



**GREAT LAKE TAUPŌ**  
Taupō District Council

TAUPŌ DISTRICT COUNCIL

# ANNUAL REPORT SUMMARY

2022/2023

# Annual Report 2022/23 - Summary

*This is a summary of the Annual Report 2022/23. For those who wish to read a full copy of the Annual Report 2022/23, this can be found on our website – [www.taupo.govt.nz](http://www.taupo.govt.nz)*

*The financial statements of Taupo District Council are for the year ended 30 June 2023. The financial statements were authorised for issue by Council on 12 December 2023.*

# A message from your Mayor and Chief Executive

Welcome to our Annual Report for the 2022/23 year.

What is the most important thing in the world?

It is people, people, people.

Tēnā koe. Welcome to Taupō District Council's Annual Report 2022/23. This report outlines the services, key projects, and initiatives we undertook over the past 12 months, where the money was spent and how we performed as an organisation.

With the local body elections held on 8 October 2022, it was wonderful and humbling to be re-elected as your mayor again for the fourth term. We welcomed on board five new councillors together with our seven re-elected councillors. We have a wonderful, diverse group representing our communities, who have worked hard in their governance roles to ensure the best outcomes for the Taupō District during some very trying times over the past year. We also welcomed our new Taupō District Council chief executive, Julie Gardyne, who has been in the position of deputy chief executive since 2021 and brings extensive local government experience and strategic focus.

Over the past year Taupō District has faced some real challenges with the district growing quickly and the associated pressures this brings, including housing issues. Coming out of the back of Covid-19, we have been hit with severe weather disruptions and like everyone else, we are dealing with high inflation, rising interest rates, and higher costs for everyday things like fuel, electricity, and insurance. All these extra costs make it harder for us to look after all the things that we normally do like our water treatment plants, parks and reserves and community facilities. We have worked tirelessly to ensure we continue to provide the best service possible to the community, within the financial and economic restraints we are all faced with.

March 2023 marked the completion of the Taupō Town Centre Transformation. The centrepiece of this project is the new lakefront Te Ātea space, which we are incredibly proud of. A central carved pou represents the connection between Rangi and Papa (heaven and earth) portraying the lake guardian Horomātangi in his many forms, from a dolphin to a koura. Around the ātea four carved pou represent Ngā Hau e Whā, the people of the four winds, welcoming all people to the space. Thirteen additional features represent the major tributary rivers of Lake Taupō and act as a string, tying all corners of the district together and Lake Taupō at the centre of that connection, saying 'nau mai haere mai ki Tūwharetoa, nau mai haere mai ki Taupō. This is us, welcoming you, and inviting you to share in our stories and our histories'.

Another significant project, the new Waiora House, was largely completed with only finishing touches remaining when the financial year concluded on 30 June. Rebuilding Waiora House not only provided the opportunity to bring back a district social services hub but also to create a flagship community centre. The amount originally budgeted for the rebuild was \$5.9 million but that rose by another \$1.8 million due to the soaring cost of construction materials and supply issues due to the pandemic.

Other projects underway or completed during the year include the River Road and Whakamaru Water Treatment Plant upgrades, with UV disinfection and pH correction; the Kinloch Drinking Water Standards NZ project was progressed with pipelines installed and a new reservoir roof was installed at Mangakino. Also, the Acacia Bay Drinking Water Standards NZ project was completed which included the Taupō to Acacia Bay pipeline and pump station. Taupō Museum's historic Opepe waka was fully restored, and 120 young drivers gained their licences thanks to a Taupō District Council partnership grant.

An upgrade to Taupō Airport's terminal building and its carpark was included in Taupō District Council's 2018-28 Long-term Plan. Completed in February 2023, the upgrade to Taupō Airport has seen the construction of a new terminal building, as well as improved parking facilities. This upgrade had a budget of \$9.237 million, funded with \$3.367 million allocated in the Long-term Plan, a \$5 million grant from the Crown's Provincial Development Unit, and \$870,000 from the Ministry of Transport. This beautiful new building, complete with artworks by master carver Delani Brown and photography by Jeremy Bright, is a fitting welcome for visitors to the Taupō District.

At the southern end of the lake, the \$6.6 million Tūrangi street revitalisation project has seen significant improvements over the past 12 months, including replacing older kerbs and channelling in several areas of the town and the removal of oversized trees, which have been replaced with smaller species of trees more suited to the street berms.

Tūrangi also saw the completion of Te Mataapuna sports facility at Tūrangitukua Park. The building, owned by Taupō District Council, is sited on Ngāti Tūrangitukua whenua and is managed by a collective of local sports groups, Te Mataapuna Sports Collective. The new building features artworks by local artists Te Maari and Mikaere Gardiner and carver Te Ururangi Rowe, and was formally blessed and opened at an emotional dawn ceremony in May 2023.

The new papa tākaro (playground) in Tūrangi was blessed and is underway. A partnership between Ngāti Tūrangitukua, who own the land, and Taupō District Council, the playground will be unique to Tūrangi. With a total budget of \$1.12 million, the playground will have a variety of ways for local and visiting tamariki to play.

Upgrades of hard-court surfaces in River Road, Wairākei and Jarden Mile have been completed, as part of the Long-term Plan 2021-31. This follows on from work completed in Acacia Bay and Kinloch last year.

This is of course but a short summary of some of the many achievements Taupō District Council have marked over the past 12 months, as well as the obstacles we have faced. We continue to work hard on behalf of our residents to ensure the Taupō District has connected communities who thrive and embrace opportunities.

Arohanui ki a koutou katoa,



**David Trewavas**  
Mayor



**Julie Gardyne**  
Chief Executive

# Statement of Compliance

Council and management of Taupō District Council confirm that all the statutory requirements of Part 6 and Schedule 10 of the Local Government Act 2002 have been complied with, with the exception of late adoption. The annual report was not adopted within four months of the end of the financial year, because of conflicting priorities for staff resourcing due to delays in Council's Long-term Planning process with sector wide uncertainties.

Council and management of Taupō District Council accept responsibility for the preparation of the annual financial statements and service performance reporting and the judgements used in them.

Council and management of Taupō District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of Council and management of Taupō District Council, the annual financial statements for the year ended 30 June 2023 fairly reflect the financial position and operations of Taupō District Council.



**D Trewavas (JP)**  
Mayor  
12 December 2023



**Julie Gardyne**  
Chief Executive | Tumu Whakarae  
12 December 2023



**Sarah Matthews**  
General Manager Organisation Performance | Kaiwhakahaere Matua - Whakatutuki Whakahaere  
12 December 2023



**Libby O'Brien**  
General Manager People and Community Partnerships | Kaiwhakahaere Matua - Hononga Tāngata, Hapori  
12 December 2023



**Andrew Moraes**  
General Manager Operations and Delivery | Kaiwhakahaere Tuku Mahi  
12 December 2023

Taupō District Council's vision is 'We will be a district of connected communities who thrive and embrace opportunities'.

## Counting the assets

Council has \$1.68 billion in assets including land, infrastructure, and buildings as at 30 June 2023. These include:

2021/22	2022/23	Description
99,059	101458.9	m <sup>2</sup> of parking
3,237 poles 4,517 lights	3,181 poles 4,428 lights	streetlights
806.8/52.9	811.7km (total) 760km (sealed) 51.1km (unsealed)	km of roads (sealed and unsealed)
781.88	795.07	km of pipes supplying drinking water (includes service connections)
299	340	reserves including six sports grounds, three cemeteries and 57 playgrounds (Reporting has not yet been updated to reflect additional reserves established as part of Wharewaka East development)
412	412	street litter/recycling bins
628	637.19	km of pipes for wastewater (includes service connections)
367	367	km of footpaths
271	271.42	km of pipes for stormwater
27	27	pump stations for water supply boosting
122	125	pump stations for wastewater reticulation (includes 64 septic tank effluent pump stations) includes two owned by Parks & Reserves
57	57	social housing units, mainly occupied by elderly people
57	57	public toilets
43	53.8	km of cycleways and shared paths
61	42	km of culverts
25	25	bridges
18	17	water treatment plants: both Acacia Bay & Taupo South (Rainbow Point) have been decommissioned
11	11	Wastewater treatment plants
1	1	Septage facility
11	11	community halls
5	6	transfer stations
3	3	libraries
3	3	swimming pools
2	2	fitness centres and one gymnasium
1	1	landfill
1	1	museum
1	1	events centre
1	1	entertainment centre (the Great Lake Centre)
1	1	airport

# Groups of Activities

Over the past year Council delivered a range of services on behalf of the community. This section reports on the services Council provided and the projects that were planned and/or delivered, as well as those not completed. Each service is also measured against the performance targets that were set in the Long-term Plan and the budget for the year – what Council planned to spend, and how much was actually spent.

Council has 10 groups of activities:

- Community services
- Water
- Transport
- Community facilities
- Wastewater
- Solid waste
- Stormwater
- Democracy and planning
- Investments
- Economic development.

These groups of activities reflect the core services Council undertakes as required by the Local Government Act 2002. It also reflects the local public services that the community has signalled support for Council to provide.

Council has achieved 46 of its 67 performance measures in the Long-term Plan 2021-31 (68.7%), which it reports against annually. (Council achieved 50 of 67 in 2021/22). Please note that the Annual Report 2021/22 incorrectly reported that we achieved 45 performance measures. More information on this can be found in the 'performance measures' tables for water on pages 43 – 45 and wastewater on pages 65 in the full Annual Report.

The performance measures address factors such as quantity of service provided (or volume), quality of service, and customer satisfaction. The key reason why we haven't achieved all of our measures is:

- Changes to the standards relating to the quality of drinking water changing on 1 November 2022. This does not mean that our drinking water is unsafe. The risk is being managed through plans.

The results for each activity are shown below

86% ACHIEVED. COMMUNITY SERVICES

45% ACHIEVED. WATER

60% ACHIEVED. TRANSPORT

80% ACHIEVED. COMMUNITY FACILITIES

67% ACHIEVED. WASTEWATER

33% ACHIEVED. SOLID WASTE

100% ACHIEVED. STORMWATER

50% ACHIEVED. DEMOCRACY AND PLANNING

0% ACHIEVED. INVESTMENTS

100% ACHIEVED. ECONOMIC DEVELOPMENT

# Community Services

There are three activities in community services:

- Community engagement
- Regulatory services
- Emergency management.

## COMMUNITY ENGAGEMENT

The community engagement activity involves working with our communities to ensure that they are supported and connected.

Examples of our community engagement work include: building strong local neighbourhoods through the “Our Neighbourhood, Our Future” programme, working alongside Maori to ensure that they are informed and engaged in decision making, providing community grants to help achieve community aspirations and supporting youth through our Youth Leadership programme and Youth awards.

Strong communities can help people to feel safe and engaged, which help to make sure the Taupō district is a great place to live.

## REGULATORY SERVICES

The regulatory activity includes:

- Registering, enforcing and ensuring compliance with regulatory functions relating to food premises, liquor outlets, electronic gaming machines
- Undertaking animal control
- Enforcing parking time restrictions
- Processing resource consents and ensuring compliance with the District Plan and resource consent conditions
- Processing building consent applications, inspecting buildings and enforcing the Building Act 2004.

We undertake the regulatory group of activities to ensure that our residents are safe and protected from nuisance.

## EMERGENCY MANAGEMENT

Civil Defence Emergency Management (CDEM) is the key component of the emergency management group of activities. The CDEM role includes ensuring that our local communities and businesses are prepared if an emergency were to happen in our district. This includes undertaking public awareness and educational campaigns, training exercises and local response planning.



## What we did this year

### *We were involved with the following community projects, initiatives, and events:*

- Facilitated planning and governance workshops for community groups and organisations to support community-led change.
- Facilitated regular Access Taupō hui and actions.
- Facilitated the Taupō Youth Workers Network.
- Participated in the Taupō Council of Social Service Network.
- Assisted the Taupō Learning Centre to secure external funding.
- Supported Te Whatu Ora to gain community insights.
- Supported crime prevention initiatives in conjunction with BOPLASS.
- Connecting age-friendly across the district including representation in Mangakino and Tūrangi.
- Developed stronger understanding of our communities and organisations to identify best approaches in how we provide and prioritise support.
- Facilitated and supported community groups with various community activities.
- Ran the CBD Ambassadors programme over the summer.
- Facilitated forum support of regional presentations/workshop, Civil Defence Welfare, Collective Impact, Church and Government/Local Government, Police/Church community relationships.
- Annual Plan engagement and submission process with interest groups, communities, partners and representative groups.
- Supported engagement around a number of council projects and initiatives including the Mangakino Lakefront, playground redevelopments in Taupō and Tūrangi, Arts and Culture Action Plan, and bylaws.
- Development of a civic education programme.
- Implemented a new framework for community engagement.
- Added staff resourcing into the Northern Taupō District rohe to improve engagement across Mangakino, Kinloch, Wairakei and other northern Taupō District settlements.
- Continued with a focus on localism for Taupō District Council.
- Managed and distributed community grants and partnership agreements, including Tūrangi-Tongariro, Mangakino-Pouakani, Taupō/Taupō East Rural, Creative Communities and the Rural Travel Fund.
- Supported distribution agencies in the social service, sport and arts sectors.
- Guided community groups in processes for sourcing and securing external funding opportunities.
- Initiated the Grants and Partnership review.

## Regulatory Services

### What we did this year

- Registered, enforced, and ensured compliance with regulatory functions relating to food premises, liquor outlets, class 4 gambling, animal control and other bylaws and statutes.
- With an increase in our Compliance Team members, we were not only able to better patrol our open spaces to support our community more effectively, but we also now work in pairs which provides a safer working environment for our officers.

- Enforced limited-time parking spaces in the Taupō Central Business District and worked with businesses affected by the town centre redevelopment to make concessions to mitigate the effects of the construction works.
- Processed resource consent applications and ensured compliance with the District Plan and consent conditions.
- Processed building consent applications, inspected buildings, and monitored and enforced the Building Act 2004.

Year	2021/22	2022/23	
<b>Issued</b>	1,024	1,249	Building consents
	1,021	875	Code of compliance certificates
	378	453	Resource consents
	6,618	11,730	Parking infringement notices
<b>Dealt with</b>	1,149	1,019	Noise complaints
	1,580	1,739	Animal control complaints
<b>Audited</b>	362	361	BWOF inspections/audits
<b>Made</b>	545	578	Food/Health inspections
	183	191	Liquor outlet inspections

## Emergency Management

### What we did this year

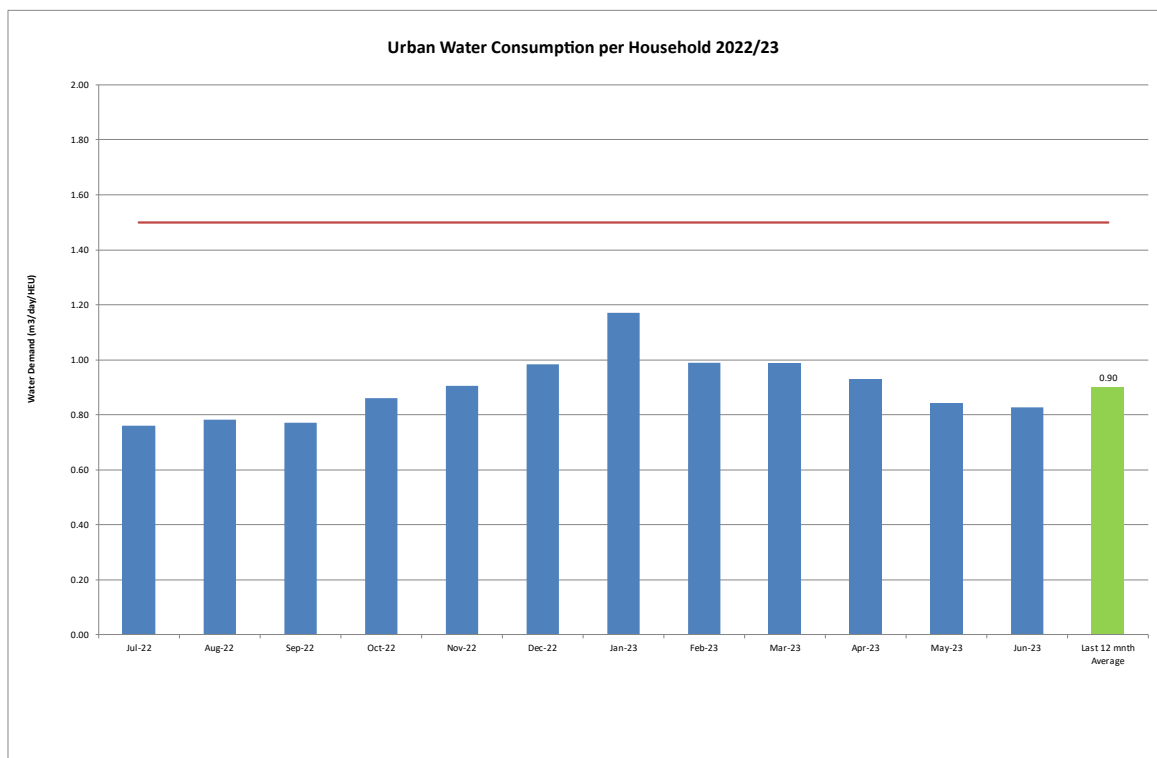
- Attended community events promoting Civil Defence.
- Instigated new ways to get increased numbers of volunteers for Emergency Operations Centre.
- Staff training continued for Civil Defence welfare and foundational and intermediate course.
- Undertook school and early childhood centre visits to increase knowledge of the district's hazards, and how to get ready in case of an emergency.
- Participated in Caldera Advisory Group, Central Plateau Volcanic Advisory Group, and ECLIPSE meetings.
- Maintained preparedness for Covid-19 resurgence and associated planning.

## Water

Water is essential for life, health, recreation and the environment. Water is also essential for economic development.

## What we did this year

- Completed the Kinloch Drinking Water Standards New Zealand Project pipeline components including 9.5km of pipework installation across Kinloch.
- Completed process design work for new membrane water treatment plants at Kinloch, Omori and Motuoapa and started construction of the new plant at Kinloch.
- Delivered 15km of water pipeline renewals across the District including:
  - 8.5km in Taupo
  - 4.2km in Mangakino
  - 1.3km in Turangi
  - 1.0km in Bonshaw Park.
- Installed smart water meters on all residential connections in Atiamuri, Hatepe and Whakamaru to help us monitor water use in these settlements .
- Continued our zone flow meter role out including installation of meters in Tirohanga, Mapara, Whakaroa and Taupo.
- Drilling of a new water supply bore at Atiamuri.
- Replacement of a reservoir roof at Mangakino.
- Extension of the water network to previously un-serviced areas of Whakamaru in the Forest View and Tihoi Rd area.
- Started construction of two new water treatment plants for our Atiamuri and Waihaha communities that will provide enhanced treatment to enable compliance with the drinking-water standards.
- Continuation of our process control and data system improvement project including commissioning of the first sites onto the new SCADA system.
- Renewed the water take consent for our River Road water scheme.
- Made significant progress in the Turangi water take consent process through signing of an operational agreement with Ngati Turangitukua.



# Transport

Our transport network provides for the efficient movement of people and goods which is essential for the economic and social wellbeing of the community and social connection.

## What we did this year

- Commenced safety improvements on Whangamata Road.
- Continued the seal extension programme.
- Speed limit changes around schools were implemented as part of the Speed Management Plan.
- Undertook safety improvements on Tirohanga Road.
- Undertook four school travel plans.
- Commenced construction of footpaths on Lake Terrace and Invergarry Road.

While not reported on within the Transport Activity, highlights include the completion of the Taupō Airport upgrade and the Taupō Town Centre Transformation project.

# Community Facilities

Our district offers a wide range of leisure and recreation opportunities and we encourage our residents and visitors to use them. Our strategy is to maintain our community facilities so that we can continue to enjoy them.

## What we did this year

- Completed and opened Te Mataapuna Sports Facility at Tūrangitukua Park.
- Adopted the Recreation and Sports Strategy for the District.
- Received the Arts, Culture and Nga Toi Action Plan.
- Secured 'Better Off' funding from Central Government for investment into Owen Delany Park.
- Achieved KPI targets for annual delivery of Contact Swimwell Programme.
- Achieved Pool Safe Accreditation for the Turtle Pools and AC Baths.
- Completed upgrade to the Childrens Corners at the Taupo Library and Taupo Museum.
- Completed the waka restoration project at the Taupo Museum.
- Completed upgrades to the HVAC systems at the Great Lake Centre and the Taupo Library.
- Completed the annual digitisation programme.
- Scoped and commenced conservation work on artworks, kete, korowai and botanical specimens.
- Completed annual book renewal programme.
- Installed TV monitors (some with audio-visual conferencing capability) in library meeting rooms and shared public spaces.
- Delivered the annual exhibition programme at the Taupo Museum.
- The Ora Garden retained status as a New Zealand 'garden of significance'.

# Wastewater

## What we do and why we do it

Council collects, treats and disposes of wastewater from residential, commercial and industrial properties within designated drainage areas of the district, safeguarding the environment and protecting public health. We provide sufficient capacity to serve communities within current designated drainage areas of the district, on a continuous basis. Our wastewater services support our environment outcome.

## What we did this year

- Continued the project that aims to reduce sewer overflows through increased maintenance. This included inspecting wastewater mains using a sewer line rapid assessment tool to inspect and assess the condition of wastewater mains using CCTV.
- Installed upgraded electrical control hardware at a number of wastewater water pump station. This work will continue over the next few years.
- Developed the design for the southern trunk sewer main in Taupo which is due for construction in 2024.
- Continued to develop future wastewater disposal options for the Tūrangi Wastewater Treatment Plant along with steering group partners Ngāti Tūrangitukua, Ngāti Karauia and Tūwharetoa Māori Trust Board.
- Began work on expansion of our View Road wastewater irrigation system which is due for completion in 2023/24.
- Complete re-consenting of our Rakaunui Road wastewater irrigation site.

# Solid waste

## What we do and why we do it

We provide a solid waste system for refuse and recyclables. Waste services include a landfill and resource recovery centre at Broadlands Road, five transfer stations and street litter and recycling bins and a district kerbside collection in our urban areas. We manage solid waste to reduce the likelihood of harm to people and the environment, and to retain the district's attractive appearance for residents and visitors. Solid waste services contribute to the environment and economic community outcomes.

## What we did this year

- Ran public workshops including Waste Free Parenting, Waste Free Living and Food Lover's Masterclass.
- Ran a Teacher Professional Development and a Waste Minimisation for Events training workshop.
- Ran home composting workshops in Tūrangi and Taupō.
- Supported schools with composting programmes.
- Supported district marae through the Para Kore waste minimisation programme.
- Supported the Enviroschools programme.

- Held the Bread Bag Challenge litter pick up event.
- Held the Pick and Treat Halloween litter pick up event.
- Passed a waste levy audit from the Ministry for the Environment.
- Undertook environmental monitoring for the three closed landfills and the Broadlands Road Landfill.
- Achieved 'fully compliant' status on all solid waste consents.
- Continued the Resource Wise programme, which encompasses the waste minimisation offerings to local schools, businesses, community groups and the public.
- Ran the Waste Minimisation Grant and selected successful projects to fund.
- Ran public events through Taupō Environmental Education Collaborative to promote recycling and waste minimisation including Whānau Nature Day.
- Facilitated educational group trips to the Broadlands Road Transfer Station.
- Monitored and supported event waste management plans.
- Installed new street recycling bins and upgraded high-traffic area bins to 'Big Belly' bins.
- Completed the recycling shed at the Omori Transfer Station.
- Worked with operational contractors to maintain service levels.
- Installed the new weighbridge and software at the Turangi Transfer Station.
- Expanded the types of E-waste accepted at Broadlands Road Landfill and the Turangi Transfer Station.
- Continued the car seat recycling programme in conjunction with SeatSmart.
- Achieved 47% diversion from landfill

# Stormwater

## What we do and why we do it

Council provides a stormwater system to manage the surface water runoff from the district's urban catchments. Waikato Regional Council increasingly require Council to improve the quality of the stormwater particularly where it goes into lakes and rivers (as it does in the Taupō district) to reduce the adverse effects on the environment.

## What we did this year

- Undertook overland flow path modelling.
- Undertook a district wide stormwater monitoring programme.
- Undertook monitoring of sediment collected from quality improvement devices.
- Installed one quality improvement device into the stormwater network on Redoubt Street.
- Undertook erosion control planting in a number of gullies in the district.
- Worked with Kids Greening Taupō to undertake planting in the Brentwood gullies.
- Supported Predator Free Taupō with pest trapping in Taupō gullies.
- Completed a CCTV inspection and condition assessment for parts of the Taupō town.
- Liaised with developers on stormwater designs for new subdivisions.
- Maintained and emptied quality improvement devices, with visual quality of discharges significantly improved.
- Worked with maintenance contractor to maintain the stormwater network.

# Democracy and Planning

Council provides democratic local decision-making and action by, and on behalf of, our district's many communities. We are focused on meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. Democracy contributes to the environment, engagement and economy community outcomes.

## What we did this year

- Received an award for the Mana Whakahono o Rohe signed with Ngāti Tūrangitukua and started implementing the agreement.
- Established the Turangi Co-Governance Committee.
- Council is working to equip its staff with the relevant tools and information to continually refine and improve its engagement processes with iwi partners and hapū. This mahi is ongoing and a priority for the organisation.
- The Iwi Partnerships and Co-Governance team is working hard to understand and work across the organisation to give effect to Council's existing and developing co-governance arrangements and obligations. This mahi is ongoing, and a priority for us going forward.
- A cross-departmental co-governance team consisting of policy, regulatory, legal, democracy, reserve management, infrastructure and iwi partnerships worked alongside Council's iwi partners to support the implementation of existing joint management arrangements and the development of new partnership agreements. This mahi is ongoing.
- Māori representatives continue to sit on each of Council's standing committees:
  - Emergency Management Committee
  - Kinloch Representative Group
  - Taupō Roding and Reserves Committee
  - Mangakino Pouakani Representative Group
  - Taupō East Rural Representative Group
- Introduced Māori wards for the 2022 local body elections and worked with the two new incoming councillors elected to represent the Māori ward.
- Supported Pukawa Marae to deliver the 2023 Waitangi Festival.
- Engaged our iwi partners to understand how best we can receive their guidance on the review of the District Plan. We engaged a consultant planner to provide capacity for iwi partners to become involved in the District Plan review and facilitate their input and participation in the process. This mahi is ongoing
- We have engaged iwi partners, hapū across a range of Council projects and activities. We are working to engage our iwi partners, hapū as early as practically possible and to give effect to the partnership relationship we have with them.
- Continued to progress the review of our District Plan with a focus on preparing the following:
  - Plan Change 38 (Strategic Directions) - New Strategic Directions chapter
  - Plan Change 39 (Residential Building Coverage) - Increases permitted residential building coverage in most residential environments from 30 per cent to 35 per cent.
  - Plan Change 40 (Taupō Town Centre) - Changes building height provisions for parts of the Town Centre, modifies temporary activity rule and clarifies verandah requirements over service lanes.
  - Plan Change 41 (Deletion of Fault lines) - Deletes out of date fault lines from planning maps/eplan.

- Plan Change 42 (General Rural and Rural Lifestyle Environments) - Full review of the rural chapters and removal of the Mapara Valley Structure Plan.
- Plan Change 43 (Taupō Industrial Environments) - Zones additional land for Taupō Industrial Environment.
- Responded to and advocated for our community on reforms such the Affordable Water Reform and Resource Management
- We have continued to work through the mediation process with Waikato Regional Council in relation to our appeal on Plan Change 1 (Healthy Rivers).
- Developed the Annual Plan 2022-23
- Progressed work on how Council can help address climate change through reduced emissions.
- Progressed development of a housing strategy that will clarify what role Council should play in addressing a range of housing related issues.
- Started the development of the Long-term Plan 2024-34



# Investments

Council generates income through investments and development of a range of assets that it owns. Income generated from assets is an important income stream for Council as it offsets some of the costs of providing services. Income is also used to pay off debt due to the East Taupō Arterial and the construction of other community infrastructure. This group of activities contributes to the economic community outcome.

# Economic Development

The economic base of the Taupō District is intrinsically linked with the unique characteristics of Lake Taupō and its surrounding geography. Tourism, forestry, energy generation (hydro and geothermal) and agriculture therefore largely drive the Taupō economy. There is significant potential for investment to gain added value from these industries.

As a Council we undertake leadership (including partnership and facilitation), spatial planning and infrastructure, quality regulation, services (including Water Services Reform Programme), business and industry development and social and community services, supporting economic development. Specifically:

- An in-house events function that supports event organisers to run both commercial and community events. This support includes advice, relationship management, promotion, equipment, venues, hosting, funding and monitoring. Council also provides infrastructure, services and regulatory functions to enable events. Supporting events provides economic impact, gives the district a positive profile, creates vibrancy and diversity, delivers social benefits and provides opportunities for business.
- Promoting Taupō as a holiday and visitor destination through a Council-controlled organisation, Destination Great Lake Taupō (DGLT) and information desks in Taupō, Tūrangi and Mangakino. Tourism is estimated to be worth over \$600 million to our economy annually and accounts for a significant proportion of employment within the district.
- Contracting Amplify, an independent trust, to provide business development services throughout the district. Its mandate is to enrich our community through the creation of wealth and jobs for our region and its services include district-wide business growth support; entrepreneur and youth development; and new business attraction.
- Supporting the activities of Towncentre Taupō - a member-based organisation focused on enhancing and developing the social and economic wellbeing of the Taupō central business district by developing a vibrant, well managed and innovative town centre.

# Our Financial Performance

## KEEPING RATES AND DEBT AFFORDABLE

Council continues to contribute to its Financial Strategy adopted as part of the Long-term Plan 2021-31

## LOOKING AFTER THE ASSETS WE HAVE WHILE MAINTAINING LEVELS OF SERVICE

Our district is still relatively young. This means that many of our infrastructure assets are in good condition and will not need renewing or upgrading for many years. We must all pay our fair share of the use of these assets each year to ensure intergenerational equity is achieved, and that we don't create a financial burden for current or future generations. By rating for depreciation and building cash reserves, we are able to subsequently fund future renewals programmes, maintaining levels of service for the district without undue burden on any particular ratepayers at any point in time.

## KEEPING RATES AFFORDABLE AND SUSTAINABLE

Council's main source of operating revenue is from rates, both general and targeted. In the 2021-31 Long-term Plan projected rates increases were between 2 and 8.7 per cent (after adjusting for growth in rateable properties) over the 10 years of the plan.

## TAUPŌ ELECTRICITY LIMITED (TEL) FUND

Council has managed its investment in the TEL Fund over a period of increasing interest rates in the last 12 months. The book value of the fund has increased from \$63.6 million in 2021/22 to \$65.1 million in 2022/23.

## LIMITS ON RATES AND DEBT

To meet all of these goals, Council proposed five limits on rates and debt, and has operated within four of these limits for 2022/23. These were:

- Total rates revenue must not exceed 80 per cent of operating revenues
- Rates increases may not exceed forecast Local Government Consumer Index (LCGI) + 2.5 per cent. (exceeded)
- Gross external borrowing may not be more than 225 per cent of annual operating income.
- Actual net debt must be equal or less than planned net debt.
- Borrowing costs must be less than 10 per cent of revenue.

# Summary of Financial Statements

## OVERVIEW

Council's surplus of \$44.8m is \$18.7m more than the \$26.1m surplus planned. The explanations below address this variance.

## REVENUE

Council's operating revenue was \$27.1m ahead of plan. This was due to the following operational areas being ahead of plan: vested assets higher than plan \$16.7m, higher subsidies and grants revenue due to Covid-19 related capital grants from central government of \$8.8m, fees & charges revenue higher than plan of \$3.2m, gain on valuation of investment properties \$1m, first time recognition of assets higher than plan \$1m, revenue from Development Contributions & Developer Agreements higher than plan \$1m, gain on revaluation of interest rate derivatives of \$0.9m, finance revenue higher than plan by \$2.1m due to higher than budget cash balances and interest rates, rates revenue was \$0.5m ahead of plan and insurance recoveries and other revenue higher than budget by \$0.7m. These gains are offset by realised & unrealised losses on shares and bonds \$0.6m, Gain on sale of property behind loan by \$7.9m due to timing of settlements and the valuation of our forests below the anticipated gain by \$0.4m.

## EXPENSES

Council's expenses are \$7.1m higher than plan, due to the following expense items: Employee expenses are higher than plan by \$2.9m this is mainly due to project on-charges from digital projects being below budget due to vacant positions, extra positions for the Affordable Waters Reform which was offset by revenue received from DIA, market-based salary increases being higher than budget, additional positions due to operational requirements, and salary capitalisation being under budget due to limitations from project partners and other capitalisation variances. Loss on disposal of assets \$1.9m higher than plan and finance costs higher than plan \$1.4m. The following operational costs were all above plan: maintenance \$0.9m, professional, consultant and legal fees \$0.4m, occupancy and utilities \$0.7m, vehicle running \$0.4m and other costs \$0.6m. Council impaired the Ruapehu Alpine Lifts bondholding of \$1m. These losses are offset by depreciation being below plan by \$2m.

## STATEMENT OF FINANCIAL POSITION EQUITY

The value of our asset base increased by \$474.6m during the year. This was primarily as a result of a revaluation of Council's transport & three waters assets of \$159.7m, land & buildings and roading assets \$280.9 million in the previous year affecting the opening balance of equity and the operating surplus of \$43.4m.

## ASSETS

Investments including cash are \$32.8m lower than plan, property plant and equipment (including intangibles) is \$466.8m higher than plan, investment properties and non-current assets held for sale are \$15.3m higher than plan. Trade receivables are \$3.5m higher than plan.

## LIABILITIES

Derivative financial instrument liabilities are \$16.8m lower than plan due to fair valuation changes in current year, borrowings are lower than plan by \$8.7m and trade creditors are higher than plan by \$3.6m.

These financial statements are extracted from the full Annual Report. That report was prepared in accordance with generally accepted accounting practice in New Zealand and was prepared under Tier 1 Public Benefit Entity International Public Sector Accounting Standards (NZ PBE IPSAS). The information in this summary financial report has been prepared in accordance with PBE FRS43:

Summary Financial Statements. The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided in the full financial statements. The financial statements are presented in New Zealand dollars and values are rounded to the nearest thousand dollars. The functional currency of Taupō District Council and Group is New Zealand dollars.

## Summary Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2023

	Council			Group	
	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 Restated \$000	Actual 2023 \$000	Actual 2022 Restated \$000
Revenue	155,235	129,566	162,870	156,196	164,028
Expenses	101,110	94,036	88,780	102,445	90,170
Finance costs	10,764	9,395	8,190	10,764	8,190
<b>Net Surplus/(deficit) before tax</b>	<b>43,361</b>	<b>26,135</b>	<b>65,900</b>	<b>42,987</b>	<b>65,668</b>
Tax (expense)/credit	-	-	-	147	79
Net surplus after tax	<b>43,361</b>	<b>26,135</b>	<b>65,900</b>	43,134	<b>65,747</b>
Attributable to:					
Taupo District Council	43,361	26,135	65,900	43,309	65,758
Non-controlling interest	-	-	-	(175)	(11)
<b>Net surplus/(deficit) for the year</b>	<b>43,361</b>	<b>26,135</b>	<b>65,900</b>	<b>43,134</b>	<b>65,747</b>
Property, plant & equipment revaluations	159,606	27,044	280,918	162,124	282,040
Investments in associates	(23)	-	8	(23)	8
Tax on equity items	-	-	-	(705)	-
<b>Total other comprehensive revenue</b>	<b>159,583</b>	<b>27,044</b>	<b>280,926</b>	<b>161,396</b>	<b>282,048</b>
<b>Total comprehensive revenue and expenses</b>	<b>202,944</b>	<b>53,179</b>	<b>346,826</b>	<b>204,530</b>	<b>347,795</b>
<b>Attributable to:</b>					
Taupo District Council	202,944	53,179	346,826	203,799	347,857
Minority interest	-	-	-	731	(62)
	<b>202,944</b>	<b>53,179</b>	<b>346,826</b>	<b>204,530</b>	<b>347,795</b>

## Summary Statement of Changes in Net Assets/Equity

For the year ended 30 June 2023

	Council			Group	
	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 Restated \$000	Actual 2023 \$000	Actual 2022 Restated \$000
Net Assets/Equity at start of the year	1,691,151	1,366,301	1,344,325	1,702,539	1,351,995
Total comprehensive revenue and expenses for the year	202,944	53,179	346,826	204,530	347,795
Non controlling interest equity injection	-	-	-	155	2,750
<b>Balance at 30 June</b>	<b>1,894,095</b>	<b>1,419,480</b>	<b>1,691,151</b>	<b>1,907,224</b>	<b>1,702,540</b>
<i>Components of Equity</i>					
Accumulated Funds	950,512	898,813	904,838	951,723	906,101
Other reserves	943,583	127,451	786,313	948,126	789,949
Minority interest	-	393,216	-	7,375	6,490
<b>Total Equity</b>	<b>1,894,095</b>	<b>1,419,480</b>	<b>1,691,151</b>	<b>1,907,224</b>	<b>1,702,540</b>

## Summary Statement of Financial Position

as at 30 June 2023

	Council			Group	
	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000	Actual 2023 \$000	Actual 2022 \$000
Current assets	128,186	153,258	139,547	128,150	143,314
Non-current assets	1,974,383	1,496,185	1,744,397	1,989,347	1,753,637
<b>Total assets</b>	<b>2,102,569</b>	<b>1,649,443</b>	<b>1,883,944</b>	<b>2,117,497</b>	<b>1,896,951</b>
Current liabilities	73,001	67,891	87,463	73,493	88,327
Non-current liabilities	135,473	162,072	105,330	136,780	106,084
<b>Total liabilities</b>	<b>208,474</b>	<b>229,963</b>	<b>192,793</b>	<b>210,273</b>	<b>194,411</b>
Equity	1,894,095	1,026,264	1,691,151	1,899,849	1,696,050
Non-controlling interest	-	393,216	-	7,375	6,490
<b>Total equity</b>	<b>1,894,095</b>	<b>1,419,480</b>	<b>1,691,151</b>	<b>1,907,224</b>	<b>1,702,540</b>

## Summary Statement of Cashflows

for the year ended 30 June 2023

	Council			Group	
	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000	Actual 2023 \$000	Actual 2022 \$000
Net cash flow from operating activities	27,371	31,605	25,115	26,808	25,705
Net cash flow from investing activities	(35,816)	(73,018)	(24,042)	(38,730)	(28,168)
Net cash flow from financing activities	19,917	29,819	(76)	20,071	2,674
<b>Net increase (decrease) in cash held</b>	<b>11,472</b>	<b>(11,594)</b>	<b>997</b>	<b>8,149</b>	<b>211</b>

## Key Management Personnel Compensation

	Actual 2023 \$000	Actual 2022 \$000
<b>Councillors</b>		
Remuneration (Council Elected Members)	648	611
Full-time equivalent members	13	12
<b>Executive Team, including the Chief Executive</b>		
Remuneration (CEO & ET)	767	1,339
Full-time equivalent members	4	5
<b>Total key management personnel compensation</b>	<b>1,415</b>	<b>1,950</b>
<b>Total full-time equivalent members</b>	<b>17</b>	<b>17</b>

## Summary of Commitments

	Council		Group	
	Actual	Actual	Actual	Actual
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Major contracts - operational	66,370	31,820	66,608	31,874
Major contracts - capital	34,779	58,167	34,779	58,332
Non-cancellable operating leases as lessee	49,279	912	49,279	912
<b>Total commitments payable</b>	<b>150,428</b>	<b>90,899</b>	<b>150,666</b>	<b>91,118</b>

	Council		Group	
	Actual	Actual	Actual	Actual
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Non-cancellable operating leases as lessor	2,551	2,764	3,538	3,669
<b>Total commitments receivable</b>	<b>2,551</b>	<b>2,764</b>	<b>3,538</b>	<b>3,669</b>

## Contingencies

### Contingent liabilities

Taupo District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AAA.

Council is one of 30 local authority shareholders and 77 local authority borrowers of the NZLGFA. (In that regard it has uncalled capital of \$100,000). When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2023, NZLGFA had borrowings totalling \$17,684m (2022: \$15,789m). This figure is made up of the face value of the LGFA's bonds on issue of \$16,678m (2022: \$15,105m), accrued interest on bonds on issue of \$83.7m (2022: \$87.7m), the face value of bills on issue of \$792m (2022: \$565.0m) and bonds LGFA lent to counterparties under bond repurchase transactions of \$130m (2022: \$31.70m).

PBE Accounting standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at recognition), and subsequently at the higher of the provision for impairment at balance date determined but the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore Council has not recognised a liability.

The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that;

- we are not aware of any local authority debt defaults in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

### Other Contingencies

#### Taupo District Council

- Scientific advice has been received regarding the Hipaua Geothermal Landslide risk near Waihi at the southern end of Lake Taupo. In the event of a landslide any property damage and/or loss of life could potentially give rise to claim(s) against Council, currently unquantifiable (2022: Same contingency disclosure made).
- A land subsidence issue has been identified in the Taupo urban area, with the potential for property damage and therefore raising unquantifiable liability issues. Taupo District Council does not believe it has any direct potential liability, specifically related to the causes of the subsidence. (2022 - Same contingency disclosure made).
- Council controls and has brought to account certain reserve lands throughout the District which will return to Iwi ownership in the event that they are no longer required for reserve purposes. Council does not envisage that this situation will eventuate (2022 - Same contingency disclosure made).
- Council may be subject to claims relating to weather tightness building defects. Any leaky building claims made against Council after 1 July 2009 are not covered by our insurers. As at the date of this report, there are no leaky building proceedings involving the Council (2022: No claims - Same contingency disclosure made).

- The potential for erosion and flooding risk has been identified through technical reports around the foreshore of Lake Taupo, with the potential for property damage and therefore raising liability issues. That information was communicated to the affected landowners and subsequently incorporated into the District Plan by way of a plan change. There were no appeals to that plan change, and it has become operative. Council also sought technical information related to erosion risks around the margins of Lake Taupo. That information was communicated to affected landowners and continues to be referenced on LIMs. Taupo District Council does not believe it has any direct potential liability, specifically related to the causes of the erosion and flooding. The issue of contingent liability however, currently unquantifiable, remains (2022: Same contingency disclosure made).
- Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.
- In April 2023 the Council received a hold-liable letter from the insurer for property owners in Acacia Bay, Taupo relating to a watermain break in May 2021 that flooded their property. The claim is for \$252k. The outcome of the claim is uncertain so the Council cannot reliably estimate the exposure (if any).
- In October 2022 the Council received a hold-liable letter from the insurer for a commercial property owner in relation to a burst watermain in the central business district that flooded several commercial premises. The single claim is in excess of \$90,000 although there were other affected buildings in relation to which claims haven't yet been received, so the contingent liability (if any) is currently unquantifiable.
- In late May 2023 the Council became aware that Producer Statements (Producer Statement – Design (PS1) and/or Producer Statement – Construction Review (PS4)) and/or Certificates of Design issued in the names of Chartered Professional Engineers, may have been provided to Taupō District Council by Jon Hall of Kodiak Consulting Limited, without their involvement and/or consent. These Producer Statements and/or Certificates of Design may have been relied on by the Council in the granting of a building consent and/or code compliance certificate for a building associated with these properties. Council does not believe it is liable for any potential loss caused to property owners from the reliance by Council on the potentially fraudulent building consent documentation, however at present, there is still insufficient information to assess any potential litigation risk and/or claim quantum which therefore raises an unquantifiable contingent liability.
- The Council is alleged to have made an error when processing a Project Information Memorandum in July 2022 for a property in Lisland Drive, Kinloch that resulted in a dwelling encroaching the maximum height plane. The Council has been joined to a claim against the plan drafting company by the owner and his building company seeking in excess of \$40,000 in damages and costs. As the claim has yet to be heard by the courts, the exact quantum of the contingent liability is currently unquantifiable.

#### **Taupo Airport Authority**

In April 2021, damage was caused to an aircraft's propeller following a single aircraft incident on the taxiway at Taupo Airport. An independent safety investigation was undertaken shortly after the incident which indicated pilot error. In April 2022 TAA received a demand to reimburse the pilot the costs incurred to repair the aircraft. At this point, TAA cannot reliably determine whether a liability exists, but in any case TAA has insurance coverage for this event so TAA exposure is expected to be minimal (2022: Same disclosure made).

#### **Contingent assets**

There are no contingent assets for the Group as at 30 June 2023 (2022 Nil).

## Events after balance date

With the change in the Government after year-end, there is a possibility of a change to the water services reform programme. Refer to note 35 in the full Annual Report for more detail in this regard.

## Legislative Compliance

Section 98 of the Local Government Act 2002 required Taupo District Council to prepare and adopt an annual report within four months after the end of each financial year. The annual report 2022/23 was adopted by resolution of the Taupo District Council on 12 December 2023 outside the four month window. This was due to conflicting priorities for staff resourcing due to delays in Council's Long-term Planning process with sector wide uncertainties



## Independent Auditor's Report

### To the readers of Taupō District Council and Group's summary annual report for the year ended 30 June 2023

The summary annual report was derived from the annual report of the Taupō District Council (the District Council) and Group for the year ended 30 June 2023.

The summary of the annual report comprises the following information on pages 6 to 23:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets/ equity and statement of cashflows for the year ended 30 June 2023;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of statement of service performance reporting (referred to as 'groups of activities').

We completed our work on 12 December 2023. This is the date on which we give our report.

### Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

However, the summary statement of service performance reporting (referred to as 'groups of activities') includes a limitation in scope to the equivalent extent as the full audited non-financial performance information. This limitation is explained below in "The full annual report and our audit report thereon" section.

### Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

## **The full annual report and our audit report thereon**

We expressed a qualified opinion on the service performance reporting and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2023 in our auditor's report dated 12 December 2023. The basis for our qualified opinion on the service performance reporting is explained below.

The District Council is required to report in its full annual report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These mandatory performance measures include the attendance times and resolution times to call-outs relating to faults or unplanned interruptions to its water supply system and to sewerage overflows resulting from a blockage or other fault in its wastewater system.

As explained on pages 43, 44, 45 and 65 of the full annual report, the District Council was unable to support the reported performance against these measures due to issues with the data recording system. As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance that the reported results for these measures are materially correct in the current year and the comparative year to 30 June 2022.

## **Emphasis of matter – uncertainty over the water services reform programme**

Without further modifying our opinion, our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three water services and related assets and liabilities currently controlled by local authorities.

Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council as outlined in note 35 of the full annual report remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved. In addition, there is uncertainty around the water services reform legislation. With the change in government, it may be repealed or substantially amended. This matter is disclosed on page 23 of the summary annual report.

## **Council's responsibility for the summary of the annual report**

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

## **Responsibilities of the Council and the Auditor**

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independent Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to reporting on the summary and full annual reports, we have performed limited assurance engagements related to the District Council's debenture trust deed and the project Quantum programme to implement the Technology One Financial, Payroll, Rating and Regulatory Information Systems in the District Council's FMIS system. These engagements are compatible with those independence requirements.

Other than these engagements, we have no relationship with, or interests in the District Council or its subsidiaries and controlled entities.



Wikus Jansen van Rensburg  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand