

TAUPŌ DISTRICT COUNCIL

Annual Report

SUMMARY 2019/20



GREAT LAKE TAUPŌ
Taupō District Council

Welcome to the summary of our 2019/20 Annual Report.

The specific disclosures in this summary have been extracted from the full Annual Report, which was adopted by Council with an unmodified opinion dated December 15, 2020.

The summary has been examined for consistency with the full Annual Report 2019/20 and audited by Audit New Zealand on behalf of the Auditor-General.

This summary was authorised by the Chief Executive and the Head of Finance and Strategy on December 15, 2020.

This summary cannot be expected to provide a complete understanding of Council's financial and service performance, financial position and cashflows as the full Annual Report 2019/20.

The full Annual Report is available from the Council offices or can be downloaded at taupo.govt.nz.



Counting the assets

COUNCIL HAS

\$1.45 billion assets

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

2018/19	2019/20	DESCRIPTION
97,708	98,758	m2 of parking (equal to about 13 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 (includes new AC Baths pump station)
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



An aerial photograph of a mountainous landscape. In the foreground, a large, dark blue lake is visible. A river winds through the middle ground, forming a meander. The background features rolling hills and mountains under a clear sky. The overall scene is a mix of natural beauty and human settlement.

“

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.

”



A message from your Mayor and Chief Executive

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.





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.

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.

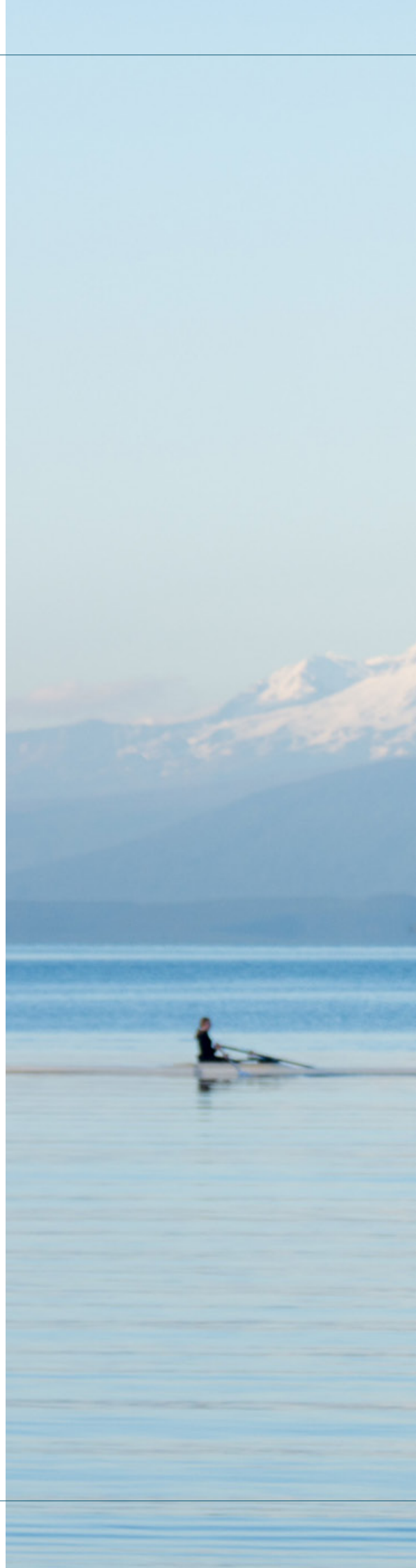
Nga mihi nui,



David Trewavas
Mayor



Gareth Green
Chief Executive





**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."**



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 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.”

Groups of activities

Over the past year Council delivered a range of services on behalf of the community. 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.

Community Services

COMMUNITY ENGAGEMENT

We work to develop district neighbourhoods and communities by working directly with, and alongside, them.

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 community 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 Taupō hui and actions.
- Community and Partnership Grants, including Turangi-Tongariro, Mangakino-Pouakani, 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 Maori Trust Board, Taiopenga Kapa Haka.
- Supported various place-based neighbourhood requests for events in such as Acacia Bay, Kinloch and Korohe.
- 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

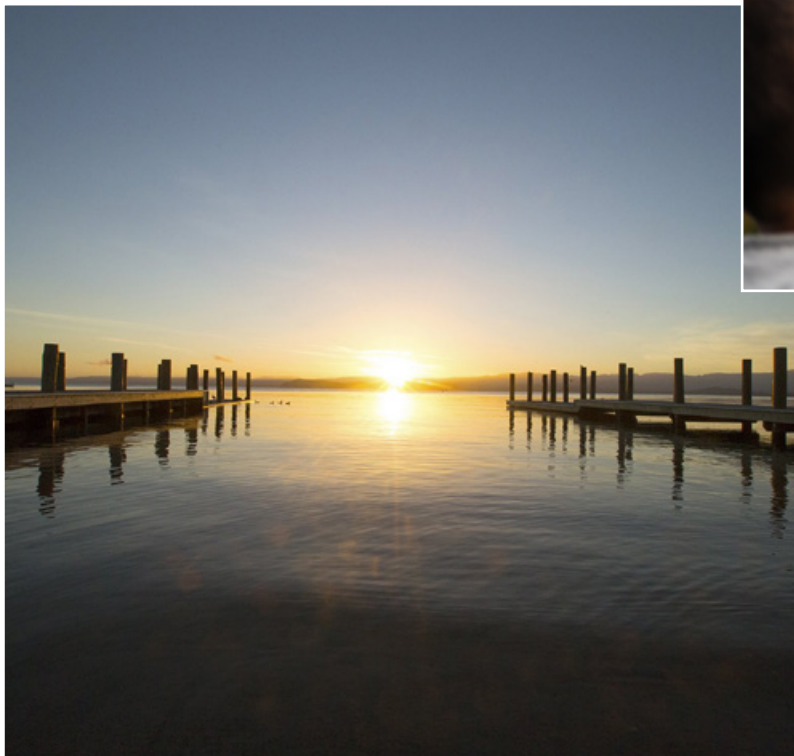
- Registered, enforced and ensured compliance with regulatory functions relating to food premises, liquor outlets, gaming, animal control and other bylaws and statutes.
- Enforced limited time parking spaces in the Taupō Central Business District (CBD).
- Processed resource consent applications and ensured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

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.



“We work to develop district neighbourhoods and communities by working directly with and alongside them.”

Water

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.

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

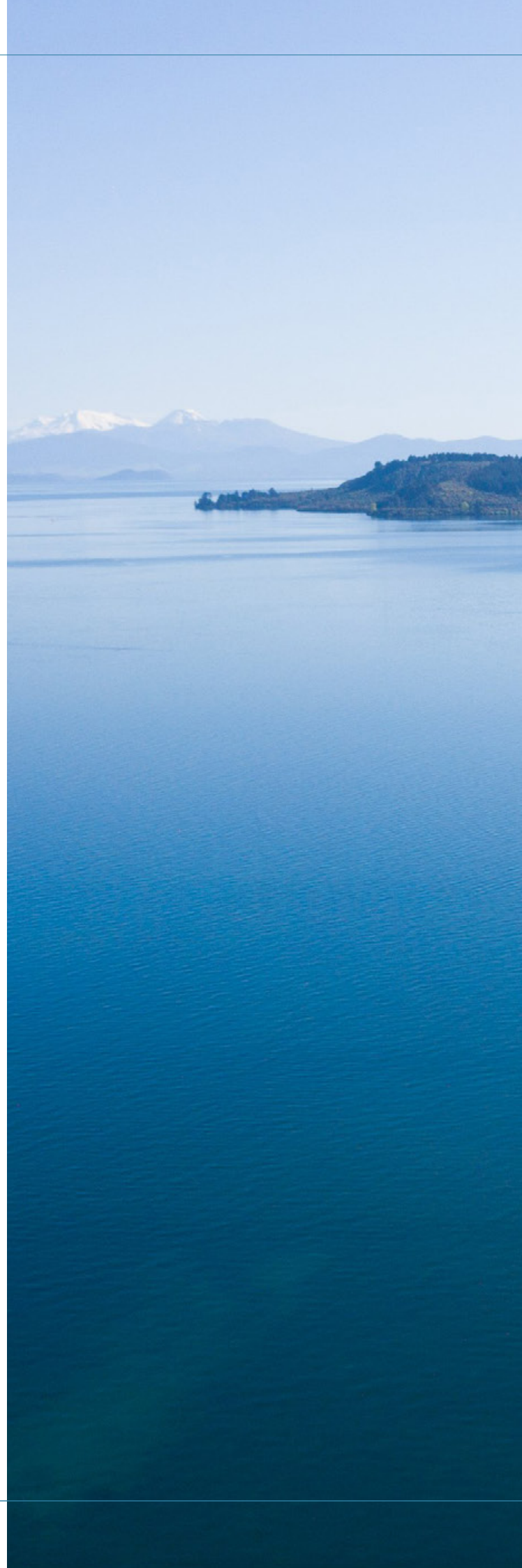
Undertook water pipeline renewals including:

- 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 Five Mile Bay
- Tauhara Ridge Falling Main

Design works underway for Kinloch Water Treatment Plant upgrade.





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

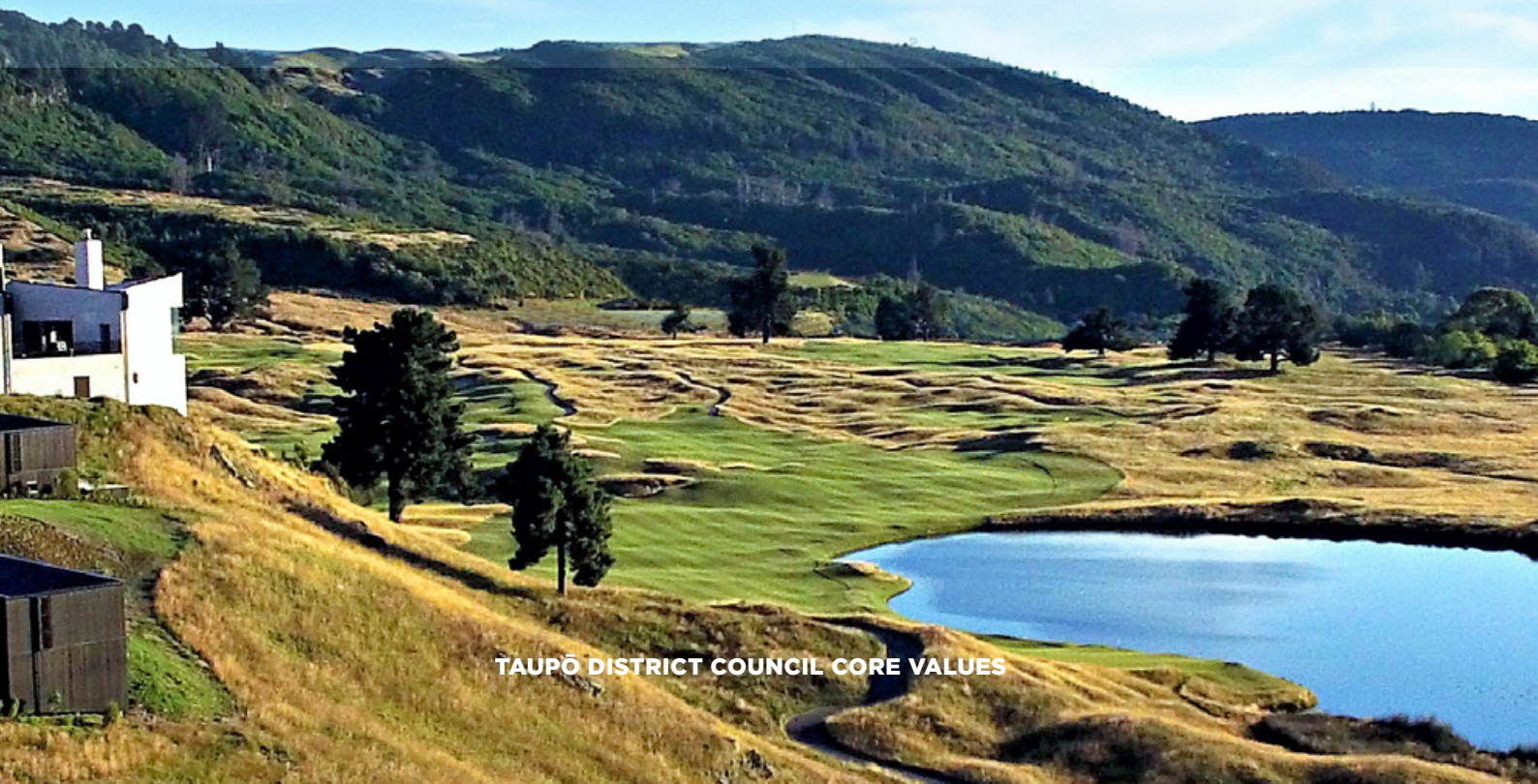
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Resilient

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.

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Transport

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

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

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.”

Community Facilities

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

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.

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 Ngati Tūwharetoa 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 district offers a wide range of leisure and recreation opportunities and we encourage our residents and visitors to use them.”



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.

”





Wastewater

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.

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.

“Council collects, treats and disposes of wastewater from residential, commercial and industrial properties.”

Solid waste

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.

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

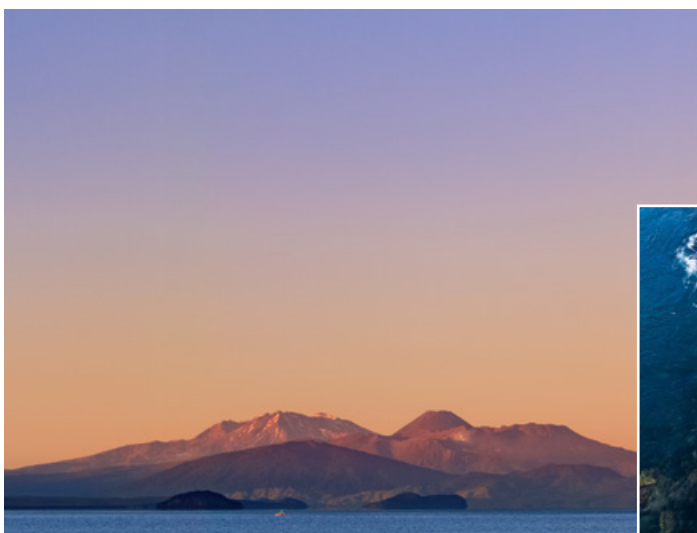
- E-Waste recycling.
- Waste reduction educational support for district marae.
- Waste minimisation grants to support community waste minimisation activities.
- Increase the number of warranted litter officers within Council's existing staff.
- Investigate ways to reduce construction and demolition waste 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.
- 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 Taupo Environmental Education Collaborative to promote recycling and waste minimisation.
- Facilitated educational group trips to the Broadlands Road Transfer Station.

WHAT WE DID THIS YEAR

- Ran a plastic free July programme.
- Ran home composting workshops in Turangi and Taupō.
- Ran waste free parenting workshops.



We provide a solid waste system for refuse and recyclables.



Stormwater

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

WHAT WE DID THIS YEAR

- Undertook overland flow path modelling.
- Undertook a district wide stormwater monitoring programme.
- 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.



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



Democracy and Planning

DEMOCRACY

Council provides democratic local decision-making and action by, and on behalf of, our district's many communities.

PLANNING

A major role for Council is planning for the district's future to meet the needs of our communities. 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.

IWI

As Treaty Partners, we are committed to recognising and improving opportunities for Māori to contribute to local government decision-making.

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

“A major role for Council is planning for the district's future to meet the needs of our communities.”



Investments

Council generates income through investments and development of a range of assets that it owns. Income generated from assets is an important income stream for Council as it offsets some of the costs of providing services and is also used to pay off debt.

We aim to maximise return from residential and commercial land development, property, the TEL fund, forestry and our general reserve funds.

WHAT WE DID THIS YEAR

- The TEL Fund value increased from the baseline of \$60.9m at 1 July 2019 to \$61.3m at 30 June 2020.
- The TEL Fund increase over the 2019/20 period was in excess of the forecast 1.6 per cent CPI increase for the same period in the 2018-28 Long Term Plan.

- The yield on the TEL fund for 2018/19 was 1.5 per cent. This was in excess of the minimum target for 2019/20 of 1.495 per cent.
- The yield on General and Special Reserve Funds for 2019/20 was 2.45 per cent. This was in excess of the minimum target for 2019/20 of 1.22 per cent.
- Income distribution in 2019/20 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, funding of projects, rates subsidies and fund growth.

“Council generates income through investments and development of a range of assets that it owns.”

Economic Development

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.

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. DGLT's key activities are destination management, destination consumer marketing, business events marketing, trade marketing, special interest.
- 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.

WHAT WE DID THIS YEAR

- EGLT, DGLT and TCT presented their annual reports to council in October 2019 and June 2020. The presentation in June 2020 was planned to occur in April 2020, but this was delayed because of the Covid-19 lockdown.

“Economic development is to be a key focus for the district so that we can continue to live in a thriving and vibrant place.”





“

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.

”



Our Financial performance

KEEPING RATES AND DEBT AFFORDABLE

Council continues to contribute to its Financial Strategy adopted as part of the Long-term Plan 2018-28.

LOOKING AFTER THE ASSETS WE HAVE WHILE MAINTAINING LEVELS OF SERVICE

Our district is still relatively young, this means that many of our infrastructure assets are in good condition and will not need renewing or upgrading for many years.

We must all pay our fair share of the use of these assets each year to ensure intergenerational equity is achieved, and that we don't create a financial burden for current or future generations. By rating for depreciation and building cash reserves, we are able to subsequently fund future renewals programmes, maintaining levels of service for the district without undue burden on any particular ratepayers at any point in time.

KEEPING RATES AFFORDABLE AND SUSTAINABLE

Council's main source of operating revenue is from rates, both general and targeted. In the 2018-28 Long-term Plan projected rates increases were between 3 and 4.2 per cent (after adjusting for growth in rateable properties) over the 10 years of the plan

PRUDENT MANAGEMENT OF OUR INVESTMENTS AND BORROWINGS

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

TAUPŌ ELECTRICITY LIMITED (TEL) FUND

Council has managed its investment in the TEL Fund over the course of a reasonably stable last 12 months where interest rates have remained low. The book value of the fund has increased from \$60.9 million in 2018/19 to \$61.3 million in 2019/20.

DEBT

Council's closing gross external debt position at 30 June 2020 was \$146 million. The Annual Plan 2019-20 projected that at the end of this year debt would be \$145 million.

LIMITS ON RATES AND DEBT

To meet all of these goals, Council proposed five limits on rates and debt, and has operated within four of these limits for 2019/20.

These were:

- Total rates revenue must not exceed 80 per cent of operating revenues.
- Rates increases may not exceed forecast Local Government Consumer Index (LCGI) + 1.5 per cent. (exceeded).
- Gross external borrowing may not be more than 200 per cent of annual operating income.
- Actual net debt must be equal or less than planned net debt.
- Borrowing costs must be less than 10% of revenue.





Our staff continued to work remotely, and we continued to deliver essential services such as water services and Civil Defence.”



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 Defence. 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.

The 2019/20 financial result has 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.

Our performance

We set ourselves 80 measures in our Long-term Plan which we use to report back on our service performance across our 10 groups of activities. This page shows the percentage of targets achieved and not achieved. Detailed reporting on the individual measures is included in our full annual report.

WE ACHIEVED 40 OF THESE (50%)

57% achieved*. Community services

27% achieved. Water

100% achieved. Transport

43% achieved*. Community facilities

50% achieved. Wastewater

33% achieved. Solid waste

75% achieved. Stormwater

9% achieved*. Democracy and Planning

100% achieved. Investments

100% achieved. Economic development.



“

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.

”



Summary of Financial Statements

OVERVIEW

Council's surplus of \$0.292m is \$9.672m less than the \$9.964m surplus planned. The explanations below address this variance.

REVENUE

Council's operating revenue was \$3.905 ahead of plan, this was due to the following operational areas being ahead of plan: gain on investment properties \$3.632m and rates revenue higher than plan \$0.520m.

EXPENSES

Council's expenses are \$13.577m higher than plan, due to the following expense items: Loss on revaluation of interest rate derivatives \$8.803m, employee benefit expenses higher than plan \$1.527m and, loss on disposal/impairment of assets \$3.482m above plan.

STATEMENT OF FINANCIAL POSITION EQUITY

The value of our asset base increased by \$38.261m during the year. This was primarily as a result of a revaluation of Council's roading assets of \$38.012m.

ASSETS

Investments including cash are \$5.445m higher than plan, and property plant and equipment is \$91.878m higher than plan, and inventory is \$0.317m lower than plan.

LIABILITIES

Derivative financial instrument liabilities are \$20.392m higher than plan due to fair valuation changes in current and prior year.

These financial statements are extracted from the full Annual Report. That report was prepared in accordance with generally accepted accounting practice in New Zealand and was prepared under Tier 1 Public Benefit Entity International Public Sector Accounting Standards (NZ PBE IPSAS). The information in this summary financial report has been prepared in accordance with PBE FRS43: Summary Financial Statements. The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided in the full financial statements. The financial statements are presented in New Zealand dollars and values are rounded to the nearest thousand dollars. The functional currency of Taupō District Council and Group is New Zealand dollars.



Summary Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2020

	COUNCIL			GROUP	
	ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Revenue	103,456	99,551	106,542	104,390	107,339
Expenses	95,012	81,509	96,029	96,312	97,013
Finance costs	8,152	8,078	8,850	8,152	8,850
Net Surplus/(deficit) before tax	292	9,964	1,663	(74)	1,476
Tax (expense)/credit	-	-	-	25	86
Net surplus after tax	292	9,964	1,663	(49)	1,562
Attributable to:					
Taupō District Council	292	9,964	1,663	9	1,673
Non-controlling interest	-	-	-	(59)	(111)
Net surplus/(deficit) for the year	292	9,964	1,663	(50)	1,562
Property, plant & equipment revaluations	38,012	20,034	108,146	38,408	108,021
Available for sale financial assets at fair value through other comprehensive revenue	(50)	-	7	(50)	7
Investments in associates	5	-	-	5	-
Tax on equity items	-	-	-	-	(15)
Total other comprehensive revenue	37,967	20,034	108,153	38,363	108,013
Total comprehensive revenue and expenses	38,259	29,998	109,816	38,314	109,575
Attributable to:					
Taupō District Council	38,259	29,998	109,816	38,283	109,686
Minority interest	-	-	-	31	(111)
	38,259	29,998	109,816	38,314	109,575

Summary Statement of Change in Net Assets/Equity

FOR THE YEAR ENDED 30 JUNE 2020

	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 expenses for the year	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
<i>Components of Equity</i>					
Accumulated Funds	799,293	827,056	792,612	800,431	793,943
Other reserves	442,751	333,440	411,172	445,533	413,902
Non-controlling interest	-	-	-	4,179	3,224
Total Equity	1,242,044	1,160,496	1,203,784	1,250,143	1,211,069

Summary Statement of Financial Position

AS AT 20 JUNE 2020

	COUNCIL			GROUP	
	ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Current assets	136,959	72,740	133,919	140,370	134,556
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
Current liabilities	68,871	33,843	45,517	69,592	45,932
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
Equity	1,242,044	1,160,496	1,203,784	1,245,964	1,207,845
Non-controlling interest	-	-	-	4,179	3,224
Total equity	1,242,044	1,160,496	1,203,784	1,250,143	1,211,069

Summary Statement of Cashflows

FOR THE YEAR ENDED 30 JUNE 2020

	COUNCIL			GROUP	
	ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Net cash flow from operating activities	22,912	24,411	23,491	22,897	23,421
Net cash flow from investing activities	(20,807)	(30,573)	(29,010)	(18,747)	(29,265)
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)

ADDITIONAL DISCLOSURES

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
Councillors		
Remuneration (Council Elected Members)	575	503
Full-time equivalent members	11	11
Senior Leadership Group, including the Chief Executive		
Remuneration (CEO & SLT)	1,806	1,770
Full-time equivalent members	8	8
Total key management personnel compensation	2,381	2,273
Total full-time equivalent members	19	19

Summary of Commitments

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Major contracts - operational	42,184	49,617	42,184	49,617
Major contracts - capital	11,787	6,538	11,787	6,538
Non-cancellable operating leases as lessee	1,489	2,180	1,489	2,180
Total commitments payable	55,460	58,335	55,460	58,335

	COUNCIL		GROUP	
	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000	ACTUAL 2020 \$'000	ACTUAL 2019 \$'000
Non-cancellable operating leases as lessor	3,439	4,090	4,747	5,360
Total commitments receivable	3,439	4,090	4,747	5,360





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

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



Contingent liabilities

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 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 2020 (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).



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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.

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Independent Auditor's Report

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

The summary of the annual report was derived from the annual report of the Taupō District Council and Group (the District Council) for the year ended 30 June 2020.

The summary of the annual report comprises the following summary statements on pages 19 and 21 to 26:

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended 30 June 2020;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary performance (summary service performance reporting).

Opinion

In our opinion:

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

However, the summary performance (summary service performance reporting) information includes a limitation in scope to the equivalent extent as the full audited service performance reporting. This limitation is explained below in *The full annual report and our audit report thereon* section.

Summary of the annual report

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

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed a qualified opinion on the service performance reporting and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2020 in our auditor's report dated 15 December 2020. The basis for our qualified opinion on the service performance reporting is explained below.

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

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the impact of Covid-19 on the District Council as set out in the full annual report in note 3 to the financial statements and page 24 of the service performance reporting.

An extract of this information is included in the summary of the annual report on page 19.

Council's responsibility for the summary of the annual report

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

Auditor's responsibility

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

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) 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
15 December 2020



GREAT LAKE TAUPŌ

Taupō District Council

TAUPŌ.GOV.T.NZ