

Date:	Tuesday, 28 April 2026
Time:	1.00 pm
Location:	Council Chamber Level 1, 67 Horomātangi Street Taupō

SUPPLEMENTARY AGENDA

MEMBERSHIP

Chairperson Mayor John Funnell
Deputy Chairperson Cr Kevin Taylor

Members

- Cr Rachel Cameron
- Cr Duncan Campbell
- Cr Nicola de Lautour
- Cr Ngāhuia Foreman
- Cr Sandra Greenslade
- Cr Kylie Leonard
- Cr Steve Manunui
- Cr Wahine Murch
- Cr Christine Rankin
- Cr Yvonne Westerman
- Cr Hope Woodward

Quorum 7

Julie Gardyne
Chief Executive

Auditory Announcement

Please note that one of today's meeting participants has hearing loss. To support clear communication, please use the microphones, speak clearly, and keep your mouth visible to assist with lip-reading.

Reports Not Council Policy

The reports included in this agenda are provided for consideration only and do not represent Council policy unless or until they are formally adopted. If you require further information about any report, please contact the Chief Executive, the Chairperson, or the Deputy Chairperson.

Public Forum

Members of the public are welcome to address the Council or committee during the public forum at the start of the meeting. To participate, please complete the public forum request form available on Council's website by 4.00pm on the day prior to the meeting.

Livestreaming and Recording

Meetings held in the Council Chamber are livestreamed on Council's YouTube channel, and recordings are uploaded shortly after the meeting.

Karakia Timatanga – opening prayer gifted by Iraia Bailey of Ngāti Tūwharetoa to Taupō District Council

Tuia ki te mauri o te whenua	Connect to the life essence of the land
Tuia ki te mana o te tangata	Connect and respect to all
Tuia ki te pono, te aroha	Be honest and compassionate
Kia piki, kia eke	(As we seek) to improve, to exceed
Ki te taumata	Expectations
Hui e, Tāiki e	To aim/reach for the summit
	(As we) come together

Karakia Whakamutunga – closing prayer gifted by Iraia Bailey of Ngāti Tūwharetoa to Taupō District Council

Unuhia te rito o tēnei hui	Remove any angst/stress that may have arisen during this gathering
Kia wātea i runga	To be free of anything that impacts your wellbeing
Kia wātea i raro	
Aro ki te tika	That we will act with integrity
Aro ki te pae	As we pursue our goals
Hui e, Tāiki e!	(As we) come together

Order Of Business

5 Ngā Kaupapa Here Me Ngā Whakataunga | Policy and Decision Making

5.10	Results of February Reforecasting	4
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5.10 RESULTS OF FEBRUARY REFORECASTING**Author:** Jeanette Paenga, Finance Manager**Authorised by:** Sarah Matthews, General Manager Organisation Performance**TE PŪTAKE | PURPOSE**

The purpose of the report is to communicate to Council the results of the reforecasting that was carried out by the organisation February/March 2026 and to request Council approval for the changes. The report also provides an update on the additional work underway in relation to the global economic uncertainty and associated fuel crisis.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council:

1. Receives the initial results of the reforecasting of capital and operational expenditure and plan for the work related to the global economic uncertainty and associated fuel crisis;
2. Approves increased operational expenditure of \$627,000 (SIX HUNDRED AND TWENTY-SEVEN THOUSAND DOLLARS) to be funded from the reforecasted surplus from the October formal forecasting;
3. Approves the additional budget of \$1,395,000 (ONE MILLION, THREE HUNDRED AND NINETY-FIVE THOUSAND DOLLARS) for roading capital & renewal expenditure to reinstate Waipapa Road after storm damage, to be funded by 51% NZTA subsidy \$711,450, 42% Roothing Reserve \$586,040 and 7% loan funding \$97,510;
4. Approves up to \$36,000 (THIRTY-SIX THOUSAND DOLLARS) of operational maintenance costs for Waipapa Road to be funded from the Disaster Recovery Reserve; and
5. Approves the budget transfer and associated funding of \$900,000 (NINE HUNDRED THOUSAND DOLLARS) for the Omori/Kuratau Slip Project and \$100,000 (ONE HUNDRED THOUSAND DOLLARS) for the Wairakei Steam Pipe Bridge into the 2026/27 financial year.

NGĀ KŌRERORERO | DISCUSSION

The main objective of presenting formal reforecasts to Council is to increase financial stewardship and transparency by strengthening budget accountability, ensuring any variances are identified as they come to light, and enabling Council to reprioritise savings/efficiencies or declare these through its surplus to offset future costs. Reforecasting or rephrasing capital projects also ensures budgets align with delivery targets and supports improvements in Council's carry forward process.

Budgets are set at the beginning of the financial year based on assumptions about revenue, expenditure, resourcing and external conditions. However, these assumptions can change significantly due to economic shifts, policy reforms, or unforeseen events. Reforecasting allows Council to update financial projections to reflect current realities, and to support Council decision making enabling reallocation of funding or early identification of savings where those priorities have shifted.

Reforecasting is not a reflection of issues with the original budget or budget process; it is a best practice in modern financial management. It strengthens Council's credibility, ensures resources are used wisely, and demonstrates a clear plan to address the carry forward list of projects.

Council officers last presented reforecasting information at the Council meeting held on 16 December 2025. Our February reforecasting was due to be presented at the March Council meeting, however due to the global economic uncertainty caused by the war in the Middle East, and associated fuel crisis, it was felt that

some of the assumptions in the reforecasting were out of date, so we needed time to reassess the way forward.

Council staff have now considered the appropriate way forward and an additional piece of work is being prepared on our contractual considerations. To understand impacts on budgets and our suppliers, we are collating information from our teams, supplier communications, and feedback from tender processes/tags through a central point. This ensures we understand our exposure better, can provide legal support to our teams (where required) and help clarify positions. It also means we can ensure consistent messaging to our contractors/suppliers and TDC delivery teams.

Budget managers have also been asked to look at their budgets and communicate any likely impact on their 25/26 budgets, with a further piece of work to be done in relation to 26/27 budgets later down the track. The usual mechanisms for approving budget increases (delegated financial authorities, etc) has been reiterated to ensure we can provide Council good quality information to have a better understanding of what is happening across the board and make decisions where appropriate.

The nature of this additional work is complicated and while that work is being undertaken, we had some items from our original forecasting work which require more timely approval. It is intended that there will be regular updates provided to Council over the next 3-6 months as the situation develops and medium to long-term implications are known.

A further, more detailed report outlining the impacts of the fuel crisis on capital and operational budgets will be forthcoming and is not detailed here.

Summary of capital expenditure reforecast

There is one project which requires Council approval.

On 12 February 2026, significant storm events resulted in multiple slips along Waipapa Road. Four slips occurred, with three slips requiring urgent reinstatement works to restore the road platform and drainage infrastructure. A fourth, more substantial slip is excluded from this paper, pending further geotechnical investigation to determine appropriate treatment options.

The road was reduced to one lane around the slips and reduced speed. Waipapa Road is a well-used route as it is an alternative route to Te Awamutu, Otorohanga and Hamilton West.

The affected areas are largely located on historic infill sites where gullies were infilled during original road construction. The damage includes failure of the road base and compromised stormwater infrastructure.

Repair works include:

- Replacement and upsizing of a damaged stormwater pipe and drainage structures to improve resilience.
- Renewal of the road base where failures have occurred. This requires removing part or all of the road surface to get to a stable layer of base material and then rebuild the base back up.
- Pavement renewal using asphalt. Chip seal cannot be used this late in the season due to weather conditions, resulting in improved durability and level of service; and
- Associated maintenance and traffic management costs to make the area safe following the storm event and during the reinstatement work.

The works are being undertaken under the existing road maintenance contract, with a dedicated project established to allow accurate cost tracking. While daily cost monitoring is in place, there remains some uncertainty due to the unknown nature of subsurface damage.

Estimated total capital cost for three of the slips is \$1.395 million, with New Zealand Transport Agency (NZTA) funding approval sought for a 51% share. The Council's estimated local share is \$683,550, comprising a mix of loan-funded increased resilience measures, roading reserve-funded renewals, and limited disaster recovery reserve funding for immediate maintenance activities of an extra \$36,000.

We are requesting Council approval of the expenditure and the funding sources; we can confirm that the roading renewal budget for the year is spent or committed.

In the past we would have been able to transfer NZTA funding between work categories to cover the expense but a change to transfer rules by NZTA has prevented this.

Reinstatement costs

	Estimated cost	Proposed Funding
NZTA 51% (approval expected late April/early May)		\$711,450
Council funding		\$683,550
Proposed		Local Share Split
- Increased resilience measures stormwater (Loan)	\$48,000	\$23,520
- Renewal of base (Roading Reserve)	\$1,196,000	\$586,040
- Increased resilience measures road (Loan)	\$151,000	\$73,990
Total	\$1,395,000	\$683,550

Estimated maintenance costs (making safe post damage & during reinstatement)

- Maintenance (Disaster Recovery reserve)	\$30,000
- VMS signage for period of closure (Disaster Recovery reserve)	\$6,000

Due to the high use nature of the road and safety of road users the work to reinstate Waipapa Road has already been started as an emergency item. Good progress has been made to date.

We are yet to have confirmation from NZTA for the 51% funding for the work.

The transport team have also indicated two projects that can be moved to the 2026/27 year:

1. Omori/Kuratau slip \$900,000. It is intended to award the project in June 2026 so work will not commence until the 2026/27 financial year. This work is funded 76% by NZTA.
2. Wairakei Steam Pipe Bridge \$100,000 – monitoring of the bridge is currently underway. Design and capital work will commence in 2026/27.

The fourth slip requires further assessment and investigation of a long-term solution – this will come to Council when we have further information available.

Summary of operational revenue and expenses reforecast

Increased operational expenditure of \$627,000 has been identified across Council's business units. This equates to a forecasted net decrease in the budgeted surplus of \$627,000. This reduces the \$961,000 of savings from the October reforecast to \$334,000.

The increases in cost were from across the business, with some prioritised and offset against increased costs also. The main items were:

- Increase in budget for electricity and gas costs of \$410,000. This is mainly for increased charges for streetlights and He Whare electricity, where the budget was a best estimate made before we had actual usage data for the building. A general increase across other connections has also occurred.
- Increase in budget for TDC Rates of \$107,000.
- Increase in legal fees of \$100,000 as a result of recent court proceedings involving the Council.
- Increased forestry maintenance costs of \$10,000.

WHAKAKAPINGA | CONCLUSION

The February/March 2026 reforecasting provides updated projections for both operational and capital budgets, supporting improved financial stewardship and transparency and enabling timely Council decisions in a period of heightened global economic uncertainty and fuel supply risk. While continued work is underway

to assess the impact of the current uncertainty on budgets, the proposed budget changes require more urgent approval.

Operationally, net cost pressures of \$627,000 have been identified across the organisation. These increases reduce the October reforecast savings from \$961,000 to \$334,000, and Council approval is sought to increase operational expenditure by \$627,000 funded from the previously reforecast surplus.

On the capital programme, Council approval is requested for additional roading capital and renewal expenditure of \$1.395 million to reinstate Waipapa Road following the 12 February 2026 storm event, with proposed funding of NZTA, Roding Reserve, and loan funding, and associated maintenance and traffic management costs funded from the Disaster Recovery Reserve. Additionally, Council is asked to approve the transfer of two projects into the 2026/27 financial year due to the timing of project progress.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil