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

Date:	**Tuesday, 28 July 2026**
Time:	**1.00 pm**
Location:	**Council Chamber** **Level 1, 67 Horomātangi Street** **Taupō**

AGENDA

MEMBERSHIP

Chairperson	Mayor John Funnell
Deputy Chairperson	Cr Kevin Taylor
Members	Cr Rachel Cameron Cr Duncan Campbell Cr Nicola de Lautour Cr Ngāhuia Foreman Cr Sandra Greenslade Cr Kylie Leonard Cr Steve Manunui Cr Wahine Murch Cr Christine Rankin Cr Yvonne Westerman Cr Hope Woodward
Quorum	7

Julie Gardyne
Chief Executive

Auditory Announcement

Please note that one of today's meeting participants has hearing loss. To support clear communication, please use the microphones, speak clearly, and keep your mouth visible to assist with lip-reading.

Reports Not Council Policy

The reports included in this agenda are provided for consideration only and do not represent Council policy unless or until they are formally adopted. If you require further information about any report, please contact the Chief Executive, the Chairperson, or the Deputy Chairperson.

Public Forum

Members of the public are welcome to address the Council or committee during the public forum at the start of the meeting. To participate, please complete the public forum request form available on Council's website by 4.00pm on the day prior to the meeting.

Livestreaming and Recording

Meetings held in the Council Chamber are livestreamed on Council's YouTube channel, and recordings are uploaded shortly after the meeting.

Karakia Tīmatanga – opening prayer gifted by Iraia Bailey of Ngāti Tūwharetoa to Taupō District Council

Tuia ki te mauri o te whenua Tuia ki te mana o te tangata Tuia ki te pono, te aroha Kia piki, kia eke Ki te taumata Hui e, Tāiki e	Connect to the life essence of the land Connect and respect to all Be honest and compassionate (As we seek) to improve, to exceed Expectations To aim/reach for the summit (As we) come together

Karakia Whakamutunga – closing prayer gifted by Iraia Bailey of Ngāti Tūwharetoa to Taupō District Council

Unuhia te rito o tēnei hui Kia wātea i runga Kia wātea i raro Aro ki te tika Aro ki te pae Hui e, Tāiki e!	Remove any angst/stress that may have arisen during this gathering To be free of anything that impacts your wellbeing That we will act with integrity As we pursue our goals (As we) come together

Order Of Business

1 Karakia

2 Whakapāha | Apologies

3 Ngā Whakapānga Tukituki | Conflicts of Interest

4 Whakamanatanga O Ngā Meneti | Confirmation of Minutes

4.1 Extraordinary Council Meeting - 30 June 2026 4

4.2 Ordinary Council Meeting - 30 June 2026 8

5 Ngā Kaupapa Here Me Ngā Whakataunga | Policy and Decision Making

5.1 Public Forum 22

5.2 Proposed Amendments to Delegations Manual 25

5.3 Receipt of final Statements of Intent – Council Controlled Organisations 34

5.4 Financial Stewardship, Efficiency and Continuous Improvement Update 123

5.5 Taupō District Council Performance Report - June 2026 130

5.6 Electoral System for the 2028 and 2031 Triennial Elections 147

5.7 Council Engagements August 2026, Appointments, and Training and Conference Opportunities 153

6 Ngā Kōrero Tūmataiti | Confidential Business

6.1 Confirmation of Confidential Portion of Ordinary Council Minutes - 30 June 2026 155

4.1 EXTRAORDINARY COUNCIL MEETING - 30 JUNE 2026

Author: **Karen Watts, Senior Committee Advisor**

Authorised by: **Nigel McAdie, Legal and Governance Manager**

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the minutes of the Extraordinary Council meeting held on Tuesday 30 June 2026 be approved and adopted as a true and correct record.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Extraordinary Council Meeting Minutes - 30 June 2026 ⇩

TAUPŌ DISTRICT COUNCIL
MINUTES OF THE EXTRAORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, LEVEL 1, 67 HOROMĀTANGI STREET, TAUPŌ
ON TUESDAY, 30 JUNE 2026 AT 10.30AM

PRESENT:	Mayor John Funnell (in the Chair), Cr Rachel Cameron, Cr Duncan Campbell, Cr Nicola de Lautour, Cr Ngāhuia Foreman, Cr Sandra Greenslade, Cr Kylie Leonard, Cr Steve Manunui, Cr Wahine Murch, Cr Christine Rankin, Cr Kevin Taylor, Cr Yvonne Westerman, Cr Hope Woodward
IN ATTENDANCE:	Chief Executive (J Gardyne), General Manager People and Community Partnerships (H Tattle), General Manager Organisation Performance (S Matthews), General Manager Strategy and Environment (W Zander), General Manager Community Infrastructure and Services (T Hale), Policy Manager (N Carroll), Communications Manager (L McMichael), Finance Manager (J Paenga), Governance Quality Manager (S James)
	Director Simplexity (J Rollin)
MEDIA AND PUBLIC:	Waikato Herald
	24 members of the public

<u>Note:</u> *This meeting was livestreamed and is available to view on Taupō District Council's YouTube channel.*

1 KARAKIA

2 WHAKAPĀHA | APOLOGIES

Nil

3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST

Nil

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

4.1 HEAD START PROPOSAL OPTIONS AND PRIORITIES

In addition to the agenda for the meeting, elected members had been provided with the community survey verbatim responses (A3956573).

The General Manager People and Community Partnerships and the Policy Manager made a PowerPoint presentation (A3959479). The presentation contained slides covering the following matters relating to local government reform:

- Communications and engagement undertaken by Council to date, including a summary of all feedback received via the community survey.
- Feedback from Iwi Partners.
- Other local authority options where Taupō District Council had been named.
- Central Government's five Head Start criteria.
- Taupō District Council's financial and non-financial assessment criteria.
- Four potential options for Taupō District Council.
- Decision-making timelines.

The following points were noted during questions, answers and discussion:

- Community survey feedback had included additional information not directly related to local government

reform. The priority for staff analysing the feedback was focusing on the reform process.
- Taupō District Council would be considering whether or not to submit a Head Start proposal at a meeting to be held on 21 July 2026. Other councils were working to a similar timeframe, with meetings through to the end of July 2026.
- Central Government's guidance documents on the Department of Internal Affairs website suggest the Government would be open to alternative representation arrangements.
- Head Start proposals due by 9 August 2026 would not need to include all details relating to the proposal. Details, including representation arrangements, could be included in final proposals which would then be considered by Government in March 2027.
- Community Boards were a mechanism provided for by the Local Government Act 2002 to enable local communities to have an impact and represent their communities, as well as advocate to Council on behalf of their communities. Local Boards, for example Auckland Local Boards, were set up under specific legislation.
- To be feasible, Head Start proposals needed the support of at least one other council. If a number of councils were submitting a proposal, a majority of those councils directly affected, or a majority of the population in those areas directly affected was required.
- Central Government had indicated it expected between one and three unitary authorities per region i.e. bigger rather than smaller. But community feedback received had indicated a preference for a smaller, rather than bigger amalgamation.
- The Back Stop proposal would not mean that Taupō District Council would continue in its current form.
- Central Government had initiated the reform process as it was unsatisfied with options for reform under current legislation.
- It was likely that councils' arrangements for 'three waters' would need to be reassessed as part of, or once amalgamation processes were complete. Current arrangements for waters were not driving decision-making for local government reform.
- Most conversations were focused on amalgamation of councils based on current boundaries.
- The General Election in November 2026 could change the Head Start process.
- If a proposal was not put forward by 9 August, Council still had the opportunity to advocate to central government for what it thought a good solution looked like.
- It was preferable to propose one option by 9 August rather than multiple options so that the ultimate decision was not made by the Minister.

Members were keen for more analysis and a 'deep dive' into the options presented to consider at the next meeting on 21 July. Community members at the meeting and watching online were encouraged to give further feedback to elected members ahead of the next meeting.

TDC202606/03 RESOLUTION

Moved: Cr Kevin Taylor
Seconded: Cr Wahine Murch

That Council directs officers to assess the following options (with no preference):

a. A single unitary authority including all of the councils in the Waikato region.

b. A central North Island unitary authority that could include various combinations of Ruapehu, Waitomo, Otorohanga, South Waikato and Taupō district councils.

c. A cross-boundary unitary authority that could include various combinations of Rotorua Lakes, Ruapehu, South Waikato and Taupō district councils.

d. Don't submit a Head Start proposal, remain as Taupō District Council and prepare for a potential Backstop process.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202606/03 above.

TDC202606/04 RESOLUTION

Moved: Cr Wahine Murch
Seconded: Cr Kylie Leonard

That Council notes that Taupō District Council has been named in various options also being investigated by other councils in the Waikato and Bay of Plenty and that we may need to respond to those as part of the assessment process.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202606/04 above, with the exception of Cr Sandra Greenslade, who voted against.

TDC202606/05 RESOLUTION

Moved: Cr Rachel Cameron
Seconded: Cr Wahine Murch

That Council directs officers to use the following priorities alongside the Government's criteria when assessing the options:

a. Decisions on important local issues are made locally.
b. We have a strong voice on the significant decisions made by a unitary authority.
c. Community infrastructure continues to meet our needs and is delivered when we need it.
d. Local services continue to be delivered in a timely manner.
e. The key drivers of our economy are supported.
f. The Vision and Strategy for the Waikato River continues to be delivered.
g. Existing Treaty based settlement agreements, arrangements and obligations are upheld.
h. Our urban growth and rural priorities are met so we are not held back.
i. Our environment is protected, particularly the integrated management of the Waikato River, Lake Taupō and its tributaries.
j. We consider the potential liabilities associated with new or amplified natural hazard risks such as tsunami, sea level rise, coastal erosion and inundation.
k. Any new unitary authority should be financially resilient over the long term and ensure financial impacts on the Taupō community are mitigated.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202606/05 above.

5 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS

Nil

The meeting closed at 11.55am.

The minutes of this meeting were confirmed at the Council Meeting held on 28 July 2026.

....
CHAIRPERSON

4.2 ORDINARY COUNCIL MEETING - 30 JUNE 2026

Author: **Karen Watts, Senior Committee Advisor**

Authorised by: **Nigel McAdie, Legal and Governance Manager**

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the minutes of the Council meeting held on Tuesday 30 June 2026 be approved and adopted as a true and correct record.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. **Council Meeting Minutes - 30 June 2026** ⇩

TAUPŌ DISTRICT COUNCIL
MINUTES OF THE ORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, LEVEL 1, 67 HOROMĀTANGI STREET, TAUPŌ
ON TUESDAY, 30 JUNE 2026 AT 1.00 PM

PRESENT: Mayor John Funnell (in the Chair), Cr Rachel Cameron, Cr Duncan Campbell, Cr Nicola de Lautour, Cr Ngāhuia Foreman, Cr Sandra Greenslade, Cr Kylie Leonard, Cr Steve Manunui, Cr Wahine Murch, Cr Christine Rankin (via MS Teams), Cr Kevin Taylor, Cr Yvonne Westerman, Cr Hope Woodward

IN ATTENDANCE: Chief Executive (J Gardyne), General Manager People and Community Partnerships (H Tattle), General Manager Organisation Performance (S Matthews), General Manager Community Infrastructure and Services (T Hale), General Manager Strategy and Environment (W Zander), Finance Manager (J Paenga), Legal and Governance Manager (N McAdie), Policy Manager (N Carroll), Communications Manager (L McMichael), Environmental Services Manager (J Sparks), Events and Venues Manager (S Giles), Project Management Office Manager (P Fletcher), Resource Consents Manager (H Williams), Rates Manager (K Green), Governance Quality Manager (S James), Team Leader Corporate Planning (A Smith), Senior Policy Advisor (P Caruana), Senior Solicitor (K Hollman), Policy Advisor (A Wilson), Digital Content Creator (C Hollinger), Senior Committee Advisor (K Watts)

MEDIA AND PUBLIC: 5 members of the public

Notes: (i) *This meeting was livestreamed and is available to view on Taupō District Council's YouTube channel.*

(ii) *Cr Christine Rankin joined the meeting via MS Teams.*

(iii) *The karakia had been said earlier before the meeting started.*

1 KARAKIA

2 WHAKAPĀHA | APOLOGIES

Nil

3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST

Nil

4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES

4.1 ORDINARY COUNCIL MEETING - 26 MAY 2026

TDC202606/06 RESOLUTION

Moved: Cr Wahine Murch
Seconded: Cr Rachel Cameron

That the public and confidential portions of the minutes of the Council meeting held on Tuesday 26 May 2026 be approved and adopted as true and correct records.

CARRIED

Note: *All members present at the Council meeting voted in favour of resolution TDC202606/06 above.*

4.2 ORDINARY COUNCIL MEETING - 9 JUNE 2026

TDC202606/07 RESOLUTION

Moved: Cr Wahine Murch
Seconded: Cr Kevin Taylor

That the minutes of the Council meeting held on Tuesday 9 June 2026 be approved and adopted as a true and correct record.

CARRIED

<u>Note:</u> All members present at the Council meeting voted in favour of resolution TDC202606/07 above.

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

5.1 PUBLIC FORUM

Item **withdrawn.**

5.2 HEARINGS, DELIBERATIONS AND ADOPTION OF THE PROPOSED AMENDMENTS TO THE DEVELOPMENT CONTRIBUTIONS POLICY 2024

The Senior Policy Advisor summarised the proposed amendments to the Development Contributions Policy and explained that no substantial changes had been proposed to the policy following consultation. Detailed responses to submitters had been provided in the report.

The following submitters spoke to members:

Mr Scott Devonport, Simpli Consulting

Mr Devonport advised that he was not presenting on behalf of clients. He supported his opposition to the amendment of the definition of a residential unit in the Development Contributions Policy by citing a recent decision taken by the Reconsiderations Panel (A3956485). This was regarding a newly built holiday home for larger families sharing with multiple generations but occupying the home for less than 10% of the year. The panel found that it should be assessed as one household unit rather than two. The new proposed definition did not allow flexibility to assess how a household was being used.

Mr Devonport supported his opposition to the change to the maximum size limit of 70m2 to new commercial accommodation units by citing a commissioner decision for 173 Lake Terrace (A3956485). He added that the proposed policy changes were broader than needed and would not produce the desired outcomes.

Mr Lewis Dawson, Tongariro Junction

Mr Dawson highlighted key points from his submission and advised members that he believed there was a demand for large scale accommodation in the district. Policy settings helped to influence professionally managed accommodation for the long-term success of the district.

The Senior Policy Advisor and Team Leader Corporate Planning provided more information. It was explained that the approach to amending the definition of a residential unit was to have consistency with the ratings team. Development Contributions were governed by the Local Government Act 2002 and were collected to recover infrastructure costs. The proposed change to the definition of a household unit aimed to make it clearer regarding how it was applied and more specific on what it meant in practice. The objection process would remain in place for when the policy did not work. The building plans would be used to identify separate household units to appropriately collect Development Contributions.

Members were supportive of amending the policy by changing the size limit for minor residential units to align with the 'granny flats' legislation but preferred the other proposed amendments to be deferred and assessed during the development of the next Long-term Plan.

TDC202606/08 RESOLUTION

Moved: Cr Hope Woodward
Seconded: Cr Kevin Taylor

That Council:

1. Hears and deliberates on the submissions received.

2. Adopts only this proposed amendment to the Development Contributions Policy:

   i. Raise the size limit for minor residential units to 70m2 to align with the new 'granny flats' standard and include a project information memorandum (PIM) as a trigger for requiring development contributions.

3. Assesses the rest of the proposed amendments during the Long-term Plan 2027-37 process.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202606/08 above.

5.3 NOTICE OF MOTION - STANDARD REPORT TEMPLATE

Item **withdrawn.**

5.4 CHANGE TO UNIFORM ANNUAL GENERAL CHARGE FOR 2026/27 ANNUAL PLAN

The Finance Manager summarised the report and highlighted that the Uniform Annual General Charge (UAGC) had not changed since 2012. The recommended increase to the UAGC was the most balanced option.

In answer to questions, the following was clarified:

- It was difficult to compare with neighbouring councils because there were many different rating considerations. Taupō District Council had kept the UAGC down due to previous property revaluations.
- Sample rate impacts across different valued properties showed the percentage increases in rates but it was important to note that this was a percentage increase and that the dollar value paid was higher for the higher valued properties.

TDC202606/09 RESOLUTION

Moved: Cr Sandra Greenslade
Seconded: Cr Rachel Cameron

That Council approves an increase to the Uniform Annual General Charge per separately used or inhabited part of a rating unit from $250 (inclusive of GST) to $425 (inclusive of GST), to be applied from the 2026/27 rating year.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202606/09 above.

5.5 ADOPTION OF THE ANNUAL PLAN 2026/27 AND FEES AND CHARGES 2026/27

The Policy Advisor summarised the report.

In answer to questions, the following was clarified:

- Emissions trading credits could not be brought down further as charges had just gone up.
- The Financial Impact Statement showed both employee and supplier payments together and was a highly summarised document. The monthly Performance Report provided more information about expenditure.
- Wastewater and water services would be moved from Annual Plans and Long-term Plans into the Water Services Delivery Plan from the next financial year.
- Revenue from the fees and charges was reflected in the 6.6% rates increase. Fees and charges had broadly increased by 3%.
- Changes under the Resource Management Act 1991 indicated that there would be a lot more permitted activities under the District Plan that would need to be monitored. The fee increases were to reflect that as well as complaints. Monitoring schedules would be assessed once the new legislation was enacted.
- The additional charges for certicate of acceptance applications were for when building works had occurred but a consent had not been initially applied for through Council.
- During the Long-term Plan development, fees and charges could be looked at, including the opportunity to look for incentives such as increasing the incentive to de-sex dogs.

TDC202606/10 RESOLUTION

Moved: Cr Yvonne Westerman
Seconded: Cr Wahine Murch

That Council:

1. Adopts the Fees and Charges Schedule for 2026/27 (attached to this report); and
2. Adopts the Annual Plan 2026/27 (attached to this report) in accordance with section 95 of the Local Government Act 2002 (LGA).

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202606/10 above except for Crs Duncan Campbell and Hope Woodward who voted against.

5.6 RATES RESOLUTION 2026-27

The Rates Manager advised that the rates resolution was required to be formally resolved before Council could collect rates from ratepayers.

TDC202606/11 RESOLUTION

Moved: Cr Nicola de Lautour
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 2026-27, 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 2026 and ending on 30 June 2027:

The rates and charges are as follows:

1. General Rate

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

Rating Unit Category	Rate per $ of CV

	2026/27 GST incl
Residential	0.0022237$
Rural	0.0022237$
Industrial/Commercial (including electricity generators, utility assets and networks)	0.0040026$
Accommodation	0.0040026$
Other	0.0022237$

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. Officers recommend an increase to the UAGC to ensure rates are more fairly spread across ratepayers by insuring the UAGC moves closer to covering the costs it is intended to cover.

Per SUIP	2026/27 GST incl
Uniform Annual General Charge	$425.00

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	2026/27 GST incl
Connected (1 pan/urinals) per pan/urinal	$1172.49
Connected (2 pans/urinals) per pan/urinal	$879.37
Connected (3 or more pans/urinals) per pan/urinal	$586.25
Wastewater discharge points	$1172.49
Connected Schools per pan/urinal	$293.12
Serviceable (available to be connected) per rating unit	$586.25

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 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	2026/27 GST incl Serviceable (available to be connected)	2026/27 GST incl Connected
District wide fixed targeted	$540.65	$ 1081.29

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 (other than a water meter for monitoring purposes only). These metered water charges apply for supply over and above the equivalent supply allocation provided under the fixed targeted rate, where the equivalent supply allocation is the amount of the fixed targeted rate, divided by the rate per m^3 for the relevant water scheme that the property is connected to.

The targeted water meter rates by water scheme are:

Water Scheme	2026/27 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).	256
Kinloch	210
Whakaroa	259
River Road	229
Mangakino	210
Tirohanga	158
Tūrangi	158
Motuoapa	158
Tokaanu	158

Hatepe	292
Omori/Kuratau/Pukawa	180
Whareroa	256
Whakamaru	180
Ātiamuri	210
Rakaunui Road	158
Centennial Drive (untreated)	64
Waihaha	158
Motutere	292

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:

	2026/27 GST incl Accommodation, Industrial/Commercial, Electricity Generators, Utility Assets & Networks	2026/27 GST incl Residential, Rural or Other
District Refuse Disposal Charge	$413.44	$206.72

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:

	2026/27 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:

	2026/27 GST incl
Town Centre Taupō Management	$446.13

9. Goods and Services Tax (GST)

15% GST is included in the rates.

10. Due dates for payment

The due dates for the four 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 2026	1 July – 30 September
Two	20 November 2026	1 October – 31 December
Three	20 February 2027	1 January – 31 March
Four	20 May 2027	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 26	20-Feb-27
2	Taupō Town, Acacia Bay, Wairakei	22 Sep 26	20 Mar 27
3	Taupō Town, Broadlands Rd/TMP, Mapara, Tokaanu, Tūrangi, Omori/Kuratau/Pukawa & Whareroa	20 Oct 26	20 Apr 27
4	Mangakino/Atiamuri/Whakamaru, Bonshaw Park, Waitahanui/Hatepe/Motuoapa, Centennial Drive/Rakaunui Road, River Road, Whakamoenga Point, Waihaha	20 Nov 26	20 May 27
5	Taupō Town, Kinloch, Whakaroa, Tirohanga, Serenity Cove	22 Dec 26	20 Jun 27
6	Taupō Town, Ashwood Park	21 Jul 26	22-Jan-27
Monthly	A C Baths, various other (Taupō)	20th of each month (or the next working day)	
Quarterly	Various (Taupō)	22 Sep & 22 Dec 26 20 Mar & 20 June 27	

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

11. Penalty Charges

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

Due Date	Penalty added
20 August 2026	27 August 2026
20 November 2026	27 November 2026
20 February 2027	27 February 2027
20 May 2027	27 May 2027

A further 10% penalty on any rates that are unpaid from previous years on 7 July 2026 being 5 working days 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 2026.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202606/11 above.

5.7 APPROVAL OF GROWTH PLANNING ASSUMPTIONS FOR THE LONG-TERM PLAN 2027-37

The Senior Policy Advisor summarised the report and noted that the in-house model had been previously adopted in the last triennium. The figures would be used by all parts of the business for planning purposes.

In response to questions, the following was clarified:

- The model would be able to be adapted in future if Taupō District Council merged with other councils.
- Development plans and population projections were both used to identify housing capacity. In Mangakino, the asset manager was aware of inconsistencies with this data and would monitor usage to ensure the wastewater could be treated at peak use. Any development contributions would also be required to be paid which contributed to the infrastructure costs.

TDC202606/12 RESOLUTION

Moved: Cr Rachel Cameron
Seconded: Cr Kylie Leonard

That Council approves the growth planning assumptions as proposed in Attachment 1 to be included as part of the Long-term Plan 2027-37 and Water Services Strategy 2027-37.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202606/12 above.

5.8 SUSTAINABLE LENDING AND AMENDMENT TO COUNCIL'S EMISSIONS REDUCTION TARGET

The General Manager Organisation Performance acknowledged the Senior Policy Advisor's work on this. She advised that amending the Council's emission reduction target provided a financial benefit via a discount on Council borrowing. It supported longer term lending under a rates cap environment and did not require additional capital expenditure or any additional projects to those already signalled in the Long-term Plan. If the target could not be reached, it could be adjusted again by Council.

In response to questions, the General Manager Organisation Performance clarified that re-financing would be possible every 5-10 years to offset carbon emissions.

TDC202606/13 RESOLUTION

Moved: Cr Ngāhuia Foreman
Seconded: Cr Kylie Leonard

That Council:

1. amends the current Emission Reduction Targets, replacing them with the proposed targets set out in Attachment 1;

2. directs officers to come back to Council after undertaking a review of the proposed emissions reduction target when Scope 3 emissions are quantified (within 3 years) and Council officers have information to inform the viability of the proposed targets in the long-term;

3. directs officers to apply for a New Zealand Local Government Funding Agency Climate Action Loan; and

4. directs officers to initiate one or more applications for New Zealand Local Government Funding Agency Green and Social Loans from existing 2026/27 Annual Plan projects, with further projects to be identified in Council's 2027-37 Long-term Plan.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202606/13 above.

5.9 AMENDMENTS TO THE TERMS OF REFERENCE AND DELEGATIONS FROM COUNCIL TO COMMITTEES - INCREASE TO REGULATORY COMMITTEE DELEGATIONS AND MEMBERSHIP

The Governance Quality Manager summarised the key changes proposed to the terms of reference and delegations from Council to Committees for the Regulatory Committee. She explained that wording changes did not change the substance of the delegations but made them clearer.

It was clarified that increasing the membership of the committee would include representation from all geographical areas of the Taupō District. Enabling the Regulatory Committee to make decisions about leases and licences, regardless of the status of land would make Council more efficient and be consistent with decisions that the Regulatory Committee already made.

TDC202606/14 RESOLUTION

Moved: Cr Rachel Cameron
Seconded: Cr Yvonne Westerman

That Council:

1. Amends the Regulatory Committee's delegations to clarify Local Government Act 1974 delegations; include Public Works Act 1981 and Public Bodies Leases Act 1969 delegations and approval of leases and licences on Council-owned land (i.e. fee simple land), in accordance with tracked changes detailed on Attachment 1; and

2. Increases the membership of the Regulatory Committee by one (1) councillor, in accordance with tracked changes detailed on Attachment 1.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202606/14 above.

5.10 TAUPŌ DISTRICT COUNCIL PERFORMANCE REPORT - MAY 2026

The Chief Executive advised that service requests related to animal control had likely increased due to dog registrations being due. The General Manager Community Infrastructure and Services advised that an event related to water and wastewater was usually something significant that impacted the three waters infrastructure.

The Project Management Office Manager updated members on the following projects:

- There had been a good tender response to the Omori / Kuratau Slip works.
- The Long-term Plan delivery risk had increased due to uncertainty with local government reform.
- A community event would be held in Mangakino the following Sunday 5 July to allow the community to see the draft design for the lakefront upgrade project.

In response to questions, she advised that two suppliers had asked for conversations with Council because they did not have fuel escalations in their contracts and were affected by increases to fuel prices.

The Finance Manager advised the following:

- The Waipapa capital project had been completed and was below budget. The project had been subsidised by the New Zealand Transport Agency.
- She advised that the titles for the Crown Road subdivision had been received that day so Council would soon receive payment. The development revenue had been better than expected.
- Council had not had to increase borrowing in the 2025-26 financial year and had not raised any further loans.

TDC202606/15 RESOLUTION

Moved: Cr Ngāhuia Foreman
Seconded: Cr Kevin Taylor

That Council receives the information contained in the Performance Report for the month of May 2026.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202606/15 above.

5.11 COUNCIL ENGAGEMENTS JULY 2026, APPOINTMENTS, AND TRAINING AND CONFERENCE OPPORTUNITIES

The Senior Committee Advisor advised that the Tūrangi Co-Governance Committee workshop scheduled for 1 July had been cancelled and that the site visit for the Water Services Committee on 16 July had been extended to 3pm.

Cr Wahine Murch added that she would attend Te Maruata in Rotorua on 28 and 29 July. This was the national event for Māori elected members organised by Local Government New Zealand (LGNZ) of which costs were covered by LGNZ.

TDC202606/16 RESOLUTION

Moved: Cr Kylie Leonard
Seconded: Cr Yvonne Westerman

That Council:

1. Receives the information relating to engagements for July 2026;

2. Appoints Crs Rachel Cameron, Kevin Taylor and Yvonne Westerman to the Housing and Property Investment Steering Group for the remainder of the 2025-28 triennium;

3. Appoints Cr Sandra Greenslade to the Regulatory Committee for the remainder of the 2025-28 triennium; and

4. Approves the attendance of Mayor John Funnell at the Local Government New Zealand All-of-local-government meeting on Thursday 6 August and Rural Provincial Sector meeting on Friday 7 August in Wellington with travel, accommodation and attendance costs to be paid by Council.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202606/16 above.

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS

TDC202606/17 RESOLUTION

Moved: Cr Nicola de Lautour
Seconded: Cr Ngāhuia Foreman

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 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 Consideration of Risk and Assurance Committee Recommendation - Account Settlement	Section 7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege Section 7(2)(i) - the withholding of the information is necessary to enable [the Council] to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	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	To enable the Council to discuss a negotiating position without compromising its commercial interests, while preserving confidentiality over legal advice received.

CARRIED

Note: All members present at the Council meeting voted in favour of resolution TDC202606/17 above.

The meeting was adjourned at 3.21pm before reconvening at 3.33pm and moving to public excluded.

The meeting closed at 3.45pm with a karakia from all present.

The minutes of this meeting were confirmed at the Ordinary Council Meeting held on 21 July 2026.

....
CHAIRPERSON

5.1 PUBLIC FORUM

Author: **Karen Watts, Senior Committee Advisor**

Authorised by: **Nigel McAdie, Legal and Governance Manager**

TE PŪTAKE | PURPOSE

To receive comments from members of the public on matters specified on this agenda or, if time permits, on other Council matters.

NGĀ KŌRERORERO | DISCUSSION

Standing Orders provide for a period of up to 30 minutes to be made available at the start of meetings for members of the public to bring matters to the attention of the Council.

Speakers can speak for up to 5 minutes. Where the number of speakers presenting in the public forum exceeds 6 in total, the chairperson has discretion to restrict the speaking time permitted for all presenters. Members of the public wishing to address the Council during public forum should register at least one clear day before the meeting by emailing publicforum@taupo.govt.nz.

No debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda. Items not on the agenda may only be discussed if the matter is minor in nature and the procedures set out in Standing Order 9.13 are followed. A meeting may deal with (i.e. make a resolution in respect of) an item of business not on the agenda only if the procedures set out in Standing Order 9.12 are followed.

The relevant extracts from Standing Orders are **attached**.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Council receives comments from members of the public.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council receives comments from members of the public.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Extracts from Standing Orders ⇩

Extracts from Standing Orders 2022-2025

15. Public Forums | Ngā Matapakinga a te Marea

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

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

15.1 Time limits | Ngā tepenga wā

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

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

15.2 Restrictions | Ngā Herenga

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

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

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

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

15.4 No resolutions | Kāore he tatūnga

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

15.5 Application of restrictions I Te hāngaitanga o ngā Herenga

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

Extracts from Standing Orders 2022-2025

9.1 Items of business not on the agenda which cannot be delayed | Ngā take kāore i runga i te rārangi take e kore e taea te whakaroa

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

(a) The reason the item is not on the agenda; and

(b) The reason why the discussion of the item cannot be delayed until a subsequent meeting.

LGOIMA, s 46A(7).

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

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

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

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

LGOIMA, s 46A(7A).

5.2 PROPOSED AMENDMENTS TO DELEGATIONS MANUAL

Author: **Fiona Bramwell, Corporate Solicitor**

Authorised by: **Nigel McAdie, Legal and Governance Manager**

TE PŪTAKE | PURPOSE

The purpose of this report is to propose amendments to Council's Delegations Manual for the delegations pertaining to the Resource Management Act 1991 (RMA) and the Local Government (Rating) Act 2002 (LGRA).

The amendments include:

- detailing the delegations under each section of the RMA capable of delegation to Council officers and contracted resource consent planners.
- amending Rating Officer role titles.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

The current RMA delegations are a broad delegation put into place in 2018. The delegations include disestablished Council officer role titles. The proposal is to update officer role titles, include contracted resource consent officers and detail delegations by reference to specific sections of the RMA.

The current rating delegations were moved from Council's Rates Remission and Postponement Policy into the Delegations Manual in 2024. The LGRA delegations need updating due to new and updated role titles. The proposal is to remove reference to other rating legislation which is covered under Council's 2011 broad delegation to the Chief Executive.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council makes the following changes to its delegations:

1. Revokes Clause 3 of Resolution TDC201804/01.
2. Incorporates into Council's Delegations Manual all delegations to Council officers and contracted Resource Consent Planners under the Resource Management Act 1991, as set out in Attachment 1.
3. Revokes resolution TDC202408/07.
4. Incorporates into Council's Delegations Manual all delegations to Council officers under the Local Government (Rating) Act 2002, as set out in Attachment 2.

TE WHAKAMAHUKI | BACKGROUND

The proposal has not been presented previously.

Most enactments requiring local government decision-making give the Chief Executive the power to sub-delegate to Council officers. However, under the RMA and the LGRA, the power of delegation may be exercised by Council only, and the Chief Executive is unable to sub-delegate.

In April 2018 (Clause 3 Resolution TDC201804/01) Council resolved that the Head of Risk & Regulatory, Head of Finance & Strategy, Consents & Regulatory Manager, Resource Consents Manager, Senior Resource Consent Planner(s), Compliance Team Supervisor and Compliance Officer(s) jointly and severally are authorised to exercise those powers of Council that are able to be delegated under the Resource Management Act 1991. These delegations are recorded in the Council's Delegations Manual.

Since that delegation was made by the Council in 2018, several RMA officer titles have changed, and officers are also undertaking a project to a move to more detailed, rather than broad delegations.

In August 2024 (Resolution TDC202408/07) Council resolved to incorporate into Council's Delegations Manual all delegations to Council officers under the LGRA, Rates Rebate Act 1973, Rating Valuations Act

1998, and Rating Valuation Regulations 1998. A broad delegation to Rating Officers had previously been incorporated in Council's Rates Remission and Postponement Policy.

A newly created Rating Officer role now requires delegations, and a current role title requires amending.

NGĀ KŌRERORERO | DISCUSSION

Council's approach has previously been to provide delegations broadly. To make it easier for users of a Delegation Manual, many councils have preferred to detail each delegation rather than apply a broad-brush approach. We have external legal advice that supports the more detailed approach as best practice.

RMA Delegations

Accordingly, Attachment 1 details delegations from Council to the Chief Executive, other Council officers and contracted Resource Consent Planners. Each section of the RMA capable of delegation is set out showing position titles with the proposed delegation. At time of agenda production this was still being finalised and will be circulated ahead of the meeting under separate cover 1.

While the Planning Bill and Natural Environment Bill are expected to become law and replace the RMA in the coming months, there will be a considerable transition period through to at least 2028/29 during which councils will still require RMA delegations. Accordingly, it is recommended that the existing RMA delegations be amended now rather than wait for the Planning Bill and Natural Environment Bill to come fully into effect.

Rating Delegations

Attachment 2 details delegations from Council to the Chief executive and other Council officers. The proposed rating delegation amendments are as follows:

- deleting references to the Rates Rebate Act 1973 and Rating Valuations Act 1998 – these Acts are covered under Council's 2011 broad delegation to the Chief Executive.
- removing the word 'Senior' from the former role title 'Senior Rating Officer & Māori Land'; and
- adding a new role of 'Rating Technical Specialist'.

Attachment 3 shows the proposed amendments as tracked changes.

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

NGĀ KŌWHIRINGA | OPTIONS

Analysis of Options

Option 1. Approve Attachments 1 and 2 for incorporation into the Delegations Manual (recommended)

Advantages	Disadvantages
• Provides staff with clarity and certainty about the scope of their roles and their ability to make decisions to achieve Council objectives. • Standardises the way in which Council records delegations that is consistent with councils across the motu. • Is simple and straightforward to use and understand. • Is consistent with the recommended best-practice approach to council delegations.	• A broader approach that captures all powers capable of being delegated may reduce any dispute in the event of a challenge. • A broader delegation, in some instances, may avoid any issues where a statutory provision has been overlooked or is incorrectly recorded in the delegation. • Broad delegations avoid a piece-meal approach or responses to an Act or issue as it arises.

Option 2. Do not approve Attachments 1 and 2 for incorporation into the Delegations Manual and do not update the Officer titles in the current blanket delegation.

Advantages	Disadvantages
• Broad delegations avoid a piece-meal approach or responses to an Act or issue as it arises. • Captures all powers capable of being delegated and may reduce any dispute in the event of a challenge. • Reduces the risk of any gap or error in the delegations, which could arise if a statutory provision is omitted or incorrectly recorded.	• Staff have less clarity and certainty about the scope of their roles. • Staff have delegations that do not sit within their role descriptions. • Reduces efficiency. Fewer officers would have the necessary powers to undertake the Council's functions under either the RMA or the LGRA.

Analysis Conclusion:
Preferred option is Option 1: Approve Attachments 1 and 2 for incorporation into the Delegations Manual.

NGĀ HĪRAUNGA | CONSIDERATIONS

Ngā Aronga Pūtea | Financial Considerations

The financial impact of the proposal is estimated to be $nil.

Long-term Plan/Annual Plan
There is no expenditure to be budgeted for.

Ngā Aronga Ture | Legal Considerations

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

The proposal has been evaluated with regards to relevant legislation. The key pieces of legislation are the:

1. Resource Management Act 1991:
    a. Section 34A(1) and (2) authorise councils to delegate functions, powers and duties under the RMA to Council employees and contracted resource consent planners.
    b. Section 34(1)(b) prohibits councils from delegating the section 34A(1) power of delegation i.e. the Chief Executive may not sub-delegate the powers under this Act.
2. Local Government (Rating) Act 2002:
    a. Section 132(1) of the LGRA permits councils to delegate the exercise of functions, powers, or duties under the Act to the Chief Executive Officer or any other specified officer of the Council.
    b. Section 132(2) prohibits councils from delegating the section 132(1) power of delegation i.e. the Chief Executive may not sub-delegate the powers under this Act.

Authorisations are not required from external parties.

Ngā Hīraunga Kaupapa Here | Policy Implications

There are no known policy implications.

Te Kōrero tahi ki te Māori | Māori Engagement

Taupō District Council is committed to meeting its statutory obligations including in relation to Te Tiriti o Waitangi/Treaty of Waitangi principles, consideration of Māori interests and meaningful engagement with Māori. In meeting its statutory obligations, Council is committed to acting reasonably and in good faith and consistently with a partnership-based approach. Te Tiriti/Treaty principles include but are not limited to active protection of Māori interests, informed decision-making and enabling effective Māori participation in Council processes.

No engagement with, or involvement of Māori on the proposed recommendation in this report is required.

Ngā Tūraru | Risks

There are no known risks.

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

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

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

TE KŌRERO TAHI | ENGAGEMENT

Taking into consideration the above assessment, that the decision is of a low degree of significance, officers are of the opinion that no further engagement is required prior to Council deciding.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

No communication/media required.

WHAKAKAPINGA | CONCLUSION

The RMA and the LGRA enable councils to make delegations. It is recommended that Council revoke the current RMA and rating delegations and add the detailed and updated delegations in Attachment 1 and Attachment 2 to Council's Delegations Manual.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Proposed Resource Management Act 1991 Delegations (under separate cover 1)
2. Proposed Local Government (Rating) Act 2002 Delegations ⇩
3. Current Local Government (Rating) Act 2002 with Tracked Changes ⇩

RATING INSERT FOR DELEGATIONS MANUAL

PART A – COUNCIL'S LEGISLATIVE DELEGATIONS TO THE CHIEF EXECUTIVE

Local Government (Rating) Act 2002

Delegation
To authorise the register of a notice of charge under section 90 in relation to postponed rates. This power may not be sub-delegated.
All of its responsibilities, duties, and powers under this Act.

PART B – COUNCIL'S LEGISLATIVE DELEGATIONS TO OTHER OFFICERS

KEY

Position Title	Reference
General Manager Organisation Performance	GMOP
Finance Manager	FM
Rates Manager	RM
Rating Officer & Māori Land	ROML
Rates Officer – Debt Management	RO
Finance Officers	FO
Rating Technical Specialist	RTS

Local Government (Rating) Act 2002

Section	Delegation	Council	GMOP	FM	RM	ROML/RO/ FO/RTS
15	To determine a separately used or inhabited part of a rating unit to charge a fixed amount under section 15		✓	✓	✓	✓
20	To determine whether two or more rating units are to be treated as one rating unit.		✓	✓	✓	✓
27	To keep and maintain the rating information database and to make decisions about the recognition of a rating unit in the rating information database.		✓	✓	✓	✓
27 (s 7-9, 22, Schedules 1 and 2)	To determine the non-rateable status of a rating unit.		✓	✓	✓	✓
27(4)	To make decisions with respect to determining: ▪ The category to which a rating unit belongs for the general rate; ▪ The categories to which the rating unit belongs for a targeted rate; and ▪ Excess water charges.		✓	✓	✓	✓
27(5)	To make decisions with respect to recording separately for different parts of a rating unit (if separate records are necessary because of different rating treatment for each part of a rating unit), any of the matters specified in this section.		✓	✓	✓	✓
28(2)	To determine whether or not to include the name of any person in the rating information database because it is necessary to identify the rating unit.		✓	✓	✓	
28C	To withhold names from the rating information database.		✓	✓	✓	✓
29	To determine ratepayer objections to the rating information database.		✓	✓	✓	✓
32,33	To update the rating information database in accordance with these sections.		✓	✓	✓	✓
35	To remove names from the rating information database in accordance with this section.		✓	✓	✓	✓

Section	Delegation	Council	GMOP	FM	RM	ROML/RO/ FO/RTS
36	To update the rating information database in accordance with this section.		✓	✓	✓	✓
37	To keep and maintain the rates records.		✓	✓	✓	✓
39	To determine objections to the rates record.		✓	✓	✓	✓
40	To correct an error in the rating information database or the rates records.		✓	✓	✓	
41, 41A	To issue an amended rates assessment if an error is corrected.		✓	✓	✓	✓
42	To recover additional rates from a ratepayer. To set the interest rate in accordance with this section.		✓	✓	✓	
44-51	To provide for the delivery of rates assessments and rates invoices in accordance with these sections.		✓	✓	✓	✓
45, 46	To provide for the design (form and content) of rates assessments and invoices.		✓	✓	✓	
53	To negotiate and enter into agreements under section 53 to collect rates on behalf of other local authorities.		✓	✓		
54	To not collect rates that are uneconomic to collect.		✓	✓	✓	
58	To impose penalties not paid by the due date.		✓	✓	✓	✓
61, 62	To exercise powers for recovery of rates if owner in default.		✓	✓	✓	
63	To commence legal proceedings to recover unpaid rates.		✓	✓	✓	
77	To determine to give public notice re abandoned land		✓	✓	✓	
87-90	To determine the applicability of rates postponements for extreme financial hardship.		✓	✓	✓	
98A	To divide a separate rating area from a rating unit on Māori freehold land in accordance with this section.		✓	✓	✓	✓
98B	To make apportionments in accordance with this section.		✓	✓	✓	✓
98D	To make adjustments in accordance with this section.		✓	✓	✓	✓
98E	To determine that a separate rating area divided from a rating unit is no longer a separate rating area in accordance with this section.		✓	✓	✓	✓
99	To apply to Māori Land Court for charging order.		✓			
108	To apply to Māori Land Court to enforce charging order.		✓			
111	To apply to Māori Land Court for payment of unpaid rates.		✓			
85 ,96 & 114	To approve remissions pursuant to Council rates remission and postponement policy for the Lake Taupō lakebed and Crown owned hydro lakebeds, community, sporting, Churches, Marae and other organisations, penalties (in the avoidance of doubt as described in the qualifying criteria outlined in the rates remission policy), parts of unused Māori freehold land, Māori freehold land under development, general rates for Council owned utilities, water leaks, Waitahanui - fixed charge targeted water rate.		✓	✓	✓	✓
85 & 86	To approve remission pursuant to Council's rates remission and postponement policy for rates late payment penalties that don't meet the qualifying criteria outlined in the rates remission policy		✓	✓	✓	
85 & 86	To put into effect and activate the natural disaster rates remission policy	✓				
85, 86 & 87	To carry out any administrative tasks associated with rates remissions or postponements		✓	✓	✓	✓
135	To sign documents as correct copies for the purpose of Court or Tribunal proceedings.		✓	✓	✓	

RATING INSERT FOR DELEGATIONS MANUAL

~~**COUNCIL'S DELEGATIONS TO CHIEF EXECUTIVE**~~

PART A – COUNCIL'S LEGISLATIVE DELEGATIONS TO THE CHIEF EXECUTIVE

1. Local Government (Rating) Act 2002

Delegation
To authorise the register of a notice of charge under section 90 in relation to postponed rates. This power may not be sub-delegated.
All of its responsibilities, duties, and powers under this Act.

~~**2. Rates Rebate Act 1973**~~

~~Delegation~~
~~All of its responsibilities, duties, and powers under this Act.~~

~~**3. Rating Valuations Act 1998 and any regulations made under this Act**~~

~~Delegation~~
~~All of its responsibilities, duties, and powers under this Act and regulations.~~

COUNCIL'S DELEGATIONS TO OTHER OFFICERS

PART B - LEGISLATIVE DELEGATIONS

KEY

Position Title	Reference
General Manager Organisation Performance	GMOP
Finance Manager	FM
Rates Manager	RM
Rating Officer & Māori Land	~~S~~ROML
Rates Officer – Debt Management	RO
Finance Officers	FO
Rating Technical Specialist	RTS

1. Local Government (Rating) Act 2002

Section	Delegation	Council	GMOP	FM	RM	~~SRO~~	ROML/RO/FO/RTS
15	To determine a separately used or inhabited part of a rating unit to charge a fixed amount under section 15		✓	✓	✓	~~✓~~	✓
20	To determine whether two or more rating units are to be treated as one rating unit.		✓	✓	✓	~~✓~~	✓
27	To keep and maintain the rating information database and to make decisions about the recognition of a rating unit in the rating information database.		✓	✓	✓	~~✓~~	✓
27 (s 7-9, 22, Schedules 1 and 2)	To determine the non-rateable status of a rating unit.		✓	✓	✓	~~✓~~	✓
27(4)	To make decisions with respect to determining: ▪ The category to which a rating unit belongs for the general rate; ▪ The categories to which the rating unit belongs for a targeted rate; and ▪ Excess water charges.		✓	✓	✓	~~✓~~	✓
27(5)	To make decisions with respect to recording separately for different parts of a rating unit (if separate records are necessary because of different rating treatment for each part of a rating unit), any of the matters specified in this section.		✓	✓	✓	~~✓~~	✓
28(2)	To determine whether or not to include the name of any person in the rating information database because it is necessary to identify the rating unit.		✓	✓	✓		
28C	To withhold names from the rating information database.		✓	✓	✓	~~✓~~	✓
29	To determine ratepayer objections to the rating information database.		✓	✓	✓	~~✓~~	✓
32,33	To update the rating information database in accordance with these sections.		✓	✓	✓	~~✓~~	✓
35	To remove names from the rating information database in accordance with this section.		✓	✓	✓	~~✓~~	✓
36	To update the rating information database in accordance with this section.		✓	✓	✓	~~✓~~	✓
37	To keep and maintain the rates records.		✓	✓	✓	~~✓~~	✓
39	To determine objections to the rates record.		✓	✓	✓	~~✓~~	✓
40	To correct an error in the rating information database or the rates records.		✓	✓	✓		
41, 41A	To issue an amended rates assessment if an error is corrected.		✓	✓	✓	~~✓~~	✓
42	To recover additional rates from a ratepayer. To set the interest rate in accordance with this section.		✓	✓	✓		
44-51	To provide for the delivery of rates assessments and rates invoices in accordance with these sections.		✓	✓	✓	~~✓~~	✓
45, 46	To provide for the design (form and content) of rates assessments and invoices.		✓	✓	✓		
53	To negotiate and enter into agreements under section 53 to collect rates on behalf of other local authorities.		✓	✓			
54	To not collect rates that are uneconomic to collect.		✓	✓	✓		

Section	Delegation	Council	GMOP	FM	RM	SRO	ROML/RO/FO/RTS
58	To impose penalties not paid by the due date.		✓	✓	✓	~~✓~~	✓
61, 62	To exercise powers for recovery of rates if owner in default.		✓	✓	✓		
63	To commence legal proceedings to recover unpaid rates.		✓	✓	✓		
77	To determine to give public notice re abandoned land		✓	✓	✓		
87-90	To determine the applicability of rates postponements for extreme financial hardship.		✓	✓	✓		
98A	To divide a separate rating area from a rating unit on Māori freehold land in accordance with this section.		✓	✓	✓	~~✓~~	✓
98B	To make apportionments in accordance with this section.		✓	✓	✓	~~✓~~	✓
98D	To make adjustments in accordance with this section.		✓	✓	✓	~~✓~~	✓
98E	To determine that a separate rating area divided from a rating unit is no longer a separate rating area in accordance with this section.		✓	✓	✓	~~✓~~	✓
99	To apply to Māori Land Court for charging order.		✓				
108	To apply to Māori Land Court to enforce charging order.		✓				
111	To apply to Māori Land Court for payment of unpaid rates.		✓				
85 ,96 & 114	To approve remissions pursuant to Council rates remission and postponement policy for the Lake Taupō lakebed and Crown owned hydro lakebeds, community, sporting, Churches, Marae and other organisations, penalties (in the avoidance of doubt as described in the qualifying criteria outlined in the rates remission policy), parts of unused Māori freehold land, Māori freehold land under development, general rates for Council owned utilities, water leaks, Waitahanui - fixed charge targeted water rate.		✓	✓	✓	~~✓~~	✓
85 & 86	To approve remission pursuant to Council's rates remission and postponement policy for rates late payment penalties that don't meet the qualifying criteria outlined in the rates remission policy		✓	✓	✓		
85 & 86	To put into effect and activate the natural disaster rates remission policy	✓					
85, 86 & 87	To carry out any administrative tasks associated with rates remissions or postponements		✓	✓	✓	~~✓~~	✓
135	To sign documents as correct copies for the purpose of Court or Tribunal proceedings.		✓	✓	✓		

5.3 RECEIPT OF FINAL STATEMENTS OF INTENT – COUNCIL CONTROLLED ORGANISATIONS

Author: **Tania Russell, Community Engagement and Development Manager**

Authorised by: **Hadley Tattle, General Manager People and Community Partnerships**

TE PŪTAKE | PURPOSE

For Council to receive the final Statements of Intent (SOIs) from its Council Controlled Organisations (CCOs).

NGĀ KŌRERORERO | DISCUSSION

Several accountability documents from the various CCOs are required to be received by Council, including the SOIs. The Local Government Act 2002 (LGA) places three accountability requirements on CCOs:

1. A six-monthly report on operations – due by 1 March each year.
2. A SOI – draft due by 1 March and a final by 30 June each year.
3. An annual report – due within three months of the end of the financial year – 1 September each year.

The purpose of these separate accountability requirements are as follows:

1. Six-monthly report on operations - the report is a requirement to include information relating to the CCO's achievement against its targets as stated in its SOI.

2. SOI – for the following year. The purpose of the SOI is to:

   - state publicly the activities and intentions of a CCO for the year and the objectives to which those activities will contribute;
   - provide an opportunity for shareholders to influence the direction of the organisation; and
   - provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

3. Annual report – this report must include the following:

   - Information that is required by its SOI;
   - Information that is necessary to enable an informed assessment of the operations of the organisation, including a comparison of the performance of the organisation with the SOI and an explanation of any material variances between the performances and the SOI. It must also state the dividend, if any, authorised to be paid or the maximum dividend proposed to be paid by that organisation for its equity securities (other than fixed interest securities) for the financial year;
   - Audited consolidated financial statements for that financial year; and
   - An auditor's report on those financial statements and the performance targets and other measures by which performance was judged in relation to the organisation's objectives.

The draft SOIs were circulated to elected members for comment on 2 April 2026, and feedback was provided on the draft SOIs prior to the 1 May 2026 deadline. Final SOIs from the following CCOs were received before the deadline of 30 June 2026:

- Taupō Airport Authority (TAA);
- Destination (Great) Lake Taupō (DGLT);
- Bay of Plenty Local Authority Shared Services (BOPLASS); and
- New Zealand Local Government Funding Agency Limited (LGFA).

WHAKAKAPINGA | CONCLUSION

Council is required to receive the final SOIs from its CCOs in accordance with the LGA. The completed and attached SOIs were received by 30 June 2026 as required.

NGĀ TŪTOHUNGA | RECOMMENDATION

That Council receives the final Statements of Intent from the following Council Controlled Organisations:

i. Taupō Airport Authority (TAA);

ii. Destination (Great) Lake Taupō (DGLT);

iii. Bay of Plenty Local Authority Shared Services (BOPLASS); and

iv. New Zealand Local Government Funding Agency Limited (LGFA).

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Taupō Airport Authority (TAA) ⇩
2. Destination (Great) Lake Taupō (DGLT) ⇩
3. Bay of Plenty Local Authority Shared Services (BOPLASS) ⇩
4. New Zealand Local Government Funding Agency Limited (LGFA) ⇩

TAUPŌ AIRPORT
TE TAUNGA WAKA RERERANGI O TAUPŌ

Taupō Airport Authority

Statement of Intent
for the three-year period
1 July 2026 to 30 June 2029

Taupō Airport
929 Anzac Memorial Drive
RD 2
TAUPŌ
Website: www.taupoairport.co.nz

1. INTRODUCTION 4
1.1 THE LOCAL GOVERNMENT ACT 4
1.2 RESPONSIBILITIES 4
1.3 CONTACT DETAILS 4
2. TAUPŌ AIRPORT AUTHORITY (TAA) 5
2.1 ESTABLISHMENT OF TAA 5
2.2 GOVERNANCE 5
2.3 MANAGEMENT 6
2.4 FINANCIAL ACCOUNTABILITY 6
3. TAUPŌ AIRPORT 7
4. CIVIL AVIATION AUTHORITY (CAA) 8
5. RESPONSIBILITY TO THE SHAREHOLDERS 9
5.1 STATEMENT OF INTENT 9
5.2 GENERAL INFORMATION FLOWS AND REPORTING 9
5.3 STRATEGIC FOCUS 9
5.4 TDC / TAA ADMINISTRATION SUPPORT SERVICES 10
5.5 GOVERNANCE STRUCTURE 10
5.6 AIRPORT MASTER PLAN 11
5.7 STAKEHOLDER RELATIONS 11
6. CAPITAL EXPENDITURE PROPOSALS 12
6.1 SURFACE TREATMENT WORKS TO THE MAIN SEALED RUNWAY 12
6.2 ANZAC MEMORIAL DRIVE IMPROVEMENTS 12
6.3 DEVELOPMENT OF AREAS FOR AVIATION / COMMERCIAL USE 13
6.4 SMALL LANDSIDE AND AIRSIDE PROJECTS 13
6.5 INFRASTRUCTURE FOR NEXT GENERATION AIRCRAFT 13
6.6 TAUPŌ DISTRICT PLAN 14
6.7 OPERATIONAL PERFORMANCE 16
6.8 PASSENGER NUMBERS 16
7. FINANCIALS 17
7.1 RATIO OF TAA'S CAPITAL TO TOTAL ASSETS 17
7.2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION 17
7.3 ACCOUNTING POLICIES 17
7.4 FINANCIAL PERFORMANCE 23
7.5 FORECAST STATEMENT OF FINANCIAL POSITION 23
7.6 FORECAST STATEMENT OF CASHFLOWS 24

7.7 **COMMERCIAL VALUE OF TAA** 24
7.8 **TDC LOAN TO TAA** 25
7.9 **INFORMATION TO BE PROVIDED** 25

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 2026 to 30 June 2029 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 Grace
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.

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:

- John Funnell (Mayor)
- Duncan Campbell (Councillor)
- Steve Manunui (Councillor)
- Chris Grace (Business representative)
- Mark Costello (Business representative)
- Bryan Field (Ministry of Transport observer)
- Barry Payne (Airport local user observer)

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 Rules Part 139 and Part 100 as well as 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 operates on a self-funding model without the need for any general ratepayer contributions.

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 between Taupō and Auckland
- General aviation
- Skydiving adventure operations
- Scenic flights
- Agricultural aviation services
- Non-aviation commercial and retail offerings

The 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.

Taupō Airport is identified as a critical piece of regional transport infrastructure, provides an important asset for the region and is home to the central north island helicopter rescue services.

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.

Airside assets include a 1,386m long sealed runway (non-instrument Code 3) capable of catering for all domestic New Zealand 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 Rules Part 139 and Part 100.

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

- Certification and operation
- Applicable security measures
- Use by aircraft operators
- Provision of a shared radio frequency used by pilots (UNICOM)
- Operation of a mandatory broadcast zone (MBZ)
- Aerodrome and weather information broadcasting services (AWIB)

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 are compiled by Airport management for approval 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 Airport is exempt from this 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 Rules Part 139 and Part 100.

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.

Any amendments will be assessed by TAA and the final SOI is to be provided to the JV partners after adoption by the TAA Committee and prior to the start of the SOI period from 1 July 2026.

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

- Financial
- IT
- Legal
- Communications and media

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

During the period of the SOI, TAA and TDC will 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

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.

Previous TAA Committees have signalled that corporatisation would 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 of the Airport Company.

A review on the Governance structure of TAA was carried out during the previous SOI period with legal and financial advice being sought on moving to a stand-alone structure similar to most other regional airports in New Zealand that operate as corporatised entities to allow:

- Greater flexibility
- Quicker response to changing conditions
- Ability to loan fund asset development
- Organise and sign contracts
- Ability to own assets
- Self-funding
- Clearer TAA/TDC interface
- Ability to attract a high calibre of governance and management

At the time the Ministry of Transport signalled their support for corporatisation, however, due to the Local Government elections taking place during the last SOI period, further work on the governance structure review was deferred but may resume again during the period of this SOI.

In the meantime, there has been changes to the structure of the TAA Committee with the inclusion of two observers – one from the Ministry of Transport and one nominated from the Airport users.

It is noted that the role of the observers is to attend meetings, receive information and monitor proceedings without the ability to vote or form part of a quorum. In principle, the observers act as a non-decision-making presence who provide value through insight, expertise and a different perspective, while respecting the formal governance structure of the Committee.

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 was reached 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 that the national carrier, Air New Zealand, is currently trialling.

5.7 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 continue to 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 recent major projects such as the Airport terminal redevelopment, new car park and the widespread works to the apron with an extension and surface treatment, the requirement for major airside capital expenditure during this SOI period will be limited.

Therefore, the focus over the next three years will mainly be concentrated on landside capital expenditure:

- Anzac Memorial Drive improvements
- 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 experienced 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 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, a recommendation was made to apply a proprietary surface treatment and joint funding by the JV owners was sought and agreed. However, more recently it has become apparent that surface condition, apart from some localised areas, has not seen further deterioration and there may be a case to defer the surface treatment or plan for a complete surface overlay of the runway at a later date.

Whilst a further review is pending, the surface treatment project will be maintained in the period of this SOI but this may change and, if necessary, a requirement to seek additional funding from the JV owners dependent of whether the recommended option is to carry out a runway overlay.

6.2 Anzac Memorial Drive improvements

In 2023 TDC carried out an upgrade to the adopted section of Anzac Memorial Drive leading from the State Highway to the Airport entrance 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 (the airport perimeter road) has not been maintained for many years, has no kerb and channel, poor drainage and a deteriorating road surface.

The intention during this SOI period is to investigate, plan and carry out works to upgrade this section of Anzac Memorial Drive by installing new kerb and channel, improving the drainage and resurfacing to the carriageway.

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. Therefore, with a detailed business case, funding will be sought from TDC and, if agreed, works will be aligned from 2027/28 onwards.

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.

One of these areas has been identified for rotary activities expansion and investigation with regards requirements for either upgrading or the provision of roading and services infrastructure will be undertaken during the period of this SOI.

Due to the location of the development area being away from the main Airport operational infrastructure, it is doubtful that the MoT will be prepared to co-fund the work, however, submissions will be made to both the Ministry and Council for co-funding.

6.4 Small landside and airside projects

- Airport boundary fence replacement – continuation of a rolling programme (Stage 3) to completely replace the old, deteriorated fence around the perimeter of the Airport
- Access construction to grass runway from Anzac Memorial Drive
- Realignment an upgrade of taxiway to the north-west of the apron
- Rehabilitation works to the sealed taxiways
- CCTV expansion to landside/airside 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 although Air New Zealand is currently trialling a full electric aircraft initially for cargo use.

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.

6.6 Taupō District Plan

Whilst not necessary a capital works project, this is a substantial piece of work that has been ongoing since 2023 which is being funded through operational expenditure and will come to a conclusion during the period of this SOI.

The operative Taupō District Plan does not explicitly recognise the Airport which could well have an impact as the operations, activities and effects of the Airport are not adequately considered and provided for under the existing provisions.

Experienced aviation and planning consultants have been engaged to investigate and prepare a private plan change and notice of requirement to cover forecasted aviation growth over the next 30 years with a purpose to set in place an appropriate and efficient planning method within the Taupō District Plan.

This will provide for the ongoing use and development of the Airport land and infrastructure whilst seeking to provide recognition and controls in the Plan in a way that appropriately recognises the specific development and operational needs of a regional airport.

The total project cost is estimated at approximately $250,000, with $150,000 allocated in the first year of this SOI for professional fees associated with the hearing process.

Forecasted capital expenditure

Project (cost x $000)	2026/27	2027/28	2028/29
Runway surface treatment (carry forward from FY26)	800	-	-
Development of aviation / commercial areas	100	100	100
Southern Apron reconstruction	-	600	800
Anzac Memorial Drive upgrade – Stage 1	-	850	750
Parallel taxiway surface treatment	-	-	300
Small projects:			
1) Airport boundary fence (Stage 3)	50	-	-
2) Taxiway work north-west of apron	50	-	-
3) CCTV landside/airside expansion	10	-	-
4) Taxiway rehabilitation	-	50	50
5) Next generation aircraft infrastructure	-	30	-
6) Vehicle renewal	-	50	-
Other potential capex:			
Terminal renewals	10	10	10
Landside renewals	10	10	10
Airside renewals	10	10	10
Car park renewals	10	10	10
Furniture and fittings renewals and new items	10	10	10
Total	**1,060**	**1,730**	**2,050**

Expected funding source of capital expenditure

Project (cost x $000)	2026/27				2027/28			
	Cost	TDC funded	Govt funded	Internally funded	Cost	TDC funded	Govt funded	Internally funded
Runway surface treatment	800	400	400					
Development of aviation / commercial areas	100			100	100			100
Southern Apron reconstruction					600	300	300	
Anzac Memorial Drive upgrade – Stage 1					850	850		
Small projects:								
1) Airport boundary fence (Stage 3)	50		25	25				
2) Taxiway work north-west of apron	50		25	25				
3) CCTV landside expansion	10			10				
4) Taxiway rehabilitation					50		25	25
5) Next gen aircraft infrastructure					30		15	15
6) Vehicle renewal					50			50
Other potential capex	50			50	50			50
Total	**1,060**	**400**	**450**	**210**	**1,730**	**1,150**	**340**	**240**

For the 2028/29 year $575k will be sought from the Government, $1.3m from the Council and the remaining $175k of the forecasted capital expenditure to be internally funded.
All funding for years 2027/28 and 2028/29 is subject to approval from the Council and Government.

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

6.7 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 costs funded from Airport revenue with no reliance on the general ratepayer

6.8 Passenger numbers

Passenger numbers through the Airport have remained flat since the impacts of the COVID-19 pandemic and the demise of the Taupō to Wellington air sector.

Even though Sounds Air and Originair were not successful in maintaining a service to the Wellington, with recent Government support for second and third tier airlines and airline interline agreements with the National carrier, there may be a possibility for a sustainable operation to resume. This will be investigated during this SOI period.

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

	2026/27	**2027/28**	**2028/29**
Forecasted passenger numbers	54,590	56,230	57,920

7. Financials

7.1 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 0.89:1 to 0.91:1.

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

7.2 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 2023and 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.

7.3 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 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 years - Indefinite
	Kerbs	50 years
	Footpaths	80 years
	Stormwater	80 years
	Fencing	5 – 30 years
	Street Lighting	52 years
Operational Assets		
	Buildings	14 - 64 years
	Furniture and Fittings	4 - 50 years
	Motor Vehicles	5 years

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 2025.

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 nil additional funding from Taupō District Council for FY26/27, the $400k for the runway surface treatment was approved for FY26 but requesting to carry this forward into FY27.

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.

7.4 Financial performance

This section outlines TAA's projected financial performance for the three-year period ending 30 June 2028, based on forecast passenger growth, current and anticipated aircraft types and sizes, and planned commercial activity within the airport.

The budget also reflects external pressures, including volatility in global fuel markets arising from the situation in the Middle East. This has contributed to increased aviation fuel costs and demand, with implications for both airport operating revenue and expenditure.

A review resulted in minor adjustments with no significant impact on the overall forecasts.

Following the release of the draft SOI, the budget has been reviewed. Given the uncertainty around the timing and outcomes of these external factors, adjustments to operating revenue and expenditure have been incorporated for the first year of the SOI.

	2026/27 $000	2027/28 $000	2028/29 $000
Operating revenue	1,521	1,604	1,636
Operating expenditure	1,286	1,175	1,197
Operating surplus before depreciation and tax	235	429	439
Depreciation	656	766	864
Taxation credit	118	94	119
Net operating surplus/(deficit)	**(303)**	**(243)**	**(306)**

7.5 Forecast statement of financial position

	2026/27 $000	2027/28 $000	2028/29 $000
Assets			
Current assets	1,098	1,286	1,550
Property, plant and equipment	24,234	25,197	26,383
Total assets	25,332	26,483	27,933
Liabilities			
Current liabilities	211	209	209
Non-Current liabilities	2,594	2,499	2,380
Total liabilities	2,805	2,708	2,589
Net assets	22,527	23,775	25,344
Total equity	22,527	23,775	25,344

7.6 Forecast statement of cashflows

	2026/27 $000	2027/28 $000	2028/29 $000
Net cashflows from operating activities	238	428	439
Net cashflows from investing activities	(1,060)	(1,730)	(2,050)
Net cashflows from financing activities	850	1,490	1,875
Net increase/(decrease) in cash held	28	188	264
Add forecasted cash at start of year	820	849	1,036
Cash and cash equivalents at end of year	848	1,037	1,300

7.7 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.

	2027 $000	2026 $000	Movement $000
Land	5,110	5,110	0
Infrastructure and buildings (landside assets)	10,996	11,137	141
Runway, taxiways and apron (airside assets)	7,573	7,015	(558)
Furniture and fittings	554	569	15
Land	24,233	23,831	(403)

7.8 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 a loan facility agreement between TDC and TAA was signed. TAA paid the outstanding balance in June 2025 through surplus funds as revenue received from Airport operations met operational requirements.

The loan facility is still available and may be drawn down if required for working capital.

7.9 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 TRUST

Statement of Intent 2026-2029

1

CONTENTS

Foreword	3
Executive Summary	5
Economic impact of Tourism for Taupō	7
New Zealand Tourism Outlook	10
Tourism Growth Roadmap	11
Operating context	14
DGLT Strategy and Purpose	17
Financial Disclosure	20
Governance Statements	28
Appendix One: Terms and Definitions	32

Foreword

Destination Great Lake Taupō exists to enable the tourism potential of the Taupō District while enhancing the quality of life for our community. We believe that great places to live create great places to visit, and that tourism should contribute positively to our environment, culture, economy and sense of place.

Tourism is a vital part of Taupō's economy, but its success must be measured not only by growth, but by how well it aligns with community values and long-term sustainability. Our approach is grounded in productive, balanced tourism — where visitors respect and connect with the place they are visiting, tourism supports local businesses and jobs, and the benefits are shared across the district. We want visitors to leave Taupō better than they found it, and to feel welcomed into our community, not separate from it.

This Statement of Intent for 2026–2029 sets out how Destination Great Lake Taupō will work in partnership with Council, mana whenua, industry and the wider community to unify our destination and shape the future of tourism for the region. Taupō has a unique opportunity to strengthen its position as one of New Zealand's leading lifestyle destinations — where world-class natural landscapes, iconic experiences, cultural storytelling, major events, and accessible public infrastructure combine to deliver exceptional visitor experiences. In doing so, Taupō can play a meaningful role in strengthening Aotearoa New Zealand's tourism offering and contributing to the Government's long-term goals for export growth.

Central to this vision are the people who work within Taupō's visitor economy. A well-connected tourism ecosystem depends on the capability, commitment and mana of those who deliver the visitor experience every day — across accommodation, hospitality, activities, retail, events, transport, community infrastructure and local services. Tourism does not operate in isolation; it is powered by individuals, businesses and communities who collectively shape the destination's reputation and success.

DGLT's role is to help align these elements, amplify the voice of our community, and build a destination brand that reflects local values while resonating nationally and internationally. Strengthening Taupō's brand as one of New Zealand's most welcoming destinations, a leading events location, and an essential stop on New Zealand itineraries relies not only on marketing, but on the quality, authenticity and consistency of the experiences delivered across the region.

DGLT is committed to ensuring the benefits of tourism are clearly understood and widely shared — supporting local businesses, enhancing public spaces and infrastructure, creating meaningful employment opportunities, and helping attract and retain talent and families. Tourism is not just an economic driver; it is a vehicle for connection, linking Taupō to national and global audiences while enriching the lives of those who call the region home.

Looking ahead, Taupō is well placed to grow value from its core visitor markets while preparing for longer-term opportunities in emerging international markets, including China and India. This growth will be guided by a focus on shoulder-season visitation, cultural tourism, sustainable development and visitor segments that align with the aspirations of our community. Maintaining tourism's social licence will remain central as the sector evolves.

Over the next three years, DGLT will deliver this vision through five strategic pillars:

1. Destination Marketing and Visitor Economy Growth
2. Destination Development and Regenerative Tourism
3. Insights, Leadership, Advocacy and Capability Development
4. Partnerships, Membership and Industry Engagement
5. Organisational Excellence and People

DGLT will focus its resources where it can deliver the strongest return for the district: building Brand Taupō, supporting shoulder-season demand, strengthening industry connection, growing destination preference, and using technology, insight and partnerships to convert visitor interest into measurable value for local operators and the wider community.

This includes strengthening DGLT's role as a valued partner to industry, focused on collaboration, shared outcomes and long-term value rather than transactional funding relationships. Through strong partnerships, clear accountability and a disciplined focus on impact, we aim to secure a resilient future for both the organisation and the visitor economy.

This Statement of Intent sets out how we will deliver on these commitments and guide tourism in the Taupō District toward a sustainable, inclusive and prosperous future.

Executive Summary

Destination Great Lake Taupō (DGLT) is responsible for leading destination marketing and stewardship for the Taupō District's visitor economy.

The opportunity for Taupō is not volume-led growth, but value-led growth. DGLT's strategy for 2026–2029 focuses on shaping demand, improving conversion, increasing yield, and strengthening seasonal balance to maximise economic return while managing impacts on community and infrastructure. This approach aligns with Taupō District Council's expectations, national tourism settings, and the long-term wellbeing of the district.

DGLT will prioritise building preference for Brand Taupō, owning the consumer relationship through technology-enabled marketing, strengthening industry capability and export readiness, and supporting destination management in partnership with Council, iwi, industry and central government. The organisation will also focus on improving productivity within the tourism sector, supporting Māori-owned and sustainable businesses, and building organisational resilience through diversified funding and partnership-led delivery.

DGLT is operating within a continued constrained funding model. Council baseline funding remains materially below the 2023/24 level and does not restore DGLT's previous delivery capacity or enable expansion into additional workstreams. In response, this Statement of Intent sets out a disciplined and focused approach to growth: protecting the areas of highest impact, maximising value from existing investment, and identifying where additional funding, co-investment or partnerships could unlock greater regional return.

Over 2026–2029, DGLT will continue to build Brand Taupō, grow destination preference, strengthen owned digital channels, support operator referrals, shape shoulder-season demand, and provide evidence-led leadership for the visitor economy. This is not simply a maintenance programme; it is a focused value-led growth strategy within current funding settings.

Performance measures are designed to reflect outcomes that DGLT can meaningfully influence, recognising that overall visitor volumes and expenditure are subject to wider market conditions beyond the organisation's direct control. This Statement of Intent sets out a prudent, evidence-based approach to tourism leadership that delivers measurable value for ratepayers, operators and the wider Taupō community.

Strategic Context

International tourism recovery continues to progress, though unevenly across markets and travel purposes. Core markets such as Australia and the United States have recovered strongly and align well with Taupō's experience-led, independent travel offering. Other markets, including parts of Asia and Europe, continue to recover more gradually.

At a regional level, Taupō experiences strong demand during peak periods, but limited capacity to absorb further growth without placing pressure on infrastructure, workforce and community wellbeing. Conversely, shoulder and off-peak periods present the greatest opportunity to grow economic value and improve system resilience.

In this context, DGLT's role is to influence outcomes rather than control them — using insight, technology, partnerships and stewardship to guide demand into periods and experiences that deliver the greatest net benefit to the district.

Strategic Role of Destination Great Lake Taupō

DGLT's role extends beyond destination promotion. Under the current constrained funding model, the organisation will focus its leadership on the areas where it can deliver the strongest return: building Brand Taupō, owning consumer insight, driving demand through earned media, social media, consumer campaigns, trade activity and technology-led conversion, and supporting partner-led sector activity where roles, resourcing and co-investment are clear.

DGLT recognises Taupō District Council as both its primary funder and accountability partner and will ensure strategic decisions align with Council's risk appetite, fiscal settings and long-term community outcomes.

Strategic Priorities 2026–2029

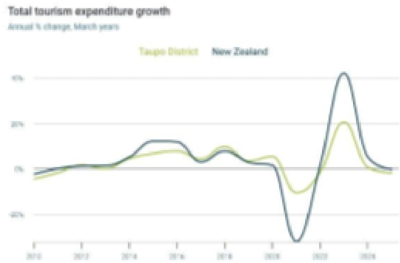
DGLT's performance framework is built around three strategic priorities:

1. **Grow the Value of the Local Tourism Economy**
2. **Sustainably Manage and Develop a Destination of Excellence**
3. **Operate an Efficient and Effective Regional Tourism Organisation**

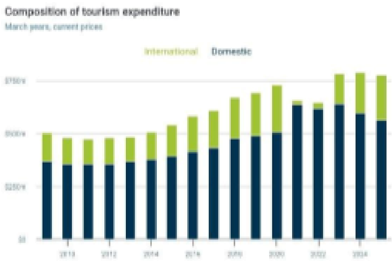
Performance measures have been designed to reflect outcomes DGLT can reasonably influence within the current operating programme.

Economic impact of Tourism for Taupō

Tourism makes a significant contribution to Taupō's economy, with a direct annual economic contribution of $776m and an indirect contribution of $581.4m[1], for total contribution of $1.36B annually. This accounts for a daily spend of $3.75m. Each visitor generates $560 of economic activity per visit.



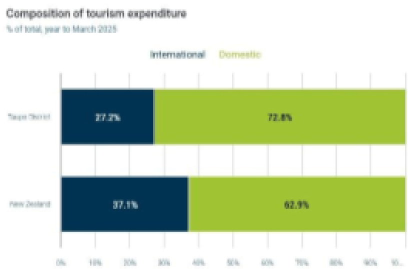
The sector accounts for 9.3% of all economic activity in Taupō, surpassed only by the *agriculture, forestry and fishing (13.3%) and Electricity, gas, water and waste services*[2] *(12.1%)*. Tourism in the Taupō district is double that of the national average.



In Taupō District tourists spent a total of $775.9m in 2025. Spending was down by 1.6% compared with the previous year. By comparison spending remained the same in New Zealand.

International visitors contributed 27.2% in Taupō District in 2025, while domestic visitors contributed 72.8%. The tourism landscape shifted slightly this year, with a drop of 5.9% in domestic spend (compared to national drop of 4.1%), but slightly offset by a 10.8% growth in international spend (compared to a 7.7% national growth).

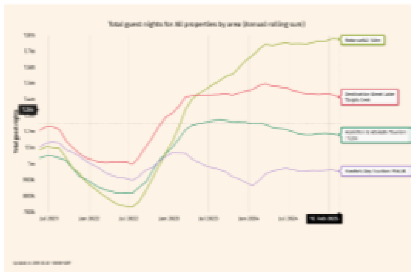
For every dollar invested in tourism by Taupō District Council, tourism generates a return of $456 in direct visitor spend.



Accommodation remains a key structural constraint for the district — not simply in terms of supply, but in performance mix.

While Taupō continues to perform strongly in flexible, mid-scale accommodation such as motels and apartments, other segments — including budget, campground, and boutique stock — show persistent seasonality and underperformance, particularly outside peak summer months.

This uneven accommodation performance has flow-on effects for the wider visitor economy. Shorter stays, reduced dispersal, and lower participation in paid experiences leave activity operators with unused capacity, even during periods of stable visitation.



Taupō must invest in shoulder-season demand shaping to support accommodation utilisation, improve productivity, and strengthen year-round economic performance.

[1] MBIE Regional Tourism Estimates; Stats NZ Input–Output Tables; BERL regional economic modelling
[2] Infometrics GDP Contribution tool

7

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 Taupō District in 2024. This amounted to 12.8% of Taupō 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 Taupō District has averaged -0.2%p.a. between 2000 and 2024, compared with an average of 1.3%p.a. in New Zealand.

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

Productivity constraints and capacity limitations continue to restrict growth, innovation, and employment in the tourism sector.

Visitor Markets

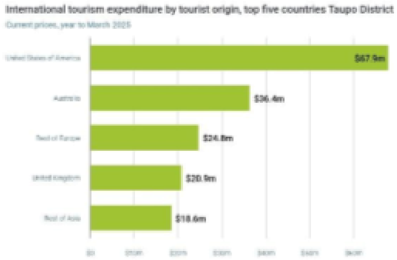
The Auckland Region is the single largest source of domestic visitors to the Taupō District, accounting for $134.4 million in visitor spend in the year to March 2025. This represents 17.3% of all domestic spend in the district, underscoring Auckland's critical role as Taupō's primary domestic market.

More broadly, the Taupō District is heavily reliant on the North Island, which contributes 94% of all domestic visitors. This compares with a national average of 69%, highlighting Taupō's disproportionately strong dependence on nearby, drive-market demand.

This concentration presents a strategic advantage during periods of economic stability, where proximity, familiarity, and flexible travel behaviour support consistent visitation. However, it also exposes the region to heightened vulnerability during economic downturns, when discretionary domestic travel is typically the first to contract. Compared with destinations that benefit from a more balanced North and South Island or international visitor mix, Taupō's reliance on domestic markets amplifies demand volatility.

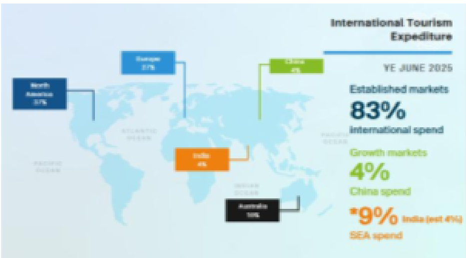
These dynamics reinforce the importance of targeted demand shaping, particularly in shoulder seasons, and the need to maximise yield, length of stay, and experience uptake from domestic visitors already predisposed to travel to the region.

The United States of America is the largest international source market for the Taupō District, contributing $67.9 million in visitor spend in the year to March 2025. This represents 8.8% of total visitor spend in Taupō, and 9.6% of New Zealand's total US visitor spend, indicating that Taupō captures a slightly higher share of US visitation than the national average.



When considered collectively, Europe is Taupō's second-largest international market, contributing a combined $53.9 million in visitor spend, or 25.5% of Taupō's international expenditure, compared with 20.4% nationally.

Australia is the third-largest international market for Taupō, contributing $36.4 million in visitor spend and accounting for 17.2% of international expenditure, broadly in line with the national average. Australia's importance lies in its travel behaviour, which closely mirrors domestic markets, including shorter lead times, shoulder-season travel, and responsiveness to direct-to-consumer marketing



Overall, Western markets account for more than 80% of Taupō's international visitor expenditure, reflecting strong alignment with the region's current tourism offering and relatively lower barriers to entry, including established air connectivity, familiar travel behaviour, and proven distribution channels. This enables more efficient international market development and supports stable yield.

China and India currently each represent approximately 4% of Taupō's international visitor expenditure, indicating that these markets remain under-represented in the district's international visitor mix relative to their global and national growth trajectories. These markets present higher barriers to entry and higher costs of acquisition, requiring greater investment in product development, operator capability building, and market-specific adaptation.

China and India are particularly attractive long-term growth markets due to their strong alignment with shoulder-season travel patterns. Chinese outbound travel is driven by defined holiday periods such as April–May and September–October, while Indian travel demand is concentrated outside peak summer months, particularly in March–May and September–November. Unlike traditional western markets, travel from these regions is less dependent on Northern Hemisphere school holidays, creating an opportunity to lift visitation during periods when Taupō has available accommodation capacity and underutilised visitor infrastructure. This alignment supports higher yield, better dispersal, and more sustainable growth over time.

Looking ahead, the future growth of tourism in New Zealand is expected to be increasingly fuelled by emerging markets, particularly China and India. Over the next five to ten years, unlocking this opportunity will require significant investment in product development, additional accommodation capacity, reinvestment in existing tourism assets, and the development of export-ready experiences. These foundations are essential to ensure Taupō is positioned to sustainably capture long-term growth as global travel patterns continue to evolve.

9

New Zealand Tourism Outlook

As New Zealand enters 2026, international tourism recovery continues, though unevenly across markets and travel purposes. For the year ended October 2025, total international visitor arrivals reached 3.45 million, representing 88% of 2019 levels, with growth of 6.3% year-on-year

While progress remains positive, recovery is being driven by a limited number of core markets rather than a broad-based return to pre-COVID patterns.

Australia remains New Zealand's largest source market at 97% of 2019 levels, providing volume and seasonal stability, while the United States has surpassed pre-COVID arrivals at 104%, reinforcing its importance as a high-value, longer-stay market. India continues to outperform expectations, reaching 124% of 2019 levels, driven by VFR travel, education, and working holiday movements. In contrast, several traditionally significant markets — including China (60%), Japan (77%), Germany (73%) and the United Kingdom (81%) — are recovering more gradually, indicating that large-scale group and long-haul touring markets remain structurally constrained.

Travel purpose data further highlights the shape of recovery. Holiday travel has returned to 88% of 2019 levels, while Visiting Friends and Relatives has fully recovered. Business travel and conferences, however, remain materially below pre-COVID levels, limiting mid-week and shoulder-season demand nationally.

For Destination Great Lake Taupō, these trends present both opportunity and constraint. Taupō is well aligned with markets leading the recovery — particularly Australia, the United States, and Western Europe — whose travel behaviour favours independent planning, longer stays, and digital decision-making. However, ongoing accommodation capacity constraints during peak periods mean that national recovery will not automatically translate into regional growth.

Consequently, Taupō's most sustainable growth pathway lies in shaping demand into shoulder and off-peak periods, targeting higher-value international visitors, and using technology-enabled marketing and storytelling to convert intent into visitation. This approach aligns with national recovery patterns and ensures tourism growth delivers measurable economic benefit while managing pressure on infrastructure and community wellbeing.

Key Risks	Key Opportunities
National visitor segment remains soft, increasing competition for limited regional accommodation during shoulder periods. Continued reliance on a small number of source markets increases exposure to economic or aviation disruption. Without demand shaping, growth risks exacerbating peak-season pressure without delivering proportional economic benefit.	Markets that have recovered fastest (Australia, USA, India) align strongly with Taupō's experience-led offering and digital marketing strengths. Shoulder-season demand shaping offers the highest return on investment and aligns with existing accommodation capacity. High-value, independent travellers deliver stronger per-visitor spend, longer stays, and higher participation in paid experiences. Technology-driven targeting and conversion enable Taupō to capture value without increasing peak volumes.

Council Relevance

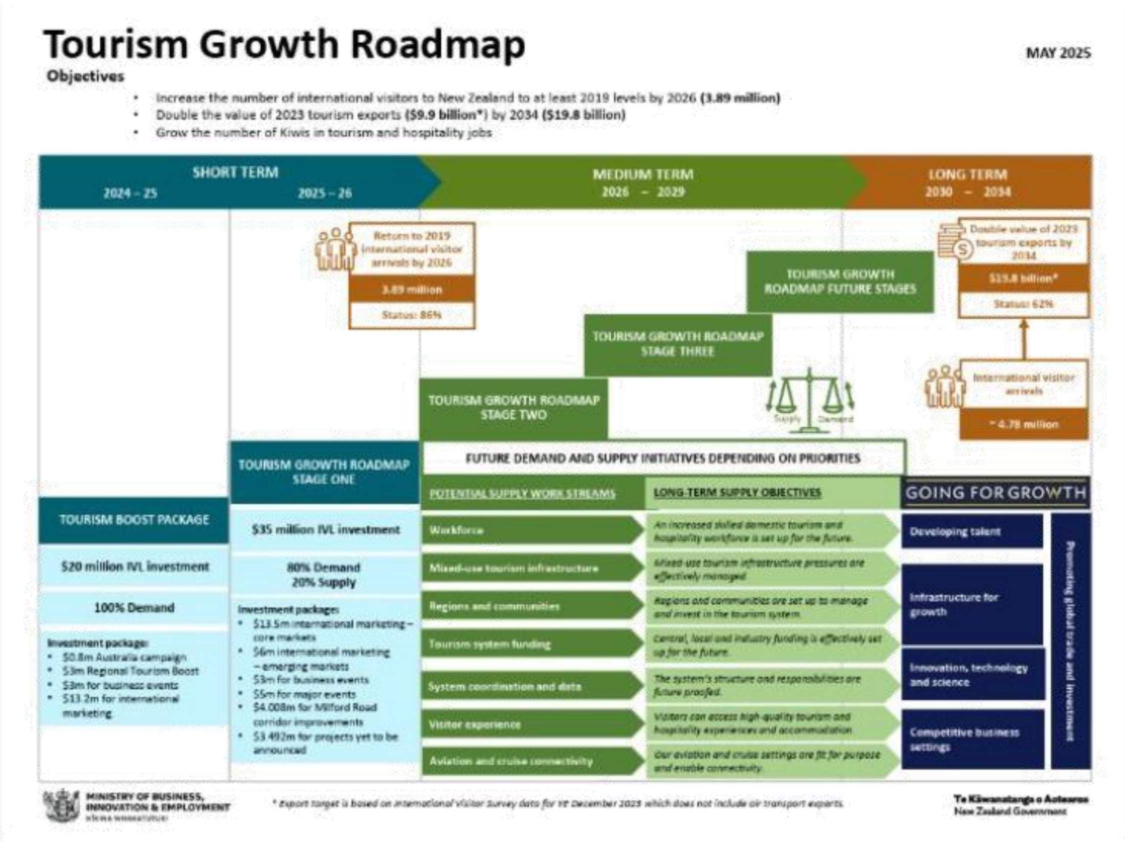
These trends reinforce the importance of a value-led, managed growth approach. Investment in technology, data, and destination management delivers better outcomes for ratepayers by maximising economic return while protecting infrastructure capacity and community wellbeing.

Tourism Growth Roadmap

MBIE's Tourism Growth Roadmap for Destination Great Lake Taupō

The Ministry of Business, Innovation and Employment released the Tourism Growth Roadmap in May 2025 to guide New Zealand's transition from tourism recovery to long-term, value-led growth. The roadmap sets out a phased approach that prioritises rebuilding international visitation to pre-COVID levels, doubling the value of tourism exports by 2034, and strengthening the foundations of the tourism system through workforce development, infrastructure readiness, innovation, and improved system coordination. A core focus is shifting from volume-driven growth toward higher yield, better seasonal balance, and sustainable outcomes for regions and communities.

For Destination Great Lake Taupō, the roadmap reinforces the importance of demand shaping into shoulder and off-peak periods, lifting visitor value rather than peak volume, and strengthening regional readiness through technology, capability building, and partnership-led investment. It positions Taupō to contribute meaningfully to national export growth while protecting community wellbeing, managing capacity constraints, and delivering stronger, more measurable returns for operators, ratepayers, and stakeholders.



11

SWOT Analysis for Destination Great Lake Taupō in the Context of MBIE Tourism Growth Roadmap (2025–2034)

Strengths	Weaknesses
Strong alignment with national shift from volume-led to value-led tourism growth. Proven return on public investment, demonstrating strong ROI for ratepayer funding. High-value visitor mix dominated by Western markets (USA, Europe, Australia) with lower acquisition costs. Advanced digital marketing, automation, CRM, and personalisation capability relative to many regions. Strong destination brand built around natural, geothermal, cycling, events, and cultural assets. Established relationships with Council, iwi, regional partners, and national agencies.	Heavy reliance on ratepayer funding, limiting financial resilience. Limited accommodation capacity and uneven performance across accommodation segments, constraining peak growth. Reduced ability to absorb growth during peak periods, increasing pressure on summer capacity. Disconnected tourism sector inhibiting growth and lack of collective vision. Workforce productivity constraints and limited influence over labour supply and housing. No dedicated resourcing for Business Events despite strong shoulder-season potential.
Opportunities	**Threats**
Demand shaping into shoulder and off-peak periods aligns directly with MBIE growth priorities. Ability to grow tourism export value without increasing peak visitor volumes. Long-term growth potential from emerging markets (e.g. China and India) that align with Taupō's off-peak capacity. Co-investment and performance-based funding models supported by DGLT's conversion and referral data. Technology-enabled productivity gains that reduce reliance on workforce growth. Strengthening Māori tourism product development to support cultural authenticity and higher-value experiences.	National marketing and investment may favour regions with fewer capacity constraints. Global economic uncertainty impacting long-haul international travel demand. Increased competition from other regions repositioning around yield and value. Failure to unlock accommodation, workforce, or infrastructure solutions could limit future growth. Community tolerance risks if tourism benefits are not clearly visible or well distributed. Climate and environmental pressures impacting infrastructure, access, and visitor perceptions.

A summary of MBIE's Roadmap can be found here.

Taupō Regional Tourism Strategy

The Taupō Regional Tourism Strategy provides a shared framework for the visitor economy across the Taupō District. It is not solely a DGLT operating strategy; rather, it identifies the regional outcomes, priorities and shared responsibilities required to support a sustainable, high-value and well-managed visitor economy.

The strategy recognises that tourism success depends on more than destination marketing. It requires coordinated action across mana whenua, Council, operators, local communities, infrastructure providers, economic development agencies and national partners. DGLT's role is to lead where it has a clear mandate — particularly Brand Taupō, consumer demand, earned media, social media, trade activity, visitor insight and technology-led conversion — while supporting, aligning and advocating where other partners are better placed to lead.

Together, these priorities provide a clear framework for growing tourism value while protecting community wellbeing, strengthening cultural connection, supporting business resilience and ensuring tourism benefits are shared across the district.

Destination Proposition: Taupō as New Zealand's Lifestyle Destination

Taupō's visitor economy is grounded in the region's strength as one of New Zealand's most desirable places to live, visit and connect with nature. The district's proposition is not based on a single attraction, but on the combination of lifestyle, landscape, community, culture and experience.

Taupō is defined by its quality of life, strong community pride, proximity to nature and the outdoors, major events, welcoming communities, and a deep local sense of place. These attributes position Taupō as a lifestyle destination — a place where visitors can experience the same qualities that make residents proud to call the district home.

This proposition helps shape the stories Taupō tells, the visitor markets it attracts, the experiences it develops, and the way tourism contributes to community wellbeing, regional identity and sustainable economic value.

Taupō's existing icon strategy will be used to bring the lifestyle destination proposition to life. The region's recognised icons provide clear, marketable proof points that help visitors understand what makes Taupō distinctive and why it is worth staying longer, travelling further across the district and returning in different seasons.

The icon strategy will support storytelling, itinerary development, regional dispersal, trade activity, social media, earned media, website pathways and consumer campaign activity.

Operating context

Technology is at the Heart of DGLT's Marketing Strategy
DGLT will continue to protect and optimise its investment in marketing technology, CRM, automation and website infrastructure. DGLT will focus on improving data quality, deepening audience engagement, protecting owned channels, and using technology to maximise the value of campaign and content activity.
This approach enables DGLT to develop a stronger understanding of consumer behaviour, track engagement across touchpoints, and deliver personalised content that builds desire, supports decision-making and drives visitation. It also strengthens DGLT's ability to demonstrate value through measurable outcomes, including website engagement, operator referrals, campaign performance and audience growth.
This model benefits both domestic and international markets. With a high proportion of Taupō's visitation originating from western markets, visitor research and planning behaviours often mirror those of domestic travellers. As a result, investment in automation, personalisation and content can deliver cross-market efficiencies while improving conversion outcomes across priority visitor segments.

Market Application: Domestic and International Strategy
Domestic tourism will remain a core focus for DGLT, particularly in growing shoulder and off-season visitation through impactful and strategic storytelling. Tracking changes in destination perception, desirability and competitiveness will be critical to refining messaging and ensuring Taupō remains top-of-mind for repeat and short-break travel.
Internationally, DGLT's strategy will focus on core markets where there is clear alignment with Taupō's experience-led offering, supported by targeted trade engagement, strategic partnerships and operator referrals. Longer-term opportunities in emerging markets such as China, India and Southeast Asia will be progressed through product development, operator capability building, Māori tourism development, and partner-led or externally supported activity where appropriate.

Social and Earned Media as Core Tourism Infrastructure
Social media now functions as critical tourism infrastructure, influencing every stage of the visitor journey — from inspiration and planning through to booking, in-destination behaviour and post-visit advocacy. For destinations, social platforms are where desire is created, perceptions are shaped, and travel choices are increasingly validated.
For DGLT, social media and earned media remain among the organisation's most important investments. These channels provide a cost-effective way to maintain destination visibility, showcase the region's people and places, support operators, drive traffic to owned platforms such as loveTaupō.com, and build long-term relationships with potential and repeat visitors.

DGLT's social media and earned media activity will focus on:

- amplifying earned media and PR coverage;
- showcasing operators, experiences and regional stories;
- driving traffic to owned digital platforms;
- supporting shoulder-season and off-peak demand;
- strengthening first-party data and audience insight; and
- nurturing destination advocacy through authentic visitor and community stories.

Social media will continue to operate as a primary mass-reach marketing channel for Taupō, comparable in influence to traditional destination advertising, but with greater flexibility, measurability and efficiency. Activity will be targeted toward high-impact stories, priority seasonal opportunities, operator benefit and content that supports measurable destination outcomes.

Creator and influencer activity will be considered where there is clear strategic alignment, strong audience relevance and measurable benefit for the region. Rather than committing to a fixed number of influencer partnerships annually, DGLT will pursue selected opportunities that support Taupō's destination positioning, extend the reach of priority stories, and provide reusable content value across PR, social, campaign and operator channels.

Through strong partnerships with operators, media, creators, regional stakeholders and national partners, social and earned media will continue to act as force multipliers, extending the impact of DGLT's investment and ensuring destination marketing benefits are shared across the tourism sector.

By prioritising PR and social media as interconnected, high-impact channels, DGLT can efficiently build destination desire, strengthen brand trust and deliver sustained value for operators — supporting not just visitation, but the long-term resilience and reputation of the Taupō District.

Supporting Shoulder-Season Demand Through Direct-to-Consumer Activation

With summer visitation increasingly constrained by accommodation capacity, the greatest opportunity for sustainable growth in the Taupō District lies in shoulder-season demand shaping. DGLT will focus available resources on direct-to-consumer activity that can influence travel intent, support destination visibility and drive referrals to local operators. This will be delivered primarily through consumer campaigns, social media, earned media, trade activity, loveTaupō.com, CRM, marketing automation and technology-led conversion.

These channels provide an efficient way for DGLT to maintain Taupō's profile, stimulate off-peak interest, support accommodation utilisation, and connect travellers with local operators during periods where capacity exists and returns are strongest.

Business Events

Business Events remain a high-value opportunity for Taupō, particularly because conferences, meetings and incentive travel can support mid-week and shoulder-season demand.

Within the current constrained funding model, DGLT does not have a dedicated Business Events resource or budget to lead a full proactive programme. However, Business Events will remain strategically relevant to DGLT's wider destination work, particularly where activity aligns with shoulder-season demand, accommodation yield, operator referrals and destination positioning.

DGLT will maintain a light-touch role by keeping Business Events visible through relevant destination content, trade relationships, operator referrals and strategic advocacy where this aligns with funded activity. A dedicated Business Events programme — including lead generation, bid support, client relationship management, sector development and event servicing — would require additional funding, partner co-investment or a shared delivery model with venues and operators.

If additional resourcing becomes available, Business Events should be considered a priority growth opportunity due to its alignment with shoulder-season demand, accommodation utilisation and wider economic impact.

Technology-Led Conversion and Industry Value

DGLT will continue to leverage its investment in marketing technology and data-driven platforms to drive measurable conversion and value for tourism partners. This capability allows DGLT to focus activity where it can be targeted, tracked and connected to clear outcomes.

Through earned media, social media, consumer campaigns, trade activity and technology-led conversion, DGLT will activate direct-to-consumer demand, align traveller intent with relevant accommodation and experiences, and support referrals to local operators — particularly during shoulder periods where capacity exists and returns are highest.

This technology-enabled approach allows DGLT to demonstrate value through measurable outcomes such as website engagement, operator referrals, campaign performance, audience growth and improved consumer insight. It also strengthens the foundation for industry partnerships by showing where DGLT activity creates value for operators and where co-investment can extend reach, content, targeting or conversion.

DGLT will focus on being a high-value destination partner rather than the sole funder or lead delivery agency for all sector activity. This approach ensures available resources are directed toward the areas where DGLT can deliver the strongest return for Taupō: destination visibility, consumer demand, digital conversion, operator referrals and long-term audience ownership.

Strengthening Sector Connectivity and Capability

A connected and cohesive tourism sector remains important to Taupō's long-term visitor economy. DGLT will continue to support sector connection where it aligns with core priorities and available resource.

This may include maintaining essential industry communications, sharing insights through digital channels, supporting an annual sector hui or equivalent engagement opportunity, and promoting relevant operator stories through earned media, social media and loveTaupō.com.

Capability-building activity will be targeted and may be partner-led, co-funded or delivered in collaboration with organisations such as Amplify, Taupō Business Chamber, Tourism New Zealand, Council or industry partners. DGLT may support these initiatives through destination insight, promotion, content, digital channels or coordination where practical.

This reflects a focused approach to sector support, prioritising initiatives that connect directly to funded activity areas: earned media, social media, consumer campaigns, trade, technology and operator referrals.

Content-Led Integration Across Platforms

Content remains central to DGLT's destination marketing and conversion role. Activity will be prioritised toward stories and opportunities that support destination visibility, consumer engagement, shoulder-season demand and operator referrals.

DGLT will continue to use social media, earned media, consumer campaigns and loveTaupō.com to showcase the depth and diversity of the region, including experiences, events, itineraries, communities and operators.

Content investment will focus on quality, reuse, measurable value and alignment with priority campaigns or destination outcomes. Larger-scale content production, bespoke operator content, paid amplification, campaign-specific assets and activity outside DGLT's core consumer-led programme may be progressed where there is available budget, partner co-investment or external funding.

Collaboration With Wider Stakeholders

A more integrated visitor economy requires collaboration beyond DGLT alone. DGLT will continue to work with key stakeholders including Taupō Town Centre, the Chamber of Commerce, Amplify, major events partners, Council teams and industry partners where activity aligns with shared priorities and clear outcomes.

DGLT's role will be to lead where it has a clear mandate, and to support, align and amplify where other partners are better placed to lead. Wider stakeholder activity will be based on shared planning, clear roles, co-investment where required and realistic expectations of delivery capacity.

Through this approach, DGLT will continue to contribute to a more connected and resilient visitor economy, while ensuring available resources remain focused on the activities most likely to deliver measurable return for the district.

DGLT Strategy and Purpose

DGLT's strategy is anchored in a value-led, data-informed and technology-enabled approach to destination leadership. Rather than pursuing visitor volume alone, DGLT will focus on growing the value of the visitor economy, shaping demand into periods where capacity exists, strengthening Brand Taupō, and connecting visitor intent with local operators.

DGLT will focus its resources on the areas where it can deliver the strongest measurable return: destination marketing, earned media, social media, consumer campaigns, trade activity, owned digital channels, technology-led conversion, operator referrals, insight and evidence-based advocacy.

Strategic Pillars
DGLT's work programme is delivered through five integrated strategic pillars:

1. Destination Marketing and Visitor Economy Growth
Driving high-value visitation through targeted consumer marketing, digital channels, trade activity and strong brand stewardship — supported by technology, automation and data insights to maximise conversion and return on investment.

2. Destination Development and Regenerative Tourism
Supporting destination development and regenerative tourism outcomes where activity aligns with Council priorities, iwi aspirations, available resources and partner-led initiatives.

3. Insights, Leadership, Advocacy and Capability
Providing evidence-based insights to inform decision-making, advocating for the visitor economy, and supporting targeted capability development where it aligns with DGLT's role, resources and strategic priorities.

4. Partnerships, Membership and Industry Engagement
Building strong, value-based partnerships with operators, iwi, Council and regional stakeholders to align effort, support co-investment, extend impact and deliver shared outcomes.

5. Organisational Excellence and People
Operating a high-performing organisation underpinned by good governance, strong financial stewardship, skilled people, accountability, innovation and collaboration.

Operating Principle

DGLT operates as a destination steward, prioritising value for money, transparency, and long-term benefit for the Taupō District. Investment decisions are guided by evidence, aligned with destination capacity, and focused on delivering measurable outcomes for industry, community, and Council. DGLT works collaboratively with iwi, operators, and stakeholders to strengthen sector capability, improve productivity, and support sustainable tourism growth.

17

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**	**2026-2027**	**2027- 2028**	**2028- 2029**
Contribute to growth in tourism expenditure	VISTR/MBIE MRTEs	YE 2025	Monitor visitor spend and maintain performance relative	Maintain performance	Maintain performance
Build consumer preference through technology	CRM / website analytics	~25,000 engaged contacts	Maintain engaged database at or near 25,000, with focus on data quality and engagement	Modest growth to 27,500–30,000, subject to acquisition funding	Modest growth to 30,000–32,500, subject to acquisition funding
Increase conversion to industry	Website referrals	YE 2025: 208,000	150,000 referrals	165,000 referrals	180,000 referrals
Shape demand into shoulder periods	Campaign analysis	Baseline 2025	Deliver one priority shoulder-season campaign or activation, subject to available budget	Maintain one priority activation, supported by partner co-investment where possible	Maintain targeted shoulder-season activity where funding allows
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	**Data sources**	**Baseline data**	**2026-2027**	**2027- 2028**	**2028- 2029**
Implement Destination Management Plan (Te Ihirangi)	Governance reporting	DMP in place	Support Council-led DMP priorities within available resource	Support agreed priority actions only	Support agreed priority actions only
Grow industry capability	Workshops / feedback	4 workshops	Deliver 1–2 targeted capability initiatives	Deliver 1–2 targeted initiatives	Deliver 1–2 targeted initiatives
Support Māori participation and leadership	Partnerships / reporting	Baseline audit	Maintain relationship-led engagement and identify practical pathways for participation	Support agreed Māori tourism opportunities where partner-led or externally funded	Continue relationship-led support within available resource
Support export-ready product development	Trade engagement	Baseline 2025	Support 3–5 priority operators annually	Support 3–5 priority operators annually	Support 3–5 priority operators annually
Measure community sentiment	Community survey	May-26	Baseline sentiment established	Trend monitored, subject to survey budget	Trend monitored, subject to survey budget
Objective 3 - Run an efficient and effective regional tourism organisation, strongly supported by the local tourism industry.					
Strategic Priority	**Data sources**	**Baseline data**	**2026-2027**	**2027- 2028**	**2028- 2029**
Strengthen industry connection	Hui / engagement	2025 Hui	Deliver one annual sector hui or equivalent engagement format	Deliver one annual sector hui or equivalent	Deliver one annual sector hui or equivalent
Grow industry co-investment	Financial records	$205,533	Maintain co-investment at or above $125,000	Maintain co-investment at or above $135,000	Maintain co-investment at or above $150,000
Diversify revenue sources	Financial reporting	2025	Identify and assess realistic revenue opportunities	Test one viable revenue or partnership pathway if resourced	Continue only commercially viable revenue pathways
Stakeholder satisfaction	Industry survey	83% (2022)	Maintain satisfaction at or above 80%	Maintain satisfaction at or above 80%	Maintain satisfaction at or above 80%

18

19

Financial Disclosure

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 2026/27 within the base funding allocation provided by Council as in the attached Statement of Comprehensive Revenue and Expense.

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 provide destination stewardship and leadership for the Taupō District visitor economy, including destination marketing, destination development, industry capability, and sector coordination. 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.

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.

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.

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.

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.

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 are impaired or derecognised are recognised in the statement of comprehensive revenue and expense.

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.

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.

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

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.

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.

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

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

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

Going Concern
The Trust considers 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.

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.

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.

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.
Projected Statements of Comprehensive Revenue & Expense

Destination Great Lake Taupo

Projected Statement of Comprehensive Revenue & Expense	SOI FY 26/27	SOI FY 27/28	SOI FY 28/29
Income			
Revenue from services provided	20,000	20,000	20,000
Grant Revenue from Taupo District Council	1,795,374	1,840,258	1,886,265
Interest Income	6,826	6,975	7,293
Grant Revenue - Other			
Total Revenue	**1,822,200**	**1,867,233**	**1,913,558**
Expenditure			
Employee benefit expenses	797,680	817,622	838,063
General Administration	362,620	371,686	377,261
Board Costs	48,685	49,415	50,156
Marketing	413,110	419,307	425,596
Destination Management	108,389	110,015	111,665
Trade	141,694	143,819	145,977
Total expenditure	**1,872,177**	**1,911,863**	**1,948,717**
Total Operating Surplus / (deficit)	**-49,978**	**-44,630**	**-35,159**
Depreciation & Amortisation	61,171	62,700	63,641
Net Surplus / (deficit)	**-111,149**	**-107,330**	**-98,800**

Capital Expenditure Forecast

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

Year	$	Purpose
2026/27	6,000 100,000	IT equipment, furniture Replacement Image assets / consulting
2027/28	6,000 50,000	IT equipment, furniture Replacement Image assets
2028/29	6,000 50,000	IT equipment, furniture Replacement Image assets

Any significant capital expenditure is funded from cash reserves.

Destination Great Lake Taupo			
Projected Funding	**SOI**	**SOI**	**SOI**
	FY 26/27	**FY 27/28**	**FY 28/29**
Operating Surplus / (deficit) (before Depn / Amort)	-49,978	-44,630	-35,159
Capital Expenditure	-66,000	-31,000	-31,000
Total Cash Required	**-115,978**	**-75,630**	**-66,159**
Funded by:			
Cash on Hand	**-115,978**	**-75,630**	**-66,159**

Destination Great Lake Taupo			
Projected Statement of Financial Position	**SOI**	**SOI**	**SOI**
	FY 26/27	**FY 27/28**	**FY 28/29**
Total Equity	**423,996**	**316,665**	**217,865**
Assets			
Current Assets			
Cash & Cash Equivalents	291,449	230,193	170,497
Trade Debtors	1,667	1,667	1,667
Prepayments	30,000	30,000	30,000
Total current assets	**323,116**	**261,859**	**202,164**
Non-Current Assets			
Intangible Assets	229,748	194,783	158,917
Property, Plant and Equipment	6,314	9,579	12,803
Total non-current assets	**236,062**	**204,362**	**171,721**
Total Assets	**559,178**	**466,221**	**373,884**
Liabilities			
Current Liabilities			
Trade Payables	90,770	100,305	101,810
Employee Entitlements	44,412	49,250	54,209
Total current liabilities	**135,182**	**149,555**	**156,019**
Total Liabilities	**135,182**	**149,555**	**156,019**
Net Assets	**423,996**	**316,665**	**217,865**

Destination Great Lake Taupo **Projected Statement of Cashflows**	**SOI** **FY 26/27**	**SOI** **FY 27/28**	**SOI** **FY 28/29**
Cash flows from operating activities			
Receipts from customers	20,000	20,000	20,000
Receipts from Taupo District Council operating grant	1,795,374	1,840,258	1,886,265
Finance revenue	6,826	6,975	7,293
Payments to suppliers	-1,067,732	-1,084,706	-1,109,150
Payments to employees	-803,268	-812,784	-833,104
Net cash flow from operating activities	**-48,800**	**-30,257**	**-28,696**
Cash flows from investing activities			
Purchase of property, plant and equipment	-6,000	-6,000	-6,000
Purchase and development of intangibles	-60,000	-25,000	-25,000
Net cash flow from investing activities	**-66,000**	**-31,000**	**-31,000**
Net increase (decrease) in cash held	**-114,800**	**-61,257**	**-59,696**
Add cash at start of year	406,250	291,449	230,193
Cash, cash equivalents, and bank overdrafts at the end of the year	**291,449**	230,193	170,497

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	$
2026/27	50,000
2027/28	51,250
2028/29	52,019

27

Governance Statements

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).

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).

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.

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.

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.

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.

Contact Details

Destination Great Lake Taupō
67 Horomātangi Street,
Taupō 3330
New Zealand

Email: kiaora@loveTaupō.com

Hayden Porter Chair	Victoria Carter Deputy Chair

Approved by shareholder on: (Date):

……

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).

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 RTOs within the central North Island including Coromandel, Hamilton Waikato, Hawkes Bay, Rotorua, Taupō, Ruapehu, Tairāwhiti - Gisborne, Bay of Plenty
Amplify – the Economic development Agency for Taupō District
STAPP – Strategic Tourism Assets Protection Programme – funding granted to RTO's by MBIE as part of the Covid-19 Tourism Recovery package
Trade: Travel agents, travel wholesalers, Inbound Tour Operators, retail travel sellers and airlines
C&I / BE: Conference and Incentive, meetings, and any business-related events

BOPLASS Ltd

STATEMENT OF INTENT FOR 2026-2029

June 2026

"COUNCILS PARTNERING FOR VALUE AND SERVICE"

1

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 $38 million have been achieved by the participating councils through undertaking joint initiatives. BOPLASS is forecast to return in excess of $4 million in savings in the 2025-26 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*.

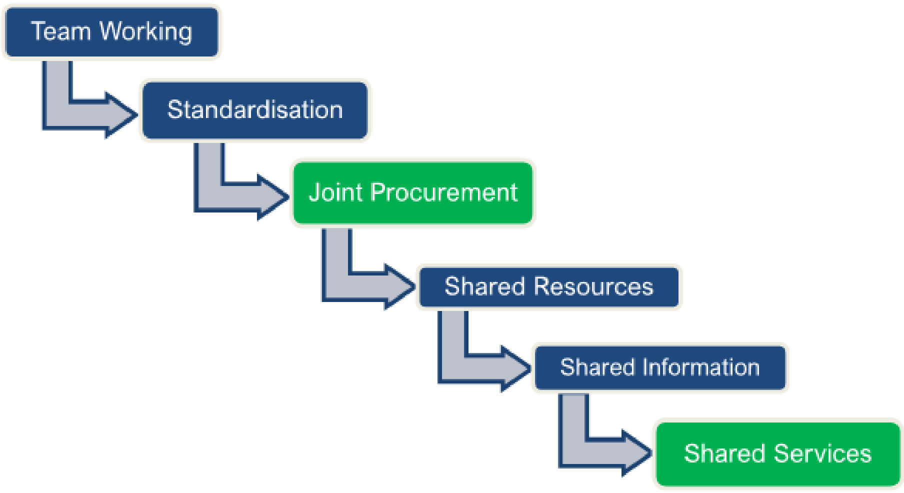


Figure 1

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

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.

Working together with the full support and involvement of staff, BOPLASS 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:

- Pursue collaboration and shared services opportunities, especially for long-term efficiency and future rate impact.
- 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 and 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.

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 (Board Chair)
Rotorua Lakes Council	Andrew Moraes
Taupō District Council	Julie Gardyne
Tauranga City Council	Marty Grenfell
Western Bay of Plenty District Council	Matt Potton
Whakatāne District Council	Steven Perdia

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 review all 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 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.

The company will maintain a focus on identifying and enabling progress with Shared Services and functional analysis reviews. These will include a review to better understand the barriers that have limited broader Shared Service outcomes to date, including governance arrangements, funding models, risk allocation, organisational readiness and differing council priorities.

Reviews will consider whether BOPLASS is the most appropriate delivery model for future Shared Services initiatives, and whether it could evolve beyond a procurement-focused entity to play a broader strategic role in enabling regional service integrations and supporting future local government structural arrangements.

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, or partnered with a LASS, or in conjunction with multiple LASS.

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 and Shared Services 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.

Artificial Intelligence (AI) is taking an increasingly prominent role within ICT and in council business in general. Councils are rapidly deploying AI solutions across their workforce. BOPLASS will explore how AI solutions could be shared across member councils and will explore how AI usage will impact existing shared services, such as the Collaboration Portal.

The rapid expansion of AI is accompanied by new security concerns associated with this technology. These concerns include how AI is used in cybersecurity incidents, along with what information AI may have visibility of within councils and, in the case of BOPLASS, the Collaboration Portal or other Shared Services. BOPLASS will work with member council ICT teams in investigating cybersecurity options that may be appropriate with existing and new Shared Services and may also engage security specialists to assist with securing these services.

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 BOPLASS is doing and why it is being done.
- 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.
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 2025 the consolidated Shareholder funds comprised $17,954 and the total assets were $1,566,660. The resulting ratio is 1.15%.

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 2026-2029 are included (Appendix A).

The Aerial Photography revenue/expenses reflect 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 2025/2026	Forecast 2026/2027	Forecast 2027/2028	Forecast 2028/2029
REVENUE				
Revenue - Core	**379,630**	**385,719**	**393,333**	**401,100**
Bank Interest Received	10,000	5,000	5,000	5,000
Council Contribution	369,630	380,719	388,333	396,100
Revenue - Projects	**1,318,500**	**1,286,000**	**1,256,000**	**1,266,000**
Aerial Photography Income	400,000	350,000	320,000	320,000
Bank Interest Received	1,500	1,000	1,000	1,000
Collaboration Portal	45,000	50,000	50,000	50,000
Lease Income - ICN	137,000	130,000	130,000	130,000
Lease Income - Video Confer.	15,000	15,000	15,000	15,000
Recoveries	720,000	740,000	740,000	750,000
Total Operating Revenue	**1,698,130**	**1,671,719**	**1,649,333**	**1,667,100**
EXPENSES				
Expenditure - Core	**444,451**	**467,790**	**475,404**	**483,871**
ACC	950	950	950	950
Accommodation & Travel	4,000	4,000	4,500	4,500
Accounting & Audit	25,000	26,000	26,000	26,000
Administration	20,000	22,000	22,000	22,000
Amortisation	2,000	2,000	2,000	2,000
Bank Fees	200	200	200	200
Conferences	2,500	2,500	2,500	2,500
Depreciation	4,000	4,000	4,000	4,000
Directors' costs	23,000	25,000	25,000	25,000
Fringe Benefit Tax	4,500	3,500	3,500	3,500
General & Catering	1,500	1,500	1,500	1,500
Insurance	16,000	17,000	18,000	18,000
Legal	2,500	1,500	1,500	1,500
Salaries	316,101	311,940	318,054	326,521
Salaries - C'Portal Opex	-10,000	-14,000	-14,000	-14,000
Staff Support Costs	21,000	22,000	22,000	22,000
Staff Training Costs	2,500	2,500	2,500	2,500
Subscriptions	2,200	2,200	2,200	2,200
Superannuation		25,000	25,000	25,000
Tax Advice	5,500	8,000	8,000	8,000
Expenditure - Projects	**1,253,679**	**1,203,929**	**1,173,929**	**1,183,229**
Aerial Photography Expense	400,000	350,000	320,000	320,000
Collaboration Portal Opex	27,979	27,979	27,979	27,979
Lease Expense - ICN	131,600	123,500	123,500	123,500
Lease Expense - Video Confer.	14,100	14,250	14,250	14,250
Projects - Recoveries	680,000	688,200	688,200	697,500
Total Operating Expenditure	**1,698,130**	**1,671,719**	**1,649,333**	**1,667,100**
Operational Surplus/ (Deficit) before Tax	**0**	**0**	**0**	**0**

Appendix B

Joint Procurement Projects

Joint procurement is often a precursor to shared services. Therefore, certain projects may also be noted as shared services.

Projects completed or requiring ongoing management for performance, renewal or replacement:

- 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, radio
- Tender facilitation
- 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:

- Accounts payable automation*
- After hours call management
- Agenda management software*
- Archive services**
- Building consents**
- CCTV centralised monitoring
- Contractor H&S prequalification**
- Debt management**
- Driver training
- Employee benefit schemes
- ESRI GIS software
- FME licensing pool
- GIS imagery data storage
- GIS – one team*
- GIS inter-council support
- GIS web services
- Health and safety management system
- Health and safety training**
- High volume print*
- Historic aerial imagery digitisation
- HR management system*
- Insurance centre of excellence
- Inter-council network (ICN)
- Inter-council secondments
- LGOIMA requests**
- Lone worker field solutions
- MahiTahi LG Collaboration Portal
- Media monitoring
- NZAA/ArchSite portal
- Occupational health services**
- Radio telephony strategy
- Risk management
- Regional contractor database
- Section 17a reviews
- Shared licence server
- Solid waste services
- Standards NZ
- Te Uru Kahika hub infrastructure
- Video conferencing hosting
- Waste Operator and Licensing Data System (WOLDS)**

Projects for Consideration

- Asset management
- Business continuity planning
- Centralised insurance resource
- Contractor online inductions
- Diversion of putrescible waste from landfill
- Drug & Alcohol testing
- Electoral Officer services
- Engineering Codes of Practice
- Fleet purchasing and management
- Health insurance
- Insurance valuations
- Payroll
- Property valuation services
- Recruitment management system
- Resident surveys
- Risk and total assurance
- Staff engagement survey systems
- Transactional banking services

** Investigated and not progressed*

*** Working with other LASS*

2026 – 2029

Statement of Intent

New Zealand Local Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

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 2026 to 30 June 2029.

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. Four water CCOs have joined LGFA in the 2025-26 financial year and we are expecting a further 13 to join in the 2026-27 year.

LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency. LGFA seeks to minimise the cost of borrowing for its council and CCO borrowers.

LGFA is required to pay a 2% Approved Issuer Levy (AIL) on the interest paid on foreign currency borrowing to Central Government but does not pay AIL on any NZD borrowing. AIL is our single largest expense at $23.8 million over the three-year forecast period and is effectively a tax on Local Government by Central Government.

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.

Cover: The Amberley Beach Proactive Relocation Project. **Hurunui District Council**

Above: Papa Rererangi i Puketapu Solar Farm, the first project financed under our GS Renewable Energy category. **New Plymouth District Council**

4. Our values Ō mātau uara

We act with integrity	We are customer focused	We strive for excellence	We provide leadership	We are innovative
E pono ana mātau	E arotahi ana mātau ki te kiritaki	E whakapau kaha mātau kia hiranga te mahi	He kaiārahi mātau	He auaha mātau
We are honest, transparent and are committed to doing what is best for our customers and our company.	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.	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.	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.	To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.

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. It is important to attract and retain high quality directors and staff to ensure the ongoing success of the organisation.

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.

Upgrading of the seawall at The Strand. **Tauranga City Council**

7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2026-2029.

The financial performance targets are focused on the 2026-2027 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.
Attract and retain the best quality staff.	A high level of staff satisfaction and engagement in the Annual Staff Engagement survey. Succession planning, retention and recruitment outcomes are reviewed and reported.

Performance targets	2026-2027 target
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches.
Staff Engagement Survey results	All scores greater than 80%.
Maintain LGFA's credit rating equal to the Central Government rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to Central Government.
LGFA's total operating income, excluding unrealised gains / (losses) on financial instruments, for the period to 30 June 2027.	>$46.2 million.
LGFA's total operating expenses (excluding Approved Issuer Levy) for the period to 30 June 2027.	<$13.5 million.

Optimising financing services for local government

Objectives	How we measure our performance
Provide interest cost savings relative to alternative sources of financing.	Measure LGFA issuance spreads against other high-grade issuers in the New Zealand domestic capital markets.
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	Measure LGFA's share of overall council borrowing. Survey participating borrowers on an annual basis.
Deliver operational best practice and efficiency for lending services.	Monitor settlements errors for new trades and cashflows. Survey participating borrowers on an annual basis.
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	Maintain a vibrant primary and secondary market in LGFA bonds. Monitor participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges. Have the ability to issue debt securities in NZD and foreign currency.

Performance targets	2026-2027 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%
Onboard all remaining water CCOs who did not join in 2025-26 by 30 June 2027. This assumes all water CCOs apply to join LGFA.	Onboard all water CCOs once their application to join LGFA has been approved.

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 and Social (GS) loans and Climate Action Loans (CALs). This objective will be measured by the number of new GS 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	2026-2027 target
Health and Safety.	No notifiable incidents.
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.
Increase our GS lending book and Climate Action Loans.	Two new GS loans undertaken and two new borrowers enter into CALs.
Develop a sustainable financing option for the water sector.	The new sustainable financing product is utilised by water entities.
Enhance our insight into climate-related risks through council lending.	Climate change is incorporated into LGFA's credit risk assessments.

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	2026-2027 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	2026-2027 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.

The Amberley Beach Proactive Relocation Project. **Hurunui District Council**

8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2029:

Summary comprehensive income $m	Jun 27	Jun 28	Jun 29
Net interest income	**44.3**	**45.5**	**47.4**
Other operating income	1.9	1.9	1.9
Total income	**46.2**	**47.4**	**49.3**
Approved Issuer Levy	7.4	7.9	8.4
Operating expenses	13.5	14.2	14.8
Net profit	**25.3**	**25.3**	**26.0**
Financial position $m	**Jun 27**	**Jun 28**	**Jun 29**
Liquid assets portfolio	4,585	4,695	6,110
Loans	25,207	26,361	26,722
Other assets	-	-	-
Total assets	**29,792**	**31,056**	**32,832**
NZD bonds on issue (ex Treasury stock)	16,950	17,626	18,084
FCY bonds on issue	10,597	10,885	12,057
Bills & ECP on issue	1,158	1,158	1,158
Borrower notes	879	1,021	1,122
Other liabilities	-	-	-
Total liabilities	**29,584**	**30,689**	**32,421**
Capital	25	25	25
Reserves	(8)	(8)	(8)
Retained earnings	164	188	212
Dividend	(2)	(2)	(2)
Shareholder equity	**180**	**203**	**228**
Shareholder equity + borrower notes	1,059	1,225	1,350
Ratios	**Jun 27**	**Jun 28**	**Jun 29**
Liquid assets/funding liabilities	16.1%	15.9%	19.5%
Liquid assets / total assets	15.4%	15.1%	18.6%
Net interest margin	0.18%	0.17%	0.18%
Cost to income ratio	29.2%	29.9%	30.1%
Return on average assets	0.09%	0.08%	0.08%
Shareholder equity/total assets	0.6%	0.7%	0.7%
Shareholder equity + BN/total assets	3.6%	3.9%	4.1%
Asset growth	9.1%	4.2%	5.7%
Loan growth	4.8%	4.6%	1.4%
Return on equity	16.2%	14.1%	12.8%
Capital ratio	17.8%	19.7%	20.6%

The above forecasts assume a gross bond issuance programme of $4.66 billion (FY27), $4.77 billion (FY28) and $4.80 billion (FY29) based upon term gross lending to councils and CCOs of $4.88 billion (FY27), $5.48 billion (FY28) and $5.69 billion (FY29).

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.

Borrower Notes are subordinated capital instruments that contribute as equity. When a Council or CCO borrows on a long term basis from LGFA, they must subscribe for 5% of the face value of the loan in the form of Borrower Notes.

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. 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.

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 trading 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, Grant Thornton House, 215 Lambton Quay, Wellington 6011.

2. Statement of compliance

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA).

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 been 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. This includes NZ IFRS 18 Presentation and Disclosure in 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 either:

- Amortised cost and subsequently measured at amortised cost using the effective interest rate method; or
- Fair value through income statement (FVTIS).

Financial liabilities are classified as FVTIS if they are derivative financial liabilities or if LGFA chooses to classify financial liabilities as FVTIS if the use of the classification removes or significantly reduces an accounting mismatch. This classification includes debt issues that are designated at FVTIS where LGFA has economically hedged the foreign exchange and interest rate risk using derivatives, but hedge account is not applied. Any such classification is made on the date of initial recognition and is irrevocable.

Purchases and sales of all financial liabilities are accounted for at trade date.

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.

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.

Approved issuer levy

Approved Issuer Levy is a function of securities held by offshore holders of certain LGFA bond maturities.

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.

5.4 FINANCIAL STEWARDSHIP, EFFICIENCY AND CONTINUOUS IMPROVEMENT UPDATE

Author: Sarah Matthews, General Manager Organisation Performance

Authorised by: Julie Gardyne, Chief Executive

TE PŪTAKE | PURPOSE

The purpose of this paper is to provide Council with a consolidated update on the efficiency, cost management, and financial stewardship work already undertaken, and to place this work within the context of a move to regular efficiency reporting. The paper establishes a clear baseline of actions taken to date, outlines further measures being progressed through the forecasting and Long-term Plan (LTP) processes, and supports ongoing transparency about how Council is managing cost pressures while maintaining essential services for the community.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

The economic environment for local government over the last six years has been increasingly difficult. This paper lays out the deliberate steps Council has been taking in recent years to constrain controllable expenditure, reduce debt and finance costs, strengthen workforce and budget controls, and improve oversight of procurement, contracts and cost pressures.

These actions have helped moderate the impact of externally driven cost increases on rates while maintaining essential services for the community. They have also helped set Council up well for the introduction of rates caps and future expenditure constraints.

At a glance, Council’s leadership team have:

- removed approximately $1.7 million from the Annual Plan operating budget before Council consideration;
- maintained stronger control over workforce growth, with additional approval required for non-critical vacancies and additional controls on new roles;
- avoided new borrowing in 2025/26 and reduced non-infrastructure debt using $5 million of development returns;
- reduced the cost of capital from 6.02% to 4.17%;
- achieved recorded AI-enabled productivity savings of 4,118 hours;
- reduced capital carry forwards to the lowest level in over five years;
- brought previously outsourced work e.g. East Urban Lands (EUL) subdivision and sales legal work in-house to be done within existing staff capacity, instead of contracted externally;
- tightened vehicle, leave, recruitment, procurement and budget controls.

Further actions have been outlined in the paper, and include:

- resetting the cost base through the Long-term Plan B-5% budget approach, including risk-assessed reductions, deferrals and areas where costs could stop;
- tightening the approach to non-critical roles, including further work to define critical roles and strengthen re-approval processes before recruitment proceeds;
- undertaking deeper reviews of levels of service so Council can make more explicit choices about affordability, service delivery and community expectations;
- continuing targeted deep dives into major cost drivers and emerging cost pressures, particularly in high-spend activities;
- maintaining focus on reducing debt and finance costs, including sustainable lending opportunities, credit rating discipline and debt repayment options;
- strengthening ongoing budget, procurement, contract and cost escalation controls, with clearer expectations for trade-offs and prioritisation within constrained funding;

- progressing the next stages of the AI workplan to embed AI into business processes and identify further productivity and efficiency opportunities; and
- introducing regular efficiency reporting through the performance report, so Council and the community can track actions, impacts and future trade-offs more transparently.

These actions will require Council's support to ensure we are equipped to manage costs and strengthen efficiencies in a rate capped environment.

The financial information in this paper shows that Council's cost base has increased significantly over the last five years, but not all cost increases are the same. Some are largely outside Council's short-term control, such as infrastructure inflation, depreciation, government levies, legislation, and compliance requirements. Others can be influenced through budget discipline, procurement, workforce controls, work programme timing, debt management and choices about levels of service.

The key issue for Council is therefore not simply that costs have increased, but how actively Council is managing the parts of the cost base it can control, and what further choices may be needed to maintain affordability for ratepayers.

TE WHAKAMAHUKI | BACKGROUND

Context: cost pressures Council has had to manage

Over the five-year period from 2022/23 to 2026/27, Council's annual plans show total operating expenditure has increased by $56.5 million, or 55%. In simple terms, Council is now spending significantly more each year to deliver largely the same core services, with much of that increase driven by costs outside Council's direct control.

This increase has been driven largely by external factors, including inflation, infrastructure cost escalation, compliance requirements, government levies, and the cost of maintaining and renewing Council's asset base.

KEY COST DRIVERS *FROM STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES EXPENDITURE DEFINITIONS*					
Cost Category	**2022/23 ($000)**	**2026/27 ($000)**	**Change ($000)**	**Change %**	**Avg Yearly %**
Other expenses	42,353	72,504	30,151	71%	14%
Depreciation & amortisation expense	24,859	39,427	14,568	59%	12%
Personnel costs	26,824	36,361	9,537	36%	7%
Finance costs	9,395	11,686	2,291	24%	5%

Depreciation and amortisation has been Council's single largest cost increase, growing by $14.6 million, or 59%, over the five-year period. This reflects the impact of infrastructure construction inflation on Council's substantial asset portfolio and the associated increase in depreciation. Depreciation impacts rates because ratepayers fund a share of the use of long-life assets over time. This approach supports intergenerational equity by helping ensure that current users contribute to the future renewal of the assets they benefit from. This is not cash spending in the year, but it does affect rates because it provides the mechanism for Council to fund the future renewal of long-life assets.

Other operating expenses have increased by $30.2 million, or 71%, over the same period. These increases are mainly activity-related and include significant cost growth in water services and waste management. Key drivers include the cost of meeting new drinking water standards, landfill contract cost increases, and a 133% increase in government landfill levies. Other operating expenses have also been affected by increases in insurance, electricity, maintenance, contract costs and other inputs required to deliver Council services.

Personnel costs have increased by $9.5 million, or 36%, over the five-year period. This reflects market wage inflation and new positions required to meet compliance, growth, or level of service obligations, particularly within the waters activity to meet new drinking water standards.

The activity cost drivers help explain the source of the personnel costs and other expenditure increases as Council's Funding Impact Statement 'payments to staff and suppliers' excludes depreciation and finance costs.

ACTIVITY COST DRIVERS - HIGH GROWTH AREAS *FROM FUNDING IMPACT STATEMENT 'PAYMENTS TO STAFF AND SUPPLIERS' (EXCL DEPRECIATION + FINANCE COSTS)*				
Activity	**2022/23 ($000)**	**2026/27 ($000)**	**Change ($000)**	**Change %**
Water	6,153	10,774	4,621	75%
Waste & Environmental Mgmt	7,101	11,980	4,879	69%
Transport	6,458	8,609	2,151	33%
Stormwater	1,056	1,401	345	33%
Wastewater	8,165	9,620	1,455	18%

The most significant activity cost drivers help explain which Council services have contributed most to increases in other operating expenses and personnel costs. These are:

- Water (+75% / +$4.6 million) – largely driven by new drinking water standards compliance.
- Waste and Environmental Management (+69% / +$4.9 million) – driven by contract cost increases and government levy increases - notably a 133% increase in Class 1 landfill levies from $30 to $70 per tonne.
- Transport (+33% / $2.2 million) – largely driven by maintenance and contract price inflation.
- Stormwater (+33% / $345,000) – largely driven by maintenance and increases in weather events.
- Wastewater (+18% / $1.5 million) – largely driven by compliance, maintenance, and increased service costs.

COST CONTAINMENT AREAS *FROM FUNDING IMPACT STATEMENT 'PAYMENTS TO STAFF AND SUPPLIERS' (EXCL DEPRECIATION + FINANCE COSTS)*				
Activity	**2022/23 ($000)**	**2026/27 ($000)**	**Change ($000)**	**Change %**
Community Leadership, Regulatory & Strategic Property	43,855	41,400	**-2,455**	**-6%**
Community Facilities	16,138	17,266	1,128	7%
District Development	4,211	4,386	175	4%

In response to these cost pressures, Council has implemented significant cost savings and efficiencies across its non-infrastructure activities to partially offset the impact of these cost increases on rates. Most notably:

- Community Leadership, Regulatory, and Strategic Property activities have reduced costs by $2.5 million, or 6%, over the five-year period. This reduction has been achieved while most other cost categories experienced double-digit inflation and reflects a deliberate focus on constraining controllable expenditure. Some of the efficiency measures affecting these activities are outlined later in this report.
- Community Facilities and District Development have been held to minimal growth of 7% and 4% respectively, well below the rate of inflation and significantly below the 55% growth in total operating expenditure.

These savings have helped contain average annual rates increases as much as possible without making drastic reductions to levels of service for the Taupō District community. Without this focused cost management, infrastructure, legislative and compliance cost pressures would have placed greater upward pressure on rates.

This work predates recent Central Government direction on core activity spending but is well aligned with that direction. It demonstrates that Council has already been focused on essential infrastructure, financial discipline, and value for money.

The scale of these cost pressures is important context, but it is not the whole story. Council has also taken deliberate action to reduce or contain costs in the areas it can influence. The following section outlines the practical steps already taken to reduce pressure on rates, strengthen financial discipline, and prepare for a more constrained funding environment.

<u>Action already taken</u>

This paper outlines the deliberate approach Council has taken to tighten its cost base, improve financial discipline, and respond to cost pressures in a planned way. A number of these measures have already been implemented over recent years, with further efficiency initiatives planned for the next 12 months and through the LTP process. The progression of the work will ensure that Council are ready for a rate capped environment, with rates increases signalled to be between 2-4%. The existing focus areas recognise the costs we can influence over time and acknowledges the work Council needs to do with the community through its LTP.

Costs we have limited control over:

- depreciation from infrastructure cost escalation;
- government levies;
- legislation and compliance costs;
- insurance, electricity prices, and market inflation of essential costs.

Costs we can influence over time:

- contracts and procurement;
- maintenance programmes;
- work programme timing;
- debt and finance costs;
- staff vacancies and recruitment controls.

Choices Council may need to make with the community:

- levels of service;
- deferring, reducing or stopping some work;
- balancing affordability with community expectations;
- timing and scale of capital delivery.

The paper also signals a shift toward more regular and measurable efficiency reporting. This will help Council and the community understand what actions are being taken, what impact those actions are having, and where further choices may be required to balance affordability, service levels, and long-term financial sustainability.

What we have achieved over the last financial year (2025/26)

Continuing momentum from previous years, Council's leadership team has taken a deliberate approach over the past financial year to tighten Council's cost base and improve financial discipline, while actively managing external cost pressures as they arose. This has involved immediate actions to reduce costs and remain within budget, alongside more substantial changes aimed at ensuring costs are more sustainable over time through the next financial year and the LTP.

Annual Plan cost reductions were outlined in the Council paper considered in March 2026. These reductions applied to the current year and lowered the starting point for future budgets. This included:

- Immediate cost reductions through the removal of approximately $1.7 million from the Annual Plan operating budget before Council consideration, with targeted savings identified across budgets.
- Additional savings options were presented to Council so decisions could be made about whether to further reduce costs, and therefore rates, while accepting some associated service or delivery risk.

Sustained control of workforce costs has continued, although this has been more challenging in recent years due to reduced staff turnover. Salary budgets include an allowance for staff churn (the financial impact of turnover) so ratepayers do not fund costs that are unlikely to eventuate, recognising that there will generally be a level of turnover and vacancies in any given year. The focus on workforce cost control has slowed growth in one of Council's largest cost areas in a controlled and intentional way:

- Maintaining a stand-down on advertising any non-critical roles for 8 weeks. Vacancies are not automatically filled and are challenged before recruitment.
- New roles or team changes have not proceeded unless they can be managed within existing budget. Workforce changes have primarily been managed through attrition.
- Controls for new positions have been strengthened, with additional sign-off now required. Total positions have remained stable since this additional control was introduced.

- Council has systemised the implementation of Artificial Intelligence (AI), which has enabled the workforce to use AI as a practical productivity tool, supported by appropriate guidance and controls. The use of AI has recorded 4,118 hours saved in the last financial year, with estimated time savings of more than $200,000 for a cost of approximately $43,000. These savings have supported stability of staff costs through increasing workload, particularly noting the amount of central government reform work which has been completed without additional resourcing.

A focus on reducing debt and finance costs has generated measurable savings in borrowing costs and eased the future debt burden. This has included:

- Continued focus on reducing Council's cost of capital, following the change in treasury direction in 2023, which has reduced Council's cost of capital from 6.02% to 4.17%, without increasing treasury exposure or risk.
- Focus on keeping debt as low as possible – paid down non-infrastructure loans (parks, facilities) using development returns of $5 million, approved by Council in March 2026. Debt is currently lower than forecast – with no additional debt undertaken in the 2025/26 financial year.
- Maintained AA credit rating, with high scores for financial management and liquidity.
- Prepared for future interest rate stability in anticipation of rates capping, where cost stability is a high priority due to challenges managing cost fluctuation. This has been communicated to Council through several financial strategy workshops in preparation for the 2027-37 Long-term Plan.

Active budget management through regular reforecasting has enabled Council to stay within budget despite changing conditions, rather than relying on year-end corrections.

- Embedded regular reforecasting across the organisation, with process implemented and better reporting to the Executive Team and Council.
- Budget managers have been required to regularly reassess work programmes against budget, identify offsets for emerging cost pressures, and make conscious decisions about deferrals, reductions, or trade-offs.
- Budget delivery has been monitored throughout the year, with budgets reallocated where needed to remain within overall limits.
- Reduced capital expenditure carry forwards from $46.46 million in 2024/25 to $39.72 million in 2025/26. The carry forward of $39.72 million was the lowest level in over 5 years.

Council has continued to manage external cost pressures and inflation within existing budgets, with minimal unplanned budget increases, despite challenging conditions. This included:

- Responding to fuel and cost escalation pressures by reassessing work programmes and timing, identifying offsets within existing budgets, and reviewing contract impacts and delivery assumptions.
- Reinforcing the expectation that cost increases must be managed within existing funding wherever possible, rather than automatically passed through to rates.
- Providing in-house legal resourcing for East Urban Lands development-related costs, including subdivision and settlement work, saving an estimated $41,000 to date in legal fees, with a further $109,000 of savings anticipated for stage 1. These savings have directly offset increased costs within the legal activity.
- Reviewing capped and controlled settings to reduce leave liability and operational strain.
- Reducing access to full-use salary sacrifice vehicles and implementing tighter restrictions on usage. Four passenger and light commercial vehicles were reduced from Council's fleet in 2025/26, following three reductions in 2024/25.
- Undertaking a postage campaign to encourage ratepayers to move to email correspondence, helping offset increased postage costs, which have risen by 140% over the last five years.

Council has also actively interrogated major cost areas to build a clearer understanding of where the largest cost pressures sit and where change is needed.

- Targeted deep dives have been undertaken into areas with large cost drivers, such as waters and transportation, focusing on understanding cost drivers, challenging assumptions, and reviewing contract and inflation impacts.

- Work programme deliverability has been tested to better understand what can realistically be delivered within available resources and funding.
- Procurement assurance activity and oversight have been improved by reprioritising existing resourcing to increase procurement resourcing.

NGĀ KŌRERORERO | DISCUSSION

The LTP provides Council with a further opportunity to reset the cost base, test levels of service with the community, and make deliberate choices about what Council can afford in a rates-capped environment.

What is being put in place for next year and the LTP

Council is resetting the cost base through the LTP B-5% budget approach to establish a more sustainable baseline for future years. This approach has been presented to Council budget managers, who have been asked to:

- Apply a 5%-plus inflation reduction across activities. Including inflation, this is likely to represent an 8–9% real dollar reduction.
- Prepare objective risk assessments to provide Council with better information when making decisions on these cost adjustments.
- Work within tighter budgets to ensure efficiencies and better ways to do things are identified.
- Identify reductions, deferrals, or costs that could stop.

The personnel cost base is also being reset, with the approach to non-critical roles being tightened further. The People and Culture team have been tasked with doing further work on critical roles across the organisation, with work being completed over the first half of the 2026/27 financial year. Once this work has been completed, a process will be developed for non-critical roles to ensure re-approval before recruitment proceeds. This will allow further workforce movement to be managed through attrition and is expected to support LTP budget reductions and preparation for rates capping.

- The 2026/27 salary budget has been reduced compared with prior LTP assumptions, reflecting tighter management of turnover and vacancies.
- There will be a continued focus on attrition rather than automatic replacement of existing roles, with vacancies challenged before recruitment proceeds.
- Next stages of Council's AI workplan, including a dedicated position (funded from savings in other areas) to incorporate AI into business processes and look for opportunities and savings across the organisation.

Deep dives into levels of service have been identified as an important next step. This will support a more explicit review of one of the key levers for aligning Council services with affordability:

- What Council delivers, and how community expectations align with both service delivery and cost.
- The level at which services are delivered, to identify possible service reductions, deferrals, or areas to stop or reshape.
- Ensuring the community understand cost implications of certain decisions and Council are supported to comply with signalled rates capping legislation.

Council will also continue to focus on major cost drivers, ensuring the largest areas of spend are actively managed:

- Ongoing deep dives into areas where costs pressures occur during the financial year.
- There will be an ongoing focus on reducing debt costs, including progressing the Local Government Funding Agency sustainable lending programme to reduce interest rates, maintaining Council's AA credit rating, continuing to work with Council's treasury advisor to stabilise costs in the most cost-effective way, and identifying opportunities to repay debt.
- Maintaining organisational discipline through budget discipline, contract and procurement focus, and accountability for cost increases with ongoing expectation of clear trade-offs and prioritisation within constrained funding.

Future reporting and transparency

Regular reporting through Council's performance report will provide a structured way to track both the actions being taken and the impact they are having over time. While the detailed metrics are still being developed, future reporting could include a mix of financial, workforce, service and delivery indicators to add to what is already reported through the monthly performance report. This will ensure reporting provides Council and the community with measurable evidence of whether efficiency initiatives are delivering, whether cost pressures are being contained, and where further decisions or trade-offs may be required through the 2026/27 forecasting and Long-term Plan processes.

Council officers are planning this inclusion in the August performance report.

WHAKAKAPINGA | CONCLUSION

Council has faced significant operating cost pressures over the last five years, particularly from infrastructure inflation, new water standards, and other externally driven cost increases. In response, the organisation has taken deliberate action to contain costs, strengthen financial discipline, reduce debt and finance costs where possible, and manage workforce, procurement, and operational expenditure within tighter constraints. This work has helped moderate the impact on rates while maintaining essential services for the community.

The next phase of this work is to make efficiency, cost containment, and service trade-offs more visible through the LTP and to measure progress transparently through regular performance reporting. Developing a clear set of measurable indicators will allow Council to track whether actions are delivering the intended outcomes, where cost pressures remain, and where further decisions may be required. This will support greater transparency, accountability, and ongoing focus on value for money, while recognising that some future efficiencies may require explicit choices about levels of service, timing of work programmes, and affordability.

Balancing priorities will be challenging for Council and the community, as the previous LTP had over 70% community feedback in support of Council continuing services at the same level or doing more. There is a disconnect between community concern about rates affordability and the levels of service people expect from Council. In other words, Council regularly receives feedback that it should provide more services or at a higher level alongside complaints about paying higher rates. The main lever Council has to reduce rates are by reducing levels of service or increasing user pays charges, these levers have an impact on the community given the value people place on community facilities, parks, district vibrancy, response times, staff support etc. Council and the community need to collectively support the decisions that will have to be made and the trade-off between cost cutting and provision of services.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council receives the report providing a financial stewardship, efficiency and continuous improvement update.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.5 TAUPŌ DISTRICT COUNCIL PERFORMANCE REPORT - JUNE 2026

Author: **Julie Gardyne, Chief Executive**

Authorised by: **Julie Gardyne, Chief Executive**

TE PŪTAKE | PURPOSE

This report provides Council with an overview of the performance of the organisation including updates from the executive team, a portfolio update, and a finance report. Note that as per normal year-end process, the finance report is reduced due to the financial year end close. Detailed financial reports for 30 June, including the required audit opinion will be provided to Council in the 2025/26 Annual Report.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council receives the information contained in the Performance Report for the month of June 2026.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Performance Report - June 2026 ⇩
2. Portfolio Update - June 2026 ⇩
3. Finance Report - June 2026 ⇩

GREAT LAKE TAUPŌ
Taupō District Council

TAUPŌ DISTRICT COUNCIL

PERFORMANCE REPORT

June 2026

CHIEF EXECUTIVE - Julie Gardyne

Overview

During June, Taupō District Council received a Taituarā Excellence in Local Government Award to recognise the East Urban Lands partnership and its innovative approach to improving housing affordability. The award acknowledges the commitment and collaboration of elected members, staff and partners in delivering positive outcomes for our community.

Council also continued its work on the Head Start process, holding a workshop, a Council meeting and Long-Term Plan (LTP) workshop help shape future priorities and investment decisions. Key themes identified were rates affordability, maintaining critical assets and infrastructure, and planning for growth. Councillors also recognised that, given ongoing cost pressures and the need to manage rates increases, some service levels may need to be reviewed. While uncertainty remains, the LTP is an important opportunity to identify community priorities and position the district for the future.

Government policy update

The Head Start programme continues to explore potential options for the future of local government across the Waikato and surrounding regions. This work remains at an exploratory stage, and no decisions have been made. However, it is important that Council continues to engage proactively so that the interests of the Taupō District are clearly understood and represented throughout the process.

At the time of writing, Parliament is in recess and when it returns on 21 July, it is expected that the immediate priority will be given to the Resource Management Act legislation (due for report from Select Committee on 20 July). That is likely to push everything else into August, which includes the Systems Improvement Bill, the Earthquake Prone Buildings Bill and the Emergency Management Bill. There is still no update on the rates capping legislation.

Stakeholder relationships

During the month, we completed a community survey regarding the Head Start programme, where more than 1,000 residents took the time to provide feedback. This level of participation provides valuable insight into our community's priorities. Council also participated in meetings with our iwi partners to discuss the Head Start programme and participated in community engagement activities designed to increase awareness of the discussions taking place and encourage informed public participation. Strong stakeholder relationships continue to be critical to achieving positive outcomes for our district.

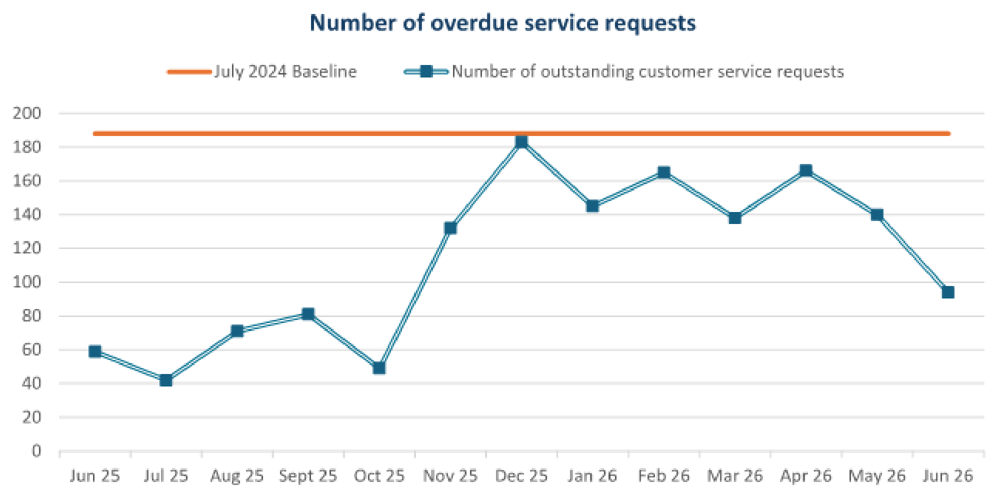
Council has also maintained engagement with neighbouring councils, central government agencies, community organisations, and regional partners. These relationships are essential as we navigate an evolving policy environment and seek collaborative solutions to shared challenges and opportunities.

Operating efficiency and improvements

Council's internal (ELT) business plan outlines our core activities for the 2025/2026 financial year. We have major initiatives such as capital delivery ($70m) and recurring activities including infrastructure upgrades, regulatory compliance, health and safety framework improvements, and core financial activities such as Annual Report completion and asset capitalisation. This year there is also a heavy schedule of non-business-as-usual projects such as long-term planning for water services, legislative reforms and cross-council strategic reviews.
As at 30 June 2026, 20 activities were complete and 18 were on track. The remaining activities that are off-track include erosion control and resource consent application processes. There has also been a slower-than-expected capital delivery in the last quarter resulting from national and international economic and political uncertainties. The Future Development Strategy review, payroll system upgrade and infrastructure asset revaluations are currently on hold.

PEOPLE AND COMMUNITY PARTNERSHIPS - Hadley Tattle

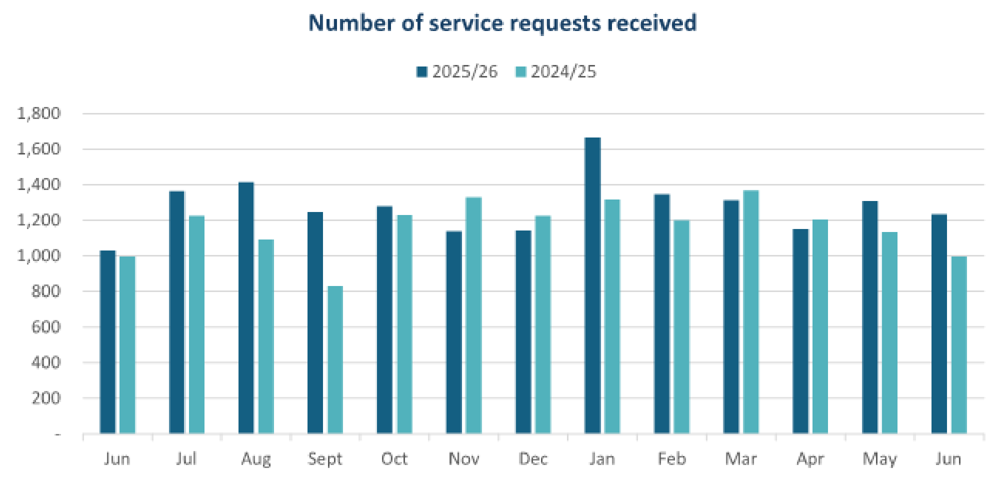
Customer focus



4060 calls received by customer services

77% of calls answered within 40 secs

June was another busy month for the Customer Experience team, predominantly driven by the dog registration season. The continued high volume of Animal Control requests is a direct reflection of the dog registration season. Conversely, the shift into winter is reflected in lower mowing enquiries. Rates enquiries tapered off since May's peak. The Contact Centre continues to see increased demand, with the highest call volumes received since October 2025. The noticeable reduction in overdue service requests is a positive shift, and reflects a ongoing focus on this from the organisation.

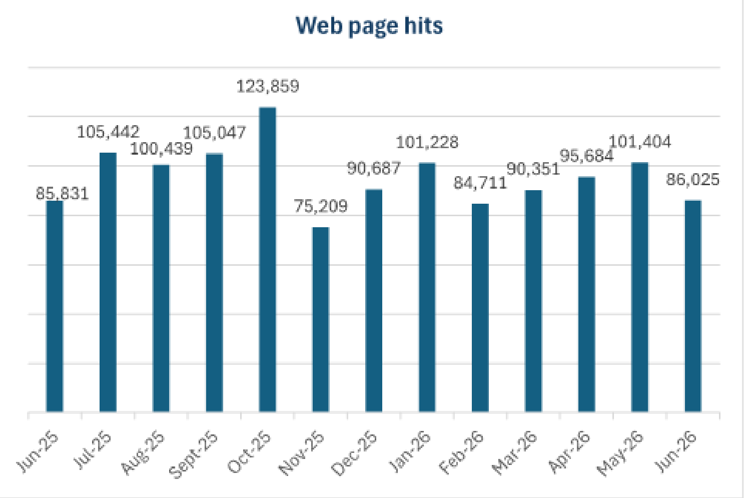


Community engagement and communications

86,594 people engaged in social media across this messaging area in June

Local government reform - "Head Start" - we undertook a campaign during the first two weeks of June aimed at informing people about the reform and what we needed from them. As well as social media posts aimed at encouraging people to complete the community survey, the team also ran radio, print and digital advertisements to reach as many people as possible in a compressed 10-day timeframe. These efforts paid off with 96 people attending community engagement events and 1,113 responses to the survey, a huge response.

Once the survey was complete, attention turned to keeping the community informed of the next steps and informing them of the survey results and council meeting held on 30 June to discuss the next steps and possible options Council may pursue.



Iwi partnerships and initiatives

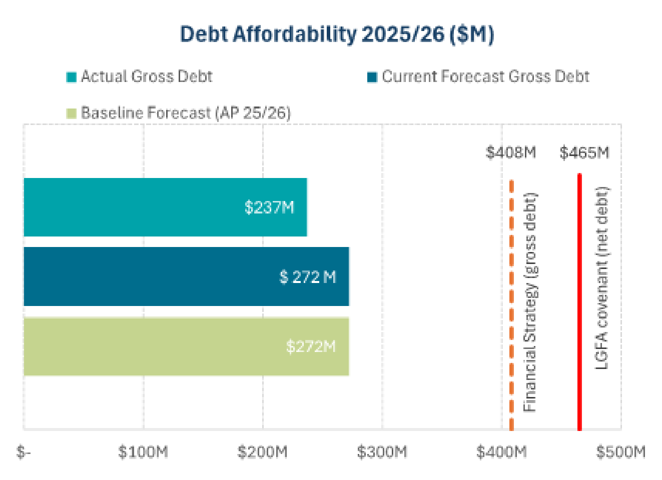
Another active month for the team in June saw continued engagement with iwi partners through the local government reform "Head Start" programme. In addition to individual hui, two collective hui were held to provide an update on the reform programme and its potential implications for the Taupō District, while also creating an opportunity for iwi partners to share their perspectives and views. The hui provided insights to help inform Council's approach as the reform continues to evolve. A third hui is scheduled for July to continue these conversations.

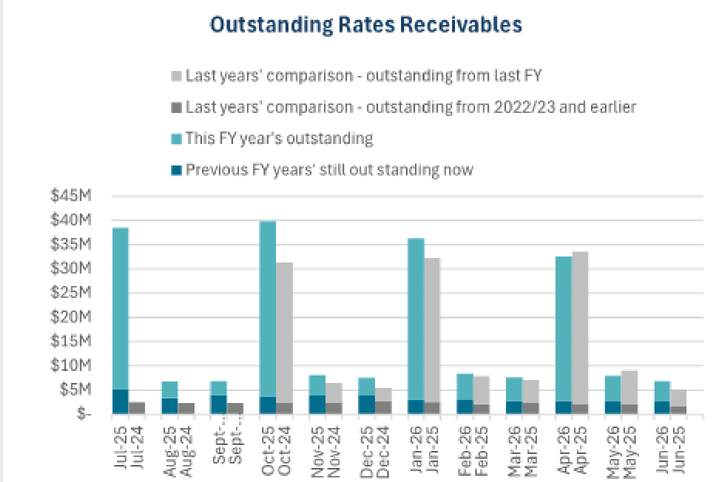
The team also supported engagement on the Broadlands Road landfill consent process, facilitating hui with Hikuwai hapū representatives and adjoining maunga land trusts. These discussions provided an opportunity to share information on the consent process, hear stakeholder views, and ensure ongoing engagement.

ORGANISATION PERFORMANCE - Sarah Matthews

Financial Strategy

4.1% cost of funds



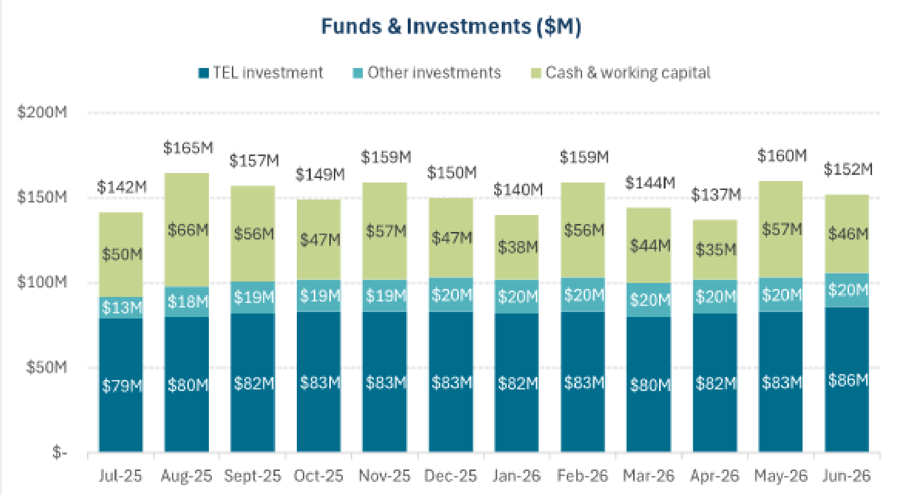


The TEL Fund increased to $86m in June.

The financial year ended without requiring the planned increase in debt. This is mainly due to Council's land sales from residential and commercial development being ahead of schedule and the capital delivery for the year being below delivery targets from the March reforecasting.

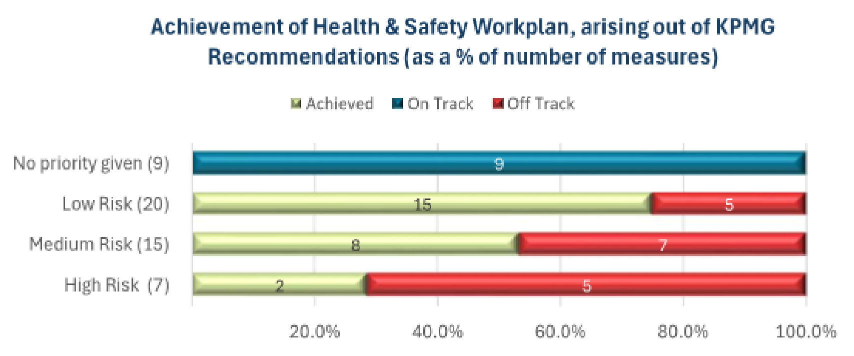
The finance team will reforecast debt during the 2026/27 financial year, at the earliest opportunity (likely Council's first forecasting period in October). This will align with Council's consideration of the 2025/26 year carry forward requests from staff.

Cost of Funds have remained relatively stable, ahead of the anticipated tightening cycle to target inflation.



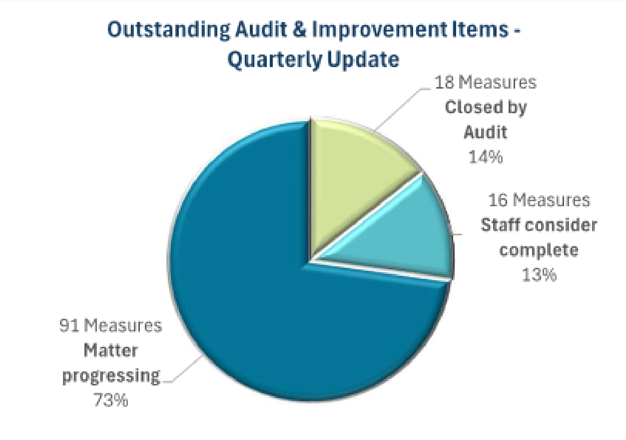
June 2026 * PERFORMANCE REPORT * 1 | 3

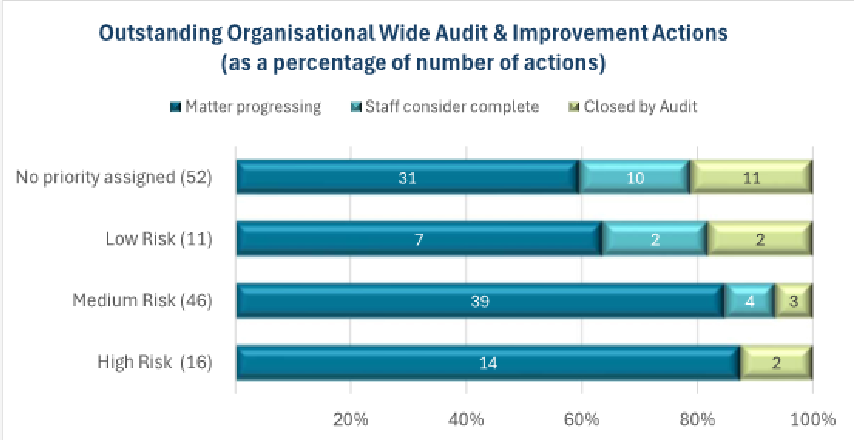
Health & Safety Improvements



Council continues to make steady progress implementing the Health and Safety Improvement Plan and addressing recommendations arising from the KPMG Health and Safety Review. *Driving*: The newly adopted *Speeding Escalation Procedure* is being rolled out with nearly half of all managers having received training, and a significant reduction in speeding occurrences have been observed. *Aggressive and Threatening Behaviour (ATB):* Baseline assessments on the status minimum mandatory controls are nearly complete, and Conflict De-escalation Training continues to be rolled out to customer facing roles. *Asbestos*: The final draft of Council's updated *Asbestos Management Plan* is being discussed with staff (worker engagement) and the H&S Team is preparing to roll this out, with draft Training and Assurance Plans having been developed. *Overlapping Duties Framework (how we share H&S responsibilities with third parties like contractors):* All planned NZQA training has been completed.

Organisational Wide Audit Improvements





June 2026 * PERFORMANCE REPORT * 2 | 3

Council Property

Crown Road Development: Council has received the titles from LINZ, and settlement of existing sales are scheduled in July. Since the titles were issued, we have seen increased interest in lots.
East Urban Lands: The Oroko Rise Consortium has sold 59% of Stage 1A, with continued buyer interest as homes are constructed across the development. Construction is underway on 23 lots, with a further six lots expected to commence in late July. Council and the Consortium are planning a re-launch of the development following the issue of titles and the significant progress of construction works. Stage 1B physical works continue in accordance with programme.
Mahoe Street: Council has been presented a new offer for all three lots.
General: The team is currently focused on the development of the Long Term Plan (LTP) for our areas, including the identification, prioritisation, and assessment of future capital and operational work programmes.

Digital Solutions

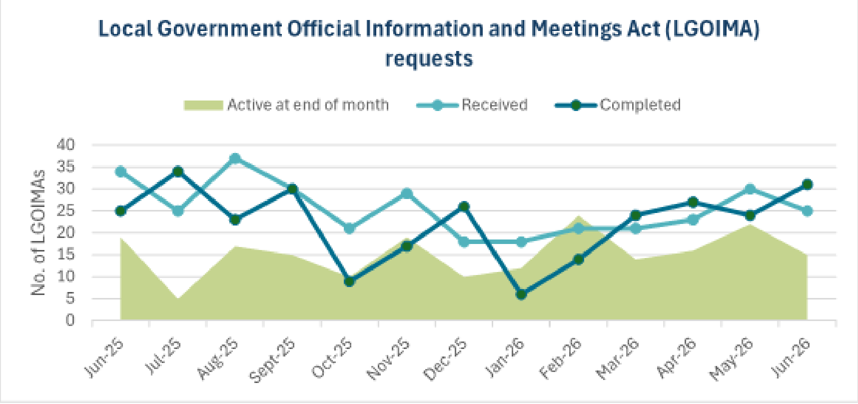
During June, Digital Solutions focused on stabilising and optimising the new Objective Build building consent platform following its successful go-live, while progressing configuration and planning activities for the TechnologyOne Compliance programme. Work also continued on cloud transition planning, information management improvements, AI governance, and key cybersecurity initiatives to strengthen Council's digital foundations.

Local Government Official Information and Meetings Act (LGOIMA) requests

99% of LGOIMAs processed within 20 days - YTD Target is 99%

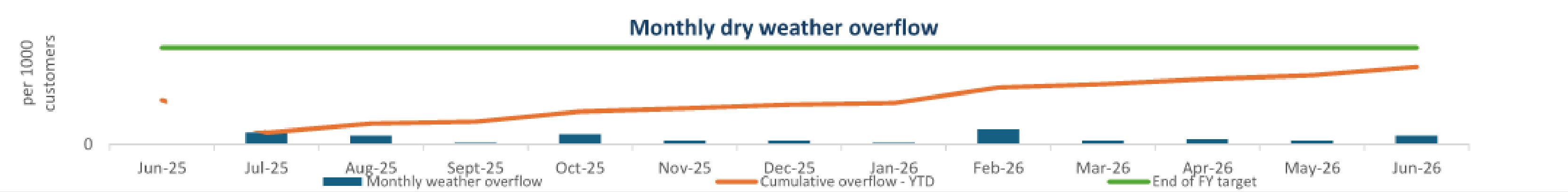
June 2026 – Official Information Request Key Trends

The main focus of this month's LGOIMA requests was on developments and building matters, including a solar farm, subdivisions, building consents and Five Mile Bay developments. Infrastructure issues (e.g. wastewater odours), heavy vehicle volumes and public toilets also featured. Spending-related requests were also a notable theme, particularly on recovery and resilience, and consultants. Information regarding dog-related matters, including costs and complaint records was also requested.



COMMUNITY INFRASTRUCTURE AND SERVICES - Tony Hale

Three Waters



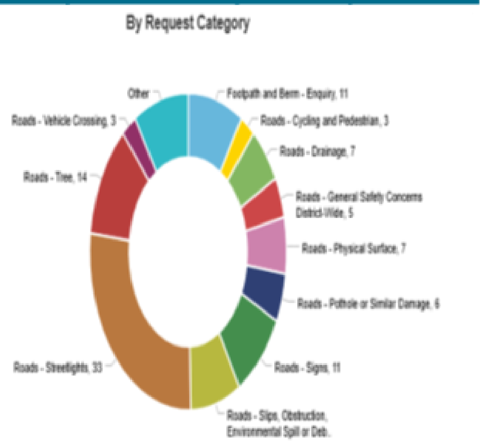
1 notifications to Taumata Arowai of risk to drinking water quality. Target is Nil. *1. Monthly arsenic test results exceeded compliance limits in Centennial Drive, Hatepe, Motutere and Motuoapa. Arsenic has always been present in these water supplies due to geothermal activity. The test results continue to be stable and arsenic removal is included in the treatment plant upgrades that are underway.*

1 moderate or significant resource consent non-compliances (take & discharge) with an actual or potential adverse health or environmental effect. Target is Nil. *One instance of ponding on the Omori land treatment site was reported to the Waikato Regional Council, resulting from a combination of heavy rain and damaged irrigation lines .*

- It has been another busy month for the Three Waters team, with key focuses including implementation of financial separation requirements, stormwater asset maintenance planning, preparation of the network contract tender, capital programme delivery, and planning for wastewater network inflow and infiltration improvements.
- The initial focus for inflow and infiltration is Mangakino, due to reoccurring issues with overloading of the wastewater network during rain events due to stormwater inflow. During July and/or August, the team will be smoke testing approximately 50 percent of Mangakino to identify where stormwater is entering the wastewater network. Council will be communicating with Mangakino residents, including a letter drop.

Transport

- Finishing touches are being completed to the intersection of Titiraupenga Street and Roberts Street including landscaping and tactile installation. Shared path along the Tongariro Street connecting to Norman Smith Street is completed and post construction safety audit is in progress. Omori Road slip remediation tender has closed and will be awarded early July 2026.
- Napier Road retaining wall: Following unforeseen ground conditions encountered during sacrificial soil anchor installation, a revised anchoring solution was developed and successfully tested. Construction activities resumed following completion of the design review and procurement of the required materials. While this project variation has increased costs, the funding is being managed through an internal budget transfer while discussions continue with NZTA regarding potential additional subsidy. The retaining wall is expected to be completed in early August 2026.
- Bridge improvement works and structural maintenance continue on a number of bridges including monitoring of Wairakei Steam pipe bridge.
- The road safety team assisted with Ryder motorcycle courses at Taupō Motorsport Park, and helped Students Against Dangerous Driving arrange an event at Taupo-nui-a-tia College. Speed indication signs have been relocated as per the three monthly rotation.
- During June, 121 service requests (see graph to the right) and two Local Government Official Information Act requests were received.
- 1830 public transport passengers were recorded in June, with 121 passengers using Connect-2 between Tūrangi and Taupō.



June 2026 * PERFORMANCE REPORT * 1 | 2

Waste Management

14,165 tonnes of waste diverted from landfill - YTD

34% of waste stream diverted from landfill - YTD

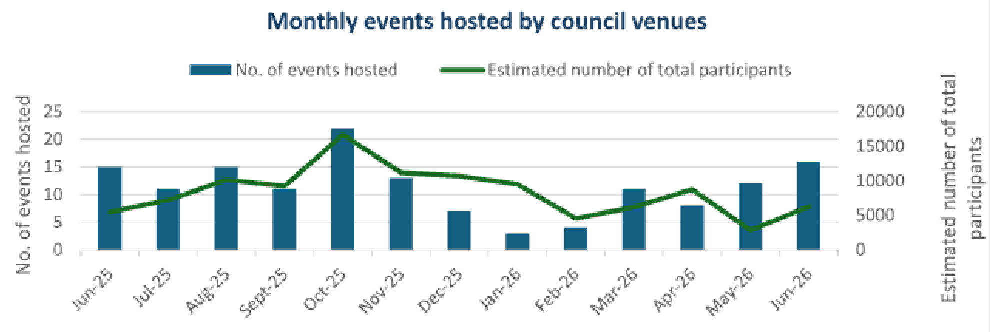
50% target diverted from landfill - by 2034

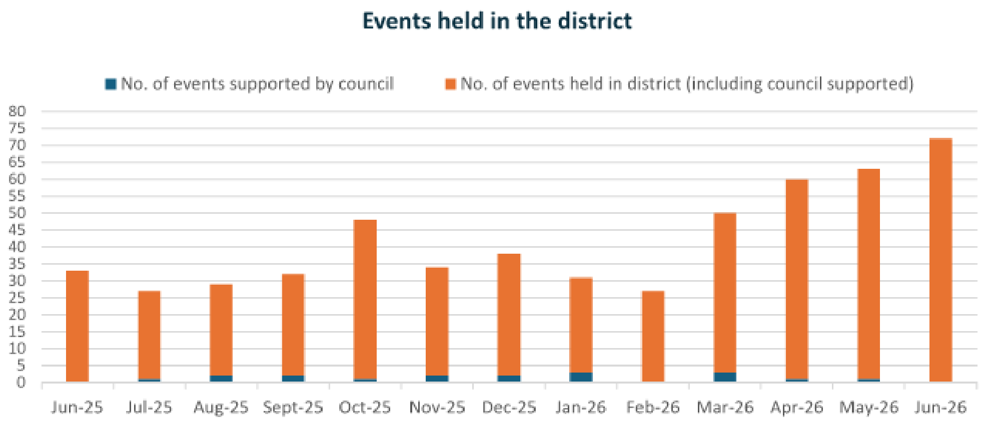
- The consent application for the Broadlands Road Landfill has been compiled and will be submitted to the Waikato Regional Council in July. A public workshop is scheduled to take place on 30 July. The project team has continued to engage with the neighbouring land trusts and local hapū on the consent extension.
- The team has organised plastic free July programme.
- Work has been taking place with regional council on a staff submission for organic waste, and the regional waste strategy.
- Disaster waste planning has been worked on with the Civil Defence Emergency Management staff.

Events and Venues

- June saw 72 events take place across the Taupō District, including six events in Tūrangi and one in Whakamaru, showcasing the different levels of event activity happening across our communities. Events ranged from community fundraisers and the second year of Pillar to Pou, through to the beginning of the district's Matariki celebrations, with activities commencing at the Taupō Museum.
- Whilst no financially supported events were delivered during June, the team processed funding commitments from the 2025/26 financial year, with three events paid out through pre-event funding agreements that will be held in the 2026/27 financial year. This included the Supercars Supplementary Funding Agreement, supporting the 2027 and 2028 event programme and reinforcing Council's ongoing investment in major events for the district.

Note: Events not supported by Council typically don't provide data, and reporting from supported events can vary in detail and consistency each month due to contract timing and event delivery schedules. Event data for activities not held in Council venues is captured to the best of our ability. While we make every effort to identify events across the district, we are not always aware of all activity, particularly where events are not widely advertised or formally notified to Council.





Donations, grants and sponsorship fund

$488,000 of **$488,000**

donations, grants & sponsorship fund invested to date

$27,403,302 estimated economic return - YTD *

5515% return on investment - YTD

June 2026 * PERFORMANCE REPORT * 2 | 2

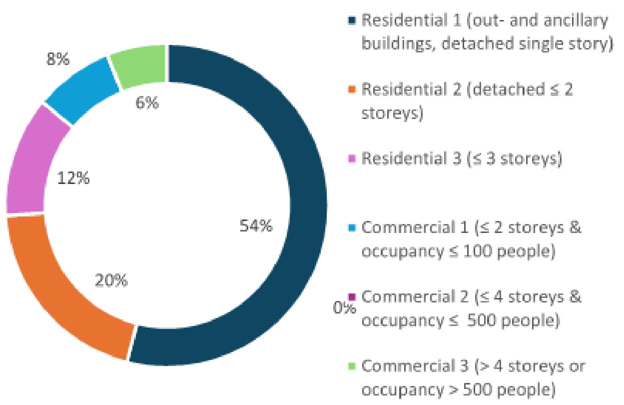
STRATEGY AND ENVIRONMENT - Warrick Zander

Policy

- Hearings for plan change 47 Māori Purpose Zone were held.
- The Annual Plan 2026-27 and Fees and Charges Schedule 2026-27 were adopted by Council.
- Conducted hearings and presented the proposed amendments to the Development Contributions Policy for consideration by Council.
- Presented a set of growth planning assumptions to inform the long-term plan (LTP) development for adoption by Council. A public LTP workshop is scheduled for 2 July.
- Council was presented with advice on amending its emissions reduction target to enable access to sustainable lending mechanisms through the New Zealand Local Government Funding Agency.
- Ongoing input was provided into the regional spatial planning project in Bay of Plenty.
- Continued to support the development of a Council response to the Head Start process.

Environmental Services

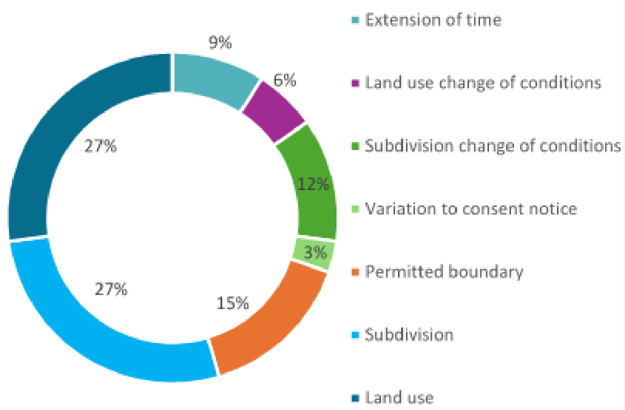
Types of building consents granted



94% of building consents completed within statutory timeframes - this month

132 building consent applications received - this month

Types of resource consents granted



100% of resource consents completed within statutory timeframes - this month

36 resource consent applications received - this month

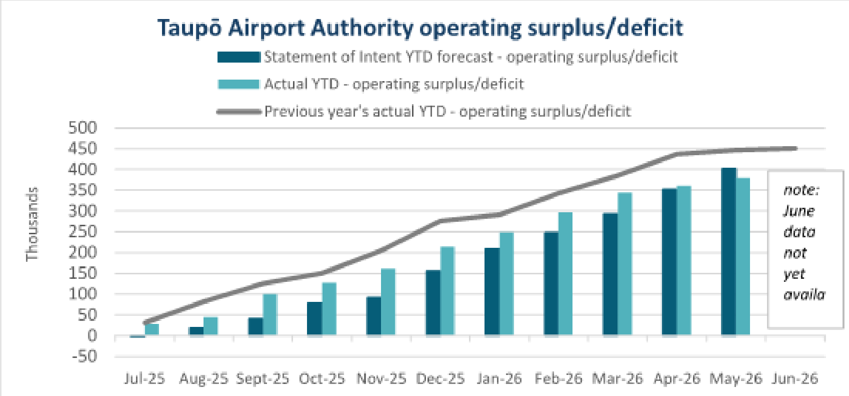
- Overall, year-end performance targets have been achieved across the board despite a number of significant challenges throughout the year, including disruption to business-as-usual from the Objective Build implementation and staffing changes.
- June continued the strong trend in consent application volumes, while the consents monitoring team has been heavily involved in establishing processes to support the commencement of earthworks at the Nukuhau development sites.
- The animal compliance team also achieved an excellent 99.1 percent registration rate for the 2025/26 dog registration year. The Taupō District Court received a guilty plea from a dog owner prosecuted following a dog attack on a cyclist in March. This outcome reinforces Council's commitment to taking appropriate enforcement action where public safety is at risk.
- With the changeover from GoGet to Objective Build, only three building consents were granted outside of the 20 working day timeframe, an excellent result with a major change for the team and development community now embedded.

Parks and Reserves

- It has been an unseasonally warm spell, with frosts finally arriving to slow the growth in reserves and gardens.
- The delivery team have continued with their winter maintenance work on reserves and gardens, preparing them to assist with the spring flush.
- With campground area A closed at Hipapatua, the delivery team have recompacted and seeded the area with good success rates.
- Reserve damage from vehicles has been reported in Taupō and Tūrangi. For the second time this year, there has been damage to the native garden in the South Domain. About 12 tree ferns of differing sizes have been cut down and some mature trees cut into. The incident was reported to Police, however there are no cameras within this specific area.

Taupō Airport

- Financials are still tracking well, however, there has been a decrease in operating surplus as opposed to budget due to unbudgeted maintenance expense and required IT software upgrades.
- Business development both airside and landside is going well and discussions are continuing with prospective tenants. Draft lease for Site 53 is with the tenant for review, which also includes a short-term rental of the old airport admin building. The tenant has indicated a possible construction start date of August and completion within six months. There has been further interest from three other prospective tenants for land to the western side of the airport.
- Revised proposals for a low intensity caravan park at the airport have been received from the two parties. The project would generate non-aeronautical revenue for the airport, but the lease term will be kept short so as not to limit future commercial development in the area. Decision from the Taupō Airport Authority (TAA) committee has been deferred pending the drafting of the 2027 Airport Master Plan. A workshop is being arranged with the TAA committee to kick-start the process. The plan is expected to be developed within six to seven months.
- Air New Zealand passenger numbers have decreased with load factors also lower than of late. There is a general lull at this time of the year with anticipated improvements early spring. This has resulted in slight decrease in car park patronage.
- Private Plan change to the District Plan work is continuing following the Council workshop. Local planners are showing an interest in both the proposed obstacle limitation surfaces and the noise contours with concerns for potential effects on future development. Lodgement has been delayed until August/September.
- A large number of airport ground leases are due for renewal. Consultation with tenants has commenced.
- Airport is working closely with Council on preparedness for the avian bird flu reaching New Zealand.



GREAT LAKE TAUPŌ
Taupō District Council

PORTFOLIO UPDATE

Activity Area	OVERALL	TIME	COST	SCOPE	KEY UPDATES	UPCOMING MILESTONES	% COMPLETE (Life Budget)	LIFE BUDGET
Events & Venues								
Owen Delany Park upgrade								
A masterplan design and contruction to upgrade Owen Delany park. The main focus being to address the current seismic ratings of the grandstand, changing rooms, clubroom/function space and the lighting, PA system and scoreboards for Field 1. The aim is to upgrade and futureproof this facility, to host larger events and to take the pressure off other local sports and rec facilities.	●	●	●	●	Painting complete, internal fittings in the sports hub 75% complete.	Completion of detailed design for the Grandstand changing rooms and club rooms in Mid July.	87%	$10.0M
Tūrangitukua Park (te Aonini carpark seal)								
Extend carpark seal over grassed area and install additional drainage to mitigate flood risks from stormwater discharge. Will require engagement to find a solution which avoids tapu land.	●	●	●	●	Gate fabrication.	Gate installation and completion.	84%	$0.3M
Investments								
204 Crown Road - subdivision earthworks & civil								
Development of 31 hectares of land along SH1, focusing on earthworks and civil works to facilitate the sale of lots and generate revenue.	●	↓	●	●	End of defect liability period. Titles issued. Now that titles have been issued, risk around delays impacting sales and revenue generation can be closed.	Formally close project. Continue Sales & Marketing of remaining lots until sold.	96%	$11.0M
EUL Stage 1 Lot 20 - Earthworks & Civil.								
Provide affordable lots for medium to high density dwellings to eligible purchasers and renters, supporting both affordable housing and revenue generation.	▲	↓	▲	●	Stage 1a (62 lots) on the market - approx 60% (even split between market and affordable) now sold. Titles have now come through and building works has started on lots. Stage 1b (54 lots) civil works progressing to plan and expected to be completed in October. Project recently won the Taituarā Award for Excellence in Collaborating for Results. Project tracking to plan.	Sale of lots ongoing through build partners with second wave of marketing proposed now that titles have been secured and building works under way. Continue with civil works programme for 1b. Planning for Stage 2 under way.	103%	$11.9M
Parks & Reserves								
Erosion Control - Kuratau								
Mitigate effects of lakeshore erosion at Kuratau foreshore.	▲	▲	▲	●	PM assigned for this project. End effects at backstop wall have uncovered stormwater outlet, team advised. Motutaiko carpark slowly being impacted by erosion, transport team advised. Exploring landward options for mitigating erosion in short-medium term.	Review of ground/site investigation information from previous investigations by consultant to help decide on next step.	100%	$0.8M
Erosion Control - Tapuaeharuru Bay								
Mitigate effects of lakeshore erosion in Tapuaeharuru Bay.	▲	▲	▲	▲	Continuing to monitor top and toe of cliffs regularly. To undertake water samples from seam in toe of cliffs for testing to rule out (or confirm) infiltration from wastewater or drinking water.	Final version of water flow investigation report. Water testing to help resolve source of water moving through cliffs and seeping out of a seam in the toe.	93%	$0.2M
Mangakino Lakefront Upgrade Project								
This project will combine a number of existing LTP Mangakino redevelopment projects/renewals into a coherent upgrade project for the Lakefront. The aim will be to futureproof use of the area. Includes Shared Path Mangakino.	▲	●	●	▲	Lease agreement progressing & finalising phase 1 tender docs, planting species and types being identified. Successful public engagement on project.	Tender phase 1.	28%	$1.7M
Solid Waste								
Broadlands Road Consent Programme								
Renewal of Broadlands Road Landfill Consent which expires in 2027.	◆	◆	●	▲	Hapū hui 25 June, finalising the draft application.	Submit Consent Application, Public Workshop 28 July, Continue with hapū huis.	52%	$1.0M
Support services								
Long Term Plan 2027								
Development of Long-term Plan and Water Servies Strategy 2027-37, to be adopted June 2027.	▲	↘	●	↘	Activity Planning has started, this and project justifications are due to be completed by start of August. Workshop with Council on 2 July. Project team to start looking at other workstreams including policy reviews.	Activity Planning and project justifications completion by 5 August for first round review	0%	
Transport								
Omori / Kuratau Slip								
Repairs to slip on Omori road required including retaining wall structure.	●	●	●	●	In the final stages of the procurement phase, evaluation held. 3 Suppliers have been shortlisted. Clarification meetings being held, contract to be awarded by 20 July 2026. Construction likely to start End of August, co-ordinating required with current Water works. Stakeholder engagement and comms to proceed once contractor is awarded. Time extension for funds availability approved, project completion due end of Financial year 2027. Current tracking for completion to be before December 2026.	Construction	57%	$0.3M

WATERS PORTFOLIO UPDATE

GREAT LAKE TAUPŌ
Taupō District Council

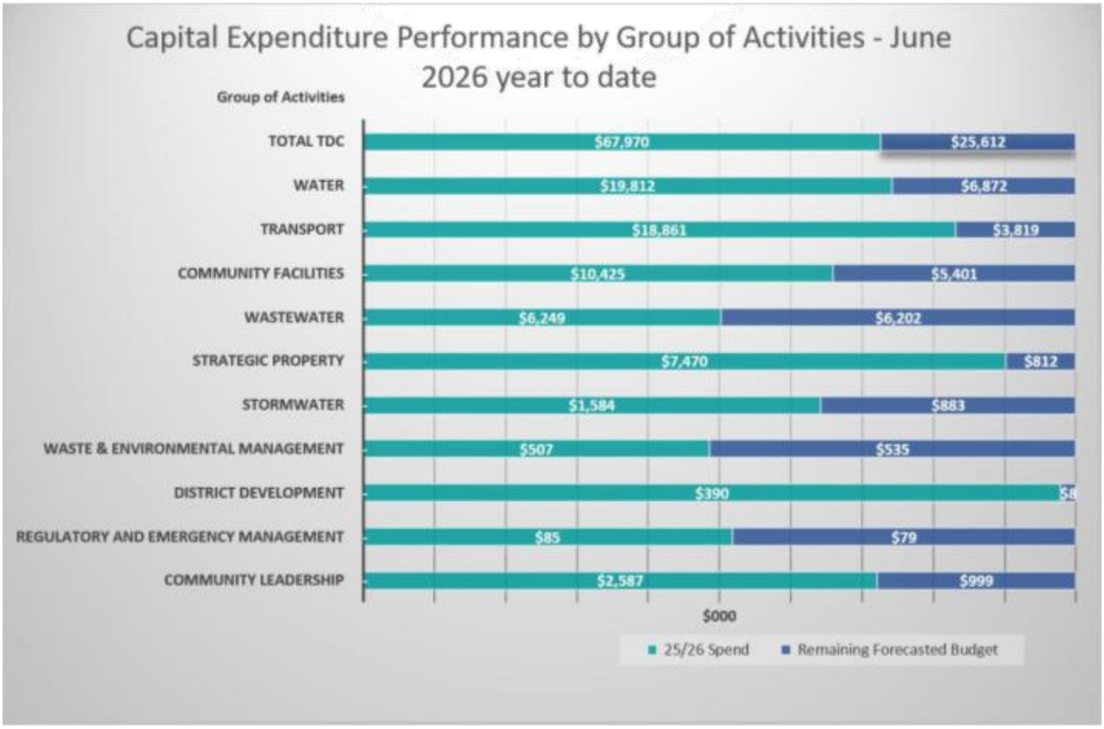
Activity Area	OVERALL	TIME	COST	SCOPE	KEY UPDATES	UPCOMING MILESTONES	% COMPLETE (Life Budget)	LIFE BUDGET
3W All								
SCADA FTView Upgrade								
Programme of upgrades to convert legacy 3W network SCADA control systems technology to FTView.	▲	↗	●	●	Radios no longer implemented at Whakaroa WPS and RES. Both to remain on cellular. Waiting on project contractor works to be completed before completion of snag list. Delays from work outside of original scope and contractor completion of documentation holding up completion of contract.	Completion of snag list. Radio change putting all sites on same communication profile. Function descriptions received, reviewed and signed off.	91%	$4.6M
Water Services Delivery Plan Implementation								
Programme of work required to comply with central government reform Local Water Done Well.	●	↓	↓	●	Financial separation achieved for 1 July cutover. Achieved key milestone of financial separation. Remaining activities will be ongoing reporting improvements over time.	When the FY25-26 Annual Report is finalised in October, will transfer water assets, debt and reserves.	92%	$1.2M
Stormwater								
Stormwater Discharge Consents Renewal								
District wide Stormwater consent expires June 2027, a significant amount of work will be required to renew this consent.	▲	●	▲	●	Planning for final stages of the project.	Developing implementation plan, finalising AEE (Assessment of Environmental Effects) report.	80%	$0.8M
Wastewater								
Taupō WW Control gates bridge buffer storage tanks								
To enable continued growth in the Nukuhau area and increase resiliency to the control gates bridge pipe, we will install buffer tanks and pump station at Control Gates bridge to manage peak flows.	●	●	●	●	Cultural inductions completed, contractor has established site.	Kick off construction activities, locate all services.	27%	$0.8M
Taupo WWTP Infrastructure improvements Phase 1								
Phase 1 improvement works Seismic works - demolition of Treatment Plant roof structure Inlet works - installation of new screens and supporting equipment Bypass pump station - installation of a new bypass pump station to Pond 3	●	↓	●	↓	Management Plans approved, site establishment completed.	Removal of pre-treament plant roof and wall panels.	15%	$1.1M
Turangi WW Consent								
Renewal of Tūrangi Wastewater discharge consent	◆	◆	●	●	We have been engaging with Turangitukua on proposed consent conditions and are now looking to expand engagement to other key stakeholders before asking WRC to resume processing of the consent.	Ongoing.	32%	$0.2M
Wastewater Taupō Treatment Future Options								
Programme of works to increase capacity and improve treatment at Taupō Wastewater Treatment Plant, including installation of a third primary clarifier, pump station upgrades, and new processes to increase nitrogen removal at the plant.	◆	◆	▲	◆	Long-term works (Primary Clarifier, side-stream solids filtrate) are still on hold pending Wastewater Treatment Plant Strategic Review (considering new Wastewater performance standards).	Strategic planning for Waste Water Treatment Plant following Water Environmental Performance Standards. Project plan and budget will come through Water Services Strategy process.	0%	
Water								
Centennial - Treatment Compliance Upgrade								
Pump station and pipeline from Taupō scheme to Centennial and reservoir upgrade and renewal at Centennial to enable safe and compliant water to be provided to customers on the Centennial scheme.	▲	▲	▲	●	Tender documents for pipeline and pump station both being finalised for tendering during July.	Tender completion.	36%	$2.6M
District - Universal Smart Water Metering								
Address high water usage throughout the district through the installation of water meters on all water connections to enable planned growth, reduce wastage and operational costs.	▲	▲	▲	▲	Tender released to market for pilot phase.	Tender Moderation.	24%	$1.0M
Hatepe Drinking Water Standards NZ Upgrade								
New Membrane Drinking water treatment plant at Hatepe	▲	▲	▲	●	Detail design is underway with the Contractor.	Detailed design and completion of cultural impact assessment due in late July, followed by Construction commencing in August.	40%	$2.3M
Kinloch Low Zone Reservoir								
Construction of new reservoir and pipelines to support growth and resilience in Kinloch community.	▲	▲	●	●	Site designation progressing, final review of tender & technical documents	Reservoir tender.	34%	$0.8M
Motuoapa Drinking Water Standards NZ Upgrade								
New Membrane Drinking water treatment plant at Motuoapa	▲	▲	▲	●	Works are progressing well, with commissioning underway.	Completion of commissioning targeted for late July.	93%	$9.6M

KEY

●	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	$1.0M	Smaller Value Project
12%	Low Spend to Date % Complete = $ Spend to Date / Life Budget	$6.5M	High Value Project $ Life Budget

TAUPŌ DISTRICT COUNCIL – FINANCIAL REPORT

As per normal year-end process, full June financials are not available as the Finance team are completing the detailed process for the financial year end close. These will be reported in full in the Annual Report.



The above graph shows the capital expenditure by Group of Activity for the current year to date.

We have achieved 72.6% of the current forecast budget.

Please note that due to accounting treatment the East Urban Lands (EUL) development is not included in the Annual Plan capital budget but for ease of reporting we include it in the capital expenditure actuals as it is, in essence, capital expenditure. In the Annual Plan the value of the work is included in inventory.

CE DELEGATIONS REPORTING

CE approval of budgeted expenditure over $500,000:

CN773	19/5/2026	MAP Projects Limited	Taupō Wastewater Control Gates Storage Tanks	$1,876,442.00
CN743	28/5/2026	Apex Water Limited	Taupō Wastewater Treatment Plant Inlet Bypass pump station and Seismic Works	$3,780,259.28

CE approval of unbudgeted expenditure over $50,000: Nil to report

TREASURY REPORT - TEL Fund update

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	5,747,874.88	6.7
Fixed Interest	28,578,579.23	33.3
Property	4,349,184.36	5.1
NZ Equities	8,223,643.20	9.6
Australian Equities	8,027,281.89	9.3
International Equities	30,995,176.49	36.1
Total	$ 85,921,740.06	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	47,026,903.92	1.0000	47,026,903.92	54.7
Australian Dollar	30,708,448.06	0.8216	37,375,235.33	43.5
United States Dollar	860,246.02	0.5661	1,519,600.81	1.8
Total			$ 85,921,740.06	100.0

5.6 ELECTORAL SYSTEM FOR THE 2028 AND 2031 TRIENNIAL ELECTIONS

Author: **Karen Watts, Senior Committee Advisor**

Authorised by: **Nigel McAdie, Legal and Governance Manager**

TE PŪTAKE | PURPOSE

The purpose of this report is to determine whether the electoral system for the 2028 and 2031 triennial general elections should change.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

The current electoral system is First Past the Post (FPP). This system has been used for the last eight triennial general elections, and Council last resolved to continue using this system in 2020.

Section 27 of the Local Electoral Act 2001 (LEA) provides that a council resolution changing an electoral system must apply for at least the next two triennial general elections. After that period, the electoral system continues to apply unless it is changed through a subsequent council resolution or a binding poll under the Act. In either case, Council has to issue a public notice informing the public on the electoral system that will be used for the next two triennial general elections.

Since Council last considered this matter in 2020, the membership of the Council has changed substantially. As a result, most current elected members have not previously had the opportunity to consider and determine the electoral system to be used for future elections.

Council has three options under the LEA:

- retain the current FPP electoral system;
- resolve to change to a Single Transferable Vote (STV) system; or
- resolve to hold a binding poll of electors[1] to determine the electoral system.

Should Council make a new resolution or decide to hold a poll of electors, this decision must be made before 12 September 2026.Council officers note that the community is currently experiencing significant change as a result of several Government reform programmes, including the Simplifying Local Government programme, the Resource Management Act reforms, Local Water Done Well, proposed rates capping etc., as well as the Long-term Plan process.

Council officers also note that there are financial implications associated with changing the electoral system. A binding poll is estimated to cost approximately $120,000, while implementing STV for the election would increase vote-counting costs by approximately $12,000.

Considering the above, staff recommend Council retains the FPP system for the next two triennial elections.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council:

1. Resolves, in accordance with section 27 of the Local Electoral Act 2001, that the next two triennial general elections of the local authority and any associated election of the Taupō District Council, *viz* 2028 and 2031 be held under the First Past the Post; and

2. Does not hold a poll.

[1] An electoral poll is a formal way for a local authority to ask its voters to make a binding or procedural decision on their preferred electoral system.

TE WHAKAMAHUKI | BACKGROUND

The proposal has not been presented previously.

The LEA provides two electoral systems for local authorities to translate votes into elected representatives in local government elections. These are:

a) First Past the Post (FPP)
Under this system, voters select their preferred candidates by placing ticks next to their names. The candidates with the highest number of votes are elected. This system is simple and familiar, but it does not always reflect overall voter preferences, as candidates can be elected without majority support.

Example:

- 5 candidates stand.
- One candidate gets 40%, others split the remaining 60%.
- That candidate still wins — even though 60% preferred someone else.

b) Single Transferable Vote (STV)
Under this system, voters rank candidates in order of preference. Candidates must reach a specific vote threshold (quota) to be elected. Votes are then transferred between candidates based on voter preferences, meaning a vote can continue to influence the outcome even if their first-choice candidate is not elected. This system is more complex to understand and administer but is generally considered to produce results that better reflect the preferences of the community. An elector's vote keeps working through their ranked preferences until it helps elect someone.

Example:

- First preferences (the candidates with "1") are counted first.
- Anyone who reaches the quota is elected.
- If a candidate has more votes than needed:
  - Their extra votes are transferred to the voter's next preferences.
- If no candidate reaches the quota:
  - The lowest candidate is removed.
  - Their votes are transferred to the next preference.
- Repeat until all positions are filled.

NGĀ KŌRERORERO | DISCUSSION

Section 27 of the LEA provides that a council resolution changing an electoral system must apply for at least the next two triennial general elections. After that period, the electoral system continues to apply unless it is changed through a subsequent council resolution or a binding poll under the Act.

The LEA outlines the procedures and requirements for a change in the electoral system. A change can occur in one of the following ways:

a) A local authority resolves to change electoral systems for the next two triennial general elections. A resolution to change an electoral system must be made not later than 12 September 2026.

b) Five percent of electors demand a poll on a proposal to change the electoral system. A valid demand must be received by 11 December 2026.

c) A local authority resolves by no later than 11 December 2026 to hold a poll on a proposal to change the electoral system, irrespective of whether or not one is demanded by electors.

A poll under either b) or c) above must be held by 28 March 2027 for it to apply to the next triennial election. The outcome of any poll applies for the next two triennial elections and any other associated elections.

Notwithstanding a) to c) above, Council is required to give public notice, no later than 19 September 2026 of the right to demand a poll on the electoral system to be used for the next two triennial general elections.

Council resolved in 2020 to continue with the FPP system for the triennial elections in 2022 and 2025. Council now has the opportunity to decide whether or not to change the electoral system for the 2028 and 2031 triennial elections.

Under FPP, electors vote for their preferred candidates, and those with the highest number of votes are elected. The system is simple to understand and has worked well for the past eight triennial general elections. Our community is familiar with this system and understands why a candidate has been elected over another.

Under STV, electors rank candidates in order of preference. Candidates are elected once they reach a defined quota of votes, and surplus votes and preferences are transferred according to voter rankings until all vacancies are filled. STV is designed to produce a more proportional outcome than FPP, particularly in multi-member wards.

If Council were to adopt STV, it would require a transition period, including public information and engagement so that our community understands the voting system and how votes are counted.

Changing to STV would also result in a higher vote processing fee of approximately $12,000 per election, along with additional staff time and associated engagement costs.

If Council chooses to hold a poll to determine the community's preferred electoral system, officers estimate the cost would be approximately $125,000.

Any change from the current system comes within the backdrop of significant change in the local government sector, including the Local Government reform and the current long-term planning cycle. These changes have created a lot of uncertainty and have placed additional demands on staff capacity. Our community has also been contending with these changes.

Based on these considerations, staff consider there to be three options, with Option 1 - Retain the FPP system being the preferred one.

NGĀ KŌWHIRINGA | OPTIONS

<u>Analysis of Options</u>

Option 1. Status Quo - Retain the FPP system

Advantages	Disadvantages
• Simple and familiar system – easy for voters to understand and participate in. • Straightforward voting process – voters select their preferred candidate(s) with a tick. • Quick and transparent counting – results are easy to calculate and explain. • Clear election outcomes – produces an obvious winner without complex calculations. • Efficient administration – lower cost and complexity for election management. • Avoids the need for additional community consultation at a time when there is significant engagement on the local government reform, resource management reform and the Long-Term Plan.	• Less representative outcomes – elected candidates may not reflect majority voter preferences. • "Winner takes all" effect – candidates can be elected without majority support. • Higher number of "wasted" votes – votes for unsuccessful candidates do not contribute to representation. • Worse minority representation – harder for diverse or minority voices to be elected. • Potential for disproportionate results – outcomes may favour larger voting blocks over overall voter distribution.

Option 2. Resolve to change from an FPP to STV system

Advantages	Disadvantages
• Considered best with larger wards with multiple vacancies. • More representative results – better reflects overall voter preferences. • Proportional representation (in multi-member wards) – supports fairer distribution of seats. • Fewer "wasted" votes – preferences are transferred, increasing voter impact. • Greater voter choice – voters can rank multiple candidates. • Improved minority representation – increases likelihood of diverse candidates being elected.	• More resource would be required for communications and education about this voting system - effective participation depends on understanding ranking process. • More complex counting process – requires multiple rounds and often computerised counting. • Slower results – final outcomes take longer to determine. • Less transparent to some voters – process can be harder to follow compared to FPP. • Approximately additional $12,000 in costs to election management services. • Change fatigue with the community given the already significant engagement on the local government reform, resource management reform and the Long-Term Plan.

Option 3. Hold a poll to assess our community's preferred system

Advantages	Disadvantages
• Electors would be able to decide the preferred voting system.	• Additional cost of approximately $125,000. • Consultation fatigue with the community given the local government reform and Long-term Plan.

<u>Analysis Conclusion:</u>
It is recommended that Council proceeds with Option 1 and resolves to retain the FPP system and not to hold a poll.

NGĀ HĪRAUNGA | CONSIDERATIONS

Ngā Aronga Pūtea | Financial Considerations
The financial impact of the proposal if Council retains the FPP system is nil.

If Council chooses to hold a poll or electors demand a poll, the additional approximate cost would be $125,000.

Should the STV electoral voting system be preferred, the additional cost for a triennial election is around $12,000 which is approximately 20% additional to the vote processing fee. This cost would be incurred at the next election in October 2028. Communication and engagement costs, together with staff time, would also be required to inform our community about the change in the electoral system and explain how the new voting system would operate.

<u>Long-term Plan/Annual Plan</u>
If the preferred option is chosen, no additional expenditure would need to be budgeted for. However, choosing to conduct a poll or moving to the STV electoral system would require budget provision in the Long-term Plan 2027-37.

Ngā Aronga Ture | Legal Considerations

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

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

Local Electoral Act 2001

This proposal is consistent with sections 27 to 34 of the Local Electoral Act 2001 which sets out the process by which Council may determine the electoral system.

Authorisations are not required from external parties.

Ngā Hīraunga Kaupapa Here | Policy Implications

There are no known policy implications.

Te Kōrero tahi ki te Māori | Māori Engagement

Taupō District Council is committed to meeting its statutory obligations including in relation to Te Tiriti o Waitangi/Treaty of Waitangi principles, consideration of Māori interests and meaningful engagement with Māori. In meeting its statutory obligations, Council is committed to acting reasonably and in good faith and consistently with a partnership-based approach. Te Tiriti/Treaty principles include but are not limited to active protection of Māori interests, informed decision-making and enabling effective Māori participation in Council processes.

No specific engagement has been undertaken with iwi and hapū on this matter given the decision is limited to consideration of the preferred electoral system for local authorities.

Ngā Tūraru | Risks

There are no known risks.

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

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

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

TE KŌRERO TAHI | ENGAGEMENT

Taking into consideration the above assessment, that the decision is of a low degree of significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

The decision will be communicated in a public notice in the Taupō and Tūrangi News and on Council's website, as required by the LEA.

WHAKAKAPINGA | CONCLUSION

Council has the opportunity to change the electoral system for the next two triennial elections. However, given the amount of change facing the community, including as a result of the Government's local government reform programme, together with the financial cost of the alternatives, it is recommended that the Council retain the familiar and simpler FPP system for the next two triennial elections.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.7 COUNCIL ENGAGEMENTS AUGUST 2026, APPOINTMENTS, AND TRAINING AND CONFERENCE OPPORTUNITIES

Author: Karen Watts, Senior Committee Advisor

Authorised by: Nigel McAdie, Legal and Governance Manager

ENGAGEMENTS – AUGUST 2026

ENGAGEMENT	DAY	DATE	TIME
Tūrangi Co-Governance Committee workshop (Te Mataapuna, Tūrangitukua Park, Hirangi Road, Tūrangi)	Wednesday	5	9.30am-10.30am
Tūrangi Co-Governance Committee meeting (Te Mataapuna, Tūrangitukua Park, Hirangi Road, Tūrangi)	Wednesday	5	10.30am-12.30pm
Tongariro Representative Group workshop (Te Mataapuna, Tūrangitukua Park, Hirangi Road, Tūrangi)	Wednesday	5	1pm-2.30pm
Council meeting – Head Start (Council Chamber)	Thursday	6	10.30am-12.30pm
District Dog Control Committee meeting (Council Chamber)	Thursday	6	1.30pm-3pm
Taupō East Rural Councillor Connect Forum (River Road Community Hall, 1256 River Road, Broadlands)	Thursday	6	4pm-6pm
Water Services Committee meeting (Council Chamber)	Thursday	13	1pm-4pm
Taupō District Council Accelerator Fund Recipients' Presentation to Elected Members (Waiora House)	Thursday	20	10.30am-12.30pm
Council meeting (Council Chamber)	Tuesday	25	1pm-4pm

APPOINTMENTS

No new requests for appointments have been received.

TRAINING AND CONFERENCE OPPORTUNITIES

In accordance with the Expenses and Allowances Policy 2025-2028, this is a request to approve, either prior or retrospectively, elected member attendance at training and/or conferences.

The following request to attend a training and conference opportunity has been received:

- Cr Duncan Campbell, Cr Nicola de Lautour, Mayor John Funnell, Cr Sandra Greenslade, Cr Steve Manunui, Cr Hope Woodward: Local Government New Zealand SuperLocal conference on Wednesday 14 October and Thursday 15 October in Rotorua with travel, accommodation (if necessary) and attendance costs to be paid by Council.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council:

1. Receives the information relating to engagements for August 2026;

2. Approves / declines the attendance of Cr Duncan Campbell, Cr Nicola de Lautour, Mayor John Funnell, Cr Sandra Greenslade, Cr Steve Manunui, Cr Hope Woodward at Local Government New Zealand SuperLocal conference on Wednesday 14 October and Thursday 15 October in Rotorua with travel, accommodation (if necessary) and attendance costs to be paid by Council.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS

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 matter of each matter to be considered while the public is excluded, the reason for passing this 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 - 30 June 2026	Section 7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege Section 7(2)(i) - the withholding of the information is necessary to enable [the Council] to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	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	To enable the Council to discuss a negotiating position without compromising its commercial interests, while preserving confidentiality over legal advice received.

I also move that *[name of person or persons]* be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of *[specify]*. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because *[specify]*.