



GREAT LAKE TAUPŌ
Taupō District Council



TAUPŌ DISTRICT COUNCIL

ANNUAL REPORT

2023/2024

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GLOSSARY

BWOF	Building Warrant of Fitness
BOPLASS	Bay of Plenty Local Authority Shared Services
CBD	Taupō Central Business District
CCO	Council Controlled Organisation
CDEM	Civil Defence Emergency Management
DCSL	Data capture Systems Limited
DGLT	Destination Great Lake Taupō
DIA	Department of Internal Affairs
DLTL	Destination Lake Taupō Limited
DWQAR	Drinking Water Quality Assurance Rules
DWSNZ	Drinking Water Standards of New Zealand
EOC	Emergency Operation Centre
FTE	Full time employees
FW2	Firefighting Water Supplies Code of Practice Standards
HEU	Household Equivalent Unit
LGA	Local Government Act 2002
LGFA	Local Government Funding Authority Limited
LGOIMA	Local Government Official Information and Meetings Act
LTP	Long-term plan
LTPT	Lake Taupō Protection Trust
MPI	Ministry for Primary Industries
NZ GAAP	New Zealand generally accepted accounting practice
NZTA	Waka Kotahi New Zealand Transport Agency
SIPO	Statements of Investment Policy & Objectives
STE	Smooth Travel Exposure
TAA	Taupō Airport Authority
TECT	Tourism Electronic Card Transactions
TGL	Taupō Generation Limited
TEL fund	Taupō Electricity Limited fund
WLASS	Waikato Local Authority Shared Services

A MESSAGE FROM YOUR MAYOR

Tēnā koe. Welcome to Taupō District Council's Annual Report 2023/24.

This report sets out what Council has delivered for our community over a solid year. Despite facing numerous challenges, including persistently high inflation that substantially increased the cost of doing business, and major shifts in government direction around Three Waters, we have successfully advanced key initiatives and projects that will shape our community for years to come. I reflect on our accomplishments with great pride because they are a testament to the resilience, dedication, and forward-thinking approach of our Council and community.

Our district's rapid growth has brought significant challenges. With our population now at 42,000 - an increase of 20 per cent over the past two decades - there is a pressing need to invest in our infrastructure to meet current demands and plan for future growth.

In response, we have been proactive in our planning and infrastructure investments. A major milestone was the start of work on the Kinloch water treatment plant. This will provide residents with a higher degree of protection for their drinking water supply, while also improving the resilience of our water infrastructure as our community continues to grow. We have also made strides in meeting more stringent drinking water standards to ensure that our water is safe for human consumption.

Our district's successes have not gone unnoticed. We received several major awards this year - enhancing our reputation for excellence. Highlights include the newly-built Papa Tākaro (play space) at Te Kapua Park in Tūrangi picking up three prestigious national awards. Tūrangi was also a deserved finalist for Keep New Zealand Beautiful's Most Beautiful Small Town Award, and Taupō won the Most Beautiful Towns & Cities Supreme Award. Other major Council projects completed last year, Taupō Airport and Waiora House, also won major national awards. These accolades reflect the hard work and dedication of our teams and the community, and I am incredibly proud of what we have achieved together.

Our district has continued to shine on the national and international stage, attracting major events that bring tourists, boost our local economy, and enhance the vibrancy of our community. Last year was particularly successful, with a major new event, the ITM Taupō Super400 (Supercars Championship).

During the year, we engaged with the community on Council's Long-Term Plan 2024-34. This included a conversation about the future of kerbside rubbish and recycling collection, and whether people liked the current bag system or wanted to move to wheelie bins. This was one where the community had some strong views, which councillors took into account in their decision-making.

I would like to extend my sincere thanks to everyone who has contributed to Council's mahi during this past year. Together, we are shaping a bright future for our district.

Ngā mihi nui ki a koutou katoa,



David Trewavas JP
Taupō District Mayor

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.

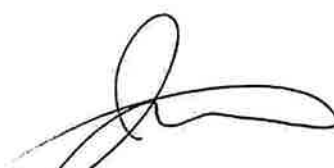
In the opinion of Council and management of Taupō District Council, the annual financial statements for the year ended 30 June 2024 fairly reflect the financial position and operations of Taupō District Council.

The Statement of Service Performance has been prepared in accordance with Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period, and complies with PBE financial reporting standards.



David Trewavas JP
Taupō District Mayor

20 December 2024



Julie Gardyne
Chief Executive

20 December 2024

ELECTED MEMBERS AS AT 30 JUNE 2024



Mayor
David Trewavas



Deputy Mayor
Kevin Taylor



Councillor
Kirsty Trueman



Councillor
Duncan Campbell



Councillor
Anna Park



Councillor
Christine Rankin



Councillor
Rachel Shepherd



Councillor
Yvonne Westerman



Councillor
John Williamson



Councillor
Kylie Leonard



Councillor
Karam Fletcher



Councillor
Danny Loughlin



Councillor
Sandra Greenslade

HIGHLIGHTS FROM THE YEAR 2024



WAIORA HOUSE

Waiora house was opened and blessed in September 2023. It provides a new community social services hub for the local community.



EAST URBAN LANDS

We started earthworks on Lot 20 of East Urban Lands to build 38 affordable houses.



TE KAPUA PARK PLAYGROUND

We built a new papa tākaro (playground) in partnership with Ngāti Tūrangitukua at Te Kapua Park in Tūrangi. This project was themed around some of the stories of the surrounding rohe, such as the Tongariro River and maunga which are important to the people of Tūrangi.



MANGAKINO BASKETBALL COURT

The new Mangakino basketball court proved to be a slam dunk with the community with former Tall Black Tom Abercrombie helping with the grand opening along with Taupō District Council elected members and staff, local iwi, and community members.

We worked with local tamariki on choosing the court's colours, a vibrant combination of purple and yellow. It was an opportunity for the Mangakino community to come together and celebrate the completion of this project.

KEY STRATEGIES AND PLANS 2024



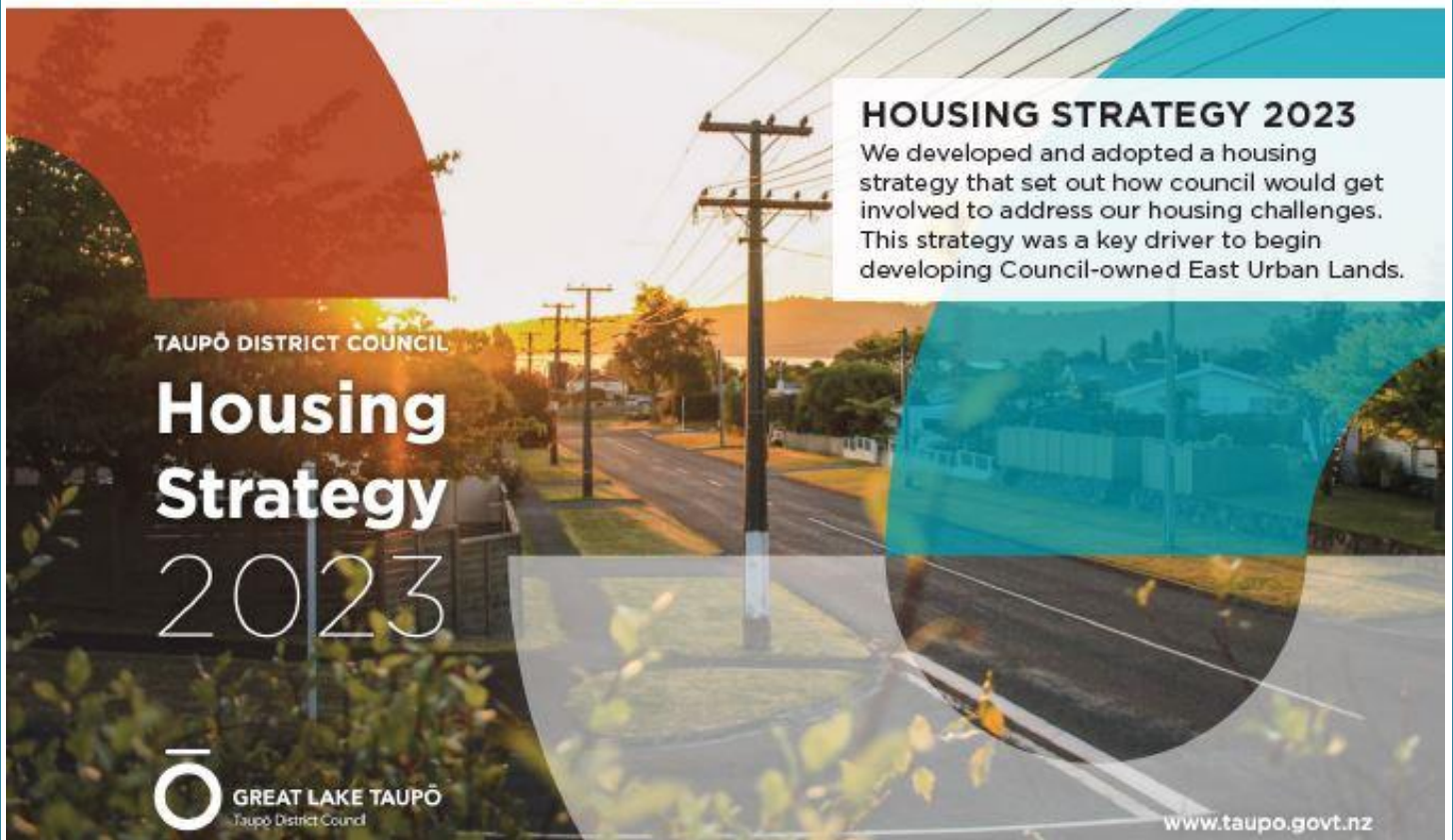
Taupō District Council's Long-term Plan 2024-34



LONG-TERM PLAN 2024-2034

The Long-Term Plan 2024-2034 was developed over 2023 and 2024 with an extensive consultation and engagement process. A record 1,400 submissions were received from our community, which helped to shape this 10-year plan.

Looking after
the place we love
*Manaaki tūturu
tō tātou rohe*



HOUSING STRATEGY 2023

We developed and adopted a housing strategy that set out how council would get involved to address our housing challenges. This strategy was a key driver to begin developing Council-owned East Urban Lands.

TAUPŌ DISTRICT COUNCIL

Housing Strategy 2023



www.taupo.govt.nz

MAJOR EVENTS 2024



**2024 ITM TAUPŌ
SUPER400**



**IRONMAN 70.3 NEW
ZEALAND**



**GREENSTONE SUMMER
CONCERT**



**IRONMAN 70.3 WORLD
CHAMPIONSHIP 2024**

AWARDS WON THIS YEAR 2024

Te Kapua Park Papa Tākaro was joint winner of the Te Karanga o Te Tui Supreme Award at the New Zealand Institute of Landscape Architects Awards.

Tūrangi was runner up for New Zealand's Most Beautiful Small Town.

Te Ātea won Kiwis' Choice for most beautiful place.

Taupō won the Most Beautiful Towns and Cities Supreme Award.

Waiora House won the BERL Award for Excellence in Collaborating for Results at Taituarā Excellence Award.

Taupō Airport terminal wins the Commercial and Non-Aeronautical Initiative of the Year Award at the New Zealand Airports Hui 2023.

Swim School awarded Platinum status by Swimming New Zealand.

Taupō District Council's customer service won Project of the Year and recognised as one of the top ten councils across Aotearoa for both Best Customer Experience and Supreme Website.

Taupō District dog pound and animal shelter won a highly commended nod from the judges in the Super Engaged category.

INDEPENDENT AUDITOR'S REPORT

To the readers of Taupō District Council's annual report for the year ended 30 June 2024

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 20 December 2024. This is the date on which we give our report.

Opinion on the audited information

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

In our opinion:

- the financial statements on pages 101 to 174:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2024;
 - 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 98 to 99, 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 39, 55 to 56, 61 to 62, 68 to 69, 75, 79, 84, and 93 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 38, 54, 60, 67, 74, 78, 83, 88, 92 and 97 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.

In our opinion, except for the possible effects of the matters described in the *Basis for our opinion on the audited information* section of our report, the statement of service performance on pages 27 to 31, 33 to 37, 40 to 53, 57 to 59, 63 to 66, 70 to 73, 76 to 77, 80 to 82, 85 to 87, 89 to 91 and 95 to 96:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

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 18 to 25, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

Statement of service performance: Our work was limited in respect of attendance and resolution times for water supply and wastewater faults and response times to customer service requests for roads and footpaths.

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 include mandatory performance measures relating to:

- the time taken to attend to and resolve water supply and wastewater faults; and
- the responsiveness of the District Council to customer service requests relating to its roads and footpaths.

We identified significant issues with these performance measures. As explained on page 29 to 31, 48 to 52, 59 and 72 to 73, the District Council was unable to support the reported performance against these measures due to issues with the data recording system.

As a result of these issues, 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 correctly stated. Our opinion on the time taken to attend and resolve water supply and wastewater faults was also qualified for the 2023 performance year.

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

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

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

Responsibilities of the Council for the audited information

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

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

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

In preparing the information we audit; the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to

amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

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

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

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan 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 statement of service performance, 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 auditor's 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 audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Our responsibilities arise from the Public Audit Act 2001.

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 10, 17, 26, 32, 39, 41, 56, 62, 69, 75, 79, 84, 88, 94, 98 to 99, and 175 to 183 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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 (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

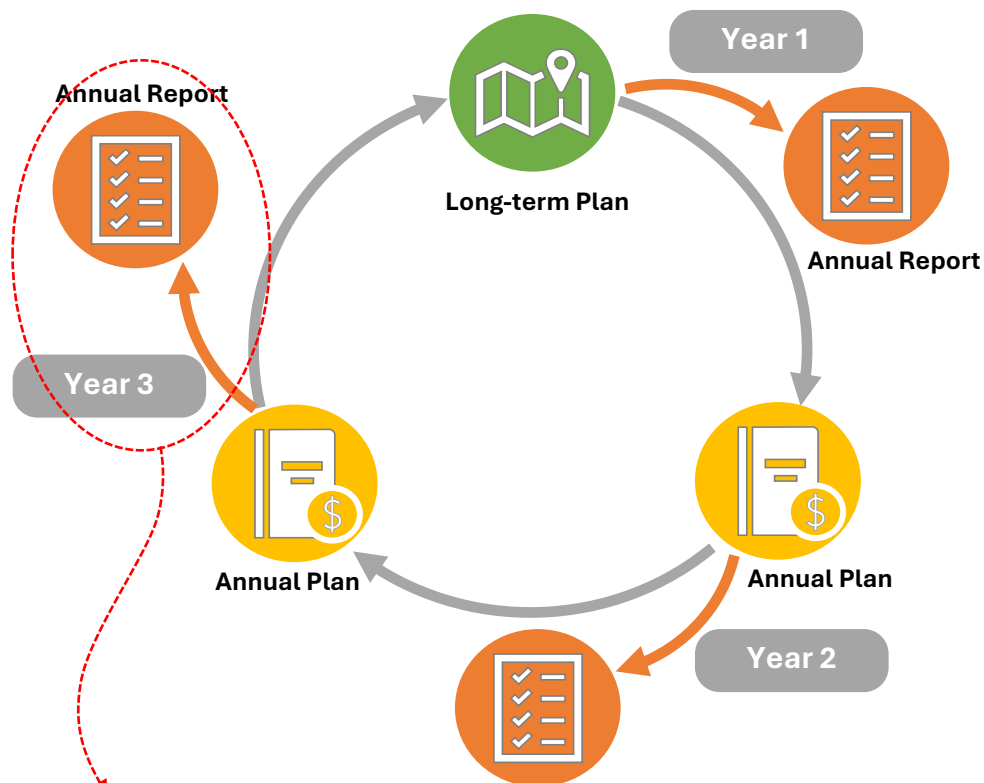
In addition to our audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed and an audit engagement for the 2024-34 Long-term plan. These engagements are compatible with those independence requirements.

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

A handwritten signature in blue ink, appearing to read 'Leon Pieterse', is positioned above the printed name and title.

Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Hamilton, New Zealand
20 December 2024

OUR PLANNING CYCLE



Long-term Plan

Every three years we develop a Long-term Plan in consultation with our community. This plan sets out Council's commitment on what services and investment it will deliver for the community, including what it will cost, how quality and performance will be ensured, and how the community will have to pay for it.

The Long-term Plan includes a 10-year financial strategy that aims to ensure Council's is acting prudently and is financially sustainable, and a 30-year infrastructure strategy that aligns delivery and investment plans with the long-term sustainable management of infrastructure assets.

Annual Plan

In each of the two years in-between producing a Long-term Plan, we develop Annual Plans, which confirm and update the budget and investment plan for the coming year. It is usually a simple budget adjustment, to allow for any changes from the planning assumptions we made in the Long-term Plan – for example where external funding has been adjusted, or contract costs have been tendered and confirmed from an original estimate. For significant or material changes, we consult with the community.

Annual Report

This report sets out whether we have delivered what we said we would:

- Did we deliver our services:
 - did we meet our quality measures and performance targets for the year as set out in the Long-term Plan
 - did we stay within our budgets for the year as set out in the Long-term Plan or Annual Plan
- Did we deliver the investment plans for the year and stay within our investment budgets as set out in the Long-term Plan or Annual Plan

DISCLOSURE STATEMENT

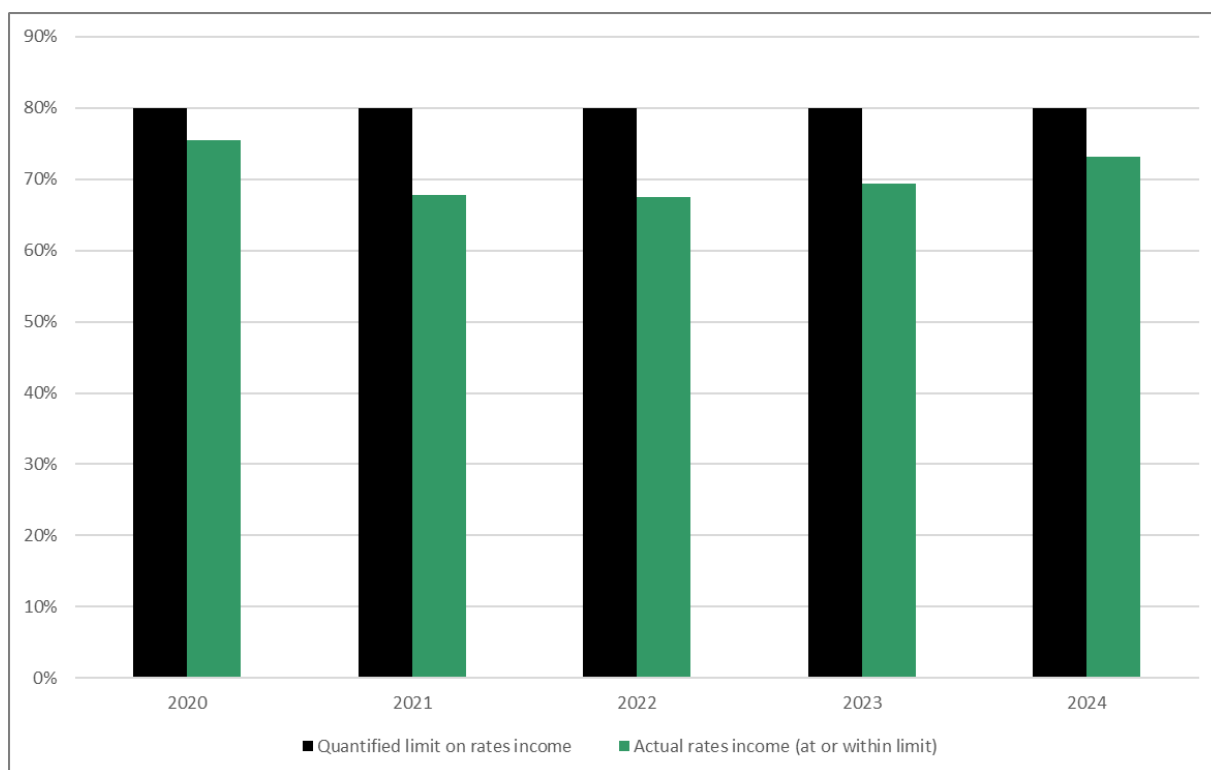
The purpose of this statement is to disclose Council's financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. Council is required to include this statement in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

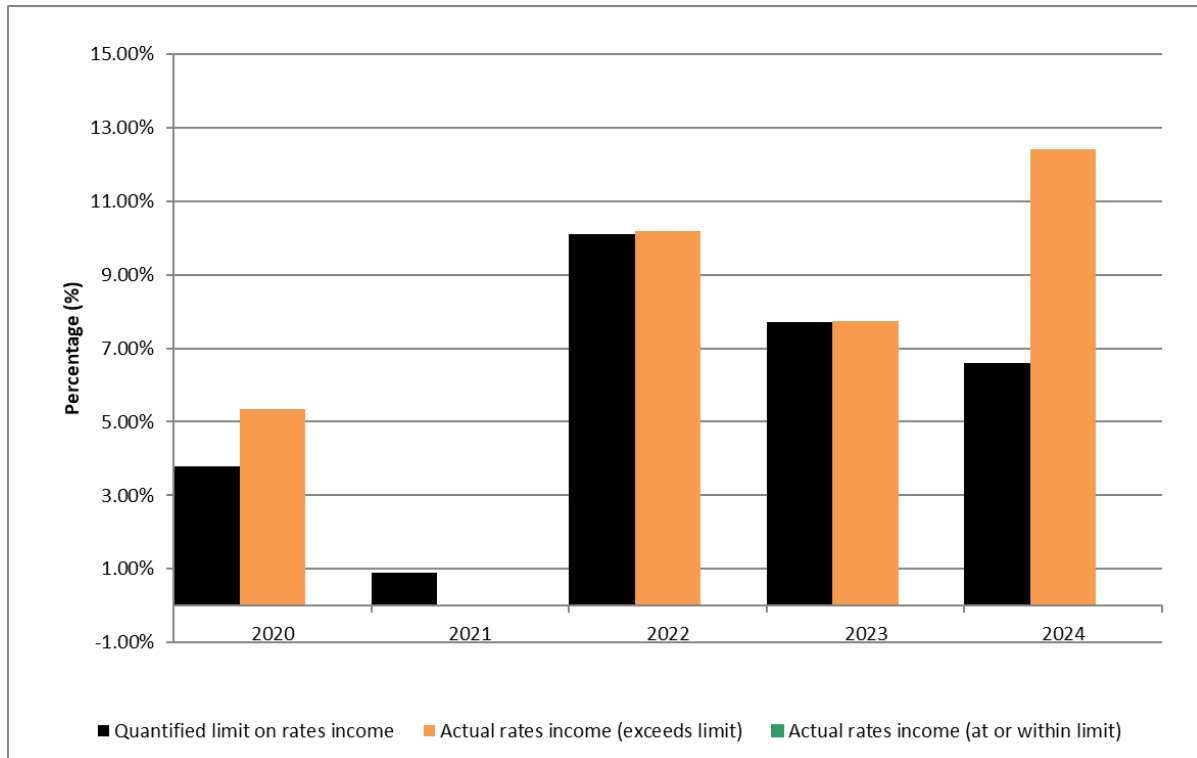
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rate increases.

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.



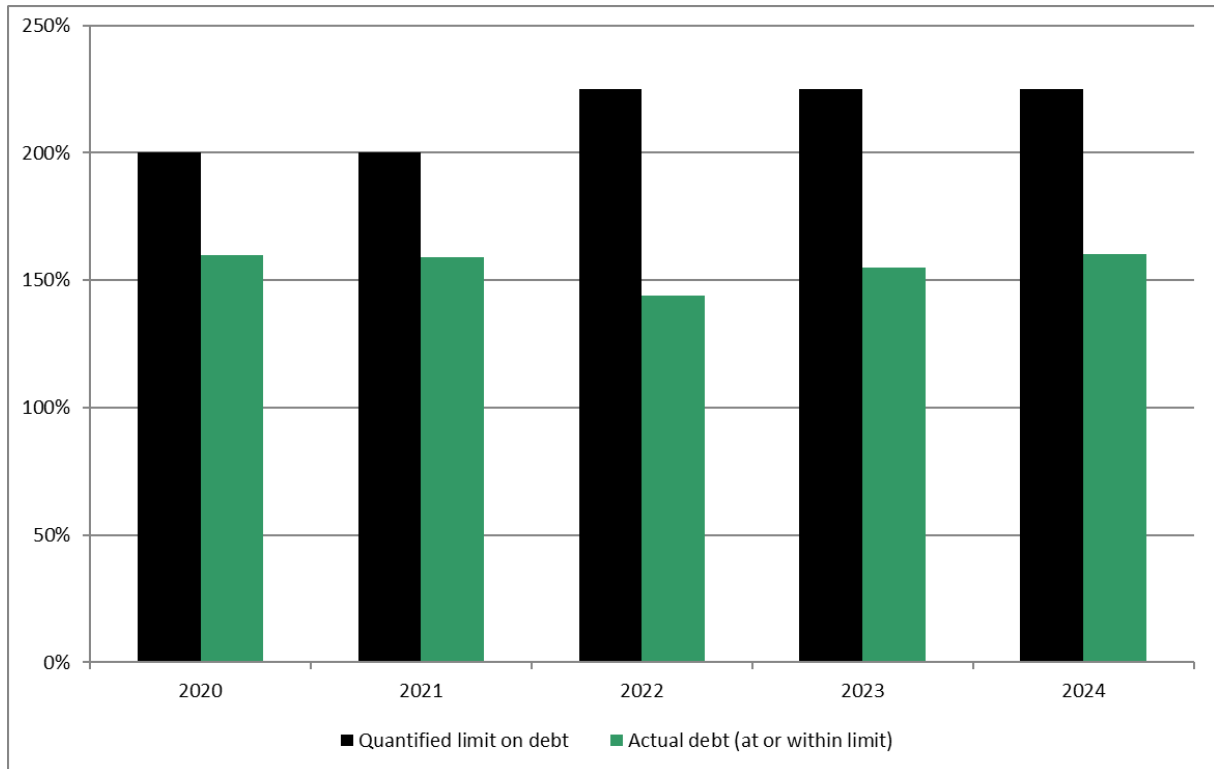
Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit in the 2018-28 LTP is that rate increases may not exceed LGCI + 1.5% and the limit in the 2021-31 LTP is that rate increases may not exceed LGCI + 2.5%. The 2020, 2022, 2023 and 2024 results exceed the limit due to a larger-than-normal growth in rateable properties which have contributed more rates revenue for those years. In 2021 a zero percent rates increase was targeted as a measure to alleviate COVID hardship.



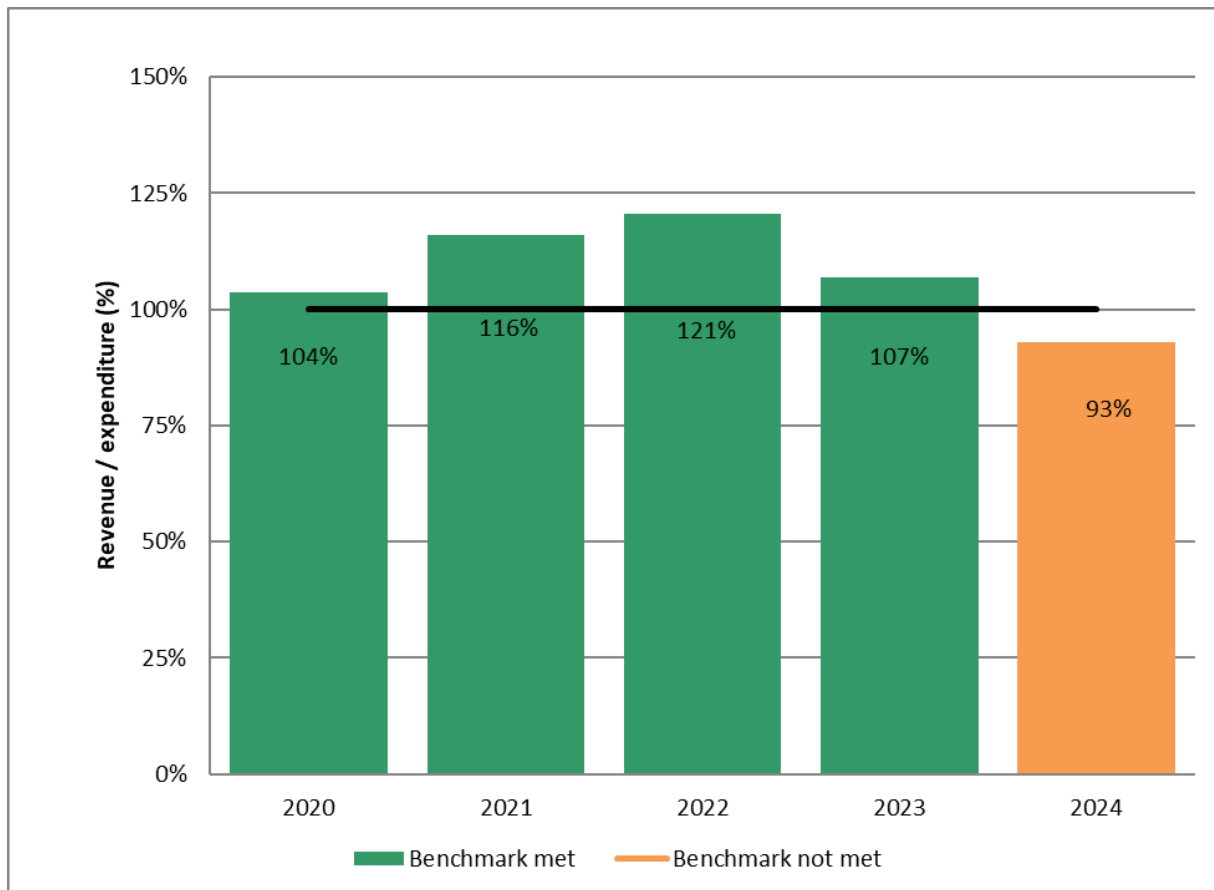
Debt affordability benchmark

The following graph compares the council's actual borrowing 2020 to 2024 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 quantified limit in the 2021-31 LTP was that gross external borrowing may not be more than 225% of annual operating income.



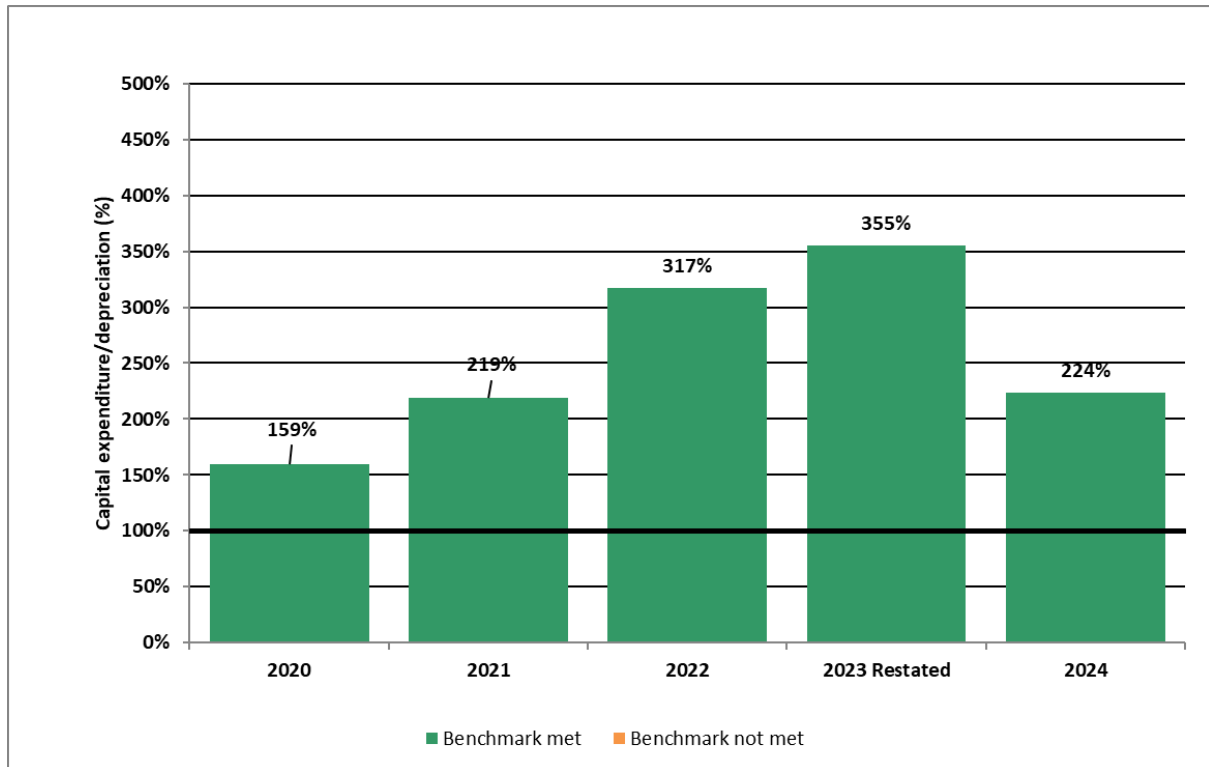
Balanced budget benchmark

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. In 2024, the below benchmark result is due to depreciation and asset impairment, as a result of increased asset capitalisation including progress on previous year balances.



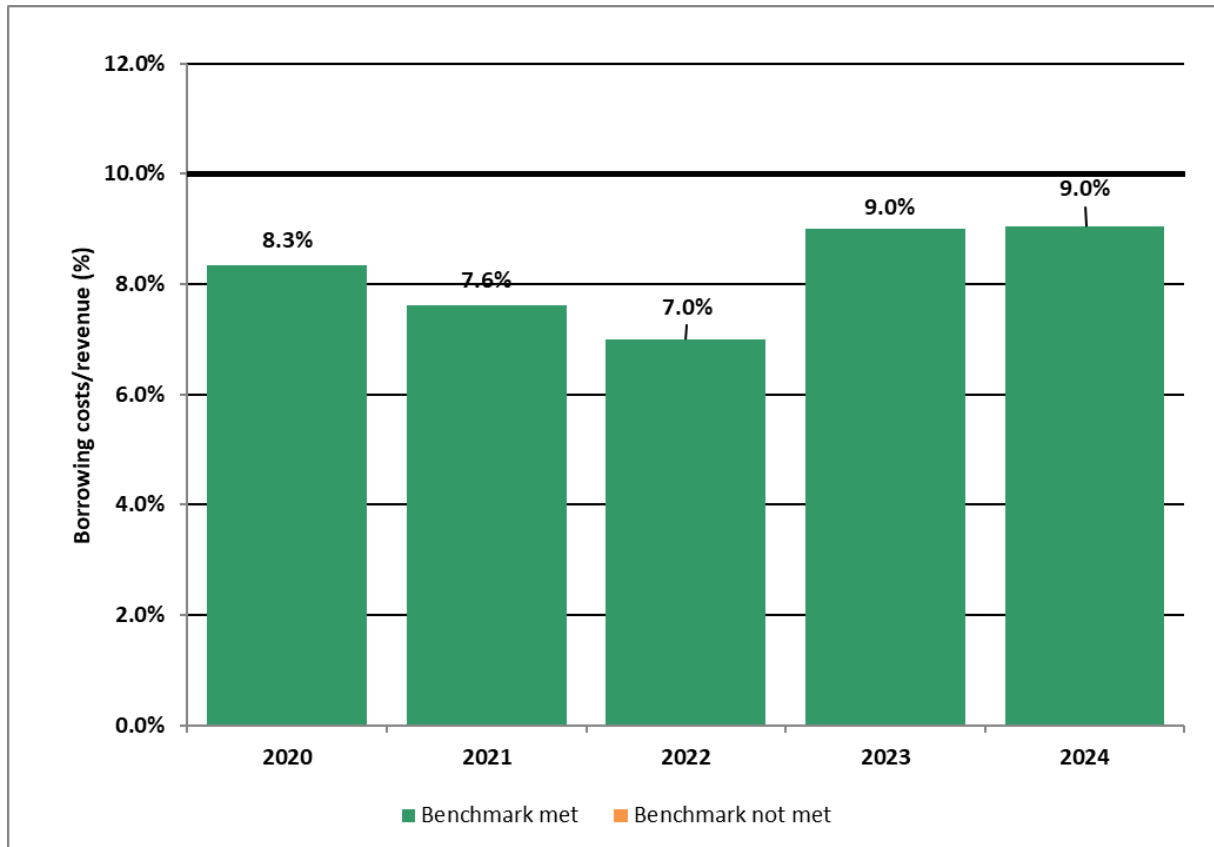
Essential services benchmark

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. Note the 2023 result has been restated due to a formula error found in the calculation of the asset base, the result is now a faithful representation of the 2023 year.



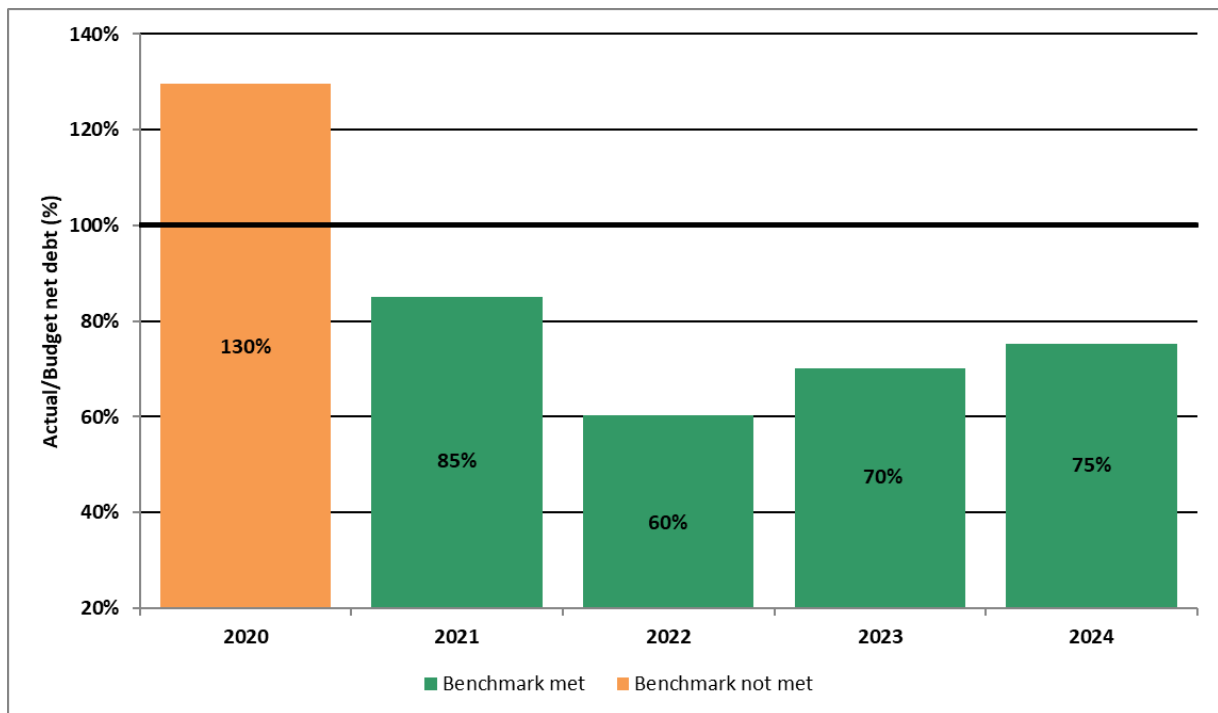
Debt servicing benchmark

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.



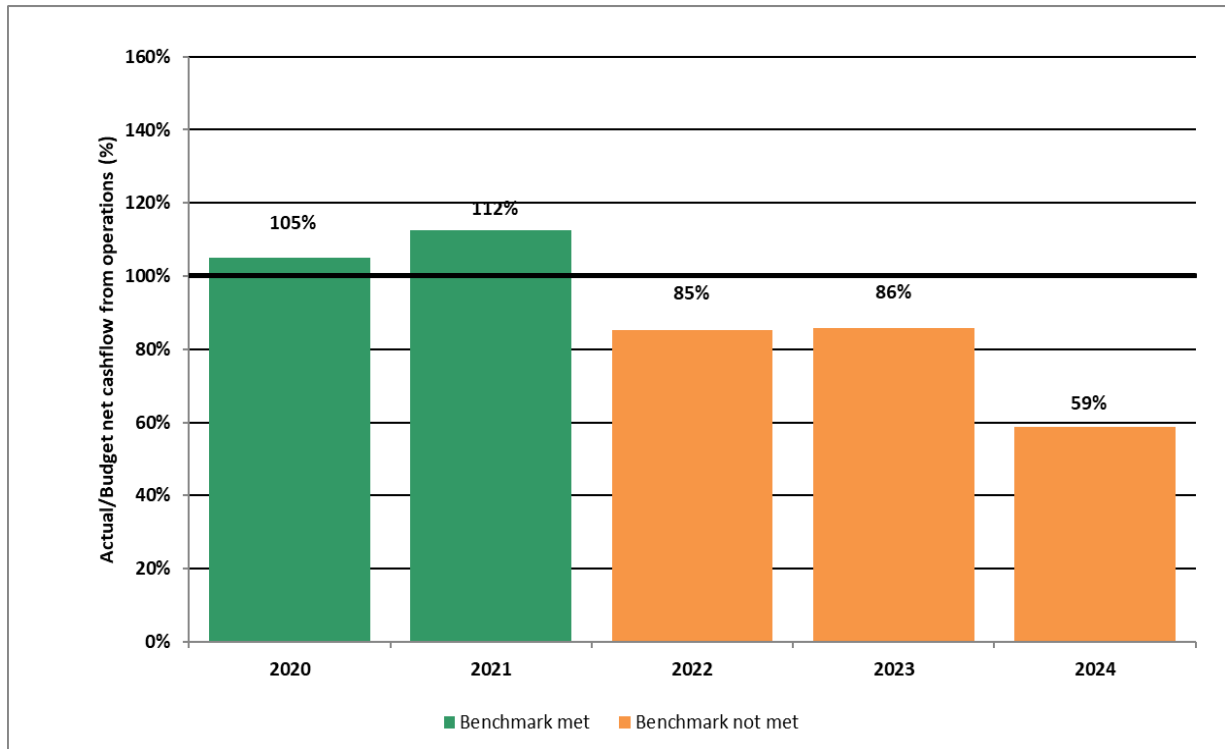
Debt control benchmark

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 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. The result in 2024 has been negatively affected due to the accounting treatment required for sections under development in the East Urban Lands (EUL). If this item was excluded the result for 2024 would be more comparable to the comparative periods in the prudence graph below.



WHAT COUNCIL DOES FOR YOU

Council provides a wide range of facilities and services on behalf of the community - from water and wastewater treatment plants that safeguard public health to the parks, playgrounds, and community spaces that support art, recreation and sport. Council's key facilities and services include:

- 17 water treatment plants that produced 8.1 million cubic metres of drinking water
- 11 wastewater treatment plants that treated 3.44 million cubic metres of wastewater
- 49 kilometres of arterial roads
- 25 kilometres cycle lanes
- 275 kilometres of pedestrian pathways
- 3 stadiums
- 1 museum
- 3 libraries
- 3 swimming pools
- 50 playgrounds
- 1,184 building consents processed
- 311 building inspections
- 544 food and health inspections

STATEMENT OF SERVICE PERFORMANCE

This section covers pages 33 - 97 of this document. Within this section, readers can find out the activities that Council delivered, the projects that Council worked on or completed and achievement of the performance measures. The performance measures are key measures that Council has chosen to report on to identify to the community.

Statement of compliance

The service performance information in this report is compliant with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and the statement of service performance has been prepared in accordance with Tier 1 PBE financial reporting standards. These standards have been applied consistently throughout the period and comply with PBE financial reporting standards.

Service performance judgements and assumptions

Council has mandatory service performance measures¹ for the following groups of activities:

- Water Supply
- Wastewater
- Stormwater
- Transport

In addition, Council is required to identify any additional service performance measures that it considers will enable the public to assess the level of service for major aspects of groups of activities in its Long-term Plan (LTP). This Annual Report reports against both these mandatory and Council-identified service performance measures as set out in the LTP 2021–31.

In adopting these performance measures in the LTP 2021–31, Council made several judgements when selecting, aggregating and presenting performance information:

- The measures accurately reflect the levels of service we plan to provide to the community.
- They effectively track progress towards achieving the outcomes set out in the LTP 2021-2031. Relevant measurement decisions are noted within each activity group section.
- The views of residents, ratepayers, community boards, and local communities have been considered, incorporating feedback from the Long-Term Plan consultation process.

Guidance from the Department of Internal Affairs (DIA) has been followed for all mandatory measures. To assess the performance of some activities, Council may conduct surveys to collect information and applies statistical tools to analyse the collected data. The surveys are designed internally by council officers based on their knowledge and expertise on the event or activity being surveyed. Council recognises that the use of surveys may result in risks to the service performance reporting through bias such as low response rates, unintentionally representative sampling or ill-informed questioning. The assumption is that these risks have been addressed and mitigated in the performance measurement process.

For certain water and roading performance measures, Council uses external experts to conduct performance assessments. These assessments incorporate expert judgements and assumptions. Council acknowledges that they may also introduce bias in the results. It is assumed that these risks have been appropriately managed and mitigated in the final results.

¹ These are set out in the [Non-Financial Performance Measures Rules 2024](#)

Council recognises there are external conditions that can influence the performance results and may result in a variation from the anticipated or forecasted results. These conditions are outside the control of Council. Examples of this include, but not limited to changes in government policy, global and domestic economic conditions and international policy that may impact areas such as recruitment, availability of material and supplies for critical infrastructure, volatility in international financial markets and other unforeseen considerations. Where known, these external factors were identified and their impact on Council's performance is explained.

GROUPS OF ACTIVITIES

Over the past year, Council has delivered a range of services to the community. This section reports on the services Council provided, the projects that were planned and/or completed, as well as those that remain unfinished. Each service is evaluated against the performance targets set in the Long-Term Plan, along with a comparison of what Council planned to spend (projected budget) and how much was actually spent (actual expenditure). Council has 10 groups of activities:

- Community Services
- Water
- Transport
- Community Facilities
- Wastewater
- Solid Waste
- Stormwater
- Democracy and Planning
- Investments
- Economic Development

The performance measures address factors such as quantity of service provided (or volume), quality of service, and customer satisfaction. Council achieved 48 of its 67 performance measures which is a slight improvement over last year's result of 46 of 67 measures being achieved. The level of achievement for each activity is:

- 10 out of 14 measures (71%) Achieved for Community Services
- 5 out of 11 measures (45%) Achieved for Water
- 2 out of 5 measures (40%) Achieved for Transport
- 6 out of 10 measures (60%) Achieved for Community Facilities
- 9 out of 9 measures (100%) Achieved for Wastewater
- 1 out of 3 measures (33%) Achieved for Solid Waste
- 8 out of 8 measures (100%) Achieved for Stormwater
- 2 out of 2 measures (100%) Achieved for Democracy & Planning
- 3 out of 3 measures (100%) Achieved for Investments
- 2 out of 2 measures (100%) Achieved for Economic Development
- Overall, 48 out of 67 measures (72%) are Achieved

The reasons why we did not achieve all our performance measures, and what we are doing to address these shortcomings, are:

- We have not fully met the water quality standards set out in Part 4 (bacteria compliance criteria), Part 5 (protozoal compliance criteria) and Part 8 (chemical compliance) of the Drinking Water Standards in all our water schemes. This does not mean that our water is unsafe to drink but that more stringent quality requirements now need to be met. We maintain a significant monitoring programme to ensure the ongoing quality and safety of our water. We are also actively

implementing a major capital works programme over the next 3 years to upgrade our water treatment plants to meet the new drinking water quality rules.

- The level of water loss from our water reticulation system has exceeded the target for urban schemes but met this target for rural schemes. We have a significant renewals programme budgeted for in the Long-Term Plan to upgrade our pipelines.
- We have not responded or resolved faults with our water reticulation network or sewerage system within the target timeframes. Due to some issues in our data recording system, we are unable to accurately verify all fault response or resolution times. The result is therefore based on the best available information in which we have excluded information that has been identified as incorrect (due to data recording issues). As a result of these exclusions, as well as other data quality issues in the remaining population, we are unable to substantiate the actual performance of this measure. We will address this issue by firming up our internal quality assurance processes and upgrade our IT system.
- The number of fatalities and serious injury crashes on our road network have increased over the previous year, with 6 more serious crashes/deaths. Most of these crashes/deaths were due to drunk driving or driver inattention. We will continue to invest in our road network infrastructure to improve driver and pedestrian safety.
- We did not meet our target of responding to at least 90% of customer service requests relating to roads and footpaths within 5 working days. Our IT system does not automatically record the roading team's response time to the respective customer, and in some cases, we have not manually recorded sufficient details in the system about our response to the customer. For after-hours call-outs handled by our contractors, council staff can only log their response and resolution times the next working day when they create and record a work request in the system. In some cases, we have not manually recorded sufficient details in the system for the response to the customer.
- We continue to strive to increase the use of our library and our events centres (Great Lake Centre and Taupō Events Centre). However, bookings significantly dropped in November and December 2023 because a large conference opted not to return to Taupō, while we were also holding the venue for the week of ITM Super400s event. This resulted in us not meeting the level of use targets. We are now putting several measures in place to improve the usage of these facilities.
- We processed 97.9% of building consent applications within 20 working days, up from 79.1% the previous year. However, the target requires us to process all applications within this timeframe. To improve our application processing times, we have made our IT system accessible to more team members and have allocated additional staff to process applications.
- Staff evaluation of the annual emergency management exercise did not improve on the previous year. However, this year's annual exercise was different in nature to the previous year. In this year, we fully activated the Emergency Operation Centre (EOC) and undertook a full day, fully staffed EOC exercise involving a large number of participants. Last year's exercise was much smaller in scale, only involving the Incident Management Team for a half day. CDEM staff will continue to take feedback received from annual exercises to improve our response capability.
- We did not meet our target of responding to at least 90 percent of service requests relating to waste and recycling within two working days. The majority of requests are sent to our external contractor who sometimes takes more than two working days to respond to them for a variety of reasons including that staff are unable to reach the customer. We are working with our contractor to improve the response times.
- We have continued to promote the diversion of waste away from the landfill through educational initiatives and community outreach programmes. However, the downturn in economic activity

caused a drop in waste generation, particularly recyclables when compared to the total waste generated. This has therefore reduced our diversion rates.

OUR VISION AND COMMUNITY OUTCOMES

Our vision is to be “**the most prosperous and liveable district in the North Island**”. We are committed to fulfilling this vision by working towards our community outcomes.

The Local Government Act (LGA) requires each Group of Activities to identify the *Community Outcomes* that they have primarily contributed to. This year’s Annual Report has to report against the Community Outcomes set out in the LTP 2021-31².



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.

² Our Vision and Community Outcomes were changed in 2024 and are found on our website:
<https://www.taupodc.govt.nz/council/our-vision-and-community-outcomes>

COMMUNITY SERVICES

What we do

The community services activity consists of three Council functions - community engagement, regulatory services and emergency management.

The community engagement activity involves working with, and alongside, our communities, developing partnerships, and integrating co-governance to ensure they are supported and connected by council services.

We engage with community groups, organisations, and central government agencies to promote co-operation and collaboration. We distribute grants to community organisations and individuals that contribute to the wellbeing of our community.

As part of our regulatory functions, we provide services that support the delivery and enforcement of a range of bylaws, legislation and regulations.

We provide several civil defence emergency management activities including public awareness and educational campaigns, training exercises and local response planning.

Why we do it

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

Poor community engagement can lead to communities that feel disenfranchised, unheard, and uniformed. This harms community cohesion and undermines our sense of community and our resilience.

Regulatory services are provided to protect the community from the harm of alcohol, have safe food, reduce dog attacks, minimise noise nuisance and contribute to safer buildings enhanced through robust planning decisions.

Civil defence emergency management ensure that our local communities and businesses are prepared for when an emergency happens in our district.

Contribution to Community Outcomes



Engagement



Economy

What we did in 2023/24

Community Engagement

We undertook an extensive community consultation process on the LTP 2024-34. The plan sets out our projects and priorities for the next 10 years. We held 24 engagement sessions and have received 1,148 submissions.

We facilitated several workshops and initiatives such as the Taupō Youth Workers Network and Access Taupō hui to support community-led change. We implemented a civic education programme and have worked with other councils on crime prevention.

We have continued to manage and distribute community funds to support sectors like social services, sports, and the arts; and have reviewed our Grants & Partnership policy to ensure the continued effectiveness of community funds.

Regulatory Services

We continued to ensure compliance with bylaws, legislation and regulations by conducted inspections to monitor the safety and compliance of buildings, food and health premises, alcohol licensing, gambling regulations and animal control, and enforced limited-time parking in our central business district (CBD).

We strove to process resource and building consent applications on time and to ensure compliance with the District Plan and the Building Act 2004. Over the past year, we received 1,184 building consent applications.

Emergency Management

We have prioritized community outreach to raise awareness about emergency preparedness and developed localized community response plans and hazard response plans to specific risks and vulnerabilities within our district. We continued to train and upskill our staff to enhance our emergency response capabilities.

Levels of service and performance measures – Community Services

Reference	Level of service	Performance Measure	Target	Results – FY22/23	Results – FY23/24	Explanation
CS.01	Support of community initiatives.	The number of community-led events, projects and initiatives.	A combination of 13 community-led events, projects and initiatives.	Achieved - 13	Achieved - 47	We have increased the capacity of our Community Engagement and Development team and therefore we were able to deliver many more community-led events, projects and initiatives. Last year, we also had an extensive consultation process on the LTP, where we carried out several engagement sessions with community organisations and groups.
CS.02	Community grants are provided and those who receive a grant are held accountable.	Percentage of distributing agencies that report annually to Council on the distribution of grants and costs of service for the distribution.	100%	Achieved - 100%	Achieved - 100%	
CS.03	We process resource consents within legislative timeframes which ensures that	Percentage of resource consents processed within statutory timeframes as specified under the Resource Management Act 1991.	100%	Not Achieved - 96.3%	Achieved - 100%	
CS.04	property developments are in line with District Plan policy goals.	Percentage of resource consents monitored to ensure they comply with the conditions of consent.	100%	Achieved - 100%	Achieved - 100%	
CS.05		Percentage of all building consents applications	100%	Not Achieved - 79.1%	Not Achieved - 97.9%	Building consent processing times have improved significantly because

Reference	Level of service	Performance Measure	Target	Results – FY22/23	Results – FY23/24	Explanation
	We process building consents within legislative timeframes.	processed within 20 working days as specified under the Building Act 2004 Section 48(1)				our consenting system was made accessible to more team members and a 0.25 full-time equivalent staff member has joined the team. Despite these improvements, the 100% target was not achieved due to ongoing challenges, such as high application volumes that strain processing capacity. These factors, even with the support of external contractors, have led to occasional delays in meeting the target.
CS.06		Percentage of Building Warrants of Fitness audited yearly.	At least 20%	Achieved - 52%	Achieved - 45.2%	The Building Warrant of Fitness (BWOFF) role was changed to include both commercial final inspections and to create compliance schedules.
CS.07	We maintain a register of dogs in the district.	Percentage of known dogs that are registered each year.	At least 99%	Achieved - 99.2%	Not Achieved – 98%	7,301 dogs were registered from a total of 7,438 known dogs in the district. However, registrations done in May and June 2023 are counted with registrations for the following year. This is because the invoicing system is temporarily closed off to allow for the new registration year to be loaded and invoices sent to dog owners. In the future, this will not be required because we are transferring to a new invoicing system.

Reference	Level of service	Performance Measure	Target	Results – FY22/23	Results – FY23/24	Explanation
CS.08	We respond promptly to food safety, dogs and noise complaints.	Percentage of noise complaints that are responded to within two hours.	At least 95%	Achieved - 100%	Achieved – 100%	We received 706 noise complaints. 100 percent of these complaints were responded to within two hours.
CS.09		Food safety – Percentage of food complaints responded to within two working days.	At least 80%	Achieved - 100%	Achieved – 100%	We received 16 food safety related complaints this year of which 100% were responded to within two working days. 8 of the complaints related to MPI registered businesses.
CS.10		Dog control – percentage of initial response within 24 hours for dog control complaints.	95%	Achieved - 100%	Achieved – 100%	We received 2,120 animal control complaints. 100% of these complaints were responded to within 24 hours.
CS.11	We inspect health, alcohol and food premises regularly.	Percentage of health (funeral homes, camping grounds, hairdressers) premises that are registered and inspected annually to ensure they meet minimum legislative standards.	100%	Achieved – 100%	Achieved – 100%	We inspected 100% of registered health premises including 19 campgrounds, 2 funeral directors, 4 offensive trades and 40 hairdressers.
CS.12		Percentage of food premises that are registered and inspected/audited as required to ensure they meet minimum legislative standards.	100%	Achieved – 100%	Not Achieved – 99.8%	We verified 99.8% of all registered food premises on time. We would have achieved this target however one property could not be inspected because it was going through an exemption process with MPI. Overall, we completed 306 verifications with total visits for all food matters totalling 479.

Reference	Level of service	Performance Measure	Target	Results – FY22/23	Results – FY23/24	Explanation
CS.13		Percentage of alcohol licenced premises that are registered and inspected annually to ensure they meet the legislative minimum standards.	100%	Achieved – 100%	Achieved – 100%	We completed 203 inspections of licenced premises for 173 licenced premises.
CS.14	We educate our communities on preparing for emergencies.	The evaluation of our annual exercise as a measure of effectiveness of training delivery.	Increasing Trend	Achieved - 67%	Not Achieved – 60%	Staff evaluation of the annual exercise did not improve on the previous year's score as per the target. However, this year's annual exercise was different in nature to the previous year. In this year, we fully activated the Emergency Operation Centre (EOC) and undertook a full day, fully staffed EOC exercise involving a large number of participants. Last year's exercise was much smaller in scale, only involving the Incident Management Team for a half day. CDEM staff will continue to take feedback received from annual exercises to improve our response capability.

Funding impact statement – Community Services

Taupo District Council
Funding impact statement for Community Services
For the year ended 30 June 2024

	2023 Long Term Plan (\$000)	2024 Long Term Plan (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	5,492	5,700	9,667
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2,894	2,968	3,617
Internal charges and overheads recovered	-	-	1,591
Local authorities fuel tax, fines, infringement fees, and other receipts	479	491	620
Total operating funding (A)	8,865	9,159	15,495
Applications of operating funding			
Payments to staff and suppliers	8,648	8,930	9,923
Finance costs	39	44	57
Internal charges and overheads applied	-	-	5,612
Other operating funding applications	-	-	-
Total applications of operating funding (B)	8,687	8,974	15,592
Surplus (deficit) of operating funding (A – B)	178	185	(97)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	100
Development and financial contributions	-	-	-
Increase (decrease) in debt	78	411	196
Gross proceeds from sale of assets	-	-	107
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	78	411	403
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	165	501	379
• to replace existing assets	388	418	342
Increase (decrease) in reserves	(297)	(323)	(415)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	256	596	306
Surplus (deficit) of capital funding (C – D)	(178)	(185)	97
Funding balance ((A – B) + (C – D))	-	-	-

Schedule of capital expenditure – Community Services

Activity/Scheme	Project	Reason	Status	Actual (\$000)	Budget (\$000)	Variance (\$000)	Notes
Animal Management & Compliance	Taupo Dog pound upgrade	ILOS	A	112	111	(1)	
Community Services - District	Renewals	Renewal	S	94	226	132	1
Total Community Services				206	337	131	

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 2024) or project will no longer be carried out

Explanation of major variances against 2023/24 Annual Plan

- 1 Delays due to resource shortages funds carried forward and committed in 2024/25 of \$104,000 and a project delayed until 2024/25 as part of a wider third party funded project of \$27,000.

WATER

What we do

Council treats, stores and distributes water for residential, commercial and industrial properties in Taupō, Tūrangi, Mangakino and 14 other settlements in the district. 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 17 resource consents to take water from lakes, rivers, bores and other sources in the district.

Why we do it

Water is essential for life, health, recreation and the environment. Water is also essential for economic development. We aim to ensure that:

- Drinking water provided by Council is safe to drink and complies with drinking water regulations.
- There is sufficient capacity to meet current demand and future growth.
- Water treatment plants, water storage reservoirs, pump stations, hydrants and water pipes are maintained in good condition.
- System failures are addressed in a timely fashion.
- Users are satisfied with their water supply (including clarity, taste, odour and pressure).
- Water available for firefighting in urban areas meets required volume and pressure standards.

Contribution to Community Outcomes



Engagement



Economy



Environmental

What we did in 2023/24

Water Infrastructure Upgrades

We progressed the construction of new water treatment plants in Kinloch, Omori, Atiamuri, and Waihaha, and awarded contracts to construct facilities in Tirohanga and Whareroa. We have integrated UV disinfection processes in other plants to improve water quality. These efforts reflect a commitment to providing reliable and safe water to the community.

Pipeline and Reservoir Enhancements

Significant work was done on water pipeline renewals with 13.5km of pipelines upgraded throughout the district.

We have also renewed the water reservoir roof at Mangakino and our Tauhara Ridge reservoir project is progressing well. We have also connected as Bonshaw Park to the Taupo water supply and are part way through a project to do the same for the Whakamoenga Point community.

These upgrades improve our water transportation and storage infrastructure allowing us to meet the needs of our community.

Technological and System Improvements

We are currently upgrading our water management process control and data systems to modernize our IT systems and to improve the efficient management of our water resources.

How did we perform this year

The water activity has not met all the performance targets set for it over the last 12 months for several reasons, some being outside Council's control. We are implementing a programme of work to upgrade our water infrastructure to address these issues, specifically targeting the following areas:

(1) Drinking Water Standards

Our main water schemes that service the majority of our district have met the majority of the requirements of the revised drinking water standards. However, some of the smaller plants need to be upgraded to meet the new standards that have been brought in through the water reforms. We are implementing a programme of works over the next 3 years to bring them all into compliance with these new standards.

(2) Water Losses

Losses continue to be a major concern particularly in Tūrangi where water loss is nearly four times higher than our target. We are planning to increase our pipeline renewals and to consult with our community on options to implement metering across the district to help reduce water losses.

(3) Fault Response Times

We have not met the target on our customer response times. Due to some issues in the data recording system, we are unable to accurately verify all fault response or resolution times. The result is a combination of work hours and after hours call outs response time. Due to some issues in the data recording system, we are unable to accurately verify all fault response or resolution times. The result is therefore based on the best available information in which we have excluded information that has been identified as incorrect (due to data recording issues). As a result of these exclusions, as well as other data quality issues in the remaining population, we are unable to substantiate the actual performance of this measure. We will be firming up our internal quality assurance processes and upgrade our IT system to address this issue.

Levels of service and performance measures – Water

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation						
WS.01	We provide safe drinking water to communities connected to a Council drinking water scheme.	The extent to which the Council’s drinking water supply complies with: Part 4 of the Drinking Water Standards for New Zealand (DWSNZ) (Bacteria compliance criteria) - All schemes.	All schemes compliant with Part 4 of the DWSNZ.	<p>July to December 2022 – Not Achieved (12 out of 18 supplies passed)</p> <p>January – June 2023 – Not achieved (0 out of 18 supplies achieved).</p> <p>Note that due to transitioning from DWSNZ to DWQAR which came into force on 1 November 2022, the results for this measure have been split for this financial year into the following periods: July to December were reported against the DWSNZ and January to June were reported on DWQAR. This split has no impact on the results for FY23/24.</p>	<p>Not Achieved: :4 out of 17 schemes achieved the target</p> <table border="1"> <tr> <td>Atiamuri - <i>Not Compliant</i> - UV disinfection and filtration not in place</td> </tr> <tr> <td>Bonshaw Park - <i>Not Compliant</i> - UV disinfection and filtration not in place</td> </tr> <tr> <td>Centennial - <i>Not Compliant</i> - UV disinfection and filtration not in place</td> </tr> <tr> <td>Hatepe - <i>Not Compliant</i> - UV disinfection and filtration not in place</td> </tr> <tr> <td>Kinloch - <i>Not Compliant</i> - Not met due to the Chlorine and General Rules</td> </tr> <tr> <td>Mangakino - <i>Not Compliant</i> - Our IT system reporting indicated water quality standards not met</td> </tr> </table>	Atiamuri - <i>Not Compliant</i> - UV disinfection and filtration not in place	Bonshaw Park - <i>Not Compliant</i> - UV disinfection and filtration not in place	Centennial - <i>Not Compliant</i> - UV disinfection and filtration not in place	Hatepe - <i>Not Compliant</i> - UV disinfection and filtration not in place	Kinloch - <i>Not Compliant</i> - Not met due to the Chlorine and General Rules	Mangakino - <i>Not Compliant</i> - Our IT system reporting indicated water quality standards not met	<p>Non-compliance on turbidity and contact time will be addressed by upgrading our treatment plant alongside protozoal treatment (planned for in the LTP).</p> <p>New treatment plants will remove particulate matter in the water that results in turbidity non-compliance. New contact tanks will be built to ensure chlorine contact tank is achieved.</p> <p>Monitoring non-compliances relate to Drinking Water Quality Assurance Rules (DWQAR) and are not applicable to Part 4 of DWSNZ2018.</p> <p>Note that the number of water schemes decreased to 17 following the integration of the Acacia Bay scheme with the Taupō scheme.</p>
Atiamuri - <i>Not Compliant</i> - UV disinfection and filtration not in place												
Bonshaw Park - <i>Not Compliant</i> - UV disinfection and filtration not in place												
Centennial - <i>Not Compliant</i> - UV disinfection and filtration not in place												
Hatepe - <i>Not Compliant</i> - UV disinfection and filtration not in place												
Kinloch - <i>Not Compliant</i> - Not met due to the Chlorine and General Rules												
Mangakino - <i>Not Compliant</i> - Our IT system reporting indicated water quality standards not met												

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
					<p>Motuoapa - Compliant</p> <p>Motutere - Not Compliant - UV disinfection and filtration not in place</p> <p>Omori - Not Compliant - Not met due to the Chlorine and General Rules</p> <p>River Road - Compliant</p> <p>Taupō - Compliant Note: that Acacia Bay scheme was connected to Taupō reducing number of schemes to 17</p> <p>Tirohanga - Not Compliant - UV disinfection and filtration not in place</p> <p>Tūrangi - Not Compliant - UV disinfection and filtration not in place</p> <p>Waihaha - Not Compliant - UV disinfection and filtration not in place</p> <p>Whakamaru - Compliant</p>	

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
					<p>Whakamoenga - Not Compliant - UV disinfection and filtration not in place</p> <p>Whareroa - Not Compliant - UV disinfection and filtration not in place</p>	
WS.02	The drinking water that Council provides is safe and treated to the appropriate standards.	The extent to which The Council’s drinking water supply complies with: Part 5 of the DWSNZ (Protozoal compliance criteria).	All schemes are compliant with Part 5 of the DWSNZ as per upgrade plan	<p>July to December 2022 – Not Achieved (3 of 18 supplies passed)</p> <p>January – June 2023 – Not achieved (2 out of 18 supplies passed)</p> <p>Note that due to transitioning from DWSNZ to DWQAR which came into force on 1 November 2022, the results for this measure have been split for this financial year into the following periods: July to December were reported against the DWSNZ and January to June were reported on DWQAR. This split has no</p>	<p>Not Achieved - 2 out of 17 schemes achieved target</p> <p>Atiamuri – Not Compliant - UV disinfection and filtration not in place</p> <p>Bonshaw Park – Not Compliant - UV disinfection and filtration not in place</p> <p>Centennial – Not Compliant - UV disinfection and filtration not in place</p> <p>Hatepe – Not Compliant - UV disinfection and filtration not in place</p> <p>Kinloch – Not Compliant - No water quality standard (DWQAR) recognised</p>	<p>We have a significant investment programme in place to upgrade all our schemes with protozoal barriers which is budgeted for in the LTP.</p> <p>We have prioritized upgrading the three largest schemes, while all other smaller schemes are expected to be compliant by year 3 of the LTP.</p> <p>No protozoa treatment processes were installed between 2012 and 2022.</p> <p>Note that the number of water schemes decreased to 17 following the integration of the Acacia Bay scheme with the Taupō scheme.</p>

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
				impact on the results for FY23/24.	<p>protozoa barrier in place</p> <p>Mangakino – Not Compliant - Our IT system reporting indicated that water quality standard (DWQAR) not met</p> <p>Motuoapa – Not Compliant - No water quality standard (DWQAR) recognised protozoa barrier in plane</p> <p>Motutere – Not Compliant - UV disinfection and filtration not in place</p> <p>Omorī – Not Compliant - No water quality standard (DWQAR) recognised protozoa barrier in place</p> <p>River Road – Not Compliant - Source water assessment needed to confirm 3-log removal treatment is adequate. Otherwise, compliant</p>	

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
					<p>Taupō – Compliant - Note: that Acacia Bay scheme was connected to Taupō reducing number of schemes to 17</p> <p>Tirohanga – <i>Not Compliant</i> - UV disinfection and filtration not in place</p> <p>Tūrangi – <i>Not Compliant</i> - UV disinfection and filtration not in place</p> <p>Waihaha – <i>Not Compliant</i> - UV disinfection and filtration not in place</p> <p>Whakamaru - <i>Compliant</i></p> <p>Whakamoenga – <i>Not Compliant</i> - UV disinfection and filtration not in place</p> <p>Whareroa – <i>Not Compliant</i> - UV disinfection and filtration not in place</p>	
WS.03	The drinking water that Council provides	The extent to which Council’s drinking water supply complies	All schemes excluding Motutere are compliant with	Not Achieved	Not Achieved - 14 out of 17 schemes achieved target	We have a significant investment programme in place to improve water treatment to remove

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
	is safe and treated to the appropriate standards	with: Part 8 of the DWSNZ (chemical compliance criteria).	Part 8 of the DWSNZ as per upgrade plan.		<p>Atiamuri - Compliant</p> <p>Bonshaw Park - Compliant</p> <p>Centennial - Compliant</p> <p>Hatepe - Compliant</p> <p>Kinloch - Not Compliant - Arsenic presence – to be addressed with pending water treatment plant upgrade</p> <p>Mangakino - Compliant</p> <p>Motuoapa - Not Compliant - Arsenic presence – to be addressed with pending water treatment plant upgrade</p> <p>Motutere - Compliant</p> <p>Omori - Not Compliant - Arsenic presence – to be addressed with pending water treatment plant upgrade</p> <p>River Road - Compliant</p>	<p>naturally occurring arsenic from the Lake Taupō supplies. This is budgeted for in the Long-Term Plan while we are implementing measures to manage this issue in the short term.</p> <p>Currently, compliant schemes are Atiamuri, Mangakino, River Road, Tirohanga, Tūrangi, Waihaha, Whakamaru and Whareroa.</p> <p>Motutere was considered as a self-supply area under the previous water standards and therefore did not need to comply.</p> <p>Note that the number of water schemes decreased to 17 following the integration of the Acacia Bay scheme with the Taupō scheme.</p>

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
					Taupō - Compliant Tirohanga - Compliant Tūrangi - Compliant Waihaha -Compliant Whakamaru - Compliant Whakamoenga - Compliant Whareroa - Compliant	
WS.04	Our water reticulation network is efficient.	Percentage of real water loss from the Council’s networks reticulation system. Methodology in line with Water NZ “Water Loss guidelines”.	Urban Schemes – Target Current Annual Real Loss = 160 l/connection/day Rural Schemes – Target Current Annual Real Loss = 4.2 m ³ /km watermain/day	Urban Schemes – Not Achieved - Taupō = 169 l/connection/day Not Achieved - Tūrangi = 654 l/connection/day Not Achieved - Average of Other Urban Networks = 218 l/connection/day Rural Schemes – Achieved - Average of Rural Networks = 6.3 m ³ /km watermain/day	Urban Schemes – Not Achieved - Taupō = 194 l/connection/day Not Achieved - Tūrangi = 635 l/connection/day Not Achieved - Average of Other Urban Networks = 217 l/connection/day Rural Schemes – Achieved - Average of Rural Networks = 3.3 m ³ /km watermain/day	<p>We have a significant programme of pipeline renewals (e.g. replacement) to improve water loss performance across the District. This is budgeted for in the LTP.</p> <p>The renewals programme is expected to be carried out over the next 10 years and improvements will start to be gradually made as old, leaky pipes are replaced.</p> <p>Tūrangi is one of our worst leakage areas because the pipes are very old. This area is a priority for our renewals programme.</p>
WS.05	We respond to faults with our water	Median time for attendance for urgent callouts: from the time	Less than 1 hour.	Achieved – 0.8 hours	Not Achieved - 20.98 hours	The result is a combination of work hours and after hours call outs response time. Due to

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
	reticulation network promptly.	that Council receives notification to the time that the service personnel reach the site.				some issues in the data recording system, we are unable to accurately verify all fault response or resolution times. The result is therefore based on the best available information in which we have excluded information that has been identified as incorrect (due to data recording issues). As a result of these exclusions, as well as other data quality issues in the remaining population, we are unable to substantiate the actual performance of this measure.
WS.06	We respond to faults with our water reticulation network promptly.	Median time for attendance for non-urgent callouts: from the time that Council receives notification to the time that the service personnel reach the site.	Less than 6 days.	Achieved - 2.8 days	Achieved - 1.96 days	Although the reported resolution time is less than 6 days, issues with the data recording system mean we are unable to accurately verify all fault resolution times. For after-hours call-outs, contractors respond promptly but can only log response and resolution times the next working day when council staff create

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
						and record a work request in the system. This process reduces the accuracy of reporting and causes significant delays in capturing response times. To calculate performance, we extract a report from the contractor's system showing the request, response, and resolution dates. We are upgrading our IT system to allow contractors to log these details directly, addressing the delay issue.
WS.07	We resolve faults in our water reticulation network promptly.	Median time for resolution of urgent callouts: 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.	Not Achieved – 5.4 hours	Not Achieved - 22.88 hours	The result is a combination of work hours and after hours call outs response time. Due to some issues in the data recording system, we are unable to accurately verify all fault response or resolution times. The result is therefore based on the best available information in which we have excluded information that has been identified as incorrect (due to data recording issues). As a result of these exclusions, as

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
						well as other data quality issues in the remaining population, we are unable to substantiate the actual performance of this measure.
WS.08	We resolve faults in our water reticulation network promptly.	Median time for resolution of non-urgent callouts: 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.	Achieved - 4.2 days	Achieved - 3.2 days	<p>Although the reported resolution time is less than 7 days, issues with the data recording system mean we are unable to accurately verify all fault resolution times.</p> <p>For after-hours call-outs, contractors respond promptly but can only log response and resolution times the next working day when council staff create and record a work request in the system. This process reduces the accuracy of reporting and causes significant delays in capturing response times. To calculate performance, we extract a report from the contractor's system showing the request, response, and resolution dates. We are upgrading our IT system to allow contractors to log these details</p>

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
						directly, addressing the delay issue.
WS.09	Customers are satisfied with the drinking water that they receive.	<p>The number of complaints received by Council on:</p> <ul style="list-style-type: none"> (a) drinking water clarity (b) drinking water taste (c) drinking water odour (d) drinking water pressure or flow (e) continuity of supply (f) Council response to these issues <p>This measure is expressed per 1000 connections to Council networked reticulation.</p>	Less than 8 complaints per 1000 connections.	Not Achieved – 11.3 complaints per 1000 connections.	Achieved - 7 complaints per 1000 connections.	We received 159 calls for the year. There are 21,023 connections to the network.
WS.10	Potable water is used sustainably.	The average consumption of drinking water per day	Less than or equal to 1.5m ³ /day/ HEU.	Achieved - 0.9 m ³ /day/ HEU	Achieved - 0.97 m ³ /day/ HEU	On average we used 20,332m ³ /day of water on our

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
		per resident within the district expressed as m ³ /day/HEU				domestic schemes and we have 21,023 households.
WS.11	There is adequate water for firefighting in urban areas.	Percentage of hydrants tested annually to ensure water pressure in urban areas meets Firefighting Water Supplies (FW2) code of practice standards.	At least 5 per cent.	Achieved - 9%	Achieved - 17.9%	The percentage of tested hydrants is relatively high compared to the target because we are catching up with previous years where we did not test a sufficient number of hydrants.

Funding impact statement – Water

Taupo District Council
Funding impact statement for Water
For the year ended 30 June 2024

	2023 Long Term Plan (\$000)	2024 Long Term Plan (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	40
Targeted rates	12,796	13,481	14,475
Subsidies and grants for operating purposes	-	-	128
Fees and charges	115	118	305
Internal charges and overheads recovered	242	248	3,287
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	13,153	13,847	18,235
Applications of operating funding			
Payments to staff and suppliers	5,888	6,060	8,117
Finance costs	2,549	2,683	3,479
Internal charges and overheads applied	61	62	3,559
Other operating funding applications	-	-	-
Total applications of operating funding (B)	8,498	8,805	15,155
Surplus (deficit) of operating funding (A – B)	4,655	5,042	3,080
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1,843	1,338	1,718
Increase (decrease) in debt	11,231	10,210	15,015
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	13,074	11,548	16,733
Application of capital funding			
Capital expenditure			
• to meet additional demand	1,263	2,761	358
• to improve the level of service	12,860	6,828	15,058
• to replace existing assets	6,059	6,064	5,240
Increase (decrease) in reserves	(2,453)	937	(843)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	17,729	16,590	19,813
Surplus (deficit) of capital funding (C – D)	(4,655)	(5,042)	(3,080)
Funding balance ((A – B) + (C – D))	-	-	-

Schedule of capital expenditure – Water

Activity/Scheme	Project	Reason	Status	Actual (\$000)	Budget (\$000)	Variance (\$000)	Notes
Water Supply Kinloch	Kinloch Water Low zone reservoir - construction	Growth	S	-	212	212	1
Water Supply Taupo	Tauhara Ridge Reservoir & Airport connection to Taupo	Growth	MY	-	761	761	2
Water Mangakino	Mangakino WTP improvements	ILOS	S	31	80	49	3
Water Operations	Large Scheme chlorine dosing improvements	ILOS	S	40	200	160	4
Water Supply Centennial Drive - Treated	Centennial Treated Water DWSNZ upgrade -Treatment plant	ILOS	MY	109	725	616	5
Water Supply Hatepe	Hatepe Water DWSNZ upgrade - Treatment plant	ILOS	MY	-	500	500	1
Water Supply Motuoapa	Motuoapa Water DWSNZ upgrade - Treatment plant	ILOS	MY	727	1,912	1,185	6
Water Supply Taupo	Water Loss Strategy implementation	ILOS	S	341	350	9	7
Water Supply Tirohanga	Tirohanga intake structure/UV improvements	ILOS	MY	-	250	250	8
Water Supply Waihaha	Waihaha Water plant upgrade	ILOS	MY	-	250	250	9
Water Supply Whareroa	Whareroa Water DWSNZ bore head upgrade	ILOS	MY	-	50	50	8
Water Taupo	Tanker fill point backflow protection	ILOS	MY	130	350	220	10
Water Turangi	Turangi WTP improvements	ILOS	S	19	106	87	3
Water - District	Renewals	Renewals	S	4,853	6,188	1,335	11
Total Water				6,250	11,934	5,684	

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 2024) or project will no longer be carried out

Explanation of major variances against 2023/24 Annual Plan

- 1 Land acquisition is delaying construction project
- 2 Project delayed due to design delays, construction starting June 2024
- 3 More complex design than anticipated and negotiation required on tender prices
- 4 Report received, actions on delivery to be determined

- 5 Design delays through the modelling period, significant spend anticipated in 2024/25
- 6 Flow on impact from Kinloch Treatment Plant delays (same resource) also geotechnically challenging
- 7 Remaining work to be completed in 2024/25
- 8 Contract is awarded and significant spend of carry forward budget has occurred with completion by end of 2024/25
- 9 Contract is awarded and significant spend of carry forward budget has occurred with completion due in December 2024
- 10 Contract will be completed by end of 2024/25
- 11 Timing of spend over year end budget spent early 2024/25 of \$525,000 and Unanticipated challenges have arisen in the SCADA project which is undergoing a reset to reprioritise our sites and the SCADA upgrade roll out of \$810,000

TRANSPORT

What we do

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

We encourage and support people to use footpaths, cycleways and passenger transport, and work closely with Waikato Regional Council and Waka Kotahi New Zealand Transport Agency (NZTA) to advocate for projects in our district that focus on road safety and economic development.

Passenger transport within the district is funded by both Council and NZTA. It is administered by Waikato Regional Council. We currently fund the Taupō Connector bus services connecting Taupō to the smaller communities within our district - Tūrangi, Kinloch, Wairakei Village, Acacia Bay and Mangakino. The main users of this service are students and SuperGold card users.

Why we do it

A well-functioning transport network is essential for the economic and social wellbeing of the community and social connection.

We aim to ensure that:

- Our transport networks are safe.
- Our transport networks are maintained in good condition.
- Our transport networks are efficient, reliable, and easy to us.
- Our transport networks are walking and cycling friendly to support sustainable transport choices.

Contribution to Community Outcomes



Engagement



Economy



Environmental

What we did in 2023/24

Safety and Sustainability Enhancements

We implemented several road safety improvements such as Tirohanga Road and have completed several pedestrian safety projects including new central refuge islands and crossing points.

We launched the first Electric Bus in the Waikato Region. This initiative represented a significant first step in reducing carbon emissions and promoting cleaner transportation options in our district.

While not reported under this Activity, we also completed the Taupō Airport upgrade.

Community Engagement and Road Safety

We undertook four school travel plans to promote safe and efficient travel for students. These plans were designed to address traffic and pedestrian safety concerns around schools, ensuring that children can travel to and from school safely.

We also delivered road safety community programmes and initiatives like cycling skills training in schools to educate and protect young cyclists.

Levels of service and performance measures – Transport

Reference	Level of service	Performance Measure	Target	Results – FY22/23	Results – FY23/24	Explanation
TR.01	The number of serious and fatal crashes on Council roads is falling.	Reduction from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	Decrease from previous year	Achieved - 4 deaths and 10 serious crashes. In total there were 5 fewer serious crashes/deaths than the previous year.	Not Achieved - There were 2 fatal crashes (resulting in 3 deaths) and 15 serious crashes. In total, there were 3 more serious crashes/deaths than the previous year.	
TR.02	That our roading network is adequately maintained and in good condition.	The average quality of ride on a sealed road network, measured by percentage of smooth travel exposure. Methodology in line with NZTA Smooth Travel Exposure (STE) Index for sealed roads.	At least 90 percent	Achieved - 95% for all roads (rural and urban).	Achieved - 92% for all roads (rural and urban).	
TR.03		The percentage of the sealed local road network that is resurfaced.	At least 3 percent	Not Achieved - 1.5% for all roads (Rural and urban)	Achieved - 3.2% for all roads (Rural and urban)	24.52km of the sealed local road network has been resurfaced from a total of 763km of sealed local roads.
TR.04	Footpaths are adequately maintained and in good condition.	Percentage of footpaths in the district that fall within the level of service or service standard for the condition of footpaths that is set out in the Asset Management Plans (maintenance intervention when displacement is greater than 10mm for Taupō CBD, Taupō urban areas and Tūrangī and other urban areas).	80 percent	Not Assessed	Not Achieved - 77%	The majority of our footpaths were rated to be in a good or excellent condition. Approximately, 1.5% of footpaths were unrated for various reasons including that the condition of the footpath could not be determined.

Reference	Level of service	Performance Measure	Target	Results – FY22/23	Results – FY23/24	Explanation
TR.05	We will respond to customer service requests.	Percentage of customer service requests relating to roads and footpaths to which the territorial authority that are responded to within five working days.	At least 90 percent	Achieved – 90%	Not Achieved – 87%	<p>We received 1,284 service requests. This number continues to be high. We have now employed 3 FTEs to improve our response times to customer service requests.</p> <p>We consider that a customer service request is responded to when Council staff reply to the customer that the issue is being resolved or has been resolved, i.e., first contact to the customer from the roading team.</p> <p>Our IT system does not automatically record the roading team’s response time to the respective customer. Furthermore, in some cases, council staff have not manually recorded sufficient details in the system for the response to the complainant. For after-hours call-outs handled by our contractors, council staff can only log their response and resolution times the next working day when they create and record a work request in the system and in some cases, council staff have not manually recorded sufficient details in the system for the response to the complainant.</p>

Funding impact statement – Transport

Taupo District Council
Funding impact statement for Transport
For the year ended 30 June 2024

	2023 Long Term Plan (\$000)	2024 Long Term Plan (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	8,192	8,557	9,633
Targeted rates	-	-	-
Subsidies and grants for operating purposes	2,465	2,564	2,749
Fees and charges	176	181	180
Internal charges and overheads recovered	526	542	13
Local authorities fuel tax, fines, infringement fees, and other receipts	464	478	437
Total operating funding (A)	11,823	12,322	13,012
Applications of operating funding			
Payments to staff and suppliers	6,349	6,609	6,678
Finance costs	776	689	1,354
Internal charges and overheads applied	535	551	1,210
Other operating funding applications	-	-	-
Total applications of operating funding (B)	7,660	7,849	9,242
Surplus (deficit) of operating funding (A – B)	4,163	4,473	3,770
Sources of capital funding			
Subsidies and grants for capital expenditure	3,587	3,295	7,288
Development and financial contributions	1,328	1,102	887
Increase (decrease) in debt	(202)	(12)	(1,924)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	4,713	4,385	6,251
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	4,960	4,328	8,584
• to replace existing assets	3,700	3,858	6,504
Increase (decrease) in reserves	216	672	(5,067)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	8,876	8,858	10,021
Surplus (deficit) of capital funding (C – D)	(4,163)	(4,473)	(3,770)
Funding balance ((A – B) + (C – D))	-	-	-

Schedule of capital expenditure – Transport

Activity/Scheme	Project	Reason	Status	Actual (\$000)	Budget (\$000)	Variance (\$000)	Notes
Transport	UNSUB Whangamata Rd improvements	Growth	MY	78	1,726	1,648	1
Transport	UNSUB Seal extension	ILOS	A	345	584	239	2
Transport	UNSUB On street parking	ILOS	M	10	42	32	3
Transport	UNSUB Bus infrastructure(Urban)	ILOS	S	7	64	57	4
Transport	SUBS W&CI Minor improvements - Cycle Facilities	ILOS	A	170	170	-	
Transport	SUBS W&CI Pedestrian facilities	ILOS	S	-	200	200	5
Transport	UNSUB Tirohanga Road widening	ILOS	A	813	164	(649)	6
Transport	SUBS Road to Zero - Wairakei Dr & Huka Falls Rd (NTH)	ILOS	A	438	21	(417)	7
Transport	UNSUB New signs & road marking	ILOS	M	-	48	48	8
Transport	SUBS Bus infrastructure	ILOS	S	-	60	60	9
Transport	UNSUB Turangi Kerb & Channel	ILOS	A	3,070	2,200	(870)	10
Transport	SUBS W&CI Lighting of new footpaths	ILOS	S	-	175	175	11
	SUBS LR Imprv: Kotare/Aratiatia/Kinloch/Spa/Tauhara/Mapara/Te Rangitautahanga			61	155	94	12
Transport	UNSUB Low Cost Low Risk programme	ILOS	S	-	229	229	5
Transport	SUBS Huka Falls Footpath Stage 3	ILOS	X	-	558	558	13
Transport	Second bridge requirements/analysis/concept solutions	ILOS	A	250	250	-	
Transport - District	Renewals	Renewal	A	3,904	3,543	(363)	14
Total Transport				9,146	10,189	1,041	

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 2024) or project will no longer be carried out

Explanation of major variances against 2023/24 Annual Plan

- 1 Finalised design and tender package released early June 2024 NZTA funding of \$500,000 declined
- 2 Underspend transferred to Tirohanga Road Widening
- 3 Work deferred until 2024/25 to combine with a future project in 2024/25
- 4 More funding required for the proposed and designed new bus stop which will use part of 2024/25 budget
- 5 Ongoing contract work completed as new crossing are identified
- 6 Overspend covered by prior year budgets transferred to this project and further funding allocated by NZTA of \$463,000
- 7 Budget approved from NZTA after Annual Plan approved enabled project to be constructed in 2023/24
- 8 Ongoing contract work completed as new signs are identified
- 9 Bus shelters on order for delivery in 2024/25
- 10 Further funding of \$1M approved by Crown Infrastructure Partners covers shortfall
- 11 Working with supplier on specifications
- 12 All identified signs installed below estimated budget amount - budget released
- 13 Delayed due to legalisation of road corridor which has resulted in loss of the external funding so project has been cancelled
- 14 Overspend covered by prior year budgets transferred and further NZTA funding post Annual Plan adoption

COMMUNITY FACILITIES

What we do

Our district offers a wide range of leisure and recreation opportunities, and we encourage our residents and visitors to use them.

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.

Why do we do it

We provide a range of community facilities across the district to provide opportunities for arts, culture, recreation and sporting activities that support Taupō district being a great place to live, work, and visit.

Contribution to Community Outcomes



Engagement

What we did in 2023/24

New Sports and Recreation Facilities and Upgrades

We have completed Te Kapua Park Playground in Tūrangi in partnership with Ngati Tūrangitukua, opened a new basketball court in Mangakino and Te Mataapuna sporting and community facility.

We made several upgrades to our sports and recreation facilities including the lighting at Tūrangitukua Park, Owen Delany Park and at the Great Lakes Centre theatre.

These new and upgraded facilities led to higher community engagement in health and wellness activities and use of our facilities. For example, gym membership at the Taupō Events Centre reached its highest levels since before COVID-19.

Cultural and Educational Programmes

Libraries and museums saw growth in their use. We have continued to improve our service through the addition of the Libby e-book platform in our libraries and the reintroduction of programs like Toddler Time and after-school activities.

At the Taupō Museum, we introduced the "Museum outside the walls" that brought storytelling tours to schools and we have continued with the annual exhibition, digitisation, and book renewal programs.

Levels of service and performance measures – Community facilities

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
CF.01	The library is accessible and offers a range of services for the community.	The total number of items loaned to library members (physical and e-books) is maintained or increased.	At least 227,303 physical items, and 30,367 e-books/e-audio items loaned.	Not Achieved - 236,406 physical items and 54,471 e-books/e-audio items loaned. Note that the number of e-books/e-audio items loaned was misreported. The actual number was 20,416.	Not Achieved - 281,707 physical items and 27,845 e-book/e-audio items loaned.	A total of 309,552 items were loaned in the period 1 July 2023 – 30 June 2024 (281,707 physical items and 27,845 e-book/e-audio items). Note that in terms of total loaned items, the target was achieved but not the target specific to the e-books/e-audio.
CF.02		The number of active library card users is maintained or increased.	At least 8,285 members used their library card.	Not Achieved - 7,346 members used their library cards.	Achieved – 11,182 members used their library card.	<ul style="list-style-type: none"> • 9,791 members used their library card for physical book transactions. • 1,391 members used their library card for e-books/e-audio transactions. • Total 11,182 active card users.
CF.03	The Great Lake Centre and Taupō Events Centre are accessible and provide the community with a range of services.	The occupancy rate of the Great Lake Centre and Taupō Events Centre.	The Great Lake Centre and Taupō Events Centre are occupied at least 84% of the time.	Achieved - 109% for the TEC, 95% for the Great Lake Centre.	Achieved - 117% for Taupō Events Centre Not Achieved - 68% for Great Lake Centre	Bookings significantly dropped during November and December 2023 with a large conference not returning to Taupō and IRONMAN event organisers opting not to use the Great Lake Centre, resulting in a loss of 75 hours. We were also impacted by holding the venue for the week of Supercars, limiting our ability to hire out the venue.

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
CF.04	Residents and visitors are satisfied with the exhibitions at the Taupō Museum and Art Gallery.	Total number of visitors (physical and virtual) to the museum is maintained or increased	Visits are maintained or increased.	Achieved - 22,937 physical visitors, 12,313 website views, 3,980 Facebook visits.	Achieved - 23,949 physical visits, 18,149 website views, 4,500 Facebook visits	
CF.05		Number of exhibitions is maintained or increased.	Exhibitions are maintained or increased.	Achieved – 3 in-house exhibitions, 7 local /visitor exhibitions, 1 touring exhibition	Achieved - 11 exhibitions were held over the year	
CF.06	Our open spaces are well cared for.	Percentage of service requests responded to relating to Council-owned parks and open space.	At least 90% responded to within five working days.	Achieved - 95%	Not Achieved - 63%	There were 341 service requests received and 215 of these were responded to within five working days.
CF.07		Percentage of service requests responded to relating to Council playgrounds.	At least 90% responded to within five working days.	Achieved -100%	Not Achieved - 89%	There were 81 service requests received and 72 of these were responded to within five working days.
CF.08		Percentage of service requests responded to relating to sportsgrounds.	At least 90% responded to within five working days.	Not Achieved - 84%	Achieved - 94%	A total of 18 service requests were received. 17 were completed in 5 working days. One was closed off after 8 days as there was a delay in getting a contractor on site.
CF.09	Our pools are safe, well-maintained, and attractive for users.	We maintain Pool Safe accreditation at AC Baths and Turtle Pools.	Pool Safe accreditation maintained.	Achieved	Achieved	Pool Safe accreditation was achieved for both AC Baths and Turtle Pools. AC Baths and Turtle Pools continued to operate despite critical, ongoing staff shortages.

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
CF.10	Public toilets are clean, safe and fit for purpose.	Percentage of service requests responded to relating to public toilets.	At least 90% responded to within 5 working days.	Achieved – 100%	Achieved – 100%	There were 122 service requests received and all of these were responded to within five working days.

Funding impact statement – Community facilities

Taupo District Council
Funding impact statement for Community Facilities
For the year ended 30 June 2024

	2023 Long Term Plan (\$000)	2024 Long Term Plan (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	20,490	21,004	21,666
Targeted rates	-	-	-
Subsidies and grants for operating purposes	149	148	170
Fees and charges	2,612	2,676	3,136
Internal charges and overheads recovered	-	-	1,473
Local authorities fuel tax, fines, infringement fees, and other receipts	9	9	2
Total operating funding (A)	23,260	23,837	26,447
Applications of operating funding			
Payments to staff and suppliers	16,500	16,835	13,876
Finance costs	1,203	1,255	1,781
Internal charges and overheads applied	420	431	5,863
Other operating funding applications	-	-	-
Total applications of operating funding (B)	18,123	18,521	21,520
Surplus (deficit) of operating funding (A – B)	5,137	5,316	4,927
Sources of capital funding			
Subsidies and grants for capital expenditure	100	532	622
Development and financial contributions	2,125	1,591	702
Increase (decrease) in debt	318	9,249	992
Gross proceeds from sale of assets	-	-	91
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	2,543	11,372	2,407
Application of capital funding			
Capital expenditure			
• to meet additional demand	1,985	1,547	-
• to improve the level of service	2,675	12,049	5,199
• to replace existing assets	2,499	2,561	3,172
Increase (decrease) in reserves	521	531	(1,037)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	7,680	16,688	7,334
Surplus (deficit) of capital funding (C – D)	(5,137)	(5,316)	(4,927)
Funding balance ((A – B) + (C – D))	-	-	-

Schedule of capital expenditure – Community facilities

Activity/Scheme	Project	Reason	Status	Actual (\$000)	Budget (\$000)	Variance (\$000)	Notes
Cemeteries - District	Cemeteries interment infrastructure	Growth	S	-	95	95	1
Parks Development Contribution	Purchase of new neighbourhood reserves	Growth	X	-	1,421	1,421	2
Parks Development Contribution	New playgrounds on neighbourhood reserves	Growth	X	-	126	126	2
Libraries - District	Library books	ILOS	A	327	316	(11)	
Museum - Taupo	Digitisation of local history material	ILOS	S	16	21	5	3
Owen Delany Park Venue	Owen Delany Park upgrade	ILOS	MY	1,610	3,543	1,933	4
Parks & Reserves - District	Public Art	ILOS	M	-	25	25	5
Parks & Reserves - District	Playground improvements	ILOS	A	296	263	(33)	
Parks & Reserves - District	Fencing contributions (Fencing Act requirement)	ILOS	A	11	21	10	6
Project Watershed	Erosion Control - Kuratau foreshore	ILOS	S	-	75	75	7
Project Watershed	Erosion Control - Tapuaeharuru Bay	ILOS	S	19	1,002	983	8
Turangi Turtle Pools	Turangi Turtle Pools - Dual HVAC/pool heating upgrade	ILOS	M	1	320	319	9
Facilities Management	Minor Building Projects	ILOS	M	0	250	250	10
Community Facilities - District	Renewals	Renewal	S	1,360	1,909	548	11
Total Community Facilities				3,640	9,387	5,746	

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 2024) or project will no longer be carried out

Explanation of major variances against 2023/24 Annual Plan

- 1 Planning resource unavailable budget partially carried forward
- 2 To be reworked into 2024-34 LTP
- 3 Digitisation actioned as items identified budget carried forward
- 4 The delay in spend mainly due to the extended procurement time for the lights, material lead times, and the need to stage work at OD Park to prevent facility closure and manage budget constraints.
- 5 Project funding deferred for Destination Sculpture in 2025/26
- 6 Budget is only spent if requests received for shared funding of fences
- 7 Delays generated by consultation processes
- 8 Concept design report received & project team in review process
- 9 Initial scoping complete, delayed due to resource challenges
- 10 Project identified late in year funds carried forward to 2024/25
- 11 Delayed due to resource shortages spend carried forward and committed in 2024/25

WASTEWATER

What we do

Council collects, treats and disposes of wastewater from residential, commercial and industrial properties within designated drainage areas of the district.

Council treats and disposes of wastewater in an environmentally responsible way, meeting Waikato Regional Council consent conditions. We are also responsible for reducing nitrogen discharge from our wastewater treatment plants into the Lake Taupō catchment.

Why we do it

The treatment and disposal of wastewater in a sanitary and environmentally responsible way is a critical service for households and businesses.

Contribution to Community Outcomes



Engagement



Economy



Environmental

What we did in 2023/24

Infrastructure Upgrades and Maintenance

We progressed major wastewater infrastructural projects including the southern trunk sewer main and the View Road wastewater irrigation system.

We continued to conduct regular inspections of our wastewater mains to improve the functionality of the wastewater system. We upgraded the electrical control hardware at several wastewater pump stations to enhance the efficiency and reliability of our wastewater management infrastructure.

Wastewater Disposal and Environmental Compliance

We continued with our efforts to explore sustainable wastewater disposal options, particularly for Tūrangi through collaboration with our hapū and iwi partners.

We obtained a resource consent for the Atiamuri wastewater irrigation site and applied for new resource consents for Tūrangi and Mangakino wastewater disposal.

Levels of service and performance measures – Wastewater

Reference	Level of service	Performance Measure	Targets	Results – FY22/23	Results – FY23/24	Explanations
WW.01	We comply with the resource consents conditions relating to our sewerage systems.	Number of abatement notices received by Council in relation to sewerage system resource consents.	≤ 1 abatement notices	Achieved	Achieved	No abatement, infringement, enforcement notices or convictions were received from Waikato Regional Council.
WW.02		Number of infringement notices received by Council in relation to sewerage system resource consents.	0 infringements	Achieved	Achieved	We received 1 formal notice on land disposal system loading rates that could result in an abatement or infringement in the future. We have partially resolved this issue and are working to implement a long-term solution.
WW.03		Number of enforcement orders received by Council in relation to sewerage system resource consents.	0 enforcement orders	Achieved	Achieved	
WW.04		Number of successful convictions received by Council in relation to sewerage system resource consents.	0 successful convictions	Achieved	Achieved	
WW.05	We will maintain the reduction in nitrogen discharged from wastewater treatment plants in the Lake Taupō catchment.	Maintain the reduction of total nitrogen discharged from wastewater treatment plants within the Lake Taupō catchment. Reduction of 20 percent of the benchmark average has been achieved.	Maintain the reduction	Not Achieved – 2.2% increase on the previous year.	Achieved - 29.76% reduction compared to previous year.	In FY22/23, process issues at the Tūrangi wastewater treatment plant caused an increase in the total discharge to the Lake Taupō catchment compared to the previous year. These issues have now been resolved and in FY23/24, we saw a substantial reduction in total nitrogen discharged.

Reference	Level of service	Performance Measure	Targets	Results – FY22/23	Results – FY23/24	Explanations
WW.06	Our sewerage system is maintained to prevent sewerage overflows.	Number of dry weather sewerage overflows from Council’s sewerage system expressed per 1000 connections.	Less than 3	Achieved - 1.4 dry weather overflows per 1000 connections	Achieved - 0.99 dry weather overflows per 1000 connections	There are 18.11 active sewer connections and total dry weather overflows = 18. This result complies with guidance set out by the Department of Internal Affairs (DIA) but Council also uses a methodology based on its judgement of root cause. Based on Council’s methodology, the result would be a total dry weather overflows = 26 i.e. 1.44 dry weather overflows per thousand connections.
WW.07	We respond to faults with our sewerage system promptly.	Median attendance 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 reach the site of the overflow or other fault.	Less than 1 hour	Achieved – 0.18 hours	Achieved - 0.92 hours	The result is a combination of work hours and after hours call outs response time. Due to some issues in the data recording system, we are unable to accurately verify all fault response or resolution times. The result is therefore based on the best available information in which we have excluded information that has been identified as incorrect (due to data recording issues). As a result of these exclusions, as well as other data quality issues in the remaining population, we are unable to substantiate the actual performance of this measure.

Reference	Level of service	Performance Measure	Targets	Results – FY22/23	Results – FY23/24	Explanations
WW.08	We resolve faults with our sewerage system promptly.	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 fault or blockage.	Less than 4 hours	Not Achieved – 4.14 hours	Achieved - 3.68 hours	The result is a combination of work hours and after hours call outs response time. Due to some issues in the data recording system, we are unable to accurately verify all fault response or resolution times. The result is therefore based on the best available information in which we have excluded information that has been identified as incorrect (due to data recording issues). As a result of these exclusions, as well as other data quality issues in the remaining population, we are unable to substantiate the actual performance of this measure.
WW.09	Our customers are satisfied with the sewerage network.	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 its sewerage system. This is expressed per 1000 connections to the sewage system.	Less than 8	Not Achieved – 10.5 per 1000 connections	Achieved - 6.2 per 1000 connections	Note an increase in complaints due to odour at the Taupō wastewater treatment plant was not fully captured in the data.

Funding impact statement – Wastewater

Taupo District Council
Funding impact statement for Wastewater
For the year ended 30 June 2024

	2023 Long Term Plan (\$000)	2024 Long Term Plan (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	-	-	-
Targeted rates	15,619	15,943	16,832
Subsidies and grants for operating purposes	-	-	-
Fees and charges	275	282	296
Internal charges and overheads recovered	-	-	328
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	14
Total operating funding (A)	15,894	16,225	17,470
Applications of operating funding			
Payments to staff and suppliers	7,426	7,457	7,441
Finance costs	2,416	2,337	2,945
Internal charges and overheads applied	181	186	2,411
Other operating funding applications	-	-	-
Total applications of operating funding (B)	10,023	9,980	12,797
Surplus (deficit) of operating funding (A – B)	5,871	6,245	4,673
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1,903	1,723	2,574
Increase (decrease) in debt	4,951	4,510	1,860
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	6,854	6,233	4,434
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	8,539	7,859	6,666
• to replace existing assets	4,319	4,356	4,306
Increase (decrease) in reserves	(133)	263	(1,865)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	12,725	12,478	9,107
Surplus (deficit) of capital funding (C – D)	(5,871)	(6,245)	(4,673)
Funding balance ((A – B) + (C – D))	-	-	-

Schedule of capital expenditure – Wastewater

Activity/Scheme	Project	Reason	Status	Actual (\$000)	Budget (\$000)	Variance (\$000)	Notes
Wastewater Taupo	Taupo Southern trunk main upgrade	Growth	MY	1,222	4,779	3,557	1
Wastewater Taupo	Taupo WWTP additional primary clarifier	Growth	S	106	1,000	894	2
Wastewater Taupo	View Road Land Disposal Scheme expansion	ILOS	S	2,347	2,761	414	3
Wastewater - District	Renewals	Renewals	S	1,469	3,723	2,254	4
Total Wastewater				5,144	12,263	7,119	

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 2024) or project will no longer be carried out

Explanation of major variances against 2023/24 Annual Plan

- 1 The project is slightly behind plan estimated completion in February 2025
- 2 Project was started late now in design phase estimated completion in year 2 of the Long-Term Plan
- 3 Project is 95% complete but final stages are taking longer than expected
- 4 \$2.5M was spent in 2023/24 on reticulation renewals from previous year budgets, current year budget of \$2M budget carried forward to 2024/25 and has been committed and \$254,000 for equipment renewals unspent due to timing budget carried forward to 2024/25

SOLID WASTE

What we do

We provide a comprehensive solid waste management system for refuse and recyclables, including the following services:

- Litter control – the provision of public bins and litter collection.
- Solid waste collection – kerbside rubbish collection in our urban areas
- Solid waste disposal – kerbside recycling collection in our urban areas, and the operation of five transfer stations around the district and Council's landfill and resource recovery centre at Broadlands Road.

Why we do it

We provide these services to ensure that our district looks attractive and prevent harm to our communities and environment from the inappropriate disposal of our waste.

Sanitary and environmentally responsible waste collection and disposal is a critical service for households and businesses.

We aim to ensure that:

- We provide suitable rubbish collection and disposal services across the whole district.
- Our rubbish collection and disposal services are environmentally sustainable and support the minimisation of waste.
- Our rubbish collection and disposal services are efficient, reliable, safe, and easy to use.
- Our landfill and transfer stations comply with environmental standards, regulations and resource consents.

Contribution to Community Outcomes



Engagement



Environmental

What we did in 2023/24

Waste Minimisation and Diversion

We diverted 41% our waste from the landfill by finding ways to reuse and recycle material that would otherwise have been dumped. We also expanded our battery recycling programme to include transfer stations in Broadlands Road, Tūrangi, Kinloch, and Mangakino and continued the car seat recycling programme with SeatSmart. We installed new street recycling bins to encourage recycling in public spaces.

Educational Initiatives and Community Engagement

We continued to support our community with education and advice by holding public workshops such as Waste Free Parenting, Waste Free Living, and Food Lover's Masterclass. We supported schools and marae through the composting programmes and initiatives like Para Kore and Enviroschools. We hosted innovative events like the "Tradie Breakfasts", the "Repair Café," and Cleanup week schools competition to build awareness on waste reduction efforts. We also looked at our own waste management and have carried out internal waste audits of our offices and of the events we held in our district.

Environmental Compliance and Grants Programme

We continued to be compliant with national regulations and the waste levy audit by the Ministry for the Environment. We carried out environmental monitoring for the three closed landfills and the Broadlands Road Landfill to ensure safety and sustainability. We supported waste minimisation efforts in schools, businesses, community groups, and the public through our Resource Wise programme.

Levels of service and performance measures – Solid Waste

Reference	Level of service	Performance Measure	Targets	Results – FY22/23	Results – FY23/24	Explanations
SW.01	We will divert suitable waste from landfill.	The quantity of material (tonnes) diverted from landfill as a percentage of the total waste stream.	At least 48.5%	Not Achieved – 46.7%	Not Achieved – 41%	There were 27,124 tonnes of waste disposed to landfill and 19,121 tonnes of waste was diverted from landfill. This lower waste diversion figure reflects a 16% overall reduction in total waste generation compared to the previous year. The decline can primarily be attributed to the downturn in economic activity that caused a drop in waste generation, particularly recyclables when compared to the total waste generated. This has therefore reduced our diversion rates.
SW.02	Our residents are satisfied with the waste and recycling services.	Percentage of service requests relating to waste and recycling that are responded to.	At least 90% responded to within two working days	Not Assessed	Not Achieved – 53%	The majority of requests are sent to an external contractor. Some of these requests take some time to be resolved for several reasons including that staff are busy on the trucks, or are unable to reach the customer, or the query requires further investigating etc. We are engaging with our contractors to determine how response times can be improved.
SW.03	We comply with the resource consent conditions for our landfills.	Percentage of resource consent conditions for our landfills that are complied with.	100%	Achieved – 100%	Achieved – 100%	We received full resource consent compliance.

Funding impact statement – Solid Waste

Taupo District Council
Funding impact statement for Solid Waste
For the year ended 30 June 2024

	2023 Long Term Plan (\$000)	2024 Long Term Plan (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	788	805	822
Targeted rates	1,695	2,177	3,474
Subsidies and grants for operating purposes	144	168	711
Fees and charges	3,654	4,095	5,476
Internal charges and overheads recovered	-	-	90
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	6,281	7,245	10,573
Applications of operating funding			
Payments to staff and suppliers	5,726	6,559	9,388
Finance costs	120	113	126
Internal charges and overheads applied	10	10	662
Other operating funding applications	-	-	-
Total applications of operating funding (B)	5,856	6,682	10,176
Surplus (deficit) of operating funding (A – B)	425	563	397
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	91
Development and financial contributions	-	-	-
Increase (decrease) in debt	635	(331)	(184)
Gross proceeds from sale of assets	-	-	14
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	635	(331)	(79)
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	1,080	251	108
• to replace existing assets	162	139	126
Increase (decrease) in reserves	(182)	(158)	84
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,060	232	318
Surplus (deficit) of capital funding (C – D)	(425)	(563)	(397)
Funding balance ((A – B) + (C – D))	-	-	-

Schedule of capital expenditure – Solid Waste

Activity/Scheme	Project	Reason	Status	Actual (\$000)	Budget (\$000)	Variance (\$000)	Notes
Litter Control Taupo	Additional street recycling bins	ILOS	A	12	11	(1)	
Solid Waste - District	Renewals	Renewals	M	117	139	22	1
Total Solid Waste				129	150	21	

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 2024) or project will no longer be carried out

Explanation of major variances against 2023/24 Annual Plan

- 1 Further work identified to be completed in 2024/25

STORMWATER

What we do

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

Council owns a number of gullies that transport stormwater to the lake and regularly maintains them to reduce sedimentation and improve stormwater quality as it passes through these gullies.

Council monitors stormwater quality by testing for a range of contaminants.

Council also seeks to minimise erosion damage from stormwater to roads, reserves, gullies and outfalls.

Why we do it

Providing stormwater services to the community has public health and environmental impacts and contributes to the social and environmental well-being of our community.

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

Contribution to Community Outcomes



Engagement



Environmental

What we did in 2023/24

Stormwater Monitoring and Quality Improvements

Throughout the year, we carried out regular monitoring of stormwater across the district, along with sediment monitoring from quality improvement devices to ensure that the stormwater network operated efficiently and complied with environmental standards.

We continued to install quality improvement devices to filter out contaminants and completed the one on Redoubt Street.

Infrastructure Maintenance and Assessment

We completed a CCTV inspection and condition assessment of our stormwater system in parts of Taupō to support our maintenance renewals program and ensure that stormwater infrastructure is in good condition.

We continued to engage with developers to ensure that stormwater designs for new subdivisions met required standards, supporting sustainable growth and development.

Environmental Conservation and Community Engagement

We undertook several initiatives focused on environmental conservation and community involvement. Erosion control planting was carried out in gullies to prevent degradation, while support was provided to Kids Greening Taupō to plant trees in the Brentwood gullies.

We also supported Predator Free Taupō with pest trapping in gullies, which helped maintain the ecological balance of these areas.

Levels of service and performance measures – Stormwater

Reference	Level of service	Performance Measure	Target	Results – FY22/23	Results – FY23/24	Explanation
ST.01	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.	0 flooding events	Achieved (0 flooding events)	Achieved (0 flooding events)	There were no flooding events. A ‘flooding event’ means an overflow of stormwater from a territorial authority’s stormwater system that enters a habitable floor.
ST.02		For each flooding event, the number of habitable floors affected expressed per 1000 properties connected to the territorial authority’s stormwater system.	0 properties affected by flooding inside the habitable dwelling	Achieved (0 flooding events)	Achieved (0 flooding events)	No properties were affected by flooding from stormwater inside the habitable dwelling (one habitable floor).
ST.03		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.	≤1hour	Achieved (0 flooding events)	Achieved (0 flooding events)	
ST.04		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. Note that Council’s stormwater network drains the roading network so there are no properties who connect to the	Less than 8	Achieved (1.06 per 1000 properties)	Achieved (1.22 per 1000 properties)	In 2023/24 there were a total of 27 complaints received by the Council relating to the stormwater network. There are a total of 22,000 connected properties within the district.

Reference	Level of service	Performance Measure	Target	Results – FY22/23	Results – FY23/24	Explanation
		stormwater network. For the purposes of this performance measure, we have considered that each property within the district benefits from the stormwater network and is therefore “connected” to our stormwater network.				
ST.05	We will comply 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 abatement notices	Achieved	Achieved	Council did not receive any abatement notices in relation to the discharge from our stormwater network.
ST.06		Number of infringement notices received by Council in relation to Resource Consents for discharge from our stormwater system.	0 infringement notices	Achieved	Achieved	Council did not receive any infringement notices in relation to the discharge from our stormwater network
ST.07		Number of enforcement orders received by Council in relation to Resource Consents for discharge from our stormwater system.	0 enforcement orders	Achieved	Achieved	Council did not receive any enforcement orders in relation to the discharge from our stormwater network
ST.08		Number of convictions received by Council in relation to Resource Consents for discharge from our stormwater system.	0 convictions	Achieved	Achieved	Council did not receive any convictions in relation to the discharge from our stormwater network

Funding impact statement – Stormwater

Taupo District Council
Funding impact statement for Stormwater
For the year ended 30 June 2024

	2023 Long Term Plan (\$000)	2024 Long Term Plan (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	2,175	2,201	2,340
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	-	-	-
Total operating funding (A)	2,175	2,201	2,340
Applications of operating funding			
Payments to staff and suppliers	959	949	646
Finance costs	113	103	103
Internal charges and overheads applied	-	-	595
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,072	1,052	1,344
Surplus (deficit) of operating funding (A – B)	1,103	1,149	996
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(379)	467	189
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(379)	467	189
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	405	605	288
• to replace existing assets	110	107	32
Increase (decrease) in reserves	209	904	865
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	724	1,616	1,185
Surplus (deficit) of capital funding (C – D)	(1,103)	(1,149)	(996)
Funding balance ((A – B) + (C – D))	-	-	-

Schedule of capital expenditure – Stormwater

Activity/Scheme	Project	Reason	Status	Actual (\$000)	Budget (\$000)	Variance (\$000)	Notes
Stormwater	Downstream defender - District	ILOS	S	38	308	270	1
Stormwater	Hawai Reserve detention ponds	ILOS	MY	29	21	(8)	2
Stormwater - District	Renewals	Renewal	M	49	107	58	3
Total Stormwater				116	436	320	

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 2024) or project will no longer be carried out

Explanation of major variances against 2023/24 Annual Plan

- 1 Delay in delivery of final device completed in first half of 2024/25
- 2 Timing of works project to be completed in 2024/25
- 3 No identified renewals budget carried forward into 2024/25

DEMOCRACY AND PLANNING

What we do

Council provides democratic local decision-making and action by, and on behalf of, our district's many communities to ensure that their views are considered when policies and plans are developed.

We are focused on meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Council works collaboratively with a wide range of other governing bodies, including central government, other councils, our mana whenua iwi and local hapū, health boards, and many others.

We plan for and manage the effects of population change, economic trends and land use change through long-term planning, spatial planning and policy work for all the other services of Council.

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

Why do we do it

The democracy and planning group of activities contributes to our engagement, economic and environmental community outcomes. Having well-functioning democratic services contributes to social and cultural well-beings while planning contributes to all of the well-beings.

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.

What we did in 2023/24

Contribution to Community Outcomes



Engagement



Economy



Environmental

Māori engagement, relationships and partnering approach

We completed the Māori engagement strategy (including project engagement template) and the Te Reo Māori me ōna Tikanga Strategy. We initiated reviews of our relationship agreements with iwi including the Mana Waka Hono ā Rohe agreement with Ngāti Tūrangitukua and the review of the Joint Management Agreements with Ngāti Raukawa and also the Joint Management Agreement with Te Arawa River Iwi Trust. We have started negotiations to develop a Joint Management Agreement with the Tūwharetoa Māori Trust Board.

We have adopted a partnering approach with iwi and hapū on agreed projects including policy and strategy review, infrastructure development, event planning, and have integrated new supplier diversity provisions in Council's Procurement Policy to enhance engagement with Māori businesses and suppliers. Additionally, we actively promoted and supported te Reo Māori and cultural events, including Te Wiki o te Reo Māori, Matariki, and Waitangi Day commemorations, alongside educational capability building initiatives for staff as we strive to be a good partner to iwi and hapū across our district.

Strategic Planning and Long-term Vision

We adopted a Housing Strategy, which is a first for our district. This strategy provides a clear, coordinated approach to addressing local housing challenges, in particular housing affordability and availability to meet the diverse needs of our community.

We consulted with our community on proposals for the Long-term Plan 2024-34 and have progressed a Future Development Strategy, which is expected to replace the current Growth Management Strategy.

We completed Plan Change 39 to increase the Residential Building Coverage and progressed the first bundle of plan changes (Plan Changes 38-43) to the point of notifying decisions and plan changes related to Residential and Māori Purpose Zones.

Policy, Bylaws and Reserve Management

We reviewed several bylaws to make sure that they are valid and up-to-date, including bylaws on solid waste, alcohol control, freedom camping, cemeteries, and traffic.

Over the past year, we have progressed the review of the Motutere Reserve Management Plan in partnership with Ngāti Te Rangīiita ki Waitetoko and campground owners. The Motutere Reserve has great cultural significance to Ngāti Te Rangīiita, a hapū of Ngāti Tūwharetoa and Council is working in partnership with the hapū to develop the draft plan and Ngāti Te Rangīiita representatives are on the committee that is overseeing the review. The reserve management plan seeks to ensure that the reserve provides for recreation, and the protection of amenity, cultural and scientific values.

Advocacy

We actively advocated on behalf of our community on significant legislative changes, including the amendments to the Resource Management Act, the Local Waters Done Well that replaced the Three Waters reform and the Māori Wards Amendment Bill.

Levels of service and performance measures – Democracy and Planning

Reference	Level of service	Performance Measure	Targets	Results – FY22/23	Results – FY23/24	Explanations
DP.01	Council operates an open and honest decision-making process that generates confidence and trust in the democratic system.	Percentage of requests for official information that are responded to within 20 working days.	100%	Not Achieved – 99.4%	Achieved - 100%	We received 182 requests under the Local Government Official Information and Meetings Act (LGOIMA), all of which we responded to within 20 working days.
DP.02		Percentage of existing bylaws that are reviewed within legislative time frames to ensure they remain relevant.	100%	Achieved - 100%	Achieved - 100%	No bylaws lapsed.

Funding impact statement – Democracy and Planning

Taupo District Council
Funding impact statement for Democracy & Planning
For the year ended 30 June 2024

	2023 Long Term Plan (\$000)	2024 Long Term Plan (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	10,666	11,424	10,874
Targeted rates	86	88	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	38	2	34
Internal charges and overheads recovered	-	-	(357)
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	10,790	11,514	10,551
Applications of operating funding			
Payments to staff and suppliers	10,789	11,512	3,652
Finance costs	-	-	-
Internal charges and overheads applied	-	-	4,831
Other operating funding applications	-	-	-
Total applications of operating funding (B)	10,789	11,512	8,483
Surplus (deficit) of operating funding (A – B)	1	2	2,068
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	-	-	-
• to replace existing assets	56	-	-
Increase (decrease) in reserves	(55)	2	2,068
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1	2	2,068
Surplus (deficit) of capital funding (C – D)	(1)	(2)	(2,068)
Funding balance ((A – B) + (C – D))	-	-	-

INVESTMENTS

What we do

We prudently manage our financial investments on behalf of our community.

We generate income through investments and development of a range of assets that we own. Income generated from assets is an important income stream for us because it offsets some of the costs of providing services. Income is also used to pay off debt from the construction of community infrastructure.

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

We also manage the Taupō Airport Authority through a Committee of Council as per agreement with the Crown represented by the Ministry of Transport.

Why we do it

Managing our investments prudently and using them wisely generates returns that help to support the running of our district and contributes positively to the economic well-being of our communities.

Contribution to Community Outcomes



Economic

What we did in 2023/24

We have appointed an independent investment fiduciary, Forsyth Barr, to manage the TEL fund as provided for in the Treasury Management Policy.

We completed the groundworks of a parcel of our East Urban Lands.

We commenced the harvesting of the remaining trees at our Tirohanga Forest.

Taupō Airport committee members and management have been working on a 30-year strategy to help strengthen the airport and the region as a major tourist attraction in the North Island. Ten key opportunities were identified and prioritised, with further work on these being explored during FY2025. The early work on the long-term masterplan of the airport continues with the streamlining of the leases and a review of the land ownership and development within the airport boundaries.

Levels of service and performance measures – Investments

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
IN.01	We manage investment assets in accordance with the Treasury Management Policy.	The value of the TEL Fund is maintained relative to inflation.	<p>Baseline plus 2023/24 rate of inflation.</p> <p>The baseline is the balance of the Fund at 1 July 2023. The 2023/24 rate of inflation is 3.3%.</p> <p>Therefore the target balance for 2023/24 is \$67.3m</p> <p>The target balance for 2022/23 was \$68.3m (as at June 2023).</p>	Not Achieved - the TEL Fund increased in value from \$63.6m at 1 July 2022 to \$65.1m at 30 June 2023.	Achieved - the TEL Fund increased in value from \$65.1m at 1 July 2023 to \$70.6m at 30 June 2024.	During FY23/24 the management of the TEL Investment Portfolio was outsourced to Forsyth Barr and actively managed according to Statements of Investment Policy & Objectives (SIPO) guidelines.
IN.02		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.	<ul style="list-style-type: none"> The target for 2022/23 was 6.42% 	Not Achieved - the yield on the TEL Fund for 2022/23 was 3.31%	Achieved – the yield on the TEL Fund was 7.4%	See above.

Reference	Level of service	Performance measures	Target	Results – FY22/23	Results – FY23/24	Explanation
			<ul style="list-style-type: none"> The target for 2023/24 was 6.63% 			
IN.03		The percentage yield on general and special reserve funds is greater than the minimum target set in the treasury management policy being 50 per cent 6-month BKBM mid-rate (average of reporting month) 50 per cent 6-month BKBM midrate, six months ago (average of month).	<ul style="list-style-type: none"> The target for 2022/23 was 5.11% The target for 2023/24 was 5.6% 	Not Achieved - the yield on General and Special Reserve Funds was 3.76% (TDC has adjusted this comparative in order to be comparative to the 23/24 calculation which excludes the non-interest-bearing investment in TAA)	Achieved - the yield on General and Special Reserve Funds was 5.62%	Fixed Interest investments constitute the majority of the General Fund. Whilst the market returns on investments placed late in FY22/23 and early in FY 23/24 were lower, the increased rates for the majority of the year have enabled council to achieve the target yield

Funding impact statement – Investments

Taupo District Council
Funding impact statement for Investments
For the year ended 30 June 2024

	2023 Long Term Plan (\$000)	2024 Long Term Plan (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	97	109	(1,466)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	778	703	645
Internal charges and overheads recovered	625	641	20,503
Local authorities fuel tax, fines, infringement fees, and other receipts	1,953	2,226	7,113
Total operating funding (A)	3,453	3,679	26,795
Applications of operating funding			
Payments to staff and suppliers	(704)	(758)	19,043
Finance costs	782	731	1,979
Internal charges and overheads applied	186	191	1,634
Other operating funding applications	-	-	-
Total applications of operating funding (B)	264	164	22,656
Surplus (deficit) of operating funding (A – B)	3,189	3,515	4,139
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,764	(1,010)	2,865
Gross proceeds from sale of assets	4,777	4,000	4,061
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	7,541	2,990	6,926
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	4,239	866	5,708
• to replace existing assets	1,081	1,339	3,262
Increase (decrease) in reserves	5,410	4,300	2,095
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	10,730	6,505	11,065
Surplus (deficit) of capital funding (C – D)	(3,189)	(3,515)	(4,139)
Funding balance ((A – B) + (C – D))	-	-	-

Schedule of capital expenditure – Investments

Activity/Scheme	Project	Reason	Status	Actual (\$000)	Budget (\$000)	Variance (\$000)	Notes
Property - Council Administration	Civic Administration Building - Fitout	ILOS	MY	770	178	(592)	1
Property - Land	Commercial & residential land development	ILOS	MY	926	608	(318)	2
Property - Land	204 Crown Road - subdivision earthworks & civil	ILOS	MY	679	3,500	2,821	3
Property - Land	EUL earthworks & civil	ILOS	MY	1,851	7,646	5,795	4
Property - Land	Digger McEwen Park Resource Consent application	ILOS	X	34	200	166	5
Business Innovation	Technology hardware refresh programme	ILOS	A	28	42	14	6
Information Systems & Technology	Project Quantum - phase 3+ continuous improvement	ILOS	MY	323	1,005	682	7
Investments - District	Renewals	Renewals	MY	2,725	313	(2,412)	8
Total Investments				7,336	13,492	6,156	

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 2024) or project will no longer be carried out

Explanation of major variances against 2023/24 Annual Plan

- 1 \$394,400 brought forward from 2024/25 and project claims in June higher than anticipated
- 2 Overspend will be applied to 2024/25 budget
- 3 Design challenges with encumbrances on the land including powerlines over and under the site, which are now resolved and budget carried forward to 2024/25
- 4 Delays due to the availability of the contractor to continue with the infrastructure part of the project due to the density of the housing in the development, budget has been carried forward into 2024/25
- 5 Work on this deferred to 2025/26 and budget released
- 6 Product ordered in May - received July 2024
- 7 Delay in implementation of Phase 3 until early 24/25
- 8 Harvest of Tirohanga Forest was accelerated from 2024/25

The Taupō Electricity Limited 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. In June 2023 Council appointed Forsyth Barr to manage the fund. A Statement of Investment Policies & Objectives (SIPO) was developed and Forsyth Barr manage the fund under the parameters of the SIPO. The management of the TEL fund is excluded from the Treasury Management Policy.

In the past investment income has been used for debt repayment, funding of projects, rates subsidies and fund growth. The total impact of these activities is shown in the reconciliation below. Going forward the primary goal is to build the value and inflation proof the fund so it can be used for community benefit in the future without further eroding the capital.

Initial proceeds on sale September 1995	\$61,273,557
Cumulative Investment Gains / Losses	\$94,347,940
Cumulative Rates Subsidies, Project Funding / Debt Repayment	-\$84,996,004
Balance of TEL Investment as at 30 June 2024	\$70,625,493
Previous year's TEL Investment Fund value	\$65,114,963

ECONOMIC DEVELOPMENT

What we do

The economic base of the Taupō District is intrinsically linked with the unique characteristics of Lake Taupō and its surrounding geography.

Tourism, forestry, energy generation (hydro and geothermal) and agriculture drive the Taupō economy and there is significant potential for investment to gain added value from these industries.

We have an in-house events team that supports commercial and community events by providing advice, relationship management, equipment, venues, hosting, promotion, funding, and monitoring, ensuring event organisers had the resources needed to create successful and engaging experiences.

Why we do it

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.

Contribution to Community Outcomes



Engagement



Economy

What we did in 2023/24

Event Support and Major Events

We attracted and facilitated several major events in our district, including the ITM Taupō Super400, IRONMAN 70.3 World Championship, New Zealand Cross Country Championships, Taupō Ultramarathon, Lake Taupō Cycle Challenge, Powerboat Racing, and the Oceania Triathlon Championships. These major, high-profile events drew large crowds to our district and provided economic opportunities for our retail, hospitality, tourism and ancillary sectors. They add to the vibrancy of our town, provide business-to-business opportunities and increase occupancy levels of our facilities.

Tourism Promotion and Destination Marketing

We provided visitor information desks in Taupō, Tūrangi, and Mangakino offered visitor support and enhanced the district's visibility to tourists.

We continued to contract and provide funding support to Destination Great Lake Taupō (DGLT) to actively promote our district as a premier holiday and visitor destination.

Business Development and Economic Growth

We contracted and provided funding to Amplify, an independent trust, to provide business development services across the district. Amplify promoted our district to attract investment in industries like geothermal energy, forestry and tourism.

Towncentre Taupō

We facilitated targeted rates funding to support Towncentre Taupō to coordinate and create a thriving commercial hub that benefits both local businesses and residents.

Levels of service and performance measures – Economic development

Reference	Level of service	Performance measures	Target	Results: FY2022/23	Results: FY2023/24	Explanation
ED.01	We facilitate and support economic development in the district.	Amplify, Destination Great Lake Taupō and Towncentre Taupō 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% report at least half yearly.	Achieved	Achieved	
ED.02	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 Tūrangi and Mangakino each year. Reporting to Council will consist of narratives on actual events including location and economic impact figures.	At least three events in Tūrangi.	Achieved	Achieved	25 events were held in Tūrangi
			At least three events in Mangakino.	Achieved	Achieved	15 events were held in Mangakino

Funding impact statement – Economic development

Taupo District Council
 Funding impact statement for Economic Development
 For the year ended 30 June 2024

	2023 Long Term Plan (\$000)	2024 Long Term Plan (\$000)	2024 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	4,538	4,856	4,289
Targeted rates	175	179	187
Subsidies and grants for operating purposes	601	-	309
Fees and charges	-	-	95
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	5,314	5,035	4,880
Applications of operating funding			
Payments to staff and suppliers	5,307	5,027	4,847
Finance costs	1	1	7
Internal charges and overheads applied	-	-	552
Other operating funding applications	-	-	-
Total applications of operating funding (B)	5,308	5,028	5,406
Surplus (deficit) of operating funding (A – B)	6	7	(526)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(5)	(5)	(8)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(5)	(5)	(8)
Application of capital funding			
Capital expenditure			
• to meet additional demand	-	-	-
• to improve the level of service	-	-	-
• to replace existing assets	12	4	-
Increase (decrease) in reserves	(11)	(2)	(534)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1	2	(534)
Surplus (deficit) of capital funding (C – D)	(6)	(7)	526
Funding balance ((A – B) + (C – D))	-	-	-

WHOLE OF COUNCIL FUNDING IMPACT STATEMENT

Taupo District Council
Funding impact statement (Whole of Council)
For the year ended 30 June 2024

	2023 Annual Plan (\$000)	2023 Actual (\$000)	2024 Annual Plan (\$000)	2024 Actual (\$000)
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	51,015	51,199	57,687	57,839
Targeted rates	31,134	31,374	34,887	34,994
Subsidies and grants for operating purposes	3,085	3,919	3,884	4,067
Fees and charges	10,610	13,905	12,228	13,785
Interest and dividends from investments	3,323	5,741	6,849	6,526
Local authorities fuel tax, fines, infringement fees, and other receipts	1,220	1,575	1,145	1,659
Total operating funding (A)	100,387	107,713	116,680	118,870
Applications of operating funding				
Payments to staff and suppliers	68,785	74,660	80,098	83,611
Finance costs	9,395	10,765	11,681	11,830
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	78,180	85,425	91,779	95,441
Surplus (deficit) of operating funding (A - B)	22,207	22,288	24,901	23,429
Sources of capital funding				
Subsidies and grants for capital expenditure	3,196	11,206	3,900	8,102
Development and financial contributions	8,086	9,044	5,079	5,880
Increase (decrease) in debt	29,819	19,921	17,022	19,000
Gross proceeds from sale of assets	15,811	10,504	8,506	4,272
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	56,912	50,675	34,507	37,254
Application of capital funding				
Capital expenditure				
• to meet additional demand	3,248	231	2,309	358
• to improve the level of service	50,761	50,194	39,981	41,988
• to replace existing assets	20,551	17,103	15,898	22,984
Increase (decrease) in reserves	4,559	7,435	1,220	(4,647)
Increase (decrease) of investments	-	(2,000)	-	-
Total applications of capital funding (D)	79,119	72,963	59,408	60,683
Surplus (deficit) of capital funding (C - D)	(22,207)	(22,288)	(24,901)	(23,429)
Funding balance ((A - B) + (C - D))	-	-	-	-

Reconciliation to Statement of Comprehensive Revenue and Expense

Total Income per Statement of Comprehensive Revenue and Expense	156,637	169,227
Total operating funding (A)	107,713	118,869
Subsidies and grants for capital expenditure	11,206	8,102
Development and financial contributions	9,043	5,880
Other dedicated capital funding	-	-
Total Revenue per Funding Impact Statement	127,962	132,851
Add		
Add gain on sale	622	1,703
Add unrealised gains/losses	6,035	16,210
Add vested and first time recognition of assets	20,611	16,326
Internal charges and overheads recovered	1,407	1,450
Add Realised gains/losses		481
Other Income		206
Total Income per Statement of Comprehensive Revenue and Expense	156,637	169,227
Total Expenditure per Statement of Comprehensive Revenue and Expense	113,276	140,707
Total Expenditure Per Funding Impact Statement	85,425	95,442
Add		
Add depreciation expense	22,893	36,918
Add loss on sale of asset	2,278	6,159
Add unrealised losses	1,278	(1,913)
Internal charges and overheads recovered	1,402	1,450
Non cash impairment		1,812
Non cash Revaluation		608
Non Cash Asset Write Off		25
Other Expenditure		206
Total Expenditure per Statement of Comprehensive Revenue and Expense	113,276	140,707
Net (Surplus)/Deficit	(43,361)	(28,520)

Groups of Activity Income Statement

Council summary – groups of activities income statement			
Revenue by group of activities	Actual 2024	Council Budget 2024	Actual 2023 (Restated)
Water	22,358	17,539	17,896
Community Services	14,118	12,885	11,797
Transport	28,586	18,229	36,385
Community Facilities	26,826	26,451	28,823
Solid Waste	10,673	10,111	8,787
Stormwater	3,288	2,956	3,557
Wastewater	22,420	19,969	22,565
Economic Development	4,880	4,851	4,328
Democracy & Planning	10,941	10,878	9,768
Investments	27,128	9,474	12,447
Total activity revenue	171,218	133,342	156,352
Less internal revenue	(1,991)	(1,829)	(1,391)
Total revenue	169,227	131,513	154,961
Expenses			
Water	19,159	15,268	16,524
Community Services	10,324	9,319	9,363
Transport	25,059	17,885	13,746
Community Facilities	23,772	21,977	20,719
Solid Waste	10,083	9,564	7,297
Stormwater	2,250	1,890	1,851
Wastewater	18,682	16,935	14,933
Economic Development	4,878	4,437	4,106
Democracy & Planning	3,697	4,693	4,181
Investments	24,794	20,287	20,546
Total activity expenses	142,698	122,257	113,265
Less internal expenses	(1,991)	(1,829)	(1,391)
Total expenses	140,707	120,428	111,874

Financial Statements

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2024

	Note	Council			Group	
		Actual 2024 \$000	Budget 2024 \$000	Actual - Restated 2023 \$000	Actual 2024 \$000	Actual - Restated 2023 \$000
Revenue						
Rates	5	92,833	91,419	82,574	92,806	82,555
Subsidies and grants	7	12,170	7,785	15,128	12,170	15,547
Development and financial contributions		2,149	5,079	2,348	2,149	2,348
Fees and charges	6	13,674	12,228	13,904	14,881	14,447
Finance revenue	8	6,530	6,849	5,543	6,566	5,561
Other revenue	9	41,871	8,153	35,464	41,885	35,464
Total revenue		169,227	131,513	154,961	170,457	155,922
Expenses						
Personnel costs	10	31,081	30,311	29,724	32,119	30,658
Depreciation and amortisation expense	20	36,917	29,804	22,893	37,434	23,165
Finance costs	8	11,830	11,681	10,764	11,830	10,764
Other expenses	11	60,879	48,632	48,493	60,564	48,622
Total expenses		140,707	120,428	111,874	141,947	113,209
Income tax (expense)/credit	12	-	-	-	(1,662)	147
Surplus/(deficit) after tax		28,520	11,085	43,087	26,848	42,860
Other comprehensive revenue						
Property, plant & equipment revaluations	29	-	35,690	159,606	-	162,124
Investments in associates & subsidiaries		2,248	-	(23)	(4)	(23)
Tax on equity items	29	-	-	-	-	(705)
		2,248	35,690	159,583	(4)	161,396
Total comprehensive revenue		30,768	46,775	202,670	26,844	204,256
Net surplus/(deficit) after taxation attributable to:						
Taupo District Council		28,520	11,085	43,087	27,811	43,035
Non-controlling interest	30	-	-	-	(963)	(175)
		28,520	11,085	43,087	26,848	42,860
Total comprehensive revenue and expenses attributable to:						
Taupo District Council		30,768	46,775	202,670	27,809	203,525
Non-controlling interests	30	-	-	-	(965)	731
		30,768	46,775	202,670	26,844	204,256

Explanations of major variances against budget are provided in note 34.

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 2024

	Note	Council			Group	
		Actual 2024 \$000	Budget 2024 \$000	Actual - Restated 2023 \$000	Actual 2024 \$000	Actual - Restated 2023 \$000
Net Assets/Equity at start of the year		1,893,821	1,752,177	1,691,151	1,906,950	1,702,539
Total comprehensive revenue and expenses for the year		30,768	46,775	202,670	26,844	204,256
Non-controlling interest equity injection		-	-	-	806	155
First time consolidation of Lake Taupo Protection Trust equity		-	-	-	742	-
Total comprehensive revenue and expenses		30,768	46,775	202,670	28,392	204,411
Balance at 30 June		1,924,589	1,798,952	1,893,821	1,935,342	1,906,950
<i>Total recognised revenue and expenses are attributable to:</i>						
Taupo District Council		30,768	46,775	202,670	27,809	203,525
Minority interest		-	-	-	(965)	731
Total comprehensive revenue and expenses		30,768	46,775	202,670	26,844	204,256

Explanations of major variances against budget are provided in note 34.

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

Statement of Financial Position

as at 30 June 2024

	Note	Council			Group	
		Actual 2024 \$000	Budget 2024 \$000	Restated 2023 \$000	Actual 2024 \$000	Restated 2023 \$000
Assets						
Current assets						
Cash and cash equivalents	13	26,979	3,099	18,408	27,846	19,306
Other financial assets	16	39,482	124,759	99,057	40,202	99,057
Trade and other receivables	14	9,388	6,381	8,997	9,268	7,999
Inventories	15	13,345	226	238	13,345	238
Prepayments		1,775	1,239	1,636	1,820	1,700
Derivative financial asset	26	-	-	67	-	67
Non-current assets held for sale	17	-	10,831	-	-	-
Total current assets		90,969	146,535	128,403	92,481	128,367
Non-current assets						
Other financial assets	16	67,396	15,933	12,480	67,196	12,280
Investment in CCO and other similar entities	16	10,684	8,773	8,430	109	107
Derivative financial asset	26	599	-	-	599	-
Intangible assets	19	6,076	7,394	8,677	6,194	8,695
Investment property	22	33,457	22,184	29,250	33,457	29,250
Biological assets - forestry	21	8,568	7,952	7,868	8,568	7,868
Property, plant and equipment	18	1,938,749	1,815,313	1,907,187	1,962,034	1,930,656
Total non current assets		2,065,529	1,877,549	1,973,892	2,078,157	1,988,856
Total assets		2,156,498	2,024,084	2,102,295	2,170,638	2,117,223
Current liabilities						
Trade and other payables	23	24,051	20,796	19,956	24,393	20,328
Employee entitlements	24	3,813	3,225	3,652	3,891	3,768
Borrowings	25	58,608	50,251	49,353	58,608	49,353
Derivative financial instruments	26	54	-	-	54	-
Provisions		-	-	40	-	44
Total current liabilities		86,526	74,272	73,001	86,946	73,493
Non-current liabilities						
Provisions	27	167	168	161	176	170
Derivative financial instruments	26	-	519	119	-	119
Borrowings	25	145,093	150,000	135,013	145,093	135,013
Employee entitlements	24	123	173	180	123	180
Deferred tax liabilities	12	-	-	-	2,958	1,298
Total non current liabilities		145,383	150,860	135,473	148,350	136,780
Total liabilities		231,909	225,132	208,474	235,296	210,273
Net assets (assets minus liabilities)		1,924,589	1,798,952	1,893,821	1,935,342	1,906,950
Equity						
Accumulated funds	29	983,749	943,700	950,238	982,744	951,449
Other reserves	29	940,840	855,252	943,583	945,382	948,126
Non-controlling interests	30	-	-	-	7,216	7,375
Total equity		1,924,589	1,798,952	1,893,821	1,935,342	1,906,950

Explanations of major variances against budget are provided in note 34.

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

Statement of Cashflows

For the year ended 30 June 2024

	Note	Council			Group	
		Actual 2024 \$000	Budget 2024 \$000	Actual - Restated 2023 \$000	Actual 2024 \$000	Actual - Restated 2023 \$000
Cash flow from operating activities						
Rates		92,809	91,419	82,713	92,782	82,694
Subsidies and grants		3,587	3,886	3,726	3,587	3,726
Development and financial contributions		2,060	5,079	2,407	2,060	2,407
Fees and charges		14,229	12,228	13,188	15,351	13,726
Finance revenue		6,946	6,849	4,729	6,993	4,762
Dividends or similar distributions		426	-	338	426	338
Other revenue		4,930	1,142	8,603	4,930	8,603
Payments to suppliers		(62,124)	(48,632)	(48,980)	(62,050)	(49,249)
Payments to employees		(30,977)	(30,311)	(29,290)	(32,054)	(30,212)
Interest paid		(11,558)	(11,674)	(10,020)	(11,571)	(10,026)
Net GST received/(paid)		(1,409)	-	(43)	(1,404)	39
Cash flow from operating activities		18,919	29,986	27,371	19,051	26,808
Cash flow from investing activities						
Proceeds from sale of fixed assets		4,272	8,841	10,504	4,272	10,504
Capital subsidies		9,833	3,899	9,740	9,833	9,740
Net (increase)/decrease in investments		8,465	(2,500)	12,347	7,745	13,027
Purchase and development of fixed assets		(51,979)	(58,188)	(68,407)	(53,039)	(72,001)
Cash flow from investing activities		(29,409)	(47,948)	(35,816)	(31,189)	(38,730)
Cash flow from financing activities						
Loans raised		181,000	45,378	45,000	181,000	45,000
Net raising of finance lease liabilities		137	-	-	137	-
Capital input from minority interest		-	-	-	806	154
Repayment of loans		(162,000)	(28,350)	(25,000)	(162,000)	(25,000)
Net repayment of finance lease liability		(76)	-	(83)	(76)	(83)
Cash flow from financing activities		19,061	17,028	19,917	19,867	20,071
Net increase (decrease) in cash held		8,571	(934)	11,472	7,729	8,149
Add cash at start of year		18,408	4,032	6,936	19,306	11,157
Add opening Lake Taupo Protection Trust cash		-	-	-	811	-
Cash, cash equivalents, and bank overdrafts at the end of the year	13	26,979	3,098	18,408	27,846	19,306

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.

Fixed assets included Property, Plant and equipment, intangible assets, biological assets etc.

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

Statement of Cashflows - Reconciliation

Reconciliation of cashflow from operating activities	Note	Council		Group	
		Actual 2024 \$000	Actual - Restated 2023 \$000	Actual 2024 \$000	Actual - Restated 2023 \$000
Surplus/(deficit) after tax		28,520	43,087	26,848	42,860
Add/(less) non cash items					
Depreciation and amortisation		36,917	22,893	37,433	23,165
Vested and first time recognition assets		(16,326)	(20,611)	(16,326)	(20,611)
Unrealised (gains)/losses in fair value of biological assets		(671)	(196)	(671)	(196)
Unrealised (gains)/losses in fair value of non-hedge accounted derivatives		(597)	(4,883)	(597)	(4,883)
Unrealised (gains)/losses in fair value of investment properties and assets held for sale		(15,007)	(546)	(15,007)	(546)
Unrealised (gains)/losses on equities		(1,493)	253	(1,493)	253
Asset impairment and write-off		1,836	219	1,837	319
Add/(less) items classified as investing activity					
Net (gain)/loss on sale/write-offs		4,358	1,437	4,358	1,437
Capital Subsidies		(9,833)	(9,740)	(9,833)	(9,740)
(Increase)/decrease in accounts receivable for capital disposals		-	-	-	(147)
Non-operating movement in deferred tax		-	-	1,660	-
Increase/(decrease) in accounts payable for capital expenditure		2,459	114	2,459	114
Add/(less) movements in working capital items					
(increase)/decrease in accounts receivable		(112)	(3,725)	574	(3,228)
(increase)/decrease in inventories		(13,107)	(12)	(13,107)	(12)
Increase/(decrease) in accounts payable		1,975	(919)	916	(1,977)
Net cash inflow/(outflow) from operating activities		18,919	27,371	19,051	26,808

Reconciliation of movements of liabilities from financing activities	Council & Group		
	Finance guarantees \$000	Finance leases \$000	Debentures & other loans \$000
Balance at 30 June 2023	-	68	184,298
Cash inflows	-	-	181,000
Cash outflows	-	(86)	(161,728)
Non-cash changes	-	149	-
Balance at 30 June 2024	-	131	203,570

Statement of accounting policies for the year ended 30 June 2024

1.1 Reporting entity

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

The primary objective of Taupo 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 Taupo District Council are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 20 December 2024.

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 10 which are rounded to the nearest dollar. The functional currency of Taupo District Council and Group is New Zealand dollars.

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 Taupo District Council include:

Disclosure for Fees for Audit Firms' Services (amendments to PBE IPSAS 1): Requires entities to disclose fees incurred for services received from its audit or review firm, and a description of each service, using the following categories:

- Audit or review of the financial report
- Other non-audit and non-review services:
 - Audit or Review Related Services
 - Other Assurance Services and Other Agreed-Upon Procedures Engagements
 - Other Services

Application of these amendments is required for period beginning or after 1 January 2024 with early adoption permitted. Council plans to apply this standard in preparing its 30 June 2025 financial statements, where applicable. No material changes are expected as a result of adopting this amendment.

Insurance Contracts in the Public Sector (amending standard PE IFRS 17): the standards add public sector modifications to include public sector entities and to ensure this Standard is suitable for this sector. Modifications include:

- Information on how to identify arrangements to which PBE IFRS 17 should apply
- Specific exemptions relating to sub-growing contracts
- An amendment to the initial recognition requirements
- Guidance on coverage periods
- An accounting policy choice on liability measurement when applying the premium allocation approach
- A specific grandfathering transition requirement.

Application of these is required for accounting periods beginning in or after 1 January 2026 with early adoption permitted. Council plans to apply this standard in preparing its 30 June 2026 financial statements.

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 Taupo 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 Taupo District Council and Group controls another entity.

Controlled entities are fully consolidated from the date on which control is transferred to Taupo 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:

- Taupo Airport Authority (50% owned but in substance Council exercises control)
- Destination Lake Taupo Trust (Council is the settler of the Trust)
- Data Capture Systems Limited (100% owned)
- Destination Lake Taupo Limited (100% owned)
- Lake Taupo Protection Trust (Council is a settlor of the Trust and sole trustee)

2.3 Exchange and non-exchange revenue

Revenue comprises rates, revenue from operating activities, investment revenue, gains and finance revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

-Exchange transactions:

Revenue from exchange transactions arises where the Group provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash) in exchange.

Revenue from exchange transactions include interest revenue, dividend revenue, sale of goods, and other gains & losses. Details on accounting policies for these classes of revenue can be found in the associated note.

-Non-exchange transactions:

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. These are transactions where the Group receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally akin with an arm's length commercial transaction between a willing buyer and willing seller. Some services which the Parent provides for a fee are charged below market value as they are subsidised by rates. Other services operate on a cost recovery or breakeven basis which may not be considered to reflect a market return. A significant portion of the Parent's revenue will be categorised non-exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A liability is only recognised to the extent that the present obligations have not been satisfied. A liability in respect of a transferred asset is recognised only when the transferred asset is subject to a condition, such as a condition for the asset to be consumed as specified and / or that future economic benefits or service potential must be returned to the owner.

Revenue from non-exchange transactions include rates revenue, fees & charges revenue, grants & subsidies, and all other revenue not included as exchange transactions. Details on accounting policies for these classes of revenue can be found in the associated note.

2.4 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.

2.5 GST

The financial statements have been prepared exclusive of GST with the exception of receivables and payables that have been shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

The net GST recoverable from, or payable to the IRD, is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the cash flow statements.

Commitments and contingencies are disclosed exclusive of GST.

2.6 Budget figures

The budget figures are those approved by the Council in the 2023-24 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.

2.7 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.

2.8 Third party transfer payment agencies

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

3. Critical accounting estimates and judgements

(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 explained.

Note 18 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 critical judgements in applying accounting policies regarding the classification of inventory, the assessment of a sale and leaseback transaction, and the classification of property. These are detailed in note 15, note 16, and note 18 respectively.

4. Exchange and non-exchange revenue

Accounting policy

Revenue is measured at fair value. For exchange revenue this equals the fair value of the consideration received or receivable. For non-exchange revenue it is the amount of the increase in net assets recognised by the Group.

Council receives government grants from New Zealand Transport Agency (NZTA) which subsidise part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Development and financial contributions are recognised as revenue when Council is capable of providing the service for which the contribution is charged.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Revenue from exchange transactions				
Finance revenue	6,530	5,543	6,566	5,561
Dividends or similar distributions	426	338	426	338
Sale of goods	726	766	745	840
Fees and charges	12,948	13,138	14,136	13,607
Other exchange revenue	466	231	466	231
Total revenue from exchange transactions	21,096	20,016	22,339	20,577
Revenue from non-exchange transactions				
Revenue from rates	92,833	82,574	92,806	82,555
Vested assets	11,082	19,589	11,082	19,589
Subsidies and grants	12,170	15,128	12,170	15,547
Development contributions	2,149	2,348	2,149	2,348
Other non-exchange revenue	29,897	15,306	29,911	15,306
Total revenue from non-exchange transactions	148,131	134,945	148,118	135,345
Total revenue per statement of comprehensive revenue and expense	169,227	154,961	170,457	155,922

There are no unfulfilled conditions or other contingencies attached to other subsidies and grants recognised. (2023: nil).

5. Rates

Accounting policy

Rating Revenue is classified as non-exchange revenue and 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.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
General rates	59,180	52,272	59,180	52,272
Total general rates	59,180	52,272	59,180	52,272
Targeted rates				
Refuse disposal	3,486	2,793	3,486	2,793
Sewage disposal	17,137	15,822	17,137	15,822
Water supply	12,702	10,959	12,702	10,959
Water by meter	1,846	1,857	1,846	1,857
Taupo Town Centre	187	179	187	179
Turangi/Tongariro community board	-	21	-	21
Whakamaru fire protection	-	4	-	4
Total targeted rates	35,358	31,635	35,358	31,635
Rates penalties	483	403	483	403
Total penalties revenue	483	403	483	403
Total rates	95,021	84,310	95,021	84,310
Less - rates remissions	(905)	(821)	(905)	(821)
Less - internal rates on Council/Group properties	(1,283)	(915)	(1,310)	(934)
Total rates, excluding targeted water supply rates	92,833	82,574	92,806	82,555

As at 30 June 2023 there were 25,273 rating units in the District with a total capital value of \$31.406 billion and a total land value of \$16.575 billion (30 June 2022: 24,454 rating units, \$19.617b capital value, \$9.770b 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 2024 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 Taupo and Hydro lakebeds; community, sporting, and other organisations; non-income producing, unoccupied parts of Māori freehold land in multiple ownership and in undeveloped state; and penalties in certain circumstances and at Council's discretion, natural disasters, Council owned utilities, water leaks, fixed charge for targeted water availability charge at Waitahanui.

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, reserves and unused Māori freehold land. These non-rateable properties, where applicable, may be subject to targeted rates in respect of water supply, sewage disposal and refuse disposal.

6. 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 the pools and museum. 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, and is classified as exchange revenue.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Landfill charges	5,476	4,778	5,476	4,778
Building and resource consent charges	2,509	2,789	2,509	2,789
Other regulatory revenue	1,182	1,186	1,182	1,186
Swimming pools revenue	1,020	994	1,020	994
Rendering of services	389	378	389	378
Sale of goods	726	766	745	840
User charges	1,910	2,607	2,289	2,814
Facility membership fees	462	406	462	406
Taupo Airport landing fees	-	-	777	223
Destination Great Lake Taupo marketing fees	-	-	32	39
Total fees and charges	13,674	13,904	14,881	14,447

7. 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.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Operational subsidies and grants				
NZ Transport Agency subsidy	2,749	2,767	2,749	2,767
Other government grants	1,160	1,007	1,160	1,426
Other grants and donations	159	148	159	148
Capital subsidies and grants				
NZ Transport Agency capital subsidy	3,913	1,480	3,913	1,480
Other government capital grants	3,996	9,524	3,996	9,524
Non-government capital grants	193	202	193	202
Total subsidies and grants	12,170	15,128	12,170	15,547

The Council has received \$20.6m of Government funding from the Infrastructure Reference Group for the transformation of the Taupo town centre. Nil has been recognised in the 2024 financial year (\$6.3m: 2023) based on costs incurred.

Government Grants

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

8. 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.

	Council		Group	
	2024 \$000	2023 - Restated \$000	2024 \$000	2023 - Restated \$000
Finance revenue				
Interest revenue - term deposits	5,423	5,206	5,472	5,233
Interest revenue - community and other loans	15	14	15	14
Interest revenue - related party loans	13	9	-	-
Interest revenue - borrower notes	862	178	862	178
Interest revenue - finance lease ¹	217	136	217	136
Total finance revenue	6,530	5,543	6,566	5,561
Less finance costs				
Interest on borrowings	(11,820)	(10,760)	(11,820)	(10,760)
Finance charges on leased assets	(10)	(4)	(10)	(4)
Total finance costs	(11,830)	(10,764)	(11,830)	(10,764)
Net finance costs	(5,300)	(5,221)	(5,264)	(5,203)

¹ In 2024 Council sought an external technical opinion on the treatment of land at 67 Horomatangi Street. The piece of land which was sold in the 2023 financial year, has a deferred settlement extending into the year ending 30 June 2025. As a result of this opinion, the land, previously disclosed as Investment property land, has been reclassified to a finance lease receivable, with the 2023 year being restated to the same. Further detail on this restatement can be found in note 37, and critical judgements exercised detailed in note 16.

9. 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	
	2024 \$000	2023 - Restated \$000	2024 \$000	2023 - Restated \$000
Vested land and infrastructure from property development	11,082	19,589	11,082	19,589
First time recognition of assets	5,244	1,022	5,244	1,022
Petrol tax	408	429	408	429
Infringements and fines	620	643	620	643
Gain on sale of property, plant, equipment and forestry	1,703	622	1,703	622
Dividends or similar distributions	426	338	426	338
Change in fair value of forestry assets	671	196	671	196
Change in fair value of investment properties and non-current assets held for sale	15,007	546	15,007	546
Realised gain on sale of shares & corporate bonds	281	-	281	-
Unrealised gain on shares	1,545	-	1,545	-
Unrealised foreign exchange gain on shares	47	-	47	-
Unrealised gain on derivatives not hedge accounted	597	4,883	597	4,883
Rental revenue from investment properties	107	132	107	132
Other revenue	78	99	78	99
Foreign exchange gains (net)	199	-	199	-
Insurance recoveries	125	270	139	270
Revenue from developer agreements	3,731	6,695	3,731	6,695
Total other revenue	41,871	35,464	41,885	35,464

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	
	2024 \$000	2023 - Restated \$000	2024 \$000	2023 - Restated \$000
Not later than one year	413	297	691	558
Later than one year and not later than five years	895	847	1,325	1,488
Later than five years	1,237	1,407	1,284	1,492
Total non-cancellable operating leases	2,545	2,551	3,300	3,538

No contingent rents have been recognised during the period.

10. Personnel costs

Accounting policy

Superannuation schemes

Defined contribution superannuation schemes

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Salaries and wages	29,685	29,368	30,741	30,304
Increase/(decrease) in employee entitlements/liabilities	341	(451)	303	(471)
Severance	145	-	145	-
Defined contribution plan employer contributions	911	807	931	825
Total personnel costs	31,081	29,724	32,119	30,658

Severance payments

In 2024 the Group made six severance payments totalling \$144.5k - comprising \$71.5k, \$30.5k, \$20k, \$12.5k, \$5.5k, \$4.5k (2023: nil).

Chief Executive

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$331,162 (2023: \$357,625 to CEO, \$84,277 to Interim CEO from Mar-23).

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

	Council	
	2024	2023
Elected representatives remuneration		
Mayor - David Trewavas	143,105	141,236
Campbell, Duncan	39,076	26,516
Fletcher, Karam	39,076	26,516
Greenslade, Sandra	42,984	28,086
Leonard, Kylie	42,984	43,206
Loughlin, Danny	39,076	26,916
Park, Anna	46,892	45,760
Rankin, Christine	46,892	46,858
Shepherd, Rachel	39,076	26,516
Taylor, Kevin	62,522	54,757
Trueman, Kirsty	42,984	42,295
Westerman, Yvonne	39,076	39,420
Williamson, John	46,892	46,002
Boddy, John	-	13,105
Guy, Kathy	-	14,415
Kingi, Tangonui	-	13,105
Mack, John	-	13,105
Total Mayor & Councillors' remuneration	670,635	647,814
Green, Clint	-	5,562
McRae, Paula	-	2,894
O'Connor Patena, George	-	2,781
Searancke, Donna	-	2,781
Severne, Rob	-	2,781
Total community board members remuneration	-	16,799

The figure disclosed for the Mayor's remuneration includes a non-cash benefit of \$5,617 (2023: \$5,617) 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 \$10,072 was paid to the IRD by Council for a vehicle supplied to Mayor David Trewavas (2023: \$9,794).

10. Personnel costs

Council employees

Total annual remuneration by band for employees as at 30 June 2024:

	Number of employees 2024
Less than \$60,000	163
\$60,000 - \$79,999	103
\$80,000 - \$99,999	59
\$100,000 - \$119,999	50
\$120,000 - \$139,999	22
\$140,000 - \$159,999	12
\$160,000 - \$179,999	10
\$180,000 - \$349,999	10
Total employees	429

Council employees

Total annual remuneration by band for employees as at 30 June 2023:

	Number of employees 2023
Less than \$60,000	183
\$60,000 - \$79,999	93
\$80,000 - \$99,999	51
\$100,000 - \$119,999	37
\$120,000 - \$139,999	19
\$140,000 - \$159,999	11
\$160,000 - \$179,999	8
\$180,000 - \$349,999	4
Total employees	406

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 337 (2023: 312) full-time employees, with the balance of staff representing 45.0 (2023: 46.0) full-time equivalent employees. A full-time employee is determined on the basis of a 37.5 or 40-hour working week.

11. 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.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Other expenses				
Audit fees for financial statements	270	229	300	257
Audit fees for Long-term Plan	70	-	70	-
Audit fee for Debenture Trust Deed	10	10	10	10
Maintenance	16,621	15,006	16,935	15,166
Service delivery contracts	8,458	7,222	6,381	5,205
Electricity and gas	3,777	3,855	3,846	3,901
Materials and supplies	1,523	1,349	1,546	1,386
Professional services fees/legal fees	6,181	4,743	6,357	5,113
Resource consenting and compliance	1,026	940	1,026	940
Mobile plant and vehicle running costs	738	765	741	768
Insurance	1,562	1,226	1,602	1,245
Town Centre Taupo (rates)	192	178	192	178
Community grant programme	756	668	756	668
Other grants	1,261	743	1,265	743
Councillor fees	686	661	686	661
Community Board fees	-	18	-	18
Directors' fees	-	-	25	36
Minimum lease payments under operating leases	140	134	155	138
Emission Trading Scheme (Carbon Credits)	2,551	1,001	2,551	1,001
Other expenses	6,062	5,465	7,121	6,808
Inventory consumption	314	507	314	507
Audit fees - prior year recovery	50	20	50	20
Impairment of receivables	284	1,222	287	1,222
Loss on disposal of property, plant, equipment and forestry	6,159	2,059	6,159	2,159
Loss on sale of corporate bonds & shares	180	-	180	-
Loss on sale of corporate bonds & shares (FX)	3	-	3	-
Revaluation losses on investment property	70	-	70	-
Unrealised foreign exchange losses	99	23	99	23
Change in fair value of shares	-	230	-	230
Asset write-offs	1,836	219	1,837	219
Total other expenses	60,879	48,493	60,564	48,622

11. Operating expenditure

Non-cancellable operating leases as lessee:

Included in the commitments are leases of property, plant and equipment that Taupo 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	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Rental expense relating to operating leases				
Payable no later than one year	869	1,864	869	1,864
Later than one, not later than two years	1,431	1,684	1,431	1,684
Later than two, not later than five years	4,533	4,530	4,533	4,530
Later than five years	42,021	41,202	42,021	41,202
Total rental expense relating to operating leases	48,853	49,280	48,853	49,280

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$0 (2023: \$0).

12. 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	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current tax expense				
Deferred taxation	-	-	1,662	(147)
Release of tax provision no longer required	-	-	-	-
Tax expense	-	-	1,662	(147)
Relationship between income tax and accounting profit:				
Operating surplus/(deficit) before taxation	28,520	43,361	26,848	43,134
Surplus/(deficit) before taxation	28,520	43,361	26,848	43,134
Tax calculated at 28%	7,986	12,141	7,517	12,078
Less tax effect of:				
Non taxable expenditure	(7,986)	(12,141)	(5,855)	(12,225)
Deferred tax adjustment	-	-	-	-
Tax expense	-	-	1,662	(147)

Deferred tax liabilities (Group)	Property, plant & equipment \$000	Non deductible provisions \$000	Tax losses \$000	Total \$000
Council & Group				
Balance at 1 July 2022	1,419	(6)	(672)	741
Charged to surplus or deficit	(59)	(3)	(86)	(148)
Charged directly to other comprehensive revenue	705	-	-	705
Balance at 30 June 2023	2,065	(9)	(758)	1,298
Balance at 1 July 2023	2,065	(9)	(758)	1,298
Charged to surplus or deficit	1,695	2	(36)	1,662
Charged directly to other comprehensive revenue	(1)	-	-	(1)
Balance at 30 June 2024	3,759	(7)	(794)	2,958

Data Capture Systems Limited, a subsidiary of Council, has unrecognised tax losses as at 30 June 2024 of \$225,325 to carry forward (2023: \$225,325). The tax effect of these losses is \$67,598 (2023: \$67,598). The carried forward losses originated from the activity of Taupo Information Centre Limited, that company later being renamed Data Capture Systems Limited.

13. 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	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Cash at bank and in hand	16	10	260	10
Call deposits	12,368	13,369	12,591	14,267
Term deposits with maturities of less than three months at acquisition	14,595	5,029	14,995	5,029
Cash and cash equivalents	26,979	18,408	27,846	19,306

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

14. 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.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Rates receivable	3,327	2,848	3,327	2,848
General debtors	1,681	4,643	1,850	4,700
Receivables from controlled entities	326	1,103	-	-
Other	4,933	1,162	4,973	1,210
Receivables prior to impairment	10,267	9,756	10,150	8,758
Less: Allowance for credit losses	(879)	(759)	(882)	(759)
Total current net trade and other receivables	9,388	8,997	9,268	7,999
Total debtors and other receivables from exchange transactions	-	-	170	57
Total current net trade and other receivables from non-exchange transactions	9,388	8,997	9,098	7,942
Total current net trade and other receivables	9,388	8,997	9,268	7,999

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

Taupo District Council does not provide for any impairment on rates receivable, with the exception of multiple owned Māori 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 Taupo 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 Taupo District Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit. Rates are 'remitted' only in accordance with Council's rates remission policies. Rates are written off under Section 90A and 90B of the Local Government Rating Act 2002 where it is determined by the Chief Executive Officer that the debt cannot reasonably be recovered. Any rates debt on Māori Freehold land that is found to be unused and therefore non-rateable as at 1 July 2021 will be written off under transitional provisions relating to the Local Government (Rating of Whenua Māori) Amendment Act 2020, Schedule 1AA, Part 1 (2b). Note: Taupō District Council did not hold any debt on land that is subject to a Nga Whenua Rahui kawenata and is therefore non rateable under the Local Government (Rating of Whenua Māori) Amendment Act 2020, Schedule 1AA, Part 1 (1b).

The Chief Executive approved the write-off of rates receivable during the year under the Local Government (Rating) Act 2002 as follows:

- Section 90A: \$2k (2023: \$6k)
- Section 90B: \$Nil (2023: \$Nil)

The allowance for expected credit loss of general debtors is based on an expected credit loss (ECL) model, in addition to individual impairment where specific indicators for impairment exist. Due to the additional statutory debt recovery powers noted above, rating debt is excluded from this model. In assessing credit losses for receivables, the Council apply the simplified approach and record lifetime ECL on receivables. Lifetime ECL result from all possible default events over of the life of a receivable. The Council use a provision matrix based on historical credit loss experience upon initial recognition of a receivable, using reasonable assumptions and any available customer information.

The carrying amount of receivables that would otherwise be impaired, whose terms have been renegotiated is \$61,295 (2023: \$87,403).

The status of receivables as at 30 June 2024 are detailed below:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current	997	3,733	1,132	3,800
Past due 1-30 days	210	620	228	626
Past due 31-60 days	133	164	147	165
Past due 61+ days	3,998	4,077	4,008	4,079
Impairment	(879)	(759)	(882)	(759)
Net receivables	4,459	7,835	4,633	7,911

14. Trade and other receivables

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	
	2024 \$000	2023 - Restated \$000	2024 \$000	2023 - Restated \$000
Individual impairment	448	320	451	320
Collective impairment	431	439	431	439
Total impairment	879	759	882	759

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	
	2024 \$000	2023 - Restated \$000	2024 \$000	2023 - Restated \$000
Current	-	-	-	-
Past due 1-30 days	-	-	-	-
Past due 31-60 days	-	-	-	-
Past due 61+ days	448	320	451	320
Total impairment	448	320	451	320

In assessing ECL on receivables the Council considers both quantitative and qualitative inputs. Quantitative inputs include past collection rates and aging of receivables. Qualitative inputs include past trading history with the Council, and analysis of collection times by service offered. Collectively impaired receivables have been grouped by aged of receivable as below;

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current	8	5	8	5
Past due 1-30 days	3	3	3	3
Past due 31-60 days	8	16	8	16
Past due 61+ days	412	415	412	415
Total impairment	431	439	431	439

Movements in the allowance for credit losses of receivables are as follows:

	Council		Group	
	2024 \$000	2023 - Restated \$000	2024 \$000	2023 - Restated \$000
Opening balance	759	670	759	670
Additional provisions	200	225	203	225
Receivables written off during the year	(80)	(136)	(80)	(136)
Total impairment	879	759	882	759

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

15. 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.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs, which are capitalised to property, plant, and equipment.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Commercial inventories				
Held for use in the provision on services	152	207	152	207
Residential sections held for sale	13,098	-	13,098	-
	13,250	207	13,250	207
Held for distribution				
Parks & reserves chemicals	13	4	13	4
Swimming pool chemicals	15	12	15	12
Other	66	15	66	15
Total inventory	13,345	238	13,345	238

No inventories are pledged as security for liabilities (2023: \$nil).

Residential sections held for sale

Residential sections held for sale comprises land cost reclassified from investment property, and the associated development costs incurred to date on commencement of a property development. In FY24, three property developments were commenced and reclassified (2023: Nil). At June 2024 the balance consists of \$9.2m worth of land cost, and \$3.9m of development costs.

Inventories held for distribution

No inventories were written-down during the year (2023: \$nil). There have been no reversals of write-downs (2023: \$nil).

Critical judgements in applying accounting policies

Classification of East Urban Lands land development stage 1a, stage 1b, and stage 2

Per the Council's transfer of investment property policy, when investment property is to be developed with a view for sale, the Council will recover the value of the property through sale, rather than capital appreciation or rental income. The Council reclassifies assets from investment property to inventory when there is a change in use evidenced by the commencement of development (or strong evidence that development is commencing).

For the East Urban Lands (EUL) development, the land has been split into three stages, Stage 1a, Stage 1b and Stage 2. Significant development works including earthworks and civil asset construction have commenced on Stage 1a and 1b, however Stage 2 is in the planning phase, with no major development works started as at 30 June 2024.

As the block of land containing these developments is under a single property title, there are inherent complexities in apportioning of assets to each stage, and the values attached to these assets. The future intention for the entire asset (which includes stages 1a, 1b and 2) is with a view for sale, with Council allocating funding to the development of Stage 2 in its long-term plan 2024-34 (which as at 30 June 2024 was not yet approved). Additionally, Council does not anticipate any significant impediments to commencement of development, therefore the entire value of the EUL block was transferred at fair value to inventories on the date the earthworks commenced on the property.

On the basis described above, the Council has not reclassified any of the stages between current and non-current inventory based on the development cycles of the EUL block. As Council is not able to separately identify development cycles, nor individual assets or financial values assigned to individual assets, it has not assigned any classification split, instead it has classified all inventory balances relating to EUL as current, on the basis that it cannot clearly identify segregated operating cycles for each stage.

16. 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.

Subsidiaries

The Council consolidates in the group financial statements those entities it controls. Control exists where the Council 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.

Investment assets in subsidiaries are initially recognised at cost and then subsequently measured at fair value through other comprehensive income using the net asset backing valuation technique.

Associate

An associate is an entity over which the council 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.

Term deposits and community loans (amortised cost)

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, managed funds, & preferential shares (fair value through surplus or deficit)

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

After initial recognition, 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 & borrower notes (amortised cost)

After initial recognition, listed bonds & borrower notes 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.

16. Other financial assets

Unlisted shares (fair value through other comprehensive revenue and expense)

Financial assets at fair value through other comprehensive revenue and expense are those equity instruments 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.
- subsidiary investment assets.

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 bonds are included as 'unlisted shares'.

	Council		Group	
	2024 \$000	2023 - Restated \$000	2024 \$000	2023 - Restated \$000
Current portion				
Short term bank deposits with maturities of 4-12 months	35,078	98,574	35,798	98,574
Local government (NZLGFA) borrower notes	454	266	454	266
Listed bonds	1,007	-	1,007	-
Finance lease receivable ¹	2,943	217	2,943	217
Total current portion	39,482	99,057	40,202	99,057
Non current portion				
Shares in CCO's and other similar entities				
Taupo Airport Authority	10,575	8,323	-	-
NZ Local Government Funding Agency (NZLGFA)	100	100	100	100
Investments in associates	9	7	9	7
Total investment in subsidiaries and similar entities	10,684	8,430	109	107
Investment in other entities				
Civic Financial Services Ltd	78	76	78	76
Term deposits > 12 months	-	-	-	-
Listed bonds	15,604	-	15,604	-
Local government (NZLGFA) borrower notes	3,524	3,063	3,524	3,063
Community loans	166	157	166	157
Equity securities	40,198	6,475	40,198	6,475
Preferential shares (fixed interest)	1,572	-	1,572	-
Managed funds (fixed interest)	6,047	-	6,047	-
Related party loans	203	200	3	-
Finance lease receivable ¹	-	2,509	-	2,509
Other loans	1,004	1,002	1,004	1,002
Total investment in other entities prior to impairment	68,396	13,482	68,196	13,282
Less: Provision for Impairment	(1,000)	(1,002)	(1,000)	(1,002)
Total investment in other entities	67,396	12,480	67,196	12,280
Total non current portion	78,080	20,910	67,305	12,387
Total other financial assets	117,562	119,967	107,507	111,444

16. Other financial assets

Fair value

Term deposits

The carrying amount of term deposits approximates their fair value and includes interest accrued.

Controlled entities

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

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

Taupo District Council has 100% ownership (150 shares) of the subsidiary Data Capture Systems Limited (2023: 150 shares). This company is dormant.

Taupo District Council has 100% ownership (100 shares) of the subsidiary Destination Lake Taupo Limited (2023: 100 shares). This company is dormant.

Listed shares

Council has current investments in listed shares on various international markets. 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:

2024			
Share	# Shares	\$/share	Value
Precinct Properties New Zealand Limited	565,000	1.12	\$ 629,975
Vital Healthcare Property Trust	315,000	1.80	\$ 567,000
Charter Hall Group	55,000	12.25	\$ 673,582
Goodman Group	26,000	38.07	\$ 989,724
Scentre Group	225,400	3.42	\$ 770,362
Total Property			\$ 3,630,643
Auckland International Airport Limited	65,000	7.63	\$ 495,950
Chorus Limited (NS)	70,000	7.69	\$ 538,300
EBOS Group Limited	13,000	32.22	\$ 418,860
Freightways Group Limited	50,000	7.70	\$ 385,000
Infratil Limited	50,000	11.20	\$ 560,000
Mainfreight Limited	6,500	67.63	\$ 439,595
Mercury NZ Limited	80,000	6.56	\$ 525,200
Meridian Energy Limited	90,000	6.29	\$ 566,100
Port of Tauranga Limited	60,000	4.72	\$ 283,200
Ryman Healthcare Limited	94,000	3.56	\$ 334,640
Skellerup Holdings Limited	90,000	3.76	\$ 338,400
Spark New Zealand Limited	110,000	4.16	\$ 457,600
The a2 Milk Company Limited	45,000	7.10	\$ 319,500
Tourism Holdings Limited	87,000	1.79	\$ 155,730
Total NZ Equities			\$ 5,818,075
Amcors Plc	33,000	16.31	\$ 538,252
ANZ Group Holdings Limited	22,000	30.93	\$ 680,556
APA Group	40,000	8.75	\$ 350,093
Brambles Limited	30,000	15.92	\$ 477,489
Commonwealth Bank Of Australia	4,000	139.53	\$ 558,133
CSL Limited	2,000	323.38	\$ 646,752
Insurance Australia Group Limited	70,000	7.82	\$ 547,486
Macquarie Group Limited	2,500	224.22	\$ 560,549
ResMed Incorporated	20,000	31.88	\$ 637,529
Telstra Group Limited	140,000	3.97	\$ 555,154
Ventia Services Group Limited	130,000	4.20	\$ 545,405
Vulcan Steel Limited	30,000	7.31	\$ 219,192
Woolworths Group Limited	15,000	37.01	\$ 555,209
Total Australian Equities			\$ 6,871,799
Stewart Investors Worldwide Leaders Sustainability Fund (PIE)	2,107,976	1.32	\$ 2,776,836
AllianceBernstein Sustainable Global Thematic Equities Fund	5,787,557	1.35	\$ 7,796,156
GMO Climate Change Trust	1,796,089	0.80	\$ 1,433,124
GMO Quality Trust	3,848,588	1.92	\$ 7,362,599
iShares Expanded Tech Sector ETF	15,000	154.91	\$ 2,323,670
Vanguard Health Care ETF	5,000	436.93	\$ 2,184,625
			\$ 23,877,011
			\$ 40,197,528

16. Other financial assets

	2023		
	NO. OF SHARES	MARKET VALUE \$/SHARE	TOTAL MARKET VALUE
Current portion			
A2 Milk	45,000	5.35	240,750
Adelaide Brighton Concrete	125,000	2.60	325,383
AGL Energy Limited	30,000	11.77	353,210
Amcor	40,000	16.18	647,389
ANZ Bank	30,000	25.82	774,710
APA Group	75,000	10.55	791,537
Brambles Limited	20,000	15.69	313,892
Bunzl	5,000	62.28	311,390
Costa Group	50,000	2.96	148,124
Estia Health	150,000	3.22	483,581
Gentrack	31,569	4.20	132,590
Link Administration Holdings	50,000	1.82	90,944
Pact Group	100,000	0.72	71,884
Pexa Group	6,648	14.82	98,545
Scentre Group	80,000	2.89	230,899
South 32	100,000	4.10	409,519
Synlait Milk	167,794	1.66	278,538
Syrah Resources	50,000	0.99	49,284
Tesco	102,631	5.16	529,406
Tourism Holdings	50,000	3.87	193,500
			6,475,075

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 \$300,000 (2023: \$300,000 - restated).

Related Party Loans

Related party loans valued at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. The loan facility to the Taupo Airport Authority of \$200k was fully drawn at 30 June 2024.

Other Loans

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

Impairment

A provision for the impairment of the Ruapehu Alpine Lifts (RAL) bond, categorised as other loans above, has been raised due to RAL appointing PwC as liquidator on the 21st of June 2023.

Other Shares in Companies

Council holds the following equity investments:

- Civic Financial Services Ltd 83,971 shares at fair value of \$0.93 (2023: \$0.90) each.
- BOP Local Authority Shared Services Ltd 1 ordinary capital share of \$1,000 (2023: \$1,000).
- NZ Local Government Funding Agency 100,000 ordinary shares @ \$1.00 and 100,000 ordinary unpaid shares @ \$1.00 (2023: \$1.00).

16. Other financial assets

Finance lease receivable (amortised cost)

¹: In 2024 Council sought an external technical opinion on the treatment of land at 67 Horomatangi Street. The piece of land which was sold in the 2023 financial year, has a deferred settlement extending into the year ending 30 June 2025. As a result of this opinion, the land, previously disclosed as Investment property land, has been reclassified to a finance lease receivable, with the 2023 year being restated to the same.

Reconciliation gross/net investment	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Gross receivable	3,000	3,000	3,000	3,000
Less: unearned finance income	(57)	(274)	(57)	(274)
Total	2,943	2,726	2,943	2,726

Critical judgements in applying accounting policies

Sale and leaseback of 67 Horomatangi Street

Council sold the land to developers, under deferred settlement terms, with a condition that they would build a new corporate office, which will be leased by the Council on completion. In this transaction, the sale involved the land only, while the leaseback involves the land and building (which is constructed and owned by the developer on the land). Council does not consider the sale of the land at 67 Horomatangi Street to constitute a sale and leaseback arrangement, on the basis that the sale involves only the land, and the leaseback involves both the land and the building (which is constructed on the land), therefore the two transactions for the sale of the land, and the lease of the majority of the building (on completion), are distinctly separate transactions.

The finance lease receivable above represents the receivable owing for the purchase of the land over the period of the deferred settlement. Cash proceeds will be applied to the receivable on settlement in the 2025 financial year.

The leaseback of the land after title is transferred is an operating lease as it has an indefinite useful life and there is no purchase option for the Council at the end of the lease.

17. 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 write-downs 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).

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Non current assets held for sale are:				
Land	-	-	-	-
Buildings	-	-	-	-
Total non current assets held for sale	-	-	-	-
<i>Opening balance</i>	-	13,406	-	13,406
Disposals	-	(9,861)	-	(9,861)
Asset reclassifications	-	(3,699)	-	(3,699)
Additions	-	154	-	154
Fair value gains/(losses) on valuation	-	-	-	-
Transfer (to)/from investment property	-	-	-	-
Transfer (to)/from non-current assets	-	-	-	-
Total	-	-	-	-

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.

18. 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:

18. Property, plant and equipment

Class of asset depreciated	Estimated useful life	Depreciation rates
Operational assets		
Land	Not depreciated	nil
Site value	13 years	7.69%
Structure	5 - 68 years	1.4% - 20%
Roof	5 - 40 years	2.5% - 20%
Services	5 - 45 years	2.5% - 20%
Internal fit-out	4- 50 years	2% - 25%
Plant & machinery	3 - 40 years	2.5% - 33%
Computer equipment	4 - 10 years	10% - 25%
Office equipment	4 - 10 years	10% - 25%
Leased assets	4 years	25%
Furniture and fittings	2 - 40 years	2.5% - 50%
Park furniture	Not depreciated - 100 years	0% - 20%
Motor vehicles	4 - 25 years	4% - 25%
Library books	Not depreciated - 8.0 years	0% - 33.3%
Infrastructural assets		
Buildings	5 - 60 years	1.7% - 20%
Roading network		
Top surface (seal)	4 - 25 years	4% - 25%
Pavement (base course)	50 - 65 years	1.5% - 2.0%
Formation	not depreciated	nil
Culverts	25 - 80 years	1.25% - 4%
Footpaths	30 - 80 years	1.3% - 3.3%
Kerbs	50 - 80 years	1.25 - 2.0%
Signs	15 years	6.7%
Streetlights	25 years	4.0%
Bridges	40 - 100 years	1% - 2.5%
Structures	15 - 50 years	2% - 6.7%
Land under roads	not depreciated	nil
Water system		
Pipes	50 - 120 years	0.83% - 2.2%
Valves, hydrants	60 years	1.67%
Pump stations	20 - 60 years	1.7% - 10%
Tanks	25 - 80 years	1.3% - 4%
Sewerage system		
Pipes	65 - 100 years	1% - 1.54%
Manholes	80 years	1.3%
Treatment plant	10 - 100 years	1% - 10%
Stormwater systems		
Pipes	50 - 120 years	0.83% - 2%
Manholes, cesspits	75 - 100 years	1% - 1.3%
Flood control systems	20 - 100 years	1% - 5%
Solid waste	4 - 24 years	4.17% - 25%

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

18. 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 independent registered valuers, Ashley Pont BLPM, Maria McHugh BCom (VPM), MPINZ and Mairi Macdonald BBS (VPM) GradDipBusStud (Rural Valuation) MPINZ, of Quotable Value Limited. The valuation is effective as at 30 June 2022.

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.

18. Property, plant and equipment

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 wastewater, water and stormwater infrastructure assets for the Group (excluding associated buildings) was performed by Hasitha Kahandawa BSc (Hons), Principal Quantity Surveying, of AECOM New Zealand Limited. The valuation is effective as at 30 June 2023.

The most recent valuation of roading infrastructural assets (excluding land under roads) was performed by Rachel Wells, Bachelor of Commerce and affiliate member of PINZ. She has a background of infrastructural asset valuations of over 13 years. She is responsible for supervising junior staff and completing valuations for a wide range of infrastructure assets including ports, roading networks, water networks, specialised and heritage buildings, parks & reserves. She is part of the Infrastructure Asset management team of WSP. The valuation is effective as at 30 June 2023.

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 2022 and then indexed using market sales to bring the values to 30 June 2022. 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 Ashley Pont BLPM, Maria McHugh BCom (VPM), MPINZ and Mairi Macdonald BBS (VPM) GradDipBusStud (Rural Valuation) MPINZ, of Quotable Value New Zealand, and is effective as at 30 June 2022.

Fair value assessment

A fair value assessment was performed for land & buildings, roading, and three waters assets (which includes water supply, wastewater reticulation and stormwater reticulation) as at 30 June 2024.

The fair value assessment was prepared by the following valuers, applying available price indices:

- Roading and Footpaths - prepared by WSP
- Three waters assets (includes water supply, wastewater reticulation and stormwater reticulation) - prepared by AECOM
- Land and buildings - prepared by QV

Management considered each asset class against the assessments provided, to acceptable ranges where market movements are calculated to be immaterial. Movement of less than 10% is considered to be immaterial for this purpose.

When applying the assessment of fair value to all these asset classes, the increase in value was not considered material, and accordingly management has concluded these asset classes did not require a full revaluation for 30 June 2024.

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.

18. Property, plant and equipment

Council 2024	Cost / revaluation 1-Jul-23 \$000	Accumulated depreciation 1-Jul-23 \$000	Carrying amount 1-Jul-23 \$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-24 \$000	Accumulated depreciation 30-Jun-24 \$000	Carrying amount 30-Jun-24 \$000
Operating assets at cost & valuation												
Land	47,415	-	47,415	-	-	-	-	-	-	47,415	-	47,415
Buildings	86,626	(4,642)	81,984	14,847	(0)	-	(4,137)	531	-	101,473	(8,782)	92,691
Library books	2,858	(2,204)	654	953	-	-	(324)	-	-	2,550	(1,267)	1,283
Leased plant & equipment	279	(215)	64	137	-	-	(77)	-	-	385	(259)	126
Office furniture and fittings	34,850	(23,931)	10,919	11,857	(20)	-	(3,354)	-	-	44,495	(25,429)	19,066
Mobile plant and equipment	10,874	(6,831)	4,043	1,121	(144)	-	(1,116)	168	-	10,573	(6,498)	4,075
Heritage assets	2,266	-	2,266	75	-	-	-	-	-	2,341	-	2,341
Capital work in progress - land	1,148	-	1,148	146	-	-	-	-	-	1,294	-	1,294
Capital work in progress - buildings	14,787	-	14,787	3,787	-	(81)	-	(15,383)	-	3,110	-	3,110
Capital work in progress - library books	627	-	627	326	-	-	-	(953)	-	-	-	-
Capital work in progress - office furniture & fittings	24,575	-	24,575	6,394	-	-	-	(11,128)	-	19,841	-	19,841
Capital work in progress - mobile plant & equipment	63	-	63	883	-	-	-	(890)	-	56	-	56
Capital work in progress - heritage assets	185	-	185	84	-	-	-	(58)	-	211	-	211
Total operating assets	226,553	(37,823)	188,730	40,610	(164)	(81)	(9,008)	(27,713)	-	233,744	(42,235)	191,509
Infrastructural assets at cost & valuation												
Roading	495,418	-	495,418	30,152	(3,318)	-	(13,741)	-	-	522,252	(13,439)	508,813
Water supply	129,436	-	129,436	23,390	(2,009)	-	(4,634)	488	-	151,305	(4,728)	146,577
Wastewater reticulation	168,858	-	168,858	23,732	(692)	-	(6,867)	685	-	192,583	(6,817)	185,766
Stormwater reticulation	70,263	-	70,263	1,527	(117)	-	(1,226)	-	-	71,673	(1,237)	70,436
Land under roads	496,194	-	496,194	21	-	-	-	-	-	496,215	-	496,215
Infrastructural buildings	14,824	(459)	14,365	1,015	-	-	(487)	-	-	15,839	(946)	14,893
Solid waste	5,277	(4,799)	478	810	-	-	(262)	-	-	3,488	(2,480)	1,008
Capital work in progress - roading	39,209	-	39,209	15,053	-	-	-	(22,751)	-	31,511	-	31,511
Capital works in progress - water supply	38,017	-	38,017	17,560	-	-	-	(18,122)	-	37,455	-	37,455
Capital work in progress - wastewater	37,625	-	37,625	13,445	-	(306)	-	(23,193)	-	27,571	-	27,571
Capital work in progress - stormwater	556	-	556	257	-	(93)	-	(542)	-	178	-	178
Capital work in progress - solid waste	1,332	-	1,332	232	-	-	-	(1,453)	-	111	-	111
Total infrastructural assets	1,497,009	(5,258)	1,491,751	127,194	(6,136)	(399)	(27,217)	(64,888)	-	1,550,181	(29,647)	1,520,534
Restricted assets at cost and valuation												
Reserves	226,706	-	226,706	-	-	-	-	-	-	226,706	-	226,706
Total restricted assets	226,706	-	226,706	-	-	-	-	-	-	226,706	-	226,706
Total Council	1,950,268	(43,081)	1,907,187	167,804	(6,300)	(480)	(36,225)	(92,601)	-	2,010,631	(71,882)	1,938,749

18. Property, plant and equipment

Council 2023	Cost /	Accumulated	Carrying	Current year	Current year	Current year	Current year	Transfers	Revaluation	Cost /	Accumulated	Carrying
	revaluation	depreciation	amount	additions (+	disposals (+	impairment	depreciation		surplus	revaluation	depreciation	amount
	1-Jul-22	1-Jul-22	1-Jul-22	gains)	losses)	charges				30-Jun-23	30-Jun-23	30-Jun-23
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating assets at cost & valuation												
Land	44,131	-	44,131	-	(29)	-	-	3,313	-	47,415	-	47,415
Buildings	86,188	(1,002)	85,186	-	-	(88)	(3,644)	531	-	86,626	(4,642)	81,984
Library books	2,858	(1,952)	906	-	-	-	(252)	-	-	2,858	(2,204)	654
Leased plant & equipment	279	(140)	139	-	-	-	(75)	-	-	279	(215)	64
Office furniture and fittings	34,825	(22,590)	12,235	218	(7)	-	(1,551)	20	-	34,850	(23,931)	10,919
Mobile plant and equipment	10,581	(7,372)	3,209	1,964	(181)	-	(949)	-	-	10,874	(6,831)	4,043
Heritage assets	2,266	-	2,266	-	-	-	-	-	-	2,266	-	2,266
Capital work in progress - land	33	-	33	1,641	-	-	-	(526)	-	1,148	-	1,148
Capital work in progress - buildings	3,700	-	3,700	11,095	-	-	-	(8)	-	14,787	-	14,787
Capital work in progress - library books	290	-	290	337	-	-	-	-	-	627	-	627
Capital work in progress - office furniture & fittings	14,299	-	14,299	10,479	-	-	-	(203)	-	24,575	-	24,575
Capital work in progress - mobile plant & equipment	65	-	65	1,969	-	-	-	(1,971)	-	63	-	63
Capital work in progress - heritage assets	102	-	102	83	-	-	-	-	-	185	-	185
Total operating assets	199,617	(33,056)	166,561	27,786	(217)	(88)	(6,471)	1,156	-	226,553	(37,823)	188,730
Infrastructural assets at cost & valuation												
Roading	412,954	(13,648)	399,306	20,085	(141)	-	(5,574)	(164)	81,906	495,418	-	495,418
Water supply	95,694	(3,330)	92,364	5,785	(876)	-	(3,683)	-	35,846	129,436	-	129,436
Wastewater reticulation	147,293	(4,808)	142,485	5,405	(73)	-	(4,635)	-	25,676	168,858	-	168,858
Stormwater reticulation	55,080	(992)	54,088	1,134	(103)	-	(1,050)	-	16,194	70,263	-	70,263
Land under roads	494,913	-	494,913	6	-	-	-	1,275	-	496,194	-	496,194
Infrastructural buildings	14,824	(4)	14,820	-	-	-	(455)	-	-	14,824	(459)	14,365
Solid waste	5,277	(4,550)	727	-	-	-	(249)	-	-	5,277	(4,799)	478
Capital work in progress - roading	30,634	-	30,634	15,755	-	-	-	(7,180)	-	39,209	-	39,209
Capital works in progress - water supply	27,750	-	27,750	17,991	-	(131)	-	(7,593)	-	38,017	-	38,017
Capital work in progress - wastewater	32,317	-	32,317	6,534	-	-	-	(1,226)	-	37,625	-	37,625
Capital work in progress - stormwater	502	-	502	90	-	-	-	(36)	-	556	-	556
Capital work in progress - solid waste	629	-	629	943	-	-	-	(240)	-	1,332	-	1,332
Total infrastructural assets	1,317,867	(27,332)	1,290,535	73,728	(1,193)	(131)	(15,646)	(15,164)	159,622	1,497,009	(5,258)	1,491,751
Restricted assets at cost and valuation												
Reserves	223,677	-	223,677	4,449	-	-	-	(1,420)	-	226,706	-	226,706
Total restricted assets	223,677	-	223,677	4,449	-	-	-	(1,420)	-	226,706	-	226,706
Total Council	1,741,161	(60,388)	1,680,773	105,963	(1,410)	(219)	(22,117)	(15,428)	159,622	1,950,268	(43,081)	1,907,187

18. Property, plant and equipment

Group 2024	Cost / revaluation 1-Jul-23 \$000	Accumulated depreciation 1-Jul-23 \$000	Carrying amount 1-Jul-23 \$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-24 \$000	Accumulated depreciation 30-Jun-24 \$000	Carrying amount 30-Jun-24 \$000
Operating assets at cost & valuation												
Land	47,415	-	47,415	-	-	-	-	-	-	47,415	-	47,415
Buildings	86,626	(4,642)	81,984	14,939	(0)	-	(4,299)	32	-	109,205	(8,989)	100,216
Library books	2,858	(2,204)	654	953	-	-	(324)	-	-	2,550	(1,267)	1,283
Leased plant & equipment	279	(215)	64	137	-	-	(77)	-	-	385	(259)	126
Office furniture and fittings	35,011	(24,070)	10,941	11,976	(21)	-	(3,428)	558	-	45,349	(25,654)	19,695
Mobile plant and equipment	10,956	(6,898)	4,058	1,121	(144)	-	(1,122)	168	-	10,614	(6,536)	4,078
Heritage assets	2,266	-	2,266	75	-	-	-	-	-	2,341	-	2,341
Capital work in progress - land	1,148	-	1,148	146	-	-	-	-	-	1,294	-	1,294
Capital work in progress - buildings	14,787	-	14,787	3,787	-	(81)	-	(15,383)	-	3,110	-	3,110
Capital work in progress - library books	627	-	627	326	-	-	-	(953)	-	-	-	-
Capital work in progress - office furniture & fittings	24,575	-	24,575	6,394	-	-	-	(11,128)	-	19,841	-	19,841
Capital work in progress - mobile plant & equipment	63	-	63	883	-	-	-	(890)	-	56	-	56
Capital work in progress - heritage assets	185	-	185	84	-	-	-	(58)	-	211	-	211
Total operating assets	226,796	(38,029)	188,767	40,821	(165)	(81)	(9,250)	(27,655)	-	242,371	(42,704)	199,666
Infrastructural assets at cost & valuation												
Roading	499,571	(14)	499,557	30,226	(3,318)	-	(13,837)	(56)	-	525,966	(13,543)	512,423
Water supply	129,436	-	129,436	23,390	(2,009)	-	(4,634)	488	-	151,305	(4,728)	146,577
Wastewater	168,858	-	168,858	23,732	(692)	-	(6,867)	685	-	192,583	(6,817)	185,766
Stormwater	70,471	-	70,471	1,527	(117)	-	(1,229)	-	-	71,882	(1,240)	70,642
Land under roads	496,194	-	496,194	21	-	-	-	-	-	496,215	-	496,215
Infrastructural buildings	23,051	(593)	22,458	1,015	-	-	(487)	-	-	15,839	(946)	14,893
Solid waste	5,277	(4,799)	478	810	-	-	(262)	-	-	3,488	(2,480)	1,008
Capital work in progress - roading	39,209	-	39,209	15,094	-	-	-	(22,751)	-	31,550	-	31,550
Capital works in progress - water supply	38,017	-	38,017	17,560	-	-	-	(18,122)	-	37,455	-	37,455
Capital work in progress - wastewater	37,625	-	37,625	13,445	-	(306)	-	(23,193)	-	27,571	-	27,571
Capital work in progress - stormwater	556	-	556	257	-	(93)	-	(542)	-	178	-	178
Capital work in progress - solid waste	1,332	-	1,332	232	-	-	-	(1,453)	-	111	-	111
Taupo Airport runways	5,842	(66)	5,776	2	-	-	(164)	(10)	-	6,285	(230)	6,056
Total infrastructural assets	1,515,439	(5,472)	1,509,967	127,312	(6,136)	(399)	(27,480)	(64,954)	-	1,560,428	(29,984)	1,530,445
Restricted assets at cost and valuation												
Reserves	226,706	-	226,706	-	-	-	-	-	-	226,706	-	226,706
Taupo Airport land	5,217	-	5,217	-	-	-	-	-	-	5,217	-	5,217
Total restricted assets	231,923	-	231,923	-	-	-	-	-	-	231,923	-	231,923
Total Council	1,974,158	(43,501)	1,930,657	168,132	(6,301)	(480)	(36,729)	(92,609)	-	2,034,722	(72,688)	1,962,034

18. Property, plant and equipment

Group 2023	Cost / revaluation 1-Jul-22 \$000	Accumulated depreciation 1-Jul-22 \$000	Carrying amount 1-Jul-22 \$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-23 \$000	Accumulated depreciation 30-Jun-23 \$000	Carrying amount 30-Jun-23 \$000
Operating assets at cost & valuation												
Land	44,131	-	44,131	-	(29)	-	-	3,313	-	47,415	-	47,415
Buildings	86,459	(1,060)	85,399	-	-	(88)	(3,644)	531	-	86,626	(4,642)	81,984
Library books	2,858	(1,952)	906	-	-	-	(252)	-	-	2,858	(2,204)	654
Leased plant & equipment	279	(140)	139	-	-	-	(75)	-	-	279	(215)	64
Office furniture and fittings	35,022	(22,750)	12,272	218	(6)	-	(1,558)	22	-	35,011	(24,070)	10,941
Mobile plant and equipment	10,622	(7,399)	3,223	1,964	(181)	-	(959)	-	-	10,956	(6,898)	4,058
Heritage assets	2,266	-	2,266	-	-	-	-	-	-	2,266	-	2,266
Capital work in progress - land	33	-	33	1,641	-	-	-	(526)	-	1,148	-	1,148
Capital work in progress - buildings	3,700	-	3,700	11,095	-	-	-	(8)	-	14,787	-	14,787
Capital work in progress - library books	290	-	290	337	-	-	-	-	-	627	-	627
Capital work in progress - office furniture & fittings	14,299	-	14,299	10,479	-	-	-	(203)	-	24,575	-	24,575
Capital work in progress - mobile plant & equipment	65	-	65	1,969	-	-	-	(1,971)	-	63	-	63
Capital work in progress - heritage assets	102	-	102	83	-	-	-	-	-	185	-	185
Total operating assets	200,126	(33,301)	166,825	27,786	(216)	(88)	(6,488)	1,158	-	226,796	(38,029)	188,767
Infrastructural assets at cost & valuation												
Roading	414,381	(13,680)	400,701	21,661	(241)	-	(5,608)	(164)	81,957	499,571	(14)	499,557
Water supply	95,694	(3,330)	92,364	5,785	(876)	-	(3,683)	-	35,846	129,436	-	129,436
Wastewater reticulation	147,293	(4,808)	142,485	5,405	(73)	-	(4,635)	-	25,676	168,858	-	168,858
Stormwater reticulation	55,265	(994)	54,271	1,134	(103)	-	(1,052)	-	16,199	70,471	-	70,471
Land under roads	494,916	-	494,916	6	-	-	-	1,275	-	496,194	-	496,194
Infrastructural buildings	14,824	(4)	14,820	7,926	-	-	(499)	-	-	23,051	(593)	22,458
Solid waste	5,277	(4,550)	727	-	-	-	(249)	-	-	5,277	(4,799)	478
Capital work in progress - roading	30,639	-	30,639	15,755	-	-	-	(7,180)	-	39,209	-	39,209
Capital works in progress - water supply	27,750	-	27,750	17,991	-	(131)	-	(7,593)	-	38,017	-	38,017
Capital work in progress - wastewater	32,317	-	32,317	6,534	-	-	-	(1,226)	-	37,625	-	37,625
Capital work in progress - stormwater	502	-	502	90	-	-	-	(36)	-	556	-	556
Capital work in progress - infrastructural buildings	5,380	-	5,380	-	-	-	-	(5,380)	-	-	-	-
Capital work in progress - solid waste	629	-	629	943	-	-	-	(240)	-	1,332	-	1,332
Taupo Airport runways	4,909	(302)	4,607	134	-	-	(152)	-	389	5,842	(66)	5,776
Total infrastructural assets	1,329,776	(27,668)	1,302,108	83,364	(1,293)	(131)	(15,878)	(20,544)	160,067	1,515,439	(5,472)	1,509,967
Restricted assets at cost and valuation												
Reserves	223,677	-	223,677	4,449	-	-	-	(1,420)	-	226,706	-	226,706
Taupo Airport land	5,217	-	5,217	-	-	-	-	-	-	5,217	-	5,217
Total restricted assets	228,894	-	228,894	4,449	-	-	-	(1,420)	-	231,923	-	231,923
Total Council	1,758,796	(60,969)	1,697,827	115,599	(1,509)	(219)	(22,366)	(20,806)	160,067	1,974,158	(43,501)	1,930,657

18. Property, plant and equipment

Heritage assets

Council owns a variety of heritage type assets around the Taupo 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 (2023: \$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 25).

Impairment

Assets identified as requiring impairment: Acacia Bay Community Hall \$43,108 and Tawa Cottage \$44,687, both buildings suffered damage in Cyclone Gabrielle in February 2023. Council has received approval of the insurance claim for these two buildings and the funds have been received. (2022: TAA terminal building \$359,559)

Insurance on assets

The total book value of all assets covered by insurance contracts is \$194 million (2023: \$194m).

The Council has chosen to insure these assets for \$403 million (2023: \$403m).

The Council has chosen to self-insure Infrastructure assets as outlined in Council's Taupo Recovery Plan December 2013, by "ring fencing" the cash investments of the TEL Fund of \$70.2m (2023: \$61.6m) 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 Rooding, Water, Wastewater, Stormwater & Solid Waste assets that are self-insured is \$901 million (2023: \$901m). 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 2024	ADDITIONS			
	CLOSING BOOK VALUE \$000	CONSTRUCTED BY COUNCIL \$000	ASSETS TRANSFERRED TO COUNCIL \$000	ESTIMATED REPLACEMENT COST \$000
Infrastructural assets				
Water treatment plants & facilities	22,422	757	-	62,036
Water reticulation assets	123,100	17,518	5,115	168,658
Wastewater treatment plants & facilities	73,317	20,997	-	150,573
Wastewater reticulation assets	113,265	1,043	1,691	200,795
Stormwater drainage	70,406	580	642	124,713
Roads & footpaths	522,252	-	7,399	794,698
Total infrastructural assets	924,763	40,895	14,847	1,501,472

Water, wastewater and stormwater assets latest valuation 30/6/2023.

Roads and footpaths latest valuation 30/6/2023.

COUNCIL 2023	ADDITIONS			
	CLOSING BOOK VALUE \$000	CONSTRUCTED BY COUNCIL \$000	ASSETS TRANSFERRED TO COUNCIL \$000	ESTIMATED REPLACEMENT COST \$000
Infrastructural assets				
Water treatment plants & facilities	24,071	-	-	61,279
Water reticulation assets	105,853	4,313	1,472	146,025
Wastewater treatment plants & facilities	56,413	1	-	129,576
Wastewater reticulation assets	113,130	4,110	1,294	198,060
Stormwater drainage	70,569	327	808	123,492
Roads & footpaths	495,419	7,852	12,233	787,299
Total infrastructural assets	865,455	16,603	15,807	1,445,731

18. Property, plant and equipment

GROUP 2024	ADDITIONS			
	CLOSING BOOK VALUE \$000	CONSTRUCTED BY COUNCIL \$000	ASSETS TRANSFERRED TO COUNCIL \$000	ESTIMATED REPLACEMENT COST \$000
Infrastructural assets				
Water treatment plants & facilities	22,422	757	-	62,036
Water reticulation assets	123,100	17,518	5,115	168,658
Wastewater treatment plants & facilities	73,317	20,997	-	150,573
Wastewater reticulation assets	113,265	1,043	1,691	200,795
Stormwater drainage	70,612	580	642	125,484
Roads & footpaths	524,910	1,575	7,399	810,073
Taupo Airport runways	5,621	134	-	11,050
Total infrastructural assets	933,248	42,604	14,847	1,528,668

Water, wastewater and stormwater assets latest valuation 30/6/2023.

Roads and footpaths latest valuation 30/6/2023.

GROUP 2023	ADDITIONS			
	CLOSING BOOK VALUE \$000	CONSTRUCTED BY COUNCIL \$000	ASSETS TRANSFERRED TO COUNCIL \$000	ESTIMATED REPLACEMENT COST \$000
Infrastructural assets				
Water treatment plants & facilities	24,071	-	-	61,279
Water reticulation assets	105,853	4,313	1,472	146,025
Wastewater treatment plants & facilities	56,413	1	-	129,576
Wastewater reticulation assets	113,130	4,110	1,294	198,060
Stormwater drainage	70,775	327	808	124,263
Roads & footpaths	498,077	9,427	12,233	802,674
Taupo Airport runways	5,621	134	-	11,050
Total infrastructural assets	873,940	18,312	15,807	1,472,927

Finance leases as lessee

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Computer equipment	-	-	-	-
Gym equipment	12	2	12	2
Library equipment	114	62	114	62
Total	127	64	127	64

CAPITAL COMMITMENTS	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Water capital / renewals	25,344	29,397	25,344	29,397
Wastewater capital / renewals	10,906	3,221	10,906	3,221
Stormwater capital / renewals	-	296	-	296
District roading capital/renewals	248	657	248	657
District Parks capital / renewals	-	409	-	409
Investment property capital	1,803	740	1,803	740
Tech One ERP Implementation	474	-	474	-
Airport redevelopment	42	-	101	-
Waioara House	-	59	-	59
Civic Administration Building fitout	1,725	-	1,725	-
Sportsground capital/renewals	827	-	827	-
Other capex/renewals	132	-	132	-
Total capital commitments	41,501	34,779	41,560	34,779

Taupo District Council has one construction contract on behalf of Taupo Airport Authority with committed capital of \$42k (2023: \$0).

19. 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).

Software as a service (SaaS) costs are componentised, with development and configuration activities recognised as part of the software asset, and all other costs expensed as they are incurred in accordance with the April-21 agenda decision from the International Financial Reporting Interpretations Committee (IFRIC) on Configuration or Customisation costs in a Cloud Computing Arrangement.

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.

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 rate
Computer software	7 years	14.29%

Impairment of intangible assets

For further details, refer to the policy for impairment of property, plant and equipment in note 18. 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 2023				
Balances at 1 July 2022	4,010	3,955	2,884	10,849
Additions	-	605	2,890	3,495
Disposals	-	-	(2,063)	(2,063)
Transfer to property, plant & equipment	-	-	-	-
Balances as at 30 June 2023	4,010	4,560	3,711	12,281
COUNCIL 2024				
Balances at 1 July 2023	4,010	4,560	3,711	12,281
Additions	1,633	222	303	2,158
Disposals	(2,126)	-	(2,436)	(4,562)
Transfer to intangible asset	-	(1,633)	-	(1,633)
Transfer to property, plant & equipment	-	-	-	-
Balances as at 30 June 2024	3,517	3,149	1,578	8,244
Accumulated amortisation and impairment				
COUNCIL 2023				
Balances at 1 July 2022	(3,455)	-	-	(3,455)
Disposals	-	-	-	-
Amortisation charge	(149)	-	-	(149)
Balances as at 30 June 2023	(3,604)	-	-	(3,604)
COUNCIL 2024				
Balances at 1 July 2023	(3,604)	-	-	(3,604)
Disposals	2,126	-	-	2,126
Amortisation charge	(690)	-	-	(690)
Balances as at 30 June 2024	(2,168)	-	-	(2,168)
Carrying amounts				
As at 1 July 2022	4,010	3,955	2,884	12,281
As at 30 June 2023 & 1 July 2023	(87)	4,560	3,711	8,677
As at 30 June 2024	1,349	3,149	1,578	6,076

19. Intangible assets

	COMPUTER SOFTWARE \$000	CAPITAL WORK IN PROGRESS \$000	CARBON CREDITS \$000	TOTAL \$000
Cost				
GROUP 2023				
Balances at 1 July 2022	4,193	3,955	2,884	11,032
Additions	4	605	2,890	3,499
Disposals	-	-	(2,063)	(2,063)
Transfer to property, plant & equipment	-	-	-	-
Balances as at 30 June 2023	4,197	4,560	3,711	12,468
GROUP 2024				
Balances at 1 July 2023	4,197	4,560	3,711	12,468
Additions	1,745	222	303	2,270
Disposals	(2,137)	-	(2,436)	(4,573)
Transfer to intangible asset	-	(1,633)	-	(1,633)
Transfer to property, plant & equipment	-	-	-	-
Balances as at 30 June 2024	3,805	3,149	1,578	8,532
Accumulated amortisation and impairment				
GROUP 2023				
Balances at 1 July 2022	(3,602)	-	-	(3,602)
Disposals	-	-	-	-
Amortisation charge	(171)	-	-	(171)
Balances as at 30 June 2023	(3,773)	-	-	(3,773)
GROUP 2024				
Balances at 1 July 2023	(3,773)	-	-	(3,773)
Disposals	2,137	-	-	2,137
Amortisation charge	(701)	-	-	(701)
Balances as at 30 June 2024	(2,338)	-	-	(2,338)
Carrying amounts				
As at 1 July 2022	591	3,955	2,884	7,430
As at 30 June 2023 & 1 July 2023	424	4,560	3,711	8,695
As at 30 June 2024	1,467	3,149	1,578	6,194

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.

20. Depreciation and amortisation expense by group of activity

	COUNCIL	
	2024 \$000	2023 \$000
Water	5,224	4,343
Community Services	311	249
Transport	13,709	5,772
Community Facilities	7,531	5,588
Solid Waste	514	388
Stormwater	1,226	1,054
Wastewater	6,878	4,759
Economic Development	24	26
Democracy & Planning	45	42
Investments	1,455	672
Depreciation and amortisation not directly related to group of activities	-	-
Total depreciation and amortisation	36,917	22,893

21. 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.

	COUNCIL		GROUP	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Opening balance	7,868	7,535	7,868	7,535
Gains/(losses) arising from changes in fair value	700	196	700	196
Additions	2,649	137	2,649	137
Disposals	(2,649)	-	(2,649)	-
Carrying amount at 30 June	8,568	7,868	8,568	7,868

The forest estate comprises a number of relatively small forests and two larger forests (Rangitaiki & Tirohanga) in the Taupo basin of radiata pine. The total net stocked area of the estate is estimated to be 1,020 hectares (2023: 1,059 hectares).

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 \$8.64m as at 30 June 2024. 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 8.0% (2023: 8.0%) 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 2024 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 (2023: 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.

22. 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.

TOTAL VALUE OF INVESTMENT PROPERTY IS SHOWN IN THE TABLE BELOW:

	COUNCIL		GROUP	
	2024 \$000	2023 - Restated \$000	2024 \$000	2023 - Restated \$000
Land	32,576	27,445	32,576	27,445
Buildings	881	1,805	881	1,805
Balance at 30 June	33,457	29,250	33,457	29,250

THE MOVEMENT OF INVESTMENT PROPERTY IS AS FOLLOWS:

	COUNCIL		GROUP	
	2024 \$000	2023 - Restated \$000	2024 \$000	2023 - Restated \$000
Opening balance	29,250	30,784	29,250	30,784
Fair value gains/(losses) on valuation	14,008	956	14,008	956
Additions	4,336	366	4,336	366
Disposals	(541)	(3,000)	(541)	(3,000)
Transfers (to)/ from property plant and equipment	(498)	144	(498)	144
Transfers (to)/ from inventory	(13,098)	-	(13,098)	-
Transfers (to)/from held for sale	-	-	-	-
Balance at 30 June	33,457	29,250	33,457	29,250

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.

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

	COUNCIL		GROUP	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Rental revenue from investment property	169	147	169	147
Direct operating expenses related to investment property that generated rental revenue during the period	60	48	60	48
Direct operating expenses related to investment property that did not generate rental revenue during the period	80	79	80	79

23. Trade and other payables

Accounting policy

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

	COUNCIL		GROUP	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Trade payables	5,504	190	5,691	281
Amounts due to related parties	-	17	-	-
Accrued expenses	7,520	10,309	7,610	10,518
Councillor fees payable	-	22	-	22
Deposits and bonds	2,534	2,019	2,540	2,039
Revenue in advance	8,493	7,399	8,552	7,468
Total trade and other payables	24,051	19,956	24,393	20,328
Total creditors and other payables from exchange transactions	13,024	10,516	13,301	10,799
Total creditors and other payables from non-exchange transactions	11,027	9,440	11,092	9,529
Total current creditors and other payables from exchange and non exchange transactions	24,051	19,956	24,393	20,328

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

24. Employee entitlements

Accounting policy

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.

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

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 5.43% (2023: 3.34%) and an inflation factor of 4% (2023: 5%) were used.

	COUNCIL		GROUP	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current portion				
Accrued pay	668	908	681	951
Annual leave	2,764	2,343	2,822	2,409
Lieu leave	147	157	148	158
Retirement gratuities & long service leave	234	244	240	250
Total current portion	3,813	3,652	3,891	3,768
Non current portion				
Retirement gratuities & long service leave	123	180	123	180
Total non current portion	123	180	123	180
Total employee entitlements	3,936	3,832	4,014	3,948

25. 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	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current portion				
Commercial paper	38,027	38,022	38,027	38,022
Debentures	20,543	11,276	20,543	11,276
Finance lease liabilities	38	55	38	55
Total secured current interest bearing borrowings	58,608	49,353	58,608	49,353
Non current portion				
Debentures	145,000	135,000	145,000	135,000
Finance lease liabilities	93	13	93	13
Total secured non current interest bearing borrowings	145,093	135,013	145,093	135,013
Total borrowings	203,701	184,366	203,701	184,366

Bank Facilities

Council has a total of \$50m committed bank / LGFA facilities (2023: \$50m), \$40m bank facility expires December 2027 and \$10m LGFA expires September 2025. Of the facilities nil was drawn as at balance date (2023: \$nil).

Commercial paper, fixed and floating rate notes

Council has issued nil fixed and floating rate notes at balance date (2023: \$nil).

Council has commercial paper of \$38m currently on issue (2023: \$38m).

NZ Local Government Funding Agency

Council has issued \$164m of floating rate debt securities as at balance date and these are mostly covered by interest rate swaps at fixed rates (2023: \$145m).

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 \$138.5 million at 30 June 2024 (2023: \$138.5 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.

ANALYSIS OF COMMERCIAL PAPER & DEBENTURES

	COUNCIL		GROUP	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Payable no later than one year	58,570	49,298	58,570	49,298
Later than one, not later than two years	30,000	19,000	30,000	19,000
Later than two, not later than five years	87,000	70,000	87,000	70,000
Later than five years	28,000	46,000	28,000	46,000
Total undrawn committed facilities	203,570	184,298	203,570	184,298

25. Borrowings

ANALYSIS OF FINANCE LEASES PAYABLE

	COUNCIL		GROUP	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Minimum lease payments payable				
Payable no later than one year	46	56	46	56
Later than one, not later than two years	33	13	33	13
Later than two, not later than five years	72	-	72	-
Total minimum lease payments payable	151	69	151	69
Future finance charges	(20)	(1)	(20)	(1)
Present value of minimum lease payments	131	68	131	68
Represented by:				
Current	38	55	38	55
Non current	93	13	93	13
Total finance leases	131	68	131	68

At the Council, finance leases are largely related to the leasing of equipment. A summary of the net carrying amount of all leased assets is in note 18.

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.

26. 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.

	COUNCIL		GROUP	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current (asset)/liability portion				
Interest rate swaps	54	(67)	54	(67)
Non current (asset)/liability portion				
Interest rate swaps	(599)	119	(599)	119
Total derivative (asset)/liability	(545)	52	(545)	52

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 2024.

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2024 were \$179,750,000 (2023: \$202,650,000). At 30 June 2024, the fixed interest rates of interest rate swaps vary from 3.48% to 6.16% (2023: 3.48% to 6.16%).

27. 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. 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	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current portion				
Other provisions	-	40	-	44
Total current portion	-	40	-	44
Non current portion				
Value landfill - closure and post closure provision	167	161	167	161
Other provisions	-	-	9	9
Total non current portion	167	161	176	170
Total provisions	167	201	176	214
Movements in provisions:				
Opening balance	201	154	214	171
Additional provisions made during the year	6	47	6	47
Provisions used	(40)	-	(44)	(4)
Closing balance	167	201	176	214

Taupo 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 2024 is approximately 139,871 cubic metres (2023: 166,995 cubic metres).

The estimated remaining life as at 30 June 2024 is 3 years (2023: 4 years). Council is currently undertaking consultation regarding obtaining a new operating consent that would see the site continue to take waste until 2047. If a consent is unable to be obtained then the site would have to close at the end of the operating consent period which is December 2027.

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.

If resource consent is not obtained the cash outflows for landfill post-closure are expected to occur between 2027 and 2032. 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 4.45%.

28. Contingencies

Guarantees, indemnities and uncalled capital

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

Council is one of 30 local authority shareholders and 77 local authority borrowers of the NZLGFA. (In that regard it has uncalled capital of \$100,000). When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2024, NZLGFA had borrowings totalling \$23,030m (2023: \$17,684m). This figure is made up of the face value of the LGFA's bonds on issue of \$21,086m (2023: \$16,678m), accrued interest on bonds on issue of \$130.4m (2023: \$83.7m), the face value of bills on issue of \$1,755.1m (2023: \$792.0m), bonds LGFA lent to counterparties under bond repurchase transactions of \$58.3m (2023: \$130m), and the face value of debt securities net of accrued interest \$820.7m (2023: nil).

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

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

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

Other Contingencies

Taupo District Council

- Scientific advice has been received regarding the Hipaua Geothermal Landslide risk near Waihi at the southern end of Lake Taupo. In the event of a landslide any property damage and/or loss of life could potentially give rise to claim(s) against Council, currently unquantifiable (2023: Same contingency disclosure made).
- A land subsidence issue has been identified in the Taupo urban area, with the potential for property damage and therefore raising unquantifiable liability issues. Taupo District Council does not believe it has any direct potential liability, specifically related to the causes of the subsidence. (2023: 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. Given a directive from Te Arawhiti to implement the outstanding redress for the Crescent Reserve (Kōhineheke) Ancillary Claim in Turangi, work is underway to return whenua to whanau without Council's existing Appointment to Control and Manage. This work to facilitate the Crown's obligations to transfer the land free of reserve status and council's appointment to control and manage could potentially give rise to unforeseen costs or claims to council. At this stage these potential costs are unquantifiable.
- Council may be subject to claims relating to weather tightness building defects. Any leaky building claims made against Council after 1 July 2009 are not covered by our insurers. As at the date of this report, there are no leaky building proceedings involving the Council (2023: No claims - Same contingency disclosure made).
- The potential for erosion and flooding risk has been identified through technical reports around the foreshore of Lake Taupo, with the potential for property damage and therefore raising liability issues. That information was communicated to the affected landowners and subsequently incorporated into the District Plan by way of a plan change. There were no appeals to that plan change, and it has become operative. Council also sought technical information related to erosion risks around the margins of Lake Taupo. That information was communicated to affected landowners and continues to be referenced on LIMs. Taupo District Council does not believe it has any direct potential liability, specifically related to the causes of the erosion and flooding. The issue of contingent liability however, currently unquantifiable, remains (2023: Same contingency disclosure made).
- Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified. (2023: Same disclosure made excluding update on additional claims received post Supreme Court decision).
- In April 2023 the Council received a hold-liable letter from the insurer for property owners in Acacia Bay, Taupo relating to a watermain break in May 2021 that flooded their property. The claim is for \$252k. The outcome of the claim is uncertain so the Council cannot reliably estimate the exposure (if any). (2023: Same disclosure made).

28. Contingencies

• In October 2022 the Council received a hold-liable letter from the insurer for a commercial property owner in relation to a burst watermain in the central business district that flooded several commercial premises. The single claim is in excess of \$90,000 although there were other affected buildings in relation to which claims haven't yet been received, so the contingent liability (if any) is currently unquantifiable. (2023: Same disclosure made).

• In late May 2023 the Council became aware that Producer Statements (Producer Statement – Design (PS1) and/or Producer Statement – Construction Review (PS4)) and/or Certificates of Design issued in the names of Chartered Professional Engineers, may have been provided to Taupō District Council by Jon Hall of Kodiak Consulting Limited, without their involvement and/or consent. These Producer Statements and/or Certificates of Design may have been relied on by the Council in the granting of a building consent and/or code compliance certificate for a building associated with these properties. Council does not believe it is liable for any potential loss caused to property owners from the reliance by Council on the potentially fraudulent building consent documentation, however at present, there is still insufficient information to assess any potential litigation risk and/or claim quantum which therefore raises an unquantifiable contingent liability. (2023: Same disclosure made).

The Council has received a claim from a contractor for \$582k (including GST) for allegedly failing to arrange Contract Works insurance to provide cover for the cost of remedial works following a significant rainfall event in mid-2022. The merits of the claim are currently being assessed. Accordingly, the contingent liability (if any) is currently unquantifiable.

The Council has received a hold-liable letter from insurers for a developer and neighbouring property owner following a watermain break that caused damage to land and property in March 2024. The claims are circa \$180k + GST. The merits of the claim are currently being assessed. Accordingly, the contingent liability (if any) is currently unquantifiable.

In June 2024, asbestos was detected in crushed concrete at the Council's Broadlands Road Landfill. The Council is undertaking testing to understand the extent of the contamination and has allocated \$500,000 in 2024/25 financial year for potential remediation and disposal costs. There is a low risk that other land may be contaminated through application of the contaminated product and may require remediation, although testing to date has only detected contamination above safe levels at one site. Testing will continue if/when required. Accordingly, contingent liability (if any) is currently unquantifiable.

Taupo Airport Authority

In April 2021, damage was caused to an aircraft's propeller following a single aircraft incident on the taxiway at Taupo Airport. An independent safety investigation was undertaken shortly after the incident which indicated pilot error. In April 2022 TAA received a demand to reimburse the pilot the costs incurred to repair the aircraft. At this point, TAA cannot reliably determine whether a liability exists, but in any case TAA has insurance coverage for this event so TAA exposure is expected to be minimal (2023: Same disclosure made).

Contingent assets

There are no contingent assets for the Group as at 30 June 2024 (2023: Nil).

29. 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.

29. Net assets/equity

	COUNCIL		GROUP	
	2024 \$000	2023 - Restated \$000	2024 \$000	2023 - Restated \$000
Accumulated funds	983,749	950,238	982,744	951,449
Reserves	940,840	943,583	945,382	948,126
Balance at 30 June	1,924,589	1,893,821	1,928,126	1,899,575
<i>The breakdown of accumulated funds and reserves are disclosed as follows:</i>				
Accumulated funds				
Balance at 1 July	950,238	904,838	951,449	906,101
Transfer from special fund	(79,308)	(90,030)	(79,308)	(90,030)
Transfer to special fund	78,336	91,398	78,336	91,398
First time consolidation of LTPT	-	-	742	-
Disposal of property, plant and equipment	3,715	968	3,718	968
Movements in valuation of subsidiaries & associates	2,248	(23)	(4)	(23)
Surplus/(deficit) for the year	28,520	43,087	27,811	43,035
Balance at 30 June	983,749	950,238	982,744	951,449
Reserves includes				
Asset revaluation reserves	817,689	821,404	822,231	825,947
Available for sale investments revaluation reserve	-	-	-	-
Council created reserves (see analysis below)	123,151	122,179	123,151	122,179
Total reserves	940,840	943,583	945,382	948,126
Property, plant and equipment revaluation reserve				
Balance at 1 July	821,404	662,766	825,947	666,402
Revaluation gains/(losses)	-	159,606	-	162,124
Deferred tax on revaluation	-	-	-	(705)
Transfer to accumulated funds	(3,715)	(968)	(3,718)	(968)
Less non-controlling interest share in change in asset value	-	-	2	(906)
Balance at 30 June	817,689	821,404	822,231	825,947
<i>Asset revaluation reserves for each asset class consist of:</i>				
Operational assets				
Operational land	19,048	19,048	21,438	21,438
Operational buildings	45,199	45,199	45,226	45,240
Fencing	-	-	37	37
Land improvements	-	-	-	-
Investment properties - land	5,728	7,376	5,728	7,376
Restricted assets				
Reserves	94,788	94,788	94,788	94,788
Infrastructure assets				
Land under roads	229,225	229,225	229,225	229,225
Roading	218,346	219,641	218,715	220,010
Wastewater	98,802	98,883	98,802	98,883
Water	68,532	69,167	68,532	69,167
Stormwater	33,500	33,556	33,545	33,599
Runways	-	-	1,674	1,663
Infrastructure buildings	4,521	4,521	4,521	4,521
Total asset revaluation reserves	817,689	821,404	822,231	825,947

29. Net assets/equity

Council created reserves	Activities to which the funds relate	Opening balance	Additions	Withdrawals	Closing balance
2024		\$000	\$000	\$000	\$000
Depreciation Reserves					
Water District	Water	1,013	4,159	(5,671)	(499)
Wastewater District	Wastewater	3,027	6,132	(7,239)	1,920
Solid Waste District	Solid Waste	675	321	(623)	373
Transport & Stormwater District	Transport	1,030	13,787	(12,780)	2,037
Buildings District	Community Facilities, Community	3,975	4,175	(4,953)	3,197
Operational Assets	All activities with the exception of	2,756	4,239	(4,200)	2,795
Development Contribution Reserves					
Community Infrastructure District	Community Facilities	698	60	-	758
Parks & reserves Land (Residential)	Community Facilities	2,732	223	-	2,955
District Wide Parks	Community Facilities	1,275	289	-	1,564
Water Taupo	Water	2,658	1,576	-	4,234
Water Kinloch	Water	1,996	358	-	2,354
Water River Road	Water	5	-	-	5
Water Mapara	Water	401	9	-	410
Water Turangi	Water	14	-	-	14
Water Omori	Water	107	-	-	107
Wastewater Taupo	Wastewater	6,868	2,745	(2,073)	7,540
Wastewater Kinloch	Wastewater	2,094	107	-	2,201
Wastewater Mangakino	Wastewater	-	-	-	-
Wastewater Atiamuri	Wastewater	2	-	-	2
Wastewater Turangi	Wastewater	-	-	-	-
Stormwater Taupo Industrial	Stormwater	(4)	-	-	(4)
Transport District Wide	Transport	4,399	1,671	(3,529)	2,541
Other Reserves					
Forestry District	Investments	7,017	1,664	(2,558)	6,123
Disaster Recovery Fund	All Activities	2,104	350	(179)	2,275
District Airport Reserve	Taupo Airport (CCO)	41	-	-	41
Parking	Community Services	69	-	-	69
Forestry Silviculture & Tending	Investments	(1,282)	-	(140)	(1,422)
Strategic Property Purchase - District	Investments	12,653	2,000	(4,068)	10,585
TEL	Investments	65,372	29,045	(24,212)	70,205
CIP Funding reserves	3 Waters, Transport, Community	-	5,475	(5,440)	35
Better off funding	Community Facilities	484	-	(410)	74
Waste Minimisation fund	Solid Waste	-	1,090	(428)	662
Total reserves at 30 June 2024		122,179	79,475	(78,503)	123,151

29. Net assets/equity

Council created reserves	Activities to which the funds relate	Opening balance	Additions	Withdrawals	Closing balance
2023		\$000	\$000	\$000	\$000
Depreciation Reserves					
Water District	Water	6,653	4,069	(9,709)	1,013
Wastewater District	Wastewater	2,318	5,910	(5,201)	3,027
Solid Waste District	Solid Waste	912	440	(677)	675
Transport & Stormwater District	Transport	8,525	10,163	(17,659)	1,029
Buildings District	Community Facilities, Community	4,641	3,127	(3,793)	3,975
Operational Assets	All activities with the exception of	2,606	4,401	(4,251)	2,756
Development Contribution Reserves					
Community Infrastructure District	Community Facilities	662	36	-	698
Parks & reserves Land (Residential)	Community Facilities	2,606	126	-	2,732
District Wide Parks	Community Facilities	822	453	-	1,275
Water Taupo	Water	1,189	1,869	(400)	2,658
Water Kinloch	Water	1,490	506	-	1,996
Water River Road	Water	5	-	-	5
Water Mapara	Water	301	100	-	401
Water Turangi	Water	14	-	-	14
Water Omori	Water	106	1	-	107
Wastewater Taupo	Wastewater	4,066	4,477	(1,675)	6,868
Wastewater Kinloch	Wastewater	1,492	602	-	2,094
Wastewater Mangakino	Wastewater	-	-	-	-
Wastewater Atiamuri	Wastewater	2	-	-	2
Wastewater Turangi	Wastewater	-	-	-	-
Stormwater Taupo Industrial	Stormwater	(4)	-	-	(4)
Transport District Wide	Transport	3,061	2,166	(828)	4,399
Other Reserves					
Forestry District	Investments	7,017	-	-	7,017
Disaster Recovery Fund	All Activities	2,425	300	(621)	2,104
District Airport Reserve	Taupo Airport (CCO)	67	-	(26)	41
Parking	Community Services	69	-	-	69
Forestry Silviculture & Tending	Investments	(1,106)	-	(176)	(1,282)
Strategic Property Purchase - District	Investments	6,250	9,734	(3,330)	12,654
TEL	Investments	64,217	36,341	(35,186)	65,372
CIP Funding reserves	3 Waters, Transport, Community	3,141	4,778	(7,919)	-
Better off Funding	Community Facilities	-	493	(9)	484
Total reserves at 30 June 2023		123,547	90,092	(91,460)	122,179

29. 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 \$350,000 (2023: \$300,000) 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 facilitate the funding of community based projects 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.

Taupo 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 Taupo District Council sold its investments in Taupo Electricity Limited and Taupo Generation Limited. The fund is utilised by facilitating the funding of community based projects set by Council without diminishing the value of the Fund.

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.

30. Non-controlling interests

	COUNCIL		GROUP	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Balance at the beginning of the year	-	-	7,375	6,490
Share of revaluation reserve change in asset value	-	-	(2)	906
Revaluation reserve transfer to appropriations	-	-	-	-
Equity injection by Crown	-	-	806	154
Share of surplus/(deficit)	-	-	(963)	(175)
Balance at the end of the year	-	-	7,216	7,375

31. 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	
	2024 \$000	2023 \$000
<i>Council members</i>		
Remuneration (Council Elected Members)	671	648
Full-time equivalent members	13	13
<i>Executive team, including the Chief Executive</i>		
Remuneration (CEO & ET)	1,320	767
Full-time equivalent members	5	4
Total full time equivalent personnel	1,991	1,415
Total key management personnel compensation	18	17

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

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 Executive Team. Details of remuneration paid to Councillors and Community Board members are provided in **note 10**.

32. Events after balance date

There are no significant events after balance date to disclose.

33. 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	FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE \$000	FAIR VALUE THROUGH SURPLUS OR DEFICIT \$000	AMORTISED COST \$000	TOTAL \$000
COUNCIL 2024				
Cash and cash equivalent	-	-	12,384	12,384
Receivables	-	-	2,007	2,007
Other financial assets:				
Term Deposits	-	-	49,673	49,673
Listed bonds	-	-	16,611	16,611
Borrowers Notes	-	-	3,978	3,978
Community Loans	-	-	166	166
Other Loans	-	-	1,004	1,004
Related party loans	-	-	203	203
Listed shares	-	40,198	-	40,198
Unlisted shares	10,762	-	-	10,762
Preferential shares (fixed interest)	-	1,572	-	1,572
Managed funds (fixed interest)	-	6,047	-	6,047
Finance lease receivable	-	-	2,943	2,943
Derivative financial assets	-	545	-	545
Balance at the end of the year	10,762	48,362	88,969	148,093
COUNCIL 2023				
Cash and cash equivalent	-	-	13,379	13,379
Receivables	-	-	5,746	5,746
Other financial assets:				
Term Deposits	-	-	103,603	103,603
Borrowers Notes	-	-	3,329	3,329
Community Loans	-	-	157	157
Other Loans	-	-	1,002	1,002
Related party loans	-	-	200	200
Listed shares	-	6,475	-	6,475
Unlisted shares*	8,508	-	-	8,508
Finance lease receivable	-	-	2,726	2,726
Balance at the end of the year	8,508	6,475	130,142	145,125

33. Financial instruments

Assets	FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE \$000	FAIR VALUE THROUGH SURPLUS OR DEFICIT \$000	AMORTISED COST \$000	TOTAL \$000
GROUP 2024				
Cash and cash equivalents	-	-	12,851	12,851
Receivables	-	-	1,850	1,850
Other financial assets:				
Term Deposits	-	-	50,793	50,793
Listed bonds	-	-	16,611	16,611
Borrowers Notes	-	-	3,978	3,978
Community Loans	-	-	166	166
Other Loans	-	-	1,004	1,004
Listed shares	-	40,198	-	40,198
Unlisted shares	187	-	-	187
Preferential shares (fixed interest)	-	1,572	-	1,572
Managed funds (fixed interest)	-	6,047	-	6,047
Finance lease receivable	-	-	2,943	2,943
Derivative financial assets	-	545	-	545
Total assets	187	48,362	90,196	138,745
GROUP 2023				
Cash and cash equivalent	-	-	14,277	14,277
Receivable	-	-	4,700	4,700
Other financial assets:				
Term Deposits	-	-	103,603	103,603
Borrowers Notes	-	-	3,329	3,329
Community Loans	-	-	157	157
Other Loans	-	-	1,002	1,002
Listed shares	-	6,475	-	6,475
Unlisted shares	185	-	-	185
Finance lease receivable	-	-	2,726	2,726
Total assets	185	6,475	129,794	136,454

* Prior year comparative for 'unlisted shares' has been restated to include the investment held in the Taupo Airport Authority.

33. 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

LIABILITIES	FAIR VALUE THROUGH SURPLUS OR DEFICIT \$000	AMORTISED COST \$000	TOTAL \$000
COUNCIL 2024			
Borrowings			
Derivative financial instruments	-	-	-
Debentures & commercial paper	-	203,570	203,570
Payables and accruals	-	15,558	15,558
Total liabilities	-	219,128	219,128
COUNCIL 2023			
Borrowings			
Derivative financial instruments	52	-	52
Debentures & commercial paper	-	184,298	184,298
Payables and accruals	-	12,557	12,557
Total liabilities	52	196,855	196,907
GROUP 2024			
Borrowings			
Derivative financial instruments	-	-	-
Debentures & commercial paper	-	203,570	203,570
Payables and accruals	-	15,841	15,841
Total liabilities	-	219,411	219,411
GROUP 2023			
Borrowings			
Derivative financial instruments	52	-	52
Debentures & commercial paper	-	184,298	184,298
Payables and accruals	-	12,860	12,860
Total liabilities	52	197,158	197,210

(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. Taupo 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.

33. 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.

Taupo 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 Taupo District Council borrowed at fixed rates directly.

Under the interest rate swaps, Taupo 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 26.

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 Taupo 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	2024				2023			
	-100BPS		+100BPS		-100BPS		+100BPS	
	PROFIT \$000	OTHER EQUITY \$000	PROFIT \$000	OTHER EQUITY \$000	PROFIT \$000	OTHER EQUITY \$000	PROFIT \$000	OTHER EQUITY \$000
INTEREST RATE RISK								
Financial assets								
Cash and cash equivalents (1)	-	-	-	-	-	-	-	-
Term deposits (2)	-	-	-	-	-	-	-	-
Community loans (3)	-	-	-	-	-	-	-	-
Other loans (4)	-	-	-	-	-	-	-	-
Local authority stock (5)	-	-	-	-	-	-	-	-
Financial liabilities								
Borrowings (6)	-	-	-	-	-	-	-	-
Interest rate derivatives (7)	(4,602)	-	4,336	-	(5,784)	-	5,286	-
Total sensitivity to interest rate risk	(4,602)	-	4,336	-	(5,784)	-	5,286	-

COUNCIL AND GROUP	2024				2023			
	-5%		+5%		-5%		+5%	
	PROFIT \$000	OTHER EQUITY \$000	PROFIT \$000	OTHER EQUITY \$000	PROFIT \$000	OTHER EQUITY \$000	PROFIT \$000	OTHER EQUITY \$000
FOREIGN EXCHANGE RISK								
Financial assets								
Quoted share investments (8a)	1,621	-	(1,429)	-	296	-	(268)	-
Equity price risk financial assets								
Cash and cash equivalents (1)	-	-	-	-	-	-	-	-
Term deposits (2)	-	-	-	-	-	-	-	-
Community loans (3)	-	-	-	-	-	-	-	-
Other loans (4)	-	-	-	-	-	-	-	-
Local authority stock (5)	-	-	-	-	-	-	-	-
Quoted share investments (8b)	(1,983)	-	2,039	-	(324)	-	324	-
Bonds (4)	-	-	-	-	-	-	-	-
Financial liabilities								
Borrowings (6)	-	-	-	-	-	-	-	-
Interest rate derivatives (7)	-	-	-	-	-	-	-	-
Total sensitivity to foreign exchange risk	(362)	-	610	-	(28)	-	56	-

33. Financial instruments

Explanation of sensitivity analysis - Council & Group

1 - Cash and Cash Equivalents

Cash and cash equivalents include deposits at call of \$8,179k (2023: \$13,369k), which are at an interest rate close to the Official Cash Rate and term deposits of less than three months from acquisition date of \$14,595k (2023: \$5,029k). 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 \$35,078k (2023: \$98,574k). A movement of plus or minus 1% in the interest rate has nil effect on the profit and loss (2023: \$nil).

3 - Community Loans

Taupo District Council has lent the Southern Lakes Taupo Health Trust \$300,000 for a period of 25 years at 2% pa, this loan was valued at fair value of \$166k (2023: \$157k) at balance date. Changes in interest rates at balance date will not affect the valuation of the remaining community loan.

4 - Other Loans

Taupo District Council has subscribed to an Investment Bond issued by Ruapehu Alpine Lifts (RAL) for the Gondola development at a fair value of \$1,000,000 (2023: \$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. RAL went into voluntary administration on 11 October 2022 with the appointment of PwC Administrators, John Fisk and Richard Nacey. On the 6th of June 2023 RAL submitted insolvency documents, and on the 21st of June 2023 a liquidator was appointed. A provision for the full write-off of the remaining debt and accrued interest has been raised.

5- Local Authority Stock and Corporate Bonds

Corporate Bonds have a fair value of \$nil (2023: \$nil). A movement of plus or minus 1% in the interest rate has an effect on other equity of (\$nil)/\$nil (2023: (\$nil)/\$nil).

6 - Borrowings

Taupo 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 assets/(liabilities) include interest rate swaps with a fair value totalling \$545,054 (2023: (\$51,803)). A movement in interest rate of plus/minus 1% has an effect on the unrealised value of the derivatives of \$4,336,434 / (\$4,602,265) (2023: \$5,285,923 / (\$5,783,526)).

8- Quoted Share Investments

a) Taupo District Council holds international listed equity instruments as detailed in note 16 that are subject to foreign exchange risk. If there was a movement of plus or minus 5% in the currency each instrument is listed in, the effect has an impact of (\$1,429k)/\$1,621k in the fair value through profit. (2023: (\$268k)/\$296k).

b) For these same shares and the NZ shareholdings per note 16, if the share price moved plus or minus 5% the effect has an impact of \$2,039k/(\$1,983) in the fair value through profit, (2023: \$323,754 / (\$323,754)).

(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 28.

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.

33. Financial instruments

Maximum exposure to credit risk

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

	COUNCIL		GROUP	
	2024 \$000	2023 Restated \$000	2024 \$000	2023 Restated \$000
Cash at bank and term deposits	62,057	116,982	63,644	117,880
Debtors and other receivables	13,210	12,482	13,093	11,484
Community & other loans	1,373	1,359	1,173	1,159
Local authority & government stock (NZLGFA)	4,078	3,429	4,078	3,429
Balance at the end of the year	80,718	134,252	81,988	133,952

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	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Counterparties with credit ratings				
<i>Cash at bank and term bank deposits</i>				
AA-	41,216	92,321	42,803	94,030
AA (Fitch)	20,841	24,661	20,841	24,661
Total cash at bank and term bank deposits	62,057	116,982	63,644	118,691
<i>LGFA Borrower Notes</i>				
AAA	4,078	3,429	4,078	3,429
Total LGFA	4,078	3,429	4,078	3,429
Counterparties without credit ratings				
Community and other loans	1,373	1,359	1,173	1,159
Total community and related party loans	1,373	1,359	1,173	1,159

Debtors and other receivables mainly arise from Taupo 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. Taupo 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 Taupo District Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

(d) Liquidity risk

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

Liquidity risk management ensures that there is sufficient cash available to meet obligations in an orderly manner as they fall due. As part of liquidity risk management Council, at 30 June 2024, had \$50m of un-drawn committed bank facilities (2023: \$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 28.

Contractual maturity analysis of financial assets and liabilities

The table below analyses Taupo 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.

33. Financial instruments

	LESS THAN 1 YEAR \$000	BETWEEN 1 AND TWO YEARS \$000	BETWEEN 2 AND 5 YEARS \$000	OVER 5 YEARS \$000	TOTAL CONTRACTUAL CASH FLOWS \$000	CARRYING AMOUNT ASSETS/ LIABILITIES \$000
COUNCIL 2024						
Financial assets						
Cash and cash equivalents	12,384	-	-	-	12,384	12,384
Debtors and other receivables	13,210	-	-	-	13,210	13,210
Term deposits	49,673	-	-	-	49,673	49,673
Community and other loans*	6	6	218	174	404	369
Local authority stock (NZLGFA)	464	700	2,572	924	4,660	3,560
Finance lease receivable	3,000	-	-	-	3,000	2,943
Total financial assets	78,737	706	2,790	1,098	83,331	82,139
Financial liabilities						
Creditors and other payables	15,558	-	-	-	15,558	15,558
Net settled derivative liabilities	(468)	(1,063)	(4,646)	(2,428)	(8,605)	(545)
Secured loans	110	95	45	-	250	250
Debentures & commercial papers	66,745	38,001	101,052	29,610	235,408	203,570
Finance leases	46	33	72	-	151	151
Total financial liabilities	81,991	37,066	96,523	27,182	242,762	218,984
COUNCIL 2023						
Financial assets						
Cash and cash equivalents	13,379	-	-	-	13,379	13,379
Debtors and other receivables	9,756	-	-	-	9,756	9,756
Term deposits	103,603	-	-	-	103,603	103,603
Community and other loans	6	6	218	186	416	357
Local authority stock (NZLGFA)	278	468	1,866	1,467	4,079	3,085
Finance lease receivable	-	3,000	-	-	3,000	2,726
Total financial assets	127,022	3,474	2,084	1,653	134,233	132,906
Financial liabilities						
Creditors and other payables	12,557	-	-	-	12,557	12,557
Net settled derivative liabilities	(119)	(545)	(3,904)	(3,803)	(8,371)	52
Secured loans	110	95	45	250	500	340
Debentures & commercial papers	62,582	26,883	85,083	50,224	224,772	184,298
Finance leases	56	13	-	-	69	69
Total financial liabilities	75,186	26,446	81,224	46,671	229,527	197,316

33. Financial instruments

	LESS THAN 1 YEAR \$000	BETWEEN 1 AND TWO YEARS \$000	BETWEEN 2 AND 5 YEARS \$000	OVER 5 YEARS \$000	TOTAL CONTRACTUAL CASH FLOWS \$000	CARRYING AMOUNT ASSETS/ LIABILITIES \$000
GROUP 2024						
Financial assets						
Cash and cash equivalents	12,851	-	-	-	12,851	12,851
Debtors and other receivables	13,093	-	-	-	13,093	13,093
Term deposits	49,673	-	-	-	49,673	49,673
Community and other loans*	6	6	218	174	404	369
Local authority stock (NZLGFA)	464	700	2,572	924	4,660	3,560
Finance lease receivable	3,000	-	-	-	3,000	2,943
Total financial assets	79,087	706	2,790	1,098	83,681	82,489
Financial liabilities						
Creditors and other payables	15,841	-	-	-	15,841	15,841
Net settled derivative liabilities	(468)	(1,063)	(4,646)	(2,428)	(8,605)	(545)
Secured loans	110	95	45	-	250	250
Debentures & commercial papers	66,745	38,001	101,052	29,610	235,408	203,570
Finance leases	46	33	72	-	151	151
Total financial liabilities	82,274	37,066	96,523	27,182	243,045	219,267
GROUP 2023						
Financial assets						
Cash and cash equivalents	14,277	-	-	-	14,277	14,277
Debtors and other receivables	8,758	-	-	-	8,758	8,758
Term deposits	103,603	-	-	-	103,603	103,603
Community and other loans	6	6	218	186	416	357
Local authority stock (NZLGFA)	278	468	1,866	1,467	4,079	3,085
Finance lease receivable	-	3,000	-	-	3,000	2,726
Total financial assets	126,922	3,474	2,084	1,653	134,133	132,806
Financial liabilities						
Creditors and other payables	12,860	-	-	-	12,860	12,860
Net settled derivative liabilities	(119)	(545)	(3,904)	(3,803)	(8,371)	52
Secured loans	110	95	45	250	500	340
Debentures & commercial papers	66,159	12,585	58,914	38,370	176,028	163,000
Finance leases	56	13	-	-	69	69
Total financial liabilities	79,066	12,148	55,055	34,817	181,086	176,321

* Community loans are reported net of a provision for impairment on the Ruapehu Alpine Lift bond.

33. 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:

Maximum exposure to credit risk

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

	TOTAL \$000	LEVEL 1 \$000	LEVEL 2 \$000	LEVEL 3 \$000
30 JUNE 2024 - COUNCIL				
Financial assets				
Local government (NZLGFA) borrower notes	3,978	3,978	-	-
Other loans	1,004	-	-	1,004
Listed shares	40,198	40,198	-	-
Unlisted shares	187	-	100	87
Listed bonds	16,611	16,611	-	-
Preferential shares (fixed interest)	1,572	1,572	-	-
Managed funds (fixed interest)	6,047	6,047	-	-
Derivative financial instruments	545	545	-	-
Total financial assets	70,142	68,951	100	1,091
30 JUNE 2023 - COUNCIL				
Financial assets				
Local government (NZLGFA) borrower notes	3,329	3,329	-	-
Other loans	1,002	-	-	1,002
Listed shares	6,475	6,475	-	-
Unlisted shares	185	-	100	85
Total financial assets	10,991	9,804	100	1,087
Financial liabilities				
Derivative financial instruments	52	52	-	-
Total financial liabilities	52	52	-	-
30 JUNE 2024 - GROUP				
Financial assets				
Local government and corporate bonds	3,978	3,978	-	-
Other loans	1,004	-	-	1,004
Listed shares	40,198	40,198	-	-
Unlisted shares	187	-	100	87
Listed bonds	16,611	16,611	-	-
Preferential shares (fixed interest)	1,572	1,572	-	-
Managed funds (fixed interest)	6,047	6,047	-	-
Derivative financial instruments	545	545	-	-
Total financial assets	70,142	68,951	100	1,091
30 JUNE 2023 - GROUP				
Financial assets				
Local government and corporate bonds	3,329	3,329	-	-
Other loans	1,002	-	-	1,002
Listed shares	6,475	6,475	-	-
Unlisted shares	185	-	100	85
Total financial assets	10,991	9,804	100	1,087
Financial liabilities				
Derivative financial instruments	52	52	-	-
Total financial liabilities	52	52	-	-

34. Explanation of major variances against budget

Explanations for major variations from the Council's budget figures in the 2023/24 Annual Plan to 30 June 2024 actual are as follows:

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	COUNCIL	
	2024 \$000	2023 - Restated \$000
Budget - surplus before tax	11,085	26,135
Unbudgeted gains/(losses) of:		
First time recognition of assets	5,244	1,022
Realised & unrealised gains / (losses) on shares and bonds	1,842	(645)
Gain on valuation of investment properties and non-current assets held for sale	14,400	546
Dividends	251	38
Gain/(loss) on revaluation of interest rate derivatives	545	859
Subsidies and grants higher than plan	4,384	8,847
Revenue from Developer Agreements	3,731	6,695
Rates revenue higher than plan	1,598	464
Development and financial contributions (behind plan) due to several new subdivisions being completed in previous period and COVID delays changing timing of recognition	(2,878)	(5,738)
Fees and charges ahead of plan	656	3,249
Finance revenue (behind)/ahead of plan	(322)	2,215
Gain on sale of property, plant and equipment lower due to delays in development and settlement	(1,570)	(7,885)
Vested assets catch up to budget from delays in prior year	8,041	15,207
Forestry valuation ahead of/(behind) plan	541	(398)
Petrol tax and donations ahead of plan	(11)	4
Insurance proceeds not budgeted	125	271
Other revenue ahead of plan	408	455
Loss on disposal/impairment of assets unbudgeted	(7,997)	(1,885)
Salary & wage variance was mainly due increases in leave liability held at year end	(671)	(2,921)
Depreciation & amortisation (higher)/lower than plan	(7,114)	1,966
Finance costs (higher)/lower than plan	(149)	(1,369)
Increased maintenance & contract costs	(2,378)	(868)
Increased professional/consulting/legal fees	(809)	(388)
Increased insurance costs	(78)	(72)
Community grants & funding ahead of/(behind) plan	246	(32)
Impairment of Ruapehu Alpine Lifts bondholding unbudgeted	-	(1,002)
Decreased/(Increased) occupancy & utilities	67	(721)
Decreased/(Increased) vehicle running expenses	34	(360)
Increased other operational costs	(701)	(601)
Actual surplus before tax	28,520	43,087
STATEMENT OF FINANCIAL POSITION		
Budget - total net assets	1,798,952	1,419,480
Property, plant & equipment revaluations higher than plan	117,227	461,616
Property, plant & equipment additions higher than plan	6,209	6,153
Biological assets higher than budget	616	-
Intangible assets (lower)/higher than budget	(1,318)	2,702
Other financial assets	(33,814)	(46,796)
Movement in derivative financial instruments	1,118	16,832
Cash and investments higher than budget	23,880	14,041
Investment in CCO and other similar entities	1,911	(85)
Non-current assets held for sale	(10,831)	(6,885)
Investment property	11,273	18,440
Trade and other receivables	3,007	3,524
Prepayments higher than budget	536	-
Trade and other payables	(3,255)	(3,592)
Movement in borrowings	(3,450)	8,676
Inventory higher than budget due to property development	13,119	-
Movement in employee entitlements	(538)	-
Other movements	(53)	(11)
Actual - total net assets	1,924,589	1,894,095

35. 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.

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.

Bay of Plenty Local Authority Shared Services Limited

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, Opoiki District Council, Whakatane District Council, Taupo 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 Taupo District Council.

	BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES LTD. (BOPLASS) \$000
Investment in associates	
Balance at 1 July 2023	7
Share of 2024 next profit/(loss)	(4)
Disposal of shares	-
Balance at 30 June 2024	3

SUMMARY FINANCIAL STATEMENTS OF ASSOCIATES

	BAY OF PLENTY LOCAL AUTHORITY	
	2024 \$000	2023 \$000
Current		
Cash and cash equivalents	854	696
Other current assets (excluding cash)	737	1,985
Total current assets	1,591	2,681
Current liabilities	(1,582)	(2,676)
Total current liabilities	(1,582)	(2,676)
Non current		
Non current assets	18	24
Total non current assets	18	24
Net assets	27	29
Revenue	2,461	1,927
Depreciation and amortisation	(6)	(8)
Other expenses	(2,456)	(1,943)
Net profit after tax	(1)	(24)

36. Water Services Reform Programme

The water services reform legislation, namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023, was repealed on 17 February 2024. The Government has recently enacted the Local Government Water Services Preliminary Arrangements Act 2024. The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services. Council will not know what the model or arrangements are until the WSDP is approved by the Secretary.

37. Adjustments to the comparative financial statements

The Council has made a classification adjustment to its comparative figures in the annual report following external accounting advice received this year on a complex property transaction entered into in the financial year ended 30 June 2023.

In November 2022 Council sold the land at 67 Horomatangi Street Taupo under deferred settlement terms, to a developer who is currently building a premises for Council to lease. The developer had access to the land to enable the build, with settlement of the land purchase to occur on practical completion of the building. External technical accounting advice was sought on the appropriate classification and treatment of the transaction.

The outcome of the advice was that the land asset should be disposed of, and transferred to a finance lease receivable, with the difference between book value, and the purchase price to be recognised as interest.

As the value of the transaction was not material, we have concluded this is not a material prior period error. However, for consistency of classification with the current year, we have restated prior year comparatives in the 2024 Annual Report. The changes are summarised below;

	Council		Group	
	Reported 2022/23 \$000	Revised 2022/23 \$000	Reported 2022/23 \$000	Revised 2022/23 \$000
Statement of comprehensive revenue and expense				
Finance revenue	5,407	5,543	5,425	5,561
Other revenue	35,874	35,464	35,874	35,464
Total revenue	155,235	154,961	156,196	155,922
Surplus after tax	43,361	43,087	43,134	42,860
Total comprehensive revenue and expenditure	202,944	202,670	204,530	204,256
Statement of financial position				
Other financial assets - current	98,840	99,057	98,840	99,057
Total current assets	128,186	128,403	128,150	128,367
Other financial assets -non current	9,971	12,480	9,771	12,280
Investment property	32,250	29,250	32,250	29,250
Total non current assets	1,974,383	1,973,892	1,989,347	1,988,856
Total assets	2,102,569	2,102,295	2,117,497	2,117,223
Net assets	1,894,095	1,893,821	1,907,224	1,906,950
Accumulated funds	950,512	950,238	951,723	951,449
Total equity	1,894,095	1,893,821	1,907,224	1,906,950
Statement of cash flows - reconciliation				
Unrealised (gains)/losses in fair value of investment properties and assets held for sale	(956)	(546)	(956)	(546)
(increase)/decrease in accounts receivable	(3,589)	(3,725)	(3,092)	(3,228)
Net cash inflow/(outflow) from operating activities	27,371	27,371	26,808	26,808
Statement of changes in equity				
Total comprehensive revenue and expenditure for the year	202,944	202,670	204,530	204,256
Balance as at 30 June	1,894,095	1,893,821	1,907,224	1,906,950

COUNCIL CONTROLLED ORGANISATIONS

Local Government Funding Authority Limited

Nature and scope of activities

The Local Government Funding Authority (LGFA) raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (participating borrowers). LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency. LGFA only lends to participating borrowers that have entered into the required legal and operational arrangements and comply with the LGFA's lending policies. In addition, LGFA may undertake any other activities considered by the LGFA Board to be reasonably related, incidentally to, or in connection with, that business.

Performance targets

Performance Measure	Targets 2023/24	Actual Performance
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches	Achieved - No breaches
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency	LGFA credit ratings equivalent to New Zealand Government Sovereign rating	Achieved - Credit rating was maintained
LGFA's total operating income for the period to 30 June 2024	Greater than \$20.6 million	Achieved - \$20.9 million, excluding unrealised gains/losses on hedged foreign currency issuance.
LGFA's total operating expenses for the period to 30 June 2024	Less than \$10.0 million	Not Achieved - \$11.8 million. The significant contributor was Approved Issuer Levy (AIL) payments totalling \$1.98 million (2023: \$0.56 million). The significant increase in AIL is due to our issuance of AUD bonds and USD Euro Commercial Paper (ECP).
Share of aggregate long-term debt funding to the Local Government sector.	Greater than 80%	Achieved - 90%
Total lending to Participating Borrowers.	Greater than \$17,870 million	Achieved - \$20,549 million
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	Greater than 85% satisfaction score	Achieved - 93% satisfaction score

Performance Measure	Targets 2023/24	Actual Performance
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due	100%	Achieved
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements	100%	Achieved

Destination Great Lake Taupō

Nature and scope of activities

DGLT is a Council Controlled Organisation (CCO) for the purposes of the LGA. It has no subsidiaries and is a not-for-profit organisation. DGLT is governed by a Board appointed by Taupō District Council under the Trust Deed (6 September 2010) establishing the CCO. DGLT is funded largely by a grant from Taupō District Council, on behalf of Taupō District ratepayers, along with industry and partnership contributions to various marketing initiatives.

DGLT's core focus is to promote the destination to attract more visitors, encourage them to stay longer and spend more. The organisation also provides an advocacy and leadership role around management and development of the destination to ensure tourism not only brings benefit to the local economy but does so in a way that preserves and enhances our environment, our culture and local community whilst delivering a world class experience for our visitors.

Performance targets

Performance Measure	Data sources	Baseline data	Targets 2023/24	Actual Performance	Explanation
Growth in tourism expenditure	Tourism Electronic Card Transactions (TECT)	TECT YE June 2023: <ul style="list-style-type: none"> • Domestic • International 	Grow domestic spend by 2%	Not Achieved - \$347.7M (previous year was \$359M)	Domestic visitors have decreased 3% compared to last year (but overall, still above PRE-covid levels of \$274.6M FY 2019 – up 27%). Opening of the borders and remaining credit with airlines and travel companies have supported outbound international travel. Note: MBIE has discontinued producing spend data report (TECT). The data presented is obtained from VSTR (Marketview), which is the source data used by MBIE for TECT.
			Grow international spend to 70% of pre-Covid level of \$75	Achieved - \$75M (previous year was \$64M)	International visitors have returned to pre-covid levels

Performance Measure	Data sources	Baseline data	Targets 2023/24	Actual Performance	Explanation
			million (measured by TECT year ending Dec 2019)		
Implement a Destination Management strategy ensuring the balance of economic growth with the social, cultural and environmental well-being of the community	Activation of Destination Management Plan	Commence implementation of Te Ihirangi Destination Management Plan	Ongoing	Not Achieved	Discussions over continuity of leadership group and governance of Te Ihirangi Destination Management Plan
	Grow industry capability	Industry workshops	Carbon Reduction	Not Achieved	Carbon replaced by tracking with VSTR
			Te Ao Māori	Not Achieved	Consultation with iwi still be explored
			Digital	Achieved	Completed on March 25, 2024
	Fill product gaps through new product development	Work with Amplify and Iwi to identify new product development opportunities	Ongoing	Achieved	Product Audit refreshed in 2023
	Social license – connect with residents	Biannual community sentiment survey, brand and tourism strategy workshops for Mangakino and Tūrangi	Ongoing	Not Achieved	Community survey to be conducted biannually (next survey in 2023-24)
Support for DGLT marketing initiatives	• Measured by free of charge, in-kind or advertising support for marketing and	Year ending June 2023: \$101,825	\$85,000	Achieved - \$85,000	<ul style="list-style-type: none"> • Media FAMILS - \$1,114 • Content Creation - \$21,990 • Trade - \$62,820 • BE - \$29,174

Performance Measure	Data sources	Baseline data	Targets 2023/24	Actual Performance	Explanation
	familiarization activities • Participation in DGLT hosted activities and campaigns				<ul style="list-style-type: none"> • DGLT Support - \$7,267 • Campaign Prizes - \$13,688 • In Kind - \$136,054
Stakeholder satisfaction	Annual industry survey	2020: 76% 2021: 82% 2022: 83%	85%	Achieved - 89%	The survey conducted via Survey Monkey was sent out to 198 industry operators across the Taupō District. 40 responses were received.

Note: Performance measures are based on a draft Annual Report 2023/24

Bay of Plenty Local Authority Shared Services

Nature and scope of activities

Bay of Plenty Local Authority Shared Services Limited (BOPLASS) is a company owned by nine councils (including Taupō District Council). The company aims to improve levels of service and reducing costs for Councils through joint procurement and shared services providing efficiencies, reducing duplication, and delivering economies of scale.

Key performance targets

Target	How	Measure	Actual Performance
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Manage and/or renegotiate existing contracts	Contracts reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable	Achieved
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.	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.	Achieved
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	BOPLASS to regularly engage with other local authority shared services to identify and explore opportunities for further inter-regional collaboration.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.	Achieved
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.	Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils.	Number of active users to increase by 5% per year.	Achieved

Target	How	Measure	Actual Performance
Communicate with each shareholding council at appropriate levels.	Actively engage in obtaining political support for identified projects.	Information provided to elected members, and feedback sought, on BOPLASS projects, benefits to local communities, and value added to each council.	Achieved
Ensure current funding model is appropriate.	Review BOPLASS expenditure and income and review council contributions and other sources of funding.	Performance against budgets reviewed quarterly. Company remains financially viable.	Achieved

Taupō Airport Authority

Nature and scope of activities

The Taupō District Council and the Crown - represented by the Ministry of Transport, own the Taupō Airport Authority (TAA) equally. TAA is managed, under agreement with the Crown by the Taupō District Council. TAA is governed by a Standing Committee of Taupō District Council consisting of the mayor, two councillors and two independent skills-based representatives chosen from local businesses.

The Airport provides services to allow the safe and efficient facilitation of travellers and freight and, ancillary to this, it leases terminal space and land at the Airport. It owns the passenger terminal, airside infrastructure, car parking areas, roading and underground utilities. These facilities are sited on land owned by TDC that is designated for Airport use. The Airport provides a complimentary mix of aviation and commercial activities. This includes scheduled passenger transport services, general aviation, skydiving adventure operations, scenic flights, agricultural aviation operations as well as nonaviation commercial and retail offerings.

Operational Performance

Performance Measure	Actual Performance
Maintain the Airport facilities to avoid any disruption of scheduled commercial flights other than for weather or airline related problems	Achieved - No diversions or cancellations due to facility operations and maintenance
Manage Taupō Airport in full compliance with the approved operating procedures of Civil Aviation Authority Rule Part 139	Achieved - CAA Rule Part 139 Compliant Successfully attained CAA Rule Part 139 recertification from July 2023 to July 2028
Meet all the operating, maintenance and interest costs from Airport revenue	Achieved - Operating cash flow for the year was \$25,000
Complete the Airport apron extension project by the end of January 2025	Not Achieved - Now aiming for completion by 31 January 2025

Lake Taupō Protection Trust

The Lake Taupō Protection Trust (LTPT) was previously a council-controlled organisation that was co-managed with Waikato Regional Council. The previous governance structure of the trust was disestablished, and control of the trust was fully handed over to Taupō District Council. Council since the handover of the trust has resolved to exempt the trust from CCO reporting requirements under Section 7 of the Local Government Act 2002. The activities of the trust are managed by Council Officers.

Destination Lake Taupō Limited

Taupō District Council is the 100 percent 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.

Data Capture Systems Limited

Taupō District Council is the 100 percent owner of Data Capture Systems Limited (DCSL). It was a CCO as defined by the LGA. In February 2006, the directors of DCSL 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 LGA, from definition as a council-controlled organisation.

Waikato Local Authority Shared Services

The Waikato Local Authority Shared Services (WLASS), now Co-Lab, is a shared service provider for the Waikato region. Taupō District Council is no longer a shareholder of WLASS but still procures services from Co-Lab to support the delivery of Council services. However, since Council is no longer a member of this organisation, it is also not a CCO of Taupō District Council.

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Mangakino 3421
Tel 07 882 8191

Bankers and Funding

Bank of New Zealand
ANZ Bank New Zealand Limited
Westpac Banking Corporation
ASB Bank Limited
KiwiBank Limited

Auditor

Audit New Zealand, on behalf of the Auditor-General

Insurance Broker

Aon New Zealand Limited



GREAT LAKE TAUPŌ
Taupō District Council

WHERE CAN I FIND MORE INFORMATION?

Visit our website:

www.taupo.govt.nz/annualreport

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