



GREAT LAKE TAUPŌ
Taupō District Council



Annual Report

2017 / 18

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A message from your Mayor and Chief Executive

Welcome to our Annual Report for the 2017/18 year.

This report outlines the services, key projects and initiatives we undertook over the past 12 months, where money was spent, and how we performed as an organisation.

The 2017/18 was quite a year. Not only did we set to work implementing the projects that we had identified in year three of our 2015-2025 Long Term Plan, we also had a number of other projects that needed to be undertaken with some urgency.

The biggest of those was the need to vacate our Lake Terrace office due to health and safety concerns. This saw around 120 staff relocated to five separate sites around our CBD as well as our existing prefab, as temporary accommodation. Following consultation on the 2017/18 Annual Plan, we also made the decision to explore alternative sites for our administration functions. We consulted with the community on a number of different options, from refurbishment to a new build, with the preferred option being to build a new building at the Lake Terrace site. However, following feedback the decision was made to build a new building, on a site to be determined. It was also decided to investigate lease options as an alternative to self-funding a new building.


Ultimately, Council decided to investigate the development of the area fronting on to Story Place near the Great Lake Centre and the library for the new building as its preferred option. The other two options, in order of preference, were to build on the Tūwharetoa Street carpark or on the former site at 72 Lake Terrace. Work on developing a master plan for the preferred site began toward the end of the financial year, with a view to creating a cultural precinct rather than an office building on its own.

Another urgent piece of work was addressing a number of failures in our wastewater system that caused sewage spills to the lake. There were a number of spills in the space of a short period and we needed to move swiftly to ensure we had done what we could to prevent more. We instigated a comprehensive preventative maintenance project that saw more than 545 sewer pipes in Acacia Bay and Taupō inspected and more than 35 manholes cleared. We also launched a public education campaign to ensure our community was mindful of what it was putting into the wastewater system as fats, wipes and tree roots were the highest contributing factors to blockages.

This meant a marked increase to our works programme and the need for us as an organisation to become more agile and flexible than ever before. Despite the unexpected, financially we performed well. We maintained a credit rating of AA from international credit rating agency Standard and Poor's and our closing debt position of \$144 million was \$8 million less than originally projected for the year in the 2015-25 Long-term Plan. This was largely due to repayments made in the 2014/15 year but regardless is a pleasing result. We also were extremely close to meeting our essential services benchmark for the first time. This measure is met if capital expenditure on network services equals or is greater than depreciation on network services. This year we reached 99 per cent, 33 per cent higher than the previous year which was a fantastic achievement. We stayed true to our promise of keeping rates affordable and sustainable and while an average rates increase of 3.53 per cent had been originally forecast for the year, the actual was 2.26 per cent.

In terms of performance, we achieved the vast majority of measures we set ourselves in the Long-term Plan.

Looking forward, our focus now turns to delivering the first year of the 2018-28 Long-term Plan. While we are faced with some challenges and major decisions, the least of which is where our organisation will get to call home, we will continue to seek efficiencies to keep rates as affordable as possible, and will ensure our district's interests are represented at both a regional and national level. We will continue to seek input from our residents into our decision making, and most importantly we will strive to meet our vision of making the Taupō District the most prosperous and liveable district in the North Island by 2022.



David Trewavas JP
Mayor



Gareth Green
Chief Executive

Statement of Compliance

The 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.

The 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.

The 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 the Council and management of Taupō District Council, the annual financial statements for the year ended 30 June 2018 fairly reflect the financial position and operations of Taupō District Council.



David Trewavas JP
Mayor
25 September 2018



Gareth Green
Chief Executive
25 September 2018



A J Menhennet
Head of Finance and Strategy
25 September 2018



Brian Fox
Head of Regulatory and Risk
25 September 2018



John Ridd
Head of Economic Development
and Business Transformation
25 September 2018



Kevin Strongman
Head of Operations
25 September 2018



Tina Jakes
Head of Democracy,
Governance and Venues
25 September 2018



Lisa Nairne
Head of Communications
and Customer Relations
25 September 2018



Dylan Tahau
Head of Community,
Culture and Heritage
25 September 2018

Independent Auditor's Report

To the readers of Taupo District Council's annual report for the year ended 30 June 2018

The Auditor-General is the auditor of Taupo District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 25 September 2018. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 94 to 151:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2018;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Accounting Standards;
- the funding impact statement on page 91, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the Service Performance Reporting on pages 21 to 90:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2018, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 30 to 90, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 29 to 90, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 10 to 14, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Service Performance Reporting, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 3, 15 to 19 and 152 to 176 but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of the long term plan, debenture trust deed and an assurance engagement in relation to the new headquarters building, which 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.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand



Disclosure Statement

What is the purpose of this statement?

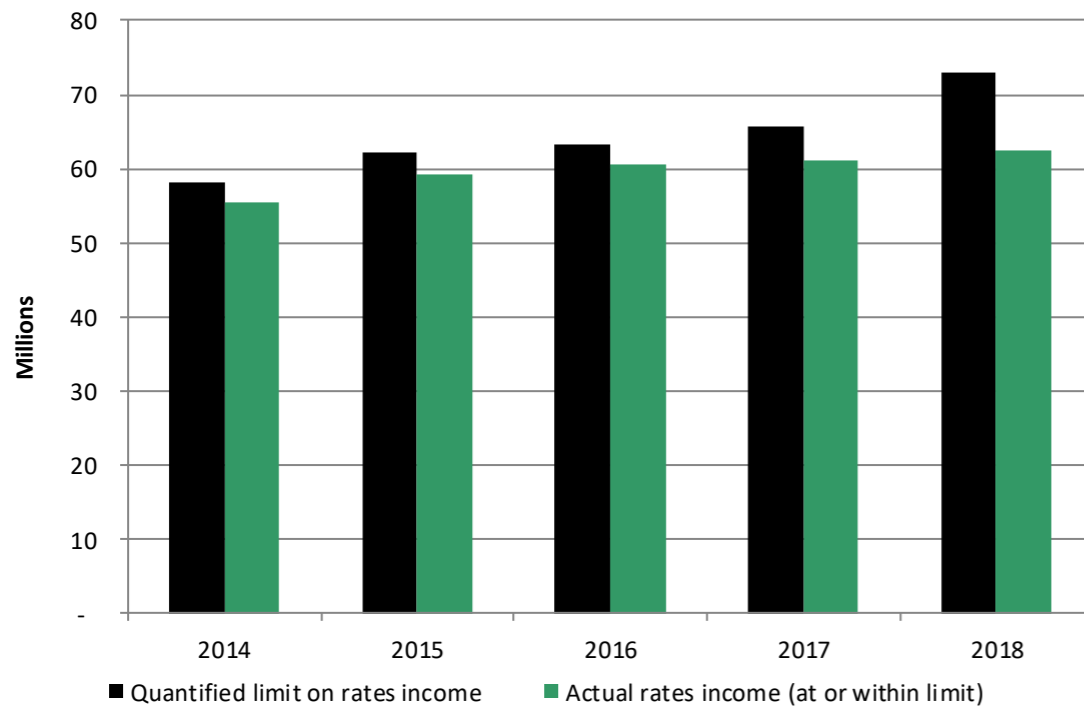
The purpose of this statement is to disclose Council's financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates (income) affordability

Council meets the rates affordability benchmark if:

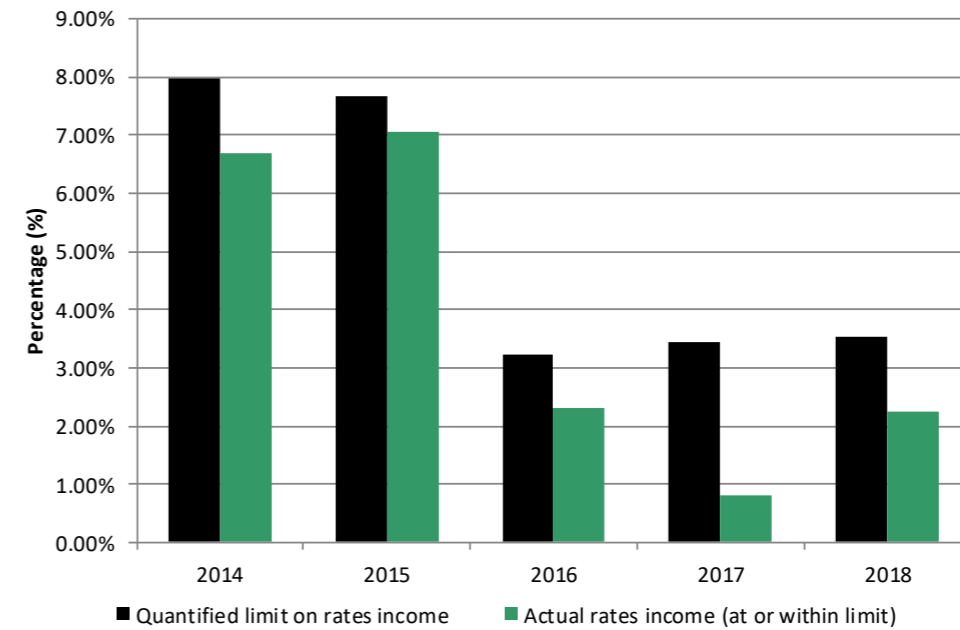
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rate increases.

The following graph compares Council's actual rates income with a quantified limit on rates contained in the financial strategy included in Council's Long-term Plan. The quantified limit is that total rates revenue must not exceed 80% of operating revenues.



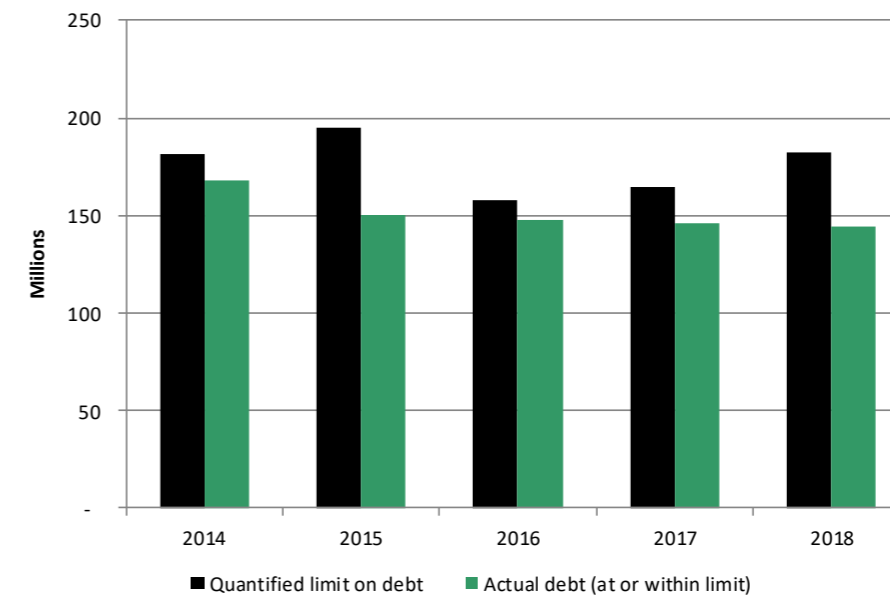
Rates (increases) affordability

The following graph compares Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in Council's Long-term Plan. The quantified limit in the 2012-22 LTP is that rates increases may not exceed LGCI + 4.5% in 2013-2015. The quantified limit in the 2015-25 LTP is that rate increases may not exceed LGCI + 1%.



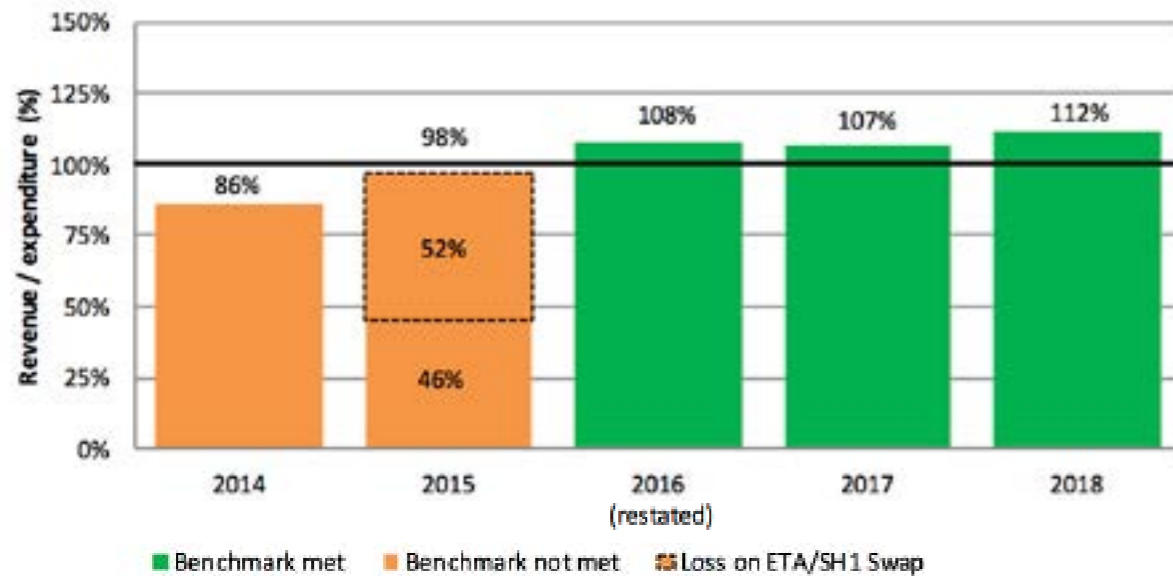
Debt affordability benchmark

The following graph compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in Council's Long-term Plan. The quantified limit in the 2012-22 LTP was that gross external borrowing may not be more than 250% of annual operating income. The quantified limit in the 2015-25 LTP was that gross external borrowing may not be more than 200% of annual operating income.



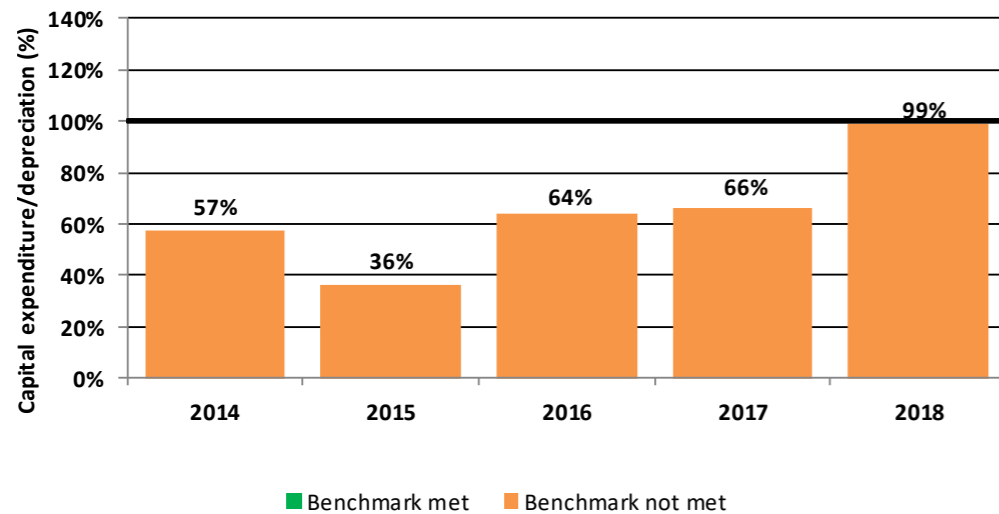
Balanced budget benchmark

The following graph displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). Council meets this benchmark if its revenue equals or is greater than its operating expenses.



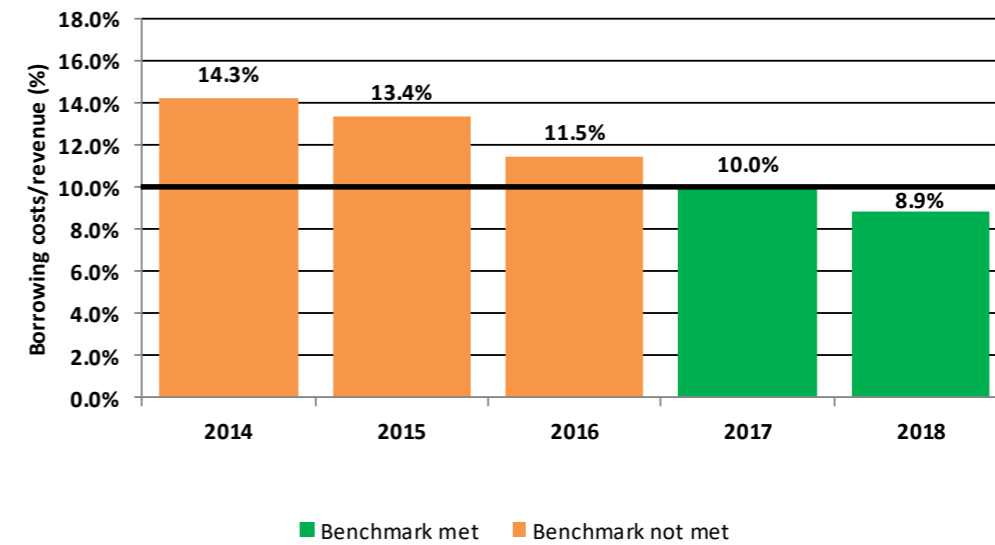
Essential services benchmark

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services. Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



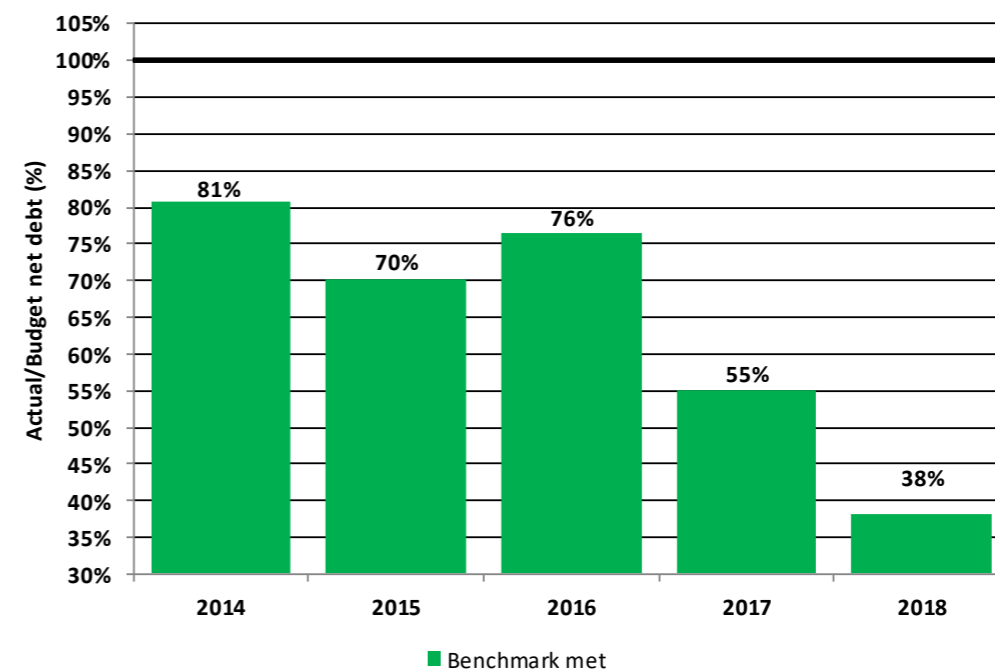
Debt servicing benchmark

The following graph displays Council's borrowing costs as a proportion of revenue (excluding development contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) for the year. Statistics New Zealand projects Council's population will grow more slowly than the national population growth rate, therefore it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



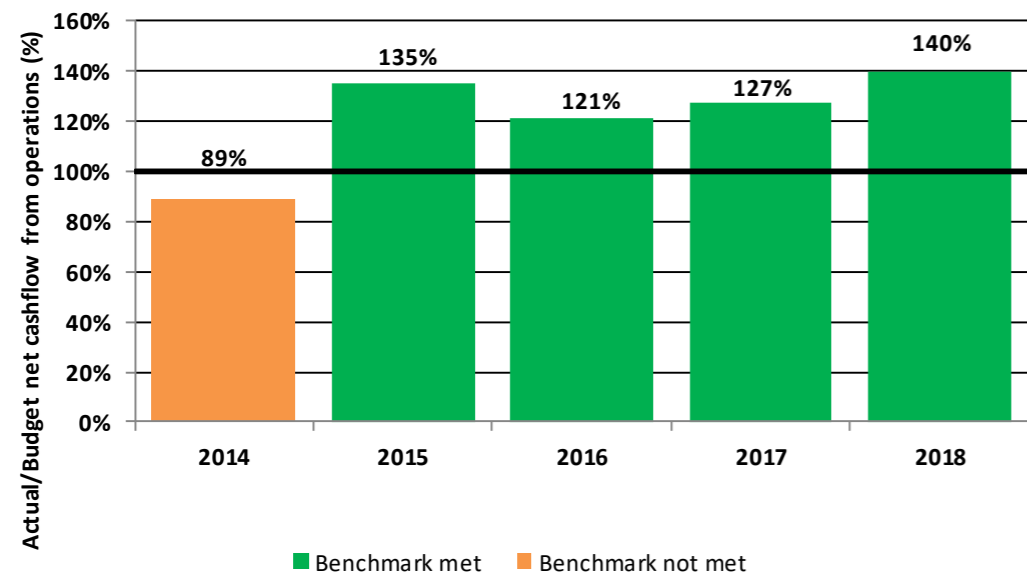
Debt control benchmark

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets. Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Our Long Term District Strategy

Our long term strategy intends to build on the strong foundation we have created and move us closer to our goals to:

- Ensure that the Taupō District remains a great place to live
- Promote economic development
- Protect our water resources and use them wisely
- Maintain the quality infrastructure that we have
- Keep rates and debt affordable

Relationship with Mana whenua

Council recognises the vital part that local iwi and hapū play in our district. We have a number of joint management agreements that recognise the katiakitanga and mana whenua of these groups, including:

- Ngāti Tūwharetoa - signed in 2009, this agreement was the first of its kind and has won a number of awards.
- Raukawa – the agreement signed in 2013 outlines restoration and protection plans for the Waikato River.
- Te Arawa River Iwi Trust – the 2017 joint management agreement, similar to the Raukawa agreement, outlines restoration and protection plans for the Waikato River.
- Turangi Reserves Management Plan Committee – this new committee, which includes members from Council and Ngāti Turangitukua, is working on a reserve management plan for the land returned as part of the Ngāti Turangitukua Claims Settlement Act 1999.

Ensure Taupō District remains a great place to live

As your council, ensuring the Taupō District remains a great place to live is our highest priority. During the development of our 2015-2025 Long-term Plan, we wanted to ensure our outstanding natural environment continued to complement the vibrant and diverse communities that make up our urban places.

Our community facilities form a vital part of our community. The Ruapehu/Roberts Street intersection benefited from a major makeover this year as the gateway to our main shopping district, and now boasts three two metre high tiki sculptures. We refurbished the Turangi Service Centre, Superloo and our award-winning Ora Garden, which celebrated its 10 year anniversary. We also upgraded a number of outdoor areas, including Arthur Street playground.

To support the work of our local community groups we facilitated several workshops and distributed grants to over 150 club and individual projects. In the emergency planning space we ran a pilot programme on marae preparedness and completed a number of community education programmes. We also assisted in local emergencies including flooding in Kaiaua and a tornado in National Park. Taupō Museum won a national innovation award for its Dog Show and Gallery for Dogs Exhibition.

The word is out about our great district, as residential and non-residential building consents continue to grow well above the national average. GDP is also growing ahead of the national average, and unemployment rates have declined.

Promoting economic development

Investing and promoting economic development so that we can focus on meeting the current and future needs of our communities is another of our priorities. Developing our economy contributes to our vision of a happy, thriving and prosperous place to live and ensures that we remain sustainable and cost effective.

All of our activities contribute in some way to growing and developing our economy whether it be through service delivery, planning and policy development activities, or providing support to our economic development entities.

During the year we invested in a number of initiatives aimed at promoting the Taupō District as a great place to live, work and play. These include the redevelopment of Otumuheke Hot Stream, a popular visitor attraction, and a 'visit Taupō' campaign managed by council-controlled



organisation (CCO) Enterprise Great Lake Taupō. CCO Destination Great Lake Taupō has continued to focus on promoting Taupō as a destination for both national and international tourists. This includes a partnership with Tourism New Zealand, and Ruapehu Alpine Lifts.

Taupō continues to attract high quality events through the work of our events team, including the Summer Concert, IRONMAN, Jock Hobbs Memorial Tournament, and Lake Taupō Cycle Challenge. We also provide funding to Go Tongariro and Towncentre Taupō to promote our growing business districts.

Our 10 year relationship with our sister city Suzhou, China, was celebrated with the gift of an archway for Tongariro Domain. Chinese music, food, and culture was included in the Taupō Winter Festival programme, and an exhibition of priceless artefacts from the Tang and Song Dynasty will be hosted at the Taupō Museum next year.

Protecting our water resources and using them wisely

Ensuring our water resources are protected and used wisely is important. Providing clean, safe, drinking water for our communities is one of our core services and we recognise water is essential for life, health, recreation, the environment, and economic development.

In helping to ensure our water resources like Lake Taupō and the Waikato River are protected, working in partnership with central government, the Waikato Regional Council (WRC) and Tūwharetoa was an important focus. We continued to be involved in managing the way land is used to protect the values of the district's lake and rivers systems and recognise we will continue to have an important part to play into the future.

This year we completed 6.7kms of water main renewals in Taupō and Turangi, and connected Waitahanui to Taupō's town water supply. Concept designs have been completed for a new water reservoir in Kinloch, and

construction of an upgraded water main for Titoki reserve has begun.

Wastewater has been a focus, including sewer cleaning and relining in Mangakino and Turangi. A project to reduce sewer overflows in Taupō and Acacia Bay has also begun, with 68km of wastewater pipes already inspected.

Our stormwater network continues to be inspected with CCTV cameras, with a focus on Wairākei and Kinloch this year. Five enviro-pods were installed to catch litter and other contaminants before they reach Lake Taupō.

Maintaining our quality infrastructure

We have \$1.1 billion in assets across our district including infrastructure and a wide range of quality leisure and recreation facilities. Our strategy is to maintain our infrastructure, which has enough capacity to cater for any expected changes in population and land use. We also want to ensure our infrastructure continues to deliver quality services to our residents and visitors both today and for many years to come.

Safety of pedestrians continues to be a focus. Work was completed on a number of footpaths over the year and a speed limit bylaw review has begun with a focus on traffic flows and safety. Broadlands Road was rehabilitated and Poihipi Road was widened. Streetlights across the district were replaced with LED lighting to increase efficiency and lifespan. A major study was undertaken regarding traffic flows through the northern access route and Taupō's central business district and short term recommendations have been implemented.

Keeping rates and debt affordable

Council continues to contribute to its strategy of keeping rates and debt affordable through the Financial Strategy adopted in the 2015-25 Long-term Plan. Three principles formed the fundamental strands of this strategy:

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 2015-25 Long-term Plan projected rates increases were between 2 and 3 per cent (after adjusting for growth in rateable properties) over the 10 years of the plan. We have now completed the third year of the 2015-25 Long-term Plan where rates increases had originally been forecast at 3.53%. However, the actual rates increase for 2017-18 was 2.26%.

Prudent management of our investments and borrowings

Council's credit rating has been maintained at AA by international credit rating agency Standard and Poor's. This rating reflects the prudent financial management of Taupō District Council and is the highest rating that can be held by a Council within New Zealand.

Taupō Electricity Limited (TEL) Fund and rate subsidies

Council has managed its investment in the TEL Fund over the course of a reasonably stable last 12 months where

interest rates have remained low.

The book value of the fund has increased from \$56.3 million in 2016/17 to \$58.97 million in 2017/18. This is after the payment of \$777,434 to subsidise rates.

It is forecast in the 2018-28 Long-term Plan for the TEL Fund to cease subsidising rates by June 2020.

Debt

Closing debt position at 30 June 2018 was \$144 million. The Long-term Plan 2015-25 projected that at the end of this year debt would be \$152 million. However, after additional repayments were made and reported in the Annual Report 2014-15, this was re-forecast when preparing the Annual Plan 2017-18 to \$144m. The 2018-28 Long-term Plan forecasts debt to be at \$142m by June 2019.

Limits on rates and debt

To meet all of these goals, Council proposed limits on rates and debt, and has operated within these limits for 2017/18. 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) + 1.0 per cent.
- Gross external borrowing may not be more than 200 per cent of annual operating income.
- Actual net debt must be equal or less than planned net debt.
- Borrowings must be less than 10% of revenue.

Counting the Assets

Council has \$1.1 billion in assets including land, infrastructure and buildings as at 30 June 2018. These include:



New Projects This Year

Not included in the Long-term Plan 2015-25

Water

- Tiverton Downs Road ridermain extension
- Started the development of the Water Supply Strategy

Transport

- Timber crib retaining wall – 25 Awanui Street
- Pūkawa retaining wall – emergency works
- Acacia Bay/Wily Terrace retaining wall – emergency reinstatement
- McDonald Road culvert – emergency reinstatement
- Started the development of the Transport Strategy

Community Facilities

- Demolition of 72 Lake Terrace administration building
- Temporary changing and toilet facility at Turangitukua Sports Park
- Suzhou archway
- Additional security measures for the Suzhou Exhibition at Taupō Museum

Stormwater

- Paenoa Road drop structure
- Kestrel Lane Stormwater connection

Democracy

- Continued advocacy on Waikato Regional Council's Healthy Rivers Plan Change

Surveys

Council undertakes a Residents and Ratepayers Satisfaction Survey every three years. The last survey was undertaken in April 2017.

Council uses surveys to learn more about the wishes of the district's residents and ratepayers, and to monitor the performance of Council's various business units. Survey results are also used in long-term planning and a range of other district initiatives.

Residents and ratepayers satisfaction survey

The Residents and Ratepayers Satisfaction Survey is Council's most comprehensive survey. It is conducted by the National Research Bureau and measures how satisfied residents and non-resident ratepayers are with Council services. The survey uses a large number of standard questions so Council can also compare satisfaction in the district with the satisfaction levels for comparable services in comparable districts, and nationally. Satisfaction results in this annual report are the results from April 2017, when 451 resident and non-resident ratepayers were surveyed. The trend information has also been included.

Council is increasingly focused on the long-term trends of satisfaction. On the whole, satisfaction has been rising steadily since 2009. Council also uses the long-term satisfaction results to inform its investment in levels of service for each activity.

Other surveys

Council also uses a wide range of methods and other surveys to collect information on its plans and services. These include:

- Event management surveys to compile data on events in the district.
- Visitor surveys, so Destination Great Lake Taupō and the visitor industry can better understand visitor behaviour, preferences, and expectations.



Service Performance Reporting



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.

Over the 10 years of the current Long-term Plan, Council

intends to provide the same level of service that has previously been provided.

Council has achieved 84 of its 128 performance measures in the Long term Plan 2015-25, which it reports against monthly and annually. The performance measures address factors such as quantity of service provided (or volume), quality of service, and customer satisfaction.

Council's community outcomes

The Council reviewed the outcomes for the district in 2011. They are:

- Economy – our communities prosper in a thriving local economy with a diverse range of rewarding employment opportunities.
- Environment – a shared responsibility for places we are proud of.
- Engagement – Council is connected with its communities, advocating for their social and cultural well-being.



Community Services

What we do

The activities in this group are community engagement, regulatory services and emergency management.

Community outcomes

The community services group of activities contribute to the following outcomes:

- Environment – a shared responsibility for places we are proud of.
- Engagement – Council is connected with its communities, advocating for their social and cultural well-being.

Community Engagement

We work to develop district neighbourhoods and communities by working directly with and alongside them. We work with community groups, organisations and central government agencies to promote co-operation and collaboration. Council's "Our Neighbourhood, Our Future" programme focuses on regenerating the social and physical aspects of our communities and their neighbourhoods. We will continue

this programme, focusing on the contribution of young people as emerging leaders for local decision-making.

We work alongside Māori to inform them about council issues and engage them in our decision making processes. We also encourage our staff to improve their knowledge of tikanga where needed.

Community grants are a part of the Council's overall support function within the community. The total amount of annual funding for community grants is decided upon through the Long-term Plan. It is then distributed on our behalf by the groups identified in Council's Community Grants Policy. There are also a number of service agreements with organisations such as Waiora House, Sports Advisory Council, Bike Taupō, and Waikato River Trails.

We are a World Health Organisation (WHO) accredited safe community which means that we work with our community partners on four key issues – reducing alcohol related harm, intentional and unintentional injury, road safety and crime prevention.

We are an Age Friendly District which means we work alongside a community steering group who have adopted Age Friendly concepts. We support youth through various programmes including our Youth Leadership programme (Leader in You), the Youth Awards, and Youth Week.

We engage with groups from our community on a range of issues. This partnership approach is in support of our community outcome 'Engagement – Council is connected with its communities, advocating for their social and cultural well-being.' The groups we work with include education and health providers.

What we did this year

Our Neighbourhood Our Future events.

- Delivered the Our Neighbourhood Our Future events district wide.
- Prepared Community Response Plans for particular communities to help ensure their readiness in the event of an Emergency.

Workshops – Community

We supported/facilitated various workshops with and for community groups.

ACCESS Taupō

- Presentations around Long-term Plan

Community Ambassadors

- Induction workshops on health and safety, Safe Practice & Behaviour, Process

Waikato Institute of Leisure and Sport for Turangi Rangatahi Hub

- OSCAR and holiday programme development Turangi

Kinloch Community-led Development Workshop

- Strategic Planning (Inspiring Communities)

Long-term Plan Taupō District Youth Participation

- Facilitate conversations on submitting to the Long-term Plan Youth Perspective

Homes for People Community Presentation

- Presentation of a Model along the Housing Continuum

Volcanic Forum 2018

- Facilitated support of regional presentations/workshops – Homelessness, Housing, Agencies Police/Church Partnerships

Volunteering Waikato - Council Membership

- Facilitating Council membership within Volunteering Waikato database and Resource Access.

Distributing grants

- Waiora House Social Service Grant distributed \$47,864.00 in round one to 15 different organisations. In round two \$49,916.00 was distributed to 18 different organisations. \$127.05 was left over.
- Creative Taupō also had two rounds, with \$10,860.00 being distributed in round one to 8 applicants and \$9,350.00 in round two to 10 organisations and individuals.
- The Sport Advisory Council distributed a total of \$22,660.00 seeing 22 individuals and 11 clubs be granted funds. Due to funds still available they held another round, a further \$15,956.00 was distributed to 19 applicants. Total distributed \$38,616.00
- A carryover of funds saw Turangi Tongariro Community Grants distribute a total of \$93,518.65 to 22 applicants.
- The Mangakino Pouakani Community Grants distributed \$16,855.00 to nine recipients in round one. In the second round five applicants were granted a total of \$11,211.40. A total of \$28,066.40
- The Sport NZ Rural Travel fund saw 14 applications granted with a total of \$15,000.00 distributed across the district.
- The Creative Communities Scheme saw a total of \$28,590 granted to 18 applicants in the Arts.

Regulatory Services

Regulatory services are provided to ensure we protect the community from the harm of alcohol, have safe food, reduce dog attacks, minimise noise nuisance, provide safe buildings and our amenity is enhanced through robust planning decisions.

What we did this year

- Registered, enforced and ensured compliance with regulatory functions relating to food premises, liquor outlets, gaming, animal control and other bylaws and statutes.
- Enforced limited time parking spaces in the Taupō Central Business District (CBD).
- 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.

This year, Council:

ISSUED:

Building consents

1355

2016/17 2015/16
1025 916



Code of Compliance certificates

1109

2016/17 2015/16
906 749

Resource consents

325

2016/17 2015/16
357 306

DEALT WITH:

1305

Noise complaints

2016/17 2015/16
1359 1323



ISSUED:

18,949

2016/17 2015/16
17,363 12,169

Parking infringement notices



MADE:

Food/Health Inspections

590

2016/17 2015/16
472 375

Liquor outlet inspections

155

2016/17 2015/16
159 157

AUDITED:

BWOF inspections/audits

591

2016/17 2015/16
302 391

DEALT WITH:

1149

Animal control complaints

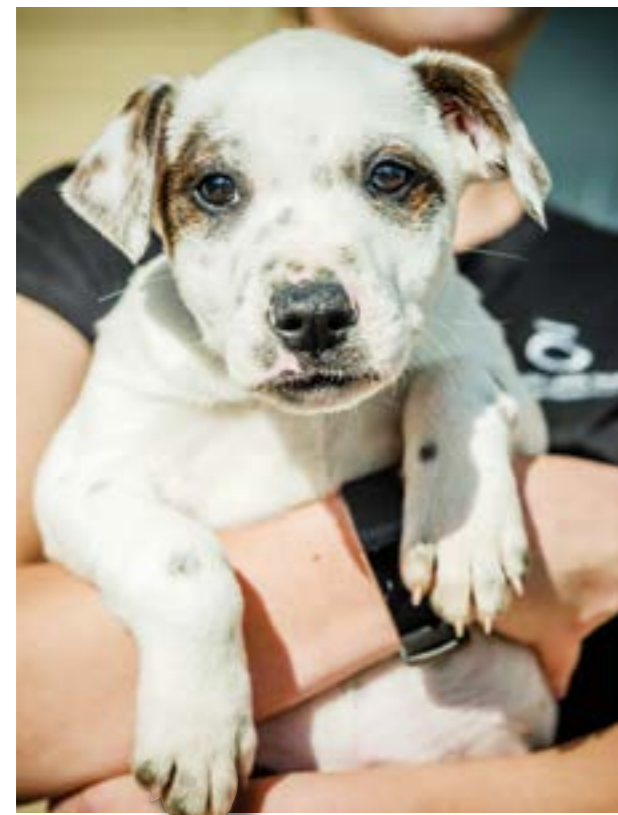
2016/17 2015/16
1177 2916

2015/16 2916



Consents on the up

Our district is continuing to grow as more people move to the area. We experienced one of our busiest years for processing building consents, with an increase of 32 per cent compared with 2016/17 and almost 50 per cent when compared with 2015/16. Code of compliance certificates also increased significantly. Despite this, our team managed to keep up with the pace – all building consents were processed within the 20 day processing target.



Dogs go online

Since our adopt-a-dog Facebook page began over four years ago, the number of dogs adopted from the Taupō Dog Pound has continued to increase.

Many people find their pet through the Facebook page, which is regularly updated with new arrivals. The Pound receives dogs in all shapes and sizes and always has new dogs who need 'forever homes'. High rehoming numbers are also thanks to the hard work from the SPCA Taupō, Animal Care Turangi, Community Animal Rescue and Education (CARE), and other rescue groups. We are incredibly lucky so many members of our community are willing to welcome these previously unwanted dogs into their lives.



Emergency Management

We provide emergency management for community wellbeing and safety, including development. This includes:

- Maintaining district-wide emergency management plans and promoting community preparedness for emergencies.
- Maintaining an Emergency Operating Centre and providing a Civil Defence capability. This includes Civil Defence staff training, the development and on-going review of Civil Defence plans and operating procedures. Council also has the ability to set up welfare centres in Taupō, Mangakino and Turangi in the event of an emergency.
- Providing support and recovery with our Response Team (NZ-RT6).

What we did this year

- Coordinated Incident Management System (CIMS) training, physiological first aid, foundational, intermediate and community led centre training.
- Attended the Massey University Emergency Management Summer Institute.
- Ran a pilot programme for Marae preparedness with partner agencies.
- Assisted at local emergencies, including the Kaiaua flooding and National Park tornado.
- Implemented Community Response Plans using new technology (Epicentre).
- Undertook a street evacuation exercise with NZ-RT6 and welfare team.
- Engaged with our community through group presentations and Our Neighbourhood events.

Levels of service, performance measures and targets

Level of service	Performance measures and targets	Results	Explanation
We continue to support the development of community identity, connections and relationships among and within our communities.	Facilitate a series of neighbourhood events throughout the district. The baseline for this performance measure as set in the LTP in 2014/15 was, we facilitated over 30 events.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	We delivered four Council-led "our neighbourhood" events. We also supported 39 community-led events. Overall Council delivered or supported 43 neighbourhood and community events.
	Promote community-led principles with at least three events being community-led. This is a new performance measure set in the LTP with no baseline.	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	We supported 39 community-led events.
We ensure that community grants are shared fairly and used effectively.	Distributing agencies will report at least annually to Council on the distribution of funds and costs of service for the distribution. The baseline for this performance measure as set in the LTP in 2014/15 was, all of the distributing agencies supplied annual reports on their activities.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	In 2017/18 all of the distributing agencies supplied reports on their activities. At the time of writing the annual reports had not been received. Distributing agencies supply annual reports on their activities and cost of service for distribution on 1 August.

Level of service	Performance measures and targets	Results	Explanation
We process resource consents consistently, efficiently and to a high standard, ensuring that property developments are in line with District Plan policy goals.	Resource consents are processed within statutory timeframes as specified under the Resource Management Act 1991.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	All resource consents were processed within statutory timeframes.
	The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved this target.		
	Resource consents are monitored to ensure they comply with the conditions of consent. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved this target.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	All resource consents were monitored.
We provide an efficient and reliable building consent and inspection service.	All applications are processed within 20 working days as specified under the Building Act 2004 Section 48(1).	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	
	The baseline for this performance measure as set in the LTP in 2014/15 was, we processed 99.4 per cent of applications within this timeframe.		
	In the 2017/18 year we measured the start of the 20 day period from the day the application was assessed or vetted, rather than the day the completed application was received by. Council have not retrospectively recalculated building consents times to account for the vetting period for the 2017/18 year.		
	For the 2018/19 year we will measure the start of the 20 working day period from the day we received the application.		
	20 per cent of Building Warrants of Fitness are audited yearly to ensure the information is correct.	2014/15 – Achieved (39 per cent) 2015/16 – Achieved (68 per cent) 2016/17 – Achieved (54 per cent) 2017/18 – Achieved (90 per cent)	There were 590 inspections completed out of 652 buildings.
	The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 39 per cent.		
We register and enforce regulatory functions for animal control.	99 per cent of known dogs are registered each year.	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved (99.5 per cent)	7389 dogs were registered from a total of 7427 dogs in the district.
	This was a new baseline measure set in the LTP with no baseline.		

Level of service	Performance measures and targets	Results	Explanation
We respond efficiently to requests for service.	Noise complaints are responded to within two hours.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Not achieved (99.3 per cent) 2017/18 – Not achieved (99.7 per cent)	We received 1305 noise requests and 4 of these were not responded to within two hours.
	The baseline for this performance measure as set in the LTP was 2014/15, we responded to 93.8 per cent of these complaints within the timeframe.		
	Food safety – initial response within 48 hours.	2014/15 – Achieved 2015/16 – Not achieved (90 per cent) 2016/17 – Not achieved (83 per cent) 2017/18 – Achieved	We received 32 complaints and all of these were responded to within 48 hours.
	Dog Control – initial response within one working day.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Not achieved (99.83 per cent) 2017/18 – Not achieved (98.7 per cent)	We received 1149 animal control requests. There were 15 requests that were not responded to on time.
We inspect premises regularly.	All health (funeral homes, camping grounds, hairdressers and offensive trade) premises are registered and inspected annually to ensure they meet minimum legislative standards. This was a new performance measure set in the LTP with no baseline*.	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	All health (funeral homes, camping grounds, hairdressers and offensive trade) premises were inspected in 2017/18.
	All food premises are registered and inspected annually to ensure they meet minimum legislative standards.	2015/16 – Not achieved 2016/17 – Achieved 2017/18 – Achieved	All 590 food premises were registered and inspected in 2017/18.
	This was a new performance measure set in the LTP with no baseline.		
	All liquor premises are registered and inspected annually to ensure they meet the legislative minimum standards.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	All 155 liquor premises were registered and inspected.
	The baseline for this performance measure as set in the LTP in 2014/15 was, we inspected all liquor premises.		

* Note the LTP stated a baseline for 2014/15 of 'we inspected all health premises', however this was not measured in 2014/15.

Level of service	Performance measures and targets	Results	Explanation
We enforce parking times to ensure as many people as possible can access parking spaces, and that the roading network is free of obstructions.	Parking spaces are monitored and time limits are enforced. We use our Smart Parking data to measure our enforcement rates vs time and parking demand. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved this target.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	
We also provide car parks which have no time limit.			
We educate our communities on preparing for emergencies.	The Waikato Region has adopted the Waikato Region Civil Defence Group Emergency Management Plan. A detailed work plan is being worked on for the region and Council will develop a detailed work programme and performance targets that reflect this. For example, a target might be the number of groups with Emergency Plans within the District. The baseline for this performance measure was set in the LTP 2015-25 and we achieved this measure.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	The work that we did towards completing the work plan included liaising with local communities to create community response plans and working with local marae to create marae preparedness plans.
We recruit, train and support a rural fire response service.	Council maintains sufficient volunteer capacity (in line with the National Rural Fire Authority standards for crew numbers), where there is community support to provide rural fire response crews in Taupō and the southern settlements. The baseline for this performance measure as set in the LTP was in 2013/14 and we achieved this measure.	2014/15 – Not achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Not applicable	Council no longer has responsibility for rural fires. Our previous responsibilities were established by the Forest and Rural Fires Act 1977. This act has been repealed and replaced by the Fire and Emergency New Zealand Act 2017. Fire and Emergency New Zealand now have the responsibility for rural fire.

Community Services Funding Impact Statement

	2017 Long Term Plan (\$000)	2018 Long Term Plan (\$000)	2018 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	5,417	5,499	4,287
Targeted rates	-	-	-
Subsidies and grants for operating purposes	15	16	38
Fees and charges	1,913	1,985	2,451
Internal charges and overheads recovered	-	-	71
Local authorities fuel tax, fines, infringement fees, and other receipts	484	497	524
Total operating funding (A)	7,829	7,997	7,371
Applications of operating funding			
Payments to staff and suppliers	7,523	7,693	7,062
Finance costs	97	89	57
Internal charges and overheads applied	2	2	67
Other operating funding applications	-	-	-
Total applications of operating funding (B)	7,622	7,784	7,186
Surplus (deficit) of operating funding (A – B)	207	213	185
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(117)	(101)	(92)
Gross proceeds from sale of assets	-	-	13
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(117)	(101)	(79)
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	-	16	11
• to replace existing assets	102	105	117
Increase (decrease) in reserves	(12)	(9)	(22)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	90	112	106
Surplus (deficit) of capital funding (C – D)	(207)	(213)	(185)
Funding balance ((A – B) + (C – D))	-	-	-

Community Services Schedule of Capital Expenditure

Activity/Scheme	Project	Reason for Acquisition	Project Status (refer key)	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	Notes
Safer Communities	CCTV fibre optic cable - Great Lake Centre to Police	LOS	A	11	15	4	
Community Services - District	Renewals	Renewal	A	117	103	(14)	
Total Community Services				128	118	(9)	

Key

- A Achieved
 - S Slippage
 - M Deliberate move into future years
 - X Not achieved - major slippage (project will not be complete by 30 September 2018) or project will no longer be carried out
- LOS Level of Service



Water

What we do

Water is essential for life, health, recreation and the environment. In our district water is also essential for economic development – if industry cannot get access to water, they will not develop or start up here. This group of activities contributes to the environment and economy community outcomes.

Council treats, stores and distributes water for residential, commercial and industrial properties in Taupō, Turangi, Mangakino and 16 other settlements in the district. That water is supplied continuously, and we have strict requirements for our water contractors to fix any breaks quickly and cost-effectively. We also supply water for firefighting in urban areas.

The Waikato Regional Council allocates water from our lakes and rivers for household, commercial and industrial uses. Council currently has 20 resource consents to take water from lakes, rivers, bores and other sources in the district.

For water schemes that do not yet meet the Drinking Water Standards for New Zealand, Council investment is focused on ensuring security of supply so that communities can be confident that the supply of potable water is maintained.

Community Outcomes

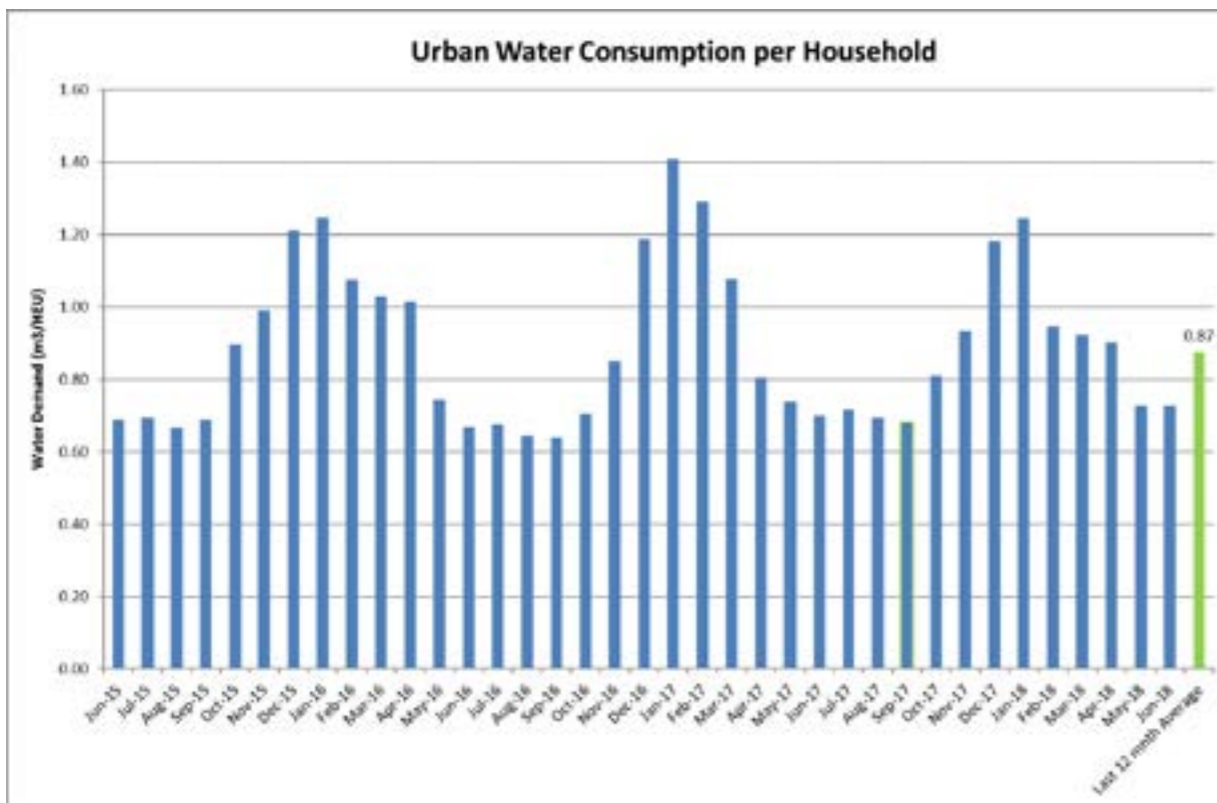
This activity contributes to the following community outcomes:

- Environment – a shared responsibility for places we are proud of.
- Economy – our communities prosper in a thriving local economy with a diverse range of rewarding employment opportunities.

What we did this year

- Commenced the Acacia Bay Water Treatment Plant upgrade to meet Drinking Water Standards New Zealand (DWSNZ).
- We tendered and awarded the contract for the connection of Waitahanui to the Taupō water scheme. Construction is progressing well and the project will be completed in late 2018.

- We started the security of supply upgrade for the Kinloch water supply. We completed access track stabilisation works at our existing reservoir site. We also tendered and awarded a contract to build a new reservoir in Kinloch. Construction is scheduled for 2018/19. (This is a multi-year project).
- We evaluated several sites for a potential water treatment plant in Kinloch and identified a preferred site location. (This is a multi-year project). This is part of the work that we are doing to ensure that Kinloch complies with the DWSNZ.
- We tendered and awarded a contract to build a new reservoir in Motuoapa. Construction is progressing well and the project will be completed in late 2018.
- We began work on reviewing our water supply strategy. The review is scheduled for completion in late 2018.
- Completed water main renewals projects in Taupō and Turangi (a total of 6.7 km of pipework).
- Completed commissioning of a new water bore at Bonshaw Park.
- Completed commissioning of the new Māpara water supply including pump station and rising main.
- Completed design works and started construction of the new Motuoapa water storage reservoirs.
- Completed construction of a new raw water supply pump station at the AC Baths.
- Installed pipework to connect the Waitahanui community to the Taupō water supply. The project will be commissioned in the coming year following completion of a new reservoir and pump station.
- Upgraded communications and control systems on the Hatepe, Ōmori, and Acacia Bay water schemes.
- Completed concept design and awarded a tender for the construction of a new water storage reservoir in Kinloch.
- Started construction of 1km of upgraded watermain from the Titoki reservoir to improve supply to new developments in Taupō South.
- Concluded a public consultation process to determine the best option to provide drinking water to Acacia Bay.



This year, Council:

RESPONDED TO:

91
Urgent
call-outs



966
non-urgent
call-outs

DEALT WITH:

0.4 Water CLARITY
complaints per thousand
connections (≤8)

0.3 Water TASTE complaints
per thousand connections
(≤8)

0.2 Water ODOUR complaints
per thousand connections
(≤8)

2.5 Water PRESSURE
complaints per thousand
connections (≤8)

3.4 All water issues per
thousand connections (≤8)



Renewing our water mains

This year we undertook a comprehensive renewal project to replace a huge 6.7km of leaking concrete pipes with new long-lasting polyethylene. High pressure mains valves have also been installed. The water pipes in Taupō, Tokaanu and Turangi were constructed from concrete in the 1960's. Over time these pipes have cracked, leading to issues with leaks and low water pressure. The upgrade process has meant we've also been able to fully map the location of all our water services. The records from the 1960s were not entirely correct, so we now have a much clearer picture of our infrastructure for future maintenance and improvements.



Blooming Algae

Over the summer a toxic algae was discovered in Lake Taupō, prompting a district-wide response. Algae blooms naturally occur in hot calm conditions across many of our rivers lakes and streams and are generally harmless. However this year high levels of potentially toxic blue-green algae were found at six popular swimming spots around the lake edge.

We worked closely with Waikato Regional Council, Toi te Ora Public Health, and Tūwharetoa Maori Trust Board to close swimming areas and keep the public informed. Our water team used drones to monitor the algae's spread, and shut down drinking water supplies in some areas as a precautionary measure. Water tankers were bought in to provide these communities with drinking water during this time. We also had staff driving to Auckland to hand-deliver water samples for testing, and personally contacted those drawing drinking water directly from the lake. Sadly our events team had to cancel the swim leg of IRONMAN 70.3 Taupō.

As the algae is naturally occurring there is always a risk that it will return during calm hot conditions. Water nutrient levels can affect the spread of algae, and we continue to work with landowners and others in the Lake Taupō catchment to improve water quality. We continue to meet with our partners on a six monthly basis to review and refine our response plans should a similar event happen again in the future.

Levels of service, performance measures and targets

Level of service	Performance measures and targets	Scheme	Results	Explanation
Safety of Drinking water. These are new performance measures set in the LTP with no baseline.	The extent to which the Council's drinking water supply complies with: Part 4 of the Drinking-water Standards for New Zealand (Bacteria and compliance criteria). Part 5 of the Drinking-water Standards for New Zealand (Protozoal compliance criteria). Part 7 of the Drinking-water Standards for New Zealand (chemical compliance criteria). Our water supplies comply with, parts 4, 5 and 7 of the Drinking-water Standards for New Zealand. (Bacteria, protozoa and chemical compliance criteria) for following schemes: • Taupō - 2015 • Waitahanui- 2016 • Acacia Bay- 2019 • Kinloch- 2021 • Ōmori - 2022 • Motuoapa- 2023	Taupō- 2015	2015/16- Achieved 2016/17 – Achieved 2017/18 – Achieved	These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
		Waitahanui- 2016	2015/16 – Not achieved 2016/17 – Not achieved 2017/18 – Not achieved	Part 4 is non-compliant due to data monitoring issues which are continuing to be reviewed to ensure compliance in the future. Part 5 is non-compliant due to no protozoa treatment. Part 7 is non-compliant as arsenic exceeds the standards. These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
		Acacia Bay- 2019	2015/16 – Not achieved 2016/17 – Not achieved 2017/18 – Not achieved	Part 4 is non-compliant. Part 5 is non-compliant due to no protozoa treatment. Part 7 is non-compliant due to the presence of arsenic and due to the naturally-occurring levels in the district this will continue to exceed maximum acceptable levels. These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
		Kinloch- 2021	2015/16 – Not achieved 2016/17 – Not achieved 2017/18 – Not achieved	Part 4 is compliant. Part 5 is non-compliant due to no protozoa treatment. Part 7 is non-compliant due to the presence of arsenic and due to the naturally occurring levels in the district this will continue to exceed maximum acceptable levels. These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
		Ōmori- 2022	2015/16 – Not achieved 2016/17 – Not achieved 2017/18 – Not achieved	Part 4 is compliant. Part 5 is non-compliant due to no protozoa treatment. Part 7 is non-compliant due to the presence of arsenic and due to the naturally occurring levels in the district this will continue to exceed maximum acceptable levels. These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.

Level of service	Performance measures and targets	Scheme	Results	Explanation
		Motuoapa- 2023	2015/16 – Achieved 2016/17 – Not achieved 2017/18 – Not achieved	Part 4 is compliant. Part 5 is non-compliant due to no protozoa treatment. Part 7 is non-compliant due to the presence of arsenic and due to the naturally occurring levels in the district this will continue to exceed maximum acceptable levels. These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
	Bacteria and protozoal compliance criteria of the Drinking-water Standards for New Zealand (part 4 and 5) for following schemes:	Turangi- 2015	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
	Water Standards for New Zealand (part 4 and 5) for following schemes: • Turangi – 2015 • Mangakino – 2015 • Hatepe – 2024 • Whareroa – 2025 • Atiamuri – 2025 • River Road – 2025 • Whakamoenga – 2026 • Whakamaru- 2026	Mangakino- 2015	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
		Hatepe- 2024	2015/16 – Not achieved 2016/17 – Not achieved 2017/18 – Not achieved	Part 4 is compliant. Part 5 is non-compliant due to no protozoa treatment. These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
		Whareroa- 2025	2015/16 – Not achieved 2016/17 – Not achieved 2017/18 – Not achieved	Part 4 is compliant. Part 5 is non-compliant due to no protozoa treatment. These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
		Atiamuri- 2025	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
		River Road- 2025	2015/16 – Not achieved 2016/17 – Not achieved 2017/18 – Not achieved	Part 4 is compliant. Part 5 is non-compliant due to no protozoa treatment. These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.

Level of service	Performance measures and targets	Scheme	Results	Explanation
		Whakamoenga - 2026	2015/16 – Not achieved 2016/17 – Not achieved 2017/18 – Not achieved	Part 4 is compliant. Part 5 is non-compliant due to no protozoa treatment. These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
		Whakamaru- 2026	2015/16 – Not achieved 2016/17 – Not achieved 2017/18 – Not achieved	Part 4 is compliant. Part 5 is non-compliant due to no protozoa treatment. These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
	Only investigation for upgrades are planned to occur beyond 2025 for following small and rural water supplies:	Tirohanga	2016/17 – Not achieved 2017/18 – Not achieved	Part 4 is compliant. Part 5 is non-compliant due to no protozoa treatment. These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
	<ul style="list-style-type: none"> Bonshaw Park Tirohanga Centennial (Rakanui Road) Waihaha Motutere Camp 	Bonshaw Park	2016/17 – Not achieved 2017/18 – Not achieved	Part 4 is compliant. Part 5 is non-compliant due to no protozoa treatment. These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.
		Centennial (Rakanui Road)	2016/17 – Not achieved 2017/18 – Not achieved	Part 4 is compliant. Part 5 is non-compliant due to no protozoa treatment. These results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.

Level of service	Performance measures and targets	Results	Explanation
Maintenance of the reticulation network. This was a new performance measure set in the LTP with no baseline.	The percentage of real water loss from the Council's networks reticulation system- water losses are not more than 26 per cent. Methodology in line with Water NZ "Water Loss guidelines" ¹ .	2015/16 – Not achieved 2016/17 – Not achieved 2017/18 – Not achieved	We have calculated water loss rates for the Taupō and Turangi schemes. The following water loss rates were determined: Taupō – 25.2 per cent Turangi - 46.5 per cent
Fault response times to a fault or unplanned interruption to the network reticulation system for urgent and non-urgent call outs. These are new performance measures set in the LTP with no baseline. However these performance measures do not reflect the mandatory non-financial performance measures accurately by adding in a percentage requirement and will amended for the next LTP.	Percentage of faults or unplanned interruption to the network reticulation system responded within the specified time. <ul style="list-style-type: none"> Median response time for responding to urgent call outs² from Council receiving notification of the fault or unplanned interruption to the time that service personnel reach the site- ≤1hr 	2015/16- Achieved 2016/17 – Achieved 2017/18- Achieved	The median response time to site was 0.22 hr, which is < 1hr. There were 91 incidents of urgent call-outs or unplanned water interruption during 2017/18.
	Percentage of faults or unplanned interruption to the network reticulation system responded within the specified time. <ul style="list-style-type: none"> Median response time for responding to urgent call outs from Council receiving notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or unplanned interruption- ≤ 4hr 	2015/16 – Achieved 2016/17 – Achieved 2017/18- Achieved	The median resolution time/service restoration is 3.07 hrs, which is < 4hrs.
	Percentage of faults or unplanned interruption to the network reticulation system responded within the specified time. <ul style="list-style-type: none"> Median response time for responding to non-urgent call outs³ from Council receiving notification of the fault or unplanned interruption to the time that service personnel reach the site- within 6 days. 	2015/16- Achieved 2016/17 – Achieved 2017/18 – Achieved	There were 966 non-urgent call-outs received from 1 July 2017 to 30 June 2018. The median response time to site is 0.27 day, which is < 6 days.

¹ Lambert, A., & Taylor, R., Water New Zealand, "Water Loss Guidelines", February 2010,

² An urgent call out is one that leads to a complete loss of supply of drinking water.

³ A non urgent call out is one where there is still a supply of drinking water.

Level of service	Performance measures and targets	Results	Explanation
	<p>Percentage of faults or unplanned interruption to the network reticulation system responded within the specified time.</p> <ul style="list-style-type: none"> Median response time for responding to non-urgent call outs from Council receiving notification of the fault or unplanned interruption to the time that service personnel confirm resolution of the fault or unplanned interruption-within 7 days. <p>The attendance and resolution are reported by the service provider, this includes travel time. The categories are reported by the service provider, Downer as part of their contract responsibilities. The accuracy of these has not been and cannot be independently verified.</p>	<p>2015/16- Achieved</p> <p>2016/17 – Achieved</p> <p>2017/18 – Achieved</p>	<p>There were 966 non-urgent call-outs received from 1 July 2017 to 30 June 2018.</p> <p>Median resolution time is 0.92 days, which is < 7 days.</p>
Customer satisfaction.	<p>(a) Drinking water clarity</p> <p>(b) Drinking water taste</p> <p>(c) Drinking water odour</p> <p>(d) Drinking water pressure or flow</p> <p>(e) Council response to these issues</p> <p>The number of complaints is expressed per 1000 connections with a target of <8.</p>	<p>2015/16- Achieved</p> <p>2016/17 – Achieved</p> <p>2017/18 – Achieved</p>	<p>In 2017/18 we received:</p> <p>7 complaints about drinking water clarity.</p> <p>5 complaints about drinking water taste.</p> <p>3 complaints about drinking water odour.</p> <p>49 complaints about water pressure.</p> <p>There were 19,360 connections to our water supply network.</p>
Sustainable use of potable water.	<p>Average consumption per day per urban resident within district. Based on estimated population supplied by treated water network at the time of reporting. 1 Household Equivalent Unit = 2.5 person. Average urban daily household water consumption less than or equal to 1.25m³/day/HEU.</p> <p>This relates to average urban daily household water consumption of less than or equal to 0.5m³ per person per day.</p>	<p>2015/16- Achieved</p> <p>2016/17 – Achieved</p> <p>2017/18 – Achieved</p>	<p>The average urban daily household water consumption was 0.87 m³/day/HEU.</p>
Adequate water for fire fighting in urban areas.	<p>Water pressure in urban areas meets FW2 fire fighting code of practice standards.</p> <p>The baseline for this performance measure as set in the LTP in 2014/15 was, we did not achieve this measure. A total of 107 hydrants were tested and six required further investigation. We worked with the New Zealand Fire Service to rectify the identified issues.</p>	<p>2015/16 – Not achieved</p> <p>2016/17- Achieved</p> <p>2017/18 – Achieved</p>	<p>All hydrants tested met the requirements.</p>

The majority of these performance measures and targets are new and are as required under the Non-Financial Performance Measures Rules 2013. Baselines will therefore be available in the Long-term Plan 2018 – 28.

Water Funding Impact Statement

	2017 Long Term Plan (\$000)	2018 Long Term Plan (\$000)	2018 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	9,409	10,047	9,021
Subsidies and grants for operating purposes	-	-	-
Fees and charges	82	84	124
Internal charges and overheads recovered	391	403	303
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	9,882	10,534	9,448
Applications of operating funding			
Payments to staff and suppliers	4,448	4,552	4,081
Finance costs	2,113	2,185	1,812
Internal charges and overheads applied	54	55	98
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,615	6,792	5,991
Surplus (deficit) of operating funding (A – B)	3,267	3,742	3,457
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	1,364
Development and financial contributions	256	293	543
Increase (decrease) in debt	(964)	3,582	1,003
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	579
Total sources of capital funding (C)	(708)	3,875	3,489
Application of capital funding			
Capital expenditure			
• to meet additional demand	147	997	644
• to improve the level of service	604	4,318	3,677
• to replace existing assets	1,823	1,843	2,443
Increase (decrease) in reserves	(15)	459	182
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	2,559	7,617	6,946
Surplus (deficit) of capital funding (C – D)	(3,267)	(3,742)	(3,457)
Funding balance ((A – B) + (C – D))	-	-	-

Water Schedule of Capital Expenditure

Activity/Scheme	Project	Reason for Acquisition	Project Status (refer key)	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	Notes
Water Supply Acacia Bay	WTP upgrade to meet DWSNZ	LOS	S	4	100	96	1
Water Supply Kinloch	Security of supply	Growth	X	29	1,000	971	2
Water Supply Waitahanui	WTP upgrade to meet DWSNZ	LOS	X	1,757	1,488	(269)	3
Water Supply Taupo	Titoki falling main upgrade	LOS	X	502	650	148	4
Water - District	Renewals	Renewal	S	1,717	1,969	252	5
Total Water				4,008	5,207	1,198	

Key

- A Achieved
- S Slippage
- M Deliberate move into future years
- X Not achieved - major slippage (project will not be complete by 30 September 2018) or project will no longer be carried out

LOS Level of Service

Explanation of major variances against 2017/18 Annual Plan

1. Timings. Multi-year project due for completion 2020/21.
2. Multi-year project. Tender has been released. Detailed design and construction of the reservoir is planned to be completed during 2018/19.
3. Approximately 95% of the pipe has now been installed. Delays in supply of the reservoir has pushed expected completion to October 2018. Additional funding of \$1,102k approved by council 18/10/17 TDC201710/03.
4. Construction has begun with expected completion October 2018.
5. Turangi & Taupo ridermain renewal works due for completion August 2018, Motuoapa reservoir renewal due for completion end September 2018.



Transport

What we do

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

We encourage and support people to use footpaths, cycleways and passenger transport. In particular, we work with Waikato Regional Council and the New Zealand Transport Agency (NZTA), and advocate for district projects, especially those that focus on road safety, or economic development. We also have a disproportionately high number of road traffic crashes that result in death or serious injury, mostly on state highways, which are managed by NZTA.

The aging population of Taupō means an increase in the use of alternative modes especially the number of mobility scooters. These require wider footpaths and appropriate crossing points.

Passenger transport including the Total Mobility Scheme within the district is funded by NZTA and Council and

administered by Waikato Regional Council. We currently fund two bus services, one which covers Wharewaka to Wairākei Village and the Mangakino service. The main users of the service are students and Supergold card users.

Community outcome

This activity contributes to the following community outcome:

- Economy – our communities prosper in a thriving local economy with a diverse range of rewarding employment opportunities.
- Environment – a shared responsibility for places we are proud of.

What we did this year

- Started our LED streetlight conversion project. The contracts have been let for supply and installation however the supply of LEDs has been delayed. We expect to recommence this project later in 2018.
- Completed stage one of the Huka Falls footpath.
- Completed seal extensions on Taharua Road and Raniera Grove, Hatepe (a total of approximately 2km).
- Continued to widen Poihipi Road from Watene Lane to Seay's entrance (approximately 500m.)
- Undertook rehabilitation of Broadlands Road.
- Completed the footpath on Lake Terrace from Wharewaka Road to Rainbow Point Drive.
- Constructed retaining walls at Pūkawa and Wylie Terrace.
- Commenced construction of the Awanui Street retaining wall.
- Replaced a culvert on McDonald Road.
- Let the contract for the Ōmori/Te Puke Road intersection improvement. These works are to be undertaken in August/September 2018.
- Commenced a review of the public bus service with Waikato Regional Council.
- A new road maintenance contract was let. This contract starts 1 October 2018.
- Northern Access and Taupō Central Business District Study was completed and the short term solutions recommended by the study were implemented.
- Commenced Speed Limit Bylaw Review.



Improving traffic flows

As part of the development of our draft Long-term Plan we consulted with the community on a series of short, medium and long term options to help improve traffic flow through the Taupō CBD.

Following feedback from the community it was decided to put a hold on those plans in favour of developing a transport strategy. This will look at the road network for all aspects of road use including driving, walking and cycling, along with traffic management.

In the interim to ease congestion issues, signals will be installed at the intersection of Norman Smith Street and Wairākei Drive.

This year the existing traffic lights at the Tongariro Street and Heuheu Street intersection were upgraded and the road layout of the roundabout at Spa Road and Tongariro Street was changed to improve traffic flows in these busy locations.

Levels of service, performance measures and targets

Level of service	Performance measures and targets	Results	Explanation
The number of serious and fatal crashes on District roads is falling.	5 per cent reduction from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	2014/15 – Achieved 2015/16 – Not achieved 2016/17 – Not achieved 2017/18 – Not achieved	2014/15: 7 2015/16: 12 2016/17: 14 2017/18: There were 2* fatal crashes and 15* serious crashes *Figure is only provisional.
That our roading network is maintained and in good condition.	The average quality of ride on a sealed road network, measured by smooth travel exposure. The target level of smooth travel exposure is 90 per cent. Methodology in line with NZTA "Smooth Travel Exposure (STE) Index for sealed roads". This was a new performance measure set in the LTP with no baseline. Traffic counts used to form the output of the smooth traffic exposure report are an estimate, based on counts Council carried out during the 16/17 year. These traffic counts cannot be independently verified for accuracy or completeness.	2015/16- Achieved (94 per cent) 2016/17 – Achieved (95 per cent) 2017/18 – Achieved (92 per cent)	
	Three per cent of the sealed local road network is resurfaced (measured in m ²). This was a new performance measure set in LTP with no baseline.	2015/16- Achieved (3.5 per cent) 2016/17 – Achieved (4 per cent) 2017/18 – Achieved (3.5 per cent)	In 2017/18, 202,562 m ² of the local road network was surfaced.
Footpaths are maintained and in good condition.	80 per cent of footpaths in the district fall within the level of service standard for the condition of footpaths that is set out in the territorial local authorities (TLA's) Asset Management Plans (AMPs) (maintenance intervention when displacement greater than 10mm for Taupō CBD, Taupō urban areas and Turangi and other urban areas). This was a new performance measure set in LTP with no baseline.	2015/16 – Achieved 2016/17 – Achieved 2017/18- Achieved	
Fix problems on the network promptly, or tell you why there are delays.	90 per cent of customer service requests relating to roads and footpaths are responded to within five working days. This was a new performance measure set in LTP with no baseline.	2015/16 – Achieved (91 per cent) 2016/17 – Not Achieved (89 per cent) 2017/18 – Achieved (92 per cent)	In 2017/18 we received 92 customer service requests relating to roads and footpaths.

These performance measures and targets are new and are as required under the Non-Financial Performance Measures Rules 2013. Baselines will therefore be available in the Long-term Plan 2018 – 28.

Transport Funding Impact Statement

	2017 Long Term Plan (\$000)	2018 Long Term Plan (\$000)	2018 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	7,000	7,057	6,435
Targeted rates	-	-	-
Subsidies and grants for operating purposes	1,744	1,790	1,949
Fees and charges	81	83	203
Internal charges and overheads recovered	507	519	420
Local authorities fuel tax, fines, infringement fees, and other receipts	375	384	453
Total operating funding (A)	9,707	9,833	9,460
Applications of operating funding			
Payments to staff and suppliers	4,608	4,734	5,225
Finance costs	1,638	1,533	1,294
Internal charges and overheads applied	507	519	408
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,753	6,786	6,927
Surplus (deficit) of operating funding (A - B)	2,954	3,047	2,533
Sources of capital funding			
Subsidies and grants for capital expenditure	1,415	1,531	1,469
Development and financial contributions	208	232	756
Increase (decrease) in debt	(1,411)	(1,464)	(14)
Gross proceeds from sale of assets	-	-	10
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	245
Total sources of capital funding (C)	212	299	2,466
Application of capital funding			
Capital expenditure			
• to meet additional demand	36	24	528
• to improve the level of service	1,102	1,353	1,975
• to replace existing assets	2,546	2,355	2,168
Increase (decrease) in reserves	(518)	(386)	328
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	3,166	3,346	4,999
Surplus (deficit) of capital funding (C - D)	(2,954)	(3,047)	(2,533)
Funding balance ((A - B) + (C - D))	-	-	-

Transport Schedule of Capital Expenditure

Activity/Scheme	Project	Reason for Acquisition	Project Status (refer key)	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	Notes
Transport	Accelerated renewal - road lighting LED conversion	LOS	S	161	2,500	2,339	1
Transport	Bus bay on Waikato Street	LOS	A	34	75	41	
Transport	Bus infrastructure	LOS	X	-	9	9	
Transport	Cycle strategy implementation	LOS	A	70	30	(40)	
Transport	Huka Falls Road footpath	LOS	A	81	100	19	
Transport	Mangakino streets - upgrade program	LOS	X	-	5	5	
Transport	Mapara Road footpath	Growth	X	12	50	38	
Transport	New footpaths	LOS	A	10	25	15	
Transport	New signs & road marking	LOS	A	10	25	15	
Transport	Norman Smith Street intersection investigation	LOS	A	-	100	100	2
Transport	On-going safety improvements	LOS	X	126	169	43	
Transport	On street parking	LOS	X	2	25	23	
Transport	Poihipi Road seal widening	Growth	A	238	234	(4)	
Transport	Rural school bus shelters	LOS	X	-	6	6	
Transport	Seal extension	LOS	S	341	400	59	
Transport	Stock truck effluent facility	LOS	X	-	250	250	3
Transport	District-wide renewals	Renewal	X	1,623	2,221	598	4
Total Transport				2,708	6,224	3,516	

Key

A	Achieved
S	Slippage
M	Deliberate move into future years
X	Not achieved - major slippage (project will not be complete by 30 September 2018) or project will no longer be carried out

LOS Level of Service

Explanation of major variances against 2017/18 Annual Plan

1. Delay with luminaire supply due to national demand. Expected project completion June 2019.
2. Investigation funded by operational budgets.
3. Savings- project now to be undertaken by NZTA & Waikato Regional Council.
4. \$154k saving with \$444k to be carried forward. Paora Hapi/Ruapehu Street intersection upgrade contract awarded July (\$109k) with completion expected October, Tutukau Road culvert renewal (\$189k) delayed due to unavailability of contractors with suitable expertise, sealed road resurfacing and off street carpark reseals remaining budgets insufficient to complete further sites (\$71k), to be combined with 2018/19 budget, Turangi kerb and channel replacement continuing (\$31k).



Community Facilities

What we do

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.

We manage and service parks, reserves, playgrounds, open spaces, multi-purpose sports, entertainment and event venues, as well as pools, gyms and sports grounds throughout the district. This ensures there are sporting, aquatic and recreational opportunities for the community, as well as exercise facilities for the physical and mental well-being of everyone who spends time in the district, including visiting children and their families. We also support the learn-to-swim lessons sponsored by Contact Energy at all our pools.

Community outcomes

This activity contributes to the following community outcomes:

- Engagement – Council is connected with its communities, advocating for their social and cultural well-being.
- Economy – our communities prosper in a thriving local economy with a diverse range of rewarding employment opportunities.

- Environment – a shared responsibility for places we are proud of.

What we did this year

- Progress on Otumuheke Stream Upgrade project.
- Taupō Museum was the joint winner of the 2018 Service IQ New Zealand Museum Awards “Most Innovative Public Programme Award”, for the Dog Show and Gallery for Dogs exhibition.
- Taupō District Libraries launched an e-audio service, online self-registration and introduced the One Library Card giving customers access to all of the Bay of Plenty Libraries.
- Refurbished the Ora Garden and celebrated its ten year anniversary in March 2018.
- Cleaned and prepared the moa for re-articulation which featured on the Seven Sharp television programme.

- The Taupō Museum hosted the Latin American and Spanish Film Festival.
- Refurbished the Turangi Service Centre.
- Revamped the Turangi i-Site which included installing new heating and ventilation.
- Replaced the Taupō Library Roof.
- Upgraded the toilet at Wharewaka Reserve.
- Undertook upgrades to eight of our social housing units.
- Renewed the Taupō Cenotaph.
- Upgraded the security at the Taupō Dog Pound.
- Upgraded the electrical and heating systems at the Tirohanga Hall.
- Repainted the roof at the Taupō Museum.
- Undertook an upgrade to the Heating, Ventilation and Air Conditioning (HVAC) at our Archives building.
- Upgraded the Taupō Central Business District CCTV from analogue to digital.
- Refurbished the toilets at the Nukuhau boat ramp .
- Completed a building management system upgrade for both the Turtle Pools and AC Baths.
- Undertook repainting and toilet upgrades at Owen Delany Park.
- Installed a new server room at the AC Baths.
- Upgraded the ventilation system and replaced furniture at Waitahanui Hall.
- Upgraded the lighting at Taupō Events Centre.
- Replaced a tractor and eight vehicles in our fleet.
- Upgraded the Superloo.
- Undertook renewals at Owen Delany Park House.
- Upgrade the fibre for the CCTV between the Taupō Police Station and the Great Lake Centre.
- Continued the CBD upgrades at the Roberts Street and Ruapehu Street intersection.
- Undertook upgrades at Crown Park.
- The Great Lake Centre hosted 17 commercial shows of which 2773 tickets were sold collectively.
- Achieved Silver Sustainable Tourism Business Award for the Great Lake Centre.
- Bleacher maintenance and lighting upgrades were undertaken at the Taupō Events Centre.
- There were 2692 bookings at the Taupō Events Centre. This includes the Rockwall, fitness classes, regular and casual users.
- Owen Delany Park hosted its first live music concert in 20 years.
- There were 328 bookings (includes club draws) at Owen Delany Park.
- Retained the Jock Hobbs Memorial U19 National Rugby Tournament for the period 2019-2021.
- There were 685 bookings for our parks and reserves.



Dogs on Show at Taupō Museum

Taupō Museum created an exhibition with a difference this year. Coinciding with the start of the Chinese Year of the Earth Dog, dog-related sculptures and artworks made from recycled materials were featured. The artworks were created by a range of creative people, including an international artist, a master carver, family groups, and even a nine year old boy. Running alongside this was an exhibition designed specifically for dogs. The dogs could visit the museum with their

owners and enjoy artwork placed at 'dog height'.

The exhibition received a national award for its innovative approach. Judges said they admired that the museum took a risk, broke the normal protocols and encouraged a whole new audience to visit the museum. Our community clearly enjoyed the exhibition, as visitor numbers increased by 500 compared to the same time last year.



Gateway makeover

The intersection of Roberts and Ruapehu streets underwent a major makeover this year with the addition of street furniture, gardens and pedestrian islands. The location is an important gateway from the lakefront to the town centre and was upgraded to help encourage people to stay and enjoy the space. The design reflects the style of other recent intersection upgrades that have increased visibility for motorists while including attractive timber, stone and concrete designs.

A new permanent sculpture was installed in the upgraded area in December. The brightly coloured Tiki, by Tūwharetoa descendant Abbie McCarthy, was funded by local businesses, the Taupō Sculpture Trust, and the Council. The three two meter high steel tiki include designs depicting local maunga, Lake Taupō, and the values of peace, care and compassion.

Levels of service, performance measures and targets

Level of service	Performance measures and targets	Results	Explanation
Library			
The library is accessible and offers a range of services for the community.	Increasing number of members using their library card. We will report on the number of people using their cards annually and expect to see an increase each year. The baseline measure set in the LTP from 1 July 2013 – 30 June 2014 was a total of 9,532 library members who used their library card.	2014/15 – Not achieved (9,353 active members used their card) 2015/16 – Achieved (9,837 active members used their card) 2016/17 – Not achieved (9,608 members used their card) 2017/18 – Achieved (9,916 active members used their card)	The library had 9,916 members use their card between July 2017 and June 2018, compared to 9,608 between July 2016 and June 2017. The number of members using their card has increased by 0.79 per cent compared to the previous year. Also of note was that there was a 6.8 per cent increase in e-book usage and 2 per cent increase in customer use of the self-check compared to the previous year.
	89 per cent of the users/visitors are satisfied with the range and variety of the collection. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 59 per cent.	2016/17 – Not achieved (62 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
	72 per cent of the district is satisfied with the library services. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 60 per cent.	2016/17 – Not achieved (65 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
Museum and Art Gallery			
Increasing numbers of residents and visitors come to our museum and are pleased with the exhibitions.	55 per cent of the visitors to the museum are satisfied. The baseline for this performance measure as set in the LTP 2014/15 was, we achieved 64 per cent.	2016/17 – Achieved (57 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
	An increase in annual visits to the museum. We will report the number of residents and the overall total number of visitors to the museum annually and expect to see an increase each year. The baseline for this performance measure as set in the LTP in 2013/14 was, 25,005 visitors and 12,110 residents visited the museum.	2014/15 – Achieved (14,396 residents) 2015/16 – Not Achieved (12,069 residents) 2016/17 – Achieved (13,004 residents) 2017/18 – Achieved (15,828 residents)	The number of residents visiting the museum increased by 17.84 per cent.

Level of service	Performance measures and targets	Results	Explanation
		2014/15 – Not achieved (27,808 visitors)	The total number of visitors to the museum has increased by 11.54 per cent.
		2015/16 – Not achieved (24,974 visitors)	
		2016/17 – Achieved (27,522 visitors)	
		2017/18 – Achieved (31,115 visitors)	

Great Lake Centre and Community Halls

Our halls are well used and people who use them are satisfied with them.	Great Lake Centre is used 75 per cent of the year.	2014/15 – Achieved (85 per cent)	In 2017/18 the Great Lake Centre was used 75 per cent of the year. The increase in usage was due to a number of popular events held, including John Denver, Flour Flat Whites, Ten Tenors and Elemeno P.
	The baseline for this performance measure as set in the LTP in 2013/14 was, we achieved 21 per cent.	2015/16 – Achieved (85 per cent)	
		2016/17 – Not achieved (72 per cent)	
		2017/18 – Achieved (79 per cent)	
	Community halls are used 20 per cent of the year.	2014/15 – Achieved (22 per cent)	In 2017/18, our community halls were booked for a total of 5514 hours.
	The baseline for this performance measure as set in the LTP was in 2013/14 was, we achieved 21 per cent.	2015/16 – Achieved (23 per cent)	
		2016/17 – Achieved (21 per cent)	
		2017/18 – Achieved (63 per cent)	
	75 per cent of the district is satisfied with the Great Lake Centre.	2015/16 – Achieved (80 per cent)	We measured this by undertaking a survey. We received 95 per cent satisfaction with the overall service and 91 per cent satisfaction for the facility.
	The baseline for this performance measure as set in the LTP in 2013/14 was, we achieved 71 per cent.	2016/17 – Achieved (97 per cent)	
		2017/18 – Achieved (91 per cent)	

Level of service	Performance measures and targets	Results	Explanation
	75 per cent of users and visitors are satisfied with our community halls. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 75 per cent.	2016/17 – Achieved (85 per cent)	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
		2017/18 – Not applicable	
	The Great Lake Centre retains its Qualmark NZ four star rating.	2014/15- Achieved	The 4 star rating was retained and we also received a Silver Sustainable Tourism Business Award.
	This was a new performance set in the LTP with no baseline.	2015/16- Achieved	
		2016/17- Achieved	
		2017/18- Achieved	

Taupō Events Centre

Our venue is accessible and provides the community with a range of services.	The Taupō Events Centre will be open 364 days of the year.	2015/16 – Achieved	
	This was a new performance set in the LTP with no baseline.	2016/17 – Achieved	
		2017/18 – Achieved	
	85 per cent of the users/visitors are satisfied with the Taupō Events Centre. In 2014/15 92 per cent of the users were satisfied. The satisfaction of visitors will be assessed in the next survey.	2015/16 – Achieved (92 per cent)	We undertook a survey and 86 per cent of respondents indicated that they were satisfied with the facility.
		2016/17 – Achieved (97 per cent)	
		2017/18 – Achieved (86 per cent)	

Public Toilets

We provide clean and attractive public toilets for the comfort of visitors and residents.	80 per cent of users are satisfied with our public toilets.	2016/17 – Achieved (86 per cent)	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
	The baseline for this performance measure as set in the LTP was in 2014/15 and 86 per cent of users were satisfied.	2017/18 – Not applicable	

Parks, Reserves, Playgrounds and Gardens

Our parks, playgrounds and gardens are safe and pleasant.	We retain Garden of Significance status for the South Domain gardens in Taupō.	2014/15- Achieved	In 2017/18, we retained Garden of Significance Status for the South Domain gardens in Taupō.
	The baseline for this performance measure as set in the LTP was 2013/14 was, we achieved this measure.	2015/16 – Achieved	
		2016/17 – Achieved	
		2017/18 – Achieved	

Level of service	Performance measures and targets	Results	Explanation
	90 per cent of park users are satisfied with the quality of parks and reserves. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 93 per cent.	2016/17 – Achieved (94 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
	90 per cent of playground users are satisfied with Councils playgrounds. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 90 per cent.	2016/17 – Not achieved (89 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
Sportsgrounds			
Our sportsgrounds are fit for purpose and satisfactory for the District.	90 per cent of sportsgrounds users are satisfied with Council's sportsgrounds. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 90 per cent. (This was a new performance measure set in the LTP with no baseline).	2016/17 – Achieved (93 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
	At least 50 sporting and community events are held on sportsgrounds in the Taupō District each year. (This was a new performance measure set in the LTP with no baseline.)	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	In 2017/18 there were a total of 60 sporting events held on the district's sportsgrounds.
Swimming Pools			
Our pools are safe, well-maintained, and attractive for residents and visitors.	We maintain Pool Safe accreditation at AC Baths and Turtle Pools (formally Genesis Energy Turangi Aquatic Centre- GETAC).	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	We maintained our pool safe accreditation.
Days open	AC Baths is open 364 days. The baseline for this performance measure as set in the LTP in 2013/14 was, we achieved this target.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	The AC Baths were open for 364 days in 2017/18.

Level of service	Performance measures and targets	Results	Explanation
	Turtle Pools (formally GETAC) is open 364 days. The baseline for this performance measure as set in the LTP in 2013/14 was, we achieved this target.	2014/15 – Achieved 2015/16 – Not achieved 2016/17 – Not achieved 2017/18 – Achieved	The Turtle Pools were open for 364 days in 2017/18. In 2016/17 the Turtle Pools were only open for 345 days due to closure of the deep pool for repainting and maintenance.
	Mangakino is open every day in summer except Christmas Day. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved this target.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	The Mangakino Pools were open every day in summer except for Christmas Day.
Satisfaction	75 per cent district are satisfied with the AC Baths. The baseline for this performance measure as set in the LTP in 2013/14 was, we achieved 69 per cent.	2016/17 – Achieved (78 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
	70 per cent users are satisfied with the Turtle Pools (formally GETAC) The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 98 per cent.	2016/17 – Achieved (94 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
	80 per cent users are satisfied with the Mangakino pool The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 82 per cent.	2016/17 – Achieved (85 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
Fitness Studio			
We provide fitness services to support community health and well-being.	80 per cent of users of the Fitness Studio are satisfied. (This was a new performance measure set in the LTP with no baseline, survey to be undertaken by the Fitness Studio.)	2015/16 – Not achieved 2016/17 – Achieved 2017/18 – Achieved	

Community Facilities Funding Impact Statement

	2017 Long Term Plan (\$000)	2018 Long Term Plan (\$000)	2018 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	16,032	16,318	16,331
Targeted rates	-	-	-
Subsidies and grants for operating purposes	105	106	406
Fees and charges	2,779	2,845	3,176
Internal charges and overheads recovered	-	-	172
Local authorities fuel tax, fines, infringement fees, and other receipts	17	18	28
Total operating funding (A)	18,933	19,287	20,113
Applications of operating funding			
Payments to staff and suppliers	12,703	13,002	13,555
Finance costs	1,704	1,643	1,492
Internal charges and overheads applied	422	433	464
Other operating funding applications	-	-	-
Total applications of operating funding (B)	14,829	15,078	15,511
Surplus (deficit) of operating funding (A - B)	4,104	4,209	4,602
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	84
Development and financial contributions	275	283	332
Increase (decrease) in debt	(727)	(772)	210
Gross proceeds from sale of assets	-	-	96
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(452)	(489)	722
Application of capital funding			
Capital expenditure			
• to meet additional demand	257	258	-
• to improve the level of service	862	818	1,768
• to replace existing assets	2,060	2,047	1,786
Increase (decrease) in reserves	473	597	1,770
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	3,652	3,720	5,324
Surplus (deficit) of capital funding (C - D)	(4,104)	(4,209)	(4,602)
Funding balance ((A - B) + (C - D))	-	-	-

Community Facilities Schedule of Capital Expenditure

Activity/Scheme	Project	Reason for Acquisition	Project Status (refer key)	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	Notes
Cemeteries - District	Taupo - Burial / cremation berms	LOS	S	4	7	3	
GLC / Events Logistics Management	Great Lake Centre investigation	LOS	X	-	50	50	1
Libraries - District	Library books	LOS	A	315	310	(5)	
Parks & Reserves - District	Fencing contributions (Fencing Act requirement)	LOS	A	21	20	(1)	
Parks & Reserves - District	Kinloch lakefront reserve	LOS	A	113	100	(13)	
Parks & Reserves - District	Landscape lower Otumuheke Stream banks at bathing area	LOS	S	586	95	(491)	2
Parks & Reserves - District	Taupo - CBD Laneway lighting	LOS	S	36	70	34	
Parks & Reserves - District	Public Art	LOS	A	26	25	(1)	
Parks & Reserves - District	Spa Thermal Park - new path construction	LOS	S	-	-	-	
Parks & Reserves - District	Rationalisation & upgrade of Turangi playgrounds	LOS	X	-	120	120	3
Parks Development Contribution	New neighbourhood reserves	Growth	X	-	245	245	4
Project Watershed	Erosion control assets	LOS	A	147	100	(47)	
Taupo Events Centre	Additional stage units	LOS	A	14	20	6	
Community Facilities	Renewals	Renewal	X	1,135	2,417	1,282	5
Total Community Facilities				2,397	3,579	1,182	

Key

- A Achieved
- S Slippage
- M Deliberate move into future years
- X Not achieved - major slippage (project will not be complete by 30 September 2018) or project will no longer be carried out

LOS Level of Service

Explanation of major variances against 2017/18 Annual Plan

1. Investigation funded by operational budgets.
2. Multi year project. Due for completion 31/08/18.
3. Project on hold awaiting Parks & Reserves Master Plan. Reworked into years 3 and 4 of the 2018-28 Long-term Plan.
4. Savings - no suitable projects identified within the 2017/18 year.
5. Delivery delay of vehicle/large plant renewals (\$487k), initial funding for Velodrome renewal insufficient (\$170k) - additional budget approved through the Long-term Plan to cover shortfall, Paora Hapi/Ruapehu Street intersection upgrade contract awarded July (\$139k) with completion expected October, delay in delivery of sportsgrounds spreader and mowers renewal (\$79k), Taupō Event Centre lighting control renewal scheduled for August (\$51k), Stent Way walkway structure renewal (40k) engineering design now complete, 7 month lead time for AC Baths bore pump renewal with expected delivery August 2018 (\$33).



Wastewater

What we do

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.

Council treats and disposes of wastewater in an environmentally responsible way, meeting Waikato Regional Council consent conditions, including odour control at our treatment facilities. We are also responsible for reducing nitrogen discharge from our wastewater treatment plants into the Lake Taupō catchment by at least 20 per cent of 2005 levels by 2020, as part of the Lake Taupō Protection project.

Fats, oils and grease from commercial kitchens can cause sewer blockages and when they are discharged into the sewer they reduce the performance of the treatment plant. In 2010, Council introduced a trade waste bylaw to control this discharge which was reviewed in 2015/16.

We have a proactive approach to maintenance and condition assessment in place. This requires an increase in operational expenditure to collect data which will enable accurate forecasting of renewal requirements. It is anticipated that this will result in a reduction of blockages in the wastewater network and reduce overflows into Lake Taupō or waterways. We are also moving to enforce the trade waste bylaw more stringently to reduce the likelihood of blockages in the sewer network or mechanical equipment failure.

Applications to replace the expired Mangakino, Turangi, Motuere, Taupō and Ōmori wastewater treatment plants, the Rakaunui Road Land Disposal Scheme and the Taupō wastewater treatment plant emergency discharge consents are currently being processed by the Waikato Regional Council (WRC). All applications have been accepted as complete by WRC, therefore allowing these sites to operate under existing consent conditions until new resource consents are granted.

Community Outcomes

This activity contributes to the following community outcome:

- Environment – a shared responsibility for places we are proud of.

What we did this year

- Commenced the upgrade of the Whakamaru Wastewater Treatment Plant. The tender was awarded with construction planned for July 2018.
- Undertook work to improve the Pūkawa wastewater pump station and pipeline. Work at the pump station is largely complete, however pipeline and control panel works are still in progress.
- Commenced the upgrade to the Kinloch Wastewater Treatment Plant and installed a disposal field. Construction of a new site access and flood protection works are in progress. A contract for construction of an effluent holding tank has been

awarded. The irrigation system installation has been scheduled for 2018/19.

- We started work on the Mangakino sewer relining project with approximately 4 km of the 13 km to be relined completed so far.
- We started a project to reduce sewer overflows in Taupō and Acacia Bay. This includes sewer cleaning and condition assessments. At 30 June, 68 km of wastewater pipes have been inspected.
- We applied for a new wastewater discharge consent for the Turangi wastewater treatment plant.
- We have completed 9 km of the sewer cleaning project in Turangi; with another 9 km to follow.
- A process review of Turangi Wastewater Treatment Plant has been completed. Improvements are to be implemented.
- Consultation with hapu on decommissioning of Waitahanui WWTP site commenced.

Keeping our lake clean

Over the financial year we received four formal warnings from Waikato Regional Council relating to sewerage spills from the wastewater network. The spills were an overflowing manhole in Kahurangi Road and Hawaii Street, a broken pipe in Whareroa, and a failure to restart a pump after maintenance in Wiley Terrace, Acacia Bay. We also received three formal warnings relating to the performance of our wastewater treatment plants.

Although sometimes factors outside of our control cause sewerage spills, at least half occur through tree roots, fat and sanitary items like wet wipes entering the wastewater system. Council agrees that each spill into our lake and waterways is one too many, and we are working hard to do all we can to prevent more occurring.

To this aim we have:

- checked over 200km of pipes across the district,
- surveyed 1268 pipes (63.2km) with a sewer rapid line assessment tool (soundwaves are used to identify blockages in pipes),
- located, checked and cleaned over 1470 manholes (35% of all wastewater manholes in the Taupō / Acacia Bay area),



- used red marker smoke to detect leaks in Tauhara,
- and continued with camera surveillance of pipes.

We also launched a district-wide education campaign about what you should and should not put down the toilet.

Levels of service, performance measures and targets

Level of service	Performance measures and targets	Results	Explanation
Compliance with resource consents for discharge from the sewage systems.	Number of abatement notices ≤ 1	2015/16- Achieved	
	This was a new performance measure set in the LTP with no baseline.	2016/17 – Achieved	
		2017/18 – Achieved	
No successful prosecutions to Council or its staff for the quality of our discharge.	Number of infringement notices = 0	2015/16- Achieved	
	This was a new performance measure set in the LTP with no baseline.	2016/17 – Achieved	
		2017/18 – Achieved	
	Number of enforcement orders = 0	2015/16- Achieved	
This was a new performance measure set in the LTP with no baseline.	2016/17 – Achieved		
	2017/18 – Achieved		
	Number of successful prosecutions = 0	2015/16- Achieved	
This was a new performance measure set in the LTP with no baseline.	2016/17 – Achieved		
	2017/18 – Achieved		
Reduction in nitrogen discharged from Wastewater treatment plants into Lake Taupō.	Reduction in the total nitrogen discharged from wastewater treatment plants within the Lake catchment. Reduce the total nitrogen discharged from Wastewater Treatment Plants within the Lake catchment by at least 20 per cent of the benchmark average (10,310 kg/year) by 2020. From 2020 onwards maintain this reduction. This was a new performance measure set in the LTP with no baseline.	2015/16- Achieved 2016/17 – Achieved (23 per cent) 2017/18 – Achieved (22 per cent)	The nitrogen discharge is monitored from all wastewater treatment plants in the Taupō Catchment. The reduction of N over 2017/2018 is 22 per cent comparative to benchmarking period.

Level of service	Performance measures and targets	Results	Explanation
Compliance with resource consent for discharge from sewerage network system.	Number of dry weather sewerage overflows ⁴ across the district that escapes sewerage system- ≤ 3 per thousand connections.	2016/17 – Achieved (1.28 dry weather overflows per thousand connections)	Total overflows =35 28 overflows were minor spills on ground and sewer rising main breakages. 6 spills were to waterways. There was 1 overflow to wetlands. Dry weather sewerage overflows: 35/18=1.94, <3.
	Note: 18,000 sewer connections.	2017-18 – Achieved (1.94 dry weather overflows per thousand connections)	
	The weather description is reported by the service provider, Downer as part of their contract responsibilities. The accuracy of these has not been and cannot be independently verified.		
	This was a new performance measure set in the LTP with no baseline.		
Fault response times. (These are new performance measures set in the LTP with no baseline. However, these performance measures do not reflect the mandatory nonfinancial performance measures accurately by adding in a percentage requirement and will be amended for the next LTP.)	Percentage of sewerage overflows responded to <1hr.	2015/16 – Achieved	32 out of 35 overflows were responded within 1 hour = 91.4 per cent
	To differentiate this performance measure from the mandatory medium measures we have used the percentage and timeframe to calculate this measure.	2016/17 – Achieved	
	The times shown for attendance and resolution are reported by the service provider, this includes travel time. The categories are reported to the service provider, Downer as part of their contract responsibilities. Council reviews these categories for reasonableness each month however accuracy of these have not been and cannot be independently.	2017/18- Achieved	
	Percentage of sewerage overflows resulting from a blockage or other fault in the Council's sewerage system responded within the specified time.	2016/17 – Achieved	32 out of 35 overflows were resolved within 4 hours = 91.4 per cent
	Median time from Council receiving notification of the sewerage overflow to the time that service personnel confirm resolution of the blockage or other fault- within 4 hours.	2017/18- Achieved	
	The attendance and resolution are reported by the service provider, this includes travel time. The categories are reported by the service provider, Downer as part of their contract responsibilities. The accuracy of these has not been and cannot be independently verified.		

⁴ Dry weather sewerage overflow means sewerage that escapes a Council sewerage system and enters the environment during a day when less than 1mm of rain has fallen during a continuous 24 hour period.

Wastewater Funding Impact Statement

Level of service	Performance measures and targets	Results	Explanation
Fault response times. (These are new performance measures set in the LTP with no baseline. However, these performance measures do not reflect the mandatory nonfinancial performance measures accurately by adding in a percentage requirement and will be amended for the next LTP)	<p>Attended to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured.</p> <p>(a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site,</p> <p>The times shown for attendance and resolution are reported by the service provider, this includes travel time. The categories are reported to the service provider, Downer as part of their contract responsibilities. Council reviews these categories for reasonableness each month however accuracy of these have not been and cannot be independently.</p>	<p>2016/17 – Achieved</p> <p>2017/18 – Achieved</p>	<p>The median response time was 23 minutes.</p>
	<p>Attended to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:</p> <p>(b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.</p> <p>The times shown for attendance and resolution are reported by the service provider, this includes travel time. The categories are reported to the service provider, Downer as part of their contract responsibilities. Council reviews these categories for reasonableness each month however accuracy of these have not been and cannot be independently.</p>	<p>2016/17 – Achieved</p> <p>2017-18 – Achieved</p>	<p>Median time for service restoration/fault resolution is 2 hours 19 minutes.</p>
Customer satisfaction. The number of complaints received by Council. (These are new performance measures set in the LTP with no baseline.)	<p>The Council's response to issues with the sewerage system, (expressed per 1000 connections to the Council sewerage system.) Target number of complaints per 1000 connections ≤ 8</p> <p>a) Sewerage odour b) Sewerage system faults c) Sewerage system blockages d) Council's response to issues with the sewerage system (expressed per 1000)</p> <p>Target number of complaints per 1000 connections <8</p>	<p>2016/17 – Not achieved</p> <p>2017/18 – Not achieved</p>	<p>Between 1 July 2017 and 30 June 2018 Council was notified of 156 issues. 156/18=8.7 > 8</p>

	2017 Long Term Plan (\$000)	2018 Long Term Plan (\$000)	2018 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	13,138	13,374	12,272
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,511	1,560	1,548
Internal charges and overheads recovered	-	-	150
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	14,649	14,934	13,970
Applications of operating funding			
Payments to staff and suppliers	6,444	6,759	7,836
Finance costs	3,010	2,869	2,506
Internal charges and overheads applied	157	163	180
Other operating funding applications	-	-	-
Total applications of operating funding (B)	9,611	9,791	10,522
Surplus (deficit) of operating funding (A – B)	5,038	5,143	3,448
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	377	362	837
Increase (decrease) in debt	(1,647)	(2,066)	(1,721)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	1,290
Total sources of capital funding (C)	(1,270)	(1,704)	406
Application of capital funding			
Capital expenditure			
• to meet additional demand	164	54	77
• to improve the level of service	1,732	1,496	998
• to replace existing assets	2,374	2,378	1,783
Increase (decrease) in reserves	(502)	(489)	996
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	3,768	3,439	3,854
Surplus (deficit) of capital funding (C – D)	(5,038)	(5,143)	(3,448)
Funding balance ((A – B) + (C – D))	-	-	-

These performance measures and targets are new and are as required under the Non-Financial Performance Measures Rules 2013. Baselines will therefore be available in the Long-term Plan 2018 – 28.

Wastewater Schedule of Capital Expenditure

Activity/Scheme	Project	Reason for Acquisition	Project Status (refer key)	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	Notes
Wastewater Acacia Bay	Treatment Plant Upgrade	LOS	S	136	220	84	1
Wastewater Kinloch	Monitoring bore / Land Disposal System	LOS	X	-	1,627	1,627	2
Wastewater Mangakino	Monitoring bore	LOS	X	-	40	40	
Wastewater Omori	Pukawa pond improvement / remediation	LOS	S	18	400	382	3
Wastewater Taupo	Eastern truck sewer extension investigation	Growth	A	47	50	3	
Wastewater Taupo	Storm flow diversion	LOS	A	35	50	15	
Wastewater Turangi	Turangi WWTP treatment / screen optimisation	Growth	X	-	60	60	
Wastewater Whakamaru	WWTP upgrade / optimisation	LOS	X	-	400	400	4
Wastewater - District	Renewals	Renewal	S	1,293	2,275	982	5
Total Wastewater				1,529	5,122	3,593	

Key

- A Achieved
- S Slippage
- M Deliberate move into future years
- X Not achieved - major slippage (project will not be complete by 30 September 2018) or project will no longer be carried out

LOS Level of Service

Explanation of major variances against 2017/18 Annual Plan

1. Minor works left to undertake. Expected completion September 2018.
2. \$527k released with \$1.1m carried forward. Both the flood protection and effluent holding tank contracts (awarded March 2018) expect to be completed by end December 2018.
3. Upgrade of the wastewater pump station and raising main are 50% complete and is expected to be complete September 2018.
4. The contract for a new WWTP has been awarded and construction is now scheduled for August and September 2018.
5. Mangakino sewer relining contract awarded November 2017 and due for completion December 2018.



Solid waste

What we do

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, refuse and recycling collection in urban areas and street litter and recycling bins. We manage solid waste to reduce the likelihood of harm to people and the environment, and to retain the districts' attractive appearance for residents and visitors. Solid waste services contribute to the environment and economic community outcomes.

Council has now adopted the new Waste Management and Minimisation Plan 2018 which sets out a number of new initiatives to be implement for the district.

- E-Waste recycling service collecting computer and computer peripherals
- Marae waste education programme
- A community grant fund
- More litter officers
- Investigating the reduction of construction and demolition wastes

- Supporting district schools through support for composting and worm farming
- Investigating reducing farm waste
- Supporting event organisers in reducing waste
- Introducing a targeted litter education programme
- Reducing the use of single use plastic bags

The Broadlands Road Landfill is the only consented Class 1 landfill within the district and is receiving the majority of waste that requires disposal to landfill. The Broadlands Road landfill utilises the latest in landfill design and incorporates a liner and reticulation system for leachate. When a landfill cell is full, it is capped with soil, so that decomposition does not cause adverse environmental effects (bad smells, methane, uncontrolled toxic leachate, vermin etc).

Council also manages three closed landfill sites at Taupō, Mangakino and Turangi. Closed landfills have closure consents, which requires Council to undertake ongoing monitoring to ensure there are no adverse environmental effects.

Community Outcomes

This activity contributes to the following community outcome:

- Environment – a shared responsibility for places we are proud of.

What we did this year

- Compiled a waste assessment for the district and adopted the final Waste Minimisation and Management Plan.
- Renewed the southern transfer station operational contract.
- Extended the Refuse Bulk Haulage Contract.
- Enabled Habitat for Humanity to run the reuse store at the landfill.
- Extended the litter and recycling bin collection contract.
- Installed five new recycling bins.
- Renewed / replaced 15 older bins.
- Collected from the kerbside over 1 million refuse bags (which equates to a rugby field 12 metres high).
- There was 24,410 tonnes of waste sent to landfill and 23,882 tonnes of material diverted from landfill.



Wormtastic

Did you know that Taupō has one of the biggest worm farms in New Zealand? Originally our bio-solids (organic matter recycled from sewage) were taken from our Taupō treatment plants by a local farmer who had resource consent to spread it over his pasture. Once the farmer decided not to renew his consent it was time to think of a new solution. Worms were the answer! Vermicomposting harnesses the power of millions of worms to quickly break down solid waste. These worms produce a vermicast which is then used to create nutrient-rich organic fertiliser and soil conditioner. Less waste to landfill and more fertiliser for our local soils – a win-win!

Litter Superheroes

In July we went on the hunt for a superhero to help us design an anti-littering poster. After sifting through over 200 entries, we found a winner. Taupō Intermediate student Bavneet Kaur's 'It's not ok to litter' poster won her a \$400 Top Gear Cycles voucher. In March her design was then printed and placed on rubbish bins around the district. The stickers are a great way to draw attention to the bins, and remind our community that all litter can have a negative effect. Even small items like cigarette butts and bottle tops should be tidied up and put in the bin or recycled.



Levels of service, performance measures and targets

Level of service	Performance measures and targets	Results	Explanation
The volume of waste to landfill declines by 3 per cent by 2018/19.	Total waste to landfill is reducing to: 2015/16 21,298 tonnes 2016/17 21,202 tonnes 2017/18 21,107 tonnes The baseline for this performance measure as set in the LTP in 2013/14 was, we achieved a 17 per cent reduction from the 2010 baseline.	2014/15 – Achieved (19,192 tonnes) 2015/16 – Not Achieved (28,603 tonnes) 2016/17 – Not Achieved (24,490 tonnes) 2017/18 – Not Achieved (24,410 tonnes)	There were 24,410 tonnes of waste disposed of at the landfill for the year which results in a 16 per cent increase in waste tonnage to landfill above the 2010 baseline. This increase in tonnage is in line with the national increase in waste to landfill and reflects the increase in economic activity over the year.
The District has a high level of satisfaction with recycling services.	We comply with all resource consent conditions for our landfills. The baseline for this performance measure as set in the LTP in 2013/14 was, we achieved this target.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	We achieved full resource consent compliance (reported as at June 2018).
	85 per cent of service users are satisfied with our recycling and refuse services. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 89 per cent.	2016/17 – Achieved (90 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
	80 per cent of the district is satisfied with our recycling and refuse services. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 80 per cent.	2016/17 – Achieved (82 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.

Solid Waste Funding Impact Statement

	2017 Long Term Plan (\$000)	2018 Long Term Plan (\$000)	2018 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	806	828	742
Targeted rates	1,310	1,365	1,040
Subsidies and grants for operating purposes	118	121	135
Fees and charges	2,231	2,290	3,030
Internal charges and overheads recovered	-	-	60
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	4,465	4,604	5,007
Applications of operating funding			
Payments to staff and suppliers	3,820	3,900	3,698
Finance costs	243	254	238
Internal charges and overheads applied	10	10	57
Other operating funding applications	-	-	-
Total applications of operating funding (B)	4,073	4,164	3,993
Surplus (deficit) of operating funding (A - B)	392	440	1,014
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	733	(344)	(404)
Gross proceeds from sale of assets	-	-	14
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	733	(344)	(390)
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	1,036	11	11
• to replace existing assets	89	37	55
Increase (decrease) in reserves	-	48	558
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,125	96	624
Surplus (deficit) of capital funding (C - D)	(392)	(440)	(1,014)
Funding balance ((A - B) + (C - D))	-	-	-

Solid Waste Schedule of Capital Expenditure

Activity/Scheme	Project	Reason for Acquisition	Project Status (refer key)	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	Notes
Litter control Taupo	Street recycling bins	LOS	A	11	10	(1)	
Solid Waste - District	Renewals	Renewal	A	55	60	5	
Total Solid Waste				65	70	5	

Key

- A Achieved
- S Slippage
- M Deliberate move into future years
- X Not achieved - major slippage (project will not be complete by 30 September 2018) or project will no longer be carried out

LOS Level of Service



Stormwater

What we do

Council provides a stormwater system to manage the surface water runoff from the district's urban catchments.

Waikato Regional Council and our community increasingly require us to improve the quality of the stormwater particularly where it goes into lakes and rivers to reduce the adverse effects on the environment. This group of activities primarily contributes to the environment community outcome.

Council owns and maintains a number of gullies that transport stormwater to the lake, which need to be maintained to avoid sedimentation and enable stormwater quality to improve as it passes through the gullies. We monitor stormwater quality, testing for pollution for a range of contaminants, because we are committed to improving the quality of stormwater going into Lake Taupō. We also seek to minimise erosion damage from stormwater to roads, reserves, gullies and outfalls.

The discharge quality of stormwater is governed by the framework set down in the conditions of our comprehensive stormwater discharge consent.

Council is planning to increase the quality of stormwater discharges to the environment by installing quality improvement devices at selected stormwater outlets.

Maintenance programmes are a mix of proactive and reactive in nature with the three waters contractor undertaking pipe flushing and sediment removal. There is also an ongoing programme of CCTV inspection to enable us to match age with condition and to develop an accurate forecast of the renewal required for the underground network. Additional planting is planned to further protect gully walls from erosion. Other proactive measures include the removal of silt around lake outfalls, which occurs with high lake levels.

Community Outcomes

This activity contributes to the following community outcome:

- Environment – a shared responsibility for places we are proud of.

What we did this year

- Installed a quality improvement device at Ruapehu Street.
- Worked with Paenoa Trustees to install a red drop structure.
- Installed five enviropods into the stormwater network.
- Completed a CCTV inspection and condition assessment for Kinloch and Wairākei.
- Undertook modelling of overland flow paths in the district.
- Maintained and emptied existing quality improvement devices, with visual quality of discharges significantly improved.
- Undertook the required stormwater discharge monitoring programme.
- Liaised with developers on stormwater designs for new subdivisions.



Levels of service, performance measures and targets

Level of service	Performance measures and targets	Results	Explanation
We manage the stormwater network to protect public health and property without compromising the environment	Less than five properties each year are affected by flooding inside the habitable dwelling (one habitable floor) as a result of stormwater originating from public land such as parks, roads and reserves (this measure excludes properties in designated flood hazard zones).	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	No properties were affected by flooding from Stormwater inside the habitable dwelling (one habitable floor).
	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site shall be ≤1hr (91 per cent of time). This was a new performance measure set in the LTP with no baseline.	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	The median response time was 5 minutes.
	The Non-Financial Performance Measures Rules 2013 require the Council to report on the following measure: The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.	2017/18 – Not applicable	There will be no reporting on this performance measure. Council's stormwater network drains the roading network. For industrial/commercial and residential areas Council's Code of Practice for the development of land requires the primary stormwater drainage system (on-site) to be designed to manage stormwater with minimal nuisance effects to adequately cater for rainfall events of 10 per cent annual exceedance probability (AEP) (10 year) rainfall event.



Downstream Defender

Centrifugal force is the key driver of a water separator that has been installed at the end of Ruapehu Street. The 'downstream defender' is one of three now located around the lakefront to ensure stormwater entering the lake is as clean as possible. It works by funnelling stormwater into a vortex which separates and removes contaminants from the water. Taupō's

central business district produces some of our dirtiest stormwater, including cigarette butts, plastic waste, cans and other pollutants. Therefore locating the separator at the lakefront end of Ruapehu Street is an important part of our focus on improving lake water quality.



Level of service	Performance measures and targets	Results	Explanation
Compliance with our Resource Consent.	Number of abatement notices ≤ 1	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	
	Number of infringement notices = 0	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	
	Number of enforcement orders = 0	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	
	Number of convictions = 0	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	

Stormwater Funding Impact Statement

	2017 Long Term Plan (\$000)	2018 Long Term Plan (\$000)	2018 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,751	1,815	1,697
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	19
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,751	1,815	1,716
Applications of operating funding			
Payments to staff and suppliers	691	713	793
Finance costs	89	94	47
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	780	807	840
Surplus (deficit) of operating funding (A - B)	971	1,008	876
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	94	81	168
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	94	81	168
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	-	-	-
• to improve the level of service	162	156	222
• to replace existing assets	132	119	85
Increase (decrease) in reserves	771	814	737
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,065	1,089	1,044
Surplus (deficit) of capital funding (C - D)	(971)	(1,008)	(876)
Funding balance (A - B) + (C - D)	-	-	-

Stormwater Schedule of Capital Expenditure

Activity/Scheme	Project	Reason for Acquisition	Project Status (refer key)	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	Notes
Stormwater	Enviropod protection	LOS	A	6	5	(1)	
Stormwater	Overland flow path remediation	LOS	A	14	20	6	
Stormwater	Quality improvement device	LOS	S	165	300	135	1
Stormwater - District	Renewals	Renewal	S	85	111	26	
Total Stormwater				271	436	165	

Key

- A Achieved
- S Slippage
- M Deliberate move into future years
- X Not achieved - major slippage (project will not be complete by 30 September 2018) or project will no longer be carried out

LOS Level of Service

Explanation of major variances against 2017/18 Annual Plan

- Contract awarded March 2018, due for completion August 2018



Democracy and Planning

What we do

Democracy

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.

Council acts as the District's advocate with regional and national governments to ensure that the needs of our communities are considered when policies and plans are being developed. We have a major programme of engagement with residents and ratepayers that includes a wide range of committee work and a communications programme.

Council works collaboratively with a wide range of other governing bodies, including central government, other local government (such as Waikato Regional Council), iwi

authorities (such as the Tūwharetoa Maori Trust Board) and local hapu, district health boards, and many others. Building on these relationships is an important focus for Council.

Council is particularly mindful of the growing relationships it has with iwi within the district, as highlighted by the Joint Management Agreement with Raukawa. We continue to focus our energy on growing these relationships to achieve stronger collaboration on projects of mutual interest such as the Turangi Reserve Management Plan.

Council meetings are webcast, with Council agendas available prior to meetings, to promote transparency and accountability of decision-making.

Planning

A major role for Council is planning for the district's future to meet the needs of our communities. Council uses a wide range of strategic and spatial planning tools to achieve these goals and meet its various obligations under the legislation such as the Local Government Act and the Resource Management Act. This group of activities contributes to the environment, economic and engagement community outcomes.

We plan for and manage the effects of population change, economic trends and land use change through long term planning, spatial planning (structure plans, district planning), and policy work for all the other services of Council. We use two major planning processes to establish and advocate for the long term wellbeing of the District: the Long-term Plan, and the District Plan.

In addition to planning for the future, we also control a wide range of activities such as how reserves are used and when and how people can connect to Council services. Through this variety of policies, plans and bylaws we help to guide the day to day management of many activities to provide a safe and enjoyable environment.

Advocacy and leadership are essential for Council to ensure that the special qualities and particular needs of our district are considered when national and regional

plans are being developed. We contribute to regional planning and coordination, and work with a wide range of community partners to advocate for our communities.

Opportunities for Maori to contribute to decision-making processes

Our relationships with local Iwi and taura here or Māori from other areas are important to Council.

The Local Government Act places responsibilities on councils to recognise and respect the Crown's responsibilities under Te Tiriti o Waitangi / the Treaty of Waitangi. The act established baseline principles on how Council should maintain and improve opportunities for Maori to contribute to local government decision-making. Council has entered into forums and agreements to assist Maori with its decisions from Land Court settlements, specific legislation discussions or negotiated agreements between iwi and Council. There are a number of forums and agreements where Council collaborates with Maori, including:

- Engagement opportunities such as long-term and annual plans, and Council meetings
- Management Protocol with the Tūwharetoa Māori Trust Board

- Lake Taupō Protection Trust Joint Committee
- Waipāhihi C75 Māori Reservation Trust
- Tutemohuta Reservation Trust
- Ngati Tūwharetoa Gallery Governance Group
- Turangi/Tongariro Ward community partnerships

The joint management agreements include:

Ngati Tūwharetoa – Signed in 2009, the agreement was the first of its kind and has received a number of awards. The agreement outlines decision making powers under the Resource Management Act between Council and Ngati Tūwharetoa.

Raukawa – The Ngati Tūwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010 provided for joint management agreements. Council signed an agreement with Raukawa in 2013, which marked a new and important stage in the relationship between Council and Raukawa, outlining the arrangements on the restoration and protection of the Waikato River.

Te Arawa River Iwi Trust – Council and the Te Arawa River Iwi Trust signed a joint management agreement on May 19, 2017. The agreement is very similar to the one that Council and Raukawa share, creating a formalised set of arrangements for the partners to work together on the restoration and protection of the Waikato River.

The Turangi Reserves Management Plan Committee – The Ngati Turangitukua Claims Settlement Act 1999 provided for the return of land, including some existing reserves vested in Taupō District Council, to the Turangitukua Charitable Trust. Council is working collaboratively with Ngati Turangitukua to prepare a

reserve management plan for these reserves. The new committee, with members comprising of three from Ngati Turangitukua and three from Council, had its first meeting in June 2016.

What we did this year

- We started the process of reviewing our representation arrangements. This looks at the number of Councillors that we should have, and whether we should have wards. We are required to do this every six years. We will have a decision on this in the 2018/19 year.
- We have prepared an overall project plan for the District Plan review and begun the process of more specific work plans for the different programmes of work. We have also begun preparation of an issues report that pulls together the range of issues that might need to be addressed through the review. There has been engagement with a range of community groups and commercial entities with broader community engagement planned for prior to the end of 2018.
- A new version of Taupō District 2050 has been produced reflecting the updated information from Statistics New Zealand. Engagement with the community is planned for the second half of 2018.
- The Flood Hazard Plan Change was notified and further submissions were subsequently sought. Preparations are underway to hold hearings in September 2018.
- During the scoping of Cycling and Walking Strategy review it became apparent that there were broader transport issues that needed to be addressed at a network level. As a result we commenced the development of a Transport Strategy that will also include consideration of cycling and walking. That strategy will be further developed over the 2018/19 year.

Representing Kinloch

In October we established a Kinloch Representative Group. This was following a request from the Kinloch Community Association, who were becoming increasingly involved in local planning and infrastructure due to a growing resident population. The representative group advocates for the Kinloch community's interests and provides input into council policies relating to the area. Its members include three councillors and three locally nominated members. Terms of reference are based on the existing Mangakino/Pouakani Representative Group.

- We prepared the Long-term Plan 2018-28 in accordance with the requirements of the Local Government Act 2002. This plan was consulted on and adopted by Council in June 2018.
- In response to growing concerns about the management of freedom camping we developed a bylaw which was adopted in November 2017.
- We made a submission on behalf of the community in relation to Waikato Regional Council's Plan Change 1 (Healthy Rivers). We have also undertaken some preliminary discussions with Waikato Regional Council in relation to our submission. We expect that the call for further submissions and subsequent hearings will take place in 2018/19.
- We have made good progress with Turangitukua developing the reserve management plan. However, it has raised some wider questions about how we can work closer together in a range of other areas. We are exploring those options over the 2018/19 year.
- We consulted on a new Speed Bylaw and held hearings in July 2018. The bylaw was also adopted in July. We did take a closer look at the Traffic and Solid Waste bylaws and have decided that there are no pressing requirements to amend these documents at this time.

Māori representation review

Every six years we have an obligation to review how our district is represented by Council. This is to ensure we provide a fair and effective voice for our community. As part of this year's review we looked into establishing Māori seats on the council. We chose not to establish these seats, but instead to look into more meaningful options that are better suited for the Taupō District.

We have met with our iwi partners to co-discuss the design of something special which considers our existing touch points, our new post-settlement space, and the potential for more partnerships similar to our existing joint management agreements with Ngāti Tūwharetoa, Raukawa, Ngati Turangitukua and the Te Arawa River Iwi Trust.

As a council we're working to refine these agreements, and have committed to reviewing Māori representation in the district in three years' time.



A new home for Council

Due to the detection of exposed asbestos in our aging building on Lake Terrace early last year, over 120 of our team were moved to temporary office locations in and around the town centre. It was decided that demolishing the existing structure and building a new office that met modern requirements was the best course of action for the long-term.

We asked our community for feedback on the location of the new building through last year's annual planning process. A total of 74 per cent supported a new building, and many preferred a move from the current site. We then analysed the costs and benefits of three possible locations, including the Lake Terrace site. The location next to the Great Lake Centre was seen as the best option, as it has the potential to become part of a wider hub of cultural, arts and heritage facilities.

Through the upcoming civic centre master planning process, we will once again ask our community for feedback. We believe we have an opportunity to create something of real benefit for our community, and look forward to hearing from our community.



Levels of service, performance measures and targets

Level of service	Performance measures and targets	Results	Explanation
Council performance is rated as very or fairly good.	55 per cent of the district rates the performance of the Mayor and Councillors as very good or fairly good. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 54 per cent.	2016/17 – Achieved (62 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
	55 per cent of Turangi-Tongariro ward respondents rate the performance of the community board members as very good or fairly good. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 40 per cent.	2016/17 – Not achieved (43 per cent) 2017/18- Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
	69 per cent of residents and non-resident ratepayers rate the performance of Council staff as very good or fairly good. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 68 per cent.	2016/17 – Not achieved (67 per cent) 2017/18- Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
Council is on the right track.	49 per cent of the District feel informed about Council's long term direction for the District. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 48 per cent.	2016/17 – Achieved (52 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
	56 per cent of ratepayers feel they are getting value from Council. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 57 per cent.	2016/17 – Achieved (71 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
Council consults widely with District communities, including Maori before making decisions.	55 per cent of the District is satisfied with the way Council involves the public in its decision-making. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 44 per cent.	2016/17 – Not achieved (48 per cent) 2017/18- Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.

Level of service	Performance measures and targets	Results	Explanation
Council operates an open and honest decision-making process that generates confidence and trust in the democratic system.	51 per cent of Maori residents are satisfied with their involvement in Council's decision-making. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 51 per cent.	2016/17 – Achieved (58 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
	Council advocates (to regional and central governments) for water and land use rules that meet our communities' needs. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved this outcome.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	Council continued to advocate on behalf of residents in an effort to meet our community's needs. Officers actively advocated on a range of regional and central government matters that affect our district, including the Healthy Rivers plan change, the draft National Planning Standards, draft National Environmental Standard for end of life tyres, the Ngāti Tūwharetoa Settlement Claims Bill, and the National Environmental Standard on Plantation Forestry.
Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.	80 per cent of residents and non-resident ratepayers say they know how and where to find information on Council activities and services. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 84 per cent.	2016/17 – Achieved (86 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
	75 per cent of residents and non-resident ratepayers are satisfied with the way Council provides information on Council services and facilities. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved 88 per cent.	2016/17 – Achieved (88 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.

Level of service	Performance measures and targets	Results	Explanation
	100 per cent of requests for official information are responded to within 20 working days. The baseline for this performance measure as set in the LTP in 2014/15 was, 61 of the 63 requests were responded to within the timeframe.	2014/15 – Not achieved (Two requests) 2015/16 – Achieved 2016/17 – Not achieved (One request) 2017/18 – Achieved	In 2017/18, we received 99 official information requests and responded to all of these within 20 working days.
Council engages with the community.	55 per cent of ratepayers are satisfied with the way the public is involved in the decisions that Council makes. This was a new performance measure set in the LTP with no baseline.*	2016/17 – Not achieved (48 per cent) 2017/18 – Not applicable	Council commissions a satisfaction survey every three years. The last survey was undertaken in 2017, therefore there are no results available for 2017/18.
Council's policy meets legislative requirements.	District plan changes and notices of requirement are processed within statutory timeframes. (This was a new performance measure set in the LTP with no baseline.)	2015/16 – Achieved 2016/17 – Achieved 2017/18- Achieved	Officers ensured all legislative requirements are met when preparing district plan changes and making bylaws, including Plan Change 34 – Flood Risk has been developed in accordance with the requirements of the Resource Management Act. Engagement has also begun with sector groups and commercial entities on the review of the District Plan. This is in addition to the legislative requirements.
	Bylaws prepared and reviewed within statutory time frames. (This was a new performance measure set in the LTP with no baseline.)	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	The Freedom Camping Bylaw was developed and consultation was undertaken in accordance with the requirements of the Local Government Act. Although the reviews of the Speed, Traffic and Solid Waste Bylaws were delayed they are still within their statutory review period.

Level of service	Performance measures and targets	Results	Explanation
Council engages with the community in the development of policies, plans and bylaws.	Council meets legal requirements for consultation for the preparation of plans, policies and bylaws (This was a new performance measure set in the LTP with no baseline).	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	Officers ensured that they engaged with the community on all plan, policy and bylaw reviews in accordance with our Significance and Engagement Policy, including: Plan Change 34– Flood Risk, the Freedom Camping Bylaw, and various plan and policy reviews.
Council's policy meets legislative requirements.	District plan changes and notices of requirement are processed within statutory timeframes (new measure). Bylaws prepared and reviewed within statutory time frames (new measure).	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	Officers ensured all legislative requirements are met when preparing district plan changes and making bylaws, including: Plan Change 34 and review of the Speed Bylaw.
Council engages with the community in the development of policies, plans and bylaws.	Council meets legal requirements for consultation for the preparation of plans, policies and bylaws (new measure).	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	Officers ensured that they engaged with the community on all plan, policy and bylaw reviews in accordance with our Significance and Engagement Policy.

*Note the LTP had a baseline measure of 44 per cent, however the NRB Survey does not have an exact corresponding question

Democracy and Planning Funding Impact Statement

	2017 Long Term Plan (\$000)	2018 Long Term Plan (\$000)	2018 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	6,598	6,951	7,182
Targeted rates	82	84	80
Subsidies and grants for operating purposes	-	-	-
Fees and charges	73	1	6
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	6,753	7,036	7,268
Applications of operating funding			
Payments to staff and suppliers	6,743	7,026	7,615
Finance costs	-	-	-
Internal charges and overheads applied	-	-	1
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,743	7,026	7,616
Surplus (deficit) of operating funding (A – B)	10	10	(348)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	-	-	-
• to replace existing assets	51	-	-
Increase (decrease) in reserves	(41)	10	(348)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	10	10	(348)
Surplus (deficit) of capital funding (C – D)	(10)	(10)	348
Funding balance ((A – B) + (C – D))	-	-	-



Investments

What we do

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.

We aim to maximise return from residential and commercial land development, property, the TEL fund, forestry and our general reserve funds. Most of the costs associated with the property component of this activity (including motor camps, residential and commercial land and property) are covered by those who use the properties and are recovered through fees and charges.

Taupō District Council and the Crown, represented by the Ministry of Transport, own the Taupō Airport Authority (TAA) equally. The Taupō Airport Authority is a council-controlled organisation as defined by the Local Government Act 2002. Taupō District Council, under agreement with the Crown, manages the Taupō Airport Authority. The governance of the airport operations is provided by a Committee of Council. The committee consists of Council and business representatives.



AA rating retained

This year we retained our AA credit rating from Standard and Poor's. In their report the international rating agency commented on Council's strong financial management, budgetary performance, and liquidity. It expects Council's debt to decline relative to revenues and that it will maintain a strong and stable operating position.

The AA rating is the highest that can currently be attained by councils, and it reflects our strong commitment to achieving the best outcomes for our district. Standard and Poor's monitor the credit rating of council throughout the year and formal review of council's financial position annually.

Levels of service, performance measures and targets

Level of service	Performance measures and targets	Results
We manage investment assets in accordance with the Treasury Management Policy.	We achieve revenue streams that meet our forecast targets.	2014/15 – Achieved (increased its value from \$54.1 million to \$54.4 million)
	The baseline for this performance measure as set in the LTP in 2013/14 was, we achieved this performance measure.	2015/16 – Achieved (Increased its value from \$54.4 million to \$54.6 million) 2016/17 – Achieved (Increased its value from \$54.6 million to \$56.3 million) 2017/18 – Achieved (Investments have increased from \$56.3m to \$58.97m)
	The value of our financial assets is maintained. The baseline for this performance measure as set in the LTP in 2014/15 was, we achieved this measure.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved

Investments Funding Impact Statement

	2017 Long Term Plan (\$000)	2018 Long Term Plan (\$000)	2018 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	(2,648)	(2,668)	(198)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	21
Fees and charges	740	760	3,394
Internal charges and overheads recovered	610	627	302
Local authorities fuel tax, fines, infringement fees, and other receipts	4,879	5,079	5,214
Total operating funding (A)	3,581	3,798	8,733
Applications of operating funding			
Payments to staff and suppliers	(279)	(342)	(123)
Finance costs	1,374	1,314	1,162
Internal charges and overheads applied	356	365	202
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,451	1,337	1,241
Surplus (deficit) of operating funding (A – B)	2,130	2,461	7,492
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	13
Increase (decrease) in debt	(454)	(1,085)	(1,202)
Gross proceeds from sale of assets	2,735	3,187	2,567
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	2,281	2,102	1,378
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	-	-	-
• to improve the level of service	1,167	526	1,668
• to replace existing assets	1,275	865	1,011
Increase (decrease) in reserves	1,969	3,172	6,191
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	4,411	4,563	8,870
Surplus (deficit) of capital funding (C – D)	(2,130)	(2,461)	(7,492)
Funding balance ((A – B) + (C – D))	-	-	-

Investments Schedule of Capital Expenditure

Activity/Scheme	Project	Reason for Acquisition	Project Status (refer key)	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	Notes
Property - Commercial	Turangī i-Site investigation	LOS	X	-	50	50	1
Property - Council Administration	TDC Civic Building project	LOS	A	1,166	1,000	(166)	2
Property - Land	Commercial and residential land development	LOS	S	-	200	200	3
Support Services	Software, network development, building, vehicle & equipment renewals	LOS/ Renewal	S	826	1,282	457	4
Total Investments				1,992	2,532	541	

Key

- A Achieved
- S Slippage
- M Deliberate move into future years
- X Not achieved - major slippage (project will not be complete by 30 September 2018) or project will no longer be carried out

LOS Level of Service

Explanation of major variances against 2017/18 Annual Plan

- Existing building refurbished 2017, project placed on hold.
- Requirement for new Council Chambers not in the original plan.
- Project delayed due to contractor availability. Due for completion September 2018.
- \$186k saving with \$271k to be carried forward. IT email archiving system, phone system upgrade, website redesign and ERP refresh (\$139k) due for completion December 2018, delivery delay of vehicle renewals (\$88k).

The Taupō Electricity Limited (TEL) Investment Fund

On September 5, 1995, Council sold its investments in Taupō Electricity Ltd (TEL) and Taupō Generation Ltd (TGL), providing a net investment fund of \$61.3 million.

The policies regarding the use of the capital and investment income are included in the Treasury Management Policy. Amongst other requirements, policies stipulate the investment income earned on the sale proceeds be available for distribution each year, with the distribution determined during the Long-term Plan/Annual Plan process. Income distribution in 2017/18 was \$777,434 to subsidise rates (budget \$777,434).

Investment income has been used for debt repayment (\$10.9 million), funding of projects, rates subsidies and fund growth. The total impact of these activities is shown in the reconciliation below.

	\$
Initial proceeds on sale, September 1995	61,273,557
Cumulative gains on investment	81,287,111
Less cumulative rates subsidies/project funding/debt repayment	(83,588,900)
Value of TEL Investment Fund at 30 June 2018	58,971,768
• <i>Comparative: value of TEL Investment Fund at 30 June 2017</i>	56,344,157



Economic Development

What we do

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.

Council has signalled that economic development is to be a key focus for the District so that we can continue to live in a thriving and vibrant place where others want to live, invest, work and play.

We invest in economic development within our district so that we can focus on meeting the current and future needs of the community. A growing district can provide services more cost-effectively than a declining one – and without a growing economy there is a risk that our industries will shrink, our businesses will struggle, and people will move out of the district due to a lack of employment opportunities.

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

- 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.



District goes from strength-to-strength

This year we adopted a District Economic Strengthening Plan to help achieve our vision to be the most prosperous and liveable district in the North Island by 2022.

The plan brings together the district’s natural advantages of water, geothermal energy, and diverse landscapes to create a roadmap for future planning. It also aligns with key national and regional funding sources. The plan includes six catalyst projects: the airport, civic precinct, tertiary hub, and geothermal industry, as well as the Wairākei Tourist Park, and a Turangi to Taupō cycle trail.

This plan gives us opportunities to succeed on a national scale, focusing on partnerships with local iwi, the Provincial Development Fund, and the Bay of Connections strategy.

- Promoting Taupō as a holiday and visitor destination through a Council-controlled organisation, Destination Great Lake Taupō (DGLT), and i-SITES in Taupō, Turangi and an information desk in Mangakino. Tourism is estimated to be worth over \$400 million to our economy annually and accounts for a significant proportion of employment within the district. DGLT’s key activities are destination management, destination consumer marketing, business events marketing, trade marketing, special interest marketing and destination sales from the i-SITES.
- Contracting Enterprise Great Lake Taupō (EGLT), an independent trust, to provide business development services throughout the district. Their mandate is to enrich our community through the creation of wealth and jobs for our region and their services include district wide business growth support; entrepreneur and youth development; and new business attraction.
- Providing funding to ‘Go Tongariro’- an independent economic development trust based in Turangi. This trust provides business growth and events support as well as retail and tourism promotion.
- Supporting the activities of Town Centre 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.



A year of growth

During the year we invested in a number of initiatives to promote the Taupō District as a great place to live, work and play. These included the redevelopment of Otumuheke Hot Stream and a ‘visit Taupō’ campaign managed by council-controlled organisation Enterprise Great Lake Taupō. Our events team continued to deliver a number of high quality sell-out events across the year with a focus on sport and family.

Our 10 year relationship with our sister city Suzhou, China, was celebrated with the gift of an archway for Tongariro Domain and the inclusion of Chinese music, food, and culture in the popular Taupō Winter Festival.

Levels of service, performance measures and targets

Level of service	Performance measures and targets	Results	Explanation
Growth in the local economy is consistent with national economic growth. These are new performance measures set in the LTP with no baseline.	GDP Annual change compared to the rest of New Zealand and specific regions as appropriate.	2015/16 – Not achieved 2016/17 – Achieved 2017/18 – Achieved	Our GDP was \$1,922 million. Our growth was 4.1 per cent, compared to 2.7 per cent for NZ for the year ended March 2018.
	GDP per capita Annual change compared to the rest of New Zealand and specific regions as appropriate.	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	The GDP per employee was \$103,489 for the year to March 2018, which is 5.9 per cent higher than the rest of New Zealand. Note: Infometrics have shifted from measuring GDP per capita to GDP per employee as a more accurate measure of population productivity.
	Median labour earnings. Annual change compared to the rest of New Zealand and specific regions as appropriate.	2015/16- Achieved 2016/17 – Achieved 2017/18 –Achieved	Median annual earnings for the year ended March 2018 were \$50,090 which was lower than the NZ mean of \$57,780. However the percentage increase of 3.1 was the same as the NZ average increase of 3.1 per cent. The source of these results are the Taupō District Monitor March Quarter 2018, estimate.
	Employment – Household Labour Force Survey. Annual change compared to the rest of New Zealand and specific regions as appropriate.	2015/16- Achieved 2016/17 – Achieved 2017/18- Achieved	
	Unemployment. Annual change compared to the rest of New Zealand and specific regions as appropriate.	2015/16- Achieved 2016/17 – Not Achieved 2017/18 – Achieved	The annual change was -8.4 per cent compared to NZ average of -5 per cent. There were 806 jobseekers receiving support at March 2018 compared to 880 in March 2017. This is because economic activity in the Taupō District increased, meaning that there were more jobs available for our residents.
	Number of bed nights. Annual change compared to the rest of New Zealand and specific regions as appropriate.	2015/16 – Not achieved 2016/17 – Achieved 2017/18 – Achieved	In 2017/18 there were 1,169,271 bed nights. This was an increase of 7.4 per cent compared to the overall increase for New Zealand of 3.9 per cent.

Level of service	Performance measures and targets	Results	Explanation
	Average length of stay. Annual change compared to the rest of New Zealand and specific regions as appropriate.	2015/16 – Achieved 2016/17 – Not Achieved 2017/18 – Achieved	The average length of stay was 1.81 nights, which was a 1.1 per cent increase. The average length of stay across was New Zealand was 1.99 nights. Source: Taupō District Monitor March Quarter 2018.
	Tourism spending. Annual change compared to the rest of New Zealand and specific regions as appropriate.	2014/15- Achieved 2016/17 – Achieved 2017/18 – Achieved	The non-local spend increased by 3.1 per cent for New Zealand cardholders and international card holders were up 5.5 per cent. Source: Marketview Taupō District Quarterly Reports Full Year to March 2018.
	Retail spending. Annual change compared to the rest of New Zealand and specific regions as appropriate.	2015/16- Achieved 2016/17 – Achieved 2017/18 – Achieved	The total retail spend was \$655 million. This was a 5.4 per cent increase compared to 5.2 per cent for New Zealand to the March 2018 year. Source: Marketview Taupō District Quarterly Reports Full Year to March 2018.
We attract, support and encourage sporting, cultural and other events around the District.	The district's overall events portfolio continues to grow with at least three events in Turangi and Mangakino each year. Reporting will consist of narrative on actual events including location and economic impact figures. This is a new measure with the exception of the number of events to be held in Turangi and Mangakino.	2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	
	Turangi. The baseline for this performance measure as set in the LTP in 2013/14 was, we achieved the target.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	
	Mangakino. The baseline for this performance measure as set in the LTP in 2013/14 was, we achieved the target.	2014/15 – Achieved 2015/16 – Achieved 2016/17 – Achieved 2017/18 – Achieved	

Level of service	Performance measures and targets	Results	Explanation
		2015/16 – Achieved 2016/17 – Not achieved 2017/18- Achieved	The economic impact of top tier events is increasing better than inflation per annum. (This was a new performance measure set in the LTP with no baseline). There was a 3% increase in economic impact of top tier events in the 2017/18 year.

Economic Development Funding Impact Statement

	2017 Long Term Plan (\$000)	2018 Long Term Plan (\$000)	2018 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	3,541	3,630	3,521
Targeted rates	168	173	162
Subsidies and grants for operating purposes	-	-	20
Fees and charges	-	-	3
Internal charges and overheads recovered	-	-	1
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	3,709	3,803	3,707
Applications of operating funding			
Payments to staff and suppliers	3,649	3,746	4,029
Finance costs	41	37	3
Internal charges and overheads applied	-	-	1
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,690	3,783	4,033
Surplus (deficit) of operating funding (A - B)	19	20	(326)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(55)	(55)	(48)
Gross proceeds from sale of assets	-	-	21
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(55)	(55)	(27)
Application of capital funding			
Capital expenditure	-	-	-
• to meet additional demand	-	-	-
• to improve the level of service	4	4	10
• to replace existing assets	-	43	42
Increase (decrease) in reserves	(40)	(82)	(405)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(36)	(35)	(353)
Surplus (deficit) of capital funding (C - D)	(19)	(20)	326
Funding balance ((A - B) + (C - D))	-	-	-

Economic Development Schedule of Capital Expenditure

Activity/Scheme	Project	Reason for Acquisition	Project Status (refer key)	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	Notes
Events Management	Event & equipment renewals	Renewal	A	52	47	(6)	
Total Economic Development				52	47	(6)	

Key

- A Achieved
- S Slippage
- M Deliberate move into future years
- X Not achieved - major slippage (project will not be complete by 30 September 2018) or project will no longer be carried out

LOS Level of Service

Whole of Council Funding Impact Statement

Taupo District Council Funding impact statement (whole of council) For the year ended 30 June 2018

	2017 Annual Plan (\$000)	2017 Annual Report (\$000)	2018 Annual Plan (\$000)	2018 Actual (\$000)
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	38,081	38,269	39,692	39,998
Targeted rates	22,617	22,854	22,773	22,576
Subsidies and grants for operating purposes	1,960	1,935	1,952	2,571
Fees and charges	9,215	11,127	9,706	13,954
Interest and dividends from investments	2,937	3,541	3,130	4,099
Local authorities fuel tax, fines, infringement fees, and other receipts	1,017	1,312	990	2,120
Total operating funding (A)	75,827	79,038	78,243	85,318
Applications of operating funding				
Payments to staff and suppliers	48,615	48,302	51,174	53,772
Finance costs	8,755	9,009	8,642	8,611
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	57,370	57,311	59,816	62,383
Surplus (deficit) of operating funding (A - B)	18,457	21,727	18,427	22,935
Sources of capital funding				
Subsidies and grants for capital expenditure	2,366	1,190	4,572	2,917
Development and financial contributions	953	2,406	1,274	2,467
Increase (decrease) in debt	(5,103)	(1,864)	(2,541)	(2,100)
Gross proceeds from sale of assets	2,147	10,651	2,023	2,721
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	2,127
Total sources of capital funding (C)	363	12,383	5,328	8,132
Application of capital funding				
Capital expenditure	-	-	-	-
• to meet additional demand	1,567	1,530	3,206	1,248
• to improve the level of service	6,091	6,408	10,017	10,342
• to replace existing assets	11,042	9,451	10,112	9,489
Increase (decrease) in reserves	120	16,721	420	9,988
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	18,820	34,110	23,755	31,067
Surplus (deficit) of capital funding (C - D)	(18,457)	(21,727)	(18,427)	(22,935)
Funding balance ((A - B) + (C - D))	-	-	-	-



Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2018

	Note	Council			Group	
		Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Revenue						
Rates	4	62,505	62,465	61,124	62,486	61,106
Subsidies and grants	6	5,501	6,524	3,129	5,501	3,129
Development and financial contributions		2,480	1,274	2,406	2,480	2,406
Fees and charges	5	11,691	9,706	11,092	12,383	11,934
Finance revenue	7	3,818	3,130	3,303	3,824	3,307
Other revenue	8	27,295	3,439	27,793	27,497	27,768
Total revenue		113,290	86,538	108,847	114,171	109,650
Expenses						
Employee benefit expenses	9	21,882	21,293	19,989	23,094	21,249
Depreciation and amortisation expense	9,10	22,086	21,257	21,069	22,354	21,393
Finance costs	7	8,611	8,642	9,009	8,613	9,009
Other expenses	9	36,214	29,881	34,433	35,837	34,056
Total expenses		88,793	81,073	84,500	89,898	85,707
Surplus/(deficit) before tax		24,497	5,465	24,347	24,273	23,943
Income tax (expense)/credit	11	-	-	-	133	18
Surplus/(deficit) after tax		24,497	5,465	24,347	24,406	23,961
Other comprehensive revenue						
Property, plant & equipment revaluations	12	10,087	12,673	11,316	10,087	11,948
Available for sale financial assets at fair value through other comprehensive revenue	12	(93)	-	(11)	(93)	(11)
Tax on equity items	12	-	-	-	-	(172)
Total comprehensive income		9,994	12,673	11,305	9,994	11,765
Total comprehensive revenue and expenses		34,491	18,138	35,652	34,400	35,726
Net surplus/(deficit) after taxation is attributable to:						
Taupo District Council		24,497	5,465	24,347	24,476	24,025
Minority interest	13	-	-	-	(70)	(64)
		24,497	5,465	24,347	24,406	23,961
Total comprehensive revenue and expenses attributable to:						
Taupo District Council		34,491	18,138	35,652	34,470	35,560
Minority interest	13	-	-	-	(70)	166
		34,491	18,138	35,652	34,400	35,726

Explanations of major variances against budget are provided in note 36.

Summary of significant accounting policies and the accompanying notes form part of these financial statements.

Statement of Changes in Net Assets/Equity

For the year ended 30 June 2018

	Note	Council			Group	
		Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Net Assets/Equity at start of the year		1,059,477	1,062,046	1,023,825	1,067,094	1,031,368
Total comprehensive revenue and expenses for the year		34,491	18,138	35,652	34,400	35,726
Balance at 30 June	12	1,093,968	1,080,184	1,059,477	1,101,494	1,067,094
Total recognised revenue and expenses are attributable to:						
Taupo District Council		34,491	18,138	35,652	34,470	35,560
Minority interest		-	-	-	(70)	166
Total comprehensive revenue and expenses		34,491	18,138	35,652	34,400	35,726

Explanations of major variances against budget are provided in note 36.

Summary of significant accounting policies and the accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2018

	Note	Council			Group	
		Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
ASSETS						
Cash and cash equivalents	14	12,761	5,961	8,294	13,329	9,167
Other financial assets	17	87,005	41,048	89,840	87,255	89,840
Trade and other receivables	15	6,275	4,922	5,282	6,228	5,381
Inventories	16	720	766	1,453	744	1,486
Prepayments		1,076	879	1,254	1,106	1,267
Non-current assets held for sale	18	13,682	2,228	10,011	13,682	10,011
Total current assets		121,519	55,804	116,134	122,344	117,152
Non-current assets						
Other financial assets	17	21,763	47,322	11,968	21,763	11,968
Investment in CCO and other similar entities	17	3,332	3,237	3,332	109	109
Intangible assets	21	739	885	722	742	726
Investment property	22	12,332	29,994	14,819	12,332	14,819
Biological assets - forestry	20	9,141	5,003	7,450	9,141	7,450
Property, plant and equipment	19	1,106,549	1,114,910	1,086,345	1,118,054	1,097,947
Total non-current assets		1,153,856	1,201,351	1,124,636	1,162,141	1,133,019
Total assets		1,275,375	1,257,155	1,240,770	1,284,485	1,250,171
LIABILITIES						
Current Liabilities						
Trade and other payables	23	10,031	8,676	9,928	10,424	10,415
Employee entitlements	24	2,668	2,098	2,241	2,839	2,384
Borrowings	26	49,102	49,985	21,094	49,102	21,094
Current tax liabilities		-	-	-	-	76
Total current liabilities		61,801	60,759	33,263	62,365	33,969
Non-current liabilities						
Provisions	25	92	68	69	92	69
Derivative financial instruments	27	24,083	21,780	22,443	24,083	22,443
Borrowings	26	95,036	94,015	125,142	95,036	125,142
Employee entitlements	24	395	349	376	403	384
Deferred tax liabilities	11	-	-	-	1,012	1,070
Total non-current liabilities		119,606	116,212	148,030	120,626	149,108
Total liabilities		181,407	176,971	181,293	182,991	183,077
Net assets (assets minus liabilities)		1,093,968	1,080,184	1,059,477	1,101,494	1,067,094
EQUITY						
Accumulated funds	12	798,202	793,404	782,836	799,524	784,179
Other reserves	12	295,766	286,780	276,641	298,655	279,530
Minority interest	13	-	-	-	3,315	3,385
		1,093,968	1,080,184	1,059,477	1,101,494	1,067,094

Explanations of major variances against budget are provided in note 36.

Summary of significant accounting policies and the accompanying notes form part of these financial statements.

Statement of Cashflows

For the year ended 30 June 2018

	Note	Council			Group	
		Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Cash flows from operating activities						
Rates		62,491	62,465	61,193	62,472	61,175
Subsidies and grants		2,286	1,952	1,754	2,286	1,754
Development and financial contributions		2,248	1,274	2,757	2,248	2,757
Fees and charges		11,771	9,707	11,168	12,451	12,013
Finance revenue		3,715	3,130	3,172	3,716	3,176
Dividends or similar distributions		281	-	237	281	237
Other revenue		7,033	989	1,396	7,234	1,114
Net GST received		389	-	-	390	-
Payments to suppliers		(32,408)	(29,555)	(28,203)	(31,836)	(27,833)
Payments to employees		(21,169)	(21,293)	(19,607)	(22,353)	(20,839)
Interest paid		(8,578)	(8,642)	(9,002)	(8,580)	(9,002)
Net GST paid		-	-	(154)	-	(152)
Net cash flow from operating activities	28	28,059	20,027	24,711	28,309	24,400
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment		2,407	2,023	10,650	2,442	10,650
Capital subsidies		1,846	4,572	1,353	1,846	1,353
Net decrease in investments		-	4,079	-	-	-
Purchase and development of property, plant and equipment		(20,109)	(23,335)	(17,855)	(20,454)	(17,979)
Net increase in investments		(5,638)	-	(11,579)	(5,883)	(11,147)
Net cash flow from investing activities		(21,494)	(12,661)	(17,431)	(22,049)	(17,123)
Cash flows from financing activities						
Loans raised		9,731	9,264	7,505	9,731	7,505
Net raising of finance lease liabilities		-	-	136	-	136
Repayment of loans		(11,731)	(11,805)	(9,505)	(11,731)	(9,505)
Net repayment of finance lease liability		(98)	-	-	(98)	-
Net cash flow from financing activities		(2,098)	(2,541)	(1,864)	(2,098)	(1,864)
Net increase (decrease) in cash held		4,467	4,825	5,416	4,162	5,413
Add cash at start of year		8,294	1,137	2,878	9,167	3,754
Cash, cash equivalents, and bank overdrafts at the end of the year	14	12,761	5,962	8,294	13,329	9,167

The net GST item in the operating activity cashflows reflects the net GST paid or received with the Inland Revenue Department. The GST item is disclosed on a net basis as the gross amounts do not provide meaningful information for financial reporting purposes.

The net investment item in the investment activity cashflows reflects the net investment activity with banks and corporates. The investment item is disclosed on a net basis as the gross amounts do not provide meaningful information for financial reporting purposes.

Summary of significant accounting policies and the accompanying notes form part of these financial statements.

1. Statement of accounting policies for the year ended 30 June 2018

1.1 Reporting Entity

Taupō District Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002. The financial statements of Taupō District Council and Group have been prepared in accordance with the provisions of section 98(1) of the Local Government Act 2002.

The Group consists of the Taupō District Council and its controlled entities, Taupō Airport Authority (50% owned), Destination Lake Taupō Trust (100% owned), Data Capture Systems Limited (100% owned) and Destination Lake Taupō Limited (100% owned). All of the entities mentioned are domiciled in New Zealand.

The primary objective of Taupō District Council and Group is to provide goods and services to the community for social benefit rather than for making a financial return. Accordingly, the Council has designated itself and the Group as a public benefit entity for financial reporting purposes.

The Council has designated itself and the Group as public benefit entities (PBE's) for the purpose of complying with generally accepted accounting practice.

The financial statements of Taupō District Council are for the year ended 30 June 2018. The financial statements were authorised for issue by Council on 25 September 2018.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of the Council and Group have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with New Zealand generally accepted accounting practice (NZGAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE standards.

Measurement base

The consolidated financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets and financial instruments (including derivative instruments).

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), other than the remuneration disclosures in note 31 which are rounded to the nearest dollar. The functional currency of Taupō District Council and Group is New Zealand dollars.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Standards issued and not yet effective and not early adopted

Standards, interpretations, and amendments issued but not yet effective that have not been early adopted, and which are relevant to Taupō District Council include:

·In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34-38). These new standards replace the existing standards for interest in other entities (PBE IPSAS 6-8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and Group has not yet assessed the effects of the new standards.

·In November 2017, the XRB issued a new standard, Service Performance Reporting (PBE FRS 48). There has been no PBE Standard dealing solely with service performance reporting. This Standard establishes new requirements for public benefit entities (PBEs) to select and present service performance information. The new standard is Mandatory for annual periods beginning on or after 1 January 2021, with early application permitted.

The Council plans to apply this standard in preparing the 30 June 2022 financial statements. The Council and Group has not yet assessed the effects of the new standard.

·In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS9 is effective for annual periods beginning on or after 1

January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

·New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.

·A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impaired assets.

·Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing the 30 June 2022 financial statements. The Council and Group has not yet assessed the effects of the new standard.

2.2 Basis of consolidation

The consolidated financial statements are prepared adding together like items of assets, liabilities, equity, revenue, and expenses on a line-by-line basis. All significant intragroup balances, transactions, revenue and expenses are eliminated on consolidation.

Controlled entities

Controlled entities include special purpose entities and are those over which Taupō District Council and Group has the power to govern financial and operating policies, generally arising from a shareholding of at least half of the voting rights. Potential exercisable or convertible voting rights are considered when assessing whether Taupō District Council and Group controls another entity.

Controlled entities are fully consolidated from the date on which control is transferred to Taupō District Council and Group, and de-consolidated from the date control ceases.

The purchase method of accounting is used to account for the acquisition of controlled entity.

The Council's financial statements show the investment in controlled entities at cost.

The following entities are treated as controlled entities in Council's consolidated financial statements:

·Taupō Airport Authority (50% owned but in substance Council exercises control)

·Destination Lake Taupō Trust (Council is the settler of the Trust)

·Data Capture Systems Limited (100% owned)

·Destination Lake Taupō Limited (100% owned)

2.3 Foreign currency transactions

The functional and presentation currency is New Zealand dollars. Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction. Foreign currency monetary assets and

liabilities at balance date are translated to NZ dollars at the rate ruling at that date. Foreign exchange differences arising on translation are recognised in the surplus or deficit.

2.4 Derivative financial instruments and hedge accounting

Taupō District Council and Group uses derivative financial instruments to manage its exposure to interest rate risk arising from operational, financing and investment activities. In accordance with the treasury policies of the respective Group entities, Taupō District Council and Group do not hold or issue derivative financial instruments for trading purposes.

Derivatives (or swaps) are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at fair value at each balance date. Gains or losses in fair value and those resulting from re-measuring are recognised in the surplus or deficit.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at balance date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at balance date, being the present value of the quoted forward price.

2.5 GST

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.

The net 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 an operating cash flow in the cash flow statements.

Commitments and contingencies are disclosed exclusive of GST.

2.6 Revenue

Revenue is measured at fair value.

Rates revenue

General rates, targeted rates (excluding water by meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest

revenue.

Rates arising from late payment penalties are recognised as revenue when the rates become overdue.

Revenue from water by meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remissions policy.

Rates collected on behalf of Bay of Plenty Regional Council are not recognised in the financial statements, as the Council is acting as their agent.

New Zealand Transport Agency roading subsidies

New Zealand Transport Agency roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other subsidies and grants

Other subsidies and grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Vested assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if Council expects that it will need to return or pass the asset to another party.

Sale of goods

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

Building and resource consent revenue

Fees and charges for building and resource consent

services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are fees charged to users of Council's local facilities, such as pools, museum, and Superloo. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees

Fees for disposing waste at the Council's landfill and transfer stations are recognised as waste is disposed by users.

Rental revenue

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.

Development and financial contributions

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

Interest and dividends

Dividend revenue shall be recognised when the shareholder's right to receive payment is established.

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

2.7 Leases

(i) Finance leases

Leases in which substantially all of 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 lease are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.

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, so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate

method, foreign exchange losses, and losses on derivative instruments that are recognised in the surplus or deficit. The interest expense component of finance lease payments is recognised in the surplus or deficit using the effective interest rate method.

(ii) 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.

2.8 Equity

Equity is the community's interest in the Council as measured by the value of total assets less total liabilities. Equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses Council makes of its accumulated surpluses. The equity of Council is made up of the following components:

- Accumulated funds
- Council Created Reserves
- Asset Revaluation Reserves
- Available for Sale Revaluation Reserve

Reserves are a component of equity and represent a particular use to which parts of equity have been assigned. Reserves may be legally restricted or created by the Council. Council Created Reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset Revaluation Reserves arise from certain asset classes being revalued, with these classes including land, buildings, infrastructural assets, restricted assets and available for sale investments. The treatment of revaluation movements is detailed in 2.14 of the policies.

Available for Sale Revaluation Reserves arise from available for sale investments being revalued to current fair value. The treatment of revaluation movements is detailed in 2.10 of the policies.

2.9 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. Bank overdrafts that are repayable on demand and form an integral part of Taupō District Council and Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of

Cash Flows, and in current liabilities on the Statement of Financial Position.

2.10 Financial assets

Taupō District Council and Group classify its investments in the following categories:

(i) Financial assets at fair value through surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance date. After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the surplus or deficit.

Council's equity investments fall into this category. Fair value is determined as current market value based on the 30 June closing sale price recorded in the relevant stock exchange. The value of the foreign-listed managed equities is converted to New Zealand dollars at the 30 June closing rate of exchange.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance date, which are included in non-current. 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.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cashflows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cashflows of the loan is recognised in the surplus or deficit.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, that management has the positive intention and ability to hold to maturity. 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.

Council does not use this category presently.

(iv) Available-for-sale

Financial assets available-for-sale are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and

- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue, except for impairment losses which are recognised in the surplus or deficit.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue is reclassified from equity to the surplus or deficit.

Council's shareholding in Civic Financial Services Ltd is classified as available for sale. This investment is stated at fair value with the resultant gain or loss recognised through other comprehensive revenue. Fair value is determined using the asset backing per share calculated at their balance date of 31 December adjusted for any material impairment.

Council's holdings of Government and corporate bonds are currently classified as available for sale.

2.11 Trade and other receivables

Trade and other receivables are initially measured at face value, less impairment losses (note 2.18). A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of the estimated recovery of the debt.

2.12 Inventory

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis, are measured at the lower of cost, adjusted when applicable, for any loss of service potential. The cost of inventories is based on the first-in, first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of

cost (using the FIFO method) and net realisable value.

2.13 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value, less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale, are presented separately from other assets in the Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

2.14 Property, plant and equipment

Property, plant, and equipment consist of:

Operational assets – These include land, buildings, improvements, library books, plant and equipment, and motor vehicles.

Restricted assets – Restricted assets are parks and reserves owned by the Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – Infrastructure assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function, for example, wastewater reticulation includes reticulation piping and pump stations.

Heritage assets and works of art are shown at cost or valuation and are not depreciated.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Valuation methodologies

Land and buildings, roading and 3 water assets are revalued on a class of asset basis and 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 Council 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.

Borrowing costs are not capitalised as part of the cost of an asset. They are recognised as an expense in the period in which they are incurred.

Details of valuations by asset class

Operational land and restricted land were initially valued at fair value as determined from market based evidence by independent valuer Quotable Value New Zealand at 30 June 2005, which was considered deemed cost. These were revalued to fair value on the same basis by independent valuer, Mairi Macdonald MPINZ, BBS (VPM), GradDipBusStud (Rural Valuation), of Quotable Value New Zealand at 30 June 2016.

Operational buildings were initially valued at fair value as determined from market based evidence by independent valuer Quotable Value New Zealand at 1 July 2005, which was considered deemed cost. These were revalued to fair value on the same basis by independent valuer, Mairi Macdonald MPINZ, BBS (VPM), GradDipBusStud (Rural Valuation), of Quotable Value New Zealand at 30 June 2016.

Infrastructure roading assets (except for land under roads) were valued at optimised depreciated replacement cost as determined from market based evidence by Opus International Consultants Limited at 30 June 2014. These were revalued at optimised depreciated replacement cost on the same basis by John Vessey BE(Civil), BA (Econ), CPEng, FIPENZ, affiliate Member of PINZ, Member of ACENZ, of Opus International Consultants Limited at 30 June 2017.

Infrastructure water, wastewater and stormwater

(excluding buildings associated with these networks) were valued at optimised depreciated replacement cost determined from market based evidence by independent valuer, Beca Valuations Limited at 30 June 2012. These were revalued at optimised depreciated replacement cost by independent valuer, Stephen Garlick, Associate Director, Strategic Asset Management of Aecom NZ Limited, at 30 June 2018.

Infrastructure solid waste is valued at cost less accumulated depreciation.

Land under roads was initially valued as determined from market based evidence by independent valuer Quotable Value New Zealand at 30 June 2005 which was considered deemed cost. This asset class was revalued to fair value on the same basis by independent valuer, Angela Scott MPINZ, BBS (VPM) of Quotable Value New Zealand at 30 June 2016. The urban portion of this land was valued at 45% of the surrounding land's market value. The rural land portion was valued based on the surrounding land's market value. Land under roads is not depreciated.

The Airport land and buildings were initially valued at fair value as determined from market based evidence by independent valuer Quotable Value New Zealand at 30 June 2005, which was considered deemed cost. These were revalued to fair value on the same basis by independent valuer, Mairi Macdonald MPINZ, BBS (VPM), GradDipBusStud (Rural Valuation), of Quotable Value New Zealand at 30 June 2016.

The Airport Infrastructure was valued at optimised depreciated replacement cost by independent valuer Beca Valuations Limited at 30 June 2014. These were revalued at optimised depreciated replacement cost by independent valuer, Vaibhav Gandhi of Beca Valuations Ltd effective 30 June 2017.

Heritage assets and park furniture, included for the first time at 1 July 2005, are not subject to regular revaluation. Heritage assets are not depreciated.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Additions

Additions between valuations are shown at cost, except vested assets. Certain infrastructural assets and land have been vested in Council as part of the subdivisional consent process. Vested land reserves are initially recognised at the most recent appropriately certified Government valuation. Vested infrastructural assets are valued based on the actual quantities of infrastructure components vested, and the current "in the ground" cost of providing identical services.

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 Council and Group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

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.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using either the straight line or the diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. The useful lives and associated depreciation rates of assets to be depreciated have been estimated as follows:

Class of asset depreciated	Estimated useful life	Depreciation rates
Operational assets:		
Land	not depreciated	Nil
Buildings	40 - 75 yrs	1.3% - 2.5% SL
Site Value	13 yrs	7.69% SL
Structure	20 - 80 yrs	1.3% - 5% SL
Roof	20 - 40 yrs	2.5% - 5% SL
Services	20 - 45 yrs	2.5% - 5% SL
Internal fit-out	15 - 35 yrs	2.9% - 6.7% SL
Plant	20 - 30 yrs	3.3% - 5% SL
Machinery	2 - 20 yrs	5% - 50% SL
Computer equipment	4 yrs	25% SL
Office equipment	4 - 10 yrs	13.33% - 25% SL
Leased assets	3 - 5 yrs	20% - 33.3% SL
Furniture & fittings	2 - 10 yrs	10% - 50% SL
Park furniture	2 - 25 yrs	4% - 50% SL
Vehicles	4 - 10 yrs	10% - 25% SL
Library books	6.5 yrs	15.5% SL
Infrastructural assets:		
Buildings	40 - 75 yrs	1.3% - 2.5% SL
Roads		
Top surface	3 - 20 yrs	5% - 33% SL
Pavement	45 - 65 yrs	1.5% - 2.2% SL
Formation	not depreciated	Nil
Culverts	55 - 80 yrs	1.3% - 1.8% SL
Footpaths	50 - 80 yrs	1.3% - 2% SL
Kerbs	60 yrs	1.7% SL
Signs	15 yrs	6.7% SL
Street lights	25 - 60 yrs	1.7% - 4% SL
Bridges	90 - 100 yrs	1% - 1.1% SL
Land under roads	not depreciated	Nil
Water reticulation		
Pipes	45 - 80 yrs	1.25% - 2.2% SL
Valves, hydrants	40 yrs	2.5% SL
Pump stations	10 - 60 yrs	1.7% - 10% SL
Tanks	25 - 80 yrs	1.3% - 4% SL
Sewerage reticulation		
Pipes	15 - 80 yrs	1.3% - 6.7% SL
Manholes	80 yrs	1.3% SL
Treatment plant	5 - 80 yrs	1.3% - 20% SL
Stormwater systems		
Pipes	70 - 100 yrs	1% - 1.4% SL
Manholes, cesspits	75 - 100 yrs	1% - 1.3% SL
Flood control systems	50 - 100 yrs	1% - 2% SL
Solid waste	4 - 24 yrs	4.166% - 25%
Restricted assets:		
Land	not depreciated	Nil
Other	2 - 40 yrs	2.5% - 50% SL

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Assets under construction/work in progress

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

2.15 Intangible assets

Development expenditure

Development costs are capitalised where future benefits are expected to exceed those costs, otherwise such costs are recognised in the surplus or deficit in the period in which they are incurred. Unamortised costs are reviewed at each balance date to determine the amount (if any) that is no longer recoverable, and any amount so identified is written off.

Software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These are valued at cost, and are amortised over the expected useful life of the license. The useful lives and associated amortisation rates of assets to be amortised have been estimated as follows:

Class of intangible asset	Estimated useful life	Amortisation rates
Software	4 years	25%

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

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

2.16 Forestry assets

Forestry assets are predominantly standing trees which are managed on a sustainable yield basis. These are shown in the Statement of Financial Position at fair value less estimated point of sale costs at harvest. The costs to establish and maintain the forest assets are included in the surplus or deficit, together with the change in fair value for each accounting period. The valuation of Taupō District Council and Group's forests is based on discounted cash flow models where the fair value is calculated using cash flows from continued operations;

that are based on sustainable forest management plans taking into account growth potential. The yearly harvest from forecast tree growth is multiplied by expected wood prices and the costs associated with forest management, harvesting and distribution are then deducted to derive annual cash flows. The fair value of the forest assets is measured as the present value of cash flows from one growth cycle based on the productive forest land, taking into consideration environmental, operational and market restrictions. Forest assets are valued separately from the underlying freehold land.

2.17 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, Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

2.18 Impairment

The carrying amounts of Taupō District Council and Group's assets, other than investment property (see accounting policy 2.17), inventories (see accounting policy 2.12) and deferred tax assets (see accounting policy 2.23), are reviewed at each balance date to determine whether there is any indication of impairment.

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. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases in the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use is the depreciated replacement cost for an

asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential. The value in use for cash-generating assets is the present value of expected future cash flows. If an asset's carrying amount exceeds its recoverable amount the asset is 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.

2.19 Financial Liabilities

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

2.20 Employee entitlements

Provision is made in respect of Taupō District Council and Group's liability for salaries and wages accrued up to balance date, annual leave, sick leave, lieu day leave, long service leave, and gratuities.

Retiring gratuities and 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 days are accrued on an actual entitlement basis, using current rates of pay.

Liabilities for accumulating short-term compensated absences (for example, sick leave) are measured as the amount of unused entitlement accumulated at balance date that the Council anticipates employees will use in future periods in excess of the days that they will be entitled to in each of those periods.

Superannuation schemes

Defined contribution schemes

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

2.21 Provisions

A provision is recognised in the Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected

future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Landfill post-closure costs

The Council, as operator of the District landfill, has a legal obligation under the resource consent to provide on-going maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises. The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure. Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

2.22 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.

Borrowings are classified as current liabilities unless the Council and Group have an unconditional right to defer settlement of the liability for at least 12 months after the year-end date.

2.23 Income tax

Income tax on the surplus or deficit for the year comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Revenue and Expense except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable surpluses will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.24 Budget figures

The budget figures are those approved by the Council in

the 2017/18 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

2.25 Cost allocation

Taupō District Council has derived the net cost of service for each significant activity of the Council using the following cost allocation system:

Direct costs (costs directly attributable to an activity) are charged directly to activities.

Indirect costs (those costs which cannot be identified in an economically feasible manner with a specific significant activity) are charged to activities based on cost drivers and related activity/usage information.

2.26 Third party transfer payment agencies

Taupō District Council and Group collect monies for many organisations. Where collections are processed through Taupō District Council and Group's books, any monies held are shown as trade payables in the Statement of Financial Position. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

3. Critical accounting estimates and judgements

In preparing the consolidated financial statements the Council and Group made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates, judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have been included below.

Infrastructural Assets

There are a number of assumptions and estimates used when performing the depreciated replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example, the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;

- Estimating any obsolescence or surplus capacity of an asset; and

- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which provides Council with further assurance over its useful life estimates. Experienced independent valuers perform the Council's infrastructural asset revaluations.

Classification of Property

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. Receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's social housing policy. These properties are accounted for as property, plant and equipment.

4. Rates

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
General rates	40,851	39,261	40,851	39,261
Total general rates	40,851	39,261	40,851	39,261
Targeted rates				
Refuse disposal	1,040	1,059	1,040	1,059
Sewage disposal	12,348	12,477	12,348	12,477
Water supply	7,793	7,664	7,793	7,664
Water by meter	1,528	1,699	1,528	1,699
Taupo Town Centre	162	164	162	164
Turangi/Tongariro community board	80	80	80	80
Whakamaru fire protection	4	3	4	3
Total targeted rates	22,955	23,146	22,955	23,146
Penalties revenue				
Rates penalties	458	366	458	366
Total penalties revenue	458	366	458	366
Total rates	64,264	62,773	64,264	62,773
Less - Rates remissions	(950)	(789)	(950)	(789)
Less - Internal rates on Council/Group properties	(809)	(860)	(828)	(878)
Total rates	62,505	61,124	62,486	61,106

Rating Base Information

As at 30 June 2017 there were 23,065 rating units in the District with a total capital value of \$15.235billion and a total land value of \$7.462billion (30 June 2016 22,862 rating units, \$13.363b capital value, \$6.716b land value).

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate.

The annual rates revenue of the Council for the year ended 30 June 2018 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure are as per the table above.

Rates remissions

Under Council's remissions policies, remissions are allowed for Lake Taupō lakebed and lakeshore reserve; community, sporting, and other organisations; non-income producing, unoccupied Maori freehold land in multiple ownership and in undeveloped state; and penalties in certain circumstances and at Council's discretion.

Non-rateable properties

In accordance with the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. This includes schools, places of worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of water supply, sewage disposal and refuse disposal.

5. Fees and charges

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Landfill charges	3,029	2,792	3,029	2,792
Building and resource consent charges	1,652	1,532	1,652	1,532
Other regulatory revenue	1,080	1,100	1,080	1,100
Swimming pools revenue	1,384	1,349	1,384	1,349
Rendering of services	306	287	306	287
Sale of goods	2,179	1,940	2,651	2,510
User charges	1,581	1,656	1,431	1,526
Facility membership fees	480	436	480	436
Taupo Airport landing fees	-	-	181	175
Destination Great Lake Taupo marketing fees	-	-	189	227
Total fees and charges	11,691	11,092	12,383	11,934

6. Subsidies and Grants

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Operational subsidies and grants				
NZ Transport Agency subsidy	1,949	1,612	1,949	1,612
Other government grants	193	157	193	157
Other grants and donations	158	153	158	153
Capital subsidies and grants				
NZ Transport Agency subsidy	1,469	1,065	1,469	1,065
Other government capital grants	1,645	103	1,645	103
Non-government capital grants	87	39	87	39
Total subsidies and grants	5,501	3,129	5,501	3,129

Government Grants

There are no unfulfilled conditions or other contingencies attached to any recognised government grants.

7. Finance revenue and finance costs

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Finance revenue				
Interest revenue - term deposits	3,486	2,860	3,492	2,864
Interest revenue - bonds	229	327	229	327
Interest revenue - community loans	55	62	55	62
Interest revenue - borrower notes	48	54	48	54
Total finance revenue	3,818	3,303	3,824	3,307
Less finance costs				
Interest on borrowings	(8,601)	(8,986)	(8,603)	(8,986)
Finance charges on leased assets	(10)	(23)	(10)	(23)
Total finance costs	(8,611)	(9,009)	(8,613)	(9,009)
Net finance costs	(4,793)	(5,706)	(4,789)	(5,702)

8. Other revenue

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Vested land and infrastructure from property development	13,329	4,248	13,329	4,248
Other vested assets	106	263	106	263
First time recognition of assets	163	2,756	163	2,756
Petrol tax	452	440	452	440
Infringements and fines	534	500	534	500
Section sales	3,046	-	3,046	-
Revenue from developer agreements	2,114	-	2,114	-
Gain on sale of properties intended for resale	-	4,722	-	4,722
Gain on sale of property, plant, equipment and forestry	560	1,081	570	1,081
Dividends or similar distributions	281	237	281	237
Change in fair value of forestry assets	3,026	1,406	3,026	1,406
Change in fair value of investment properties and non-current assets held for sale	1,078	1,826	1,078	1,826
Realised gain on sale of shares & corporate bonds	16	352	16	352
Unrealised gain on shares	1,048	627	1,048	627
Unrealised foreign exchange gain on shares	299	-	299	-
Unrealised gain on derivatives not hedge accounted	-	8,804	-	8,804
Rental revenue from investment properties	120	134	312	324
Other revenue	1,116	366	1,116	151
Insurance recoveries	7	31	7	31
Total other revenue	27,295	27,793	27,497	27,768

9. Operating expenditure

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Employee benefit expenses				
Salaries and wages	20,914	19,344	22,070	20,547
Increase/(decrease) in employee entitlements/liabilities	445	170	470	197
Severance	10	12	10	12
Defined contribution plan employer contributions	513	463	544	493
Total employee benefit expenses	21,882	19,989	23,094	21,249
Depreciation				
Total depreciation note 19	21,777	20,723	22,044	21,047
Total amortisation note 21	309	346	310	346
Total depreciation and amortisation	22,086	21,069	22,354	21,393

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Other expenses				
Audit fees for financial statements	138	136	169	165
Audit fees for Long-term Plan	95	-	95	-
Audit fee for Debenture Trust Deed	8	-	8	-
Audit assurance for new building	12	-	12	-
Maintenance	11,256	9,500	11,335	9,562
Service delivery contracts	5,475	5,307	3,740	3,568
Electricity and gas	2,125	2,108	2,132	2,135
Materials and supplies	1,348	1,421	1,367	1,465
Professional services fees/legal fees	2,300	1,997	2,396	2,055
Resource consenting and compliance	1,033	936	1,033	936
Mobile plant and vehicle running costs	568	564	569	554
Insurance	562	441	569	453
Town Centre Taupo (rates)	160	162	160	162
Community grant programme	539	525	539	525
Other grants	578	515	578	515
Donations	1	2	1	2
Councillor fees	474	460	474	460
Community Board fees	54	55	54	55
Directors' fees	-	-	44	38
Minimum lease payments under operating leases	143	72	143	74
Other expenses	4,586	3,962	5,543	4,906
Section inventory consumption	646	-	646	-
Inventory consumption	192	128	298	275
Inventory writeoff	5	8	8	14
Impairment of receivables	355	128	360	128
Loss on disposal of property, plant, equipment and forestry	1,131	3,127	1,134	3,130
Loss on revaluation of property, plant & equipment	-	58	-	58
Loss on sale of shares and corporate bonds	-	-	-	-
Loss on sale of shares and corporate bonds (foreign exchange)	74	15	74	15
Unrealised loss on corporate bonds	18	-	18	-
Unrealised loss on shares (foreign exchange)	-	57	-	57
Unrealised foreign exchange loss	-	14	-	14
Unrealised loss on derivatives not hedge accounted	1,640	-	1,640	-
Asset writeoffs	698	2,735	698	2,735
Total other expenses	36,214	34,433	35,837	34,056

Severance payments

In 2017/18 the Group made severance payments to two employees one of \$3,615 and one of \$6,197 (2016/17: three employees, \$3,846, \$4,000 & \$8,029).

10. Depreciation and amortisation expense by group of activity

	Council	
	Actual 2018 \$000	Actual 2017 \$000
Water	3,353	3,354
Community Services	184	213
Transport	5,969	5,157
Community Facilities	4,989	5,151
Solid Waste	373	265
Stormwater	922	901
Wastewater	4,582	4,575
Economic Development	17	14
Democracy & Planning	13	20
Investments	349	326
Total depreciation and amortisation expense by activity	20,751	19,976
Depreciation and amortisation not directly related to group of activities	1,335	1,093
Total depreciation and amortisation expense	22,086	21,069

11. Income tax

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Current tax expense				
Deferred taxation	-	-	(57)	(18)
Release of tax provision no longer required	-	-	(76)	-
Total income tax expense/(benefit)	-	-	(133)	(18)

Relationship between income tax and accounting profit:

Operating surplus/(deficit) before taxation	24,497	24,347	24,273	23,943
Surplus/(deficit) before taxation	24,497	24,347	24,273	23,943
Tax calculated at 28%	6,859	6,817	6,796	6,704
Less tax effect of:				
Non taxable expenditure	(6,859)	(6,817)	(6,853)	(6,722)
Release of tax provision no longer required	-	-	(76)	-
Tax expense/(benefit)	-	-	(133)	(18)

Deferred tax liabilities

Council and Group	Property, plant and equipment \$000	Non-deductible provisions \$000	Tax losses \$000	Total \$000
Balance at 1 July 2016	1,428	(10)	(501)	917
Charged to surplus or deficit	(48)	(1)	30	(19)
Charged to equity	172	-	-	172
Balance at 30 June 2017	1,552	(11)	(471)	1,070
Balance at 1 July 2017	1,552	(11)	(471)	1,070
Charged to surplus or deficit	(38)	(1)	(19)	(58)
Charged to equity	-	-	-	-
Balance at 30 June 2018	1,514	(12)	(490)	1,012

Data Capture Systems Limited, a subsidiary of Council, has unrecognised tax losses as at 30 June 2018 of \$225,325 to carry forward (2017 \$225,325). The tax effect of these losses is \$67,598 (2017 \$67,598). The carried forward losses originated from the activity of Taupō Information Centre Limited, that company later being renamed Data Capture Systems Limited.

12. Net assets/equity

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Accumulated funds	798,202	782,836	799,546	784,179
Reserves	295,766	276,641	298,655	279,530
Balance at 30 June	1,093,968	1,059,477	1,098,201	1,063,709

The breakdown of accumulated funds and reserves are disclosed as follows:

	Council	Group	Council	Group
Accumulated funds				
Balance at 1 July	782,836	770,992	784,179	772,657
Transfer from special fund	22,691	18,756	22,691	18,756
Transfer to special fund	(32,938)	(32,335)	(32,938)	(32,335)
Disposal of property, plant and equipment	1,116	1,077	1,116	1,077
Correction for rounding	-	(1)	-	(1)
Surplus/(deficit) for the year	24,497	24,347	24,476	24,025
Balance 30 June	798,202	782,836	799,524	784,179

Reserves includes

Asset revaluation reserves	173,082	164,111	175,971	167,000
Available-for-sale investments revaluation reserve	43	136	43	136
Council created reserves (see analysis below)	122,641	112,394	122,641	112,394
Total reserves	295,766	276,641	298,655	279,530

Asset revaluation reserves

Balance at 1 July	164,111	153,872	167,000	156,531
Revaluation gains/(losses)	10,087	11,316	10,087	11,948
Deferred tax on revaluation	-	-	-	(172)
Transfer to accumulated funds	(1,116)	(1,077)	(1,116)	(1,077)
Less minority interest share in change in asset value	-	-	-	(230)
Balance at 30 June	173,082	164,111	175,971	167,000

Asset revaluation reserves for each asset class consist of:

	Council	Group	Council	Group
Operational assets				
Operational land	5,586	5,637	5,586	5,637
Operational buildings	13,461	14,347	13,556	14,442
Fencing	-	-	30	30
Land improvements	-	-	65	65
Investment properties - land	5,257	5,314	5,257	5,314
Restricted assets				
Reserves	6,150	6,028	7,495	7,373
Infrastructure assets				
Land under roads	5,935	5,927	5,935	5,927
Roading	56,560	56,810	56,745	56,995
Wastewater	45,897	34,889	45,897	34,889
Water	19,401	17,856	19,401	17,856
Stormwater	14,761	17,229	14,857	17,326
Runways	-	-	1,073	1,072
Infrastructure buildings	74	74	74	74
Total asset revaluation reserves	173,082	164,111	175,971	167,000

Available-for-sale investments revaluation reserve

Balance at 1 July	136	148	136	148
Revaluation of corporate bonds	(93)	(12)	(93)	(12)
Balance at 30 June	43	136	43	136

Information about reserve funds held for a specific purpose is provided below:

Council created reserves	Activities to which the funds relate	Opening balance \$000	Additions \$000	Withdrawals \$000	Closing balance \$000
2018					
Depreciation Reserves					
Water Taupo	Water	831	1,957	(2,299)	489
Water Acacia Bay	Water	334	101	(60)	375
Water Kinloch	Water	1,706	107	(2)	1,811
Water Waitahanui	Water	(10)	32	-	22
Water River Road	Water	144	23	-	167
Water Mapara	Water	430	45	-	475
Water Whakamoenga	Water	41	18	-	59
Water Bonshaw Park	Water	20	27	(1)	46
Water Centennial Drive Bores	Water	1	-	-	1
Water Centennial Drive	Water	(70)	133	(30)	33
Water Whakarua	Water	263	41	-	304
Water Mangakino	Water	224	129	(20)	333
Water Waihaha	Water	474	52	5	531
Water Tirohanga	Water	596	82	-	678
Water Atiamuri	Water	151	22	-	173
Water Whakamaru	Water	(207)	30	(3)	(180)
Water Motuoapa	Water	94	53	(83)	64
Water Turangi	Water	1,346	267	(23)	1,590
Water Omori	Water	930	105	(148)	887
Water Whareroa	Water	22	23	-	45
Water Hatepe	Water	75	26	(47)	54
Wastewater District	Wastewater	7,974	4,522	(3,704)	8,792
Solid Waste District	Solid Waste	841	816	(932)	725
Transport & Stormwater District	Transport	6,449	4,766	(3,544)	7,671
Forestry District	Investments	5,106	1,577	-	6,683
Buildings District	Community Facilities, Community Services, Water, Wastewater, Solid Waste, Investments, Economic Development	2,231	3,359	(2,837)	2,753
Operational Assets	All activities with the exception of Democracy & Planning	5,008	2,539	(2,962)	4,585
Development Contribution Reserves					
Community Infrastructure District	Community Facilities	864	1	(137)	728
Parks & Reserves Land (Residential)	Community Facilities	2,697	265	(622)	2,340
District Wide Parks	Community Facilities	359	66	(230)	195
Water Taupo	Water	626	735	(341)	1,020
Water Kinloch	Water	250	363	(9)	604
Water River Road	Water	5	-	-	5
Water Mapara	Water	10	5	-	15
Water Turangi	Water	14	-	-	14
Water Omori	Water	37	-	-	37
Wastewater Taupo	Wastewater	1,325	1,983	(976)	2,332
Wastewater Kinloch	Wastewater	156	164	-	320
Wastewater Mangakino	Wastewater	-	-	-	-
Wastewater Atiamuri	Wastewater	2	-	-	2
Wastewater Turangi	Wastewater	-	-	-	-
Stormwater Taupo Industrial	Stormwater	(17)	-	-	(17)
Transport District Wide	Transport	300	991	10	1,301
Other Reserves					
Disaster Recovery Fund	All Activities	1,724	100	(6)	1,818
District Airport Reserve	Taupo Airport (CCTO)	67	-	-	67
Parking	Community Services	69	-	-	69
Forestry Silviculture & Tending	Investments	(492)	-	(57)	(549)
Strategic Property Purchase - District	Investments	12,003	4,020	(2,833)	13,190
TEL	Investments	57,388	2,578	18	59,984
Total reserves at 30 June 2018		112,391	32,123	(21,873)	122,641

Information about reserve funds held for a specific purpose is provided below:

Council created reserves	Activities to which the funds relate	Opening balance \$000	Additions \$000	Withdrawals \$000	Closing balance \$000
2017					
Depreciation Reserves					
Water Taupo	Water	698	1,987	(1,854)	831
Water Acacia Bay	Water	312	101	(78)	335
Water Kinloch	Water	1,645	100	(39)	1,706
Water Waitahanui	Water	(33)	25	(2)	(10)
Water River Road	Water	123	23	(2)	144
Water Mapara	Water	395	43	(7)	431
Water Whakamoenga	Water	24	17	-	41
Water Bonshaw Park	Water	83	32	(95)	20
Water Centennial Drive Bores	Water	35	134	(168)	1
Water Centennial Drive	Water	(46)	-	(24)	(70)
Water Whakarua	Water	231	42	(10)	263
Water Mangakino	Water	143	127	(45)	225
Water Waihaha	Water	472	52	(50)	474
Water Tirohanga	Water	530	81	(16)	595
Water Atiamuri	Water	157	22	(28)	151
Water Whakamaru	Water	(234)	30	(3)	(207)
Water Motuoapa	Water	189	48	(143)	94
Water Turangi	Water	1,481	257	(393)	1,345
Water Omori	Water	871	105	(47)	929
Water Whareroa	Water	18	23	(18)	23
Water Hatepe	Water	88	27	(40)	75
Wastewater District	Wastewater	7,042	4,680	(3,748)	7,974
Solid Waste District	Solid Waste	962	164	(286)	840
Transport & Stormwater District	Transport	4,872	4,521	(2,945)	6,448
Forestry District	Investments	4,126	981	-	5,107
Buildings District	Community Facilities, Community Services, Water, Wastewater, Solid Waste, Investments, Economic Development	3,427	2,920	(4,116)	2,231
Operational Assets	All activities with the exception of Democracy & Planning	5,091	3,332	(3,414)	5,009
Development Contribution Reserves					
Community Infrastructure	Community Facilities	864	-	-	864
District Parks & Reserves Land (Residential)	Community Facilities	2,508	176	13	2,697
District Wide Parks	Community Facilities	46	27	286	359
Water Taupo	Water	163	463	-	626
Water Kinloch	Water	25	225	-	250
Water River Road	Water	5	-	-	5
Water Mapara	Water	1	9	-	10
Water Turangi	Water	14	-	-	14
Water Omori	Water	29	8	-	37
Wastewater Taupo	Wastewater	559	762	4	1,325
Wastewater Kinloch	Wastewater	(8)	165	-	157
Wastewater Mangakino	Wastewater	-	-	-	-
Wastewater Atiamuri	Wastewater	2	-	-	2
Wastewater Turangi	Wastewater	29	-	(29)	-
Stormwater Taupo Industrial	Stormwater	(17)	-	-	(17)
Transport District Wide	Transport	428	515	(643)	300
Other Reserves					
Disaster Recovery Fund	All Activities	1,630	100	(6)	1,724
District Airport Reserve	Taupo Airport (CCTO)	67	-	-	67
Parking	Community Services	70	-	-	70
Forestry Silviculture & Tending	Investments	(268)	-	(224)	(492)
Strategic Property Purchase - District	Investments	4,151	8,667	(815)	12,003
TEL	Investments	55,813	2,496	(921)	57,388
Total reserves at 30 June 2017		98,813	33,487	(19,906)	112,394

Nature and purpose of reserves

- (i) **Depreciation Reserves**
These reserves are utilised to fund for renewals, capital expenditure, loan repayments and interest for the assets tagged to each reserve.
- (ii) **Development Contribution Reserves**
These reserves are utilised to fund for development contribution capital expenditure, loan repayments and interest for the assets tagged to each reserve.
- (iii) **Disaster Recovery Fund**
To provide \$100,000 annually to assist with readily available funds in the case of a significant natural disaster.
- (iv) **District Airport Reserve**
To provide for heavy periodic maintenance charges on assets such as buildings, roads etc. and for future capital works of this nature.
- (v) **Parking**
For the purchase or development of parking.
- (vi) **Forestry**
To be used in the establishment, maintenance and operating of Council's forestry blocks.
- (vii) **Strategic Property Purchase - District**
To fund specific strategically based property purchases and associated projects- District.
- (viii) **TEL**
To provide revenue to meet the level of District rate subsidy set by Council without diminishing the value of the fund.

13. Minority interest

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Balance at the beginning of the year	-	-	3,385	3,219
Share of revaluation reserve change in asset value	-	-	-	230
Share of surplus/(deficit)	-	-	(70)	(64)
Balance at the end of the year	-	-	3,315	3,385

14. Cash and cash equivalents

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Cash at bank and in hand	36	11	45	15
Call deposits	4,717	5,274	5,026	6,143
Term deposits with maturities of less than three months at acquisition	8,008	3,009	8,258	3,009
Total cash and cash equivalents used in statement of cashflows	12,761	8,294	13,329	9,167

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

15. Trade and other receivables

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Rates receivable	2,559	2,438	2,559	2,438
General debtors	2,433	1,089	2,521	1,166
Receivables from controlled entities (note 29)	170	4	-	-
Other	1,710	2,096	1,749	2,122
Receivables prior to impairment	6,872	5,627	6,829	5,726
Less: Provision for Impairment	(597)	(345)	(601)	(345)
Total current net trade and other receivables	6,275	5,282	6,228	5,381
Total debtors and other receivables from exchange transactions	-	-	89	78
Total current net trade and other receivables from non-exchange transactions	6,275	5,282	6,139	5,303
Total current net trade and other receivables	6,275	5,282	6,228	5,381

Debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

(a) Impaired receivables

Taupō District Council does not provide for any impairment on rates receivable, with the exception of multiple owned Maori Freehold Land, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstance. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is material.

These powers allow Taupō District Council to commence legal proceedings to recover any rates that remain unpaid four months after due date for payment. If payment has not been made within three months of the Court's judgement, then Taupō District Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The carrying amount of receivables that would otherwise be impaired, whose terms have been renegotiated is \$18,183 (2017 \$24,708).

The status of receivables as at 30 June 2018 are detailed below:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Current	2,347	827	2,412	886
Past due 1-30 days	111	100	114	108
Past due 31-60 days	403	1,458	409	1,461
Past due 61+ days	2,301	1,143	2,314	1,150
Impairment	(597)	(345)	(601)	(345)
Net receivables	4,565	3,183	4,648	3,260

The impairment provision has been calculated based on expected losses for the Council and Group's pool of debtors. Expected losses are determined based on analysis of the Council's losses in previous periods and review of specific debtors are detailed below:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Individual impairment	236	52	236	52
Collective impairment	361	293	365	293
At 30 June	597	345	601	345

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors are:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Current	-	-	-	-
Past due 1-30 days	-	-	-	-
Past due 31-60 days	5	-	5	-
Past due 61+ days	231	52	231	52
Balance at 30 June	236	52	236	52

Movements in the provision for impairment of receivables are as follows:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Opening balance	345	334	345	334
Additional provisions	377	110	381	110
Receivables written off during the year	(125)	(99)	(125)	(99)
Total impairment	597	345	601	345

The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

16. Inventories

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Commercial inventories				
- held for use in the provision of services	449	519	473	552
- residential sections held for sale	-	696	-	696
	449	1,215	473	1,248
Held for distribution				
- water reticulation spare parts	7	10	7	10
- parks & reserves chemicals	21	30	21	30
- wastewater spare parts	174	130	174	130
- swimming pool chemicals	8	11	8	11
- other	61	57	61	57
Total inventory	720	1,453	744	1,486

No inventories are pledged as security for liabilities (2017 \$nil).

Inventories held for distribution

The write-down of inventories during the year was \$5k (2017 \$8k). There have been no reversals of write-downs (2017 \$0).

17. Other financial assets

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Current portion				
Short term bank deposits with maturities of 4-12 months	82,382	89,840	82,632	89,840
Local government (NZLGFA) and corporate bonds	4,623	-	4,623	-
Total current portion	87,005	89,840	87,255	89,840
Non-current portion				
Shares in CCOs and other similar entities				
- Taupo Airport Authority	3,223	3,223	-	-
- NZ Local Government Funding Agency (NZLGFA)	100	100	100	100
- Bay of Plenty Local Authority Shared Services Ltd	9	9	9	9
Total investment in CCOs and similar entities	3,332	3,332	109	109
Investment in other entities				
Local government & corporate bonds	-	4,158	-	4,158
Civic Financial Services Ltd	127	128	127	128
Term deposits	10,100	-	10,100	-
Local government (NZLGFA) and corporate bonds	1,633	2,159	1,633	2,159
Community loans	821	866	821	866
Equity securities	9,082	4,657	9,082	4,657
Total investment in other entities	21,763	11,968	21,763	11,968
Total non-current portion	25,095	15,300	21,872	12,077
Total other financial assets	112,100	105,140	109,127	101,917

Fair value

Term deposits

The carrying amount of term deposits approximates their fair value.

Bonds

Government and commercial bonds are carried at amortised cost. The fair value of these bonds is \$4,048,456 (2017 \$4,158,251). Fair value has been determined using quoted market bid prices from independently sourced market information.

Controlled entities

Taupō District Council has 50% ownership of the Taupō Airport Authority Joint Venture. The Crown is the owner of the other 50%. The Taupō Airport Authority balance date is 30 June.

Taupō District Council has settled \$100 on the Destination Lake Taupō Trust. The Trust's balance date is 30 June.

Taupō District Council has 100% ownership (150 shares) of the subsidiary Data Capture Systems Limited (2017 150 shares). This company is dormant.

Taupō District Council has 100% ownership (100 shares) of the subsidiary Destination Lake Taupō Limited (2017 100 shares). This company is dormant.

Listed shares

Council has current investments in listed shares on LSE, ASX & NZX. Listed shares are recognised at fair value which is determined by reference to published current bid price quotations in an active market.

Council holds the following listed equity investments:

Tesco 130,000 shares at market value of \$4.98 each (2017 230,000 @ \$3.00).

BHP Billiton 15,000 shares at market value of \$36.94 each (2017 30,000 @ \$24.48).

ANZ Bank 30,000 shares at market value of \$30.78 each (2017 30,000 @ \$30.21).

Sydney Airport shares were sold in 2017/18 (2017 150,000 @ \$7.46).

Brambles Limited 70,000 shares at market value of \$9.67 each (2017 50,000 @ \$10.23).

Scentre Group 80,000 shares at market value of \$4.78 each (2017 50,000 @ \$4.26)

Hallensteins Glassons shares were sold in 2017/18 (2017 160,000 @ \$3.02).

Freightways 120,726 shares at market value of \$7.82 each (2017 Nil)

Auckland International Airport 150,000 shares at market value of \$6.78 each (2017 Nil)

Port of Tauranga Limited 100,000 shares at market value of \$5.10 each (2017 Nil)

AGL Energy Limited 45,000 shares at market value of \$24.47 (2017 Nil)

Ancor 40,683 shares at market value of \$15.70 (2017 Nil)

APA Group 83,529 shares at market value of \$10.73 (2017 Nil)

Unilever plc 2,500 shares at market value of \$81.27 (2017 Nil)

Ramsay Healthcare 10,000 shares at market value of \$58.80 (2017 Nil)

Community Loans

Loans to community organisations made at nil or below market interest rates are initially recognised at the present value of their expected future cashflows, discounted at the current market rate of return for a similar financial instrument.

These loans are subsequently valued at amortised cost using the effective interest method. The face value of the loans is \$821,053 (2017 \$866,163).

Impairment

There were no impairment expenses or provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

Other Shares in Companies

Council holds the following equity investments:

Civic Financial Services Ltd 83,971 shares at fair value of \$1.51 (2017 \$1.53) each.

Waikato Local Authority Shared Services Ltd 1 ordinary capital share (uncalled) of \$1,000 (2017 \$1,000).

BOP Local Authority Shared Services Ltd 1 ordinary capital share of \$1,000 (2017 \$1,000).

NZ Local Government Funding Agency 100,000 ordinary shares @ \$1.00 and 100,000 ordinary unpaid shares @ \$1.00 (2017 \$1.00).

18. Non-current assets held for sale

Total fair value of non-current assets held for sale is shown in the table below:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Non-current assets held for sale are:				
Land	13,682	10,011	13,682	10,011
Total non-current assets held for sale	13,682	10,011	13,682	10,011

The movement of non-current assets held for sale is as follows:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Opening balance	10,011	2,328	10,011	2,328
Disposals	-	(2,328)	-	(2,328)
Asset reclassifications	2,875	10,011	2,875	10,011
Additions	111	-	111	-
Fair value gains/(losses) on valuation	689	-	689	-
Impairment	(4)	-	(4)	-
Total	13,682	10,011	13,682	10,011

The non-current assets held for sale are made up of residential and non-residential land. An asset will only be shown in this category if it has been approved by Council for sale, it is being actively marketed, and it is expected to sell within the next financial year.

19. Property, plant and equipment

Council 2018	Cost / revaluation 1 Jul 17 \$000	Accumulated depreciation 1 Jul 17 \$000	Carrying amount 1 Jul 17 \$000	Current year additions (+ gains) \$000	Current year disposals (+ losses) \$000	Current year impairment charges \$000	Current year depreciation \$000	Transfers \$000	Revaluation surplus \$000	Cost / revaluation 30 Jun 18 \$000	Accumulated depreciation 30 Jun 18 \$000	Carrying amount 30 Jun 18 \$000
Operating assets at cost and valuation												
Land	35,136	-	35,136	33	(907)	-	-	15	-	34,277	-	34,277
Buildings	64,294	(3,392)	60,902	2,696	(229)	(699)	(3,691)	-	-	65,812	(6,833)	58,979
Library books	6,197	(5,015)	1,182	314	-	-	(302)	-	-	6,511	(5,317)	1,194
Leased plant & equipment	298	(73)	225	-	(28)	-	(69)	-	-	257	(129)	128
Office furniture and fittings	29,643	(15,314)	14,329	2,221	(8)	-	(1,879)	-	-	31,788	(17,125)	14,663
Mobile plant and equipment	10,082	(6,131)	3,951	538	(127)	-	(876)	-	-	9,812	(6,326)	3,486
Heritage assets	2,060	(10)	2,050	23	-	-	-	-	-	2,083	(10)	2,073
Capital work in progress - land	978	-	978	1,087	-	-	-	(1,041)	-	1,024	-	1,024
Capital work in progress - buildings	102	-	102	2,885	-	-	-	(2,970)	-	17	-	17
Capital work in progress - library books	-	-	-	315	-	-	-	(315)	-	-	-	-
Capital work in progress - office furniture & fittings	193	-	193	1,467	-	-	-	(1,491)	-	169	-	169
Capital work in progress - mobile plant & equipment	-	-	-	657	-	-	-	(599)	-	58	-	58
Capital work in progress - heritage assets	17	-	17	44	-	-	-	(55)	-	6	-	6
Total operating assets	149,000	(29,935)	119,065	12,280	(1,299)	(699)	(6,817)	(6,456)	-	151,814	(35,740)	116,074
Infrastructural assets at cost and valuation												
Roading	321,887	(32)	321,855	8,733	(582)	-	(5,938)	-	-	330,029	(5,961)	324,068
Water supply	78,493	(6,172)	72,321	2,055	(11)	-	(3,087)	-	1,546	72,824	-	72,824
Wastewater reticulation	116,509	(8,654)	107,855	3,521	(9)	-	(4,408)	-	11,008	117,967	-	117,967
Stormwater reticulation	52,329	(1,786)	50,543	1,841	-	-	(921)	-	(2,468)	48,995	-	48,995
Land under roads	272,229	-	272,229	-	-	-	-	83	-	272,312	-	272,312
Infrastructural buildings	12,273	(358)	11,915	7	-	-	(357)	-	-	12,280	(715)	11,565
Solid waste	5,262	(3,310)	1,952	-	-	-	(247)	-	-	5,262	(3,557)	1,705
Capital work in progress - roading	495	-	495	4,672	-	-	-	(2,691)	-	2,476	-	2,476
Capital work in progress - water supply	1,523	-	1,523	6,764	-	-	-	(116)	-	8,171	-	8,171
Capital work in progress - wastewater	473	-	473	2,858	-	-	-	(161)	-	3,170	-	3,170
Capital work in progress - stormwater	1	-	1	307	-	-	-	(21)	-	287	-	287
Capital work in progress - solid waste	-	-	-	25	-	-	-	(25)	-	-	-	-
Total infrastructural assets	861,474	(20,312)	841,162	30,783	(602)	-	(14,958)	(2,931)	10,086	873,773	(10,233)	863,540
Restricted assets at cost and valuation												
Reserves	126,118	-	126,118	832	-	-	-	(15)	-	126,935	-	126,935
Total restricted assets	126,118	-	126,118	832	-	-	-	(15)	-	126,935	-	126,935
Total Council	1,136,592	(50,247)	1,086,345	43,895	(1,901)	(699)	(21,775)	(9,402)	10,086	1,152,522	(45,973)	1,106,549

Council 2017	Cost / revaluation 1 Jul 16 \$000	Accumulated depreciation 1 Jul 16 \$000	Carrying amount 1 Jul 16 \$000	Current year additions (+ gains) \$000	Current year disposals (+ losses) \$000	Current year impairment charges \$000	Current year depreciation \$000	Transfers \$000	Revaluation surplus \$000	Cost / revaluation 30 Jun 17 \$000	Accumulated depreciation 30 Jun 17 \$000	Carrying amount 30 Jun 17 \$000
Operating assets at cost and valuation												
Land	35,892	-	35,892	121	(302)	-	-	(575)	-	35,136	-	35,136
Buildings	65,974	(31)	65,943	1,148	-	(2,732)	(3,457)	-	-	64,294	(3,392)	60,902
Library books	5,882	(4,709)	1,173	315	-	-	(306)	-	-	6,197	(5,015)	1,182
Leased plant & equipment	96	-	96	281	(69)	-	(83)	-	-	298	(73)	225
Office furniture and fittings	29,652	(14,725)	14,927	1,985	(569)	(3)	(2,011)	-	-	29,643	(15,314)	14,329
Mobile plant and equipment	9,766	(6,219)	3,547	1,685	(437)	-	(844)	-	-	10,082	(6,131)	3,951
Heritage assets	2,062	(10)	2,052	-	(2)	-	-	-	-	2,060	(10)	2,050
Capital work in progress - land	13	-	13	2,276	-	-	-	(1,311)	-	978	-	978
Capital work in progress - buildings	39	-	39	1,184	-	-	-	(1,121)	-	102	-	102
Capital work in progress - library books	-	-	-	315	-	-	-	(315)	-	-	-	-
Capital work in progress - office furniture & fittings	258	-	258	1,986	-	-	-	(2,051)	-	193	-	193
Capital work in progress - mobile plant & equipment	6	-	6	1,497	-	-	-	(1,503)	-	-	-	-
Capital work in progress - heritage assets	-	-	-	17	-	-	-	-	-	17	-	17
Total operating assets	149,640	(25,694)	123,946	12,810	(1,379)	(2,735)	(6,701)	(6,876)	-	149,000	(29,935)	119,065
Infrastructural assets at cost and valuation												
Roading	318,714	(9,985)	308,729	7,536	(537)	-	(5,131)	-	11,258	321,887	(32)	321,855
Water supply	75,933	(3,094)	72,839	2,575	(15)	-	(3,078)	-	-	78,493	(6,172)	72,321
Wastewater reticulation	111,731	(4,322)	107,409	5,349	(501)	-	(4,402)	-	-	116,509	(8,654)	107,855
Stormwater reticulation	51,358	(885)	50,473	971	-	-	(901)	-	-	52,329	(1,786)	50,543
Land under roads	272,138	-	272,138	-	-	-	-	91	-	272,229	-	272,229
Infrastructural buildings	12,255	-	12,255	17	-	-	(357)	-	-	12,273	(358)	11,915
Solid waste	4,271	(3,157)	1,114	990	-	-	(152)	-	-	5,262	(3,310)	1,952
Capital work in progress - roading	683	-	683	2,632	-	-	-	(2,820)	-	495	-	495
Capital work in progress - water supply	250	-	250	3,316	-	-	-	(2,043)	-	1,523	-	1,523
Capital work in progress - wastewater	2,420	-	2,420	2,792	-	-	-	(4,739)	-	473	-	473
Capital work in progress - stormwater	1	-	1	305	-	-	-	(305)	-	1	-	1
Capital work in progress - solid waste	18	-	18	1,071	-	-	-	(1,089)	-	-	-	-
Total infrastructural assets	849,772	(21,443)	828,329	27,554	(1,053)	-	(14,021)	(10,905)	11,258	861,474	(20,312)	841,162
Restricted assets at cost and valuation												
Reserves	124,881	-	124,881	662	-	-	-	575	-	126,118	-	126,118
Total restricted assets	124,881	-	124,881	662	-	-	-	575	-	126,118	-	126,118
Total Council	1,124,293	(47,137)	1,077,156	41,026	(2,432)	(2,735)	(20,722)	(17,206)	11,258	1,136,592	(50,247)	1,086,345

Group 2018	Cost / revaluation 1 Jul 17 \$000	Accumulated depreciation 1 Jul 17 \$000	Carrying amount 1 Jul 17 \$000	Current year additions (+ gains) \$000	Current year disposals (+ losses) \$000	Current year impairment charges \$000	Current year depreciation \$000	Transfers \$000	Revaluation surplus \$000	Cost / revaluation 30 Jun 18 \$000	Accumulated depreciation 30 Jun 18 \$000	Carrying amount 30 Jun 18 \$000
Operating assets at cost and valuation												
Land	35,136	-	35,136	33	(907)	-	-	15	-	34,277	-	34,277
Buildings	64,831	(3,414)	61,417	2,797	(229)	(699)	(3,714)	10	-	66,468	(6,886)	59,582
Library books	6,197	(5,015)	1,182	314	-	-	(302)	-	-	6,511	(5,317)	1,194
Leased plant & equipment	298	(73)	225	-	(28)	-	(69)	-	-	257	(129)	128
Office furniture and fittings	30,149	(15,428)	14,721	2,310	(11)	-	(1,908)	(270)	-	32,062	(17,220)	14,842
Mobile plant and equipment	10,354	(6,343)	4,011	538	(152)	-	(886)	(10)	-	9,869	(6,368)	3,501
Heritage assets	2,060	(10)	2,050	23	-	-	-	-	-	2,083	(10)	2,073
Capital work in progress - land	978	-	978	1,087	-	-	-	(1,041)	-	1,024	-	1,024
Capital work in progress - buildings	119	-	119	2,885	-	-	-	(2,987)	-	17	-	17
Capital work in progress - library books	-	-	-	315	-	-	-	(315)	-	-	-	-
Capital work in progress - office furniture & fittings	193	-	193	1,467	-	-	-	(1,491)	-	169	-	169
Capital work in progress - mobile plant & equipment	-	-	-	657	-	-	-	(599)	-	58	-	58
Capital work in progress - heritage assets	17	-	17	44	-	-	-	(55)	-	6	-	6
Total operating assets	150,332	(30,283)	120,049	12,470	(1,327)	(699)	(6,879)	(6,743)	-	152,801	(35,930)	116,871
Infrastructural assets at cost and valuation												
Roading	323,311	(32)	323,279	8,733	(582)	-	(5,953)	-	-	331,453	(5,976)	325,477
Water supply	78,493	(6,172)	72,321	2,055	(11)	-	(3,087)	-	1,546	72,824	-	72,824
Wastewater reticulation	116,509	(8,654)	107,855	3,521	(9)	-	(4,408)	-	11,008	117,967	-	117,967
Stormwater reticulation	52,704	(1,786)	50,918	1,841	-	-	(936)	-	(2,468)	49,370	(15)	49,355
Land under roads	272,229	-	272,229	-	-	-	-	83	-	272,312	-	272,312
Infrastructural buildings	12,273	(358)	11,915	7	-	-	(357)	-	-	12,280	(715)	11,565
Solid waste	5,262	(3,310)	1,952	-	-	-	(247)	-	-	5,262	(3,557)	1,705
Capital work in progress - roading	495	-	495	4,672	-	-	-	(2,691)	-	2,476	-	2,476
Capital work in progress - water supply	1,523	-	1,523	6,764	-	-	-	(116)	-	8,171	-	8,171
Capital work in progress - wastewater	473	-	473	2,858	-	-	-	(161)	-	3,170	-	3,170
Capital work in progress - stormwater	1	-	1	307	-	-	-	(21)	-	287	-	287
Capital work in progress - solid waste	-	-	-	25	-	-	-	(25)	-	-	-	-
Taupo Airport Runways	4,874	-	4,874	25	-	-	(175)	-	-	4,899	(175)	4,724
Total infrastructural assets	868,147	(20,312)	847,835	30,808	(602)	-	(15,163)	(2,931)	10,086	880,471	(10,438)	870,033
Restricted assets at cost and valuation												
Reserves	126,118	-	126,118	832	-	-	-	(15)	-	126,935	-	126,935
Taupo Airport Land	3,945	-	3,945	-	-	-	-	270	-	4,215	-	4,215
Total restricted assets	130,063	-	130,063	832	-	-	-	255	-	131,150	-	131,150
Total Group	1,148,542	(50,595)	1,097,947	44,110	(1,929)	(699)	(22,042)	(9,419)	10,086	1,164,422	(46,368)	1,118,054

Group 2017	Cost / revaluation 1 Jul 16 \$000	Accumulated depreciation 1 Jul 16 \$000	Carrying amount 1 Jul 16 \$000	Current year additions (+ gains) \$000	Current year disposals (+ losses) \$000	Current year impairment charges \$000	Current year depreciation \$000	Transfers \$000	Revaluation surplus \$000	Cost / revaluation 30 Jun 17 \$000	Accumulated depreciation 30 Jun 17 \$000	Carrying amount 30 Jun 17 \$000
Operating assets at cost and valuation												
Land	35,892	-	35,892	121	(302)	-	-	(575)	-	35,136	-	35,136
Buildings	66,511	(32)	66,479	1,148	-	(2,732)	(3,478)	-	-	64,831	(3,414)	61,417
Library books	5,882	(4,709)	1,173	315	-	-	(306)	-	-	6,197	(5,015)	1,182
Leased plant & equipment	96	-	96	281	(69)	-	(83)	-	-	298	(73)	225
Office furniture and fittings	30,096	(14,843)	15,253	2,022	(569)	(3)	(2,029)	-	47	30,149	(15,428)	14,721
Mobile plant and equipment	10,033	(6,397)	3,636	1,696	(437)	-	(884)	-	-	10,354	(6,343)	4,011
Heritage assets	2,062	(10)	2,052	-	(2)	-	-	-	-	2,060	(10)	2,050
Capital work in progress - land	13	-	13	2,276	-	-	-	(1,311)	-	978	-	978
Capital work in progress - buildings	39	-	39	1,201	-	-	-	(1,121)	-	119	-	119
Capital work in progress - office furniture & fittings	258	-	258	1,986	-	-	-	(2,051)	-	193	-	193
Capital work in progress - mobile plant & equipment	6	-	6	1,497	-	-	-	(1,503)	-	-	-	-
Capital work in progress - heritage assets	-	-	-	17	-	-	-	-	-	17	-	17
Total operating assets	150,888	(25,991)	124,897	12,560	(1,379)	(2,735)	(6,780)	(6,561)	47	150,332	(30,283)	120,049
Infrastructural assets at cost and valuation												
Roading	319,859	(10,006)	309,853	7,536	(537)	-	(5,142)	-	11,569	323,311	(32)	323,279
Water supply	75,933	(3,094)	72,839	2,575	(15)	-	(3,078)	-	-	78,493	(6,172)	72,321
Wastewater reticulation	111,731	(4,322)	107,409	5,349	(501)	-	(4,402)	-	-	116,509	(8,654)	107,855
Stormwater reticulation	51,735	(912)	50,823	979	-	-	(915)	-	31	52,704	(1,786)	50,918
Land under roads	272,138	-	272,138	-	-	-	-	91	-	272,229	-	272,229
Infrastructural buildings	12,255	-	12,255	17	-	-	(357)	-	-	12,273	(358)	11,915
Solid waste	4,271	(3,157)	1,114	990	-	-	(152)	-	-	5,262	(3,310)	1,952
Capital work in progress - roading	683	-	683	2,632	-	-	-	(2,820)	-	495	-	495
Capital work in progress - water supply	250	-	250	3,316	-	-	-	(2,043)	-	1,523	-	1,523
Capital work in progress - wastewater	2,420	-	2,420	2,792	-	-	-	(4,739)	-	473	-	473
Capital work in progress - stormwater	1	-	1	305	-	-	-	(305)	-	1	-	1
Capital work in progress - solid waste	18	-	18	1,071	-	-	-	(1,089)	-	-	-	-
Taupo Airport Runways	5,028	(420)	4,608	240	-	-	(218)	-	243	4,874	-	4,874
Capital work in progress Taupo Airport runways	15	-	15	-	-	-	-	(15)	-	-	-	-
Total infrastructural assets	856,337	(21,911)	834,426	27,802	(1,053)	-	(14,264)	(10,920)	11,843	868,147	(20,312)	847,835
Restricted assets at cost and valuation												
Reserves	124,881	-	124,881	662	-	-	-	575	-	126,118	-	126,118
Taupo Airport Land	3,945	-	3,945	-	-	-	-	-	-	4,215	-	4,215
Total restricted assets	128,826	-	128,826	662	-	-	-	575	-	130,063	-	130,063
Total Group	1,136,051	(47,902)	1,088,149	41,024	(2,432)	(2,735)	(21,044)	(16,906)	11,890	1,148,542	(50,595)	1,097,947

Heritage assets

Council owns a variety of heritage type assets around the Taupō District that are of cultural or historical significance which are not included in values in the note above.

These assets are made up of mainly carvings and sculptures and Council estimates their value at \$284,000 (2017 \$254,000).

Restrictions to title and security over property, plant & equipment

Land in the "Restricted Asset" category is subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land under a bequest or donation that restricts the purpose for which the assets are used).

Infrastructural assets

Council manages infrastructural assets in accordance with Asset Management Plans. These plans detail the level of service required, the current physical extent, condition and capacity of the network and the timing, extent and cost of work required to maintain and restore the network's defined capacity in future years.

Computers and fitness equipment

These assets are subject to finance leases (note 26).

Impairment

Shortly after balance date asbestos was discovered in Waiora House. This asbestos was exposed at balance date. Due to the estimated remediation costs being higher than the book value of the asset an impairment loss of \$698,142 has been recognised (2017 \$2,735,349 Lake Terrace Office).

Insurance on assets

The total book value of all assets covered by insurance contracts is \$129 million (2017 \$126m).

The Council has chosen to insure these assets for \$298 million (2017 \$305m).

The Council has chosen to self-insure Infrastructure assets as outlined in Council's Taupō Recovery Plan December 2013, by "ring fencing" the cash investments of the TEL Fund of \$59m (2017 \$55m) and providing other funding options including undrawn credit lines, other reserve funds and sufficient head room with respect to borrowing limits. The value of the Roding, Water, Wastewater, Stormwater & Solid Waste assets that are self-insured is \$578 million (2017 \$553m). With the provisions made above, in the event of a loss Council will be eligible for 60% financial support for essential infrastructure recovery from Central Government.

Infrastructural assets- further disclosures

Council 2018	Closing book value \$000	Additions constructed by Council \$000	Assets transferred to Council \$000	Estimated replacement cost \$000
Infrastructural assets				
Water treatment plants & facilities	19,456	-	-	36,998
Other water assets	53,368	208	1,847	109,702
Wastewater treatment plants & facilities	59,486	-	-	130,169
Other wastewater assets	58,481	260	3,261	102,387
Stormwater drainage	48,995	85	1,756	86,389
Roads & footpaths	324,068	3,067	5,666	464,151
Total infrastructural assets	563,854	3,620	12,530	929,796

Water, wastewater and stormwater assets latest valuation 30/6/2018.

Roads and footpaths latest valuation 30/6/2017.

Council 2017	Closing book value \$000	Additions constructed by Council \$000	Assets transferred to Council \$000	Estimated replacement cost \$000
Infrastructural assets				
Water treatment plants & facilities	18,702	832	-	32,134
Other water assets	53,619	1,207	537	100,855
Wastewater treatment plants & facilities	54,490	3,713	-	89,527
Other wastewater assets	53,365	1,008	628	93,054
Stormwater drainage	50,543	305	667	84,994
Roads & footpaths	321,855	2,869	4,667	456,852
Total infrastructural assets	552,574	9,934	6,499	857,416

Group 2018	Closing book value \$000	Additions constructed by Group \$000	Assets transferred to Group \$000	Estimated replacement cost \$000
Infrastructural assets				
Water treatment plants & facilities	19,456	-	-	36,998
Other water assets	53,368	208	1,847	109,702
Wastewater treatment plants & facilities	59,486	-	-	130,169
Other wastewater assets	58,481	260	3,261	102,387
Stormwater drainage	49,355	85	1,756	86,764
Roads & footpaths	325,477	3,067	5,666	465,575
Taupo Airport runways	4,724	25	-	4,899
Total infrastructural assets	570,347	3,645	12,530	936,494

Water, wastewater and stormwater assets latest valuation 30/6/2018.

Roads and footpaths latest valuation 30/6/2017.

Group 2017	Closing book value \$000	Additions constructed by Group \$000	Assets transferred to Group \$000	Estimated replacement cost \$000
Infrastructural assets				
Water treatment plants & facilities	18,702	832	-	32,134
Other water assets	53,619	1,207	537	100,855
Wastewater treatment plants & facilities	54,490	3,713	-	89,527
Other wastewater assets	53,365	1,008	628	93,054
Stormwater drainage	50,918	305	667	85,369
Roads & footpaths	323,279	2,869	4,667	458,276
Taupo Airport runways	4,881	240	-	4,881
Total infrastructural assets	559,254	10,174	6,499	864,096

Valuation

Buildings (operational and restricted)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.

- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.

- The remaining useful life of assets is estimated.

- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential and office buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

Finance leases as lessee

The net carrying amount of property, plant and equipment leased under finance leases is as follows:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Computer equipment	101	173	101	173
Gym equipment	27	52	27	52
Total	128	225	128	225

20. Biological assets – Forestry

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Opening balance	7,450	6,293	7,450	6,293
Gains/(losses) arising from changes in fair value	3,026	1,406	3,026	1,406
Additions	57	224	57	224
Disposals	(1,392)	(473)	(1,392)	(473)
Carrying amount at 30 June	9,141	7,450	9,141	7,450

The forest estate comprises a number of relatively small forests and two larger forests (Rangitaiki & Tirohanga) in the Taupō basin of radiata pine. The total net stocked area of the estate is estimated to be 1,020 hectares (2017 1075.2 hectares) however for the valuation an area of 1000.3 hectares has been used due to inaccessibility issues.

Part of the tree crop (136.9 ha) in the Tirohanga forest has been sold under a 'Pay-as-cut' sale. At balance date 117.6 ha remained to be harvested under this contract. The estimated value of the area remaining under the contract at 30 June 2018, valued at the contracted tonnage rate, is \$3,780,000.

Feasibility, cost and timing of developing final access parts of the Tirohanga forest block are presently unknown. The realisation of the fair value assessed for the Tirohanga block is thus contingent on securing access and an assumption has been made in the valuation as to the timing of securing this access. The securing of access may involve additional costs that are not considered in reaching the assessed fair value presented.

Mike Colley of Woodlands Pacific Consulting Limited, an independent valuer, has valued the remaining forestry assets at \$5,430,000 as at 30 June 2018. The following assumptions have been adopted in determining the fair value of forestry assets (excluding the area currently under contract) :

- a pre tax discount rate of 9.0% (2017 10%) has been used in discounting the present value of expected cashflows.
- notional land rental costs have been included for freehold land.
- forests have been valued on a going concern basis and include the value of the existing crops on a single rotational basis.
- costs and prices are held constant in 2018 NZ dollars i.e. the net impact of inflation is assumed to be zero.
- costs are current average costs. No allowance has been made for cost improvements in future operations.
- log prices are based on national export log price indices for the benchmark China A grade.

The 23% increase in value has come about largely through tree growth and updated log prices and a lower discount rate, countered by an increased estimate of production costs and area harvested under the standing timber sale.

There are no restrictions over the title of forestry assets, nor is any forestry asset pledged as security for liabilities (2017 Nil).

Financial risk management strategies

Council is exposed to financial risks arising from changes in timber prices. As Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, it has not taken any measures to manage the risk of a decline in timber prices.

21. Intangible assets

Movements in the carrying value for each of intangible asset are as follows:

Cost	Computer software \$000	Carbon credits \$000	Total \$000
Council 2018			
Balance at 1 July 2017	3,118	-	3,118
Additions	17	308	325
Balance at 30 June 2018	3,135	308	3,443

Council 2017			
Balance at 1 July 2016	2,934	-	2,934
Additions	184	-	184
Balance at 30 June 2017	3,118	-	3,118

Accumulated amortisation and impairment	Computer software \$000	Carbon credits \$000	Total \$000
Council 2018			
Balance at 1 July 2017	(2,396)	-	(2,396)
Amortisation	(308)	-	(308)
Balance at 30 June 2018	(2,704)	-	(2,704)

Council 2017			
Balance at 1 July 2016	(2,049)	-	(2,049)
Amortisation	(347)	-	(347)
Balance at 30 June 2017	(2,396)	-	(2,396)

Carrying amounts	Computer software \$000	Carbon credits \$000	Total \$000
Council			
Balance at 1 July 2016	885	-	885
Balance at 30 June and 1 July 2017	722	-	722
Balance at 30 June 2018	431	308	739

Cost	Computer software \$000	Carbon credits \$000	Total \$000
Group 2018			
Balance at 1 July 2017	3,124	-	3,124
Additions	17	308	325
Balance at 30 June 2018	3,141	308	3,449

Group 2017			
Balance at 1 July 2016	2,939	-	2,939
Additions	187	-	187
Disposals	(2)	-	(2)
Balance at 30 June 2017	3,124	-	3,124

Accumulated amortisation and impairment	Computer software \$000	Carbon credits \$000	Total \$000
Group 2018			
Balance at 1 July 2017	(2,398)	-	(2,398)
Amortisation	(309)	-	(309)
Balance at 30 June 2018	(2,707)	-	(2,707)

Group 2017			
Balance at 1 July 2016	(2,051)	-	(2,051)
Amortisation	(347)	-	(347)
Balance at 30 June 2017	(2,398)	-	(2,398)

Carrying amounts	Computer software \$000	Carbon credits \$000	Total \$000
Group			
Balance at 1 July 2016	888	-	888
Balance at 30 June and 1 July 2017	726	-	726
Balance at 30 June 2018	434	308	742

Impairment

Carbon credits

Council considers there is no impairment of carbon credits held as they are expected to be fully utilised in satisfying carbon obligations from its landfill operations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

22. Investment property

Total fair value of investment properties is shown in the table below:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Land	11,479	13,972	11,479	13,972
Buildings	853	847	853	847
Balance at 30 June	12,332	14,819	12,332	14,819

The movement of investment property is as follows:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Opening balance	14,819	25,691	14,819	25,691
Fair value gains/(losses) on valuation	393	1,826	393	1,826
Additions	10	1,018	10	1,018
Disposals	-	(2,917)	-	(2,917)
Transfers (to)/ from property plant and equipment	(83)	(91)	(83)	(91)
Transfers (to)/ from inventories and assets held for sale	(2,807)	(10,708)	(2,807)	(10,708)
Balance at 30 June	12,332	14,819	12,332	14,819

Investment properties are valued annually effective at 30 June to fair value. The valuation was performed by M MacDonald BBS (VPM) GradDipBusStud (Rural valuation) MPINZ, an independent valuer from QV Asset & Advisory. QV Asset & Advisory is an experienced valuer with extensive market knowledge in the types and location of investment properties owned by the Council.

The valuation methodology and assumptions used were:

- all land has been valued on a fair market, highest and best use basis, each site has been individually considered and valued in accordance with current market conditions;
- all buildings are valued with reference to the market where market evidence exists, highest and best use of the property has been considered when formulating the valuation approach;
- site and other improvements relating to various land assets have been assessed on a fair value market basis, in the absence of conclusive market value evidence, improvements have been valued by the depreciated replacement cost approach; and
- all lessee (non Council) improvements have been excluded from the valuation.

Amounts relating to investment property and recognised in surplus or deficit include:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Rental revenue from investment property	120	134	120	134
Direct operating expenses related to investment property that generated rental revenue during the period	27	31	27	31
Direct operating expenses related to investment property that did not generate rental revenue during the period	101	155	101	155
Contractual obligations for capital expenditure	16	-	16	-

23. Trade and other payables

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Trade payables	4,765	4,441	4,953	4,722
Accrued expenses	908	1,609	1,060	1,752
Councillor fees payable	13	13	13	13
Accrued interest on borrowings	415	382	415	382
Deposits and bonds	831	682	839	696
Revenue in advance	3,099	2,801	3,146	2,850
Total creditors and other payables	10,031	9,928	10,426	10,415
Total creditors and other payables from exchange transactions	6,091	6,424	6,593	6,864
Total creditors and other payables from non-exchange transactions	3,940	3,504	3,833	3,551
Total current creditors and other payables from exchange and non-exchange transactions	10,031	9,928	10,426	10,415

Trade payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade payables approximates their fair value.

24. Employee entitlements

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Current portion				
Accrued pay	79	74	86	77
Annual leave	2,230	1,788	2,387	1,920
Lieu leave	134	131	141	135
Retirement gratuities & long service leave	179	209	179	213
Sick leave	46	39	46	39
Total current portion	2,668	2,241	2,839	2,384
Non-current portion				
Retirement gratuities & long service leave	395	376	403	384
Total non-current portion	395	376	403	384
Total employee entitlements	3,063	2,617	3,242	2,768

The present value of retirement gratuities and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation figure. Any changes in these assumptions will affect the carrying amount of the liability.

A discount factor of 1.78% (2017 1.97%) and an inflation factor of 2% (2017 2%) were used.

25. Provisions

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Non-current portion				
Value landfill - closure and post closure provision	92	69	92	69
	92	69	92	69
Movements in provisions				
Opening balance	69	63	69	63
Additional provisions made during the year	23	6	23	6
Closing balance	92	69	92	69

Taupō District Council gained resource consent in September 1998 to operate the Broadlands Road Landfill. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed.

There are closure and post-closure responsibilities such as the following:

Closure responsibilities	Post-closure responsibilities
Final application and vegetation	Treatment and monitoring of leachate
Final application and vegetation	Ground water and surface monitoring
Facilities for leachate collection and monitoring	Gas monitoring and recovery
Facilities for water quality monitoring	Implementation of remedial measures such as needed for cover and control systems
Facilities for monitoring and recovery of gas	On going site maintenance for drainage systems, final cover and vegetation

The management of the landfill will influence the timing of recognition of some liabilities, for example, the current landfill consists of a series of new cells being progressively opened as old ones are completed. Each of these requires additional capital expenditure and the recalculation of the landfill aftercare provision.

Capacity of the Site

The estimated remaining capacity of the site as at 30 June 2018 is approximately 295,789 cubic metres (2017 325,177 cubic metres).

The estimated remaining life as at 30 June 2018 is 9 years (2017 10 years).

Estimates of the remaining capacity and life have been made by Council's engineers based on historical volume information and early results from the Solid Waste Management Strategy.

The cash outflows for landfill post-closure are expected to occur between 2030 and 2035. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 7.75%.

26. Borrowings

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Current portion				
Commercial paper	19,000	21,000	19,000	21,000
Debentures	30,000	-	30,000	-
Finance lease liabilities	102	94	102	94
Total secured current interest bearing borrowings	49,102	21,094	49,102	21,094
Non-current portion				
Debentures	95,000	125,000	95,000	125,000
Finance lease liabilities	36	142	36	142
Total secured non-current interest bearing borrowings	95,036	125,142	95,036	125,142
Total borrowings	144,138	146,236	144,138	146,236

The Treasury Management Policy provides rules to ensure investments are held in accordance with legislative provisions and internal investment risk management strategies. Throughout the financial year ended 30 June 2018, one of these investment policies was in breach – the fixed rate maturity profile limit was exceeded. This breach has occurred since the revision of the Treasury Management policy adopted effective 1 July 2015, when Council adopted a more conservative limit for the fixed rate maturity profile, with the understanding that it will take a number of years to transition Council's existing interest rate hedging instruments to align with the policy.

Bank facilities

Council has a total of \$50m (2017 \$50m) committed bank facilities, \$10m expires June 2021 and \$40m expires December 2019. Of the facilities nil (2017 \$nil) was drawn as at balance date.

Commercial paper, fixed and floating rate notes

Council has issued nil (2017 \$nil) of fixed and floating rate notes at balance date.

Council has commercial paper of \$19m currently on issue (2017 \$21m)

NZ Local Government Funding Agency

Council has issued \$125m (2017 \$125m) of floating rate debt securities as at balance date and these are entirely covered by interest rate swaps at fixed rates.

Security

All of Council's secured loans are secured under the terms of the Debenture Trust Deed between the Council and Trustees Executors, as Trustee. Security is by a charge over the Council's ability to levy rates in favour of the Trustee. Pursuant to the Trust Deed Council has issued debenture and security stock certificates of \$109.5 million at 30 June 2018 (2017 \$111.5 million) to secure the various debentures issued, bank loan facilities, guarantees issued on behalf of Council and other general banking facilities.

Lease liabilities are effectively secured, as the rights to the leased asset revert to the lessor in the event of default.

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Payable no later than one year	49,102	21,099	49,102	21,099
Later than one, not later than two years	33	30,102	33	30,102
Later than two, not later than five years	45,002	20,035	45,002	20,035
Later than five years	50,000	75,000	50,000	75,000
	144,137	146,236	144,137	146,236
Total minimum lease payments payable				
Payable no later than one year	106	109	106	109
Later than one, not later than two years	34	106	34	106
Later than two, not later than five years	2	36	2	36
Total minimum lease payments	142	251	142	251
Future finance charges	(5)	(15)	(5)	(15)
Present value of minimum lease payments	137	236	137	236
Represented by:				
Current	102	99	102	99
Non-current	35	137	35	137
Total finance leases	137	236	137	236

At the Council, finance leases are largely related to the leasing of computer equipment. A summary of the net carrying amount of all leased assets is in note 19.

The finance leases can be renewed at the Council and Group's option, with rents set by reference to current market rates for items of an equivalent age and condition. The Council and Group do have the option to purchase the assets at the end of the lease term.

There are no restrictions placed on the Council or Group by any of the finance leasing arrangements.

27. Derivative financial instruments

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Non-current liability portion				
Interest rate swaps	24,083	22,443	24,083	22,443
Total non-current liability portion	24,083	22,443	24,083	22,443

The fair value of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced (Infocan) market parameters such as interest rate yield curves. The interest rate swaps have been valued by Hedgebook as at 30 June 2018.

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2018 were \$205,250,000 (2017 \$153,350,000).

At 30 June 2018, the fixed interest rates of interest rate swaps vary from 4.64% to 6.16% (2017 4.05% to 6.16%).

28. Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Surplus/(deficit) after tax	24,497	24,347	24,406	23,961
Add/(less) non-cash items				
Depreciation and amortisation	22,075	21,058	22,343	21,382
Vested and first time recognition assets	(13,598)	(7,267)	(13,598)	(7,267)
Unrealised (gains)/losses in fair value of biological assets	(3,026)	(1,406)	(3,026)	(1,406)
Unrealised (gains)/ losses in fair value of corporate bonds	17	-	17	-
Unrealised (gains)/losses in fair value of non-hedge accounted derivatives	1,640	(8,804)	1,640	(8,804)
Unrealised (gains)/losses in fair value of investment properties and assets held for sale	(1,078)	(1,768)	(1,078)	(1,768)
Unrealised (gains)/losses on equities	(1,329)	(556)	(1,329)	(556)
Asset impairment and write-off	698	2,735	698	2,735
Add/(less) items classified as investing activity				
Net (gain)/loss on sale/write-offs	571	(2,676)	574	(2,673)
Capital subsidies	(1,846)	(1,353)	(1,846)	(1,353)
(Increase)/decrease in accounts receivable for capital disposals	311	-	311	-
Non-operating movement in deferred tax	-	-	58	(153)
Increase/(decrease) in accounts payable for capital expenditure	998	258	581	258
Non-cash adjustment to Airport Capital	-	-	-	(216)
(Increase)/decrease in accounts receivable	(1,126)	(1,061)	(997)	(1,058)
(Increase)/decrease in inventories	37	9	46	11
Increase/(decrease) in accounts payable	(782)	1,195	(491)	1,307
Net cash inflow/(outflow) from operating activities	28,059	24,711	28,309	24,400

29. Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council Group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such Group transactions.

Key management personnel compensation

	Council	
	Actual 2018 \$000	Actual 2017 \$000
Councillors		
Remuneration (Council Elected Members)	474	460
Full-time equivalent members	11	11
Senior Leadership Team, including the Chief Executive		
Remuneration (CEO & SLT)	1,722	1,319
Full-time equivalent members*	9	7
Total key management personnel compensation	2,196	1,779
Total full-time equivalent members	20	18

Due to the difficulty in determining the full-time equivalent for Councillors, the fulltime equivalent figure is taken as the number of Councillors.

It should be noted that the definition of key management personnel for this disclosure includes the Mayor, Councillors, the Chief Executive and members of the Senior Leadership Team. Details of remuneration paid to Councillors and Community Board members are provided in note 31.

* Note as at the 30 June 2018 there were eight actual members of the Senior Leadership Team

30. Financial instruments

Council is risk averse and seeks to minimise risk exposure associated with financial instruments and treasury activity.

Council has risk management policies and processes in place particularly with regard to risk exposures relating to interest rates and the concentration of credit risk.

Council has established a Treasury Management Policy specifying which transactions can be entered into. The policy does not allow any transactions which are speculative in nature.

(a) Financial instrument categories

Assets - Council	Held for trading \$000	Assets at fair value through surplus or deficit \$000	Loans and receivables \$000	Available for sale \$000	Total \$000
30 June 2018					
Cash and cash equivalent	-	-	12,761	-	12,761
Receivables and prepayments	-	-	6,033	-	6,033
Other financial assets:					
Bonds	-	-	-	4,048	4,048
Term deposits	-	-	92,482	-	92,482
Borrower notes	-	-	2,208	-	2,208
Community loans	-	-	821	-	821
Listed shares	-	9,082	-	-	9,082
Unlisted shares	-	-	-	236	236
Total assets	-	9,082	114,305	4,284	127,671
30 June 2017					
Cash and cash equivalent	-	-	8,294	-	8,294
Receivables and prepayments	-	-	4,651	-	4,651
Other financial assets:					
Bonds	-	-	-	4,158	4,158
Term deposits	-	-	89,840	-	89,840
Borrower notes	-	-	2,159	-	2,159
Community loans	-	-	866	-	866
Listed shares	-	4,657	-	3,323	7,980
Unlisted shares	-	-	-	238	238
Total assets	-	4,657	105,810	7,719	118,186
Assets - Group					
30 June 2018					
Cash and cash equivalents	-	-	13,329	-	13,329
Receivables and prepayments	-	-	5,954	-	5,954
Other financial assets:					
Bonds	-	-	-	4,048	4,048
Term deposits	-	-	92,732	-	92,732
Borrower notes	-	-	2,208	-	2,208
Community loans	-	-	821	-	821
Listed shares	-	9,082	-	-	9,082
Unlisted shares	-	-	-	236	236
Total assets	-	9,082	115,044	4,284	128,410
30 June 2017					
Cash and cash equivalent	-	-	9,167	-	9,167
Receivables and prepayments	-	-	4,766	-	4,766
Other financial assets:					
Bonds	-	-	-	-	-
Term deposits	-	-	89,840	-	89,840
Borrower notes	-	-	2,159	-	2,159
Community loans	-	-	866	-	866
Listed shares	-	4,657	-	-	4,657
Unlisted shares	-	-	-	100	100
Total assets	-	4,657	106,798	100	111,555

Liabilities - Council	Held for trading \$000	Measured at amortised cost \$000	Total \$000
30 June 2018			
Borrowings			
Derivative financial instruments	24,083	-	24,083
Debentures & commercial paper	-	144,000	144,000
Payables and accruals	-	6,641	6,641
Total liabilities	24,083	150,641	174,724
30 June 2017			
Borrowings			
Derivative financial instruments	22,443	-	22,443
Debentures & commercial paper	-	146,000	146,000
Payables and accruals	-	6,871	6,871
Total liabilities	22,443	152,871	175,314

Liabilities - Group	Held for trading \$000	Measured at amortised cost \$000	Total \$000
30 June 2018			
Borrowings			
Derivative financial instruments	24,083	-	24,083
Debentures & commercial paper	-	144,000	144,000
Payables and accruals	-	6,969	6,969
Total liabilities	24,083	150,969	175,052
30 June 2017			
Borrowings			
Derivative financial instruments	22,443	-	22,443
Debentures & commercial paper	-	146,000	146,000
Payables and accruals	-	7,297	7,297
Total liabilities	22,443	153,297	175,740

(b) Market risk

Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. Council is exposed to price risk through its equity securities, which are classified as financial assets held at fair value through the surplus or deficit. This price risk arises due to market movements in the value of listed securities. This price risk is managed by the diversification of Council's investment portfolio and is managed by Council's Treasury Management Group and external Fund Advisors in accordance with Council's Investment Policy.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Taupō District Council has no significant exposure to currency risk.

Interest rate risk

The main objective of interest rate risk management is to reduce uncertainty around net interest expense as interest rates change. Mechanisms used include matching the interest rate profile of the Council and Group's financial investments and financial liabilities and, where appropriate, fixing rates through fixed rate borrowings and the use of interest rate derivatives.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could impact on the cost of borrowing or the return from an investment.

Council's Liability Management Policy sets minimum and maximum levels of fixed rate exposure for borrowings, across various time windows.

Council's Investment Policy provides for interest rate risk on investments to be managed by Council as part of its overall investment strategy.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Taupō District Council manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest rate swaps. These interest rate swaps have the economic effect of converting floating rate borrowings into fixed rates that are generally lower than those available if Taupō District Council borrowed at fixed rates directly.

Under the interest rate swaps, Taupō District Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Disclosure of the value of Council's interest rate swap instruments is made in note 27.

Sensitivity analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonable possible market movements, with all other variables held constant, based on Taupō District Council's financial instrument exposures at balance date. These tables represent both the Council & Group position as there are no financial instruments requiring analysis for controlled entities.

Council and Group

Interest Rate Risk	2018				2017			
	-100bps		+100bps		-100bps		+100bps	
	Profit \$000	Other equity \$000	Profit \$000	Other equity \$000	Profit \$000	Other equity \$000	Profit \$000	Other equity \$000
Financial assets								
Cash and cash equivalents (1)	-	-	-	-	-	-	-	-
Term deposits (2)	-	-	-	-	-	-	-	-
Community loans (3)	-	-	-	-	-	-	-	-
Local authority stock (4)	-	-	-	-	-	-	-	-
Bonds (4)	-	14	-	(14)	-	54	-	(53)
Financial liabilities								
Borrowings (5)	-	-	-	-	-	-	-	-
Interest rate derivatives (6)	(11,642)	-	10,430	-	(10,016)	-	9,122	-
Total sensitivity to interest rate risk	(11,642)	14	10,430	(14)	(10,016)	54	9,122	(53)

Council and Group

Foreign Exchange Risk	2018				2017			
	-5%		+5%		-5%		+5%	
	Profit \$000	Other equity \$000	Profit \$000	Other equity \$000	Profit \$000	Other equity \$000	Profit \$000	Other equity \$000
Financial assets								
Quoted share investments (7a)	348	-	(315)	-	220	-	(199)	-
Total sensitivity to foreign exchange risk	348	-	(315)	-	220	-	(199)	-
Financial liabilities								
Quoted share investments (7b)	(454)	-	454	-	(233)	-	233	-
Total sensitivity to equity price risk	(454)	-	454	-	(233)	-	233	-

Explanation of sensitivity analysis- Council and Group

1 - Cash and cash equivalents

Cash and cash equivalents include deposits at call of \$5,069,817 (2017 \$5,284,543), which are at an interest rate close to the Official Cash Rate and term deposits of less than three months from acquisition date of \$8,257,592 (2017 \$3,009,223). As the likelihood of this rate moving on balance date is unlikely no sensitivity analysis has been applied.

2 - Term deposits

Term deposits are valued at principal plus accrued interest \$92,731,184 (2017 \$89,840,040). A movement of plus or minus 1% in the interest rate has nil effect on the profit and loss (2017 \$Nil).

3- Community loans

Taupō District Council has lent the Southern Lakes Taupō Health Trust \$300,000 for a period of 25 years at 2% pa, this loan was valued at fair value of \$137,768 (2017 \$128,513) at balance date. Taupō District Council has lent TMP Properties Ltd \$681,285 (2017 \$737,650) on normal commercial terms for a period of 15 years at BNZ commercial rate. Changes in interest rates at balance date will not affect the valuation of these loans.

4 - Local Authority Stock and Corporate Bonds

Corporate Bonds have a fair value of \$4,048,456 (2017 \$4,158,251). A movement of plus or minus 1% in the interest rate has an effect on other equity of (\$13,771)/\$13,884 (2017 (\$53,332)/\$54,317).

5 - Borrowings

Taupō District Council's bank facilities were undrawn at balance date, a movement of plus or minus 1% in the interest rate would have no effect. The fixed and floating rate notes are held to maturity therefore no sensitivity analysis has been completed.

6- Interest Rate Derivatives

Derivative financial instruments liabilities are interest rate swaps with a fair value totalling \$24,082,678 (2017 \$22,442,756). A movement in interest rate of plus/minus 1% has an effect on the unrealised value of the derivatives of \$10,429,780/ (\$11,641,763) (2017 \$9,122,000/ (\$10,015,000)).

7- Quoted share investments

a) Taupō District Council holds listed equity instruments in Tesco Ltd, Unilever, BHP Billiton, ANZ, Brambles, Scentre Group, AGL Energy, Amcor, APA Group and Ramsay Healthcare which are publicly traded and listed on the LSE or ASX exchanges. If there was a movement of plus or minus 5% in the British pound and Australian dollar this would have the effect of (\$314,794)/\$347,930 in the fair value through profit. (2017 (\$199,000)/\$220,000).

b) For these same shares and the NZ shareholdings in Auckland International Airport, Port of Tauranga and Freightways, if the share price moved plus or minus 5% this would have the effect of \$454,087/ (\$454,087) in the fair value through profit, (2017 \$233,000/ (\$233,000)).

(c) Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing the Council to incur a loss.

Financial instruments which potentially subject the Council to credit risk principally consist of bank balances, accounts receivable, all investments, and sports club and other guarantees.

Council's Investment Policy limits the amount of credit exposure on investment instruments to any one institution or organisation. There are also minimum credit rating limits in place.

The Council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is provided in note 33.

There are no significant concentrations of credit risk with accounts receivable balances as Council has a large number of credit customers, mainly ratepayers, and there are appropriate debt management practices in place. Council has significant powers under the Local Government (Rating) Act 2002 to recover outstanding amounts from ratepayers.

Maximum exposure to credit risk

Taupō District Council's maximum credit exposure (including accrued interest at balance date) for each class of financial instrument is as follows:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Cash at bank and term deposits	105,243	98,134	106,061	99,007
Debtors and other receivables	6,033	4,651	5,954	4,766
Community & related party loans	821	866	821	866
Local authority & government stock (NZLGFA)	2,208	2,159	2,208	2,159
Corporate stock	4,048	4,158	4,048	4,158
Total credit risk	118,353	109,968	119,092	110,956

Credit quality of financial assets

The credit quality of financial assets, at carrying value, that are neither past due nor impaired can be assessed by reference to Standard & Poor's credit ratings (if available) or to historical information about counterparty default rates:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Counterparties with credit ratings				
Cash at bank and term bank deposits				
AA-	90,766	98,134	91,584	99,007
A	14,477	-	14,477	-
Total cash at bank and term bank deposits	105,243	98,134	106,061	99,007
Corporate stock				
AA-	4,048	4,158	4,048	4,158
BBB+	-	-	-	-
Total corporate stock	4,048	4,158	4,048	4,158
Counterparties without credit ratings				
Community & related party loans	821	866	821	866
Total community & related party loans	821	866	821	866

Debtors and other receivables mainly arise from Taupō District Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Taupō District Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and Taupō District Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

(d) Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty in raising sufficient funds to meet financial commitments as they fall due.

Liquidity risk management ensures that there is sufficient cash available to meet obligations in an orderly manner as they fall due. As part of liquidity risk management Council, at 30 June 2018, had \$50m of un-drawn committed bank facilities (2017: \$50m). Council's Treasury Management Policy also requires spreading of debt maturities across financial periods to avoid concentration of risk.

Council also holds cash and cash equivalents to manage short-term liquidity risk.

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is provided in note 33.

Contractual maturity analysis of financial assets and liabilities

The table below analyses Taupō District Council's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt and interest rate derivatives are based on the relevant interest rate at balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 year \$000	Between 1 and 2 years \$000	Between 2 and 5 years \$000	Over 5 years \$000	Total contractual cash flows \$000	Carrying amount (assets)/ liabilities \$000
Council 2018						
Financial assets						
Cash and cash equivalents	12,760	-	-	-	12,760	12,760
Debtors and other receivables	6,033	-	-	-	6,033	6,033
Term deposits	83,843	10,494	-	-	94,337	92,482
Community loans	115	115	347	688	1,265	821
Local authority stock (NZLGFA)	584	-	860	1,019	2,463	2,208
Bonds	4,146	-	-	-	4,146	4,048
Total financial assets	107,481	10,609	1,207	1,707	121,004	118,352
Financial liabilities						
Creditors and other payables	6,641	-	-	-	6,641	6,641
Net settled derivative liabilities	4,767	4,780	12,903	17,069	39,519	24,083
Secured loans	68	68	48	-	184	-
Debentures & commercial papers	28,358	33,084	51,724	55,298	168,464	144,000
Finance leases	106	34	2	-	142	137
Total financial liabilities	39,940	37,966	64,677	72,367	214,950	174,861
Council 2017						
Financial assets						
Cash and cash equivalents	8,301	-	-	-	8,301	8,294
Debtors and other receivables	4,627	24	-	-	4,651	4,651
Term deposits	91,300	-	-	-	91,300	89,840
Community loans	100	116	347	810	1,373	866
Local authority stock (NZLGFA)	-	584	368	1,509	2,461	2,159
Bonds	229	4,146	-	-	4,375	4,158
Total financial assets	104,557	4,870	715	2,319	112,461	109,968
Financial liabilities						
Creditors and other payables	6,871	-	-	-	6,871	6,871
Net settled derivative liabilities	4,792	4,792	14,073	14,937	38,594	22,443
Secured loans	68	68	116	-	252	-
Debentures & commercial papers	24,300	33,033	26,620	82,044	165,997	146,000
Finance leases	109	106	36	-	251	236
Total financial liabilities	36,140	37,999	40,845	96,981	211,965	175,550

	Less than 1 year \$000	Between 1 and 2 years \$000	Between 2 and 5 years \$000	Over 5 years \$000	Total contractual cash flows \$000	Carrying amount (assets)/ liabilities \$000
Group 2018						
Financial assets						
Cash and cash equivalents	13,329	-	-	-	13,329	13,329
Debtors and other receivables	5,954	-	-	-	5,954	5,954
Term deposits	84,093	10,494	-	-	94,587	92,732
Community loans	115	115	347	688	1,265	821
Local authority stock (NZLGFA)	584	-	860	1,019	2,463	2,208
Bonds	4,146	-	-	-	4,146	4,048
Total financial assets	108,221	10,609	1,207	1,707	121,744	119,092
Financial liabilities						
Creditors and other payables	6,969	-	-	-	6,969	6,969
Net settled derivative liabilities	4,767	4,780	12,903	17,069	39,519	24,083
Secured loans	68	68	48	-	184	-
Debentures & commercial papers	28,358	33,084	51,724	55,298	168,464	144,000
Finance leases	106	34	2	-	142	137
Total financial liabilities	40,268	37,966	64,677	72,367	215,278	175,189
Group 2017						
Financial assets						
Cash and cash equivalents	9,167	-	-	-	9,167	9,167
Debtors and other receivables	4,742	24	-	-	4,766	4,766
Term deposits	91,300	-	-	-	91,300	89,840
Community loans	100	116	347	810	1,373	866
Local authority stock (NZLGFA)	-	584	368	1,509	2,461	2,159
Bonds	229	4,146	-	-	4,375	4,158
Total financial assets	105,538	4,870	715	2,319	113,442	110,956
Financial liabilities						
Creditors and other payables	7,297	-	-	-	7,297	7,297
Net settled derivative liabilities	4,792	4,792	14,073	14,937	38,594	22,443
Secured loans	68	68	116	-	252	-
Debentures & commercial papers	24,300	33,033	26,620	82,044	165,997	146,000
Finance leases	109	106	36	-	251	236
Total financial liabilities	36,566	37,999	40,845	96,981	212,391	175,976

(e) Fair value estimation

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1)- Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2)- Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3)- Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Total \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000
Council 2018				
Financial assets				
Local government and corporate bonds	4,175	127	4,048	-
Listed shares	9,082	9,082	-	-
Unlisted shares	237	-	237	-
Total financial assets	13,494	9,209	4,285	-
Financial liabilities				
Derivative financial instruments	24,083	24,083	-	-
Total financial liabilities	24,083	24,083	-	-
Council 2017				
Financial assets				
Local government and corporate bonds	4,158	-	4,158	-
Listed shares	4,657	4,657	-	-
Unlisted shares	238	-	238	-
Total financial assets	9,053	4,657	4,396	-
Financial liabilities				
Derivative financial instruments	22,443	22,443	-	-
Total financial liabilities	22,443	22,443	-	-
Group 2018				
Financial assets				
Local government and corporate bonds	4,175	127	4,048	-
Listed shares	9,082	9,082	-	-
Unlisted shares	237	-	237	-
Total financial assets	13,494	9,209	4,285	-
Financial liabilities				
Derivatives financial instruments	24,083	24,083	-	-
Total financial liabilities	24,083	24,083	-	-
Group 2017				
Financial assets				
Local government and corporate bonds	4,158	-	4,158	-
Listed shares	4,657	4,657	-	-
Unlisted shares	238	-	238	-
Total financial assets	9,053	4,657	4,396	-
Financial liabilities				
Derivative financial instruments	22,443	22,443	-	-
Total financial liabilities	22,443	22,443	-	-

31. Remuneration

Chief Executive Officer's Remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$310,709 (2017 \$280,511).

The Chief Executive Officer of the Taupō District Council is appointed under Section 42 of the Local Government Act 2002.

Elected representatives received the following remuneration (including non-financial benefits):

	Actual 2018 \$000	Actual 2017 \$000
Mayor		
Trewavas, David	114,830	112,596
Total	114,830	112,596

The figure disclosed for the Mayors' remuneration includes a non-cash benefit of \$4,498 (2017 \$4,427) in relation to the mayoral car.

	Actual 2018 \$000	Actual 2017 \$000
Councillors		
Boddy, John	34,073	33,360
Harvey, Rosie	40,888	37,932
Hickling, Barry	39,531	35,853
Jollands, Rosanne	34,073	33,360
Kingi, Tangonui	36,736	25,246
Park, Anna	41,106	34,672
Rankin, Christine	34,486	23,521
Stewart, Margaret	25,288	10,735
Trueman, Kirsty	38,774	34,362
Williamson, John	34,073	33,360
Chrustowski, Bernhard	-	10,080
Cozens, Zane	441	34,735
Total Councillors remuneration	359,469	347,216
Turangi/Tongariro Community Board		
Hema, Andy	16,455	12,061
Donlon, Karen	8,153	5,601
Holt, Sharlyn	8,153	5,601
Jenkins, Pauline	5,115	-
New, Te Takinga	8,152	8,282
Van der Aa, Walter	8,152	7,982
Kingi, Tangonui	-	4,762
Nelson, Sally	105	5,601
Smallman, Mary	-	2,403
Te Whare, Chris	-	2,403
Total community board remuneration	54,285	54,696

The monetary remuneration detailed above (salary and allowances) is determined by Council resolution within limits set by the Local Government Elected Members Determination in accordance with the provisions of Clause 6 Schedule 7 of the Local Government Act 2002. Fringe benefit tax of \$6,723 was paid to the IRD by Council for a vehicle supplied to Mayor David Trewavas (2017 \$6,662).

Council employees

Total annual remuneration by band for employees at 30 June:

	Number of employees	
	2018	2017
Less than \$60,000	206	208
\$60,000-\$79,999	78	61
\$80,000-\$99,999	38	41
\$100,000-\$119,999	26	20
\$120,000-\$159,999	12	12
\$160,000-\$239,999	10	6
\$240,000-\$319,999	1	1
Total employees	371	349

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 261 (June 2017 246) full-time employees, with the balance of staff representing 54.3 (June 2017 46.4) full time equivalent employees. A full-time employee is determined on the basis of a 37.5 or 40-hour working week.

32. Capital & operational commitments and operating leases

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Capital commitments				
Water supply capex/renewals	1,400	18	1,400	18
Wastewater capex/renewals	2,298	311	2,298	311
Stormwater capex/renewals	161	-	161	-
District roading capex/renewals	2,127	-	2,127	-
Building renewals	-	477	-	477
Otumuheke cultural and ecological enhancement project	452	-	452	-
Other capex/renewals	17	-	17	-
Total capital commitments	6,455	806	6,455	806
Operational commitments				
Wastewater	2,041	2,135	2,041	2,135
District roading	28,010	3,609	28,010	3,609
Refuse	5,142	5,674	5,142	5,674
Supply of document production services	17	48	17	48
Office equipment leases	-	44	-	44
Security	718	116	718	116
District electricity supply	1,886	2,516	1,886	2,516
Three waters maintenance	6,477	10,114	6,477	10,114
Building maintenance	121	198	121	198
Cleaning contracts	812	498	812	498
Generator contract	5	23	5	23
Property leases	1,126	942	1,126	942
Economic Development	100	100	100	100
Total operational commitments	46,455	26,017	46,455	26,017
Total capital and operational commitments	52,910	26,823	52,910	26,823

Non-cancellable operating leases as lessee:

Included in the above commitments are leases of property, plant and equipment that Taupō District Council has entered into the normal course of its business. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Minimum operating lease payments payable:				
Payable no later than one year	120	120	120	120
Later than one, not later than two years	74	83	74	83
Later than two, not later than five years	222	85	222	85
Later than five years	718	661	718	661
Total non-cancellable operating leases	1,134	949	1,134	949

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$0 (2017 \$21,327).

Operating leases as lessor

Investment property is leased under operating leases. The leases have various non-cancellable terms depending on the nature of the lease and the terms negotiated. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Not later than one year	479	534	461	419
Later than one year and not later than five years	1,066	1,244	1,066	1,244
Later than five years	2,382	1,986	2,382	1,986
Total non-cancellable operating leases	3,927	3,764	3,909	3,649

No contingent rents have been recognised during the period.

33. Contingencies

Contingent liabilities

Taupō 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 AA+.

Council is one of 30 local authority shareholders and 45 local authority guarantors 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 2018, NZLGFA had borrowings totalling \$8,272m (2017 \$7,945m). This figure is made up of the face value of the LGFA's bonds on issue of \$7,719m (2017 \$7,505m), accrued interest on bonds on issue of \$72m (2017 \$66m), the face value of bills on issue of \$475m (2017 \$350m) and bonds LGFA lent to counterparties under bond repurchase transactions of \$6m (2017 \$25m).

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA 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

Taupō District Council

Scientific advice has been received regarding the Hipaua Geothermal Landslide risk near Waihi at the southern end of Lake Taupō. 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 (2017 Same contingency disclosure made).

A land subsidence issue has been identified in the Taupō urban area, with the potential for property damage and therefore raising liability issues. Taupō District Council does not believe it has any direct potential liability, specifically related to the causes of the subsidence. The issue of contingent liability however, currently unquantifiable, is under review (2017 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 ever eventuate (2017 Same disclosure of this contingency).

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 is one leaky building claim filed with the High Court seeking damages and costs totalling \$424,000. The Council is actively defending the claim and is seeking to join third parties to share any liability it may be found to have following mediation or trial.

In 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadowclad plywood cladding sheets manufactured and distributed by CHH. The MOE's original claim against CHH was for 833 school buildings, 40 of which are located within the Taupō District. In 2016, CHH commenced proceedings against 48 Councils, including Taupō District Council, alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. During the current year the Councils sought to strike out CHH's claims against them. The High Court declined the strike out of the claim, but struck out proceedings in relation to 28 school buildings (6 in Taupō District) built outside the 10 year long stop contained within the Building Act 2004. Further, CHH applied for trial staging, with proceedings to commence in relation to 20 buildings. MoE opposed the application, seeking a trial on the determination of whether shadowclad is inherently defective. The High Court accepted the MoE proposal. CHH has appealed this decision. At present, there is still insufficient information to conclude on potential liability and claim quantum, if any. (2017 Same contingency disclosure made).

In addition to the weather tightness building defect claim, there are a further 5 unresolved potential legal and insurance claims against Council as at 30 June 2018 (2017 8 claims). All matters present some contingent liability risk related to building or resource consents, property damage, or other aspects of Council's operations which the claimants believe has caused them loss. It is not possible for Council to quantify a maximum financial exposure for these claims. Council has notified its insurers where relevant and will seek to limit actual liability, if indeed there is any liability at all.

The potential for erosion and flooding risk has been identified through technical reports around the foreshore of Lake Taupō, with the potential for property damage and therefore raising liability issues. Taupō 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, is under review (2017 Same contingency disclosure made).

Due to recent earthquakes in Canterbury, Council needs to assess whether there is any risk to buildings in the Taupō District. Council has begun the task of evaluating its own buildings, commencing with the buildings of highest risk to human life, to determine if they may be earthquake prone, the buildings assessed so far comply for the intended use. The issue of contingent liability, if any, is unquantifiable (2017 Same contingency disclosure made).

There are no contingent assets or liabilities relating to the subsidiary entities (2017 nil).

Contingent assets

There are no contingent assets for the Group as at 30 June 2018.

34. Events after balance date

There were no significant events after balance date that require reporting.

35. Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 [the Act] requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings, prudently and in a manner that promotes the current and future interests of the community.

Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets while not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long-term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Taupō District Council has the following Council created reserves:

- Depreciation reserves
- Development contributions
- TEL Fund
- Disaster recovery
- Other special purpose

Depreciation reserves reflect the value of depreciation expense charged in the financial statements and funded from rates. These reserves are utilised to fund the replacement and renewal of the assets that are being depreciated.

Development contribution reserves reflect development contributions invoiced and received, these are used to fund capital expenditure, loan repayments and loan interest on growth-related asset purchases or construction.

The TEL Fund was established in September 1995 when Taupō District Council sold its investments in Taupō Electricity Limited and Taupō Generation Limited. The fund is utilised to reduce the rating requirement of the District.

The disaster recovery reserve is set aside to assist with readily available funds in the case of a significant natural disaster.

The other special purpose reserves are an accumulation of a number of other designated reserves, funded and held for a variety of purposes. Among the more significant balances are the strategic property reserve, land subdivision reserves, and the forestry reserve.

36. Explanation of major variances against budget

Explanations for major variations from the Council's budget figures in the 2017/18 Annual Plan to 30 June 2018 actual are as follows:

Statement of comprehensive revenue and expense	Council
	2018 \$000
Budget - surplus before tax	5,465
<i>Unbudgeted gains/(losses) of:</i>	
- First time recognition of assets	163
- Realised & unrealised gains & losses on shares and bonds	1,270
- Gain on valuation of investment properties and non-current assets held for sale	1,078
- Dividends	281
- Gain/(loss) on revaluation of interest rate derivatives	(1,640)
- Loss on disposal/impairment of assets	(1,829)
Rates revenue higher than plan	40
Subsidies and grants behind plan due to timing delays on capital projects	(1,023)
Development and financial contributions ahead of plan due to several new subdivisions being completed in the period	1,206
<i>Fees and charges ahead of plan</i>	
Landfill due to increased economic activity	313
Regulatory revenue due to increased building and economic activity	518
Revenue from venues due to increased patronage	281
Increased haylage sales	439
Membership fees due to increased patronage	96
Other sale of goods and sundry recoveries	338
Land section sales ahead of plan	3,046
Finance revenue ahead of plan	688
<i>Other budgeted revenue</i>	
- Gain on sale of property, plant and equipment	(343)
- Vested assets ahead of plan due to completed subdivisions	12,535
- Forestry valuation ahead of plan	2,381
- Other revenue including petrol tax, fines and revenue from developer agreements ahead of plan	3,439
Employee benefit expenses higher than plan due to increased staff numbers and increased annual leave provision	(589)
Depreciation higher than plan	(829)
Finance costs lower than plan	31
<i>Operational costs</i>	
- Wastewater preventative maintenance on reticulation	(783)
- Stormwater reticulation maintenance	(54)
- Demolition of 72 Lake Terrace	(279)
- Consultant fees transport, economic development, building & engineering support	(818)
- Materials & supplies, service delivery contracts, resource consenting costs, carbon costs and plant costs under budget	189
Other costs over plan partly due to building rents and increased doubtful debt provision	(418)
Cost of goods sold (partially budgeted in fees and charges)	(695)
Actual - surplus before tax	24,497

Statement of financial position	Council
	Actual 2018 \$000
Budget - total net assets	1,080,184
Investments, including cash higher than plan due to operational revenues being higher than plan, property & forestry sales higher than plan and capital expenditure lower than plan	27,293
Trade and other receivables higher than plan due to invoices for capital subsidies and development contributions unpaid at balance date	1,353
Inventory lower than plan	(40)
Prepayments higher than plan mainly due to prepaid rents	197
Non-current assets held for sale higher than plan	10,765
Property, plant & equipment, intangibles, forestry and investment properties are less than plan due to:	
- Infrastructure revaluations lower than plan	(2,586)
- Capital/renewal expenditure behind plan	(2,795)
- Disposals and impairments not budgeted	(4,172)
- Vested and first time recognition of assets higher than plan	12,698
- Forestry and investment property valuations higher than plan	3,463
- Investment properties transferred to non-current assets held for sale	(2,890)
- Variances in asset movements in 2016/17 against the 2016/17 budgeted closing balance	(25,059)
Trade & other payables & provisions higher than plan due to a high level of expenditure in June	(1,386)
Employee liabilities higher than plan	(616)
Derivative financial instrument liabilities higher than plan	(2,303)
Borrowings higher than plan	(138)
Actual - total net assets	1,093,968



Council Controlled Organisations

Taupō District Council has a controlling interest in two council-controlled organisations (CCOs).

These are:

- Taupō Airport Authority (TAA)
- Destination (Great) Lake Taupō Trust (DGLT)

Taupō District Council has an interest in four other council-controlled organisations. These are:

- The Lake Taupō Protection Trust – the settlers of this trust are Taupō District Council, Waikato Regional Council and the Ministry for the Environment.
- Waikato Local Authority Shared Services Limited (Waikato Local Authority Shared Services Ltd) – Council has a shareholding interest in this company together with other local authorities in the Waikato Region.

- Bay of Plenty Local Authority Shared Services Ltd (BOP Local Authority Shared Services Ltd) – Council has a shareholding interest in this company together with other local authorities in the Bay of Plenty Region.
- New Zealand Local Government Funding Agency (NZLGFA) – Council has a shareholding interest in this company together with other local authorities in New Zealand.

Taupō District Council also has a controlling interest in two organisations exempted under section 7 of the Local Government Act 2002 from the definition of ‘council-controlled organisation’. These are:

- Data Capture Systems Limited
- Destination Lake Taupō Limited.

This section of the Annual Report describes the performance of these entities in the 2017/18 financial year.

Taupō Airport Authority (TAA)

Background

Taupō District Council and the Crown, represented by the Ministry of Transport, own the Taupō Airport Authority (TAA) equally. The Taupō Airport Authority is a council-controlled organisation as defined by the Local Government Act 2002.

Taupō District Council, under agreement with the Crown, manages the Taupō Airport Authority. The governance of the airport operations is provided by a Committee of Council. The committee consists of Council and business representatives.

Auditors	Audit New Zealand
Bankers	Bank of New Zealand
Solicitors	Le Pine and Co, Taupō

Significant Policies and Objectives

The objective of the Taupō Airport Authority is to operate a successful commercially viable business providing land and infrastructure for the safe, appropriate and efficient air transport needs of the Taupō District.

The authority provided for the safe, appropriate and efficient air transport needs of the Taupō District during the year. In meeting this objective the authority operated at a loss.

Nature and Scope of Activities

The Taupō Airport Authority is to provide an airport infrastructure to meet the needs of the Taupō District, together with leasehold land for airport-related development. The nature and scope of the activities undertaken by the authority during the year were consistent with this intention.

Performance

Taupō Airport		
Objective:		
To operate a successful commercially viable business providing land and infrastructure for the safe, appropriate and efficient air transport needs of the Taupō District.		
Performance targets	Results	Achievement
To maintain facilities so as to avoid any diversion or cancellation of scheduled flights other than for weather or airline problems.	Achieved	No diversions or cancellations due to facility maintenance (2017 Achieved)
The airport will be operated in such a way as to continue to hold CAA Part 139 certified.	Achieved	The Airport is CAA Part 139 (2017 Achieved)
A positive financial return on Equity to be achieved annually.	Not Achieved	Annual result for the Airport is a loss of \$140k (June 2017 Loss \$129k)
The TAA be self-funding in terms of its own cash flow requirements.	Not Achieved	Operating cash flow for the year is -\$62k (June 2017 \$241k)

Financial performance for the year ended 30 June 2018	Actual 2018 \$	Budget 2018 \$
Total revenue	514,226	482,983
Total expenditure	710,907	596,517
Net surplus (deficit) before taxation	(196,681)	(113,534)



Destination (Great) Lake Taupō Trust (DGLT)

Destination Lake Taupō Trust was established by Taupō District Council to promote tourism in the Taupō District for the benefit of the people in the communities in the Taupō District. The Trust was formed on 6th September 2010 and commenced financial operation on 1st November 2010.

The six trustees of the Board are appointed by Council after an interview process. The trustees are appointed on the basis that they have identified skills, knowledge and/or experience based on attributes outlined within the Trust Deed.

The Trust has chosen to align itself with the Great Lake Taupō brand and operates under the brand name Destination Great Lake Taupō (DGLT).

Bankers Bank of New Zealand
Auditors Audit New Zealand

Significant Policies and Objectives

The Destination Lake Taupō Trust is a CCO for the purposes of the Local Government Act 2002. It is a charitable trust and the trustees have specific and general powers delegated to them through the Trust Deed.

Nature and Scope of Activities

The principle objective of the trust is to ensure we have a destination that remains relevant for visitors and reflects the values of its people and environment for years to come.

Performance Measures

Below is a table outlining the full year measures against performance targets set for year-end 30 June 2018 (based on the 2016-19 Statement of Intent).

KPI	Annual measure	How we did
Establish the Taupō region as 'THE North Island holiday destination'.	Growth in tourism expenditure Monthly regional tourism estimates. Direct tourism expenditure increased by 4.8% per annum. Quarterly Marketview report.	ACHIEVED – total direct tourism expenditure of \$639 million, up 6% (YE June 2018) (2017 ACHIEVED- \$596 million direct tourism expenditure, \$405 million domestic spend, \$192 million international spend).
	Electronic card retail spend by visitors growing by 4.8% per annum.	NOT ACHIEVED – Electronic card retail expenditure of \$323.14 Million, up 3.5% (2017 NEW MEASURE- \$311.99 million). This result is at odds with the broader measure of tourism expenditure, which may suggest a move away from credit card use towards prepayment online (particularly for accommodation). For example, food and beverage expenditure, which still largely occurs via electronic card, shows a growth rate of 8%, whereas accommodation has only grown by 2.9%.

KPI	Annual measure	How we did
	<p>Visits to i-SITES</p> <p>260,000 visits to Taupō and Turangi i-SITES, as measured by door counters.</p>	<p>NOT ACHIEVED – 216,613 visits to Taupō and Turangi i-SITES</p> <p>(2017 NOT ACHIEVED – 271,731 visits to Taupō and Turangi i-SITES)</p> <p>The Statement of Intent set a performance target of 260,000 visits to the i-SITES benchmarked off reducing results from the 2015/16 and 2016/17 actual data, on the basis that i-SITES nationally are struggling to maintain visitation and profitability.</p> <p>Door counters at each of the i-SITES measure total patronage/visitation. The year-end total visitation for each i-SITE is as follows:</p> <p>Taupō i-SITE: 147,267 visits (relative to 185,085 visits in 2016/17).</p> <p>Turangi i-SITE: 69,346 visits (relative to 86,646 visits in 2016/17).</p> <p>Refurbishment activity and upgrades to the displays in the Turangi i-SITE will have had an impact on visitation.</p>
	<p>Website Statistics</p> <p>1,100,000 annual visits to www.GreatLakeTaupo.com as measured by Google Analytics.</p>	<p>NOT ACHIEVED – 1,010,217 annual visits to www.GreatLakeTaupo.com</p> <p>(2017 ACHIEVED – 1,133,417 annual visits)</p> <p>Note, changes were made to the website reporting during the year, and as of 20 November 2017 the traffic to the free Wi-Fi landing page is now recorded separately.</p>
	<p>Annual Visitor Survey</p> <p>Domestic Net Promoter Score of 49, as per the AA Domestic Travel Monitor.</p>	<p>NOT ACHIEVED – net promoter score of 48</p> <p>(2017 ACHIEVED – net promoter score of 49)</p> <p>The Statement of Intent sets measures around overall visitor satisfaction, assessed annually by using the domestic net promoter score for the region, as compiled by the AA Domestic Travel Survey.</p> <p>While the NPS has dropped to 48, a score around 50 is excellent and the region is still ranked 7th highest for domestic destinations in New Zealand.</p>
<p>Run an efficient and effective regional tourism organisation, strongly supported by the local tourism industry.</p>	<p>Support for DGLT Collateral</p> <p>Number of operators advertising on www.GreatLakeTaupo.com is maintained or growing.</p>	<p>ACHIEVED - 1438 listings on www.GreatLakeTaupo.com</p> <p>(2017 NEW MEASURE – 1411 listings on www.GreatLakeTaupo.com)</p> <p>1438 total business listings for shops, accommodation and activity operators on www.GreatLakeTaupo.com</p> <p>Note: The Statement of Intent uses baseline data of 861 listings (as opposed to the 1411 noted above). This figure was previously achieved by filtering out shop, food and drink listings and only counted 'traditional' tourism operators such as accommodation and activities. We have now recognised that the hospitality sector is also largely impacted by visitors to the region and from 2018 will be including those listings in our measure.</p>

KPI	Annual measure	How we did
	<p>Number of operators with brochures in the Taupō and Turangi i-SITES is maintained or growing.</p>	<p>ACHIEVED - 221 local operators stocking brochures in Taupō and Turangi i-SITES</p> <p>(2017 NEW MEASURE – 212 local operators stocking brochures in Taupō and Turangi i-SITES)</p>
	<p>Free of charge or in-kind support</p> <p>\$60,000 free of charge or in-kind support for marketing activity.</p>	<p>ACHIEVED - \$92,200 of free of charge or in-kind support, against a target of \$60,000</p> <p>(2017 ACHIEVED – Recorded as \$85,995)</p> <p>This support is tracked in a DGLT log. It includes free of charge product offered for famils, as well as discounted product.</p>
	<p>Annual Visitor Industry Survey</p> <p>80-85% Industry stakeholders are satisfied with DGLT performance as measured by Annual Visitor Industry Survey.</p> <p>Maintaining consistency is listed as the primary performance target.</p>	<p>ACHIEVED – The average score is 94.6%</p> <p>(2017 ACHIEVED – The average score was 82.6%)</p> <p>The Statement of Intent sets measures around the degree of industry satisfaction with DGLT performance. This is assessed annually via survey.</p> <p>The annual visitor industry survey was completed in June 2018. The following results were achieved:</p> <ul style="list-style-type: none"> Marketing to domestic visitors (97.1% satisfaction) Marketing to international visitors (97.1%) Marketing C&I activity (92.3%) Website performance in marketing the region (97.1%) Social media performance (94.1%) Work with travel trade (93.3%) Taupō i-SITE performance (93.5%) Turangi i-SITE performance (92.9%) Industry engagement (93.9%) <p>The average score across the 9 categories is 94.6%.</p>
	<p>i-SITE profitability</p> <p>Investment by ratepayers of \$280,000 i-SITE investment (or cost) is measured by net expenditure over income. This excludes capital improvements.</p>	<p>ACHIEVED – Net cost of \$249,071</p> <p>(2017 ACHIEVED – net cost of \$235,523)</p> <p>The target is a loss (or investment) of \$280,000 or better. The loss was better than the target, with an overall cost figure of \$249,071. This figure continues to deteriorate due to competition from digital / online booking channels. This includes a net cost of \$111,726 for Taupō and \$137,345 for Turangi.</p>

Financial performance for the year ended 30 June 2018	Actual 2018 \$	Budget 2018 \$
Total revenue	2,475,614	2,490,046
Total expenditure	2,498,340	2,490,046
Net surplus (deficit) after taxation	(22,726)	0



The Lake Taupō Protection Trust (LTPT)

Background

The Lake Taupō Protection Trust (LTPT) was established on 9 February 2007 to administer public funds to achieve an improvement in the water quality of Lake Taupō. The Trust is charged with developing a programme of work that will reduce the amount of manageable nitrogen leaching into the lake by 20%.

The Taupō District Council (TDC), Waikato Regional Council (WRC) and the Crown agreed to provide funding on an annual incremental basis to the Trust for this work to be undertaken.

Auditors – Audit New Zealand

Significant Policies and Objectives

The Trust completed the final nitrogen agreement on 29 June 2015 to achieve the project's overall target of 170,300 kgs. While the Trust has confidence that the nitrogen reductions will occur there is a need to maintain an operational and governance component at least out to 30 June 2019 when both payments and nitrogen reductions complete.

Nature and Scope of Activities

The Trust's Treasury Policy (incorporating Liability Management and Investment Policies) guides the Trust investments and financial transactions and was reviewed and approved by the Trust in April 2017.

The Trust has in place a projected cash flow analysis which indicates projected income, operating costs, and potential call on funds until 30 June 2019. This document allows Trustees to both measure progress but also to support their financial management governance role.

Performance Measures

The following performance measures were incorporated into the Statement of Intent for the 2017/18 financial year:

Action	Performance Measures	Performance Against Targets
Oversee the financial position of the Trust to meet and maintain a positive projected Cash Flow budget until 2019.	Cash Flow Projection in place and being operated to achieve outcome in 2019.	Achieved
Ensure that all LTPT nitrogen reduction contracts are being complied with to achieve the overall Nitrogen reduction target of 170,300 kgs and where relevant in conjunction with Waikato Regional Council.	Nitrogen reduction contracts are being met and any contractual failure is addressed to achieve repatriation of any loss of nitrogen reduction.	Achieved Breaches have been reported on as to status; liaison with the parties is ongoing with a view that compliance will be achieved.
Monitor/track that compliance monitoring results are received on an ongoing basis for LTPT nitrogen reduction deals.	Monitoring compliance results received in accordance with monitoring plan timelines; Audit NZ notified.	Achieved
Report on compliance monitoring results for LTPT nitrogen reduction purchases.	Trustees up to date with compliance monitoring results.	Achieved
Manage Trust funded research projects that have been previously approved by the Trust.	Research outcomes reported on.	Achieved
Participation and assistance in the annual audit of the Trust.	Positive audit result.	Achieved
Carry out Trust responsibilities identified in the Taupō Catchment Compliance Monitoring Plan and provide support in the operation of the plan with other joint parties which includes the Trusts support of the Lake Taupō Protection Projects Communication Plan.	Trust actions completed and monitoring plan supported on an ongoing basis.	Achieved
Provide ongoing support as required in the operation of the Lake Taupō Catchment Compliance Framework.	Support provided as requested to achieve the aims of the Taupō Catchment Compliance Framework.	Achieved
Undertake any Trust actions arising from the Joint Committees consideration of the draft project partners as required on any other related matters where Trust assistance or input is required.	Project review report (as approved by the Joint Committee are achieved).	Achieved

Waikato Local Authority Shared Services Limited (WLASS)

Background

Local Authority Shared Services Limited was incorporated under the Companies Act 1993 on the 13th day of December 2005, and changed its name to Waikato Local Authority Shared Services Limited (WLASS) on the 4th day of April 2016. WLASS is owned by the 12 Waikato local authorities, with each shareholder owning an equal number of shares and having an equal say in its development. WLASS provides a legal entity, representative of all the shareholding councils, which can enter into contracts and agreements with external suppliers and provide value to the shareholders by reducing costs. WLASS contracts are available to be joined by any shareholder that so chooses.

Much of the work of WLASS is undertaken by Working Parties or Advisory Groups made up of staff representatives from the shareholding councils, with expertise and interest in particular services. The WLASS CEO provides facilitation and co-ordination of the Working Parties, and is an ex officio member of the Advisory Groups.

As part of providing a mechanism for supporting shared services and collaborative opportunities within the region, WLASS also provides support to the Waikato Mayoral Forum and its work streams.

Auditors – Audit New Zealand

Significant Policies and Objectives

The objectives of WLASS are to:






- enable the Waikato councils to collectively be more effective as a region on the national stage
- contribute to building central government's confidence in the Waikato region and to encourage central government investment
- achieve effectiveness and efficiency gains
- reduce duplication of effort and eliminate waste through repetition
- make it easier for customers to engage with councils in the Waikato region
- promote and contribute to the development of best practice
- promote business transformation to improve customers' experiences.









Performance







The following performance measures were incorporated into the Statement of Intent for the 2017/18 financial year:





Target	Method	Measure	Outcome
Procurement			
Joint procurement initiatives for goods and services for WLASS councils will be investigated and implemented.	Procurement is from sources offering best value, service, continuity of supply, and/or opportunities for integration.	Implement the recommendations of the Procurement review, as approved by the Board.	<p>Achieved</p> <p>In line with the recommendations:</p> <ul style="list-style-type: none"> • a procurement specialist has been engaged to assist Councils; and • work has commenced on developing a standard procurement framework, policies, templates and supporting tools which will be applied across Councils.
	New suppliers are awarded contracts through a competitive tender process.		<p>Achieved</p> <p>New shared service contracts were procured following competitive tender processes for On-line Driver Assessment and Training Services and Occupational Health Services, and Vehicle Fleet Management and Maintenance (where WLASS agreed to exercise the contract right of renewal).</p>

Target	Method	Measure	Outcome
Collaborative Projects			
Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.	The focus is on shared services which will benefit all councils.	<p>A minimum of three priority projects for collaboration are identified per annum.</p> <p>If considered of value, business cases are developed for approval by the Board, and the projects are implemented.</p>	<p>Achieved</p> <p>Board approved four business cases to:</p> <ul style="list-style-type: none"> • develop the Waikato Data Portal • execute the digital strategy • transform WLASS into a service delivery agent • establish a new platform for shared valuation data. <p>A single suite of resource consent applications was developed.</p> <p>Regional Infrastructure Technical Specifications relating to the design and construction of infrastructure assets was completed.</p>
WLASS Contracts			
Existing contracts are managed and renegotiated as required.	Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders.	<p>The WLASS Contracts Register is maintained and managed.</p> <p>Contracts which are due for renewal are tested for competitiveness and either renegotiated or re-tendered through a competitive process.</p>	<p>Achieved</p> <p>Contracts risk register is maintained.</p> <p>Achieved</p> <p>Throughout the period 18 contracts due for renewal were reviewed and where appropriate renegotiated prior to extension.</p>
Cashflow			
The company shall maintain a positive cashflow position.	The Financial Accountant reviews cashflow monthly.	The WLASS Board reviews the financial statements quarterly.	<p>Achieved</p> <p>The cash surplus for the period was ~\$616k, although this is largely a result of revenue being invoiced in advance.</p> <p>The Board received management accounts at each Board meeting.</p>
Cost Control			
Administration expenditure shall be managed and monitored.	<p>The Financial Accountant and Chief Executive review expenditure monthly.</p> <p>The WLASS Board reviews the financial statements quarterly.</p>	<p>Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.</p>	<p>Achieved</p> <p>Company administration costs were ~\$54k less than budgeted – 83% of the budgeted amount.</p> <p>Specific line items materially greater than budget were approved by the Board in advance.</p>

Target	Method	Measure	Outcome	
Reporting				
Six monthly reports provided to Shareholders.	The Chief Executive prepares a written report for the WLASS Board every meeting. One 6-monthly and one Annual Report are prepared for shareholders.	The Board shall provide a written report on the business operations and financial position of WLASS to the shareholders every six months.	Achieved Completed via Half and Full-year report prepared and circulated to shareholding Councils.	
		Every second report shall be the Annual Report, which includes a report that all of the statutory requirements of the WLASS are being adhered to.	Achieved Completed as set out in this annual report.	
Waikato Mayoral Forum				
The company shall provide administrative support to the Mayoral Forum work streams and to the Mayoral Forum.	Mayoral Forum projects shall be managed financially through the WLASS.	Approved invoices for Mayoral Forum projects are paid by the 20th of the month following their receipt.	Achieved	
Shared Valuation Data Services (SVDS)				
The SVDS is reliable, well maintained and available to all users.	A Contract Manager is appointed for SVDS. The Contract Manager monitors performance of the contractors and reports quarterly to the SVDS Advisory Group.	The SVDS is available to users at least 99% of normal working hours.	Achieved The SVDS was available 99.84% of business hours during the year.	
		All capital enhancement work is supported by a business case and approved by the SVDS Advisory Group.	N/A There were no capital enhancements during the period.	
		The SVDS Advisory Group meets at least 6-monthly.	Achieved The Advisory Group had four scheduled meetings throughout the year. There was an additional meeting in April 2018 to discuss the business case for the SVDS replacement.	

Target	Method	Measure	Outcome	
Insurance				
Achieve the relevant KPIs in Appendix 4 of the Insurance Brokerage contract with Aon.	The Insurance Broker delivers on the terms of their contract and provides value to the participating councils.	Strategic advice provided by Aon on the insurance programme structure is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.	Achieved Based on the shareholders' survey undertaken in March 2018, all respondents regarded the advice as either satisfactory or very satisfactory.	
		The day-to-day service provided by Aon is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.	Achieved All respondents regarded the advice as either satisfactory or very satisfactory.	
Road Asset Technical Accord (RATA)				
All stakeholders are kept informed about RATA's projects and achievements.	Six monthly and annual reports are provided to all stakeholders.	Reports presented to WLASS Board as at 30 December and 30 June, and circulated to stakeholders.	Achieved Half and full-year reporting presented to Board (half year reporting on 13 April 2018 and final report on 28 September 2018 as part of year end reporting).	
		Reports include a summary of savings and achievements.	Achieved Reports presented savings to Councils.	
		Annual Forward Works Programme tours are completed, to provide opportunities for councils' roading staff to share their knowledge and experience.	Achieved All RATA councils participate in the tour. The tours were undertaken in August/September 2017.	
		Report on tour outcomes prepared by 31 December each year and circulated to stakeholders.	Partially achieved Report on outcomes completed and shared but in January 2018.	
Sub-regional data collection contracts deliver good quality data on roading assets.	Data collection contracts (minimum of two across the region) are managed in accordance with best practice.	Contracts which are due for renewal are tested for competitiveness and either renegotiated or tendered through a competitive process.	Achieved The three RATA contracts related to High Speed Data Collection, Condition Rating Surveys and Traffic Counting awarded during the year follow tender process and contract renewals were reviewed and renegotiated. All suppliers are operating in accordance with contract requirements.	
		Data supplied by contractors is of good quality and meets all councils' requirements.	Achieved Any data issues are identified and resolved, with any incidents reported to stakeholders. All performance criteria met with no data issues identified.	

Target	Method	Measure	Outcome	
Waikato Regional Transportation Model (WRTM)				
The WRTM is reliable, well maintained and available to all users.	RATA manages the WRTM on behalf of the participating councils, and monitors the performance of the model supplier (currently Traffic Design Group). RATA reports quarterly to the WRTM Project Advisory Group.	All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget.	Achieved Stantec (previously known as the Traffic Design Group) provide to customers under contract to WRTM all modelling reports requested. The WRTM commercial manager oversees this contract and establishes a schedule at the beginning of each financial year. Further, there are meetings held with Stantec every six weeks that review performance plus formal quarterly reporting. During the year 22 reports have been completed.	
		A report from RATA on any new developments and on the status of the model is provided to the WLASS Board at least every six months.	Achieved Land use and low population projections included in the model. Half and full-year reporting presented to Board (half year reporting on 13 April 2018 and final report on 28 September 2018 as part of year end reporting).	
		The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual), and is independently peer reviewed each time the model is updated.	Achieved The model has been developed in accordance with an agreed approach with the NZTA, and it has been peer reviewed by an independent traffic modelling consultant. The NZTA have received the peer review and have endorsed the model.	
Waikato Building Consent Group				
Provide strategic direction and actively pursue improvements in Building Control across the Waikato region.	Develop and maintain a quality assurance system for building consents, that meets statutory compliance and supports excellence and consistency in customer service and business practice.	Internal audits are completed annually for each Group member.	Not achieved Lack of resource has compromised the audit programme. This issue is being addressed as part of the WBCG strategy for FY19.	
		Group members are provided with a joint quality assurance system that meets statutory compliance.	Achieved QA manual, standard documents and public information on www.Buildwaikato.co.nz has been signed off by IANZ at 6 assessments since 1 July 2017. Only minor changes required.	
		Report at least six monthly to the WLASS Board on the Group's activities.	Achieved Reporting to WLASS Board provided in January 2018 and September 2018 as part of the year end process.	

Target	Method	Measure	Outcome	
Future Proof				
All stakeholders are kept informed about Future Proof's projects and achievements.	Six monthly and annual reports are provided to all stakeholders.	Reports presented to WLASS Board as at 30 December and 30 June and circulated to stakeholders.	Achieved Six monthly reports presented at the December 2017 and July 2018 Board meetings.	
Shareholder survey				
Shareholders are satisfied with the performance of WLASS.	An annual survey of shareholders is undertaken to assess satisfaction levels with WLASS.	A survey of shareholders is undertaken each year, and the results are reported to all shareholders.	Achieved The survey has been completed although the response rate was low, at 42%. Results are being reported to shareholders as part of this annual report.	
Review of benefits				
Shareholders are informed of the benefits being provided to shareholding councils by WLASS.	The benefits of WLASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders.	Information on the financial and non-financial benefits being achieved by WLASS are included in the 6-monthly and Annual Report to shareholders. The "Collaboration in Action" document, which summarises the achievements of WLASS, is updated and circulated to shareholders by 31 December 2017.	Achieved Benefits are set out in the Statement of Intent. Partially achieved The Collaboration in Action document is complete and included on WLASS's website, with shareholding Council's being notified, although this occurred in the first half of 2018.	 

Bay of Plenty Local Authority Shared Services Limited (BOPLASS)

Background

The councils that operate within the boundaries of the Bay of Plenty region have formed a council-controlled organisation to investigate, develop and deliver shared back office services and communications where and when that can be done more effectively for any combinations of some or all of the councils. Taupō District Council has a one-ninth ordinary shareholding in Bay of Plenty Local Authority Shared Services Limited (BOPLASS).

Auditors- Audit New Zealand

Significant Policies and Objectives

The company was set up to provide Bay of Plenty Region councils with an umbrella vehicle to investigate, procure, develop and deliver shared services.

Such services will be initiated under the umbrella of this company where a business case shows that they provide benefit to the (voluntary) council users by either improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

Performance

The following is a report of performance against targets set in the Statement of Intent for 2017/18:

Target 2017/18	Result	Narration
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Achieved	Joint procurement initiatives undertaken for:
Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.		Health, Safety & Risk Management Software – A project to investigate collective procurement of health and safety risk management software to provide improved functionality and cost savings for councils. Also included Waikato councils.
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.		Infrastructure Insurance – BOPLASS represented a collective group of 41 councils in negotiations for placement of councils’ infrastructure insurance in the London markets. Requirements included increased limits and higher insured values for BOPLASS councils. Very competitive pricing achieved at rates up to 30% cheaper than had councils insured individually.
		Health & Safety in Design – BOPLASS facilitated the opportunity for councils’ to participate in using design services to minimise health and safety risks of council driven projects.
		Enterprise Content Management / EDRMS Strategic Review – BOPLASS councils collectively reviewed vendor offerings and options for electronic document management systems. Ongoing reviews underway to determine benefits from collective approach to vendors.
		Managing Contractors’ Onsite Safety – BOPLASS investigated the opportunity for councils to participate in joint procurement of the Forsite contractor management system to assist with managing contractors’ onsite safety. It was determined that the system was not currently required by all councils and individual contracts would be pursued rather than entering into a collective agreement.
		Video Conferencing - A project to review options for councils; desktop and meeting room video conferencing systems included a review and testing of multiple providers. Zoom selected as preferred supplier to BOPLASS and councils.
		Contract provides for cost savings, standard solution across councils and simplification of video conferencing for desktop or meeting-room calling.

Target 2017/18	Result	Narration
		Drug and Alcohol Testing – BOPLASS investigated the opportunity to establish a collective agreement and secure improved pricing from the incumbent supplier to the majority of the BOPLASS and Waikato councils to provide cost savings and common standards. Still under action.
		Occupational Health Service Preferred Supplier – Following the completion of a tender Waikato Occupational Health Consultancy (WOHC) were appointed as the preferential Health Service supplier for the BOPLASS councils. Access to improved and consistent levels of service achieved at significantly reduced costs through a collaborative agreement. Waikato LASS also with the same provider.
		Media Distribution Services – BOPLASS is investigating opportunities for regional coordination for the release and distribution of media notifications through common software and standardisation of services.
		Training – Collaborative training has been arranged across a number of areas of council business, providing for discounted rates, reduced staff travel (as trainer is prepared to travel to region for a larger group), opportunity to network with peers from other councils and development of tailored material.
Provide support to BOPLASS councils that are managing or investigating Shared Services projects.	Achieved	0.46 FTE provided through BOPLASS staff engagement committed directly to support of council shared service projects or individual council support – measured by fortnightly timesheets.
BOPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects.		Support provided to councils in development of the following services: GIS Centralised Data Repository / Shared SDE – Establishment of central GIS storage services for councils. BOPLASS also investigated setting up a SDE (spatial data enterprise) on behalf of its councils. Following completion of initial architecture it was determined that this was not feasible as it would require too much effort in terms of resource.
Quarterly satisfaction reviews with participating councils. Resource assignment measured from project job tracking.		Radio Telephony (RT) strategy – A region-wide strategy has been developed by BOPLASS for the sharing and utilisation of Radio Telephone services and technologies. This is considered to be of significant importance in shared civil defence strategies.
		GIS Operating Guide for Civil Defence Emergency Events – Developed by BOPLASS councils to capture learnings from the Edgumbe event and as a reference to support collaborative working. Operating guide shared with the Local Government Geospatial Alliance and developed into a national reference document.
		Online Natural Hazards Mapping – Developed as a shared data initiative with App available to BOPLASS councils to notify owners as hazards such as tsunami or flooding.
		Regional / Cross-Regional Approach to Licensing and Data Collection for Waste Operators – Scoping of a project to provide a consistent approach to licensing of private waste operators and standards within the industry, while enabling improved data collection for councils’ waste planning. Project also covers Waikato councils.
		Diversions of Organic Waste from Landfill – Investigation of opportunities for the facilitation and development of a regional shared food waste collection service for BOPLASS councils. Initial scoping phase undertaken.
		Solid Waste Regional Infrastructure Strategy – A regional or cross-regional approach to planned and potential waste infrastructure developments within the region. Project identified to be progressed with Waikato councils.

Target 2017/18	Result	Narration
		<p>Sustainable Procurement Research Project – BOPLASS facilitated council participation in this project in conjunction with the Sustainable Business Network and Toi Ohomai. Collective project benefitted councils by assisting in establishing how current local government procurement policies and practices are aligned with national objectives of sustainability, and where improvements might be made.</p>
		<p>Support of Video Conferencing services for councils – Ongoing support for councils in-house and external video conferencing services. Central management of virtual meeting rooms and directories.</p>
		<p>Review of Inter-Council Network (ICN) suppliers and services</p> <p>A full review of the ICN was undertaken, with a number of providers changed, new services established, and new contracts negotiated on behalf of the councils participating in this shared service.</p> <p>Improved levels of service achieved, additional services added, and \$97,635 in annual savings achieved:</p> <ol style="list-style-type: none"> 1. Wireless WAN solution for ICN in Opotiki – Evolution Networks project to replace GWS server and develop Wireless WAN in Opotiki (ICN – new contract signed). 2. Increase of fibre pipeline from Opotiki – Termination of service with Vocus and commission of service with Alchemy. 3. Migration off of the One.Govt service for ICN Whakatane & Rotorua – Termination of One.Govt contract and migration of accounts to Vocus for links. 4. Establishment of community internet backhaul for Kawerau – New service for Kawerau community. 5. Alchemy Network Service – Opotiki fibre (ICN – new contract signed with new supplier of existing service). 6. Vocus Communications – Fibre pipeline services for Whakatane, Rotorua, Kawerau (ICN – new contract signed with new supplier). Reduction in cost of services. Addition of new links (migrated from One-Govt). 7. Cybersmart – Support of the ICN (ICN – new contract signed with new supplier). New service to provide technical support services.
		<p>Audit and Risk Insights Panel Sessions – BOPLASS coordinated workshops with senior leaders of the KPMG advisory team to provide councils their insights and experience in the areas of:</p> <ul style="list-style-type: none"> • Internal Audit Trends, • Enabling Data Analytics in Internal Audits, • Cyber Security, • and Fraud Awareness <p>Workshops provided at no cost to councils and included inter-council sharing of invaluable information.</p>
		<p>Joint Development of Health & Safety Policies and Terms of Reference – BOPLASS H&S group facilitated the sharing of existing H&S procedures or shared development of new procedures across the BOPLASS and Waikato councils. Includes H&S in procurement, common documentation, processes, H&S liabilities and standard reporting measures for councils and governance. Provides for reduced effort for all councils and ability to share best practice.</p>

Target 2017/18	Result	Narration
		<p>Support for Shared Services projects identified and reviewed by BOPLASS Operations Committee – Projects under review or progressed as opportunities for further council collaboration in Shared Services:</p> <ul style="list-style-type: none"> • GIS <ul style="list-style-type: none"> - Further opportunities to align and share services / resources • Digitalisation <ul style="list-style-type: none"> - Development of standard process and shared software and/or infrastructure • Shared Data Centre <ul style="list-style-type: none"> - Utilisation of shared infrastructure by multiple BOPLASS councils • Accounts Payable <ul style="list-style-type: none"> - Development of standard process and shared software and/or infrastructure • Debt Management/Collections <ul style="list-style-type: none"> - Development of shared service • Building Consents <ul style="list-style-type: none"> - Development of standard processes across councils and opportunities for sharing of resource • Capex projects <ul style="list-style-type: none"> - Alignment or sequencing of capital projects
	Achieved	<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p> <p>Provide access to the Collaboration Portal for councils outside of BOPLASS and utilise technologies to provide secure access.</p> <p>Proactively market the benefits to councils.</p> <p>All NZ councils are made aware of the Collaboration Portal and its benefits.</p> <p>Portal is operational outside of the LASS groups with a minimum of ten additional councils or local government related organisations having utilised the portal.</p>
		<p>Project completed to review usage of the Collaboration Portal and opportunities to further develop the Portal to increase the support for collaboration across local government in New Zealand. User survey undertaken along with a review of best practice methodologies.</p> <p>Design-thinking workshop run, with council staff reviewing opportunities to improve the user experience while providing direct input into developing improvements.</p> <p>Ongoing promotion and profiling of the Collaboration Portal has resulted in new councils and local government related organisations joining the Collaboration Portal.</p> <p>On-boarding and training provided to new councils to maximise usage and ensure increased uptake.</p> <p>Collaboration Portal membership has increased by 13 local government organisations over the last year. There are now 72 councils or local government related organisations registered on the Portal and 569 users.</p>

Target 2017/18	Result	Narration
Ensure appointed vendors remain competitive and continued best value is returned to shareholders.	Achieved	Contracts negotiated and/or renewed for: Councils' liability insurance – Providers reviewed and renewed. Solutions proposed and reviewed from alternative brokers and insurers.
Manage and/or renegotiate existing contracts.		GIS software and services <ul style="list-style-type: none">• Geocortex Essentials• Geocortex Optimizer• FME• X-Tools• NZAA
Contracts due for renewal are tested for competitiveness in the marketplace. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors.		Contracts renegotiated and renewed – no alternative suppliers. Print Media Copyright Agency (PMCA) – Contract and requirements reviewed. Re-signed with PMCA – sole NZ provider. ESRI Enterprise Licensing Agreement – Renegotiated and renewed. No alternative provider in NZ. Insurance brokerage services – A review of options for the appointment of an insurance broker to the BOPLASS councils was undertaken. Aon reappointed for a further two year period, as provided for under the agreement. A full tender for brokerage services will be undertaken by BOPLASS at the conclusion of this extension. Aerial Photography – BOPLASS contract extended as flying not completed within existing programme. Media Monitoring services – Contract with iSentia was reviewed and renewed. Services reviewed from two companies. New contracts negotiated for Inter-Council Network – All ICN contracts were reviewed and, where there were alternative options, tested in the market. Several providers were changed; providing for improved service levels or cost savings for participating councils. Insurance Forum – BOPLASS hosted a forum which included presenters from London and Australia. This gave an opportunity for the London underwriter to get a better understanding of the regions they insure and for councils to meet with the underwriters and to gain a better understanding of the challenges facing the insurance industry. Ultimately leading to improved services and rates for BOPLASS councils.

Target 2017/18	Result	Narration
Complete independent review of governance performance and structure to ensure it supports BOPLASS' strategic direction.	Not achieved	Governance review initiated. After preliminary review of governance, Board made decision to complete a strategic review of BOPLASS and include governance structure as an important aspect of this full review. A shortlist of independent consultants identified by BOPLASS Board. Review put on hold as a strategic alliance with Waikato LASS was proposed. Consultant engaged to review and facilitate the opportunity for the two LASS to develop a jointly aligned strategy. Review also covered LASS governance. BOPLASS and Waikato Boards completed collective evaluation. Decision made to proceed with independent reviews of the two LASS. BOPLASS progressing strategic review and independent governance review.
Engage external party to complete independent review of BOPLASS governance.		Affirmative feedback received from shareholding councils following 2017/18 governance review.
Communicate with each shareholding council at appropriate levels.	Achieved	Executive-level meetings held with councils. Five Operations Committee meetings held during the year with executive level input provided by all shareholding councils. Executive Leadership Team representation and attendance at one or more meetings from every council.
Meeting with each Executive Leadership Team.		At least one meeting per year.
Ensure current funding model is appropriate.	Achieved	Council contributions levied.
Review BOPLASS expenditure and income and review council contributions and other sources of funding.		Contributions received from activities producing savings. Vendor rebates collected. Monthly and quarterly performance reviewed. Financial statements reported and reviewed at Board meetings. Financial position year end 30 June 2018: \$10,794.00 deficit.
Performance against budgets reviewed quarterly. Company remains financially viable.		

New Zealand Local Government Funding Agency (LGFA)

Background

The LGFA is a significant initiative by the Local Government sector to provide the sector with long term access to debt funding at attractive and stable margins. The LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation for the purposes of the Local Government Act 2002.

On 30 August 2011 Council resolved to participate in the LGFA as a Principal Shareholding Local Authority.

The LGFA is a limited liability company incorporated in December 2011 and has a current credit rating from Standard & Poor's of AA+. As at the 30 June 2018 there were 31 shareholders made up of 30 local and regional authorities and the Crown.

Council has 100,000 shares at \$1 per share and has \$100,000 of uncalled capital. Council committed to borrowing from the LGFA \$50 million on or prior to 31 March 2012 and retaining that borrowing in the LGFA for the commitment period of three years. As at 30 June 2018 Council has \$125 million of borrowings from the LGFA.

A Shareholders' Council has been established. The role of the Shareholders' Council comprises the following:

- Review and report performance of the LGFA and board.
- Recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.
- Recommendations to Shareholders as to any changes to policies, or the Statement of Intent (SOI), requiring their approval.
- Update Shareholders on LGFA matters and to coordinate Shareholders on governance decisions.

Auditors KPMG on behalf of the Auditor General

Nature and Scope of Activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities, and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

The LGFA will only lend to local authorities that enter into

all the relevant arrangements with it (Participating Local Authorities) and comply with the LGFA's lending policies.

Principal Objectives

In accordance with the Local Government Act 2002, in carrying on its business, the principal objectives of LGFA will be to:

- achieve the objectives and performance targets of the shareholders in LGFA (both commercial and non-commercial) as specified in the SOI;
- be a good employer;
- 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
- conduct its affairs in accordance with sound business practice.

Primary objective

LGFA will operate with the **primary objective** of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:

- Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;
- Making longer-term borrowings available to Participating Local Authorities;
- Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and
- Offering more flexible lending terms to Participating Local Authorities.

Performance

Four performance targets are specified for the LGFA in their 2017-18 SOI. Progress against each of these targets is discussed below, including an explanation of any material variances.



Current performance targets	Target	Result	Outcome
1 Average margin above LGFA's cost of funds.	<= 0.10%	0.105%	Not achieved
2 Annual issuance and operating expenses.	<= \$5.45 million	\$5.18 million	Achieved
3 Lending to participating Local Authorities.	>= \$8,128 million	\$7,976 million	Not Achieved
4 Savings on borrowing costs for council borrowers relative to other sources of financing and compared to previous years.	Improvement since prior year end relative to borrowing by councils directly.	LGFA issuance spreads did not improve relative to stand alone council issuers and NZ registered banks.	Not Achieved

Data Capture Systems Limited (DCSL)

Background

Taupō District Council is the 100 per cent owner of Data Capture Systems Limited (DCSL).

Data Capture Systems Limited was a council-controlled organisation (CCO) as defined by the Local Government

Act 2002. In February 2006 the directors of Data Capture Systems Limited resolved that it would cease operations. In June 2006, resolutions were passed to wind down the company during the course of the 2006/07 year. The company is now exempt, under section 7 of the Local Government Act 2002, from definition as a council-controlled organisation.

Destination Lake Taupō Limited (DLTL)

Background

Taupō District Council is the 100 per cent owner of Destination Lake Taupō Limited (DLTL).

Destination Lake Taupō Limited is a non-trading company that is held only for name-protection purposes. It has

no revenue or expenditure, assets or liabilities. Council has passed a resolution, under section 7 of the Local Government Act 2002, making Destination Lake Taupō Limited exempt from definition as a council-controlled organisation.

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Bank of New Zealand

ANZ Bank New Zealand Limited

Westpac Banking Corporation

ASB Bank Limited

Auditor:

Audit New Zealand, on behalf of the Auditor-General

Insurance Broker:

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