$2,572	\$508	\$429	\$440
Capital expenditure - to replace existing assets	\$165	\$172	\$178	\$185	\$191	\$210	\$230	\$250	\$271	\$292
Total projected investment for stormwater	\$1,274	\$1,356	\$2,953	\$1,386	\$5,028	\$6,803	\$2,802	\$758	\$700	\$732
Total projected investment in water services	\$34,635	\$35,493	\$42,411	\$38,960	\$33,389	\$32,643	\$31,556	\$26,589	\$26,503	\$27,308

Table 12: Projected Capital Investment 2024-2034

Capital growth and level of service projects are front-loaded into the early years of the plan. This is intentional and reflects

- A large investment in drinking water upgrade projects which will be mostly completed by 2027.
- Recent large growth projects delivered for Wastewater, including the Southern Trunk Main project (increased capacity to support growth in Taupō South, completed in 2025 at a cost of \$14m), and the new Kinloch Wastewater Treatment Plant (support growth in Kinloch, completed 2022 at a cost of \$17.5m)
- Other Wastewater growth and levels of service projects have been committed to be delivered within 6-7 years (including Taupō North medium-term options, Tūrangi WWTP improvements and Mangakino upgrade).
- There are no growth projects planned for stormwater as developers are responsible for providing Stormwater in new sub-divisions. Residential growth in the District would only impact demand for Council's Stormwater services if Council funding policy changed. Developers must also provide for capacity of the downstream network when increasing the flow into the network. New developments are encouraged to provide above ground solutions to Stormwater quality and velocity.

Historical delivery against planned investment								
Delivery against planned investment	Renewals investment for water services				Total investment in water services			
	FY2024/25 ¹⁹	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total planned investment (set in the relevant LTP)	\$10,670	\$21,418	\$20,483	\$53,743	\$34,635	\$67,347	\$43,605	\$145,587
Total actual investment	\$7,522	\$15,432	\$26,339	\$41,771	\$35,617	\$51,439	\$55,067	\$106,506
Delivery against planned investment (%)	70.5%	72.1%	128.6%	77.7%	102.8%	76.4%	126.3%	73.2%

Table 13: Historic Capital Delivery

In the years 2018-21, a rise in costs, alongside an increase in required investment to comply with higher drinking water standards, meant spending was higher than planned. Following this large jump in required investment and costs, there was a significant lift in the planned investment between these two LTP's, from \$43m over three years in 2018-21 to \$67m planned in 2021-24. Alongside this was an increase in "Shovel Ready" projects, the Three Waters Reform, and supply challenges during Covid, which all took a toll on BAU delivery across the organisation in 2021-24. Despite past delivery challenges, Audit New Zealand were comfortable in Council's future delivery projections. Therefore, LTP delivery targets can be reasonably relied upon.

A major driver of the increased planned capital expenditure, was upgrades to and building of new water treatment plants across the district, required to reach full compliance with protozoa barriers under DWQAR. These projects proved complex and there were delays in the initial design phase, which affected the delivery percentage in years 2022-24. It took some time for the organisation to ramp up to the higher capital delivery requirements, but a number of key actions have now been put in place to support the increased investment.

- Establishment of Project Management Office
- Expansion of our Supplier Panel in 2024
- Maturing of Portfolio management practices, tracking and reporting of project status, earlier planning, attention at organisational level to project delivery risks

Currently in the 2024-25 year we are well on-track to deliver the planned spend in waters infrastructure, as of June 2025

- Total Planned Investment: \$34.5 million
- Total Actual Investment: \$35.6 million
- Delivery against Planned Investment (%): 102.8%

Commented [JW14]: To demonstrate delivery against planning investment, councils are requested to disclose historical actual investment spend on water services infrastructure against planned investment.

Councils are encouraged to confirm if:

- The level of investment that was delivered against what was provided for in the relevant Long-Term Plan;
- Any constraints on delivery that impacted historical actual investment;
- Any steps taken to improve future delivery against the Plan; and
- Peaks in future years and approach to accommodate and deliver on the planned investment.

¹⁹ As of 9 June 2025

Part C: Revenue and financing arrangements

Revenue and charging arrangements

Revenue and charging arrangements	
Charging and billing arrangements	
Current	<ul style="list-style-type: none"> Water and wastewater services for residential are currently charged at a flat, targeted rate across the district. Some properties have meters but only commercial and rural are charged on volumetric basis. Wastewater rating units are charged per single household unit, amounts in 24/25 are \$1,118 incl GST, Discounted pan rates are applied for properties with multiple pans in separately used inhabitable parts Stormwater is included as part of the general rate. Revenue for water, wastewater, and stormwater services is charged to ratepayers through rates invoices but is already assigned to the appropriate activity through allocation methods in the finance system. Revenue for all water services is based on expenditure need and ringfenced through use of reserves already in place. More information on our general and targeted rates for 2025-26 can be found in our Annual Plan.
Proposed	<ul style="list-style-type: none"> Council will engage/consult with the community about volumetric water charging as part of the next Long-term Plan / Water Services Strategy in 2027. In our Local Water Done Well consultation we have indicated that moving to volumetric charging is likely under all proposed models. The modelling for how the revenue structure will be put in place under a volumetric charging model has not been done. There are no plans to change charging mechanisms for wastewater and stormwater, however the split of rating unit charges is likely to be reviewed as part of the Water Services Strategy 2027. Consideration of wastewater charge being a consequential percentage of water volume will be made during the metering project. Additional reserves will be added on 1 July 2025 for any surplus funds, with water activities having separate 'surplus fund' reserves to ensure appropriate separation in case of any budget surpluses. While separation of billing is being considered (through water metering project), Council will split water related revenue payments by creating separate debtor balances for water services and calculate balances of payments from water debtors (based on a robust and justifiable split). This will be in place by 30 June 2026, including separate water services bank account to separate waters revenue. Council will work with the Commerce Commission, other Councils, and the sector to implement required improvements related to best practice, new legislation, and regulatory requirements.
Water services revenue requirements and sources	
The sources of revenue are	<ul style="list-style-type: none"> Residential and commercial water service charges (targeted and general rates) - \$606m over 10 years (91%) User charges/fees (new connections, penalties etc) - \$4m over 10 years (1%) Development Contributions (\$33m over 10 years – Water \$14m, Wastewater \$19m, Stormwater \$0m) <p>Council sets the billing schedule each year when adopting the Long-term or Annual Plan. Council currently invoices customers on a quarterly basis for water service charges, metered water is invoiced based on the scheduled outline in the rates resolution each year, other charges are invoiced as and when required.</p>

Commented [JW15]: It is expected that this section will describe how consumers will be charged for water services, including:

- How water services are currently charged for each supply scheme/catchment;
- How water services are proposed to be charged for each supply scheme/catchment;
- Any changes between current and future charging mechanisms; and

How the revenue from water services will be separated from the council's other functions and activities.

Commented [JW16]: It is expected that this section will summarise the:

- Revenue requirements under the Plan;
- Sources of revenue – household charges (rates and volumetric charges) and other revenue sources (including user charges/fees, Development Contributions, capital/operating subsidies and grants, and other income);
- Where a water services organisation is to be established, whether it is proposed that the water services provider will directly charge consumers or whether charging and billing will be undertaken by council and passed through to the water services provider; and
- Charging and collection methodology – for residential and non-residential consumers.

Existing and projected users' charges

The average water services charge incl. GST over the ten-year period is \$2,808

Average charge per connection/ rating unit	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Drinking water	925	1,048	1,179	1,386	1,544	1,609	1,817	1,849	1,968	2,097
Wastewater	970	974	1,018	1,079	1,070	1,120	1,129	1,125	1,139	1,129
Stormwater	139	155	159	160	175	208	215	248	226	225
Average charge per unit	2,034	2,173	2,356	2,625	2,789	2,937	3,161	3,222	3,333	3,451

Table 14: Average Water Service Charges

Average charges by residential/commercial are shown below and have been estimated based on 2023 ratings figures split by property type. The projection assumes the existing revenue split between residential and commercial will be maintained, but this revenue strategy could be reviewed in future.

It is important to note that although the average commercial average charge is less, commercial customers will typically have multiple connections or pans. Drinking water charges are on a volumetric basis for commercial customers.

Stormwater is a general rate charged to all properties.

Residential	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Average drinking water bill (including GST)	973	1,094	1,233	1,449	1,615	1,682	1,900	1,933	2,060	2,195
Average wastewater bill (including GST)	1,110	1,123	1,169	1,236	1,225	1,280	1,288	1,283	1,297	1,285
Average stormwater bill (including GST)	139	154	159	160	175	208	215	248	226	225
Average charge per connection including GST	2,223	2,371	2,561	2,845	3,015	3,170	3,403	3,464	3,583	3,705
Non-residential										
Average drinking water bill (including GST)	614	710	814	962	1,066	1,114	1,258	1,277	1,355	1,438
Average wastewater bill (including GST)	523	515	543	580	577	608	615	616	625	621
Average stormwater bill (including GST)	139	154	159	160	175	208	215	248	226	225
Average charge per connection including GST	1,276	1,379	1,516	1,702	1,818	1,929	2,088	2,141	2,206	2,284

Table 15: Average Water Service Charges (Residential/Non-residential)

Fees and charges have not been forecast for future years but standard new connection charges incl GST in 2025-26 are:

Water Connection Urban - Residential	\$2,055
Water Connection Urban - Commercial	\$2,289
Water Connection Rural	\$2,543
Wastewater Connection Urban	\$238 (inspection fee only) Work funded by ratepayer

Table 16: 25-26 Connection Charges

Commented [JW17]: It is expected that this section will summarise the:

- Current charging and collection methodology for water services – for residential and non-residential consumers; and
- Projected charges for residential households on average over the 10-year period.

The affordability of projected water services charges for communities

- Affordability remains below the international benchmark of 2.5% median household income over the next ten-year period. Council's policy of an equal targeted rate for water and wastewater across the district improves affordability in our smaller and rural communities.
- Relative affordability remains a risk if costs are higher than predicted or incomes fail to keep pace with cost increases, although Council also has opportunities to leverage debt capacity similar to the Waikato Waters model to improve affordability. This will be considered as part of Council's 2027-37 Long-term Plan process.

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Average water services charge	2,034	2,173	2,356	2,625	2,789	2,937	3,161	3,222	3,333	3,451
Projected median household income	\$114,368	\$118,027	\$121,568	\$124,850	\$127,972	\$131,043	\$133,926	\$136,738	\$139,473	\$142,123
Water charges as % household income	1.8%	1.8%	1.9%	2.1%	2.2%	2.2%	2.4%	2.4%	2.4%	2.4%

Table 17: Affordability

Commented [JW18]: In this section, it is expected that councils will comment on:

- Affordability considerations and constraints, including the community's ability to pay projected water services charges; and
- Average water charges per connection as a percentage of median household income.

Funding and financing arrangements**Funding and financing arrangements****Water services financing requirements and sources**

- The projected new borrowing requirements over ten years to support the level of investment required is \$182million.
- Council has debt capacity to enable required level of cash and working capital requirements.
- Water services starting net debt position is \$140 million and end net debt position by 2033-34 is \$161 million.
- Whole of Council borrowing is well within the debt to revenue limit of 280%, starting at 149% and decreasing below 100% by 2033-34. Significant debt headroom, an average of \$366 million, is available within the 280% limit. Council has significant liquid assets and net borrowing is low, which is a strength of our inhouse model of water services delivery.
- We will set a separate borrowing limit for water services, this will be done as part of the next Long-term Plan 2027, and the initial Water Services Strategy.
- Council's current debt repayment strategy is to pay debt back over a maximum term of 25 years. Debt repayment is funded by reserves. Underground assets with a longer useful life, could be paid back over a longer term. This prudent debt repayment position will be considered / reviewed in the next LTP.
- More information on our current strategy is available in our [Financial Strategy](#), [Financing Policies](#) and [Accounting Policies](#).
- Other requirements of financial separation will be met by 1 July 2026. The actions to be taken to achieve full separation are laid out in the implementation plan section of this document.
- A working group with other Councils choosing an inhouse model will be considered, providing the ability to share insights and learnings on financial separation.
- Council has a robust Treasury Management Policy, which ensures prudent management of borrowing and interest rate / refinance risk. Active management of Council's underlying interest rate exposures, within

Commented [JW19]: It is expected that this section will describe:

- Projected borrowing requirements over the 10-year period to deliver the level of investment required;
- Minimum cash and working capital requirements for the sustainable delivery of water services;
- Borrowing limits for water services and all council business;
- Whether projected borrowings are within borrowing limits;
- Financial strategy for financing water services investment and operating expenditure;
- Expected tenor of new borrowings and how interest rate and refinance risk will be managed; and
- Debt repayment strategy.

<p>policy parameters, reduces uncertainty relating to interest rate movements through fixing/hedging of interest costs. Council engages specialist treasury advisors to advise on appropriate parameters of Council's Treasury Management policy and monitor compliance with this policy, including tenure of new borrowings.</p>
<p>Internal borrowing arrangements</p> <ul style="list-style-type: none"> Council uses internal borrowing, which is tracked between activities to ensure external borrowing and costs are allocated correctly. However, Council does not apply interest on internal reserves. This will be considered as part of the implementation plan for financial ring-fencing by 1 Jul 2026. Waters borrowings are already ring-fenced, as external debt is tracked at a capital project level. The borrowing limits for water will be separated as part of the next Long-term Plan and financial strategy review. External debt and reserves will be transitioned to waters trial balance as part of financial separation.
<p>Determination of debt attributed to water services</p> <ul style="list-style-type: none"> The total value of water services borrowing as at 30 June 2024 is \$148 million. This value was determined with a high degree of accuracy, as all our external debt is tracked by capital project code and can be associated with an activity area. There is a small amount of ambiguous debt associated with cross-over projects between Stormwater and Roding, but these amounts are not significant.
<p>Insurance arrangements</p> <ul style="list-style-type: none"> Councils three waters assets are insured under two key policies procured through BOPLASS: Material Damage and Business Interruption (all perils for above ground assets) and Infrastructure Insurance (natural hazard perils for below ground assets). Three waters projects also have Contract Works Insurance in place. Council reviews its insurance cover on an annual basis. An Insurance Renewal Policy is currently in draft and going through review and approval processes before being adopted by Council. The most recent review of our financial risk transfer arrangements was completed in December 2024. Council recently reviewed its approach to insuring below ground water assets, previously self-insured through one of Council's investment funds. As of April 2025 these are now insured via the BOPLASS Infrastructure Insurance group policy referenced above. Council is currently participating in a probabilistic loss modelling exercise to evaluate the loss scenarios to both its underground and overground assets resulting from earthquake, using the latest National Seismic Hazard Model (2022). This work is being procured via BOPLASS and the modelling is being undertaken by our insurance broker, Aon. Results are expected in September 2025. Water assets are externally valued every three years, with Council applying BERL indices to account for inflation for years between formal valuations. Three waters will be revalued for full replacement value in the 2025/26 financial year. As of June 2024 valuation, Council has \$739 million of three waters assets (\$378 million of below ground assets, with the remainder being above ground). Cover is provided via: <ul style="list-style-type: none"> Government funding that will contribute up to 60 percent of the rebuild or repair cost, above a threshold laid out in section 26 of the Guide to the National Civil Defence Emergency Management Plan after an emergency Infrastructure Insurance for below ground assets, with a sub-limit of \$90 million for Taupō District Council and a deductible of \$750,000. There is a group limit of \$500 million. The adequacy of the sub-limit and group limits will be reviewed following receipt of the results of the probabilistic loss modelling. Taupō District is a geographically dispersed district with assets spread throughout the district, so the simultaneous loss of all schemes is unlikely. Loss modelling will materially inform our understanding of risk.

Commented [JW20]: It is expected that this section will summarise:

- Any current internal borrowing arrangements between water services and other council business, including whether finance costs are charged on these arrangements and repayment mechanics;
- Whether it is proposed that internal borrowing arrangements will be used up to 30 June 2028;
- Whether it is proposed that internal borrowing arrangements will be used beyond 30 June 2028; and
- How internal borrowings will be managed to ensure compliance with ringfencing requirements.

Commented [JW21]: It is expected that this section will describe:

- How debt allocated to water services on 30 June 2024 was determined; and
- The total value of water services borrowings and the net debt to operating revenue calculation on 30 June 2024.

Commented [JW22]: This section should:

- Confirm that the asset owning organisation in the proposed service delivery arrangement will hold the necessary insurance policies;
 - Describe whether annual insurance risk assessments are undertaken – and if not annually, when the last review of insurance cover was completed;
 - Describe whether risk evaluation and assessment identifies probability of loss and cost under scenarios (distinguishing between above and below ground assets); and
 - Describe the level of insurance cover for the network, including the basis for valuation of water assets and how insurance cover is calculated for insurable water services assets.
- In addition, it is expected that this section will briefly summarise the insurance management policy for water services, including:
- Insurance review policy and asset identification standards;
 - Key insurable risks, a description of risk appetite/tolerance and identified mitigations;
 - Any link with Council's disaster policy response to mitigate insurance losses; and
 - Delegations and reporting on insurance.

- Material Damage and Business Interruption Policy for above ground assets. Three waters assets to the value of \$269M are specified on Council's insurance policy, with a deductible of \$25,000 for all perils and a 5% of the insured sum for natural disaster claims. There is a \$900M limit on the BOPLASS group policy. Note, a higher level of insurance is required for Business Interruption as above ground assets are vulnerable to a wider range of perils, beyond those arising from natural hazards and the government funding of 60% only kicks in after an emergency.
 - In the event of a significant natural disaster, it is expected that rebuild costs will be funded through a combination of
 - Central government funding for critical infrastructure assets (60%)
 - Insurance
 - Debt headroom
- Relevant policies
- Insurance Renewal Policy is in draft and expected to be adopted during 2025. It covers
 - Asset criticality and decision on whether to insure
 - Risk Management Policy last reviewed February 2024, includes
 - Risk appetite and risk management framework
 - Business Continuity Plans
 - In process of being updated but cover major disruption to water and wastewater services

Part D: Financial sustainability assessment

Confirmation of financially sustainable delivery of water services

Financially sustainable water services provision	
Confirmation of financially sustainable delivery of water services by 30 June 2028	
<p>Our plan meets the requirements of revenue, investment and financing sufficiency, as laid out in the following sections. We are already financially sustainable with water services inhouse, as indicated by our Long-term Plan 2024-34 and amendments made in the Annual Plan 25-26.</p> <p>Financial figures are from the Annual Plan 25-26 and are a slight increase on planned spending from LTP 2024-34.</p>	
Actions required to achieve financially sustainable delivery of water services	
<p>Delivery of water services inhouse by Taupō District Council is currently financially sustainable, as laid out in our Long-term Plan 2024-34 and confirmed in this Water Services Delivery Plan.</p> <ul style="list-style-type: none"> • Sufficient revenue is gathered to cover operating expenses, including full funding of depreciation. • The planned level of investment is appropriate and supports growth, levels of service, renewals and compliance activities. • Net debt to revenue ratios for whole of Council are well below limits, providing sufficient debt headroom. 	
Risks and constraints to achieving financially sustainable delivery of water services	
<p>The main risks and constraints to achieving our plan are</p> <ul style="list-style-type: none"> • Community ability to afford revenue requirements • Supplier and workforce availability • Transition to full financial separation is more challenging than expected • General financing risks (interest costs etc) • Unexpected events <p>Further details on our main risks and assumptions can be found in Section F</p>	

Commented [JW23]: It is expected that this section will demonstrate that the Plan achieves financially sustainable delivery of water services by 30 June 2028, which can be met by confirmation of:

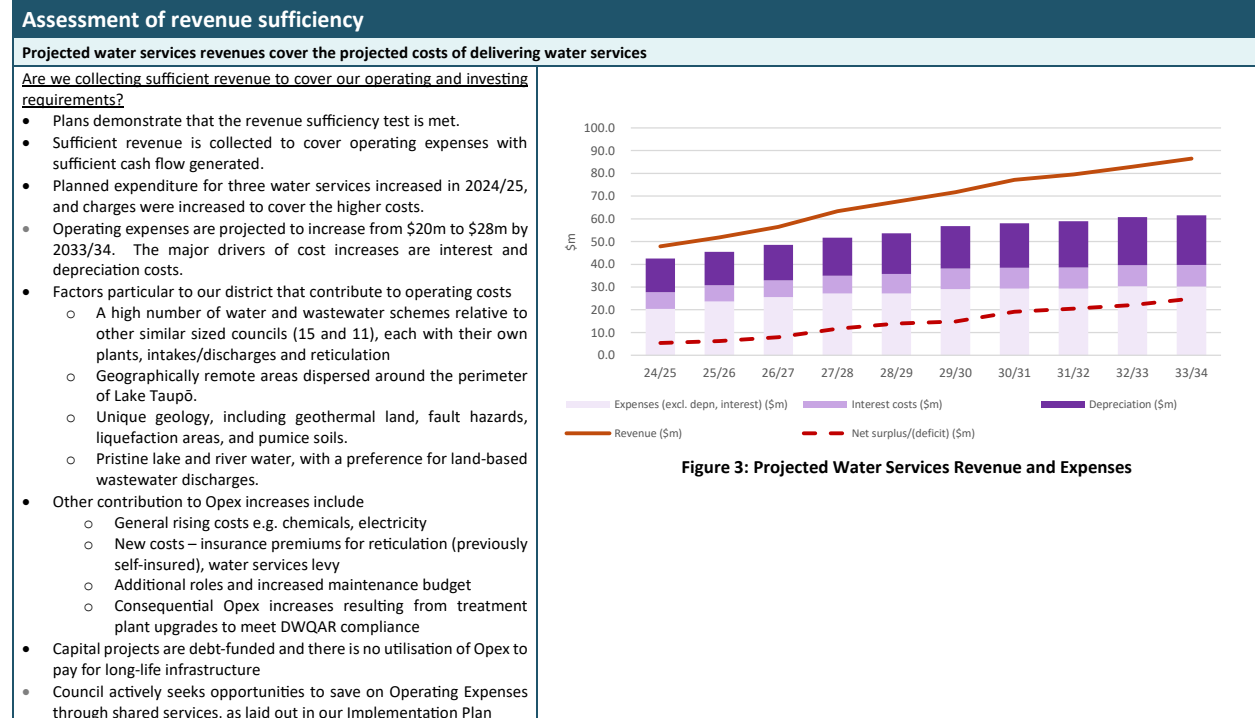
- 'Revenue sufficiency' - sufficient revenue to cover the costs (including servicing debt) of water services delivery;
- 'Investment sufficiency' - projected investment is sufficient to meet levels of service, regulatory requirements and provide for growth; and
- 'Financing sufficiency' - funding and financing arrangements are sufficient to meet investment requirements.

Commented [JW24]: The Plan must include an explanation of what the council proposes to do to ensure that the delivery of water services will be financially sustainable by 30 June 2028. This may include:

- Projected price path/revenue requirements – and how this ensures that water revenues cover the costs of service (including assumptions for recovery of depreciation);
- The level of investment required over 10-years to meet levels of service, regulatory requirements and provide for growth; and
- How levels of borrowing will be managed within borrowing limits.

Commented [JW25]: The purpose of this section is to summarise any issues, constraints and risks to delivery of financially sustainable water services.

Financially sustainable assessment - revenue sufficiency



Taupō District Council
Water Services Delivery Plan
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Average projected charges for water services over FY2024/25 to FY2033/34										
Projected average charge per connection / rating unit (including GST)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking water	925	1,044	1,179	1,386	1,544	1,609	1,817	1,849	1,968	2,097
Wastewater	970	974	1,018	1,079	1,070	1,120	1,129	1,125	1,139	1,129
Stormwater	139	155	159	160	175	208	215	248	226	225
Average charge per connection / rating unit	2,034	2,173	2,356	2,625	2,789	2,937	3,161	3,222	3,333	3,451
Increase in average charge		6.8%	8.4%	11.4%	6.2%	5.3%	7.6%	1.9%	3.4%	3.5%
Water services charges as % of median household income	1.8%	1.8%	1.9%	2.1%	2.2%	2.2%	2.4%	2.4%	2.4%	2.4%

Table 18: Projected Average Charges

Assumptions used to calculate the average charges

- Growth – Council has used a medium growth scenario for the district over the ten-year plan. Under this scenario, it is estimated that the population will reach 48,400 by 2034. That is an increase of 7,000 people or approx 1.7% growth per annum.
- Median income²⁰ – Historic median income figures 2015-2024 from Infometrics and StatsNZ were used for Waikato region. BERL indices were then applied to project the growth in median income. Median income figures are not provided for Taupō District separate from Waikato.
- “Average” – total revenue / total rating units – will be slightly different to the “typical” residential charge. For example, in the 2024/25 year, actual standard water connection charge was \$833 and wastewater \$1110. Standard water charges are slightly lower than the average as commercial users will pay a higher charge. Standard wastewater charges are higher than the average due to discounted charges for multi-pan connections. The split between residential and non-residential charges and rating units will be reviewed as part of the 2027 Water Services Strategy.

Commented [JW26]: In this section, councils are requested to populate the financial table below. All projected charges should be inclusive of GST.
Councils should provide a brief description of assumptions used in calculating projected median household charges.

²⁰ [Taupo Median Household Income.xlsx](#)

Projected operating surpluses/(deficits) for water services										
Operating surplus ratio (whether revenues cover costs)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating surplus/(deficit) excluding capital revenues – combined water services	\$210	\$538	\$1,633	\$4,497	\$6,788	\$7,480	\$11,653	\$13,067	\$14,385	\$17,004
Operating revenue – combined water services	\$42,557	\$45,953	\$50,178	\$56,317	\$60,378	\$64,332	\$69,809	\$71,997	\$75,221	\$78,639
Operating surplus ratio	0.5%	1.2%	3.3%	8.0%	11.2%	11.6%	16.7%	18.1%	19.1%	21.6%

Table 19: Projected Operating Surpluses

- The positive and increasing operating ratio indicates that sufficient revenue is being collected to cover operating expenses.
- The operating surplus is planned to steadily increase throughout the next ten years to \$17 million by 2033/34. Council has planned to replenish reserves, enabling us to keep our current prudent debt repayment strategy.
- Operating surpluses are retained in a reserve which is ring-fenced for renewals, debt repayment or unbudgeted/unplanned expenses
- Amounts are shown in \$000.

Projected operating cash surpluses for water services										
Operating cash ratio (whether revenues cover costs)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating surplus/(deficit) + depreciation + interest costs - capital revenues	\$22,355	\$22,283	\$24,543	\$29,077	\$33,169	\$35,224	\$40,480	\$42,744	\$44,884	\$48,427
Operating revenue – combined water services	\$42,743	\$45,953	\$50,178	\$56,317	\$60,378	\$64,332	\$69,809	\$71,997	\$75,221	\$78,639
Operating cash ratio	52.3%	48.5%	48.9%	51.6%	54.9%	54.8%	58.0%	59.4%	59.7%	61.6%

Table 20: Projected Operating Cash Surpluses

- Council has a prudent debt repayment strategy, and this is shown in our relatively high operating cash ratio. This could be reviewed as part of the next LTP planning cycle. Cash surpluses are planned to be used to build up reserves and repay water related debt.
- Council rates for depreciation on assets (fully funded depreciation) which they plan to replace. Council has some depreciation funding exclusions but there are none in the waters area.
- Amounts are shown in \$000.

Commented [JW27]: In this section, councils are requested to populate the financial measure “Operating Surplus Ratio” [Operating surplus excluding capital revenues, divided by operating revenues]. This ratio is an indicator of whether operating revenue is sufficient to cover operating expenses. Where this ratio percentage is negative, this represents the percentage increase required for revenues to cover costs. Councils should specify the unit of measurement in the table (for example, \$k or \$m). Councils should comment on:

- Whether projected operating revenues generate surpluses or deficits;
- The policy for recovering depreciation charges when setting revenues;
- What any surpluses generated will be applied to; and
- Where there is an operating deficit in any year, comment as to why this is appropriate.

Commented [JW28]: In this section, councils are requested to populate the financial measure “Operating Cash Ratio” [Operating surplus plus depreciation plus interest costs minus capital revenues, divided by operating revenue]. This ratio is an indicator of whether cash surpluses are generated from operations to pay interest, fund investment and repay debt. Councils should specify the unit of measurement in the table (for example, \$k or \$m). Councils should comment on:

- Whether projected operating cashflows are generated;
- What cash surpluses generated will be applied to; and
- Whether projected operating cashflows are sufficient to meet renewals investment requirements and to meet scheduled debt repayments.

Financially sustainable assessment - investment sufficiency

Assessment of investment sufficiency

Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth

Are we planning to invest at the required levels to support growth, renew our assets and maintain or improve our levels of service?

- Council has, and continues to, make the required investment in capital improvements. We are midway through a large capital works programme to upgrade all our drinking water sites to comply with DWQAR. We have an increased renewals programme planned over ten years to replace aging underground assets and improve our service levels.
- Non-financial performance measures have not all been achieved but increased investment is planned through 2024-34 Long-term Plan to improve these indicators, particularly for water loss.
- The capital works programme has been front-loaded into the earlier years of the ten-year planning cycle, to prioritise necessary compliance upgrades.
- Renewals and levels of service project spending remain relatively consistent throughout the ten-year plan, additional growth projects may emerge in later years.
- The capital delivery programme is ambitious, but achievable.

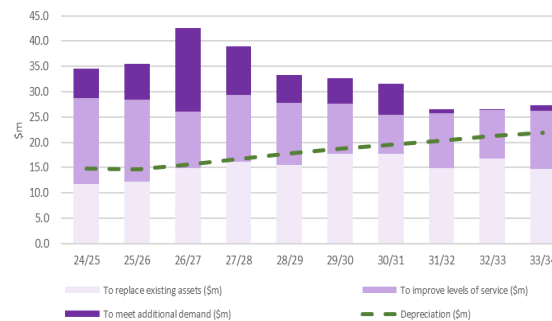


Figure 4: Projected Water Services Investment Requirements

Commented [JW29]: It is expected that this section will demonstrate that:

- Proposed level of investment is sufficient to meet levels of service, regulatory requirements and provide for growth;
- Proposed level of investment is fully funded by projected revenues and access to financing; and
- Projected levels of investment have been assessed as meeting the 'investment sufficiency' test.

Renewals requirements for water services										
Asset sustainability ratio	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Capital expenditure on renewals – all water services assets	\$11,842	\$12,216	\$14,894	\$16,143	\$15,546	\$17,679	\$17,815	\$14,943	\$16,813	\$14,721
Depreciation – all water services assets	\$14,888	\$14,659	\$15,629	\$16,742	\$17,796	\$18,722	\$19,608	\$20,397	\$21,161	\$21,898
Asset sustainability ratio	-20.5%	-16.7%	-4.7%	-3.6%	-12.6%	-5.6%	-9.1%	-26.7%	-20.5%	-32.8%

Table 21: Asset Sustainability Ratio

Amounts are shown in \$000.

Depreciation exceeds planned spending on renewals throughout the ten-years, but this is acceptable and attributable to

- Planned rebuilding of reserves following a period of high inflation and active investment.
- Sustained increase in renewals spending (pipe replacements) over the last few years, particularly in water supply, which has improved the quality and value of our network assets and extended the useful life.
- In recent years we have made considerable capital investments in new assets to improve levels of service and provide for growth.
- In many cases where we are “replacing better”, part of the capital project will be apportioned to growth and/or levels of service improvements, not renewals.
- Any surplus from depreciation goes into a reserve which is ring-fenced for water investment or loan repayment.
- Renewals spending has been planned in line with our Asset Management Plans, and is based on a combination of asset condition assessments (where known), expected remaining life, and smoothing out of renewals spending to ensure assets are replaced in a sustainable way without large peaks in later years.

Water network renewals have a high work plan for the next ten years to catch up on a construction backlog and reverse pipeline failure trend associated with asbestos cement pipes. The figure below is from the 2024 Asset Management Plan showing the recommended renewals and the impact this has on reversing the construction backlog to zero within ten years – Fig. 5.

- Wastewater network assets have a high average remaining useful life, with over 85% with a planned replacement year beyond 20 years. Renewals work has been planned to smooth this work over 30 years, with an appropriate increase in renewals spending beyond 2050 (as shown there is a large number of network assets due for replacement in 2047, 2050 and 2053) – Fig. 6.

RECOMMENDED - Estimated Construction Backlog Versus Proposed Renewal Budget

Note: Renewal Budget Utilised in Year 1 - 3 to Fund Today Renewal/Upgrade

Figure 5: Planned Water Network Renewals

Network Renewals Budget Plan

Figure 6: Planned Wastewater Network Renewals

Commented [JW30]: To demonstrate asset sustainability, councils are requested to populate the below financial measure “Asset Sustainability Ratio” [Capital expenditure on renewals divided by depreciation, minus 1]. This ratio assesses whether projected renewals investment is more or less than projected depreciation and is an indicator as to whether the renewals programme is replacing network assets in line with the rate of asset deterioration. Where the ratio is positive, this means that there is more projected renewals investment than projected depreciation. Where this ratio is negative, this means that projected renewals investment is less than projected depreciation. Councils should specify the unit of measurement in the table (for example, \$k or \$m). Councils should comment on:

- How the proposed renewals investment has been determined and how this is consistent with the long-term infrastructure strategy, asset management plan and/or other strategic documents relating to water services asset management; and
- Where the projected levels of renewals investment is lower than projected depreciation, why this is appropriate.

Total water services investment required over 10 years										
Asset investment ratio	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total capital expenditure – all water services assets	\$34,635	\$35,493	\$42,411	\$38,960	\$33,389	\$32,643	\$31,556	\$26,589	\$26,503	\$27,308
Depreciation – all water services assets	\$14,888	\$14,659	\$15,629	\$16,742	\$17,796	\$18,722	\$19,608	\$20,397	\$21,161	\$21,898
Asset investment ratio	132.6%	142.1%	171.4%	132.7%	87.6%	74.4%	60.9%	30.4%	25.2%	24.7%

Table 22: Total Investment 2024-34

- Spend and investment is high in initial years and primarily due to upgrading levels of service to meet new water drinking standards. The district continues to grow and the investment reflects this additional requirement. Capital investment is high throughout the ten-year period.
- The required levels of investment have been determined through the Long-term Plan 2024-34 process, prioritising projects to meet the requirements of growth, levels of service and renewals.
- Plans are laid out clearly in our Infrastructure Strategy and Asset Management Plans. Careful balancing of investment priorities against financial considerations and resourcing capacity (deliverability) has been a focus of this plan.
- Amounts are shown in \$000.

Average remaining useful life of network assets										
Asset consumption ratio	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Book value of water infrastructure assets	\$514,633	\$568,731	\$615,400	\$658,122	\$694,313	\$728,992	\$761,355	\$788,822	\$815,592	\$841,701
Replacement value of water infrastructure assets	\$737,166	\$761,493	\$786,622	\$810,221	\$832,907	\$855,395	\$876,780	\$898,700	\$920,269	\$940,515
Asset consumption ratio	69.8%	74.7%	78.2%	81.2%	83.4%	85.2%	86.8%	87.8%	88.6%	89.5%

Table 23: Asset Consumption Ratio

- We have a high asset consumption ratio, showing our book value is close to our replacement value, indicating our assets are relatively new. This shows that council has maintained sufficient investment. The increase over the ten years is planning sufficient investment and replacement of older assets.
- Amounts are shown in \$000.

Commented [JW31]: To demonstrate asset improvement, councils are requested to populate the below financial measure "Asset Investment Ratio" [Total capital expenditure divided by depreciation, minus 1].

This ratio compares total investment to projected depreciation. Where the ratio is positive, this means that there is more projected investment than projected depreciation. Where this ratio is negative, this means that projected investment is less than projected depreciation.

Councils should specify the unit of measurement in the table (for example, \$k or \$m).

Councils should comment on:

- How the proposed levels of investment have been determined; and
- How this is consistent with the long-term infrastructure strategy, asset management plan and/or other strategic documents relating to water services asset management.

Commented [JW32]: To demonstrate asset consumption, councils are requested to populate the below financial measure "Asset Consumption Ratio" [Book value of infrastructure assets divided by replacement value of infrastructure assets].

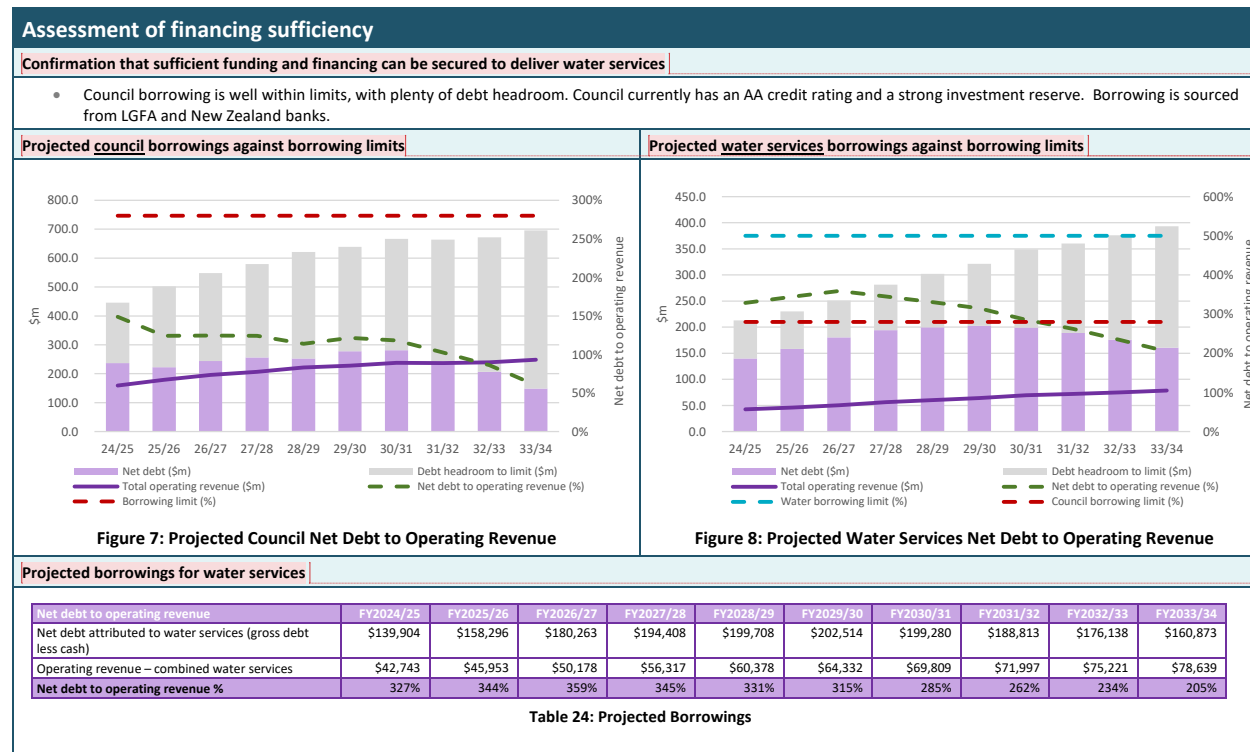
This ratio compares the book value of water infrastructure assets to total replacement value of water infrastructure assets. The ratio percentage represents the average remaining useful life of network assets. If this ratio materially reduces over time, then this means that the burden on future consumers to replace network assets is increasing.

Councils should specify the unit of measurement in the table (for example, \$k or \$m).

Councils should comment on:

- The impact that the proposed level of investment has on the average remaining useful life of network assets over the 10-year period; and
- Where there is a material decrease in the asset consumption ratio over time, how investment beyond FY2033/34 will ensure that asset replacement requirements are delivered.

Financially sustainable assessment - financing sufficiency



Commented [JW33]: It is expected that this section will confirm:

- Whether projected total council borrowings are within council borrowing limits;
- Whether projected water services borrowings are within the council-determined limit for water services borrowing;
- The required levels of borrowings can be sourced; and
- The Plan meets the 'financing sufficiency' test.

Commented [JW34]: include the following chart – "Projected council net debt to operating revenue". This chart can be generated in the Financial Template.

If councils have produced a joint Plan, each council is required to produce a projected council net debt to operating revenue graph. Advice should be sought from the Department as to whether water services revenues and debt should be included, which will be dependent on the proposed service delivery model.

Commented [JW35]: include the following chart – "Projected water services net debt to operating revenue". This chart can be generated in the Financial Template.

It is recommended that an appropriate borrowing limit is set for water services that reflects the levels of investment proposed, whilst ensuring that council stays within its borrowing covenants.

Commented [JW36]: This ratio compares projected borrowings (minus cash and cash equivalents) to projected operating revenues. Councils should specify the unit of measurement in the table (for example, \$k or \$m).

In this section, councils are requested to populate the below financial measure "Net Debt to Operating Revenue" [gross borrowings minus cash and equivalents, divided by operating revenue]. Operating revenue is used as a proxy for the Local Government Funding Agency's (LGFA) definition of revenue, for simplicity. LGFA defines revenue for this purpose as "Cash earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets)".

Councils should comment on:

- The profile of borrowings required and how this relates to the timing of investment requirements; and
- Whether the projected net debt to operating revenue calculation is within the council-determined limit for water services.

- The projected borrowings for water services is at an appropriate level for water services infrastructure.
- Net debt to revenue ratio is higher than whole of Council limit of 280%, however this is appropriate for long-life water infrastructure assets. A separate debt to revenue ratio for water services will be set as part of the next Long-term Plan and Water Services Strategy in 2027.
- The ratio reduces over time in line with Council's plan to repay water debt using reserves.
- Amounts are shown in \$000.

Borrowing headroom/(shortfall) for water services

Borrowing headroom/(shortfall) against limit	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating revenue	\$42,743	\$45,953	\$50,178	\$56,317	\$60,378	\$64,332	\$69,809	\$71,997	\$75,221	\$78,639
Debt to revenue limit for water services (%)	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt at borrowing limit	\$213,715	\$229,765	\$250,890	\$281,585	\$301,890	\$321,660	\$349,045	\$359,985	\$376,105	\$393,195
Projected net debt attributed to water services	\$139,904	\$158,296	\$180,263	\$194,408	\$199,708	\$202,514	\$199,280	\$188,811	\$176,138	\$160,873
Borrowing headroom/(shortfall) against limit	\$73,811	\$71,469	\$70,627	\$87,177	\$102,182	\$119,146	\$149,765	\$171,172	\$199,967	\$232,322

Table 25: Borrowing Headroom

- At the highest possible debt to revenue ratio of 500%, we have access to plenty of additional debt. Even at a more conservative ratio of 350%, we have sufficient headroom.
- The debt limit for water services (separate to Council) will be reviewed as part of the next Long-term Plan and Water Services Strategy 2027.
- Amounts are shown in \$000.

Free funds from operations

Free funds from operations	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projected net debt attributed to water services	\$139,904	\$158,296	\$180,263	\$194,408	\$199,708	\$202,514	\$199,280	\$188,813	\$176,138	\$160,873
Projected free funds from operations – water services	\$14,970	\$15,197	\$17,262	\$21,239	\$24,584	\$26,202	\$31,261	\$33,463	\$35,545	\$38,901
Free funds from operations to net debt ratio	10.7%	9.6%	9.6%	10.9%	12.3%	12.9%	15.7%	17.7%	20.2%	24.2%

Table 26: Free Funds from Operations

- Throughout the ten-year period, our FFO ratio is at or above the recommended DIA range of 8-12% for water service providers. This reflects our prudent debt strategy. This strategy and revenue policies (e.g. volumetric water charging) will be reviewed as part of the Water Services Strategy.
- Amounts are shown in \$000.

Commented [JW37]: In this section, councils are requested to populate the below financial measure "Borrowing Headroom/(Shortfall)" [Maximum allowable net debt at borrowing limit (operating revenue multiplied by 'net debt to operating revenue limit for water services') minus projected net debt attributed to water services].

This measure determines whether projected borrowings are within borrowing limits, as well as the ability to borrow for unforeseen events. A positive number equates to the additional amount of borrowings that could be taken on without exceeding borrowing limits. A negative number means borrowings exceed the borrowing limit.

Councils should comment on:

- The debt limit specified by council for water services on a net debt to operating revenue basis;
- The amount of projected borrowing headroom; and
- If, in any year, the ratio shows a borrowing shortfall against limit, how this shortfall will be backed by other council revenues, and how this will be rectified through appropriate revenue setting for water services delivery.

It is recommended that all water services delivery arrangements have a specified borrowing limit for water services – whether delivered in-house or through the establishment of a water services organisation.

Councils should specify the unit of measurement in the table (for example, \$k or \$m).

Commented [JW38]: In this section, councils are requested to populate the below financial measure "Free Funds from Operations". [Free funds from operations for water services (operating revenue minus operating expenses plus depreciation and other non-cash expenses, less interest revenue), divided by net debt (gross borrowings minus cash and equivalents)].

Councils should comment on the level of projected leverage for water services under the free funds from operations calculations and how this is consistent with the financial strategy for water services delivery.

This ratio measures the percentage of debt balance that is generated in free cash flow each year and is key leverage indicator for financiers. Councils should specify the unit of measurement in the table (for example, \$k or \$m).

Part E: Projected financial statements for water services

Projected financial statements – for drinking water, wastewater, stormwater and combined water services										
Projected funding impact statement										
Projected funding impact statement - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates	\$2,908	\$3,263	\$3,387	\$3,454	\$3,832	\$4,606	\$4,815	\$5,633	\$5,180	\$5,217
Targeted rates	\$39,106	\$41,931	\$46,003	\$52,046	\$55,702	\$58,854	\$64,098	\$65,443	\$69,095	\$72,453
Subsidies and grants for operating purposes	\$128	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Local authorities fuel tax, fines, infringement fees and other	\$4,412	\$5,123	\$5,333	\$5,301	\$5,454	\$5,638	\$5,329	\$5,470	\$5,616	\$5,211
Fees and charges	\$350	\$364	\$378	\$391	\$404	\$418	\$430	\$441	\$453	\$465
Total sources of operating funding	\$46,904	\$50,681	\$55,101	\$61,192	\$65,392	\$69,516	\$74,672	\$76,987	\$80,344	\$83,346
Applications of operating funding										
Payments to staff and suppliers	\$17,420	\$20,018	\$21,951	\$23,583	\$23,466	\$25,235	\$25,669	\$25,453	\$26,458	\$26,634
Finance costs	\$7,258	\$7,086	\$7,280	\$7,837	\$8,585	\$9,022	\$9,220	\$9,281	\$9,339	\$9,526
Internal charges and overheads applied	\$7,128	\$8,379	\$8,607	\$8,535	\$8,759	\$9,058	\$8,521	\$8,791	\$9,003	\$8,286
Other operating funding applications	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total applications of operating funding	\$31,806	\$35,483	\$37,838	\$39,955	\$40,810	\$43,315	\$43,410	\$43,525	\$44,880	\$44,446
Surplus/(deficit) of operating funding	\$15,098	\$15,198	\$17,263	\$21,237	\$24,582	\$26,201	\$31,262	\$33,462	\$35,544	\$38,900
Source of capital funding										
Subsidies and grants for capital expenditure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Development and financial contributions	\$2,745	\$3,007	\$3,149	\$3,494	\$3,467	\$3,487	\$3,485	\$3,535	\$3,559	\$3,591
Increase/(decrease) in debt	\$15,867	\$16,380	\$11,320	\$12,432	\$6,578	\$2396	(\$3,366)	(\$1,670)	(\$3,279)	\$2,949
Gross proceeds from sales of assets	\$61	\$37	\$33	\$83	\$40	\$149	\$45	\$59	\$75	\$82
Other dedicated capital funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total sources of capital funding	\$18,673	\$19,424	\$14,502	\$16,009	\$10,085	\$6,032	\$164	\$1,924	\$355	\$6,622
Applications of capital funding										

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Capital expenditure - to meet additional demand	\$5,845	\$6,981	\$16,456	\$9,546	\$5,511	\$5,075	\$6,116	\$722	\$80	\$1,009
Capital expenditure - to improve levels of services	\$16,948	\$16,296	\$11,061	\$13,271	\$12,333	\$9,889	\$7,627	\$10,924	\$9,610	\$11,578
Capital expenditure - to replace existing assets	\$11,842	\$12,216	\$14,894	\$16,143	\$15,546	\$17,679	\$17,815	\$14,943	\$16,813	\$14,721
Increase/(decrease) in reserves	(\$864)	(\$871)	(\$10,645)	(\$1,709)	\$1,280	(\$407)	(\$134)	\$8,799	\$9,400	\$18,215
Increase/(decrease) in investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total applications of capital funding	\$33,771	\$34,622	\$31,766	\$37,251	\$34,670	\$32,236	\$31,424	\$35,388	\$35,903	\$45,523
Surplus/(deficit) of capital funding	(\$15,098)	(\$15,198)	(\$17,264)	(\$21,242)	(\$24,585)	(\$26,204)	(\$31,260)	(\$33,464)	(\$35,548)	(\$38,901)
Funding balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 27: Funding Impact Statement

Projected statement of comprehensive revenue and expense

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	\$42,742	\$45,953	\$50,178	\$56,317	\$60,378	\$64,332	\$69,809	\$71,997	\$75,221	\$78,639
Other revenue	\$5,370	\$5,811	\$6,288	\$7,096	\$7,085	\$7,344	\$7,345	\$7,549	\$7,708	\$7,849
Total revenue	\$48,112	\$52,341	\$57,268	\$63,749	\$67,463	\$71,676	\$77,154	\$79,546	\$82,929	\$86,488
Expenses										
Operating expenses	\$17,423	\$20,018	\$21,951	\$23,583	\$23,466	\$25,235	\$25,669	\$25,453	\$26,458	\$26,634
Finance costs	\$7,258	\$7,086	\$7,280	\$7,837	\$8,585	\$9,022	\$9,220	\$9,281	\$9,339	\$9,526
Overheads and support costs	\$3,095	\$3,652	\$3,685	\$3,658	\$3,743	\$3,873	\$3,659	\$3,800	\$3,879	\$3,578
Depreciation & amortisation	\$14,888	\$14,659	\$15,629	\$16,742	\$17,796	\$18,722	\$19,608	\$20,397	\$21,161	\$21,898
Total expenses	\$42,661	\$45,415	\$48,545	\$51,820	\$53,590	\$56,852	\$58,156	\$58,931	\$60,837	\$61,636
Net surplus/(deficit)	\$5,451	\$6,349	\$7,920	\$11,593	\$13,873	\$14,824	\$18,998	\$20,615	\$22,092	\$24,852
Revaluation of infrastructure assets	\$15,682	\$14,780	\$16,041	\$15,949	\$16,052	\$16,431	\$16,058	\$16,848	\$16,815	\$15,986
Total comprehensive income	\$21,134	\$21,129	\$23,961	\$27,542	\$29,925	\$31,255	\$35,056	\$37,463	\$38,907	\$40,838
Cash surplus/(deficit) from operations (ex non-cash items)	\$20,339	\$21,008	\$23,549	\$28,335	\$31,666	\$33,546	\$38,606	\$41,012	\$43,253	\$46,750

Table 28: Projected Profit and Loss Statement

Projected statement of cashflows										
Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	15,098	15,197	17,263	21,237	24,582	26,201	31,262	33,462	35,544	38,900
[Other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	15,098	15,197	17,263	21,237	24,582	26,201	31,262	33,462	35,544	38,900
Cashflows from investing activities										
Capital expenditure – infrastructure assets	2,806	3,044	3,182	3,577	3,507	3,636	3,530	3,594	3,634	3,673
[Other items]	(34,635)	(35,493)	(42,411)	(38,960)	(33,390)	(32,643)	(31,558)	(26,589)	(26,503)	(27,308)
Net cashflows from investing activities	(31,829)	(32,449)	(39,229)	(35,383)	(29,883)	(29,007)	(28,028)	(22,995)	(22,869)	(23,635)
Cashflows from financing activities										
New borrowings	22,793	23,277	27,517	27,817	17,844	14,964	13,742	11,646	9,690	12,587
Repayment of borrowings	(6,924)	(6,897)	(16,196)	(15,383)	(11,265)	(12,568)	(17,108)	(13,316)	((12,969)	(9,639)
Net cashflows from financing activities	15,869	16,380	11,321	12,434	7,579	3,396	(2,366)	(670)	(2,279)	2,948
Net increase/(decrease) in cash and cash equivalents	(862)	(871)	(10,645)	(1,712)	1,279	(\$410)	(\$132)	8,797	9,396	18,213
Cash and cash equivalents at beginning of year*	9,269	13,544	12,672	2,027	315	1,593	1,183	1,051	9,848	19,244
Cash and cash equivalents at end of year*	8,406	12,672	2,027	315	1,593	1,183	1,051	9,848	19,244	37,457

Table 29: Cashflow Statement

Projected statement of financial position										
Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets										
Cash and cash equivalents	8,406	12,672	2,027	315	1,593	1,183	1,051	9,848	19,244	37,457
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	514,633	568,731	615,400	658,112	694,313	728,992	761,355	788,822	815,592	841,701
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	523,039	581,403	617,427	658,427	695,906	730,175	762,406	798,670	834,836	879,158
Liabilities										
Borrowings – current portion	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	148,310	170,969	182,291	194,724	201,301	203,697	200,331	198,661	195,382	198,330
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	148,310	170,969	182,291	194,724	201,301	203,697	200,331	198,661	195,382	198,330
Net assets	374,729	410,434	435,136	463,703	494,605	526,478	562,075	600,009	639,454	680,828
Equity										
Revaluation reserves	217,288	232,368	248,409	264,358	280,410	296,841	312,900	329,747	346,564	362,550
Other reserves	157,441	178,067	183,310	199,346	214,197	229,638	249,176	270,264	292,892	318,280
Total equity	374,729	410,434	435,136	463,703	494,605	526,478	562,075	600,009	639,454	680,828

Table 30: Projected Statement of Financial Position

Part F: Water Services Delivery Plan: additional information

Significant capital projects

This is the inflated capital programme as outlined in the Long-term Plan 2024-34, with some minor amendments to phasing made as part of the Annual Plan 2025-26. Amounts are shown in \$000's.

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Significant capital projects - drinking water										
Projects to meet additional demand										
Centennial - Treatment Compliance Upgrade	150	1,303	623	0	0	0	0	0	0	0
District - Chlorine Dosing and pH Correction Improvements	0	0	699	1,687	0	0	0	0	0	0
District - Fire Flow Improvements	66	276	0	0	0	0	0	0	0	0
District - Universal Smart Water Metering	430	894	465	2,886	2,981	3,079	0	0	0	0
Kinloch - Low Zone Reservoir Construction	0	0	1,140	0	0	0	0	0	0	0
Kinloch - Treatment Compliance Upgrade	864	440	0	0	0	0	0	0	0	0
Omori - Treatment Compliance Upgrade	112	49	0	0	0	0	0	0	0	0
Omori Reservoir- Reservoir Resilience, Renewals and Strengthening	0	0	0	0	343	354	0	0	0	0
Taupō - Brentwood Reservoir Construction	0	0	0	0	0	0	0	0	80	1,009
Taupō - Mapara Area Capacity Increase	230	230	420	0	0	0	0	0	0	0
Taupō - Napier Road Reservoir Construction	0	229	3,415	740	0	0	0	0	0	0
Taupō - Poihipi Reservoir Construction	0	0	425	1,978	1,476	0	0	0	0	0
Taupō - Tauhara Ridge Reservoir and Airport Connection	929	322	0	0	0	0	0	0	0	0
Taupō - Taupō WTP Capacity Upgrade	0	416	0	0	0	0	0	0	0	0
Taupō - Taupō WTP Cyanotoxin Upgrade	0	0	0	0	0	104	408	0	0	0
Taupō - Wairakei Area Capacity Upgrade	0	0	0	0	0	0	74	722	0	0
Whakamaru Reservoir - Reservoir Resilience, Renewals and Strengthening	0	0	0	0	0	0	239	0	0	0
Total investment to meet additional demand	2,781	4,159	7,187	7,291	4,800	3,537	721	722	80	1,009
Projects to improve levels of services										
Burst Valves, Level Switches - Reservoir Resilience, Renewals and Strengthening	150	135	141	0	0	0	0	0	0	0
Centennial - Treatment Compliance Upgrade	200	1,738	831	0	0	0	0	0	0	0
District - Backflow Protection on Tanker Fill Points	700	0	0	0	0	0	0	0	0	0
District - Chlorine Dosing and pH Correction Improvements	0	0	112	270	0	0	0	0	0	0

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Commented [JW39]: This section is to provide a schedule of all material capital projects included in the investment projections in the Plan. Councils are encouraged to set and describe an appropriate materiality threshold for populating these schedules, for example as currently provided in your Long-Term Plans. Councils may wish to include capital projects details that cover an additional 20 years (referring to Infrastructure Strategy).

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
District - Fire Flow Improvements	24	99	0	0	0	0	0	0	0	0
District - Fire Flow Improvements Whakamaru	0	0	54	447	0	0	0	0	0	0
District - Fluoridation Programme	0	0	0	0	404	2,088	0	0	0	0
District - Reservoir Resilience, Renewals and Strengthening	0	0	0	0	0	0	0	8,009	9,067	9,691
District - Universal Smart Water Metering	70	146	76	470	485	501	0	0	0	0
Hatepe - Treatment Compliance Upgrade	1,000	3,200	2,078	0	0	0	0	0	0	0
Kinloch - Low Zone Reservoir Construction	0	0	1,244	0	0	0	0	0	0	0
Kinloch - Treatment Compliance Upgrade	2,624	1,336	0	0	0	0	0	0	0	0
Mangakino - Reservoir Refurbishment	60	0	0	0	0	0	0	0	0	0
Motuopa - Treatment Compliance Upgrade	4,255	3,016	0	0	0	0	0	0	0	0
Motutere - Treatment Compliance Upgrade	0	0	0	0	0	0	307	2,207	0	0
Omori - Treatment Compliance Upgrade	1,437	629	0	0	0	0	0	0	0	0
River Rd - Chlorine Contact Tank	0	0	324	0	0	0	0	0	0	0
Taupō - Brentwood Reservoir Construction	0	0	0	0	0	0	0	0	114	1,447
Taupō - Low Pressure Improvements	0	0	0	0	0	179	1,351	0	0	0
Taupō - Mapara Area Capacity Increase	654	654	1,193	0	0	0	0	0	0	0
Taupō - Napier Road Reservoir Construction	0	43	637	138	0	0	0	0	0	0
Taupō - Poihipi Reservoir Construction	0	0	656	3,055	2,279	0	0	0	0	0
Taupō - Tauhara Ridge Reservoir and Airport Connection	479	166	0	0	0	0	0	0	0	0
Taupō - Taupō WTP Cyanotoxin Upgrade	100	0	0	0	0	492	1,925	0	0	0
Taupō - Taupō WTP Resilience Upgrade	160	874	0	0	0	0	0	0	0	0
Taupō - Wairakei Area Capacity Upgrade	0	0	0	0	0	0	21	200	0	0
Taupo Water Ops Team - additional vehicles	120	62	0	67	69	0	0	0	0	0
Tirohanga - Treatment Compliance Upgrade	1,200	116	0	0	0	0	0	0	0	0
Waihaha - Continuity of Supply Upgrade	350	0	0	0	0	0	0	0	0	0
Whareroa - Treatment Compliance Upgrade	560	0	0	0	0	0	0	0	0	0
Total investment to improve levels of services	14,143	12,214	7,346	4,447	3,237	3,260	3,604	10,416	9,181	11,138
Projects to replace existing assets										
Burst Valves, Level Switches - Reservoir Resilience, Renewals and Strengthening	0	0	405	0	0	0	0	0	0	0
Centennial - Treatment Compliance Upgrade	150	1,303	623	0	0	0	0	0	0	0
District - Fire Flow Improvements	10	40	0	0	0	0	0	0	0	0
District - Water Network Renewals	5,000	5,720	6,483	7,829	8,087	8,354	8,596	8,828	9,067	9,293
District - Water Treatment Renewals	1,220	707	1,835	1,493	1,779	819	939	889	2,713	754

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	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Kinloch - Low Zone Reservoir Construction	0	0	230	0	0	0	0	0	0	0
Kinloch - Treatment Compliance Upgrade	512	261	0	0	0	0	0	0	0	0
Mangakino - Reservoir Refurbishment	240	0	0	0	0	0	0	0	0	0
Omori - Treatment Compliance Upgrade	51	22	0	0	0	0	0	0	0	0
Omori Reservoir- Reservoir Resilience, Renewals and Strengthening	0	0	0	0	928	958	0	0	0	0
Other Reservoir renewals District - resilience, Renewals and Strengthening	0	0	0	1,118	0	448	553	0	0	0
Taupō - Low Pressure Improvements	0	0	0	0	0	179	1,351	0	0	0
Taupō - Mapara Area Capacity Increase	116	116	212	0	0	0	0	0	0	0
Taupō - Napier Road Reservoir Construction	0	40	595	129	0	0	0	0	0	0
Taupō - Tauhara Ridge Reservoir and Airport Connection	93	32	0	0	0	0	0	0	0	0
Taupō - Wairakei Area Capacity Upgrade	0	0	0	0	0	0	28	276	0	0
Taupo Water Operations Team - Vehicle Renewals	240	125	0	302	69	286	147	0	155	159
Tirohanga - Treatment Compliance Upgrade	300	29	0	0	0	0	0	0	0	0
Tūrangi - Spring Roof Renewal	0	0	378	0	0	0	0	0	0	0
Water & Wastes Network Management - Vehicle Renewals	120	0	65	129	69	286	74	145	156	160
Whakamaru Reservoir - Reservoir Resilience, Renewals and Strengthening	0	0	0	0	0	0	1,603	0	0	0
Total investment to replace existing assets	8,052	8,395	10,826	11,000	10,932	11,330	13,291	10,138	12,091	10,366
Total investment in drinking water assets	24,976	24,768	25,359	22,738	18,969	18,127	17,616	21,276	21,352	22,513

Significant capital projects - wastewater	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Projects to meet additional demand										
Acacia Bay WAS Tank 2	135	0	0	0	0	0	0	0	0	0
Acacia Bay Wastewater Treatment Plant Hydrocyclone	0	138	0	0	0	0	0	0	0	0
Kinloch WW MBR upgrade - Second reactor	0	104	1,621	0	0	0	0	0	0	0
Mangakino WWTP Upgrade	0	0	133	1,788	0	0	0	0	0	0
Taupo North Wastewater solution	0	0	0	0	127	131	5,394	0	0	0
Taupō WW - Eastern trunk main capacity upgrade	0	0	0	0	104	1,048	0	0	0	0
Taupō WW Control gates bridge buffer storage tanks	119	1,547	0	0	0	0	0	0	0	0
Taupō WW Southern Trunk Sewer Main	2,710	0	0	0	0	0	0	0	0	0
Taupō WWTP Primary Settling Tank #3	0	0	2,701	0	0	0	0	0	0	0
Taupō WWTP Side Stream - Solids Filtrate Treatment	100	100	4,759	0	0	0	0	0	0	0
Taupō WWTP Transfer pump station upgrade	0	932	0	0	0	0	0	0	0	0

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	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Tūrangi WW Discharge Improvements	0	0	56	467	483	0	0	0	0	0
Whereroa WWTP Irrigation expansion	0	0	0	0	0	358	0	0	0	0
Total investment to meet additional demand	3,064	2,821	9,270	2,255	714	1,537	5,394	0	0	0
Projects to improve levels of services										
Acacia Bay WAS Tank 2	215	0	0	0	0	0	0	0	0	0
Acacia Bay Wastewater Treatment Plant Hydrocyclone	0	662	0	0	0	0	0	0	0	0
Atiamuri WWTP Upgrade	0	624	0	0	0	0	0	0	0	0
Mangakino WWTP Upgrade	0	0	346	4,653				0	0	0
Taupo North Wastewater solution	0	0	0	0	34	35	1,452	0	0	0
Taupō WW Control gates bridge buffer storage tanks	81	1,053	0	0	0	0	0	0	0	0
Taupō WW Southern Trunk Sewer Main	1,201	0	0	0	0	0	0	0	0	0
Taupō WWTP Building Alteration	200	300	0	0	0	0	0	0	0	0
Taupo WWTP Odour Control	0	0	0	280	1,444	0	0	0	0	0
Tūrangi WW Discharge Improvements	0	0	325	2,691	2,779	0	0	0	0	0
Wastewater Connection Botanical Gardens Toilet	0	260	0	0	0	0	0	0	0	0
Water and Wastewater Portable Generator and storage shed	0	0	270	0	0	0	0	0	0	0
Total investment to improve levels of services	1,697	2,899	941	7,624	4,257	35	1,452	0	0	0
Projects to replace existing assets										
District Wastewater Treatment Renewals	1,865	1,876	1,862	2,161	2,189	2,543	1,683	2,260	2,171	1,660
District wide WW Network Renewals	1,700	1,768	1,837	1,901	1,964	2,029	2,088	2,144	2,202	2,257
Mangakino WWTP Upgrade	0	0	62	829	0	0	0	0	0	0
Taupo North Wastewater solution	0	0	0	0	12	13	523	0	0	0
Taupō WW - Eastern trunk main capacity upgrade	0	0	0	0	130	1,339	0	0	0	0
Wastewater Operations team - Vehicle Renewals	60	0	130	67	127	215	0	151	78	146
Total investment to replace existing assets	3,625	3,644	3,891	4,958	4,422	6,139	4,294	4,555	4,451	4,063
Total investment in wastewater assets	8,386	9,364	14,102	14,837	9,393	7,711	11,140	4,555	4,451	4,063
Significant capital projects - stormwater	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Projects to meet additional demand										

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	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total investment to meet additional demand	0	0	0	0	0	0	0	0	0	0
Projects to improve levels of services										
Acacia Bay SW culvert and lake outlet contribution	0	0	0	101	445	0	0	0	0	0
Brice Street Stormwater Flood Mitigation	0	0	0	0	362	1,515	82	0	0	0
Crown Rd stormwater pond reticulation	0	0	0	0	28	583	0	0	0	0
Elizabeth Street flood mitigation	0	0	0	0	64	131	2,026	0	0	0
Hawaii reserve detention pond	234	0	0	0	0	0	0	0	0	0
Huia Street improvement device	0	0	0	0	0	0	0	508	0	0
Kaimanawa Street improvement device	0	0	357	0	0	0	0	0	0	0
Kimberly reserve flood mitigation	0	0	108	546	2,853	0	0	0	0	0
Kinloch Improvement device	0	0	0	0	0	0	0	0	0	440
Lake Terrace / Napier Rd improvement device	0	0	0	0	0	0	0	0	429	0
Mangakino flood mitigation	212	37	0	0	0	0	0	0	0	0
Miro street industrial area reticulation upgrade	48	127	1,979	0	0	0	0	0	0	0
Mobil station Improvement device	377	0	0	0	0	0	0	0	0	0
Motuoapa Stormwater Flood Mitigation around WWPS	55	0	0	0	0	0	0	0	0	0
Motutahae Road Stormwater Flood Mitigation	0	0	0	62	286	33	0	0	0	0
Norman Smith Str/ Control gates improvement device	0	0	0	0	0	627	0	0	0	0
Pihanga climate change pipe capacity upgrade	0	0	0	5	191	459	0	0	0	0
Puataata Rd improvement device	0	0	0	0	0	465	0	0	0	0
Pukawa Flood Mitigation	100	600	0	0	0	0	0	0	0	0
Rifle Range Rd improvement device	0	0	0	422	0	0	0	0	0	0
Spa RD Improvement device	0	0	0	0	436	0	0	0	0	0
Tamatea Rd flood protection	0	0	0	65	173	2,779	0	0	0	0
Tui Street improvement device	0	0	0	0	0	0	463	0	0	0
Tūrangi Stormwater Flood Mitigation (SH1)	55	150	331	0	0	0	0	0	0	0
Two Mile Bay flood mitigation	26	270	0	0	0	0	0	0	0	0
Total investment to improve levels of services	1,107	1,184	2,775	1,201	4,838	6,592	2,571	508	429	440
Projects to replace existing assets										

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	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Stormwater network renewals program	165	172	178	185	191	210	230	250	271	292
Total investment to replace existing assets	165	172	178	185	191	210	230	250	271	292
Total investment in stormwater assets	1,272	1,356	2,953	1,386	5,029	6,802	2,801	758	700	732

Table 31: Capital Project Plan 2024-34

Risks and assumptions

Disclosure of risks and material assumptions for water services delivery

Significant assumptions are laid out in our LTP Forecasting Assumptions document²¹, and are summarised here

- Population growth projections – medium scenario has been used for modelling. Projections are reviewed and updated on an annual basis, and the underlying model is audited externally.
- Peak population is reviewed and updated on an annual basis
- Service levels are projected to be maintained at existing levels
- Network assets are expected to perform to their useful life expectancy
- The condition of some underground assets has not been assessed, and their condition is unknown. Renewals planning has been based on desktop assessment of condition from known attributes i.e. material, location, age.
- Funding - Council fully funds depreciation through rates and maintains this funding in depreciation reserves to fund renewals. The level of this funding is impacted by several factors including inflation, asset revaluations, external funding and borrowing. The Council is able to access borrowings at the levels forecasted in the Long-term Plan
- Inflation - The Local Government Cost Index (LGCI) measures cost drivers specific to local government and projections are produced by the Business and Economic Research Limited (BERL). It is expected that the cost of future projects is consistent with the mid-scenario projections produced by BERL.
- Borrowing and interest rates - Council will meet its financial commitments and maintain its AA- Standard & Poors credit rating. This will provide Council access to lower interest rates on its borrowing through the NZ Local Government Funding Agency

Commented [JW40]: Councils may wish to disclose risks and material assumptions for water services delivery that have been included in the Plan. The following optional table has been included as a way such risks and assumptions could be summarised.

Key Risks

- Future water service delivery
- Network performance
- Regulatory compliance
- Delivery of Capital Programme
- Organisational capacity
- Long term issues e.g. providing for growth, climate change

Significant assumptions

- Future water service delivery
- Network performance
- Regulatory compliance
- Delivery of Capital Programme
- Organisational capacity
- Long term issues e.g. providing for growth, climate change

²¹ [TDC LTP - Appendix 9 Forecasting assumptions.pdf](#)

- Supplier and workforce availability - Sufficient internal and external resources will be available to undertake capital works and maintain operational needs in the years outlined in the financial statements, over and above resourcing required for business-as-usual responsibilities.
- Resource consent requirements - The resource consents required by planned capital projects are obtained on-time and without incurring significant costs of compliance. It is expected that the environmental standards requirements will increase, with corresponding requirements imposed through resource consents.
- Insurance – it is assumed that no localised claims will occur that affect Council's insurance policy. The insurance rate paid in the first year will only be adjusted for inflation.
- Asset revaluation - Council has assumed that the relative BERL capex indices are a fair reflection of increased asset values over time.
- Demand management – it is expected that implementation of water meters during this ten-year plan will lead to significant water use savings but this modelling has not yet been done.

Provision for new costs under our inhouse model was included in our modelling, which is over and above the Long-term Plan amounts, but is included in our Annual Plan 2025-26. These include

- New committee costs with independent chair and members
- Additional roles to support economic regulation

Key risks²²

- The resilience of our infrastructure to climate change impacts, including more frequent flooding events
- Natural disasters - Taupō district is at risk of a range of natural hazards such as earthquakes, flooding, large slips, fire, storms and volcanic activity.
- Geothermal activity (hot ground) damaging reticulation systems
- Supplier and workforce capability and capacity
- Increasing environmental standards and regulatory compliance requirements
- Costs to maintain, renew or create assets are significantly higher than planned
- Asset life uncertainty due to lack of asset condition assessment data
- Contractual obligations not fulfilled by external parties
- Legislative non-compliance
- Managing peak population demand
- Community ability to afford revenue requirements
- General financing risks (interest costs etc)

²² [Asset Management Plans - Taupō District Council](#)

Comments on Assumptions from Audit NZ report on Long-term Plan 2024-34

2.4 Assumptions: "Overall, we are satisfied Council's assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information."

2.4.1 Population growth projection: "For the life of this plan (2024-2034), Council have decided to use the medium growth scenario for the district. Under the medium growth scenario, it is estimated that the population of the Taupō District in June 2024 was 41,400. It is projected the population will reach 48,400 by 2034. That is an increase of 7,000 people over the ten-year life of this plan, or a population increase of 700 people or 1.7% growth per annum. We have reviewed the growth projections confirming that they are based on reliable data and that they have been correctly factored into the LTP."

2.4.2: Inflation rates: "Council used forecasts of price level changes prepared specifically for the local government sector by Business and Economic Research Limited (BERL) to calculate the inflation rate for each year of the LTP. The latest BERL indices were released in July 2024 and were utilised for this LTP. We reviewed the financial model and confirmed the correct assumed rates has been applied to all activities. We consider the inflation assumptions are reasonable and has been consistently applied in the underlying information and forecast financial statements over the LTP."

2.4.4 Interest rates: "We concluded that the interest rate assumption is reasonable and consistently applied in the underlying information and forecast financial statements over the LTP."

2.4.9 Condition and lifecycle of significant assets: "We found the asset management control environment is reliable for the purposes of supporting the LTP. This involved assessing the quality of asset management information and the accuracy, reliability, and supportability of the flow of information from asset management planning into the LTP. This is based on a high-level assessment of the District Council's asset management planning systems, review of asset management plans, infrastructure strategy, and discussions with staff involved in asset management planning for key infrastructure activities."

Summary of Resource Consents

Drinking Water

Resource Consent	Purpose	Location	Granted Date	Expiry Date	Comments
AUTH950565.01.01	Allow a public water supply pipeline across Waikato river	Taupo and Taupo South	2/10/1995	1/07/2030	
AUTH105572.01.01	Dam and occupy the bed of the Uanui Stream, to supply the Tirohanga Rural Water Supply Scheme,	Atiamuri - Pokuru Rd	2/10/2001	1/09/2036	
AUTH119950.01.01	Replace twin culverts with a single 1.8m diameter culvert in the bed of the Waihora Stream, to use and maintain the culvert for access purposes, and temporary stream diversion during construction	Waihaha Water Supply Waihora	21/08/2009	30/08/2029	
AUTH105576.01.01	Take up to 37,000 m ³ /day of water from the Uanui Stream for Tirohanga Rural Water Supply Scheme to supply up to 2000 m ³ /day to users on the scheme with the remaining 35,000 m ³ /day being used to drive the turbine and pump	Atiamuri - Pokuru Rd	2/10/2001	1/09/2021	Operating under S124
	Discharge, up to 35 000 m ³ /day of water to the Uanui Stream and discharge backwash associated with the cleaning of the filters	Atiamuri - Pokuru Rd	2/10/2001	1/09/2021	Operating under S124
AUTH104296.01.01	Take up to 6300 m ³ /day from a tributary of the Tokaanu Stream for public water supply.	Turangi	12/03/2002	28/02/2017	Operating under S124
AUTH121023.01.01	use surface water for public supply purposes	Kinloch	13/08/2010	1/07/2045	
AUTH120056.01.01	Take groundwater for rural water supply purposes	Bonshaw Park	30/03/2010	29/03/2045	
AUTH121069.01.01	Use groundwater for rural supply purposes	Bonshaw Park	30/03/2010	29/03/2045	
AUTH121300.01.01	Take up to 682 m ³ /day of groundwater for community water supply	Whareroa	31/01/2013	31/01/2033	
AUTH121770.01.01	Take water from Lake Taupo at Omori	Kuratau Lakeshore Reserve	8/07/2016	7/07/2051	
AUTH124398.01.01	Filter backwash discharge into the Waihora Stream	State Highway 32 Waihora	30/09/2012	30/04/2027	
AUTH125016.01.01	To install 12m of pipework with associated support structures on bed of Lake Taupō and enlarge a structure for replacement water intake screen	Lake Terrace - Taupō	1/11/2012	31/10/2047	
AUTH125017.01.01	Discharge filter backwash from town water supply	Lake Terrace - Taupō	1/11/2012	31/10/2047	
AUTH126710.01.01	Take up to 200 m ³ /day of groundwater for minicipal supply	Mountview Close Whakamaru	25/07/2013	31/07/2033	
AUTH126712.01.01	Take up to 225 m ³ /day of groundwater for minicipal supply	Moana Ave Atiamuri	25/07/2013	31/07/2033	
AUTH132689.01.01	Take and use water from the Waihora Stream	Waihora	8/11/2016	7/11/2036	
AUTH132689.02.01	To dam the Waihora stream for municipal water supply purposes	Waihora	8/11/2016	7/11/2036	

Resource Consent	Purpose	Location	Granted Date	Expiry Date	Comments
AUTH137026.01.02	To take water from the Waikato River	Centennial Drive Taupō plus Rohe Developments	20/04/2017	21/04/2047	
AUTH137983.01.01	To discharge backwash from the Motuoapa Water Treatment Plant to land and subsequently into groundwater	Motuoapa	2/11/2021	2/11/2031	
AUTH140647.01.01	Take water from and unnamed tributary of Waikato River for Mangakino town supply	Waipapa Road - Mangakino	29/08/2019	30/11/2049	
AUTH143489.01.01	To take water from Lake Taupō	Taupō, Acacia Bay, Hatepe, Kinloch, Motuoapa, Motutere and Whakamoenga Point	7/12/2021	31/10/2047	
AUTH145046.01.01	Take up to 600m ³ of surface water per day from the Kaiwhitiwhiti Stream for community water supply	Tiverton Downs Road, Broadlands	24/11/2022	24/11/2042	
AUTH102924.01.01	Construct a well for water supply purposes	Waitahanui	26/11/1999	2/11/2034	N/A
AUTH102925.01.01	Construct a well for water supply purposes	Bonshaw Park	26/11/1999	2/11/2034	N/A
AUTH144679.01.01	To construct, use and maintain a well for municipal water supply	Atiamuri - Pokuru Rd	18/07/2022		
AUTH146189.01.01	to construct, use and maintain up to two wells to get 5 l/s water pressure for emergency backup community water supply		16/11/2023	N/A	N/A

Table 32: Drinking Water Consents

Wastewater

Resource Consent	Purpose	Location	Granted Date	Expiry Date	Comments
AUTH930618.01.01	Construct a pipeline beneath a tributary of the Waikato River near Rakaunui Road	Taupo Urban Sewage - Taupo	30/08/1994	30/12/2029	
AUTH951023.01.02	Discharge up to 1000 m ³ /day of treated domestic effluent into the ground per day in the vicinity of Mangakino Reserve, Lake Maraetai.	Mangakino Sewage	28/01/1997	30/12/2016	Operating under S124
AUTH102927.01.02	Discharge treated domestic effluent to the Hangarito Stream & Taupo South wetland	(Turangi Sewage) Awamate Rd - Turangi	23/06/2003	23/06/2018	Operating under S124
AUTH113402.01.03	Discharge up to 1500 m ³ /day of treated wastewater from the Kinloch WWTP to various disposal sites in the Kinloch are	(Kinloch Sewage) Kinloch	22/01/2014	31/01/2039	

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Resource Consent	Purpose	Location	Granted Date	Expiry Date	Comments
AUTH113402.02.01	Discharge contaminants to air in association with the operation of the Kinloch WWTP	(Kinloch Sewage) Kinloch	22/01/2014	31/01/2039	
AUTH113402.03.01	Undertake earthworks and soil disturbance activities in high risk erosion areas in association with new treatment plant, storage reservoirs and disposal fields	(Kinloch Sewage) Kinloch	22/01/2014	31/01/2039	N/A
AUTH116596.01.02	Discharge up to 15,000 cubic metres per day of treated wastewater from the Taupo Pollution Control Plant to land via surface irrigation, and associated discharges to air	Taupō Urban Sewage (Taupō)	11/03/2008	31/12/2032	
AUTH121289.01.03	Discharge contaminants to air (odour) arising from the storage, transfer, treatment and disposal of liquid and solid waste, the production and collection of biogas, and operation of a standby diesel generator in the vicinity of the Taupo Wastewater Treatment Plant	Rickit Street, Taupo	8/11/2010	31/12/2032	
AUTH122515.01.01	Discharge up to 500 cubic metres per day of treated wastewater to ground from the Motuoapa SBR wastewater plant.	Parekawa Drive - Motouapa	13/11/2013	13/11/2033	
AUTH122517.02.01	Discharge contaminants to air in association with the operation of an SBR wastewater plant Treatment Plant	Parekawa Drive - Motouapa	13/11/2013	13/11/2033	
AUTH122518.01.01	Discharge up to 920 m ³ /day of treated wastewater to land	Acacia Bay Road, Taupō	15/10/2015	25/10/2035	
AUTH122519.01.01	Discharge contaminants to air from a wastewater treatment plant	Acacia Bay Road, Taupō	15/10/2015	25/10/2035	
AUTH130354.01.01	Discharge treated municipal wastewater to land and contaminants to air from the Whakamaru WWTP	Whakamaru Village Pokuru Road Whakamaru	24/05/2016	31/05/2036	
AUTH135630.01.01	Discharge treated municipal wastewater from the Taupō WWTP to land, and associated discharges to air at Rakaunui Road	Rakaunui Road - Taupō	18/04/2023	17/04/2043	
AUTH135810.01.01	Discharge treated domestic wastewater from the Omori, Kurutau and Pukawa communities to land	Morunga Street - Omori	11/03/2019	31/03/2044	
AUTH135813.01.01	Discharge treated domestic wastewater from the Motutere community on to land	SH1 - Motutere	2/07/2020	30/06/2040	
AUTH135813.02.01	Discharge contaminants to air from Motutere WWTP	SH1 - Motutere	2/07/2020	30/06/2040	
AUTH138347.01.01	Discharge treated municipal wastewater to land and contaminants to air from the Whareroa WWTP	Whareroa Road - Whareroa	24/01/2019	31/01/2039	
AUTH138933.02.01	To Divert water by way of stopbank construction in association to the construction of flood protection works for the Kinloch Wastewater Treatment Plant	Kinloch WWTP	21/12/2017	19/12/2052	N/A
AUTH145993.01.01	To discharge treated municipal wastewater into the ground and associated discharge of odour to air	SH1 - Atiamuri	15/05/2024	14/05/2059	

Table 33: Wastewater Consents

Stormwater

Resource Consent	Purpose	Location	Granted Date	Expiry Date	Comment
AUTH141068.01.01	To dam, divert and discharge stormwater	Rakaunui Road	9/12/2019	15/12/2039	
AUTH793558.01.01	Flood control works in vicinity of Three Mile Bay	Kowhai & Chad Gullies - Taupo	22/08/1979	1/10/2026	
AUTH793560.01.01	Flood control scheme in vicinity of Three Mile Bay	Kowhai & Chad Gullies - Taupo	22/08/1979	1/10/2026	
AUTH940180.01.01	Reno mattresses for protection of lake shore from scouring	SH 1 - Two Mile Bay - Taupo	5/07/1994	1/06/2029	
AUTH102594.01.01	Dam & divert surface water in association with the development of a subdivision (4 x dams)	(Vaucluse Subdivision) Poihipi Rd - Taupo	3/12/1999	30/11/2034	
AUTH103619.01.01	Construct soak-pits on ephemeral watercourse as part of a subdivision development	Acacia Bay Taupō		30/06/2034	
AUTH104043.01.01	Modify four existing stormwater detention dams in the Onekemeke stream catchment	SH 5/Kiddle Rd - Taupo	17/01/2001	1/11/2030	
AUTH105048.01.01	Divert & discharge urban stormwater runoff & associated contaminants at multiple locations to Lake Taupo, the Waipahihi Stream, the Waitahanui, Whangamata & Waikato Rivers & land, & use discharge structures, within the Taupo urban areas	(Taupo Urban Area)	24/07/2007	15/06/2027	Reconsent process underway
AUTH105049.01.01	Divert & discharge urban stormwater runoff & associated contaminants to Lake Taupo, the Omori, Mauna, Tokaanu, Hungarito & Kuharua Streams, the Kuratau, Tongariro & Hinemaiaia Rivers & land within the Turangi Communities areas	(Turangi Communities Area)	24/07/2007	15/06/2027	Reconsent process underway
AUTH105050.01.01	Divert & discharge urban stormwater runoff & associated contaminants at multiple locations to Lake Aratiatia, the Waikato River, Lake Maraetai & land, & use discharge structures, within Waikato River communities areas	(Waikato River Communities Area)	24/07/2007	15/06/2027	Reconsent process underway
AUTH105304.01.01	To construct and place structures (culverts, soak-pits and detention ponds, and an embankment) in an ephemeral waterway/high risk erosion area.	Acacia Bay Taupō	7/08/2002	31/07/2037	
AUTH105305.01.01	Divert stormwater from one catchment to another	Acacia Bay Taupō	7/08/2002	31/07/2037	

Resource Consent	Purpose	Location	Granted Date	Expiry Date	Comment
AUTH107297.01.01	Discharge stormwater from the Brentwood Subdivision to an unnamed tributary of Lake Taupo	Acacia Bay - Nukuhau	7/08/2002	31/07/2037	
AUTH109322.01.01	Dam an ephemeral tributary of Lake Taupo for the purpose of creating a stormwater detention pond, in association with a subdivision development	Kenrigg Rd - Kinloch	5/03/2004	30/11/2038	
AUTH109323.01.01	Place culverts, and to undertake works in the bed of an ephemeral tributary of Lake Taupo in association with construction of a stormwater detention pond for a subdivision development	Kenrigg Rd - Kinloch	5/03/2004	30/11/2038	
AUTH110724.01.01	Install a 2.4m diameter culvert in the bed of an ephemeral tributary of Lake Taupo, and associated erosion protection features, for subdivision development purposes, near Taupo	SH 1 (Wharekawa) - Taupo	20/05/2004	25/03/2039	
AUTH114276.01.01	Construct and use a weir structure in the Kathleen Stream for stormwater control purposes	Spa Rd - Taupo	5/11/2007	8/10/2042	
AUTH125911.01.01	To construct a stormwater outlet structure with associated bed and bank disturbance with the bed of the Waipouwerewere Stream	Poihipi Road - Taupo	15/01/2013	14/01/2048	
AUTH138306.01.01	To discharge stormwater from a residential subdivision into two dry gully systems of Lake Taupo	Wharewaka East	2/08/2017	3/08/2052	
AUTH138306.02.01	To dam and divert stormwater in two dry gully systems associated with a residential subdivision and construct associated dam and diversion structures.	Wharewaka East	2/08/2017	2/08/2052	
AUTH140921.01.01	To construct an MSE erosion protection structure as part of emergency work to relocate the stormwater pipeline		17/09/2019	17/09/2054	
AUTH140145.02.01	To construct two Culverts and associated bed disturbance in association to the access construction for Seven Oaks Subdivision		22/08/2019	1/09/2054	
AUTH145596.02.01	The diversion of stormwater through a culvert structure in a dry gully bed associated with construction of an earth embankment for a road crossing	Tauhara Ridge	12/06/2023	11/06/2058	

Table 34: Stormwater Consents

Implementation Plan

The detailed activities and milestones to achieve our plan, including full financial separation, are laid out below.

Governance	
We will explore the benefits of establishing a Water Services committee to provide governance oversight and independence. Allowance for additional committee costs has been included in financial modelling.	Recommendations to incoming Mayor Oct 2025
Financial ring-fencing	
Planning for legislative changes for financial separation	Q2 2025
Foundational changes <ul style="list-style-type: none"> New or updated policies - debt, revenue, rating, internal borrowing, overhead allocation 3W Reserves reconciliations Analysis of assets, balances, WIP General clean-up of financial system 	Q3-Q4 2025
Implementation <ul style="list-style-type: none"> Separate trial balance and, bank account Separate cash, loans and reserves effective 1 July 2026 Annual report 25-26 separate Water Services Information disclosure from 1 July 2026 	Q1-Q3 2026 Separation effective date 1 July 2026
Collaboration & Review	
Waikato Water involvement <ul style="list-style-type: none"> Sign Waikato Water Shareholders Agreement Negotiate Shared Services Agreement Shared Services Agreement takes effect by 	Completed 1 July 2026 1 July 2027
A review of the delivery model will be undertaken as part of the next Long-term Plan and our first Water Services Strategy document	2027
We will consider a working group with other Councils that have chosen an inhouse delivery model, to share learnings on governance, financial separation and responding to economic regulation	In progress
Other Changes and Improvements	
Planning for economic regulation and meeting information disclosure requirements <ul style="list-style-type: none"> Consider amendment of capital work programme to achieve full DWQAR compliance by 30 June 2028 (Motutere campground) Review systems capability to produce appropriate information that will be required for economic disclosure (gap analysis). Awareness of other Councils and WSCCO's technology plans to ensure we can leverage and connect later as needed 	Q2 2025 – Q4 2026

<ul style="list-style-type: none"> Working to ensure we are using agreed data and other standards – nationally and regionally Asset Management Plan – review and plan for improvement activities 	
<p>Give effect to continuous improvement activities, many of which were already planned</p> <ul style="list-style-type: none"> Capital delivery action plan Increased spending on renewals to improve performance metrics Demand Management project (metering) as per Long-term Plan 2024-34. 	Ongoing
<p>Asset Condition Data</p> <ul style="list-style-type: none"> Weaknesses in historic asset condition data to be addressed with a focused work programme 	To be budgeted either in Annual Plan 26-27 or Long-term Plan / Water Services Strategy 2027

External Letter of Assurance



24 July 2025

Joanne Walton
Programme Manager
Taupō District Council
Private Bag 2005
Taupō Mail Centre
Taupō 3330
New Zealand

Taupō Water Services Options Assessment Review

1-SA101.00

Dear Joanne,

Under the Government's 'Local Water Done Well' legislation every council must consider how it will deliver its drinking water, wastewater and stormwater services into the future. Taupō District Council (TDC) engaged WSP to undertake a high-level review of its approach and documentation for considering options and asked for this letter of assurance which describes our role and the work that we undertook.

We assembled the following team of appropriately qualified and experienced people to review the documents:

- Vinney Minett, Director – Investment: commercial review
- Amber Antiuk, Senior Consultant – Strategic Advisory: financial review
- Tamzin Linnell, Associate Director – Strategic Advisory: strategic review
- Christina Robertson, Technical Director – Transport Management: delivery models review
- Kathryn Martin, Technical Principal – Planning & Engagement: delivery models and consultation document review
- Bridget O'Brien, Technical Principal – Water & Wastewater: technical review.

TDC provided us with the following documents relating to the options for delivering water services on 10 December 2024:

- Taupō Water Services Current State and Options Assessment – Draft for Review 091224
- Water Services Delivery Plan Taupō Modelling for Review – Draft 091224
- Waikato Modelling Assumptions vs Our Assumptions (25 November 2024)
- Waters Non-financial Performance Measures

We provided feedback on the documents via email and discussed our feedback in a meeting with TDC staff on 28 January 2025. Our main recommendation was that TDC should establish and document a clear process for evaluating the options. We sought assurance that full regulatory compliance would be achieved by 30 June 2028 and provided comments on the financial assumptions. We also recommended completing Part B: Network Performance of the Water Services Delivery Plan template provided by the Department of Internal Affairs (DIA) to demonstrate to elected members, the public and DIA that TDC has a robust plan in place to deliver financially sustainable water services.

TDC took on board some of this feedback and then provided us with the following documents for review on 7 April 2025:

- LWDW Consultation Materials Draft – For Councillors 010125
- LWDW 3.4 Consultation Documentation Draft long version. docx

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Water Services Delivery Plan
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We provided review comments via email and in a meeting on 28 April 2025. Our main comments were around improving consistency, improving clarity about whether or not the council controlled organisations would be asset owning, and seeking assurance about TDC's ability to improve capital delivery. We were pleased to see that the documents clearly described the process for considering and evaluating options.

Although not a full review or detailed analysis, we were able to ascertain that the approach was reasonable and seems comprehensive.

On review we believed that TDC had considered most of the reasonable factors that needed to be taken into account in considering options for the future of water services in the Taupō District and that the options put forward were sound. The conclusions and preferred option seemed reasonable and practical, noting that we hadn't viewed financial detail or considered financial sustainability, and that we had not reviewed the draft Water Services Delivery Plan.

Following the Council decision to deliver water services in house, TDC then asked us to review the updated draft Water Services Delivery Plan on 18 June 2025. TDC provided us with the following documents:

- Water Services Delivery Plan Taupō v2 draft (27 June 2025)
- Audit NZ Report to the Council on the TDC LTP 2024-34
- 2024 Three Waters Renewals Strategy Report (WSP, 2024)
- LWDS 4.1 DIA Modelling of Taupo Apr 2025
- Water Services Delivery Plan Financial Template – Enhanced Business Unit Option Final Draft (spreadsheet) (30 June 2025).

This was reviewed by the following members of our team:

- Bridget O'Brien, Technical Principal – Water & Wastewater: technical review
- Alex Yuen, Senior Economist: investment, financing and revenue sufficiency review.

We provided feedback on the documents in a meeting with TDC on 3 July. Our key comments were:

- We recommend bringing forward the Motutere water treatment plant upgrade to achieve full chemical compliance with the Drinking Water Standards by 30 June 2028.
- All reviewed financial, revenue, and investment sufficiency metrics were assessed to be within an appropriate and reasonable range, with no material concerns identified.
- We undertook a high-level independent verification of revenue sufficiency inputs and found TDC inputs to be appropriate and reasonable for the purposes of the analysis.

We were provided with an updated version of the Water Services Delivery Plan on 15 July, which had been updated in response to comments from us and the DIA.

We are satisfied that TDC's Water Services Delivery Plan demonstrates that TDC will meet all financially sustainable criteria by 30 June 2028, except full compliance for the Motutere water supply which is currently scheduled after 30 June 2028. We recommend this work is brought forward to achieve full compliance by 30 June 2028.

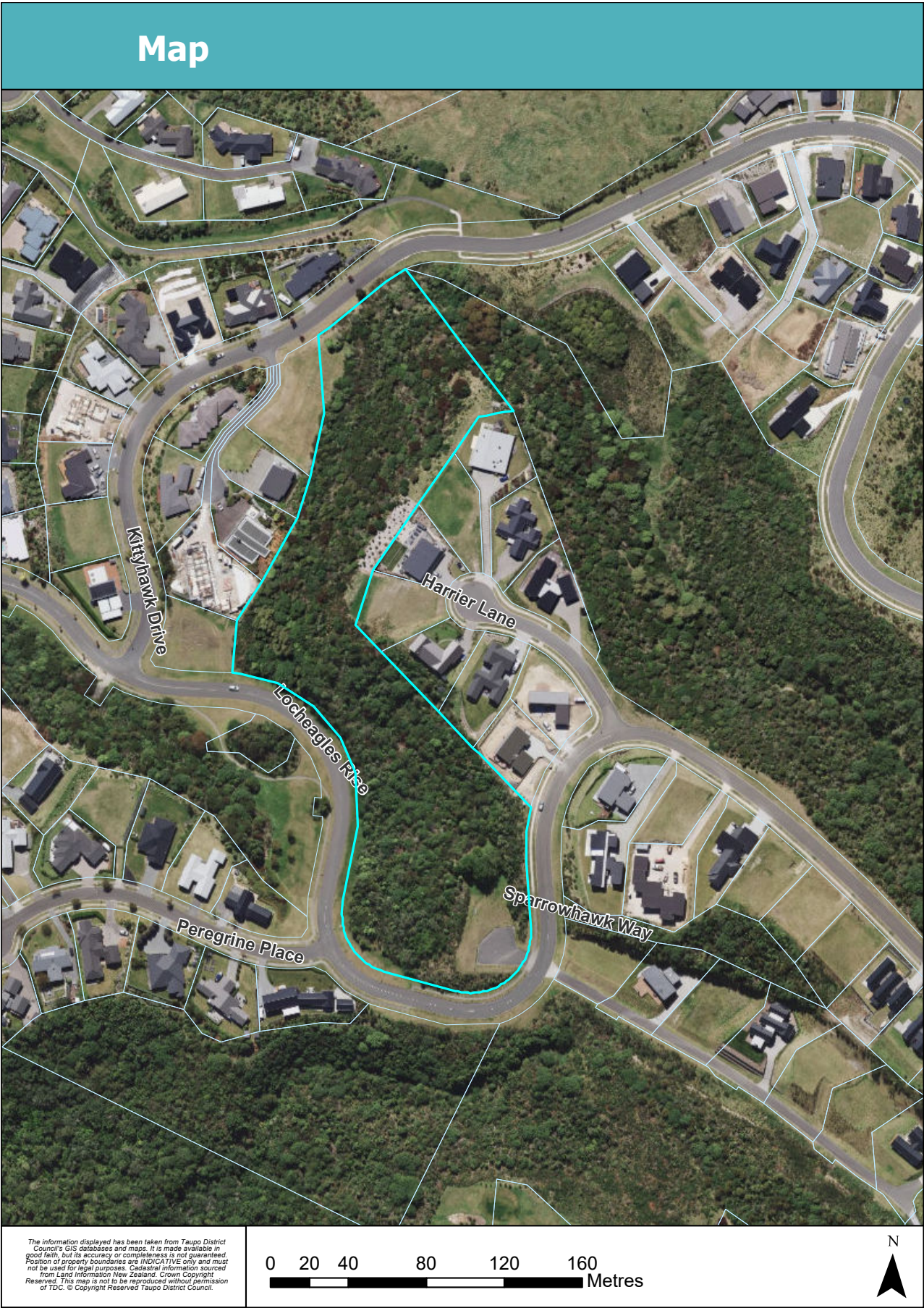
We appreciate the collaborative approach that TDC has taken with this process, and we wish you and the team all the best with implementing your Water Services Delivery Plan.

Regards

Bridget O'Brien
Technical Principal – Water and Wastewater

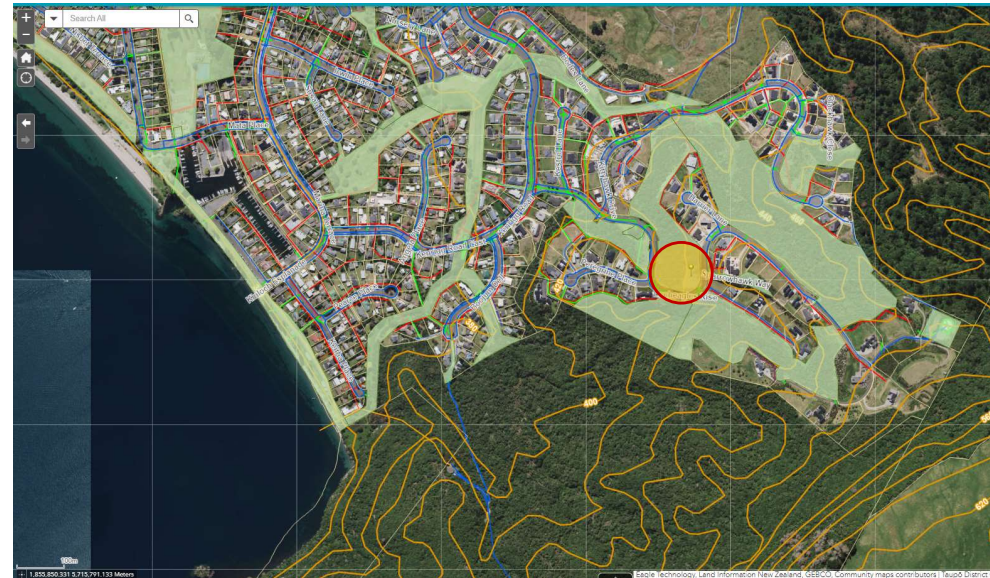
wsp.com/nz

2



Kinloch

Low Zone Reservoir



General discussion



General observations of the visual impact of this project.

Retaining approach system – possible impacts on the carpark area. address as required opportunity to upgrade the carpark surface.

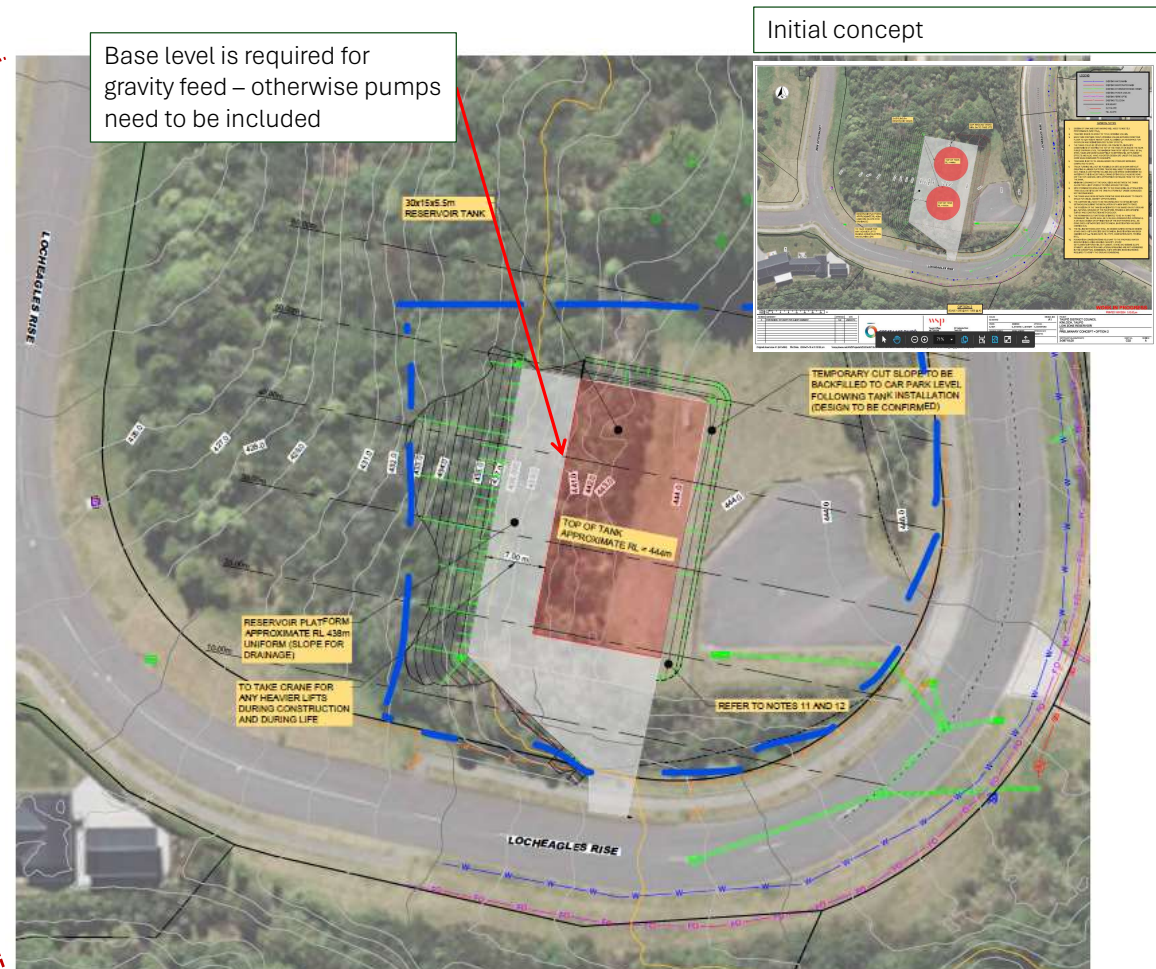
Public space opportunities:

- tell the water origin story
- acknowledge mana whenua
- Use the design language of the water treatment plant in Taupo to get some district wide consistency.

Track impacts

Reserve opportunities:
improve the amenity and site experience via planting and improved lookout experience – the original purpose of vesting this reserve land with council.

Consideration of the required construction laydown areas and the impact of these on the existing site.



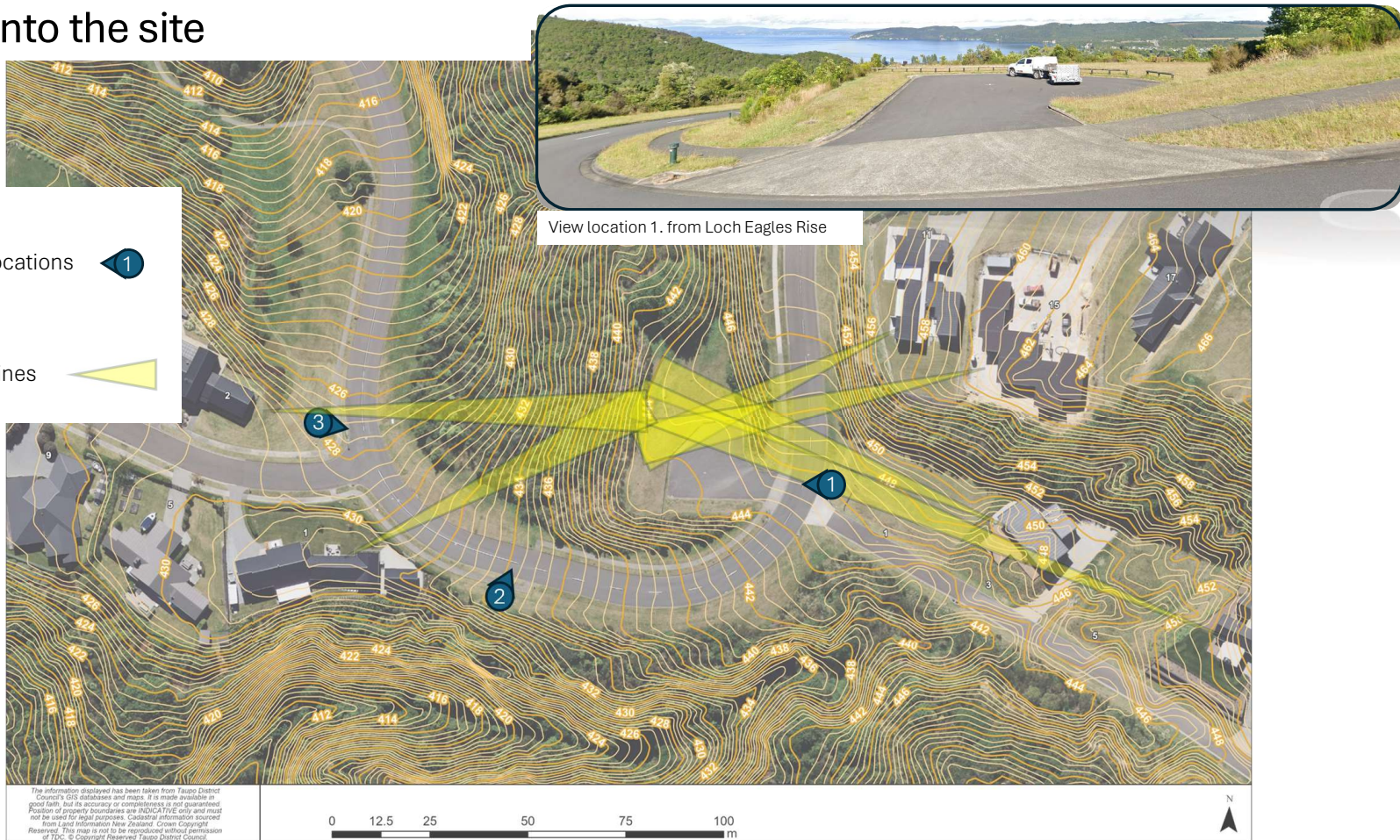
Views into the site

Key:

View review locations



View impact lines
of sight



Photomontage



1 View location 1

Photomontage



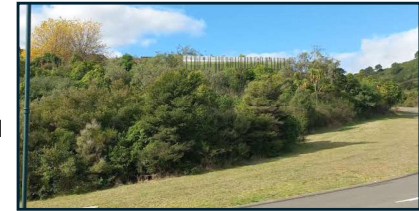
2 View 2
location 1



Potential cladding and
paint to mitigate the
visual impacts

Photomontage

Potential cladding and
paint to mitigate the
visual impacts

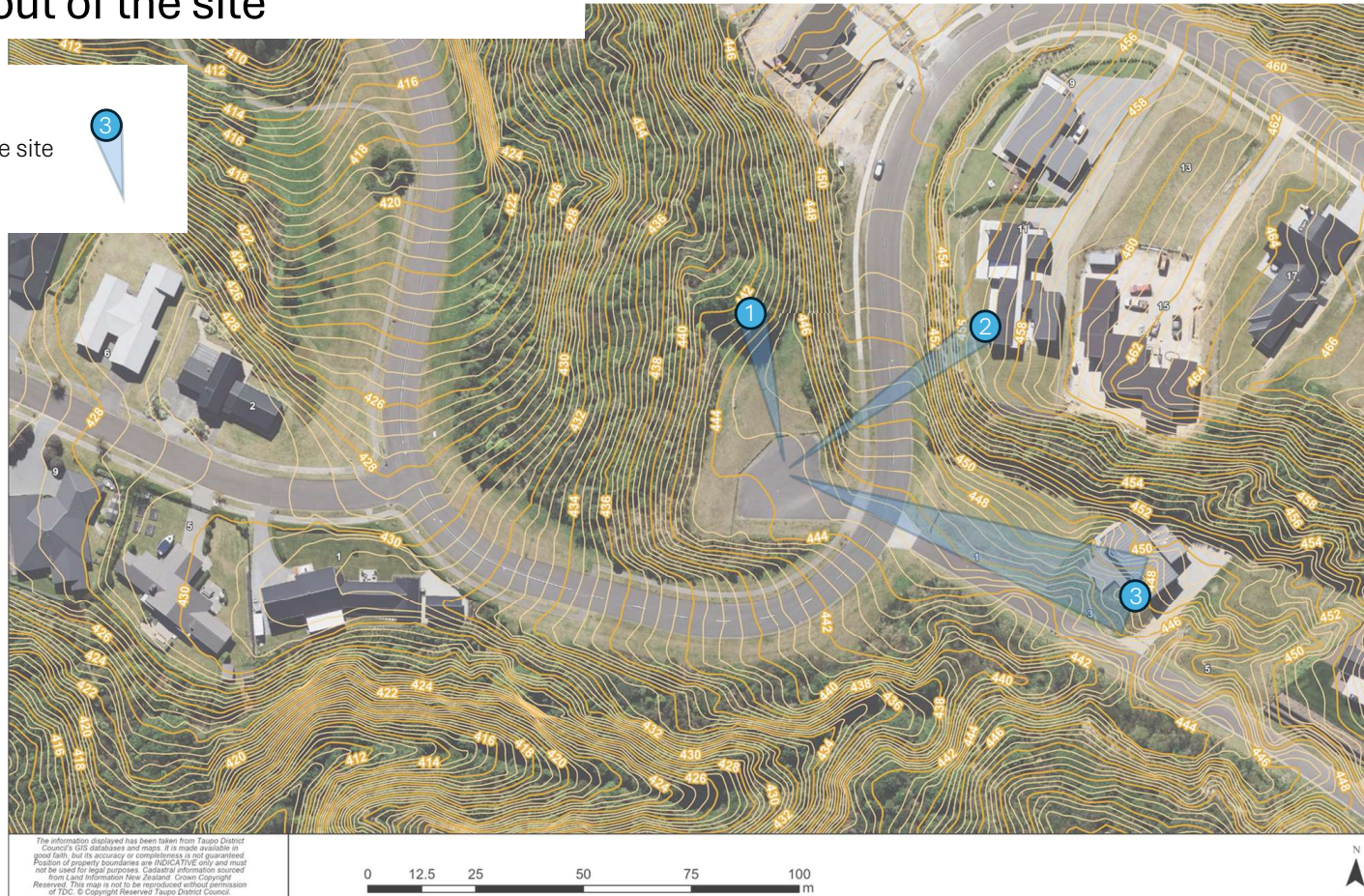


3 View location 3
location A

Views out of the site





Key:

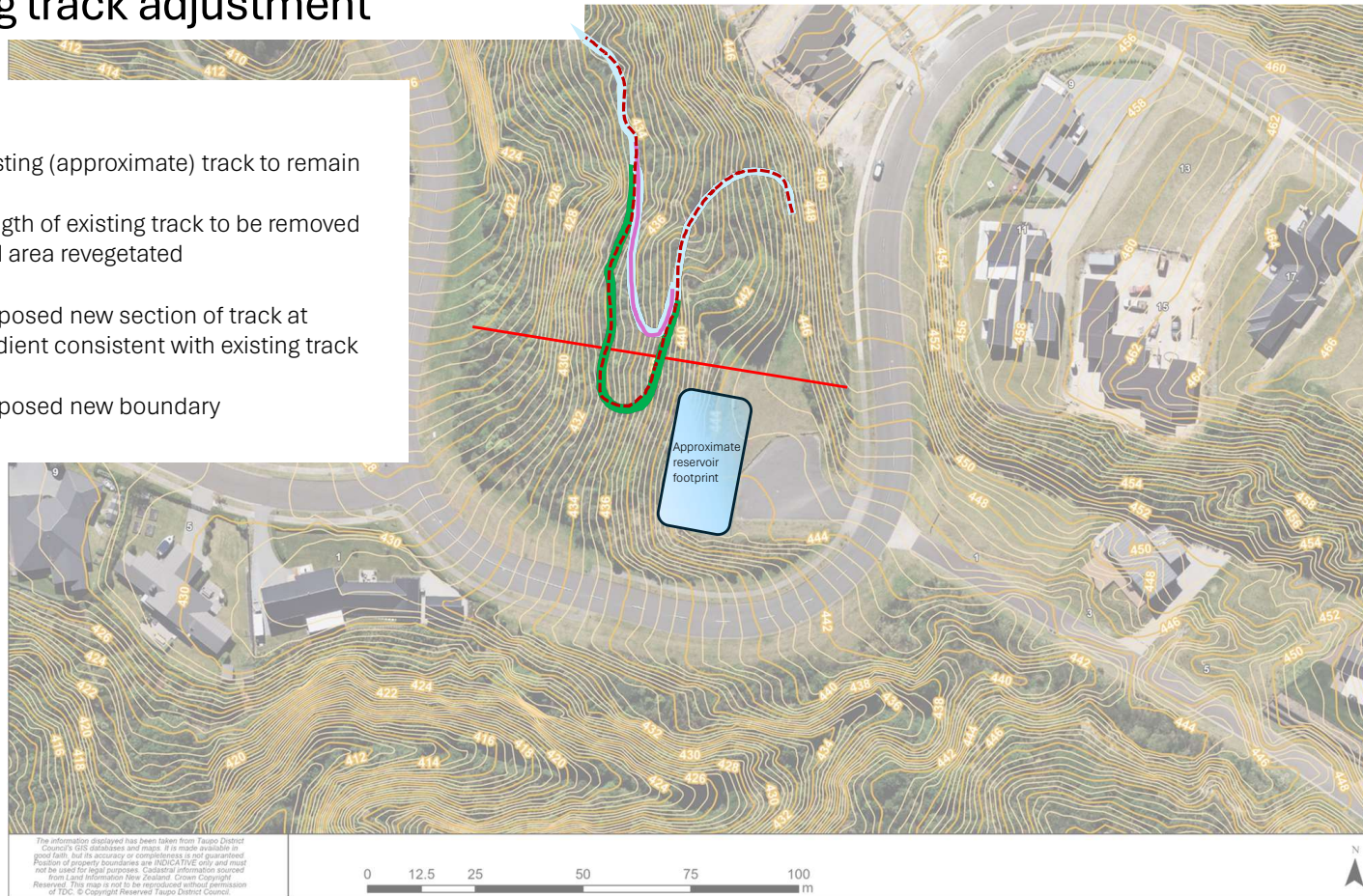
Views out of the site



Walking track adjustment

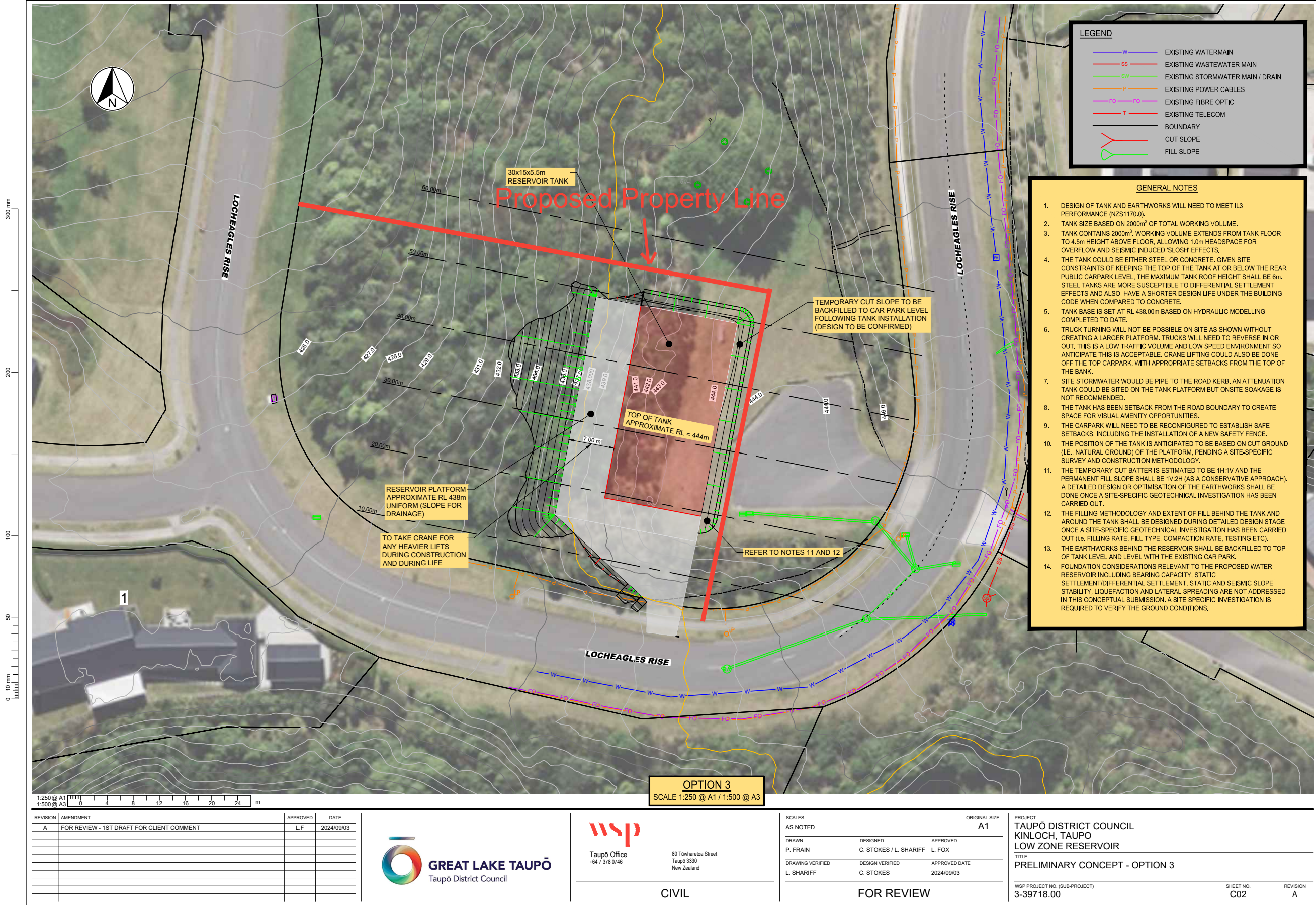
Key:

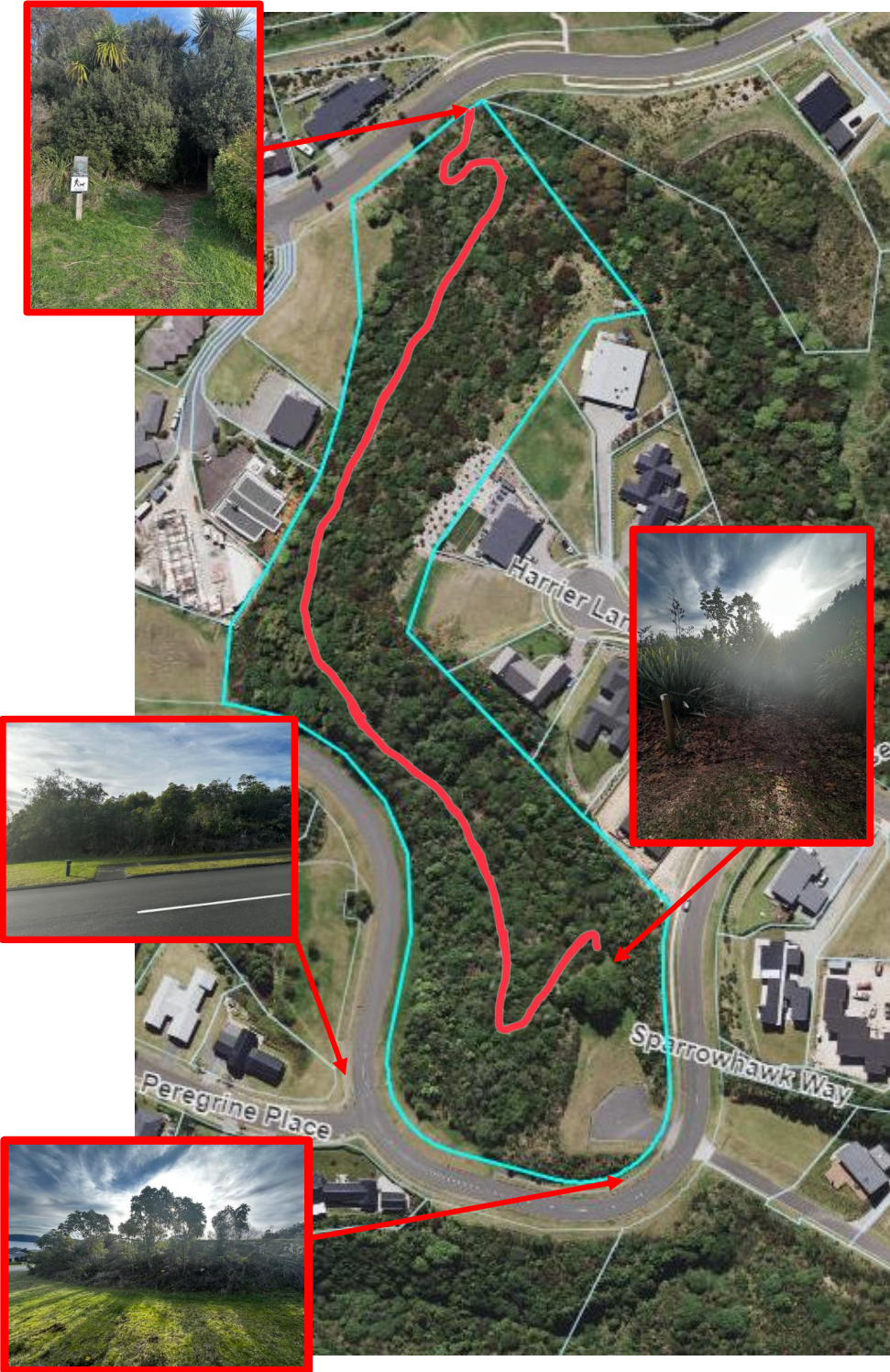
-  Existing (approximate) track to remain
-  Length of existing track to be removed and area revegetated
-  Proposed new section of track at gradient consistent with existing track
-  Proposed new boundary



Views out of the site







Observed species list

Native Plants

- Whauwhaupaku (*Pseudopanax arboreus*)
- Mingimingi (*Leucopogon fasciculatus*)
- Karamū (*Coprosma robusta*)
- Kamahi (*Pterophylla racemosa*)
- Wharariki (*Phormium cookianum*)
- Harakeke (*Phormium tenax*)
- Silver beech (*Nothofagus menziesii*)
- Rewarewa (*Knightia excelsa*)
- Wheki (*Dicksonia squarrosa*)
- Tutu (*Coriaria arborea*)
- Bracken fern (*Pteridium esculentum*)
- Kōhuhu (*Pittosporum tenuifolium*)
- Tarata (*Pittosporum eugenoides*)
- Tī kouka (*Cordyline australis*)
- Hound's tongue fern (*Microsorium pustulatum*)
- Hebe (*Veronica stricta*, *Veronica odora*, *Veronica parviflora*, *Veronica sp.*)
- Kōwhai (*Sophora sp.*)
- Mahoe (*Melicetyis ramiflorus*)
- Makomako (*Aristotelia serrata*)
- Karo (*Pittosporum ralphii*)
- Tarata (*Pittosporum eugenoides*)
- Kapuka (*Grisilinia littoralis*)
- Horoeke (*Pseudopanax crassifolius*)
- Akeake (*Dodonea viscosa*)
- Hangehange (*Geniostoma ligustrifolium*)
- Tōtara (*Podocarpus totara*)
- Long-leaved lacebark (*Hoheria sexstylosa*)
- Pseudopanax lessonii x crassifolius
- Kānuka (*Kunzea sp.*)

- Mata fern (*Histiopteris incisa*)
- Kiokio (*Blechnum novaezelandiae*)

Exotic Plants

- Spanish heath (*Erica lusitanica*)
- Broom (*Cytisus scoparius*)
- Firethorn (*Pyracantha angustifolia*)
- Cotoneaster (*Cotoneaster sp.*)
- Blackberry (*Rubus sp.*)
- Tree lucerne (*Chamaecytisus palmensis*)
- Pine (*Pinus sp.*)
- Tall nightshade (*Solanum chenopodioides*)

Native birds

- Piwakawaka (*Rhipidura fuliginosa placabilis*)

Exotic birds

- Blackbird
- California quail
- Chaffinch

TAUPŌ AIRPORT | TE TAUNGA WAKA RERERANGI O TAUPŌ



Taupō Airport Authority

Statement of Intent
for the three-year period
1 July 2025 to 30 June 2028

Taupō Airport
929 Anzac Memorial Drive
RD 2
TAUPŌ
Website: 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, intentions, nature and scope of activities to be undertaken, financial and performance targets by which TAA will be measured.

It covers the three years of operations from 1 July 2025 to 30 June 2028 and supersedes the previous Statement of Intent (SOI).

1.1 The Local Government Act

The Local Government Act 2002 requires a Council Controlled Organisation (CCO) 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 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 a Council Controlled Organisation (CCO) as defined under the Local Government Act 2002 and was established to manage the full operations of Taupō Airport.

TAA is not a legal entity in its own right but 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. Each partner has a 50% share in the JV and TAA is entrusted to manage the Airport operations on behalf of the JV partners.

Under the Deed any annual operating profit is allocated back into the Airport's maintenance budget with operating losses being shared equally between the two partners.

The MoT sets aside a rolling three-year cycle appropriation budget for capital expenditure at the JV airports. With projects that are deemed to be essential to meet CAA compliance and subject to robust business cases, the Ministry will consider a 50% contribution towards the total project cost.

There are five JV airports:

- Taupō
- Westport
- Whakatane
- Whanganui
- Whangārei

The MoT has signalled that the agreements with all of the JV airports require to be updated to bring them more in line with modern aviation practices. Discussions related to Taupō Airport will continue during this SOI period at the regular meetings between the Airport General Manager and executives from the MoT.

2.2 Governance

A Standing Committee of TDC has been established to provide an oversight of the Airport operations including issues of safety.

The Committee members are appointed by TDC and meet at approximately eight-week intervals with Airport Management to review the Airport's performance and provide quarterly, half yearly and annual business performance reports. The Committee elects a Chair and TAA operates under this SOI as agreed by the Committee members, TDC and the MoT.

TAA Committee members are:

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

2.3 Management

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

The General Manager, whilst being accountable to the TAA Committee members, does not report to the Committee Chair (as is the case with other regional airports) but is employed by TDC and has a direct reporting line to the TDC General Manager (Strategy and Environment).

All Airport operations and assets are managed by the General Manager who has overall responsibility for the day-to-day activities, business development, stakeholder relations and monitoring the organisation's performance against specified criteria. This includes overall accountability for implementing the Airport's strategic direction and ensuring 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.

For economic efficiency, Airport management utilises the commercial airline's 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 building cleaning, car park management and basic security.

Grounds and general maintenance of the Airport, both landside and airside, is through a Grounds and General Maintenance Contract operated by a local company which includes maintenance of the airside grassed areas, terminal precinct, car parking areas, landscaping, fencing and gates

The General Manager has regular meetings with the Committee Chair and TDC executive staff.

2.4 Financial accountability

A key focus for the Airport General Manager is to ensure that the Airport is self-funding

In the management of the Airport operations, TAA can set the following charges at the Airport subject to the approval of the TAA Committee 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

3. TAUPŌ AIRPORT

Taupō Airport was originally constructed in the mid-1960's and provides a complimentary mix of aviation and commercial activities.

This includes:

- Scheduled regular passenger transport services to the hubs of Auckland and Wellington
- General aviation
- Skydiving adventure operations
- The central north island helicopter rescue service
- Scenic flights
- Agricultural aviation services
- Non-aviation commercial and retail offerings

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

Being identified as a critical piece of regional transport infrastructure and, following a major redevelopment completed in 2022, Taupō Airport provides an incredible asset for the region and a community experience that is authentic, safe and efficient. The new terminal has been constructed with a view of increasing passenger numbers over the coming years and the potential introduction of Aviation Security screening.

Taupō Airport delivers a great experience for the travelling public, creates a welcoming gateway and is also a destination in its own right. It provides services to allow the safe and efficient facilitation of travellers and freight and, ancillary to this, TAA leases terminal space and land at the Airport.

Airside assets include a 1,386m long sealed runway (non-instrument Code 3) capable of catering for all domestic turbo prop aircraft and the ability to provide the safe movements of jet charter aircraft up to 50 tonnes (weight restricted for take-off).

There is also a shorter cross grass runway as well as a parallel taxiway for the use by aircraft with a wingspan of less than 15m.

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 purposes.

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.

4. CIVIL AVIATION AUTHORITY (CAA)

The Airport General Manager is designated as the Chief Executive Officer on the Aerodrome Operator Certificate (AOC) and has direct accountability to the Director of Civil Aviation for all matters relating to Airport airside operations in compliance with the CAA Rule Part 139.

Taupō Airport is certified as a non-security designated aerodrome and CAA Rule Part 139 provides requirements relating to:

- Certification and operation of aerodromes
- Security measures applicable to aerodromes
- Use of aerodromes by aircraft operators
- Provision of UNICOM and AWIB services

To comply with CAA Rule Part 139, the Airport operations are defined under an Airport Exposition which consists of three manuals:

- Airport Operations
- Safety Management System
- Emergency Response Plan

These manuals have been compiled by Airport management and are approved by the CAA who undertake annual audits to randomly monitor certain elements against compliance. Every five years there is an extensive audit of all the manuals in preparation for recertification – Taupō Airport is currently certified until 28 July 2028.

As a requirement of Rule Part 139, the Airport General Manager, Operations Manager and Safety Manager are all designated as Senior Persons on the AOC. At each recertification, the three staff members have to undergo an extensive interview process and be approved by the CAA to be able to maintain this designation.

Due to the low number of commercial movements of aircraft above a 30 seat certified capacity, there is no requirement for a rescue fire service under CAA Rule Part 139 and Taupō is exempt from the section of the Rule.

Further, there is no air traffic control tower at Taupō Airport, however, the Airport operates a Mandatory Broadcast Zone, whereby, communication of aircraft movements is broadcast on a shared frequency that is used by all pilots in the vicinity.

TAA will keep the Committee members, 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.

5. RESPONSIBILITY TO THE SHAREHOLDERS

5.1 Statement of Intent

In accordance with the Local Government Act 2002, the draft Statement of Intent (SOI) for the coming financial year has to be submitted by 1 March to TDC and the MoT as the JV owners to review and make comments or suggest alterations prior to 1 May for the document being finalised.

Any amendments will be assessed by TAA and the final SOI is to be provided to the JV partners after the adoption by the TAA Committee and prior to the start of the SOI period from 1 July 2025.

5.2 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:

- 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 executives from the JV partners to ensure strong communications and alignment between the parties
- 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

5.3 Strategic focus

With a strategic focus to strengthen the airport and the region as a major tourism destination in the North Island, three key aspirations have been established for Taupō Airport:

- A safe and vibrant thriving transport hub serving communities within the Taupō District and connecting the region to the rest of New Zealand and to the World
- A strong commercial focus and has the ability to be self-funding
- The premium charter airport that serves the major tourism region of the North Island.

Whilst these aspirations are high-level and long-term, it is important that during the period of this SOI opportunities are developed to work towards achieving these goals.

5.4 TDC / TAA administration 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. These support services include:

- Financial
- IT
- Legal
- Communications and media releases
- Facilities compliance (building warrant of fitness etc.)

TDC invoice TAA on a quarterly 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 administrative support which will detail the services to be provided and associated costs.

5.5 Governance structure review

TAA is currently a Council Controlled Organisation (CCO) of TDC as defined under the Local Government Act 2002 but basically operates as a business unit of TDC with the TAA General Manager reporting through to the TDC Strategy and Environment Manager.

A review on the Governance structure of TAA has been signalled by the TAA Committee as an option to enable 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.

This would entail repositioning TAA from a Standing Committee of Council to a Council Controlled Trading Organisation (CCTO), including the development of an independent Board of Directors tasked with providing high-level governance over the Airport Company.

During the period of the previous SOI, a publicly open workshop was arranged with full Council to work through the proposal to corporatise and form a legal entity to operate the Airport at arms-length to TDC and with the JV partners retaining ownership as shareholders of the company.

This is the case with most regional airports in New Zealand and would allow:

- Greater flexibility
- Quicker response to changing conditions
- Ability to loan fund asset development
- Organise and sign contracts
- Ability to own assets
- No reliance on the general ratepayer
- Self-funding
- Clearer TAA/TDC interface
- Ability to attract a high calibre of governance and management

Work has commenced on the processes involved with the corporatisation of TAA and this will be further explored during the period of this SOI. This will involve seeking legal and financial advice, registration of the business, drafting the company's terms of reference and the appointment of a Board of Directors.

As one of the JV owners, the Ministry of Transport has been approached regarding corporatisation of TAA and has signalled their support, requesting that they be involved in the Board appointment process.

Further as the airport is viewed as a community benefit and with 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.

5.6 Airport Master Plan

In 2020 Airport management, in collaboration with local Architects, worked on the development of a draft 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 purposes of facilitating travel for passengers and maintaining an Airport for the benefit of the local community are not compromised and able to grow as necessary.

Work commenced during the previous SOI period in relation to protecting the Airport through the District Plan and an agreement between TDC and TAA with regards land boundaries. This will be continued and a more encompassing Master Plan will be developed over this SOI period.

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.

5.7 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. However, with the intention to work through a corporatisation process, 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.

5.8 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 strategic focus of developing Taupō and the region into the major tourism destination in the North Island.

6. CAPITAL EXPENDITURE PROPOSALS

Following the completion of the airport terminal redevelopment and the apron extension project during the previous SOI period, apart from the runway surface treatment programmed for FY2026, the requirement for major capital expenditure during this SOI period will be limited.

Therefore, the focus over the next three years will be concentrated on:

- Runway surface treatment
- Anzac Memorial Drive
- Initial works to develop areas for aviation / commercial use
- Small landside and airside projects
- Infrastructure to cater for the next generation of aircraft

As with all Capital projects, these will be subject to feasibility studies and sound business cases being presented by TAA management for approval by the TAA Committee, TDC and the MoT (in the case of any essential airside works).

6.1 Surface treatment works to the main sealed runway

In late 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 this SOI period for which a specialist contractor will be engaged to design and carry out the operation.

Funding arrangements have already been agreed and it is anticipated that the works will be carried out during late summer 2026.

6.2 Anzac Memorial Drive improvements

During the previous SOI period, TDC carried out an upgrade to the section of Anzac Memorial Drive leading to the Airport which included new kerb and channel, street lighting, drainage improvements and carriageway resurfacing. This has greatly enhanced the approach to the Airport.

The portion of Anzac Memorial Drive within the Airport confines has not been maintained for many years, has no kerb and channel, poor drainage and a deteriorating road surface.

The intention during the first year of this SOI is to investigate and plan to upgrade this section of Anzac Memorial Drive road by installing new kerb and channel, improving the drainage and resurfacing to the carriageway. With a detailed business case, funding will be sought from TDC and, if agreed, works will be aligned from 2026/27 onwards.

As this work is landside and not essential to comply with the CAA Rule Part 139, it is very doubtful whether the MoT will be prepared to fund 50% of the costs.

6.3 Development of areas for aviation / commercial use

In connection with the draft Airport Master Plan, several areas within the Airport perimeter boundary have been designated for aviation / commercial development. This will enable the Airport to generate additional income which will lead to less reliance on aeronautical revenue.

Several areas have been earmarked for development and initially three of these areas will be explored with regards requirements for either upgrading or the provision of roading and services infrastructure:

- Heliport expansion
- Rotary and fixed wing interface
- Non-aviation industrial business park

Over the period of this SOI and dependant on the potential of shared funding either with TDC or the MoT together with the demand from tenants to enter into lease agreements, progress on the infrastructure for these three areas will commence.

6.4 Small landside and airside projects

- Apron security fence – continuation of a rolling programme to upgrade the fencing to the apron for safety and security in accordance with CAA regulations
- Airport boundary fence replacement – continuation of a rolling programme to completely replace the old, deteriorated fence around the perimeter of the Airport
- Access construction to grass runway from Anzac Memorial Drive
- Realignment and upgrade of taxiway to the north-west of the apron
- Rehabilitation works to the sealed taxiways
- Creation of a helicopter landing area north-western boundary
- CCTV expansion to landside areas

6.5 Infrastructure for next generation aircraft

With the intention by Air New Zealand and other airlines to explore the use of the next generation of aircraft, there is a need to investigate what type of infrastructure will be required to enable the turnaround of these aircraft at the Airport.

At this stage there is no certainty whether these aircraft will be pure electric, hybrid or hydrogen fuelled so all options will have to be explored.

As work progresses on the trialling of the aircraft, the requirements will become more apparent and this will enable TAA to understand how the Airport will need to be positioned and what infrastructure has to be installed.

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

Forecasted capital expenditure

Project (cost x \$000)	2025/26	2026/27	2027/28
Runway surface treatment	800	-	-
Development of aviation / commercial areas	50	75	100
Small projects:			
1) Apron security fence	25	25	-
2) Airport boundary fence	50	50	-
3) Access construction to grass runway	50	-	-
4) Taxiway work north-west of apron	25	-	-
5) Taxiway rehabilitation	-	50	50
6) Helicopter landing area	10	-	-
7) CCTV landside expansion	10	10	-
Next generation aircraft infrastructure	20	30	30
Total	1,040	240	180

Expected funding source of capital expenditure

Project (cost x \$000)	2025/26				2026/27			
	Cost	TDC funded	MOT funded	Internally funded	Cost	TDC funded	MOT funded	Internally funded
Runway surface treatment	800	400	400		-	-		-
Development of aviation / commercial areas	50	-		50	75	-		75
Small projects:								
1) Apron fence	25	-	12.5	12.5	25	-	12.5	12.5
2) Perimeter fence	50	-	25	25	50	-	25	25
3) Access works	50	-	25	25				
4) Taxiway north-west	25	-	12.5	12.5				
5) Taxiway rehab	-	-		-	50	-	25	25
6) Helicopter area	10	-	5	5				
7) CCTV	10	-		10	10	-		10
Next gen aircraft	20	-	10	10	30	-	15	15
Total	1,040	400	490	150	240		77.5	162.5

For the 2027/2028 year \$40k will be sought from the MOT with the remaining \$140k of the forecasted capex to be internally funded.

7. 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.

In meeting this goal TAA will optimise the use of its assets and generate a reasonable rate of return on investment by continually reviewing performance targets to reflect the future growth and development of the Airport’s services and operations

7.1 Operational performance

For the day-to-day operations of Taupō Airport it is important that objectives are established that are tangible, can be monitored and measured for achievement.

To this end the following objectives will form the basis for the measurement of operational performance during the SOI period:

- Operate the Airport in full compliance with the regulations set down by the New Zealand Civil Aviation Authority under Rule Part 139 – no CAA audit findings
- Manage the health and safety risks and provide a safe and healthy environment – zero serious health and safety incidents
- Maintain the facilities to avoid any diversion or cancellation of scheduled commercial services – no scheduled commercial cancellations due to failure of Airport operational facilities
- Ensure that the business is run on a sustainable commercial basis – all operating, maintenance and interest costs funded from Airport revenue

7.2 Passenger numbers

Passenger numbers through the Airport have struggled to recover from the impacts of the COVID-19 pandemic and what was envisaged as a return to pre-COVID numbers within three years has not materialised.

The situation was made worse during the last half of FY2025 when Sounds Air ceased their air service between Taupō and Wellington, however, the service was taken over by Originair but, with a less frequency of flights, still resulted in further passenger number reductions.

The forecast for this SOI period does show a modest growth but still way below pre-COVID numbers.

	2025/26	2026/27	2027/28
Forecasted passenger numbers	56,000	56,680	59,410

8. FINANCIALS

8.1 Ratio of TAA's capital to total assets

For the next three years, the ratio of total equity to total assets is expected to range from 0.88:1 to 0.89:1.

Total equity includes:

- Equity interest of joint venture partners
- Appropriation accounts/retained earnings
- Asset revaluation reserves

Total assets include:

- Current assets
- Property, plant and equipment

8.2 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.

8.3 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 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

Taupō 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 - Indefinite
Kerbs	50 Years
Footpaths	80 Years
Stormwater	50 – 80 Years
Fencing	5 – 15 Years
Street Lighting	52 Years

Operational Assets

Buildings	14 - 64 Years	(1.6% – 7.1%)
Furniture and Fittings	4 - 20 Years	(5.0% - 20.0%)
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 2023.

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

Intangible assets have been valued at cost, and will be amortised on a straight line basis over the expected useful life of the asset. 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, Taupō 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
- 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 Taupō 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 Taupō 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 \$400k from Taupō District Council for the runway surface treatment in FY25/26.

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.

8.4 Financial performance

The following outlines TAA's anticipated financial performance for the three-year period ending 30 June 2028 assuming forecasted passenger growth, current and known future aircraft type and size and other proposed commercial activity within the Airport confines:

	2025/26 \$000	2026/27 \$000	2027/28 \$000
Operating revenue	1,498	1,561	1,779
Operating expenditure	1,050	1,084	1,120
Operating surplus before depreciation and tax	448	477	659
Depreciation	625	688	694
Taxation credit	50	59	10
Net operating surplus/(deficit)	(127)	(152)	(25)

8.5 Forecast statement of financial position

	2025/26 \$000	2026/27 \$000	2027/28 \$000
Assets			
Current assets	734	1,047	1,567
Property, plant and equipment	24,897	24,449	23,935
Total assets	25,631	25,496	25,502
Liabilities			
Current liabilities	178	176	176
Non-Current liabilities	2,850	2,791	2,782
Total liabilities	3,028	2,967	2,958
Net assets/liabilities	22,603	22,529	22,544
Total equity	22,603	22,529	22,544

8.6 Forecast statement of cashflows

	2025/26 \$000	2026/27 \$000	2027/28 \$000
Net cashflows from operating activities	384	476	659
Net cashflows from investing activities	(1,040)	(240)	(180)
Net cashflows from financing activities	790	78	40
Net increase/(decrease) in cash held	134	314	519
Add forecasted cash at start of year	311	445	759
Cash and cash equivalents at end of year	445	759	1,278

8.7 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.

	2026 \$000	2025 \$000	Movement \$000
Land	5,217	5,217	-
Infrastructure and buildings (landside assets)	11,087	11,124	(37)
Runway, taxiways and apron (airside assets)	8,071	7,546	525
Furniture and fittings	523	596	(73)
Total	24,898	24,483	415

8.8 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.

8.9 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 2025-2028

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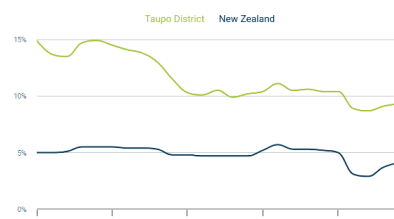
1. Executive Summary

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.

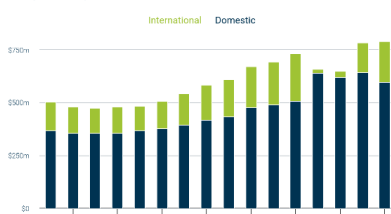
DGLT is governed by a Board appointed by the Taupō District Council (TDC) under the Trust Deed (6 September 2010) establishing the CCO. DGLT is funded at 98% by a grant from TDC, on behalf of Taupō District ratepayers. Industry and partnership contributions account for less than 2% of the overall organisational funding.

Tourism significantly impacts Taupō's economy, with a GDP contribution of \$315M. The sector accounts for 9.3% of all economic activity in Taupō, surpassed only by the *agriculture, forestry and fishing and Electricity, gas, water and waste services*¹. Tourism in the Taupō district is double that of the national average, where it represents only 4.8% of GDP. However, this is a sharp decline compared to 2000, where it was 14.9% of GDP. Whilst tourism has grown since 2000, the region growth averaged 0.9% compared with an average of 2.6% in New Zealand.

Tourism sector GDP proportion of total GDP
% of total, March years



Composition of tourism expenditure
March years, current prices



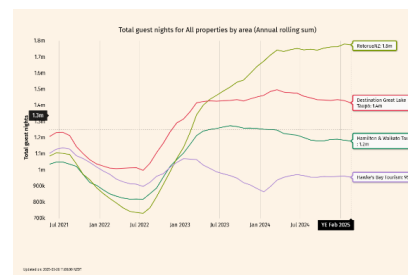
In the Taupō District tourists spent a total of \$788.6m in 2024. Spending was up by 0.8% compared with the previous year. By comparison spending increased by 5.5% in New Zealand.

International visitors contributed 24.1% in Taupo District in 2024, while domestic visitors contributed 75.9%.

Consequently, for each dollar invested in tourism by local council, tourism offered a return of \$375.

Accommodation remains the biggest hurdle for the district². Whilst the region has traditionally outperformed all central north island districts in terms of accommodation spend (both in proportion and nominal spend), Rotorua, through consistent funding and resourcing has overtaken the district. Regions like the Hawke's Bay and Hamilton & Waikato Tourism, that have significantly cut their RTO funding have seen declines in visitor overnight visitor volumes.

This leaves activity operators, with unused capacity and a loss of opportunity.



¹ [Infometrics GDP Contribution tool](#)

² [MBIE Accommodation Data Programme](#)

Tourism sector employment relative to other industries, 2024
Filled jobs, year to March 2024

ANZSIC Level 1 industries	Taupo District		New Zealand	
Name	Level	% of total	Level	% of total
Tourism sector	2,728	12.8%	182,727	6.5%
Accommodation and food services	2,586	12.1%	182,220	6.5%
Construction	2,560	12.0%	293,055	10.4%
Agriculture, forestry and fishing	2,352	11.0%	145,349	5.2%
Retail trade	2,331	10.9%	245,149	8.7%
Manufacturing	1,572	7.4%	252,386	9.0%
Professional, scientific and technical services	1,391	6.5%	275,872	9.8%
Health care and social assistance	1,348	6.3%	291,013	10.4%
Education and training	1,306	6.1%	209,709	7.5%
Transport, postal and warehousing	899	4.2%	112,938	4.0%
Public administration and safety	896	4.2%	153,595	5.5%
Other services	876	4.1%	109,757	3.9%
Administrative and support services	650	3.1%	139,873	5.0%
Rental, hiring and real estate services	612	2.9%	64,592	2.3%
Arts and recreation services	575	2.7%	52,305	1.9%
Electricity, gas, water and waste services	492	2.3%	21,753	0.8%
Wholesale trade	413	1.9%	132,660	4.7%
Financial and insurance services	201	0.9%	76,745	2.7%
Mining	182	0.9%	6,261	0.2%
Information media and telecommunications	98	0.5%	42,601	1.5%
Total	21,341		2,807,834	

The tourism sector employed an average of 2,728 people in Taupo District in 2024. This amounted to 12.8% of Taupo District's total employment in 2024 as compared to 20.7% in 2000. Tourism remains the largest employment industry in the region, and for the district, it contributes twice the national average of 6.5%.

Employment growth in the tourism sector in Taupo District has averaged -0.2%pa between 2000 and 2024, compared with an average of 1.3%pa in New Zealand.

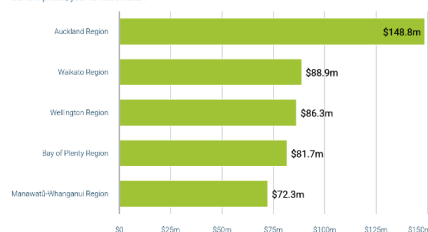
Employment in the tourism sector declined by 0.1% in 2024 in Taupo District, compared with an increase of 13.5% in New Zealand.

Again the lack of productivity associated with the sector and capacity constraints are holding back innovation and employment in the sector.

Technology stays at the heart of our marketing strategy. In order to outsmart regions with larger budgets and staffing, we need to ensure a better legacy from our tourism marketing investment; focusing on consumer acquisition and better mapping of the customer journey to drive desire and attract visitors. DGLT refers to this strategy as owning our audience, which means understanding and tracking consumer behavior and developing personalised content for our audiences.

Domestic tourism expenditure by tourist origin, top five regions in Taupo District

Current prices, year to March 2024



This technological shift requires significant investment in content development, image assets and technology including AI.

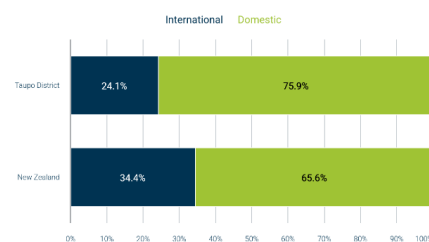
This technological shift will benefit both domestic and international markets since 80% of Taupō's visitation remains from western markets, with visitors who research travel with similar behavior pattern as domestic visitors.

Domestic tourism will remain a priority focus for DGLT, particularly in growing shoulder and out-of-season visitation through impactful and strategic storytelling. Tracking the evolving perception, desirability and competitiveness of the destination will be key.

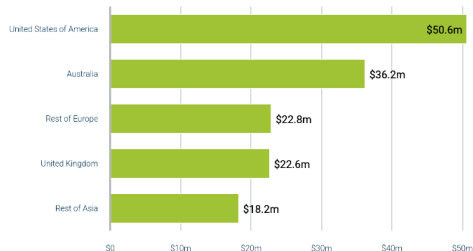
Our international strategy will have a greater focus on product development and operator capability building, including supporting the creation of a stronger Māori tourism offering. Whilst connecting and enhancing awareness of the destination through trade will still be a key component of our international strategy, DGLT needs to focus on securing key accounts to drive sustainable and

Composition of tourism expenditure

% of total, year to March 2024



International tourism expenditure by tourist origin, top five countries
Taupo District
Current prices, year to March 2024



strategic visitation to the region, in order to benefit both accommodation providers and tourism operators. Focus will remain on key markets but DGLT will also draft market development strategies for emerging markets like China, India and South East Asia.

Social media and earned media are increasingly integral to achieving DGLT's strategic and operational objectives. By expanding visibility, strengthening credibility, and nurturing personal connections, these channels help drive lifetime

consumer value, amplify region-wide ambassadorship, and attract off-peak visitation when operators most need it.

Key benefits include:

- **Enhancing Lifetime Value and Building Ambassadors:** Engaging content and user-generated stories turn satisfied visitors into passionate advocates who repeatedly share their positive experiences. This creates a virtuous cycle of repeat visitation and word-of-mouth endorsements, growing the region's reputation organically.
- **Enabling Repeat Visitation Based on Interests:** Through targeted social media messaging and earned coverage, DGLT can spotlight niche interests (e.g., cycling, fishing, cultural events), appealing to consumers' passions and encouraging them to return for new or deeper experiences.
- **Strengthening Personal Connections:** Authentic storytelling about local operators, iwi, and community members fosters empathy and cultural understanding between visitors and residents. This bolsters social license and enriches the overall visitor experience.
- **Acquiring First-Party Data:** Social media campaigns and earned media placements often drive traffic to owned platforms, where first-party data can be gathered. This data feeds the CRM model, optimizes content targeting, and informs audience segmentation. The result: more effective marketing sorties, improved user experiences, and actionable insights into audience behaviors.
- **Off-Peak Visitation and Revenue Opportunities:** Dynamic social and earned media campaigns can be timed to stimulate travel during traditionally quieter periods, creating revenue growth when operators need visitors most. This flexibility in messaging helps manage demand, aligns with sustainability goals, and opens new income streams for DGLT.
- **Cost-Effectiveness and Adaptability:** Social and earned media efforts can be scaled according to budget and audience response. Real-time analytics let DGLT refine its messaging rapidly, ensuring campaigns remain relevant and cost-efficient.

Council's expectations for 2025-2028 emphasise funding diversification, strengthened iwi and community relationships, sustainability, innovation, and enhanced collaboration with Council. DGLT is committed to delivering exceptional ROI and sustainable tourism benefits to the Taupō District community.

2. Strategic Priorities 2025 -2025

STRATEGIC PRIORITIES 2025-2028

1. Diversify Funding Sources
 - Research and evaluation opportunities for new funding models, increasing contributions from operators, regional stakeholders, and external partners. Focus on innovation to diversify DGLT's revenues widening the operating context.
 - Co-invest with private sector in marketing campaigns, maximising resources and impact.
 - Achieve operational cost efficiencies through prudent procurement and fiscal management.
2. Strengthen Community, Iwi, and Hapū Engagement
 - Embed Māori narratives and perspectives into all marketing and promotional activities.
 - Promote equitable tourism benefits across local communities, ensuring transparency and alignment with community aspirations.
 - Foster cross-boundary collaborations to broaden tourism impacts.
 - Strategically develop unique
3. Enhance Collaboration and Shared Resourcing with Council
 - Develop shared resources and data insights to optimise marketing effectiveness and resource utilisation.
 - Align initiatives closely with Council's broader economic, sustainability, and community development objectives.
 - Implement regular structured engagement between Council elected members, DGLT board, and management, with quarterly progress reviews.
4. Embrace Technology and innovation to drive productivity and competitiveness
 - Build on the success of our technology driven marketing strategy.
 - Implement productivity-driven processes

OPERATIONAL PRIORITIES

1. Performance Metrics
 - Establish measurable performance targets to clearly demonstrate DGLT's value and ROI, regularly reporting outcomes to Council and stakeholders.
2. Sustainability
 - Integrate responsible tourism and sustainability practices into all operational and marketing activities.
 - Support and promote environmentally sustainable tourism products and experiences.
3. Innovation
 - Pursue innovative marketing strategies leveraging technology and digital channels.
 - Explore new collaborative and funding opportunities to enhance destination competitiveness.

KEY PERFORMANCE MEASURES (2025-2028)

- Diversification of revenue, measured by the proportion of non-council funding year-over-year.
- Increased community and iwi satisfaction measured through annual stakeholder surveys and engagement metrics.
- Improvement in sustainability indicators, tracked via destination management plan outcomes and partnership with Taupō district council.
- Enhanced digital engagement and innovative marketing results, assessed through analytics of campaign effectiveness and digital platform referrals.

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.

3. Tourism New Zealand 2024-2028 Strategy and FY25 Focus



Tourism New Zealand introduced its 2024–2028 Strategy in 2024 to address visitor expectations, ensure sustainable growth, and enhance brand Aotearoa. The plan focuses on attracting high-value travelers, fostering collaborative partnerships, deepening Māori cultural narratives, and leveraging technology to optimize marketing. By prioritizing off-peak promotion, it seeks to disperse visitor flows and generate year-round economic benefits across all regions.

For Destination Great Lake Taupō, the strategy underscores opportunities for co-branded campaigns, data-driven targeting, and culturally enriched visitor experiences, ultimately delivering greater ROI for local operators and stakeholders. Its overarching aim is a balanced approach that safeguards New Zealand's environment and communities.

SWOT Analysis for Destination Great Lake Taupō in the Context of TNZ's 2024–2028 Strategy

Strengths	Weaknesses
<ul style="list-style-type: none"> - Natural & Cultural Assets: Taupō's iconic lake, geothermal wonders, and Māori heritage perfectly fit TNZ's brand focus. - Growing Infrastructure: A robust event culture, strong operator network, and strong domestic reputation. - Year-Round Attractions: Spread visitor peaks through shoulder/off-peak activities. 	<ul style="list-style-type: none"> - Reliance on Domestic & Traditional Intl Markets: Could face vulnerability if global trends shift. - Limited Funding for Large-Scale Upgrades: Resource constraints may slow adoption of advanced tech or major developments. - Accommodation/Housing Pressure: Peak-season worker and tourist accommodation remains a challenge.
Opportunities	Threats
<ul style="list-style-type: none"> - Alignment with TNZ's Sustainable Strategy: Further development of eco-friendly, high-value experiences. - Co-Branded Campaigns: Joint marketing with TNZ to broaden international reach, especially in shoulder seasons. - Data & Tech Partnerships: Integrating with TNZ analytics could refine marketing strategies and ROI tracking. 	<ul style="list-style-type: none"> - Global Economic & Geopolitical Uncertainty: Could reduce inbound travel or curb consumer spending. - Increasing Competition: Other NZ regions vying for the same pool of high-value tourists. - Environmental & Climate Risks: Weather disruptions and infrastructure strains may impact operations and brand

A summary of Tourism New Zealand's Strategy can be found [here](#).

4. New Zealand Tourism Outlook

As we move into 2025, New Zealand's tourism landscape continues to adapt to changing global and domestic realities. While key overseas markets have significantly rebounded, ongoing economic considerations and changing consumer preferences shape the pace and pattern of recovery.

TECNZ Data Highlights (YE November 2024 Actuals & Forecast to 2027)

Overall arrivals in 2024 reached approx. 3.26 million—84% of 2019's 3.88 million.

By YE March 2025, forecasts point to 3.43 million arrivals (88% of 2019), climbing to 3.73 million in 2026 (96%) and 3.95 million in 2027 (102%).

Australia, our largest overseas market, is already close to 90% of 2019 levels and is forecast to surpass pre-Covid volumes by 2027.

Some markets—India, Fiji, the Philippines, and Ireland—now exceed 2019 visitor volumes, reflecting new air routes, VFR (visiting friends and relatives) travel, and working holiday movements.

Other high-potential markets (China, Germany, Japan) remain at 60–70% of 2019, yet demonstrate steady growth.

Key Trends and Implications

Strong but Selective International Recovery: Australia continues to dominate, with North American and certain Asia-Pacific segments expected to strengthen further if economic conditions remain stable. Regions reliant on long-haul or group travel may see a slower climb.

Resilient Domestic Travel: Domestic tourism persists as a solid cornerstone. Kiwis exploring local options help maintain baseline demand despite rising competition between regions.

Sustainability and Cultural Authenticity: Tourism New Zealand (TNZ) and TIA remain committed to environmentally responsible tourism and authentic cultural storytelling, aligning well with global traveler expectations.

Digital & Direct Channels: The shift toward direct consumer research, social media, and influencer-driven decisions reduces reliance on traditional trade channels. Operators who adopt agile digital strategies can thrive.

Strategic Dispersal and Off-Peak Gains: Encouraging visitation outside prime seasons bolsters local economies year-round, providing a more balanced spread of tourist flows.

For Destination Great Lake Taupō, the TECNZ forecasts underscore both opportunity and caution. Our region can leverage strong trans-Tasman ties, a blossoming US market, and the slow-but-steady return of Asian visitors. By emphasizing technology-driven marketing, compelling storytelling, and year-round experiences, DGLT can attract high-value visitors while supporting sustainable growth for local operators and communities.

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 \$416M³ to the local economy (+17.5% on pre-Covid).

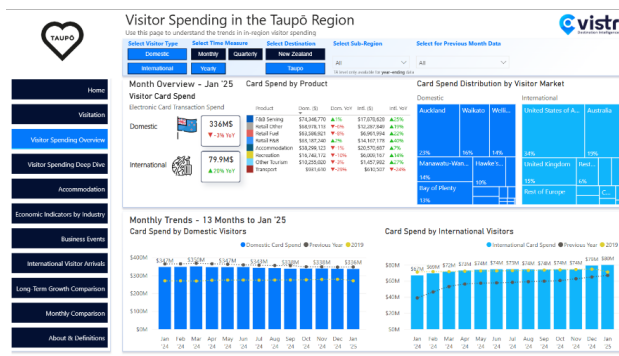
Significant increase in spend since 2019 (up \$67m) but Momentum is slowing down. No real growth since 2023. Our Domestic visitors competing against international visitors. Regional occupancy during peaks is limiting growth: we can't grow the summer months.

Domestic and international are competing for accommodation. Domestic/Australia are the only markets to grow in winter and length of stay

The only way to grow these markets are through social media and direct to consumer channel.

International markets make 19% of spend YOY growth 22% (\$13.2M) 89% of international visitors come from Western Markets

North America (40%), Europe (33%) and Australia (19%) are leading markets. They make up more than 90% of visitor spend. Low acquisition cost - low product adaptability



5. Taupō District Tourism Strategy

Tourism Strategy 2025–2028

Guiding Principles

1. Domestic & Australian Foundations

Domestic travelers and Australian visitors remain our primary markets, given their consistent arrivals and higher propensity for repeat visitation. These groups form the bedrock of our visitor economy, helping operators maintain stability and mitigate risks associated with long-haul volatility.

2.

3. Insights-Driven Storytelling

Recent perception research reveals travelers want to go deeper: they're seeking personal stories, local insights, and clear reasons why Taupō is special. Therefore, our marketing will spotlight the unique voices, communities, and narratives across Tūrangi, Mangakino, Western Bays, Kinloch, and Taupō itself. This approach not only inspires prospective visitors but also encourages broader dispersal throughout the region.

4.

5. Content Creation & Technology

Our largest single investment will be in developing **content, visual assets, and fresh footage**, ensuring we deliver engaging stories through the right channels at the right times. By leveraging advanced marketing automation, we can tailor these stories to individual interests—transforming casual observers into highly engaged ambassadors.

³ MBIE TECTs – Year ending Jan 2025

This data-led methodology means we nurture consumers based on what they care about, rather than just assigning staff to specific markets.

6. **Earned Media & Social Media Emphasis**

In today's travel landscape, research shows that social media and earned media are two of the most powerful influences on consumer decisions. By focusing on these channels:

- **Social media** offers agility, real-time engagement, and the ability to reach potential visitors based on passion points (e.g., biking, hiking, cultural experiences).
- **Earned Media** (such as travel articles, influencer coverage, and user-generated content) amplifies credibility, telling authentic Taupō stories that resonate deeply with audiences.

Together, these approaches help us stand out in a space where travelers increasingly plan their own itineraries and rely less on traditional trade channels.

7. **Pivot in Business Events (BE)**

Due to reduced funding, we will **withdraw DGLT's dedicated resource** for business events and adopt a partnership-driven approach. While we'll continue developing content, stories, and promotional assets for business events, operators will take the lead on direct sector engagement, and we'll offer campaign collaboration where possible. This ensures Taupō remains visible in the BE sector without straining limited resources.

8. **Refined Approach to International Trade**

- **Less Physical Travel:** Budget constraints reduce our capacity for in-market visits. Instead, we'll focus on **familiarization trips** (famils) to Taupō, so key decision-makers can experience the region firsthand.
- **Key Account Focus:** We will invest in relationships with domestic and Australian trade partners who can move the dial. For longer-haul markets (USA, UK/Europe, and emerging markets), we'll pivot to **capability-building** for local operators—helping them connect with the right trade contacts and innovating their product offerings.
- **Practical ROI:** By ensuring any international marketing aligns with real potential for bookings, we maximize the return on limited funding while preserving momentum in growth markets.

Expected Outcomes

1. **Deeper Visitor Engagement**

Engaging storytelling and tailored content create more informed, inspired, and satisfied visitors, who then share their experiences organically amplifying our reach at minimal extra cost.

2. **Stronger Operator Partnerships**

Demonstrating measurable ROI—especially through social and earned media—encourages operators to invest in our campaigns. This co-investment model aligns well with the trend of travelers relying on peer/influencer recommendations to plan their trips.

3. **Sustainable Growth & Seasonal Dispersal**

With technology guiding our marketing in real time, we can promote shoulder-season opportunities more effectively, supporting off-peak visitation and economic benefits when operators most need a boost.

4. **Continued Development of Cultural & Community Narratives**

Embedding local and Māori perspectives in our content ensures Taupō stands out among

competing destinations, fosters community pride, and contributes to a more culturally informed travel experience for visitors.

5. **Resource Efficiency & Clear Priorities**

By focusing on the initiatives with the highest impact—domestic/Australian markets, storytelling content, strategic partnerships, earned media, and operator capability—we remain fiscally responsible while still driving meaningful visitor growth.

5.1 Visitor Attraction.

DGLT will continue to prioritize domestic and Australian consumers as the foundation of our visitor attraction efforts. However, our new strategy is informed by recent perception research, which reveals that potential visitors crave deeper stories, unique insights, and a clearer understanding of what makes Taupō special from a local's perspective. We will emphasize strategic storytelling that highlights the region's iconic attractions, distinctive communities (including Tūrangi, Mangakino, Western Bays, and Kinloch), and the broader narrative that defines Great Lake Taupō.

To meet these expectations, our largest investment this year will be in the creation of content, visual assets, and fresh footage, ensuring that every campaign is compelling and timed to the right audience through technology-driven delivery. Concurrently, earned media and social media remain top influences for modern travelers; we will actively leverage both to drive awareness, spark engagement, and shape itineraries—especially given the industry's growing data that reflects a slowdown in trade-driven bookings and a rise in direct consumer decision-making. We will anchor our campaigns in domestic and Australian markets, using a more tech-centric approach that nurtures consumers based on their interests and engagement, rather than assigning staff purely by geographic market.

Due to reduced funding, a significant shift will occur in our business events involvement. We will withdraw dedicated resources from the business events sector, instead encouraging industry-led partnerships and offering DGLT support through content and storytelling. By pivoting to a partnership model, we believe operators can lead business events initiatives that still align with our regional brand, while DGLT provides strategic marketing assets and optional collaborative campaigns.

In the international trade arena, we will cut back on in-person travel but sharpen our focus on key domestic and Australian accounts, building operator capability and driving product innovation. We will concentrate on familiarization trips to Taupō so influential decision-makers can experience the region firsthand. This shift reflects both financial realities—less council funding—and our ambition to sustain strong relationships with pivotal markets. While certain long-haul markets like the USA, UK/Europe, or emerging regions in Asia remain important, our immediate focus is ensuring that operators are better equipped, our product remains innovative, and we can cultivate deeper partnerships that deliver a compelling ROI for all stakeholders.

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

Our website lovetaupo.com remains the primary call to action for all marketing initiatives, serving as the central hub where prospective visitors are both inspired and directed toward local tourism businesses. By embracing a customer journey mapping approach and focusing on customer lifetime value, we use sophisticated marketing automation tools to transform casual observers into highly engaged, repeat visitors who actively consider the Taupō region. These technology-driven nurture campaigns have proven exceptionally effective, positioning

lovetaupo.com as one of the country's leading destination websites. Over 280,000 referrals to operators in the past year alone demonstrate the tangible returns delivered to our industry partners—returns that encourage their continued financial investment and collaboration.

A key shift in our marketing strategy is a more technology-centric model—rather than segmenting staff by market, we leverage platform-driven insights to deliver relevant content based on a user's interests, travel history, and engagement. This data-driven approach creates clear opportunities for operators to invest, as it directly demonstrates ROI through measurable conversions and ongoing consumer engagement. However, our five-year-old website platform now requires a significant upgrade to meet rising expectations in functionality and personalization; because our current grant allocation will not fully cover these upgrades, we plan to use a portion of our equity to fund this vital project over the next 12 months.

Meanwhile, our 'always on' campaigns will maintain a steady flow of compelling content, optimizing how we target potential visitors throughout the year—especially during off-peak periods. By continuously refining our communications, we further strengthen consumer loyalty, grow lifetime value, and reinforce the role of digital channels in building sustainable tourism growth for Taupō.

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 Hapū 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:

- 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.

DGLT will purposely work to develop products that meet international standards to unlock the potential of the region.

DGLT will actively work with Amplify to fast-track new businesses to the tourism sector, create opportunity for capability building focusing on greater productivity for the sector. Alignment with Amplify and the Taupō Business Chamber will ensure the delivery of these opportunities are at a shared expense.

DGLT will continue its partnership with industry, such as the Making Trax Foundation to support the development and promotion of Inclusive Tourism products and itineraries, the Explore Centre North Island Collective, BYATA, Tourism Export Council, Tourism Industry Aotearoa and other national bodies.

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. We remain steadfast in our commitment to transparency, ensuring robust tracking and reporting of all activities to demonstrate value and accountability. Maximising returns on this investment is a core priority across the organisation.

We also aspire to be the most attractive employer in the region, creating a workplace that celebrates success, fosters inclusiveness, and maintains a clear sense of purpose. Through regular employee opinion surveys and a supportive framework, we champion team innovation, productivity, and morale. Our emphasis on collaboration, transparent communication, and professional development helps every team member understand how their contributions align with DGLT's overarching mission.

The health and wellbeing of employees is paramount. We will continue providing a safe and supportive environment under the Health and Safety at Work Act 2015, reinforcing a positive and resilient workplace culture. By encouraging ownership, creativity, and courage, we enable our staff to deliver outstanding results for the Taupō District.

We employ proactive risk management to identify, assess, and address factors that could affect destination wellbeing, planning, or management. Given our growing responsibilities in destination management, we will regularly review and refine our resourcing to ensure

that DGLT remains fit for purpose, capable of effectively delivering on our vision for Taupō and fulfilling our promises to the community, operators, and stakeholders.

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	2025-2026	2026- 2027	2027- 2028
Growth in tourism expenditure	TECTs (or other value)	TECTs	Grow domestic market share by 2% / Grow international market share by 4%	Grow total spend by 3.5%	Grow total spend by 3.5%
Build consumer preference for Taupo through technology	CRM database	2025 database of 25k consumers	30k consumers engaged consumers	50k consumers engaged consumers	70k consumers engaged consumers
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	2025-2026	2026- 2027	2027- 2028
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	Continue implementation of Te Ihirangi Destination Management Plan	Engage with TDC to implement DMP priorities as highlighted	Ongoing	Ongoing
	Grow industry capability	Industry workshops	4 workshops/ 2 in partnership with Amplify	4 workshops/ 2 in partnership with Amplify	4 workshops/ 2 in partnership with Amplify
	Tūwharetoa Internship programme	Implement Tūwharetoa Rangatira into DGLT Staff	1 intern over the summer	1 annual intern	1 annual intern
	Fill product gaps through new product development	Work with Amplify to identify new product development opportunities.	Review audit of Tourism Businesses in the Taupo District - support 10 tourism businesses with trade journey	Support 10 tourism businesses with trade journey	Support 10 tourism businesses with trade journey
Strengthen Local & Māori Business Engagement	Actively seek Māori businesses and fast track tourism expertise	Work with Amplify and Iwi to identify new product development opportunities.	Audit of Māori tourism Businesses in the Taupo District - seek 3 Māori business collaborations	Seek 5 Māori business collaborations	Seek 12 mauri business collaborations - hire a dedicate Māori Tourism resources to support industry
Enhance Destination Marketing & Major Event Synergies	Actively support synergies between Major Events and Destination Great Lake Taupo	work with Events Team to enhance co-branded marketing initiatives and measure economic impact	6 events	8 events	10 events
	Social license - connect with residents	Annual community sentiment survey	May-26	May-27	May-28

Objective 3 - Run an efficient and effective regional tourism organisation, strongly supported by the local tourism industry.					
Strategic Priority	Data source	Baseline data	2025-2026	2026- 2027	2027- 2028
Connect our Local Industry stakeholders	Host regular targeted networking that includes key speakers that will upskill and connect our Tourism businesses	Host a minimum of one tourism event to enhance industry connections and engagement.	Aug-26	Aug-27	Aug-28
Support for DGLT marketing initiatives	Measured by free of charge, in-kind advertising or financial contribution support for marketing and famils activity. Participation in DGLT hosted activities and campaigns	YE June 2023: \$102,312	\$100,000	\$120,000	\$150,000
Identify and implement long term revenue streams for the DGLT to lessen financial dependency on Taupō district council	Benchmark other regions and revenue streams	2024 Financial	Conduct a minimum of 3 feasibility studies	\$250,000	\$500,000
Stakeholder satisfaction	Annual Industry Survey	2019: 67% 2020: 76% 2021: 82% 2022: 83% 2023: 93%	85%	87%	89%

6.1 Rationale for performance measures:

The performance measures included in this SOI reflect key strategic areas critical to the successful achievement of DGLT's objectives. Growth in tourism expenditure provides a quantifiable measure of economic benefit, vital for assessing ROI. Enhancing consumer preference through an expanding CRM database ensures ongoing engagement and targeted marketing effectiveness.

Destination Management performance measures ensure balanced growth respecting economic, social, cultural, and environmental sustainability. Industry capability and Māori engagement metrics underscore DGLT's commitment to building resilience and inclusivity within the local tourism sector.

Event synergies and marketing support measures demonstrate collaboration efficiency and increased leveraging of resources, crucial for maximising impact with constrained budgets. Community sentiment and stakeholder satisfaction provide essential feedback loops, ensuring alignment with local aspirations and validating community 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

	SOI FY 25/26	SOI FY 26/27	SOI FY 27/28
Income			
Revenue from services provided	20,000	20,000	20,000
Grant Revenue from Taupo District Council	1,735,241	1,778,622	1,823,087
Interest Income	6,856	3,428	3,428
Grant Revenue - Other			
Total Revenue	1,762,097	1,802,050	1,846,515
Expenditure			
Employee benefit expenses	809,911	822,060	834,391
Management and Administrative expenses	173,218	175,817	178,454
Board costs	44,800	45,472	46,154
Marketing & advertising	481,600	487,882	499,184
Destination management	71,760	72,774	73,866
Partnerships (Commercial)	145,240	142,571	144,710
Total expenditure	1,726,529	1,746,576	1,776,758
Total Operating Surplus / (deficit)	35,567	55,474	69,758
 Depreciation & Amortisation	 118,506	 152,279	 166,490
Net Surplus / (deficit)	-82,938	-96,805	-96,733

7.22 Capital Expenditure Forecast

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

Year	\$	Purpose
2025/26	6,000	IT equipment, furniture replacement
	100,000	Brand Image assets
	50,000	AI Chatbot
2026/27	6,000	IT equipment, furniture replacement
	50,000	Image assets
2027/28	6,000	IT equipment, furniture replacement
	50,000	Image assets

Any significant capital expenditure is funded from cash reserves.

7.23 Funding

Destination Great Lake Taupo

Projected Funding

	SOI FY 25/26	SOI FY 26/27	SOI FY 27/28
Operating Surplus / (deficit) (before Depn / Amort)	35,567	55,474	69,758
Capital Expenditure	-156,000	-56,000	-56,000
Total Cash Required	-120,433	-526	13,758

Funded by:

Cash on Hand	-120,433	-526	13,758
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7.24 Projected Balance Sheet

Destination Great Lake Taupo

Projected Statement of Financial Position

	SOI FY 25/26	SOI FY 26/27	SOI FY 27/28
Total Equity	220,976	149,171	77,438
Assets			
Current Assets			
Cash & Cash Equivalents	92,081	92,241	107,691
Trade Debtors	1,667	1,667	1,667
Prepayments	30,000	30,000	30,000
Total current assets	123,747	123,907	139,358
Non-Current Assets			
Intangible Assets	228,252	162,557	78,112
Property, Plant and Equipment	2,981	-2,602	-3,648
Total non-current assets	231,233	159,954	74,464
Total Assets	354,981	283,862	213,822
Liabilities			
Current Liabilities			
Trade Payables	84,005	84,691	86,384
Employee Entitlements	50,000	50,000	50,000
Total current liabilities	134,005	134,691	136,384
Total Liabilities	134,005	134,691	136,384
Net Assets	220,976	149,171	77,438

7.25 Projected Cashflows

Destination Great Lake Taupo

Projected Statement of Cashflows

	SOI FY 25/26	SOI FY 26/27	SOI FY 27/28
Cash flows from operating activities			
Receipts from customers	21,083	20,000	20,000
Receipts from Taupo District Council operating grant	1,735,241	1,778,622	1,823,087
Finance revenue	6,856	3,428	3,428
Payments to suppliers	-888,825	-878,358	-894,520
Payments to employees	-809,911	-822,060	-834,391
Net cash flow from operating activities	64,444	101,632	117,604
Cash flows from investing activities			
Purchase of property, plant and equipment	-6,000	-6,000	-6,000
Purchase and development of intangibles	-150,000	-50,000	-50,000
Net cash flow from investing activities	-156,000	-56,000	-56,000
Net increase (decrease) in cash held	-91,556	45,632	61,604
Add cash at start of year	228,437	92,081	92,241
Cash, cash equivalents, and bank overdrafts at the end of the year	92,081	92,241	107,691

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	\$
2025/26	50,000
2026/27	50,750
2027/28	51,511

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@loveTaupo.com

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

Kiri Atkinson-Crean
Chair

Approved by shareholder on: (Date):

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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



STATEMENT OF INTENT FOR 2025-2028



June 2025

“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 \$34 million have been achieved by the participating councils through undertaking joint initiatives. BOPLASS is forecast to return in excess of \$2.5 million in savings in the 2024-25 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*.

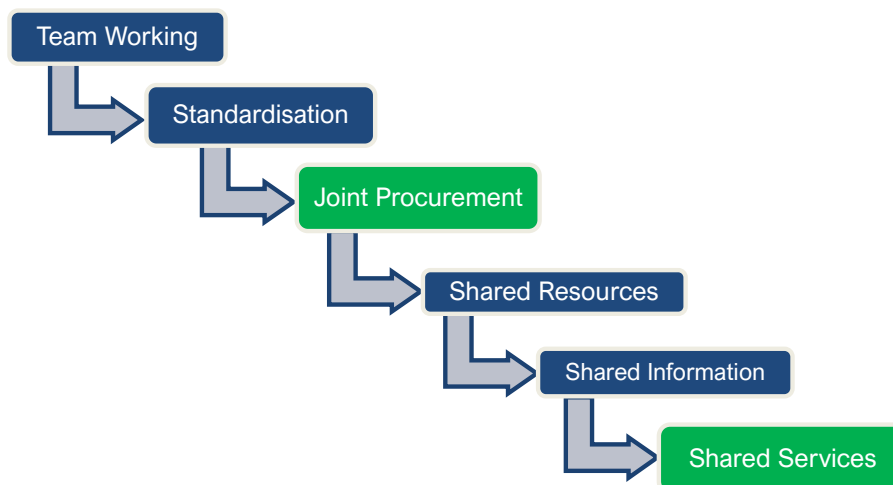


Figure 1

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
- Archive 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 will operate in an environmentally responsible way and will embed sustainability considerations (including ethical considerations, for example, the impact on people and communities), 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	Miriam Taris
Whakatāne District Council	Steven Perdia
Independent Director and Chair	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.
Implement Shared Services demonstrating best practice and added value to participating councils and stakeholders.	Identify Shared Services projects of benefit to two or more councils and lead the implementation.	Initiate at least one new Shared Service each year and no less than two Shared Services successfully implemented within three years.
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 2024 the consolidated Shareholder funds comprised \$27,197 and the total assets were \$1,608,694. The resulting ratio is 1.69%.

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 2025-2028 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 2025/28	Budget 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028
REVENUE				
Revenue - Core	367,615	379,630	388,871	402,131
Bank Interest Received	7,000	10,000	10,000	10,000
Council Contribution	360,615	369,630	378,871	392,131
Revenue - Projects	1,311,500	1,318,500	1,237,000	1,237,000
Aerial Photography Income	400,000	400,000	320,000	320,000
Bank Interest Received	1,500	1,500	2,000	2,000
Collaboration Portal	40,000	45,000	50,000	50,000
Lease Income - ICN	135,000	137,000	130,000	130,000
Lease Income - Video Confer.	15,000	15,000	15,000	15,000
Recoveries	720,000	720,000	720,000	720,000
Total Operating Revenue	1,679,115	1,698,130	1,625,871	1,639,131
EXPENSES				
Expenditure - Core	423,436	444,451	458,992	469,562
ACC	950	950	950	950
Accommodation & Travel	5,500	4,000	4,000	4,500
Accounting & Audit	24,000	25,000	26,000	26,000
Administration	20,000	20,000	22,000	22,000
Amortisation	5,000	2,000	2,000	2,000
Bank Fees	200	200	200	200
Conferences	2,500	2,500	2,500	2,500
Depreciation	4,300	4,000	4,000	4,000
Directors' costs	23,000	23,000	25,000	25,000
Fringe Benefit Tax	4,500	4,500	4,500	4,500
General & Catering	1,500	1,500	1,500	1,500
Health and Safety	1,000	1,000	1,000	1,000
Insurance	14,000	16,000	17,000	18,000
Interest Paid - TCC Loan	0	0	0	0
Legal	2,500	2,500	2,500	2,500
Salaries	300,723	316,101	323,642	332,712
Salaries - C'Portal Opex	-18,000	-10,000	-10,000	-10,000
Staff Support Costs	19,500	21,000	22,000	22,000
Staff Training Costs	2,500	2,500	2,500	2,500
Subscriptions	4,263	2,200	2,200	2,200
Tax Advice	5,500	5,500	5,500	5,500
Expenditure - Projects	1,255,679	1,253,679	1,166,879	1,169,569
Aerial Photography Expense	400,000	400,000	320,000	320,000
Collaboration Portal Opex	27,979	27,979	27,979	27,979
Lease Expense - ICN	129,600	131,600	124,800	124,800
Lease Expense - Video Confer.	14,100	14,100	14,100	14,100
Projects - Recoveries	684,000	680,000	680,000	682,690
Total Operating Expenditure	1,679,115	1,698,130	1,625,871	1,639,131
Operational Surplus/ (Deficit) before Tax	0	0	0	0

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 services
- 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
- Oblique imagery
- 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
- Staff wellbeing portal
- Telephony – voice, data, mobile
- Tender facilitation
- Transactional banking
- Travel and accommodation services
- Valuation services provider
- Video conferencing services
- Website analytics
- Wireless WAN

Appendix B

Shared Services

Managed by BOPLASS or by one or more constituent councils:

- After hours call management
- 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 services
- Radio telephony strategy
- Section 17a reviews
- Shared licence server
- Solid waste services
- Standards NZ
- Video conferencing hosting
- Waste Operator and Licensing Data System

Projects for Consideration

- Agenda management software
- Archive services
- Asset Management
- Building consents
- Business continuity planning
- CCTV monitoring
- Centralised insurance resource
- Chemicals
- Consents processing
- Contractor online inductions
- Debt Management
- Diversion of putrescible waste from landfill
- Driver training
- Drug & Alcohol testing
- Electoral Officer services
- Engineering Codes of Practice
- Fleet purchasing and management
- Geospatial services
- Health & Safety management system
- Health insurance
- High volume print
- ICT security policies
- Insurance valuations
- Inter-council secondments
- Joint software support
- LGOIMA requests
- Lone worker field solutions
- PPE & uniform
- Property valuation services
- Rates collection
- Regional contractor database
- Risk and total assurance
- Solid waste regional facilities strategy
- Staff engagement survey systems
- Vehicle monitoring
- Web services



2025 – 2028

Statement of Intent

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 2025 to 30 June 2028.

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

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

2. Nature and scope of activities

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (members).

In August 2024, LGFA confirmed that it will provide financing to support water CCOs established under Local Water Done Well.

LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency.

LGFA only lends to members that have completed 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.

The LGFA Board has agreed subject to receiving Shareholder approval to support the development of the Ratepayer Assistance Scheme (RAS).

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>We act with integrity</p> <p>E pono ana mātau</p> <p>We are honest, transparent and are committed to doing what is best for our customers and our company.</p>	<p>We are customer focused</p> <p>E arotahi ana mātau ki te kiritaki</p> <p>Our customers are our 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 for excellence</p> <p>E whakapau kaha mātau kia hiranga te mahi</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 provide leadership</p> <p>He kaiārahi mātau</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>We are innovative</p> <p>He auaha mātau</p> <p>To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.</p>
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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 to 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 its members. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Environmental and social responsibility

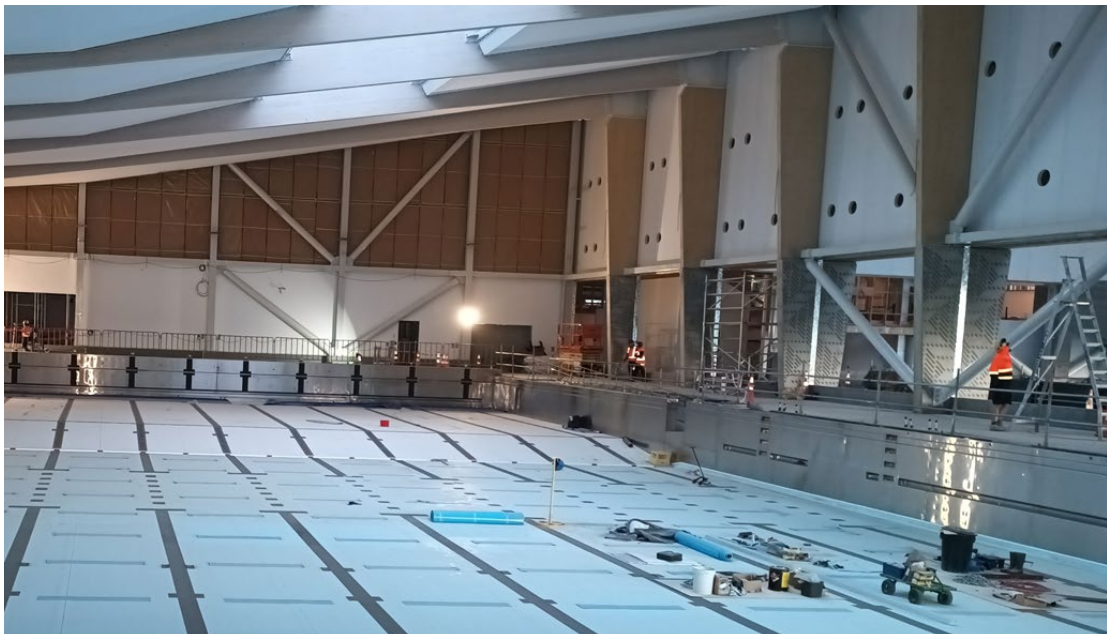
LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or 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 member'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 2025-2028.

The financial performance targets are focused on the 2025-2026 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.
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 Report, Half Year Report and Climate-Related Disclosures.
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	2025-2026 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.
LGFA's total operating income, excluding unrealised gains / (losses) on financial instruments, for the period to 30 June 2026.	>\$44.7 million.
LGFA's total operating expenses (excluding Approved Issuer Levy) for the period to 30 June 2026.	<\$12.1 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. Have the ability to issue debt securities in NZD and foreign currency.

Performance targets	2025-2026 target
Share of aggregate long-term debt funding to the Local Government sector. The market share excludes entities who are ineligible for borrowing from LGFA e.g. water entities not financially supported by their parent councils.	> 80%.
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 and increase climate-resilience amongst borrowers. We do this through the development of lending products such as Green, Social & Sustainability (GSS) loans and Climate Action Loans (CALs). This objective will be measured by the number of new GSS loans and the number of new members eligible for CALs.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions, increasing our resilience to climate change, and managing our climate-related risks and opportunities. To do this effectively, climate change considerations will be embedded into our governance, strategy and risk management functions.

Performance targets	2025-2026 target
Health and Safety	No notifiable incidents.
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained.
Meet reduction targets outlined in our carbon reduction management plan.	< 8.7 tCO ₂ e annual per person GHG emissions.
Increase our GSS lending book and Climate Action Loans	Two new GSS loans undertaken. Two new borrowers enter into CALs.
Develop a sustainable financing option for the water sector	New sustainable financing option is available to water entities.
Enhance our insight into climate-related risks through council lending	Climate change is incorporated into LGFA's credit risk assessments.
Assess required governance skills for LGFA's climate-related risks and opportunities.	Develop a director skills matrix.

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. Analyse finances at the Council group level where appropriate and report to shareholders.	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. Member councils 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 members 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 Water CCOs (if requested by a council)

Performance targets	2025-2026 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 understanding any legislative or Central Government policy changes that may impact LGFA. Provide the opportunity for a Council or CCO staff member to enhance their governance understanding and skills through the LGFA Future Director Programme.
Support the local government sector with the transition to the Local Water Done Well Reforms by assisting with the development options for the Water Services Delivery Plans and communicating our requirements (lending, financial covenants, reporting), as well as loan pricing guidance, implementation considerations and views on best practice.	Report on our sector-wide engagement and initiatives with assisting members' transition to the Local Water Done Well Reforms.

Performance targets	2025-2026 target
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.
Support councils with Local Water Done Well by providing timely and responsible advice for on-boarding water CCOs.	On-boarding process is underway for all water CCOs who have requested it.
Provide a governance opportunity for a council or CCO staff member under the LGFA Future Director Programme.	One Future Director appointed for an 18 month term.



8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2028:

Summary comprehensive income \$m	Jun 26	Jun 27	Jun 28
Net interest income	42.8	39.2	43.4
Other operating income	1.9	1.9	1.9
Total income	44.7	41.1	45.3
Operating expenses ¹	20.2	24.8	26.2
Net profit	24.5	16.3	19.1
Financial position \$m	Jun 26	Jun 27	Jun 28
Liquid assets portfolio	4,501	5,787	6,192
Loans	24,751	26,498	26,861
Water loans	-	250	1,250
Other assets	-	-	-
Total assets	29,252	32,535	34,303
NZD bonds on issue (ex Treasury stock)	16,466	16,045	16,852
Foreign Currency bonds on issue	9,552	12,702	13,240
Bills & ECP on issue	2,042	2,042	2,042
Borrower notes	1,073	1,506	1,822
Other liabilities	-	-	-
Total liabilities	29,133	32,296	33,955
Capital	25	25	25
Retained earnings	132	146	164
Dividend	(2)	(2)	(2)
Shareholder equity	155	169	187
Ratios	Jun 26	Jun 27	Jun 28
Liquid assets/funding liabilities	16.6%	19.1%	19.4%
Liquid assets / total assets	15.4%	17.8%	18.0%
Net interest margin	0.17%	0.15%	0.16%
Cost to income ratio	45.1%	60.3%	57.8%
Return on average assets	0.08%	0.05%	0.06%
Shareholder equity/total assets	0.5%	0.5%	0.5%
Shareholder equity + BN/total assets	4.2%	5.2%	5.9%
Asset growth	12.1%	11.2%	5.4%
Loan growth	10.0%	7.1%	1.4%
Return on equity	18.6%	10.5%	11.3%
Capital ratio	21.0%	25.8%	29.3%

1. Operating Expenses include Approved Issuer Levy (AIL)

The above forecasts assume a gross bond issuance programme of \$5.15 billion (FY26), \$5.05 billion (FY27) and \$5.0 billion (FY28) based upon term gross lending to councils and CCOs of \$5.08 billion (FY26), \$5.74 billion (FY27) and \$6.06 billion (FY28).

Note: The forecasts include consideration that LGFA will provide financing to support water CCOs established under Local Water Done Well. However, there is a level of uncertainty regarding the financial forecasts for both council borrowing and LGFA bond issuance due to the uncertainty relating to the timing of the establishment of water CCOs and the impact on councils.

Our council lending and LGFA bond issuance forecasts include LGFA lending to the proposed water CCOs if they meet our qualifying criteria for membership. 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. As at the date of release, there have been no Water Services Delivery Plans approved and no final decisions made regarding the transfer mechanism for assets, liabilities and revenue from each council to the proposed water organisations.

Ratepayer Assistance Scheme

LGFA is supporting the development of the Ratepayer Assistance Scheme ("RAS") that will assist ratepayers with the ability to defer rates, enter property improvement loans and spread the payment of development contributions (or levies) over a long time horizon. LGFA has committed to financially contribute to the RAS business case in the 2024-25 FY. If the business case is supportive and the RAS proceeds then (subject to shareholder approval), LGFA will consider taking a shareholding, providing a debt facility, providing support services, investing in preference shares (akin to the LGFA Borrower Notes) and managing the RAS debt issuance programme. The LGFA participation in RAS has not been factored into the above financial forecasts.

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 comprises seven directors with six 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.

Climate-Related Disclosures

By 30 September each year, the Company will produce Climate-Related Disclosures in accordance with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board.

The Climate Standards require the Company to disclose climate-related information across the following four thematic areas:

- Governance
- Strategy
- Risk management
- Metrics and targets.

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.

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.

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 2025

CHIEF EXECUTIVE - Julie Gardyne

Overview

It was a busy month in June where Council adopted the Annual Plan for 2025/26, and deliberated on the water services delivery model, as required by central government legislation. In relation to Local Water Done Well, Council agreed to maintain local control of water services through an enhanced in-house business unit and a shared services agreement with Waikato Water. Additionally, our council performance review highlighted strong delivery of capital projects.

Government policy update

Government policy was a consistent theme in our June meetings. The Annual Plan discussions reflected the impact of mandated costs from central government, particularly in water management, which influenced council’s rate decisions. In the water services deliberations, council explored governance models that align with regulatory requirements and ensure accountability through joint audits and performance checks. We also addressed statutory health and safety obligations, including the appointment of a new manager to strengthen our compliance.

Stakeholder relationships

During the water services hearing, submissions were heard advocating for cultural governance and local decision-making. Community engagement discussions included updates on erosion consent projects and improvements to our visual reporting tools to enhance transparency and communication with stakeholders.

Operating efficiency and improvements

Delivery of Business Plan

■ Deliverables completed - cumulative

■ Deliverables to complete - reforecast

— Baseline - deliverables to complete

Month	Deliverables completed - cumulative	Deliverables to complete - reforecast	Baseline - deliverables to complete
Jul 24	0	0	0
Aug 24	0	0	0
Sep 24	0	0	0
Oct 24	2	0	5
Nov 24	5	0	8
Dec 24	10	0	15
Jan 25	15	0	16
Feb 25	22	0	22
Mar 25	24	0	25
Apr 25	26	0	27
May 25	29	0	30
Jun 25	38	0	45
Jul 25	55	3	58

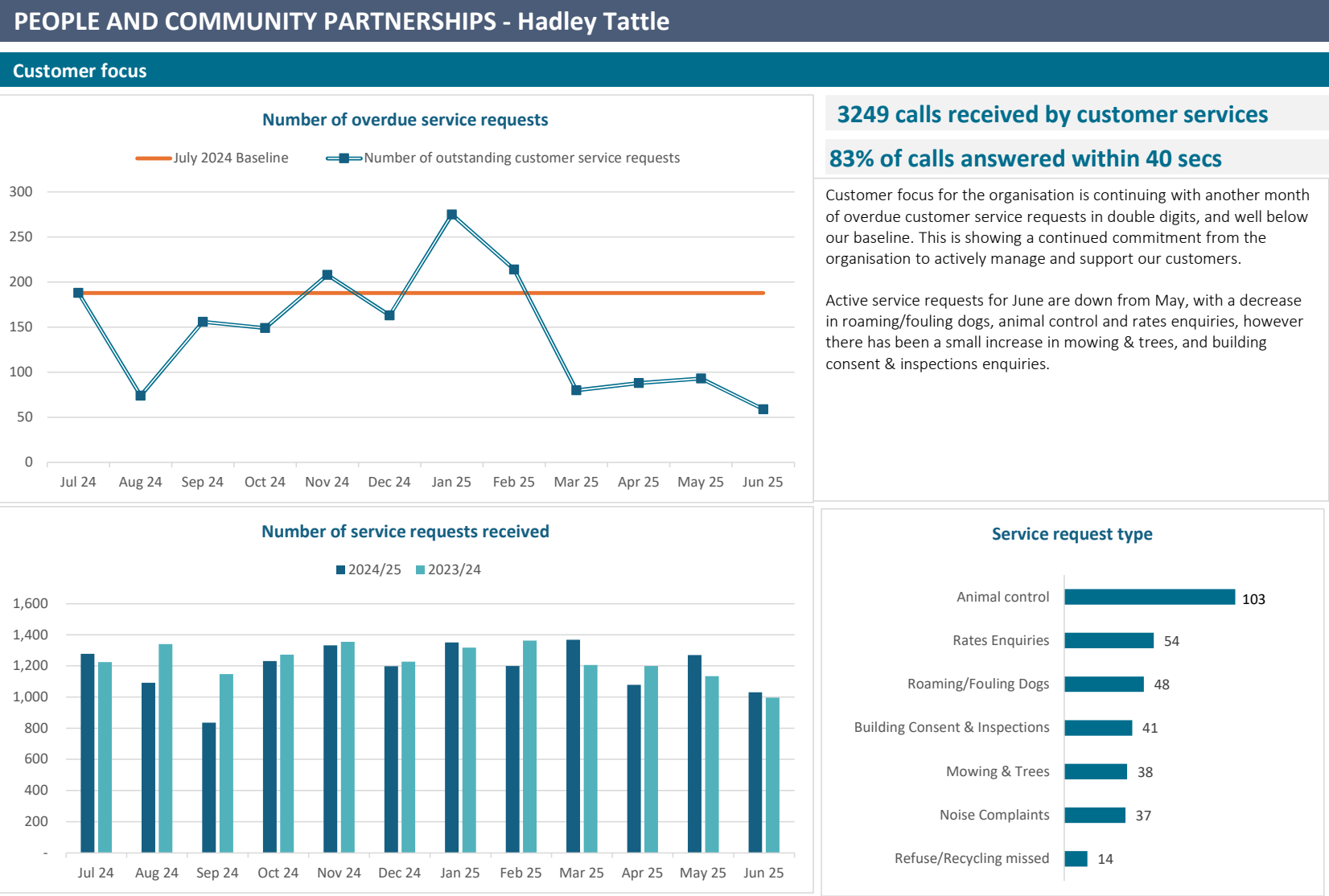
Business Plan deliverable status

■ Achieved

■ On Track for Completion

■ Off Track

Status	Percentage
Achieved	65%
On Track for Completion	25%
Off Track	10%



Community engagement and communications

2 campaigns

16,322 people engaged in campaigns in June

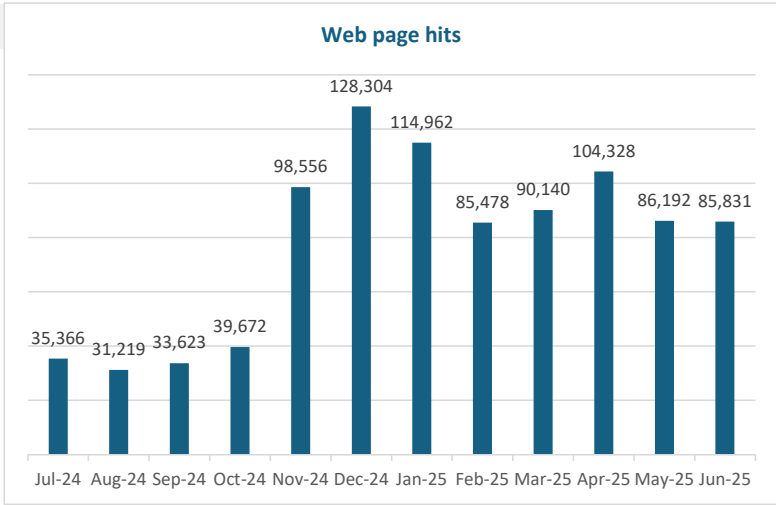
Last quarter Council launched or continued the following campaigns / awareness:

- Providing information - Council began a series of "Mythbuster Monday" Facebook posts to provide factual information including on topics such as debt or local elections.

- Stand for Local Government - This is phase one of our local government elections campaign. Phase one, stand for local government will be followed by phase two, encouraging people to vote in both the council elections and the Māori wards poll.

- Civil Defence awareness - The Tauranga-Taupō river high-flow event on June 5 was not just a potential civil defence emergency but also allowed us to share messages about being prepared for an emergency and what to do if you need to evacuate. The Civil Defence Taupō Facebook page is managed separately from Council's Facebook page. Engagement during the 5 June event peaked at 121,278 people reached, which is indicative of the interest during such events and the style of messaging used.

Web page hits



Month	Web page hits
Jul-24	35,366
Aug-24	31,219
Sep-24	33,623
Oct-24	39,672
Nov-24	98,556
Dec-24	128,304
Jan-25	114,962
Feb-25	85,478
Mar-25	90,140
Apr-25	104,328
May-25	86,192
Jun-25	85,831

Iwi partnerships and initiatives

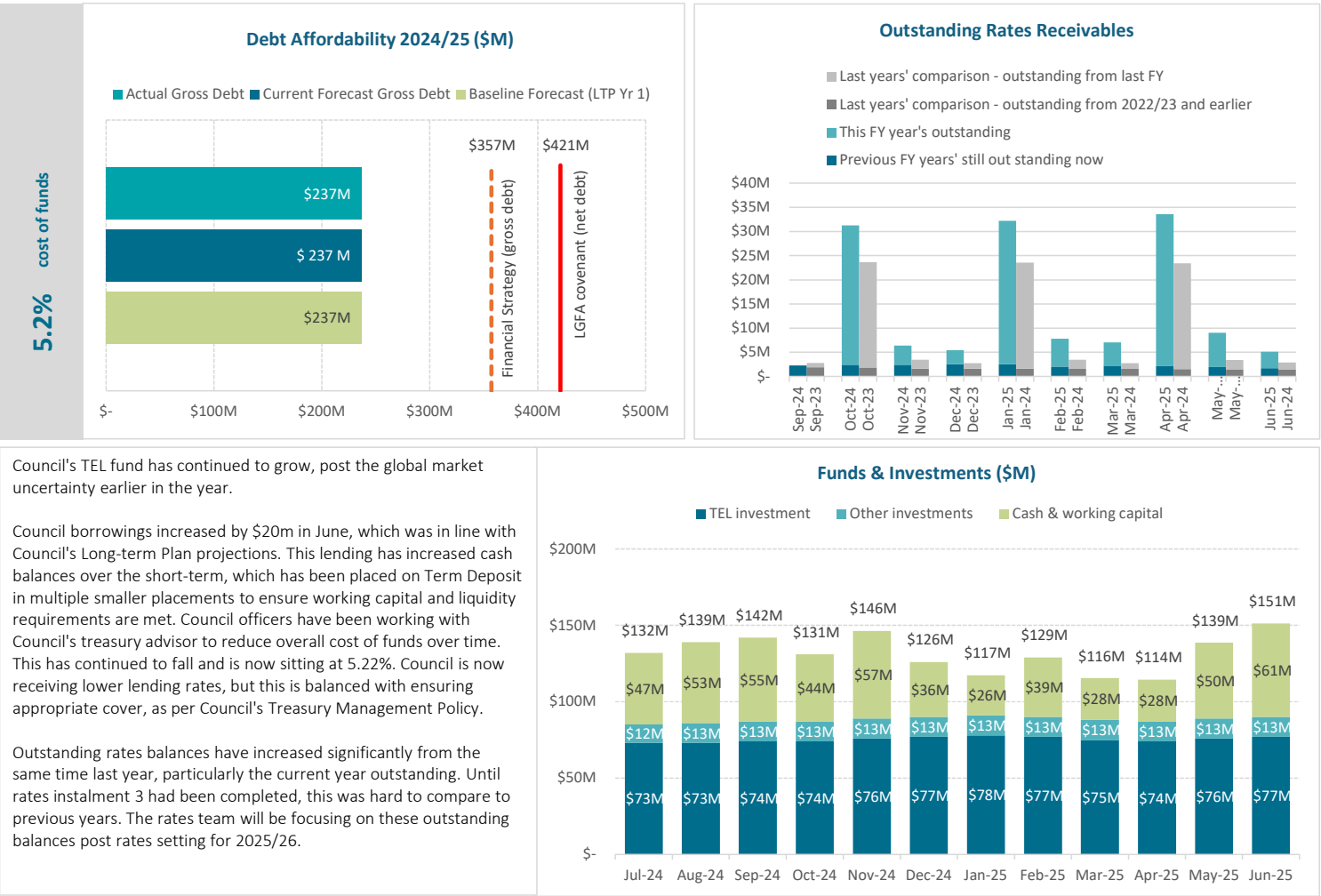
Our mahi across hui, meetings and workshops for various Council projects and activities continued for June. The team led the noho marae for Council staff to Tokaanu marae. For a number of staff this was their very first time visiting a marae, to help foster relationships between the marae and Council across various teams.

The team has worked closely with the contractors leading the engagement for the district-wide stormwater discharge consent process. Our networks with iwi partners has proven invaluable in helping facilitate these discussions.

Successful Matariki community events were held across the district including Taupō, Tūrangi and Mangakino over the month. The team worked with the respective organising teams to help facilitate these events across a range of activities including traditional Hautapu ceremonies, kapa haka, night markets, laser light show, and educational workshops.

ORGANISATION PERFORMANCE - Sarah Matthews

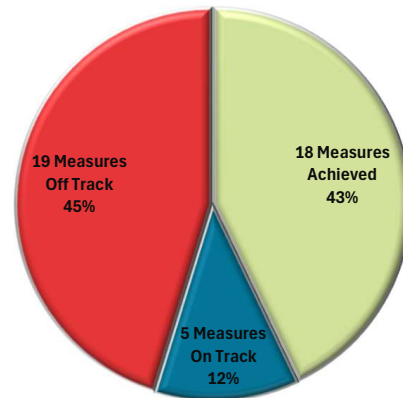
Financial Strategy



Health & Safety Improvements

Progress of Health & Safety Workplan

Achieved On Track Off Track



The Council's Health and Safety (H&S) workplan was initially structured with the expectation that the H&S Manager role would be continuously filled throughout the year. However, since the finalisation of the KPMG review in September 2023, the position has remained vacant for approximately 11 months.

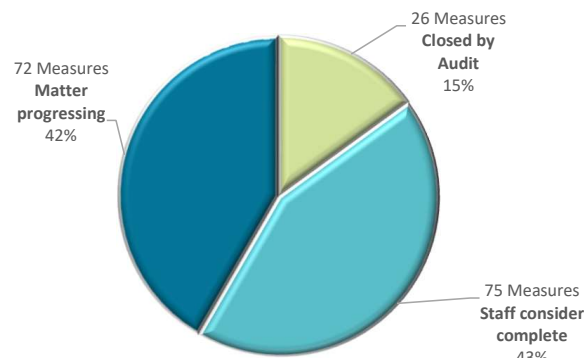
To maintain momentum and ensure continuity in addressing critical H&S matters, Council appointed a full-time Business Excellence Coordinator with a dedicated focus on H&S. This role, supported by an external H&S contractor, has been instrumental in progressing urgent actions during the vacancy period.

While several initiatives have experienced delays relative to their original timelines, meaningful progress has been made behind the scenes to advance key recommendations from the KPMG review. The newly appointed H&S Manager is scheduled to commence in mid-July 2025, and it is anticipated that this will enable the timely completion of several in-progress actions and further strengthen the Council's H&S framework.

This workplan is set to be reset in September 2025.

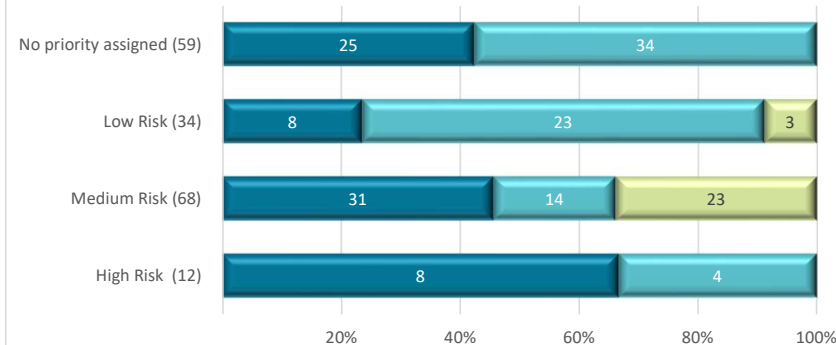
Organisational Wide Audit Improvements

Outstanding Audit & Improvement Items - Quarterly Update



Outstanding Organisational Wide Audit & Improvement Actions (as a percentage of number of actions)

Matter progressing Staff consider complete Closed by Audit



June 2025 * PERFORMANCE REPORT * 2 | 3

Council Property

The property team has been busy with several development projects, which are discussed in the significant projects report (attached).

The team have been working hard on the Development Agreement for Stage 1 of the East Urban Lands housing development with Council's preferred development partner. This agreement is in the final stages, which will facilitate the construction and marketing of 116 homes within our rohe. The agreement will be signed by two of the consortium partners, Penny Homes and Classic Builders, who have formed the legal entity to manage this development. Tūwharetoa Settlement Trust has formally confirmed with Council its involvement as a partner in the consortium.

Work has continued on the leases and licenses project. The team has completed the roles and responsibilities analysis, and the next stage is to roll this out to the key users with well-defined tasks.

The team has completed testing for process improvements on pool car pre-checks. The rollout to the wider organisation is scheduled for mid-July.

Digital Solutions

Focus continues on the Technology One CiAnywhere system improvements and remediation of our rating system in preparation for the end of financial year and 25/26 rates setting. Preparation and creation of test scripts is underway for the first round of user acceptance testing (UAT) beginning in mid-July for both the new request management and lease and licences modules. Recruitment is still ongoing for a Digital Project Manager to continue the implementation of the remaining CiAnywhere modules. The planning and renewal process for the majority of IT user devices (including laptops, phones, and iPads) is currently in progress. Cybersecurity enhancements have been implemented to strengthen the protection of our network and user devices.

AI user Protocols for staff where adopted. Preparation began for the next phase of AI rollout, training and governance.

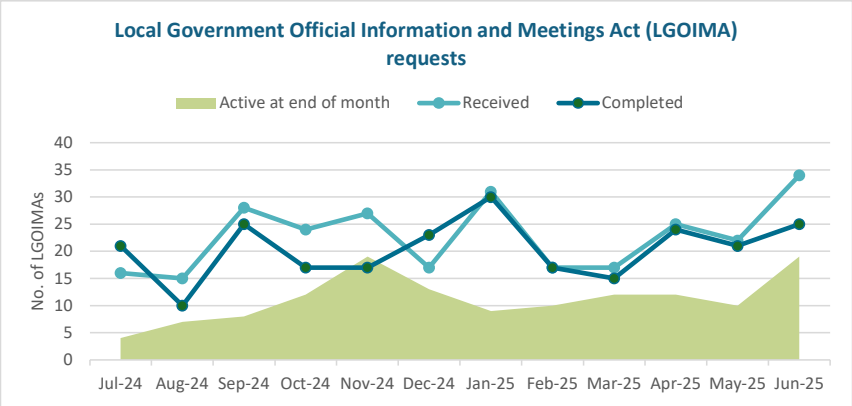
Local Government Official Information and Meetings Act (LGOIMA) requests

99% of LGOIMAs processed within 20 days - YTD

Target is 99%

June was a record-breaking month for LGOIMA requests, with 11 received just in the week ending 27 June 2025.

Multiple requests focus on how public money is being spent by the Council and have a strong correlation to local social media posts. Transparency and accountability themes are central, with requests focusing on spending, consultant use, funding allocations for cultural initiatives, property use, staff workspaces, and future development plans. Queries regarding infrastructure and three waters management continue, with requests for information regarding roads, wastewater systems, water testing, green waste, and reserve encroachments.



COMMUNITY INFRASTRUCTURE AND SERVICES - Tony Hale

Three Waters

Monthly dry weather overflow

Month	Monthly weather overflow	Cumulative overflow - YTD	End of FY target
Jul-24	0.1	0.1	2.5
Aug-24	0.2	0.3	2.5
Sep-24	0.1	0.4	2.5
Oct-24	0.1	0.5	2.5
Nov-24	0.1	0.6	2.5
Dec-24	0.1	0.7	2.5
Jan-25	0.1	0.8	2.5
Feb-25	0.1	0.9	2.5
Mar-25	0.1	1.0	2.5
Apr-25	0.1	1.1	2.5
May-25	0.1	1.2	2.5
Jun-25	0.1	1.3	2.5

2

notifications to Taumata Arowai of risk to drinking water quality. Target is Nil. 1. There was one notification regarding a water supply outage exceeding eight hours in Waihaha due to heavy rain impacting source water quality. 2. Monthly arsenic test results exceeded standard values in Kinloch, Motuoapa and Omori. Arsenic has always been present in these water supplies due to geothermal activity. The test results continue to be stable and there is a plan to address arsenic levels through the treatment plant upgrades that are underway.

4

moderate or significant resource consent non-compliances (take & discharge) with an actual or potential adverse health or environmental effect. Target is Nil. 1. Three notifications to Waikato Regional Council relating to wastewater resource consent non-compliance, including exceeding nitrogen and hydraulic loading limits at Taupō land treatment sites due to weather events, minor ponding at Omori land treatment site influenced by wet weather and valve issue, and an overflow to ground at the Mangakino wastewater treatment plant due to high inflows from high intensity rain event. 2. One overflow was reported to Waikato Regional Council following a network blockage that resulted in wastewater entering Onekenekene Stream and Lake Taupō.

Council is in the process of preparing communications regarding the current lack of protozoa barriers for some of the water schemes including Kinloch, Omori/Pukawa/Kuratau, Motuoapa, Hatepe and Centennial Drive. Taumata Arowai (the water authority) have requested that the council provide communications to the affected communities. In the communications it is highlighted that there has been no change to the water quality or the treatment process. Of note is that the water treatment plants have operated without protozoa barriers for many years. A number of water supply schemes already have protozoa treatment in place and a capital programme for installation of protozoa barriers in the remaining sites is well underway. There are a range of options for treatment with the council opting to utilise ultra-violet disinfection or membrane treatment.

The continued wet winter weather has caused some challenges for three waters infrastructure, resulting in increased volumes discharging to wastewater treatment plants due to inflow and intrusion of stormwater; and high source water turbidity for Waihāhā, Hatepe and Motuapa water treatment plants, resulting in the need to tanker in water to some areas and issue water conservation notices.

Waste Management

14,530 tonnes of waste diverted from landfill - YTD

34% of waste stream diverted from landfill - YTD

50% target diverted from landfill - by 2034

- The waste management team attended the WasteMINZ conference in Christchurch.

- Waste team had a booth on waste sorting at the Greening Taupō Day.

- The repair cafe completed 38 successful repairs; 61 kilograms of waste avoided and 324 kilograms of CO2 emissions prevented.

- Marotiri School had a field trip to the Kinloch transfer station.

- Litter pick up was organised with My Treehut.

Transport

19

km of road resealed YTD - target 17km

5.2

km of road renewed YTD -target 5.2km

110

pothole repairs/month

\$10,882

emergency dispatches**

- The operational team is concerned about the repetitive weather events and the affect they have on the roading infrastructure and maintenance budget.

- The renewal team is currently confirming the renewal sites and investment for the financial year 2025/26.

(**assisting emergency services with traffic management and after hours calls)

Events and Venues

In total, 21 events were supported during the 2024/25 financial year.

We have now received post-event data for the following events:

- Athletics New Zealand Road Relay (October 2024): 902 participants

- Taupō Classic – The Down Under Tour (Disc Golf) (January 2025): 134 competitors

- Aramex Run/Walk Series (March 2025): 476 participants.

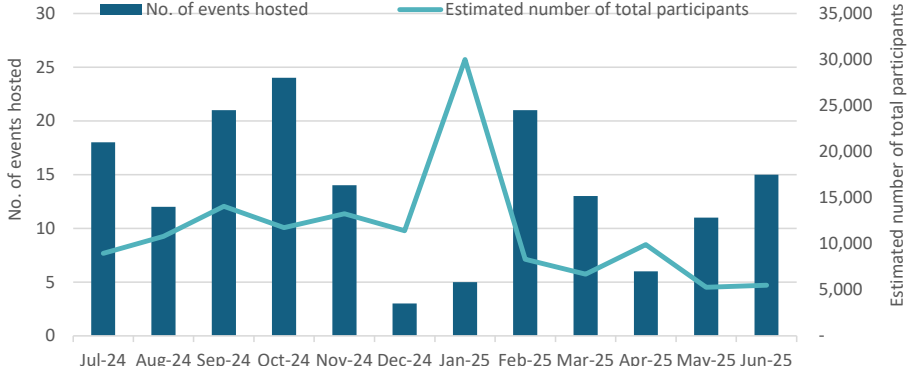
- Together, these three events generated an estimated economic impact of \$429,993.00.

Post-event data for the Taupō Winter Festival, which received support during the 2024/25 financial year, is expected in September 2025 and will be included in the September report.

The events team has partnered with One Picture, a leading data and insights agency, to enhance our understanding of the value events bring to the Taupō region. This collaboration enables us to collect key data such as attendee demographics, satisfaction levels, economic contribution. This initiative reflects our commitment to capturing meaningful insights that inform financial reporting to elected members and the executive team, and guide future investment and planning decisions.

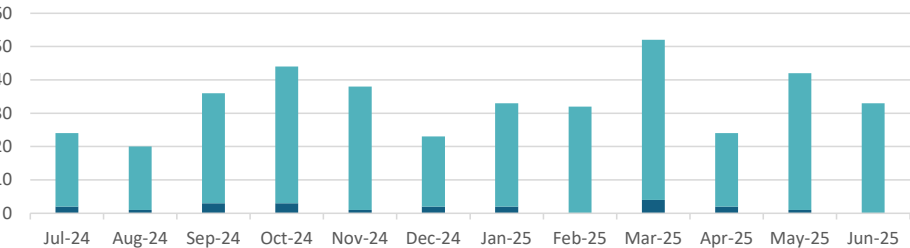
Monthly events hosted by council venues

(not including regular sports users, meetings or internal bookings)



Month	No. of events hosted	Estimated number of total participants
Jul-24	18	8,000
Aug-24	12	10,000
Sep-24	21	12,000
Oct-24	24	10,000
Nov-24	14	11,000
Dec-24	3	9,000
Jan-25	5	30,000
Feb-25	21	7,000
Mar-25	13	6,000
Apr-25	6	9,000
May-25	11	5,000
Jun-25	15	5,000

Events held in the district



Month	No. of events supported by council	No. of events held in district (including council supported)
Jul-24	2	24
Aug-24	0	20
Sep-24	2	36
Oct-24	2	43
Nov-24	0	38
Dec-24	2	23
Jan-25	1	33
Feb-25	0	32
Mar-25	4	51
Apr-25	2	24
May-25	1	42
Jun-25	0	33

Donations, grants and sponsorship fund

\$404,873 of \$488,000 (83%)

donations, grants & sponsorship fund invested to date

\$27,633,015 estimated economic return - YTD

6725% return on investment - YTD

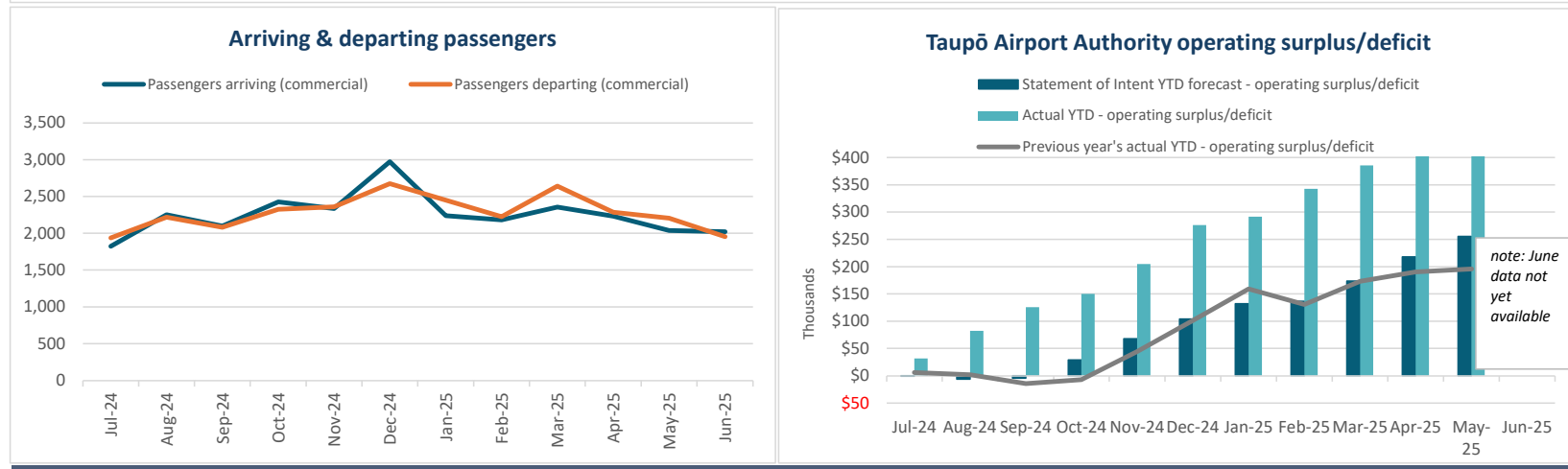
STRATEGY AND ENVIRONMENT - Warrick Zander			
Policy			
<div><div>- Council adopted the Annual Plan for 2025/26 financial year.</div><div>- We supported the finalisation of a draft joint management agreement with the Tūwharetoa Māori Trust Board for consideration by the joint committee.</div><div>- The team continued to progress the review of the industrial land requirements for the Future Development Strategy.</div><div>- The section 32 evaluation reports were finalised for the next bundle of plan changes.</div><div>- Work continued with Ngāti Tūrangitukua on the reserve management plan for Tūrangi.</div><div>- Participated in pre-disaster planning for recovery workshops.</div></div>			
Environmental Services			
<div><div><div>Types of building consents granted</div><div><div><div><div>5%</div><div>14%</div><div>6%</div><div>25%</div><div>47%</div><div>2%</div></div><div><div>Residential 1 (out- and ancillary buildings, detached single story)</div><div>Residential 2 (detached ≤ 2 storeys)</div><div>Residential 3 (≤ 3 storeys)</div><div>Commercial 1 (≤ 2 storeys & occupancy ≤ 100 people)</div><div>Commercial 2 (≤ 4 storeys & occupancy ≤ 500 people)</div><div>Commercial 3 (> 4 storeys or occupancy > 500 people)</div></div></div></div><div><div>98%</div><div>of building consents completed within statutory timeframes - this month</div><div>100</div><div>building consent applications received - this month</div></div></div></div>	<div><div><div>Types of resource consents granted</div><div><div><div>13%</div><div>17%</div><div>4%</div><div>4%</div><div>13%</div><div>50%</div></div><div><div>Resource management certificate</div><div>Land use change of conditions</div><div>Subdivision change of conditions</div><div>Other</div><div>Subdivision</div><div>Land use</div></div></div></div><div><div>100%</div><div>of resource consents completed within statutory timeframes - this month</div><div>40</div><div>resource consent applications received - this month</div></div></div>	<div><div>- The building consents team successfully completed their bi-annual International Accreditation New Zealand (IANZ) assessment, achieving a low-risk score, which reflects strong performance and compliance standards. The first of our quarterly industry engagement meetings with local designers is scheduled for August 2025, aiming to strengthen collaboration and resolve common design and consent issues.</div><div>- There continues to be recurring issues with sediment runoff from construction sites during the weekly heavy rain events we have been experiencing. These appear to stem from poor on-site management practices by contractors on multiple large commercial developments. The matter is being monitored, with follow-up compliance actions underway where appropriate.</div><div>- A cross-border agreement has been signed with Hastings District Council, enabling our animal control staff to perform dog control officer functions within the Hastings District. This partnership enhances service delivery and enforcement across district boundaries. Dog adoption rates remain strong, with 12 dogs rehomed in June 2025. A total of 27 dogs were impounded during the month of June. As of 30 June 2025, 99% of known dogs in the district were registered.</div></div>	

Parks and Reserves


- In June, we experienced approximately 2.5 times the rainfall over the same period in the previous two years. This made it quite challenging for our operations team and contractors to carry out the programmed maintenance. Seasonal illness also impacted the team capacity significantly.
- Maintenance work included crown lifting reserve trees, mulching around trees to protect the root systems and track maintenance. The wet, and comparatively warm weather meant some mowing was still required in high amenity areas and in preparation for events like the Winter Festival.
- A new electric ride-on mower was delivered so there has been some familiarisation and training as well as mechanical preparation such as conditioning the battery system prior to the start of the mowing season.
- In early June our contractors, Impel Construction, completed the Stent Way stairway in Pukawa. This has been a long and challenging project for the contractor and the structural engineers as the stairway had to be constructed to meet the 'tracks and outdoor visitor structures' standards, which meant it was significantly different to the original structure. Additionally, the constantly wet site with high water tables and very limited access made for difficult construction conditions. Impel managed to deliver a well constructed, compliant and resilient structure while keeping within the original project budget.
- Other planned projects completed were the Tūrangi cemetery fence, maintenance on the Seddon Oak and street tree maintenance in Tūrangi.
- Plant deliveries have arrived for the upcoming amenity and revegetation planting season, which will commence in July.

Taupō Airport

- Financials to the end of May 2025 continue to be very positive with operating surplus still tracking well above the budget. The end of year financials are being completed, and the team is preparing for the FY2025 audit by Audit New Zealand.
- Southland District Council members visited the airport looking for ideas for the development of Te Anau airport.
- The land swap agreement between the council property team and Taupō Airport Authority (TAA) will be in force from 1 July. There will be two new tenants for TAA.
- NZ Airports continue to lobby government on regional connectivity. A letter was sent to Minister Meager on regional airports and operational complexities.
- Corporatisation of Taupō Airport Authority requires further work on defining the different options, deferring the decision to a later date.
- The apron redevelopment project will be submitted to the NZ Airports 2025 awards - infrastructure project of the year (small projects).



June 2025 * PERFORMANCE REPORT * 2 | 2

<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) BUDGET
Community Facilities							
Mangakino Lakefront Upgrade Project (phase 2)	<div><div></div><div></div><div></div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	Design consultant has created initial concepts for budgeting. A steering group meeting was held onsite with the design consultant. The project team will update the rep group at the beginning of July and meet with the Waikato River Trail representative to review the Lake Road pathway.	Initial designs are being developed and we are working with a quantity surveyor to understand costs. Once initial designs are narrowed down, they will be presented to the Steering Group. After this we will arrange a community presentation of the project design options for feedback.	<div><div></div></div> 27%\$0.3M
Owen Delany Park upgrade	<div><div></div><div></div><div></div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	Planning to have a construction contract signed by July 2025. Cost: We have made some design changes and secured additional external funding	Sign construction contract for the park sports hub.	<div><div></div></div> 41%\$8.6M
Events & Venues							
Tūrangitukua Park - Te Aonini Carpark Seal & Hirangi Rd carpark drainage	<div><div></div><div></div><div></div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	Te Aonini Carpark sealing: construction is ongoing. Hirangi Road carpark drainage: drainage works have been completed and recent rainfall suggests that the system works well. New kerbing has been installed. Time: Te Aonini Carpark sealing: Winter weather is holding up sealing, but this was a known risk. The site has been prepared to protect the new construction, once there is a window in the weather the sealing will be completed.	Te Aonini carpark sealing: construction to be completed this month. Hirangi Road carpark drainage: further clearing of the detention basin is to come.	<div><div></div></div> 16%\$0.9M
Reform, Investments							
204 Crown Road - subdivision earthworks & Civil	<div><div></div><div></div><div></div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	Civil works had effectively been completed on site. However, recent severe weather events have resulted in some site damage and highlighted a couple of areas that need to be addressed prior to the engineer signing off the subdivision. Re-design is currently underway. Proposed drainage land exchange has been approved in principle by roading & reserves committee (subject to public notification, final council resolution and minister's consent). Local real estate agents appointed to market and sell lots – 6 week tender process from July.	Market properties and secure final subdivision sign off and titles.	<div><div></div></div> 82%\$6.9M
EUL Stage 1 Lot 20 -Earthworks & Civil	<div><div></div><div></div><div></div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	Civil works largely progressing to plan with some delays due to bad weather. Gully planting with Kids Greening Taupo and local tamariki took place in June, over 4000 plants planted over a 3 day period. Signing of the development agreement with our build partner is nearing finalisation. Planning for Stage 1B under way.	Completion of kerbing, concreting, roading and footpaths. Remaining soak holes to be installed in the lots, landscaping, and securing of titles to come.	<div><div></div></div> 58%\$10.1M
Waters Reform Activities	<div><div></div><div></div><div></div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	Following public consultation a decision was made on the delivery model (keep inhouse). Final draft of Water Services Delivery Plan is with stakeholders for review. Time: On track for final adoption of Water Services Delivery Plan ahead of deadline. Scope: Now that the decision has been made on the delivery model, the remaining work to be done is clear.	Adoption of Water Services Delivery Plan on 31 July 2025 by Council.	<div><div></div></div> 97%\$1.1M
Solid Waste							
Broadlands Road Transfer Station Consent Renewal	<div><div></div><div></div><div></div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	2nd Landfill consent steering group meeting held 26 June. Provided Stage 1 landfill consent documents to Tauhara Mountain Trust/Middle 15 representative for feedback prior to consent application submission. Working to re-establish 1998 Agreement - Consultative working group membership. Time: The previous 1998 agreement needs to be wrapped up for some parties to engage with around a new consent. Engagement activities may need to happen in parallel of consent submission.	Tauhara Mountain Trust/Middle 15 representative has the Stage 1 consent and will meet with hapū members to provide feedback. Finalise Stage 1 land transfer. Ministry for the Environment will be sending funding application questions soon.	<div><div></div></div> \$0.0M
Crushed Concrete Landfill	<div><div></div><div></div><div></div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	Haulage commenced on 6 June. Circa 6320 tonnes (59 contaminated piles) of material removed from site for disposal Soil samples have been collected from site for site clearance. Cost: Overall removal/disposal costs appear to be less than the initial estimates. Final weights/costs won't be known until site clearance is received (est. early July).	Site clearance report due early July. Final site walkover and contractor demobilisation.	<div><div></div></div> 69%\$1.4M

PROJECT	OVERALL	TIME	COST	SCOPE	KEY UPDATES	UPCOMING MILESTONES	% COMPLETE (Life Budget)	LIFE BUDGET
Water								
Tauhara Ridge Reservoir & Airport Connection	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	The contractor has installed all of the wall panels. The column bases will be installed soon to support the roof panels. Works are commencing well.	Award of electrical works for the pump station and completion of the concrete reservoir.	<div><div></div></div> 68%	\$3.5M
Drinking Water Standards NZ Upgrade - Kinloch, Omori, Hatepe, Motuoapa	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<p>Kinloch - Commissioning processes of the new plant have commenced and they are going well. Intake pumpstation works are nearly complete.</p> <p>Omori - Internal walls are being constructed and civil works have commenced.</p> <p>Motuoapa - Ground improvement works are complete and building foundation is about to commence.</p> <p>Hatepe - Site meeting has been completed with local stakeholders and a plan for cultural monitoring is underway. New road entrance of SH1 has been approved by NZTA.</p>	<p>Kinloch - Completion of project planned for late August</p> <p>Omori - Commencement of electrical and mechanical works and project commissioning for November 2025.</p> <p>Motuoapa - Commencement of building foundations in August</p> <p>Hatepe - Site clearance and geotechnical testing to be completed in August/September.</p>	<div><div></div></div> 84%	\$32.9M
Wastewater								
View Road Stage 2 LDS Expansion	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	The new integrator is working well on the final integration of Stage 2 into the existing system. However, it is taking longer than planned.	Fully integrate the system into the existing site by late August 2025.	<div><div></div></div> 96%	\$5.4M
Turangi WW Consent	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	We are continuing to work with Tūrangitukua regarding consent conditions			\$0.0M
Taupo WW Southern Trunk Main	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	The majority of the project works are complete with only small defect items to complete.	Snag list to be completed and signed off.	<div><div></div></div> 93%	\$14.3M
Taupō WW Control gates bridge buffer storage tanks	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	Geotech investigation are planned to take place at the end of July, the team are continuing to work with iwi/hapū. Some delays have been experienced.	Completion of the preliminary design.	<div><div></div></div> 40%	\$0.2M
Taupo Wastewater Treatment Plant Primary Clarifier 3	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<p>Construction budget has been pushed out 12mnths. Before starting on detailed design we must pause to confirm the strategic direction for the WWTP upgrades.</p> <p>Cost: Uncertainty around costs due to the project team needing to understand the strategic direction of the WWTP Scope: Uncertainty around scope due to the project team needing to understand the strategic direction of the WWTP</p>	Completion of the preliminary design.	<div><div></div></div> 49%	\$1.0M
SCADA Upgrade	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<p>Programme in place with regular check ins to ensure prioritisation of key SCADA projects (across 3W). This takes into consideration major capital projects alongside FT View conversion, with major capital projects taking priority where required.</p> <p>Time: Now on track Cost: Now on track Scope: Under review as part of SCADA scoping project</p>	Continued support of IT/OT separation and provision of network security for OT network. FTview conversion planned for Kinloch Water Scheme. Completion of work prioritisation plan with consultant (Mott McDonald).	<div><div></div></div> 87%	\$4.6M
Stormwater								
Stormwater Discharge Consents Renewal	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>		Completion of data review and reporting expected in late 2025.		\$0.0M
Parks & Reserves								
Erosion control - Tapuaeharuru Bay	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<p>Awaiting hui with hapū on 10th July.</p> <p>Time: Time delays as further hui and discussions are held. Scope: The scope of works is still in discussion as engagement continues.</p>	Hui online with hapū 10th July. Members warmly invited include Ngāti Rauhoto TKNT, Ngāti Te Urunga, Ngāti Tūtetawhā, Ngāti Tūtemohuta & Ngāti Tūtetawhā, Ngāti Hinerau. There will be a discussion on the Lake Terrace cliffs, Groyne Field Concept Report followed by Q&A.	<div><div></div></div> 16%	\$1.1M
Erosion control - Kuratau Foreshore	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	Resource Consent lodged		<div><div></div></div> 81%	\$0.9M

Low Risk

Risk Decreased (Amber/Red to Green)

Medium Risk

Risk Decreased (Red to Amber)

High Risk

Risk Increased (Green to Amber)

On Hold (waiting LTP)

Risk Increased (Amber/Green to Red)

89%Almost Complete

\$1.0MSmaller Value Project

12%Low Spend to Date

\$8.3MHigh Value Project

% Complete = \$

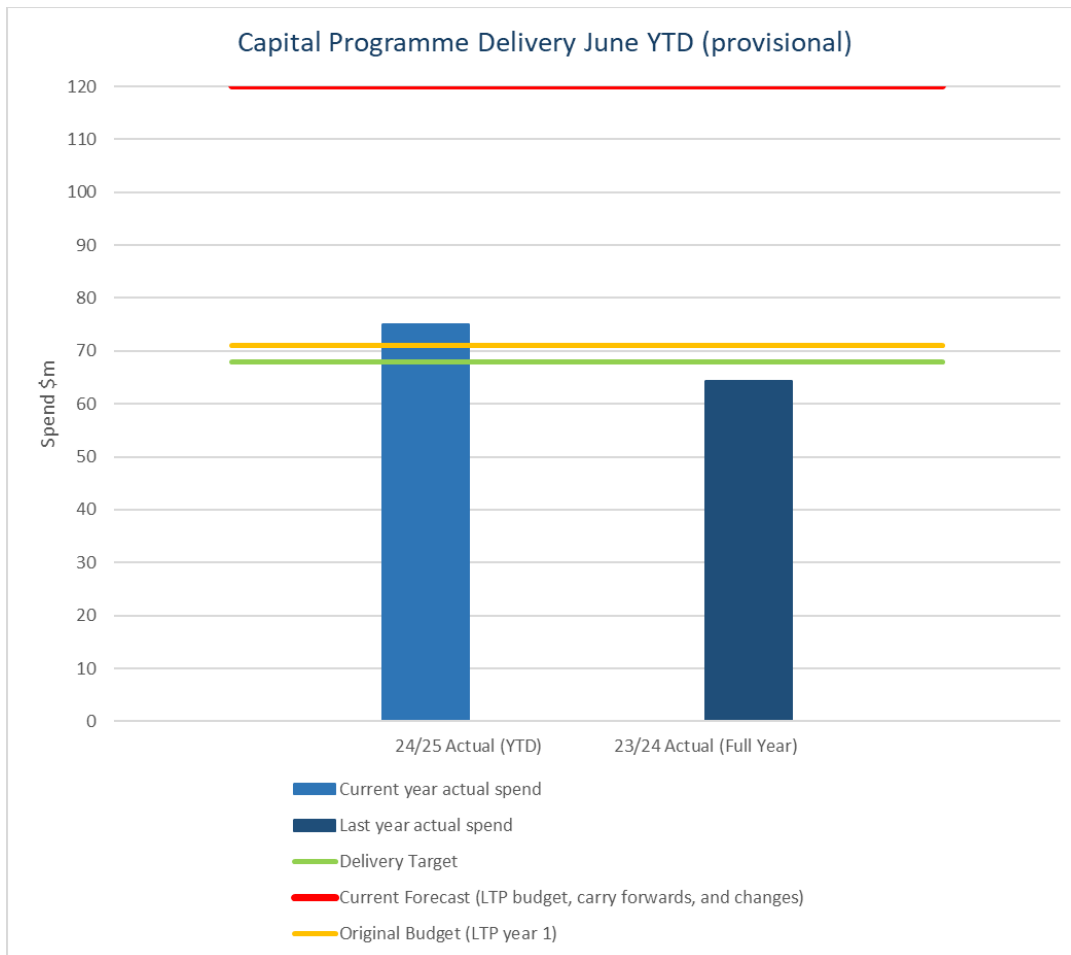
Spend to Date / Life Budget

\$ Life Budget



TAUPO DISTRICT COUNCIL – FINANCIAL REPORT TO JUNE 2025

June financials are not available as the Finance team are completing the financial year end close.



We have achieved 105.7% of our capital delivery target and 62.4% of the current forecast budget.

TREASURY REPORT

TEL Fund update

Customised Investment Solutions

30 June 2025

Account Number: 6000004
Adviser Names: Andrew Bateman & Roger FitzGerald

Portfolio Summary
Taupo District Council

Interim Only

Customised Investment Solutions

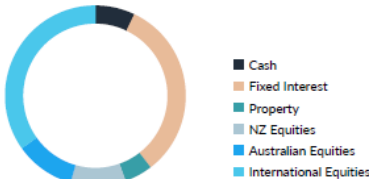
As a Wholesale Advice Client and a Wholesale DIMS Investor you have authorised Forsyth Barr Limited to manage this portfolio in accordance with the Service Agreement for our **Wholesale Portfolio Advisory & Management Service**, a discretionary portfolio advisory and management service.

Your portfolio is managed on a discretionary basis in accordance with our Service Agreement and with reference to your Statement of Investment Policy & Objectives (SIPO), noting in particular any investment limitations or exclusions in your SIPO.

Asset Allocation

Underlying sectors in which the portfolio is invested

Sector	NZ Dollar Value	Portfolio %
Cash	5,488,417.83	7.1
Fixed Interest	24,931,801.53	32.4
Property	3,875,347.94	5.0
NZ Equities	7,578,574.39	9.9
Australian Equities	8,211,660.27	10.7
International Equities	26,823,878.83	34.9
Total	\$ 76,909,680.80	100.0



Currency Allocation

Currency of market on which the security trades

Assets by Currency	Native Value	FX Rate	NZ Dollar Value	Portfolio %
New Zealand Dollar	41,743,816.19	1.0000	41,743,816.19	54.3
Australian Dollar	26,404,649.70	0.9279	28,455,876.81	37.0
United States Dollar	4,068,265.60	0.6063	6,709,987.79	8.7
Total			\$ 76,909,680.80	100.0

