

TAUPŌ DISTRICT COUNCIL

Annual Report

2019/20



GREAT LAKE TAUPŌ
Taupō District Council

An aerial photograph of a valley with rolling hills, a winding river, and a town in the distance. The sky is clear and blue. The text is overlaid on the image.

“

World Class

The work we do will maintain and build on our international reputation as a destination of choice. We will promote an excellent quality of life for our residents while protecting the natural environment that makes our district so special.

”



Welcome to our Annual Report for the 2019/20 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.



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A message from your Mayor and Chief Executive

He aha te mea nui o te ao? He tāngata, he tāngata, he tāngata.

What is the most important thing in the world?
It is people, it is people, it is people.

The past 12 months have brought many challenges that we as a community have had to overcome - many of which we could never have imagined.

Just after 2pm on July 2 2019, one of the biggest environmental disasters the council had ever faced occurred, after a water main broke causing a large washout on the lakefront. About an hour later the footpath collapsed and took out a wastewater pipe causing around 800,000 litres of wastewater to enter the lake. A collaborative recovery effort involving teams from all over our district gathered momentum to initially assess and resolve the situation.

The scale of the recovery project meant it was October before full restoration was complete and the road could reopen. This work included alleviating further risk by moving the pipes away from the lakefront.

To see the hurt and anguish on people's faces following the spill was absolutely heart breaking. We all shared that pain given the importance of the lake to our community. We unreservedly apologise to Ngati Tūwharetoa, the Waikato River Iwi, the affected businesses, and the wider community for the distress and disruption the incident caused.

Reducing sewer overflows continues to be a focus through increased maintenance and assessment of the existing infrastructure, including using a new risk assessment tool to help council identify key areas of risk. We are also continuing to deliver on a comprehensive renewals programme. Along with this, we have installed five Enviropods into the stormwater network to decrease litter and small waste entering our waterways.

Of course, our district and the rest of New Zealand has been severely affected by the Covid-19 worldwide

pandemic. We saw a nationwide lockdown in March and April, with our borders continuing to be closed to international visitors. As a tourist destination, we will continue to feel the effects of this for some time.

In response to Covid-19, our staff partnered with other councils in the Waikato region as part of an Emergency Management response team, with huge efforts in community welfare, communicating updates and partnering with local groups and Police to ensure we adapted as best we could. A key part of this was delivering a recovery plan - Regenerate Taupō District, He Tupu Ururua - which outlines how we, as a district, can support our recovery in a post-Covid-19 environment. This was developed in collaboration with the community and focused on key economic, social, cultural and environmental outcomes. We have also worked closely with central government to gain funding for key projects that will deliver jobs for our community including \$20 million from the Government's Infrastructure Reference Group to deliver the Taupō town centre transformation which will create an estimated 92 full-time equivalent jobs. A further \$6.6 million has been allocated for Turangi projects.

As part of our commitment to the community to help reduce the effects of Covid-19, we also delivered a zero per cent rates increase for the district. This meant some projects planned for the 2019/20 financial year were paused including the Kiddle Drive-Arrowsmith Avenue roundabout and the sealing of the former RSA site on Horomatangi Street. However, we have forged ahead with building a footpath and kerb and channel on Mapara Road from the end of the existing footpath to Acacia Bay Heights and planning for a destination-type playground on Tongariro Domain. Further projects across the district have included the Mangakino sewer relining and Turangi kerbing and channeling upgrades.



We're looking forward to the future of our district and our community continuing to go above and beyond to look after the place we love."

Unfortunately, Covid-19 also had a detrimental affect on meeting our performance measures with four not being achieved as a direct effect of the lockdown period.

Last year we also changed the way we sought responses to our satisfaction survey to make them more inclusive of all demographics. This also meant a change in scale to how the responses were measured and a 'somewhat satisfied' category was used as the middle point. Unfortunately due to the way our performance measures are worded the 'somewhat satisfied' responses do not count towards our final performance, but should they have been factored in, we would not have only seen an increase in satisfaction, most of our performance measures would have been exceeded.

A further seven were not met due to a system issue which is being rectified.

As part of council's water supply strategy, the past 12 months has also seen a number of key deliverables, including increasing the capacity of the Taupō Water Treatment Plant from 25 to 30 million litres per day, constructing water reservoirs in Kinloch and Motuoapa and undertaking control and communication upgrades at the Atiamuri, Motuoapa and River Road sites. Water pipeline renewals have also been completed included 5 kilometres of pipelines in Turangi, 3 kilometers in Taupō, 1 kilometre in Bonshaw Park, and 300 metres in Motuoapa. Further designs have been completed for the Acacia Bay connection to Taupō, the reticulation of Five Mile Bay and a falling main in Tauhara Ridge.

We take pride in continuing to strengthen our relationship with Iwi and we welcomed a new Strategic Relationships Manager to ensure collaboration between council and Iwi continues to grow. This supports the implementation

of existing joint management arrangements and the development of new partnership agreements. Along with this, we have representatives appointed to Council's newly established Maori representative positions on each of our standing committees. Strengthening Iwi participation in council decision-making will continue to be a focus and highlights from the past 12 months includes collaboration on the annual plan, participation and co-design for key infrastructure and community projects.

Of course, this is just a snapshot of the many things we have worked on over the past 12-months. The next 12 months will be just as busy, however, it will be about ensuring our district recovers and thrives in a post-Covid-19 environment.

We're looking forward to the future of our district and our community continuing to go above and beyond to look after the place we love.

Nga mihi nui,



David Trewavas
Mayor



Gareth Green
Chief Executive

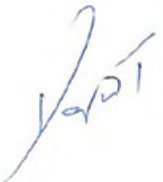
Statement of Compliance

Council and management of Taupō District Council confirm that all the statutory requirements of Part 6 and Schedule 10 of the Local Government Act 2002 have been complied with.

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

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

In the opinion of Council and management of Taupō District Council, the annual financial statements for the year ended 30 June 2020 fairly reflect the financial position and operations of Taupō District Council.



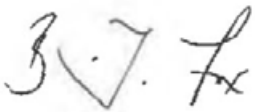
David Trewavas (JP)
Mayor
15 December 2020



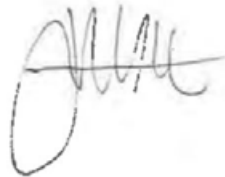
Gareth Green
Chief Executive
15 December 2020



Alan Menhennet
Head of Finance and Strategy
15 December 2020




Brian Fox
Head of Regulatory and Risk
15 December 2020



John Ridd
Head of Economic Development and Business Transformation
15 December 2020



Kevin Strongman
Head of Operations
15 December 2020



Tina Jakes
Head of Democracy, Governance and Venues
15 December 2020



Lisa Nairne
Head of Communications and Customer Relations
15 December 2020



Dylan Tahau
Head of Community, Culture and Heritage
15 December 2020

Independent Auditor's Report

To the readers of Taupō District Council's annual report for the year ended 30 June 2020

The Auditor-General is the auditor of Taupō District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Leon Pieterse, 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 15 December 2020. This is the date on which we give our report.

Opinion

Unmodified opinion on the audited information, excluding the statement of service performance reporting

In our opinion:

- the financial statements on pages 93 to 161:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2020;
 - 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 Reporting 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 statement about capital expenditure for each group of activities on pages 33 to 91, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 32 to 89, 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.

Qualified opinion on the statement of service performance reporting – our work was limited in relation to verifying the fault attendance and resolution times in respect of the water supply and wastewater systems

In our opinion, except for the possible effects of the matter explained in the *Basis for our qualified opinion* section of our report, the statement of service performance reporting on pages 24 to 88:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2020, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - 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.

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 13 to 17, 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 qualified opinion

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

As explained on pages 37 and 57, the District Council was unable to support the reported performance against these measures due to issues with the data recording system. As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance that the reported results for these measures are materially correct.

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 qualified opinion on the audited information.

Emphasis of matter – Impact of Covid-19

Without further modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the District Council as set out in note 3 to the financial statements and page 24 of the statement of service performance reporting.

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 and Long-term 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 12 and 18 to 23 and 162 to 189, 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: International 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 performed a limited assurance engagement related to the District Council's debenture trust deed, and assurance engagements in relation to the new headquarters building and the Quantum project, 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.



Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

Disclosure statement

WHAT IS THE PURPOSE OF THIS STATEMENT?

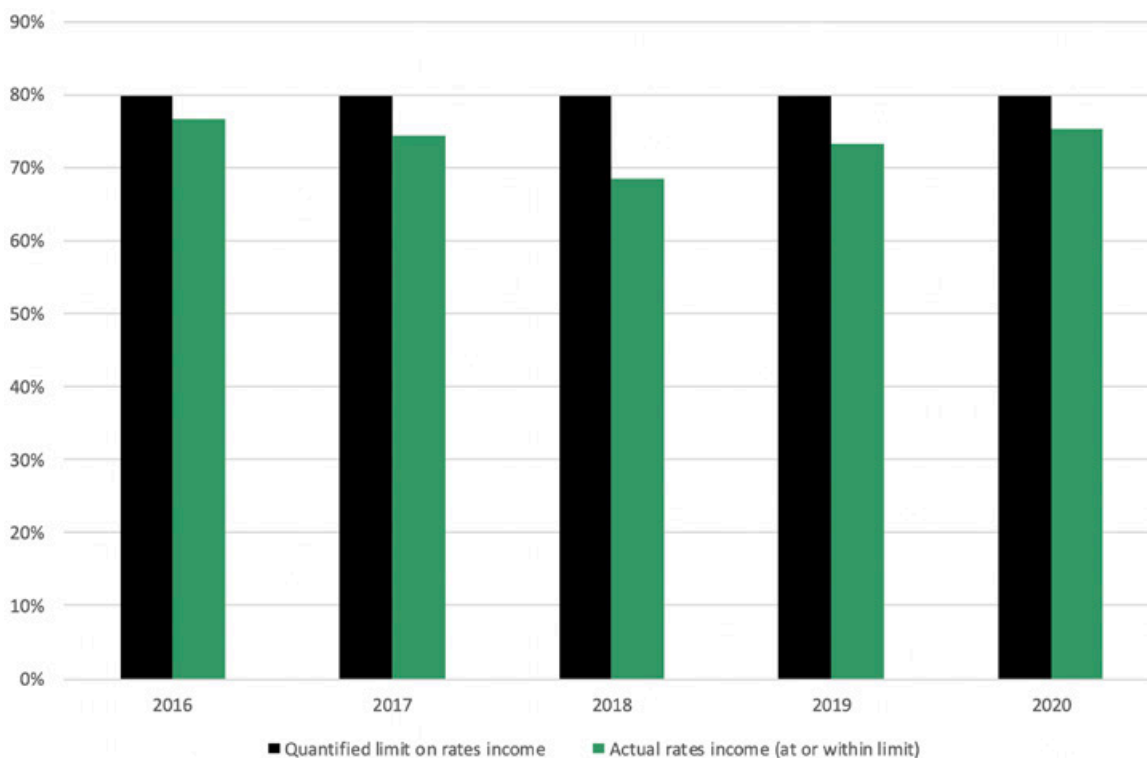
The purpose of this statement is to disclose Council's financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. Council is required to include this statement in 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:

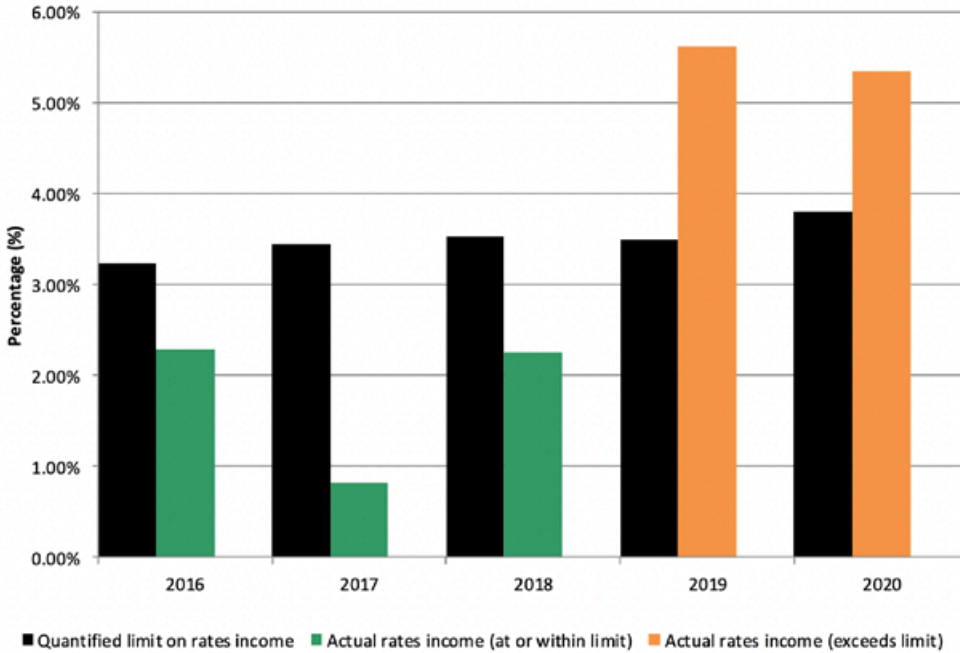
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rate increases.

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



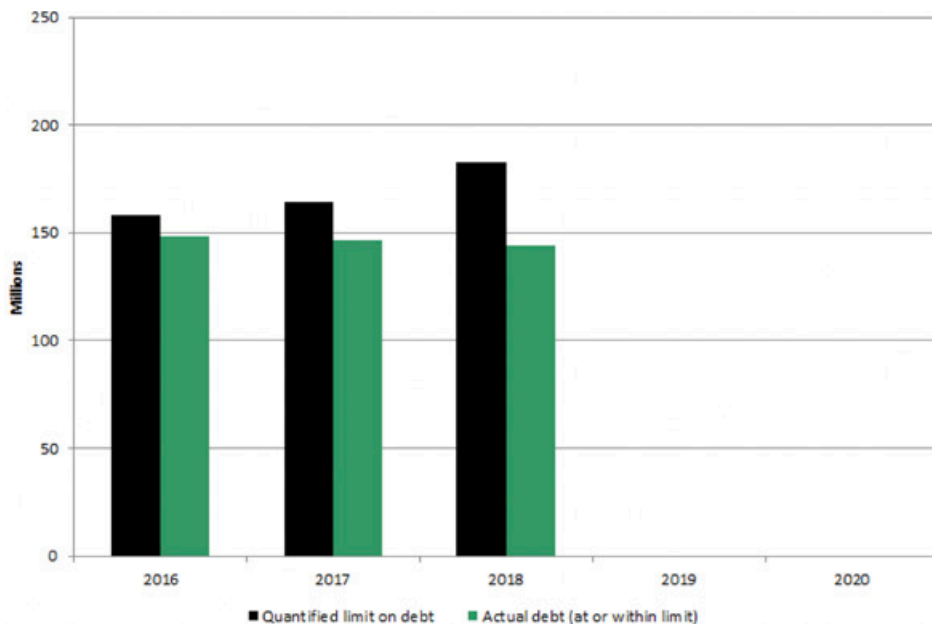
RATES (INCREASES) AFFORDABILITY

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy as part of council's Long-term Plan. The quantified limit in the 2015-25 LTP is that rate increases may not exceed LGCI + 1%. The quantified limit in the 2018-28 LTP is that rate increases may not exceed LGCI + 1.5%. The 2019 & 2020 results exceed the limit due to a larger than normal growth in rateable properties which have contributed more rates revenue for 2019 & 2020.

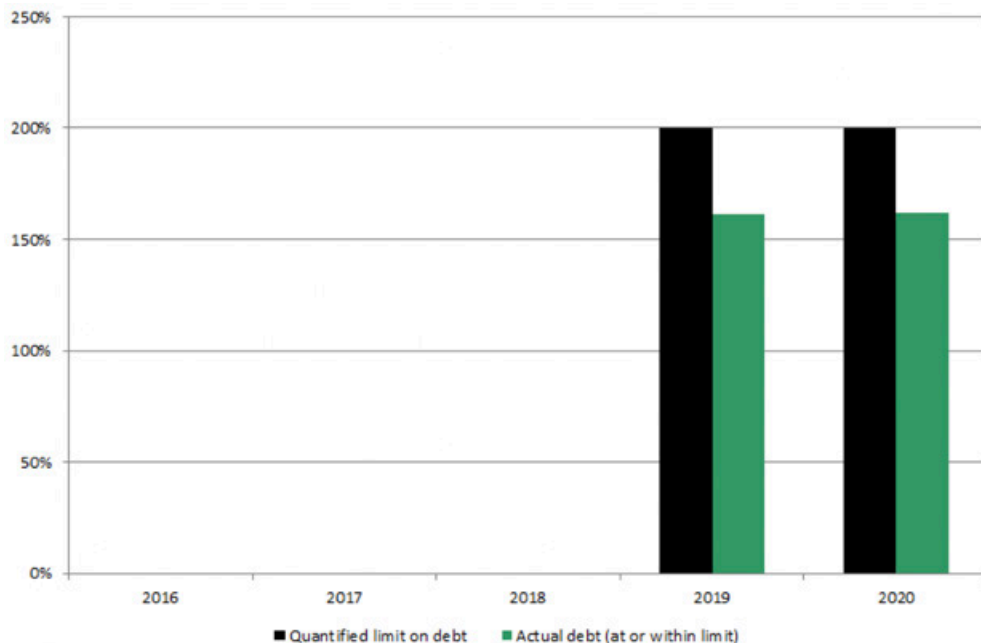


DEBT AFFORDABILITY BENCHMARK

The following graph compares the council's actual borrowing for 2016-2018 with a quantified limit on borrowing stated in the financial strategy included in the council's Long-term Plan. The quantified limit in the 2015-25 LTP was that gross external borrowing may not be more than 200% of annual operating income. The unit of measure used in the 2015-25 LTP was dollars - this was changed to be a percentage measure in the 2018-28 LTP's. Therefore the measurement against benchmark for 2019 and 2020 is shown separately in a second graph.

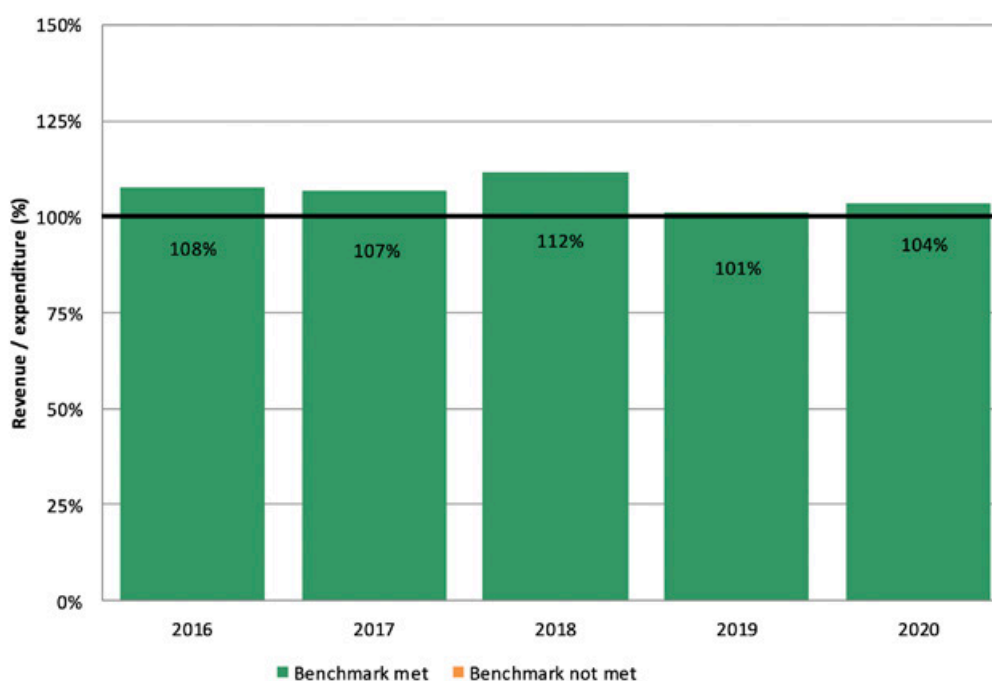


The following graph compares the council's actual borrowing 2019 and 2020 with a quantified limit on borrowing stated in the financial strategy included in the council's Long-term Plan. The quantified limit in the 2018-28 LTP was that gross external borrowing may not be more than 200% of annual operating income. The unit of measure used in the 2018-28 LTP was percentage as opposed to dollars in prior LTP's.



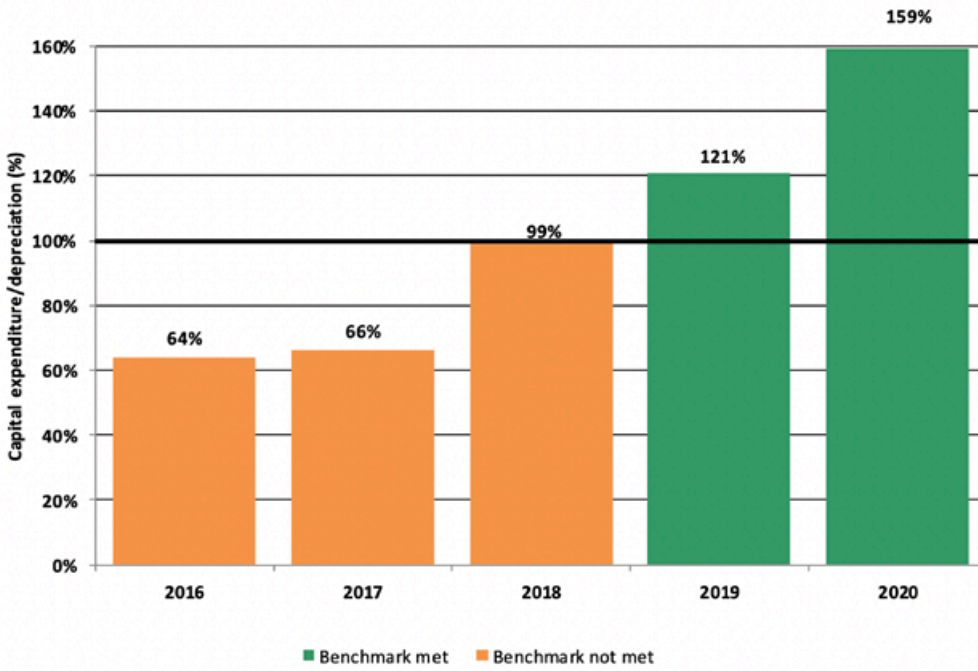
BALANCED BUDGET BENCHMARK

The following graph displays the 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). The council meets this benchmark if its revenue equals or is greater than its operating expenses.



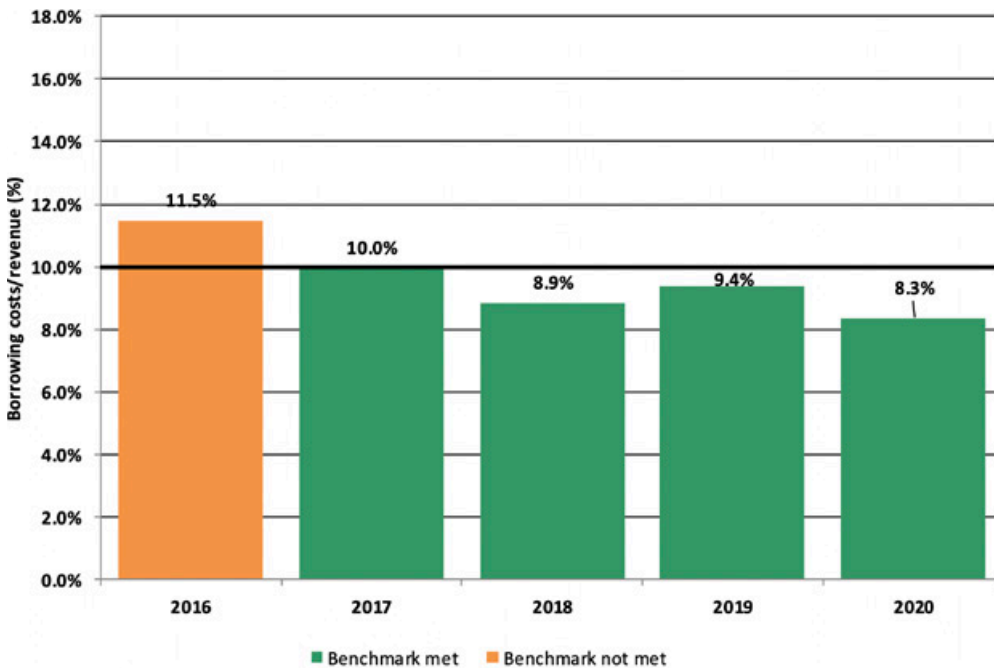
ESSENTIAL SERVICES BENCHMARK

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



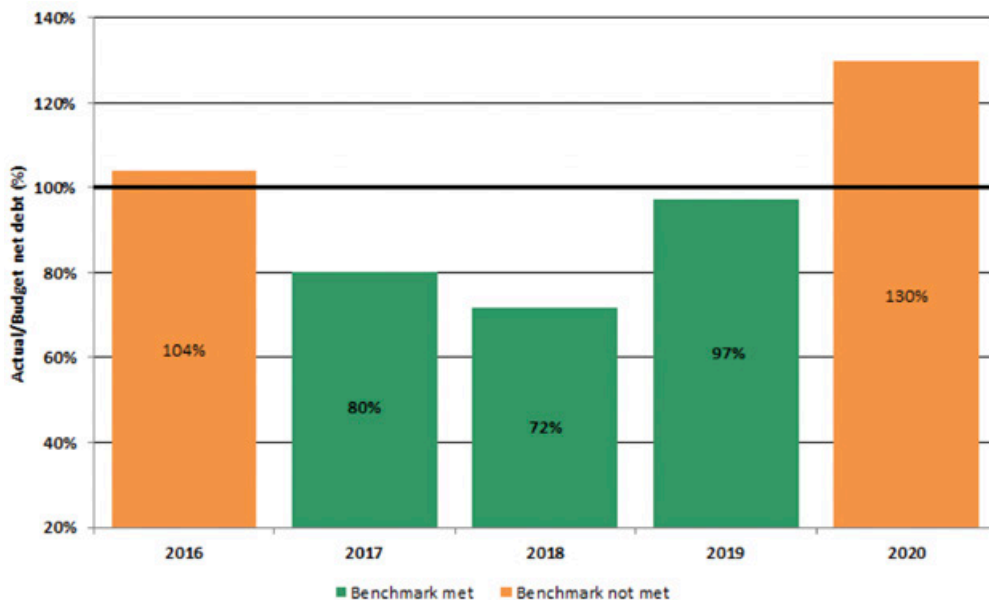
DEBT SERVICING BENCHMARK

The following graph displays the council’s borrowing costs as a proportion of revenue. Statistics New Zealand projects the 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.



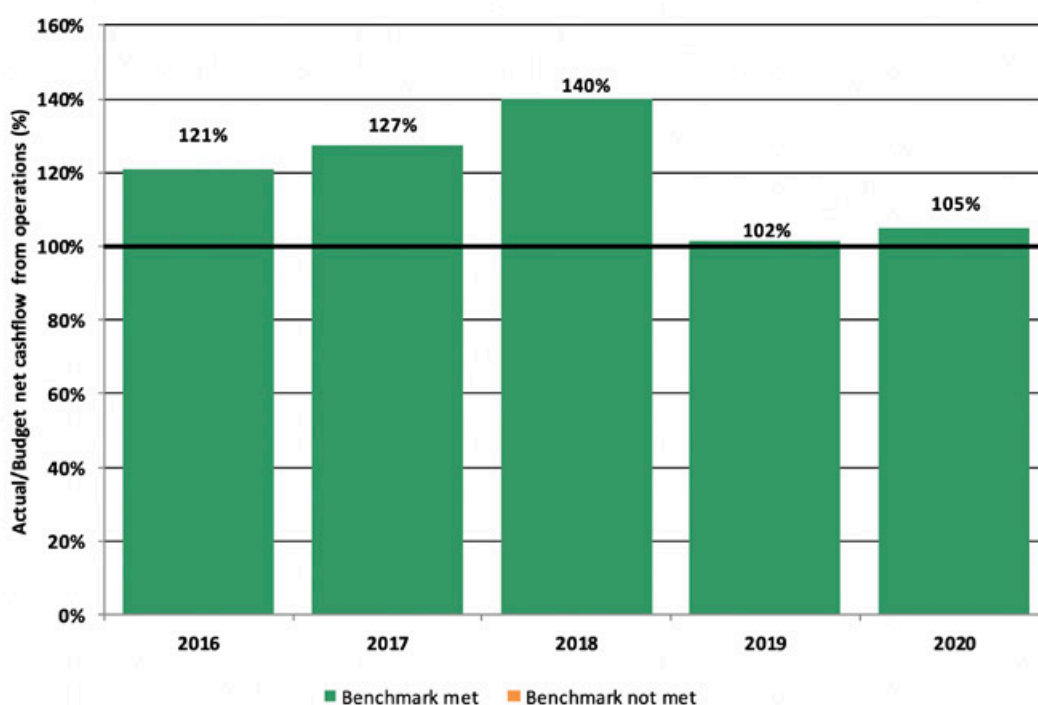
DEBT CONTROL BENCHMARK

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets. The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt. The measurement of net debt has changed in 2020 to include all financial liabilities and financial assets including derivatives. This has raised the level of net debt reported in this benchmark, and increases the volatility of the measure due to the inclusion of market revaluations of derivatives which are not planned for in the LTP. All comparative years have been restated to the new measurement basis.



OPERATIONS CONTROL BENCHMARK

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The 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

Taupō District Council's vision is 'To be the most prosperous and liveable district in the North Island by 2022'.

We want our district to be known for its charm, to be vibrant, and to also offer a quality experience for both residents and visitors, while creating real value in what we offer and by the way we do things.

We will work closely and collaboratively with our partners to ensure the best possible outcomes are achieved for our community, including Iwi, and to maximise any opportunities.

To help guide our strategy we have used a core set of values to underpin our decision-making when it comes to the services and activities we carry out as a Council. These are:

WORLD CLASS

The work we do will maintain and build on our international reputation as a destination of choice. We will promote an excellent quality of life for our residents while protecting the natural environment that makes our district so special.

AUTHENTIC

We will be open and transparent in the way we carry out our business and offer an experience that is genuine and real.

RESILIENT

Our plans, infrastructure and work programmes will be designed to ensure we are prepared to withstand or recover quickly from disasters and/or difficult situations. We will be flexible and respond quickly to change.

CHARMING

Our district's reputation will be built on the attractiveness of our towns, the diversity of the experiences we offer, and the friendliness of our people.

VIBRANT

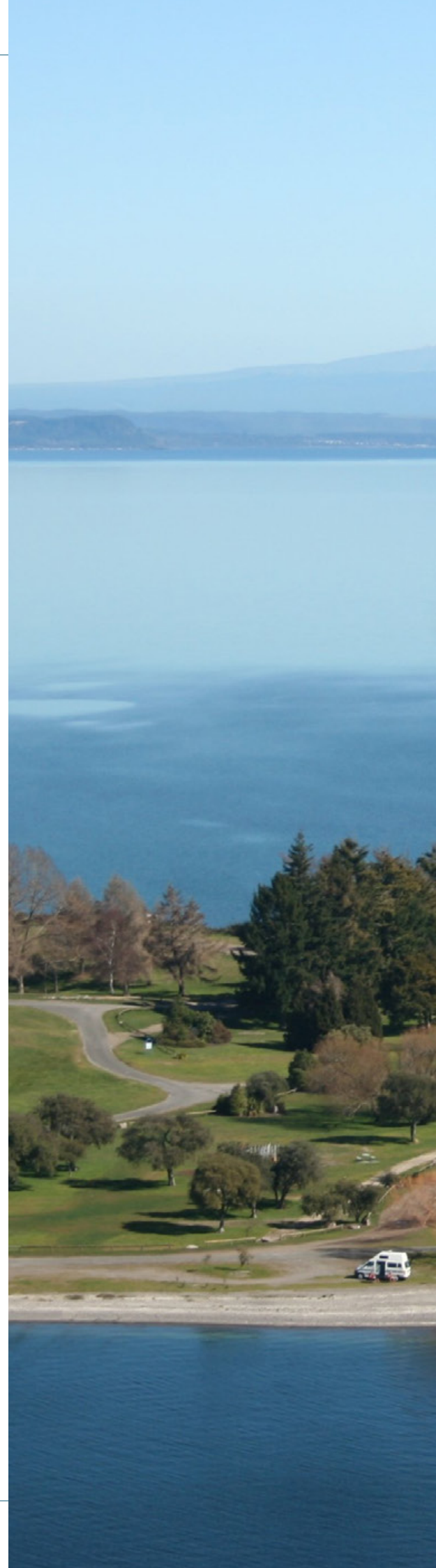
The vibrancy of our district will be created by well-connected communities who work together to create a positive, fun environment people want to call home.

QUALITY

We enable people to prosper by working to keep unemployment low, housing affordable and ensuring whatever we do is the best it can be.

VALUE

We will retain and attract residents and businesses by ensuring the district remains affordable and ensuring the work we do creates a better life for people and their families.





“We want our district to be known for its charm, to be vibrant, and to also offer a quality experience.”

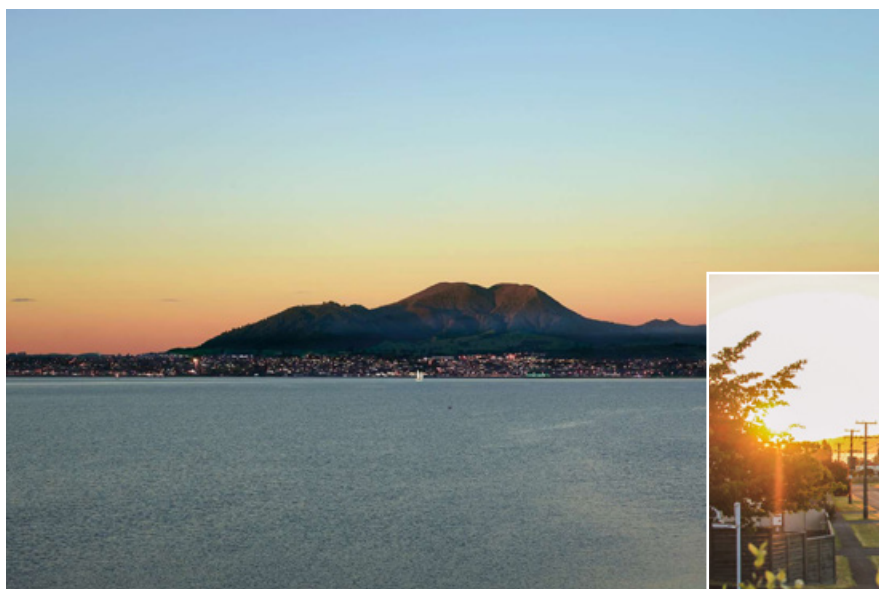
Counting the assets

COUNCIL HAS

\$1.45 billion assets

INCLUDING LAND, INFRASTRUCTURE AND BUILDINGS AS AT 30 JUNE 2020. THESE INCLUDE:

2018/19	2019/20	DESCRIPTION
97,708	98,758	m2 of parking (equal to about 14 rugby fields)
3,068 poles 4,434 lights	3,187 poles 4,429 lights	streetlights
795	796.4	km roads (sealed and unsealed)
752	771	km pipes supplying drinking water (includes service connections)
299	299	reserves including six sports grounds, three cemeteries and 57 playgrounds
420	454	street litter/recycling bins
494	504.6	km pipes for wastewater (Includes service connections)
329.7	343	km footpaths
264.4	264	km of pipes for stormwater
28	29	pump stations for water supply boosting
125	125	pump stations for wastewater reticulation (includes 64 septic tank effluent pump stations)
57	57	social housing units mainly occupied by elderly people
56	56	public toilets
38	38	km of cycleways
39.0	39.7	km culverts
25	25	bridges
20	19	water treatment plants (includes Taupō South - Rainbow Point WTP which is isolated)
12	12	community halls
11	10	wastewater treatment plants
5	5	transfer stations
3	3	libraries
3	3	swimming pools
2	2	fitness centres and one gymnasium
1	1	landfill
1	1	Museum
1	1	events centre
1	1	entertainment centre (the Great Lake Centre)
1	1	airport



New Projects This Year Not Included in the Long-term Plan 2018-28

- The response to the burst water main along Lake Terrace, which resulted in a footpath collapsing onto a wastewater main. This incident occurred in July 2019 and resulted in sediment and untreated wastewater entering Lake Taupō. The response to this incidence included reinstating the water main, wastewater main, footpath and embankment, all while containing the spill and ensuring that residents were still able to receive drinking water and have their wastewater taken away and treated.
- Preparation of Regenerate Taupō – a plan to ensure that our district thrives following the impacts of the Covid-19 pandemic.
- Scoping and design for the expansion of wastewater irrigation at View Road.
- Taupō wastewater Tekopua access improvements.
- Emergency works on the indoor pool at AC Baths. This project will be completed in the second half of 2020.

Surveys

Council regularly undertakes a Residents and Ratepayers Satisfaction Survey. The last survey was undertaken in June/July 2020.

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

Versus Research and measures how satisfied residents and non-resident ratepayers are with Council services.

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 to allow Destination Great Lake Taupō and the visitor industry to better understand visitor behaviour, preferences, and expectations.

A person is sitting on a large rock on a hillside, looking out over a bay at sunset. The sky is a mix of blue and orange, with some clouds. The foreground is filled with green bushes and rocks.

“

Authentic

We will be open and transparent in the way we carry out our business and offer an experience that is genuine and real.

”



Groups of Activities

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

COUNCIL HAS 10 GROUPS OF ACTIVITIES:

- Community services
- Water
- Transport
- Community facilities
- Wastewater

- Solid waste
- Stormwater
- Democracy and planning
- Investments
- Economic development.

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

Council has achieved 40 of its 80 performance measures in the Long-term Plan 2018-28, 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.

Impact of Covid-19

This year, we've had the unprecedented challenge of Covid-19 and this has impacted our planning and activities. Over the period March, April, May and June 2020, New Zealand was at Levels 2, 3 and 4 in response to the Covid-19 pandemic. The alert levels vary from full lockdown at Alert level 4, to most day-to-day activities occurring level 2, with people social distancing and contract tracing required.

Alert levels 3 and 4 had significant impacts on Council's operations at that time. The Civil Defence Emergency Operating Centre (EOC) was activated. We had a combined EOC with other Waikato Councils. The EOC ensured that the welfare needs of our most vulnerable were taken care of during this time.

Council facilities were closed, and Council staff who were not considered to be essential workers worked from home. Essential services such as the provision of drinking water and wastewater collection and collection of kerb-side waste continued. The lockdown period has impacted on the ability to achieve some of our performance measures for the 2019/20 year, including:

- Only 55% of health (funeral homes, camping grounds, hairdressers and offensive trade) premises were inspected in 2019/20. The target is 100 percent. The reason that we did not achieve the target is because health staff were unable to conduct inspections during the lockdown period.
- Only 61% of liquor premises were inspected. The target is 100 percent. The reason that we did not achieve the target is because health staff were unable to conduct inspections during the lockdown period.
- We did not achieve our target of diverting waste from landfill. This is because during alert levels 3 and 4 we were unable to accept kerbside recycling, which meant

that some recyclables went straight to landfill. In addition during alert levels 3 and 4 the Broadlands Landfill and our transfer stations were closed, which meant we were unable to accept material which is generally diverted, such as greenwaste.

In response to Covid-19, Council worked together with many other community and government agencies in our district to develop Regenerate Taupō, a plan for how our community is going to respond to the impacts of the Covid-19 pandemic.

Community Well-beings

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.

Council's community outcomes

For each activity, we are required to report any effects that the group towards the four well-beings:

- Social
- Economic
- Environmental
- Cultural

This assessment has been made under the relevant activity.



our communities prosper in a thriving local economy with a diverse range of rewarding employment opportunities.”

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.

CONTRIBUTION TO THE WELL-BEINGS

The community services group of activities contributes to the social, cultural and economic well-beings. Our communities are supported socially and culturally through community engagement, civil defence and emergency management. Our environment is protected through our regulatory services.

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 the Māori community, Te Reo Māori and the tikanga of our local Iwi 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 and subsequently distributed in accordance with the Grants and Partnerships Policy. This is done via a partnership agreement or through independent distributing agencies including the Turangi-Tongariro Community Board and the Mangakino-Pouākani Representative Group.

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.

- We supported community-led neighbourhood events organised by White Ribbon and Tu Tangata,
- We delivered the Our Neighbourhood, Our Future events throughout the district.

WE WERE INVOLVED WITH THE FOLLOWING COMMUNITY EVENTS:

- Strategic planning for two communities groups (Inspiring Communities and Exult) to facilitate community-led change.
- Two community funding workshops in partnership with Baytrust.
- Undertook Smokefree 2025 community and agency engagement, including preparation of a smoke free action plan.
- Taupō Safe District Coalition strategy, hui and actions. This included participating in the Safe Communities NZ annual forum and annual survey with community partners.
- Crime Prevention Through Environmental Design workshop.
- Community Governance Workshops in partnership with Baytrust and Exult.
- Access Taupōhui and actions.
- Community and Partnership Grants, including Turangi-Tongariro, Mangakino-Pouākani, Creative Communities, Rural Travel Fund. Supported distribution agencies.
- Facilitated and supported community groups with various community events, including: Easterfest, Family Fun Day, Christmas in the Parks, Children's Day, White Ribbon, Waitangi Day, Youth week, Suicide Prevention Day, Mental Health Week, Conservation Week, Road Safety Week, Taupō, Turangi and Mangakino Christmas Parades, Te Reo Māori language week, Tūwharetoa, Taiopenga Kapa Haka.
- Supported various place-based neighbourhood requests for events in such as Acacia Bay, Kinloch and Korohe.



“Our communities are supported socially and culturally through community engagement, civil defence and emergency management.”

- Worked with TCOSS to co-facilitate Covid impacts on community groups, NGO regarding opportunities and challenges wananga.
- Facilitated community supports including volunteer mobilisation, planning, process, resources, programme delivery.
- Support workshop – facilitating change, engagement, process, authentic culture, resources New Approach Hui
- Co-facilitated presentations/workshops – including planning, engagement, facilitation, delivery, resources Age-Friendly District.
- Facilitated Youth Hub workshops with schools and youth groups.
- Freedom Camping Ambassadors.
- CBD Ambassadors.
- Initial support for homelessness community coordination.
- Volcanic Forum, Faith based organisations collective impact opportunity.
- Facilitated forum support of regional presentations/workshop, Civil Defence Welfare, Collective Impact, Church & Government/Local Government, Police/Church community partnerships.
- Bay of Plenty Engagers Network.

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 amenities are 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.

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

- Undertook marae preparedness training in conjunction with FENZ and Waihereora Ltd.
- Attended community neighbourhood events promoting Civil Defence.
- Staff attended and supported CDC Welfare and CDC Supervisors Trainings in Tokoroa
- Facilitated a series of Local Welfare Committee Group meeting and desktop training
- Operated the Emergency Operating Centre (EOC) with other Waikato councils during the Covid-19 lockdown to respond to welfare situations.

This year, Council:

YEAR	2019/20	2018/19	2017/18	
ISSUED	1,270	1,308	1,355	Building consents
	956	1,042	1,109	Code of compliance certificates
	321	300	325	Resource consents
	8,797	15,251	18,949	Parking infringement notices
DEALT WITH	1,165	1,121	1,305	Noise complaints
	1,206	1,149	1,177	Animal control complaints
AUDITED	535	591	302	BWOF inspections/audits
	636	590	472	Food/Health inspections
MADE	160	155	159	Liquor outlet inspections

“Council is connected with its communities, advocating for their social and cultural well-being.”

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
We continue to support the social and cultural wellbeing of the district.	Promote community led principles with events being community led.	At least 13 community led events.	2018/19 – Achieved (18 community-led events) 2019/20 – Achieved (19 community led events)	We supported 19 community-led events which included: Children’s Day, Youth Week, Pihanga/Turangi/Waitahanui Park events, Suicide Prevention, Matariki, Living Well Expo, Mental Health Week, Easterfest, Family Fun Day, Kinstock These events are led by community groups, with assistance from Council
We provide community grants.	Percentage of distributing agencies that report annually to Council on the distribution of grants and costs of service for the distribution.	100 per cent.	2018/19 – Achieved (100 per cent) 2019/20 – Achieved (100 per cent)	All agencies reported to Council.
We process resource consents consistently, efficiently and to a high standard, ensuring that property developments are in line with District Plan policy goals.	Percentage of resource consents processed within statutory timeframes as specified under the Resource Management Act 1991.	100 per cent.	2018/19 – Not achieved (99.3 per cent) 2019/20 – Not achieved (98.11 per cent)	In 2019/20 we processed 321 resource consent applications. 6 applications were processed over time. This was because we received high volume of resource consents and were unable to process all of them within the statutory time period.
	Percentage of resource consents monitored to ensure they comply with the conditions of consent. If consent holders are not complying with the conditions, then appropriate enforcement actions are undertaken expressed as a percentage.	100 per cent.	2018/19 – Achieved (100 per cent) 2019/20 – Achieved (100 per cent)	All resource consents were monitored or are scheduled to be monitored depending on project timeframes.

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
We provide an efficient and reliable building consent and inspection service.	Percentage of all building consents applications processed within 20 working days as specified under the Building Act 2004 Section 48(1).	100 per cent.	2018/19 - Not achieved (99.9 per cent) 2019/20 - Not achieved (96 per cent)	We processed 1,270 building consents in 2019/20. There were 51 building consents that went over processing timeframes. Although the number of building consents processed in 2019/20 was lower than the 1,308 consents processed in 2018/19, the reason why a higher number of consents took longer than 20 working days to process was because we had fewer staff able to process building consents in 2019/20.
	Percentage of Building Warrants of Fitness audited yearly to ensure the information is correct.	At least 20 per cent.	2018/19 - Achieved (85 per cent) 2019/20 - Achieved (50 per cent)	There were 310 inspections completed out of 630 buildings.
We register and enforce regulatory functions for animal control	Percentage of known dogs that are registered each year.	At least 99 per cent.	2018/19 - Achieved (99.2 per cent) 2019/20 -Not achieved (99.19 per cent)	7306 dogs were registered from a total of 7365 dogs in the district.
We respond efficiently to requests for service	Percentage of noise complaints that are responded to within two hours.	At least 99 per cent.	2018/19 - Achieved (99.45 per cent) 2019/20 - Achieved (100 per cent)	1165 noise complaints responded to within two hours.
	Food safety - Percentage of food complaints responded to within two working days.	At least 80 per cent.	2018/19 - Achieved (90 per cent) 2019/20 - Achieved (100 per cent)	We received 21 complaints and all of these were responded to within two working days.
	Dog control - percentage of initial response within 24 hours for dog control complaints.	100 per cent.	2018/19 - Not achieved (97.68 per cent) 2019/20 - Not achieved (97 per cent)	We received 1054 animal control requests. There were 1023 requests that were responded to on time.

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
We inspect premises regularly We register and enforce regulatory functions for animal control	Percentage of health (funeral homes, camping grounds, hairdressers) premises that are registered and inspected annually to ensure they meet minimum legislative standards.	100 per cent.	2018/19 - Achieved (100 per cent) 2019/20 - Not achieved (55 per cent)	Only 55% of health (funeral homes, camping grounds, hairdressers and offensive trade) premises were inspected in 2019/20 due to Covid-19 lockdown period. We inspected: <ul style="list-style-type: none"> • all the district's 13 campgrounds, • 1 offensive trades (2 premises in total) • 0 funeral homes (there is 1 in total): • 8 hairdressing premises (there are 24 premises in total).
	Percentage of food premises that are registered and inspected/audited as required to ensure they meet minimum legislative standards.	100 per cent.	2018/19 - Achieved (100 per cent) 2019/20 - Achieved (100 per cent)	There were 340 food premises who required inspection. All of these premises were inspected as needed by their Food Control Plan or National Programme. Council conducted 452 inspections, as some premises were visited more than once.
	Percentage of liquor premises that are registered and inspected annually to ensure they meet the legislative minimum standards	100 per cent.	2018/19 - Achieved (100 per cent) 2019/20 - Not achieved (61 per cent)	All liquor premises were registered and 103 premises were inspected. 64 premises were not inspected due to the Covid-19 lockdown period.
We educate our communities on preparing for emergencies.	Maintain a work programme that specifically meets Council's individual and shared obligations in the Waikato CDEM Group Plan 2016-21. Measured by the percentage of actions completed within the specified timeframe.	100 per cent.	2018/19 - Achieved (100 per cent) 2019/20 - Achieved/ (100 per cent)	The actions completed included: engaging with the community, providing community response plans within our communities, working alongside Marae and training council staff to operate within the EOC.

Community Services

Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2020

	2019 Long Term Plan (\$000)	2020 Long Term Plan (\$000)	2020 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	4,673	4,836	4,524
Targeted rates	-	-	-
Subsidies and grants for operating purposes	13	-	18
Fees and charges	2,283	2,323	3,062
Internal charges and overheads recovered	-	-	5
Local authorities fuel tax, fines, infringement fees, and other receipts	440	449	459
Total operating funding (A)	7,409	7,608	8,068
Applications of operating funding			
Payments to staff and suppliers	7,183	7,384	8,080
Finance costs	53	47	47
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	7,236	7,431	8,127
Surplus (deficit) of operating funding (A - B)	173	177	(59)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(88)	(88)	(43)
Gross proceeds from sale of assets	-	-	24
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(88)	(88)	(19)
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	17	20	113
• to replace existing assets	130	160	160
Increase (decrease) in reserves	(62)	(91)	(351)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	85	89	(78)
Surplus (deficit) of capital funding (C - D)	(173)	(177)	59
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
Community Services	Base set radio - inc battery & power pack & aerial	ILOS	A	1	2	0	
Community Services	Installation of generator at Taupō Airport	ILOS	MY	46	41	(5)	
Community Services	Wireless receivers from Turangi through to Taupō	ILOS	X	-	12	12	
Community Services	New cameras to coincide with police 10 year district plan	ILOS	S	3	20	17	
Community Services	Lights for Unimogs	ILOS	A	3	4	1	
Community Services - District	Renewals	Renewal	S	160	172	12	
Total Community Services				214	251	37	

KEY

A Achieved

M Deliberate move into future years

MY Multi-year project

S Slippage

X Not achieved - major slippage (project will not be complete by 30 September 2020) or project will no longer be carried out

ILOS Increased Level of Service

Water

WHAT WE DO AND WHY WE DO IT

Water is essential for life, health, recreation and the environment. In our district, water is also essential for economic development. If industry has access to water, they are more likely to develop or start up here.

Council treats, stores and distributes water for residential, commercial and industrial properties in Taupō, Turangi, Mangakino and 15 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 27 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.

Please note that we are operating under 3 resource consents for our water takes which have technically expired. Applications for new resource consent applications have been applied for, however the new consents have not yet been granted. This is provided for under Section 124 of the Resource Management Act 1991 (RMA) and we are still complying with our obligations under the resource consent and the RMA. This situation applies to the following consents:

- Turangi water take
- Motouapa water take
- Whakamoenga Point water take

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.

CONTRIBUTION TO THE WELL-BEINGS

- The water activity contributes to the social, economic and environmental well-beings. The provision of safe drinking water helps residents and business to achieve their social and economic aspirations. We aim to protect our environmental by using our water responsibly.

WHAT WE DID THIS YEAR

- Responded to the water main break along Lake Terrace in July 2019.
- Adopted the Water Supply Strategy 2019
- The capacity of the Taupō Water Treatment Plant was upgraded from 25 to 30 million litres per day.
- Completed construction of new 2,000 m³ treated water reservoir in Kinloch.
- Completed construction of two new 300m³ treated water reservoirs in Motuoapa.
- Undertook bore head security works at Bonshaw Park.
- Control and communication upgrades were completed at Atiamuri, Motuoapa and River Road

Undertook water pipeline renewals including:

- 5km of pipelines in Turangi
- 3km of pipelines in Taupō
- 1km of pipelines in Bonshaw Park
- 300m of pipelines in Motuoapa

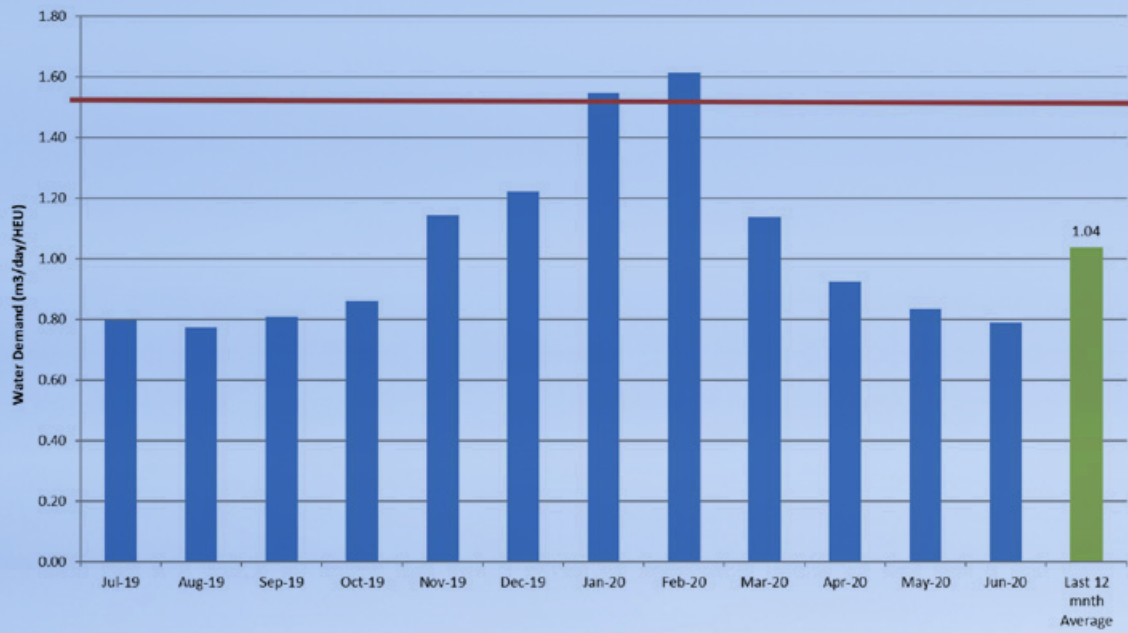
Designs completed for:

- Acacia Bay connection to Taupō
- Reticulation of 5 Mile Bay
- Tauhara Ridge Falling Main

Design works underway for Kinloch Water Treatment Plant upgrade.

“Water is essential for life, health, recreation and the environment.”

Urban water consumption per household 2019/20



Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	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) <ul style="list-style-type: none"> • All schemes. 	All schemes compliant with Part 4 of the DWSNZ.	2018/19 - Not achieved (15 of 19 supplies, actual result) Please note in the Annual Report 2018/19, we published the provision result of "Not achieved (16 of 19 supplies)." However the final result as per the Drinking Water Assessor has now been published, which have determined that compliance was only achieved for 15 of the supplies. 2019/20 - Not achieved (12 of 18 supplies, provisional result) Please note that these results are provisional until reviewed by the Drinking Water Assessor.	Provisional result is that compliance achieved at all sites excluding: <ul style="list-style-type: none"> • Acacia Bay due to data loss and a missed sample • Bonshaw Park due to turbidity • Centennial due to turbidity • Kinloch due to turbidity and E.coli • Mangakino due to instrument failure • Motutere due to turbidity
	The extent to which Council's drinking water supply complies with: Part 5 of the Drinking water Standards for New Zealand (Protozoal compliance criteria). <ul style="list-style-type: none"> • All schemes. 	Taupō, Turangi, and Mangakino schemes are compliance with Part 5 of DWSNZ.	2018/19 - Achieved 2019/20 -Not achieved Please note that these results are provisional until reviewed by the Drinking Water Assessor.	The compliance reporting system upgrade has exposed control limitations that have impacted compliance reporting results. During the year we upgraded our compliance reporting system to Water Outlook. During the implementation of this system we found that we were unable to prove compliance at Turangi and Mangakino due to insufficient process control on these sites. We were able to report throughout the year but could not prove compliance at all times. We are implementing control improvements at these sites to ensure we can prove compliance moving forward.
	The extent to which Council's drinking water supply complies with: Part 8 of the Drinking-water Standards for New Zealand (chemical compliance criteria). <ul style="list-style-type: none"> • All schemes. 	Taupō, Turangi, Mangakino, Atiamuri, Waihaha, Tirohanga, River Road, Whareroa and Whakamaru Are compliant with Part 8 of the DWSNZ.	2018/19 - Achieved 2019/20 - Achieved Please note that these results are provisional until reviewed by the Drinking Water Assessor.	The provisional result is that all sites listed have achieved chemical compliance for 2019/20. Note: Compliance is not achieved at Kinloch, Acacia Bay, Hatepe, Motuoapa, Centennial, Motutere and Omori due to lack of arsenic removal. Although we have not achieved compliance for these schemes, we are using Water Safety Plans to manage any risk.

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
Maintenance of the reticulation network.	Percentage of real water loss from the Council's networks reticulation system. Methodology in line with Water NZ "Water Loss guidelines2".	Targets set in the TDC Water Supply Strategy as follows:	2018/19 - Not measured 2019/20 - Not achieved.	The water loss results were calculated in December 2019. Please note that in previous Annual Reports we have not reported on this measure. This is because we did not set targets in the Long-term Plan 2018-28. During the development of the Water Supply Strategy 2019, we determined some water loss targets, which were consulted on.
		Urban Schemes - Target Current Annual Real Loss = 160 l/connection/day	Taupō: 206 l/connection/day Turangi: 677 l/connection/day	
		Rural Schemes - Target Current Annual Real Loss = 4.2 m3/km watermain/day	Average of Other Urban Networks: 147 l/connection/day Average of Rural Networks: 6.5 m3/km watermain/day	
Fault response times.	Median time for attendance for urgent call-outs: from the time that Council receives notification to the time that the service personnel reach the site.	Less than 1 hour.	2018/19 - Achieved (0.44 hour) 2019/20 - Achieved (0.33 hours)	We are confident that all faults were responded to within the fault response times, however due to some issues with the data recording system we are unable to verify all fault response times.
	Median time for attendance for non-urgent call-outs: from the time that Council receives notification to the time that the service personnel reach the site.	Less than 6 days.	2018/19 - Achieved (0.94 days) 2019/20 - Achieved (0.96 days)	
Fault resolution times.	Median time for resolution of urgent call-outs: from the time that the local authority receives notification to the time that the service personnel confirms resolution of the fault or interruption.	Less than 4 hours.	2018/19 - Achieved (2.22 hours) 2019/20 - Achieved (2.88 hours)	We are confident that all faults were resolved within the fault resolution times, however due to some issues with the data recording system we are unable to verify all fault resolution times.
	Median time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that the service personnel confirms resolution of the fault or interruption.	Less than 7 days.	2018/19 - Achieved (1.32 days) 2019/20 - Achieved (1.98 days)	

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
Customer satisfaction.	<p>The number of complaints received by Council on:</p> <ul style="list-style-type: none"> • Drinking water clarity. • Drinking water taste. • Drinking water odour. • Drinking water pressure or flow. • Continuity of supply. • Council response to these issues. <p>The number of complaints is expressed per 1000 connections to Council networked reticulation.</p>	Less than 8 complaints per 1000 connections.	<p>018/19 – Not achieved (9.8 complaints per 1000 connections)</p> <p>2019/20 –Not achieved (10.5 complaints per 1000 connections)</p>	<p>We received 210 complaints for the 2019/20 year.</p> <p>As at Feb 2020, there were 20,055 connections to our water supply network</p>
Sustainable use of potable water.	The average consumption of drinking water per day per resident within the district expressed as m ³ /day/HEU	Less than or equal to 1.5m ³ /day/ HEU.	<p>2018/19 – Achieved (1.01m³/day/HEU)</p> <p>2019/20 – Achieved (1.04m³/day/HEU)</p>	The average consumption of drinking water per day per resident was 1.04m ³ /day/HEU.
Adequate water for fire fighting in urban areas	Percentage of hydrants tested annually to ensure water pressure in urban areas meets FW2 firefighting code of practice standards.	At least 5 per cent.	<p>2018/19 – Not able to be reported on</p> <p>2019/20 – Achieved (5.2 per cent)</p>	<p>We completed 109 hydrant tests during the 2019/20 year.</p> <p>As at April 2020, there were 2088 fire hydrants in our network.</p>

Funding impact statement for water supply

FOR THE YEAR ENDED 30 JUNE 2020

	2019 Long Term Plan (\$000)	2020 Long Term Plan (\$000)	2020 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	9,586	9,946	10,680
Subsidies and grants for operating purposes	-	-	-
Fees and charges	111	114	29
Internal charges and overheads recovered	271	277	200
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	13
Total operating funding (A)	9,968	10,337	10,922
Applications of operating funding			
Payments to staff and suppliers	4,305	4,407	4,727
Finance costs	1,961	2,040	1,951
Internal charges and overheads applied	53	55	95
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,319	6,502	6,773
Surplus (deficit) of operating funding (A - B)	3,649	3,835	4,149
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	484	733	400
Increase (decrease) in debt	2,434	1,433	4,719
Gross proceeds from sale of assets	-	-	25
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	2,918	2,166	5,144
Application of capital funding			
Capital expenditure			
• to meet additional demand	1,750	-	1,164
• to improve the level of service	1,320	2,914	1,187
• to replace existing assets	3,651	3,452	8,536
Increase (decrease) in reserves	(154)	(365)	(1,594)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	6,567	6,001	9,293
Surplus (deficit) of capital funding (C - D)	(3,649)	(3,835)	(4,149)
Funding balance ((A - B) + (C - D))	-	-	-

Water Schedule of Capital Expenditure

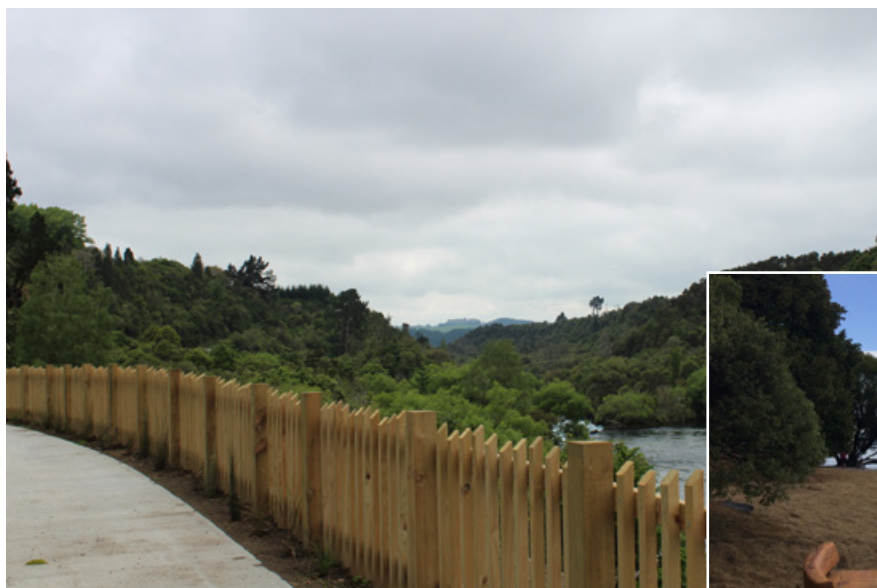
Activity/Scheme	Project	Reason for Acquisition	Project Status (refer key)	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	Notes
Water Supply Acacia Bay	Acacia Bay WTP DWSNZ upgrade	ILOS	MY	241	2,100	1,859	1
Water Supply Kinloch	Kinloch WTP DWSNZ upgrade	ILOS	MY	215	413	198	2
Water Supply Omori	Omori pretreatment	ILOS	S	-	250	250	3
Water Supply Taupō	Taupō reticulation of Five Mile Bay	ILOS	A	21	20	(1)	
Water Supply Taupō	Taupō - Tauhara Ridge falling main to Wharewaka East	ILOS	A	82	60	(22)	
Water Supply Mangakino	Mangakino Security of Supply	ILOS	X	28	150	122	4
Taupō Water Operations Team	Plant Automatic Shutdown	ILOS	X	65	102	37	
Water Supply Kinloch	Plant Automatic upgrade	ILOS	A	-	8	8	
Water - District	Renewals	Renewal	A	3,468	3,368	(100)	5
Total Water				4,120	6,471	2,351	

KEY

- A** Achieved
- M** Deliberate move into future years
- MY** Multi-year project
- S** Slippage
- X** Not achieved - major slippage (project will not be complete by 30 September 2020) or project will no longer be carried out
- ILOS** Increased Level of Service

EXPLANATION OF MAJOR VARIANCES AGAINST 2019/20 ANNUAL PLAN

- Multi-year project. Detail design complete and pumpset procured with watermain tender to be released August 2020. Construction expected November 2020 to May 2021
- Multi-year project. Design underway with construction in coming years
- Scope finalised with design underway. Procurement of membrane equipment to occur through 2021
- Pipeline design underway, generator replacement awaiting final permissions. Expected completion June 2021
- Multi-year pipe renewals slightly ahead of schedule. Overspend to be deducted from 2021 year budget.



Transport

WHAT WE DO AND WHY WE DO IT

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 Wairakei Village and the Mangakino to Tokoroa/Taupō service. The main users of the service are students and Supergold card users.

COMMUNITY OUTCOMES

This activity contributes to the following community outcomes:

- 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.

CONTRIBUTION TO THE WELL-BEINGS

The transport activity contributes to the social, and economic well-beings. Having a safe, efficient roading network is essential for people and businesses to carry out their daily activities.

WHAT WE DID THIS YEAR

- Continued with the seal extension programme
- Completed Kinloch Road footpath
- Changed the priority on Kiddle Drive, Napier Road and Arrowsmith Avenue
- Continued to convert streetlights to LED
- Commenced construction of Acacia Bay/Wily Terrace retaining wall
- Commenced construction of Mapara Road footpath
- Continued with road safety campaigns
- Developed a draft transport strategy which was consulted on over August and September 2020.

“We encourage and support people to use footpaths, cycleways and passenger transport.”

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
The number of serious and fatal crashes on district roads is falling.	Reduction from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	Reduction of 1.	2018/19 - Not achieved (24 deaths) 2019/20 - Achieved (4 deaths, 11 serious crashes)	The reason why this figure has decreased from 24 deaths in 2018/19 is because the crashes that occurred in 2018/19 had multiple fatalities associated with each crash with led to a higher figure.
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. Methodology in line with NZTA Smooth Travel Exposure (STE) Index for sealed roads.	At least 90 per cent.	2018/19 - Achieved (92 per cent) 2019/20 - Achieved (91 per cent)	The inputs for this NZTA report are based on road roughness and traffic counts. The road roughness inspection was delayed until September 2020, due to the COVID 19 lockdown. The traffic counts inspection was last undertaken in June 2019. It was not performed in the current year due to staff resourcing limitations
	The percentage of the sealed local road network that is resurfaced (measured in m2).	At least 3 per cent.	2018/19 - Achieved (3.1 per cent) 2019/20 - Achieved (4.4 per cent)	In 2019/20, 263,962m2 of the local road network was surfaced.
Footpaths are maintained and in good condition.	the level of service or 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).	80 per cent.	2018/19 - Achieved (91 per cent) 2019/20 - Achieved (91 per cent)	
Fix problems on the network promptly, or tell you why there are delays	Percentage of customer service requests relating to roads and footpaths that are responded to within five working days.	At least 90 per cent.	2018/19 - Achieved (93 per cent) 2019/20 - Achieved (92 per cent)	In 2019/20 we received 1,137 customer service requests relating to roads and footpaths.

Funding impact statement for Transport

FOR THE YEAR ENDED 30 JUNE 2020

	2019 Long Term Plan (\$000)	2020 Long Term Plan (\$000)	2020 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	6,644	7,057	6,995
Targeted rates	-	-	-
Subsidies and grants for operating purposes	2,051	2,115	1,939
Fees and charges	142	145	73
Internal charges and overheads recovered	425	434	377
Local authorities fuel tax, fines, infringement fees, and other receipts	450	460	414
Total operating funding (A)	9,712	10,211	9,798
Applications of operating funding			
Payments to staff and suppliers	5,333	5,672	5,499
Finance costs	1,172	1,075	1,127
Internal charges and overheads applied	425	434	380
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,930	7,181	7,006
Surplus (deficit) of operating funding (A - B)	2,782	3,030	2,792
Sources of capital funding			
Subsidies and grants for capital expenditure	2,257	2,302	2,027
Development and financial contributions	575	685	720
Increase (decrease) in debt	(2,408)	(206)	379
Gross proceeds from sale of assets	-	-	57
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	424	2,781	3,183
Application of capital funding			
Capital expenditure			
• to meet additional demand	150	-	-
• to improve the level of service	3,077	2,662	5,910
• to replace existing assets	2,687	3,424	2,063
Increase (decrease) in reserves	(2,708)	(275)	502
Increase (decrease) of investments	-	-	(2,500)
Total applications of capital funding (D)	3,206	5,811	5,975
Surplus (deficit) of capital funding (C - D)	(2,782)	(3,030)	(2,792)
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	Anzac Memorial Drive	ILOS	X	0	200	200	1
Transport	Huka Falls footpath	ILOS	S	100	350	250	2
Transport	Kinloch footpath construction	ILOS	A	166	100	(66)	
Transport	LED Infill lighting	ILOS	X	5	40	35	
Transport	Tirohanga Road widening	ILOS	X	222	300	78	3
Transport	Poihipi Road seal widening	ILOS	X	-	250	250	4
Transport	Minor improvements - District	ILOS	S	38	195	157	5
Transport	On street parking	ILOS	S	-	50	50	6
Transport	New signs & road marking	ILOS	A	50	25	(25)	
Transport	Pedestrian facilities	ILOS	S	-	140	140	7
Transport	Mangakino streets - upgrade program	ILOS	S	1	5	4	
Transport	Seal extension	ILOS	A	639	450	(189)	8
Transport	Cycle facilities	ILOS	X	-	60	60	9
Transport	Pedestrian facilities (bus shelters)	ILOS	X	-	6	6	
Transport	Retaining wall construction Wily Terrace	ILOS	MY	346	1,026	680	10
Transport	Paitiki Suburban Shopping Centre enhancements	ILOS	MY	8	50	42	
Transport	Bus infrastructure	ILOS	S	-	9	9	
Transport	In Berm Parking - Tūwharetoa Street	ILOS	A	296	307	10	
Transport - District	Renewals	Renewal	X	1,634	3,865	2,231	11
Total Transport				3,504	7,428	3,924	

KEY

A	Achieved	X	Not achieved - major slippage (project will not be complete by 30 September 2020) or project will no longer be carried out
M	Deliberate move into future years	ILOS	Increased Level of Service
MY	Multi-year project		
S	Slippage		

EXPLANATION OF MAJOR VARIANCES AGAINST 2019/20 ANNUAL PLAN

- Saving. Project to be realigned with completion of the new Airport Terminal and carpark
- Contract tendered for next stage. Delayed due to Covid-19 lockdown. Expected completion September 2020
- Tirohanga project now complete. Remaining to be utilised for New Zealand Transport Authority (NZTA) approved district rehabilitation projects
- Previous sections completed ahead of schedule resulting in \$211,000 of 1920 budget released to cover spend. \$36,000 balance to be carried forward for next section scoping currently underway. Due for completion March 2021
- Mapara Road footpath currently under construction with delays due to Covid-19 lockdown and weather.
- Awaiting plans and availability of contractor with additional delays due to Covid-19 lockdown. Expected completion May 2021
- Earmarked to complete the Mapara Road footpath currently under construction with delays due to Covid-19 lockdown and weather.
- Funding brought forward from year 2021 of the LTP to enable the entire northern section of Te Toke Road to be sealed
- Installation of walking and cycling counters on a widened shared path delayed due to NZTA procurement
- Multi-year project. Construction has commenced but project delays due to Covid-19 lockdown
- \$293,000 saving with \$1,938 to be carried forward. Includes Miro Street rehabilitation (\$970,000) due for completion March 2021, Tirohanga, Whangamata & Lake Terrace pavement resurfacing (\$497k) with completion expected December, Turangi kerb, channel & culvert works continuing (\$274,000) completion expected May 2021, off-street parking renewals (\$80,000) & drainage improvements (\$40,000) both with expected completion dates of March 2021.

Community Facilities

WHAT WE DO AND WHY WE DO IT

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.

CONTRIBUTION TO THE WELL-BEINGS

The community facilities group of activities contributes to the social and cultural well-beings. Our communities are supported socially and culturally through parks and reserves, museums and libraries.

WHAT WE DID THIS YEAR

- Completed preservation work on the waka tiwai.
- Completed the re-articulation and display of the moa skeleton.
- Installed Ngatoroirangi's kohatu (altar stone) in the Ora Garden of Wellbeing.
- Implemented Radio Frequency Identification (RFID) at all three libraries including remapping the circulation areas.
- Showcased art by renowned Tuwharetoa artists in the "Ko Taupō Te Moana" exhibition and in collaboration with the Corrections Department hosted the "From the Inside" exhibition of art by Paihere from Tongariro Prison.
- Rolled out new Aotearoa Peoples Network Kaharoa (APNK) chromebox computers and enhanced wifi service.
- Refurbished the Turangi Library with new carpet, a new entranceway and an internal repaint of the building.
- Worked on the upgrade of the private pools at AC Baths. This project will be continued in 2020/21.
- Completed the upgrade of the reception area at the Taupō Events Centre.

“Our communities are supported socially and culturally through parks and reserves, museums and libraries.”



Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
The library is accessible and offers a range of services for the community.	Percentage of the users/ visitors that are satisfied with the range of services and variety of the collection.	At least 75 per cent.	2018/19 - Achieved (89 per cent) 2019/20 - Achieved (93 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 93 percent of respondents said that they were either satisfied or very satisfied with the range of services and variety of the collection.
The Great Lake Centre and Taupō Events Centre are accessible and provide the community with a range of services.	The Great Lake Centre retains its Qualmark New Zealand four star rating.	Four-star rating.	2018/19 - Achieved 2019/20 - Achieved	The four-star rating was retained.
	Percentage of the users/visitors that are satisfied with the Taupō Events Centre.	At least 85 per cent.	2018/19 - Not achieved (85 per cent) 2019/20 - Not achieved (83 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 83 percent of respondents said that they were either satisfied or very satisfied with the Taupō Events Centre. In addition, 8 per cent of respondents are somewhat satisfied.
	Percentage of the users/visitors that are satisfied with the Great Lake Centre	At least 85 per cent.	2018/19 - Not Achieved (81 per cent) 2019/20 - Achieved (86 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 86 percent of respondents said that they were either satisfied or very satisfied with the Great Lake Centre.
Residents and visitors are satisfied with the exhibitions at the Taupō Museum and Art Gallery.	Percentage of the visitors to the museum that are satisfied	At least 55 per cent.	2018/19 - Achieved (73 per cent) 2019/20 - Achieved (75 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 75 percent of respondents said that they were either satisfied or very satisfied with the Taupō Museum and Art Gallery.

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
We provide a range of public open spaces that are accessible and enjoyed by our users.	Percentage of residential dwellings in urban areas that are within 400 metres of a publicly owned open space.	At least 85 per cent.	2018/19 - Not measured this year. 2019/20 - Not measured this year.	We were unable to calculate whether or not we have achieved this measure.
	Percentage of users that are satisfied with the current availability of Council open spaces.	At least 85 per cent	2018/19 - Not achieved (82 per cent) 2019/20 - Not achieved (83 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 83 percent of respondents said that they were either satisfied or very satisfied with availability of Council open spaces. In addition, 12 per cent of residents said that they were somewhat satisfied.
	Percentage of users that are satisfied with Council-owned parks and open space.	At least 85 per cent	2018/19 - Not achieved (78 per cent) 2019/20 - Not achieved (82 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 82 percent of respondents said that they were either satisfied or very satisfied with Council-owned parks and open space. In addition, there were 14 per cent who said that they were somewhat satisfied.
	Percentage of users that are satisfied with Council playgrounds.	At least 85 per cent.	2018/19 - Not achieved (63 per cent) 2019/20 - Not Achieved (66 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 66 percent of respondents said that they were either satisfied or very satisfied with Council playgrounds. In addition, 28 per cent of respondents said that they were somewhat satisfied.
	Percentage of sportsgrounds users that are satisfied with Council's sportsgrounds.	At least 85 per cent.	2018/19 - Not achieved (83 per cent) 2019/20 - Not achieved (69 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 69 percent of respondents said that they were either satisfied or very satisfied with Council's sportsgrounds. In addition, 18 per cent of respondents were somewhat satisfied.

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
Our pools are safe, well-maintained, and attractive for users.	We maintain Pool Safe accreditation at AC Baths and Turtle Pools (formally Genesis Energy Turangi Aquatic Centre - GETAC).	Pool safe accreditation maintained.	2018/19 - Achieved 2019/20 - Achieved	We maintained our pool safe accreditation.
	Percentage of users that are satisfied with the range of facilities at the AC Baths, the Turtle Pools (formally GETAC) and the Mangakino Pool.	At least 75 per cent.	2018/19 - Achieved (80 per cent) 2019/20 - Not achieved (66 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 66 percent of respondents said that they were either satisfied or very satisfied with the range of facilities at AC Baths, Turtle Pools and Mangakino Pools. In addition, 25 per cent of respondents were somewhat satisfied.
Public conveniences are clean, safe and fit for purpose	Percentage of users that are satisfied with Council's public conveniences.	At least 80 per cent.	2018/19 - Not achieved (72 per cent) 2019/20 - Not achieved (71 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 71 percent of respondents said that they were either satisfied or very satisfied with Council's public conveniences. In addition, 22 per cent of respondents were somewhat satisfied.
Council provides well-maintained and accessible cemeteries.	Percentage of users that are satisfied with the appearance and accessibility of Council's cemeteries.	At least 85 per cent.	2018/19 - Not achieved (84 per cent) 2019/20 - Achieved (86 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 86 percent of respondents said that they were either satisfied or very satisfied with Council's cemeteries.

Funding impact statement for Community Facilities

FOR THE YEAR ENDED 30 JUNE 2020

	2019 Long Term Plan (\$000)	2020 Long Term Plan (\$000)	2020 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	17,760	18,043	18,155
Targeted rates	-	-	-
Subsidies and grants for operating purposes	142	134	329
Fees and charges	2,930	2,958	2,480
Internal charges and overheads recovered	-	-	3
Local authorities fuel tax, fines, infringement fees, and other receipts	18	18	11
Total operating funding (A)	20,850	21,153	20,978
Applications of operating funding			
Payments to staff and suppliers	13,909	13,899	13,827
Finance costs	1,516	1,571	1,467
Internal charges and overheads applied	425	434	399
Other operating funding applications	-	-	-
Total applications of operating funding (B)	15,850	15,904	15,693
Surplus (deficit) of operating funding (A – B)	5,000	5,249	5,285
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	364
Development and financial contributions	226	314	147
Increase (decrease) in debt	1,526	1,246	(559)
Gross proceeds from sale of assets	-	-	75
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	1,752	1,560	27
Application of capital funding			
Capital expenditure			
• to meet additional demand	595	250	-
• to improve the level of service	2,973	3,986	4,063
• to replace existing assets	3,368	2,472	1,676
Increase (decrease) in reserves	(184)	101	(427)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	6,752	6,809	5,312
Surplus (deficit) of capital funding (C – D)	(5,000)	(5,249)	(5,285)
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
Parks & Reserves - District	Great Lake Walkway Upgrade	ILOS	MY	2,126	2,600	474	1
Parks Development Contribution	New neighbourhood reserves	ILOS	X	-	245	245	2
AC Baths - Pools	Private pool upgrade OPTION A	ILOS	X	100	1,155	1,055	3
Cemeteries - District	Cemeteries Interment Infrastructure	ILOS	A	7	8	1	
Cemeteries - District	Cemetery Improvements	ILOS	X	-	5	5	
Libraries - District	Library books	ILOS	S	300	310	10	
Libraries - District	Entrance at Turangi Library	ILOS	A	43	70	27	
Libraries - District	Ultra-Fast Broadband at the Turangi Library	ILOS	X	0	12	12	
Owen Delany Park Venue	External metered power source - north end of building	ILOS	A	6	5	(1)	
Parks & Reserves - District	Brice St Basketball Court	ILOS	A	35	35	(0)	
Parks & Reserves - District	CBD intersection upgrades	ILOS	X	55	200	145	4
Parks & Reserves - District	Destination Playground	ILOS	X	30	465	435	5
Parks & Reserves - District	Lock Rationalisation	ILOS	MY	-	10	10	
Parks & Reserves - District	Taupo Market relocation	ILOS	MY	-	75	75	6
Parks & Reserves - District	Spa Thermal Park Path	ILOS	X	4	40	36	
Parks & Reserves - District	Fencing contributions (Fencing Act requirement)	ILOS	A	27	20	(7)	
Parks & Reserves - District	Public Art	ILOS	X	9	25	16	
Parks & Reserves - District	Playground Improvements - assist with renewals where like for like no longer appropriate	ILOS	MY	-	50	50	7
Parks & Reserves - District	Improved Playground Softfall Material - bark to rubberised surfaces	ILOS	MY	-	20	20	8
Parks & Reserves - District	Accessibility Improvements	ILOS	A	9	10	1	
Parks & Reserves - District	Turangi Tongariro National Park Gateway (Waharoa)	ILOS	X	-	300	300	9
Parks & Reserves - District	Paitiki Suburban Shopping Centre enhancements	ILOS	MY	9	50	41	10
Parks & Reserves - District	OD Park and District Sportsgrounds Strategy	ILOS	X	-	35	35	
Parks & Reserves - District	Turangi parks equipment rationalisation	ILOS	X	-	450	450	11

Community Facilities Schedule of Capital Expenditure

Activity/Scheme	Project	Reason for Acquisition	Project Status (refer key)	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	Notes
Parks & Reserves - District	Strengthening and reinstalling (different location(new footings)	ILOS	S	5	10	5	
Project Watershed	Erosion Control - Kuratau Foreshore	ILOS	MY	19	315	296	12
Project Watershed	Erosion Control - Erosion Protection Trial Sites	ILOS	MY	5	60	55	13
Public Conveniences - District	Public Convenience Reticulation	ILOS	X	-	150	150	14
Public Conveniences - District	Turangi new public toilets	ILOS	X	-	500	500	15
Sportsgrounds - District	Iron roller	ILOS	A	22	19	(3)	
Taupo Events Centre - Stadium	Upgrade reception area	ILOS	S	181	250	69	16
Community Facilities - District	Renewals	Renewal	X	857	2,520	1,663	17
Total Community Facilities				3,852	10,018	6,167	

KEY

A	Achieved
M	Deliberate move into future years
MY	Multi-year project
S	Slippage
X	Not achieved - major slippage (project will not be complete by 30 September 2020) or project will no longer be carried out
ILOS	Increased Level of Service

EXPLANATION OF MAJOR VARIANCES AGAINST 2019/20 ANNUAL PLAN

- Multi-year project. Slight delay due to Covid-19 lockdown. Due for completion September 2020.
- Savings - No suitable projects identified within the 2019/20 year.
- Contract let. Timing delay due to Covid-19 lockdown with completion expected October 2020
- Project deferred to be revisited as part of the next Long-Term Plan (LTP).
- Tender awarded January with construction delayed due to Covid-19 lockdown. Expected completion January 2021
- Multi-year project with delay in finalising design due to Covid-19 lockdown. Due for completion May 2021.
- \$50,000 unspent forms part of the Destination Playground budget. See Note 5.
- \$20,000 unspent forms part of the Destination Playground budget. See Note 5.
- Project deferred to be revisited as part of the next LTP
- Multi-year project. Slight delay due to Covid-19 lockdown. Due for completion November 2020.
- Iwi engagement delayed until development of the partnership agreement had been completed. Expected completion June 2021.
- Multi-year project with timing issue due to consenting delays and Covid-19 lockdown. Due for completion June 2021.
- Earmarked for the Hatepe 'living wall' project multi-year. Due for completion June 2021.
- Project deferred to be revisited as part of the next LTP.
- Project deferred to be revisited as part of the next LTP.
- Completion delays due to Covid-19 lockdown. Expected completion August 2020.
- \$219,000 saving with \$1,444 to be carried forward. Including \$312,000 Bowling Green renewal expected completion April 2021, \$369,000 AC Baths renewals comprising of 25m indoor pool remediation, HVAC controllers, continuing light fitting renewals expecting completion March 2021, \$52,000 TEC entrance road completion delayed due to Covid-19 lockdown now expected October, \$128,000 Destination Playground renewal works see note 5, \$183,000 district hall renewals for Waipahihi (roof), Tirohanga and River Road (both remedial and re clad) delayed to Covid-19 and contractor availability with expected completion March 2021, \$99,000 Mangakino and Taupō units re clad delayed due to asbestos findings and insufficient funds to progress in 1920, \$76,000 Nukuhau Boat Ramp H&S remediation/renewal contract awarded and due for August completion, \$58,000 planned district pools water treatment equipment delays due to Covid-19 lockdown, expected completion March 2021, \$52,000 Turangi Turtle Pools lighting and carpet renewal completion delayed due to Covid-19 now expected October.



“

Charming

Our district's reputation will be built on the attractiveness of our towns, the diversity of the experiences we offer, and the friendliness of our people.

”



Wastewater

WHAT WE DO AND WHY WE DO IT

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

Council treats and disposes of wastewater in an environmentally responsible way, meeting Waikato Regional Council consent conditions, including odour control at our treatment facilities where required. 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 when they are discharged into the sewer system. In 2010, Council introduced a trade waste bylaw to control this discharge which was reviewed in 2016.

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 over time.

Please note that we are operating under 3 wastewater discharge resource consents which have technically expired. Applications for new resource consent applications have been applied for, however the new consents have not yet been granted. This is provided for under Section 124 of the Resource Management Act 1991 (RMA) and we are still complying with our obligations under the resource consent and the RMA. This situation applies to the following consents:

- Turangi wastewater disposal
- Managkino wastewater disposal
- Wastewater irrigation at Rakanui Road.

COMMUNITY OUTCOMES

This activity contributes to the following community outcomes:

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

CONTRIBUTION TO THE WELL-BEINGS

The wastewater activity contributes to the environmental well-being. Making sure that our wastewater is treated appropriately is essential to protecting our environment. If our wastewater isn't treated safely, it can harm our environment.

WHAT WE DID THIS YEAR

- Responded to the wastewater main break along Lake Terrace in July 2019.
- Completed preliminary design work for the Kinloch wastewater treatment plant upgrade and began detailed design.
- Obtained a new resource consent for the discharges from the Motutere wastewater treatment plant.
- Began construction of the Kinloch wastewater irrigation system.
- Renewed a large section of the wastewater rising main from Tokanau to Turangi.
- Continued the project that aims to reduce sewer overflows through increased maintenance. This included inspecting wastewater mains using SLRAT (sewer line rapid assessment tool) to assess, inspect and condition assessment of wastewater mains using CCTV.
- Continued to develop future wastewater disposal options for Turangi WWTP along with steering group partners; Ngati Turangitukua, Ngati Kurauia, and Tūwharetoa Māori Trust Board.
- Obtained a new resource consent for the Motutere wastewater treatment plant discharge.



“We provide sufficient capacity to serve communities within current designated drainage areas of the district, on a continuous basis.”

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
Compliance with resource consents for discharge from the sewage systems.	Number of abatement notices received by Council in relation to sewerage system resource consents.	≤ 1 abatement notices received.	2018/19 - Achieved 2019/20 - Not Achieved	Council received two abatement notices relating to the Kinloch Wastewater Treatment Plant.
	Number of infringement notices received by Council in relation to sewerage system resource consents	0 infringements.	2018/19 - Achieved 2019/20 - Achieved	No infringement notices were received.
	Number of enforcement orders received by Council in relation to sewerage system resource consents.	0 enforcement orders.	2018/19 - Achieved 2019/20 - Achieved	No enforcement orders were received.
	Number of successful convictions received by Council in relation to sewerage system resource consents.	0 successful convictions.	2018/19 - Achieved 2019/20 - Achieved	No convictions were received.
Reduction in nitrogen discharged from Wastewater treatment plants into Lake Taupō.	Reduce the total nitrogen discharged from wastewater treatment plants within the Lake Taupō catchment by at least 20 per cent of the benchmark average (10,310 kg/year) by 2020. From 2020 onwards maintain this reduction.	Reduction of at least 20 per cent.	2018/19 - Achieved (24.6 per cent) 2019/20 - Achieved (21.8 per cent)	The nitrogen discharge is monitored from all wastewater treatment plants in the Taupō Catchment. The reduction of N is 21.8 per cent comparative to benchmarking period.
System and adequacy.	Number of dry weather sewerage overflows across the district that are expressed per 1000 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.	Less than 3.	2018/19 - Achieved (0.87 dry weather overflows per thousand connections) 2019/20 - Achieved (1.08 dry weather overflows per thousand connections)	There are 18,484 active sewer connections Total dry weather overflows = 20

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
Fault response times.	Median attendance times: from the time that Council receives notification of a sewerage overflow resulting from a blockage or other fault in Council's sewerage system to the time that service personnel reach the site of the overflow or other fault.	Less than 1 hour.	2018/19 - Not achieved 2019/20 - Not achieved	We are confident that all faults were responded to within the fault response times, however due to some issues with the data recording system we are unable to verify all fault response times.
Fault resolution times	Median resolution time: from the time that Council receives notification of a sewerage overflow resulting from a blockage or other fault in Council's sewerage system to the time that service personnel confirm resolution of the overflow or other fault.	Less than 4 hours	2018/19 - Achieved 2019/20 - Achieved (2 hours)	We are confident that all faults were responded to within the fault response times, however due to some issues with the data recording system we are unable to verify all fault resolution times.
Customer satisfaction	The number of complaints received by Council on: a) Sewerage odour, b) Sewerage system faults, c) Sewerage system blockages; and d) Council's response to issues with the sewerage system. This is expressed per 1000 connections to the sewerage system.	Less than 8.	2018/19 - Achieved 2019/20 - Not achieved (8.3 per cent)	Between 1 July 2019 and 30 June 2020 Council was notified of 153 issues. There are 18,484 active connections to our sewerage systems. 8.3 complaints received per 1000 connections.

Funding impact statement for Wastewater

FOR THE YEAR ENDED 30 JUNE 2020

	2019 Long Term Plan (\$000)	2020 Long Term Plan (\$000)	2020 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	13,111	13,339	13,397
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,370	1,399	652
Internal charges and overheads recovered	-	-	41
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	4
Total operating funding (A)	14,481	14,738	14,094
Applications of operating funding			
Payments to staff and suppliers	6,778	6,839	7,012
Finance costs	2,587	2,528	2,243
Internal charges and overheads applied	203	208	167
Other operating funding applications	-	-	-
Total applications of operating funding (B)	9,568	9,575	9,422
Surplus (deficit) of operating funding (A - B)	4,913	5,163	4,672
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	616	1,011	1,317
Increase (decrease) in debt	952	(1,479)	(1,660)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	1,568	(468)	(343)
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	103	-
• to improve the level of service	4,255	1,743	1,970
• to replace existing assets	2,839	3,176	4,320
Increase (decrease) in reserves	(613)	(327)	(1,961)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	6,481	4,695	4,329
Surplus (deficit) of capital funding (C - D)	(4,913)	(5,163)	(4,672)
Funding balance ((A - B) + (C - D))	-	-	-

Wastewater Schedule of Capital Expenditure

Activity/Scheme	Project	Reason for Acquisition	Project Status (refer key)	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	Notes
Wastewater Taupō	Taupō Control Gate Bridge siphon	ILOS	MY	16	50	34	
Wastewater Taupō	Taupō Southern trunk main upgrade (stage 1)	ILOS	MY	45	100	55	
Wastewater Kinloch	Kinloch treatment plant balance tank	ILOS	S	619	1,700	1,081	1
Wastewater Taupō	Taupō View Road expansion (scoping and design)	ILOS	MY	31	100	69	2
Wastewater Taupō	Taupō Te Kopua WWP access improvements	ILOS	S	79	82	3	
Wastewater Taupō	Whareroa wastewater Weather Station	ILOS	S	8	5	(3)	
Wastewater - District	Renewals	Renewal	S	2,923	3,098	175	3
Total Wastewater				3,721	5,135	1,414	

KEY

A	Achieved
M	Deliberate move into future years
MY	Multi-year project
S	Slippage
X	Not achieved - major slippage (project will not be complete by 30 September 2020) or project will no longer be carried out
ILOS	Increased Level of Service

EXPLANATION OF MAJOR VARIANCES AGAINST 2019/20 ANNUAL PLAN

1. Multi-year project
2. Investigation phase of multi-year project
3. Multi-year pipe renewals, minor timing difference

Solid waste

WHAT WE DO AND WHY WE DO IT

We provide a solid waste system for refuse and recyclables. Waste services include a landfill and resource recovery centre at Broadlands Road, five transfer stations and street litter and recycling bins. 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 adopted the new Waste Management and Minimisation Plan in 2018 which sets out a number of new initiatives to be implemented for the district.

- E-Waste recycling.
- Waste reduction educational support for district marae.
- Waste minimisation grants to support community waste minimisation activities.
- Increase the number of warranted litter offices within Council's existing staff.
- Investigate ways to reduce construction and demolition going to landfill.
- Support local schools to divert food waste.
- Supporting district schools through support for composting and worm farming.
- Work with the local farming sector to provide waste reduction options.
- Investigating reducing farm waste.
- Education support for local event organisers.
- Implementation of a targeted litter reduction programme.
- Support and facilitate the reduction of single use plastic bags.

The Broadlands Road Landfill is operated with individual "cells" with its own liner and reticulation system for leachate. When a cell is full, it is capped with soil so that decomposition does not cause adverse environmental effects (bad smells, methane, uncontrolled toxic leachate etc).

Council also manages three closed landfill sites at Taupō, Mangakino and Turangi. Closed landfills have closure consents which requires Council to monitor them to ensure that there are no adverse environmental effects from these sites.

Refuse collection is funded through fees and charges, while disposal is funded through a combination of fees

and charges and a targeted rate applied to those areas where the service is available. Litter control is funded through the general rate.

COMMUNITY OUTCOMES

This activity contributes to the following community outcomes:

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

CONTRIBUTION TO THE WELL-BEINGS

The solid waste group of activities contributes environmental well-being. Disposing of our waste safely and encouraging waste reduction is critical in protecting our environment.

WHAT WE DID THIS YEAR

- Ran a plastic free July programme.
- Ran home composting workshops in Turangi and Taupō.
- Ran waste free parenting workshops.
- Ran 'Love food, hate waste' workshops.
- Supported district schools with composting programmes.
- Supported district marae by supporting Para Kore waste minimisation programme.
- Supported the Enviroschools programme.
- Installed five new street recycling bins.
- Installed 10 new street litter bins.
- Installed two new Big Belly street refuse compactor bins.
- Extended the Broadlands Rd operational contract for an additional two years.
- Supported local prisons in recycling bicycles.
- Undertook environmental monitoring for the three closed landfills and the Broadlands Road Landfill.
- Achieved 'fully compliant' status on all solid waste consents.
- Initiated the Resource Wise programme, which encompasses the waste minimisation offerings to local schools, businesses, community groups, and the public.
- Launched the Waste Minimisation Grant to the public and selected three successful applicants to fund.
- Ran public workshops and giveaway events for Plastic Free July. Also, ran a Waste-Free for the Holidays workshop in November.
- Ran public events through Taupō Environmental Education Collaborative to promote recycling and waste minimisation.
- Facilitated educational group trips to the Broadlands Road Transfer Station.
- for Turangi WWTP along with steering group partners; Ngati Turangitukua, Ngati Kurauia, and Tūwharetoa Māori Trust Board.
- Obtained a new resource consent for the Motutere wastewater treatment plant discharge.

“

The solid waste group of activities contributes to environmental well-being. Disposing of our waste safely and encouraging waste reduction is critical in protecting our environment.

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Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
Managing solid waste disposal within the district and increasing diversion from landfill.	The quantity of material (tonnes) diverted from landfill as a percentage of the total waste stream.	At least 46 per cent.	2018/19 - Achieved (47 per cent)	There were 24,573 tonnes of waste disposed to landfill and 18,200 tonnes of waste was diverted from land-fill. We did not achieve this performance measure because of the public health considerations during the Covid-19 lockdown. We were unable to accept kerbside recycling, and other materials which are usually diverted from landfill, such as greenwaste.
			2019/20 - Not achieved (43 per cent)	
The district has a high level of satisfaction with their waste and recycling services.	Percentage of surveyed users that are satisfied with our recycling and refuse services.	At least 85 per cent	2018/19 -Not achieved (79 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 72 percent of respondents said that they were either satisfied or very satisfied with Council's recycling and refuse services. In addition, 18 per cent of respondents are somewhat satisfied.
			2019/20 - Not Achieved (72 per cent)	
	Compliance with resource consent conditions for our landfills.	100 per cent	2018/19 - Achieved (100 per cent) 2019/20 - Achieved (100 per cent)	We received full resource consent compliance (reported as at June 2020).

Funding impact statement for Solid Waste

FOR THE YEAR ENDED 30 JUNE 2020

	2019 Long Term Plan (\$000)	2020 Long Term Plan (\$000)	2020 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	781	808	704
Targeted rates	1,226	1,141	1,157
Subsidies and grants for operating purposes	120	122	134
Fees and charges	2,821	2,809	3,154
Internal charges and overheads recovered	-	-	48
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	22
Total operating funding (A)	4,948	4,880	5,219
Applications of operating funding			
Payments to staff and suppliers	4,209	4,290	4,780
Finance costs	212	195	209
Internal charges and overheads applied	9	9	32
Other operating funding applications	-	-	-
Total applications of operating funding (B)	4,430	4,494	5,021
Surplus (deficit) of operating funding (A - B)	518	386	198
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(135)	(347)	(413)
Gross proceeds from sale of assets	-	-	11
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(135)	(347)	(402)
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	230	33	27
• to replace existing assets	136	138	69
Increase (decrease) in reserves	17	(132)	(300)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	383	39	(204)
Surplus (deficit) of capital funding (C - D)	(518)	(386)	(198)
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
Mangakino Solid Waste Disposal	Mangakino kiosk & electrical	ILOS	X	0	12	12	
Turangi Solid Waste Disposal	Turangi glass bays	ILOS	A	10	10	0	
Litter Control - Taupō	New street recycling bins	ILOS	A	11	10	(1)	
Solid Waste - District	Renewals	Renewal	X	69	136	67	1
Total Solid Waste				90	168	78	

KEY

- A** Achieved
- M** Deliberate move into future years
- MY** Multi-year project
- S** Slippage
- X** Not achieved - major slippage (project will not be complete by 30 September 2020) or project will no longer be carried out
- ILOS** Increased Level of Service

EXPLANATION OF MAJOR VARIANCES AGAINST 2019/20 ANNUAL PLAN

1. \$27,000 saving. \$40,000 carried forward. Project completion delayed due to Covid-19 restrictions, now expected to be October 2020.

Stormwater

WHAT WE DO AND WHY WE DO IT

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

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.

Maintenance programmes are mainly reactive in nature although 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.

In general providing stormwater services to the community has public health and environmental effects in providing this service; the cost of providing the service on ratepayers, especially with smaller communities; the cost

of keeping up with ever increasing environmental standards requiring significant capital investment and the long-term renewal cost of aging infrastructure.

COMMUNITY OUTCOMES

This activity contributes to the following community outcomes:

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

CONTRIBUTION TO THE WELL-BEINGS

The stormwater activity contributes to the social, cultural and environmental well-beings. Disposing of stormwater safely helps to protect, homes, businesses and environment.

WHAT WE DID THIS YEAR

- Undertook overland flow path modelling.
- Undertook a district wide stormwater monitoring programme.
- Installed five Enviropods into the stormwater network.
- Installed a quality improvement device into the stormwater network at the end of Tongariro Street.
- Undertook initial design works for a Brentwood Gully culvert under Acacia Bay Road.
- Undertook consultation regarding stormwater impacts on Paenoa Road
- Completed a CCTV inspection and condition assessment for parts of the Taupō town.
- Liaised with developers on stormwater designs for new subdivisions.
- Maintained and emptied quality improvement devices, with visual quality of discharges significantly improved.
- Council achieved full compliance for its comprehensive stormwater consent.



“Disposing of stormwater safely helps to protect homes, businesses and environment.”

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES AND TARGETS	TARGET	RESULTS	EXPLANATION
We manage the stormwater network to protect public health and property without compromising the environment	The number of flooding events that occur in a territorial authority district. A 'flooding event' means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor.	0	2018/19 - Achieved (0 flooding events) 2019/20 - Achieved (0 flooding events)	There were no flooding events.
	Percentage of users that are satisfied with the current availability of Council open spaces.	0	2018/19 - Achieved (0 flooding events) 2019/20 - Achieved (0 flooding events)	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.	Less than one hour.	2018/19 - Achieved 2019/20 - Achieved	There were no flooding events.
	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.	Not applicable	Not applicable	There will be no reporting on this performance measure. Council's stormwater network drains the roading network so there are no properties who connect to the stormwater network. However, in 2019/20 we received 102 complaints in relation to our stormwater network.

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES AND TARGETS	TARGET	RESULTS	EXPLANATION
Compliance with our Resource Consent for discharge from our stormwater system	Number of abatement notices received by Council in relation to Resource Consents for discharge from our stormwater system.	0	2018/19 – Achieved 2019/20 – Achieved	In 2019/20, Council did not receive any abatement notices in relation to the discharge from our stormwater network.
	Number of infringement notices received by Council in relation to Resource Consents for discharge from our stormwater system.	0	2018/19 – Achieved 2019/20 – Achieved	In 2019/20, Council did not receive any infringement notices in relation to the discharge from our stormwater network
	Number of enforcement orders received by Council in relation to Resource Consents for discharge from our stormwater system.	0	2018/19 – Achieved 2019/20 – Achieved	In 2019/20, Council did not receive any enforcement orders in relation to the discharge from our stormwater network
	Number of convictions received by Council in relation to Resource Consents for discharge from our stormwater system.	0	2018/19 – Achieved 2019/20 – Achieved	In 2019/20, Council did not receive any convictions in relation to the discharge from our stormwater network

Funding impact statement for Stormwater

FOR THE YEAR ENDED 30 JUNE 2020

	2019 Long Term Plan (\$000)	2020 Long Term Plan (\$000)	2020 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,769	1,839	1,833
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	1
Total operating funding (A)	1,769	1,839	1,834
Applications of operating funding			
Payments to staff and suppliers	744	761	763
Finance costs	51	57	77
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	795	818	840
Surplus (deficit) of operating funding (A - B)	974	1,021	994
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	14
Increase (decrease) in debt	110	119	582
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	110	119	596
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	253	181	16
• to replace existing assets	138	155	53
Increase (decrease) in reserves	693	804	1,521
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,084	1,140	1,590
Surplus (deficit) of capital funding (C - D)	(974)	(1,021)	(994)
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	Brentwood gully culvert	ILOS	X	7	10	3	
Stormwater	Enviropod protection	ILOS	A	5	5	(0)	
Stormwater	Overland flow paths / flood model	ILOS	X	-	20	20	
Stormwater	Two Mile Bay (Boat Ramp) improvement device	ILOS	X	-	170	170	1
Stormwater - District	Renewals	Renewal	X	38	151	113	2
Total Solid Waste				51	356	305	

KEY

- A** Achieved
- M** Deliberate move into future years
- MY** Multi-year project
- S** Slippage
- X** Not achieved - major slippage (project will not be complete by 30 September 2020) or project will no longer be carried out
- ILOS** Increased Level of Service

EXPLANATION OF MAJOR VARIANCES AGAINST 2019/20 ANNUAL PLAN

- Budget reassigned to the Lake Terrace remediation project per Council Resolution TDC 2019 08/07. Project to be added to the 2021 Annual Plan.
- Level of renewals required less than anticipated.

Democracy and Planning

DEMOCRACY – WHAT WE DO AND WHY WE DO IT

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

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 councils (such as Waikato Regional Council), our mana whenua Iwi and local hapu, district health boards, and many others.

Council continues to develop the relationship with both Iwi and hapu using central government tools, as highlighted by the Joint Management Agreements entered into with Raukawa, Te Arawa and Tūwharetoa.

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

PLANNING – WHAT WE DO AND WHY WE DO IT

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.

This group of activities contributes to the environment, economic and engagement community outcomes.

COUNCIL'S COMMUNITY OUTCOMES

The Democracy and Planning group of activities contributes to the following community 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.

CONTRIBUTION TO THE WELL-BEINGS

The democracy and planning group of activities social, cultural, economic and environmental well-beings. Having well function democratic services contributes to social and cultural well-beings. Planning contributes to all of the well-beings.

OPPORTUNITIES FOR MĀORI 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 Māori to contribute to local government decision-making.

Council has entered into forums, collectives and agreements alongside Iwi and Māori, to assist in Māori Land Court matters, Treaty of Waitangi settlements, specific legislation discussions or negotiated agreements between our district Iwi and Council recognising the leadership provided by Te Ariki, Tā Tumu te Heuheu.

There are a number of forums, collectives and agreements where Council collaborates with both Iwi and Māori generally around key instruments like our long-term and annual plans, hosting Council meetings and also special interest matters.

THESE SPECIAL INTEREST MATTERS ARE;

- Engagement with Ngāti Te Rangīiata regarding the Motutere Recreation Reserve
- Management Protocol guiding regular engagement with the Chief Executive of the Tūwharetoa Māori Trust Board

Collaboration with our Iwi partners will be a focus for the next 12 months, adding to what we must do as part of their respective legislations including the recently completed Ngāti Tūwharetoa Comprehensive Settlement Act.



The democracy and planning group of activities include social, cultural, economic and environmental well-beings. Having well functioning democratic services contributes to social and cultural well-beings.”

FORMAL ENGAGEMENTS FOR COUNCIL ARE:

- **Te Kōpua Kānapanapa** - Formal Councillor representation on Joint Statutory Committee with Waikato Regional Council and Te Kotahitanga o Ngāti Tūwharetoa.
 - **Te Kotahitanga o Ngāti Tūwharetoa** has completed its Comprehensive Claims Settlement process and has a number of obligations for Council.
 - **Lake Taupō Protection Project** - Formal Councillor representation on the Joint Committee with Waikato Regional Council, Tuwharetoa Māori Trust Board and the Crown.
 - **C75 Waipāhihi Māori Foreshore Reservation Trust** - Formal Councillor representation on the Māori Land Court Trust with Waipāhihi Marae Trustees.
 - **Tutemohuta Reservation Trust** - Formal Councillor representation on the Māori Land Court Trust with Tauhara Middle 14 Trustees.
 - **Ngāti Tūwharetoa Gallery Governance Group** - Support for the Museum's management by Ngāti Tūwharetoa members on the governance group.
 - **Tūwharetoa Māori Trust Board** has a Joint Management agreement with Council for the 2009 agreement giving joint decision-making powers to Iwi on resource consents and private plan changes on Māori multiply owned freehold land.
 - **Waikato River Co-governance** obligations as a Waikato River Iwi.
 - **Te Arawa River Iwi Trust** has a Joint Management Agreement with Council for the Waikato River.
 - **Raukawa Charitable Trust** has a Joint Management Agreement with Council for the Waikato River.
 - **Ngāti Turangitukua Council** is currently negotiating a Mana Whakahoho ā-Rohe with Ngāti Turangitukua. The aim is to pull together the multiple legislative obligations that Council has within the Ngāti Turangitukua rohe and work through how best we work in partnership. These obligations also include that which was agreed within their settlement in 1998.
- ### THE JOINT MANAGEMENT AGREEMENTS INCLUDE:
- **Ngāti 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 Ngāti Tūwharetoa.
 - **Raukawa - The Ngāti 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 Ngāti 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 Ngāti Turangitukua to prepare a reserve management plan for these reserves. The new committee, with members comprising of three from Ngāti Turangitukua and three from Council, had its first meeting in June 2016.
 - **Rangitāiki River Forum** - Established under the Ngāti Manawa Claims Settlement Act 2012 and the Ngāti Whare Claims Settlement Act 2012. Ngāti Hineuru, Te Kotahitanga o Ngāti Tūwharetoa and Taupō District Council each appoint a member on the joint committee of the Bay of Plenty Regional Council and the Whakatāne District Council. The forum's purpose is the protection and enhancement of the environmental, cultural, and spiritual health and wellbeing of the Rangitāiki River and its resources for the benefit of present and future generations. The forum is guided by Te Ara Whanui o Rangitāiki which contains a vision, objectives and desired outcomes to improve the rivers health and guide future management. Ngāti Hineuru, Te Kotahitanga o Ngāti Tūwharetoa and Taupō District Council are part of seven Iwi, two district Councils and a regional council that each appoint a member on the joint committee of the Bay of Plenty Regional Council and the Whakatāne District Council.





WHAT WE DID THIS YEAR

- Council has made significant changes in how it engages with Iwi as part of the district community.
- The Iwi Partnerships and Co-Governance teams are working hard to understand and respond to Council's existing and developing co-governance arrangements and obligations.
- The Strategic Relationship Manager role maintains the liaison function in support of staff to engage with Iwi partners and Māori in general.
- A cross-departmental co-governance team consisting of policy, regulatory, legal, democracy, reserve management, infrastructure and Iwi partnerships was established to work alongside Council's Iwi partner to support the implementation of existing joint management arrangements and the development of new partnership agreements.
- New representatives were appointed to Council's newly established Māori representative positions on each of its standing committees.
- Officers supported the Turangi Tongariro Community Board in their efforts to involve hapu in the process to fulfil a vacant position on their board.
- We continued to roll out NauMai Place and Korero Mai, learning platforms for elected members and staff, held on our district marae alongside hapu, where we receive presentations by our Iwi leaders and seek better understanding for sites of significance throughout the district.
- A continuation of the Māori representation project encompassing in-depth engagement with Iwi partners and Māori community leaders.
- Worked in partnership with Nukuhau Marae to deliver the 2020 Waitangi Taupō Moana Festival.
- Council has worked to bring together our Iwi partners to understand how best we can receive their guidance on the review of the District Plan. While there are obligations in the Joint Management Agreements, not every Iwi has one of these with Council.
- Enabled Iwi participation during Council's key decision-making processes including annual plan considerations.
- Facilitated Iwi participation and co-design of key infrastructure and community projects including Council's bid to Central Government's Crown Infrastructure Projects fund.
- Co-developed with Iwi and community partners the Regenerate Taupō District Covid-19 recovery plan.
- We joined together with the other district councils in the Waikato Region to present a joint case at the Plan Change 1 (Healthy Rivers) hearings. Waikato Regional Council notified their decision on the plan change in April 2020. Council has lodged an appeal, and we expect mediation to occur over the 2020/21 year.
- Started the development of the Long-term Plan 2021-31.
- Continued working on the review of the District Plan.
- Undertook local government elections which were held in October 2019.
- Initiated the review of the Class 4 Gambling Policy
- Initiated the review of a number of bylaws.
- Processed the Whareroa North Private Plan Change request.
- Commenced development of Te Kaupapa Kaitiaki along with Waikato Regional Council and Te Kotahitanga o Ngati Tūwharetoa.

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES AND TARGETS	TARGET	RESULTS	EXPLANATION
Council performance is rated as very or fairly good	Percentage of the district that rates the performance of the Mayor and Councillors as very good or fairly good.	At least 55 per cent	2018/19 – Not achieved (40 per cent) 2019/20 – Not achieved (43 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 43 percent of respondents said that they were either satisfied or very satisfied with the performance of the Mayor and Councillors. In addition, 31 per cent of respondents were neutral.
	Percentage of Turangi/Tongariro ward respondents that rate the performance of the community board members as very good or fairly good.	At least 55 per cent.	2018/19 – Not achieved (20 per cent) 2019/20 – Not achieved (29 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 29 percent of respondents said that they were either satisfied or very satisfied with the performance of the community board. In addition, 36 per cent of respondents were neutral.
	Percentage of residents and non-resident ratepayers that rate the performance of Council staff as very good or fairly good.	At least 69 per cent.	2018/19 – Achieved (77 per cent) 2019/20 – Not achieved (56 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 77 percent of respondents said that they were either satisfied or very satisfied with the performance of Council staff. In addition, 24 per cent of respondents were neutral.
Council is on the right track.	Percentage of the district that feel informed about Council's long-term vision for the district.	At least 49 per cent.	2018/19 – Not achieved (29 per cent) 2019/20 – Not achieved (35 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 35 percent of respondents said that they were either satisfied or very satisfied that they felt informed about Council's long-term vision for the district. In addition, 24 per cent of respondents somewhat agreed.
	Percentage of ratepayers feel they are getting value from Council.	At least 65 per cent.	018/19 – Not achieved (44 per cent) 2019/20 -- Not achieved (44 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 44 percent of respondents said that they were either satisfied or very satisfied that they felt they were getting value from Council. In addition, 33 per cent of respondents were somewhat satisfied.

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES AND TARGETS	TARGET	RESULTS	EXPLANATION
Council consults widely with District communities, including Māori before making decisions.	Percentage of the District that is satisfied with the way Council involves the public in its decision-making.	At least 55 per cent.	018/19 - Not achieved (39 per cent) 2019/20 - Not achieved (45 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 45 percent of respondents said that they were either satisfied or very satisfied with the way Council involves the public in its decision-making. In addition, 28 per cent of respondents were somewhat satisfied.
	Percentage of Māori residents are satisfied with their involvement in Council's decision-making	At least 58 per cent.	2018/19 - Not achieved (37 per cent) 2019/20 - Not achieved (30 per cent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 30 percent of respondents said that they were either satisfied or very satisfied with the way Council involves Māori in its decision-making. In addition, 37 per cent of respondents were somewhat satisfied.
Council operates an open and honest decision-making process that generates confidence and trust in the democratic system.	Percentage of residents and non-resident ratepayers say they know how and where to find information on Council activities and services.	At least 80 per cent.	2018/19 -Not achieved (58 per cent) 2019/20 - Not achieved (62 per cent)	In the 2020Resident and Ratepayer Satisfaction Survey, 62 percent of respondents said that they were either satisfied or very satisfied they know how and where to find information on Council activities and services. In addition, 24 per cent of respondents somewhat agreed.
	Percentage of residents and non-resident ratepayers that are satisfied with the way Council provides information on Council services and facilities.	At least 75 per cent.	2018/19 - Not achieved (51 per cent) 2019/20 - Not achieved (50 percent)	In the 2020 Resident and Ratepayer Satisfaction Survey, 50 percent of respondents said that they were either satisfied or very satisfied with the way Council provides information on Council services and facilities. In addition, 31 per cent of respondents were somewhat satisfied.
	Percentage of requests for official information that are responded to within 20 working days.	100 per cent.	2018/19 - Not achieved (99 per cent) 2019/20 - Not achieved (99 per cent)	In 2019/20, we received 101 official information requests and responded to 100 of these within 20 working days.
	Percentage of existing bylaws that are reviewed within legislative time frames to ensure they remain relevant.	100 per cent.	2018/19 - Achieved 2019/20 - Achieved	There were no bylaws reviewed during the 2019/20 year as there were no bylaws due for review during this period.

Funding impact statement for Democracy and Planning

FOR THE YEAR ENDED 30 JUNE 2020

	2019 Long Term Plan (\$000)	2020 Long Term Plan (\$000)	2020 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	7,586	7,683	8,363
Targeted rates	80	82	83
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1	83	94
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	7,667	7,848	8,540
Applications of operating funding			
Payments to staff and suppliers	7,655	7,836	8,675
Finance costs	-	-	-
Internal charges and overheads applied	-	-	2
Other operating funding applications	-	-	-
Total applications of operating funding (B)	7,655	7,836	8,677
Surplus (deficit) of operating funding (A – B)	12	12	(137)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	15
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	15
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	-	-	-
• to replace existing assets	-	51	48
Increase (decrease) in reserves	12	(39)	(170)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	12	12	(122)
Surplus (deficit) of capital funding (C – D)	(12)	(12)	137
Funding balance ((A – B) + (C – D))	-	-	-

Democracy and Planning Schedule of Capital Expenditure

Activity/Scheme	Project	Reason for Acquisition	Project Status (refer key)	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	Notes
Democracy and Planning	Renewal	Renewal	A	48	50	2	
Total Democracy & Planning				48	50	2	

KEY

- A** Achieved
- M** Deliberate move into future years
- MY** Multi-year project
- S** Slippage
- X** Not achieved - major slippage (project will not be complete by 30 September 2020) or project will no longer be carried out
- ILOS** Increased Level of Service



Investments

WHAT WE DO AND WHY WE DO IT

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.

COUNCIL'S COMMUNITY OUTCOMES

The Investments group of activities contributes to the following community outcomes:

- Economy - our communities prosper in a thriving local economy with a diverse range of rewarding employment opportunities.

CONTRIBUTION TO THE WELL-BEINGS

The investment activity contributes positively economic well-being. Using our investments wisely generates returns which can help to support the running of our district.



Using our investments wisely generates returns which can help to support the running of our district.

Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
We manage investment assets in accordance with the Treasury Management Policy.	The value of the TEL Fund is maintained relative to its inflation.	Baseline plus 2018/19 inflation plus 2019/20 inflation The baseline is \$59.0m plus 1.7% inflation in 2018/19 plus 1.6% inflation in 2019/20. Therefore, the target is \$60.9m.	2018/19 - Achieved The TEL Fund value increased from the baseline of \$59.0m at 1 July 2018 to \$60.9m at 30 June 2019. 2019/20 - Achieved (the TEL Fund value increased from \$60.9m at 1 July 2019 to \$61.3m at 30 June 2020)	The TEL Fund increased in value over in excess of target.
	The percentage yield on the TEL fund is greater than the minimum target set in the treasury management policy being >1 per cent above the 90 day bill rate.	>1 per cent above the sum of: <ul style="list-style-type: none"> • 50% of the average of the 90-day bill rate each day for the month of June 2020, (0.28%) and • 50% of the average of the 90-day bill rate each day for the month of March 20 (0.71%) • Target 1.495% 	2018/19 - Achieved (the yield on the TEL fund was 3.81%) 2019/20 - Achieved (the yield on the TEL fund for 2019/20 was 1.5%)	The yield achieved was in excess of the minimum target for 2019/20 of 1.495%
	The percentage yield on general and special reserve funds is greater than the minimum target set in the treasury management policy being 50.0 per cent 6-month BKBM mid-rate (average of reporting month) 50.0 per cent 6-month BLBM mid-rate, six months ago (average of month)	The sum of: <ul style="list-style-type: none"> • 50.0 per cent of the 6-month BKBM mid-rate (average of June 20 reporting month), and • 50.0 per cent of the 6-month BKBM mid-rate, six months ago (average of December 2019 month) • Target 1.22% 	2018/19 - Achieved (the yield on General and Special Reserve Funds for 2018/19 was 3.08%) 2019/20 - Achieved (the yield on General and Special Reserve Funds for 2019/20 was 2.45%)	The yield achieved was in excess of the minimum target for 2019/20 of 1.22%

Taupō District Council Investments

Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2020

	2019 Long Term Plan (\$000)	2020 Long Term Plan (\$000)	2020 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	(1,601)	(1,121)	(447)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	1,000
Fees and charges	1,414	1,036	1,283
Internal charges and overheads recovered	632	646	576
Local authorities fuel tax, fines, infringement fees, and other receipts	4,003	4,073	3,557
Total operating funding (A)	4,448	4,634	5,969
Applications of operating funding			
Payments to staff and suppliers	89	(25)	414
Finance costs	954	869	1,030
Internal charges and overheads applied	213	217	172
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,256	1,061	1,616
Surplus (deficit) of operating funding (A - B)	3,192	3,573	4,353
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(4,313)	1,954	(832)
Gross proceeds from sale of assets	6,773	3,310	847
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	2,460	5,264	15
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	2,086	2,850	3,484
• to replace existing assets	1,030	1,210	734
Increase (decrease) in reserves	2,536	4,777	150
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	5,652	8,837	4,368
Surplus (deficit) of capital funding (C - D)	(3,192)	(3,573)	(4,353)
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 - Land	Commercial and residential land development	ILOS	MY	-	604	604	1
Business Innovation	Tech One ERP Software Implementation	ILOS	X	2,226	3,583	1,357	2
Support Services - District	New software and technology projects	LOS/Renewal	X	315	685	370	3
Property - Council Administration	Civic Administration Building Tuwharetoa Street	ILOS	X	676	1,092	417	4
Support Services / Investments - District	Renewals	LOS/Renewal	X	501	1,223	723	5
Total Investments				3,718	7,189	3,471	

KEY

- A** Achieved
- M** Deliberate move into future years
- MY** Multi-year project
- S** Slippage
- X** Not achieved - major slippage (project will not be complete by 30 September 2020) or project will no longer be carried out
- ILOS** Increased Level of Service

EXPLANATION OF MAJOR VARIANCES AGAINST 2019/20 ANNUAL PLAN

- Multi-year and multiple projects, delayed due to Covid-19 and economic climate. Due for completion May 2021.
- Initial delay by TechOne and subsequently Covid-19, has meant project timeline has been extended by eight months. Expected go-live date now July 2021.
- \$167,000 relates to hardware that due to Covid-19 was in high demand resulting in short supply. Supply lines are slowly getting back to normal with expected completion December 2020. \$250,000 see note 2.
- Project deferred to be revisited as part of the next LTP.
- \$514,000 saving with \$209,000 carried forward. Includes \$87,000 i-Site carpet & HVAC renewal, archive building power board replacement due November 2020, \$80,000 Water & Wastewater telemetry servers & PC's due August 2020, \$29,000 mobile device supply delays due January 2020 and \$13,000 Turangi gym fire detector renewal.



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 2019/209 was a \$50,000 donation towards the purchase of a Heart Monitor for Taupō Hospital (budget \$nil).

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.

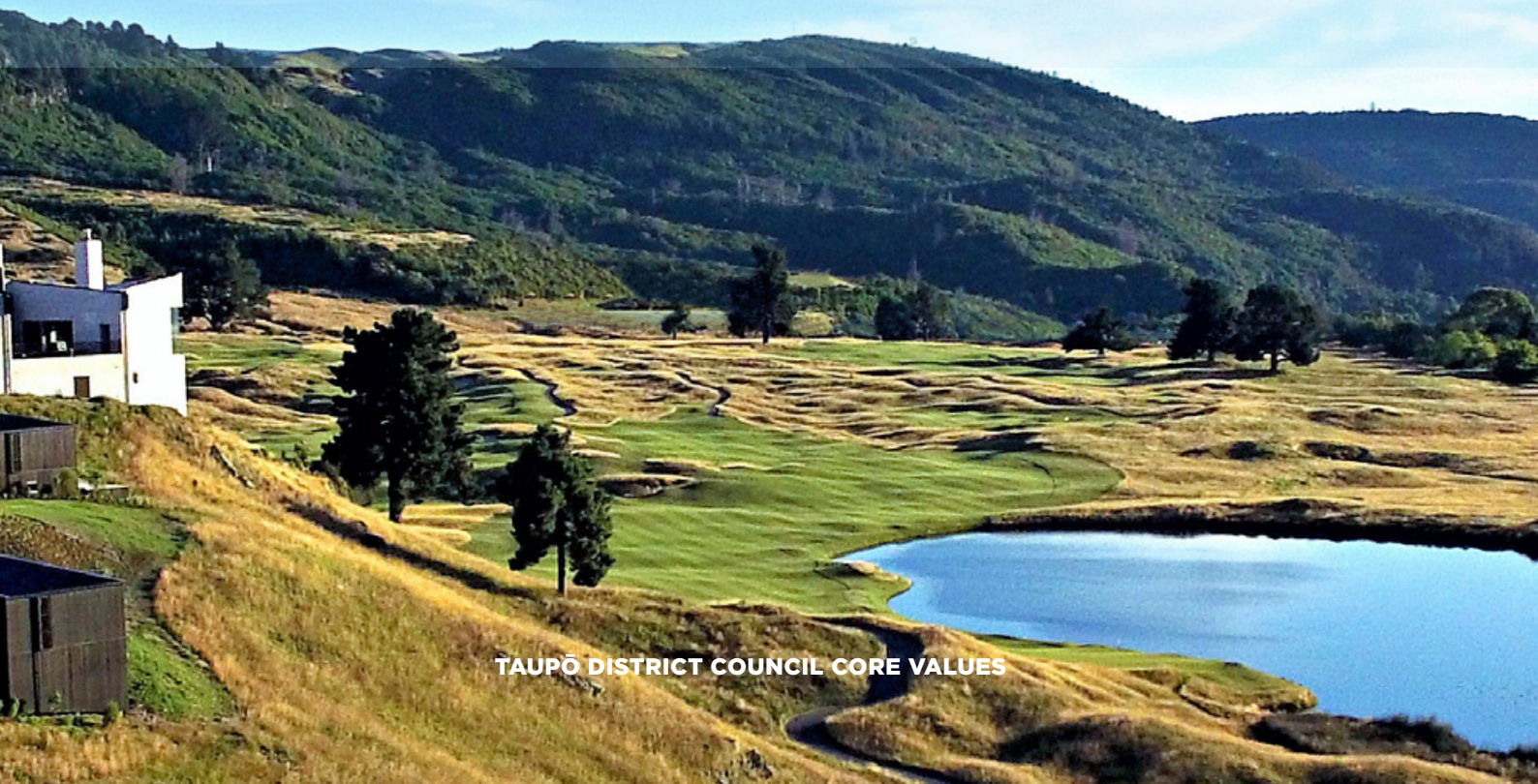
	\$
Initial proceeds on sale September 1995	61,273,557
Cumulative Investment Gains / Losses	85,080,968
Cumulative Rates Subsidies, Project Funding / Debt Repayment	(84,996,004)
Balance of TEL Investment as at 30 June 2020	61,358,521
Comparative value of TEL Investment Fund at 30 June 2019	60,088,623

“

Resilient

Our plans, infrastructure and work programmes will be designed to ensure we are prepared to withstand or recover quickly from disasters and/or difficult situations. We will be flexible and respond quickly to change.

”





Economic Development

WHAT WE DO AND WHY WE DO IT

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:

- An in-house events function that supports event organisers to run both commercial and community events. This support includes advice, relationship management, promotion, equipment, venues, hosting, funding and monitoring. Council also provides infrastructure, services and regulatory functions to enable events. Supporting events provides economic impact, gives the district a positive profile, creates vibrancy and diversity, delivers social benefits and provides opportunities for business.
- Promoting Taupō as a holiday and visitor destination through a Council-controlled organisation, Destination Great Lake Taupō (DGLT), and i-SITES in Taupō, Turangi and an information desk in Mangakino. Tourism is estimated to be worth over \$600 million to our economy annually and accounts for a significant proportion of employment within the district.
- Contracting 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.
- 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.

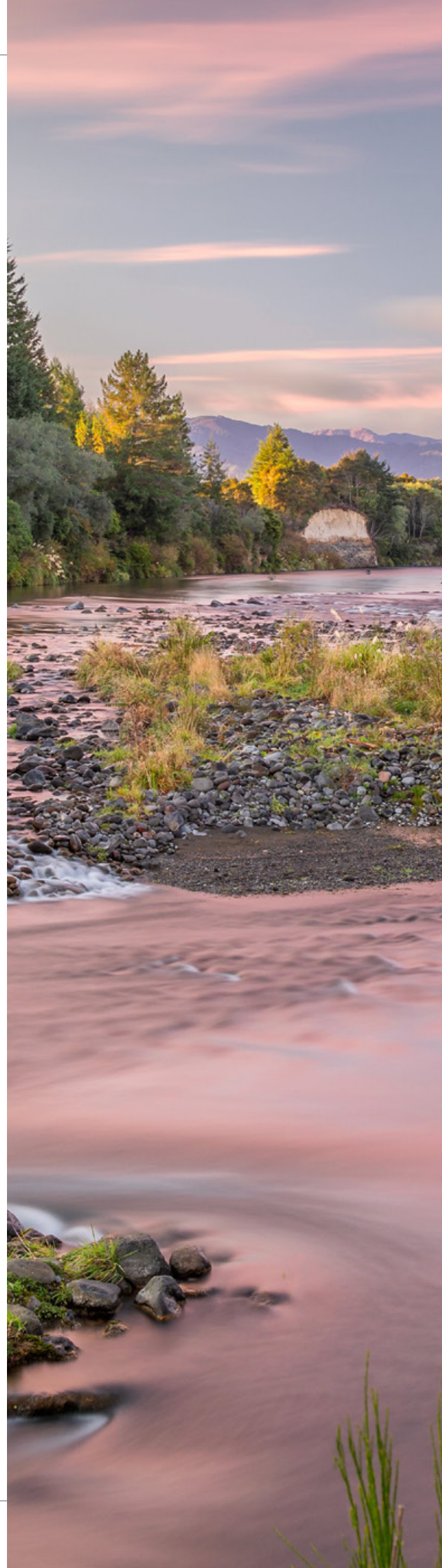
COUNCIL'S COMMUNITY OUTCOMES

The economic development group of activities contributes to the following community outcomes:

- Economy – our communities prosper in a thriving local economy with a diverse range of rewarding employment opportunities.

CONTRIBUTION TO THE WELL-BEINGS

The economic development group of activities contributes positively to economic well-being. By supporting our businesses, this leads to economic benefits for our district.



“
We invest in economic development within our district so that we can focus on meeting the current and future needs of the community.”



Levels of service, performance measures and targets

LEVEL OF SERVICE	PERFORMANCE MEASURES	TARGET	RESULTS	EXPLANATION
We facilitate and support economic development in the district.	Enterprise Great Lake Taupō, Destination Great Lake Taupō and Town Centre report at least half-yearly to Taupō District Council on the manner of distribution of the grant as well as performance measures in line with their contracts for service and statements of intent.	100 per cent report at least half yearly	2018/19 - Achieved 2019/20 - Achieved	EGLT, DGLT and TCT all presented their annual reports to council in October 2019. DGLT and EGLT then presented their 6 monthly reports to TDC in June 2020, post lockdown.
We attract, support and encourage sporting, cultural and other events around the District	The district's overall events portfolio is maintained with at least three events in Turangi and Mangakino each year. Reporting to Council will consist of narratives on actual events including location and economic impact figures.	At least 3 events Mangakino. At least 3 events Turangi.	2018/19 - Achieved 2019/20 - Achieved	There were 8 events held in Mangakino events and 6 events held in Turangi.

Funding Impact statement for Economic Development

FOR THE YEAR ENDED 30 JUNE 2020

	2019 Long Term Plan (\$000)	2020 Long Term Plan (\$000)	2020 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	3,793	3,926	4,003
Targeted rates	163	166	163
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	4
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	3,956	4,092	4,170
Applications of operating funding			
Payments to staff and suppliers	3,939	4,076	4,217
Finance costs	3	2	2
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,942	4,078	4,219
Surplus (deficit) of operating funding (A - B)	14	14	(49)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(6)	(6)	(12)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(6)	(6)	(12)
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	-	-	-
• to replace existing assets	4	4	3
Increase (decrease) in reserves	4	4	(64)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	8	8	(61)
Surplus (deficit) of capital funding (C - D)	(14)	(14)	49
Funding balance ((A - B) + (C - D))	-	-	-

Democracy and Planning 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	2	4	2	
Total Economic Development				2	4	2	

KEY

A	Achieved
M	Deliberate move into future years
MY	Multi-year project
S	Slippage
X	Not achieved - major slippage (project will not be complete by 30 September 2020) or project will no longer be carried out
ILOS	Increased Level of Service

Funding impact statement (whole of council)

FOR THE YEAR ENDED 30 JUNE 2020

	2019 Annual Plan (\$000)	2019 Actual (\$000)	2020 Annual Plan (\$000)	2020 Actual (\$000)
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	41,404	41,811	43,589	44,080
Targeted rates	24,166	24,214	25,378	25,480
Subsidies and grants for operating purposes	2,326	2,511	2,351	3,420
Fees and charges	11,071	12,040	10,916	10,880
Interest and dividends from investments	3,790	4,716	3,675	3,442
Local authorities fuel tax, fines, infringement fees, and other receipts	1,121	1,136	1,095	1,039
Total operating funding (A)	83,878	86,428	87,004	88,341
Applications of operating funding				
Payments to staff and suppliers	54,140	58,313	57,268	57,992
Finance costs	8,510	8,851	8,078	8,152
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	62,650	67,164	65,346	66,144
Surplus (deficit) of operating funding (A - B)	21,228	19,264	21,658	22,197
Sources of capital funding				
Subsidies and grants for capital expenditure	2,257	3,278	2,682	2,391
Development and financial contributions	1,900	3,617	2,743	2,597
Increase (decrease) in debt	(1,929)	1,002	3,971	2,161
Gross proceeds from sale of assets	6,773	6,821	3,814	1,054
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	9,001	14,718	13,210	8,203
Application of capital funding				
Capital expenditure				
• to meet additional demand	2,495	920	2,995	1,164
• to improve the level of service	14,211	14,880	19,487	16,771
• to replace existing assets	13,983	12,065	14,587	17,662
Increase (decrease) in reserves	(460)	6,117	(2,201)	(2,697)
Increase (decrease) of investments	-	-	-	(2,500)
Total applications of capital funding (D)	30,229	33,982	34,868	30,400
Surplus (deficit) of capital funding (C - D)	(21,228)	(19,264)	(21,658)	(22,197)
Funding balance ((A - B) + (C - D))	-	-	-	-

Financial statements



Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	COUNCIL			GROUP	
		ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Revenue						
Rates	4	69,562	68,966	66,026	69,547	66,011
Subsidies and grants	6	5,813	5,033	5,876	5,825	5,876
Development and financial contributions		1,443	2,743	2,101	1,443	2,101
Fees and charges	5	11,099	10,916	12,151	11,476	12,755
Finance revenue	7	3,109	3,675	4,276	3,117	4,289
Other revenue	8	12,430	8,218	16,112	12,982	16,307
Total revenue		103,456	99,551	106,542	104,390	107,339
Expenses						
Personnel costs	9	23,830	22,303	22,750	25,161	23,997
Depreciation and amortisation expense	19	22,536	24,242	23,644	22,847	23,964
Finance costs	7	8,152	8,078	8,850	8,152	8,850
Other expenses	10	48,646	34,964	49,635	48,304	49,052
Total expenses		103,164	89,587	104,879	104,464	105,863
Income tax (expense)/credit	11	-	-	-	25	86
Surplus/(deficit) after tax		292	9,964	1,663	(49)	1,562
Other comprehensive revenue						
Property, plant & equipment revaluations	28	38,012	20,034	108,146	38,408	108,021
Available for sale financial assets at fair value through other comprehensive revenue	28	(50)	-	7	(50)	7
Investments in associates		5	-	-	5	-
Tax on equity items	28	-	-	-	-	(15)
		37,967	20,034	108,153	38,363	108,013
Total comprehensive income		38,259	29,998	109,816	38,314	109,575
Net surplus/(deficit) after taxation is attributable to:						
Taupō District Council		292	9,964	1,663	9	1,673
Non controlling interests	29	-	-	-	(58)	(111)
		292	9,964	1,663	(49)	1,562
Total comprehensive revenue and expenses attributable to:						
Taupō District Council		38,259	29,998	109,816	38,283	109,686
Non controlling interest	29	-	-	-	31	(111)
		38,259	29,998	109,816	38,314	109,575

Explanations of major variances against budget are provided in note 33.

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 2020

	NOTE	COUNCIL			GROUP	
		ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Net Assets/Equity at start of the year		1,203,784	1,130,498	1,093,968	1,211,069	1,101,494
Total comprehensive revenue and expense for the year		38,260	29,998	109,816	38,204	109,575
Non controlling interest equity injection		-	-	-	870	-
Total comprehensive revenue and expenses as restated		38,260	29,998	109,816	39,074	109,575
Balance at 30 June		1,242,044	1,160,496	1,203,784	1,250,143	1,211,069
Total recognised revenue and expenses are attributable to:						
Taupō District Council		38,259	29,998	109,816	38,283	109,686
Non controlling interests		-	-	-	31	(111)
Total comprehensive revenue and expenses		38,259	29,998	109,816	38,314	109,575

Explanations of major variances against budget are provided in note 33.

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

Statement of Financial Position

AS AT 30 JUNE 2020

	NOTE	COUNCIL			GROUP	
		ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Assets						
Current assets						
Cash and cash equivalents	12	12,505	4,114	8,242	15,663	8,485
Other financial assets	15	99,956	45,248	108,468	99,956	108,718
Trade and other receivables	13	6,677	6,275	5,548	6,863	5,631
Inventories	14	403	720	686	440	715
Prepayments		841	1,076	951	871	983
Non current assets held for sale	16	16,577	15,307	10,024	16,577	10,024
Total current assets		136,959	72,740	133,919	140,370	134,556
Non current assets						
Other financial assets	15	11,109	68,763	14,775	11,109	14,775
Investment in CCO and other similar entities	15	5,207	3,332	3,332	114	109
Intangible assets	18	3,519	739	1,738	3,606	1,862
Investment property	21	11,144	8,838	12,196	11,144	12,196
Biological assets forestry	20	7,601	6,395	7,848	7,601	7,848
Property, plant and equipment	17	1,274,881	1,183,152	1,286,353	1,286,502	1,237,756
Total non current assets		1,313,461	1,271,219	1,266,533	1,319,927	1,274,546
Total assets		1,450,420	1,343,959	1,400,452	1,460,297	1,409,102
Liabilities						
Current liabilities						
Trade and other payables	22	12,873	10,030	12,697	13,443	12,989
Employee entitlements	23	3,563	2,668	2,717	3,710	2,840
Borrowings	24	52,296	21,145	30,103	52,296	30,103
Derivative financial instruments	25	139	-	-	139	-
Provisions		-	-	-	4	-
Total current liabilities		68,871	33,843	45,517	69,592	45,932
Non-current liabilities						
Provisions	26	140	106	99	161	99
Derivative financial instruments	25	44,336	24,083	35,672	44,336	35,672
Borrowings	24	95,000	125,036	115,035	95,000	115,035
Employee entitlements	23	29	395	345	31	353
Deferred tax liabilities	11	-	-	-	1,034	942
Total non current liabilities		139,505	149,620	151,151	140,562	152,101
Total liabilities		208,376	183,463	196,668	210,154	198,033
Net assets (assets minus liabilities)		1,242,044	1,160,496	1,203,784	1,250,143	1,211,069
Equity						
Accumulated funds	28	799,293	827,056	792,612	800,431	793,943
Other reserves	28	442,751	333,440	411,172	445,533	413,902
Non controlling interests	29	-	-	-	4,179	3,224
Total equity		1,242,044	1,160,496	1,203,784	1,250,143	1,211,069

Explanations of major variances against budget are provided in note 33.

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

Statement of cashflows

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	COUNCIL			GROUP	
		ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Cash flows from operating activities						
Rates		70,222	68,966	65,924	70,207	65,909
Subsidies and grants		2,356	2,351	2,572	2,356	2,572
Development and financial contributions		1,443	2,743	2,212	1,443	2,212
Fees and charges		11,099	10,916	11,790	11,636	12,333
Finance revenue		3,109	3,675	4,594	3,118	4,607
Dividends or similar distributions		403	-	369	403	369
Other revenue		2,526	1,095	3,328	2,541	3,522
Payments to suppliers		(36,158)	(34,961)	(35,624)	(35,344)	(35,149)
Payments to employees		(23,300)	(22,303)	(22,473)	(24,604)	(23,768)
Interest paid		(8,419)	(8,071)	(8,824)	(8,419)	(8,824)
Net GST paid		(369)	-	(377)	(440)	(362)
Net cash flow from operating activities		22,912	24,411	23,491	22,897	23,421
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment		1,054	3,814	6,853	1,059	6,853
Capital subsidies		3,405	2,682	4,389	3,405	4,389
Net decrease in investments		10,308	-	-	12,428	-
Purchase and development of property, plant and equipment		(35,574)	(37,069)	(25,161)	(35,639)	(25,416)
Net increase in investments		-	-	(15,091)	-	(15,091)
Net cash flow from investing activities		(20,807)	(30,573)	(29,010)	(18,747)	(29,265)
Cash flows from financing activities						
Loans raised		19,510	21,203	41,992	19,510	41,992
Net raising of finance lease liabilities		244	-	-	244	-
Capital Input from minority interest		-	-	-	870	-
Repayment of loans		(17,510)	(17,231)	(40,992)	(17,510)	(40,992)
Net repayment of finance lease liability		(86)	-	-	(86)	-
Net cash flow from financing activities		2,158	3,972	1,000	3,028	1,000
Net increase (decrease) in cash held		4,263	(2,190)	(4,519)	7,178	(4,844)
Add cash at start of year		8,242	6,308	12,761	8,485	13,329
Cash, cash equivalents, and bank overdrafts at the end of the year	12	12,505	4,118	8,242	15,663	8,485

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.

Statement of cashflows

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Surplus/(deficit) after tax	292	1,663	(49)	1,562
Add/(less) non cash items				
Depreciation and amortisation	22,536	22,847	22,846	23,964
Vested and first time recognition assets	(4,137)	(8,397)	(4,333)	(8,397)
Unrealised (gains)/losses in fair value of biological assets	99	(610)	99	(610)
Unrealised (gains)/ losses in fair value of corporate bonds	-	330	-	330
Unrealised (gains)/losses in fair value of non hedge accounted derivatives	8,803	11,589	8,803	11,589
Unrealised (gains)/losses in fair value of investment properties and assets held for sale	(3,632)	(1,285)	(3,632)	(1,285)
Unrealised (gains)/losses on equities	-	305	-	305
Asset impairment and write off	919	-	919	-
Add/(less) items classified as investing activity				
Net (gain)/loss on sale/write offs	1,425	(6)	1,425	(6)
Capital Subsidies	(3,405)	(4,389)	(3,405)	(4,389)
(Increase)/decrease in accounts receivable for capital disposals	(433)	(32)	(433)	(32)
Non operating movement in deferred tax	-	-	25	(70)
Increase/(decrease) in accounts payable for capital expenditure	(1,340)	(2,810)	(1,340)	(2,810)
Add/(less) movements in working capital items				
(Increase)/decrease in accounts receivable	(586)	852	(689)	720
(Increase)/decrease in inventories	283	34	291	29
Increase/(decrease) in accounts payable	2,088	2,650	2,370	2,521
Net cash inflow/(outflow) from operating activities	22,912	23,491	22,897	23,421

An aerial photograph of a coastal town and harbor. The town is built on a hillside overlooking a large body of water. Several boats are visible in the harbor. A large, light blue quote mark is positioned above the word 'Value'.

“

Value

We will retain and attract residents and businesses by ensuring the district remains affordable and ensuring the work we do creates a better life for people and their families.

”



Statement of accounting policies for the year ended 30 June 2020

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 2020. The financial statements were authorised for issue by Council on 29 September 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate

Significant accounting policies that do not relate to a specific note are outlined below.

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 9 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 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 its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard*
- PBE IPSAS 41 replaces PBE IFRS 9 and is effective for financial years beginning on or after 1 January 2022, with earlier adoption permitted. The main changes compared to PBE IFRS 9 that are relevant to council 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 might result in earlier recognition of impairment losses.

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

- PBE IPSAS 16 Investment Property The amendments mirror IASB and IPSASB changes. These amendments relate to the change in use used to determine whether there has been for a property a transfer to or from an investment property.
- 2018 Omnibus Amendments to PBE standards Applies for annual periods beginning on or after 1 January 2021. The following standards are amended by this document:
- PBE IPSAS 2 Cash Flow Statements.
- Disclosure Initiative (Amendments to IAS 7), issued by the IASB in January 2016, amended IAS 7 Statement of Cash Flows to require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial assets. The IPSASB subsequently amended IPSAS 2 Cash Flow Statements in Improvements to IPSAS, 2018 and the NZASB amended PBE IPSAS 2 in 2018 Omnibus Amendments to PBE Standards.

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

2. Summary of significant accounting policies

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

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

2.4 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.

2.5 BUDGET FIGURES

The budget figures are those approved by the Council in the 2019-20 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.

2.6 COST ALLOCATION

The cost of service for each significant activity of Council has been derived using the cost allocation system outlined below:

Direct costs, are costs directly attributable to a significant activity, and are charged directly to that significant activity; and

Indirect costs, are costs which cannot be identified in an economically feasible manner, with a specific significant activity, and are charged to significant activities using appropriate cost drivers such as staff time, computer devices, staff numbers and floor area.

2.7 THIRD PARTY TRANSFER PAYMENT AGENCIES

Taupō District Council and Group collect monies for many organisations. Where collections are processed through Taupō District Council and Groups 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

(a) Critical accounting estimates and assumptions

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

Note 17 provides information about the estimates and assumptions exercised in the measurement of revalued land, buildings, and infrastructure.

(b) Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies: note 17 provides information about the classification of property.

COVID-19

Taupō District Council's operations were severely impacted by Covid-19 and the resulting lockdowns. Many of our facilities were forced to close. However, staff continued to work remotely, and we continued to deliver essential services such as water services and Civil Defense. Community Facilities and Community Services were closed or unable to be delivered throughout level 3 and, 4 but were able to reopen at level 2 with physical distancing measures in place.

These financials have been impacted by Covid-19 and the lockdown in several ways. However, we have been fortunate

that positive and negative impacts have offset each other so the overall impact is not significant in the current year.

Direct impacts of Covid-19 were that our income was reduced in some areas due to parts of the business being closed for numerous weeks while, on the other hand we were unable to complete planned operational and capital expenditure. The other direct impact was on personnel costs due to staff being unable to take leave and planned staff capitalisation not occurring.

Indirect impacts of Covid-19 are the general impact on the global economy. This has impacted the value of council's investments, particularly equities. It has also lowered interest rates and interest rate expectations which will impact council's investment income and borrowing costs. Furthermore, it has impacted the value of council's interest rate swaps.

During level 3 and 4 capital programmes were unable to be progressed. This impacted Council and other developers. At this stage this is a delay in the delivery and don't expect to see material reductions to capital programmes to occur. This is also reflected in council's development contribution revenue, which we expect to continue as per previous expectations.

At this time the full financial impact of the Covid-19 pandemic is not able to be determined, but the economic uncertainties that have arisen is not expected to affect the Taupō District Council's operations and services significantly. We have disclosed Covid-19 throughout the notes to the financial statements where relevant.

4. Rates

ACCOUNTING POLICY

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. Council considers that 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 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 Council has received an application that satisfies its rates remission 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.

COVID-19

One of council's responses to the Covid-19 pandemic has been to reset the 2020/21 Annual Plan to a zero percent rates increase in order to assist ratepayers manage the crisis. This will impact rates revenue in 2020/21; however, budgeted expenses have been reduced to compensate.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
General rates	45,164	42,711	45,164	42,711
Total general rates	45,164	42,711	45,164	42,711
Targeted rates				
Refuse disposal	1,157	1,232	1,157	1,232
Sewage disposal	13,397	13,164	13,397	13,164
Water supply	9,337	8,203	9,337	8,203
Water by meter	1,540	1,777	1,540	1,777
Taupō Town Centre	163	164	163	164
Turangi/Tongariro community board	83	80	83	80
Whakamaru fire protection	4	4	4	4
Total targeted rates	25,681	24,624	25,681	24,624
Total rates				
Rates Penalties	491	504	491	504
Total penalties revenue	491	504	491	504
Total rates	71,336	67,839	71,336	67,839
Less - Rates remissions	(1,000)	(991)	(1,000)	(991)
Less - Internal rates on Council/Group properties	(774)	(822)	(789)	(837)
Total rates, excluding targeted water supply rates	69,562	66,026	69,547	66,011

RATING BASE INFORMATION

As at 30 June 2019 there were 23,682 rating units in the District with a total capital value of \$15.623 billion and a total land value of \$7.546 billion (30 June 2018 23,488 rating units, \$15.460b capital value, \$7.528b 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 2020 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.

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

ACCOUNTING POLICY

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.

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 of waste at Council's landfill are recognised as waste is disposed by users.

SALES OF GOODS

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

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.

DIVIDENDS

Dividends are recognised when the right to receive payment has been established.

COVID-19

Council's swimming and fitness facilities were not able to operate during the level 3 and 4 lockdowns and this impacted revenue from these facilities which was 309,000 (24%) less than the previous year.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Landfill charges	3,190	3,008	3,190	3,008
Building and resource consent charges	2,099	2,214	2,099	2,214
Other regulatory revenue	1,147	1,129	1,147	1,129
Swimming pools revenue	958	1,267	958	1,267
Rendering of services	349	321	327	321
Sale of goods	1,130	2,208	1,477	2,678
User charges	1,851	1,538	1,660	1,356
Facility membership fees	375	466	375	466
Taupō Airport landing fees	-	-	149	190
Destination Great Lake Taupō marketing fees	-	-	94	126
Total fees and charges	11,099	12,151	11,476	12,755

6. Subsidies and Grants

ACCOUNTING POLICY

NEW ZEALAND TRANSPORT AGENCY ROADING SUBSIDIES

Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

OTHER GRANTS AND BEQUESTS

Other 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.

COVID-19

Several capital projects were delayed as a result of Covid-19 resulting in reduced subsidy revenue.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Operational subsidies and grants				
NZ Transport Agency subsidy	1,937	1,758	1,937	1,758
Other government grants	302	539	302	539
Other grants and donations	169	147	181	147
Capital subsidies and grants				
NZ Transport Agency subsidy	2,027	2,729	2,027	2,729
Other government capital grants	1,000	493	1,000	493
Non government capital grants	378	210	378	210
Total subsidies and grants	5,813	5,876	5,825	5,876

GOVERNMENT GRANTS

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

7. Finance revenue and finance costs

ACCOUNTING POLICY

Interest revenue is recognised using the effective interest method.

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

COVID-19

An indirect impact of Covid-19 and the resulting lockdowns is that interest rates have remained at record lows resulting in lower interest revenue and costs.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Finance revenue				
Interest revenue - term deposits	3,007	4,074	3,015	4,087
Interest revenue - bonds	-	79	-	79
Interest revenue - community and other loans	73	74	73	74
Interest revenue - borrower notes	29	49	29	49
Total finance revenue	3,109	4,276	3,117	4,289
Less finance costs				
Interest on borrowings	(8,138)	(8,846)	(8,138)	(8,846)
Finance charges on leased assets	(14)	(4)	(14)	(4)
Total finance costs	(8,152)	(8,850)	(8,152)	(8,850)
Net finance costs	(5,043)	(4,574)	(5,035)	(4,561)

8. Other revenue

ACCOUNTING POLICY

VESTED OR DONATED PHYSICAL 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 (for example, land that 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.

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.

DIVIDENDS

Dividends are recognised when the right to receive payment has been established.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Vested land and infrastructure from property development	3,833	7,682	3,833	7,682
Other vested assets	89	58	89	58
First time recognition of assets	215	657	215	657
Petrol tax	414	450	414	450
Infringements and fines	415	485	415	485
Gain on sale of properties intended for resale	506	1,466	506	1,466
Gain on sale of property, plant, equipment and forestry	246	459	246	459
Dividends or similar distributions	333	439	333	439
Change in fair value of forestry assets	-	610	-	610
Change in fair value of investment properties and non current assets held for sale	3,632	1,285	3,632	1,285
Realised gain on sale of shares & corporate bonds	1,001	695	1,001	695
Realised gain on bond investments	-	17	-	17
Unrealised gain on shares	-	-	-	-
Unrealised foreign exchange gain on shares	303	33	303	33
Rental revenue from investment properties	104	116	300	311
Other revenue	183	113	536	113
Foreign exchange gains (net)	-	32	-	32
Insurance recoveries	2	-	5	-
Revenue from developer agreements	1,154	1,515	1,154	1,515
Total other revenue	12,430	16,112	12,982	16,307

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 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Not later than one year	372	606	575	802
Later than one year and not later than five years	1,046	1,116	1,777	1,790
Later than five years	2,021	2,368	2,395	2,768
Total non-cancellable operating leases	3,439	4,090	4,747	5,360

No contingent rents have been recognised during the period.

9. Personnel costs

ACCOUNTING POLICY SUPERANNUATION SCHEMES

Defined contribution superannuation schemes

Employer contributions to KlwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

COVID-19

Covid-19 resulted in higher than planned personnel costs in the year. Staff leave entitlements increased by 530k because staff were unable to travel so many staff had to cancel planned leave. Furthermore, personnel costs of approximately \$600,000 that would normally have been capitalised against capital projects weren't because the projects were delayed.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Salaries and wages	22,638	22,150	23,971	23,411
Increase/(decrease) in employee entitlements/liabilities	530	-	491	(48)
Severance	70	26	70	26
Defined contribution plan employer contributions	592	574	629	608
Total personnel costs	23,830	22,750	25,161	23,997

SEVERANCE PAYMENTS

In 2019/20 the Group made severance payments to two employees one of \$10,000 and one of \$17,500 (2018/19: 2 employees, \$4,546 & \$21,466).

benefits) paid or payable for the year to the Chief Executive was \$331,193 (2019 \$312,593).

CHIEF EXECUTIVE

The total remuneration (including any non financial

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

	COUNCIL	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Elected representatives remuneration		
Mayor - David Trewavas	130,530	119,706
Boddy, John	38,672	35,372
Harvey, Rosie	15,163	42,448
Hickling, Barry	15,176	41,091
Jollands, Rosanne	12,636	35,372
Kingi, Tangonui	38,833	37,810
Park, Anna	45,108	41,654
Rankin, Christine	44,003	35,635
Stewart, Maggie	13,198	37,135
Trueman, Kirsty	44,814	40,991
Williamson, John	41,957	35,372
Mack, John	26,009	-
Guy, Kathy	28,192	-
Leonard, Kylie	28,454	-
Westerman, Yvonne	25,934	-
Taylor, Kevin	25,934	-
Total elected representatives' remuneration	574,613	502,586
Turangi/Tongariro Community Board		
Hema, Andy	-	13,920
Donlon, Karen	2,911	8,275
Holt, Sharlyn	2,911	8,275
Jenkins, Pauline	2,911	8,350
New, Te Takinga	5,822	9,364
Van der Aa, Walter	2,911	8,275
Green, Clint	5,504	-
Searancke, Donna	5,504	-
Severne, Rob	5,504	-
Maclaren, Amanda	10,782	-
Ashmore, Ian	5,504	-
Total Local Boards	50,264	56,459

9. Personnel costs

The figure disclosed for the Mayor's remuneration includes a non cash benefit of \$4,498 (2019 \$4,498) in relation to the mayoral car.

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 \$6,838 was paid to the IRD by Council for a vehicle supplied to Mayor David Trewavas (2019 \$6,758).

COUNCIL EMPLOYEES

Total annual remuneration by band for employees as at 30 June 2020.

	NUMBER OF EMPLOYEES 2020
Less than \$60,000	195
\$60,000 - \$79,999	79
\$80,000 - \$99,999	46
\$100,000 - \$119,999	22
\$120,000 - \$139,999	16
\$140,000 - \$179,999	10
\$180,000 - \$239,999	7
\$240,000 - \$339,999	1
Total employees	376

COUNCIL EMPLOYEES

Total annual remuneration by band for employees as at 30 June 2019.

	NUMBER OF EMPLOYEES 2019
Less than \$60,000	199
\$60,000 - \$79,999	65
\$80,000 - \$99,999	45
\$100,000 - \$119,999	25
\$120,000 - 139,999	17
\$140,000 - 219,999	9
\$220,000 - 319,999	3
Total employees	363

Total remuneration includes non financial benefits provided to employees.

At balance date, the Council employed 264 (2019 263) full time employees, with the balance of staff representing 45.5 (2019 50.0) full time equivalent employees. A full time employee is determined on the basis of a 37.5 or 40 hour working week.

10. Operating expenditure

ACCOUNTING POLICY

OPERATING LEASES

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

GRANT EXPENDITURE

The Council's grants awarded have no substantive conditions attached.

Non discretionary grants are those grants that are awarded

if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grants has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

COVID-19

The largest direct impact of Covid-19 was that maintenance that was planned during the lockdown was unable to be completed resulting in approximately \$1m lower expenditure than planned.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Other expenses				
Audit fees for financial statements	142	139	174	170
Audit fees for long term Plan	-	30	-	30
Audit fee for Debenture Trust Deed	8	8	8	8
Audit assurance for new building	-	19	-	19
Maintenance	11,842	12,828	11,912	12,896
Service delivery contracts	5,703	5,781	3,682	3,872
Electricity and gas	2,331	2,230	2,346	2,243
Materials and supplies	1,272	1,357	1,295	1,394
Professional services fees/legal fees	2,889	2,975	3,001	3,149
Resource consenting and compliance	951	1,067	951	1,067
Mobile plant and vehicle running costs	548	657	552	659
Insurance	790	787	801	797
Town Centre Taupō (rates)	162	163	162	163
Community grant programme	667	600	667	600
Other grants	609	592	609	598
Donations	1	1	1	1
Councillor fees	575	504	575	504
Community Board fees	51	56	51	56
Directors' fees	-	-	40	40
Minimum lease payments under operating leases	120	131	120	131
Other expenses	5,420	5,397	6,529	6,235
Section inventory consumption	-	-	-	-
Inventory consumption	264	224	346	329
Inventory writeoff	-	1	4	2
Audit fees - Prior Year	26	-	26	-
Impairment of receivables	185	171	187	171
Loss on disposal of property, plant, equipment and forestry	2,227	1,828	2,402	1,829
Loss on disposal of non current assets held for sale	-	90	-	90
Change in fair value of forestry assets	155	-	155	-
Loss on sale of shares and corporate bonds (foreign exchange)	99	71	99	71
Unrealised loss on corporate bonds	-	-	-	-
Change in fair value of shares	1,887	-	1,887	-
Unrealised loss on shares (foreign exchange)	-	286	-	286
Unrealised foreign exchange loss	-	52	-	52
Unrealised loss on derivatives not hedge accounted	8,803	11,590	8,803	11,590
Asset writeoffs	919	-	919	-
Total other expenses	48,646	49,635	48,304	49,052

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 in 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 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Rental expense relating to operating leases				
Payable no later than one year	440	416	440	416
Later than one, not later than two years	286	492	286	492
Later than two, not later than five years	88	576	88	576
Later than five years	675	696	675	696
Total rental expense relating to operating leases	1,489	2,180	1,489	2,180

The total minimum future sublease payments expected to be received under non cancellable subleases at balance date is \$0 (2018 \$0).

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Operational commitments				
Wastewater	3,363	3,143	3,363	3,143
District roading	20,839	25,113	20,839	25,113
Refuse	3,882	3,695	3,882	3,695
Rating Valuation Services	-	645	-	645
Supply of document production services	-	9	-	9
Street Sweeping	207	-	207	-
Security	192	512	192	512
District electricity supply	4,590	6,885	4,590	6,885
Three waters maintenance	814	3,579	814	3,579
Three waters integration	1,722	1,980	1,722	1,980
Water and Wastewater Compliance Testing	2,933	-	2,933	-
Harvesting Land Disposal Systems	405	486	405	486
Building maintenance	252	55	252	55
Cleaning contracts	304	562	304	562
Tech One ERP Licensing Fees	1,181	1,013	1,181	1,013
Landscape Study	11	88	11	88
Significant Natural Area Review	-	88	-	88
Property leases	1,489	1,764	1,489	1,764
Total operational commitments	42,184	49,617	42,184	49,617

11. Income tax

ACCOUNTING POLICY

Local authorities are only subject to income tax on income derived from any council controlled organisation and as a port operator.

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, and any adjustment to income tax payable in respect of prior years.

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

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit or taxable profit.

Current and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive revenue and expenses or directly in equity.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Current tax expense				
Deferred taxation	-	-	(19)	(86)
Release of tax provision no longer required	-	-	(6)	-
Tax expense	-	-	(25)	(86)
Relationship between income tax and accounting profit:				
Operating surplus/(deficit) before taxation	292	1,663	(74)	1,476
Surplus/(deficit) before taxation	292	1,663	(74)	1,476
Tax calculated at 28%	82	466	(21)	413
Less tax effect of:				
Non taxable expenditure	(82)	(466)	2	(499)
Release of tax provision no longer required	-	-	(6)	-
Tax expense	-	-	(25)	(86)

DEFERRED TAX LIABILITIES

	PROPERTY, PLANT AND EQUIPMENT \$'000	NON DEDUCTIBLE PROVISIONS \$'000	TAX LOSSES \$'000	TOTAL \$'000
Council & Group				
Balance at 1 July 2018	1,514	(12)	(490)	1,012
Charged to surplus or deficit	(43)	8	(51)	(86)
Charged directly to equity	15	-	-	15
Charged to equity	-	-	-	-
Balance at 30 June 2019	1,486	(4)	(541)	941
Balance at 1 July 2019	1,486	(4)	(541)	941
Charged to surplus or deficit	(62)	(4)	47	(19)
Charged to other comprehensive income	111	-	-	111
Balance at 30 June 2020	1,535	(8)	(494)	1,033

Data Capture Systems Limited, a subsidiary of Council, has unrecognised tax losses as at 30 June 2020 of \$225,325 to carry forward (2019 \$225,325). The tax effect of these losses is \$67,598 (2019 \$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. Cash and cash equivalents

ACCOUNTING POLICY

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the Statement of Cashflows, and within borrowings in current liabilities in the Statement of Financial Position.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Cash at bank and in hand	81	12	94	32
Call deposits	5,410	4,220	8,555	4,443
Term deposits with maturities of less than three months at acquisition	7,014	4,010	7,014	4,010
Total cash and cash equivalents used in statement of cashflows	12,505	8,242	15,663	8,485

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

13. Trade and other receivables

ACCOUNTING POLICY

Short term receivables are recorded at the amount due, less any provision for uncollectability.

A receivable is considered uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between

the amount due and the present value of the amount expected to be collected.

COVID-19

At this stage we have not noticed a reduction in the ability of debtors to pay. As such, it has not impacted our impairment.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Rates receivable	3,015	2,683	3,015	2,683
General debtors	2,180	1,763	2,283	1,834
Receivables from controlled entities (note 30)	3	3	-	-
Other	2,162	1,716	2,248	1,731
Receivables prior to impairment	7,360	6,165	7,546	6,248
Less: Provision for Impairment	(683)	(617)	(683)	(617)
Total current net trade and other receivables	6,677	5,548	6,863	5,631
Total debtors and other receivables from exchange transactions	-	-	102	72
Total current net trade and other receivables from non exchange transactions	6,677	5,548	6,761	5,559
Total current net trade and other receivables	6,677	5,548	6,863	5,631

Receivables are generally short term and non interest bearing and receipt is normally on 30 day terms. Therefore the carrying value of 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 \$10,104 (2019 \$12,454).

13. Trade and other receivables

THE STATUS OF RECEIVABLES AS AT 30 JUNE 2020 ARE DETAILED BELOW:

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Current	1,014	1,075	1,068	1,127
Past due 1 30 days	209	524	226	537
Past due 31 60 days	1,031	480	1,036	480
Past due 61+ days	2,943	2,370	2,968	2,373
Impairment	(683)	(617)	(683)	(617)
Net receivables	4,514	3,832	4,615	3,900

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

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Individual impairment	253	273	253	273
Collective impairment	430	344	430	344
At 30 June	683	617	683	617

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 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Current	-	-	-	-
Past due 1 30 days	-	-	-	-
Past due 31 60 days	-	-	-	-
Past due 61+ days	253	273	253	273
Balance at 30 June	253	273	253	273

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

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Opening balance	617	597	617	601
Additional provisions	130	121	130	121
Receivables written off during the year	(64)	(101)	(64)	(101)
Total gross trade receivables	683	617	683	621

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

14. Inventories

ACCOUNTING POLICY

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first in, first out (FIFO) method, which assumes the inventories that were purchased first

are distributed or used first.

Inventories acquired through non exchange transactions are measured at fair value at the date of acquisition.

Any write down from cost to net realisable value or for the loss of service potential is recognised in surplus or deficit in the year of the write down.

When sections of land for sale are transferred from non current assets held for sale, investment property or property, plant and equipment to inventory, the fair value of the land at the date of transfer is its deemed cost.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Commercial inventories				
held for use in the provision of services	92	410	129	439
residential sections held for sale	91	-	91	-
	183	410	220	439
Held for distribution				
water reticulation spare parts	9	8	9	8
parks & reserves chemicals	14	19	14	19
wastewater spare parts	148	195	148	195
swimming pool chemicals	10	7	10	7
other	39	47	39	47
Total inventory	403	686	440	715

No inventories are pledged as security for liabilities (2019 \$nil).

INVENTORIES HELD FOR DISTRIBUTION

The write down of inventories during the year was \$0 (2019 \$0k). There have been no reversals of write downs (2019 \$0).

15. Other financial assets

ACCOUNTING POLICY

Financial assets (other than shares in subsidiaries) are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

The council and group has adopted the new group standards, PBE IPSAS 34 to 38, in preparing these financial statements. In adopting these new standards, the council and group has updated its accounting policies for its investments in subsidiaries, associates, and joint ventures. Disclosures have also been updated for the new disclosure requirements of PBE IPSAS 38. Further information about the initial adoption of these standards is provided in note 34.

SUBSIDIARIES

The Council consolidates in the group financial statements those entities it controls. Control exists where the Institute is exposed, or has rights, to variable benefits (either financial or non financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the Council.

TERM DEPOSITS AND COMMUNITY LOANS (LOANS AND RECEIVABLES)

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

After initial recognition, term deposits and community loans are measured at amortised cost using the effective interest rate method. Where applicable, interest accrued is added to the investment balance.

At year end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

If the assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

LISTED SHARES (FAIR VALUE THROUGH SURPLUS OR DEFICIT)

This category has two sub categories: financial assets held for trading (Council does not use this category), 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, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Council's equity investments fall into this category.

LISTED BONDS (HELD TO MATURITY INVESTMENTS)

After initial recognition, listed bonds are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive revenue and expense.

At year end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

Council does not use this category presently.

AVAILABLE FOR SALE (FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE)

Financial assets at fair value through other comprehensive revenue and expense 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 and Group 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.

After initial recognition, these investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, 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 and expense is reclassified from equity to the surplus or deficit.

Council's shareholding in Civic Financial Services and the holdings of Government and corporate bonds are currently classified as available for sale.

COVID-19

The value of council's equity portfolio has been significantly impacted by Covid-19. The unrealised loss peaked at \$3.7m on March 23. Since that date markets have recovered and the unrealised loss has decreased to \$1.8m as at balance date.

15. Other financial assets

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Current portion				
Short term bank deposits with maturities of 4 12 months	99,598	108,468	99,598	108,718
Local government (NZLGFA) and corporate bonds	358	-	358	-
Total current portion	99,956	108,468	99,956	108,718
Non current portion				
Shares in CCOs and other similar entities				
Taupō Airport Authority	5,093	3,223	-	-
NZ Local Government Funding Agency (NZLGFA)	100	100	100	100
Investments in Associates	14	9	14	9
Total investment in subsidiaries and similar entities	5,207	3,332	114	109
Investment in other entities				
Civic Financial Services Ltd	78	134	78	134
Local government (NZLGFA) and corporate bonds	1,664	1,995	1,664	1,995
Community loans	707	757	707	757
Equity securities	7,660	10,889	7,660	10,889
Other loans	1,000	1,000	1,000	1,000
	11,109	14,775	11,109	14,775
Total non current portion	16,316	18,107	11,223	14,884
Total other financial assets	116,272	126,575	111,179	123,602

15. Other financial assets

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 \$Nil (2019 \$Nil). 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 (2019 150 shares). This company is dormant. Taupō District Council has 100% ownership (100 shares) of the subsidiary Destination Lake Taupō Limited (2019 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:

	2020			2019		
	NO. OF SHARES	MARKET VALUE AT 30 JUNE \$/SHARE	TOTAL MARKET VALUE	NO. OF SHARES	MARKET VALUE AT 30 JUNE \$/SHARE	TOTAL MARKET VALUE
Current portion						
Adelaide Brighton Concrete	125,000	3.40	425,589	125,000	4.23	528,187
AGL Energy Limited	30,000	18.25	547,644	25,000	20.93	523,219
Amcor	40,000	15.50	620,128	35,000	16.93	592,668
ANZ Bank	30,000	19.96	598,715	30,000	29.51	885,158
APA Group	25,000	11.92	297,912	-	-	-
Auckland International Airport	-	-	-	75,000	9.85	738,750
Brambles Limited	50,000	11.64	581,906	-	-	-
Bunzl	10,000	41.49	414,942	5,000	39.31	196,537
Contact Energy	50,000	6.26	313,000	-	-	-
Costa Group	100,000	3.10	310,492	9,872	4.23	41,714
Estia Health	150,000	1.65	247,323	150,000	2.76	414,183
Freightways	113,688	7.19	817,417	120,726	8.44	1,018,927
Gentrack	31,569	1.41	44,512	31,569	6.20	195,728
James Hardie	-	-	-	30,000	19.56	586,759
Lendlease	-	-	-	40,000	13.60	543,876
Link Administration Holdings	100,000	4.39	438,972	50,000	5.23	261,479
Pact Group	100,000	2.34	234,475	150,000	2.92	437,716
Ramsay Healthcare	-	-	-	10,000	75.56	755,570
Scentre Group	80,000	2.32	185,867	80,000	4.02	321,305
South 32	100,000	2.18	218,415	-	-	-
Sydney Airport holdings	-	-	-	75,000	8.41	630,687
Synlait Milk	88,294	7.10	626,887	-	-	-
Syrah Resources	230,000	0.30	68,951	200,000	0.92	184,081
Tesco	130,000	4.37	568,065	130,000	4.29	557,740
Transurban	-	-	-	50,000	15.42	770,840
Tourism Holdings	50,000	1.98	99,000	125,000	3.78	472,500
Unilever plc	-	-	-	2,500	92.63	231,572
			7,660,212			10,889,196

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 \$707,023 (2019 \$757,132).

OTHER LOANS

Other Loans made at below market interest rates are initially recognised at fair value.

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 \$0.93 (2019 \$1.59) each.

Waikato Local Authority Shared Services Ltd 1 ordinary capital share (uncalled) of \$1,000 (2019 \$1,000).

BOP Local Authority Shared Services Ltd 1 ordinary capital share of \$1,000 (2019 \$1,000).

NZ Local Government Funding Agency 100,000 ordinary shares @ \$1.00 and 100,000 ordinary unpaid shares @ \$1.00 (2019 \$1.00).

16. Non current assets held for sale

ACCOUNTING POLICY

An asset is held for sale if its carrying amount will be recovered principally through a sale transaction rather than continuing use. On classification as 'Held for Sale', non current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell.

Any impairment losses for writedowns of the asset are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non current assets are not depreciated or amortised while

they are classified as held for sale (including those that are part of a disposal group).

COVID-19

The valuers note that the current Covid-19 situation has caused widespread economic and property market uncertainty. As this is a relatively recent event and due to the comparatively low levels of property sales turning over compared to normal, it has made the drawing of market movement conclusions challenging. As more market evidence becomes available, the changes in the market due to the Covid-19 influence will become more apparent. They have adopted a percentage movement for the land at the lower end of our range as we consider this may be more appropriate considering the current climate.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Non current assets held for sale are:				
Land	16,577	10,024	16,577	10,024
Total non current assets held for sale	16,577	10,024	16,577	10,024

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Opening balance	10,024	13,682	10,024	13,682
Disposals	-	(2,875)	-	(2,875)
Asset reclassifications	3,250	(1,117)	3,250	(1,117)
Additions	163	334	163	334
Fair value gains/(losses) on valuation	2,712	-	2,712	-
Impairment	-	-	-	-
Transfer to/from non current assets	428	-	428	-
Total	16,577	10,024	16,577	10,024

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.

17. Property, plant and equipment

ACCOUNTING POLICY

Property, plant, and equipment consist of:

(I) OPERATIONAL ASSETS

Operational assets include land, buildings, office furniture and fittings, library books, heritage assets, plant and equipment, and motor vehicles.

(II) RESTRICTED ASSETS

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

(III) INFRASTRUCTURE ASSETS

Infrastructure assets are the fixed utility systems owned by 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.

Land and land under roads (operational and restricted) are measured at fair value, buildings (operational and restricted) and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes, excluding heritage assets, are measured at cost less accumulated depreciation and impairment losses. Heritage assets are measured at cost.

REVALUATION

Land and buildings (operational and restricted), land under roads and infrastructural assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

Revaluations of property, plant, and equipment are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

ADDITIONS

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated

with the item will flow to the Council and Group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when 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.

Additions between valuations are shown at cost, except vested assets. Certain infrastructural assets and land have been vested in Council as part of the subdivision consent process. Vested land reserves are initially recognised at the most recent rating 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 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 disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. These are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

DEPRECIATION

Depreciation is provided on a straight line on all property, plant, and equipment other than land and heritage assets, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

17. Property, plant and equipment

CLASS OF ASSET DEPRECIATED	ESTIMATED USEFUL LIFE	DEPRECIATION RATES
Operational assets		
Land Buildings	not depreciated	nil
Site value	13 years	7.69%
Structure	20 - 80 years	1.3% - 5%
Roof	20 - 40 years	2.5% - 5%
Services	20 - 45 years	2.5% - 5%
Internal fit out	15 - 35 years	2.9% - 6.7%
Plant	20 - 30 years	3.3% - 5%
Machinery	2 - 20 years	5% - 50%
Computer equipment	4 years	25%
Office equipment	4 - 10 years	13.33% - 25%
Leased assets	3 - 5 years	20% - 33.3%
Furniture and fittings	2 - 10 years	10% - 50%
Park furniture	2 - 25 years	4% - 50%
Motor vehicles	4 - 10 years	10% - 25%
Library books	6.5 years	15.5%
Infrastructural assets		
Buildings	40 - 75 years	1.3% - 2.5%
Roading network		
Top surface (seal)	3 - 20 years	5% - 33.3%
Pavement (base course)	45 - 65 years	1.5% - 2.2%
Formation	not depreciated	nil
Culverts	50 - 80 years	1.25% - 2%
Footpaths	30 - 80 years	1.3% - 3.3%
Kerbs	60 - 80 years	1.25 - 1.67%
Signs	15 years	6.7%
Streetlights	15 - 30 years	3.3% - 6.7%
Bridges	60 - 100 years	1% - 1.67%
Structures	15 - 50 years	2% - 6.7%
Land under roads	not depreciated	nil
Water system		
Pipes	45 - 100 years	1% - 2.2%
Valves, hydrants	40 years	2.5%
Pump stations	10 - 60 years	1.7% - 10%
Tanks	25 - 80 years	1.3% - 4%
Sewerage system		
Pipes	65 - 100 years	1% - 1.5%
Manholes	80 years	1.3%
Treatment plant	5 - 80 years	1.3% - 20%
Stormwater systems		
Pipes	50 - 120 years	0.83% - 2%
Manholes, cesspits	75 - 100 years	1% - 1.3%
Flood control systems	50 - 100 years	1% - 2%
Solid waste	4 - 24 years	4.166% - 25%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

17. Property, plant and equipment

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimating the fair value of land, buildings and infrastructure

Land (operational, restricted, and infrastructural)

The most recent valuation of land and buildings for Council and Group was performed by an independent registered valuers, Mairi Macdonald MPINZ, BBS (VPM) and Andrew Parkyn (SPINZ, ANZIV), GradDipBusStud (Rural Valuation), of Quotable Value Limited. The valuation is effective as at 30 June 2019.

Land is valued at fair value using market based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

Restrictions on Council's ability to sell land would normally not impair the value of the land because Council and Group has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

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:

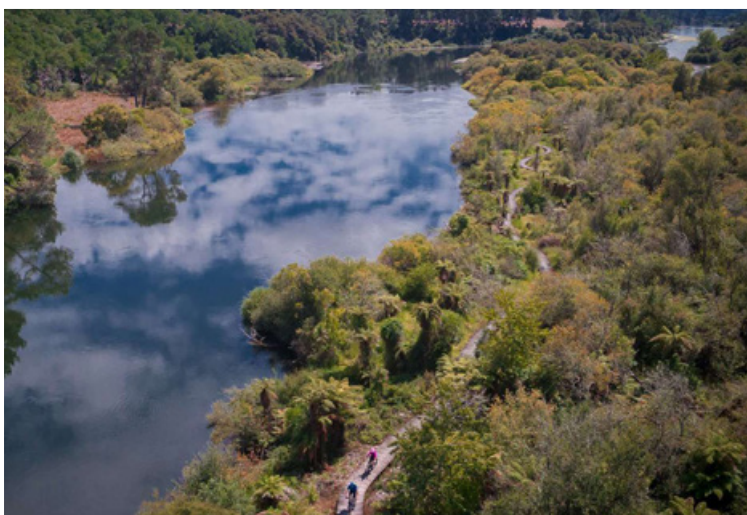
- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated, after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- 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.

INFRASTRUCTURAL ASSET CLASSES: WASTEWATER, WATER, STORMWATER, AND ROADS

Wastewater, water, stormwater, and roading infrastructural assets (excluding land under roads and buildings associated with networks) are valued using the optimised depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. 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 the asset;



- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets; 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.

The most recent valuation of roading infrastructural assets (excluding land under roads) was performed by John Vessey, BE (Civil), BA (Econ), CPEng, FIPENZ, affiliate member of PINZ, member of ACENZ, of Opus International Consultants Limited. The valuation is effective as at 30 June 2020.

The most recent valuation of the Airport Infrastructure was performed by independent valuer WSP. The valuation is effective as at 30 June 2020.

LAND UNDER ROADS

Land under roads is separated into rural and urban and then valued based on a weighted average rate for each

type. The rate is based on the Council's District Rating Roll at 30 April 2019 and then indexed using market sales to bring the values to 30 June 2019. All the land has been valued as unimproved, which assumes land in its base state without the benefit of infrastructure.

The most recent valuation of land under roads was performed by Maria McHugh RV, BCom (VPM), MPINZ of Quotable Value New Zealand, and is effective as at 30 June 2019.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Classification of property

Council owns a number of properties held to provide housing to pensioners. The receipt of market based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

COVID-19

The valuers note that the current Covid-19 situation has caused widespread economic and property market uncertainty. As this is a relatively recent event and due to the comparatively low levels of property sales turning over compared to normal, it has made the drawing of market movement conclusions challenging. As more market evidence becomes available, the changes in the market due to the Covid-19 influence will become more apparent. They have adopted a percentage movement for the land at the lower end of our range as we consider this may be more appropriate considering the current climate.

17. Property, plant and equipment

COUNCIL 2020	COST / REVALUATION 1 JUL 2019 \$'000	ACCUMULATED DEPRECIATION 1 JUL 2019 \$'000	CARRYING AMOUNT 1 JUL 2019 \$'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 2020 \$'000	ACCUMULATED DEPRECIATION 30 JUN 2020 \$'000	CARRYING AMOUNT 30 JUN 2020 \$'000
Operating assets at cost & valuation												
Land	39,944	-	39,944	2,500	-	-	-	(3,907)	-	37,537	-	38,537
Buildings	64,708	(648)	64,060	1,296	(142)	(272)	(3,126)	-	-	65,568	(3,752)	61,816
Library books	6,818	(5,624)	1,194	293	-	-	(305)	-	-	2,530	(1,348)	1,182
Leased plant & equipment	359	(224)	135	248	-	-	(93)	-	-	(730)	1,020	290
Office furniture and fittings	33,850	(18,945)	14,905	1,186	(98)	-	(2,050)	-	-	33,239	(19,296)	13,943
Mobile plant and equipment	10,478	(6,561)	3,917	1,392	(332)	-	(1,028)	-	-	10,584	(6,635)	3,949
Heritage assets	2,167	(10)	2,157	-	-	-	11	28	-	2,196	-	2,196
Capital work in progress land	269	-	269	242	-	-	(390)	-	-	121	-	121
Capital work in progress buildings	982	-	982	2,132	-	-	-	(1,393)	-	1,721	-	1,721
Capital work in progress library books	-	-	-	300	-	-	-	(292)	-	8	-	8
Capital work in progress office furniture & fittings	1,000	-	1,000	4,393	-	-	-	(943)	-	4,450	-	4,450
Capital work in progress mobile plant & equipment	193	-	193	882	-	-	-	(1,075)	-	-	-	-
Capital work in progress heritage assets	3	-	3	110	-	-	-	(11)	-	102	-	102
Total operating assets	160,771	(32,012)	128,759	14,974	(572)	(272)	(6,591)	(7,983)	-	158,326	(30,011)	128,315
Infrastructural assets at cost & valuation												
Roading	338,582	(12,640)	325,942	7,991	(724)	-	(6,116)	-	38,012	365,150	(45)	365,105
Water supply	80,275	(3,421)	76,854	5,638	(636)	(641)	(3,132)	-	-	84,561	(6,478)	78,083
Wastewater	121,046	(4,625)	116,421	1,868	(144)	-	(4,816)	-	-	122,764	(9,435)	113,329
Stormwater	50,791	(925)	49,866	2,069	(77)	-	(959)	-	-	52,780	(1,881)	50,899
Land under roads	341,948	-	341,948	5	(57)	-	-	-	-	341,896	-	341,896
Infrastructural buildings	12,303	-	12,303	111	(114)	(6)	(385)	-	-	12,290	(381)	11,909
Solid waste	5,262	(3,804)	1,458	15	-	-	(250)	-	-	5,277	(4,054)	1,223
Capital work in progress roading	1,896	-	1,896	7,973	-	-	-	(7,248)	-	2,621	-	2,621
Capital works in progress water supply	9,129	-	9,129	10,860	-	-	-	(8,512)	-	11,477	-	11,477
Capital work in progress wastewater	6,127	-	6,127	6,290	-	-	-	(89)	-	12,328	-	12,328
Capital work in progress stormwater	476	-	476	69	-	-	-	(251)	-	294	-	294
Capital work in progress solid waste	191	-	191	96	-	-	-	(123)	-	164	-	164
Total infrastructural assets	968,026	(25,415)	942,611	42,985	(1,752)	(647)	(15,658)	(16,223)	38,012	1,011,602	(22,274)	989,328
Restricted assets at cost & valuation												
Reserves	155,274	-	155,274	121	-	-	-	1,843	-	157,238	-	157,238
Total restricted assets	155,274	-	155,274	121	-	-	-	1,843	-	157,238	-	157,238
Total Council	1,284,071	(57,427)	1,226,644	58,080	(2,324)	(919)	(22,249)	(22,363)	38,012	1,327,166	(52,285)	1,274,881

17. Property, plant and equipment

COUNCIL 2019	COST / REVALUATION 1 JUL 2018 \$'000	ACCUMULATED DEPRECIATION 1 JUL 2018 \$'000	CARRYING AMOUNT 1 JUL 2018 \$'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 2019 \$'000	ACCUMULATED DEPRECIATION 30 JUN 2019 \$'000	CARRYING AMOUNT 30 JUN 2019 \$'000
Operating assets at cost & valuation												
Land	34,277	-	34,277	155	-	-	-	(2,270)	7,782	39,944	-	39,944
Buildings	65,812	(6,833)	58,979	1,532	(130)	-	(3,766)	-	7,445	64,708	(648)	64,060
Library books	6,511	(5,317)	1,194	307	-	-	(307)	-	6,818	6,818	(5,624)	1,194
Leased plant & equipment	257	(129)	128	103	-	-	(96)	-	359	359	(224)	135
Office furniture and fittings	31,788	(17,125)	14,663	2,153	(20)	-	(1,891)	-	33,850	33,850	(18,945)	14,905
Mobile plant and equipment	9,812	(6,326)	3,486	1,589	(213)	-	(945)	-	10,478	10,478	(6,561)	3,917
Heritage assets	2,083	(10)	2,073	83	1	-	-	(1,977)	2,167	2,167	(10)	2,157
Capital work in progress land	1,024	-	1,024	1,222	-	-	-	-	269	269	-	269
Capital work in progress buildings	17	-	17	2,326	-	-	-	(1,361)	982	982	-	982
Capital work in progress library books	-	-	-	307	-	-	-	(307)	-	-	-	-
Capital work in progress office furniture & fittings	169	-	169	1,636	-	-	-	(805)	-	1,000	-	1,000
Capital work in progress mobile plant & equipment	58	-	58	1,415	-	-	-	(1,280)	-	193	-	193
Capital work in progress heritage assets	6	-	6	85	-	-	-	(88)	-	3	-	3
Total operating assets	151,814	(35,740)	116,074	12,913	(362)	-	(7,005)	(8,088)	15,227	160,771	(32,012)	128,759
Infrastructural assets at cost & valuation												
Roading	330,029	(5,961)	324,068	9,980	(1,264)	-	(6,842)	-	-	338,582	(12,640)	325,942
Water supply	72,824	-	72,824	7,650	(193)	-	(3,427)	-	-	80,275	(3,421)	76,854
Wastewater	117,967	-	117,967	3,229	(146)	-	(4,629)	-	-	121,046	(4,625)	116,421
Stormwater	48,995	-	48,995	1,868	(70)	-	(927)	-	-	50,791	(925)	49,866
Land under roads	272,312	-	272,312	9	-	-	-	40	69,587	341,948	-	341,948
Infrastructural buildings	12,280	(715)	11,565	197	-	-	(359)	-	900	12,303	-	12,303
Solid waste	5,262	(3,557)	1,705	-	-	-	(247)	-	-	5,262	(3,804)	1,458
Capital work in progress roading	2,476	-	2,476	6,519	-	-	-	(7,099)	-	1,896	-	1,896
Capital works in progress water supply	8,171	-	8,171	7,716	-	-	-	(6,758)	-	9,129	-	9,129
Capital work in progress wastewater	3,170	-	3,170	4,694	-	-	-	(1,737)	-	6,127	-	6,127
Capital work in progress stormwater	287	-	287	614	-	-	-	(425)	-	476	-	476
Capital work in progress solid waste	-	-	-	192	-	-	-	(1)	-	191	-	191
Total infrastructural assets	873,773	(10,233)	863,540	42,668	(1,673)	-	(16,431)	(15,980)	70,487	968,026	(25,415)	942,611
Restricted assets at cost & valuation												
Reserves	126,935	-	126,935	1,124	-	-	-	4,783	22,432	155,274	-	155,274
Total restricted assets	126,935	-	126,935	1,124	-	-	-	(4,783)	22,432	155,274	-	155,274
Total Council	1,152,522	(45,973)	1,106,549	56,705	(2,035)	-	(23,436)	(19,285)	108,146	1,284,071	(57,427)	1,226,644

17. Property, plant and equipment

GROUP 2020	COST / REVALUATION 1 JUL 2019 \$'000	ACCUMULATED DEPRECIATION 1 JUL 2019 \$'000	CARRYING AMOUNT 1 JUL 2019 \$'000	CURRENT YEAR ADDITIONS (+ GAINS) \$'000	CURRENT YEAR DISPOSALS (+ LOSSES) \$'000	CURRENT YEAR IMPAIRMENT CHARGES \$'000	CURRENT DEPRECIATION \$'000	TRANSFERS \$'000	REVALUATION SURPLUS \$'000	COST / REVALUATION 30 JUN 2020 \$'000	ACCUMULATED DEPRECIATION 30 JUN 2020 \$'000	CARRYING AMOUNT 30 JUN 2020 \$'000
Operating assets at cost & valuation												
Land	39,944	-	39,944	2,500	-	-	-	(3,907)	-	38,537	-	38,537
Buildings	65,322	(648)	64,674	1,296	(142)	(272)	(3,150)	-	-	66,182	(3,777)	62,405
Library books	6,818	(5,624)	1,194	293	-	-	(305)	-	-	2,530	(1,348)	1,182
Leased plant & equipment	359	(224)	135	248	-	-	(93)	-	-	(730)	1,020	290
Office furniture and fittings	34,149	(19,082)	15,067	1,198	(102)	-	(2,077)	-	-	33,533	(19,467)	14,066
Mobile plant and equipment	10,536	(6,606)	3,930	1,420	(332)	-	(10,35)	-	-	10,672	(6,689)	3,983
Heritage assets	2,167	(10)	2,157	-	-	-	11	28	-	2,196	-	2,196
Capital work in progress land	269	-	269	242	-	-	(390)	-	-	121	-	121
Capital work in progress buildings	982	-	982	2,132	-	-	-	(1,393)	-	1,721	-	1,721
Capital work in progress library books	-	-	-	300	-	-	-	(292)	-	8	-	8
Capital work in progress office furniture & fittings	1,000	-	1,000	4,393	-	-	-	(943)	-	4,450	-	4,450
Capital work in progress mobile plant & equipment	193	-	193	882	-	-	-	(1,075)	-	-	-	-
Capital work in progress heritage assets	3	-	3	110	-	-	-	(11)	-	102	-	102
Total operating assets	161,742	(32,194)	129,548	15,014	(576)	(272)	(6,649)	(7,983)	-	159,322	(30,261)	129,061
Infrastructural assets at cost & valuation												
Roading	340,006	(12,670)	327,336	7,991	(724)	-	(6,116)	-	38,045	366,577	(45)	366,532
Water supply	80,275	(3,421)	76,854	5,638	(636)	(641)	(3,064)	-	-	84,561	(6,478)	78,083
Wastewater	121,046	(4,625)	116,421	1,868	(144)	-	(4,758)	-	-	122,764	(9,435)	113,329
Stormwater	51,166	(955)	50,211	2,069	(77)	-	(963)	-	-	53,155	(1,916)	51,239
Land under roads	341,948	-	341,948	5	(57)	-	-	-	-	341,896	-	341,896
Infrastructural buildings	12,303	-	12,303	111	(114)	(6)	(385)	-	-	12,290	(381)	11,909
Solid waste	5,262	(3,804)	1,458	15	-	-	(249)	-	-	5,277	(4,054)	1,223
Capital work in progress roading	1,896	-	1,896	7,973	-	-	-	(7,248)	-	2,621	-	2,621
Capital work in progress water supply	9,129	-	9,129	10,860	-	-	-	(8,512)	-	11,477	-	11,477
Capital work in progress wastewater	6,127	-	6,127	6,290	-	-	-	(89)	-	12,328	-	12,328
Capital work in progress stormwater	476	-	476	69	-	-	-	(251)	-	294	-	294
Capital work in progress infrastructural buildings	-	-	-	24	-	-	-	-	-	24	-	24
Capital work in progress solid waste	191	-	191	96	-	-	-	(123)	-	164	-	164
Taupō Airport runways	4,899	(351)	4,548	-	-	-	(177)	-	528	4,899	-	4,899
Total infrastructural assets	974,724	(25,826)	948,898	43,009	(1,752)	(647)	(15,712)	(16,223)	38,573	1,018,327	(22,309)	996,018
Restricted assets at cost & valuation												
Reserves	155,274	-	155,274	121	-	-	-	1,843	-	157,238	-	157,238
Taupō Airport land	4,036	-	4,036	-	-	-	-	-	-	4,036	-	4,036
Total restricted assets	159,310	-	159,310	121	-	-	-	1,843	-	161,274	-	161,274
Total Council	1,295,776	(58,020)	1,237,756	58,144	(2,328)	(919)	(22,361)	(22,363)	38,573	1,338,923	(52,570)	1,286,353

17. Property, plant and equipment

GROUP 2019	COST / REVALUATION 1 JUL 2018 \$'000	ACCUMULATED DEPRECIATION 1 JUL 2018 \$'000	CARRYING AMOUNT 1 JUL 2018 \$'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 2019 \$'000	ACCUMULATED DEPRECIATION 30 JUN 2019 \$'000	CARRYING AMOUNT 30 JUN 2019 \$'000
Operating assets at cost & valuation												
Land	34,277	-	34,277	155	-	-	-	(2,270)	7,782	39,944	-	39,944
Buildings	66,468	(6,886)	59,582	1,532	(130)	-	(3,808)	-	7,498	65,322	(648)	64,674
Library books	6,511	(5,317)	1,194	307	-	-	(307)	-	-	6,818	(5,624)	1,194
Leased plant & equipment	257	(129)	128	103	-	-	(96)	-	-	359	(224)	135
Office furniture and fittings	32,062	(17,220)	14,842	2,181	(20)	-	(1,936)	-	-	34,149	(19,082)	15,067
Mobile plant and equipment	9,869	(6,368)	3,501	1,589	(213)	-	(947)	-	-	10,536	(6,606)	3,930
Heritage assets	2,083	(10)	2,073	83	1	-	-	-	-	2,167	(10)	2,157
Capital work in progress land	1,024	-	1,024	1,222	-	-	-	(1,977)	-	269	-	269
Capital work in progress buildings	17	-	17	2,326	-	-	-	(1,361)	-	982	-	982
Capital work in progress library books	-	-	-	307	-	-	-	(307)	-	-	-	-
Capital work in progress office furniture & fittings	169	-	169	1,636	-	-	-	(805)	-	1,000	-	1,000
Capital work in progress mobile plant & equipment	58	-	58	1,415	-	-	-	(1,280)	-	193	-	193
Capital work in progress heritage assets	6	-	6	85	-	-	-	(88)	-	3	-	3
Total operating assets	152,801	(35,930)	116,871	12,941	(362)	-	(7,094)	(8,088)	15,280	161,742	(32,194)	129,548
Infrastructural assets at cost & valuation												
Roading	331,453	(5,976)	325,477	9,980	(1,264)	-	(6,857)	-	-	340,006	(12,670)	327,336
Water supply	72,824	-	72,824	7,650	(193)	-	(3,427)	-	-	80,275	(3,421)	76,854
Wastewater	117,967	-	117,967	3,229	(146)	-	(4,629)	-	-	121,046	(4,625)	116,421
Stormwater	49,370	(15)	49,355	1,868	(70)	-	(942)	-	-	51,166	(955)	50,211
Land under roads	272,312	-	272,312	9	-	-	-	40	69,587	341,948	-	341,948
Infrastructural buildings	12,280	(715)	11,565	197	-	-	(359)	-	900	12,303	-	12,303
Solid waste	5,262	(3,557)	1,705	-	-	-	(247)	-	-	5,262	(3,804)	1,458
Capital work in progress roading	2,476	-	2,476	6,519	-	-	-	(7,099)	-	1,896	-	1,896
Capital works in progress water supply	8,171	-	8,171	7,716	-	-	-	(6,758)	-	9,129	-	9,129
Capital work in progress wastewater	3,170	-	3,170	4,694	-	-	-	(1,737)	-	6,127	-	6,127
Capital work in progress stormwater	287	-	287	614	-	-	-	(425)	-	476	-	476
Capital work in progress solid waste	-	-	-	192	-	-	-	(1)	-	191	-	191
Taupō Airport runways	4,899	(175)	4,724	-	-	-	(176)	-	-	4,899	(351)	4,548
Total infrastructural assets	880,471	(10,438)	870,033	42,668	(1,673)	-	(16,637)	(15,980)	70,487	974,724	(25,826)	948,898
Restricted assets at cost & valuation												
Reserves	126,935	-	126,935	1,124	-	-	-	4,783	22,432	155,274	-	155,274
Taupō Airport land	4,215	-	4,215	-	-	-	-	-	(179)	4,036	-	4,036
Total restricted assets	131,150	-	131,150	1,124	-	-	-	4,783	22,253	159,310	-	159,310
Total Council	1,164,422	(46,368)	1,118,054	56,733	(2,035)	-	(23,731)	(19,285)	108,020	1,295,776	(58,020)	1,237,756

17. Property, plant and equipment

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 (2019 \$284,000).

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 24).

IMPAIRMENT

Assets identified as requiring impairment. The AC Baths Indoor 25m Pool due to damage (\$272,109), Acacia Bay reticulation / treatment assets (\$640,969) and the Pump Station building (\$6,139) due to becoming idle June 2021.

INSURANCE ON ASSETS

The total book value of all assets covered by insurance contracts is \$113 million (2019 \$129m).

The Council has chosen to insure these assets for \$323 million (2019 \$298m).

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 (2019 \$60m) 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 Roothing, Water, Wastewater, Stormwater & Solid Waste assets that are self insured is \$623 million (2019 \$598m). 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 2020	ADDITIONS			
	CLOSING BOOK VALUE \$'000	CONSTRUCTED BY COUNCIL \$'000	ASSETS TRANSFERRED TO COUNCIL \$'000	ESTIMATED REPLACEMENT COST \$'000
Infrastructural assets				
Water treatment plants & facilities	16,868	1,174	-	39,214
Water reticulation assets	61,283	3,336	1,128	125,170
Wastewater treatment plants & facilities	52,959	-	-	134,070
Wastewater reticulation assets	60,428	970	899	107,347
Stormwater drainage	50,900	1,415	653	92,707
Roads & footpaths	365,105	6,916	1,075	525,512
Total infrastructural assets	607,543	13,811	3,755	1,024,020

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

Roads and footpaths latest valuation 30/6/2020.

17. Property, plant and equipment

COUNCIL 2019	ADDITIONS			
	CLOSING BOOK VALUE \$'000	CONSTRUCTED BY COUNCIL \$'000	ASSETS TRANSFERRED TO COUNCIL \$'000	ESTIMATED REPLACEMENT COST \$'000
Infrastructural assets				
Water treatment plants & facilities	17,664	-	-	37,294
Water reticulation assets	59,191	6,378	1,271	118,340
Wastewater treatment plants & facilities	56,222	-	-	131,441
Wastewater reticulation assets	60,199	1,803	1,425	103,410
Stormwater drainage	49,866	514	1,354	88,948
Roads & footpaths	325,942	7,384	2,597	464,175
Total infrastructural assets	569,084	16,079	6,647	943,608

GROUP 2020	ADDITIONS			
	CLOSING BOOK VALUE \$'000	CONSTRUCTED BY COUNCIL \$'000	ASSETS TRANSFERRED TO COUNCIL \$'000	ESTIMATED REPLACEMENT COST \$'000
Infrastructural assets				
Water treatment plants & facilities	16,868	1,174	-	39,214
Water reticulation assets	61,283	3,336	1,128	125,170
Wastewater treatment plants & facilities	52,959	-	-	134,070
Wastewater reticulation assets	60,428	970	899	107,347
Stormwater drainage	51,240	1,415	653	92,707
Roads & footpaths	366,532	6,916	1,427	526,998
Taupō Airport runways	4,899	-	-	7,240
Total infrastructural assets	614,209	13,811	4,107	1,032,746

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

Roads and footpaths latest valuation 30/6/2020.

GROUP 2019	ADDITIONS			
	CLOSING BOOK VALUE \$'000	CONSTRUCTED BY COUNCIL \$'000	ASSETS TRANSFERRED TO COUNCIL \$'000	ESTIMATED REPLACEMENT COST \$'000
Infrastructural assets				
Water treatment plants & facilities	17,664	-	-	37,294
Water reticulation assets	59,191	6,378	1,271	118,340
Wastewater treatment plants & facilities	56,222	-	-	131,441
Wastewater reticulation assets	60,199	1,803	1,425	103,410
Stormwater drainage	50,211	514	1,425	89,323
Roads & footpaths	327,336	7,384	1,354	465,599
Taupō Airport runways	4,724	-	-	4,899
Total infrastructural assets	575,547	16,079	5,475	950,306

17. Property, plant and equipment

FINANCE LEASES AS LESSEE

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

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Computer equipment	2	31	2	31
Gym equipment	81	105	81	105
Library Equipment	213	-	213	-
Total	296	136	296	136

CAPITAL COMMITMENTS

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Water system	1,229	2,965	1,229	2,965
Roading network	6,256	1,036	6,256	1,036
District roading capex/renewals	1,847	984	1,847	984
Buildings	-	40	-	40
Velodrome Renewal	-	133	-	133
Alterations to Turangi Information Centre	-	204	-	204
Turangi Gymnasium Renovation	-	255	-	255
AC Baths Hydroslide Replacement	-	61	-	61
Tech One ERP Implementation	249	860	249	860
AC Baths reception refurbishment	55	-	55	-
AC Baths private pools upgrade	736	-	736	-
Taupō lakefront and reserve enhancement	1,231	-	1,231	-
Refuse	184	-	184	-
Total capital commitments	11,787	6,538	11,787	6,538

18. Intangible assets

ACCOUNTING POLICY COMPUTER SOFTWARE

Acquired computer software licences are capitalised based on the costs incurred to acquire and bring to use the software. Costs are amortised using the straight line method over their estimated useful lives (3 to 8 years).

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

Costs directly associated with the development of identifiable and unique software products for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised using the straight line method over their estimated useful lives (not exceeding 8 years).

Staff training costs 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.

AMORTISATION

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

18. Intangible assets

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

CLASS OF INTANGIBLE ASSET	ESTIMATED USEFUL LIFE	AMORTISATION RATES
Computer software	3-8 years	12.5%-33.33%

IMPAIRMENT OF INTANGIBLE ASSETS

For further details, refer to the policy for impairment of property, plant and equipment in note 17. The same approach applies to the impairment of intangible assets.

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

	COMPUTER SOFTWARE \$'000	CAPITAL WORK IN PROGRESS \$'000	CARBON CREDITS \$'000	TOTAL \$'000
Cost				
COUNCIL 2019				
Balances at 1 July 2018	3,135	-	308	3,443
Additions	11	1,192	378	1,581
Disposals	(48)	-	(308)	(356)
Transfers to property, plant & equipment	-	(63)	-	(63)
Balances as at 30 June 2019	3,098	1,129	378	4,605
COUNCIL 2020				
Balances as at 1 July 2019	3,098	1,129	378	4,605
Additions	115	2,249	-	2,364
Disposals	(37)	-	(124)	(161)
Transfers to property, plant & equipment	-	(144)	-	(144)
Balances as at 30 June 2020	3,176	3,234	254	6,664
Accumulated amortisation and impairment				
COUNCIL 2019				
Balances a 1 July 2018	(2,704)	-	-	(2,704)
Subsidiary sold	48	-	-	48
Amortisation charge **	(211)	-	-	(211)
Balances as at 30 June 2019	(2,867)	-	-	(2,867)
COUNCIL 2020				
Balances as at 1 July 2019	(2,867)	-	-	(2,867)
Disposals	-	-	-	-
Amortisation charge	(278)	-	-	(278)
Balances as at 30 June 2020	(3,145)	-	-	(3,145)
Carrying amounts				
As at 1 July 2018	431	-	308	739
As at 30 June 2019 & 1 July 2019	231	1,129	378	1,738
As at 30 June 2020	31	3,234	254	3,519

18. Intangible assets

	COMPUTER SOFTWARE \$'000	CAPITAL WORK IN PROGRESS \$'000	CARBON CREDITS \$'000	TOTAL \$'000
Cost				
GROUP 2019				
Balances at 1 July 2018	3,146	-	308	3,454
Additions	155	-	378	533
Disposals	(48)	1,192	(308)	836
Transfers to property, plant & equipment	-	(63)	-	(63)
Balances as at 30 June 2019	3,253	1,129	378	4,760
GROUP 2020				
Balances as at 1 July 2019	3,253	1,129	378	4,760
Additions	115	2,249	-	2,364
Disposals	(37)	-	(124)	(161)
Transfers to property, plant & equipment	-	(144)	-	(144)
Balances as at 30 June 2020	3,331	3,234	254	6,819
Accumulated amortisation and impairment				
GROUP 2019				
Balances as at 1 July 2018	(2,712)	-	-	(2,712)
Disposals	48	-	-	48
Amortisation charge	(234)	-	-	(234)
Balances as at 30 June 2019	(2,898)	-	-	(2,898)
GROUP 2020				
Balances as at 1 July 2018	(2,898)	-	-	(2,898)
Amortisation charge	(315)	-	-	(315)
Balances as at 30 June 2020	(3,213)	-	-	(3,213)
Carrying Amounts				
As at 1 July 2018	434	-	308	742
As at 30 June 2018 & 1 July 2018	355	1,129	378	1,862
As at 30 June 2020	118	3,234	254	3,606

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.

19. Depreciation and amortisation expense by group of activity

	COUNCIL	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Water	3,435	3,675
Community Services	195	204
Transport	6,156	6,875
Community Facilities	4,840	5,150
Solid Waste	412	372
Stormwater	960	927
Wastewater	4,969	4,799
Economic Development	18	18
Democracy & Planning	21	14
Investments	191	212
Depreciation and amortisation not directly related to group of activities	1,339	1,398
Total Depreciation and amortisation	22,536	23,644

20. Biological assets - Forestry

ACCOUNTING POLICY

Forestry assets are predominantly standing trees which are managed on a sustainable yield basis.

Standing forestry assets are independently revalued to fair value less estimated costs to sell for one growth cycle.

Gains or losses arising on initial recognition of forestry assets at fair value less cost to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

The costs to maintain forestry assets are included in the statements of comprehensive income.

COVID-19

The valuation was prepared during the period when the world was impacted by Covid-19. As at the date of valuation the valuers consider that there is significant market uncertainty due to the Covid-19 outbreak. However, this has not impacted values significantly as at valuation date.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Opening balance	7,848	9,142	7,848	9,142
Gains/(losses) arising from changes in fair value	(155)	610	(155)	610
Additions	18	139	18	139
Disposals	(110)	(2,043)	(110)	(2,043)
Carrying amount at 30 June	7,601	7,848	7,601	7,848

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 990 hectares (2019 985 hectares).

Part of the tree crop (58.3 ha) in the Tirohanga forest has been sold to Oji Fibre Solutions under a 'Pay as cut' sale. Due to delays in harvesting and the interruption brought about through the covid 19 level 4 lockdown very little progress was made on this harvest during the 2020 financial year. The original agreement expired at 30 June 2020 however this agreement will be extended by 12 months and harvesting is scheduled to resume in spring of 2020. The estimated value of the area remaining under the contract at 30 June 2020, valued at the contracted tonnage rate, is \$2,250,000.

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.

Adam Mills of Woodlands Pacific Consulting Limited, an independent valuer, has valued the remaining forestry assets at \$5,482,000 as at 30 June 2020. 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% (2019 9%) 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 includes the value of the existing crops on a single rotational basis
- costs and prices are held constant in 2020 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.

There are no restrictions over the title of forestry assets, nor is any forestry asset pledged as security for liabilities (2018 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. Investment property

ACCOUNTING POLICY

Properties leased to third parties under operating leases 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, all investment property is measured at fair value at each reporting date.

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

COVID-19

Our valuers note that there is an element of valuation uncertainty as a result of Covid-19, however this is not significant valuation uncertainty. As New Zealand has moved down the Covid-19 Alert Levels more sales evidence has become available and we have noted in some markets there has been little if any noticeable change in prices being achieved at sale.

As this is a relatively recent event and due to the comparatively low levels of property sales turning over compared to normal, it has made the drawing of market movement conclusions more challenging than usual. As more market evidence becomes available, the changes in the market due to the Covid-19 influence will become more apparent.

TOTAL FAIR VALUE OF INVESTMENT PROPERTIES IS SHOWN IN THE TABLE BELOW:

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Land	10,243	11,294	10,243	11,604
Buildings	901	902	901	902
Balance at 30 June	11,144	12,196	11,144	12,506

THE MOVEMENT OF INVESTMENT PROPERTY IS AS FOLLOWS:

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Opening balance	12,196	12,332	12,196	12,332
Fair value gains/(losses) on valuation	920	1,285	920	1,285
Additions	18	15	18	15
Disposals	(364)	-	(364)	-
Transfers (to)/ from property plant and equipment	(1,308)	(2,553)	(1,308)	(2,553)
Transfers (to)/ from non current assets	-	1,117	-	1,117
Transfers (to)/from inventories held for sale	(318)	-	(318)	-
Balance at 30 June	11,144	12,196	11,144	12,196

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 registered valuer of Quotable Value Limited. Quotable Value Limited 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.

21. Investment property

AMOUNTS RELATING TO INVESTMENT PROPERTY AND RECOGNISED IN SURPLUS OR DEFICIT INCLUDE:

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Rental revenue from investment property	104	116	104	116
Direct operating expenses related to investment property that generated rental revenue during the period	24	47	24	47
Direct operating expenses related to investment property that did not generate rental revenue during the period	67	61	67	61

22. Trade and other payables

ACCOUNTING POLICY

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

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Trade payables	6,125	5,621	6,510	5,745
Accrued expenses	1,452	2,396	1,572	2,505
Councillor fees payable	3	13	3	13
Accrued interest on borrowings	174	441	174	441
Deposits and bonds	1,789	1,283	1,791	1,285
Revenue in advance	3,330	2,943	3,393	3,000
Total trade and other payables	12,873	12,697	13,443	12,989
Total creditors and other payables from exchange transactions	7,991	8,445	8,496	8,671
Total creditors and other payables from non exchange transactions	4,882	4,252	4,947	4,317
Total current creditors and other payables from exchange and non exchange transactions	12,873	12,697	13,443	12,988

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.

23. Employee entitlements

ACCOUNTING POLICY

SHORT TERM EMPLOYEE ENTITLEMENTS

Employee benefits due to be settled within 12 months after the end of the period in which the employee provides the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where the Council or Group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligations can be made.

LONG TERM EMPLOYEE ENTITLEMENTS

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

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

PRESENTATION OF EMPLOYEE ENTITLEMENTS

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non vested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as a non current liability.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimating retirement and long service leave obligations

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 1.23% (2019 1.23%) and an inflation factor of 2% (2019 2%) were used.

COVID-19

Covid-19 resulted in higher than planned personnel costs in the year. Staff leave entitlements increased by 530k because staff were unable to travel so many staff had to cancel planned leave.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Current portion				
Accrued pay	269	122	276	130
Annual leave	2,603	2,212	2,676	2,320
Lieu leave	139	120	206	127
Retirement gratuities & long service leave	464	208	464	208
Sick leave	88	55	88	55
Total current portion	3,563	2,717	3,710	2,840
Non current portion				
Retirement gratuities & long service leave	29	345	31	353
Total non current portion	29	345	31	353
Total employee entitlements	3,592	3,062	3,741	3,193

24. Borrowings

ACCOUNTING POLICY

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

Borrowings are classified as current liabilities unless the Council or Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

FINANCE LEASES

A finance lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Current portion				
Commercial paper	32,000	30,000	32,000	30,000
Debentures	20,000	-	20,000	-
Finance lease liabilities	296	103	296	103
Total secured current interest bearing borrowings	52,296	30,103	52,296	30,103
Non current portion				
Debentures	95,000	115,000	95,000	115,000
Finance lease liabilities	-	35	-	35
Total secured non current interest bearing borrowings	95,000	115,035	95,000	115,035
Total borrowings	147,296	145,138	147,296	145,138

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 2019, 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. At 30 June 2020 the policy is no longer in breach.

BANK FACILITIES

Council has a total of \$50m (2019 \$50m) committed bank facilities, \$10m expires June 2021 and \$40m expires December 2023. Of the facilities nil (2019 \$nil) was drawn as at balance date.

COMMERCIAL PAPER, FIXED AND FLOATING RATE NOTES

Council has issued nil (2019 \$nil) of fixed and floating rate notes at balance date.

Council has commercial paper of \$32m currently on issue (2019 \$30m).

NZ LOCAL GOVERNMENT FUNDING AGENCY

Council has issued \$115m (2019 \$115m) 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 \$122.5 million at 30 June 2020 (2019 \$120.5 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.

24. Borrowings

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Payable no later than one year	52,000	30,055	52,000	30,055
Later than one, not later than two years	10,000	20,026	10,000	20,026
Later than two, not later than five years	34,000	35,057	34,000	35,057
Later than five years	51,000	60,000	51,000	60,000
Total undrawn committed facilities	147,000	145,138	147,000	145,138

(A) ANALYSIS OF FINANCE LEASES ANALYSIS OF FINANCE LEASES

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Total minimum lease payments payable				
Payable no later than one year	86	64	86	64
Later than one, not later than two years	83	32	83	32
Later than two, not later than five years	153	62	153	62
Total minimum lease payments	322	158	322	158
Future finance charges	(25)	(20)	(25)	(20)
Present value of minimum lease payments	297	138	297	138
Represented by:				
Current	74	55	74	55
Non current	223	83	223	83
Total finance leases	297	138	297	138

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 17.

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.

25. Derivative financial instruments

ACCOUNTING POLICY

Derivative financial instruments are used to manage exposure to interest rate risk arising from Council's financing activities. In accordance with its Treasury Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re measured to their fair value at each balance date. The

associated gains or losses are recognised in the surplus or deficit.

COVID-19

Covid-19 has lowered interest rates. It's not possible to know the quantum of the impact on the value of council's interest rate swaps. However, we do know that Covid has pushed interest rates lower which increases council's liability at balance date.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Non current liability portion				
Interest rate swaps	44,336	35,672	44,336	35,672
Total non current liability portion	44,336	35,672	44,336	35,672

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 (Infoscan) market parameters such as interest rate yield curves.

The interest rate swaps have been valued by Hedgebook as at 30 June 2020.

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2020 were \$209.65m (2019 \$209.65m).

At 30 June 2020, the fixed interest rates of interest rate swaps vary from 3.7% to 6.16% (2019 3.7% to 6.16%).

10 year interest rate swaps have dropped from 1.79% to 0.80% during the reporting period. This increases the projected future cash flows of councils swaps and hence, increases the liability of these contracts.

26. Provisions

ACCOUNTING POLICY

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Non current portion				
Value landfill closure and post closure provision	140	99	140	99
Other provisions	-	-	21	-
Total non current portion	140	99	161	99
Movements in provisions:				
Opening balance	99	92	99	92
Additional provisions made during the year	41	7	62	7
Closing balance	140	99	161	99

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 2020 is approximately 264,828 cubic metres (2019 264,828 cubic metres).

The estimated remaining life as at 30 June 2020 is 7 years (2019 8 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%.

27. 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 33 local authority shareholders and 67 local authority borrowers of the NZLGFA. (In that regard it has uncalled capital of \$100,000). When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2020, NZLGFA had borrowings totalling \$11,907m (2019 \$9,531m). This figure is made up of the face value of the LGFA's bonds on issue of \$10,990m (2019 \$8,935m), accrued interest on bonds on issue of \$75.7m (2019 \$68.3m), the face value of bills on issue of \$647.5m (2019 \$505m) and bonds LGFA lent to counterparties under bond repurchase transactions of \$194m (2019 \$23m).

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 (2019 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 (2019 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 (2019 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 are two leaky building claims filed with the High Court to which the Council has been joined as a party, either as the direct respondent or as a third party. The Council is actively defending the claims and will seek to join third parties to share any liability it may have following mediation or trial. The two leaky building claims are:

1. Ministry of Education v Carter Holt Harvey – the leaky schools litigation:

In 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by CHH. The MOE's claim against CHH is for 833 school buildings, 40 of which are located within the Auckland region. 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 of Compliance Certificates.

28 school buildings (three in Taupō) built outside the 10 year long stop contained within the Building Act 2004 have since been struck out by the High Court.

A notice of discontinuance of these proceedings was signed on 3 September 2020. Therefore, while there was uncertainty at balance date, council is no longer subject to this claim and no settlement was involved.

2. Paine & Ors v Carter Holt Harvey – leaky home class action

During the last year, a group of homeowners initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by CHH. CHH has joined 19 Councils as co defendants in this claim.

During the last year, a group of homeowners initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by CHH. CHH has joined 19 Councils as co defendants in this claim.

A notice of discontinuance of these proceedings was signed on 3 September 2020. Therefore, while there was



27. Contingencies

uncertainty at balance date, council is no longer subject to this claim and no settlement was involved. In addition to the weather tightness building claims, there are a further 4 unresolved potential legal claims against Council as at 30 June 2019 (2019: 4 claims) In addition, potential claims may arise from the significant wastewater discharge incident on the Taupō lakefront on 2 July 2019 and the Crown Road subsidence event that occurred on 5 July 2019. All matters present some contingent liability risk related to building or resource consents, property damage, or other aspects of Council's operations which may result in claims for loss against the Council or for which the Council may incur statutory liability. It is not presently possible for Council to quantify a maximum financial exposure for these claims, 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 (2019 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 (2019 Same contingency disclosure made).

There are no contingent assets or liabilities relating to the subsidiary entities (2019 nil).

CONTINGENT ASSETS

There are no contingent assets for the Group as at 30 June 2020.



28. Net assets/equity

ACCOUNTING POLICY

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated funds;
- Council created reserves;
- asset revaluation reserves; and
- available for sale revaluation reserve.

COUNCIL CREATED RESERVES

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 Council.

ASSET REVALUATION RESERVES

These reserves arise from certain asset classes being revalued, with these classes including land, buildings, infrastructural assets and restricted assets.

AVAILABLE FOR SALE REVALUATION RESERVE

These reserves arise from available for sale investments being revalued to current fair value.

28. Net assets/equity

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Accumulated funds	799,293	792,612	800,431	793,943
Reserves	442,751	411,172	445,533	413,902
Balance at 30 June	1,242,044	1,203,784	1,245,964	1,207,845
The breakdown of accumulated funds and reserves are disclosed as follows:				
Accumulated funds				
Balance at 1 July	792,612	798,205	793,943	799,526
Transfer from special fund	18,645	23,496	18,645	23,496
Transfer to special fund	(11,656)	(31,125)	(11,656)	(31,125)
Disposal of property, plant and equipment	(605)	373	(515)	373
Movements in valuation of associates on transition to PBE IPSAS 36	5	-	5	-
Surplus/(deficit) for the year	292	1,663	9	1,673
Balance at 30 June	799,293	792,612	800,431	793,943
* Correction to fix rounding within accounting model used to prepare financial results				
Reserves includes				
Asset revaluation reserves	319,472	280,855	322,254	283,585
Available for sale investments revaluation reserve	-	50	-	50
Council created reserves (see analysis below)	123,279	130,267	123,279	130,267
Total reserves	442,751	411,172	445,533	413,902
Property, plant and equipment revaluation reserve				
Balance at 1 July	280,855	173,082	283,585	175,971
Revaluation gains/(losses)	38,012	108,146	38,408	108,021
Deferred tax on revaluation	-	-	(111)	(15)
Transfer to accumulated funds	605	(373)	512	(373)
Less non controlling interest share in change in asset value	-	-	(140)	(19)
Balance at 30 June	319,472	280,855	322,254	283,585
Asset revaluation reserves for each asset class consist of:				
Operational assets				
Operational land	10,452	13,830	11,618	13,830
Operational buildings	20,646	20,730	20,760	20,845
Fencing	-	-	30	30
Land improvements	-	-	65	65
Investment properties land	8,204	3,074	8,204	3,074
Restricted assets				
Reserves	30,595	30,608	30,595	31,774
Infrastructure assets				
Land under roads	75,271	75,544	75,271	75,544
Roading	93,806	56,132	93,835	56,317
Wastewater	45,812	45,856	45,812	45,856
Water	19,069	19,382	19,069	19,382
Stormwater	14,702	14,725	14,798	14,821
Runways	-	-	1,336	1,073
Infrastructure buildings	917	974	917	974
Total asset revaluation reserves	319,474	280,855	322,310	283,585
Available for sale investments revaluation reserve				
Balance at 1 July	50	43	50	43
Revaluation of corporate bonds	(50)	7	(50)	7
Balance at 30 June	-	50	-	50

28. Net assets/equity

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
2020					
Depreciation Reserves					
Water Taupō	Water	(1,014)	2,135	(519)	602
Water Acacia Bay	Water	404	120	(48)	476
Water Kinloch	Water	1,902	174	18	2,094
Water Waitahanui	Water	90	96	(67)	119
Water River Road	Water	160	27	24	211
Water Mapara	Water	521	61	-	582
Water Whakamoenga	Water	76	18	1	95
Water Bonshaw Park	Water	70	25	8	103
Water Centennial Drive Bores	Water	1	1	-	2
Water Centennial Drive	Water	110	150	2	262
Water Whakarua	Water	297	50	5	352
Water Mangakino	Water	234	142	53	429
Water Waihaha	Water	581	52	4	637
Water Tirohanga	Water	687	98	67	852
Water Atiamuri	Water	186	25	7	218
Water Whakamaru	Water	(160)	36	3	(121)
Water Motuoapa	Water	26	84	(48)	62
Water Turangi	Water	217	322	21	560
Water Omori	Water	949	109	33	1,091
Water Whareroa	Water	62	29	6	97
Water Hatepe	Water	60	41	5	106
Wastewater District	Wastewater	8,058	4,871	(8,391)	4,538
Solid Waste District	Solid Waste	1,358	326	(379)	1,305
Transport & Stormwater District	Transport	10,779	3,037	(6,892)	6,924
Forestry District	Investments	6,683	-	-	6,683
Buildings District	Community Facilities, Community Services, Water, Wastewater, Solid waste, Investments, Economic Development	4,101	4,491	(2,653)	5,939
Operational Assets	All activities with the exception of Democracy & Planning	4,322	3,229	(5,010)	2,541
Development Contribution Reserves					
Community Infrastructure District	Community Facilities	731	13	-	744
Parks & reserves Land (Residential)	Community Facilities	2,500	(8)	-	2,492
District Wide Parks	Community Facilities	268	143	-	411
Water Taupō	Water	1,154	271	(580)	845
Water Kinloch	Water	1,213	(18)	-	1,195
Water River Road	Water	5	-	-	5
Water Mapara	Water	(35)	84	-	49
Water Turangi	Water	14	-	-	14
Water Omori	Water	37	63	-	100
Wastewater Taupō	Wastewater	3,164	1,154	(653)	3,665
Wastewater Kinloch	Wastewater	669	163	-	832
Wastewater Mangakino	Wastewater	-	-	-	-
Wastewater Atiamuri	Wastewater	2	-	-	2
Wastewater Turangi	Wastewater	-	-	-	-
Stormwater Taupō Industrial	Stormwater	(17)	14	-	(3)
Transport District Wide	Transport	1,553	720	(690)	1,583
Other Reserves					
Disaster Recovery Fund	All Activities	1,906	150	(54)	2,002
District Airport Reserve	Taupō Airport (CCO)	67	-	-	67
Parking	Community Services	69	-	-	69
Forestry Silviculture & Tending	Investments	(811)	-	(56)	(867)
Strategic Property Purchase District	Investments	16,118	15	(4,647)	11,486
TEL	Investments	60,899	2,756	(1,826)	61,829
Total reserves at 30 June 2020		130,266	25,269	(32,256)	123,279

28. Net assets/equity

INFORMATION ABOUT RESERVE FUNDS HELD FOR A SPECIFIC PURPOSE IS PROVIDED BELOW:

RESERVE	ACTIVITIES TO WHICH THE FUNDS RELATE	OPENING BALANCE \$'000	ADDITIONS \$'000	WITHDRAWALS \$'000	CLOSING BALANCE \$'000
2019					
Depreciation Reserves					
Water Taupō	Water	489	2,024	(3,526)	(1,013)
Water Acacia Bay	Water	375	106	(76)	405
Water Kinloch	Water	1,811	115	(25)	1,901
Water Waitahanui	Water	22	2,014	(1,946)	90
Water River Road	Water	167	23	(30)	160
Water Mapara	Water	475	46	-	521
Water Whakamoenga	Water	59	18	(1)	76
Water Bonshaw Park	Water	46	32	(8)	70
Water Centennial Drive Bores	Water	1	-	-	1
Water Centennial Drive	Water	33	139	(62)	110
Water Whakarua	Water	304	42	(49)	297
Water Mangakino	Water	333	132	(231)	234
Water Waihaha	Water	531	54	(4)	581
Water Tirohanga	Water	678	85	(75)	688
Water Atiamuri	Water	173	22	(8)	187
Water Whakamaru	Water	(180)	31	(11)	(160)
Water Motuoapa	Water	64	63	(101)	26
Water Turangi	Water	1,590	278	(1,650)	218
Water Omori	Water	887	108	(46)	949
Water Whareroa	Water	45	25	(8)	62
Water Hatepe	Water	54	28	(22)	60
Wastewater District	Wastewater	8,792	4,844	(5,579)	8,057
Solid Waste District	Solid Waste	725	334	299	1,358
Transport & Stormwater District	Transport	7,671	9,905	(6,797)	10,779
Forestry District	Investments	6,683	-	-	6,683
Buildings District	Community Facilities, Community Services, Water, Wastewater, Solid waste, Investments, Economic Development	2,753	3,932	(2,585)	4,100
Operational Assets	All activities with the exception of Democracy & Planning	4,585	3,738	(4,002)	4,321
Development Contribution Reserves					
Community Infrastructure District	Community Facilities	728	2	-	730
Parks & reserves Land (Residential)	Community Facilities	2,340	160	-	2,500
District Wide Parks	Community Facilities	195	73	-	268
Water Taupō	Water	1,020	519	(385)	1,154
Water Kinloch	Water	604	609	-	1,213
Water River Road	Water	5	-	-	5
Water Mapara	Water	15	-	(50)	(35)
Water Turangi	Water	14	-	-	14
Water Omori	Water	37	-	-	37
Wastewater Taupō	Wastewater	2,332	998	(165)	3,165
Wastewater Kinloch	Wastewater	320	349	-	669
Wastewater Mangakino	Wastewater	-	-	-	-
Wastewater Atiamuri	Wastewater	2	-	-	2
Wastewater Turangi	Wastewater	-	70	(70)	-
Stormwater Taupō Industrial	Stormwater	(17)	-	-	(17)
Transport District Wide	Transport	1,301	818	(565)	1,554
Other Reserves					
Disaster Recovery Fund	All Activities	1,818	100	(13)	1,905
District Airport Reserve	Taupō Airport (CCO)	67	-	-	67
Parking	Community Services	69	-	-	69
Forestry Silviculture & Tending	Investments	(549)	-	(262)	(811)
Strategic Property Purchase District	Investments	13,190	4,297	(1,368)	16,119
TEL	Investments	59,984	2,596	(1,682)	60,898
Total reserves at 30 June 2019		122,641	38,729	(31,103)	130,267

28. Net assets/equity

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 \$150,000 (2019 \$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.

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, 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.

29. Non -controlling interests

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Balance at the beginning of the year	-	-	3,224	3,315
Share of revaluation reserve change in asset value	-	-	54	19
Equity injection by Crown	-	-	870	-
Share of surplus/(deficit)	-	-	31	(110)
Balance at the end of the year	-	-	4,179	3,224

30. 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 2020 \$'000	ACTUAL 2019 \$'000
Council members		
Remuneration (Council Elected Members)	575	503
Full time equivalent members	11	11
Senior Leadership Team, including the Chief Executive		
Remuneration (CEO & SLT)	1,806	1,770
Full time equivalent members	8	8
Total full time equivalent personnel	2,381	2,273
Total key management personnel compensation	19	19

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 9.

31. Events after balance date

A notice of discontinuance relating to Ministry of Education v Carter Holt Harvey and Paine & Ors v Carter Holt Harvey was signed on 3 September 2020. This has resulted in council adjusting it's contingent liability disclosure to reflect that there is no exposure to council.

32. 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 what transactions can be entered into. The policy does not allow any transactions that are speculative in nature.

(A) FINANCIAL INSTRUMENT CATEGORIES

ASSETS	HELD FOR TRADING \$'000	ASSETS AT FAIR VALUE THROUGH SURPLUS OR DEFICIT \$'000	LOANS AND RECEIVABLES \$'000	AVAILABLE FOR SALE \$'000	TOTAL \$'000
COUNCIL 2020					
Cash and cash equivalent	-	-	12,505	-	12,505
Receivables and prepayments	-	-	5,637	-	5,637
Other financial assets:					
Bonds	-	-	-	-	-
Term Deposits	-	-	99,598	-	99,598
Borrowers Notes	-	-	2,022	-	2,022
Community Loans	-	-	707	-	707
Other Lanes	-	-	1,000	-	1,000
Listed shares	-	7,660	-	5,093	12,753
Unlisted shares	-	-	-	192	192
Total assets	-	7,660	121,469	5,285	134,414
COUNCIL 2019					
Cash and cash equivalent	-	-	8,242	-	8,242
Receivables and prepayments	-	-	4,877	-	4,877
Other financial assets:					
Bonds	-	-	-	134	134
Term Deposits	-	-	108,468	-	108,468
Borrowers Notes	-	-	1,994	-	1,994
Community Loans	-	-	757	-	757
Other Loans	-	-	1,000	-	1,000
Listed shares	-	10,889	-	-	10,889
Unlisted shares	-	-	-	243	243
Total assets	-	10,889	125,338	377	136,604

32. Financial instruments

(A) FINANCIAL INSTRUMENT CATEGORIES

ASSETS	HELD FOR TRADING \$'000	ASSETS AT FAIR VALUE THROUGH SURPLUS OR DEFICIT \$'000	LOANS AND RECEIVABLES \$'000	AVAILABLE FOR SALE \$'000	TOTAL \$'000
GROUP 2020					
Cash and cash equivalent	-	-	15,663	-	15,663
Receivables and prepayments	-	-	5,823	-	5,823
Other financial assets:					
Bonds	-	-	-	-	-
Term Deposits	-	-	99,598	-	99,598
Borrowers Notes	-	-	2,022	-	2,022
Community Loans	-	-	707	-	707
Other Lanes	-	-	1,000	-	1,000
Listed shares	-	7,660	-	-	7,660
Unlisted shares	-	-	-	192	192
Total assets	-	7,660	124,813	192	132,665
GROUP 2019					
Cash and cash equivalent	-	-	8,485	-	8,485
Receivables and prepayments	-	-	4,951	-	4,951
Other financial assets:					
Bonds	-	-	-	134	134
Term Deposits	-	-	108,468	-	108,468
Borrowers Notes	-	-	1,994	-	1,994
Community Loans	-	-	757	-	757
Other Loans	-	-	1,000	-	1,000
Listed shares	-	10,889	-	-	10,889
Unlisted shares	-	-	-	243	243
Total assets	-	10,889	125,655	377	136,921

32. Financial instruments

(A) FINANCIAL INSTRUMENT CATEGORIES

LIABILITIES	HELD FOR TRADING \$'000	MEASURED AT AMORTISED COST \$'000	TOTAL \$'000
COUNCIL 2020			
Borrowings			
Derivative financial instruments	44,475	-	44,475
Debentures & Commercial Paper	-	147,000	147,000
Payables and accruals	-	9,543	9,543
Total liabilities	44,475	156,543	201,018

COUNCIL 2019			
Borrowings			
Derivative financial instruments	35,672	-	35,672
Debentures & commercial paper	-	145,000	145,000
Payable and accruals	-	9,433	9,433
Total liabilities	35,672	154,433	190,105

LIABILITIES			
COUNCIL 2020			
Borrowings			
Derivative financial instruments	44,475	-	44,475
Debentures & Commercial Paper	-	147,000	147,000
Payables and accruals	-	10,050	10,050
Total liabilities	44,475	157,050	201,525

COUNCIL 2019			
Borrowings			
Derivative financial instruments	35,672	-	35,672
Debentures & commercial paper	-	145,000	145,000
Payable and accruals	-	9,638	9,638
Total liabilities	35,672	154,638	190,310

(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.

32. Financial instruments

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 25.

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	2020				2019			
	100BPS		+100BPS		100BPS		+100BPS	
INTEREST RATE RISK	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)	-	-	-	-	-	-	-	-
Financial liabilities								
Borrowings (5)	-	-	-	-	-	-	-	-
Interest rate derivatives (6)	(12,696)	-	11,441	-	(12,786)	-	11,470	-
Total sensitivity to interest rate risk	(12,696)	-	11,441	-	(12,786)	-	11,470	-

COUNCIL AND GROUP	2020				2019			
	5%		+5%		5%		+5%	
INTEREST RATE RISK	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)	403	-	(365)	-	551	-	(372)	-
Total sensitivity to foreign exchange risk	403	-	(365)	-	551	-	(372)	-
Equity price risk								
Financial assets								
Cash and cash equivalents (1)	-	-	-	-	-	-	-	-
Term deposits (2)	-	-	-	-	-	-	-	-
Community loans (3)	-	-	-	-	-	-	-	-
Local authority stock (4)	-	-	-	-	-	-	-	-
Bonds (4)	-	-	-	-	-	-	-	-
Financial liabilities								
Borrowings (5)	-	-	-	-	-	-	-	-
Interest rate derivatives (6)	-	-	-	-	-	-	-	-
Total sensitivity to interest rate risk	-	-	-	-	-	-	-	-
Financial assets								
Quoted share investments (7a)	(383)	-	383	-	(544)	-	544	-
Total sensitivity to equity price risk	(383)	-	383	-	(544)	-	544	-

32. Financial instruments

PRICE RISK

Explanation of sensitivity analysis - Council & Group

1. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include deposits at call of \$ 5,409,573 (2019 \$4,231,663), which are at an interest rate close to the Official Cash Rate and term deposits of less than three months from acquisition date of \$7,013,927 (2019 \$4,010,494) 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 \$99,598,076 (2019 \$108,467,880). A movement of plus or minus 1% in the interest rate has nil effect on the profit and loss (2019 \$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 \$145,531 (2019 \$145,531) at balance date. Taupō District Council has lent TMP Properties Ltd \$611,601 (2019 \$611,601) 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. OTHER LOANS

Taupō District Council has subscribed to an Investment Bond issued by Ruapehu Alpine Lifts for the Gondola development at a fair value of \$1,000,000 (2019 \$1,000,000). Interest receivable on the bond is a provisional 3%pa payable quarterly, with a potential performance adjustment to interest payable if the Gondola usage exceeds specified targets. Changes in interest rates at balance date will not affect the value of this asset.

5. LOCAL AUTHORITY STOCK AND CORPORATE BONDS

Corporate Bonds have a fair value of \$Nil (2019 \$Nil). A movement of plus or minus 1% in the interest rate has an effect on other equity of (\$Nil)/\$Nil (2019 (\$Nil)/\$Nil).

6. BORROWINGS

Taupō District Council's bank facilities were nil 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.

7. INTEREST RATE DERIVATIVES

Derivative financial instruments liabilities include interest rate swaps with a fair value totalling \$44,475,189 (2019

\$35,672,481). A movement in interest rate of plus/minus 1% has an effect on the unrealised value of the derivatives of \$11,440,911 / (\$12,695,810) (2019 \$11,470,290/ (\$12,786,785)).

8. QUOTED SHARE INVESTMENTS

a) Taupō District Council holds listed equity instruments in Adelaide Brighton Concrete, AGL Energy, Amcor Limited, ANZ, Apa Group, Brambles, Bunzl, Costa Group, Estia Health, Link Administration Holdings, Pact Group, South 32, Scentre Group, Syrah Resources and Tesco Ltd which are publicly traded and included in the LSE or ASX equity indices. If there was a movement of plus or minus 5% in the British pound and Australian dollar the effect has an impact of (\$364,772)/\$403,169 in the fair value through profit. (2019 (\$551,645)/\$372,448)

b) For these same shares and the NZ shareholdings in Contact Energy, Freightways, Gentrack, Synlait Milk and Tourism Holdings if the share price moved plus or minus 5% the effect has an impact of \$383,010/ (\$383,010) in the fair value through profit, (2019 \$544,460/ (\$544,460))

(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 explained in note 27.

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.

32. Financial instruments

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 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Cash at bank and term deposits	112,102	116,710	115,261	117,203
Debtors and other receivables	119,449	4,877	122,695	4,951
Community & other loans	1,708	1,757	1,708	1,757
Local authority & government stock (NZLGFA)	2,022	1,994	2,022	1,994
Total credit risk	235,281	125,338	241,686	125,905

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 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Counterparties with credit ratings				
Cash at bank and term bank deposits				
AA-	99,986	98,878	103,144	99,371
A	12,116	13,600	12,116	13,600
Total cash at bank and term bank deposits	112,102	112,478	115,260	112,971
Derivative financial instruments				
AA	-	-	-	-
BBB+	-	-	-	-
A	12,116	13,600	12,116	13,600
Total cash at bank and term bank deposits	112,102	112,478	115,260	112,971
Counterparties without credit ratings				
Community & other loans	1,708	1,757	1,708	1,757
Total community & related party loans	1,708	1,757	1,708	1,757

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.

32. Financial instruments

(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 2020, had \$50m of un drawn committed bank facilities (2019: \$50m). Councils' 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 explained in note 27.

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 2020						
Financial assets						
Cash and cash equivalents	12,505	-	-	-	12,505	12,505
Debtors and other receivables	5,637	-	-	-	5,637	-
Term deposits	99,598	-	-	-	99,598	99,598
Community and other loans	101	116	348	448	1,013	1,707
Local authority stock (NZLGFA)	360	168	629	931	2,088	2,022
Bonds	-	-	-	-	-	-
Total financial assets	118,201	284	977	1,379	120,841	115,832
Financial liabilities						
Creditors and other payables	9,543	-	-	-	9,543	9,543
Net settled derivative liabilities	6,641	6,459	17,795	20,164	51,059	44,336
Secured loans	118	90	135	-	343	-
Debentures & commercial papers	52,993	10,866	35,800	52,079	151,738	147,000
Finance leases	86	83	153	-	322	297
Total financial liabilities	69,381	17,498	53,883	72,243	213,005	201,176
COUNCIL 2019						
Financial assets						
Cash and cash equivalents	8,242	-	-	-	8,242	8,242
Debtors and other receivables	4,872	5	-	-	4,877	4,877
Term deposits	108,468	-	-	-	108,468	108,468
Community and other loans	145	145	437	1,707	2,434	1,757
Local authority stock (NZLGFA)	365	-	662	1,019	2,046	1,994
Bonds	-	-	-	-	-	-
Total financial assets	122,092	150	1,099	2,726	126,067	125,338
Financial liabilities						
Creditors and other payables	9,433	-	-	-	9,433	9,433
Net settled derivative liabilities	5,074	4,955	14,320	16,400	40,749	35,672
Secured loans	68	68	60	-	196	-
Debentures & commercial papers	32,634	22,634	40,608	64,054	159,930	145,000
Finance leases	64	32	62	-	158	138
Total financial liabilities	47,273	27,689	55,050	80,454	210,466	190,243

32. Financial instruments

	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 2020						
Financial assets						
Cash and cash equivalents	15,663	-	-	-	15,663	15,663
Debtors and other receivables	5,823	-	-	-	5,823	3,699
Term deposits	99,598	-	-	-	99,598	99,598
Community and other loans	101	116	348	448	1,013	1,707
Local authority stock (NZLGFA)	360	168	629	931	2,088	2,022
Bonds	-	-	-	-	-	-
Total financial assets	121,545	284	977	1,379	124,185	122,689
Financial liabilities						
Creditors and other payables	10,050	-	-	-	10,050	10,050
Net settled derivative liabilities	6,641	6,459	17,795	20,164	51,059	44,336
Secured loans	118	90	135	-	343	-
Debentures & commercial papers	52,993	10,866	35,800	35,800	135,459	95,296
Finance leases	86	83	153	-	322	297
Total financial liabilities	69,888	17,498	53,883	55,964	197,233	149,979
GROUP 2019						
Financial assets						
Cash and cash equivalents	13,329	-	-	-	13,329	8,475
Debtors and other receivables	4,946	5	-	-	4,951	4,951
Term deposits	108,468	-	-	-	108,468	108,468
Community and other loans	145	145	437	1,707	2,434	1,757
Local authority stock (NZLGFA)	584	-	860	1,019	2,463	1,994
Bonds	-	-	-	-	-	-
Total financial assets	127,472	150	1,297	2,726	131,645	125,645
Financial liabilities						
Creditors and other payables	9,638	-	-	-	9,638	9,638
Net settled derivative liabilities	5,074	4,955	14,320	16,400	40,749	35,672
Secured loans	68	68	60	-	196	-
Debentures & commercial papers	28,358	33,084	51,724	64,054	177,220	145,000
Finance leases	106	34	2	-	142	137
Total financial liabilities	43,244	38,141	66,094	80,454	227,933	190,447

32. Financial instruments

(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
30 JUNE 2020 - COUNCIL				
Financial assets				
Local government and corporate bonds	78	78	-	-
Other Loans	1,000	-	-	1,000
Listed shares	7,660	7,660	-	-
Unlisted shares	178	-	178	-
Total financial assets	8,916	7,738	178	1,000
Financial liabilities				
Derivative financial instruments	44,336	44,336	-	-
Total financial liabilities	44,336	44,336	-	-
30 JUNE 2019 - COUNCIL				
Financial assets				
Local government and corporate bonds	134	134	-	-
Other Loans	1,000	-	-	1,000
Listed shares	10,889	10,889	-	-
Unlisted shares	343	100	243	-
Total financial assets	12,366	11,123	243	1,000
Financial liabilities				
Derivative financial instruments	35,672	35,672	-	-
Total financial liabilities	35,672	35,672	-	-
30 JUNE 2020 - GROUP				
Financial assets				
Local government and corporate bonds	78	78	-	-
Other Loans	8,660	7,660	-	1,000
Listed shares	178	-	178	-
Unlisted shares	-	-	-	-
Total financial assets	8,916	7,738	178	1,000
Financial liabilities				
Derivatives financial instruments	44,336	44,336	-	-
Total financial liabilities	44,336	44,336	-	-
30 JUNE 2019 - GROUP				
Financial assets				
Local government and corporate bonds	134	134	-	-
Other Loans	1,000	-	-	1,000
Listed shares	10,889	10,889	-	-
Unlisted shares	343	100	243	-
Total financial assets	12,366	11,123	243	1,000
Financial liabilities				
Derivatives financial instruments	35,672	35,672	-	-
Total financial liabilities	35,672	35,672	-	-

33. Explanation of major variances against budget

Explanations for major variations from the Council's budget figures in the 2018/19 Annual Plan to 30 June 2019 actual are as follows:

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	COUNCIL	
	2020 \$'000	2019 \$'000
Budget - surplus before tax	9,964	10,505
Unbudgeted gains/(losses) of:		
First time recognition of assets	215	657
Realised & unrealised gains & losses on shares and bonds	(682)	351
Gain on valuation of investment properties and non current assets held for sale	3,632	1,595
Dividends	18	414
Gain/(loss) on revaluation of interest rate derivatives	(8,803)	(11,590)
Loss on disposal/impairment of assets	(3,482)	(1,919)
Grants and subsidies	1,120	703
Revenue from Developer Agreements	1,209	1,515
Leaky home settlements	(176)	-
Rates revenue higher than plan	520	456
Subsidies and grants behind plan due to timing delays on capital projects	(379)	591
Development and financial contributions behind plan due to several new subdivisions being completed in previous period and COVID delays	(1,355)	201
Fees and charges behind plan	(56)	1,080
Land section sales ahead of plan	-	(398)
Finance revenue behind plan	(251)	486
Other budgeted revenue	-	-
Gain on sale of property, plant and equipment	(169)	348
Vested assets behind plan due to subdivisions completed in prior period	(1,638)	3,078
Forestry valuation behind plan	(797)	(174)
Other revenue ahead of plan	19	167
Gain on non current assets intended for sale lower than plan	-	(1,002)
Employee benefit expenses higher than plan	(1,527)	(1,002)
Depreciation lower than plan	2,041	(739)
Finance costs higher than plan	(74)	(340)
Operational costs	-	-
Demolition of Waiora House	-	(938)
Increased maintenance costs	-	(835)
Reduced Administration Costs	1,096	-
Increased professional/legal fees	-	(634)
Increased insurance costs	-	(289)
Other operational costs	(153)	(624)
Actual surplus before tax	292	1,663
STATEMENT OF FINANCIAL POSITION		
Budget- total net assets	1,160,496	1,114,902
Property, plant & equipment revaluations higher than plan	81,548	81,364
Movement in derivative financial instruments	(8,803)	(13,229)
Inventory lower than plan	-	(767)
Cash and investments higher than budget	5,445	21,053
Other movements	485	461
Intangible assets higher than budget	2,873	-
Actual - total net assets	1,242,044	1,203,784

34. Investments in Associates and Joint Ventures

ACCOUNTING POLICY

ASSOCIATE

An associate is an entity over which the Institute has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the group financial statements using the equity method of accounting.

JOINT VENTURE

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

EQUITY METHOD OF ACCOUNTING IN GROUP FINANCIAL STATEMENTS

Investments in associates and joint ventures are accounted for in the group financial statements using the equity method of accounting.

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the change in net assets of the entity after the date of acquisition. The group's share of the surplus or deficit is recognised in the group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of the entity equals or exceeds the interest in the entity, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the group has incurred legal or constructive obligations or

made payments on behalf of the entity. If the entity subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED (WLASS)

WLASS Ltd is a company owned by twelve councils, Waikato Regional Council, Hamilton City Council, Rotorua District Council, Waikato District Council, Thames Coromandel District Council, Waipa District Council, Matamata Piako District Council, South Waikato District Council, Hauraki District Council, Waitomo District Council, Taupō District Council and Otorohanga District Council.

The company has been established to promote shared services between local authorities in the Waikato Region.

TDC owns 1.2% of the shares of WLASS. WLASS is deemed to be an associate of Taupō District Council.

BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES LIMITED (BOPLASS)

BOPLASS Ltd is a company owned by nine councils Bay of Plenty Regional Council, Rotorua Lakes Council, Western Bay of Plenty District Council, Kawerau District Council, Tauranga City Council, Opotiki District Council, Whakatane District Council, Taupō District Council and Gisborne District Council.

The company has been established to promote shared services between local authorities in the Bay of Plenty/ Gisborne Regions and elsewhere.

TDC owns 9.68% of the shares of BOPLASS. BOPLASS is deemed to be an associate of Taupō District Council.

	WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED (WLASS)	BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES LIMITED (BOPLASS)	TOTAL
Investment in associates			
Balance at 1 July 2019	1	8	9
Initial recognition on transition to PBE IPSAS 36	15	4	19
2020 Impairment on transition to PBE IPSAS 36	(1)	(8)	(9)
Share of 2020 next profit/(loss)	(4)	(1)	(5)
Balance at 30 June 2020	11	3	14

34. Investments in Associates and Joint Ventures

SUMMER FINANCIAL STATEMENTS OF ASSOCIATES

	WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED (WLISS)		BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES LIMITED (BOLASS)	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Current				
Cash and cash equivalents	1,128	1,460	329	217
Other current assets (excluding cash)	1,491	1,082	1,038	996
Total current assets	2,619	2,542	1,367	1,213
Current Liabilities	(1,744)	(1,364)	(1,355)	(1,194)
Total current liabilities	(1,744)	(1,364)	(1,355)	(1,194)
Non current				
Assets	59	102	18	26
Total non current assets	59	102	18	26
Non current liabilities	-	-	-	-
Total non current liabilities	-	-	-	-
Net assets	934	1,280	30	45
Revenue	5,328	4,513	1,405	1,360
Depreciation and amortisation	(56)	(67)	(8)	(9)
Other expenses	(5,620)	(4,193)	(1,412)	(1,345)
Net profit after tax	(348)	253	(15)	6

WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED (WLISS)

WLISS Ltd is a company owned by twelve councils, Waikato Regional Council, Hamilton City Council, Rotorua District Council, Waikato District Council, Thames Coromandel District Council, Waipa District Council, Matamata Piako District Council, South Waikato District Council, Hauraki District Council, Waitomo District Council, Taupō District Council and Otorohanga District Council.

The company has been established to promote shared services between local authorities in the Waikato Region.

TDC owns 1.2% of the shares of WLISS.

BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES LIMITED (BOLASS)

BOLASS Ltd is a company owned by nine councils Bay of Plenty Regional Council, Rotorua Lakes Council, Western Bay of Plenty District Council, Kawerau District Council, Tauranga City Council, Opotiki District Council, Whakatane District Council, Taupō District Council and Gisborne District Council.

The company has been established to promote shared services between local authorities in the Bay of Plenty/ Gisborne Regions and elsewhere.

TDC owns 9.68% of the shares of BOLASS.

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 2018/19 financial year.



Taupō Airport Authority (TAA)

Please note that the information relating to TAA is still draft. At the time that Council's Annual Report was adopted, the TAA Annual Report had not yet been audited.

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 (2019: Achieved)
The airport will be operated in such a way as to continue to hold CAA Part 139 certification.	Achieved	The Airport is CAA Part 139 certified (2019: Achieved)
The airport will manage health and safety risks and provide a safe and healthy environment for everyone affected by the activities of TAA including employees, customers, tenants, contractors and visitors.	Achieved	Rule Part 139 Compliant Rule Part 100 Compliant (2019: Achieved)
The TAA will be self-funding in terms of its own cash flow.	Not Achieved	Operating cash flow for the year is \$-37k (June 2019: \$-67k) (2019: Not Achieved)

Financial performance for the year ended 30 June 2019	Actual 2020 \$	Budget 2020 \$
Total revenue	821,659	514,817
Total expenditure	956,864	706,551
Net surplus (deficit) before taxation	(135,205)	(191,734)

Destination (Great) Lake Taupō Trust (DGLT)

Please note that the information relating to DGLT is still draft. At the time that Council's Annual Report was adopted, the DGLT Annual Report had not yet been audited.

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 2019 (based on the 2016-19 Statement of Intent).

MEASURE OF SUCCESS	MEASURE OF SUCCESS/GOALS	RESULTS/ACTUALS	2018/19 YEAR
OBJECTIVE 1 - Grow the value of the local tourism economy			
Growth in tourism expenditure Measured by the Monthly Regional Tourism Estimates	4.8% annual growth	Total expenditure YE Jun 20: \$607M (-10%) Domestic: \$420M (-8.5%) International: \$187M (-13%) The results are down on the SPLY due to Covid-19. Lockdown and the closure of international borders significantly impacted visitor arrivals to the region resulting in a 10% decline in revenue.	Total expenditure of \$684M for year ended June 2019 (+7%) Domestic: \$465M (+7%) International: \$219M (+4%).
OBJECTIVE 2 - Sustainably manage and develop the destination as an international quality resort style destination			
Visitor experience / satisfaction	Net promoter score of 46 as measured via the AA Travel Monitor	May 2020, the Taupō region recorded a Net Promoter Score of 52. A survey of AA members is conducted monthly and this score measures visitor satisfaction and their propensity to recommend the destination to others. A net promoter score of 52 is considered high as the scores go from -100 -+100. The scores vary month on month but the Taupō district	Net promoter score of 52

MEASURE OF SUCCESS	MEASURE OF SUCCESS/GOALS	RESULTS/ACTUALS	2018/19 YEAR
OBJECTIVE 3 - Run an efficient and effective regional tourism organization, strongly supported by the local tourism industry			
Visitation in the Taupō and Turangi isites	200,000 visits to Taupō and Turangi i-sites	<p>Taupō: 106,087 (-21.5% from 135,186)</p> <p>Turangi: 43,952 (-30.6% from 63,379)</p> <p>TOTAL: 150,039 - 24% (from 198,565)</p> <p>Visitation to the I-sites has been severely impacted by Covid - 19. The I-sites were closed from lockdown (20 March 2020) until they reopened on reduced hours at Alert Level 2 on 21 May 20. However, it is also important to note that visitor numbers have been declining over the last 4 years as consumer behaviour moves from face to face enquiry to digital sources.</p>	<p>Taupō: 135,186</p> <p>Turangi: 63,379</p> <p>TOTAL: 198,565</p>
Support for DGLT marketing initiatives including famils	Estimated at \$80,000 of free of charge or in-kind support	<p>YTD Jun 20:</p> <p>Total In-kind value: \$ 122,141.49 (+26%)</p> <p>Trade famils: \$89,745.49</p> <p>Media famils: \$32,396.00</p> <p>This increase is largely due to the significant support we received from operators for our inaugural trade mega-famil where we had 26 travel agents visit the destination in August 2019.</p>	YTD Jun 19: \$97,000 YTD
Industry Stakeholders are satisfied with DGLT performance as measured by Annual Visitor Industry Survey Maintaining consistency is set as the primary performance target	85% Industry satisfaction score	<p>76% (+9%)</p> <p>The survey conducted via Survey Monkey was sent out to 333 industry operators across the Taupō District. 71 responses were received. 10% margin of error at 95% confidence level.</p> <p>Dissatisfied comments included the budget cut for DGLT, comments related to TDC issues from Turangi and using the same operators in our marketing activity. Satisfied comments were around the success of the recent domestic campaign and DGLT support during lockdown</p>	<p>67%</p> <p>The survey conducted via Survey Monkey was sent out to 340 industry operators across the Taupō District. 56 responses were received</p>

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 until 30 June 2021 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 May 2020.

The Trust has in place a projected cash flow analysis which indicates projected income, operating costs, and potential call on funds until 30 June 2021. 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 2019/20 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 The cash flow projection was reported to Trustees on a quarterly basis. The cash flow is currently projecting some residual funds at 30 June 2021 (on the basis that the Trust has no financial surprises).
Report the cash flow projection to the Joint Committee (to show the ability of the project to complete within budget).	Cashflow projection reported to the Joint Committee before balance date.	Achieved. Cash flow reported to the June 2020 meeting of the Joint Committee.
Keep the Joint Committee up to date with any planned or proposed monitoring activities in relation to the nitrogen reduction agreements as prescribed in The Deed of Variation (Monitoring Deed) - Schedule of Changes.	Joint Committee up to date with any Trust monitoring activities undertaken or in the pipeline by way of report(s).	Achieved. The Trust reported quarterly to the Joint Committee on compliance with nitrogen reduction agreements.
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 All parties the Trust contracted with were compliant with their annual nitrogen discharge allowance, as confirmed by Waikato Regional Council. Trustees were updated monthly and the Joint Committee quarterly. Two parties had remedial planting to undertake. One party is now compliant. The Trust has instigated legal proceedings with the other party; communication between the parties is now underway and ongoing, on an annual basis.

ACTION	PERFORMANCE MEASURES	PERFORMANCE AGAINST TARGETS
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 to trustees on compliance monitoring results (received from Waikato Regional Council) 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; ongoing
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 through involvement and discussions in the project transition planning process throughout the year.

Waikato Local Authority Shared Services Limited (WLASS)

Please note that the information relating to Waikato LASS is still draft. At the time that Council's Annual Report was adopted, the Waikato LASS Annual Report had not yet been audited.

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 MEASURES

The following performance measures were incorporated into the Statement of Intent for the 2019/20 financial year

KEY



Achieved or on track: has been completed or will be by 30 June 2020



Currently behind schedule but target expected to be met by 30 June 2020







Currently behind schedule and target unlikely to be met by 30 June 2020







TARGET	MEASURE	OUTCOME	
<p>Procurement</p> <p>Joint procurement initiatives for goods and services for WLASS councils will be investigated and implemented.</p> <p><i>Method: Procurement is from sources offering best value, service, continuity of supply, and/or opportunities for integration.</i></p>	<p>New suppliers are awarded contracts through a competitive tender process.</p>	<p>Achieved: Supply contracts are tendered in line with WLASS procurement policy (which in turn is consistent with the regional procurement framework developed last year). For substantial contracts (e.g. LiDAR, insurance and risk management services, Professional Services Panel), a public tender process has been undertaken. Other contracts have been renegotiated with existing suppliers where it is appropriate to do so.</p>	
	<p>Professional Services Panel contracts are successfully negotiated.</p>	<p>Achieved: Contracts have been negotiated on time with the panel in place from 1 August 2019, as planned.</p>	




TARGET	MEASURE	OUTCOME	
<p>Collaborative Projects</p> <p>Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.</p> <p><i>Method: The focus is on shared services which will benefit all councils.</i></p>	<p>A minimum of six priority projects for collaboration are identified per annum.</p>	<p>Achieved: A new Professional Services Panel was established from 1 August 2019 with eight councils participating (previously four). Five priority projects to develop opportunities were approved by the Board in November and development of the opportunities commenced prior to year-end.</p> <p>The legal services group is also in early deliberations on a joint procurement for a tool to support legislative compliance. The Coordinated Infrastructure Procurement project was approved by the Board and recommendations from that project made to the Board in June.</p> <p>The business case to expand RATA into waters asset management services was approved by the Board in July last year. The Waters Lead Manager has since been appointed.</p> <p>The business case for Waikato OneView was approved by the Board in November last year. Due to capacity constraints the Board agreed to defer commencing the project until July 2020.</p>	●
	<p>If considered of value, business cases are developed for approval by the Board, and the projects are implemented.</p>	<p>Achieved: The development of any opportunity is subject to a phased approach involving discovery (validating why we would investigate the opportunity, or the problem being solved), opportunity assessment (a light business case), and business case (if required). The Board approves each phase before progression to the next stage.</p>	●
	<p>Savings to Councils identified in developed business cases exceeds \$300k.</p>	<p>Achieved: Business cases or opportunity assessments delivered during the period related to:</p> <ul style="list-style-type: none"> • RATA – Waters collaboration: • Benefits are not quantified but based on investment objectives they are considered substantial • Waikato OneView: From surveys undertaken, users of OneView estimate that it will save them time, conservatively estimated at ~\$500k p.a. – which should translate to reduced fees to councils. In addition, it is estimated that there will be software savings of ~\$20k p.a. and council staff time would reduce because users will be better equipped to ‘self-serve’ • Coordinated Infrastructure procurement: The case notes that if 0.5% of infrastructure spend is achieved from the project outcomes sought, that will represent a saving of ~\$1m+ p.a. • Building Consent Shared Services: The discovery report presented to the Board in May 2020, estimates savings (in time and cost) of \$1.75m p.a. 	●
<p>Existing WLASS Contracts</p> <p>Existing contracts are managed and renegotiated as required.</p> <p><i>Method: Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders.</i></p>	<p>The WLASS Contracts Register is maintained and managed.</p>	<p>Achieved</p>	●
	<p>Contracts which are due for renewal are either renegotiated (where it makes commercial sense to continue with the current supplier) or re-tendered through a competitive process.</p>	<p>Achieved: Supply contracts are tendered in line with WLASS procurement policy (which in turn is consistent with the regional procurement framework developed last year. For substantial contracts (e.g. LiDAR) a public tender process has been undertaken. Other contracts have been renegotiated with existing suppliers where it is appropriate to do so.</p>	●

TARGET	MEASURE	OUTCOME	
<p>Collaborative Projects</p> <p>Administration expenditure shall be managed and monitored.</p> <p><i>Method: The Financial Accountant and Chief Executive review expenditure monthly.</i></p>	<p>Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.</p>	<p>Achieved: Company administration costs exceed the 2020 budget by -8% (\$47k). This excess is being met by funds available from the prior year. It principally reflects:</p> <ul style="list-style-type: none"> recruitment fees relating to the Board Chair (originally budgeted for in FY19) and the Executive Assistant (EA); salaries associated with increasing the EA role to a full-time position; and professional fees to progress the digital strategy. <p>Each of the above has been approved by the board.</p>	●
<p>Reporting</p> <p>Six monthly reports provided to Shareholders.</p> <p><i>Method: The Chief Executive prepares a written report for the WLASS Board every meeting.</i></p>	<p>The Board shall provide a written report on the business operations and financial position of WLASS to the shareholders every six months. Every second report shall be the Annual Report.</p>	<p>Achieved: The 2019 Annual report was prepared and provided to shareholders in September 2019. The Half-yearly report was delivered in February 2020.</p>	●
<p><i>A Half-yearly and Annual Report are prepared for shareholders.</i></p>			
<p>SVDS</p> <p>The SVDS is reliable, well maintained and available to all users.</p> <p><i>Method: A Contract Manager is appointed for SVDS.</i></p> <p><i>The Contract Manager monitors performance of the contractors and reports quarterly to the SVDS Advisory Group.</i></p> <p><i>Risks associated with the SVDS are well managed</i></p>	<p>The SVDS is available to users at least 99% of normal working hours.</p> <p>The SVDS Advisory Group meets at least 6-monthly.</p> <p>The Annual Business Plan is accepted by the Advisory Group by 31 March 2020.</p>	<p>Achieved: the SVDS has been available 99.95% for users during normal business hours.</p> <p>Achieved: Four meetings held in August, November, March & June</p> <p>Achieved: Accepted by the Advisory Group on 5 March</p>	●
<p>Insurance</p> <p>Achieve the relevant KPIs in Appendix 4 of the Insurance Brokerage contract with Aon.</p> <p><i>Method: The Insurance Broker delivers on the terms of their contract and provides value to the participating councils.</i></p>	<p>Strategic advice provided by Aon on the insurance programme structure is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.</p> <p>The day-to-day service provided by Aon is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.</p>	<p>Not measured: Formal feedback from shareholders by way of annual survey is not being undertaken this year and therefore we are unable to measure performance against this measure. WLASS notes however that the collaborative insurance programme continues to deliver significant benefit to councils. Premium savings are estimated at \$1m- \$1.5m per annum. During the year, insurance and risk management services retendered with Aon re-appointed as the successful participant.</p> <p>The 2020 SOI sets out a new performance framework for the company which puts in place performance measures that better reflect the outcomes we are seeking. For that reason, we are not intending on undertaking a survey of shareholders this year as we have historically done. We will instead be meeting with council CEs on a 1x1 basis and soliciting feedback on performance by this means.</p> <p>Not measured: Refer comment above.</p>	●

TARGET	MEASURE	OUTCOME	
RATA Deliver better data for decision making across the Waikato Region, enabling more consistent best practice Method: Quarterly update reports are provided to all stakeholders participating in the Data Collection contracts. Data supplied by contractors is of good quality and meets all of the participating councils' requirements. Method: Innovation: Identify opportunities to modify standard approaches and/or develop new approaches that will lead to optimal asset management.	Reports are presented to stakeholders in October/January/ April and July each year.	Achieved: All reports supplied to stakeholders. Improved reporting through Power BI was successfully trialled.	●
	Reports on progress presented to WCLASS Board as at 30 December and 30 June.	Achieved: Reports to WCLASS Board presented to required deadlines.	●
	All data are reviewed for compliance and all good practice requirements are met.	Achieved: All data received was reviewed for quality requirements and approved.	●
	Procurement of services complies with WCLASS and NZTA's procurement requirements.	Achieved: Procurement of services is in line with WCLASS procurement policy and NZTA requirements.	●
	Present to a national conference on RATA innovations at least once per year.	Not achieved: RATA presented the Waters Collaboration business case to the Mayoral Forum in August 2019. However, conferences were delayed due to COVID-19. An application to the WaterNZ conference has been submitted for a poster presentation in August 2020.	●
Leadership: Lead engagement and increase capability within the sector.	At least two RATA guidance documents detailing good practice are produced each year.	Achieved: Issues and Options report prepared for Traffic management Coordinators investigating operational improvements. Stock Underpass business case investigated improvements for management of the assets across the region. RATA is supporting Waters Collaboration investigation work for seven participating councils. This is ongoing.	●
	RATA Forums are held 2-monthly to share learnings and experience.	Not Achieved: RATA forums were significantly disrupted during the financial year with the departure of the previous RATA Manager and the COVID-19 lockdown. These have now recommenced.	●
WRTM The WRTM is reliable, well maintained and available to all users. Method: 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.	On track: Stantec continues to provide Service Reports. Ad hoc reporting is provided as requested.	●
	A report from RATA on any new developments and on the status of the model is provided to the WCLASS Board at least every six months.	Achieved: Report for the six months to 30 June 2020 is being prepared. The report to 31 December 2019 was presented to the board meeting in February 2020.	●
	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: Model complies with guidelines but there are issues with modelling accuracy in some areas. Development of business case is underway to consider upgrading the model.	●

TARGET	MEASURE	OUTCOME	
<p>WAIKATO BUILDING CONSENT GROUP</p> <p>Provide strategic direction and actively pursue improvements in Building Control across the Waikato region.</p> <p>Method: <i>Implement the strategic priorities detailed in the “Build Waikato” May 2017 strategic review document.</i></p> <p>Method: <i>Fulfil the roles and responsibilities set out in clause 9 of the WBCG’s Memorandum of Understanding, 2016.</i></p>		<p>The activity of the Waikato Building Consent Group has been heavily impacted throughout the year by a lack of resource (refer commentary under “Key Achievements” section above) and more recently, the WLASS Building Consent Shared Services (BCSS) project.</p>	
	<p>Milestones for the five strategic review work streams are achieved for:</p> <ul style="list-style-type: none"> • Digital experience and technology: a common online customer experience. Success is defined as user friendly, convenient, quick, end-to-end management and communication, measured by customer surveys and systems comparisons. 	<p>On track: Thames-Coromandel, Waipa and Waitomo DCs have successfully implemented the preferred online Alpha One System. Matamata-Piako DC is transitioning to Alpha One in July 2020 and Hauraki DC in September 2020. Hamilton CC and Waikato DC will initiate a transition plan for implementation in the 2021/22 financial year. Otorohanga DC are not planning on changing to Alpha One.</p> <p>The Build Waikato website redesign has been put on hold until a clear direction from the BCSS project is reached. This decision was made to avoid costs being incurred on the redesign which may quickly become redundant.</p>	
	<ul style="list-style-type: none"> • People capability. Success is defined as a successful recruitment and training programme, measured by compliance with BCA Reg. 8 -11. 	<p>On track: WLASS has completed discovery work on a collaborative cadet programme. Discovery has highlighted that the immediate benefits of such a scheme are minimal until the BCSS project outcomes are clear. Councils agreed that the post-COVID environment has produced a level of uncertainty in the next financial year as to building consent numbers which may impact on the success of any programme. Such a programme is being considered as part of the BCSS project.</p>	
	<ul style="list-style-type: none"> • Quality assurance. Success is defined as continued accreditation and increased service consistency, measured by accreditation outcomes, BCA annual audits, and customer surveys. 	<p>On Track: There have been successful IANZ audits with good feedback on the cluster QA overall. A new Quality Assurance Coordinator has been appointed and work will commence in the next twelve months on the quality manual and internal audit regime.</p>	
	<ul style="list-style-type: none"> • Lift industry competency and compliance. Success is measured by increased industry compliance, with reduced RFIs, and reducing percentages of application or building consent rejection. 	<p>Partially Achieved: This is an area requiring continuous improvement. The Technical Committee is continuing to work on consistency across councils on RFI’s to improve the customer experience. The BCSS project also has this work in scope.</p>	
	<ul style="list-style-type: none"> • Central government: engagement and legislative influence. Success is measured by legislative submissions and outcomes. 	<p>On track: Submissions are made when appropriate. Importantly, engagement with Central Government (MBIE) has been targeted and is improving</p>	
	<p>There is a common understanding and buy-in by all BCAs for the WBCG vision and actions that are taken to achieve this vision, measured by:</p> <ul style="list-style-type: none"> • Full participation in WBCG projects and programmes 	<p>Achieved: Good participation of all in projects when required but an area where we strive for continuous improvement.</p>	
	<ul style="list-style-type: none"> • Audits demonstrating implementation and compliance with the agreed QA systems 	<p>Achieved: Audits are demonstrating compliance with QA systems.</p>	
	<p>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.</p>	<p>Not Measured : No customer survey was undertaken this year. However, customers were engaged as part of the discovery phase of the BCSS project, which reinforced that consistency could be improved. Customers are being engaged via a stakeholder reference group as part of that project which has improving “customer experience” as a critical success factor.</p>	

TARGET	MEASURE	OUTCOME	
	Risk management is visible through regular reviews of the Risk Register.	On track: Risk register implemented and reported on quarterly to Advisory Group	
	All funding requirements are met by each of the participating councils.	On track: All funding commitments met.	
	Minimum of two reports presented to the WCLASS Board on the Group's activities	Achieved: Reporting on performance measures received and presented to board as part of the annual report. In addition, the Advisory Group Chair has provided the Board with verbal updates on progress recruiting a new group manager (which has now occurred). Monthly reporting to the WCLASS CE on delivery of the annual workplan, a summary of which is included in the monthly portfolio reporting to board.	
FUTURE PROOF Planning for growth in the sub-region is co-ordinated and collaborative. <i>Method: Joint preparation and input into Phase 2 of the Strategy update</i>	Phase 2 of the Future Proof Strategy is adopted by the Future Proof Implementation Committee no later than December 2020.	Not Achieved: Phase 2 of the Future Proof Strategy update has been on hold to allow other projects to sufficiently progress, including the H2A. Work has commenced again on Phase 2. It is anticipated that a draft will be completed early 2021	
The Future Proof budget is well managed and monitored. <i>Method: Bi-monthly reports presented to the Future Proof Chief Executives Advisory Group, and six monthly and annual reports to the WCLASS Board.</i>	The overall Future Proof work programme is delivered within the approved budget.	Achieved: The Future Proof work programme to end June 2020 was on budget; however several line items were significantly over budget due to high activity associated with the H2A. This was balanced by unspent items. Government funding for the Sub-Regional Three Waters Study has not yet been successful.	
Future Proof influences and inputs into District Plan, Regional Plan, growth strategy and any other planning processes which manage growth within the sub-region and neighbouring regions. <i>Method: Future Proof works collaboratively and provides input into the planning work undertaken by all FP partners and any other relevant planning authorities.</i>	Future Proof makes submissions (using RMA and Local Government processes), on District Plans, LTPs, growth management planning documents, and any central government initiatives which have the potential to impact growth management planning in the sub-region.	Achieved: Future Proof has lodged 11 submissions over the past 12 months	

TARGET	MEASURE	OUTCOME	
<p>SHAREHOLDER SURVEY Shareholders are satisfied with the performance of WLASS.</p> <p><i>Method: An annual survey of shareholders is undertaken to assess satisfaction levels with WLASS.</i></p>	<p>A survey of shareholders is undertaken each year, and the results are reported to all shareholders.</p>	<p>Not achieved: The 2020 SOI sets out a new performance framework for the company which puts in place performance measures that better reflect the outcomes we are seeking. For that reason, we are not intending on undertaking a survey of shareholders this year as we have historically done. We will instead be meeting with council CEs on a 1x1 basis and soliciting feedback on performance by this means.</p>	
<p>REVIEW OF BENEFITS Shareholders are informed of the benefits being provided to shareholding councils by WLASS.</p> <p><i>Method: The benefits of WLASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders.</i></p>	<p>Information on the financial and non-financial benefits being achieved by WLASS are included in the 6-monthly and Annual Report to shareholders.</p> <p>The WLASS website is regularly maintained and updated.</p>	<p>Achieved: WLASS achievements are included in the half-yearly report and in the 2019 Annual Report.</p> <p>Not achieved: Some, but not all areas of the website have been updated. This remains a work in progress. We are also working on enhancing the WLASS website to include additional information for councils on what the company is doing.</p>	 

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). Support to the Waikato Mayoral Forum and its work streams.

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 2018/21:

TARGET 2019/20	RESULT	NARRATION
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	Achieved	<p>Contracts negotiated and/or renewed for:</p> <p>Internal Audits – Following a review by BOPLASS councils, the Internal Audit Services agreement has been renewed with KPMG. The collective arrangement provides competitive pricing for these services but also enables the sharing of internal audit information and insights across the group.</p> <p>Video Conferencing Services – Video conference services with Canon and Zoom enhanced and expanded to deliver desktop and meeting room services to participating councils.</p> <p>Specific project undertaken to increase capacity, create additional meeting rooms and ensure licences were available to all councils/users during the pandemic.</p> <p>GIS software and services –</p> <ul style="list-style-type: none"> • FME • Geocortex Essentials • Geocortex Analytics • X-Tools • NZ Archaeological Association • RetroLens <p>Contracts renegotiated and renewed – no alternative suppliers.</p> <p>Print Media Copyright Agency (PMCA) – Collective contract and requirements reviewed and renewed with PMCA – the sole NZ provider of print and media copyright services.</p> <p>ESRI Enterprise Licensing Agreement – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renewed with no increases in cost to councils. No alternative provider in NZ.</p> <p>N3 – Purchasing group (previously known as GSB) membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Sole NZ provider.</p> <p>Vertical Horizonz – Renegotiated Health and Safety training contract for a further two-year period with the same terms, conditions, and costs.</p> <p>Inter-Council Network – High-speed fibre network providing connectivity to and between BOPLASS councils.</p> <p>Significant cost savings through renegotiation of some contracts, utilisation of newer technologies, and design changes. Multiple contracts and suppliers.</p> <p>Media Monitoring services – iSentia reappointed as media monitoring provider to the BOPLASS councils following a review process undertaken by councils' communication managers. This service has provided significant value to the councils this year with the BOPLASS provider providing daily COVID-19 media summaries covering all essential information from NZ and international media.</p>

TARGET 2019/20	RESULT	NARRATION
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p> <p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>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.</p>	Achieved	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p>Tender Facilitation – BOPLASS led a competitive process for the appointment of a facilitator to manage a collective procurement process on behalf of BOPLASS, Waikato LASS, MW LASS and Hawke’s Bay councils. Grant Thornton NZ Ltd were appointed.</p> <p>Regional LiDAR Capture 2020–2025 – Working in conjunction with Land Information NZ, a tender process was run to appoint a provider for LiDAR capture across the Bay of Plenty region. Aerial Surveys Ltd were appointed to complete a region-wide five-year plan for LiDAR capture. The data will be used by councils to create highly accurate 3D terrain and surface models of the land, which are vital for flood modelling purposes and mapping water flows.</p> <p>Infrastructure Insurance – Securing councils’ insurance cover requires a new procurement process to be undertaken every 12-months, with a variety of insurers and underwriters engaged, to negotiate favourable terms and competitive pricing. This year BOPLASS represented a collective group of NZ councils for direct placement into the London markets for councils’ infrastructure insurance. Options for placements into the Asian markets were also explored. Through this competitive process and the aggregated approach, BOPLASS councils were able to achieve rates with an average 20% discount compared with each council securing individual policies. A new contract was established with a mix of Lloyds’ syndicates.</p> <p>Standards NZ – BOPLASS engaged with Standards NZ to host a single BOPLASS portal to allow all councils to access the full Standards catalogue at significantly reduced pricing. BOPLASS councils were using differing forms of access/licences with not all councils having access to the same range of Standards data. The collective agreement has meant a broader range of catalogues are available to all councils and at a lower cost than individual arrangements. This has enabled better utilisation of Standards and negated expensive individual subscriptions.</p> <p>Accounts Payable Automation Software – Following presentations from vendors on workflow automation for the BOPLASS councils, Esker were selected as the preferred solution for the implementation of Accounts Payable automation software.</p> <p>FME Server – GIS software. Reviewed options for multiple councils to participate in shared procurement of this software rather than purchasing individual licences. BOPLASS currently manages shared procurement of the FME Desktop software on behalf of councils.</p> <p>Human Resources Information Systems – BOPLASS undertook an investigation into opportunities for the collective procurement of an HR information system and the development of a standardised platform across the councils. It was agreed for the BOPLASS councils to review options available under the All of Government purchasing.</p> <p>Insurance Brokerage and Risk Management Services – BOPLASS led a procurement project on behalf of BOPLASS, Waikato LASS, MW LASS and Hawke’s Bay councils for the appointment of an insurance broker. The collective approach to the tender delivered considerable value, including savings in fees and premiums, but also an opportunity to share best practices and further align insurance programmes across the regions. Aon NZ Ltd were appointed as broker by all participating LASS and councils.</p>

TARGET 2019/20	RESULT	NARRATION
<p>Provide support to BOPLASS councils that are managing or investigating Shared Services projects.</p> <p>BOPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects.</p> <p>Resource assignment measured from project job tracking.</p>	Achieved	<p>BO.6 FTE provided through BOPLASS staff engagement committed directly to support of council shared service projects or individual council support – measured by fortnightly timesheets.</p> <p>Support provided to councils in development of the following services:</p> <p>Robotic Process Automation (RPA) – BOPLASS is leading a project to review opportunities for RPA services to be developed collectively and shared across participating councils. RPA provides an opportunity for the automation of repeatable processes that can run without intervention. A presentation of existing services has been completed and options for developing a centre of excellence are being explored as a means of supporting collaborative development and the efficient use of design/development expertise. This project is ongoing.</p> <p>Treasury Staff – Meetings have been coordinated by BOPLASS for councils’ treasury staff and finance representatives to be provided information from senior economists on New Zealand and international economies. This has been proven to be particularly valuable given the current international and NZ economic turmoil.</p> <p>Sustainable Public Procurement – BOPLASS Councils are participating in this project in conjunction with the Sustainable Business Network and Toi Ohomai. The collective approach provides opportunity for local government procurement policies and practices to become better aligned with national objectives of sustainability and identify where improvements might be made. BOPLASS has engaged with MBIE to ensure the scope and goals align with central government procurement strategies.</p> <p>Debt Recovery Services – Partnering with MW LASS and being provided as a shared service, BOPLASS councils have access to Debt Management Central to provide specialised local government debt recovery services. Several councils have now begun using this shared service.</p> <p>Inter-Council Network (ICN) – Review, redesign and renegotiation of suppliers and services. The ICN is a shared service high capacity fibre network connecting the majority of BOPLASS councils. A review of ICN contracts was undertaken to deliver further cost reductions and improved capacity.</p> <p>Zoom Video Conference Services – Zoom video conference services were established and implemented as a shared service option for BOPLASS councils providing for centralised account management and shared infrastructure for participating councils.</p> <p>Civil Defence Emergency Management GIS Group – GIS data and tools are now an integral part of a Civil Defence response and the BOPLASS councils have formed a group to work collaboratively on CDEM initiatives. This approach is largely made possible due to all councils using the same core GIS systems aligned through BOPLASS contracts.</p> <p>Standardisation of Insurance Valuations – Support was provided to councils in establishing a common standard of reporting for insurance asset valuations. Developing a consistent standard and a common valuations process has been extremely beneficial to the BOPLASS infrastructure insurance programme through providing improved, consistent, and accurate data to the international markets when negotiating placements of councils’ insurance.</p> <p>Inter-LASS collaboration – A number of procurement projects are underway or being investigated covering multiple LASS and benefitting from the aggregated volumes. Collaboration across the regions is driving greater efficiencies within collective projects and allows the projects to be better resourced. BOPLASS has been working particularly closely with MW LASS and Waikato LASS and has recently provided information to South Island councils investigating collective opportunities.</p> <p>Regional Waste Operator Licensing and Data Collection – Cross-regional approach to establishing a regional or cross-regional entity that would administer and enforce licensing conditions on behalf of territorial authorities. Project aims to ensure a level playing field for all waste operators in a council’s area while enabling councils to collect the data necessary to prepare detailed waste assessments and inform effective identification of priority waste management and minimisation actions.</p> <p>Skype for Business inter-council communication – Project to undertake investigation, testing and resolution of issues to resolve inter-council communication use of Skype for Business.</p>

TARGET 2019/20	RESULT	NARRATION
<p>Furthe 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>Increase usage of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 20% per year.</p> <p>Number of active users to increase by 20% per year.</p>	Achieved	<p>Active promotion of the MahiTahi Collaboration Portal over the last 12 months has resulted in a 60% increase in the number of local government users with 85 new members joining.</p> <p>Ongoing development of on-boarding and training material to help increase membership and support ongoing usage. Training provided to councils to maximise usage and ensure increased uptake.</p> <p>During COVID-19 lockdowns the MahiTahi Collaboration Portal was marketed through SOLGM to all NZ councils' CEOs as an online collaboration tool.</p> <p>Collaboration Portal demonstrations provided to collaborative advisory groups.</p> <p>Nine additional projects added to the Collaboration Portal increasing from 39 to 48 lodged projects.</p> <p>The number of Collaboration Portal specialised channels and teams have increased by 14 over the last year with 66 channels and 6 specialised teams now registered.</p> <p>Developed a new fit-for-purpose back-up solution using DATTO to increase robustness and reliable access to shared material.</p> <p>Developed Terms of Service for the Collaboration Portal to provide governance and security for BOPLASS, member councils, and portal participants.</p> <p>Development of Azure services to further support the Collaboration Portal, including implementing multi-factor authentication of portal administrators and migration of DNS services to Azure.</p>
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Meeting with each Executive Leadership Team.</p> <p>At least one meeting per year.</p>	Achieved	<p>BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.</p> <p>Executive-level meetings held with councils. Three 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.</p>
<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	Achieved	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions levied.</p> <p>Contributions received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2020: \$15,223 deficit.</p>

New Zealand Local Government Funding Agency (LGFA)

Please note that the information relating to BOPLASS is still draft. At the time that Council's Annual Report was adopted, the BOPLASS Annual Report had not yet been audited.

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 2019 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.

The SOI set out two primary performance objectives and eight additional objectives for LGFA for the year ended 30 June 2020:

PRIMARY OBJECTIVES

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;
- Offering short and long-term borrowings with flexible lending terms; Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and
- Being the debt funder of choice for New Zealand local government.

LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes:

- LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and endeavour to visit each Participating Local Authority on an annual basis; Implement the changes to the Foundation Policies that were approved at the November 2018 AGM to allow for lending to CCOs. Changes to operational policies and practices need to ensure that no additional risk is borne by lenders, guarantors or the Crown; and LGFA will analyse finances at the Council group level where appropriate and report to shareholders as to which Participating Local Authorities are measured on a group basis.

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

LGFA continues to borrow at very competitive spreads compared to the AAA rated sovereign/supranational/agency (SSA) issuers (who borrow in the New Zealand debt capital markets) and to the domestic banks.

As at 30 June 2020	Comparison to other borrowers – Secondary Market Spread to Swap (bps)									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2033
LGFA (AA+)	9	18	25	32	40	45	48	-	57	57
Asian Development Bank (AAA)	15	-	29	37	42	47	-	-	-	-
Inter American Development Bank (AAA)	20	-	30	39	42	-	-	65	-	-
International Finance Corp (AAA)	15	-	31	39	-	-	49	-	-	-
KBN (AAA)	19	-	35	39	51	-	-	-	-	69
Rentenbank (AAA)	17	25	29	39	47	-	-	-	-	-
World Bank (AAA)	11	24	29	38	42	-	-	-	-	-
Nordic Investment Bank (AAA)	11	-	30	-	43	-	-	-	-	-
ANZ (AA-)	-	-	55	63	-	-	-	-	-	-
BNZ (AA-)	-	-	51	-	73	-	-	-	-	-
Westpac Bank (AA-)	-	44	53	66	72	-	-	-	-	-

2. Offering short and long-term borrowings with flexible lending terms Councils can access flexible lending conditions by using LGFA's short-term lending and term lending products. Short-term lending is for loans between 30 days and 364 days while term lending is where councils can borrow for any term between one year and the longest-dated LGFA bond maturity on any drawdown date.

Therefore, council members can borrow for terms ranging from 30 days to almost 13 years at any time they wish to draw down. Over the 12-months ended 30 June 2020:

- 53 councils borrowed a total of \$2.33 billion over 205 individual loans (excluding short-dated borrowing).
- The average borrowing term for the year was 5.4 years, compared with 6.0 for the previous 2018-19 year.
- 78% of term loans were issued on a floating rate basis, with the remaining 22% issued on a fixed rate basis.

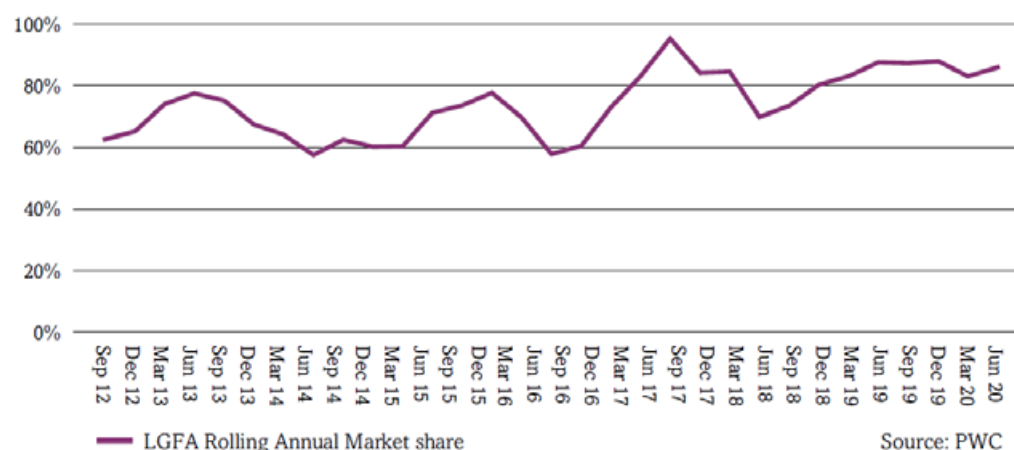
- Short-term borrowing by councils has been well received with loan terms of between one and 12-months. As at 30 June 2020, there were \$315.5 million of short-term loans outstanding to 27 councils.

3. Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice

LGFA issued a record \$2.90 billion bonds over the 12-months to June 2020, with eight tenders and two syndications.

Activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors) during the year totalled \$12.54 billion, compared with \$8.73 billion for the 2018-19 year. There was \$2.91 billion of primary issuance and an estimated \$9.63 billion of secondary market activity in LGFA bonds over the 12-months.

LGFA Market Share – rolling one year average



We survey our council members each year and the latest stakeholder survey result in July 2019 was a 100% positive response to the question “How would you rate LGFA in adding value to your borrowing requirements?” We also received a 99% positive response to the question “How satisfied are you with the pricing that LGFA has provided to your Council?”

5. LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority’s financial position and the general issues confronting the Local Government sector. This includes:

- i. LGFA will review each Participating Local Authority’s financial position, its financial headroom under LGFA policies and endeavour to visit each Participating Local Authority on an annual basis

Although travel restrictions due to the COVID-19 lockdown restricted our ability to meet with councils during the final quarter of the year, LGFA conducted 38 visits to 31 different councils over the 12-month period to June 2020 to discuss their financial performance and any developments with the underlying council operations.

By 30 November each year, member councils are required to complete an annual compliance certificate in relation to their 30 June financial statements. Annual compliance certificates were completed by council members in 2019 and all councils were compliant with the financial covenants as at June 2019.

- ii. Implement the changes to the Foundation Policies that were approved at the November 2018 AGM to allow for lending to Council Controlled Organisations (CCOs). Changes to operational policies and practices need to ensure that no additional risk is borne by lenders, guarantors or the Crown

Shareholders approved the changes to the Shareholder Agreement, Notes Subscription Agreement (NSA), Multi Issuer Deed (MID) and Guarantee and Indemnity Deed (GID) and Foundation Policies to allow for lending to CCOs and to offer standby facilities. The Borrower Notes percentage will also rise from 1.6% to 2.5% of a council’s borrowings from July 2020 to assist with improving LGFA’s capital position. It is planned to commence lending to CCOs and offer standby facilities in the 2020-21 year.

10. Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses

Expenses for the 12-month period were \$7.67 million which is \$209k below budget. This variance is the consequence of:

- Issuance and on-lending costs (excluding AIL) at \$2.575 million were \$133k above SOI budget. A larger amount of bond issuance and short-term lending increased these costs relative to SOI budget, primarily in relation to higher NZX costs and legal costs. These were offset to some extent from lower fees than budgeted relating to the NZDMO facility.
- Operating costs at \$3.685 million were \$170k below budget due to lower IT, personnel, travel and general overhead costs, offset by slightly higher legal costs relative to SOI budget.
- Approved Issuer Levy (AIL) payments of \$1.396 million were \$172k below SOI budget. We pay AIL on behalf of

offshore investors at the time of semi-annual coupon payment. During the twelve-month period, offshore investor holdings of LGFA bonds were less than forecast.

11. Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015

LGFA has a Health and Safety staff Committee which reports on a regular basis to the LGFA Board by the Risk and Compliance Manager. There were no Health and Safety incidents during the year. LGFA staff moved to work from home in late March as the country moved to Level 4 in the Covid-19.

12. Maintain LGFA’s credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency

Standard and Poor’s (S&P) and Fitch Ratings (Fitch) review LGFA’s credit rating on an annual basis and formal review meetings were held in September 2019 with Fitch and in November 2019 with S&P.

On 18 November 2019, Fitch affirmed our long-term local currency credit rating as AA+ and classified LGFA as a corporate mission, government-related entity (GRE) under its GRE rating criteria. Fitch equalises our ratings with those of the New Zealand Government. On 28 January 2020 Fitch placed our foreign currency credit rating of AA on positive outlook. Fitch left the local currency credit rating unchanged at AA+ with a stable outlook. response and returned to offices under Level 1.

On 28 February 2020, S&P affirmed LGFA’s long-term local currency credit rating as AA+ and our long-term foreign currency credit rating of AA.

Both ratings remained on positive outlook. Both credit ratings and outlook are the same as the New Zealand Government.

13. Introduce CCO lending by December 2019 and report quarterly, the volume of lending to CCOs to both the Shareholder Council and shareholders

Council members approved the amendments to the Shareholder Agreement, Notes Subscription Agreement (NSA), Multi Issuer Deed (MID), Guarantee and Indemnity Deed (GID) and Foundation Policies to allow for lending to CCOs on 6 July 2020. The approval process took longer than expected due to the need to have the changes to the documents approved by every council and by the response to Covid-19. We expect to undertake our first loan to a CCO in the 2020-21 fiscal year.

14. Comply with its Treasury Policy as approved by the Board

There were two compliance breaches of the Treasury Policy during the 12-month period ending 30 June 2020.

There was no financial loss to LGFA from either breach and reputational risk was assessed to be minimal.

There was full reporting on both breaches to the LGFA Board and Shareholders Council, and a formal review of both breaches was led by the Chair of the Audit and Risk Committee. LGFA management have reviewed controls that could be put in place to mitigate the risk of further breaches.

PERFORMANCE

2019-20 PERFORMANCE TARGETS	TARGET	RESULT FOR 12-MONTH PERIOD TO 30 JUNE 2020	OUTCOME
Net interest income for the period to 30 June 2020	Greater than \$17.9 million	\$18.2 million	Achieved
Annual issuance and operating expenses (excluding AIL) for the period to 30 June 2020	Less than \$6.30 million	\$6.26 million	Achieved
Conduct an annual survey of councils who borrow from LGFA	Achieve at least an 80% satisfaction score for the value added by LGFA		Achieved
Meet all lending requests from Participating Local Authorities, where those requests meet LGFA operational and covenant requirements			Achieved
Achieve 75% market share of all council borrowing in New Zealand	86%		Achieved
Review each Participating Local Authority's financial position, its headroom under LGFA policies and arrange to meet each Participating Local Authority at least annually			Not achieved Refer 5i, page 14 of LGFA Annual Report
No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015			Not achieved Refer 14, page 16 of LGFA
Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due			Achieved
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency			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.







“

Quality

We enable people to prosper by working to keep unemployment low, housing affordable and ensuring whatever we do is the best it can be.

”



Elected Members as at 30 June 2020



MAYOR DAVID TREWAVAS

Email: mayortrewavas@taupo.govt.nz
Phone: 027 570 7918



DEPUTY MAYOR CHRISTINE RANKIN

Taupō Ward Councillor
Email: councillorrankin@taupo.govt.nz
Phone: 027 582 4804



KYLIE LEONARD

Taupō East Rural Ward Councillor
Email: councillorleonard@taupo.govt.nz
Phone: 027 257 7338



JOHN BODDY

Taupō-Kaingaroa Ward Councillor
Email: councillorboddy@taupo.govt.nz
Phone: 021 128 7704



KATHY GUY

Taupō Ward Councillor
Email: councillorguy@taupo.govt.nz
Phone: 027 449 4090



ANNA PARK

Taupō Ward Councillor
Email: councillorpark@taupo.govt.nz
Phone: 027 234 4568



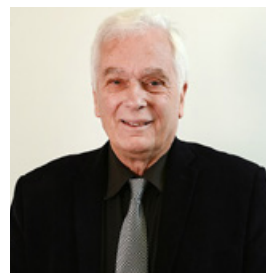
KEVIN TAYLOR

Taupō Ward Councillor
Email: councillortaylor@taupo.govt.nz
Phone: 027 273 9817



YVONNE WESTERMAN

Taupō Ward Councillor
Email: councillorwesterman@taupo.govt.nz
Phone: 027 573 3844



JOHN WILLIAMSON

Taupō Ward Councillor
Email: councillorwilliamson@taupo.govt.nz
Phone: 027 310 8013



TANGONUI KINGI

Turangi-Tongariro Ward Councillor
Email: councillorkingi@taupo.govt.nz
Phone: 021 253 3343



JOHN MACK

Turangi-Tongariro Ward Councillor
Email: councillormack@taupo.govt.nz
Phone: 027 275 1950



KIRSTY TRUEMAN

Mangakino-Pouakani Ward Councillor
Email: councillortrueman@taupo.govt.nz
Phone: 027 335 5267

Turangi Tongariro Community Board Members as at 30 june 2020



CHAIR AMANDA MACLAREN

Email: amaclaren@taupo.govt.nz
Phone: 021 444 042



DEPUTY CHAIR ROB SEVERNE

Taupō Ward Councillor
Email: reserverneboard@taupo.govt.nz
Phone: 022 473 6227



IAN ASHMORE

Email: iashmore@taupo.govt.nz
Phone: 027 393 3691



CLINT GREEN

Email: cgreen@taupo.govt.nz
Phone: 021 0293 8138



COUNCILLOR TANGONUI KINGI

Turangi-Tongariro Ward Councillor
Email: councillorkingi@taupo.govt.nz
Phone: 021 253 3343



COUNCILLOR JOHN MACK

Turangi-Tongariro Ward Councillor
Email: councillormack@taupo.govt.nz
Phone: 021 039 9106



DONNA SEARANCKE

Email: dsearancke@taupo.govt.nz
027 486 8002

Please note that Mr New was not a member of the Turangi-Tongariro Community Board as at 30 June 2020. The Turangi-Tongariro Community Board passed a resolution confirming the Board's intention to appoint Mr Te Takinga New to the extraordinary vacancy for the Tongariro Subdivision on 5 August. The vacancy was the result of the resignation of Mr Wally van der Aa in 2019

TE TAKINGA NEW

Email: tnew@taupo.govt.nz





Council Directory

TAUPŌ DISTRICT COUNCIL

46 Horomatangi Street
Private Bag 2005
Taupō 3352
New Zealand

TEL 0800 ASK TDC

0800 275 832
07 376 0899
Fax 07 378 0118

SERVICE CENTRES:**TURANGI**

Turangi Town Centre
Turangi 3334
Tel 07 386 7017
Fax 07 386 8449

MANGAKINO

Civic Centre, Rangatira Drive
Mangakino 3421
Tel 07 882 8191
Fax 07 882 8330

BANKERS AND FUNDING:

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:

Aon New Zealand Limited







GREAT LAKE TAUPŌ
Taupō District Council